



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

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock code : 3616 股份代號 : 3616



2018

ANNUAL REPORT
年度報告

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Corporate Information

公司資料

DIRECTORS

Executive Directors

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

Independent Non-Executive Directors

Mr. WEI Jian (appointed on 22 October 2018)
Mr. FANG Cheng (appointed on 22 October 2018)
Mr. LEE Kwok Lun (appointed on 22 October 2018)

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

LEGAL COMPLIANCE COMMITTEE

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

董事

執行董事

李小冰先生 (主席)
王振峰先生 (行政總裁)
齊春風女士
王權先生

獨立非執行董事

魏劍先生 (於2018年10月22日獲委任)
方征先生 (於2018年10月22日獲委任)
李國麟先生 (於2018年10月22日獲委任)

審核委員會

李國麟先生 (主席)
魏劍先生
方征先生

薪酬委員會

方征先生 (主席)
李國麟先生
魏劍先生

提名委員會

李小冰先生 (主席)
李國麟先生
方征先生

法律合規委員會

方征先生 (主席)
李國麟先生
王振峰先生

AUTHORISED REPRESENTATIVES UNDER LISTING RULES

Mr. WANG Quan
Mr. LEUNG Kam Fai Anthony

根據上市規則委任的授權代表

王權先生
梁錦暉先生

COMPANY SECRETARY

Mr. LEUNG Kam Fai Anthony

公司秘書

梁錦暉先生

AUDITOR

PricewaterhouseCoopers

核數師

羅兵咸永道會計師事務所

REGISTERED OFFICE

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

註冊辦事處

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

香港主要營業地點

香港
銅鑼灣
禮頓道77號
禮頓中心
14樓1409室

HEADQUARTERS IN THE PRC

266 Bayi Road
Weidu District
Xuchang City
Henan Province
The PRC

中國總部

中國
河南省
許昌市
魏都區
八一路266號

Corporate Information

公司資料

LEGAL ADVISERS (IN ALPHABETICAL ORDER)

Beijing Dentons Law Offices, LLP
Conyers Dill & Pearman
Sidley Austin

PRINCIPAL BANKERS (IN ALPHABETICAL ORDER)

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

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 22
Hopewell Centre
183 Queen's Road East
Hong Kong

STOCK CODE

HKEx: 3616
Board Lot: 2,000 shares

COMPANY WEBSITE

www.everreachgroup.com

法律顧問（按英文字母排列次序）

北京大成律師事務所
Conyers Dill & Pearman
盛德律師事務所

主要往來銀行（按英文字母排列次序）

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

香港股份過戶登記處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心22樓

股份代號

香港聯交所：3616
交易單位：2,000股

公司網址

www.everreachgroup.com

Dear Shareholders,

On behalf of the Board, I am pleased to present the first annual report for the year ended 31 December 2018.

ANNUAL REVIEW

2018 marked a milestone in the development history of the Group. With the joint efforts of all staff, the Group was successfully listed on the Stock Exchange on 12 November 2018, becoming the fourth real estate company in Henan Province which is listed in Hong Kong, as well as the first real estate company in Xuchang City listed on the Stock Exchange. The Listing was an important step for the development of the Group. Being a publicly listed company brings new opportunities and challenges to the Group and is a significant milestone in the history of the Group's development.

“Hengda (恒達)” is a reputable brand in the industry. After 26 years of development and cultivation, it has become one of the leading real estate development companies in Xuchang City, Henan Province. By capitalizing on the Group's extensive experience, well-known brand and quality professional services in the real estate industry, I believe that the Group will continue to grasp the development opportunities in the real estate industry and further expand its business, thereby further consolidate and enhance the market position of the Group.

The Listing is an important milestone in the development history of the Company. While having a new platform, we have to make new achievements. We will continue to enhance the brand awareness and influence of Hengda, consolidate the industry position of the Group, further enhance the corporate governance level of the Company, and fully leverage on the strength of the international capital market to achieve a better and more rapid development of the Company.

尊敬的各位股東：

本人謹代表董事會欣然提呈截止2018年12月31日首份年度報告。

年度回顧

2018年是本集團發展歷史上具有里程碑意義的一年，在全體員工的共同努力下，本集團於2018年11月12日在聯交所成功上市，成為河南省第四家在香港上市的房地產企業，並成為許昌市第一家在聯交所上市的房地產企業。上市對集團發展而言是重要的一步。成為一間面向公眾的上市公司，為集團帶來新的機遇和挑戰，是集團發展史上的一個重要里程碑。

「恒達」品牌是信譽良好的行業品牌，經過26年的發展和耕耘，現已成為河南省許昌市領先的房地產開發企業之一。相信憑藉集團在房地產行業的豐富經驗、深入人心的品牌及優質專業的服務，集團將繼續把握房地產行業的發展機遇，進一步擴展業務，從而進一步鞏固及提升集團的市場地位。

上市是本公司發展歷程中的一個重要里程碑。站在新的平台，更需新的作為。我們將不斷提升恒達品牌的知名度與影響力，鞏固集團的行業地位，進一步提升公司的企業管治水平，充分借助國際資本市場力量，實現公司更好、更快地發展。

Chairman's Statement

主席報告

ANNUAL RESULTS

For the year ended 31 December 2018, the Group's total revenue was approximately RMB1,883.6 million, representing an increase of approximately 21.5% from approximately RMB1,549.9 million for the year ended 31 December 2017. For the year ended 31 December 2018, the net profit was approximately RMB229.9 million, representing an increase of approximately 53.9% from approximately RMB149.4 million for the year ended 31 December 2017.

FINAL DIVIDEND

The Board recommended the payment of a final dividend of HK5.9 cents (equivalent to approximately RMB5.0 cents) per ordinary share for the year ended 31 December 2018.

OUTLOOK

Looking forward, the Group will continue to provide quality properties to its customers. The Group plans to expand its business through mergers, acquisitions, investments, establishment of joint ventures and other business cooperation with real estate developers. With the Group's strong strength in grasping market opportunities, its sound brand reputation in the industry, and the growth potential of the real estate market in Xuchang City, it is believed that the business of the Group will continue to grow.

In 2019, the Group will closely monitor the progress of the projects according to the construction schedule of each construction-in-progress project, prepare reasonable project development schedules, delegate the duties at different levels, ensure the duly fulfilment of responsibilities and accountability, and make sure construction in progress to achieve the milestones as planned. Meanwhile, the Group focuses on product quality, prioritises the quality control of raw materials, and effectively ensures the project quality by means of raw material control, sample first, process control and other means.

年度業績

截至2018年12月31日止年度，本集團的總收入約為人民幣1,883.6百萬元，較截至2017年12月31日止年度的約人民幣1,549.9百萬元增加約21.5%。截至2018年12月31日止年度，純利約為人民幣229.9百萬元，較截至2017年12月31日止年度的約人民幣149.4百萬元增加約53.9%。

末期股息

董事會建議就截至2018年12月31日止年度派發末期股息每股普通股5.9港仙（相當於約人民幣5.0分）。

展望

展望將來，本集團將繼續對客戶提供優質物業。集團計劃透過合併、收購、投資、設立合營企業及與其他房地產開發商進行業務合作等方式擴充本集團的業務。憑藉集團擅長把握市場機遇的雄厚實力，於業內穩健的品牌聲譽，以及於許昌市房地產市場的增長潛力，相信集團的業務將持續增長。

在2019年，集團將依照各在建項目工期，盯緊項目工程進度，編製合理的項目開發進度計劃，層層分解，工作到位，責任到人，保證在建工程按計劃節點施工，同時以產品質量為中心，把對原材料的質量管控放在首位，通過對原材料把關、樣板先行、過程管控等手段，有效的保證工程質量。

ACKNOWLEDGEMENT

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

Ever Reach Group (Holdings) Company Limited

Li Xiaobing

Chairman and Executive Director

Hong Kong, 28 March 2019

致謝

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

恒達集團（控股）有限公司

主席兼執行董事

李小冰

香港，2019年3月28日

Management Discussion and Analysis

管理層討論與分析

INDUSTRY REVIEW

The Ministry of Housing and Urban-Rural Development (the “MOHURD”) clearly stated the position that “the houses are for residence, not for speculation”, in order to improve the long-term mechanism for promoting the stable and healthy development of the real estate market. It was necessary to deepen the reform of the housing system and speed up the establishment of a multi-subject supply, multi-channel security, and rent-and-purchase housing system according to the MOHURD. The MOHURD also emphasized that the control and adjustment of the real estate market would be “tightened” in 2018. It was necessary to maintain the continuity and stability of the real estate market regulation policy, and continue to strictly implement various control measures, so as to make the real estate market prices return to reasonable levels.

The statistical data of 2018 released by Henan Province Bureau of Statistics stated that the sales area of commercial housing in Henan Province was approximately 139.905 million square meters, representing an increase of approximately 5.1% as compared with the previous year; and the contracted sales area of commercial housing of the Group in 2018 was approximately 381,793 square meters, representing a decrease of approximately 13.0% as compared with the previous year; the sales of commercial housing in Henan Province was approximately RMB805.53 billion, representing an increase of approximately 13.0%, and the contracted sales of commercial housing of the Group in 2018 was approximately RMB2.51 billion, representing an increase of approximately 14.9% as compared with the previous year. The above data shows that the development of real estate in Henan Province has maintained its growing momentum in overall steadiness. Notwithstanding the Group recorded a decrease in contracted sales area of commercial housing in 2018 as compared with that of previous year, the growth of contracted sales remained the same level as that of Henan Province, and slightly higher by 1.9%, which was mainly due to a steady increase of housing price in Xuchang City.

行業回顧

住房和城鄉建設部（「住建部」）明確「堅持房子是用來住的、不是用來炒的」定位，完善促進房地產市場平穩健康發展的長效機制。根據住建部的要求，要深化住房制度改革，加快建立多主體供給、多管道保障、租購並舉的住房制度。住建部還強調2018年房地產市場「從緊」調控。要保持房地產市場調控政策的連續性和穩定性，繼續嚴格執行各項調控措施，使房地產市場價格回歸理性。

根據河南省統計局公佈的2018年數字，河南省商品房銷售面積約13,990.5萬平方米，比去年增長約5.1%，本集團2018年商品房銷售合約面積約381,793平方米，比去年下降約13.0%，河南省商品房銷售額約人民幣8,055.3億元，增長約13.0%，本集團2018年商品房合同銷售額約人民幣25.1億元，比去年增長約14.9%。以上數據顯示，河南省房地產保持著總體平穩，穩中有進發展態勢，而本集團2018年的商品房銷售合約面積雖然比去年下降，但合同銷售額的增長速度基本和河南省的保持一致，而且略高了1.9%，主要是因為許昌市的房價在穩步中慢慢上升。

Management Discussion and Analysis

管理層討論與分析

On 25 March 2019, the 4th meeting of the 7th People's Congress was held in Xuchang City. Reviewing 2018, Xuchang City Government grasped the key points and kept a steady economic development, attached an importance to maintain the industrial growth, focused on project construction, and vigorously developed the private economy so as to strengthen the capability of enterprises to respond to the plight and uphold steady growth of economy. In 2019, the major projected targets for economic and social development are characterized by GDP growth of approximately 7.5%, full labor productivity growth higher than the average level of that across the province, general public budget revenue growth of approximately 8%, and consumer price index growth under control at approximately 3%. The economic structure will be optimized on a constant basis as well as the quality and efficiency will be significantly improved. Among work in terms of 9 aspects mentioned in the government report, the government will commit to promoting new urbanization and intensifying quality development support. The government will proactively give impetus to the urbanization of population migrated from rural area, and guarantee them to lead a life based on the principle of "welcome into, stay here, and live well", which will produce a new rigid demand in the real estate industry, resulting in an expected promotion to property sales.

BUSINESS OVERVIEW

Over the years, the Group has adhered to the principle of honest operation and fulfilling every promise. It commits to real estate development and aims at improving the living standard in Xuchang City. In April 2018, it was awarded the "Outstanding Contribution Award" by the People's Government of Weidu District, Xuchang City. In September 2018, it was awarded the "Top 100 Private Enterprises of Modern Service Industry in Henan in 2018" by the Henan Provincial Federation of Industry and Commerce.

在2019年3月25日，許昌市召開了第七屆人民代表大會第四次會議，回顧2018年，許昌市政府抓關鍵穩運行，突出穩定工業增長，著力抓好項目建設，大力發展民營經濟，強化紓解企業困難，經濟保持平穩增長。2019年經濟社會發展主要預期目標是：生產總值增長約7.5%，全員勞動生產率增長高於全省平均水平，一般公共預算收入增長約8%，居民消費價格指數漲幅控制在約3%，經濟結構持續優化，質量效益明顯提升。報告中提到有九個方面的工作，其中著力推動新型城鎮化，強化高質量發展支撐。積極推動農業轉移人口市民化，讓農業轉移人口「進得來、留得住、過得好」。這樣就會給房地產行業帶來新的剛需，預期有望推動房地產的銷售。

業務概覽

多年來，本集團秉承誠信經營、兌現每一個承諾的宗旨，致力於房地產開發，為改善許昌市的居住環境一直在努力。在2018年4月被許昌市魏都區人民政府授予「突出貢獻獎」，在2018年9月被河南省工商業聯合會授予「2018年河南民營企業現代服務業100強」。

Management Discussion and Analysis

管理層討論與分析

The Group's operation is based in Xuchang City. It has a good understanding of local customers, history and culture, more than 20 years of established property development experience, and a strong brand reputation in Xuchang City. The Group's strategic focus and solid foundation in the region enable the Group to gain an in-depth understanding of local markets, customer preferences and urban planning trends, and to establish good working relationships with local governments and business partners, so as to give the Group a local market advantage.

During 2018, we actively launched different real estate sales solutions. Among them, the sales of Mingmen Xijun, Changge Sunshine City and King of the North achieved satisfactory results, and the total amount of contracted sales increased as compared with 2017.

At the same time, the Group was developing potential projects continuously, including Hengda Wangjiao and Yuzhou Binhefu (禹州市濱河府) (previous known as Yuzhou Guozhuang Project), which will provide a stable growth momentum for our sales and performance in the coming few years.

The Group adhered to the mixed development business model for both residential and commercial properties, significantly increased the comprehensive value of residential projects through mixed development and enhanced the brand and reputation of the Group. Meanwhile, the rental of commercial properties and the unsold properties held for sale can generate stable rents and cash flows, and promote the final sales of properties held for sale at the same time.

本集團的業務立足於許昌市，對當地的風土人情和歷史文化非常了解，而且有著20多年的物業開發經驗，並已在許昌市樹立起強大的品牌聲譽。本集團的戰略重心及深深紮根該地區的優勢，令集團能夠深入了解當地市場、客戶喜好及城市規劃趨勢，並與地方政府及業務夥伴建立良好的工作關係，使集團擁有本土市場優勢。

於2018年，我們積極推出不同房地產銷售方案，其中名門西郡、長葛市陽光城、北海龍城等項目銷售情況良好，總合同銷售額較2017年有所增長。

同時，本集團正在持續開發具潛力的項目，包括：恒達旺角和禹州市濱河府（前稱禹州郭庄項目）等項目，為我們未來幾年的銷售及業績提供平穩的增長動力。

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

Management Discussion and Analysis

管理層討論與分析

Land reserves

As at 31 December 2018, the total gross floor area (“GFA”) of the Group’s land reserves was approximately 3.46 million sq.m. The table below sets forth a summary of the land reserves as at 31 December 2018 by geographical location:

土地儲備

於2018年12月31日，本集團土地儲備的總建築面積（「建築面積」）約為346萬平方米。下表載列於2018年12月31日按地域劃分的土地儲備概要：

| | | Completed 已竣工 | Under development 開發中 | Future development 未來開發 | | |
|------------------|--|---|--|--|--|-------|
| | Completed saleable/ leasable GFA remaining unsold 餘下未出售的 可出售／可出租 已竣工建築面積 sq.m. 平方米 | GFA under development 開發中 建築面積 sq.m. 平方米 | Planned GFA 規劃 建築面積 sq.m. 平方米 | Total land reserve 總土地 儲備 sq.m. 平方米 | % of total land reserve 佔總土地 儲備百分比 % | |
| Xuchang City | 許昌市 | | | | | |
| Weidu District | 魏都區 | 57,144 | 576,586 | 68,056 | 701,786 | 20.3 |
| Jian’an District | 建安區 | 70,288 | 208,326 | 147,180 | 425,794 | 12.3 |
| Yuzhou City | 禹州市 | 23,915 | 488,738 | 1,234,946 | 1,747,599 | 50.5 |
| Changge City | 長葛市 | 15,064 | 198,882 | 304,224 | 518,170 | 14.9 |
| Yanling County | 鄆陵縣 | 15,040 | 36,968 | 17,277 | 69,285 | 2.0 |
| Total | 總計 | 181,451 | 1,509,500 | 1,771,683 | 3,462,634 | 100.0 |

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

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

The Group acquired several parcels of land reserves in Yanling County and Yuzhou City with site area of approximately 94,364.3 sq.m. during the year ended 31 December 2018.

本集團於截至2018年12月31日止年度在鄆陵縣及禹州市購買地盤面積約94,364.3平方米的若干地塊儲備。

Management Discussion and Analysis

管理層討論與分析

Contracted Sales

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

合同銷售額

下表載列我們主要類別的合同銷售額及合同平均售價（「平均售價」）的明細：

| | | For the year ended | | % change |
|--|-------------------------|--------------------|---------|----------|
| | | 31 December | | |
| | | 截至12月31日止年度 | | 變動百分比 |
| | | 2018 | 2017 | +/- |
| | | 2018年 | 2017年 | +/- |
| Contracted sales attributable to: | 以下各項應佔合同銷售額： | | | |
| Residential units (RMB, million) | 住宅單位（人民幣百萬元） | 1,954.5 | 1,792.0 | +9.1% |
| Commercial units (RMB, million) | 商業單位（人民幣百萬元） | 547.7 | 370.2 | +47.9% |
| Car parking spaces (RMB, million) | 停車位（人民幣百萬元） | 146.4 | 75.8 | +93.1% |
| Others (RMB, million) | 其他（人民幣百萬元） | 9.4 | 23.7 | -60.3% |
| Total (RMB, million) | 總計（人民幣百萬元） | 2,658.0 | 2,261.7 | +17.5% |
| Contracted saleable GFA/Lot attributable to: | 以下各項應佔合同可出售 建築面積／個數： | | | |
| Saleable GFA (sq.m.) | 可出售建築面積（平方米） | 381,793 | 439,068 | -13.0% |
| Car parking space (lot) | 停車位（個） | 1,067 | 879 | +21.4% |
| Contracted ASP attributable to: | 以下各項應佔合同平均售價： | | | |
| Saleable GFA (RMB/sq.m.) | 可出售建築面積 （人民幣元／平方米） | 6,578 | 4,978 | +32.1% |
| Car parking space (RMB/lot) | 停車位（人民幣元／個） | 137,192 | 86,225 | +59.1% |

Our contracted ASP per sq.m. of saleable GFA increased by 32.1% to approximately RMB6,578 per sq.m. in 2018. The increase in 2018 was mainly due to the increase in market price of properties in Henan Province.

我們可出售建築面積的每平方米合同平均售價於2018年增加32.1%至約每平方米人民幣6,578元。2018年增加乃主要由於河南省物業的市場價格上升。

Our contracted ASP per lot for car parking space increased by 59.1% to approximately RMB137,192 per lot in 2018. The increase in 2018 was mainly due to the increase in market price of properties in Henan Province.

我們停車位的每個合同平均售價於2018年增加59.1%至每個約人民幣137,192元。2018年增加乃主要由於河南省物業的市場價格上升。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW

Results

The financial performance and results for the year ended 31 December 2018 were satisfactory. Key financial ratios have met the expectation of the management.

During the year ended 31 December 2018, the revenue of the Group reached approximately RMB1,883.6 million (2017: RMB1,549.9 million), representing an increase of approximately 21.5%.

The Group recorded gross profit of approximately RMB629.9 million (2017: RMB404.9 million), representing an increase of approximately RMB225.0 million, or approximately 55.6%.

Gross profit margin was approximately 33.4% in 2018 (2017: 26.1%), representing an increase of approximately 28.0% as compared with 2017.

Profit for the year increased by approximately RMB80.5 million, or 53.9%, from approximately RMB149.4 million for the year ended 31 December 2017 to approximately RMB229.9 million for the year ended 31 December 2018.

Revenue

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

| | | Year ended 31 December | | | | |
|---------------------|------|------------------------|--------------|-----------|-------|----------|
| | | 截至12月31日止年度 | | | | |
| | | 2018 | | 2017 | | % change |
| | | 2018年 | | 2017年 | | |
| | | RMB'000 | % | RMB'000 | % | +/- |
| | | 人民幣千元 | % | 人民幣千元 | % | +/- |
| Sales of properties | 物業銷售 | 1,881,364 | 99.9 | 1,547,123 | 99.8 | +21.6% |
| Rental income | 租金收入 | 2,239 | 0.1 | 2,755 | 0.2 | -18.7% |
| | | 1,883,603 | 100.0 | 1,549,878 | 100.0 | +21.5% |

財務回顧

業績

截至2018年12月31日止年度的財務表現及業績令人滿意。主要財務比率達到管理層預期。

於截至2018年12月31日止年度，本集團收入達約人民幣1,883.6百萬元（2017年：人民幣1,549.9百萬元），增加約21.5%。

本集團錄得毛利約人民幣629.9百萬元（2017年：人民幣404.9百萬元），增加約人民幣225.0百萬元（或約55.6%）。

2018年的毛利率約為33.4%（2017年：26.1%），較2017年增長約28.0%。

年度利潤由截至2017年12月31日止年度的約人民幣149.4百萬元增加約人民幣80.5百萬元（或53.9%）至截至2018年12月31日止年度的約人民幣229.9百萬元。

收入

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

Management Discussion and Analysis

管理層討論與分析

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

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

| | | Year ended 31 December 截至12月31日止年度 | | | | | |
|--------------------|-----|---------------------------------------|------------------|-------------------------|------------------|------------------|-------------------------|
| | | 2018 2018年 | | | 2017 2017年 | | |
| | | Revenue | GFA recognised | Recognised ASP per sq.m | Revenue | GFA recognised | Recognised ASP per sq.m |
| | | 收入 | 已確認建築面積 | 已確認每平方米平均售價 | 收入 | 已確認建築面積 | 已確認每平方米平均售價 |
| | | <i>RMB'000</i> | <i>sq.m.</i> | <i>RMB</i> | <i>RMB'000</i> | <i>sq.m.</i> | <i>RMB</i> |
| | | 人民幣千元 | 平方米 | 人民幣元 | 人民幣千元 | 平方米 | 人民幣元 |
| Residential | 住宅 | 1,247,429 | 233,765 | 5,336 | 1,108,607 | 276,334 | 4,012 |
| Commercial | 商業 | 548,565 | 54,563 | 10,054 | 353,113 | 37,868 | 9,325 |
| Storage | 儲藏室 | 11,149 | 3,852 | 2,894 | 13,711 | 5,168 | 2,653 |
| | | 1,807,143 | 292,180 | 6,185 | 1,475,431 | 319,370 | 4,619 |
| | | Revenue | Units recognised | Recognised ASP per unit | Revenue | Units recognised | Recognised ASP per unit |
| | | 收入 | 已確認單位 | 已確認每單位平均售價 | 收入 | 已確認單位 | 已確認每單位平均售價 |
| | | <i>RMB'000</i> | <i>lot</i> | <i>RMB</i> | <i>RMB'000</i> | <i>lot</i> | <i>RMB</i> |
| | | 人民幣千元 | 個數 | 人民幣元 | 人民幣千元 | 個數 | 人民幣元 |
| Car parking spaces | 停車位 | 74,221 | 664 | 111,779 | 71,692 | 1,004 | 71,407 |

Sales of properties, which accounted for approximately 99.9% (2017: 99.8%) of our total revenue for the year ended 31 December 2018, was primarily contributed from the sales of residential and commercial properties, storages and car parking spaces recognised in the year.

截至2018年12月31日止年度，物業銷售額約佔我們總收入的99.9%（2017年：99.8%），乃主要由於該年度確認住宅及商業物業、儲藏室及停車位的銷售所致。

Management Discussion and Analysis

管理層討論與分析

Our revenue increased by approximately RMB333.7 million or 21.5% from approximately RMB1,549.9 million for the year ended 31 December 2017 to approximately RMB1,883.6 million for the year ended 31 December 2018, which was principally attributable to the result of approximately RMB138.8 million increase in the sales of our residential properties during the year ended 31 December 2018; and approximately RMB195.5 million increase in the sales of our commercial properties during the year ended 31 December 2018.

The increase in sales of residential properties was mainly due to the effect of increase of recognised ASP per sq.m from approximately RMB4,012 for the year ended 31 December 2017 to approximately RMB5,336 for the year ended 31 December 2018, representing an increase of approximately 33.0% year-on-year. The relatively low recognised ASP in 2017 was mainly attributable to the sales of Changcheng Home in 2017 as members of army stationed in Xuchang were entitled to purchase residential properties of Changcheng Home at a pre-agreed price which was lower than the market price.

The increase in the sales of our commercial properties during the year was primarily due to the joint effect of (i) increase in GFA recognised for commercial properties of approximately 44.1% principally attributable to the increase in sales of Hengda Weiyuan; and (ii) slight increase in recognised ASP per sq.m. from RMB9,325 for the year ended 31 December 2017 to RMB10,054 for the year ended 31 December 2018.

The satisfactory performance for our fourth quarter of 2018 surpassed our expectation, which was primarily attributable to the combined effects of: (1) unexpected growth of property contracted sales and (2) early delivery of property units.

我們的收入由截至2017年12月31日止年度的約人民幣1,549.9百萬元增加約人民幣333.7百萬元（或21.5%）至截至2018年12月31日止年度的約人民幣1,883.6百萬元，乃主要由於截至2018年12月31日止年度我們的住宅物業銷售增加約人民幣138.8百萬元；及截至2018年12月31日止年度我們的商業物業銷售增加約人民幣195.5百萬元。

住宅物業銷售增加乃主要由於已確認每平方米平均售價由截至2017年12月31日止年度的約人民幣4,012元增加至截至2018年12月31日止年度的約人民幣5,336元，同比增長約33.0%。2017年已確認平均售價較低乃主要由於2017年銷售長城家園，因為駐紮在許昌的部隊官兵有權以低於市價的預定價格購買長城家園的住宅物業。

年內商業物業銷售增加乃主要由於(i)恒達魏源銷售增加令商業物業已確認建築面積增加約44.1%；及(ii)已確認每平方米平均售價由截至2017年12月31日止年度的人民幣9,325元輕微上升至截至2018年12月31日止年度的人民幣10,054元的共同影響。

2018年第四季度表現令人滿意，超出我們的預期，乃主要由於(1)物業合同銷售額超乎預期增長；及(2)提早交付物業單位的共同作用所致。

Management Discussion and Analysis

管理層討論與分析

In 2018, we noted a growth of our contracted sales from approximately RMB2,261.7 million during the year ended 31 December 2017 to approximately RMB2,658.0 million during the year ended 31 December 2018, representing a growth of approximately RMB396.3 million or 17.5%. In particular, aggregate contracted sales of approximately RMB800.1 million were recorded in the fourth quarter of 2018, out of which approximately RMB136.0 million of the contracted sales made in the fourth quarter of 2018 had been recognised as revenue for the year ended 31 December 2018. The increase of contracted sales in 2018 was mainly due to the increase of ASP per sq.m. of saleable GFA from approximately RMB4,978 in 2017 to approximately RMB6,578 in 2018, representing a growth of approximately 32.1%, partly offset by the decrease in saleable GFA by approximately 13.0% from approximately 439,068 sq.m in 2017 to approximately 381,793 sq.m. in 2018.

Part of the property units (mainly from Jinhui Plaza and Change Sunshine City) that originally planned to be delivered in the first quarter of 2019 according to the original construction progress were early delivered in the fourth quarter of 2018. During the second half of 2018, management of the Group expected that the local government would tighten the environment control measures, which might affect our delivery schedule. Hence, management of the Group closely monitored the construction progress during the fourth quarter of 2018. Due to the ideal construction progress of our projects and the process of obtaining the completion certificates was faster than expected, we delivered the property units to customers in the fourth quarter of 2018 which was earlier than the expected schedule.

2018年，我們注意到合同銷售額由截至2017年12月31日止年度的約人民幣2,261.7百萬元增長至截至2018年12月31日止年度的約人民幣2,658.0百萬元，增加了約人民幣396.3百萬元（或17.5%）。特別是於2018年第四季度錄得合同銷售額總額約人民幣800.1百萬元，其中於2018年第四季度產生的合同銷售額約人民幣136.0百萬元並已確認為截至2018年12月31日止年度的收入。2018年合同銷售額增長乃主要由於可出售建築面積每平方米平均售價由2017年的約人民幣4,978元增至2018年的約人民幣6,578元，約增長32.1%，部分被可出售建築面積由2017年的約439,068平方米減少約13.0%至2018年的約381,793平方米所抵銷。

根據原施工進度原計劃在2019年第一季度交付的部分物業單位（主要來自金匯廣場及長葛陽光城）於2018年第四季度提早交付。在2018年下半年，本集團管理層預計當地政府將強化環保措施，這可能會影響我們的交付時間表。因此，本集團管理層對2018年第四季度的施工進度進行密切監控。由於我們項目的施工進度理想及獲得竣工證明書的進度快於預期，我們於2018年第四季度早於預期時間表將物業單位交付予客戶。

Management Discussion and Analysis

管理層討論與分析

Gross profit and gross profit margin

毛利及毛利率

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

下表載列按類別劃分的收入、毛利及毛利率：

| | | Year ended 31 December 截至12月31日止年度 | | | | | | | |
|-----------------------------------|-----------|---------------------------------------|---------------|--------------|---------------------|---------------|---------------|--------------|---------------------|
| | | 2018 2018年 | | | | 2017 2017年 | | | |
| | | Revenue | Cost of sales | Gross profit | Gross profit Margin | Revenue | Cost of sales | Gross profit | Gross profit Margin |
| | | 收入 | 銷售成本 | 毛利 | 毛利率 | 收入 | 銷售成本 | 毛利 | 毛利率 |
| | | RMB'000 | RMB'000 | RMB'000 | % | RMB'000 | RMB'000 | RMB'000 | % |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | % | 人民幣千元 | 人民幣千元 | 人民幣千元 | % |
| Sales of properties | 物業銷售 | | | | | | | | |
| - Residential | - 住宅 | 1,247,429 | 940,640 | 306,789 | 24.6 | 1,108,607 | 925,198 | 183,409 | 16.5 |
| - Commercial | - 商業 | 548,565 | 265,902 | 282,663 | 51.5 | 353,113 | 148,899 | 204,214 | 57.8 |
| - Car parking spaces and storages | - 停車位及儲藏室 | 85,370 | 47,179 | 38,191 | 44.7 | 85,403 | 70,857 | 14,546 | 17.0 |
| Subtotal | 小計 | 1,881,364 | 1,253,721 | 627,643 | 33.4 | 1,547,123 | 1,144,954 | 402,169 | 26.0 |
| Rental | 租金 | 2,239 | - | 2,239 | 100.0 | 2,755 | - | 2,755 | 100.0 |
| | | 1,883,603 | 1,253,721 | 629,882 | 33.4 | 1,549,878 | 1,144,954 | 404,924 | 26.1 |

The overall gross profit margin and gross profit margin of sales of residential properties increased from approximately 26.1% in 2017 to 33.4% in 2018 and approximately 16.5% in 2017 to 24.6% in 2018, respectively. The low gross profit margin in 2017 was mainly attributable to the sales of Changcheng Home in 2017 as members of army stationed in Xuchang City were entitled to purchase residential properties of Changcheng Home at a pre-agreed price which was lower than the market price.

物業銷售的整體毛利率由2017年的約26.1%增加至2018年的33.4%，住宅毛利率由2017年的約16.5%增加至2018年的24.6%。2017年毛利率較低乃主要由於2017年銷售長城家園，因為駐紮在許昌市的部隊官兵有權以低於市價的預定價格購買長城家園的住宅物業。

Management Discussion and Analysis

管理層討論與分析

The gross profit margin of commercial properties dropped from approximately 57.8% in 2017 to 51.5% in 2018, representing a year-on-year decrease of approximately 10.9%. The decrease was resulted from the sales of Weiyuan Project which composes of low-rise commercial buildings with the gross profit margin lower than that of the retail shops.

Profit for the year was approximately RMB229.9 million (2017: RMB149.4 million), representing a growth of approximately RMB80.5 million. It was mainly due to the increase of our revenue from approximately RMB1,549.9 million for the year ended 31 December 2017 to approximately RMB1,883.6 million for the year ended 31 December 2018; and the improvement of our overall gross profit margin from approximately 26.1% for the year ended 31 December 2017 to approximately 33.4% for the year ended 31 December 2018.

Fair value gains on investment properties

The Group's investment properties were valued at 31 December 2018 by an independent professional qualified valuers, Unicorn Consulting and Appraisal Limited, who hold recognised relevant professional qualification and has recent experience in the locations and segments of the investment properties valued.

Selling and marketing expenses

For the year ended 31 December 2018, the Group's selling and marketing expenses amounted to approximately of RMB44.0 million (2017: RMB28.6 million), representing an increase of approximately 53.8% as compared to that in 2017. In 2018, the selling and marketing expenses were mainly for projects of Changge Sunshine City and Mingmen Xijun.

Administrative expenses

The administrative expenses increased by approximately 47.4% from approximately RMB75.1 million in 2017 to approximately RMB110.7 million in 2018, the increase of administrative expenses was mainly due to the increase of listing expenses, staff costs and professional fees in 2018.

商業物業的毛利率由2017年的約57.8%降至2018年的51.5%，同比減少約10.9%。該減少乃由於銷售魏源項目所致，該項目由低層商業樓宇組成，毛利率低於零售商舖的毛利率。

年內利潤約為人民幣229.9百萬元（2017年：人民幣149.4百萬元），增長約人民幣80.5百萬元。該增長主要由於我們的收入由截至2017年12月31日止年度的約人民幣1,549.9百萬元增至截至2018年12月31日止年度的約人民幣1,883.6百萬元；我們的整體毛利率由截至2017年12月31日止年度的約26.1%提高至截至2018年12月31日止年度的約33.4%。

投資物業的公平值收益

本集團的投資物業於2018年12月31日經獨立專業合資格估值師銳漢諮詢及評估有限公司進行估值，該公司持有獲認可的相關專業資格並對所估值的投資物業的地點和領域有近期經驗。

銷售及市場推廣開支

於截至2018年12月31日止年度，本集團的銷售及市場推廣開支約為人民幣44.0百萬元（2017年：人民幣28.6百萬元），較2017年增長約53.8%。2018年，銷售及市場推廣開支主要由長葛陽光城及名門西郡項目產生。

行政開支

行政開支由2017年的約人民幣75.1百萬元增加約47.4%至2018年的約人民幣110.7百萬元，行政開支增加乃主要由於2018年上市開支、員工成本及專業費用增加所致。

Management Discussion and Analysis

管理層討論與分析

Finance costs – net

Finance costs primarily consisted of (i) interest expenses on bank and other borrowings; and (ii) interest on pre-sale deposits received, less interest expenses which were capitalised to the extent that such costs are directly attributable to property development projects. Our finance costs increased by approximately 61.7% from approximately RMB27.4 million for the year ended 31 December 2017 to approximately RMB44.3 million for the year ended 31 December 2018. Such increase was mainly due to the decrease in interest capitalised for the year ended 31 December 2018, which was primarily attributable to the increase in proceeds from pre-sale properties (record as “contract liabilities”) from approximately RMB1,362.4 million as at 31 December 2017 to approximately RMB2,030.5 million as at 31 December 2018.

Income tax expense

Income tax expense mainly comprised of the PRC corporate income tax expense and land appreciation tax arising from our PRC subsidiaries. Income tax expenses increased by approximately 57.2% or RMB71.3 million from approximately RMB124.6 million for the year ended 31 December 2017 to the approximately RMB195.9 million for the year ended 31 December 2018, which was in line with increase of our profit in 2018.

Liquidity, financial resources and capital resources

As of 31 December 2018, the cash and cash equivalents amounted to approximately RMB419.5 million (31 December 2017: RMB165.0 million), of which approximately RMB372.8 million (31 December 2017: RMB164.3 million) was denominated in Renminbi and approximately RMB46.7 million was denominated in Hong Kong dollars.

As at 31 December 2018, the restricted cash amounted to approximately RMB125.9 million (31 December 2017: RMB55.5 million), all restricted cash was denominated in Renminbi.

財務成本 – 淨額

財務成本主要包括(i)銀行及其他借款的利息開支；及(ii)已收預售按金的利息，扣除已資本化的利息開支，惟以有關成本直接與物業開發項目相關為限。我們的財務成本由截至2017年12月31日止年度的約人民幣27.4百萬元增加約61.7%至截至2018年12月31日止年度的約人民幣44.3百萬元。該增加乃主要由於預售物業所得款項（入賬列作「合同負債」）由2017年12月31日的約人民幣1,362.4百萬元增加至2018年12月31日的約人民幣2,030.5百萬元致使截至2018年12月31日止年度的資本化利息減少。

所得稅開支

所得稅開支主要包括中國附屬公司產生的中國企業所得稅開支及土地增值稅。所得稅開支由截至2017年12月31日止年度的約人民幣124.6百萬元增加約57.2%或人民幣71.3百萬元至截至2018年12月31日止年度的約人民幣195.9百萬元，這與我們2018年利潤增加相符。

流動資金、財務資源及資本資源

截至2018年12月31日，現金及現金等價物約為人民幣419.5百萬元（2017年12月31日：人民幣165.0百萬元），其中約人民幣372.8百萬元（2017年12月31日：人民幣164.3百萬元）以人民幣計值，約人民幣46.7百萬元以港元計值。

於2018年12月31日，受限制現金約為人民幣125.9百萬元（2017年12月31日：人民幣55.5百萬元），所有受限制現金均以人民幣計值。

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The Group's total borrowings amounted to approximately RMB1,070.5 million as of 31 December 2018 (31 December 2017: RMB1,861.5 million), of which approximately RMB467.3 million was classified as current liabilities (31 December 2017: RMB709.7 million). Approximately 57.0% out of the Group's total borrowings was fixed interest rates.

At 31 December 2018 and 2017, the Group's borrowings were repayable as follows:

截至2018年12月31日，本集團的借款總額約為人民幣1,070.5百萬元（2017年12月31日：人民幣1,861.5百萬元），其中約人民幣467.3百萬元被分類為流動負債（2017年12月31日：人民幣709.7百萬元）。本集團借款總額中約57.0%為固定利率。

於2018年及2017年12月31日，本集團借款於下列時間償還：

| | As at 31 December 2018 | | | | As at 31 December 2017 | | | |
|-------------------------------------|------------------------|----------------------|----------------------|--------------|------------------------|----------------------|----------------------|--------------|
| | Within 1 year | Between 1 to 2 years | Between 2 to 5 years | Over 5 years | Within 1 year | Between 1 to 2 years | Between 2 to 5 years | Over 5 years |
| | 1年內 | 1至2年 | 2至5年 | 5年以上 | 1年內 | 1至2年 | 2至5年 | 5年以上 |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | 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 |
| Bank borrowings and entrusted loans | 196,000 | 29,000 | - | - | 402,000 | 139,000 | 29,000 | - |
| Other long-term borrowings | 271,340 | 262,960 | 250,210 | 61,000 | 240,810 | 212,668 | 539,092 | 232,000 |
| Other current borrowing | - | - | - | - | 66,902 | - | - | - |
| | 467,340 | 291,960 | 250,210 | 61,000 | 709,712 | 351,668 | 568,092 | 232,000 |

Current, total and net assets

As of 31 December 2018, the Group had current assets of approximately RMB5,030.7 million (31 December 2017: RMB4,534.4 million) and current liabilities of approximately RMB3,584.6 million (31 December 2017: RMB3,071.7 million), there was no material change on net current assets value from approximately RMB1,462.7 million as at 31 December 2017 to approximately RMB1,446.1 million as at 31 December 2018.

流動資產、總資產及淨資產

截至2018年12月31日，本集團擁有流動資產約人民幣5,030.7百萬元（2017年12月31日：人民幣4,534.4百萬元）及流動負債約人民幣3,584.6百萬元（2017年12月31日：人民幣3,071.7百萬元），流動資產淨值由2017年12月31日的約人民幣1,462.7百萬元變為2018年12月31日的約人民幣1,446.1百萬元，並無重大變動。

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As of 31 December 2018, the Group had total assets of approximately RMB5,204.5 million (31 December 2017: RMB4,689.3 million) and total liabilities of approximately RMB4,207.0 million (31 December 2017: RMB4,231.4 million), representing an increase of net assets or total equity from approximately RMB457.8 million as at 31 December 2017 to approximately RMB997.5 million as at 31 December 2018.

Charge on assets

The majority of the Group's bank borrowings and entrusted loans from third parties are secured by property, plant and equipment, investment properties and properties held or under development for sale of the Group.

Contingent liabilities

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

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

截至2018年12月31日，本集團擁有總資產約人民幣5,204.5百萬元（2017年12月31日：人民幣4,689.3百萬元）及總負債約人民幣4,207.0百萬元（2017年12月31日：人民幣4,231.4百萬元），淨資產或總權益由2017年12月31日的約人民幣457.8百萬元增加至2018年12月31日的約人民幣997.5百萬元。

資產抵押

本集團的大多數銀行借款及來自第三方的委託貸款由本集團的物業、廠房及設備、投資物業及持作出售或開發中待售物業作抵押。

或然負債

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

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

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Key financial ratios:

主要財務比率：

For the year ended 31 December
截至12月31日止年度

| | | 2018 | 2017 |
|-----------------------------|-------------|--------------|-------|
| | | 2018年 | 2017年 |
| Profitability ratios | 盈利比率 | | |
| Return on assets | 資產回報率 | 4.7% | 3.3% |
| Return on equity | 權益回報率 | 31.6% | 39.2% |
| Net profit margin | 純利率 | 12.2% | 9.6% |

As of 31 December
於12月31日

| | | 2018 | 2017 |
|--|-----------------------|---------------|--------|
| | | 2018年 | 2017年 |
| Liquidity ratio | 流動性比率 | | |
| Current ratio | 流動比率 | 1.4 | 1.5 |
| Capital adequacy ratios | 資本充足比率 | | |
| Gearing ratio (<i>note 1</i>) | 槓桿比率 (<i>附註1</i>) | 107.3% | 406.6% |
| Debt to equity ratio (<i>note 2</i>) | 債務權益比率 (<i>附註2</i>) | 65.3% | 370.5% |

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

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

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

附註2： 債務權益比率為我們的債務總額減現金及現金等價物佔總權益的百分比。

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KEY RISK FACTORS

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

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

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

主要風險因素

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

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

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

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

MATERIAL ACQUISITION AND DISPOSAL

During the year ended 31 December 2018, the Group did not have any material acquisition or disposal of subsidiaries, associates or assets.

FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS

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

GEARING RATIO

Gearing ratio is our total debts, including bank borrowings and entrusted loans, other long-term borrowings and other current borrowings, as a percentage of total equity. As at 31 December 2018, the gearing ratio of the Group was approximately 107.3%, representing decrease of approximately 299.3 percentage points as compared with approximately 406.6% as at 31 December 2017, which was mainly due to: (i) receipt of proceeds from pre-sale and delivery of pre-sold properties; (ii) repayment of outstanding loans gradually during the year; and (iii) the net proceeds received from the Listing.

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

重大收購及出售事項

於截至2018年12月31日止年度，本集團概無進行任何有關附屬公司、聯營公司或資產的重大收購或出售。

有關重大投資或資本資產的未來計劃

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

槓桿比率

槓桿比率為我們的債務總額（包括銀行借款及委託貸款、其他長期借款及其他流動借款）佔權益總額的百分比。於2018年12月31日，本集團的槓桿比率約為107.3%，較2017年12月31日的約406.6%下降約299.3個百分點，乃主要由於(i)收取預售及交付預售物業所得款項；(ii)年內逐步償還尚未償還貸款；及(iii)因上市收取的所得款項淨額所致。

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TREASURY POLICIES AND CAPITAL STRUCTURE

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

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

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

HUMAN RESOURCES AND EMPLOYEES' REMUNERATION

Human resource has always been the most valuable resource of the Group. As of 31 December 2018, the Group had a total workforce of 426 employees (31 December 2017: 406). The remuneration policy is reviewed by the Board from time to time. Emoluments of Directors are determined by the Remuneration Committee after considering performance of the Group, individual performance and comparing with market conditions. In addition to basic remuneration, the Group also provides medical insurance, social insurance contribution plans or other pension schemes, and other benefits in kind to the employees. The Group adopted five-day week policy applying to our certain back office staff to execute the philosophy of work-life balance.

