



大发地产集团有限公司

DAFA PROPERTIES GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock code 股份代號 : 6111

DESIGN
FOR LIFE
創意生活

2018 年報
ANNUAL REPORT



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COMPANY PROFILE

公司簡介

DaFa Properties Group Limited (“**DaFa Properties**” or the “**Company**”, together with its subsidiaries, the “**Group**”) was listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (Stock Code: 6111. HK), which marked an important milestone in the development of the Company on 11 October 2018. The Company is headquartered in Shanghai. The Company is a real estate developer with the Yangtze River Delta Region as its core business base, focusing on the development and sales of residential properties. The Company has adhered to the development direction of “intensive penetration and aggressive expansion strategy in the region” by focusing on the Yangtze River Delta Region, the Guangdong-Hong Kong-Macao Greater Bay Area and the central and western regions and actively positioning its presence in the golden metropolitan clusters nationwide with 46 projects in aggregate in 19 cities including Shanghai, Nanjing, Wenzhou, Chongqing, Chengdu, Ningbo and Hefei now to create a benchmark for local cities.

DaFa Properties has been widely recognized by the industry. In the past few years, we have won various awards from a number of institutions, including “China Top 100 Real Estate Developers”, “Top 10 Brands of East China Real Estate Companies”, “2018 China Special Real Estate Outstanding Operation Enterprise – Situational Real Estate”, “Most Innovative Enterprises”, “China Top 15 Growing Real Estate Developers (中國房地產企業成長性十五強)” and other awards.

DaFa Properties positions its brand as “Designing for Life” and has gradually developed five product series from careful products designing in the past two decades, namely, the Kai series (凱系), the Continental series (歐陸系), the Bliss series (悅系), the Jun Fu series (雋府系) and the Holywell series (現代系), in order to provide the most suitable and best quality housing products for properties purchasers with different needs. DaFa Properties, as a pleasant living service provider, also provides scenario experiences and products of high price-performance ratio for customers who seek for quality living through operation excellence.

DaFa Properties believes that, in the future, it will not only provide every customer with a house, but also a community which is full of vitality, up-to-date and will progress with our customers to realize “pleasant living”.

大发地产集团有限公司(「大发地产」或「本公司」, 連同其子公司, 統稱「本集團」)於2018年10月11日於香港聯合交易所有限公司(「聯交所」)上市(股票代碼6111.HK), 成為本公司發展歷程中重要的里程碑。本公司總部位於上海, 以長三角為核心業務據點的房地產開發商, 專注於開發及銷售住宅物業, 堅持「區域深耕、積極擴張」的發展方向, 重點圍繞長三角、粵港澳大灣區、中西部, 積極佈局全國黃金城市群, 目前項目遍佈上海、南京、溫州、重慶、成都、寧波、合肥等目前19個城市, 共46項目, 締造當地城市標桿。

大发地产獲業界普遍認可, 過去幾年榮膺多家機構頒發的獎項, 包括「中國房地產企業100強」、「中國華東房地產公司品牌價值TOP10」、「2018中國特色地產運營優秀企業—情景地產」、「最具創新力企業獎」以及「中國房地產企業成長性十五強」等多類獎項。

大发地产立足「為生活而創造」的品牌定位, 過去20多年對產品精心營造, 逐步形成了五大產品系: 凱系、歐陸系、悅系、雋府系、現代系, 為不同需求的購房者提供最合適、最優質的居住產品。同時, 大发地产通過卓越運營, 為追求居住品質的客戶提供情景體驗和高性價比產品的悅居生活服務商。

相信未來的大发地产給予每一位業主的不僅是一套房子, 更是一個充滿生命、與時俱進、與業主共同成長的社區, 真正實現「悅居生活」。

CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Ge Yiyang (*Chairman*)
Mr. Liao Lujiang
Mr. Chi Jingyong
Mr. Yang Yongwu

Independent Non-Executive Directors

Mr. Gu Jiong
Mr. Sun Bing
Mr. Fok Ho Yin Thomas

AUDIT COMMITTEE

Mr. Fok Ho Yin Thomas (*Chairman*)
Mr. Sun Bing
Mr. Gu Jiong

REMUNERATION COMMITTEE

Mr. Sun Bing (*Chairman*)
Mr. Fok Ho Yin Thomas
Mr. Gu Jiong
Mr. Liao Lujiang
Mr. Yang Yongwu

NOMINATION COMMITTEE

Mr. Ge Yiyang (*Chairman*)
Mr. Yang Yongwu
Mr. Fok Ho Yin Thomas
Mr. Sun Bing
Mr. Gu Jiong

AUDITOR

Ernst & Young

董事會

執行董事

葛一暘先生 (*主席*)
廖魯江先生
池淨勇先生
楊永武先生

獨立非執行董事

顧炯先生
孫冰先生
霍浩然先生

審計委員會

霍浩然先生 (*主席*)
孫冰先生
顧炯先生

薪酬委員會

孫冰先生 (*主席*)
霍浩然先生
顧炯先生
廖魯江先生
楊永武先生

提名委員會

葛一暘先生 (*主席*)
楊永武先生
霍浩然先生
孫冰先生
顧炯先生

審計師

安永會計師事務所

CORPORATE INFORMATION (Continued)

公司資料 (續)

LEGAL ADVISERS

As to Hong Kong law and United States law:

Paul Hastings

As to Cayman Islands law:

Walkers (Hong Kong)

As to PRC law:

Jingtian & Gongcheng

COMPLIANCE ADVISER

First Shanghai Capital Limited

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Walkers Corporate Limited

Cayman Corporate Centre

27 Hospital Road

George Town

Grand Cayman KY1-9008

Cayman Islands

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited

Shops 1712-1716, 17th Floor

Hopewell Centre

183 Queen's Road East

Wanchai

Hong Kong

REGISTERED OFFICE

The offices of Walkers Corporate Limited

Cayman Corporate Centre

27 Hospital Road

George Town

Grand Cayman KY1-9008

Cayman Islands

法律顧問

香港法律及美國法律：

普衡律師事務所

開曼群島法律：

Walkers (Hong Kong)

中國法律：

競天公誠律師事務所

合規顧問

第一上海融資有限公司

開曼群島證券登記總處

Walkers Corporate Limited

Cayman Corporate Centre

27 Hospital Road

George Town

Grand Cayman KY1-9008

Cayman Islands

香港證券登記處

香港中央證券登記有限公司

香港

灣仔

皇后大道東183號

合和中心

17樓1712-1716室

註冊辦事處

Walkers Corporate Limited的辦事處

Cayman Corporate Centre

27 Hospital Road

George Town

Grand Cayman KY1-9008

Cayman Islands

CORPORATE INFORMATION *(Continued)***公司資料 (續)****HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC**

No. 2, Lane 1188
Shenhong Road
Minhang District
Shanghai
the PRC

中國總部及主要營業地點

中國
上海市
閔行區
申虹路
1188弄2號

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40th Floor, Sunlight Tower
No.248 Queens Road East
Wanchai
Hong Kong

香港主要營業地點

香港
灣仔
皇后大道東248號
陽光中心40樓

JOINT COMPANY SECRETARIES

Mr. Yang Yongwu
Ms. So Shuk Yi Betty

聯席公司秘書

楊永武先生
蘇淑儀女士

AUTHORISED REPRESENTATIVES

Mr. Yang Yongwu
Ms. So Shuk Yi Betty

授權代表

楊永武先生
蘇淑儀女士

PRINCIPAL BANKERS

Ping An Bank Co., Ltd.
Shanghai Pudong Development Bank Co., Ltd.
Bank of Jiangsu Co., Ltd.
China CITIC Bank Corporation Limited
China Minsheng Banking Corp., Ltd.

主要往來銀行

平安銀行股份有限公司
上海浦東發展銀行股份有限公司
江蘇銀行股份有限公司
中信銀行股份有限公司
中國民生銀行股份有限公司

WEBSITE

www.dafaland.com

網站

www.dafaland.com

STOCK CODE

6111

股份代號

6111

MAJOR HONOURS AND AWARDS

主要榮譽及獎項

CORPORATE BRAND

企業品牌

| Honor/Award 榮譽／獎項 | Awarding body 頒發團體 |
|---|---|
| 2018 China Top 100 Real Estate Developers 2018年中國房地產百強企業 | China Real Estate Top 10 Research Team 中國房地產TOP10研究組 |
| 2018 Top10 Brands of East China Real Estate Companies 2018年中國東部房地產公司品牌價值Top10 | China Real Estate Top10 Research Team 中國房地產TOP10研究組 |
| 2018 China Special Real Estate Outstanding Operation Enterprise – Situational Real Estate 2018中國特色地產運營優秀企業 – 情景地產 | China Real Estate Top 10 Research Team 中國房地產TOP10研究組 |
| 2018 Top100 Comprehensive Strength of China Real Estate Companies 2018年中國房企綜合實力Top100 | EH Consulting 億翰智庫 |
| 2018 Top100 Brands of China Real Estate Companies 2018年中國房企品牌價值Top100 | EH Consulting 億翰智庫 |
| 2018 Value Brand of Real Estate Operators 2018年價值地產品牌運營商 | National Business Daily 每日經濟新聞 |
| 2018 Innovative Growth Company 2018年創新成長力企業 | New Real Estate, CAIJING.com.cn 新地產、財經網 |
| 2018 Outstanding Brand Image Award 2018年傑出品牌形象獎 | The 7th Organizing Committee of China Finance Summit 第七屆中國財經峰會組委會 |
| the 16th China's Financial Annual Champion Awards: 2018 Example of Real Estate Innovation Enterprises 第十六屆中國財經風雲榜2018年度地產創新企業榜樣 | Hexun 和讯 |
| 2018 Top5 Zhejiang Real Estate Brand Growth 2018浙江房地產品牌成長力Top5 | CHINA REAL ESTATE ASSOCIATION, China Real Estate Appraisal of E-house China R&D Institute 中國房地產業協會、上海易居房地產研究院中國房地產測評中心 |
| 2018 Key Enterprise Contribution Award 2018年度重點企業貢獻獎 | Shanghai Hongkou District People's Government 上海市虹口區人民政府 |
| 2018 Best Strategic Development Engine Organization 2018年度最佳戰略發展引擎組織 | BONZER 博志成 |
| 2018 China Best Employer Award 2018年度中國最佳僱主獎 | The 13th Organizing Committee of New Employer Brand Conference 第十三屆新僱主品牌年會組委會 |
| 2018-2019 Top100 Valuable property in China (DaFa Metropolis NO.1) 2018-2019中國TOP100價值樓盤： 大發•都會道1號 | China Index Academy 中指研究院 |
| 2018 Most Innovative Enterprises 2018最具創新力企業獎 | The 7th Organizing Committee of China Finance Summit 第七屆中國財經峰會組委會 |
| 2018 Valuable property in Yangtze River Delta: Dafa Bliss Oriental 2018年度長三角區域價值樓盤： 大發•融悅東方 | National Business Daily 每日經濟新聞 |

MAJOR HONOURS AND AWARDS *(Continued)*

主要榮譽及獎項 (續)



CORPORATE SOCIAL RESPONSIBILITY

企業社會責任

| Honor/Award 榮譽 / 獎項 | Awarding body 頒發團體 |
|--|---|
| Education Contributor with Longlasting Reputation 功存教育·義聲長孚 | Tsinghua University Education Foundation 清華大學教育基金會 |
| 2017-2018 China Real Estate Annual Poverty Alleviation Benchmark Company 2017-2018中國房地產年度扶貧標桿企業 | China Real Estate Top 10 Research Team 中國房地產TOP10研究組 |

CHAIRMAN'S STATEMENT

主席報告



Chairman
GE Yiyang
主席
葛一陽

Dear Shareholders,

On behalf of the board of directors of the Company (the “**Board**”), I am pleased to present you the first annual report of DaFa Properties Group Limited for the year ended 31 December 2018.

The Group was successfully listed on the Main Board of the Stock Exchange on 11 October 2018 (the “**Listing**”). On behalf of the Group, I would like to take this opportunity to express our deep gratitude to all parties who have assisted us in building our business over the years and during the preparation process of the Listing. The fund raised from the initial public offering of shares of the Company will be used to promote the future development of the Group.

尊敬的各位股東：

本人謹代表本公司董事會（「**董事會**」）欣然向閣下提呈大发地产集团有限公司截至2018年12月31日止年度的首份年報。

本集團於2018年10月11日成功於聯交所主板上市（「**上市**」）。本人謹代表本集團藉此機會向多年來為我們的業務發展及於上市籌備過程中提供幫助的各界人士致以衷心感謝。首次公開發售本公司股份所籌集的資金將用於促進本集團未來發展。

CHAIRMAN'S STATEMENT *(Continued)*

主席報告 (續)

PERFORMANCE

The Group has been well recognized by the capital market since the Listing for its profound performance during the year of 2018. In 2018, the Group achieved an exponential growth attributed to its various market advantages and outstanding execution of business strategies. The Group's revenue increased by approximately 30.1% year-on-year from RMB4,569.6 million to RMB5,946.0 million in 2018. The Group's profit attributable to owners of the parent increased by approximately 246.8% year-on-year from RMB137.5 million to RMB476.8 million in 2018. The Group achieved a contracted sales amount of RMB12,523.9 million, representing an increase of 204.1% over last year.

BUSINESS REVIEW OF 2018

During the year, while the real estate market in China posed some uncertainties and fluctuations, there were still many good and positive opportunities to capitalize on. The Group strived to develop high-quality residential properties primarily for first-home purchasers and customers with home upgrade needs. The outstanding results in the past year had proved that the Group had delivered its products and services in a very successful manner.