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

庫務政策及資本架構

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

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

本集團以槓桿比率為基準監察其資本。

人力資源及僱員薪酬

人力資源始終是本集團最寶貴的資源。截至2018年12月31日，本集團總共擁有426名僱員（2017年12月31日：406名）。薪酬政策由董事會不時審閱。董事薪酬經薪酬委員會考慮本集團的表現、個人表現及比較市場情況後釐定。除基本薪酬外，本集團亦為僱員提供醫療保險、社會保險供款計劃或其他養老金計劃以及其他實物福利。本集團對若干後勤員工採用一週五天工作日政策，以落實工作生活保持平衡的理念。

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

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USE OF PROCEEDS FROM THE IPO

The net proceeds from the IPO after deducting underwriting commissions and related expenses were approximately RMB309.8 million. The following table sets forth the status of the use of proceeds from the IPO as at 31 December 2018:

首次公開發售所得款項用途

首次公開發售所得款項淨額經扣除包銷佣金及相關費用後約為人民幣309.8百萬元。下表載列於2018年12月31日的首次公開發售所得款項使用情況：

| Use of Proceeds | | Utilised up to | Unutilised as at |
|--|---|--|---|
| | | 31 December 2018 | 31 December 2018 |
| 所得款項用途 | | 直至2018年12月31日 已動用款項 RMB' 000,000 人民幣百萬元 | 於2018年12月31日 未動用款項 RMB' 000,000 人民幣百萬元 |
| (i) Financing the construction costs for the development of our existing projects | (i) 為開發我們現有項目所需建築成本提供資金 | 145.7 | 71.2 |
| (ii) Financing the costs of land acquisition and construction costs of our potential development projects and acquisition of land reserves by seeking and acquiring land parcels in cities in which we are currently operating and target cities in the future | (ii) 為潛在開發項目所需土地收購成本及建築成本以及通過於我們目前營運所在城市及未來的目標城市物色及收購地塊獲得土地儲備提供資金 | 62.0 | — |
| (iii) For our working capital and other general corporate purposes | (iii) 用作營運資金及其他一般公司用途 | 30.9 | — |
| | | 238.6 | 71.2 |

As at 31 December 2018, the unutilised net proceeds from the IPO were deposited in interest-bearing bank accounts with licensed banks.

於2018年12月31日，未動用首次公開發售所得款項淨額已存入持牌銀行的計息銀行賬戶。

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FORWARD LOOKING

With the steady economic development in China, the government has introduced various real estate policies, which have posed both challenges and opportunities. The real estate tax is experiencing gradual improvement, which is believed that it is beneficial to creating a more rational and mature real estate market in the future and it is also an indispensable condition for a healthy real estate market. We also anticipate that the real estate tax will result in corresponding challenges to the real estate industry.

In 2019, ten ministries including the National Development and Reform Commission, the MOHURD, the Ministry of Finance and the Ministry of Commerce and other departments jointly issued the “Implementation Plan for Further Optimizing Supply to Push Forward a Steady Growth in Consumption and Promote the Formation of a Strong Market in China (2019)”, which calls for further meeting the housing demand from the rural households migrated to urban areas.

Henan is a major agricultural province with a high proportion of rural population, which shows a rigid demand for housing purchases for the real estate market in Henan Province, while promoting the improvement of sales of properties. At the same time, the government has been committed to implementing urbanization policies. In light of a great potential for urbanization in Henan Province, the Henan Provincial Government advocates the coordinated development of Zhengzhou City and Xuchang City. Therefore, we must raise above future challenges and seize the current opportunities so as to consolidate our market position in the real estate development industry in Xuchang City (including Weidu District, Jian’an District, Yuzhou City and Yanling County). At present, most of our projects under construction are located in prime locations equipped with complete ancillary facilities, which will be vigorously conducive to our subsequent sales and have certain support for our performance in the future.

前景展望

隨著國內經濟的穩步發展，政府推出較多關於房地產政策，既有挑戰也有機遇。其中房地產稅項逐步完善，相信未來房地產市場會變得更加理性及成熟，也是健康的房地產市場不可或缺的條件，但同樣我們預計會給房地產行業帶來相應的挑戰。

2019年國家發展和改革委員會、住建部、財政部、商務部等十部委聯合印發了《進一步優化供給推動消費平穩增長促進形成強國內市場的實施方案（2019年）》，要求進一步滿足農業轉移人口市民化住房消費需求。

河南省是農業大省，農村人口佔比較大，對於河南省房地產市場來說，帶來更多購房剛需，也促進房產銷售提升，同時政府實施有關推進城鎮化的政策，河南省城鎮化潛力較大，且河南省政府推進鄭州市及許昌市協同發展，所以我們要克服未來的挑戰，抓住當前的機遇，鞏固許昌市包括（魏都區、建安區、禹州市及鄆陵縣）房地產開發領域的市場地位。目前我們在建項目大部分物業位於配套設施完善的黃金地段，為我們後續銷售帶來了較大的幫助，對我們未來的表現也會有一定支持。

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With the development and completion of the projects located in the prime location in Xuchang City (including Weidu District, Jian'an District, Yuzhou City, Yanling County and Changge City), we intend to continue devoting resources to expand our business and broaden our operating coverage across the province by capitalizing on the increasing need for quality properties as a result of rapid urbanization and our extensive experience in redevelopment of the old urban areas.

Looking ahead, the Group will continue to uphold the business philosophy of “being a quality property enterprise by integrity operation”, capture development opportunities, accelerate project progress, enhance corporate value and profitability, and further strengthen the market position and brand influence of the Group in the real estate industry. The Group is striving for reaching its goal courageously.

由於許昌市包括（魏都區、建安區、禹州市、鄢陵縣及長葛市）黃金地段項目逐步的開發及竣工，我們計劃繼續投入資源擴大我們業務，利用快速城鎮化帶來的對優質住宅需求的機會，運用我們舊城改造豐富的經驗，在全省範圍內擴大我們的業務覆蓋範圍。

展望未來，本集團將繼續秉持「誠信經營、做品質房企」的經營理念，把握發展機遇，加快推進項目進度，提升價值和盈利能力，進一步鞏固集團在房地產行業發展的市場地位及品牌影響力，朝著目標奮勇前進。

Biographical Details of Directors and Senior Management

董事及高級管理人員之履歷

EXECUTIVE DIRECTORS

Mr. LI Xiaobing, aged 41, is the executive Director and Chairman of the Company and was appointed as a Director on 22 July 2016. He is also the Chairman of the Nomination Committee. Mr. Li joined the Group in October 2004 as the manager of the purchasing department (採購部經理) of Xuchang Hengda and has since then served a number of managerial and directorship positions of various members of the Group. Mr. Li has over 10 years of experience in strategic planning, operational management and corporate administration of property development business in the PRC. He is also a director of Ever Commitment (PTC) Limited, which is a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

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

執行董事

李小冰先生，41歲，為本公司執行董事兼主席，於2016年7月22日獲委任為董事。彼亦為提名委員會主席。李先生於2004年10月加入本集團為許昌恒達的採購部經理，自此擔任本集團多家成員公司的多個管理及董事職位。李先生於中國房地產開發業務的策略規劃、經營管理及企業管理方面具有逾10年豐富經驗。李先生亦為 Ever Commitment (PTC) Limited之董事，該公司根據證券及期貨條例第XV部為本公司主要股東。

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

Biographical Details of Directors and Senior Management

董事及高級管理人員之履歷

Mr. WANG Zhenfeng, aged 50, is the executive Director and chief executive officer of the Company and was appointed as a Director on 19 May 2017. He is also a member of the Legal Compliance Committee. Mr. Z.F. Wang joined the Group in May 2002 and has been the general manager (總經理) of Xuchang Hengda since November 2006, the director of Xuchang Hengda since October 2007, the director of Henan Dadi since August 2012 and chief executive officer (總裁) of Xuchang Hengda since February 2013. Mr. Z.F. Wang has over 10 years of experiences in strategic planning, operational and financial management as well as corporate administration of property development businesses in the PRC.

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

Ms. QI Chunfeng, aged 46, is the executive Director and deputy chief executive officer of the Company and was appointed as a Director on 19 May 2017. In November 1993, Ms. Qi joined the finance department (財務部) of Xuchang Weidu Guesthouse Company Limited* (which was a subsidiary of Henan Dadi prior to disposal of the entire equity interests therein to Hengda Investment in September 2016) and has been a director as well as deputy chief executive officer (副總裁) of Xuchang Hengda since January 2002 and March 2010 respectively. Ms. Qi has extensive experiences in financial supervision, operational management as well as corporate administration of property development businesses in the PRC.

王振峰先生，50歲，為本公司執行董事兼總裁，彼於2017年5月19日獲委任為董事。彼亦為法律合規委員會成員。王振峰先生於2002年5月加入本集團，自2006年11月起擔任許昌恒達總經理，自2007年10月起擔任許昌恒達董事，自2012年8月起擔任河南大地董事，及自2013年2月起擔任許昌恒達總裁。王振峰先生在中國房地產開發業務的策略規劃、經營及財務管理以及企業行政管理方面具有逾10年豐富經驗。

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

齊春風女士，46歲，為本公司執行董事兼副總裁。彼於2017年5月19日獲委任為董事。齊女士於1993年11月加入許昌魏都賓館有限公司（於2016年9月將其全部股權出售予恒達投資前為河南大地的附屬公司）財務部，彼分別自2002年1月及2010年3月起擔任許昌恒達董事及副總裁。齊女士在中國房地產開發業務的財務監管、經營管理及企業行政管理方面具有豐富經驗。

* English name for identification purpose only

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

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

Mr. WANG Quan, aged 45, is the executive Director and deputy chief executive officer of the Company and was appointed as a Director on 19 May 2017. Mr. Q. Wang joined Xuchang Hengda in March 2002 and has since been a deputy chief executive officer (副總裁) of Xuchang Hengda since April 2005, as well as a director and general manager (總經理) of Henan Dadi since August 2012 and February 2016 respectively. Mr. Q. Wang has extensive experiences in operational management and corporate administration.

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

齊女士於2007年1月在許昌職業技術學院完成會計電算化專業的高等教育學業。

王權先生，45歲，為本公司執行董事兼副總裁。彼於2017年5月19日獲委任為董事。王權先生於2002年3月加入許昌恒達，自2005年4月起擔任許昌恒達副總裁以及於2012年8月及2016年2月起分別擔任河南大地董事及總經理。王權先生在經營管理及企業行政管理方面具有豐富經驗。

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

* English name for identification purpose only

Biographical Details of Directors and Senior Management

董事及高級管理人員之履歷

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LEE Kwok Lun, aged 35, was appointed as an independent non-executive Director of the Company on 22 October 2018. He is also the chairman of the Audit Committee, and a member of each of the Remuneration Committee, the Nomination Committee and the Legal Compliance Committee. Mr. Lee is currently an independent non-executive director of Dragon Rise Group Holdings Limited and Wing Chi Holdings Limited, a director of Prism CPA Limited (栢淳會計師事務所有限公司) and the chief financial officer and company secretary of Tianyi (Summi) Holdings Limited. Mr. Lee has over 10 years of experience in accounting, audit, corporate finance and financial management.

Mr. Lee obtained a degree of Bachelor of Arts from the University of Hertfordshire in 2006. He is a practising member of the Hong Kong Institute of Certified Public Accountants, a fellow member of the Association of Chartered Certified Accountants, an associate member of the Institute of Chartered Secretaries and Administration and an associate member of the Hong Kong Institute of Chartered Secretaries.

Mr. WEI Jian, aged 42, was appointed as an independent non-executive Director of the Company on 22 October 2018. He is also a member of the Audit Committee and the Remuneration Committee. Mr. Wei is currently the vice-president of the treasury department (庫務部副總裁) and an executive officer (主管人員) of China Minsheng Banking Corporation Limited, Hong Kong branch (中國民生銀行股份有限公司香港分行) on regulated activities of dealing in securities and advising on securities covered respectively under type 1 and type 4 licence granted by the SFC. He had also served as a banking officer and a foreign exchange and money market trader of treasury department of the Bank of China Sydney Branch, a foreign exchange hedge trader and the risk manager of CMC Markets Asia Pacific Pty Ltd and the senior risk manager as well as associate director of City Index Australia Pty Ltd. Mr. Wei has over 10 years of experience in asset management, business development, financial market operations, corporate advisory and securities dealing.

獨立非執行董事

李國麟先生，35歲，於2018年10月22日獲委任為獨立非執行董事。彼亦為審核委員會主席以及薪酬委員會、提名委員會及法律合規委員會成員。李先生現時為龍升集團控股有限公司及榮智控股有限公司的獨立非執行董事、栢淳會計師事務所有限公司董事以及天溢(森美)控股有限公司首席財務官及公司秘書。李先生於會計、審計、企業融資及財務管理方面具有逾10年豐富經驗。

李先生於2006年在英國赫特福德大學(University of Hertfordshire)取得文學學士學位。彼為香港會計師公會執業會員、英國特許公認會計師公會會員、國際註冊公司秘書及行政人員公會會員及香港註冊公司秘書會員。

魏劍先生，42歲，於2018年10月22日獲委任為獨立非執行董事。彼亦為審核委員會及薪酬委員會成員。魏先生現時擔任中國民生銀行股份有限公司香港分行庫務部副總裁及從事證監會授出的第1類及第4類牌照下所涵蓋的證券交易及就證券提供意見的受規管活動的主管人員。彼多年來曾擔任中國銀行悉尼分行銀行職員及其庫務部外匯及貨幣市場交易員、CMC Markets Asia Pacific Pty Ltd. 外匯對沖交易員及風險經理以及City Index Australia Pty Ltd.高級風險經理及副總監。魏先生於資產管理、業務發展、金融市場業務、企業諮詢及證券買賣方面具有逾10年豐富經驗。

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

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

Mr. FANG Cheng, aged 46, was appointed as an independent non-executive Director of the Company on 22 October 2018. He is also the chairman of each of the Remuneration Committee and the Legal Compliance Committee, and a member of each of the Audit Committee and the Nomination Committee. Mr. Fang is currently the responsible officer of Ever Capital Corporate Finance Limited (遠億企業融資有限公司) on regulated activity of advising on corporate finance covered under type 6 licence granted by the SFC. He had served for a number of financial institutions such as South China Capital Limited (南華融資有限公司), Lombard Capital Limited (朗盈萬通融資有限公司), Masterlink Securities (Hong Kong) Corporation Limited (元富證券(香港)有限公司), CNCB (Hong Kong) Capital Limited (信銀(香港)資本有限公司), Freeman Corporate Finance Limited (民眾企業融資有限公司), Hong Kong International Capital Management Limited (香港國際資本管理有限公司), Huarong International Capital Limited (華融國際融資有限公司) and Huarong International Securities Limited (華融國際證券有限公司). Mr. Fang has over 12 years of experience in investment banking and corporate financing activities.

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

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

方征先生, 46歲, 於2018年10月22日獲委任為本公司獨立非執行董事。彼亦為薪酬委員會及法律合規委員會主席以及審核委員會及提名委員會成員。方先生現時為遠億企業融資有限公司從事證監會授出的第6類牌照下所涵蓋的就機構融資提供意見的受規管活動的負責人員。彼多年來就職於多家金融機構, 包括南華融資有限公司、朗盈萬通融資有限公司、元富證券(香港)有限公司、信銀(香港)資本有限公司、民眾企業融資有限公司、香港國際資本管理有限公司、華融國際融資有限公司及華融國際證券有限公司。方先生於投資銀行及企業融資活動方面具有逾12年豐富經驗。

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

Biographical Details of Directors and Senior Management

董事及高級管理人員之履歷

SENIOR MANAGEMENT

Mr. LI Shixun, aged 47, has been the managing deputy chief executive officer of our Company since 25 May 2017. He is primarily responsible for the overall administrative and operational management of our Group. He possesses over ten years of experience in the administration and enterprise planning of property development businesses.

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

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

高級管理人員

李世勳先生，47歲，自2017年5月25日起擔任本公司常務副總裁。彼主要負責本集團整體行政及營運管理。彼於房地產開發業務的行政及企業規劃方面擁有逾十年經驗。

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

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

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

Mr. LEUNG Kam Fai Anthony, aged 34, has been the chief financial officer and company secretary of our Company since December 2016. He is primarily responsible for accounting, financial as well as company secretarial matters of our Group. He possesses over ten years of experience in handling transactional, annual auditing and review engagements for public companies.

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

梁錦暉先生，34歲，自2016年12月起擔任本公司財務總監兼公司秘書。彼主要負責本集團會計、財務及公司秘書事宜。彼在為公眾公司處理交易、年度審計及審閱工作方面擁有逾十年經驗。

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

Directors' Report

董事會報告

The directors of the Company (the “**Directors**”) have pleasure in submitting herewith their annual report together with the audited consolidated financial statements for the year ended 31 December 2018.

Review of the business of the Group during the year under review, a discussion on the Group’s future business development and possible risks and uncertainties that the Group may be facing are provided in the section headed “Chairman’s Statement” on pages 5 to 6 and the section headed “Management Discussion and Analysis” on pages 8 to 28 of this annual report.

An analysis of the Group’s performance during the year ended 31 December 2018 using financial performance indicators is provided in the section headed “Management Discussion and Analysis” on pages 8 to 28 of this annual report.

PRINCIPAL ACTIVITIES

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

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

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

本公司董事（「**董事**」）欣然提呈其年報連同截至2018年12月31日止年度之經審核綜合財務報表。

本集團於回顧年內之業務回顧及本集團日後業務發展、可能要面對的風險及不確定性因素載於本年報第5至6頁「主席報告」一節及第8至28頁「管理層討論與分析」一節。

於截至2018年12月31日止年度，本集團之表現按財務表現指標之分析載於本年報第8至28頁「管理層討論與分析」一節。

主要業務

本公司的主要業務為投資控股，本集團主要在中國從事物業發展及物業投資業務。

遵守相關法律及法規

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

RESULTS AND RECOMMENDED DIVIDEND

The results of the Group for the year ended 31 December 2018 and the state of affairs of the Group at that date are set out in the financial statements of the Group on pages 112 to 263.

The Directors recommend the payment of a final dividend of HK5.9 cents per ordinary share (equivalent to approximately RMB5.0 cents) in respect of the year ended 31 December 2018.

SHARE CAPITAL

Details of the movements in share capital of the Company during the year are set out in note 13 to the consolidated financial statements.

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

RESERVES

Details of the movements in the Group's and the Company's reserves during the year are set out in the consolidated statement of changes in equity and notes 13 to 15 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

As at 31 December 2018, the aggregate amount of reserves available for distribution to equity owners of the Company was approximately RMB65,316,000. After the end of the reporting period, the Directors proposed a final dividend of HK5.9 cents (equivalent to approximately RMB5.0 cents) per ordinary share, amounting to HK\$70,800,000 (equivalent to approximately RMB60,000,000) (note 30 to the consolidated financial statements). This final dividend has not been recognised as a liability at the end of the reporting period.

業績及建議股息

本集團截至2018年12月31日止年度的業績以及本集團於該日的業務狀況載於第112至263頁的本集團財務報表內。

董事建議派付截至2018年12月31日止年度的末期股息每股普通股5.9港仙（相等於約人民幣5.0分）。

股本

本公司年內股本變動詳情載於綜合財務報表附註13。

本公司及其任何附屬公司於年內並無購回、出售或贖回本公司任何上市證券。

儲備

本集團及本公司之儲備於年內之變動詳情載於綜合權益變動表及綜合財務報表附註13至15。

可供分派儲備

於2018年12月31日，本公司之可供分派給股東之儲備約為人民幣65,316,000元。於報告期末後，董事建議末期股息每股本公司普通股5.9港仙（相當於約人民幣5.0分），總值約70,800,000港元（相當於約人民幣60,000,000元）（綜合財務報表附註30）。該末期股息於報告期末並未確認為負債。

PROPERTY, PLANT AND EQUIPMENT

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

MAJOR PROPERTIES

Particulars of the major properties and property interests of the Group are shown on pages 266 to 270 of this annual report.

As set out in the prospectus of the Company dated 30 October 2018, the property interests held for sale and property interests held for future development as at 31 July 2018 were valued at approximately RMB432.4 million and RMB1,175.0 million, respectively. The property interests held under development and property interests held for use as at 31 July 2018 were valued at approximate RMB6,427.0 million and RMB15.7 million, respectively.

PRE-EMPTIVE RIGHTS

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

TAX RELIEF

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

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on pages 264 to 265 of this annual report.

物業、廠房及設備

本集團之物業、廠房及設備的變動詳情載於綜合財務報表附註6。

主要物業

本集團之主要物業詳情載於本年報之第266至270頁。

如2018年10月30日本公司招股章程所述，於2018年7月31日持作出售物業權益及持作未來開發的物業權益的估值分別約為人民幣432.4百萬元及人民幣1,175.0百萬元。於2018年7月31日的開發中物業權益及持作自用物業權益的估值分別約為人民幣6,427.0百萬元及人民幣15.7百萬元。

優先購買權

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

稅務減免

本公司並不知悉本公司股東因彼等持有本公司股份而獲任何稅務減免。

五年財務概要

本集團於過去五個財政年度之業績以及資產及負債概要載於本年報第264至265頁。

DIRECTORS

The Directors of the Company during the year were as follows:

Executive Directors

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

Independent Non-Executive Directors

Mr. WEI Jian (appointed on 22 October 2018)
Mr. FANG Cheng (appointed on 22 October 2018)
Mr. LEE Kwok Lun (appointed on 22 October 2018)

In accordance with the Company's articles of association, Mr. LI Xiaobing, Ms. QI Chunfeng and Mr. WANG Quan will retire from the Board by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

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

董事

年內任職本公司的董事如下：

執行董事

李小冰先生（主席）
王振峰先生（行政總裁）
齊春風女士
王權先生

獨立非執行董事

魏劍先生（於2018年10月22日獲委任）
方征先生（於2018年10月22日獲委任）
李國麟先生（於2018年10月22日獲委任）

根據本公司之組織章程細則，李小冰先生、齊春風女士及王權先生將於應屆股東週年大會從董事會輪席告退。所有上述董事符合重選資格並願意連任。

擬於即將舉行之股東週年大會上膺選連任之董事概無與本公司或其任何附屬公司訂立不可由聘任公司於一年內不付賠償（法定賠償除外）的情況下終止之服務合約。

Directors' Report

董事會報告

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management are set out on pages 29 to 35.

DIRECTORS' SERVICE CONTRACTS

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

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

DIRECTORS' INTERESTS IN CONTRACTS

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

董事及高級管理人員之履歷

董事及高級管理人員之履歷詳情載於第29至35頁。

董事服務合約

各執行董事已與本公司訂立服務合約，任期為三年，於服務合約內註明其中一方可向另一方根據服務合約條款終止其服務合約。

各獨立非執行董事已與本公司訂立委任函，任期為三年，於委任函內註明其中一方可向另一方根據委任函條款終止其委任函。

董事的合約權益

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

REMUNERATION OF THE DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

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

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

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31 December 2018, being the end of the reporting period under review, the interests or short position in the shares, underlying shares or debentures of the Company and/or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong (the "SFO")) that Directors and chief executive of the Company as recorded in the register required to be kept under section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, are as follows:

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

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

董事薪酬及五名最高薪酬人士

董事薪酬及五名最高薪酬人士的薪酬詳情載於綜合財務報表附註27。

董事及高級管理人員薪酬乃經參考其職務、責任及表現，以及本集團的業績而釐定。

董事及主要行政人員於本公司的股份、相關股份及債券中擁有的權益

於2018年12月31日，即回顧報告期末時，本公司董事及主要行政人員於本公司及／或其相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份或債權證中擁有根據證券及期貨條例第352條存置的登記冊所記錄，或根據標準守則須以其他方式知會本公司及聯交所的權益或淡倉，詳情如下：

Directors' Report

董事會報告

Notes:

1. The letter "L" denotes to the person with long position in the shares.
2. These shares were legally and beneficially held by Ever Enhancement Enterprise Company Limited as at 31 December 2018. Ever Enhancement Enterprise Company Limited is a corporate controlling shareholder which is legally and beneficially wholly-owned by Ever Commitment (PTC) Limited. Ever Commitment (PTC) Limited is the trustee of the family trust, established by Mr. LI Xiaobing as the sole settlor for the benefit of a list of discretionary beneficiaries including Mr. LI Xiaobing himself and any persons or classes of person (save for Mr. LI Xiaobing's father and mother) to be appointed by and at the sole discretion of Ever Commitment (PTC) Limited (as trustee) from time to time. Given that Mr. LI Xiaobing is the sole settlor of the family trust, he is therefore deemed to be interested in any shares in which Ever Enhancement Enterprise Company Limited is interested by virtue of the SFO.
3. As at 31 December 2018, these shares were legally and beneficially held by Ever Enrichment Enterprise Company Limited of which the entire issued share capital was, in turn, legally and beneficially held by Mr. LI Xiaobing. Mr. LI Xiaobing is therefore deemed to be interested in any shares in which Ever Enrichment Enterprise Limited is interested by virtue of the SFO.

Save as disclosed above, as at 31 December 2018, none of the Directors or chief executive of the Company had or was deemed to have any interest or short position in the shares, underlying shares and debentures of the Company and/or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

附註：

- 1 字母「L」表示該名人士於股份中的好倉。
- 2 於2018年12月31日，該等股份由恒升企業有限公司合法實益持有。恒升企業有限公司為公司控股股東，由恒諾私人信託有限公司合法實益全資擁有。恒諾私人信託有限公司為由李小冰先生（作為唯一財產託管人）為多名全權受益人（包括李小冰先生本人以及恒諾私人信託有限公司（作為受託人）不時全權酌情委任的任何人士或類別人士（李小冰先生的父母除外））的利益而設立的家族信託的受託人。由於李小冰先生為家族信託的唯一財產託管人，故根據證券及期貨條例，彼將被視作於恒升企業有限公司擁有權益的任何股份中擁有權益。
- 3 於2018年12月31日，該等股份由恒潤企業有限公司合法實益持有，故全部已發行股本乃由李小冰先生合法實益持有。因此，根據證券及期貨條例，李小冰先生將被視為恒潤企業有限公司擁有權益的任何股份中擁有權益。

除上文所披露者外，於2018年12月31日，概無本公司董事或主要行政人員於本公司及／或其相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債權證中擁有根據證券及期貨條例第352條存置的登記冊所記錄，或根據標準守則須以其他方式知會本公司及聯交所的權益或淡倉。

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

As at 31 December 2018, shareholders (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

主要股東於本公司的股份及相關股份中擁有的權益

於2018年12月31日，就本公司所知，股東（董事或本公司主要行政人員除外）於本公司的股份及相關股份中擁有須根據證券及期貨條例第XV部第2及3分部知會本公司或根據證券及期貨條例第336條須予存置的登記冊所示的權益或淡倉，詳請如下：

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

Directors' Report

董事會報告

Notes:

1. The letter "L" denotes to the person/entity with long position in the shares.
2. As of 31 December 2018, Ever Enhancement Enterprise Company Limited was one of the controlling shareholders and was wholly-owned by Ever Commitment (PTC) Limited. Ever Commitment (PTC) Limited is deemed to be interested in any shares in which Ever Enhancement Enterprise Company Limited is interested pursuant to the SFO. Ever Commitment (PTC) Limited is the trustee of the family trust established by Mr. LI Xiaobing as the sole settlor for the benefit of a list of discretionary beneficiaries including Mr. LI Xiaobing himself and any other person or classes of person (save for Mr. LI Xiaobing's father and mother) to be appointed by and at the sole discretion of Ever Commitment (PTC) Limited (as trustee) from time to time.
3. Ms. LIN Wei is the spouse of Mr. LI Xiaobing. Given that Mr. LI Xiaobing is deemed to be interested in the shares held by Ever Enhancement Enterprise Company Limited and Ever Enrichment Enterprise Company Limited by virtue of the SFO, she will likewise be deemed to be interested in any shares held by both Ever Enhancement Enterprise Company Limited and Ever Enrichment Enterprise Company Limited by virtue of the SFO.

EMPLOYEE AND REMUNERATION POLICIES

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

RETIREMENT SCHEMES

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

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

附註：

1. 「L」指相關人士／實體於股份中的好倉。
2. 於2018年12月31日，恒升企業有限公司為控股股東之一及由恒諾私人信託有限公司全資擁有。根據證券及期貨條例，恒諾私人信託有限公司將被視作於恒升企業有限公司擁有權益的任何股份中擁有權益。恒諾私人信託有限公司為家族信託的受託人，家族信託由李小冰先生（作為唯一財產託管人）設立，其全權受益人為李小冰先生本人以及恒諾私人信託有限公司（作為受託人）不時全權酌情委任的任何人士或類別人士（李小冰先生父母除外）。
3. 林斌女士為李先生的配偶。由於根據證券及期貨條例，李小冰先生將被視作於恒升企業有限公司及恒潤企業有限公司擁有權益的任何股份中擁有權益，故根據證券及期貨條例，林女士同樣將被視作於恒升企業有限公司及恒潤企業有限公司持有的任何股份中擁有權益。

僱員及薪酬政策

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

退休計劃

本集團為本集團之合資格中國員工參與多種定額供款退休計劃，以及為香港員工提供強制性公積金計劃。

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

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

SHARE OPTIONS

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

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

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

購股權

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

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

Directors' Report

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

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

No option was granted by the Company under the Share Option Scheme during the period from 12 November 2018 to 31 December 2018. No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme.

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

MANAGEMENT CONTRACTS

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

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

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

由2018年11月12日至2018年12月31日期間，本公司概無根據購股權計劃授出購股權。概無任何購股權根據購股權計劃授出、行使、註銷或失效。

截至本年報日期，根據購股權計劃可供發行之股份總數為120,000,000股，佔本公司已發行股本約10%。

管理合約

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

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as elsewhere disclosed in this annual report, no rights to acquire benefits by means of the acquisition of shares in or debentures of the Company were granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company and any of its subsidiaries a party to any arrangement to enable the Directors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate for the year ended 31 December 2018.

MAJOR CUSTOMERS AND SUPPLIERS

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

董事認購股份或債權證之權利

除本年報另行所披露者外，截至2018年12月31日止年度，概無向任何董事或彼等各自之配偶或未滿18歲子女授出藉收購本公司股份或債券而獲益之權利，或彼等概無行使有關權利；或本公司及其任何附屬公司亦無訂立任何安排，致使董事或彼等各自的配偶或未滿18歲子女透過任何其他法人團體收購有關權利。

主要客戶及供應商

於本財政年度內，有關本集團分別向主要客戶及供應商所作銷售及採購的資料如下：

| | | Percentage of the Group's total | |
|-------------------------------------|---------|---------------------------------|----------|
| | | 本集團所佔以下項目百分比 | |
| | | Sales | Purchase |
| | | 銷售 | 採購 |
| The largest customer | 最大客戶 | 3.8% | |
| Five largest customers in aggregate | 五大客戶合計 | 7.0% | |
| The largest supplier | 最大供應商 | | 20.8% |
| Five largest suppliers in aggregate | 五大供應商合計 | | 46.1% |

Directors' Report

董事會報告

Save as disclosed in the section headed “Continuing connected transactions” on pages 48 to 50 of this annual report, at no time during the year have the Directors, their close associates or any shareholder of the Company (which to the knowledge of the Directors owns more than 5% of issued share capital of the Company) had any interest in the Group’s five largest customers and suppliers.

CONTINUING CONNECTED TRANSACTIONS

The Group has entered into the following continuing connected transactions during the year ended 31 December 2018. Details of the transactions are set out below:

Property management services

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

For the year ended 31 December 2018, the fees charged by Hengda Property Management for the provision of the services under the Master Property Management Service Agreement amounted to approximately RMB4,560,000, which was within the annual cap of RMB5,436,000 for the same period.

除本年報第48至50頁「持續關連交易」一節所披露者外，概無董事、彼等的緊密聯繫人士或本公司任何股東（就董事所知擁有本公司已發行股本5%以上）擁有本集團五大客戶及其五大供應商之任何權益。

持續關連交易

截至2018年12月31日止年度，本集團已訂立以下持續關連交易。交易詳情如下：

物業管理服務

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

截至2018年12月31日止年度，就物業管理服務總協議項下服務恒達物業管理收取之款項約為人民幣4,560,000元，屬於同期年度上限人民幣5,436,000元的範圍內。

Contracting services in relation to structural, grading and pile-footing, decorating installation and/or auxiliary engineering works

On 10 October 2018, Xuchang Erjian and the Group entered into several master contracting service agreements ("Master Contracting Service Agreements") for a non-renewable term commencing from 12 November 2018 and ended on 31 December 2018. Pursuant to the said agreement, Xuchang Erjian shall continue to provide the Group with contracting services covering, among other aspects, (i) core structural engineering, (ii) grading and pile-footing engineering, (iii) decorating installation engineering and (iv) auxiliary engineering works in fulfillment of its obligations under the Master Contracting Service Agreements from 12 November 2018 until the expiration thereof. The service fees payable by the Group to Xuchang Erjian were mutually agreed following the arm's-length negotiations between the parties with reference to the prevailing market price for similar services of a comparable scale in the locality. Payment has been, and will continue after 2018 to be, made in staged fees on the basis of the progress and schedule of projects as well as the percentage of completion of relevant engineering works.

For the year ended 31 December 2018, the fees charged by Xuchang Erjian for the provision of the services under several Master Contracting Service Agreements amounted to approximately RMB41,348,000, which was within the annual cap of approximately RMB41,851,000 for the same period.

有關結構、地基及樁基工程、裝飾安裝工程及／或配套雜項工程的承包服務

於2018年10月10日，許昌二建與本集團簽訂數個總承包服務協議（「總承包服務協議」），其期限由2018年11月12日起至2018年12月31日止期間且不再續期。根據上述總承包服務協議，許昌二建須自2018年11月12日起直至總承包服務協議到期止期間繼續履行其於長期承包安排項下的義務，即向本集團提供涵蓋（其中包括）(i)主體結構工程，(ii)地基及樁基工程，(iii)裝飾安裝工程及(iv)配套雜項工程的承包服務。本集團應付許昌二建的服務費乃由訂約方參考當地可比較規模的類似服務的當時市價經公平磋商後共同議定。付款已及將於二零一八年後繼續根據項目的進度及計劃以及相關工程項目的完工百分比，以分期付款形式支付。

截至2018年12月31日止年度，就總承包服務協議項下服務許昌二建收取之款項約為人民幣41,348,000元，屬於同期年度上限約為人民幣41,851,000元的範圍內。

| Master Contracting Service Agreements | 總承包服務協議 | Transaction value 交易金額 RMB'000 人民幣千元 | Annual Caps 年度上限 RMB'000 人民幣千元 |
|---|-------------|---|---|
| Erjian-Xuchang Master Contracting Service Agreement | 二建許昌總承包服務協議 | 10,143 | 10,302 |
| Erjian-Yuzhou Master Contracting Service Agreement | 二建禹州總承包服務協議 | 14,609 | 14,953 |
| Erjian-Changge Master Contracting Service Agreement | 二建長葛總承包服務協議 | 16,596 | 16,596 |
| | | 41,348 | 41,851 |

Directors' Report

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

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

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

RELATED PARTY TRANSACTIONS

Details of the related party transactions undertaken by the Group in the normal course of business were set out in note 34 to the consolidated financial statements. For the period from the date of listing of the Company to 31 December 2018, save for those transactions set out in the section headed "Continuing Connected Transactions" above, none of these related party transactions constituted connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules. The Company has complied with the relevant disclosure requirements in accordance with Chapter 14A of the Listing Rules.

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

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

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

關聯方交易

本集團於日常業務過程中進行的關聯方交易之詳情載於綜合財務報表附註34。於本公司上市日期起至2018年12月31日期間，除上文「持續關連交易」一節所載的交易外，概無該等關聯方交易根據上市規則第十四A章構成關連交易或持續關連交易。本公司已遵守上市規則第十四A章的相關披露規定。

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Group as of 31 December 2018 are set out in notes 16 to 18 to the consolidated financial statements.

INDEMNITY OF DIRECTORS

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

DIRECTORS' INTEREST IN COMPETING BUSINESS

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

DEED OF NON-COMPETITION

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

The Company has received the annual confirmation of the Non-Compete Covenantors in respect of their compliance with the Deed of Non-Competition and the connected transaction agreements during the year ended 31 December 2018.

The independent non-executive Directors also reviewed the Non-Compete Covenantors' compliance with the Deed of Non-Competition. The independent non-executive Directors confirmed that the Non-Compete Covenantors were not in breach of the Deed of Non-Competition during the year ended 31 December 2018.

銀行借貸及其他貸款

本集團於截止2018年12月31日止年度的銀行借貸及其他貸款詳情載於綜合財務報表附註16至18。

董事彌償

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

董事於競爭業務之權益

董事概無任何須根據上市規則第8.10(2)條所規定披露其擁有與本集團業務直接或間接構成或可能構成競爭之業務之權益。

不競爭契據

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

本公司已收到不競爭承諾人有關彼等於截至2018年12月31日止年度遵守不競爭契據及關連交易協議的年度確認。

獨立非執行董事亦已審查不競爭承諾人對不競爭契據的遵守情況。獨立非執行董事確認，不競爭承諾人於截至2018年12月31日止年度並無違反不競爭契據。

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A report on the environmental, social and governance is set out on pages 55 to 78 of this annual report.

CORPORATE GOVERNANCE

A report on the principal corporate governance practices adopted by the Company is set out on pages 79 to 96 of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

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

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this annual report, no material events were undertaken by the Group subsequent to 31 December 2018.

DONATIONS

During the year, the Group made charitable donation of approximately RMB5,002,000.

環境、社會及管治報告

本公司所採納的環境、社會及管治報告，載於本年報第55至78頁。

企業管治

本公司所採納的主要企業管治常規的報告，載於本年報第79至96頁。

足夠的公眾持股量

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

報告期後事項

除本年報披露外，本集團於2018年12月31日後並無進行任何重大事件。

捐款

於本年度內，本集團作出慈善捐款人民幣約5,002,000元。

USE OF PROCEEDS FROM THE IPO

The Company was successfully listed on the Main Board of the Stock Exchange on 12 November 2018 by way of global offering of 30,000,000 shares under the Hong Kong public offering and 270,000,000 shares under the international placing at the offer price of HK\$1.24 per share.

The net proceeds from the IPO after deducting underwriting commissions and related expenses were approximately RMB309.8 million. The following table sets forth the status of the use of proceeds from the IPO as at 31 December 2018:

| Use of Proceeds | 所得款項用途 | Utilised up to | Unutilised as at |
|--|---|------------------|------------------|
| | | 31 December 2018 | 31 December 2018 |
| | | 至2018年12月31日 | 於2018年12月31日 |
| | | 已動用款項 | 未動用款項 |
| | | RMB'000,000 | RMB'000,000 |
| | | 人民幣百萬元 | 人民幣百萬元 |
| (i) Financing the construction costs for the development of existing projects | 為開發現有項目所需的建築成本提供資金 | 145.7 | 71.2 |
| (ii) Financing the costs of land acquisition and construction costs of our potential development projects and acquisition of land reserves by seeking and acquiring land parcels in cities in which we are currently operating and target cities in the future | 潛在開發項目所需土地收購成本及建築成本以及通過於我們目前營運所在城市及未來的目標城市物色及收購地塊獲得土地儲備提供資金 | 62.0 | – |
| (iii) Working capital and other general corporate purposes | 營運資金及其他一般公司用途 | 30.9 | – |
| | | 238.6 | 71.2 |

As at 31 December 2018, the unutilised net proceeds from the IPO were deposited in interest-bearing bank accounts with licensed banks.

首次公開發售所得款項用途

本公司於2018年11月12日以全球發售方式成功在聯交所主板上市，其中香港公開發售項下30,000,000股股份，國際配售項下270,000,000股股份，發售價為每股1.24港元。

首次公開發售所得款項淨額經扣除包銷佣金及相關費用後約人民幣309.8百萬元。下表載列於截至2018年12月31日止年度，首次公開發售所得款項的使用情況：

於2018年12月31日，未動用之首次公開發售所得款項淨額已存入持牌銀行的計息銀行賬戶。

Directors' Report

董事會報告

CONFIRMATION OF INDEPENDENCE

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

AUDITOR

The consolidated financial statements for the year ended 31 December 2018 have been audited by PricewaterhouseCoopers, who will retire, and being eligible, offer themselves for re-appointment. A resolution for the re-appointment of PricewaterhouseCoopers as auditor of the Company will be proposed at the forthcoming annual general meeting of the Company.

By order of the Board

LI Xiaobing

Chairman and Executive Director

28 March 2019

獨立性確認

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

核數師

本集團截至2018年12月31日止年度之綜合財務報表已由羅兵咸永道會計師事務所（「羅兵咸永道」）審核，而羅兵咸永道將告退任，惟符合資格並願意應聘連任。本公司將於應屆股東週年大會上提呈決議案以續聘羅兵咸永道為本公司核數師。

承董事會命

主席及執行董事

李小冰

二零一九年三月二十八日

Environmental, Social and Governance Report

環境、社會及管治報告

PURPOSE AND CRITERIA OF THE REPORT

To comply with the requirements set out in the Environmental, Social and Governance Reporting Guide in Appendix 27 of the Listing Rules, the Group hereby presents its Environmental, Social and Governance Report (the “**Report**”) for the year ended 31 December 2018.

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

SCOPE AND PERIOD OF THE REPORT

The Report discloses the major issues and key performance indicators of the main key projects in the operations and real estate development business of Ever Reach and its selected subsidiaries in respect of environmental management, social responsibility and governance during the year of 2018.

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

DATA COLLECTION METHODOLOGY

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

報告目的及標準

本集團謹此遵循上市規則附錄二十七《環境、社會及管治報告指引》，呈報本集團截至二零一八年十二月三十一日止的年度環境、社會及管治報告（下稱「**報告**」）。

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

報告範圍及期間

本報告披露恒達控股及選定的附屬公司在二零一八年度間，集團營運及房地產開發業務中的主要核心項目在環境管理、社會責任及管治方面的重大事宜和關鍵績效指標。

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

數據收集方法

本報告中所使用數據均來自恒達控股及選定的附屬公司相關職能部門。

Environmental, Social and Governance Report

環境、社會及管治報告

CONCERNS OF THE STAKEHOLDERS

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

權益人的關注

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

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

Environmental, Social and Governance Report

環境、社會及管治報告

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

Environmental, Social and Governance Report

環境、社會及管治報告

| Stakeholders 權益人 | Concerns 關注的議題 | Response of the Group 集團的回應 |
|---------------------|--|---|
| Investors | Investment returns Corporate information transparency Interests protection | <p>Ever Reach is accountable to all investors and strives to provide them with reasonable, sustained and stable returns on their investments.</p> <p>We are making great efforts to capture the market trends while constantly enhancing our management capabilities, our brand influence and value. We maintain close and transparent communication with our investors and the market through investor meetings, shareholders' meetings and release of annual reports and interim reports. We have in place a rigorous risk management and internal control system in cooperation with the internal audit function, so that the management and audit committee can focus on the adequacy and effectiveness of our risk management and internal control system.</p> |
| 投資者 | 投資回報 公司信息透明度 權益保障 | <p>恒達控股對所有投資者負責，努力使投資者獲得合理的、持續的和穩定的收益。</p> <p>精準把握市場趨勢，不斷提升管理能力，強化品牌影響力及價值。通過投資者會議、股東大會、年報及中期報告的發佈，與投資者及市場保持緊密透明的溝通。設有嚴密的風險管理及內部監控系統，配合內部審核職能，管理層及審核委員會能專注於其風險管理及內部監控系統的充分性及有效性。</p> |
| Employees | Health & safety Career development Training opportunities | <p>Ever Reach believes that its employees are the most valuable assets. We fully respect the rights and interests of our employees, and provide them with a platform to exert their talents and achieve their career development, such that our employees can grow together and share the operating results with the Company.</p> <p>We strive to create a competitive work environment, a sound performance appraisal system and a remuneration and welfare system while constantly improving our training and development system, so as to help our employees blend into the long-term development of the Group, spark off their potentials and enhance their satisfaction and sense of belonging.</p> |
| 員工 | 健康及安全 職業發展 培訓機會 | <p>恒達控股信奉員工是企業最寶貴的財富。充分尊重員工權益，為員工提供施展才幹和實現抱負的平臺，員工與企業共同發展壯大，企業與員工共同分享成果。</p> <p>營造具競爭力的工作氛圍、完善的績效考核與薪酬福利體系、持續完善培訓發展體系，引導員工積極融入到企業長遠發展之中，激發員工潛能，提升員工的滿意度和歸屬感。</p> |

Environmental, Social and Governance Report

環境、社會及管治報告

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

Environmental, Social and Governance Report

環境、社會及管治報告

IMPORTANCE OF THE TOPICS

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE DISCLOSURE

A. ENVIRONMENT

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

A1 EMISSIONS

Emission reduction is an important issue in the Group's environmental protection program, for which it is making constant efforts to reduce emission in its daily operations and enhance its energy efficiency. In our daily operations, we used environment-friendly devices such as OA office automation system and water-saving products. The Group also installed architectural structures that can lower energy consumption. The Group also convened video conferences frequently instead of the business trips by plane. All those measures are effective in reducing emissions of greenhouse gases and other air pollutants.