The Group rode on the tides of improving living standards and infrastructure in the second- and third-tier cities where market appetite for high quality and high end apartments would continue to grow. The Group put its heart into what it built and created sweet home for its numerous customers and their families. The Group was proud of its position as the pioneer of situational style residential projects and the important role it played in bringing communities together in Shanghai and Yangtze River Delta Region. Adhering to our business philosophy of "pursuing excellence with integrity and innovation", our outstanding products and services were rewarded with an impressive uplift in profit.

Due to the highly competitive and evolving landscape of the real estate industry in China, the Group constantly monitored the changing market dynamics and adjusted its strategies and developments to adapt to the prevailing conditions and capture new opportunities.

表現

自上市起，本集團因其於2018年的卓越表現而獲得資本市場的認可。於2018年，本集團因各項市場優勢及業務策略的卓越執行力而取得指數增長。於2018年，本集團的收益由人民幣4,569.6百萬元增至人民幣5,946.0百萬元，同比增幅約為30.1%。於2018年，母公司擁有人應佔本集團利潤由人民幣137.5百萬元增至人民幣476.8百萬元，同比增幅約為246.8%。本集團錄得合同銷售額人民幣12,523.9百萬元，較去年增加204.1%。

2018年業務回顧

於年內，雖然中國房地產市場存在若干不確定性及波動，仍可把握許多良好積極的機會。本集團致力於開發主要面向首次置業者及改善型客戶的高質量住宅物業。去年的卓越業績證實本集團以非常成功的方式提供其產品及服務。

二三線城市的生活水平及基礎設施不斷改善，市場對優質高端公寓的需求不斷增長，本集團乘風而進，破浪前行。本集團全心全意為眾多顧客及其家人建設及創造溫馨家園。本集團為其作為情景風格住宅項目先驅的地位及在緊密聯繫上海與長江三角洲地區社區中的重要作用而感到自豪。秉承「誠信創新、追求卓越」的經營理念，我們卓越的產品及服務獲得了令人印象深刻的利潤提升。

由於中國房地產行業競爭激烈及不斷演變的格局，本集團持續監控日新月異的市場動態，並調整其策略及發展，以適應當時情況及抓住新機遇。

CHAIRMAN'S STATEMENT *(Continued)*

主席報告 (續)

In 2018, the Group continued its nationwide expansion and established its presence into several new cities, including Chengdu, Chongqing and Hefei. As of 31 December 2018, the Group together with associates owns total land reserves with a total planned GFA of approximately 3.4 million square meters in main areas.

OUTLOOK FOR 2019

Looking forward into 2019, the Group believes in the immense potentials in real estate industry in China. The continuation of urbanization and pursuits for better and improved living environment would be propelled by the increasing population of middle class and high net wealth market segments. The pillars of success lie in the ability to understand customer needs and effective execution of product and service delivery to meet their expectations. The Group will continue its customer-oriented design approach and the breakthrough concept of situational styles in its project developments. With increased brand awareness and recognition, the Group expects its customer base and customer satisfaction to be enhanced further, along with lifetime value of its customers. The Group is well placed for long-term sustainable growth in the future given its leverage to key demand drivers including population growth, urbanization, wealth accumulation and infrastructure improvement.

To strengthen its market positioning strategy, the Group has developed several product series in the pipeline of residential property projects to cater for different clienteles and locations such as Kai series (凱系列), the Continental series (歐陸系列), the Bliss series (悅系列), the Jun Fu series (雋府系列) and the Holywell series (現代系列). Given the sophistication of its customer demands and requirements, the Group would endeavor to adopt swift and flexible approach in bespoke development projects.

於2018年，本集團繼續在全國範圍內擴張並在若干新城市（包括成都、重慶、合肥等）建立業務據點。於2018年12月31日，本集團連同聯營公司擁有主要地區的總土地儲備總規劃建築面積約3.4百萬平方米。

2019年展望

展望2019年，本集團相信中國房地產行業的巨大潛力。中等及高收入市場部分的人口不斷增加將推動持續城市化並推動對更好及完善的生活環境的追求。成功的關鍵在於了解客戶需求並有效提供產品及服務以滿足其期望的能力。本集團於其項目開發過程中將沿用其以客戶為導向的設計方法及情景風格嶄新概念。隨著品牌知名度和認知度提高，本集團預計其客戶基礎及客戶滿意度將進一步提升，同時客戶的終身價值也將得到改進。鑒於其對人口增長、城市化、財富積累及基礎設施改善等主要需求驅動因素的槓桿作用，本集團有足夠能力在未來實現長期可持續增長。

為加強市場定位策略，本集團已於在建住宅物業項目中開發多個產品系列，以迎合不同的客戶及地理位置，例如凱系列、歐陸系列、悅系列、雋府系列及現代系列。鑒於客戶需求及要求的複雜程度，本集團將努力在定制開發項目中採用快速靈活的方法。

CHAIRMAN'S STATEMENT *(Continued)***主席報告（續）****APPRECIATION**

I hereby express my sincere gratitude to the customers and business partners for their long-term support. My heartfelt appreciation also goes to our Directors, the management team and all employees for their excellent work and contributions in the past year.

In particular, I would like to thank you, our Shareholders, for your continuing support and engagement, which is very important and very much valued by the Board.

I am very confident in the strategies that we envision and implement. They have well placed DaFa Properties to deliver growth in its profitability in relation to its core businesses in 2019 and beyond.

Ge Yiyang

Chairman of the Board, Executive Director

28 March 2019

感謝

本人謹此誠摯感謝顧客及業務夥伴的長期支持。本人亦對董事、管理層團隊及全體僱員於去年的傑出工作及貢獻表示衷心感謝。

本人特別感謝股東一直以來的支持及參與，這非常重要且董事會對其非常重視。

本人對我們預設及實施的策略充滿信心。其令大发地产具備有利條件，於2019年及之後從其核心業務實現盈利能力的增長。

葛一陽

董事會主席、執行董事

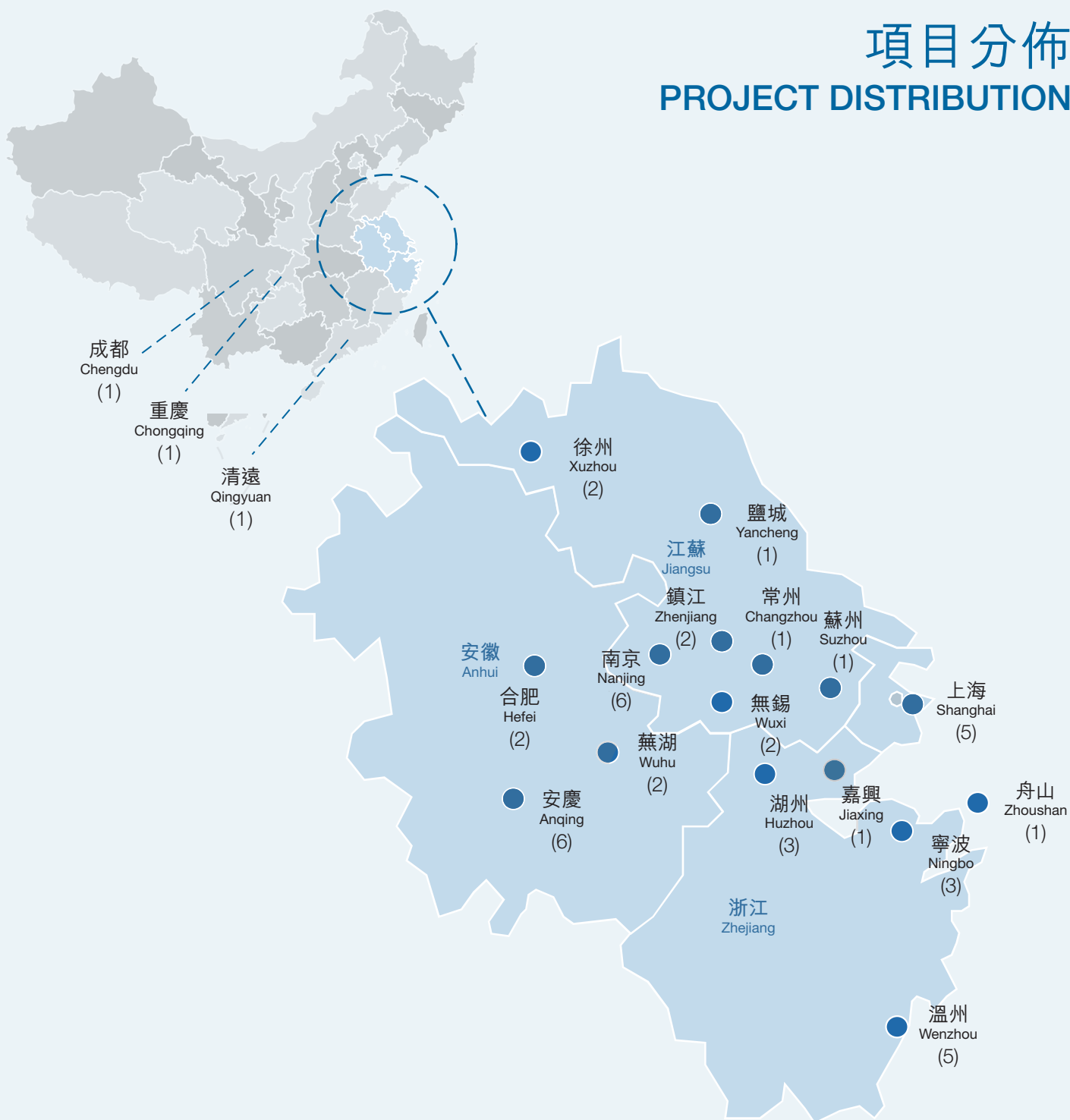
2019年3月28日



SUMMARY OF PRINCIPAL PROPERTIES

主要物業概要

項目分佈 PROJECT DISTRIBUTION



SUMMARY OF PRINCIPAL PROPERTIES (Continued)

主要物業概要 (續)

PROJECTS DEVELOPED BY THE GROUP

本集團開發的項目

The table below sets forth the details of property development projects of the Group for the year ended 31 December 2018:

下表載列本集團於截至2018年12月31日止年度的物業開發項目詳情：

| Project | Location | Interest attributable to the Group | Type of property product | Total site area (sq.m.) | Estimated total GFA (sq.m.) ⁽⁶⁾ | Completed GFA (sq.m.) | GFA under development/ for future development (sq.m.) | Completion time/estimated completion time |
|--|----------------|------------------------------------|-------------------------------|-------------------------|--|-----------------------|---|---|
| 項目 | 位置 | 本集團應佔權益 | 物業產品類型 | 總佔地面積 (平方米) | 估計總建築面積 (平方米) ⁽⁶⁾ | 已竣工建築面積 (平方米) | 開發中/未來開發建築面積 (平方米) | 竣工時間/估計竣工時間 |
| 1 Dafa Bliss Huating 大發融悅華庭 | Shanghai 上海 | 100% | Residential 住宅 | 45,428 | 118,139 | 118,139 | - | November 2017 2017年11月 |
| 2 Shanghai Kai Run Jin Cheng ⁽¹⁾ 上海凱潤金城 ⁽¹⁾ | Shanghai 上海 | 100% | Residential 住宅 | 16,929 | 53,925 | 53,925 | - | May 2019 2019年5月 |
| 3 Dafa Bliss Four Seasons 大發融悅四季 | Shanghai 上海 | 100% | Residential 住宅 | 27,508 | 85,137 | - | 85,137 | May 2019 2019年5月 |
| 4 Shanghai Kai Hong Plaza 上海凱鴻廣場 | Shanghai 上海 | 100% | Commercial complexes 商業綜合樓 | - | 25,870 | 25,870 | - | June 2006 2006年6月 |
| 5 Harbour Ring Plaza 港陸廣場 | Shanghai 上海 | 100% | Office 辦公室 | 118 | 1,499 | 1,499 | - | N/A 不適用 |
| 6 Dafa Bliss Garden 大發融悅花園 | Nanjing 南京 | 100% | Residential 住宅 | 32,451 | 70,778 | 70,778 | - | June 2017 2017年6月 |
| 7 Dafa Yan Lan Wan 大發燕瀾灣 | Nanjing 南京 | 100% | Residential 住宅 | 70,231 | 172,283 | 172,283 | - | July 2013 2013年7月 |
| 8 Nanjing Kai Run Jin Cheng ⁽²⁾ 南京凱潤金城 ⁽²⁾ | Nanjing 南京 | 100% | Residential 住宅 | 35,962 | 228,440 | 228,440 | - | October 2009 2009年10月 |
| 9 Nanjing Kaihong Junfu ⁽³⁾ 南京凱鴻雋府 ⁽³⁾ | Nanjing 南京 | 100% | Residential 住宅 | 27,243 | 54,716 | 54,716 | - | January 2011 2011年1月 |
| 10 Nanjing IST Mall 南京艾尚天地 | Nanjing 南京 | 100% | Commercial complexes 商業綜合樓 | - | 35,921 | 35,921 | - | December 2011 2011年12月 |

SUMMARY OF PRINCIPAL PROPERTIES (Continued)