議題的重要性

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

環境、社會和管治披露

A. 環境

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

A1 排放物

減排是集團的環保計劃中的重要議題，集團正逐步在日常營運當中實踐減排及提升集團的能源效益。日常運作中，集團使用了OA辦公自動化系統，節水型產品等環保設備。集團亦安裝了可以降低能耗的建築結構。集團亦常以視頻會議代替飛機出差。種種措施均有效減少溫室氣體及其他空氣污染物的排放。

Environmental, Social and Governance Report

環境、社會及管治報告

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

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

| Type of wastes 廢料範疇 | Unit 單位 | Emission 排放量 |
|---|-----------------|-----------------|
| Type 1: direct emission of greenhouse gases 範疇1：直接溫室氣體排放 | Tonne 噸 | 2,300.52 |
| Nitrogen oxides (NOx) from vehicles 來自車輛的氮氧化物(NOx) | Tonne 噸 | 2,099.66 |
| Total consumption of other gaseous fuels 其他氣體燃料消耗中的燃料使用總量 | Tonne 噸 | 200.86 |
| Direct emission of greenhouse gases (per employee) 直接溫室氣體排放(每位員工) | Tonne 噸 | 5.40 |
| Type 2: indirect emission of greenhouse gases 範疇2：間接溫室氣體排放 | Tonne 噸 | 38.45 |
| Energy intensity (per employee) 能源強度(每位員工) | Tonne 噸 | 0.09 |
| Type 3: indirect emission of other greenhouse gases 範疇3：其他間接溫室氣體排放 | Kilometer 千米 | 3.10 |

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

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

| | Disposal of wastes 廢料處置 | Weight 重量 |
|--|-------------------------------------|--------------|
| Total amounts of non-hazardous wastes 非危險廢料總量 | Paper consumption (kg) 紙張消耗量(千克) | 1,434.51 |

The Group did not produce any hazardous waste.

本集團並無產生任何有害廢棄物。

Environmental, Social and Governance Report

環境、社會及管治報告

A2 USE OF RESOURCES

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

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

A2 資源使用

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

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

Environmental, Social and Governance Report

環境、社會及管治報告

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

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

| Use of energy | | Consumption |
|-------------------------------------|----------------|--------------------|
| 能源的使用 | | 消費數量 |
| Total energy consumption (kWh) | 總能耗 (千瓦時) | 312,861.15 |
| Energy intensity (kWh per employee) | 能源強度 (每位員工千瓦時) | 734.42 |

| Others | | Consumption |
|----------------------------------|-------------|--------------------|
| 其他 | | 消費數量 |
| Water consumption (cubic meters) | 耗水量 (立方米) | 2.78 |
| Air travel distance (km) | 航空旅行距離 (千米) | 3.096 |

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A3 ENVIRONMENT AND NATURAL RESOURCES

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

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

A3 環境與天然資源

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

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

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B. SOCIETY

B1 EMPLOYMENT

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

Policies on Employee's Compensation and Benefits

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

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

B. 社會

B1 僱傭

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

僱員薪酬及福利政策

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

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

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The Group contributes to the social insurance and housing accumulation fund for its female employees in line with national provisions, particularly during their three special periods (pregnancy, delivery and lactation); The Group allows maternity and breastfeeding leave during female employees' pregnancy, delivery and lactation and pays their salaries in accordance with regulations.

The Group also offers relocation subsidies, home renting subsidies and other special subsidies as well as allowance for transportation, communication, meals and sunstroke, etc.

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

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

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

針對女性員工按照國家保障規定，繳交社會保險及住房公積金，特別是三期（孕期、產期、哺乳期）的保障。在女員工的孕期、產期及哺乳期間提供相應的產假、哺乳假，並按規定予以發放相應的報酬。

本集團亦提供異地工作補貼、租房補貼等特殊補貼，以及交通費、通訊費、誤餐費及防暑降溫費等全員性補貼。

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

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

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

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

Equal Opportunity

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

Employee Diversity

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

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

平等機會

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

員工多樣性

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

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Anti-discrimination and Anti-harassment

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

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

反歧視及反騷擾

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

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

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Employment Highlights

By the end of 2018, the total number of employees of the Group was 426, and all of them were engaged with labour contracts.

僱傭概況

截至二零一八年底，集團的員工總數為426人，均以勞動合同的方式聘用。

Key Performance Indicators (for employees)

關鍵績效指標（員工）

| | | Number of employees | |
|---|------------|---------------------|--------|
| | | 員工人數 | |
| | | Male | Female |
| | | 男 | 女 |
| Age<30 | 年齡在30歲以下 | 68 | 72 |
| Age 30-50 | 年齡30-50歲 | 154 | 100 |
| Age>50 | 年齡超過50歲 | 27 | 5 |
| Number of employees by gender | 按性別劃分的員工人數 | 249 | 177 |
| Total number of employees | 員工總數 | 426 | |
| Male-to-female ratio of the number of employees | 男女員工人數比例 | 1.41 | |
| Ratio of remuneration between male and female employees | 男女員工薪金比率 | 2.02 | |

Key Performance Indicators (for employees)

關鍵績效指標（員工）

| | | Rate of turnover of employees | |
|---|---------------|-------------------------------|--------|
| | | 員工流動率 | |
| | | Male | Female |
| | | 男 | 女 |
| Age<30 | 年齡在30歲以下 | 8 | 8 |
| Age 30-50 | 年齡30-50歲 | 11 | 3 |
| Age>50 | 年齡超過50歲 | 0 | 0 |
| Rate of turnover of employees by gender | 按性別劃分的員工流動 | 19 | 11 |
| Total rate of turnover of employees | 員工總流動率 | 30 | |
| Ratio of employee turnover to total number of employees | 員工流動率與員工總數的比率 | 0.07 | |

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B2 HEALTH AND SAFETY

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

Occupational Health and Safety Protection

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

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

B2 健康及安全

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

職業健康安全保障

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

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

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B3 DEVELOPMENT AND TRAINING

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

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

B3 發展及培訓

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

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

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

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

Key Performance Indicators of Training and Development (for employees)

培訓和發展關鍵績效指標（員工）

| | | Number | |
|---------------------------------------|-----------------|--------|--------|
| | | Male | Female |
| Employees being trained | | Male | Female |
| 經培訓的員工 | | 男 | 女 |
| Senior management | 高級管理人員 | 5 | 1 |
| Managerial personnel | 管理人員 | 8 | 10 |
| Employees | 普通員工 | 4 | 21 |
| Training ratio of employees by gender | 按性別劃分接受培訓的員工百分比 | 6.59% | 19.05% |
| Training ratio of total employees | 接受培訓的員工總體百分比 | 11.50% | |

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Key Performance Indicators of Training and Development (for employees)

培訓和發展關鍵績效指標（員工）

| Average Training Hours 平均培訓時間 | | Number 數量 | |
|--|-----------------|--------------|-------------|
| | | Male 男 | Female 女 |
| Senior management | 高級管理人員 | 40 | 8 |
| Managerial personnel | 管理人員 | 8 | 10 |
| Employees | 普通員工 | 4 | 21 |
| Training ratio of employees by gender | 按性別劃分接受培訓的員工百分比 | 20.16% | 23.21% |
| Training ratio of total employees | 接受培訓的員工總體百分比 | 21.36% | |

B4 – LABOUR STANDARDS

Recruitment

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

B4 – 勞工準則

人才招聘

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

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

Measures for Prevention of Child Labour or Forced Labour

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

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

防止聘用童工及強制勞工措施

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

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B5 – SUPPLY-CHAIN MANAGEMENT

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

B6 – PRODUCT RESPONSIBILITY

Product Quality Management

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

B5 – 供應鏈管理

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

B6 – 產品責任

產品質量管理

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

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

B7 – ANTI-CORRUPTION

The Group operates its business in accordance with high ethical standards and adopts good practices in the industry in respect of prevention of bribery and anti-corruption. The Group has always complied with applicable laws and regulations relating to anti-corruption. The Group has established anti-fraud and corruption policy and whistle blowing policy (the “**Policy**”). The Policy has listed out the guideline, activities considered as fraud and corruption and whistle blowing mechanism for internal staff.

The complaints or reports can be filed through postage or email. According to the Policy, we will set up an internal control team or engage an independent internal audit consultant or compliance consultant on an as needed basis to perform the investigation based on the complaints and report received. The complaints received and investigation report will be reported to the audit committee on a timely basis.

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

B7 – 反貪污

集團按照高道德標準經營業務，在防止賄賂和反貪污方面均採納業內的良好慣例。集團一貫符合有關反貪污相關的適用法律法規。本集團制定了反欺詐及反腐敗政策和舉報政策（「**該政策**」）。該政策為內部員工列明相關指引、被視作欺詐及腐敗的活動及舉報機制。

投訴或舉報可通過郵寄或發送電子郵件提交。根據該政策，我們將設立內部監控小組或根據需要委聘獨立的內部審計顧問或合規顧問，以根據收到的投訴及舉報進行調查。收到的投訴及調查報告將定期向審核委員會報告。

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

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

B8 – COMMUNITY INVESTMENT

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

The Group cooperates with different social organizations and proactively contributes to community work. In 2018, the Group made donations of more than RMB5 million in total to social organizations, including but not limited to:

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

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

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

B8 – 社區投資

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

集團與社會的不同團體合作，積極參與社區工作。二零一八年，集團合共捐款額超過人民幣500萬元。當中捐助團體包括但不限於：

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

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Meanwhile, the Group actively participated in education and charity. In 2018, the Group carried out “Financial Donation to Education”, and Mr. Li Xiaobing, chairman of Ever Reach, distributed student grants to some students. Ever Reach always believes that making donation to education is a current philanthropy that can benefit the society for generations. In the future, the Group will continue to repay the society with a positive attitude and fulfill its corporate social responsibility.

同時，集團亦積極投身於教育慈善事業。於二零一八年，集團舉行了「愛心助學」活動。恒達控股董事長李小冰為數名學子發放了助學資金，恒達始終相信，捐資助學是一項功在當代、利在千秋的慈善事業，集團未來會持續以積極的態度回報社會，履行企業的社會責任。

Corporate Governance Report

企業管治報告

The Board is pleased to present this corporate governance report in the Company's Annual Report for the year ended 31 December 2018.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to achieving good corporate governance standards.

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

The Shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 12 November 2018 (the “**Listing Date**”). During the period from the Listing Date up to the date of this report, the Company has devised its own code of corporate governance based on all the principles and practices as set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix 14 of the Listing Rules which are applicable to the Company.

Code provisions A.1.1, A.2.7 and C.3.3 respectively provide that board meetings should be held at least 4 times a year at approximately quarterly intervals with a majority of Directors being present, the Chairman should hold meetings at least annually with the independent non-executive Directors without the presence of other Directors and the audit committee must meet at least twice a year with the issuer's auditor. During the period from the Listing Date up to 31 December 2018, the Company held 1 board meeting and the members of the audit committee met once with the Company's auditor and no meeting was held between the Chairman and the independent non-executive Directors. In the opinion of the Directors, during the period from the Listing Date up to 31 December 2018, the Company has complied with all applicable code provisions as set out in the CG Code.

董事會欣然提呈本公司截至2018年12月31日止年度年報內的本企業管治報告。

企業管治常規

董事會致力於達致良好的企業管治標準。

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

股份於2018年11月12日（「**上市日期**」）在香港聯合交易所有限公司（「**聯交所**」）主板上市。於上市日期直至本報告日期期間，本公司已根據上市規則附錄十四所載企業管治守則（「**企業管治守則**」）載列的所有適用於本公司的原則及常規制訂其自身的企業管治守則。

守則條文A.1.1、A.2.7及C.3.3分別規定每年須舉行至少四次董事會會議，大約每季度一次，且大多數董事必須出席，主席須至少每年在沒有其他董事出席的情況下與獨立非執行董事舉行會議，審核委員會每年須與發行人核數師會面至少兩次。於上市日期直至2018年12月31日期間，本公司舉行一次董事會會議，審核委員會成員與本公司核數師會面一次，主席與獨立非執行董事並未舉行會議。董事認為，於上市日期直至2018年12月31日期間，本公司已遵守企業管治守則所載的全部適用守則條文。

Corporate Governance Report

企業管治報告

MODEL CODE FOR SECURITIES TRANSACTIONS

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

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Model Code throughout the year ended 31 December 2018.

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

BOARD OF DIRECTORS

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

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

Board Composition

The Board of the Company currently comprises the following Directors:

Executive Directors

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

Independent Non-executive Directors

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

證券交易的標準守則

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

經向全體董事作出具體查詢後，董事確認，彼等於截至2018年12月31日止整個年度一直遵守標準守則。

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

董事會

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

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

董事會組成

本公司董事會目前由以下董事組成：

執行董事

李小冰先生（主席）
王振峰先生
齊春風女士
王權先生

獨立非執行董事

方征先生
李國麟先生
魏劍先生

The biographical information of the Directors is set out in the section headed “Biographical Details of Directors and Senior Management” on pages 29 to 35 of this annual report.

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

Chairman and Chief Executive Officer

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

Independent Non-executive Directors

For the period from the Listing Date to 31 December 2018, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

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

Appointment and Re-election of Directors

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

董事的履歷資料載於截至本年報第29頁至第35頁的「董事及高級管理人員之履歷」一節。

董事會成員彼此之間概無關係。

主席及總裁

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

獨立非執行董事

由上市日期至2018年12月31日期間，董事會一直符合上市規則有關委任至少三名獨立非執行董事（佔董事會三分之一人數）而其中一名獨立非執行董事須具備適當的專業資格或會計或相關財務管理專長的規定。

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

委任及重選董事

本公司的獨立非執行董事以三年的指定任期委任，惟可於當時任期屆滿後重選。

Corporate Governance Report

企業管治報告

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

Responsibilities of the Directors

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

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

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

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

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

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

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

董事的責任

董事會有責任領導及監控本公司，並共同負責指導及監督本公司的事務。

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

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

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

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

董事須向本公司披露彼等擔任其他職務的詳情。

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

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

Continuous Professional Development of Directors

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

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

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

During the year ended 31 December 2018, the Company organised a training session for all Directors. Such training session covers a wide range of relevant topics including directors' duties and responsibilities, corporate governance etc. In addition, relevant reading materials including legal and regulatory update have been provided to the directors for their reference and studying.

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

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

董事的持續專業發展

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

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

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

於截至2018年12月31日止年度，本公司為全體董事安排一次培訓。該培訓涵蓋廣泛的相關主題，包括董事的職責與責任、企業管治等。此外，本公司已向董事提供包含法律法規最新消息的有關閱讀材料以供彼等參考及學習。

Corporate Governance Report

企業管治報告

The record of continuous professional development relating to Director's duties and regulatory and business development that have been received by the Directors for the year ended 31 December 2018 and up to date of this report are summarised as follows:

截至2018年12月31日止年度，董事已接獲有關董事職責以及監管規例及業務發展的持續專業發展的記錄，截至本報告日期，概述如下：

| Directors 董事 | | Type of Training ^{Note} 培訓類別 ^{附註} |
|--|-------|--|
| Executive Directors | | |
| Mr. Li Xiaobing | 李小冰先生 | A/B |
| Mr. Wang Zhenfeng | 王振峰先生 | A/B |
| Ms. Qi Chunfeng | 齊春風女士 | A/B |
| Mr. Wang Quan | 王權先生 | A/B |
| Independent Non-Executive Directors | | |
| Mr. Lee Kwok Lun | 李國麟先生 | A/B |
| Mr. Wei Jian | 魏劍先生 | A/B |
| Mr. Fang Cheng | 方征先生 | A/B |

Note:

附註：

Types of Training

培訓類別

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

A: 出席培訓，包括但不限於簡介會、研討會、會議及工作坊

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

B: 閱讀有關新聞資訊、報章、期刊、雜誌及有關刊物

BOARD DIVERSITY POLICY

董事會多元化政策

The Company recognises and embraces the importance and benefits to achieve diversity on the Board. During the year ended 31 December 2018, the Board has adopted a board diversity policy for the purpose of ensuring that the Board has the appropriate balance of skills, experience and diversity of perspectives necessary to enhance the effectiveness of the Board and to maintain high standards of corporate governance.

本公司認同及接受達致董事會多元化的重要性及裨益。於截至2018年12月31日止年度，董事會採納董事會多元化政策，以確保董事會在所需技能、經驗以及觀點的多元化方面達到適當的平衡，從而提升董事會的有效運作並保持高標準的企業管治水平。

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

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

NOMINATION POLICY

During the year ended 31 December 2018, the Company has adopted nomination policy taking into consideration the revised Listing Rules effective from 1 January 2019. The Policy sets out the objectives, selection in criteria and nomination procedures for identifying and recommending candidates for appointment or re-appointment of Directors. No candidate was nominated for directorship during the period from the Listing Date up to 31 December 2018.

BOARD COMMITTEES

The Board has established 4 committees, namely, the Audit Committee, Remuneration Committee, Nomination Committee and Legal Compliance Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the Board committees are posted on the Company's website and the Stock Exchange's website and are available to shareholders upon request.

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

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

提名政策

於截至2018年12月31日止年度，本公司已根據自2019年1月1日起生效的經修訂上市規則採納提名政策。該政策載列有關委任或重新委任董事物色及推薦候選人的目標、甄選標準及提名流程。於上市日期至2018年12月31日期間，概無任何候選人獲提名擔任董事。

董事委員會

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

Corporate Governance Report

企業管治報告

Audit Committee

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

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

During the period from the Listing Date up to 31 December 2018, the Audit Committee held one meeting with the external auditor to discuss the annual audit for the year ended 31 December 2018.

Remuneration Committee

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

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

審核委員會

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

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

於上市日期直至2018年12月31日期間，審核委員會與外聘核數師舉行一次會議，討論截至2018年12月31日止年度的年度審核。

薪酬委員會

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

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

During the period from the Listing Date up to 31 December 2018, the Remuneration Committee did not hold any meeting.

Details of the remuneration of the senior management by band are set out in note 27 to the consolidated financial statements for the year ended 31 December 2018.

Nomination Committee

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

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

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

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

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

於上市日期直至2018年12月31日期間，薪酬委員會並無舉行任何會議。

按區間劃分的高級管理層薪酬詳情載於截至2018年12月31日止年度綜合財務報表附註27。

提名委員會

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

提名委員會的職權範圍要求不遜於企業管治守則所規定的條款。

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

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

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

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During the period from the Listing Date up to 31 December 2018, the Remuneration Committee did not hold any meeting.

Legal Compliance Committee

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

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

During the period from the Listing Date up to 31 December 2018, the Legal Compliance Committee met once to monitor, identify, review and assess the key compliance issues related to various aspects of the Group's operations.

Corporate Governance Functions

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

Subsequent to 31 December 2018 and up to the date of this report, the Audit Committee met once to review the Company's corporate governance policies and practices, training and continuous professional development of directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and Written Employee Guidelines, and the Company's compliance with the CG Code and disclosure in this corporate governance report.

於上市日期直至2018年12月31日期間，提名委員會並無舉行任何會議。

法律合規委員會

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

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

於上市日期直至2018年12月31日期間，法律合規委員會召開一次會議以監察、識別、檢討及評估與本集團業務營運各方面有關的主要合規事宜。

企業管治職能

審核委員會履行企業管治守則守則條文D.3.1所載的職能。

於2018年12月31日後直至本報告日期，審核委員會舉行一次會議，以檢討本公司的企業管治政策及常規、董事及高級管理層的培訓及持續專業發展、本公司在遵守法律法規規定方面的政策及常規、對標準守則及僱員書面指引的遵守情況、本公司對企業管治守則的遵守情況以及於本企業管治報告所作的披露。

Corporate Governance Report

企業管治報告

ATTENDANCE RECORDS OF DIRECTORS

The attendance record of each director at the Board and Board committee meetings and the general meetings of the Company held during the period from the Listing Date up to 31 December 2018 is set out in the table below:

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

董事的出席記錄

下表載列各董事於上市日期起至2018年12月31日期間舉行的本公司董事會及董事委員會會議以及股東大會的出席記錄：

RISK MANAGEMENT AND INTERNAL CONTROLS

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

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

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

風險管理及內部監控

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

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

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

Corporate Governance Report

企業管治報告

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

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

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

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

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

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

Corporate Governance Report

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

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- the Company has also established the policies of financial reporting and month end financial closing which list out the guideline on preparing the monthly financial pack, the duties of different departments, and the procedures of reviewing and submission of the financial related documents. The policies also listed out the segregation of duties of the financial record preparation within the finance department, reporting channel within the Group and the monthly financial closing and monitoring procedures. The finance department of the subsidiaries is responsible for preparing the financial record on a day-to-day basis and perform monthly financial closing based on the monthly financial closing checklist. The monthly financial pack including the financial statements, cash flow forecast and the key supporting schedule are reviewed by the finance manager of each subsidiary before submitting to the Group's finance department for final review. The Group's finance department further reviews and approves the financial pack received from the subsidiaries before submission to the Executive Directors for review. The Board would further discuss the financial performance on a monthly basis.

The Company has engaged independent consultant to perform the internal audit function for the Group. The independent consultant has conducted its internal audit review activities according to the internal audit plan during the year. The Board, as supported by the Audit Committee, the independent consultant as well as the management report, reviewed the risk management and internal control systems, including the financial, operational and compliance controls, for the year ended 31 December 2018, and considered that such systems are effective and adequate.

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

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

- 本公司亦制定了有關財務申報及月末財務結算的政策。該等政策列出了編製每月財務報告的指引、不同部門的職責、審閱及提交財務相關文件的流程。該等政策亦列出財務部門內財務記錄編製的職責劃分、本集團內的呈報渠道以及每月財務結算及監管程序。附屬公司的財務部門負責每日編製財務記錄，並根據每月財務結算核對清單進行每月財務結算。每月財務報告包括財務報表、現金流量預測及關鍵配套時間表，將由各附屬公司的財務經理審閱後提交予本集團財務部門進行最終審閱。本集團的財務部門進一步審批附屬公司提交的財務報告，然後提交予執行董事供其審閱。董事會每月進一步討論財務表現。

本公司已委聘獨立顧問履行本集團之內部審核職能。年內，獨立顧問已根據內部審核計劃進行內部審核檢討。董事會在審核委員會、獨立顧問及管理層報告的支持下，審閱截至2018年12月31日止年度的風險管理及內部監控制度，包括財務、營運及合規監控，並認為該等制度屬有效及充分。

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

本公司已實施監控程序，確保嚴禁未經授權獲得及使用內幕消息。

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2018.

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

The statement of the independent auditor of the Company about their responsibilities on the financial statements is set out in the independent auditor's report on pages 97 to 111.

AUDITORS' REMUNERATION

The remuneration paid to the Company's external auditor of the Company, Messrs. PricewaterhouseCoopers, in respect of audit services and listing services for the year ended 31 December 2018 amounted to RMB1.6 million and RMB2.8 million (RMB2.1 million of which was charged to profit of loss and included in listing expenses and RMB0.7 million was charged against share premium account upon listing of the Company) respectively.

COMPANY SECRETARY

The Company Secretary of the Company is Mr. Leung Kam Fai Anthony, who is an employee of the Company and has day-to-day knowledge of the Company's affair. During the year ended 31 December 2018, he has taken no less than 15 hours of relevant professional training in accordance with rule 3.29 of the Listing Rules.

SHAREHOLDERS' RIGHTS

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

董事有關財務報表的責任

董事確認編製本公司截至2018年12月31日止年度財務報表的責任。

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

本公司獨立核數師關於其對財務報表的責任聲明載於獨立核數師報告第97頁至第111頁。

核數師酬金

本公司向其外聘核數師羅兵咸永道會計師事務所就其截至2018年12月31日止年度提供的審核服務及上市服務支付的酬金分別為人民幣1.6百萬元及人民幣2.8百萬元（其中人民幣2.1百萬元於損益扣支並計入上市開支及人民幣0.7百萬元於本公司上市後自股份溢價賬扣支）。

公司秘書

梁錦暉先生為本公司的公司秘書，彼為本公司僱員且了解本公司的日常事務。於截至2018年12月31日止年度，彼根據上市規則第3.29條參加不少於15小時的相關專業培訓。

股東權利

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

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Convening an Extraordinary General Meeting

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

Putting Forward Proposals at General Meetings

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

Putting Forward Enquiries to the Board

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

召開股東特別大會

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

於股東大會上提呈建議

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

向董事會提出查詢

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

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Contact Details

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

Address: Room 1409, Floor 14, Leighton Centre, 77 Leighton Road, Causeway Bay, Hong Kong
(For the attention of the Board/Company Secretary)
Email: enquiry@everreachgrp.com

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

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS/INVESTOR RELATIONS

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

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

During the year under review, the Company has amended its Articles of Association, which took effect on the Listing Date. An up-to-date version of the Company's Articles of Association is also available on the Company's website and the Stock Exchange's website.

聯絡詳情

股東可按下文所述方式發送其查詢或上述要求：

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

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

與股東及投資者溝通／投資者關係

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

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

於回顧年度內，本公司對其於上市日期生效的組織章程細則進行了修訂。本公司組織章程細則的最新版本亦可於本公司網站及聯交所網站查閱。

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Policies relating to Shareholders

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

The Company has adopted a policy on payment of dividends pursuant to code provision E.1.5 of the CG Code that has become effective from 1 January 2019 which sets out the factors in consideration of the payment of dividend. The Board endeavours to maintain a balance between meeting shareholders' expectations and prudent capital management with a sustainable dividend policy and will continually review the same and make modification when appropriate..

有關股東的政策

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

本公司已根據自2019年1月1日起生效的企業管治守則守則條文E.1.5採納股息派付政策，當中載有派付股息所考慮的因素。董事會致力通過可持續的股息政策在符合股東期望與謹慎管理資本之間保持平衡，並將持續審閱股息政策及於適當時作出修訂。

Independent Auditor's Report

獨立核數師報告



羅兵咸永道

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

致恒達集團（控股）有限公司之股東
（於開曼群島註冊成立的有限公司）

OPINION

意見

What we have audited

我們已審計的內容

The consolidated financial statements of Ever Reach Group (Holdings) Company Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 112 to 263, which comprise:

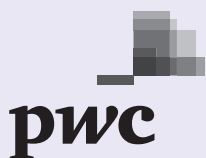
恒達集團（控股）有限公司（「貴公司」）及其附屬公司（統稱「貴集團」）載於第112至263頁的綜合財務報表，當中包括：

- the consolidated statement of financial position as at 31 December 2018;
 - the consolidated statement of profit or loss for the year then ended;
 - the consolidated statement of comprehensive income for the year then ended;
 - the consolidated statement of changes in equity for the year then ended;
 - the consolidated statement of cash flows for the year then ended; and
 - the notes to the consolidated financial statements, which include a summary of significant accounting policies.
- 於2018年12月31日的綜合財務狀況報表；
 - 截至該日止年度的綜合損益表；
 - 截至該日止年度的綜合全面收益表；
 - 截至該日止年度的綜合權益變動表；
 - 截至該日止年度的綜合現金流量表；及
 - 綜合財務報表附註（包括重大會計政策概要）。

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

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Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAs”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

羅兵咸永道

我們的意見

我們認為，該等綜合財務報表已根據香港會計師公會（「香港會計師公會」）頒佈的香港財務報告準則（「香港財務報告準則」）真實而中肯地反映了貴集團於2018年12月31日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港公司條例的披露規定妥為編製。

意見的基準

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

我們相信，我們所獲得的審計憑證能充足及適當地為我們的意見提供基礎。

獨立性

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



羅兵咸永道

KEY AUDIT MATTERS

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

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

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

關鍵審計事項

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

我們在審計中識別的關鍵審計事項概述如下：

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

Independent Auditor's Report

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羅兵咸永道

KEY AUDIT MATTERS (CONTINUED)

關鍵審計事項 (續)

| Key Audit Matter 1 關鍵審計事項 1 | How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項 |
|---|--|
| <p>Recognition of revenue from sales of properties 確認物業銷售所得收入</p> <p>Refer to Note 4 'Critical accounting estimates and judgements' and Note 22 'Revenue' to the consolidated financial statements. 請參閱綜合財務報表附註4「重要會計估計及判斷」及附註22「收入」。</p> <p>Revenue from sales of properties is recognised over time when the Group's performance under a sales contract does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date; otherwise, the revenue is recognised at a point in time when the buyer obtains control of the completed property. For the year ended 31 December 2018, revenue of the Group from sales of properties was RMB1,881.4 million, of which RMB504.7 million was recognised over time and RMB1,376.7 million was recognised at a point in time.</p> <p>物業銷售所得收入於貴集團於銷售合同項下的履約未創建對貴集團具有替代作用的資產，而貴集團有強制執行權收取至今履約部分的款項時隨時間確認；否則收入在買家取得竣工物業控制權的某一時點確認。截至2018年12月31日止年度，貴集團物業銷售所得收入為人民幣1,881,400,000元，其中人民幣504,700,000元隨時間確認，而人民幣1,376,700,000於某一時點確認。</p> | <p>Our procedures in relation to identifying sales contracts subject to revenue recognised over time include: 我們有關識別須隨時間確認收入的銷售合同的程序包括：</p> <ul style="list-style-type: none">• Understood management's process in identifying sales contracts with or without enforceable right to payment.• 了解管理層識別銷售合同有無強制執行權收取款項的程序。• Read the key terms of sales contracts, on a sample basis, to assess the presence of enforceable right to payment based on the contract terms.• 閱讀銷售合同的關鍵條款（按抽樣基準）以根據合同條款評估是否存在收取款項的強制執行權。• Obtained and read the letter of the Group's legal counsel, in particular, the legal counsel's interpretation of the applicable laws and evaluated the implication on the management assessment of the enforceability of the right to payment.• 獲得及閱讀貴集團法律顧問函件，尤其是法律顧問對於適用法律的解釋及評估管理層對收款權利的可強制執行性評估的影響。 |



KEY AUDIT MATTERS (CONTINUED)

關鍵審計事項 (續)

Key Audit Matter 1 (continued)

How our audit addressed the Key Audit Matter

關鍵審計事項 1 (續)

我們的審計如何處理關鍵審計事項

Recognition of revenue from sales of properties (continued)

確認物業銷售所得收入 (續)

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

我們有關隨時間確認物業銷售收入的程序包括：

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

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

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

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

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

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KEY AUDIT MATTERS (CONTINUED)

關鍵審計事項 (續)

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

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KEY AUDIT MATTERS (CONTINUED)

關鍵審計事項 (續)

Key Audit Matter 1 (continued)

How our audit addressed the Key Audit Matter

關鍵審計事項 1 (續)

我們的審計如何處理關鍵審計事項

Recognition of revenue from sales of properties (continued)

確認物業銷售所得收入 (續)

- b) Checked the transfer of effective control of ownership to relevant documents, including completion certificates, occupation permits or customer acceptance.
- b) 檢查所有權的實際控制權轉移的相關文件 (包括竣工證書、居住許可證或客戶驗收單)。
- c) Agreed the sales amount of transactions to the amount set out in the signed sales and purchase agreements and bank statements.
- c) 認為交易的銷售金額與已簽署買賣協議所載金額及銀行對賬單一致。

Based on our audit procedures, we found that transactions tested were supportable by the evidence we obtained.

根據我們的審計程序，我們發現所測試的交易可以通過我們獲得的證據的支持。



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KEY AUDIT MATTERS (CONTINUED)

關鍵審計事項 (續)

| Key Audit Matter 2 關鍵審計事項 2 | How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項 |
|--|---|
| <p>Assessment of net realisable value of properties under development and completed properties held for sale 評估開發中物業及持作出售竣工物業的可變現淨值</p> <p>Refer to Note 4 'Critical accounting estimates and judgements' and, Note 9 'Properties held or under development for sale' to the consolidated financial statements. 請參閱綜合財務報表附註4「重要會計估計及判斷」及附註9「持作出售或開發中待售物業」。</p> <p>The properties under development ("PUD") and completed properties held for sale ("PHS") of the Group amounted to RMB2,080.4 million and RMB1,810.5 million respectively as at 31 December 2018, which are significant to the Group's total assets. The carrying amounts of PUD and PHS are stated at the lower of cost and net realisable value ("NRV"). 於2018年12月31日，貴集團開發中物業（「開發中物業」）及持作出售竣工物業（「持作出售竣工物業」）的金額分別為人民幣2,080,400,000元及人民幣1,810,500,000元，佔貴集團總資產的大部分。開發中物業及持作出售竣工物業的賬面價值以成本及可變現淨值（「可變現淨值」）中的較低者計量。</p> | <p>Our procedures in relation to management's NRV assessment on PUD and PHS include: 我們有關管理層對開發中物業及持作出售竣工物業的可變現淨值的評估的程序包括：</p> <ul style="list-style-type: none">• Obtained the management's calculation schedules on provision for PUD and PHS, and tested the completeness of development projects and the mathematical accuracy of the schedules.• 獲得管理層對開發中物業及持作出售竣工物業計提撥備的計算表，並測試開發項目的完工程度及計算表的準確性。• Tested management's key estimates, on a sample basis, for:<ul style="list-style-type: none">• 測試管理層的關鍵估計（按抽樣基準），用於：<ul style="list-style-type: none">a) Selling price which is estimated based on the prevailing market conditions. We compared the estimated selling price to recently transacted prices by making reference to the Group's selling price in the same or similar projects or the prevailing market price of comparable properties with similar type, size and location.a) 基於現行市況估計銷售價格。我們將估計銷售價格與近期交易價格進行比較，並參考貴集團相同或類似項目的售價，或類似類型、規模及位置的可比物業的現行市場價格。 |



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KEY AUDIT MATTERS (CONTINUED)

關鍵審計事項 (續)

Key Audit Matter 2 (continued)

How our audit addressed the Key Audit Matter

關鍵審計事項 2 (續)

我們的審計如何處理關鍵審計事項

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

評估開發中物業及持作出售竣工物業的可變現淨值 (續)

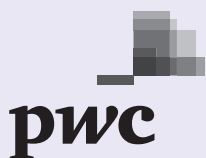
Determination of NRV of PUD and PHS involved critical accounting estimates on the selling price, variable selling expenses and, for PUD, the estimated costs to completion. Given the significant balance of PUD and PHS and the involvement of critical accounting estimates, the assessment of NRV of these properties is considered a key audit matter.

釐定開發中物業及持作出售竣工物業的可變現淨值涉及包括對銷售價格、可變銷售費用，以及開發中物業的估計竣工成本作出的重大會計估計。鑒於開發中物業及持作出售竣工物業的餘額重大，及涉及重大會計估計，我們認為評估該等物業的可變現淨值是一項關鍵審計事項。

- b) Variable selling expenses which are estimated based on certain percentage of selling price. We compared this estimated percentage with the actual average selling expenses to revenue ratio of the Group in recent years.
- b) 可變銷售費用以其佔銷售價格的一定比率來進行估計。我們將該估計比率與貴集團近年來的實際平均銷售費用佔收入的比率進行比較。
- c) Estimated costs to completion for PUD. We compared the estimated costs to completion to the budget approved by management and examined the construction contracts or compared the anticipated completion costs to the actual costs of similar type of completed properties of the Group.
- c) 開發中物業的估計竣工成本。我們將估計竣工成本和管理層批准的預算進行比對，並檢查建築合同，或將預計竣工成本與貴集團同類型已竣工物業的實際成本進行比較。

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KEY AUDIT MATTERS (CONTINUED)

關鍵審計事項 (續)

| Key Audit Matter 2 (continued) 關鍵審計事項 2 (續) | How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項 |
|--|--|
| Assessment of net realisable value of properties under development and completed properties held for sale (continued) 評估開發中物業及持作出售竣工物業的可變現淨值 (續) | <ul style="list-style-type: none">Compared the NRV assessment and provision for impairment provided in prior years, on a sample basis, with the subsequent actual written-off and investigated if any significant variance exists, to assess, historical estimation accuracy for NRV assessment and impairment made by management.將可變現淨值評估及往年計提的減值撥備 (按抽樣基準) 與隨後進行實際撇銷比較, 並對存在的任何重大差異進行調查, 以評估管理層所作可變現淨值評估及減值撥備的過往估計的準確性。 <p>Based on our audit procedures, we found the key estimates used in the assessment of NRV of PUD and PHS were supportable by the evidence we obtained. 根據我們的審計程序, 我們發現用於評估開發中物業及持作出售竣工物業的可變現淨值的關鍵估計可以通過我們獲得的證據的支持。</p> |



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OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the 2018 Annual Report other than the consolidated financial statements and our auditor's report thereon.

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

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

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

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

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

其他資料

貴公司董事須對其他資料負責。其他資料包括2018年年報所載的全部資料（但不包括綜合財務報表及我們就此出具的核數師報告）。

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

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

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

董事及審核委員會就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編製真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

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

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

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

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

董事及審核委員會就綜合財務報表須承擔的責任 (續)

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

審核委員會須負責監督貴集團的財務報告過程。

核數師就審核綜合財務報表所承擔的責任

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



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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

核數師就審核綜合財務報表所承擔的責任 (續)

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

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

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

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

We communicate with the audit committee regarding, 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.

核數師就審核綜合財務報表所承擔的責任 (續)

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Tang Wai Tung.