主要物業概要 (續)

| Project | Location | Interest attributable to the Group | Type of property product | Total site area (sq.m.) | Estimated total GFA (sq.m.) ⁽⁹⁾ | Completed GFA (sq.m.) | GFA under development/ for future development (sq.m.) | Completion time/estimated completion time |
|--|---------------|------------------------------------|-------------------------------|-------------------------|--|-----------------------|---|---|
| 項目 | 位置 | 本集團應佔權益 | 物業產品類型 | 總佔地面積 (平方米) | 估計總建築面積 (平方米) ⁽⁹⁾ | 已竣工建築面積 (平方米) | 開發中/未來開發建築面積 (平方米) | 竣工時間/估計竣工時間 |
| 11 Affiliated Commercial Property of Nanjing Kaihong Junfu 南京凱鴻雋府配套商業 | Nanjing 南京 | 100% | Commercial complexes 商業綜合樓 | - | 5,179 | 5,179 | - | January 2011 2011年1月 |
| 12 Kaixin Jinyuan A 凱欣錦園A | Wenzhou 溫州 | 100% | Residential 住宅 | 40,504 | 146,332 | 146,332 | - | January 2017 2017年1月 |
| 13 Kaixin Jinyuan B 凱欣錦園B | Wenzhou 溫州 | 96% | Residential 住宅 | 45,562 | 167,180 | 167,180 | - | March 2018 2018年3月 |
| 14 Dafa Bliss Oriental (Wenzhou) 大發融悅東方(溫州) | Wenzhou 溫州 | 90% | Residential 住宅 | 26,576 | 116,355 | - | 116,355 | June 2019 2019年6月 |
| 15 Kaize Jinyuan 凱澤錦園 | Wenzhou 溫州 | 100% | Residential 住宅 | 14,713 | 70,911 | - | 70,911 | December 2019 2019年12月 |
| 16 Affiliated Commercial Property of Dafa Bliss Oriental (Wenzhou) 大發融悅東方(溫州) 配套商業 | Wenzhou 溫州 | 90% | Commercial complexes 商業綜合樓 | 1,464 | 4,026 | - | 4,026 | June 2019 2019年6月 |
| 17 Hai Jun Fu 海雋府 | Ningbo 寧波 | 98% | Residential 住宅 | 61,226 | 172,595 | 80,437 | 92,158 | December 2018 2018年12月 |



大發融悅花園 (南京)
Dafa Bliss Garden (Nanjing)



大發融悅四季 (上海)
Dafa Bliss Four Seasons (Shanghai)



熙悅湖山府
The Splendor

SUMMARY OF PRINCIPAL PROPERTIES (Continued)

主要物業概要 (續)

| | Project | Location | Interest attributable to the Group | Type of property product | Total site area (sq.m.) | Estimated total GFA (sq.m.) ⁽⁶⁾ | Completed GFA (sq.m.) | GFA under development/ for future development (sq.m.) | Completion time/estimated completion time |
|----|--|----------------|------------------------------------|-------------------------------------|-------------------------|--|-----------------------|---|---|
| | 項目 | 位置 | 本集團應佔權益 | 物業產品類型 | 總佔地面積 (平方米) | 估計總建築面積 (平方米) ⁽⁶⁾ | 已竣工建築面積 (平方米) | 開發中/未來開發建築面積 (平方米) | 竣工時間/估計竣工時間 |
| 18 | Ningbo Land Lot 2018-028 寧波2018-028地塊 | Ningbo 寧波 | 30% | Residential 住宅 | 17,333 | 34,878 | - | 34,878 | December 2019 2019年12月 |
| 19 | Yuyao Land Lot 2018-55 余姚2018-55地塊 | Ningbo 寧波 | 88% | Residential 住宅 | 15,044 | 32,834 | - | 32,834 | December 2019 2019年12月 |
| 20 | Bliss Xinjie Residence 融悅新界公館 | Zhoushan 舟山 | 100% | Residential 住宅 | 38,199 | 128,887 | - | 128,887 | December 2019 2019年12月 |
| 21 | Dafa Bliss Oriental (Wuhu) 大發融悅東方(蕪湖) | Wuhu 蕪湖 | 100% | Residential 住宅 | 93,967 | 203,816 | - | 203,816 | December 2019 2019年12月 |
| 22 | Fanchang Dafa Bliss (Land Lot FT1809) 繁昌大發融悅 (FT1809地塊) | Wuhu 蕪湖 | 9% | Residential 住宅 | 22,197 | 56,979 | - | 56,979 | December 2019 2019年12月 |
| 23 | Dafa Yi Jing Cheng Phase I ⁽⁴⁾ 大發宜景城一期 ⁽⁴⁾ | Anqing 安慶 | 100% | Residential 住宅 | 207,422 | 123,480 | 123,480 | - | October 2012 2012年10月 |
| 24 | Dafa Yi Jing Cheng Phase II ⁽⁴⁾ 大發宜景城二期 ⁽⁴⁾ | Anqing 安慶 | 100% | Residential 住宅 | - | 248,528 | 248,528 | - | July 2013 2013年7月 |
| 25 | Dafa Yi Jing Cheng Phase III 大發宜景城三期 | Anqing 安慶 | 100% | Residential 住宅 | 76,557 | 278,164 | 278,164 | - | June 2015 2015年6月 |
| 26 | Dafa Yi Jing Cheng Phase IV 大發宜景城四期 | Anqing 安慶 | 100% | Residential 住宅 | 123,050 | 513,943 | 389,115 | 124,828 | June 2019 2019年6月 |
| 27 | Anqing Dafa Bliss 安慶大發融悅 | Anqing 安慶 | 100% | Residential 住宅 | 72,635 | 153,387 | - | 153,387 | November 2019 2019年11月 |
| 28 | Commercial Building of Dafa Yi Jing Cheng 大發宜景城商業 | Anqing 安慶 | 100% | Residential, commercial 住宅、商業 | 18,720 | 47,393 | - | 47,393 | March 2011 2011年3月 |

SUMMARY OF PRINCIPAL PROPERTIES (Continued)

主要物業概要 (續)

| | Project | Location | Interest attributable to the Group | Type of property product | Total site area (sq.m.) | Estimated total GFA (sq.m.) ⁽⁹⁾ | Completed GFA (sq.m.) | GFA under development/ for future development (sq.m.) | Completion time/estimated completion time |
|----|--|----------------|------------------------------------|-------------------------------------|-------------------------|--|-----------------------|---|---|
| | 項目 | 位置 | 本集團應佔權益 | 物業產品類型 | 總佔地面積 (平方米) | 估計總建築面積 (平方米) ⁽⁹⁾ | 已竣工建築面積 (平方米) | 開發中/未來開發建築面積 (平方米) | 竣工時間/估計竣工時間 |
| 29 | Yancheng Land Lot 201815 鹽城201815地塊 | Yancheng 鹽城 | 91% | Residential 住宅 | 54,451 | 203,015 | – | 203,015 | September 2020 2020年9月 |
| 30 | Xuzhou Dafa Bliss Oriental (Pizhou Land Lot 2018-10) 徐州大發融悅東方 (邳州2018-10地塊) | Xuzhou 徐州 | 91% | Residential 住宅 | 49,126 | 153,833 | – | 153,833 | September 2020 2020年9月 |
| 31 | Xuzhou Land Lot 2018-39 徐州2018-39號地塊 | Xuzhou 徐州 | 100% | Residential 住宅 | 24,441 | 63,351 | – | 63,351 | November 2020 2020年11月 |
| 32 | Huzhou Bliss Jinyuan (southern side of Xihu Road, Changxing, Huzhou Land Lot A-1) 湖州融悅錦園 (湖州長興忻湖路南側A-1 地塊) | Huzhou 湖州 | 43% | Residential 住宅 | 52,918 | 145,923 | – | 145,923 | December 2019 2019年12月 |
| 33 | Huzhou Land Lot 2018-36 湖州2018-36地塊 | Huzhou 湖州 | 10% | Residential, commercial 住宅、商業 | 35,461 | 112,484 | – | 112,484 | June 2020 2020年6月 |



邳嶽融悅和府
The Center Maison



融悅東方(湖州長興)
Bliss Oriental (Huzhou Changxing)



南京艾尚天地
Nanjing IST Mall

SUMMARY OF PRINCIPAL PROPERTIES (Continued)

主要物業概要 (續)

| | Project | Location | Interest attributable to the Group | Type of property product | Total site area (sq.m.) | Estimated total GFA (sq.m.) ⁽⁶⁾ | Completed GFA (sq.m.) | GFA under development/ for future development (sq.m.) | Completion time/estimated completion time |
|----|---|-----------------|------------------------------------|---|-------------------------|--|-----------------------|---|---|
| | 項目 | 位置 | 本集團應佔權益 | 物業產品類型 | 總佔地面積 (平方米) | 估計總建築面積 (平方米) ⁽⁶⁾ | 已竣工建築面積 (平方米) | 開發中/未來開發建築面積 (平方米) | 竣工時間/估計竣工時間 |
| 34 | Anji Peninsula East Road Project (Land Lot AJ2018J-77) 安吉半島東路項目 (AJ2018J-77地塊) | Huzhou 湖州 | 25% | Residential 住宅 | 53,254 | 113,955 | - | 113,955 | September 2020 2020年9月 |
| 35 | Jurong Land Lot 2018-J1-1-04 句容2018-J1-1-04地塊 | Zhenjiang 鎮江 | 44% | Residential 住宅 | 45,781 | 106,325 | - | 106,325 | December 2020 2020年12月 |
| 36 | Jurong Land Lot 2018-J1-1-05 句容2018-J1-1-05地塊 | Zhenjiang 鎮江 | 23% | Residential 住宅 | 38,731 | 89,956 | - | 89,956 | December 2020 2020年12月 |
| 37 | Changzhou Land Lot GP2017083 常州GP2017083地塊 | Changzhou 常州 | 34% | Residential 住宅 | 69,261 | 169,796 | - | 169,796 | December 2019 2019年12月 |
| 38 | Yi Land Land Lot 2018 (10) 宜地2018(10)號地塊 | Wuxi 無錫 | 39% | Residential 住宅 | 25,829 | 52,586 | - | 52,586 | December 2019 2019年12月 |
| 39 | Yi Land Land Lot 2018 (49) 宜地2018(49)號地塊 | Wuxi 無錫 | 100% | Residential 住宅 | 17,959 | 40,389 | - | 40,389 | October 2020 2020年10月 |
| 40 | Changshu Land Lot 320581108009GB00033 常熟320581108009GB00033地塊 | Suzhou 蘇州 | 25% | Residential 住宅 | 17,361 | 49,414 | - | 49,414 | December 2019 2019年12月 |
| 41 | Jiaxing Economic and Technological Development Zone Land Lot 2018-13 嘉興經開2018-13地塊 | Jiaxing 嘉興 | 90% | Residential 住宅 | 37,167 | 97,397 | - | 97,397 | May 2020 2020年5月 |
| 42 | Qionglai Land Lot QL2018-09(07/05) 邛崃QL2018-09(07/05)地塊 | Chengdu 成都 | 91% | Residential, commercial services 住宅、商服 | 23,519 | 96,309 | - | 96,309 | December 2019 2019年12月 |

SUMMARY OF PRINCIPAL PROPERTIES (Continued)

主要物業概要 (續)

| Project 項目 | Location 位置 | Interest attributable to the Group 本集團 應佔權益 | Type of property product 物業產品 類型 | Total site area (sq.m.) 總佔地面積 (平方米) | Estimated total GFA (sq.m.) ⁽⁵⁾ 估計 總建築面積 (平方米) ⁽⁵⁾ | Completed GFA (sq.m.) 已竣工 建築面積 (平方米) | GFA under development/ for future development (sq.m.) 開發中/ 未來開發 建築面積 (平方米) | Completion time/estimated completion time 竣工時間/ 估計竣工時間 |
|---|-----------------|--|--|---|--|---|--|---|
| 43 Chongqing Land Lot BN-22-528 重慶BN-22-528地塊 | Chongqing 重慶 | 91% | Residential 住宅 | 37,142 | 114,768 | - | 114,768 | September 2020 2020年9月 |
| 44 Yingde Land Lot 101536 英德101536地塊 | Qingyuan 清遠 | 100% | Residential 住宅 | 14,014 | 83,493 | - | 83,493 | June 2020 2020年6月 |
| 45 Hefei Land Lot E1805 合肥E1805地塊 | Hefei 合肥 | 100% | Residential 住宅 | 49,546 | 146,990 | - | 146,990 | November 2020 2020年11月 |
| 46 Hefei Land Lot E1806 合肥E1806地塊 | Hefei 合肥 | 100% | Residential 住宅 | 25,168 | 74,818 | - | 74,818 | September 2020 2020年9月 |
| Total 合計 | | | | 1,802,166 | 5,266,376 | 2,199,984 | 3,066,393 | |

Notes:

附註:

- (1) The total site area of Shanghai Kai Run Jin Cheng includes the site area of Shanghai Kai Hong Plaza. (1) 上海凱潤金城的總佔地面積包括上海凱鴻廣場的佔地面積。
- (2) The total site area of Nanjing Kai Run Jin Cheng includes the site area of Nanjing IST Mall. (2) 南京凱潤金城的總佔地面積包括南京艾尚天地的佔地面積。
- (3) The total site area of Nanjing Kaihong Junfu includes the site area of Affiliated Commercial Property of Nanjing Kaihong Junfu. (3) 南京凱鴻雋府的總佔地面積包括南京凱鴻雋府配套商業的佔地面積。
- (4) The total site area of Dafa Yi Jing Cheng Phase I and Dafa Yi Jing Cheng Phase II is 207,422 sq.m. (4) 大發宜景城一期及大發宜景城二期的總佔地面積為207,422平方米。
- (5) The total GFA of the Group's land reserves includes (i) total GFA of the completed properties, (ii) total GFA of the properties under development and (iii) total GFA of the properties held for future development. (5) 本集團土地儲備的總建築面積包括(i)已竣工物業的總建築面積、(ii)在建物業的總建築面積及(iii)持作未來開發物業的總建築面積。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析



MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論及分析 (續)

MARKET OVERVIEW

China has already formed three well-developed metropolitan clusters, namely, the Beijing-Tianjin-Hebei Region, the Yangtze River Delta Region and the Pearl River Delta Region. Currently, the Company is focusing on the development and sales of residential properties and taking root in Shanghai and has been intensively penetrating into the Yangtze River Delta Region which will further improve the coordinated development between regions and the growth of urban population as well as the purchasing powers of residential properties.