核數師就審核綜合財務報表所承擔的責任 (續)

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

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

出具本獨立核數師報告的審計項目合夥人是鄧偉東。

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 28 March 2019

羅兵咸永道會計師事務所
執業會計師
香港，2019年3月28日

Consolidated Statement of Financial Position

綜合財務狀況報表

| | | As at 31 December | | |
|---|-----------------|-------------------|-----------|-----------|
| | | 於12月31日 | | |
| | | 2018 | 2017 | |
| | | 2018年 | 2017年 | |
| | | Notes | RMB'000 | RMB'000 |
| | | 附註 | 人民幣千元 | 人民幣千元 |
| ASSETS | 資產 | | | |
| Non-current assets | 非流動資產 | | | |
| Property, plant and equipment | 物業、廠房及設備 | 6 | 41,031 | 34,947 |
| Investment properties | 投資物業 | 7 | 75,250 | 73,840 |
| Deferred tax assets | 遞延稅項資產 | 21 | 57,590 | 46,031 |
| Total non-current assets | 非流動資產總值 | | 173,871 | 154,818 |
| Current assets | 流動資產 | | | |
| Prepayments for leasehold land | 租賃土地預付款項 | 8 | 234,623 | 237,295 |
| Properties held or under development for sale | 持作出售或開發中待售物業 | 9 | 3,890,921 | 3,675,992 |
| Trade and other receivables and prepayments | 貿易及其他應收款項和預付款項 | 10 | 312,340 | 368,950 |
| Prepaid income taxes | 預付所得稅 | | 43,218 | 28,229 |
| Contract assets | 合同資產 | | 3,942 | 3,221 |
| Financial assets at fair value through profit or loss | 按公平值透過損益入賬的金融資產 | 11 | 190 | 222 |
| Restricted cash | 受限制現金 | 12 | 125,928 | 55,500 |
| Cash and cash equivalents | 現金及現金等價物 | 12 | 419,502 | 165,034 |
| Total current assets | 流動資產總值 | | 5,030,664 | 4,534,443 |
| Total assets | 總資產 | | 5,204,535 | 4,689,261 |

Consolidated Statement of Financial Position

綜合財務狀況報表

| | | As at 31 December | | |
|--|--------------|-------------------|----------------|-----------|
| | | 於12月31日 | | |
| | | 2018 | 2017 | |
| | | 2018年 | 2017年 | |
| | | RMB'000 | RMB'000 | |
| | | 人民幣千元 | 人民幣千元 | |
| | | Notes | | |
| | | 附註 | | |
| EQUITY | 權益 | | | |
| Share capital | 股本 | 13 | 10,645 | 1 |
| Share premium | 股份溢價 | 13 | 299,188 | – |
| Retained earnings | 保留盈利 | 14 | 549,035 | 338,807 |
| Other reserves | 其他儲備 | 15 | 118,821 | 104,544 |
| Equity attributable to owners of the Company | 本公司擁有人應佔權益 | | 977,689 | 443,352 |
| Non-controlling interests | 非控股權益 | 37 | 19,826 | 14,470 |
| Total equity | 總權益 | | 997,515 | 457,822 |
| LIABILITIES | 負債 | | | |
| Non-current liabilities | 非流動負債 | | | |
| Bank borrowings and entrusted loans | 銀行借款及委託貸款 | 16 | 29,000 | 168,000 |
| Other long-term borrowings | 其他長期借款 | 17 | 574,170 | 983,760 |
| Deferred tax liabilities | 遞延稅項負債 | 21 | 19,266 | 7,982 |
| Total non-current liabilities | 非流動負債總額 | | 622,436 | 1,159,742 |

Consolidated Statement of Financial Position

綜合財務狀況報表

| | | As at 31 December | | |
|---|---------------|-------------------|------------------|-----------|
| | | 於12月31日 | | |
| | | 2018 | 2017 | |
| | | 2018年 | 2017年 | |
| | | Notes | RMB'000 | RMB'000 |
| | | 附註 | 人民幣千元 | 人民幣千元 |
| Current liabilities | 流動負債 | | | |
| Bank borrowings and entrusted loans | 銀行借款及委託貸款 | 16 | 196,000 | 402,000 |
| Other current borrowings | 其他流動借款 | 18 | - | 66,902 |
| Current portion of other long-term borrowings | 其他長期借款的即期部分 | 17 | 271,340 | 240,810 |
| Contract liabilities | 合同負債 | 19 | 2,030,488 | 1,362,350 |
| Trade and other payables | 貿易及其他應付款項 | 20 | 874,404 | 837,614 |
| Current income tax liabilities | 即期所得稅負債 | | 212,352 | 162,021 |
| Total current liabilities | 流動負債總額 | | 3,584,584 | 3,071,697 |
| Total liabilities | 總負債 | | 4,207,020 | 4,231,439 |
| Total equity and liabilities | 總權益及負債 | | 5,204,535 | 4,689,261 |

The consolidated financial statements on pages 112 to 263 were approved by the Board of Directors on 28 March 2019 and the consolidated statement of financial position was signed on its behalf by:

第112至263頁的綜合財務報表已於2019年3月28日經董事會批准，且綜合財務狀況報表由下列人士代表簽署：

Li Xiaobing

李小冰

Director

董事

WANG Zhenfeng

王振峰

Director

董事

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

上述綜合財務狀況報表應與隨附附註一併閱讀。

Consolidated Statement of Profit or Loss

綜合損益表

| | | Year ended 31 December | | |
|---|------------------|------------------------|--------------------|-------------|
| | | 截至12月31日止年度 | | |
| | | 2018 | | 2017 |
| | | 2018年 | | 2017年 |
| | | Notes | RMB'000 | RMB'000 |
| | | 附註 | 人民幣千元 | 人民幣千元 |
| Revenue | 收入 | 22 | 1,883,603 | 1,549,878 |
| Cost of sales | 銷售成本 | 24 | (1,253,721) | (1,144,954) |
| Gross profit | 毛利 | | 629,882 | 404,924 |
| Fair value gains on investment properties | 投資物業的公平值收益 | 7 | 1,410 | 1,534 |
| Selling and marketing expenses | 銷售及市場推廣開支 | 24 | (43,985) | (28,600) |
| Administrative expenses | 行政開支 | 24 | (110,692) | (75,055) |
| Other losses – net | 其他虧損 – 淨額 | 23 | (6,574) | (1,367) |
| Operating profit | 經營利潤 | | 470,041 | 301,436 |
| Finance income | 財務收入 | 25 | 993 | 785 |
| Finance costs | 財務成本 | 25 | (45,271) | (28,225) |
| Finance costs – net | 財務成本 – 淨額 | | (44,278) | (27,440) |
| Profit before income tax | 除所得稅前利潤 | | 425,763 | 273,996 |
| Income tax expense | 所得稅開支 | 28 | (195,902) | (124,587) |
| Profit for the year | 年內利潤 | | 229,861 | 149,409 |

Consolidated Statement of Profit or Loss

綜合損益表

| | | Year ended 31 December | |
|--|------------------------------|------------------------|---------|
| | | 截至12月31日止年度 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| | | Notes | |
| | | 附註 | |
| Attributable to: | 下列各方應佔： | | |
| Owners of the Company | 本公司擁有人 | 224,505 | 147,794 |
| Non-controlling interests | 非控股權益 | 5,356 | 1,615 |
| | | 229,861 | 149,409 |
| Earnings per share attributable to the owners of the Company (expressed in RMB) | 本公司擁有人應佔 每股盈利 (以人民幣表示) | | |
| – Basic and diluted earnings per share | – 每股基本及攤薄盈利 | 29 | 0.16 |

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

上述綜合損益表應與隨附附註一併閱讀。

Consolidated Statement of Comprehensive Income

綜合全面收益表

| | | Year ended 31 December | |
|--|----------------|------------------------|----------------|
| | | 截至12月31日止年度 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| | | <i>RMB'000</i> | <i>RMB'000</i> |
| | | 人民幣千元 | 人民幣千元 |
| Profit for the year | 年內利潤 | 229,861 | 149,409 |
| Other comprehensive income for the year | 年內其他全面收益 | - | - |
| Total comprehensive income for the year, net of tax | 年內全面收益總額（扣除稅項） | 229,861 | 149,409 |
| Attributable to: | 下列各方應佔： | | |
| Owners of the Company | 本公司擁有人 | 224,505 | 147,794 |
| Non-controlling interests | 非控股權益 | 5,356 | 1,615 |
| | | 229,861 | 149,409 |

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

上述綜合全面收益表應與隨附附註一併閱讀。

Consolidated Statement of Changes in Equity

綜合權益變動表

| | | Attributable to owners of the Company 本公司擁有人應佔 | | | | | Non- | Total |
|--|----------------|---|--------------------------|------------------------------|---------------------------|------------------|-----------------------------------|------------------|
| | | Share capital 股本 | Share premium 股份溢價 | Retained earnings 保留盈利 | Other reserves 其他儲備 | Sub-total 小計 | controlling interests 非控股權益 | equity 總權益 |
| Note 附註 | | 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 2017 | 於2017年1月1日 | 1 | - | 199,774 | 95,733 | 295,508 | 8,149 | 303,657 |
| Comprehensive income | 全面收益 | | | | | | | |
| Profit for the year | 年內利潤 | - | - | 147,794 | - | 147,794 | 1,615 | 149,409 |
| Transactions with owners | 與擁有人的交易 | | | | | | | |
| Appropriation to statutory surplus reserves | 轉撥至法定盈餘儲備 | 15 | - | (8,761) | 8,761 | - | - | - |
| Contributions from non-controlling interests of a subsidiary | 來自附屬公司非控股權益的注資 | - | - | - | - | - | 3,856 | 3,856 |
| Transactions with non-controlling interests | 與非控股權益的交易 | - | - | - | 50 | 50 | 850 | 900 |
| Total transactions with owners | 與擁有人的交易總額 | - | - | (8,761) | 8,811 | 50 | 4,706 | 4,756 |
| At 31 December 2017 | 於2017年12月31日 | 1 | - | 338,807 | 104,544 | 443,352 | 14,470 | 457,822 |

Consolidated Statement of Changes in Equity

綜合權益變動表

| | | Attributable to owners of the Company 本公司擁有人應佔 | | | | | Non- | Total |
|---------------------------------------|--------------|---|--------------------------|------------------------------|---------------------------|------------------|-----------------------------------|------------------|
| | | Share capital 股本 | Share premium 股份溢價 | Retained earnings 保留盈利 | Other reserves 其他儲備 | Sub-total 小計 | controlling interests 非控股權益 | equity 總權益 |
| Note 附註 | | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 |
| At 1 January 2018 | 於2018年1月1日 | 1 | - | 338,807 | 104,544 | 443,352 | 14,470 | 457,822 |
| Comprehensive income | 全面收益 | | | | | | | |
| Profit for the year | 年內利潤 | - | - | 224,505 | - | 224,505 | 5,356 | 229,861 |
| Transactions with owners | 與擁有人的交易 | | | | | | | |
| Issuance of ordinary shares | 發行普通股 | 13 | 2,661 | 307,171 | - | - | 309,832 | - |
| Capitalisation Issue | 資本化發行 | 13 | 7,983 | (7,983) | - | - | - | - |
| Appropriation to statutory reserves | 轉撥至法定儲備 | 15 | - | - | (14,277) | 14,277 | - | - |
| Total transactions with owners | 與擁有人的交易總額 | 10,644 | 299,188 | (14,277) | 14,277 | 309,832 | - | 309,832 |
| At 31 December 2018 | 於2018年12月31日 | 10,645 | 299,188 | 549,035 | 118,821 | 977,689 | 19,826 | 997,515 |

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

上述綜合權益變動表應與隨附附註一併閱讀。

Consolidated Statement of Cash Flows

綜合現金流量表

| | | Year ended 31 December | |
|--|--------------------------|------------------------|-----------|
| | | 截至12月31日止年度 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Cash flow from operating activities | 經營活動所得現金流量 | | |
| Net cash generated from operations (Note 31(a)) | 營運產生現金淨額 (附註31(a)) | 825,461 | 604,492 |
| Interest paid | 已付利息 | (95,241) | (121,042) |
| PRC income tax paid | 已付中國所得稅 | (64,808) | (61,013) |
| PRC land appreciation tax paid | 已付中國土地增值稅 | (96,027) | (45,605) |
| Net cash generated from operating activities | 經營活動產生現金淨額 | 569,385 | 376,832 |
| Cash flow from investing activities | 投資活動所得現金流量 | | |
| Purchase of property, plant and equipment | 購置物業、廠房及設備 | (7,325) | (10,086) |
| Proceeds from disposal of property, plant and equipment (Note 31(c)) | 出售物業、廠房及設備所得款項 (附註31(c)) | 166 | 24 |
| Temporary funding provided to related parties (Note 34(b)) | 提供予關聯方的臨時資金 (附註34(b)) | - | (41,176) |
| Repayments received from related parties (Note 34(b)) | 自關聯方收取的還款 (附註34(b)) | 6,948 | 44,555 |
| Temporary funding provided to third parties | 提供予第三方的臨時資金 | - | (72,500) |
| Repayments received from third parties | 自第三方收取的還款 | - | 117,677 |
| Cash inflow from disposal of a subsidiary | 出售附屬公司的現金流入 | - | 4,500 |
| Interest received | 已收利息 | 993 | 785 |
| Restricted cash deposits | 受限制現金存款 | (70,428) | 19,062 |
| Net cash (used in)/generated from investing activities | 投資活動(所用)/產生現金淨額 | (69,646) | 62,841 |

Consolidated Statement of Cash Flows

綜合現金流量表

| | | Year ended 31 December | |
|--|--------------------------|------------------------|-------------|
| | | 截至12月31日止年度 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Cash flow from financing activities | 融資活動所得現金流量 | | |
| Proceeds from bank borrowings and entrusted loans | 銀行借款及委託貸款所得款項 | 226,000 | 894,160 |
| Repayments of bank borrowings and entrusted loans | 償還銀行借款及委託貸款 | (571,000) | (1,079,680) |
| Proceeds from borrowings from non-financial institutions | 來自非金融機構借款的所得款項 | - | 199,730 |
| Repayments of borrowings from non-financial institutions | 償還非金融機構借款 | (201,722) | (334,660) |
| Temporary funding received from related parties (Note 34(b)) | 自關聯方收取的臨時資金 (附註34(b)) | - | 39,697 |
| Repayments to related parties (Note 34(b)) | 向關聯方還款 (附註34(b)) | (12,486) | (44,264) |
| Temporary funding from third parties | 來自第三方的臨時資金 | - | 12,507 |
| Repayments to third parties | 向第三方還款 | (3,119) | (62,999) |
| Disposal of partial interest in a subsidiary | 出售附屬公司部分權益 | - | 900 |
| Contributions from non-controlling interests of a subsidiary | 來自附屬公司非控股權益的注資 | - | 3,856 |
| Proceed from issue of shares | 發行股份所得款項 | 317,056 | - |
| Net cash used in financing activities | 融資活動所用現金淨額 | (245,271) | (370,753) |
| Net increase in cash and cash equivalents | 現金及現金等價物增加淨額 | 254,468 | 68,920 |
| Cash and cash equivalents at beginning of year | 年初現金及現金等價物 | 165,034 | 96,114 |
| Cash and cash equivalents at end of year (Note 12) | 年末現金及現金等價物 (附註12) | 419,502 | 165,034 |

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

上述綜合現金流量表應與隨附附註一併閱讀。

Notes to the Consolidated Financial Statements

綜合財務報表附註

1 GENERAL INFORMATION

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

(i) Compliance with Hong Kong Financial Reporting Standards

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

1 一般資料

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

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

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

除非另有指明,綜合財務報表乃以人民幣千元呈列。

2 重大會計政策概要

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

2.1 編製基準

(i) 遵守香港財務報告準則

綜合財務報表已根據香港財務報告準則(「香港財務報告準則」)及香港公司條例(第622章)(「香港公司條例」)的披露規定編製。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

(ii) Historical cost convention

The financial statements have been prepared under the historical cost convention, as modified by the following:

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

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

2 重大會計政策概要 (續)

2.1 編製基準 (續)

(ii) 歷史成本慣例

財務報表已根據歷史成本慣例編製，並作出以下各項修訂：

- 按公平值透過其他全面收入入賬的金融資產 – 按公平值計量
- 金融資產 – 按公平值透過損益計量，及
- 投資物業 – 按公平值計量

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

(iii) New standards, amendments and interpretation effective in 2018

The following new accounting standards, amendments and interpretation of HKFRSs, which are relevant to the Group's operations are effective for the first time for the financial year beginning on or after 1 January 2018. These have already been adopted by the Group when it prepared the consolidated financial statements for the years ended 31 December 2015, 2016, 2017 and four months ended 30 April 2018 for the Listing:

- HKFRS 9 Financial Instruments
- HKFRS 15 Revenue from Contracts with Customers
- Annual Improvements to HKFRSs 2014 – 2016 Cycle
- Amendments to HKAS 40 – Regarding transfers of investment property
- HK(IFRIC) 22 Foreign Currency Transactions and Advance Consideration

2 重大會計政策概要 (續)

2.1 編製基準 (續)

(iii) 於2018年生效的新訂、經修訂準則及詮釋

以下與本集團運營有關的香港財務報告準則的新訂會計準則、修訂及詮釋於2018年1月1日或之後開始的財政年度首次生效。本集團於為籌備上市編製截至2015年、2016年及2017年12月31日止年度以及截至2018年4月30日止四個月的綜合財務報表時已採納以下準則、修訂及詮釋：

- 香港財務報告準則第9號金融工具
- 香港財務報告準則第15號來自客戶的合同收入
- 香港財務報告準則2014年至2016年週期的年度改進
- 香港會計準則第40號(修訂) – 關於投資物業的轉撥
- 香港(國際財務報告詮釋委員會)詮釋第22號外幣交易及預付代價

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

(iv) New standards, amendments and interpretation not yet adopted

The following new accounting standards, amendments and interpretation have been published that are not mandatory for the financial year beginning on 1 January 2018 and have not been early adopted by the Group.

Standards/Amendments/ Interpretation

準則／修訂／詮釋

| | | |
|--|---|-----------------------------|
| <ul style="list-style-type: none"> • HKFRS 10 and HKAS 28 (Amendments) | Regarding sale or contribution of assets between an investor and its associate or joint venture | To be determined |
| <ul style="list-style-type: none"> • 香港財務報告準則第10號及香港會計準則第28號(修訂) | 關於投資者與其聯營公司或合營企業之間的資產出售或注資 | 待定 |
| <ul style="list-style-type: none"> • HKFRS 16 • 香港財務報告準則第16號 | Leases 租賃 | 1 January 2019 2019年1月1日 |
| <ul style="list-style-type: none"> • HK(IFRIC) 23 • 香港(國際財務報告詮釋委員會)詮釋第23號 | Uncertainty over Income Tax Treatments 所得稅處理之不確定性 | 1 January 2019 2019年1月1日 |
| <ul style="list-style-type: none"> • Amendments to HKFRS 9 • 香港財務報告準則第9號(修訂) | Regarding prepayment features with negative compensation – amendments 關於具有負補償的提前付款特性的金融工具 | 1 January 2019 2019年1月1日 |

2 重大會計政策概要(續)

2.1 編製基準(續)

(iv) 尚未獲採納的新訂、經修訂準則及詮釋

以下新訂會計準則、修訂及詮釋已經頒佈，惟並未於2018年1月1日開始的財政年度強制生效，且並未獲本集團提前採納。

Effective for annual periods beginning on or after 於以下日期或之後開始 的年度期間生效

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

(iv) New standards, amendments and interpretation not yet adopted (continued)

| Standards/Amendments/ Interpretation | | Effective for annual periods beginning on or after |
|---|--|--|
| 準則／修訂／詮釋 | | 於以下日期或之後開始 的年度期間生效 |
| • Amendments to HKAS 28 | Regarding long-term interests in associates and joint ventures | 1 January 2019 |
| • 香港會計準則第28號(修訂) | 關於聯營公司及合營企業的長期權益 | 2019年1月1日 |
| • Amendments to HKAS 19 | Regarding plan amendment, curtailment or settlement | 1 January 2019 |
| • 香港會計準則第19號(修訂) | 關於計劃修訂、縮減或結算 | 2019年1月1日 |
| • Amendments to HKFRSs | Annual Improvement to HKFRSs 2015-2017 Cycle | 1 January 2019 |
| • 香港財務報告準則(修訂) | 香港財務報告準則2015至2017年週期的年度改進 | 2019年1月1日 |
| • HKFRS 17 | Insurance Contracts | 1 January 2021 |
| • 香港財務報告準則第17號 | 保險合同 | 2021年1月1日 |

The Group has already commenced an assessment of the impact of these new standards, amendments, and interpretation of HKFRSs, certain of which are relevant to the Group's operation. According to the preliminary assessment made by the directors, no significant impact on the financial performance and position of the Group is expected when they become effective except that there will be some impact for HKFRS 16 as explained below.

2 重大會計政策概要(續)

2.1 編製基準(續)

(iv) 尚未獲採納的新訂、經修訂準則及詮釋(續)

本集團已開始評估該等香港財務報告準則新訂準則、修訂及詮釋的影響，若干該等準則或修訂與本集團的營運有關。根據董事作出的初步評估，於該等準則或修訂生效時，預期將不會對本集團的財務業績及狀況構成重大影響，惟就香港財務報告準則第16號而言將產生些許影響(解釋見下文)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

(iv) New standards, amendments and interpretation not yet adopted (continued)

HKFRS 16 “Leases”. The Group is the lessee of two buildings which are currently classified as operating lease. The Group’s current accounting policy for such leases is set out in Note 2.26 with the Group’s future operating lease commitments not being reflected in the consolidated statement of financial position. HKFRS 16 provides new provisions for the accounting treatment of leases and will in the future no longer allow lessees to recognise certain leases outside of the balance sheet. Instead, all non-current leases must be recognised in the form of an asset (for the right of use) and a financial liability (for the payment obligation). Thus each lease will be mapped in the Group’s consolidated statement of financial position. Short-term leases of less than twelve months and leases of low-value assets are exempted from the reporting obligation. The Group’s future aggregate minimum lease payments under non-cancellable lease as at 31 December 2018 amounted to approximately RMB19,060,000 (Note 32). The new standard will therefore result in an increase in right of use assets and an increase in financial liabilities in the consolidated statement of financial position. In the statement of profit or loss, as a result, the operating expense under otherwise identical circumstances will decrease, while depreciation and amortisation and the interest expense will increase.

2 重大會計政策概要 (續)

2.1 編製基準 (續)

(iv) 尚未獲採納的新訂、經修訂準則及詮釋 (續)

香港財務報告準則第16號「租賃」。本集團為兩幢樓宇的承租人，該樓宇現分類為經營租賃。本集團目前有關該等租賃的會計政策載於附註2.26，而本集團的未來經營租賃承擔並無反映在綜合財務狀況報表。香港財務報告準則第16號規定有關租賃會計處理的新條文，日後將不再允許承租人在資產負債表外確認若干租賃。相反，所有非即期租賃必須以資產（就使用權而言）及金融負債（就付款責任而言）形式確認。因此，各項租賃將在本集團綜合財務狀況報表中有所體現。期限短於12個月的短期租賃及低價值資產租賃獲豁免履行申報責任。於2018年12月31日，本集團在不可撤銷租賃下的未來最低租賃付款總額約為人民幣19,060,000元（附註32）。因此，新訂準則將導致綜合財務狀況報表中的使用權資產增加及金融負債增加。因此，在損益表中，其他相同情況下的經營開支將減少，而折舊及攤銷以及利息開支將增加。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

(iv) New standards, amendments and interpretation not yet adopted (continued)

The directors consider that the adoption of the new standard will have some impact on the financial position of the Group as the related right-of-use assets and lease liabilities will be recognised upon adoption of the new standard on 1 January 2019. However, the impact to the financial performance of the Group will be minimal as the impact of amortisation of the right-of-use assets and unwinding the discount of the related payable will not be materially different from the operating lease charges that would have been recognised under the current standard.

The Group does not intend to adopt the above new standards, amendments and interpretation before their respective effective dates.

2 重大會計政策概要 (續)

2.1 編製基準 (續)

(iv) 尚未獲採納的新訂、經修訂準則及詮釋 (續)

董事認為採納新訂準則會對本集團的財務狀況造成一定影響，因為於2019年1月1日採納新訂準則後將確認相關使用權資產及租賃負債。然而，對本集團的財務表現構成的影響將並不重大，因為使用權資產攤銷及相關應付款項貼現解除的影響與原應根據當前準則確認的經營租賃費用並無重大差異。

本集團並不擬在各自生效日期前採納上述新訂、經修訂準則及詮釋。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Subsidiaries

2.2.1 Consolidation

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

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

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

2 重大會計政策概要 (續)

2.2 附屬公司

2.2.1 綜合賬目

一間附屬公司為本集團擁有控制權的實體(包括結構實體)。當本集團承受或享有參與實體所得的可變回報，且有能力透過其指導實體活動的權力影響該等回報時，則本集團控制該實體。附屬公司在控制權轉移至本集團之日全面綜合入賬。附屬公司在控制權終止之日起停止綜合入賬。

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

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Subsidiaries (continued)

2.2.1 Consolidation (continued)

(a) Business combinations

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

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

2 重大會計政策概要 (續)

2.2 附屬公司 (續)

2.2.1 綜合賬目 (續)

(a) 業務合併

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

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Subsidiaries (continued)

2.2.1 Consolidation (continued)

(a) Business combinations (continued)

Acquisition-related costs are expensed as incurred.

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

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

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

2 重大會計政策概要 (續)

2.2 附屬公司 (續)

2.2.1 綜合賬目 (續)

(a) 業務合併 (續)

收購相關成本於產生時支銷。

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

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

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Subsidiaries (continued)

2.2.1 Consolidation (continued)

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

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

(c) *Disposal of subsidiaries*

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

2 重大會計政策概要 (續)

2.2 附屬公司 (續)

2.2.1 綜合賬目 (續)

(b) *控制權不變的情況下於附屬公司的擁有權益變動*

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

(c) *出售附屬公司*

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

2 重大會計政策概要 (續)

2.3 外幣換算

(a) 功能及呈列貨幣

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

(b) 交易及結餘

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

與借款以及現金及現金等價物有關的匯兌收益及虧損於綜合損益表內的「財務收入或開支」呈列。所有其他匯兌收益及虧損於綜合損益表內的「其他收益／（虧損）－淨額」呈列。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Foreign currency translation (continued)

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each statement of financial position are translated at the closing rate;
- (ii) income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rate; and
- (iii) all resulting exchange differences are recognised in other comprehensive income.

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

2.4 Segment reporting

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

2 重大會計政策概要 (續)

2.3 外幣換算 (續)

(c) 集團公司

倘本集團旗下所有實體(均無涉及嚴重通脹經濟的貨幣)的功能貨幣與呈列貨幣不同,則業績及財務狀況按以下方式換算為呈列貨幣:

- (i) 每份財務狀況表的資產及負債按收市匯率換算;
- (ii) 各損益表及全面收入表的收入及開支按平均匯率換算;及
- (iii) 所有因此而產生的匯兌差額於其他全面收入中確認。

因收購海外實體而產生的商譽及公平值調整,均作為該海外實體的資產及負債處理,並按收市匯率換算。

2.4 分部報告

經營分部按照與向主要經營決策者(「主要經營決策者」)提供內部報告一致的方式報告。負責分配資源及評估經營分部表現的主要經營決策者已識別為作出戰略決策的執行董事。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Property, plant and equipment

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

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

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

| | |
|-------------------------------------|--|
| – Motor vehicles | 4 years |
| – Furniture, fittings and equipment | 5 years |
| – Electronic devices | 3-5 years |
| – Buildings | 20 years |
| – Leasehold improvements | the shorter of lease terms or useful lives |

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

2 重大會計政策概要 (續)

2.5 物業、廠房及設備

物業、廠房及設備按歷史成本減累計折舊及減值虧損入賬。歷史成本包括收購該等項目直接應佔的開支。

只有當項目相關的未來經濟利益很可能流入本集團，以及該項目的成本能可靠地計量，後續成本方計入資產的賬面值或確認為獨立資產（如適用）。被替換部分的賬面值會終止確認。所有其他維修保養費用於產生的財務期間於損益表中扣除。

物業、廠房及設備折舊使用直線法計算，按其估計可使用年期分配其成本減其剩餘價值，有關估計可使用年期如下：

| | |
|------------|------------------|
| – 汽車 | 4年 |
| – 傢俬、裝置及設備 | 5年 |
| – 電子設備 | 3至5年 |
| – 樓宇 | 20年 |
| – 租賃裝修 | 租期或可使用年期（以較短者為準） |

資產的剩餘價值及可使用年期於各報告期末檢討及調整（如適用）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Property, plant and equipment (continued)

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised as "Other gains/(losses) – net" in the statement of profit or loss.

2.6 Properties held or under development for sale

Properties held or under development for sale are stated at the lower of cost and net realisable value. Development cost of properties comprises cost of land use rights (including land auction price, other demolition cost to acquire land and resettlement housing construction costs after deducting related government grants), construction costs and borrowing costs incurred during the construction period. Upon completion, the properties under development for sale are transferred to properties held for sale.

Net realisable value takes into account the price ultimately expected to be realised, less applicable variable selling expenses and the anticipated costs to completion.

Properties held or under development for sale are classified as current assets unless the construction period of the relevant property development project is expected to complete beyond normal operating cycle.

2 重大會計政策概要 (續)

2.5 物業、廠房及設備 (續)

倘一項資產的賬面值高於其估計可收回金額，則該項資產的賬面值會即時調減至其可收回金額。

出售產生的收益及虧損乃透過比較所得款項與賬面值而釐定，並於損益表中確認為「其他收益／(虧損)－淨額」。

2.6 持作出售或開發中待售物業

持作出售或開發中待售物業按成本與可變現淨值之較低者入賬。物業開發成本包括土地使用權成本(包括土地拍賣價、收購土地的其他拆遷費用及扣除相關政府補助後的安置房建築成本)、建築期間產生的建築成本及借款成本。於竣工後，開發中待售物業會結轉為持作出售的物業。

可變現淨值計及預期最終變現的價格，減適用變動銷售開支及預期完工成本。

持作出售或開發中待售物業分類為流動資產，惟相關物業發展項目之建築工期預計超出正常經營週期者除外。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Investment properties

Investment property, principally comprising leasehold land and buildings, is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group. It also includes properties that are being constructed or developed for future use as investment properties. Land held under operating leases are accounted for as investment properties when the rest of the definition of an investment property is met. In such cases, the operating leases concerned are accounted for as if they were finance leases. Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment properties are carried at fair value, representing open market value determined by management of the Group at each reporting date taking into account of any available valuation results performed by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are recorded in the statement of profit or loss as a separate line item.

2 重大會計政策概要 (續)

2.7 投資物業

投資物業（主要包括租賃土地及樓宇）就長期租賃收益或資本增值或上述兩個因素而持有，並非由本集團佔用。投資物業亦包括日後用作投資物業的在建或開發中物業。根據經營租賃持有的土地如能符合投資物業其他定義則入賬列作投資物業。在該等情況下，相關經營租賃入賬（猶如其為融資租賃）。投資物業最初按成本（包括相關交易成本及借款成本（倘適用））計量。於初始確認後，投資物業按公平值（相當於本集團管理層經考慮任何可獲得的由外部估值師得出的估值結果後於各報告日期釐定的公開市值）計值。公平值乃按活躍市場價格計算，並就特定資產的性質、位置或狀況的任何差異性作出調整（若必要）。若未能獲得資料，本集團採用較不活躍市場的近期價格或折現現金流量預測等其他替代估值方法。公平值變動按單獨項獨立計入損益表。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Impairment of non-financial assets

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

2 重大會計政策概要 (續)

2.8 非金融資產減值

具無限可使用年期的無形資產或不可供使用的無形資產無須進行攤銷，並須每年進行減值測試。須予攤銷的資產，當任何事件發生或環境變化顯示其賬面值不可收回時，會檢討該等資產的減值情況。當資產賬面值超逾其可收回金額，則超出的數額將確認為減值虧損。可收回金額指資產公平值減銷售成本與使用價值的較高者。就評估減值而言，資產將分別按可識別現金流量（現金產生單位）的最低層次組合。已減值的非金融資產（商譽除外）於各報告日期檢討是否可能撥回減值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Land use rights

Land in mainland China is state-owned and no individual land ownership right exists. The Group acquired the rights to certain land, and the premiums paid for such rights are recorded as land use rights. Land use rights are classified and accounted for in accordance with the intended use of respective properties as erected on the land.

For properties that are held for own use, corresponding land use rights are separately stated in the statement of financial position, and are stated at cost and amortised over the use terms of 40-70 years using the straight-line method.

For properties that are under development and held for sale, corresponding land use rights are accounted for as part of the development costs, and are accounted for in accordance with the policy stated in Note 2.6.

For properties that are held as investment properties, corresponding land use rights are accounted for as part of the costs, and are accounted for in accordance with the policy stated in Note 2.7.

2 重大會計政策概要(續)

2.9 土地使用權

中國大陸的土地均為國有，故不存在個人土地所有權。本集團收購若干土地權利並就有關權利支付的出讓金按土地使用權入賬。土地使用權根據土地上所建相關物業的擬訂用途分類及入賬。

對於持作自用的物業，相應的土地使用權分別在財務狀況表列賬，且採用直線法按成本列賬並按使用年期40至70年進行攤銷。

對於開發中物業及持作出售物業，相應的土地使用權按部分開發成本列賬並根據附註2.6所載政策入賬。

對持作投資物業的物業而言，相應的土地使用權按部分成本列賬並根據附註2.7所載政策入賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Investments and other financial assets

2.10.1 Classification

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

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

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

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

2 重大會計政策概要 (續)

2.10 投資及其他金融資產

2.10.1 分類

本集團將其金融資產分為以下計量類別：

- 其後按公平值計量 (包括透過其他全面收入或透過損益) 的金融資產；及
- 按攤銷成本計量的金融資產。

分類取決於實體管理金融資產的商業模式以及現金流量的合同條款。

對於按公平值計量的資產，收益及虧損將計入損益或其他全面收入。對於債務工具的投資，其收益及虧損計入何處取決於持有該筆投資的商業模式。對於權益工具的投資，其收益及虧損計入何處取決於本集團在進行初始確認時是否作出了權益工具按公平值透過其他全面收入入賬的不可撤銷之選擇。

本集團只有在改變管理該等資產的商業模式時方會對債務投資進行重新分類。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Investments and other financial assets (continued)

2.10.1 Classification (continued)

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

2.10.2 Recognition and measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classified its debt instruments into the following measurement category:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the consolidated statement of profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

2 重大會計政策概要 (續)

2.10 投資及其他金融資產 (續)

2.10.1分類 (續)

於初始確認時，本集團按金融資產的公平值加（倘並非按公平值透過損益入賬的金融資產）直接歸屬於金融資產收購的交易成本計量金融資產。按公平值透過損益入賬的金融資產的交易成本於綜合損益表支銷。

2.10.2確認和計量

債務工具

債務工具其後計量取決於本集團管理資產的業務模式及該資產的現金流量特徵。本集團將其債務工具分為以下計量類別：

- 攤銷成本：持作收回合同現金流量的資產，倘該等資產現金流量僅指支付的本金及利息，則按攤銷成本計量。其後按攤銷成本計量且並非對沖關係一部分的債務投資的收益或虧損於資產取消確認或減值時在綜合損益表中確認。該等金融資產的利息收入採用實際利率法計入財務收入。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Investments and other financial assets (continued)

2.10.2 Recognition and measurement (continued)

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established. Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gains/(losses) – net in the consolidated statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at financial assets at fair value through other comprehensive income are not reported separately from other changes in fair value.

2 重大會計政策概要 (續)

2.10 投資及其他金融資產 (續)

2.10.2 確認和計量 (續)

權益工具

本集團其後按公平值計量所有權益投資。倘本集團管理層選擇於其他全面收入列報權益投資的公平值收益及虧損，概無於投資終止確認後重新分類公平值收益及虧損至損益。當本集團有權收取股息付款時，該等投資的股息繼續於綜合損益表確認為其他收入。按公平值透過損益入賬的金融資產公平值變動於綜合損益表確認為其他收益／(虧損) – 淨額（如適用）。按公平值透過其他全面收入入賬的金融資產計量的權益投資的減值虧損（及減值虧損撥回）不會因公平值其他變動而分開列報。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Investments and other financial assets (continued)

2.10.3 Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and financial assets at fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 3.1(b) details how the Group determines whether there has been a significant increase in credit risk.

Expected credit losses are a probability-weighted estimate of credit losses (i.e the present value of all cash shortfalls) over the expected life of the financial assets.

For trade receivables and contract assets, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the assets. The provision matrix is determined based on historical observed default rates over the expected life of the contract assets and trade receivables with similar credit risk characteristics and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Impairment on other receivables are measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

2 重大會計政策概要 (續)

2.10 投資及其他金融資產 (續)

2.10.3 金融資產減值

本集團按前瞻性基準評估與按攤銷成本計值的資產及按公平值透過其他全面收入入賬的金融資產有關的預期信貸虧損。應用的減值方法取決於信貸風險是否大幅增加。附註3.1(b)詳述本集團釐定信貸風險是否大幅增加的方法。

預期信貸虧損是在金融資產的預計年內按信貸虧損的概率加權估計(即所有現金短缺額的現值)。

對於貿易應收款項及合同資產，本集團應用香港財務報告準則第9號容許使用的簡化方法，即於初始確認資產時確認預計年期虧損。撥備矩陣依據具有相似信貸風險特徵的合同資產及貿易應收款項的預計年期內的過往觀察違約率而確定，並就前瞻性估計進行調整。過往觀察違約率於每個報告日期進行更新，並對前瞻性估算的變動進行分析。

其他應收款項的減值按12個月預期信貸虧損或就整個年期的預期信貸虧損計量，視乎信貸風險自初始確認後是否顯著增加。倘應收款項的信貸風險自初始確認後顯著增加，則減值按整個年期的預期信貸虧損計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Offsetting financial assets and liabilities

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

2.12 Trade and other receivables

Trade receivables are amounts due from customers for properties sold, leasing of properties or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2 重大會計政策概要 (續)

2.11 抵銷金融資產及負債

當存在一項可依法強制執行的權利可抵銷已確認金額，且有意以淨額基準結算或同時變現資產及償付債務，則金融資產及負債均可予抵銷，並將淨額列報於財務狀況表。法定可執行權利不得依賴未來事件而定，而在一般業務過程中以及倘相關公司或對手方一旦出現違約、無償債能力或破產時亦必須可強制執行。

2.12 貿易及其他應收款項

貿易應收款項是在日常業務過程中向客戶出售物業、租賃物業或提供服務而應收客戶的款項。倘貿易及其他應收款項預期在一年或之內（或如屬較長時間，則以一般營運週期為準）收回，則分類為流動資產，否則呈列為非流動資產。

貿易及其他應收款項初步按公平值確認，其後則以實際利息法按已攤銷成本減去減值撥備計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Contract assets and liabilities and cost for obtaining contracts

Upon entering into a contract with a customer, the Group obtains rights to receive consideration from the customer and assumes performance obligations to transfer goods or services to the customer. The combination of those rights and performance obligations gives rise to a net asset or a net liability depending on the relationship between the remaining rights and the performance obligations. The contract is an asset and recognised as contract asset if the measure of the remaining conditional rights to consideration exceeds the satisfied performance obligations. Conversely, the contract is a liability and recognised as contract liabilities if the measure of the remaining performance obligations exceeds the measure of the remaining rights. Costs such as stamp duty and sales commissions incurred directly attributable to obtaining a contract, if recoverable, are capitalised and recorded in contract assets.

For contracts where the period between the payment by the customer and the transfer of the promised property is different, the transaction price is adjusted for the effects of a financing component, if significant.

2.14 Cash and cash equivalents

In the consolidated statements of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. In the consolidated and Company's statements of financial position, bank overdrafts are shown within borrowings in current liabilities.

2 重大會計政策概要 (續)

2.13 合同資產及負債以及獲得合同的成本

在與客戶簽訂合同後，本集團獲得向客戶收取代價的權利，並承擔向客戶轉移貨品或服務的履約責任。該等權利和履約責任的組合產生淨資產或淨負債，這取決於剩餘權利與履約責任之間的關係。倘剩餘有條件收取代價權利的計量超過達致的履約責任，則合同為資產且確認為合同資產。反之，倘所計量的剩餘履約責任超過所計量的剩餘權利，則合同為負債且確認為合同負債。直接歸屬於獲得合同產生的印花稅和銷售佣金等成本，倘可收回，則予以資本化並計入合同資產。

對於客戶支付款項與所承諾物業轉移之間期間不同的合同，合同的交易價格因包含融資成份的影響（如重大）而進行調整。

2.14 現金及現金等價物

於綜合現金流量表內，現金及現金等價物包括手頭現金、銀行活期存款、其他原到期日為三個月或以內的短期高流動性投資、以及銀行透支。銀行透支在綜合及本公司財務狀況表的流動負債中的借款內列示。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.16 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2 重大會計政策概要(續)

2.15 股本

普通股歸類為權益。發行新股份或購股權直接有關的增量成本於權益列示為自所得款項扣除稅項的扣減。

2.16 借款

借款最初乃按公平值(扣除已產生的交易成本)確認。借款其後按攤銷成本列賬。所得款項(扣除交易成本)與贖回價值兩者間的差額乃採用實際利息法於借款期間在損益表予以確認。

於貸款將很有可能部分或全部提取的情況下，就設立貸款融資支付的費用乃確認為貸款交易成本。在此情況下，該費用將遞延至提取貸款發生時。在並無跡象顯示該貸款融資將很有可能部分或全部提取的情況下，該費用撥充資本作為流動資金服務的預付款項，並於其相關融資期間內予以攤銷。

除非本集團有無條件權利將負債的結算遞延至報告期末後最少十二個月，否則借款分類為流動負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Borrowings costs

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowings costs eligible for capitalisation.

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

2.18 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2 重大會計政策概要 (續)

2.17 借款成本

因收購、興建或生產合資格資產（即須相當長時間方可作擬定用途或出售的資產）而直接產生的一般及特定借款成本歸入該等資產的成本，直至當資產基本上可作擬定用途或出售為止。

特定借款有待用作合資格資產的開支前用作暫時投資所賺得的投資收入會自合資格資本化的借款成本中扣除。

所有其他借款成本乃於產生時於期內的損益確認。

2.18 貿易及其他應付款項

貿易應付款項為於日常業務過程中向供應商購入貨品或服務的應付承擔。倘有關賬款乃於一年或之內（或如屬較長時間，則以一般營運週期為準）到期，貿易應付款項分類為流動負債，否則會按非流動負債呈列。

貿易應付款項初步按公平值確認，其後採用實際利息法按攤銷成本計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2 重大會計政策概要 (續)

2.19 即期及遞延所得稅

期內稅項開支包括即期及遞延稅項。稅項於綜合損益表確認，惟與於其他全面收入或直接於權益確認的項目相關除外。於此情況下，稅項亦分別於其他全面收入或直接於權益確認。

(a) 即期所得稅

即期所得稅支出根據本公司及其附屬公司經營業務及產生應課稅收入的國家於結算日已頒佈或基本上已頒佈的稅法計算。管理層就適用稅務法例有待詮釋的情況定期評估報稅表的狀況，並在適用情況下根據預期須向稅務機構支付的稅款設定撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Current and deferred income tax (continued)

(b) Deferred income tax

Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, and the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2 重大會計政策概要 (續)

2.19 即期及遞延所得稅 (續)

(b) 遞延所得稅

內在差異

遞延所得稅利用負債法確認資產及負債的稅基與資產及負債在綜合財務報表的賬面值的差額而產生的暫時性差異。然而，若遞延稅項負債來自對商譽的初始確認，則不予確認，及若遞延所得稅來自在交易（不包括業務合併）中對資產或負債的初始確認，而在交易時不影響會計損益或應課稅利潤或虧損，則不作記賬。遞延所得稅採用結算日前已頒佈或基本上已頒佈並預期於相關遞延所得稅資產變現或遞延所得稅負債結算時適用的稅率（及稅法）釐定。

遞延所得稅資產僅在日後可能產生應課稅利潤供暫時性差額用作抵銷時予以確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Current and deferred income tax (continued)

(b) Deferred income tax (continued)

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only when there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from the associate's undistributed profits is not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

2 重大會計政策概要 (續)

2.19 即期及遞延所得稅 (續)

(b) 遞延所得稅 (續)

外在差異

本集團須就附屬公司及聯營公司投資所產生的應課稅暫時性差異計提遞延所得稅負債，惟本集團控制暫時性差異撥回之時間，而且在可預見未來該暫時性差異很可能不會撥回者則除外。一般而言，本集團無法控制聯營公司的暫時性差異撥回。僅在訂有協議賦予本集團權力於可預見未來控制暫時性差異撥回時，方不會就聯營公司的未分派利潤所產生的應課稅暫時性差異確認遞延稅項負債。

僅在暫時性差異可能將於日後撥回，且有充足的應課稅利潤而動用暫時性差異予以抵銷時，方會就因投資附屬公司而產生的可扣減暫時性差異確認遞延所得稅資產。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Current and deferred income tax (continued)

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.20 Employee benefits

In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries, subject to a certain ceiling.

The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the PRC government.

The contributions are recognised as employee benefit expenses when they are due.

2 重大會計政策概要 (續)

2.19 即期及遞延所得稅 (續)

(c) 抵銷

倘有可依法強制執行權利將即期稅項資產與即期稅項負債抵銷，且遞延所得稅資產及負債與同一稅務機構就一個或多個應課稅實體徵收的所得稅有關，而有關實體有意按淨額基準償付結餘時，遞延所得稅資產與負債將予互相抵銷。

2.20 僱員福利

根據中國的規則及法規，本集團的中國僱員參與由中國有關省市政府組織的各項定額供款退休福利計劃，據此，本集團及中國僱員須每月按僱員薪金的一定百分比向該等計劃作出供款，惟設有若干上限。

省市政府承諾承擔根據上述計劃應付所有現有及日後退休中國僱員的退休福利責任。除按月供款外，本集團並無責任為其僱員支付額外的退休費用及其他退休後福利。該等計劃的資產與本集團資產分開，並由中國政府管理的獨立管理基金持有。

供款於應付時確認為僱員福利開支。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Provisions

Provisions for legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2 重大會計政策概要(續)

2.21 撥備

當本集團因過往事件而須承擔現有法律或推定責任，履行責任時很可能引致資源流出及有關金額已作可靠估算時，確認法律申索撥備。

如出現多項類似責任，履行責任時須流出資源的可能性乃經考慮整體責任類別後確定。即使就同一責任類別所包含的任何一個項目而言流出資源的可能性甚微，仍須確認撥備。

撥備乃採用稅前利率按預期履行責任所需開支的現值計量，該稅前利率反映市場當時對貨幣時間價值的評估及該責任的特定風險。因時間流逝而增加的撥備確認為利息開支。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Financial guarantee liabilities

Financial guarantee liabilities are recognised in respect of the financial guarantee provided by the Group to the banks for the property purchasers.

Financial guarantee liabilities are recognised initially at fair value plus transaction costs that are directly attributable to the issue of the financial guarantee liabilities. After initial recognition, such contracts are measured at the higher of the amount of the loss allowance determined in accordance with HKFRS 9 and the amount initially recognised less cumulative amortisation of income recognised in accordance with HKFRS 15. The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Financial guarantee liabilities are derecognised from the consolidated statements of financial position when, and only when, the obligation specified in the contract is discharged or cancelled or expired.

2 重大會計政策概要 (續)

2.22 財務擔保負債

財務擔保負債乃就本集團向物業買家的銀行提供的財務擔保而確認。

財務擔保負債初步按公平值加發出財務擔保負債直接產生的交易成本確認。於初始確認後，該等合同乃按根據香港財務報告準則第9號釐定的虧損撥備金額及初始確認金額（以較高者為準）減去根據香港財務報告準則第15號確認的收入累計攤銷計量。財務擔保的公平值乃釐定為根據債務工具作出的合同付款及在沒有擔保下將須作出的付款兩者之間的淨現金流量差額的現值，或就承擔責任而可能須向第三方支付估計金額。

財務擔保負債當且僅當合同列明的責任已解除或註銷或屆滿時方於綜合財務狀況報表中終止確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sales of properties and services in the ordinary course of the Group's activities. Revenue is shown, net of discounts and after eliminating sales with the Group companies. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below.

(a) Sales of properties

Revenues are recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer; or
- creates and enhances an asset that the customer controls as the Group performs; or
- do not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

2 重大會計政策概要 (續)

2.23 收入確認

收入按在本集團日常業務過程中就銷售物業及服務已收或應收代價的公平值計量。收入按扣除折扣及撇減與本集團公司銷售後列賬。當收入的數額能夠可靠計量、未來經濟利益很有可能流入有關實體，而本集團各項業務均符合特定標準時（如下文所述），本集團即確認收入。

(a) 物業銷售

收入乃於資產的控制權轉移至客戶時確認。視乎合同條款及適用於該合同的法律規定，資產控制權可經過一段時間或於某一時間點轉移。倘本集團在履約過程中滿足下列條件，資產的控制權將經過一段時間轉移：

- 提供全部利益，而客戶亦同步收取並消耗有關利益；或
- 隨著本集團履約，創建及提升由客戶控制的資產；或
- 並無創建對本集團而言有其他用途的資產，而本集團可強制執行其權利收回至今已完成履約部分的款項。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Revenue recognition (continued)

(a) Sales of properties (continued)

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of reporting period as a percentage of total estimated costs for each contract.

For property development and sales contract for which the control of the property is transferred at a point in time, revenue is recognised when the property is accepted by the customer, or deemed as accepted according to the contract, which is the point in time when the customer has the ability to direct the use of the property and obtain substantially all of the remaining benefits of the property, and the Group has present right to payment and the collection of the consideration is probable.

In determining the transaction price, the Group adjusts the promised amount of consideration for the effect of a financing component if it is significant.

(b) Rental income

Rental income from properties being let under operating leases is recognised on a straight line basis over the lease terms.

2 重大會計政策概要 (續)

2.23 收入確認 (續)

(a) 物業銷售 (續)

倘資產的控制權經過一段時間轉移，收入確認將按整個合同期間已完成履約責任的進度進行。否則，收入於客戶獲得資產控制權的時間點確認。

完成履約責任的進度根據本集團完成履約責任的付出或投入參考報告期末所產生的合同成本佔各項合同的估計總成本之百分比計量。

對於在某一時點轉移物業控制權的物業開發銷售合同而言，收入於客戶根據合同接受物業或視作接受物業時（即客戶有能力指示物業的用途並於其後取得該物業的所有餘下利益的時點）且本集團已獲得現時的付款請求權並很可能收回代價時確認。

於釐定交易價時，本集團已就融資部分（倘屬重大）的影響調整已承諾的代價金額。

(b) 租金收入

根據經營租賃出租物業所得租金收入於租賃期限內按直線基準確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.24 Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

2.25 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to properties held or under development for sales are presented in the statement of financial position by deducting the grants in arriving at the assets' carrying amounts and are credited to the statement of profit or loss upon the sales of the properties.