Accelerating urbanization is one of the boost factors for the Company's growth. The urbanization in the PRC reached 58.5% in 2017 and is expected to reach 60% by 2020. The Company believes that further development of urbanization across the Yangtze River Delta Region will create larger demand for upgraded residential properties.

Economic growth, accelerating urbanization and increasing purchasing power have been the main driving forces behind the increasing market demand for real estate properties in China, which are expected to continue. These are also the driving forces to increase the number of potential property buyers and in turn sustain the property prices and profitability of the Company leading to outstanding performance of its operations.

BUSINESS REVIEW

For the year ended 31 December 2018, the principal businesses of the Group are in property development, property investment and the provision of property management services, among which, property development is the main source of the income for the Group.

PROPERTY DEVELOPMENT

Contracted sales

For the year ended 31 December 2018, the Group together with associates recorded the contracted sales of RMB12,523.9 million, increased by approximately 204.1% compared to the same period of 2017, mainly due to the fact that the Group has been intensively penetrating into the real estate market in the Yangtze River Delta Region, resulting in an increase of its accumulated saleable gross floor area ("GFA"), which reached a record high since the establishment of the Group.

For the year ended 31 December 2018, the total contracted saleable GFA amounted to approximately 785,841 square meters, representing an increase of approximately 144.5% from approximately 321,358 square meters for the same period of 2017, which also attained a record high since the establishment of the Group. The contracted average selling price ("ASP") for the year ended 31 December 2018 was approximately RMB15,937 per square meter, compared to approximately RMB12,816 per square meter for the same period of 2017. The increase was primarily due to the increased percentage of properties sold in first- and second-tier cities.

市場回顧

中國已形成三個成熟的城市群，即京津冀地區、長江三角洲地區及珠江三角洲地區。目前，本公司專注於住宅物業開發及銷售，並植根上海，深耕長江三角洲地區，其將進一步提升地區之間的協調發展及城鎮人口的增長以及住宅物業的購買力。

城鎮化進程加速是本公司發展的推動因素之一。中國城鎮化於2017年達到58.5%並預期於2020年前將達到60%。本公司認為，長江三角洲地區城市化進程的進一步發展將擴大改善型住宅物業的需求。

經濟增長、城鎮化進程加速及不斷提高的購買力一直是中國市場對房地產需求日漸增加的主要動力，預期有關因素將持續存在。該等因素亦為增加潛在物業買家數量的動力，從而維持物業價格及本公司盈利能力，以達致其突出的經營表現。

業務回顧

截至2018年12月31日止年度，本集團的主要業務為物業開發、物業投資及提供物業管理服務。其中，物業開發為本集團主要收入來源。

物業開發

合同銷售

截至2018年12月31日止年度，本集團連同聯營公司錄得合同銷售金額人民幣12,523.9百萬元，較2017年同比增長約204.1%，此乃主要由於本集團一直專注於深耕長江三角洲地區的房地產市場，其累計可銷售建築面積（「建築面積」）增加所致，創下本集團成立以來的歷史新高。

截至2018年12月31日止年度，總合同銷售建築面積約785,841平方米，較2017年同期的約321,358平方米增加約144.5%，亦為本集團成立以來歷史新高。截至2018年12月31日止年度，合同平均售價（「平均售價」）約為人民幣15,937元／平方米，而2017年同期為人民幣12,816元／平方米。該增加主要由於銷售物業位於一、二線城市的比例提高。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論及分析 (續)

The following table sets forth a breakdown of the Group's contracted sales by areas for the year ended 31 December 2018.

下表載列本集團於截至2018年12月31日止年度合同銷售明細(按地區劃分)。

| | | 2018 2018年 | | 2017 2017年 | |
|-----------|----|--|---|--|---|
| | | Contracted sales amount 合同銷售金額 RMB in millions 人民幣百萬元 | Contracted saleable GFA 合同銷售建築面積 sq.m. 平方米 | Contracted sales amount 合同銷售金額 RMB in millions 人民幣百萬元 | Contracted saleable GFA 合同銷售建築面積 sq.m. 平方米 |
| Wenzhou | 溫州 | 2,245.2 | 74,230 | 2,121.6 | 103,832 |
| Ningbo | 寧波 | 2,173.0 | 107,981 | 251.8 | 13,372 |
| Shanghai | 上海 | 2,035.2 | 51,433 | 580.8 | 15,302 |
| Wuhu | 蕪湖 | 1,373.6 | 115,828 | – | – |
| Anqing | 安慶 | 1,198.0 | 132,897 | 1,045.8 | 185,336 |
| Changzhou | 常州 | 951.5 | 91,189 | – | – |
| Huzhou | 湖州 | 928.1 | 95,541 | – | – |
| Zhoushan | 舟山 | 734.0 | 35,595 | – | – |
| Wuxi | 無錫 | 432.8 | 32,121 | – | – |
| Others | 其他 | 452.5 | 49,026 | 118.5 | 3,516 |
| Total | 合計 | 12,523.9 | 785,841 | 4,118.5 | 321,358 |

For the year ended 31 December 2018, contract liabilities amounted to approximately RMB6,986.3 million, representing an increase of 39.3% from approximately RMB5,014.1 million for 2017. Contract liabilities were mainly the proceeds received from customers in connection with the pre-sale of properties by the Group, which formed a solid basis for the Group's future growth in recognized revenue.

截至2018年12月31日止年度，合同負債約為人民幣6,986.3百萬元，較2017年的約人民幣5,014.1百萬元，增長39.3%。合同負債主要為本集團預售物業自客戶所收取的所得款項。此款項為本集團未來經確認收益增長奠定堅實基礎。

Revenue recognized from sale of properties

Revenue recognized from sale of properties for the year ended 31 December 2018 amounted to RMB5,879.4 million, representing an increase of approximately 31.3% from approximately RMB4,476.6 million for 2017, accounting for 98.9% of the Group's total revenue. The Group's total completed and delivered GFA amounted to 463,326 square meters in 2018, increased by 46.2% compared to 2017. The increase in revenue recognized from sales of properties was primarily due to an increase in GFA completed and delivered as a result of the Group's continuing expansion.

銷售物業已確認收益

截至2018年12月31日止年度，銷售物業已確認收益為人民幣5,879.4百萬元，較2017年的約人民幣4,476.6百萬元增長約31.3%，佔本集團總收益的98.9%。本集團於2018年已竣工及交付的物業的總建築面積為463,326平方米，較2017年增長46.2%。銷售物業的已確認收益增加，主要歸因於本集團持續擴張使得已竣工及交付的物業的建築面積增加。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)**管理層討論及分析 (續)**

The following table sets forth the details of the revenue recognized from the sales of properties of the Group by areas for the year ended 31 December 2018.