2.26 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit or loss on a straight-line basis over the period of the lease.

2 重大會計政策概要 (續)

2.24 利息收入

利息收入按時間比例基準以實際利息法確認。

2.25 政府補助

如有合理保證將獲得政府補助，且本集團將遵從所有附帶條件，則政府補助可按公平值確認。

與成本有關的政府補助遞延入賬，並按擬補償的成本配合所需期間在損益表中確認。

與持有或開發中待售物業有關的政府補助乃於計算資產賬面值時透過扣減該補助於財務狀況表中列示，並在物業銷售時記入損益表。

2.26 租賃

所有權的絕大部分風險及回報由出租人保留之租賃乃列作經營租賃。根據經營租賃作出的付款（經扣除自出租人收取的任何獎勵後）於租賃期內以直線法在損益表中支銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.27 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

2.28 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares

by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2 重大會計政策概要 (續)

2.27 股息分派

向本公司股東作出的股息分派於本公司股東或董事(若適合)批准派息的期間內在本集團及本公司的財務報表中確認為負債。

2.28 每股盈利

(i) 每股基本盈利

每股基本盈利乃除以以下項目後計算得出：

- 本公司擁有人應佔利潤(扣除普通股以外之任何權益成本)

除以財政年度內已發行普通股加權平均數，並就年內已發行普通股(不包括庫存股份)的股利調整。

(ii) 每股攤薄盈利

每股攤薄盈利調整用於釐定每股基本盈利的數字，以計及：

- 利息的除所得稅後影響及與潛在攤薄普通股有關的其他融資成本，及
- 假設轉換所有潛在攤薄普通股，額外普通股加權平均數將會增加。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.28 Earnings per share (continued)

(ii) Diluted earnings per share (continued)

Where the number of ordinary shares outstanding increases as a result of a capitalisation, bonus issue or share split, or decreases as a result of a reverse share split, the calculation of basic and diluted earnings per share for all periods presented will be adjusted retrospectively.

2.29 Separate financial statements

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

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

Impairment testing of the investments in subsidiaries is also required in accordance with Note 2.8.

2 重大會計政策概要 (續)

2.28 每股盈利 (續)

(ii) 每股攤薄盈利 (續)

倘在外流通普通股數目因資本化、紅股發行或股份拆細而增加，或因儲備股份拆細而減少，則所有呈列期間的每股基本及攤薄盈利的計算將作回溯性調整。

2.29 獨立財務報表

於附屬公司的投資按成本減去減值列賬。成本包括投資的直接歸屬成本。本公司按已收及應收股息基準將附屬公司的業績入賬。

倘自附屬公司投資收取的股息超出宣派股息期間該附屬公司的全面收入總額，或倘個別財務報表的投資賬面值超出綜合財務報表所示被投資公司的資產淨值（包括商譽）的賬面值，則須對附屬公司投資進行減值測試。

對附屬公司的投資亦需按照附註2.8進行減值測試。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks comprising market risk (including foreign exchange risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Foreign exchange risk

The Group is engaged in the development, sale and management of properties solely in the PRC with almost all transactions denominated in RMB. In addition, the majority of the Group's assets and liabilities are denominated in RMB. Accordingly, the Group is not exposed to significant foreign currency risk, except for the bank deposits from the Company's initial public offering, which are denominated in Hong Kong Dollar ("HKD").

Fluctuation of the exchange rates for HKD against RMB will affect the Group's result of operations. The Group currently does not have a foreign currency hedging policy. However, management closely monitors the foreign exchange exposure and will take actions when necessary.

3 金融風險管理

3.1 金融風險因素

本集團活動涉及多類金融風險，包括市場風險（包括貨幣風險、公平值利率風險及現金流量利率風險）、信貸風險及流動資金風險。本集團的整體風險管理計劃針對金融市場的不可預計因素，並致力將對本集團財務表現的潛在負面影響減至最低。

(a) 市場風險

(i) 外匯風險

本集團僅在中國從事物業開發、銷售及管理業務，而幾乎所有交易均以人民幣計值。此外，本集團絕大多數資產及負債均以人民幣計值。因此，本集團並無面臨重大外幣風險，惟本公司進行首次公开发售的銀行存款以港元（「港元」）計值除外。

港元兌人民幣匯率波動將會影響本集團的經營業績。本集團目前並無外匯對沖政策。然而，管理層密切監控外匯風險及將在必要情況下採取行動。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

As at 31 December 2018, if HKD had weakened/strengthened by 5% against RMB, all other variables held constant, post-tax profit of the Group for the year 2018 would have been lower/higher by RMB1,764,000 (2017: post-tax profit lower/higher by RMB27,000), mainly as a result of foreign exchange loss/gain from bank deposits denominated in HKD.

(ii) Cash flow and fair value interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Except for bank deposits with stable interest rates, the Group has no other significant interest-bearing assets.

The Group's exposure to changes in interest rates is mainly attributable to its borrowings from banks and non-bank third party lenders. Borrowings at variable rates expose the Group to cash flow interest rate risk. Borrowings at fixed rates expose the Group to fair value interest rate risk. The Group has not hedged its cash flow or fair value interest rate risk. The interest rates and terms of repayments of borrowings are disclosed in Note 16, Note 17 and Note 18.

3 金融風險管理 (續)

3.1 金融風險因素 (續)

(a) 市場風險 (續)

(i) 外匯風險 (續)

於2018年12月31日，倘港元兌人民幣貶值／升值5%，而所有其他變量維持不變，則本集團於2018年的稅後利潤將減少／增加人民幣1,764,000元（2017年：稅後利潤減少／增加人民幣27,000元），乃主要因以港元計值的銀行存款產生外匯虧損／收益。

(ii) 現金流量及公平值利率風險

本集團的收入及經營現金流量基本上不受市場利率變動影響。除具有穩定利率的銀行存款外，本集團並無其他重大計息資產。

本集團所承擔的利率變動風險主要涉及其自銀行及非銀行第三方貸款人獲得的借款。以浮動利率計息的借款使本集團承受現金流量利率風險。以固定利率計息的借款使本集團承受公平值利率風險。本集團並無對沖其現金流量或公平值利率風險。借款的利率及還款條款披露於附註16、附註17及附註18。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

Management does not anticipate significant impact to interest-bearing assets resulting from changes in interest rates, as the interest rates of bank deposits are not expected to change significantly.

The Group's profit or loss and equity are sensitive to higher/lower interest expenses from borrowings at floating rates as a result of changes in interest rates.

3 金融風險管理 (續)

3.1 金融風險因素 (續)

(a) 市場風險 (續)

(ii) 現金流量及公平值利率風險 (續)

由於預計銀行存款的利率不會出現重大變化，因此管理層預期利率變動不會對計息資產造成重大影響。

本集團損益及權益受利率變動引起的浮息借款利息開支增加／減少所影響。

| | | Impact on post-tax profit and equity 對稅後利潤及權益的影響 | |
|---|------------------|--|-----------------------------------|
| | | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
| Interest rates – increase by 50 basis points | 利率 – 上升 50個基點 | (745) | (674) |
| Interest rates – decrease by 50 basis points | 利率 – 下降 50個基點 | 745 | 674 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(b) Credit risk

The Group has no significant concentrations of credit risk. The carrying amounts of bank deposits, trade and other receivables, contract assets and financial guarantee contracts included in the consolidated statements of financial position represent the Group's maximum exposure to credit risk in relation to its financial assets.

(i) Bank deposits

Cash transactions are limited to high-credit-quality financial institutions. The table below shows the bank deposit balances as at 31 December 2018 and 2017:

| Counter party | 對手方 | | |
|---|----------------|----------------|---------|
| – Deposits in the four major state-owned banks of the PRC | – 於中國四大國有銀行的存款 | 308,851 | 117,020 |
| – Deposits in other listed banks of the PRC | – 於中國其他上市銀行的存款 | 139,950 | 103,056 |
| – Deposits in other banks | – 於其他銀行的存款 | 96,059 | 166 |
| | | 544,860 | 220,242 |

Management does not expect any losses from non-performance of these counterparties.

3 金融風險管理 (續)

3.1 金融風險因素 (續)

(b) 信貸風險

本集團並無重大信貸集中風險。銀行存款、貿易及其他應收款項、合同資產及財務擔保合同於綜合財務狀況報表的賬面值為本集團有關其金融資產的最高信貸風險。

(i) 銀行存款

現金交易僅限於高信譽、高質素金融機構。下表顯示於2018年及2017年12月31日的銀行存款結餘：

| As at 31 December | |
|-------------------|---------|
| 於12月31日 | |
| 2018 | 2017 |
| 2018年 | 2017年 |
| RMB'000 | RMB'000 |
| 人民幣千元 | 人民幣千元 |
| | |

管理層預期不會出現因該等對手方未履約而產生任何損失的情況。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(ii) Financial guarantees

The Group has policies in place to ensure that sales are made to purchasers with an appropriate financial strength and appropriate percentage of down payments. The Group has arranged bank financing for certain purchasers of the Group's property units and provided guarantees to secure obligations of such purchasers for repayments. If a purchaser defaults on the payment of its mortgage loan during the guarantee period, the bank holding the guarantee may demand the Group to repay the outstanding principal of the loan and any interest accrued thereon. Under such circumstances, the Group is entitled to take over the legal title and possession of the related properties after the relevant legal procedures to recover any amounts paid by the Group to the bank. In this regard, the directors consider that the Group's credit risk is significantly reduced.

3 金融風險管理 (續)

3.1 金融風險因素 (續)

(b) 信貸風險 (續)

(ii) 財務擔保

本集團已制訂有關政策，以確保向具備適當財務實力並按合適百分比支付首期的買家作出銷售。本集團已為本集團物業單位的若干買家安排銀行融資，並提供擔保以確保該等買家履行還款責任。倘買家於擔保期內未能支付按揭貸款，持有擔保的銀行可要求本集團償還未償還的貸款本金及其任何應計利息。在此情況下，本集團於相關法律程序後有權接管相關物業的合法業權及所有權，以收回本集團向銀行支付的任何款項。就此而言，董事認為，本集團的信貸風險得以大幅降低。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(iii) Trade receivables and contract assets

The Group applies the simplified approach to providing for expected losses prescribed by HKFRS 9, which permits the use of the lifetime expected losses provision for all trade receivables and contract assets.

The Group reviews regularly the recoverable amount of each individual trade receivables and contract assets to ensure the adequate impairment losses are made for irrecoverable amount. Credit is only granted to tenants with sufficient financial strength. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. Therefore, credit risks of the Group from sales of properties and lease of properties are limited.

The loss allowance provision for those balance was not material for the years ended 31 December 2018 and 2017.

(iv) Other receivables (excluding deferred initial public offering costs, prepaid tax and surcharges and value-added-tax recoverable)

The Group closely monitors these other receivables to ensure actions are taken to recover these balances in the case of any risk of default.

3 金融風險管理 (續)

3.1 金融風險因素 (續)

(b) 信貸風險 (續)

(iii) 貿易應收款項及合同資產

本集團採用簡化方法就香港財務報告準則第9號所規定的預期虧損計提撥備，該準則容許就有關所有貿易應收款項及合同資產使用整個年期的預期虧損撥備。

本集團會定期檢討每筆個別貿易應收款項及合同資產的可收回金額，以確保就不可收回款項作出足夠減值虧損撥備。信貸僅授予具有足夠財務實力的租戶。本集團亦設有其他監察程序，以確保採取後續行動以收回逾期債務。因此，本集團出售物業及出租物業的信貸風險有限。

截至2018年及2017年12月31日止年度，該等結餘的虧損撥備並不重大。

(iv) 其他應收款項 (不包括遞延首次公開發售費用、預付稅項及附加費以及可收回的增值稅)

本集團密切監察該等其他應收款項，以確保在出現違約風險時可採取措施收回該等結餘。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(iv) Other receivables (excluding deferred initial public offering costs, prepaid tax and surcharges and value-added-tax recoverable) (continued)

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The Group has performed historical analysis and identified the key economic variables impacting credit risk and expected loss. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations

3 金融風險管理 (續)

3.1 金融風險因素 (續)

(b) 信貸風險 (續)

(iv) 其他應收款項 (不包括遞延首次公開發售費用、預付稅項及附加費以及可收回的增值稅) (續)

於各報告期間，本集團考慮初始確認資產時的違約概率以及信貸風險是否持續大幅增加。為評估信貸風險是否顯著增加，本集團將資產在報告日期發生的違約風險與初始確認日期的違約風險進行比較。本集團已進行歷史分析，並確定影響信貸風險及預期虧損的主要經濟變數。本集團考慮了可獲得的合理且具有支持性的前瞻性資料。特別是已包含下列指標：

- 內部信用評級
- 外部信用評級
- 預期會導致債務人履行其責任的能力發生重大變化的業務、財務或經濟狀況的實際或預期重大不利變動

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(iv) Other receivables (excluding deferred initial public offering costs, prepaid tax and surcharges and value-added-tax recoverable) (continued)

- actual or expected significant changes in the operating results of individual property owner or the borrower
- significant increases in credit risk on other financial instruments of the individual property owner or the same debtor
- significant changes in the expected performance and behavior of the debtor, including changes in the payment status of debtor in the Group and changes in the operating results of the debtor

A default on a financial asset is when the counterparty fails to make contractual payments within 365 days of when they fall due.

The Group uses four categories for other receivables (excluding prepaid tax and surcharges and value-added-tax recoverable) which reflect their credit risk and how the loss provision is determined for each of those categories. These internal credit risk ratings are aligned to external credit ratings.

3 金融風險管理 (續)

3.1 金融風險因素 (續)

(b) 信貸風險 (續)

(iv) 其他應收款項 (不包括遞延首次公開發售費用、預付稅項及附加費以及可收回的增值稅) (續)

- 個人財產擁有人或借款人的經營業績的實際或預期重大變化
- 個人財產擁有人或同一債務人的其他金融工具的信貸風險顯著增加
- 債務人的預期表現和行為發生重大變化，包括本集團債務人付款狀況的變化以及債務人經營業績的變化。

金融資產的違約是指對手方未能在到期後365天內支付合同款項。

本集團將其他應收款項 (不包括預付稅項及附加費以及可收回的增值稅) 分為四類，此乃反映其信貸風險以及確定各類別虧損撥備的方法。該等內部信貸風險評級與外部信用評級一致。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3 金融風險管理 (續)

3.1 Financial risk factors (continued)

3.1 金融風險因素 (續)

(b) Credit risk (continued)

(b) 信貸風險 (續)

(iv) Other receivables (excluding deferred initial public offering costs, prepaid tax and surcharges and value-added-tax recoverable) (continued)

(iv) 其他應收款項(不包括遞延首次公開發售費用、預付稅項及附加費以及可收回的增值稅)(續)

A summary of the assumptions underpinning the Group's expected credit loss model is as follows:

支持本集團預期信貸虧損模型的假設摘要如下：

| Category 類別 | Group definition of category 類別的組別界定 | Basis for recognition of expected credit loss provision 確認預期信貸虧損撥備的基準 |
|-----------------|--|---|
| Performing | Customers have a low risk of default and a strong capacity to meet contractual cash flow | 12 months expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime. |
| 正常 | 客戶違約風險較低，並且具有滿足合同現金流量的實力 | 預計12個月的虧損。倘資產的預期年期少於12個月，則預期虧損按其預期年期計量。 |
| Underperforming | Receivables for which there is a significant increase in credit risk; as significant increase in credit risk presumed if interest and/or principal repayments are more than 30 days past due | Lifetime expected losses |
| 關注 | 應收款項涉及的信貸風險顯著增加；同時倘利息及／或本金還款逾期超過30天則預測信貸風險大幅增加 | 整個年期內的預期虧損 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

- (iv) Other receivables (excluding deferred initial public offering costs, prepaid tax and surcharges and value-added-tax recoverable) (continued)

A summary of the assumptions underpinning the Group's expected credit loss model is as follows: (continued)

| Category 類別 | Group definition of category 類別的組別界定 | Basis for recognition of expected credit loss provision 確認預期信貸虧損撥備的基準 |
|----------------------|--|--|
| Non-performing 不良 | Interest and/or principal repayments are more than 365 days past due 利息及／或本金還款逾期超過365天 | Lifetime expected losses 整個年期內的預期虧損 |
| Write-off 撇銷 | Interest and/or principal repayments are more than 3 years past due and there is no reasonable expectation of recovery 利息及／或本金還款逾期超過3年，並且合理預期無法收回 | Asset is written-off 撇銷資產 |

The Company accounts for its credit risk by appropriately providing for expected losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of receivables and adjusts for forward looking macroeconomic data.

本公司通過及時適當地就預期虧損計提撥備來說明其信貸風險。在計算預期信貸虧損比率時，本集團考慮各類應收款項的過往虧損比率，並根據前瞻性宏觀經濟數據作出調整。

3 金融風險管理 (續)

3.1 金融風險因素 (續)

(b) 信貸風險 (續)

- (iv) 其他應收款項 (不包括遞延首次公開發售費用、預付稅項及附加費以及可收回的增值稅) (續)

支持本集團預期信貸虧損模型的假設摘要如下: (續)

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

- (iv) Other receivables (excluding deferred initial public offering costs, prepaid tax and surcharges and value-added-tax recoverable) (continued)

The Group writes off those receivables, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include ceasing enforcement activity. The Group has no written off for the year ended 31 December 2018 (2017: RMB2,564,000).

As at 31 December 2018 and 2017, the loss allowance provision was determined as follows:

3 金融風險管理 (續)

3.1 金融風險因素 (續)

(b) 信貸風險 (續)

- (iv) 其他應收款項 (不包括遞延首次公開發售費用、預付稅項及附加費以及可收回的增值稅) (續)

本集團在竭盡全力進行實際收回且最終認為無合理預計收回的可能時撤銷全部或部分該等應收款項。合理預期無法收回的指標包括停止執行活動。截至2018年12月31日止年度，本集團並無任何撤銷(2017年：人民幣2,564,000元)。

於2018年及2017年12月31日，虧損撥備釐定如下：

| | Expected Loss Rate | As at 31 December 2018 於2018年12月31日 | | As at 31 December 2017 於2017年12月31日 | | |
|-----------------------------|--------------------|--|---|--|---|---------|
| | | Gross Carrying Amount | Carrying amount (net of impairment provision) 賬面值 (扣除減值撥備) | Gross Carrying Amount | Carrying amount (net of impairment provision) 賬面值 (扣除減值撥備) | |
| | 預期損失率 | 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 | |
| Current | 即期 | 0.1% | 216,036 | 215,820 | 259,123 | 258,863 |
| More than 30 days past due | 逾期超過30天 | 0.5% | 1,856 | 1,847 | 55,440 | 55,163 |
| More than 360 days past due | 逾期超過360天 | 20.0% | 55,857 | 44,685 | 782 | 626 |
| More than 720 days past due | 逾期超過720天 | 100% | - | - | 2,564 | - |
| | | | 273,749 | 262,352 | 317,909 | 314,652 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

- (iv) Other receivables (excluding deferred initial public offering costs, prepaid tax and surcharges and value-added-tax recoverable) (continued)

The allowance recognised in profit or loss for impairment provision of other receivables for the years ended 31 December 2018 and 2017 are disclosed in Note 24.

(c) Liquidity risk

Management of the Group aims to maintain sufficient cash through internally generated sales proceeds and an adequate amount of committed credit facilities to meet its operation needs and commitments in respect of property projects.

3 金融風險管理 (續)

3.1 金融風險因素 (續)

(b) 信貸風險 (續)

- (iv) 其他應收款項 (不包括遞延首次公開發售費用、預付稅項及附加費以及可收回的增值稅) (續)

截至2018年及2017年12月31日止年度就應收款項確認的減值撥備於損益內確認的準備乃披露於附註24。

(c) 流動資金風險

本集團管理層旨在透過內部銷售所得款項及充足的承諾信貸融資額維持足夠現金以滿足其物業項目的營運需求和承諾。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3 金融風險管理 (續)

3.1 Financial risk factors (continued)

3.1 金融風險因素 (續)

(c) Liquidity risk (continued)

(c) 流動資金風險 (續)

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

下表乃根據於結算日至合同到期日的剩餘期間，按相關到期組別分析本集團金融負債。表內披露的金額為合同未貼現現金流量。

| | Within 1 year 1年內 RMB'000 人民幣千元 | Between 1 and 2 years 1至2年 RMB'000 人民幣千元 | Between 2 and 5 years 2至5年 RMB'000 人民幣千元 | Over 5 years 5年以上 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|---|---|---|---|---|---------------------------------|
| As at 31 December 2018 於2018年12月31日 | | | | | |
| Bank borrowings and entrusted loans excluding deferred fees 銀行借款及委託貸款，不包括遞延費用 | 196,000 | 29,000 | - | - | 225,000 |
| Interest payments on bank borrowings and entrusted loans 銀行借款及委託貸款的利息付款 | 11,765 | 504 | - | - | 12,269 |
| Trade and other payables 貿易及其他應付款項 | 815,750 | - | - | - | 815,750 |
| Other long-term borrowings 其他長期借款 | 271,340 | 262,960 | 250,210 | 61,000 | 845,510 |
| Interest payments on other long-term borrowings 其他長期借款的利息付款 | 48,437 | 23,062 | 25,411 | 1,720 | 98,630 |
| | 1,343,292 | 315,526 | 275,621 | 62,720 | 1,997,159 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3 金融風險管理 (續)

3.1 Financial risk factors (continued)

3.1 金融風險因素 (續)

(c) Liquidity risk (continued)

(c) 流動資金風險 (續)

| | Within 1 year 1年內 RMB'000 人民幣千元 | Between 1 and 2 years 1至2年 RMB'000 人民幣千元 | Between 2 and 5 years 2至5年 RMB'000 人民幣千元 | Over 5 years 5年以上 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|---|---|---|---|---|---------------------------------|
| As at 31 December 2017 於2017年12月31日 | | | | | |
| Bank borrowings and entrusted loans excluding deferred fees 銀行借款及委託貸款，不包括遞延費用 | 402,000 | 139,000 | 29,000 | - | 570,000 |
| Interest payments on bank borrowings and entrusted loans 銀行借款及委託貸款的利息付款 | 21,979 | 6,970 | 504 | - | 29,453 |
| Trade and other payables 貿易及其他應付款項 | 780,035 | - | - | - | 780,035 |
| Other long-term borrowings excluding deferred fees 其他長期借款，不包括遞延費用 | 243,916 | 212,668 | 539,092 | 232,000 | 1,227,676 |
| Interest payments on other long-term borrowings 其他長期借款的利息付款 | 57,260 | 52,130 | 93,517 | 38,063 | 240,970 |
| Other current borrowings 其他流動借款 | 66,902 | - | - | - | 66,902 |
| Interest payments on other current borrowings 其他流動借款的利息付款 | 24,793 | - | - | - | 24,793 |
| | 1,596,885 | 410,768 | 662,113 | 270,063 | 2,939,829 |

Note: Interest on bank borrowings and entrusted loans, long-term borrowings and other current borrowings are calculated based on borrowings held as at 31 December 2018 and 2017, respectively. Floating-rate interests are estimated using the prevailing interest rates as at 31 December 2018 and 2017, respectively.

附註：銀行借款及委託貸款、長期借款及其他流動借款的利息乃根據於2018年及2017年12月31日分別持有的借款計算。浮動利息乃分別使用於2018年及2017年12月31日的現行利率估算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Capital risk management

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

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

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings, including interest bearing borrowings from related parties and third parties, less cash and cash equivalents. Total capital is calculated as total equity, as shown in the consolidated statement of financial position, plus net debt.

3 金融風險管理 (續)

3.2 資本風險管理

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

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

本集團以槓桿比率為基準監察其資本。該比率按債務淨額除以資本總額計算，而債務淨額按借款總額（包括來自關聯方及第三方的計息借款）扣減現金及現金等價物計算，資本總額則按綜合財務狀況報表列賬的權益總額加上債務淨額計算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3 金融風險管理 (續)

3.2 Capital risk management (continued)

3.2 資本風險管理 (續)

The gearing ratios at 31 December 2018 and 2017 were as follows:

於2018年及2017年12月31日的槓桿比率如下：

| | | As at 31 December | |
|---|-------------------|-------------------|-----------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Borrowings and entrusted loans (Note 16) | 借款及委託貸款 (附註16) | 225,000 | 570,000 |
| Other long-term borrowings (Note 17) | 其他長期借款 (附註17) | 845,510 | 1,224,570 |
| Other current borrowings (Note 18) | 其他流動借款 (附註18) | – | 66,902 |
| Total borrowings | 借款總額 | 1,070,510 | 1,861,472 |
| Less: Cash and cash equivalents (Note 12) | 減：現金及現金等價物 (附註12) | (419,502) | (165,034) |
| Net debt | 債務淨額 | 651,008 | 1,696,438 |
| Total equity | 權益總額 | 997,515 | 457,822 |
| Total capital | 資本總額 | 1,648,523 | 2,154,260 |
| Gearing ratio | 槓桿比率 | 39.49% | 78.75% |

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

See Note 7 for disclosures of the investment properties that are measured at fair value.

3 金融風險管理 (續)

3.3 公平值估計

下表按公平值計量的估值技術所用輸入數據的層級分析本集團按公平值入賬的金融工具。有關輸入數據乃按下文所述而分類歸入公平值架構內的三個層級：

- 同類資產或負債於活躍市場上的報價(未經調整)(第1層)。
- 計入第1層內報價以外的資產或負債的可觀察輸入數據，不論直接(即價格)或間接(即衍生自價格)(第2層)。
- 非基於可觀察市場數據的資產或負債輸入數據(即不可觀察輸入數據)(第3層)。

按公平值計值的投資物業的披露請參閱附註7。

| | | Level 1 第1層 | Level 2 第2層 | Level 3 第3層 | Total 總計 |
|--|------------------------|------------------|------------------|------------------|------------------|
| | | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 |
| Financial assets at fair value through profit or loss | 按公平值透過損益入賬的金融資產 | | | | |
| At 31 December 2018 | 於2018年12月31日 | 190 | - | - | 190 |
| At 31 December 2017 | 於2017年12月31日 | 222 | - | - | 222 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3 金融風險管理 (續)

3.3 Fair value estimation (continued)

3.3 公平值估計 (續)

| | | Level 1 第1層 RMB'000 人民幣千元 | Level 2 第2層 RMB'000 人民幣千元 | Level 3 第3層 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|------------------------------|--------------|------------------------------------|------------------------------------|------------------------------------|---------------------------------|
| Investment properties | 投資物業 | | | | |
| At 31 December 2018 | 於2018年12月31日 | - | - | 75,250 | 75,250 |
| At 31 December 2017 | 於2017年12月31日 | - | - | 73,840 | 73,840 |

There were no transfers between levels 1 and 2 for the years ended 31 December 2018 and 2017.

截至2018年及2017年12月31日止年度，第1層與第2層之間並無轉撥。

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

在活躍市場買賣的金融工具的公平值乃根據報告日期的市場報價計算。倘該報價可容易或定期取自交易所、經銷商、經紀、行業集團、股價服務或監管機構，而該等報價反映實際及定期按公平原則進行的市場交易，該市場則視為活躍。

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

並非於活躍市場買賣的金融工具(例如場外衍生工具)的公平值乃使用估值技術釐定。估值技術儘量利用可觀察市場數據(如有)，儘量少依賴主體的特定估計。如計算一金融工具的公平值所需的所有重大輸入為可觀察數據，則該金融工具列入第2層。

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

如一項或多項重大輸入並非根據可觀察市場數據，則該金融工具列入第3層。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (continued)

As the financial assets at fair value through profit or loss held by the Group are security assets traded in active market whose fair value is based on quoted market price at reporting date. Therefore, they are included in level 1.

The investment properties are not traded in active markets nor does the fair value determined by using valuation techniques that maximise the use of observable market data. Therefore, they are included in level 3.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances.

The management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

3 金融風險管理 (續)

3.3 公平值估計 (續)

由於本集團持有的按公平值透過損益入賬的金融資產為在活躍市場買賣的證券資產，其公平值乃根據於報告日期的市場報價計算。因此，其計入第1層。

投資物業並非在活躍市場買賣或通過最大程度使用可觀察市場數據的估值技術釐定公平值。因此，其計入第3層。

4 重要會計估計及判斷

估計及判斷會被持續評估，並以過往經驗及其他因素作為基礎，包括在目前情況下相信對未來事件的合理預期。

管理層對未來作出估計及假設。所得的會計估計理論上難以與相關的實際結果相同。會導致下個財政年度內資產及負債賬面值作出重大調整的重大風險的估計及假設現討論如下。

Notes to the Consolidated Financial Statements

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

4.1 Revenue recognition

Revenue from sales of properties is recognised over time when the Group's performance do not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date; otherwise, revenue is recognised at a point in time when the buyer obtains control of the completed property. The Group may not change or substitute the property unit or redirect the property unit for another use due to the contractual restrictions with the customer and thus the property unit does not have an alternative use to the Group. However, whether there is an enforceable right to payment depends on the terms of sales contract and the interpretation of the applicable laws that apply to the contract.

4 重要會計估計及判斷(續)

4.1 收入確認

當本集團的履約並無創造一項對本集團具有替代用途的資產，並且本集團具有就迄今為止已完成的履約部分獲得客戶付款的可執行權利，則隨時間確認物業銷售收入；否則當買方取得竣工物業的控制權時於某個時間點確認收入。由於與客戶存在合同限制，本集團不得更改或替換物業單位或將物業單位重新定向為另一用途，因此物業單位對本集團並無替代用途。然而，是否存在可強制執行的支付權取決於銷售合同的條款以及適用於合同的適用法律的詮釋。

Notes to the Consolidated Financial Statements

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

4.1 Revenue recognition (continued)

The Group recognises property development revenue over time by reference to the progress towards complete satisfaction of the performance obligation at the reporting date. The progress is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of reporting period as a percentage of total estimated costs for each property unit in the contract. The Group calculated the cost allocation based on type of properties, gross and saleable floor areas. Significant judgements and estimations are required in determining the completeness of the estimated total costs and the accuracy of progress towards complete satisfaction of the performance obligation at the reporting date. The Group has a standard cost budgeting and estimate completion process in which management reviews and approves the development progress and execution of the performance obligations. As part of this process, management reviews and approves information including but not limited to, the cost to achieve the schedule and variations to the project budgeted costs. Changes in cost estimates in future periods can have effect on the Group's revenue recognised. In making the above estimations, the Group relies on past experience and work of contractors and, if appropriate, surveyors.

4.2 Development costs directly attributable to property development activities

The Group estimates property construction costs upon recognition of respective costs of sales. Such estimates are substantiated by detailed budgetary information as developed by the management, and will be assessed periodically, as the constructions progress. Should these estimates depart from their actual finalised costs, such differences would affect the accuracy of costs of sales recognised.

4 重要會計估計及判斷 (續)

4.1 收入確認 (續)

本集團通過參考於報告日期完全履行履約責任的進度，隨時間確認物業開發收入。該進度乃根據本集團為履行履約責任而作出的努力或投入，通過參考截至報告期末所產生的合同成本佔於合同中各物業單位總估計成本的百分比進行計量。本集團根據物業類型、總建築面積及可售面積計算成本分配。於釐定在報告日期完全履行履約責任所取得估計總成本的完整性及進度的準確性時，需要作出重大判斷及估計。本集團擁有標準的成本預算及估計完成流程，管理層檢討及審批履約責任的發展進度及執行情況。作為該過程的一部分，管理層審閱及審批（包括但不限於）完成履行履約責任時間表產生成本及項目預算成本變更的資料。未來期間成本估計的變動可能會對本集團所確認的收入產生影響。在作出上述估計時，本集團依賴過往經驗及承包商以及（如適用）監理方的工作。

4.2 物業開發活動直接應佔的開發成本

本集團於確認各自銷售成本後估計物業建築成本。有關估計由管理層制定的詳細預算信息證實，並將隨建設進度進行定期評估。若該等估計與其實際最終成本有差異，則有關差異將影響已確認銷售成本的準確性。

Notes to the Consolidated Financial Statements

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

4.3 Provision for impairment of properties held or under development for sale

The management makes provision for impairment of properties held or under development for sale based on the estimate of the net realisable amount of the properties. Determination of net realisable amount of the properties involved critical accounting estimates on the selling price, variable selling expenses and the estimated costs to completion. Management estimated the selling price based on the prevailing market conditions; the variable selling expenses based on certain percentage of selling price; and the costs to completion based on the project budget approved by the management. Given the volatility of the property market in the PRC, the actual net realisable amount may be higher or lower than the estimate made as at the end of the reporting period. Any increase or decrease in the provision would affect the Group's operating performance in future years.

4.4 Land appreciation tax of the PRC

The Group is subject to land appreciation tax in the PRC. However, since the implementation and settlement of the tax varies among various tax jurisdictions in cities of the PRC, significant judgement is required in determining the amount of the land appreciation tax. The Group recognises the land appreciation tax based on management's best estimates according to its understanding of the interpretation of tax rules and latest practice of local tax jurisdictions in the cities where the Group's projects are located. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the current income tax and the deferred income tax provision in the periods in which such taxes have been finalised with local tax authorities.

4 重要會計估計及判斷 (續)

4.3 持作出售或開發中待售物業減值撥備

管理層根據持作出售或開發中待售物業的估計可變現淨值就其計提減值撥備。物業可變現淨值的釐定涉及有關售價、可變銷售開支及估計竣工成本的重要會計估計。管理層根據現行市況估計售價；根據售價的某一百分比估計可變銷售開支；及根據經管理層審批的項目預算估計竣工成本。鑑於中國物業市場的波動，實際可變現淨值可能高於或低於報告期末的估計。撥備的任何增加或減少將對本集團未來數年的經營表現產生影響。

4.4 中國土地增值稅

本集團須繳納中國土地增值稅。然而，由於中國各個城市的不同徵稅區的稅項徵收及支付有所差異，於釐定土地增值稅金額時須作出重大判斷。管理層按其對本集團項目所在城市地方稅務機構的稅務規則及最新常規的詮釋的理解作出最佳估計，本集團據此確認土地增值稅。最終稅款可能有別於最初錄得的金額，而有關差額將影響於地方稅務機構確定該等稅項期間的即期所得稅及遞延所得稅撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

4.5 Current and deferred income tax

The Group is subject to corporate income tax in the PRC. Significant judgement is required in determining the provision for corporate income tax. There are transactions and calculations for which the ultimate determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that we initially recorded, such difference will impact the current income tax and deferred tax provision in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

4.6 Fair value of investment properties

The best evidence of fair value is current prices in an active market for the properties with similar lease and other contracts. In the absence of such information, the management determines the amount within a range of reasonable fair value estimates. In making its estimation, the management considers information from a variety of sources including:

- (a) Current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;

4 重要會計估計及判斷 (續)

4.5 當期及遞延所得稅

本集團須繳納中國企業所得稅。在釐定企業所得稅的撥備時須作出重大判斷。在日常業務過程中，多項交易及計算方式均會導致未能確定最終所定稅項。倘該等事項的最終稅款與最初錄得的款額有所差異，有關差額將會影響釐定稅項期間的即期所得稅及遞延稅項撥備。

與若干臨時差額及稅項虧損有關的遞延稅項資產，可在管理層認為日後將有應課稅利潤可供抵銷臨時差額或稅項虧損的情況下確認。其實際利用結果可能不同。

4.6 投資物業的公平值

公平值的最佳憑證為類似租約及其他合同於當時活躍市場上的價格。在缺乏該等資料的情況下，管理層在合理公平值估計的範圍內釐定金額。在作出估計時，管理層考慮不同來源的資料，包括：

- (a) 性質、狀況或地點不同（或受不同租約或其他合同規限）的物業當時於活躍市場上的價格（須就各項差異作出調整）；

Notes to the Consolidated Financial Statements

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

4.6 Fair value of investment properties (continued)

- (b) Recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and,
- (c) Discounted cash flow projections based on reliable estimates of future cash flows, derived from the term of any existing lease and other contract and (where possible) from external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessment of the uncertainty in the amount and timing of the cash flows.

The Group assesses the fair value of its investment properties based on valuations determined by independent professional qualified valuers, which were based on income approach and by reference to comparable price in an active market.

At 31 December 2018 and 2017, the key assumptions used by the valuer in determining fair value were as follows:

4 重要會計估計及判斷(續)

4.6 投資物業的公平值(續)

- (b) 較不活躍市場所提供類似物業的近期價格(該價格會作出調整,以反映自按該等價格進行交易的日期起經濟狀況的任何轉變);及
- (c) 根據對未來現金流量進行的可靠估計而預測的貼現現金流量,而該等預測乃基於任何現有租約與其他合同的條款及(如在可能情況下)外在憑證(如地點及狀況相同的類似物業當時市值租金),並採用足以反映當時市場對無法肯定的有關現金流量金額及時間進行評估的貼現率計算。

本集團根據獨立專業合資格估值師基於收入法及參考活躍市場的可比較價格而釐定的估值評估其投資物業的公平值。

於2018年及2017年12月31日,估值師於釐定公平值時使用的主要假設如下:

| | | As at 31 December | |
|--------------------|-------|-------------------|----------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| Term yield | 年期回報率 | 4%-7.00% | 4%-7.25% |
| Reversionary yield | 復歸回報率 | 4%-7.50% | 4%-7.75% |

Notes to the Consolidated Financial Statements

綜合財務報表附註

5 SEGMENT INFORMATION

The executive directors have been identified as the CODM. Management has determined the operating segments based on the reports reviewed by the executive directors, which are used to allocate resources and assess performance.

The Group is principally engaged in property development in the PRC. The CODM reviews the operating results of the business as one segment to make decision about resources to be allocated. Revenue and profit after income tax are the measures reported to the executive directors for the purpose of resources allocation and performance assessment.

The major operating entities of the Group are domiciled in the PRC. All of the Group's revenue are derived in the PRC for the years ended 31 December 2018 and 2017.

As at 31 December 2018 and 2017, all of non-current assets of the Group were located in the PRC.

There was no revenue derived from a single external customer that accounts for 10% or more of the Group's revenues for the years ended 31 December 2018 and 2017.

5 分部資料

執行董事已被確認為主要經營決策者。管理層已根據執行董事所審核用於分配資源及評估表現的報告釐定經營分部。

本集團主要在中國從事物業開發。主要經營決策者按一個分部審閱業務的經營業績，以就資源如何分配作出決策。向執行董事呈報以用作資源分配及表現評估的指標為收入及除所得稅後利潤。

本集團的主要營運實體位於中國。截至2018年及2017年12月31日止年度，本集團的全部收入均源自中國。

於2018年及2017年12月31日，本集團的全部非流動資產均位於中國。

截至2018年及2017年12月31日止年度，來自單一外部客戶的收入並無佔本集團收入的10%或以上。

Notes to the Consolidated Financial Statements

綜合財務報表附註

6 PROPERTY, PLANT AND EQUIPMENT

6 物業、廠房及設備

| | | Buildings | Motor vehicles | Electronic devices | Furniture, fittings and equipment 傢私、裝置及設備 | Assets under construction | Leasehold improvements | Total |
|---|-------------------------|-----------|----------------|--------------------|---|---------------------------|------------------------|----------|
| | | 樓宇 | 汽車 | 電子設備 | 及設備 | 在建資產 | 租賃裝修 | 總計 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| At 1 January 2017 | 於2017年1月1日 | | | | | | | |
| Cost | 成本 | 4,094 | 28,023 | 5,267 | 2,493 | – | – | 39,877 |
| Accumulated depreciation | 累計折舊 | (3,332) | (21,492) | (3,477) | (1,504) | – | – | (29,805) |
| Net book amount | 賬面淨值 | 762 | 6,531 | 1,790 | 989 | – | – | 10,072 |
| Year ended 31 December 2017 | 截至2017年12月31日止年度 | | | | | | | |
| Opening net book amount | 年初賬面淨值 | 762 | 6,531 | 1,790 | 989 | – | – | 10,072 |
| Additions | 添置 | – | 403 | 860 | 223 | 8,600 | – | 10,086 |
| Transfer from properties held or under development for sale (a) | 轉撥自持作出售或開發中待售物業(a) | 17,850 | – | – | – | – | – | 17,850 |
| Disposals | 出售 | – | – | (26) | (1) | – | – | (27) |
| Depreciation charge (Note 24) | 折舊費用(附註24) | (245) | (1,566) | (811) | (412) | – | – | (3,034) |
| Closing net book amount | 年末賬面淨值 | 18,367 | 5,368 | 1,813 | 799 | 8,600 | – | 34,947 |
| At 31 December 2017 | 於2017年12月31日 | | | | | | | |
| Cost | 成本 | 21,945 | 28,426 | 6,100 | 2,715 | 8,600 | – | 67,786 |
| Accumulated depreciation | 累計折舊 | (3,578) | (23,058) | (4,287) | (1,916) | – | – | (32,839) |
| Net book amount | 賬面淨值 | 18,367 | 5,368 | 1,813 | 799 | 8,600 | – | 34,947 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

6 物業、廠房及設備 (續)

| | | Buildings | Motor vehicles | Electronic devices | Furniture, fittings and equipment 傢俬、裝置及設備 | Assets under construction | Leasehold improvements | Total |
|---|-------------------------|---------------|----------------|--------------------|---|---------------------------|------------------------|---------------|
| | | 樓宇 | 汽車 | 電子設備 | | 在建資產 | 租賃裝修 | 總計 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Year ended 31 December 2018 | 截至2018年12月31日止年度 | | | | | | | |
| Opening net book amount | 年初賬面淨值 | 18,367 | 5,368 | 1,813 | 799 | 8,600 | - | 34,947 |
| Additions | 添置 | 193 | 657 | 1,177 | 319 | 8,617 | - | 10,963 |
| Transfer from assets under construction | 轉撥自在建資產 | - | - | - | - | (17,217) | 17,217 | - |
| Disposals | 出售 | - | (4) | (151) | (17) | - | - | (172) |
| Depreciation charge (Note 24) | 折舊費用 (附註24) | (911) | (1,462) | (815) | (255) | - | (1,264) | (4,707) |
| Closing net book amount | 年末賬面淨值 | 17,649 | 4,559 | 2,024 | 846 | - | 15,953 | 41,031 |
| At 31 December 2018 | 於2018年12月31日 | | | | | | | |
| Cost | 成本 | 22,138 | 29,079 | 7,126 | 3,017 | - | 17,217 | 78,577 |
| Accumulated depreciation | 累計折舊 | (4,489) | (24,520) | (5,102) | (2,171) | - | (1,264) | (37,546) |
| Net book amount | 賬面淨值 | 17,649 | 4,559 | 2,024 | 846 | - | 15,953 | 41,031 |

Note:

- (a) On 30 September 2017, a property was transferred from properties held or under development for sales to property, plant and equipment. On the date of transfer, the net book value of the property was approximately RMB17,850,000.

Depreciation charge of the Group has been included in administrative expenses for the years ended 31 December 2018 and 2017.

Buildings with carrying amount of approximately RMB155,000 as at 31 December 2018 (31 December 2017: RMB156,000) were pledged as collateral for the Group's borrowings (Note 16).

附註：

- (a) 於2017年9月30日，一項物業由持作出售或開發中待售物業轉撥至物業、廠房及設備。於轉撥日期，該物業的賬面淨值約為人民幣17,850,000元。

截至2018年及2017年12月31日止年度，本集團的折舊費用已計入行政開支。

於2018年12月31日，賬面值分別約為人民幣155,000元（2017年12月31日：人民幣156,000元）的樓宇已作為抵押品予以抵押以取得本集團的借款（附註16）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

7 INVESTMENT PROPERTIES

7 投資物業

| | | Year ended 31 December | |
|---|--------------------|------------------------|---------|
| | | 截至12月31日止年度 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Opening balance | 年初結餘 | 73,840 | 31,300 |
| Transfer from properties held or under development for sale (a) | 轉撥自持作出售或開發中待售物業(a) | - | 42,000 |
| Net gain from fair value adjustment | 公平值調整的收益淨額 | 1,410 | 540 |
| Closing balance | 年末結餘 | 75,250 | 73,840 |

Note:

- (a) On 30 September 2017, a property was transferred from properties held or under development for sale to investment properties. On the date of transfer, the net book value of the property was approximately RMB41,006,000 and the fair value was RMB42,000,000. The difference of approximately RMB994,000 was recognised as fair value gains on investment properties by the Group for the year ended 31 December 2017.

附註：

- (a) 於2017年9月30日，一項物業由持作出售或開發中待售物業轉撥至投資物業。於轉撥日期，該物業的賬面淨值約為人民幣41,006,000元及公平值為人民幣42,000,000元。差額約人民幣994,000元由本集團於截至2017年12月31日止年度確認為投資物業的公平值收益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

7 INVESTMENT PROPERTIES (CONTINUED)

7 投資物業 (續)

Amounts recognised in profit or loss for investment properties

就投資物業於損益確認的金額

| | | Year ended 31 December | |
|--|------------------------------|------------------------|---------|
| | | 截至12月31日止年度 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Net gain from fair value adjustment | 公平值調整的收益淨額 | 1,410 | 540 |
| Fair value gains resulting from transfer from properties held or under development for sale to investment properties | 由持作出售或開發中待售物業轉撥至投資物業產生的公平值收益 | - | 994 |
| Total fair value gains on investment properties | 投資物業的公平值收益總額 | 1,410 | 1,534 |
| Rental income arising from investment properties | 投資物業的租金收入 | 1,679 | 1,736 |
| | | 3,089 | 3,270 |

Fair value hierarchy

Fair value measurement at 31 December 2018 and 2017 using significant unobservable inputs (level 3) are investment properties located in the PRC, amounting to RMB75,250,000 and RMB73,840,000, respectively.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

There were no transfers between levels 1, 2 and 3 for the years ended 31 December 2018 and 2017.

公平值層級

於2018年及2017年12月31日採用重大不可觀察輸入數據(第3層)對位於中國的投資物業進行的公平值計量分別為人民幣75,250,000元及人民幣73,840,000元。

本集團政策為於導致轉撥的事件或情況變動日期確認公平值層級轉入及轉出。

截至2018年及2017年12月31日止年度，第1、2及3層之間並無進行轉撥。

Notes to the Consolidated Financial Statements

綜合財務報表附註

7 INVESTMENT PROPERTIES (CONTINUED)

Valuation processes of the Group

The Group's investment properties were valued at 31 December 2018 by an independent professionally qualified valuers, Unicorn Consulting and Appraisal Limited ("Unicorn") who hold recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use.

The Group's investment properties were valued at 31 December 2017 by an independent professionally qualified valuers, Colliers International (Hong Kong) Limited, who holds a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use.

Valuation techniques

The Group has four investment properties for the years ended 31 December 2018 and 2017, all of which are located in Henan Province, the PRC.

The valuation of investment properties was determined using the income approach (term and reversionary method) which was based on capitalisation of net rental income derived from the existing tenancies with due allowance for the reversionary income potential of the properties.

There were no changes to the valuation techniques for the years ended 31 December 2018 and 2017.

7 投資物業 (續)

本集團的估值程序

本集團的投資物業於2018年12月31日由獨立專業合資格估值師銳漢諮詢及評估有限公司(「銳漢」)進行估值，該估值師持有獲認可的相關專業資質及具備所估值投資物業所在位置及分部的近期經驗。所有投資物業乃就其目前最有效及最佳方式使用。

本集團的投資物業於2017年12月31日由獨立專業合資格估值師高力國際物業顧問(香港)有限公司進行估值，該估值師持有獲認可的相關專業資質及具備所估值投資物業所在位置及分部的近期經驗。所有投資物業乃就其目前最有效及最佳方式使用。

估值技術

本集團於截至2018年及2017年12月31日止年度擁有四處投資物業，全部位於中國河南省。

投資物業的估值乃採用收入法(年期及復歸法)根據將現有租約所得租金收入淨額資本化及考慮租約期滿後物業的復歸收入潛力釐定。

截至2018年及2017年12月31日止年度，估值技術並無變動。

Notes to the Consolidated Financial Statements

綜合財務報表附註

7 INVESTMENT PROPERTIES (CONTINUED)

7 投資物業 (續)

Information about fair value measurements as at 31 December 2018 and 2017 using significant unobservable inputs (level 3):

有關於2018年及2017年12月31日使用重大不可觀察輸入數據(第3層)公平值計量的資料:

| Description | Fair value as at | Valuation technique(s) | Unobservable inputs | Range of unobservable inputs | Relationship of unobservable inputs to fair value |
|-------------------|--|--|--------------------------------|---|--|
| 說明 | 於下列日期的公平值 | 估值技術 | 不可觀察輸入數據 | 不可觀察輸入數據範圍 | 不可觀察輸入數據與公平值的關係 |
| Property I 物業一 | 31 December 2018: RMB3,250,000 2018年12月31日: 人民幣3,250,000元 31 December 2017: RMB3,240,000 2017年12月31日: 人民幣3,240,000元 | Income approach (term and reversionary method) 收入法 (年期及復歸法) | Term yield 年期回報率 | Term yield of 7% (2017: 7.25%), taking into account of yield generated from comparable properties and adjustment to reflect the certainty of term income secured and to be received. 年期回報率7% (2017年: 7.25%), 經計及可比較物業 產生的回報率及就反映已取 得及將收取年期收入的確定 性作出調整。 | The higher the term yield, the lower the fair value 年期回報率越高, 則公平 值越低 |
| | | | Reversionary yield 復歸回報率 | Reversionary rate of 7.5% (2017: 7.75%), taking into account annual unit market rental income and unit market value of the comparable properties. 復歸回報率7.5% (2017年: 7.75%), 經計及可比較物業 的年度單位市場租金收入及 單位市值。 | The higher the reversionary yield, the lower the fair value 復歸回報率越高, 則公平 值越低 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

7 INVESTMENT PROPERTIES (CONTINUED)

Information about fair value measurements as at 31 December 2018 and 2017 using significant unobservable inputs (level 3): (continued)

7 投資物業 (續)

有關於2018年及2017年12月31日使用重大不可觀察輸入數據(第3層)公平值計量的資料:(續)

| Description | Fair value as at | Valuation technique(s) | Unobservable inputs | Range of unobservable inputs | Relationship of unobservable inputs to fair value |
|--------------------|--|---|--|--|---|
| 說明 | 於下列日期的公平值 | 估值技術 | 不可觀察輸入數據 | 不可觀察輸入數據範圍 | 不可觀察輸入數據與公平值的關係 |
| | | | Market unit rent of individual unit 個別單位的市場單位租金 | Market unit rent is RMB5 (2017: RMB7) per square meter per month, using direct market comparable and taking into account of location and other individual factors, such as road frontage, size of property and facilities. 市場單位租金每月每平方米人民幣5元(2017年:人民幣7元),使用直接市場比較及經計及位置及其他個別因素,例如臨街、物業規模及設施。 | The higher the market unit rent, the higher the fair value 市場單位租金越高,則公平值越高 |
| Property II 物業二 | 31 December 2018: RMB20,900,000 2018年12月31日: 人民幣20,900,000元 31 December 2017: RMB20,500,000 2017年12月31日: 人民幣20,500,000元 | Income approach (term and reversionary method) 收入法(年期及復歸法) | Term yield 年期回報率 | Term yield of 6.5% (2017: 6.5%), taking into account of yield generated from comparable properties and adjustment to reflect the certainty of term income secured and to be received. 年期回報率6.5% (2017年: 6.5%), 經計及可比較物業產生的回報率及就反映已取得及將收取年期收入的確定性作出調整。 | The higher the term yield, the lower the fair value 年期回報率越高,則公平值越低 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

7 INVESTMENT PROPERTIES (CONTINUED)

Information about fair value measurements as at 31 December 2018 and 2017 using significant unobservable inputs (level 3): (continued)

7 投資物業 (續)

有關於2018年及2017年12月31日使用重大不可觀察輸入數據(第3層)公平值計量的資料:(續)

| Description | Fair value as at | Valuation technique(s) | Unobservable inputs | Range of unobservable inputs | Relationship of unobservable inputs to fair value |
|-------------|------------------|------------------------|--|--|---|
| 說明 | 於下列日期的公平值 | 估值技術 | 不可觀察輸入數據 | 不可觀察輸入數據範圍 | 不可觀察輸入數據與公平值的關係 |
| | | | Reversionary yield 復歸回報率 | Reversionary rate of 7% (2017: 7%), taking into account annual unit market rental income and unit market value of the comparable properties. 復歸回報率7% (2017年: 7%)，經計及可比較物業的年度單位市場租金收入及單位市值。 | The higher the reversionary yield, the lower the fair value 復歸回報率越高，則公平值越低 |
| | | | Market unit rent of individual unit 個別單位的市場單位租金 | Market unit rent is RMB41 (2017: RMB38) per square meter per month, using direct market comparable and taking into account of location and other individual factors, such as road frontage, size of property and facilities. 市場單位租金每月每平方米人民幣41元 (2017年: 人民幣38元)，使用直接市場比較及經計及位置及其他個別因素，例如臨街、物業規模及設施。 | The higher the market unit rent, the higher the fair value 市場單位租金越高，則公平值越高 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

7 INVESTMENT PROPERTIES (CONTINUED)

Information about fair value measurements as at 31 December 2018 and 2017 using significant unobservable inputs (level 3): (continued)

7 投資物業 (續)

有關於2018年及2017年12月31日使用重大不可觀察輸入數據(第3層)公平值計量的資料:(續)

| Description | Fair value as at | Valuation technique(s) | Unobservable inputs | Range of unobservable inputs | Relationship of unobservable inputs to fair value |
|---------------------|--|---|--|--|--|
| 說明 | 於下列日期的公平值 | 估值技術 | 不可觀察輸入數據 | 不可觀察輸入數據範圍 | 不可觀察輸入數據與公平值的關係 |
| Property III 物業三 | 31 December 2018: RMB8,100,000 2018年12月31日: 人民幣8,100,000元 31 December 2017: RMB8,100,000 2017年12月31日: 人民幣8,100,000元 | Income approach (term and reversionary method) 收入法(年期及復歸法) | Term yield 年期回報率 Reversionary yield 復歸回報率 | Term yield of 4% (2017: 4%), taking into account of yield generated from comparable properties and adjustment to reflect the certainty of term income secured and to be received. 年期回報率4% (2017年: 4%), 經計及可比較物業產生的回報率及就反映已取得及將收取年期收入的確定性作出調整。 Reversionary rate of 4% (2017: 4%), taking into account annual unit market rental income and unit market value of the comparable properties. 復歸回報率4% (2017年: 4%), 經計及可比較物業的年度單位市場租金收入及單位市值。 | The higher the term yield, the lower the fair value 年期回報率越高, 則公平值越低 The higher the reversionary yield, the lower the fair value 復歸回報率越高, 則公平值越低 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

7 INVESTMENT PROPERTIES (CONTINUED)

Information about fair value measurements as at 31 December 2018 and 2017 using significant unobservable inputs (level 3): (continued)

7 投資物業 (續)

有關於2018年及2017年12月31日使用重大不可觀察輸入數據(第3層)公平值計量的資料:(續)

| Description | Fair value as at | Valuation technique(s) | Unobservable inputs | Range of unobservable inputs | Relationship of unobservable inputs to fair value |
|-------------|------------------|------------------------|--|--|---|
| 說明 | 於下列日期的公平值 | 估值技術 | 不可觀察輸入數據 | 不可觀察輸入數據範圍 | 不可觀察輸入數據與公平值的關係 |
| | | | Market unit rent of individual unit 個別單位的市場單位租金 | Market unit rent is RMB64 (2017: RMB61) per square meter per month, using direct market comparable and taking into account of location and other individual factors, such as road frontage, size of property and facilities. 市場單位租金每月每平方米人民幣64元(2017年:人民幣61元),使用直接市場比較及經計及位置及其他個別因素,例如臨街、物業規模及設施。 | The higher the market unit rent, the higher the fair value 市場單位租金越高,則公平值越高 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

7 INVESTMENT PROPERTIES (CONTINUED)

Information about fair value measurements as at 31 December 2018 and 2017 using significant unobservable inputs (level 3): (continued)

7 投資物業 (續)

有關於2018年及2017年12月31日使用重大不可觀察輸入數據(第3層)公平值計量的資料:(續)

| Description | Fair value as at | Valuation technique(s) | Unobservable inputs | Range of unobservable inputs | Relationship of unobservable inputs to fair value |
|--------------------|--|--|---|---|---|
| 說明 | 於下列日期的公平值 | 估值技術 | 不可觀察輸入數據 | 不可觀察輸入數據範圍 | 不可觀察輸入數據與公平值的關係 |
| Property IV 物業四 | 31 December 2018: RMB43,000,000 2018年12月31日: 人民幣43,000,000元 31 December 2017: RMB42,000,000 2017年12月31日: 人民幣42,000,000元 | Income approach (term and reversionary method) 收入法 (年期及復歸法) | Term yield 年期回報率 Reversionary yield 復歸回報率 | Term yield of 4.5% (2017: 4.75%), taking into account of yield generated from comparable properties and adjustment to reflect the certainty of term income secured and to be received. 年期回報率4.5% (2017年: 4.75%), 經計及可比較物業 產生的回報率及就反映已取 得及將收取年期收入的確定 性作出調整。 Reversionary rate of 5% (2017: 5.25%), taking into account annual unit market rental income and unit market value of the comparable properties. 復歸回報率5% (2017年: 5.25%), 經計及可比較物業 的年度單位市場租金收入及 單位市值。 | The higher the term yield, the lower the fair value 年期回報率越高, 則公平 值越低 The higher the reversionary yield, the lower the fair value 復歸回報率越高, 則公平 值越低 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

7 INVESTMENT PROPERTIES (CONTINUED)

Information about fair value measurements as at 31 December 2018 and 2017 using significant unobservable inputs (level 3): (continued)

7 投資物業 (續)

有關於2018年及2017年12月31日使用重大不可觀察輸入數據(第3層)公平值計量的資料:(續)

| Description | Fair value as at | Valuation technique(s) | Unobservable inputs | Range of unobservable inputs | Relationship of unobservable inputs to fair value |
|-------------|------------------|------------------------|--|---|--|
| 說明 | 於下列日期的公平值 | 估值技術 | 不可觀察輸入數據 | 不可觀察輸入數據範圍 | 不可觀察輸入數據與公平值的關係 |
| | | | Market unit rent of individual unit 個別單位的市場單位租金 | Market unit rent is RMB16-19 (2017: RMB16) per square meter per month, using direct market comparable and taking into account of location and other individual factors, such as road frontage, size of property and facilities. 市場單位租金每月每平方米人民幣16-19元(2017年: 人民幣16元), 使用直接市場比較及經計及位置及其他個別因素, 例如臨街、物業規模及設施。 | The higher the market unit rent, the higher the fair value 市場單位租金越高, 則公平值越高 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

7 INVESTMENT PROPERTIES (CONTINUED)

If the reversionary yield increase or decrease by 10% from the parameter used by the qualified valuer, the fair value of the investment properties as at 31 December 2018 and 2017 would have been as follows:

| | |
|---|--------------|
| Investment properties increase/(decrease) | 投資物業增加/(減少) |
| - 10 percent increase in reversionary yield | - 復歸回報率增加10% |
| - 10 percent decrease in reversionary yield | - 復歸回報率減少10% |

7 投資物業 (續)

倘復歸回報率按合資格估值師採用的參數計算增加或減少10%，於2018年及2017年12月31日的投資物業公平值如下所示：

| As at 31 December | |
|-------------------|---------|
| 於12月31日 | |
| 2018 | 2017 |
| 2018年 | 2017年 |
| RMB'000 | RMB'000 |
| 人民幣千元 | 人民幣千元 |

| | |
|---------|---------|
| (3,886) | (3,370) |
| 4,485 | 4,790 |

There will be no significant change for the fair value of the investment properties as at 31 December 2018 and 2017 if the term yield increase or decrease by 10% from the parameter used by the qualified valuer.

As at 31 December 2018 and 2017, the Group had no unprovided contractual obligations for future repairs and maintenance. Operating expenses relating to unlet investment properties are immaterial to the Group.

The Group measured deferred tax relating to the temporary differences of these investment properties by adopting the tax rates and the tax bases that are consistent with the expected manner of recovery of these investment properties (Note 21).

Investment properties with total carrying value of RMB20,900,000 at 31 December 2018 (31 December 2017: RMB23,740,000), were pledged as collateral for the Group's borrowings (Note 16).

倘年期回報率按合資格估值師採用的參數計算增加或減少10%，於2018年及2017年12月31日的投資物業公平值並無重大變動。

於2018年及2017年12月31日，本集團並無有關未來維修及維護的未撥備合同責任。有關單位投資物業的經營開支對本集團而言並不重大。

本集團通過採用符合預計收回該等投資物業方式的稅率及稅基計量有關該等投資物業的臨時差額的遞延稅項(附註21)。

於2018年12月31日，賬面值總額為人民幣20,900,000元(2017年12月31日：人民幣23,740,000元)的投資物業已作為抵押品被抵押以取得本集團的借款(附註16)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

8 PREPAYMENTS FOR LEASEHOLD LAND

The Group incurred costs for demolition and resettlement arrangement of certain leasehold land on which the Group intends to develop properties totalling approximately RMB234,623,000 as at 31 December 2018 (31 December 2017: RMB237,295,000). Such costs will be transferred to properties under development for sale upon receipt of ownership certificates of the land use rights.

9 PROPERTIES HELD OR UNDER DEVELOPMENT FOR SALE

Balances of properties held or under development for sale are as follows:

8 租賃土地預付款項

於2018年12月31日，本集團就本集團計劃於其上開發物業的若干租賃土地的拆遷及安置安排產生的成本合共約為人民幣234,623,000元（2017年12月31日：人民幣237,295,000元）。該等成本將於收到土地使用權的所有權證後轉撥至開發中待售物業。

9 持作出售或開發中待售物業

持作出售或開發中待售物業結餘如下：

| | | As at 31 December | |
|---------------------------------------|----------|--------------------------|-----------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Properties under development for sale | 開發中待售物業 | 2,080,386 | 2,720,521 |
| Properties held for sale | 持作出售物業 | 1,815,411 | 961,157 |
| | | 3,895,797 | 3,681,678 |
| Less: Provision for impairment loss | 減：減值虧損撥備 | (4,876) | (5,686) |
| | | 3,890,921 | 3,675,992 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

9 PROPERTIES HELD OR UNDER DEVELOPMENT FOR SALE (CONTINUED)

Properties held or under development for sale comprise:

| | | As at 31 December | |
|---|----------------------------------|--------------------------|-----------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Land use rights and demolition and resettlement costs after deducting related government grants | 於扣除相關政府補助後的 土地使用權及拆遷和 安置費用 | 1,777,922 | 1,620,018 |
| Construction costs and capitalised expenditures | 建築成本及資本化開支 | 1,860,246 | 1,818,669 |
| Interest capitalised (a) | 資本化利息(a) | 257,629 | 242,991 |
| | | 3,895,797 | 3,681,678 |
| Less: Provision for impairment loss | 減：減值虧損撥備 | (4,876) | (5,686) |
| | | 3,890,921 | 3,675,992 |

Note:

(a) Interest rate of capitalised borrowings for the year ended 31 December 2018 was 5.83% (2017: 6.55%) per annum.

9 持作出售或開發中待售物業 (續)

持作出售或開發中待售物業包括：

| | | As at 31 December | |
|---|----------------------------------|--------------------------|-----------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Land use rights and demolition and resettlement costs after deducting related government grants | 於扣除相關政府補助後的 土地使用權及拆遷和 安置費用 | 1,777,922 | 1,620,018 |
| Construction costs and capitalised expenditures | 建築成本及資本化開支 | 1,860,246 | 1,818,669 |
| Interest capitalised (a) | 資本化利息(a) | 257,629 | 242,991 |
| | | 3,895,797 | 3,681,678 |
| Less: Provision for impairment loss | 減：減值虧損撥備 | (4,876) | (5,686) |
| | | 3,890,921 | 3,675,992 |

附註：

(a) 截至2018年12月31日止年度，資本化借款年利率為5.83%（2017年：6.55%）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

9 PROPERTIES HELD OR UNDER DEVELOPMENT FOR SALE (CONTINUED)

Movements of properties held or under development for sale are as follows:

| | | Year ended 31 December | |
|--|-------------------|-------------------------------|-------------|
| | | 截至12月31日止年度 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| At beginning of the year | 年初 | 3,681,678 | 3,124,654 |
| Additions | 添置 | 1,468,650 | 1,762,067 |
| Costs of properties recognised in profit or loss | 在損益中確認的物業成本 | (1,254,531) | (1,146,187) |
| Transfer to investment properties (Note 7) | 轉撥至投資物業 (附註7) | - | (41,006) |
| Transfer to property, plant and equipment (Note 6) | 轉撥至物業、廠房及設備 (附註6) | - | (17,850) |
| At end of the year | 年末 | 3,895,797 | 3,681,678 |

Movements on the provision for impairment of these properties held or under development for sale are as follows:

| | | Year ended 31 December | |
|-------------------------------|----------|-------------------------------|----------|
| | | 截至12月31日止年度 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| At beginning of the year | 年初 | 5,686 | 46,800 |
| Provision realised upon sales | 出售後變現的撥備 | (810) | (41,114) |
| At end of the year | 年末 | 4,876 | 5,686 |

9 持作出售或開發中待售物業 (續)

持作出售或開發中待售物業變動如下：

該等持作出售或開發中待售物業減值撥備變動如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

9 PROPERTIES HELD OR UNDER DEVELOPMENT FOR SALE (CONTINUED)

Management expects that the amounts of these properties held or under development for sale as of 31 December 2018 and 2017 will be recognised as cost from sales of properties during the following periods:

Amounts are expected to be recovered: 預期將收回金額：
 Within 12 months 12個月以內
 Beyond 12 months 超過12個月

| | 2018 | 2017 |
|--|------------------|-----------|
| | 2018年 | 2017年 |
| | RMB'000 | RMB'000 |
| | 人民幣千元 | 人民幣千元 |
| | 676,689 | 893,438 |
| | 3,219,108 | 2,788,240 |
| | 3,895,797 | 3,681,678 |

The properties held or under development for sale are all located in the PRC.

As at 31 December 2018 and 2017, certain of the Group's properties held or under development for sale were pledged as collateral for the Group's borrowings (Note 16).

Carrying value pledged: 已抵押賬面值：

Properties held or under development for sale 持作出售或開發中待售物業

| | | |
|--|----------------|---------|
| | 305,574 | 761,517 |
|--|----------------|---------|

9 持作出售或開發中待售物業 (續)

管理層預計該等持作出售或開發中待售物業截至2018年及2017年12月31日的金額將於以下期間確認為物業銷售的成本：

| | 2018 | 2017 |
|--|----------------|---------|
| | 2018年 | 2017年 |
| | RMB'000 | RMB'000 |
| | 人民幣千元 | 人民幣千元 |

持作出售或開發中待售物業均位於中國。

於2018年及2017年12月31日，本集團若干持作出售或開發中待售物業已作為抵押品被抵押以取得本集團的借款(附註16)。

| | 2018 | 2017 |
|--|----------------|---------|
| | 2018年 | 2017年 |
| | RMB'000 | RMB'000 |
| | 人民幣千元 | 人民幣千元 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

10 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

10 貿易及其他應收款項和預付款項

| | | As at 31 December | |
|--|-------------------------|-------------------|---------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Trade receivables | 貿易應收款項 | - | - |
| Prepayments of construction costs (a) | 建築成本預付款項(a) | 23,344 | 31,220 |
| Costs relating to demolition and resettlement activities recoverable from government (b) | 可自政府收回的與拆遷和安置活動有關的成本(b) | 183,757 | 231,476 |
| Receivable from project service (c) | 項目服務應收款項(c) | 55,440 | 55,440 |
| Tender deposits (d) | 招標按金(d) | 23,777 | 7,459 |
| Value-added-tax recoverable | 可收回增值稅 | 14,945 | 6,911 |
| Prepaid tax and surcharges (e) | 預付稅項及附加費(e) | 11,699 | 11,900 |
| Deposits paid for property development | 已付物業開發按金 | 8,502 | 7,599 |
| Temporary funding receivables | 臨時資金應收款項 | - | 29 |
| Amounts due from related parties (Note 34(c)(i)) | 應收關聯方款項(附註34(c)(i)) | - | 6,948 |
| Amount due from non-controlling interest | 應收非控股權益款項 | - | 4,764 |
| Deferred initial public offering costs | 遞延首次公開發售費用 | - | 4,267 |
| Others | 其他 | 2,273 | 1,630 |
| | | 300,393 | 338,423 |
| Total of trade and other receivables and prepayments | 貿易及其他應收款項和預付款項總額 | 323,737 | 369,643 |
| Less: Allowance for impairment of other receivables | 減：其他應收款項減值撥備 | (11,397) | (693) |
| | | 312,340 | 368,950 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

10 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

Notes:

- (a) Prepayments of construction costs represent the prepaid construction costs, which will be transferred to properties under development for sale.
- (b) The balances represent demolition and resettlement costs paid on behalf of and recoverable from the government.
- (c) Receivable from project service represent the outstanding balance recoverable from customer for the construction costs and project management fees incurred. The Group manages the construction projects on behalf of certain customers, and earns a pre-determined service fee for the services provided.
- (d) The balance represents tender deposits for bidding of land use rights, which will be subsequently refunded or transferred to prepayments for leasehold land upon successful bidding.
- (e) Prepaid tax and surcharges are levied when the Group receives advances from customers and the prepaid taxes are recorded as prepayments before the relevant revenue is recognised.

10 貿易及其他應收款項和預付款項 (續)

附註：

- (a) 建築成本預付款項指預付建築成本，該等款項將轉撥至開發中待售物業。
- (b) 該結餘指代表政府支付的拆遷和安置費用以及可自政府收回的款項。
- (c) 項目服務應收款項指就產生的建築成本及項目管理費用可自客戶收回的尚未收回結餘。本集團代表若干客戶管理建設項目並賺取預先釐定的所提供服務的服務費。
- (d) 該結餘指競投土地使用權的投標按金，該等款項隨後將於中標後退回或轉撥至租賃土地預付款項。
- (e) 預付稅項及附加費乃於本集團向客戶收取墊款時徵收，而預付稅項於相關收入獲確認前記錄為預付款項。

Notes to the Consolidated Financial Statements

綜合財務報表附註

10 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

The loss allowance provision for other receivables as at 31 December 2018 and 2017 are reconciled to the opening loss allowance for that provision as follows:

| | | Other receivables 其他應收款項 RMB'000 人民幣千元 |
|---|-------------------------|--|
| At 1 January 2017 | 於2017年1月1日 | 1,196 |
| Provision for loss allowance recognised in profit or loss (Note 24) | 於損益中確認的虧損準備撥備 (附註24) | 2,061 |
| Receivables written off as uncollectible | 撤銷不可收回的應收款項 | (2,564) |
| At 31 December 2017 | 於2017年12月31日 | 693 |
| At 1 January 2018 | 於2018年1月1日 | 693 |
| Provision for loss allowance recognised in profit or loss (Note 24) | 於損益中確認的虧損準備撥備 (附註24) | 10,704 |
| At 31 December 2018 | 於2018年12月31日 | 11,397 |

The maximum exposure to credit risk at the end of each reporting date is the carrying value of each class of receivables mentioned above. The Group does not hold any collateral security.

As at 31 December 2018 and 2017, the fair value of trade and other receivables and prepayments approximates their carrying amounts.

As at 31 December 2018 and 2017, the carrying amounts of trade and other receivables and prepayments are all denominated in RMB.

10 貿易及其他應收款項和預付款項 (續)

於2018年及2017年12月31日，其他應收款項的虧損準備撥備與該撥備的期初虧損準備對賬如下：

於各報告日期結束時承受的最大信貸風險為上述各類應收款項的賬面值。本集團並無持有任何抵押品。

於2018年及2017年12月31日，貿易及其他應收款項和預付款項的公平值與其賬面值相若。

於2018年及2017年12月31日，貿易及其他應收款項和預付款項的賬面值全部以人民幣計值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

11 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

11 按公平值透過損益入賬的金融資產

| | | As at 31 December | |
|--------------------------------------|-------------|-------------------|---------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Listed securities – held-for-trading | 上市證券 – 持作買賣 | | |
| Equity securities – PRC | 股本證券 – 中國 | 190 | 222 |

Financial assets at fair value through profit or loss represent shares listed in the PRC for trading purpose.

按公平值透過損益入賬的金融資產指在中國上市的作交易目的的股份。

12 CASH AND BANK BALANCES

12 現金及銀行結餘

(a) Cash and cash equivalents

(a) 現金及現金等價物

| | | As at 31 December | |
|---------------------------|----------|-------------------|---------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Cash at banks | 銀行存款 | 418,932 | 164,742 |
| Cash on hand | 手頭現金 | 570 | 292 |
| Cash and cash equivalents | 現金及現金等價物 | 419,502 | 165,034 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

12 CASH AND BANK BALANCES (CONTINUED)

12 現金及銀行結餘 (續)

(a) Cash and cash equivalents (continued)

(a) 現金及現金等價物 (續)

| | | As at 31 December | |
|---------------------------|-----------|--------------------------|---------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Cash at banks and on hand | 銀行存款及手頭現金 | | |
| – denominated in RMB | – 以人民幣計值 | 372,772 | 164,327 |
| – denominated in HKD | – 以港元計值 | 46,730 | 707 |
| Cash and cash equivalents | 現金及現金等價物 | 419,502 | 165,034 |

The Group's bank balances consist of bank deposits carrying interests at floating rates based on daily bank deposit rates.

本集團銀行結餘包括按基於每日銀行存款利率的浮動利率計息的銀行存款。

(b) Restricted cash

(b) 受限制現金

| | | As at 31 December | |
|--|-------------------|--------------------------|---------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Deposits as security for customers' mortgage loans (a) | 就客戶按揭貸款作為擔保的存款(a) | 125,928 | 52,500 |
| Deposits for issuing notes payable (b) | 就發行應付票據的存款(b) | – | 3,000 |
| | | 125,928 | 55,500 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

12 CASH AND BANK BALANCES (CONTINUED)

(b) Restricted cash (continued)

Notes:

- (a) These bank deposits are restricted to secure the bank loans taken by certain customers of the Group pursuant to the local regulations of certain cities. Such deposits will be released upon the issuance of property ownership certificates.
- (b) These bank deposits are restricted deposits held at banks as security for issuing notes payable (Note 20).

12 現金及銀行結餘 (續)

(b) 受限制現金 (續)

附註：

- (a) 該等銀行存款限於為本集團若干客戶根據若干城市的地方方法規而提取的銀行貸款提供擔保。該等存款將於發出物業所有權證時予以解除。
- (b) 該等銀行存款為於銀行持有的受限制存款（作為發行應付票據的擔保）（附註20）。

13 SHARE CAPITAL AND SHARE PREMIUM

Authorised shares

At 31 December 2017
Increase of authorised shares (a)

於2017年12月31日
法定股份增加(a)

At 31 December 2018

於2018年12月31日

13 股本及股份溢價

法定股份

| Number of authorised shares 法定股份數目 | Authorised share capital 法定股本 HKD 港元 |
|---|--|
|---|--|

| | | | |
|-----------------------------------|--------------|----------------------|-------------------|
| At 31 December 2017 | 於2017年12月31日 | 38,000,000 | 380,000 |
| Increase of authorised shares (a) | 法定股份增加(a) | 2,362,000,000 | 23,620,000 |
| At 31 December 2018 | 於2018年12月31日 | 2,400,000,000 | 24,000,000 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

13 SHARE CAPITAL AND SHARE PREMIUM (CONTINUED)

13 股本及股份溢價 (續)

Issued shares

已發行股份

| | | Number of ordinary shares 普通股數目 | Share capital 股本 RMB'000 人民幣千元 | Share premium 股份溢價 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|---------------------------------|--------------|--|--|--|---------------------------------|
| At 31 December 2017 | 於2017年12月31日 | 100,000 | 1 | - | 1 |
| Issuance of ordinary shares (b) | 發行普通股(b) | 300,000,000 | 2,661 | 307,171 | 309,832 |
| Capitalisation Issue (c) | 資本化發行(c) | 899,900,000 | 7,983 | (7,983) | - |
| At 31 December 2018 | 於2018年12月31日 | 1,200,000,000 | 10,645 | 299,188 | 309,833 |

Notes:

附註：

- (a) On 22 October 2018, pursuant to a shareholders' resolution, the authorised share capital of the Company was increased to HKD24,000,000 divided into 2,400,000,000 shares of HKD0.01 each.
- (a) 於2018年10月22日，根據股東決議案，本公司的法定股本增加至24,000,000港元，分為2,400,000,000股每股面值0.01港元的股份。
- (b) On 12 November 2018, the Company issued 300,000,000 new ordinary shares at par value of HKD0.01 per share for cash consideration of HKD1.24 each, and raised gross proceeds of approximately HKD372,000,000 (equivalent to RMB329,994,000), in connection with its global offering and commencement of the listing of its shares on the Stock Exchange on the same date. The excess over the par value of RMB2,661,000 for the 300,000,000 shares issued, net of the transaction costs of approximately RMB20,162,000, was credited to share premium with an amount of RMB307,171,000.
- (b) 於2018年11月12日，本公司就其全球發售及其股份於同日在聯交所開始上市按每股面值0.01港元發行了300,000,000股新普通股，以換取每股面值1.24港元的現金代價，募集所得款項總額約372,000,000港元（相當於人民幣329,994,000元）。就300,000,000股已發行股份而言，超過面值的部分人民幣2,661,000元（扣除交易成本約20,162,000元）已計入為數人民幣307,171,000元的股份溢價。
- (c) Pursuant to a shareholders' resolution dated 22 October 2018, the directors were authorised to capitalise HKD8,999,000 (approximately RMB7,983,000) upon Listing, standing to the credit of the share premium account of the Company by applying such sum in paying up in full at par 899,900,000 shares for allotment and issue to shareholders of the Company (the "Capitalisation Issue") to their then shareholdings in the Company.
- (c) 根據日期為2018年10月22日的股東決議案，董事獲授權於上市後將本公司股份溢價賬中8,999,000港元（約人民幣7,983,000元）的進賬撥充資本，並動用該筆款項按賬面值繳足899,900,000股股份，以向本公司股東按彼等當時於本公司的持股比例配發及發行股份（「資本化發行」）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

14 RETAINED EARNINGS

14 保留盈利

| | | <i>RMB'000</i> 人民幣千元 |
|---|------------------------|-------------------------|
| At 1 January 2017 | 於2017年1月1日 | 199,774 |
| Profit for the year | 年內利潤 | 147,794 |
| Appropriation to statutory surplus reserves (Note 15(c)) | 轉撥至法定盈餘儲備 (附註15(c)) | (8,761) |
| At 31 December 2017 and 1 January 2018 | 於2017年12月31日及2018年1月1日 | 338,807 |
| Profit for the year | 年內利潤 | 224,505 |
| Appropriation to statutory surplus reserves (Note 15(c)) | 轉撥至法定盈餘儲備 (附註15(c)) | (14,277) |
| At 31 December 2018 | 於2018年12月31日 | 549,035 |

15 OTHER RESERVES

15 其他儲備

| | | Capital reserve | Merger reserve | Statutory surplus reserves | Asset revaluation reserve | Total |
|---|-------------------------------|----------------------------|---------------------------|---|--|----------------|
| | | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| | | 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 2017 | 於2017年1月1日 | 16,174 | 4,774 | 70,758 | 4,027 | 95,733 |
| Transactions with non-controlling interests | 與非控股權益的交易 | 50 | - | - | - | 50 |
| Appropriation to statutory surplus reserves (c) | 轉撥至法定盈餘儲備(c) | - | - | 8,761 | - | 8,761 |
| At 31 December 2017 and 1 January 2018 | 於2017年12月31日及2018年1月1日 | 16,224 | 4,774 | 79,519 | 4,027 | 104,544 |
| Appropriation to statutory surplus reserves (c) | 轉撥至法定盈餘儲備(c) | - | - | 14,277 | - | 14,277 |
| At 31 December 2018 | 於2018年12月31日 | 16,224 | 4,774 | 93,796 | 4,027 | 118,821 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

15 OTHER RESERVES (CONTINUED)

- (a) Capital reserve as at 31 December 2018 and 2017 represents the difference of aggregate consideration paid by the Group for acquisition of non-controlling interest of existing subsidiaries and the aggregate carrying amount of those non-controlling interest, after elimination of investments in subsidiaries.
- (b) Merger reserve as at 31 December 2018 and 2017 represents the difference of aggregate consideration paid by the Group for the acquisition of subsidiaries and the aggregate capital of the subsidiaries acquired during the Group's reorganisation for the Listing.
- (c) In accordance with the Company Law of the PRC and the articles of association of the PRC subsidiaries, these subsidiaries registered in the PRC shall appropriate 10% of its annual statutory profit (after offsetting any prior years' losses) to the statutory surplus reserve ("SSR") account. When the balance of SSR reaches 50% of the registered capital/share capital of these subsidiaries, any further appropriation is optional. The SSR can be utilised to offset prior years' losses or to increase paid-in capital. However, SSR shall be maintained at a minimum of 25% of registered capital/share capital after such utilisation.

The SSR are non-distributable for cash dividends except in the event of liquidation and are subject to certain restrictions set out in the relevant PRC regulations.

15 其他儲備 (續)

- (a) 於2018年及2017年12月31日的資本儲備指本集團就收購現有附屬公司非控股權益支付的總代價與該等非控股權益賬面總值經抵銷於附屬公司的投資後的差額。
- (b) 於2018年及2017年12月31日的合併儲備指於本集團為上市而進行重組期間，本集團就收購附屬公司所支付的總代價與所收購附屬公司資本總額的差額。
- (c) 根據中國公司法及中國附屬公司組織章程細則，該等在中國註冊的附屬公司每年須將其法定利潤（經抵銷任何過往年度虧損後）的約10%撥入法定盈餘儲備（「法定盈餘儲備」）賬戶。當法定盈餘儲備結餘達到該等附屬公司註冊資本／股本的50%後，則可選擇是否進一步轉撥。法定盈餘儲備可用於抵銷過往年度虧損或增加實繳股本。然而，在作該等用途後，有關法定盈餘儲備須不少於註冊資本／股本的25%。

除清盤外，法定盈餘儲備不可用於分派現金股息，並受到若干相關中國法規所限制。

Notes to the Consolidated Financial Statements

綜合財務報表附註

16 BANK BORROWINGS AND ENTRUSTED LOANS

16 銀行借款及委託貸款

| | | As at 31 December | |
|---|---------------------|-------------------|-----------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Long-term borrowings | 長期借款 | | |
| – Banks, secured (a) | – 銀行，有抵押(a) | 59,000 | 308,000 |
| Less: Current portion of long-term borrowings | 減：長期借款的即期部分 | | |
| – Banks, secured (a) | – 銀行，有抵押(a) | (30,000) | (140,000) |
| Subtotal | 小計 | 29,000 | 168,000 |
| Current borrowings | 流動借款 | | |
| – Banks, secured (a) | – 銀行，有抵押(a) | 166,000 | 162,000 |
| – Entrusted loans from third parties, secured (a) | – 來自第三方的委託貸款，有抵押(a) | – | 100,000 |
| | | 166,000 | 262,000 |
| Add: Current portion of long-term borrowings | 加：長期借款的即期部分 | | |
| – Banks, secured (a) | – 銀行，無抵押(a) | 30,000 | 140,000 |
| Subtotal | 小計 | 196,000 | 402,000 |
| Total | 總計 | 225,000 | 570,000 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

16 BANK BORROWINGS AND ENTRUSTED LOANS (CONTINUED)

Notes:

- (a) The Group's bank borrowings and entrusted loans from third parties are secured by property, plant and equipment (Note 6), investment properties (Note 7) and properties held or under development for sale (Note 9) of the Group.
- (b) At 31 December 2018 and 2017, the Group's long-term bank borrowings and entrusted loans were repayable as follows:

| | | As at 31 December 於12月31日 | |
|-----------------------|------|-----------------------------------|-----------------------------------|
| | | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
| Between 1 and 2 years | 1至2年 | 29,000 | 139,000 |
| Between 2 and 5 years | 2至5年 | - | 29,000 |
| | | 29,000 | 168,000 |

The weighted average effective interest rates as at 31 December 2018 and 2017 were as follows:

| | | As at 31 December 於12月31日 | |
|-------------------------------------|-----------|------------------------------|---------------|
| | | 2018 2018年 | 2017 2017年 |
| Bank borrowings and entrusted loans | 銀行借款及委託貸款 | 7.67% | 8.01% |

16 銀行借款及委託貸款 (續)

附註：

- (a) 本集團銀行借款及來自第三方的委託貸款以本集團的物業、廠房及設備(附註6)、投資物業(附註7)及持作出售或開發中待售物業(附註9)作為抵押。
- (b) 於2018年及2017年12月31日，本集團的長期銀行借款及委託貸款應於下列時間償還：

| | | As at 31 December 於12月31日 | |
|-----------------------|------|-----------------------------------|-----------------------------------|
| | | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
| Between 1 and 2 years | 1至2年 | 29,000 | 139,000 |
| Between 2 and 5 years | 2至5年 | - | 29,000 |
| | | 29,000 | 168,000 |

於2018年及2017年12月31日的加權平均實際利率如下：

| | | As at 31 December 於12月31日 | |
|-------------------------------------|-----------|------------------------------|---------------|
| | | 2018 2018年 | 2017 2017年 |
| Bank borrowings and entrusted loans | 銀行借款及委託貸款 | 7.67% | 8.01% |

Notes to the Consolidated Financial Statements

綜合財務報表附註

16 BANK BORROWINGS AND ENTRUSTED LOANS (CONTINUED)

The exposure of the Group's long-term bank borrowings and entrusted loans to interest rate changes and the contractual repricing dates or maturity whichever is the earlier date is as follows:

16 銀行借款及委託貸款 (續)

本集團長期銀行借款及委託貸款的利率變動風險及合同重新定價日或到期日(以較早者為準)如下:

| | | 6 months or less 6個月或以內 RMB'000 人民幣千元 | 6 – 12 months 6至12個月 RMB'000 人民幣千元 | 1 – 5 years 1至5年 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|--|--------------|---|--|--|---------------------------------|
| Amounts included in non-current liabilities: | 計入非流動負債的款項: | | | | |
| As at 31 December 2018 | 於2018年12月31日 | - | - | 29,000 | 29,000 |
| As at 31 December 2017 | 於2017年12月31日 | - | - | 168,000 | 168,000 |
| Amounts included in current liabilities: | 計入流動負債的款項: | | | | |
| As at 31 December 2018 | 於2018年12月31日 | 116,000 | 80,000 | - | 196,000 |
| As at 31 December 2017 | 於2017年12月31日 | 346,000 | 56,000 | - | 402,000 |

As at 31 December 2018 and 2017, the fair values of bank borrowings and entrusted loans approximate their carrying amounts.

於2018年及2017年12月31日，銀行借款及委託貸款的公平值與其賬面值相若。

As at 31 December 2018 and 2017, all bank borrowings and entrusted loans are denominated in RMB.

於2018年及2017年12月31日，所有銀行借款及委託貸款均以人民幣計值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

17 OTHER LONG-TERM BORROWINGS

17 其他長期借款

| | | As at 31 December | |
|---|----------------|-------------------|-----------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Other long-term borrowings | 其他長期借款 | | |
| – Non-financial institutions, secured (a) | – 非金融機構，有抵押(a) | 245,000 | 275,000 |
| – Non-financial institutions, unsecured | – 非金融機構，無抵押 | 600,510 | 952,676 |
| – Deferred fees for loan facilities | – 有關貸款融資的遞延費用 | – | (3,106) |
| | | 845,510 | 1,224,570 |
| Less: Current portion of other long-term borrowings | 減：其他長期借款的即期部分 | | |
| – Non-financial institutions, secured (a) | – 非金融機構，有抵押(a) | (110,000) | (243,916) |
| – Non-financial institutions, unsecured | – 非金融機構，無抵押 | (161,340) | – |
| – Deferred fees for loan facilities | – 有關貸款融資的遞延費用 | – | 3,106 |
| | | (271,340) | (240,810) |
| | | 574,170 | 983,760 |

Note:

Other long-term borrowings mainly represent borrowings relating to projects under various urban redevelopment schemes. The non-financial institutions are designated by the local governments, who get funding directly from banks and then use the funding to finance project developers under such schemes.

(a) As at 31 December 2017 these other long-term borrowings are secured by guarantees given by related parties (Note 34(b)(1)(vii)).

附註：

其他長期借款主要指與多項棚戶區改造項下的項目相關的借款。非金融機構由地方政府指定，其直接從銀行獲得資金，然後用該資金為有關計劃的項目開發商提供資金。

(a) 於2017年12月31日，該等其他長期借款由關聯方提供的擔保作抵押（附註34(b)(1)(vii)）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

17 OTHER LONG-TERM BORROWINGS (CONTINUED)

At 31 December 2018 and 2017, the Group's other long-term borrowings were repayable as follows:

| | | As at 31 December | |
|-----------------------|------|-------------------|----------------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Between 1 and 2 years | 1至2年 | 262,960 | 212,668 |
| Between 2 and 5 years | 2至5年 | 250,210 | 539,092 |
| Over 5 years | 5年以上 | 61,000 | 232,000 |
| | | 574,170 | 983,760 |

The weighted average effective interest rates as at 31 December 2018 and 2017 were as follows:

| | | As at 31 December | |
|----------------------------|--------|-------------------|-------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| Other long-term borrowings | 其他長期借款 | 5.08% | 5.17% |

17 其他長期借款 (續)

於2018年及2017年12月31日，本集團的其他長期借款應於下列時間償還：

於2018年及2017年12月31日的加權平均實際利率如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

17 OTHER LONG-TERM BORROWINGS (CONTINUED)

17 其他長期借款 (續)

The exposure of the Group's other long-term borrowings to interest rate changes and the contractual repricing dates or maturity whichever is the earlier date is as follows:

本集團其他長期借款的利率變動風險及合同重新定價日或到期日(以較早日期為準)如下:

| | | 6 months or less | 6 – 12 months | 1 – 5 years | Total |
|--|--------------|-----------------------------|--------------------------|------------------------|----------------|
| | | 6個月或以內 | 6至12個月 | 1至5年 | 總計 |
| | | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Amounts included in non-current liabilities: | 計入非流動負債的款項: | | | | |
| At 31 December 2018 | 於2018年12月31日 | 432,330 | – | 141,840 | 574,170 |
| At 31 December 2017 | 於2017年12月31日 | 756,430 | – | 227,330 | 983,760 |
| Amounts included in current liabilities: | 計入流動負債的款項: | | | | |
| At 31 December 2018 | 於2018年12月31日 | 168,780 | 102,560 | – | 271,340 |
| At 31 December 2017 | 於2017年12月31日 | 146,246 | 94,564 | – | 240,810 |

As at 31 December 2018 and 2017, the fair value of other long-term borrowings approximates their carrying amounts.

於2018年及2017年12月31日，其他長期借款的公平值與其賬面值相若。

As at 31 December 2018 and 2017, all other long-term borrowings are denominated in RMB.

於2018年及2017年12月31日，所有其他長期借款均以人民幣計值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

18 OTHER CURRENT BORROWINGS

| | | As at 31 December | |
|---|-----------|-------------------|---------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Interest bearing borrowings from third parties | 第三方計息借款 | - | 6,902 |
| Interest bearing borrowings from non-financial institutions | 非金融機構計息借款 | - | 60,000 |
| | | - | 66,902 |

18 其他流動借款

19 CONTRACT LIABILITIES

| | | As at 31 December | |
|----------------------|------|-------------------|-----------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Contract liabilities | 合同負債 | 2,030,488 | 1,362,350 |

19 合同負債

The Group receives payments from customers based on billing schedule as established in contracts. Payments are usually received in advance of the performance under the contracts which are mainly from sales of properties. The change in contract liabilities in 2018 was mainly attributable to the increase of the proceeds received from the Group's contracted sales.

本集團按合同所訂定的付款安排向客戶收取付款。有關付款通常於按照合同履約前收取，而該等合同主要來自物業銷售。於2018年的合同負債有所變動主要是由於自本集團合同銷售收取的所得款項有所增長所致。

Notes to the Consolidated Financial Statements

綜合財務報表附註

19 CONTRACT LIABILITIES (CONTINUED)

The following table shows how much of the revenue recognised during 2017 and 2018 relates to carried-forward contract liabilities.

19 合同負債(續)

下表列示於2017年及2018年就結轉合同負債而確認的收入金額。

| | | Year ended 31 December | |
|---|------------------|------------------------|---------|
| | | 截至12月31日止年度 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Revenue recognised that was included in the contract liabilities balance at the beginning of the year | 計入年初合同負債結餘的已確認收入 | 1,145,255 | 695,253 |

Management expects that the contract amounts allocated to unsatisfied performance obligations as of 31 December 2018 and 2017 will be recognised as revenue from sales of properties during the following periods:

管理層預期，截至2018年及2017年12月31日分配至未達成履約責任的合同金額將於下列期間確認為物業銷售所得收入：

| | | As at 31 December | |
|---|----------|-------------------|-----------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Expected to be recognised within one year | 預期於一年內確認 | 996,328 | 1,046,668 |
| Expected to be recognised after one year | 預期於一年後確認 | 1,514,927 | 722,342 |
| | | 2,511,255 | 1,769,010 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

20 TRADE AND OTHER PAYABLES

20 貿易及其他應付款項

| | | As at 31 December | |
|--|------------------------|-------------------|---------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Trade payables | 貿易應付款項 | 658,763 | 566,818 |
| Notes payable (Note 12) | 應付票據 (附註12) | - | 3,000 |
| Trade payables and notes payable | 貿易應付款項及應付票據 | 658,763 | 569,818 |
| Interest payable | 應付利息 | 57,171 | 53,946 |
| Construction deposits from suppliers | 供應商建築按金 | 39,997 | 41,848 |
| Deposits received from customers | 已收客戶按金 | 34,000 | 59,347 |
| Value-added-tax and other taxes payable | 增值稅及其他應付稅項 | 26,585 | 42,057 |
| Accrued payroll | 應付工資 | 18,319 | 15,522 |
| Construction deposits from related parties (Note 34(c)(iii)) | 關聯方建築按金 (附註34(c)(iii)) | 18,304 | 17,915 |
| Temporary funding payables (a) | 臨時資金應付款項(a) | 11,770 | 14,889 |
| Maintenance fees collected on behalf | 代收保養費 | 805 | 2,495 |
| Amounts due to related parties (Note 34(c)(ii)) | 應付關聯方款項 (附註34(c)(ii)) | - | 12,486 |
| Others | 其他 | 8,690 | 7,291 |
| | | 874,404 | 837,614 |

Note:

(a) Temporary funding payables are non-interest bearing payables to third parties.

附註：

(a) 臨時資金應付款項指應付第三方不計息款項。

Notes to the Consolidated Financial Statements

綜合財務報表附註

20 TRADE AND OTHER PAYABLES (CONTINUED)

At 31 December 2018 and 2017, the ageing analysis of trade payables and notes payable based on invoice date are as follows:

| | | As at 31 December | |
|-----------------------|------|-------------------|---------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Less than 1 year | 1年內 | 594,542 | 537,639 |
| Between 1 and 2 years | 1至2年 | 35,784 | 19,679 |
| Between 2 and 3 years | 2至3年 | 19,647 | 9,807 |
| Over 3 years | 3年以上 | 8,790 | 2,693 |
| | | 658,763 | 569,818 |

As at 31 December 2018 and 2017, the fair value of trade and other payables approximates their carrying amounts.

於2018年及2017年12月31日，貿易及其他應付款項的公平值與其賬面值相若。

As at 31 December 2018 and 2017, the carrying amounts of trade and other payables were denominated in the following currencies:

於2018年及2017年12月31日，貿易及其他應付款項的賬面值以下列貨幣計值：

| | | As at 31 December | |
|-----|-----|-------------------|---------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| RMB | 人民幣 | 874,404 | 823,540 |
| USD | 美元 | – | 12,793 |
| HKD | 港元 | – | 1,281 |
| | | 874,404 | 837,614 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

21 DEFERRED INCOME TAX

21 遞延所得稅

| | | As at 31 December | |
|---|----------------|-------------------|---------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Deferred tax assets: | 遞延稅項資產： | | |
| – To be recovered after more than 12 months | – 將於逾12個月後收回 | 27,553 | 16,441 |
| – To be recovered within 12 months | – 將於12個月內收回 | 30,037 | 29,590 |
| | | 57,590 | 46,031 |
| Deferred tax liabilities: | 遞延稅項負債： | | |
| – To be settled after more than 12 months | – 將於逾12個月後償付 | (5,609) | (1,327) |
| – To be settled within 12 months | – 將於12個月內償付 | (13,657) | (6,655) |
| | | (19,266) | (7,982) |
| Deferred tax assets, net | 遞延稅項資產淨額 | 38,324 | 38,049 |

The gross movement on the deferred income tax account is as follows:

遞延所得稅賬目的總體變動情況載列如下：

| | | Year ended 31 December | |
|--|---------------|------------------------|---------|
| | | 截至12月31日止年度 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| At beginning of the year | 年初 | 38,049 | 25,772 |
| Credited to the consolidated statement of profit or loss (Note 28) | 計入綜合損益表(附註28) | 275 | 12,277 |
| At end of the year | 年末 | 38,324 | 38,049 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

21 DEFERRED INCOME TAX (CONTINUED)

As at 31 December 2018, deferred tax assets and deferred tax liabilities amounting to approximately RMB9,567,000 (31 December 2017: RMB11,323,000) were offset.

The movement in deferred tax assets and liabilities for the years ended 31 December 2018 and 2017 without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax assets

| | | Tax losses | Provision for impairment of properties held for sale and receivables | Land appreciation tax | Temporary differences on recognition of revenue and cost of sales | Accruals | Others | Total |
|--|--------------|------------|--|-----------------------|---|----------|---------|---------|
| | | 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 2017 | 於2017年1月1日 | 2,542 | 11,700 | 10,021 | 22,588 | 124 | 791 | 47,766 |
| (Charged)/credited to the consolidated statement of profit or loss | (扣自)/計入綜合損益表 | (2,291) | (10,279) | 1,274 | 17,344 | 3,480 | 60 | 9,588 |
| At 31 December 2017 | 於2017年12月31日 | 251 | 1,421 | 11,295 | 39,932 | 3,604 | 851 | 57,354 |
| At 1 January 2018 | 於2018年1月1日 | 251 | 1,421 | 11,295 | 39,932 | 3,604 | 851 | 57,354 |
| Credit/(charged) to the consolidated statement of profit or loss | 計入/(扣自)綜合損益表 | 378 | 2,570 | 3,273 | 8,506 | (2,269) | (773) | 9,803 |
| At 31 December 2018 | 於2018年12月31日 | 629 | 3,991 | 14,568 | 48,438 | 1,335 | 78 | 67,157 |

21 遞延所得稅 (續)

於2018年12月31日，為數約人民幣9,567,000元（2017年12月31日：人民幣11,323,000元）的遞延稅項資產及遞延稅項負債分別被抵銷。

截至2018年及2017年12月31日止年度，遞延稅項資產及負債的變動（並未計及在同一稅務司法權區內的結餘抵銷）如下：

遞延稅項資產

Notes to the Consolidated Financial Statements

綜合財務報表附註

21 DEFERRED INCOME TAX (CONTINUED)

21 遞延所得稅 (續)

Deferred tax liabilities

遞延稅項負債

| | | Temporary differences on recognition of revenue and cost of sales | Land appreciation tax | Temporary differences on recognition of fair value gains on investment properties | Undistributed profits of PRC subsidiaries (Note 28) | Total |
|--|--------------|---|-----------------------|---|---|---------------|
| | | 確認收入及銷售成本的暫時性差異 | 土地增值稅 | 確認投資物業公平值收益的暫時性差異 | 中國附屬公司的未分派利潤 (附註28) | 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 |
| At 1 January 2017 | 於2017年1月1日 | 13,730 | 2,215 | 6,049 | - | 21,994 |
| (Credited)/charged to the consolidated statement of profit or loss | (計入)/扣自綜合損益表 | (2,886) | (187) | 384 | - | (2,689) |
| At 31 December 2017 | 於2017年12月31日 | 10,844 | 2,028 | 6,433 | - | 19,305 |
| At 1 January 2018 | 於2018年1月1日 | 10,844 | 2,028 | 6,433 | - | 19,305 |
| Charged to the consolidated statement of profit or loss | 扣自綜合損益表 | (2,525) | (619) | 353 | 12,319 | 9,528 |
| At 31 December 2018 | 於2018年12月31日 | 8,319 | 1,409 | 6,786 | 12,319 | 28,833 |

In accordance with the PRC laws and regulations, tax losses could be carried forward for a period of five years to offset against its future taxable profits. Deferred tax relating to unutilised tax losses are recognised to the extent that it is probable that sufficient taxable profit will be available to allow such deferred tax assets to be utilised.

根據中國法律法規，可於五年期間結轉稅項虧損以用於抵銷其未來應課稅利潤。與未動用稅項虧損有關的遞延稅項乃於可能有足夠應課稅利潤可供動用該遞延稅項資產時確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

21 DEFERRED INCOME TAX (CONTINUED)

Deferred tax liabilities (continued)

The Group did not recognise deferred income tax assets of RMB6,329,000 (31 December 2017: RMB7,105,000) in respect of tax losses amounting to approximately RMB25,317,000 as at 31 December 2018 (31 December 2017: RMB28,420,000). All these tax losses will expire within five years from the end of the respective years they arose.

22 REVENUE

21 遞延所得稅 (續)

遞延稅項負債 (續)

於2018年12月31日，本集團並無就稅項虧損約人民幣25,317,000元（2017年12月31日：人民幣28,420,000元）確認遞延所得稅資產人民幣6,329,000元（2017年12月31日：人民幣7,105,000元）。所有該等稅項虧損將自各產生年度末起五年內到期。

22 收入

| | | Year ended 31 December | |
|---------------------------------|------------|------------------------|------------------|
| | | 截至12月31日止年度 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Sales of properties | 物業銷售 | 1,881,364 | 1,547,123 |
| – Recognised at a point in time | – 於某一時間點確認 | 1,376,710 | 1,280,883 |
| – Recognised over time | – 於一段時間內確認 | 504,654 | 266,240 |
| Rental income | 租金收入 | 2,239 | 2,755 |
| | | 1,883,603 | 1,549,878 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

23 OTHER LOSSES – NET

23 其他虧損 – 淨額

| | | Year ended 31 December | |
|--|-----------------------|------------------------|----------------|
| | | 截至12月31日止年度 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Listing rewards from local government | 地方政府的上市獎勵 | 1,300 | – |
| Donations | 捐贈 | (5,002) | (625) |
| Exchange (losses)/gains | 匯兌(虧損)/收益 | (2,810) | 762 |
| Penalties, fines and compensations for late delivery of properties | 延後交付物業的處罰、罰款及補償 | (72) | (1,270) |
| Fair value losses on financial assets at fair value through profit or loss | 按公平值透過損益入賬的金融資產的公平值虧損 | (32) | (172) |
| Losses on disposal of property, plant and equipment | 出售物業、廠房及設備的虧損 | (6) | (3) |
| Gains on reversal of payables | 撥回應付款項的收益 | – | 2 |
| Others | 其他 | 48 | (61) |
| | | (6,574) | (1,367) |

Notes to the Consolidated Financial Statements

綜合財務報表附註

24 EXPENSES BY NATURE

Expenses included in cost of sales, selling and marketing expenses and administrative expenses are analysed as follows:

24 按性質劃分的費用

計入銷售成本、銷售及市場推廣開支以及行政開支的費用分析如下：

| | | Year ended 31 December | |
|--|----------------------------|------------------------|-----------|
| | | 截至12月31日止年度 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Costs of properties recognised in profit or loss | 於損益確認的物業成本 | | |
| – Land use rights and demolition and resettlement costs, after deducting related government grants | – 經扣除相關政府補助後的土地使用權及拆遷和安置費用 | 324,850 | 277,768 |
| – Construction costs and capitalised expenditures | – 建築成本及資本化開支 | 834,870 | 686,950 |
| – Interest capitalised | – 資本化利息 | 78,386 | 134,631 |
| Tax and surcharges (a) | 稅項及附加費(a) | 8,857 | 39,881 |
| Staff costs (Note 26) | 員工成本(附註26) | 59,454 | 47,835 |
| Advertising and publicity costs | 廣告及宣傳成本 | 19,421 | 12,117 |
| Listing expenses (b) | 上市開支(b) | 14,555 | 7,581 |
| Office and meeting expenses | 辦公室及會議費用 | 12,938 | 11,415 |
| Professional fees (b) | 專業費用(b) | 9,757 | 3,138 |
| Entertainment expenses | 招待費 | 9,615 | 8,852 |
| Stamp duty and other taxes | 印花稅及其他稅項 | 8,911 | 7,771 |
| Depreciation of property, plant and equipment (Note 6) | 物業、廠房及設備折舊(附註6) | 4,707 | 3,034 |
| Sales agent commission | 銷售代理佣金 | 2,967 | – |
| Rental expenses | 租金費用 | 2,711 | 1,950 |
| Travelling expenses | 差旅費 | 2,219 | 1,170 |
| Bank charges | 銀行支出 | 72 | 103 |
| Allowance for impairment of receivables (Note 10) | 應收款項減值撥備(附註10) | 10,704 | 2,061 |
| Other expenses | 其他費用 | 3,404 | 2,352 |
| Total cost of sales, selling and marketing expenses and administrative expenses | 銷售成本、銷售及市場推廣開支以及行政開支總額 | 1,408,398 | 1,248,609 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

24 EXPENSES BY NATURE (CONTINUED)

- (a) Prior to 1 May 2016, the PRC companies of the Group are subject to business tax and surcharges. Business tax is levied at 5% of revenue from sale of properties and rental income. Surcharges are levied at 2% to 7% of business tax.

From 1 May 2016, revenue from selling properties and rental income of the PRC companies of the Group are subject to value-added-tax ("VAT"). The standard tax rate is 11% which has been reduced to 10% since 1 May 2018. Certain sales of properties and rental income of the Group are qualified for the simplified tax rate of 5% but the input VAT is not deductible.

- (b) Listing expenses for 2018 include auditor's remuneration of approximately RMB2.1 million (2017: RMB1.0 million) for their listing services as reporting accountant. Professional fees for 2018 include auditor's remuneration of RMB1.6 million (2017: Nil) for their annual audit services.

In addition, an amount of RMB0.7 million for auditor's listing services was charged to share premium account upon listing of the Company in 2018. There was no amount incurred for non-audit services of auditor.

24 按性質劃分的費用 (續)

- (a) 於2016年5月1日之前，本集團的中國公司須繳納營業稅及附加費。營業稅按物業銷售收入及租金收入的5%徵收，而附加費則按營業稅的2%至7%徵收。

自2016年5月1日起，本集團中國公司的物業銷售收入及租金收入須繳納增值稅（「增值稅」）。其標準稅率為11%，自2018年5月1日起調減至10%。本集團的若干物業銷售額及租金收入適合採用5%的簡化稅率，但進項增值稅不可扣減。

- (b) 2018年的上市開支包括就核數師作為申報會計師提供上市服務而支付的核數師酬金約人民幣2.1百萬元（2017年：人民幣1.0百萬元）。2018年的專業費用包括就年度審核服務支付的核數師酬金人民幣1.6百萬元（2017年：零）。

此外，有關核數師上市服務的款項人民幣0.7百萬元於2018年本公司上市後自股份溢價賬扣除。概無就核數師的非核數服務產生任何款項。

Notes to the Consolidated Financial Statements

綜合財務報表附註

25 FINANCE INCOME/(COSTS)

25 財務收入／(成本)

| | | Year ended 31 December | |
|--|------------------------------|------------------------|-----------|
| | | 截至12月31日止年度 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Finance income | 財務收入 | | |
| – Interest income on bank deposits | – 銀行存款利息收入 | 993 | 785 |
| Finance costs | 財務成本 | | |
| – Interest on bank borrowings and entrusted loans, other long-term borrowings and other current borrowings | – 銀行借款及委託貸款、其他長期借款及其他流動借款的利息 | (98,466) | (139,503) |
| – Interest on pre-sale deposits received | – 已收預售按金的利息 | (41,628) | (31,995) |
| | | (140,094) | (171,498) |
| Amount capitalised | 資本化金額 | 94,823 | 143,273 |
| Finance costs expensed | 已支銷的財務成本 | (45,271) | (28,225) |
| Finance costs – net | 財務成本 – 淨額 | (44,278) | (27,440) |

Notes to the Consolidated Financial Statements

綜合財務報表附註

26 STAFF COSTS (INCLUDING DIRECTORS' EMOLUMENTS)

26 員工成本（包括董事酬金）

| | | Year ended 31 December | |
|--------------------------------|--------|------------------------|---------------|
| | | 截至12月31日止年度 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Wages and salaries | 工資及薪金 | 48,033 | 40,234 |
| Pension | 退休金 | 7,052 | 3,837 |
| Other welfare benefit expenses | 其他福利費用 | 4,369 | 3,764 |
| | | 59,454 | 47,835 |

A share option scheme (the "Share Option Scheme") was approved and conditionally adopted by the shareholders of the Company by way of a written resolution on 22 October 2018 for the primary purpose of recognising and acknowledgedly the contribution of the directors, employees and other eligible parties who have made valuable contribution to the Group.

As of the date of this annual report, no option has been granted agree to be granted, exercised, cancelled or lapsed under the Share Option Scheme.

本公司股東於2018年10月22日以書面決議案的方式批准及有條件採納購股權計劃（「購股權計劃」），主要目的為嘉許及認可董事、僱員及對本集團作出寶貴貢獻的其他合資格各方所作的貢獻。

截至本年報日期，概無根據購股權計劃授出購股權或同意授出、行使、註銷任何購股權或使其失效。

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綜合財務報表附註

27 BENEFITS AND INTERESTS OF DIRECTORS, FIVE HIGHEST PAID INDIVIDUALS AND SENIOR MANAGEMENT EMOLUMENTS

27 董事、五名最高薪酬人士的福利及權益及高級管理層酬金

(a) Directors' and chief executive's emoluments

(a) 董事及最高行政人員的酬金

The emoluments of the Company's directors paid/payable by the companies comprising the Group are set out below:

本集團旗下各公司已付／應付本公司董事的酬金載列如下：

| Name of director 董事姓名 | Fees 袍金 | Salaries and other allowances | Discretionary bonus | Retirement scheme contributions | Other social welfares | Total 總計 | |
|--|------------------|-------------------------------------|------------------------|---------------------------------------|-----------------------------|-------------|------------------|
| | | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | | RMB'000 人民幣千元 |
| Year ended | 截至2018年 | | | | | | |
| 31 December 2018 | 12月31日止年度 | | | | | | |
| Executive directors | | 執行董事 | | | | | |
| Mr. Li Xiao Bing | 李小冰先生 | - | 360 | 300 | 80 | 20 | 760 |
| Ms. Qi Chun Feng | 齊春風女士 | - | 360 | 300 | 103 | 20 | 783 |
| Mr. Wang Quan | 王權先生 | - | 282 | 144 | 71 | 20 | 516 |
| Mr. Wang Zhen Feng | 王振峰先生 | - | 390 | 300 | 114 | 20 | 824 |
| | | - | 1,392 | 1,044 | 368 | 80 | 2,882 |
| Independent executive directors | | 獨立非執行董事 | | | | | |
| Mr. Lee Kwok Lun | 李國麟先生 | - | 46 | - | - | - | 46 |
| Mr. Fang Cheng | 方征先生 | - | 46 | - | - | - | 46 |
| Mr. Wei Jian | 魏劍先生 | - | 46 | - | - | - | 46 |
| | | - | 138 | - | - | - | 138 |

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綜合財務報表附註

27 BENEFITS AND INTERESTS OF DIRECTORS, FIVE HIGHEST PAID INDIVIDUALS AND SENIOR MANAGEMENT EMOLUMENTS (CONTINUED)

27 董事、五名最高薪酬人士的福利及權益及高級管理層酬金 (續)

(a) Directors' and chief executives' emoluments (continued)

(a) 董事及最高行政人員的酬金 (續)

| Name of director 董事姓名 | Fees 袍金 | Salaries and other allowances 薪金及其他津貼 | Discretionary bonus 酌情花紅 | Retirement scheme contributions 退休計劃供款 | Other social welfares 其他社會福利 | Total 總計 |
|------------------------------------|----------------------|--|-----------------------------|---|---------------------------------|------------------|
| | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 |
| Year ended 31 December 2017 | 截至2017年 12月31日止年度 | | | | | |
| <i>Executive directors</i> 執行董事 | | | | | | |
| Mr Li Xiao Bing 李小冰先生 | - | 300 | 160 | 62 | 18 | 540 |
| Ms Qi Chun Feng 齊春風女士 | - | 300 | 300 | 89 | 18 | 707 |
| Mr Wang Quan 王權先生 | - | 264 | 150 | 60 | 18 | 492 |
| Mr Wang Zhen Feng 王振峰先生 | - | 360 | 300 | 100 | 18 | 778 |
| | - | 1,224 | 910 | 311 | 72 | 2,517 |

No inducement fees, employer's contribution to pension schemes or compensation for loss of office as directors were given to any of the directors for the years ended 31 December 2018 and 2017.

截至2018年及2017年12月31日止年度，並無向任何董事支付加盟費、僱主養老金計劃供款或離任董事補償。

There was no arrangement under which a director waived or agreed to waive any remuneration for the years ended 31 December 2018 and 2017.

截至2018年及2017年12月31日止年度，董事並無根據任何安排放棄或同意放棄酬金。

There was no chief executive who was not also a director for the years ended 31 December 2018 and 2017.

截至2018年及2017年12月31日止年度，概無不同時為董事的最高行政人員。

Notes to the Consolidated Financial Statements

綜合財務報表附註

27 BENEFITS AND INTERESTS OF DIRECTORS, FIVE HIGHEST PAID INDIVIDUALS AND SENIOR MANAGEMENT EMOLUMENTS (CONTINUED)

(a) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the years ended 31 December 2018 and 2017 include three directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining two individuals are as follows for the years ended 31 December 2018 and 2017:

Basic salaries, housing allowances, other allowances and other benefits in kind 基本薪金、房屋津貼、其他津貼及實物利益

1,438 1,226

The annual emoluments fell within the following bands:

Annual emoluments bands 年度酬金區間
HKD Nil to HKD1,000,000 0港元至1,000,000港元

2 2

27 董事、五名最高薪酬人士的福利及權益及高級管理層酬金 (續)

(a) 五名最高薪酬人士

截至2018年及2017年12月31日止年度，本集團的五名最高薪酬人士包括三名董事，彼等的酬金已於上列分析中反映。截至2018年及2017年12月31日止年度，應付餘下兩名人士的酬金分別載列如下：

Year ended 31 December

截至12月31日止年度

2018 2017

2018年 2017年

RMB'000 RMB'000

人民幣千元 人民幣千元

Year ended 31 December

截至12月31日止年度

2018 2017

2018年 2017年

Notes to the Consolidated Financial Statements

綜合財務報表附註

27 BENEFITS AND INTERESTS OF DIRECTORS, FIVE HIGHEST PAID INDIVIDUALS AND SENIOR MANAGEMENT EMOLUMENTS (CONTINUED)

(b) For the years ended 31 December 2018 and 2017, no director or any of the five highest paid individuals received any emolument from the Group as an inducement to join, upon joining the Group, leave the Group or as compensation for loss of office.

(c) Senior management's emolument

The senior management's annual emoluments (excluding directors) fell within the following bands:

27 董事、五名最高薪酬人士的福利及權益及高級管理層酬金 (續)

(b) 截至2018年及2017年12月31日止年度，並無董事或任何五名最高薪酬人士自本集團收取任何酬金作為加入或加入本集團時的獎金或作為離職補償。

(c) 高級管理層酬金

高級管理層年度酬金（不包括董事）的區間如下：

| | | Year ended 31 December | |
|-------------------------|-----------------|------------------------|-------|
| | | 截至12月31日止年度 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| Annual emoluments bands | 年度酬金區間 | | |
| HKD Nil to HKD1,000,000 | 0港元至1,000,000港元 | 2 | 2 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

28 INCOME TAX EXPENSE

28 所得稅開支

| | | Year ended 31 December | |
|---------------------------------------|--------------|------------------------|----------------|
| | | 截至12月31日止年度 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| | | RMB'000 | <i>RMB'000</i> |
| | | 人民幣千元 | 人民幣千元 |
| | | | |
| Current income tax | 即期所得稅 | | |
| – PRC land appreciation tax | – 中國土地增值稅 | 83,701 | 66,456 |
| – PRC corporate income tax | – 中國企業所得稅 | 112,476 | 70,408 |
| | | 196,177 | 136,864 |
| Deferred income tax (Note 21) | 遞延所得稅 (附註21) | (275) | (12,277) |
| | | 195,902 | 124,587 |
| Total income tax charged for the year | 年內所得稅支出總額 | 195,902 | 124,587 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

28 INCOME TAX EXPENSE (CONTINUED)

The income tax on the Group's profit before income tax differs from the theoretical amount that would arise using the enacted tax rate of the home country of the companies within the Group as follows:

28 所得稅開支(續)

與本集團的除所得稅前利潤有關的所得稅不同於採用本集團旗下各公司所在國的已頒佈稅率計得的理論金額，有關詳情如下：

| | | Year ended 31 December | |
|--|---------------------|------------------------|----------|
| | | 截至12月31日止年度 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Profit before income tax | 除所得稅前利潤 | 425,763 | 273,996 |
| PRC land appreciation tax | 中國土地增值稅 | (83,701) | (66,456) |
| | | 342,062 | 207,540 |
| Income tax calculated at statutory rate of 25% | 按法定稅率25%計算的所得稅 | 85,516 | 51,883 |
| Effect of expenses not deductible for income tax purposes (note) | 不可用於扣除所得稅的開支的影響(附註) | 13,573 | 5,111 |
| Tax losses not recognised as deferred tax assets | 未確認為遞延稅項資產的稅項虧損 | 793 | 1,137 |
| PRC withholding tax (Note 21) | 中國預扣稅(附註21) | 12,319 | — |
| PRC land appreciation tax | 中國土地增值稅 | 83,701 | 66,456 |
| Total income tax expense | 所得稅開支總額 | 195,902 | 124,587 |

Note: Expenses not deductible for income tax purposes mainly represent entertainment expenses in excess of the prescribed cap, non-deductible donations, and interest expenses without proper invoices etc.

附註：不可用於扣除所得稅的開支主要指超過規定上限的招待費、不可扣減的捐贈及無適當發票的利息開支等。

Notes to the Consolidated Financial Statements

綜合財務報表附註

28 INCOME TAX EXPENSE (CONTINUED)

PRC corporate income tax

Under the Corporate Income Tax (the “CIT”) Law of the PRC, the CIT rate applicable to the Group’s subsidiaries located in the PRC from 1 January 2008 is 25%.

The CIT Law and its implementation rules impose a withholding tax at 10% for dividends distributed by a PRC-resident enterprise to its immediate holding company outside PRC for earnings generated beginning 1 January 2008 and undistributed earnings generated prior to 1 January 2008 are exempted from such withholding tax. A lower 5% withholding tax rate may be applied when the immediate holding companies are established in Hong Kong according to the tax treaty arrangement between the PRC and Hong Kong.

No deferred PRC withholding income tax was recognised on the accumulated unremitted distributable profits up to 31 December 2017, which were generated by the Group’s PRC subsidiaries and are attributable to the investors outside the PRC. The Group controls the dividend policies of these subsidiaries and it has been determined that the accumulated unremitted distributable profits up to 31 December 2017 will not be distributed in the foreseeable future.

After the Company’s Listing in 2018, a new dividend policy regarding profit distribution has been passed. Based on the management’s best estimation, deferred income tax liabilities of RMB12,319,000 as at 31 December 2018 have been recognised for the PRC withholding tax that would be payable upon remittance, in respect of a portion of the unremitted distributable profits of certain PRC subsidiaries attributable to the investor outside the PRC (31 December 2017: Nil).

28 所得稅開支 (續)

中國企業所得稅

根據《中華人民共和國企業所得稅法》(「企業所得稅法」)，於2008年1月1日起適用於本集團位於中國的附屬公司的企業所得稅稅率為25%。

企業所得稅法及其實施細則規定，中國居民企業就自2008年1月1日起產生的盈利向其於中國境外的直接控股公司派發股息，須按10%的稅率繳付預扣稅，而於2008年1月1日之前產生的未分派盈利豁免該預扣稅。根據中國與香港簽訂的稅收協定安排，若直接控股公司於香港成立，可適用較低的5%預扣稅稅率。

本集團並未就本集團中國附屬公司產生且中國境外投資者應佔的截至2017年12月31日累計未匯出可分派利潤確認遞延中國預扣所得稅。本集團控制該等附屬公司的股息政策，已決定截至2017年12月31日的累計未匯出可分派利潤於可預見將來不予分派。

於本公司在2018年上市後，通過一項有關利潤分派的新股息政策。根據管理層的最佳估計，於2018年12月31日，已就中國境外投資者應佔若干中國附屬公司部分未匯出可分派利潤所涉及的於匯出時須支付的中國預扣稅確認遞延所得稅負債人民幣12,319,000元(2017年12月31日：零)。

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綜合財務報表附註

28 INCOME TAX EXPENSE (CONTINUED)

PRC corporate income tax (continued)

As at 31 December 2018, deferred PRC withholding income tax liabilities of RMB62,159,000 (31 December 2017: RMB49,840,100) have not been recognised on the remaining unremitted distributable profits of RMB621,591,000 (2017: RMB498,401,000) of the Group's PRC subsidiaries.

Land appreciation tax

PRC land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including lease charges for land use rights and all property development expenditures, and is included in the consolidated statements of profit or loss as income tax expense.

Hong Kong profits tax

The applicable Hong Kong profits tax rate is 16.5%. No provision for Hong Kong profits tax was provided as the Group's Hong Kong subsidiaries did not have assessable income subject to Hong Kong profits tax for the years ended 31 December 2018 and 2017.

Overseas corporate income tax

No provision for taxation has been recognised for companies incorporated in the Cayman Islands and the British Virgin Islands as they were not subject to any tax during the years ended 31 December 2018 and 2017.

28 所得稅開支 (續)

中國企業所得稅 (續)

於2018年12月31日，並未就本集團中國附屬公司餘下未匯出可分派利潤人民幣621,591,000元(2017年：人民幣498,401,000元)確認遞延中國預扣所得稅負債人民幣62,159,000元(2017年12月31日：人民幣49,840,100元)。

土地增值稅

中國土地增值稅乃按照30%至60%的累進稅率對土地增值額徵收。土地增值額為出售物業所得款項減可扣減開支(包括土地使用權租賃支出及所有物業發展開支)，並於綜合損益表內列作所得稅開支。

香港利得稅

適用的香港利得稅稅率為16.5%。截至2018年及2017年12月31日止年度，由於本集團於香港的相關附屬公司並無擁有須繳納香港利得稅的應課稅收入，故概無作出香港利得稅撥備。

海外企業所得稅

截至2018年及2017年12月31日止年度，由於在開曼群島及英屬維爾京群島註冊成立的公司無須繳納任何稅項，故並無就該等公司確認稅項撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

29 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the Group's profit attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue during the year. In determining the weighted average number of shares in issue during 2018 and 2017, the 899,900,000 shares issued and allotted through capitalisation of the share premium account of the Company upon Listing on 12 November 2018 were deemed to have been in issue since 1 January 2017.

29 每股盈利

每股基本盈利乃按年內本公司股權持有人應佔本集團利潤除以已發行普通股加權平均數計算。於釐定2018年及2017年的已發行股份加權平均數時，於2018年11月12日上市後透過將本公司股份溢價賬資本化而發行及配發的899,900,000股股份被視為已自2017年1月1日起發行。

| | | Year ended 31 December | |
|--|----------------------|-------------------------------|---------|
| | | 截至12月31日止年度 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| The Group's profit attributable to owners of the Company (RMB'000) | 本公司擁有人應佔本集團利潤(人民幣千元) | 224,505 | 147,794 |
| Weighted average number of ordinary shares in issue ('000) | 已發行普通股加權平均數(千股) | 940,274 | 900,000 |
| Basic and diluted earnings per share (expressed in RMB) | 每股基本及攤薄盈利(以人民幣為單位) | 0.24 | 0.16 |

For the years ended 31 December 2018 and 2017, diluted earnings per share was equal to the basic earnings per share as there were no dilutive shares.

截至2018年及2017年12月31日止年度，由於概無攤薄股份，故每股攤薄盈利相等於每股基本盈利。

Notes to the Consolidated Financial Statements

綜合財務報表附註

30 DIVIDENDS

30 股息

| | | Year ended 31 December | |
|--|---------------------------|------------------------|---------|
| | | 截至12月31日止年度 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| (i) Dividend payable at the end of the reporting period | (i) 於報告期末應派付股息 | - | - |
| (ii) Dividend not recognised at the end of the reporting period (Note) | (ii) 於報告期末尚未確認的股息 (附註) | 60,000 | - |

Note: On 28 March 2019, the Directors have recommended the payment of a final dividend of HK5.9 cents (equivalent to approximately RMB5.0 cents) per fully paid ordinary share in respect of the year ended 31 December 2018 (2017: Nil). Such proposed dividend is not recognised as a liability at year end.

附註：於2019年3月28日，董事已建議就截至2018年12月31日止年度派付末期股息每股繳足普通股5.9港仙（相當於約人民幣5.0分）（2017年：零）。該建議股息於年末尚未確認為負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

31 綜合現金流量表附註

(a) Net cash generated from operations

(a) 經營活動產生現金淨額

| | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|--|-----------------------------------|-----------------------------------|
| Profit before income tax | 425,763 | 273,996 |
| Adjustments for: | | |
| – Depreciation of property, plant and equipment (Note 24) | 4,707 | 3,034 |
| – Interest expenses (Note 25) | 45,271 | 28,225 |
| – Losses on disposal of property, plant and equipment (Note 23) | 6 | 3 |
| – Allowance for impairment of receivables (Note 24) | 10,704 | 2,061 |
| – Interest income (Note 25) | (993) | (785) |
| – Fair value gains on investment properties (Note 7) | (1,410) | (1,534) |
| – Fair value losses on financial assets at fair value through profit or loss (Note 23) | 32 | 172 |
| Changes in working capital | | |
| – Prepayments for leasehold land | (165,122) | 52,845 |
| – Properties held or under development for sale | (192,908) | (517,494) |
| – Trade and other receivables and prepayments | 38,682 | 96,356 |
| – Contract assets | (721) | (3,213) |
| – Contract liabilities | 622,867 | 498,446 |
| – Trade and other payables | 38,583 | 172,380 |
| Net cash generated from operations | 825,461 | 604,492 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(b) Major non-cash transactions

On 21 December 2018, the Group signed a series of settlement agreements with a non-financial institution and the local government, under which the local government repaid the Group's borrowing due to the non-financial institution amounting to RMB247,346,000 on behalf of the Group for settlement of the Group's receivables due from the local government of the same amount.

On 13 July 2017 and 31 December 2017, the Group signed a series of settlement agreements with a non-financial institution and the local government, under which the local government repaid the Group's borrowing due to the non-financial institution amounting to RMB115,976,000 on behalf of the Group for settlement of the Group's receivables due from the local government of the same amount.

(c) Proceeds from disposal of property, plant and equipment

In the consolidated statement of cash flows, proceeds from disposal of property, plant and equipment comprise:

31 綜合現金流量表附註(續)

(b) 主要非現金交易

於2018年12月21日，本集團與非金融機構及當地政府簽訂一系列和解協議，據此，當地政府代表本集團償還本集團應付非金融機構借款人民幣247,346,000元，用於結算本集團應收當地政府相同金額的應收款項。

於2017年7月13日及2017年12月31日，本集團與非金融機構及當地政府簽訂一系列和解協議，據此，當地政府代表本集團償還本集團應付非金融機構借款人民幣115,976,000元，用於結算本集團應收當地政府相同金額的應收款項。

(c) 出售物業、廠房及設備所得款項

在綜合現金流量表中，出售物業、廠房及設備所得款項包括：

| | | Year ended 31 December | |
|---|--------------------|------------------------|---------|
| | | 截至12月31日止年度 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Net book value (Note 6) | 賬面淨值(附註6) | 172 | 27 |
| Losses on disposal of property, plant and equipment (Note 23) | 出售物業、廠房及設備虧損(附註23) | (6) | (3) |
| Proceeds from disposal of property, plant and equipment | 出售物業、廠房及設備所得款項 | 166 | 24 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(d) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flow will be, classified in the Group's consolidated statements of cash flows as cash flows from financing activities.

31 綜合現金流量表附註(續)

(d) 融資活動所產生的負債對賬

下表詳列融資活動所產生的本集團負債的變動情況，包括現金及非現金變動。融資活動所產生的負債為於本集團綜合現金流量表中被分類為融資活動所產生的現金流量的過往或未來現金流量。

| | | Bank borrowings and entrusted loans | Other long-term borrowings | Other current borrowings | Temporary funding payable (included in trade and other payables) | Total |
|----------------------------|---------------------|-------------------------------------|----------------------------|--------------------------|--|-----------|
| | | 銀行借款及委託貸款 | 其他長期借款 | 其他流動借款 | 臨時資金應付款項(計入貿易及其他應付款項) | 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 |
| At 1 January 2017 | 於2017年1月1日 | 755,520 | 1,465,864 | 94,506 | 55,273 | 2,371,163 |
| Financing net cash flows | 融資淨現金流量 | (185,520) | (134,930) | (27,604) | (27,455) | (375,509) |
| Non-cash changes | 非現金變動 | - | (106,364) | - | (443) | (106,807) |
| At 31 December 2017 | 於2017年12月31日 | 570,000 | 1,224,570 | 66,902 | 27,375 | 1,888,847 |
| At 1 January 2018 | 於2018年1月1日 | 570,000 | 1,224,570 | 66,902 | 27,375 | 1,888,847 |
| Financing net cash flows | 融資淨現金流量 | (345,000) | (185,660) | (16,062) | (15,605) | (562,327) |
| Non-cash changes | 非現金變動 | - | (193,400) | (50,840) | - | (244,240) |
| At 31 December 2018 | 於2018年12月31日 | 225,000 | 845,510 | - | 11,770 | 1,082,280 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

32 COMMITMENTS

(a) Property development expenditure commitments

Property development expenditure committed at 31 December 2018 and 2017 but not yet incurred is as follows:

| | | As at 31 December | |
|---------------------------------|---------|-------------------|---------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Contracted but not provided for | 已訂約但未撥備 | 627,756 | 551,323 |

(b) Operating lease commitments

The Group leases a building under a non-cancellable operating lease agreement. The future aggregate minimum lease payments under the non-cancellable operating lease are as follows:

| | | As at 31 December | |
|---------------|------|-------------------|---------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Within 1 year | 1年內 | 2,816 | 2,816 |
| 1-5 years | 1至5年 | 8,800 | 9,416 |
| Over 5 years | 5年以上 | 7,444 | 9,790 |
| | | 19,060 | 22,022 |

32 承擔

(a) 物業發展開支承擔

於2018年及2017年12月31日已承擔惟尚未產生的物業發展開支如下：

| | | As at 31 December | |
|---------------------------------|---------|-------------------|---------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Contracted but not provided for | 已訂約但未撥備 | 627,756 | 551,323 |

(b) 經營租賃承擔

本集團根據不可撤銷經營租賃協議租用一棟樓宇。不可撤銷經營租賃項下的未來最低租金付款總額載列如下：

| | | As at 31 December | |
|---------------|------|-------------------|---------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Within 1 year | 1年內 | 2,816 | 2,816 |
| 1-5 years | 1至5年 | 8,800 | 9,416 |
| Over 5 years | 5年以上 | 7,444 | 9,790 |
| | | 19,060 | 22,022 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

33 FINANCIAL GUARANTEES AND CONTINGENT LIABILITIES

33 財務擔保及或然負債

| | As at 31 December | |
|---|-------------------------|------------------|
| | 於12月31日 | |
| | 2018 | 2017 |
| | 2018年 | 2017年 |
| | RMB'000 | RMB'000 |
| | 人民幣千元 | 人民幣千元 |
| Guarantees in respect of mortgage facilities for certain purchasers of the Group's properties (a) | 就本集團的若干購房者的按揭融資作出的擔保(a) | |
| | 2,098,954 | 1,446,708 |
| | 2,098,954 | 1,446,708 |

Note:

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

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

附註：

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

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

34 RELATED-PARTY TRANSACTIONS

(a) Name and relationship with related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control. Members of key management and their close family member of the Group are also considered as related parties.

Name

姓名／名稱

Mr. Li Xiao Bing (李小冰)
李小冰先生

Mr. Li Dong Fa (李東法)
李東法先生

Mr. Lin Pei Qing (林培清)
林培清先生

Ms. Li Man (李曼)
李曼女士

Ms. Lin Wei (林嫻)
林嫻女士

Mr. Wang Zhen Feng (王振峰)
王振峰先生

Mr. Wang Quan (王權)
王權先生

Ms. Qi Chun Feng (齊春風)
齊春風女士

34 關聯方交易

(a) 名稱及與關聯方的關係

若一方有能力直接或間接控制另一方，或在作出財務及經營決策時能對另一方行使重大影響力，即被視為關聯方。倘若各方受共同控制，則亦被視為相互關聯。本集團主要管理層成員及彼等近親亦被視作關聯方。

Relationship with the Group

與本集團的關係

Controlling shareholder of the Company
本公司的控股股東

Member of Mr. Li Xiao Bing's family
李小冰先生的家族成員

Member of Mr. Li Xiao Bing's family
李小冰先生的家族成員

Member of Mr. Li Xiao Bing's family
李小冰先生的家族成員

Member of Mr. Li Xiao Bing's family
李小冰先生的家族成員

Director of the Company
本公司董事

Director of the Company
本公司董事

Director of the Company
本公司董事

Notes to the Consolidated Financial Statements

綜合財務報表附註

34 RELATED-PARTY TRANSACTIONS (CONTINUED)

34 關聯方交易 (續)

(a) Name and relationship with related parties (continued)

(a) 名稱及與關聯方的關係 (續)

| Name 姓名／名稱 | Relationship with the Group 與本集團的關係 |
|---|---|
| Mr. Zhang Jun Feng (張俊峰) 張俊峰先生 | Family member of Ms. Qi Chun Feng 齊春風女士的家族成員 |
| Mr. Li Shi Xun (李世勳) 李世勳先生 | Key management of the Company 本公司主要管理人員 |
| Ever Enrichment Enterprise Company Limited ("Ever Enrichment") 恒潤企業有限公司 (「恒潤」) | Shareholder of the Company 本公司股東 |
| Ever Enhancement Enterprise Company Limited ("Ever Enhancement") 恒升企業有限公司 (「恒升」) | Shareholder of the Company 本公司股東 |
| Henan Hengda Investment Company Limited ("Hengda Investment") (Note) 河南恒達投資有限公司 (「恒達投資」) (附註) | Controlled by Mr. Li Xiao Bing 由李小冰先生控制 |
| Xuchang Hengda Property Management Co., Ltd. ("Hengda Property Management") (Note) 許昌恒達物業管理有限公司 (「恒達物業管理」) (附註) | Controlled by Mr. Li Xiao Bing 由李小冰先生控制 |
| Xuchang City Second Construction (Group) Company Limited ("Xuchang Erjian") 許昌市第二建設(集團)有限公司 (「許昌二建」) | Controlled by Mr. Li Dong Fa 由李東法先生控制 |
| Xuchang Hengjiu Industrial Development Co., Ltd. ("Hengjiu Industrial") 許昌恒久實業發展有限公司 (「恒久實業」) | Controlled by Ms. Qi Chun Feng 由齊春風女士控制 |
| Xuchang Hengda Plastics & Steels Co., Ltd. ("Hengda Plastics & Steels") 許昌恒達塑鋼有限公司 (「恒達塑鋼」) | Controlled by Mr. Zhang Jun Feng 由張俊峰先生控制 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

34 RELATED-PARTY TRANSACTIONS (CONTINUED)

(a) Name and relationship with related parties (continued)

Note:

Mr Li Dong Fa disposed of his direct/indirect equity interest in Hengda Investment and Hengda Property Management to Mr Li Xiao Bing in June 2018.

(b) Transactions with related parties

The following is a summary of the significant transactions carried out between the Group and its related parties:

(1) Discontinued transactions with related parties

- (i) Provision of temporary funding to related parties

| | | | |
|------------------------------|----------|---|--------|
| – Xuchang Erjian | – 許昌二建 | – | 2,070 |
| – Hengda Plastics & Steels | – 恒達塑鋼 | – | 36,000 |
| – Hengjiu Industrial | – 恒久實業 | – | 2,000 |
| – Hengda Property Management | – 恒達物業管理 | – | 1,089 |
| – Ever Enrichment | – 恒潤 | – | 10 |
| – Ever Enhancement | – 恒升 | – | 7 |
| | | – | 41,176 |

34 關聯方交易 (續)

(a) 名稱及與關聯方的關係 (續)

附註：

李東法先生於2018年6月向李小冰先生出售彼於恒達投資及恒達物業管理的直接／間接股權。

(b) 與關聯方的交易

本集團與其關聯方進行的重大交易概要如下：

(1) 與關聯方的已終止交易

- (i) 向關聯方提供臨時資金

| Year ended 31 December | |
|------------------------|---------|
| 截至12月31日止年度 | |
| 2018 | 2017 |
| 2018年 | 2017年 |
| RMB'000 | RMB'000 |
| 人民幣千元 | 人民幣千元 |

| | | | |
|------------------------------|----------|---|--------|
| – Xuchang Erjian | – 許昌二建 | – | 2,070 |
| – Hengda Plastics & Steels | – 恒達塑鋼 | – | 36,000 |
| – Hengjiu Industrial | – 恒久實業 | – | 2,000 |
| – Hengda Property Management | – 恒達物業管理 | – | 1,089 |
| – Ever Enrichment | – 恒潤 | – | 10 |
| – Ever Enhancement | – 恒升 | – | 7 |
| | | – | 41,176 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

34 RELATED-PARTY TRANSACTIONS (CONTINUED)

34 關聯方交易 (續)

(b) Transactions with related parties (continued)

(b) 與關聯方的交易 (續)

(1) Discontinued transactions with related parties (continued)

(1) 與關聯方的已終止交易 (續)

(ii) Repayment of temporary funding from related parties

(ii) 來自關聯方償還的臨時資金

Year ended 31 December

截至12月31日止年度

2018 2017

2018年 2017年

RMB'000 RMB'000

人民幣千元 人民幣千元

| | | | |
|--|--|--|---|
| <ul style="list-style-type: none"> - Xuchang Erjian - Ever Enrichment - Ever Enhancement - Mr Li Xiao Bing - Hengda Plastics & Steels - Hengjiu Industrial - Ms. Qi Chun Feng | <ul style="list-style-type: none"> - 許昌二建 - 恒潤 - 恒升 - 李小冰先生 - 恒達塑鋼 - 恒久實業 - 齊春風女士 | <p>6,910</p> <p>19</p> <p>18</p> <p>1</p> <p>-</p> <p>-</p> <p>-</p> | <p>5,218</p> <p>-</p> <p>-</p> <p>-</p> <p>36,000</p> <p>2,000</p> <p>1,337</p> |
| | | 6,948 | 44,555 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

34 RELATED-PARTY TRANSACTIONS (CONTINUED)

34 關聯方交易 (續)

(b) Transactions with related parties (continued)

(b) 與關聯方的交易 (續)

(1) Discontinued transactions with related parties (continued)

(1) 與關聯方的已終止交易 (續)

(iii) Temporary funding received from related parties

(iii) 自關聯方收取的臨時資金

Year ended 31 December

截至12月31日止年度

| | | 2018 | 2017 |
|------------------------------|----------|---------|---------|
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| – Hengda Investment | – 恒達投資 | – | 23,566 |
| – Hengda Property Management | – 恒達物業管理 | – | 1,131 |
| – Hengjiu Industrial | – 恒久實業 | – | 15,000 |
| | | – | 39,697 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

34 RELATED-PARTY TRANSACTIONS (CONTINUED)

34 關聯方交易 (續)

(b) Transactions with related parties (continued)

(b) 與關聯方的交易 (續)

(1) Discontinued transactions with related parties (continued)

(1) 與關聯方的已終止交易 (續)

(iv) Temporary funding repaid to related parties

(iv) 償付予關聯方的臨時資金

Year ended 31 December

截至12月31日止年度

2018 2017

2018年 2017年

RMB'000 RMB'000

人民幣千元 人民幣千元

| | | | |
|------------------------------|----------|---------------|---------------|
| – Mr. Li Xiao Bing | – 李小冰先生 | 12,486 | – |
| – Hengda Investment | – 恒達投資 | – | 23,566 |
| – Hengda Property Management | – 恒達物業管理 | – | 5,698 |
| – Hengjiu Industrial | – 恒久實業 | – | 15,000 |
| | | 12,486 | 44,264 |

(v) Construction services provided by related parties

(v) 關聯方提供的建築服務

Year ended 31 December

截至12月31日止年度

2018 2017

2018年 2017年

RMB'000 RMB'000

人民幣千元 人民幣千元

| | | | |
|----------------------|--------|-------|-------|
| – Hengjiu Industrial | – 恒久實業 | 3,801 | 4,218 |
|----------------------|--------|-------|-------|

Notes to the Consolidated Financial Statements

綜合財務報表附註

34 RELATED-PARTY TRANSACTIONS (CONTINUED)

34 關聯方交易 (續)

(b) Transactions with related parties (continued)

(b) 與關聯方的交易 (續)

(1) Discontinued transactions with related parties (continued)

(1) 與關聯方的已終止交易 (續)

(vi) Sales of properties to related parties

(vi) 向關聯方作出的物業銷售

Year ended 31 December

截至12月31日止年度

| | | 2018 | 2017 |
|----------------------|---------|--------------|---------------|
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| – Ms. Li Man | – 李曼女士 | 4,050 | – |
| – Mr. Wang Zhen Feng | – 王振峰先生 | 660 | – |
| – Mr. Zhang Jun Feng | – 張俊峰先生 | 65 | 2,953 |
| – Mr. Wang Quan | – 王權先生 | 7 | 427 |
| – Ms. Lin Wei | – 林斌女士 | 5 | 12,621 |
| – Mr. Li Shi Xun | – 李世勳先生 | – | 1,700 |
| | | 4,787 | 17,701 |

(vii) Guarantees provided by related parties for other long-term borrowings of the Group

(vii) 關聯方就本集團的其他長期借款提供的擔保

As at 31 December

於12月31日

| | | 2018 | 2017 |
|--------------------|---------|---------|----------------|
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| – Mr. Li Dong Fa | – 李東法先生 | – | 150,000 |
| – Mr. Li Xiao Bing | – 李小冰先生 | – | 200,000 |
| | | – | 350,000 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

34 RELATED-PARTY TRANSACTIONS (CONTINUED)

34 關聯方交易 (續)

(b) Transactions with related parties (continued)

(b) 與關聯方的交易 (續)

(2) Continuing transactions with related parties

(2) 與關聯方的持續交易

(i) Services provided by related parties

(i) 關聯方提供的服務

| | 2018 | | |
|------------------------------|----------------|----------|---------|
| | 2018年 | | 2017年 |
| | RMB'000 | | RMB'000 |
| | 人民幣千元 | | 人民幣千元 |
| – Xuchang Erjian | 41,348 | – 許昌二建 | 348,271 |
| – Hengda Property Management | 4,560 | – 恆達物業管理 | 4,437 |
| | 45,908 | | 352,708 |

(ii) Key management compensation

(ii) 主要管理人員酬金

Key management includes directors and senior management staff. The compensation paid or payable to key management for employee services is shown below:

主要管理人員包括董事及高級管理人員。就僱員服務而已付或應付主要管理人員的酬金列示如下：

| Year ended 31 December | | | |
|---|----------------|-------------|---------|
| 截至12月31日止年度 | | | |
| | 2018 | | |
| | 2018年 | | 2017年 |
| | RMB'000 | | RMB'000 |
| | 人民幣千元 | | 人民幣千元 |
| Salaries and other short-term employee benefits | 3,647 | 薪金及其他短期僱員福利 | 3,407 |
| Post-employment benefits | 579 | 退休福利 | 338 |
| | 4,226 | | 3,745 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

34 RELATED-PARTY TRANSACTIONS (CONTINUED)

(c) Related-party balances

The Group has the following balances with related parties:

(i) Amounts due from related parties

| | | As at 31 December | |
|--------------------|---------|--------------------------|---------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| – Xuchang Erjian | – 許昌二建 | – | 6,910 |
| – Ever Enrichment | – 恒潤 | – | 19 |
| – Ever Enhancement | – 恒升 | – | 18 |
| – Mr. Li Xiao Bing | – 李小冰先生 | – | 1 |
| | | – | 6,948 |

The amounts due from related parties arose from temporary funding to related parties and are due on demand. The receivables are unsecured, non-trade in nature and bore no interest.

34 關聯方交易（續）

(c) 關聯方結餘

本集團擁有以下關聯方結餘：

(i) 應收關聯方款項

應收關聯方款項來自授予關聯方的臨時資金，且須到期即付。該等應收款項為無抵押、非交易性質且不計息。

Notes to the Consolidated Financial Statements

綜合財務報表附註

34 RELATED-PARTY TRANSACTIONS (CONTINUED)

34 關聯方交易 (續)

(c) Related-party balances (continued)

(c) 關聯方結餘 (續)

The Group has the following balances with related parties:

本集團擁有以下關聯方結餘：

(ii) Amounts due to related parties

(ii) 應付關聯方款項

| | | As at 31 December | |
|--------------------|---------|-------------------|---------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| – Mr. Li Xiao Bing | – 李小冰先生 | – | 12,486 |

Amounts due to related parties arose from temporary funding from related parties and are due on demand. The payables bear no interest. The payables are non-trade in nature.

應付關聯方款項來自向關聯方借取的臨時資金，且須到期即付。該等應付款項概不計息。該等應付款項屬於非交易性質。

(iii) Construction deposits from related parties

(iii) 來自關聯方的建築按金

| | | As at 31 December | |
|------------------------------|----------|-------------------|---------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| – Xuchang Erjian | – 許昌二建 | 16,821 | 16,262 |
| – Hengda Property Management | – 恒達物業管理 | 31 | 73 |
| – Hengjiu Industrial | – 恒久實業 | 1,452 | 1,497 |
| – Hengda Plastics & Steels | – 恒達塑鋼 | – | 83 |
| | | 18,304 | 17,915 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

34 RELATED-PARTY TRANSACTIONS (CONTINUED)

34 關聯方交易（續）

(c) Related-party balances (continued)

(c) 關聯方結餘（續）

(iv) Trade payables due to related parties

(iv) 應付關聯方的貿易應付款項

| | | As at 31 December | |
|------------------|--------|--------------------------|---------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| – Xuchang Erjian | – 許昌二建 | 35,067 | 56,440 |

Trade payables due to related parties arose from purchase transactions. The payables bear no interest.

應付關聯方貿易應付款項來自購買交易。該等應付款項不計息。

(v) Interest payable due to related parties

(v) 應付關聯方的應付利息

| | | As at 31 December | |
|--------------------|---------|--------------------------|---------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| – Mr. Lin Pei Qing | – 林培清先生 | 20,128 | 20,128 |

Interest payable due to related parties arose from temporary funding from related parties and other current borrowings. These balance are due on demand.

應付關聯方的應付利息來自關聯方的臨時資金及其他流動借款。該等結餘須到期即付。

Notes to the Consolidated Financial Statements

綜合財務報表附註

35 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENTS OF THE COMPANY

35 本公司的財務狀況表及儲備變動

| | | As at 31 December | |
|---|-------------------|-------------------|-----------------|
| | | 於12月31日 | |
| | | 2018 | 2017 |
| | | 2018年 | 2017年 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| ASSETS | 資產 | | |
| Other receivables | 其他應收款項 | 259,611 | 4,305 |
| Dividend receivable | 應收股息 | 104,960 | - |
| Cash and cash equivalents | 現金及現金等價物 | 46,648 | 690 |
| Total assets | 總資產 | 411,219 | 4,995 |
| | | | |
| EQUITY | 權益 | | |
| Equity attributable to owners of the Company | 本公司擁有人應佔權益 | | |
| Share capital | 股本 | 10,645 | 1 |
| Share premium | 股份溢價 | 299,188 | - |
| Retained earnings/(accumulated losses) | 保留盈利/(累積虧損) | 65,316 | (13,636) |
| Total equity | 總權益 | 375,149 | (13,635) |
| | | | |
| LIABILITIES | 負債 | | |
| Current liabilities | 流動負債 | | |
| Trade and other payables | 貿易及其他應付款項 | 36,070 | 18,630 |
| Total liabilities | 總負債 | 36,070 | 18,630 |
| | | | |
| Total equity and liabilities | 總權益及負債 | 411,219 | 4,995 |

The statement of financial position of the Company was approved by the Board of Directors on 28 March 2019 and was signed on its behalf by:

本公司財務狀況表已於2019年3月28日由董事會批准及由以下人士代為簽署：

Li Xiao Bing 李小冰
Director 董事

Wang Zhen Feng 王振峰
Director 董事

Notes to the Consolidated Financial Statements

綜合財務報表附註

35 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENTS OF THE COMPANY (CONTINUED)

Note

(a) Reserve movements of the Company

35 本公司的財務狀況表及儲備變動 (續)

附註

(a) 本公司的儲備變動

| | | Share premium | (Accumulated losses)/ Retained earnings |
|--|-----------------|---------------|---|
| | | 股份溢價 | (累計虧損)/ 保留盈利 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Balance at 1 January 2017 | 於2017年1月1日的結餘 | - | (5,319) |
| Comprehensive income | 全面收益 | | |
| Loss for the year | 年內虧損 | - | (8,317) |
| Total comprehensive income for the year | 年內全面收益總額 | - | (8,317) |
| Balance at 31 December 2017 | 於2017年12月31日的結餘 | - | (13,636) |
| Balance at 1 January 2018 | 於2018年1月1日的結餘 | - | (13,636) |
| Comprehensive income | 全面收益 | | |
| Profit for the year | 年內利潤 | - | 78,952 |
| Total comprehensive income for the year | 年內全面收益總額 | - | 78,952 |
| Transactions with owners | 與擁有人的交易 | | |
| Issuance of ordinary shares | 發行普通股 | 307,171 | - |
| Capitalisation Issue | 資本化發行 | (7,983) | - |
| Total transactions with owners | 與擁有人的交易總額 | 299,188 | - |
| Balance at 31 December 2018 | 於2018年12月31日的結餘 | 299,188 | 65,316 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

36 PARTICULARS OF SUBSIDIARIES

Particulars of the subsidiaries of the Group as at 31 December 2018 and 2017 are set out below:

Subsidiaries incorporated in the BVI

| Company name 公司名稱 | Date of incorporation/ establishment 註冊成立/ 成立日期 | Authorised/ Paid up capital 法定／繳足資本 | Percentage of attributable equity interest as at 31 December 於12月31日應佔股權百分比 | | Principal activities 主要業務 |
|--------------------------------------|---|---|--|---------------|------------------------------|
| | | | 2018 2018年 | 2017 2017年 | |
| Dadi Development Limited 大地發展有限公司 | 10 June 2013 2013年6月10日 | USD1 美元1 | 100% | 100% | Investment holding 投資控股 |

Subsidiaries incorporated in Hong Kong

| Company name 公司名稱 | Date of incorporation/ establishment 註冊成立/ 成立日期 | Authorised/ Paid up capital 法定／繳足資本 | Percentage of attributable equity interest as at 31 December 於12月31日應佔股權百分比 | | Principal activities 主要業務 |
|---|---|---|--|---------------|------------------------------|
| | | | 2018 2018年 | 2017 2017年 | |
| Dadi (Hong Kong) Enterprise Co., Limited 大地(香港)企業有限公司 | 14 March 2012 2012年3月14日 | HKD100 港元100 | 100% | 100% | Investment holding 投資控股 |

36 附屬公司詳情

於2018年及2017年12月31日本集團附屬公司的詳情載列如下：

於英屬維爾京群島註冊成立的附屬公司

於香港註冊成立的附屬公司

Notes to the Consolidated Financial Statements

綜合財務報表附註

36 PARTICULARS OF SUBSIDIARIES (CONTINUED)

36 附屬公司詳情 (續)

Subsidiaries incorporated in PRC

於中國註冊成立的附屬公司

| Company name 公司名稱 | Date of incorporation/ establishment 註冊成立/ 成立日期 | Authorised/ Paid up capital 法定/繳足資本 '000 千元 | Percentage of attributable equity interest as at 31 December 於12月31日應佔股權的百分比 | | Principal activities 主要業務 |
|--|--|---|---|---------------|--|
| | | | 2018 2018年 | 2017 2017年 | |
| Henan Dadi Property Development Company Limited ("Henan Dadi") 河南大地房地產開發有限公司 (「河南大地」) | 29 July 1992 1992年7月29日 | USD2,500 美元2,500 | 100% | 100% | Investment holding in the PRC 於中國的投資控股 |
| Xuchang Hengda Property Group Company Limited ("Xuchang Hengda") 許昌恒達房地產集團有限公司 (「許昌恒達」) | 3 June 1998 1998年6月3日 | RMB60,000 人民幣60,000 | 100% | 100% | Real estate development and house renting in the PRC 於中國的房地產開發及房屋租賃 |
| Xinyang Hengda Property Development Company Limited ("Xinyang Hengda") 信陽恒達房地產開發有限公司 (「信陽恒達」) | 5 March 2008 2008年3月5日 | RMB30,000 人民幣30,000 | 88.88% | 88.88% | Real estate development in the PRC 於中國的房地產開發 |
| Yuzhou City Hengda Property Company Limited ("Yuzhou Hengda") 禹州市恒達房地產有限責任公司 (「禹州恒達」) | 4 September 2009 2009年9月4日 | RMB100,000 人民幣100,000 | 100% | 100% | Real estate development and house renting in the PRC 於中國的房地產開發及房屋租賃 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

36 PARTICULARS OF SUBSIDIARIES (CONTINUED)

36 附屬公司詳情 (續)

Subsidiaries incorporated in PRC (continued)

於中國註冊成立的附屬公司 (續)

| Company name 公司名稱 | Date of incorporation/ establishment 註冊成立/ 成立日期 | Authorised/ Paid up capital 法定/繳足資本 '000 千元 | Percentage of attributable equity interest as at 31 December 於12月31日應佔股權的百分比 | | Principal activities 主要業務 |
|--|---|---|---|---------------|---|
| | | | 2018 2018年 | 2017 2017年 | |
| Changge City Hengda Property Company Limited ("Changge Hengda") | 18 May 2011 | RMB60,000/ RMB20,000 | 100% | 100% | Real estate development and house renting in the PRC |
| 長葛市恒達房地產有限公司 (「長葛恒達」) | 2011年5月18日 | 人民幣60,000/ 人民幣20,000 | 100% | 100% | 於中國的房地產開發 及房屋租賃 |
| Xuchang Jiari Baocheng Property Company Limited ("Jiari Baocheng") | 2 June 2011 | RMB50,000 | 100% | 100% | Real estate development in the PRC |
| 許昌假日寶呈置業有限公司 (「假日寶呈」) | 2011年6月2日 | 人民幣50,000 | 100% | 100% | 於中國的房地產開發 |
| Xuchang City Jian'an District Hengmu Property Company Limited (formerly known as Xuchang County Hengmu Property Co., Ltd.) ("Xuchang Hengmu") | 25 January 2016 | RMB10,000 | 51% | 51% | Real estate development in the PRC |
| 許昌市建安區恒木房地產有 限公司(原名:許昌縣恒木 房地產有限公司)(「許昌恒 木」) | 2016年1月25日 | 人民幣10,000 | 51% | 51% | 於中國的房地產開發 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

36 PARTICULARS OF SUBSIDIARIES (CONTINUED)

36 附屬公司詳情 (續)

Subsidiaries incorporated in PRC (continued)

於中國註冊成立的附屬公司 (續)

| Company name 公司名稱 | Date of incorporation/ establishment 註冊成立/ 成立日期 | Authorised/ Paid up capital 法定/繳足資本 '000 千元 | Percentage of attributable equity interest as at 31 December 於12月31日應佔股權的百分比 | | Principal activities 主要業務 |
|---|--|---|---|---------------|--|
| | | | 2018 2018年 | 2017 2017年 | |
| Xuchang Songji Dadi Property Company Limited ("Songji Dadi")(a) | 7 November 2007 | RMB50,000 | 100% | 100% | Real estate development and house renting in the PRC |
| 許昌宋基大地置業有限公司 (「宋基大地」) (a) | 2007年11月7日 | 人民幣50,000 | 100% | 100% | 於中國的房地產開發及房屋租賃 |
| Yuzhou City Hengnuo Property Development Company Limited ("Yuzhou Hengnuo") | 13 December 2018 | USD38,000 | 100% | 100% | Real estate development and house renting in the PRC |
| 禹州市恒諾房地產開發有限公司 (「禹州恒諾」) | 2018年12月13日 | 美元38,000 | 100% | 100% | 於中國的房地產開發及房屋租賃 |

(a) Songji Dadi owned a project ("Songji Dadi – Mingmen Shangju") which was developed together with a third party investor. In accordance with co-development agreement and its supplemental agreement dated 30 January 2010 and 9 February 2010 respectively, the third party investor owns 49% interest in this project and therefore is considered a non-controlling interest of the Group.

(a) 宋基大地擁有一個項目 (「宋基大地 – 名門尚居」)，該項目乃與一名第三方投資者共同開發。根據日期分別為2010年1月30日及2010年2月9日的合作開發協議及其補充協議，該第三方投資者於該項目中擁有49%權益，因此被視為本集團的一項非控股權益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

37 SUMMARISED FINANCIAL INFORMATION ON SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

The total non-controlling interests as at 31 December 2018 and 2017 were approximately RMB19,826,000 and RMB14,470,000 respectively which were attributed to the following subsidiaries of the Group.

Summarised statement of financial position

| | | Xuchang Hengmu 許昌恒木 | | Xinyang Hengda 信陽恒達 | | Songji Dadi- Mingmen Shangju 宋基大地 – 名門尚居 | |
|--|-----------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|--|-----------------------------------|
| | | As at 31 December 於12月31日 | | As at 31 December 於12月31日 | | As at 31 December 於12月31日 | |
| | | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
| Current: | 流動： | | | | | | |
| Assets | 資產 | 34,736 | 30,679 | 72,010 | 83,611 | 142,445 | 172,082 |
| Liabilities | 負債 | (26,891) | (21,930) | (2,169) | (10,552) | (130,178) | (171,821) |
| Total current net assets | 流動資產淨值總額 | 7,845 | 8,749 | 69,841 | 73,059 | 12,267 | 261 |
| Non-current: | 非流動： | | | | | | |
| Assets | 資產 | 480 | 282 | 353 | 685 | 266 | 16 |
| Liabilities | 負債 | - | - | (130) | (957) | - | - |
| Total non-current net assets | 非流動資產淨值總額 | 480 | 282 | 223 | (272) | 266 | 16 |
| Net assets | 資產淨值 | 8,325 | 9,031 | 70,064 | 72,787 | 12,533 | 277 |
| Net assets attributable to non-controlling interests | 非控股權益 應佔資產淨值 | 4,079 | 4,425 | 7,791 | 8,094 | 6,141 | 136 |

37 擁有重大非控股權益的附屬公司的財務資料概要

於2018年及2017年12月31日的非控股權益總額分別約為人民幣19,826,000元及人民幣14,470,000元，其歸屬於本集團以下附屬公司。

財務狀況表概要

Notes to the Consolidated Financial Statements

綜合財務報表附註

37 SUMMARISED FINANCIAL INFORMATION ON SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

37 擁有重大非控股權益的附屬公司的財務資料概要(續)

Summarised statement of comprehensive income

全面收益表概要

| | Xuchang Hengmu 許昌恒木 | | Xinyang Hengda 信陽恒達 | | Songji Dadi- Mingmen Shangju 宋基大地 – 名門尚居 | | |
|--|--|-----------------------------------|--|-----------------------------------|--|-----------------------------------|---------|
| | Year ended 31 December 截至12月31日止年度 | | Year ended 31 December 截至12月31日止年度 | | Year ended 31 December 截至12月31日止年度 | | |
| | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 | |
| Revenue | 收入 | - | - | 14,147 | 33,086 | 3,326 | 15,764 |
| Profit/(loss) before income tax | 除所得稅前利潤／ (虧損) | (863) | (744) | 4,321 | 10,470 | 71 | 4,363 |
| Income tax expense | 所得稅開支 | 157 | 250 | (7,044) | (2,647) | 12,184 | (1,058) |
| Post-tax profit/(loss) | 稅後利潤／(虧損) | (706) | (494) | (2,723) | 7,823 | 12,255 | 3,305 |
| Total comprehensive income | 全面收益總額 | (706) | (494) | (2,723) | 7,823 | 12,255 | 3,305 |
| Total comprehensive income attributable to non-controlling interests | 非控股權益應佔 全面收益總額 | (346) | (242) | (303) | 870 | 6,005 | 1,619 |

Notes to the Consolidated Financial Statements

綜合財務報表附註

37 SUMMARISED FINANCIAL INFORMATION ON SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

37 擁有重大非控股權益的附屬公司的財務資料概要(續)

Summarised cash flows

現金流量概要

| | | Xuchang Hengmu 許昌恒木 | | Xinyang Hengda 信陽恒達 | | Songji Dadi- Mingmen Shangju 宋基大地 - 名門尚居 | |
|--|-------------------|---|--|---|--|--|--|
| | | Years ended 31 December 截至12月31日止年度 | 2018 2017 2018年 2017年 RMB'000 人民幣千元 | Years ended 31 December 截至12月31日止年度 | 2018 2017 2018年 2017年 RMB'000 人民幣千元 | Years ended 31 December 截至12月31日止年度 | 2018 2017 2018年 2017年 RMB'000 人民幣千元 |
| Cash flows from operating activities: | 經營活動所得現金流量： | | | | | | |
| Cash generated from operations | 營運產生現金 | 79 | 720 | 6,897 | 21,209 | 9,808 | 17,635 |
| Income tax paid | 已付所得稅 | (212) | (18) | (3,331) | (8,413) | (477) | (500) |
| Net cash generated from operating activities | 經營活動產生現金淨額 | (133) | 702 | 3,566 | 12,796 | 9,331 | 17,135 |
| Net cash (used in)/generated from investing activities | 投資活動(所用)/產生現金淨額 | - | - | (2,000) | (18,000) | (9,363) | 23,078 |
| Net cash used in financing activities | 融資活動所用現金淨額 | - | - | - | - | - | (41,517) |
| Net increase/(decrease) in cash and cash equivalents | 現金及現金等價物增加/(減少)淨額 | (133) | 252 | 1,566 | (5,204) | (32) | (1,304) |
| Cash and cash equivalents at beginning of the year | 年初的現金及現金等價物 | 287 | 35 | 431 | 5,635 | 431 | 1,735 |
| Cash and cash equivalents at end of the year | 年末的現金及現金等價物 | 154 | 287 | 1,997 | 431 | 399 | 431 |

Financial Summary

財務概要

| | | Year ended 31 December 截至十二月三十一日止年度 | | | | |
|---|--------------|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | | 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 | 2014 二零一四年 RMB'000 人民幣千元 |
| Revenue | 收入 | 1,883,603 | 1,549,878 | 930,859 | 1,038,296 | 840,697 |
| Profit for the year | 年內溢利 | 229,861 | 149,409 | 76,766 | 72,484 | 167,795 |
| Profit for the year attributable to owners of the Company | 本公司擁有人應佔年內溢利 | 224,505 | 147,794 | 74,108 | 67,010 | 146,797 |
| | | As at 31 December 於十二月三十一日 | | | | |
| | | 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 | 2014 二零一四年 RMB'000 人民幣千元 |
| Non-current assets | 非流動資產 | 173,871 | 154,818 | 71,586 | 51,317 | 75,038 |
| Current assets | 流動資產 | 5,030,664 | 4,534,443 | 4,193,964 | 4,277,888 | 4,159,514 |
| Total assets | 資產總額 | 5,204,535 | 4,689,261 | 4,265,550 | 4,329,205 | 4,234,552 |
| Non-current liabilities | 非流動負債 | 622,436 | 1,159,742 | 1,266,990 | 1,473,391 | 1,069,310 |
| Current liabilities | 流動負債 | 3,584,584 | 3,071,697 | 2,694,903 | 2,545,020 | 2,931,670 |
| Total liabilities | 負債總額 | 4,207,020 | 4,231,439 | 3,961,893 | 4,018,411 | 4,000,980 |
| Total equity | 權益總額 | 997,515 | 457,822 | 303,657 | 310,794 | 233,572 |
| Total equity attributable to owners of the Company | 本公司擁有人應佔權益總額 | 977,689 | 443,352 | 295,508 | 227,367 | 77,953 |

Financial Summary

財務概要

Note 1: The results and summary of assets and liabilities for the year ended 31 December 2014 which was based on the unaudited management accounts have been prepared on a combined basis to indicate the results of the Group as if the group structure, at the time when the Company's shares were listed on the Main Board of the Stock Exchange, has been in existence throughout that year.

Note 2: The results and summary of assets and liabilities for the year ended 31 December 2015 which was extracted from the prospectus of the Company dated 30 October 2018 (“**Prospectus**”) have been prepared on a combined basis to indicate the results of the Group as if the group structure, at the time when the Company's shares were listed on the Main Board of the Stock Exchange, has been in existence throughout that year.

Note 3: The results and summary of assets and liabilities for the years ended 31 December 2016 and 2017 were extracted from the Prospectus.

附註1： 截至2014年12月31日止年度的業績以及資產及負債概要乃按照未經審核管理賬目按綜合基準編製，以顯示本集團業績，猶如集團架構於本公司股份在聯交所主板上市時於該年度一直存在。

附註2： 摘錄自本公司日期為2018年10月30日的招股章程（「**招股章程**」）的截至2015年12月31日止年度的業績以及資產及負債概要乃按綜合基準編製，以顯示本集團業績，猶如集團架構於本公司股份在聯交所主板上市時於該年度一直存在。

附註3： 摘錄自本公司招股章程的截至2016年12月31日和2017年12月31日止年度的業績以及資產及負債概要。

List of Principal Properties

主要物業

INVESTMENT PROPERTIES

| Properties | Interest attributable to the Group | Approximate total gross floor area (sq.m.) | Type | Lease term |
|---|------------------------------------|--|-------------|--|
| 物業 | 本集團應佔權益 | 概約總建築面積 (平方米) | 類別 | 租期 |
| Hengdali Market | 100% | 3,596 | Commercial | 40 years from 7 October 1996 to 6 October 2036 |
| 恒達利市場 | | | 商業 | 1996年10月7日至 2036年10月6日，為期40年 |
| 105 retail units on Level 2, the retail podium of Hengdali Market, the west of the northern section of Jiefang Road, Weidu District, Xuchang, Henan Province, the PRC | | | | |
| 中國河南省許昌市魏都區解放路北段以西名為恒達利市場的零售平台2樓的105個單元 | | | | |
| Xingshu Garden | 100% | 3,462 | Commercial | 50 years from 20 December 2002 to 19 December 2052 |
| 行署花園 | | | 商業 | 2002年12月20日至 2052年12月19日，為期50年 |
| 20 retail units on Level 2 and Level 3, the retail podium of Xingshu Garden, the middle section of Qiyi Road, Weidu District, Xuchang, Henan Province, the PRC | | | | |
| 中國河南省許昌市魏都區七一路中段名為行署花園的零售平台2樓及3樓的20個單元 | | | | |
| Longhu Building | 100% | 428 | Residential | 70 years from 16 February 2003 to 15 February 2073 |
| 龍湖大廈 | | | 住宅 | 2003年2月16日至 2073年2月15日，為期70年 |
| Unit 2301 on Level 23 and Level 24, Longhu Building, No. 9 Shangwu Inner Ring Road, Zhengdong New District, Zhengzhou, Henan Province, the PRC | | | | |
| 中國河南省鄭州市鄭東新區商務內環路9號龍湖大廈23和24層的2301單元 | | | | |
| King of the North | 100% | 13,456 | Commercial | 40 years from 20 February 2014 to 19 February 2054 |
| 北海龍城 | | | 商業 | 2014年2月20日至 2054年2月19日，為期40年 |
| Block 1, King of the North, the junction of Jingshui Road and Longquan Road, Jian'an District, Xuchang, Henan Province, the PRC | | | | |
| 中國河南省許昌市建安區龍泉街與鏡水路交叉口北海龍城1座 | | | | |

List of Principal Properties

主要物業

PROPERTIES UNDER DEVELOPMENT

開發中物業

| Properties | Interest attributable to the Group | Approximate total gross site area (sq.m.) | Approximate total gross floor area under development (sq.m.) | Type | Estimated date of completion | Progress |
|--|------------------------------------|---|--|--|------------------------------|-----------------------------|
| 物業 | 本集團應佔權益 | 概約總地盤面積 (平方米) | 概約總建築面積 (平方米) | 類別 | 預計完成日期 | 進展狀況 |
| NAPA Xidi NAPA溪地 | 100% | 88,920 | 91,650 | Residential 住宅 | February 2020 2020年2月 | Under construction 工程進行中 |
| <p>Located at the south of Xindong Street and the east of Xingye Road, Weidu District, Xuchang, Henan Province, the PRC 位於中國河南省許昌市魏都區新東街以南及興業路以東</p> | | | | | | |
| Jinhui Plaza 金匯廣場 | 100% | 85,506 | 151,045 | Residential and commercial properties with offices premises 住宅、商業及辦公房 | December 2020 2020年12月 | Under construction 工程進行中 |
| <p>Located at the north of Bayi Road and the east of Beiguan Avenue, Weidu District, Xuchang, Henan Province, the PRC 位於中國河南省許昌市魏都區八一路以北及北關大街以東</p> | | | | | | |

List of Principal Properties

主要物業

| Properties | Interest attributable to the Group | Approximate total gross site area (sq.m.) | Approximate total gross floor area under development (sq.m.) 開發中 | Type | Estimated date of completion | Progress |
|---|------------------------------------|---|---|----------------------------|------------------------------|--------------------|
| 物業 | 本集團應佔權益 | 概約總地盤面積 (平方米) | 概約總建築面積 (平方米) | 類別 | 預計完成日期 | 進展狀況 |
| King of the North | 100% | 271,114 | 168,217 | Residential and commercial | March 2021 | Under construction |
| 北海龍城 | | | | 住宅、商業 | 2021年3月 | 工程進行中 |
| <p>Located at the south of Xinyuan Avenue and the east of Binhe Road, Jian'an District, Xuchang, Henan Province, the PRC</p> <p>位於中國河南省許昌市建安區新元大道以南及濱河路以東</p> | | | | | | |
| Mingmen Xijun | 100% | 63,507 | 254,327 | Residential and commercial | November 2020 | Under construction |
| 名門西郡 | | | | 住宅、商業 | 2020年11月 | 工程進行中 |
| <p>Located at the east of Wuyi Road and the south of Yunlianghe Street, Weidu District, Xuchang, Henan Province, the PRC</p> | | | | | | |

List of Principal Properties

主要物業

| Properties | Interest attributable to the Group | Approximate total gross site area (sq.m.) | Approximate total gross floor area under development (sq.m.) 開發中 | Type | Estimated date of completion | Progress |
|---|------------------------------------|---|---|----------------------------|------------------------------|--------------------|
| 物業 | 本集團應佔權益 | 概約總地盤面積 (平方米) | 概約總建築面積 (平方米) | 類別 | 預計完成日期 | 進展狀況 |
| 位於中國河南省許昌市魏都區 五一路東側、蓮糧河街南側 | | | | | | |
| Located at the east of Laodong South Road and the west of Hubin Road, Weidu District, Xuchang, Henan Province, the PRC 位於中國河南省許昌市魏都區 勞動南路以東及湖濱路以西 | | | | | | |
| Changge Sunshine City | 100% | 195,470 | 152,314 | Residential and commercial | December 2021 | Under construction |
| 長葛陽光城 | | | | 住宅、商業 | 2021年12月 | 工程進行中 |
| Located at the south of Getian Avenue and the west of Waisan Road, Changge City, Xuchang, Henan Province, the PRC 位於中國河南省許昌市長葛市 葛天大道以南及外三路以西 | | | | | | |

List of Principal Properties

主要物業

| Properties | Interest attributable to the Group | Approximate total gross site area (sq.m.) | Approximate total gross floor area under development (sq.m.) 開發中 | Type | Estimated date of completion | Progress |
|--|------------------------------------|---|---|-------------------------------------|------------------------------|-----------------------------|
| 物業 | 本集團應佔權益 | 概約總地盤面積 (平方米) | 概約總建築面積 (平方米) | 類別 | 預計完成日期 | 進展狀況 |
| <p>Changge Fanzhuang Project</p> <p>長葛范庄項目</p> <p>Located at the south of Getian Avenue and the west of Waisan Road, Changge City, Xuchang, Henan Province, the PRC 位於中國河南省許昌市長葛市葛天大道以南及外三路以西</p> | 100% | 59,909 | 46,568 | Residential and commercial 住宅、商業 | December 2021 2021年12月 | Under construction 工程進行中 |
| <p>Yuzhou Sunshine City</p> <p>禹州陽光城</p> <p>Located at the north of Yuwang Boulevard, south of Binhe Boulevard and west of Xuanyuan Boulevard, Yuzhou City, Henan Province, the PRC 位於中國河南省禹州市禹王大道以北、濱河大道以南、軒轅大道以西</p> | 100% | 502,535 | 488,738 | Residential and commercial 住宅、商業 | March 2025 2025年3月 | Under construction 工程進行中 |

| | |
|---------------------------------------|--|
| Board 董事會 | Board of directors of the Company 恒達控股的董事會 |
| Ever Reach or the Company 恒達控股或本公司 | Ever Reach Group (Holdings) Company Limited 恒達集團(控股)有限公司 |
| Group 本集團 | Ever Reach and its subsidiaries 恒達控股及其附屬公司 |
| Henan Dadi 河南大地 | Henan Dadi Property Development Company Limited*, being an indirect wholly-owned subsidiary of the Company 河南大地房地產開發有限公司，本公司之間接全資附屬公司 |
| Hengda Investment 恒達投資 | Henan Hengda Investment Company Limited*, a limited liability company established in the PRC on 17 October 2007 owned approximately by Mr. Li Xiaobing as to 67.1833%, Mr. Wang Zhenfeng as to 3.3833%, Ms. Qi Chunfeng as to 18.65%, Mr. Li Shixun as to 2.3833% and Ms. Chun Xiaojun as to 1.15% (all of whom being connected persons) and two independent third parties as to the remaining 7.25%, and hence a connected person of our Company 河南恒達投資有限公司，一家於2007年10月17日在中國成立的有限公司，分別由李小冰先生、王振峰先生、齊春風女士、李世勳先生及春曉軍女士（均為關連人士）擁有約67.1833%、3.3833%、18.65%、2.3833%及1.15%權益以及由兩名獨立第三方擁有餘下7.25%權益，因此為本公司的關連人士 |
| Hengda Property Management 恒達物業管理 | Xuchang Hengda Property Management Company Limited*, a limited liability company established in the PRC on 5 July 1999 wholly owned by Hengda Investment, and hence a connected person of our Company 許昌恒達物業管理有限公司，一家於1999年7月5日在中國成立的有限公司，由恒達投資全資擁有，因此為本公司的關連人士 |
| HK\$/HKD 港元 | Hong Kong dollar, the lawful currency of Hong Kong 港元，香港法定貨幣 |
| IPO 首次公開發售 | Initial public offering of Ever Reach 恒達控股首次公開發售 |

* English name for identification purpose only

Glossary

詞彙

| | |
|----------------------------|---|
| Listing Rules 上市規則 | Rules Governing the Listing of Securities on the Stock Exchange 聯交所證券上市規則 |
| PRC 中國 | People's Republic of China 中華人民共和國 |
| RMB 人民幣 | Renminbi, the lawful currency of the PRC 人民幣，中國法定貨幣 |
| SFO 證券及期貨條例 | Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) 證券及期貨條例（香港法例第571章） |
| Stock Exchange 聯交所 | The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司 |
| Xuchang Erjian 許昌二建 | Xuchang City Second Construction (Group) Company Limited*, a limited liability company established in the PRC on 13 November 1997 beneficially owned approximately by Mr. Li Dongfa as to 61.82%, Ms. Qi Chunfeng as to 2.47%, Ms. Chun Xiaojun as to 2.17% (all of whom being connected persons), five independent third parties as to 33.45% and certain other independent third parties represented by collective shares as to the remaining 0.09%, and hence a connected person of our Company 許昌市第二建設（集團）有限公司，一家於1997年11月13日在中國成立的有限公司，分別由李東法先生、齊春風女士、春曉軍女士（均為關連人士）及五名獨立第三方實益擁有約61.82%、2.47%、2.17%及33.45%權益以及由若干其他獨立第三方（以集體股表示）實益擁有餘下約0.09%權益，因此為本公司的關連人士 |
| Xuchang Hengda 許昌恒達 | Xuchang Hengda Property Group Company Limited*, being an indirect wholly-owned subsidiary of the Company 許昌恒達房地產集團有限公司，本公司之間接全資附屬公司 |
| Yuzhou Hengda 禹州恒達 | Yuzhou City Hengda Property Company Limited*, being an indirect wholly-owned subsidiary of the Company 禹州市恒達房地產有限責任公司，本公司之間接全資附屬公司 |

* English name for identification purpose only



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