下表載列本集團於截至2018年12月31日止年度物業銷售的已確認收益詳情(按地區劃分)。

| | | 2018 2018年 | | 2017 2017年 | |
|----------|----|--|---------------------------------------|--|---------------------------------------|
| | | Recognized revenue 已確認收入 RMB in millions 人民幣百萬元 | GFA delivered 交付面積 sq.m. 平方米 | Recognized revenue 已確認收入 RMB in millions 人民幣百萬元 | GFA delivered 交付面積 sq.m. 平方米 |
| Shanghai | 上海 | 1,121.0 | 39,123 | 1,173.4 | 42,887 |
| Wenzhou | 溫州 | 2,486.8 | 152,138 | 1,618.3 | 104,087 |
| Nanjing | 南京 | 76.1 | 3,546 | 1,191.5 | 44,893 |
| Ningbo | 寧波 | 1,378.4 | 80,437 | – | – |
| Anqing | 安慶 | 817.1 | 188,082 | 493.4 | 124,942 |
| | | 5,879.4 | 463,326 | 4,476.6 | 316,809 |

Completed properties held for sale

Properties held for sale represent completed properties remaining unsold at the end of each financial year and are stated at the lower of cost and net realizable value. Cost of properties held for sale is determined by an apportionment of related costs incurred attributable to the unsold properties.

The Group's completed properties held for sale decreased by 21.2% from RMB1,388.7 million as of 31 December 2017 to RMB1,094.2 million as of 31 December 2018. The decrease was mainly due to the increase in the GFA of completed properties delivered by the Group.

已竣工持作銷售物業

持作銷售物業指於各財政年度結束仍未出售的已竣工物業，按成本及可變現淨值的較低者列賬。持作銷售物業的成本乃根據未出售物業應佔所產生相關成本的分配釐定。

截至2018年12月31日，本集團已竣工持作銷售物業的金額為人民幣1,094.2百萬元，較截至2017年12月31日的金額人民幣1,388.7百萬元減少21.2%。該減少主要是由於本集團已竣工交付的物業建築面積增加所致。

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

管理層討論及分析 (續)

Properties under development

Properties under development are intended to be held for sale after completion. Properties under development are stated at the lower of cost comprising land costs, construction costs, capitalized interests and other costs directly attributable to such properties incurred during the development period and net realizable value. Upon completion, the properties are transferred to completed properties held for sale.

The Group's properties under development increased by 39.0% from RMB7,916.2 million as of 31 December 2017 to RMB11,003.3 million as of 31 December 2018. The increase was mainly due to the commitment to property development and sales and continuous expansion of business by the Group.

As of 31 December 2018, the Group proactively expanded its business landscape to the southwest region and Guangdong-Hong Kong-Macao Greater Bay Area while intensively penetrating into the Yangtze River Delta Region. At present, the Group together with the associates have 43 projects under development, completed projects and purchased external projects in the Yangtze River Delta Region, 2 projects under development in the southwest region, and 1 project under development in Guangdong-Hong Kong-Macao Greater Bay Area.

PROPERTY INVESTMENT

Property lease income

The Group's rental income decreased by 23.3% from the amount of RMB85.0 million for the year ended 31 December 2017 to approximately RMB65.2 million for the year ended 31 December 2018. The decrease was mainly due to the renovation of the Group's commercial complex located in Shanghai during the year.

在建物業

在建物業擬於竣工後持作銷售。在建物業按成本與可變現淨值的較低者列賬，成本包括土地成本、建設成本、資本化利息及於開發期內直接因有關物業而產生的其他成本。物業於竣工時轉至已竣工持作銷售物業。

截至2018年12月31日，本集團的在建物業金額為人民幣11,003.3百萬元，較截至2017年12月31日的金額人民幣7,916.2百萬元增加39.0%。該增加主要是由於本集團致力於物業的開發及銷售，不斷拓展業務所致。

截至2018年12月31日，本集團積極進取，在深耕長三角地區的同時還將商業版圖拓展至西南地區及粵港澳大灣區。目前本集團連同聯營公司在長三角地區共有43個在建、已竣工及外購項目，西南地區2個在建項目，粵港澳大灣區1個在建項目。

物業投資

物業租賃收入

本集團截至2018年12月31日止年度的租金收入約為人民幣65.2百萬元，較截至2017年12月31日止年度的金額人民幣85.0百萬元減少23.3%。該減少主要是由於本集團位於上海的商業綜合樓本年度進行了重新裝修所致。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論及分析（續）

Investment properties

As of 31 December 2018, the Group owns four commercial complexes in Shanghai, Nanjing and Wenzhou, and also one office floor in Shanghai:

- Shanghai Kai Hong Plaza (上海凱鴻廣場), located at Nos. 1611 and 1661 Sichuan North Road and Nos. 1-3, Lane 258, Dongbaoxing Road, Hongkou District, Shanghai, the PRC, features high-end, professional and decent style, as well as family-friendly facilities and businesses that promote leisure, joy and family bonding.
- Nanjing IST Mall (南京艾尚天地), located at Nos. 100 and 132 Zhongshan Road, Xuanwu District, Nanjing City, Jiangsu Province, the PRC, features vibrant, modern and individualistic style that targets urban residents who enjoy socializing, exploring new frontiers and consuming for what they believe in.
- Affiliated Commercial Property of Nanjing Kaihong Junfu (南京凱鴻雋府配套商業), located at Nos. 90 and 94 Jiangjiayuan Road, Gulou District, Nanjing City, Jiangsu Province, the PRC, features next-door and down-to-earth daily services that target residents in its surrounding areas and provide convenience to their life.
- Affiliated Commercial Property of Dafa Bliss Oriental (Wenzhou) (大發融悅東方(溫州)配套商業), located at the junction of Chenmuqiao Street and Gu'an Road, Ouhai Center District, Wenzhou City, Zhejiang Province, the PRC, is a project under development which is planned for retail usage that targets residents in its surrounding areas.
- Harbour Ring Plaza (港陸廣場), located at No. 18 Xizang Middle Road, Huangpu District, Shanghai City, the PRC, is an office building serving international and domestic corporations. We own seven offices on the 19th floor of the office building.

投資物業

截至2018年12月31日，本集團於上海、南京及溫州擁有四棟商業綜合樓，亦於上海擁有一個辦公樓層：

- 上海凱鴻廣場，位於中國上海市虹口區四川北路1611號及1661號與東寶興路258弄1至3號，特色是高端、專業及正派風格以及具備倡導休閒、娛樂及家庭關係的親子設施及商舖。
- 南京艾尚天地，位於中國江蘇省南京市玄武區中山路100號及132號，特色是朝氣蓬勃、現代及個人主義風格，目標人群是享受社交、探尋新尖端事物及消費其所相信事物的都市居民。
- 南京凱鴻雋府配套商業，位於中國江蘇省南京市鼓樓區姜家園路90號及94號，特色是鄰家及實際日常服務，目標人群是周邊地區的居民，為他們的生活提供便利。
- 大發融悅東方(溫州)配套商業，位於中國浙江省溫州市甌海中心區沉木橋街與古岸路交匯處的一個在建項目，計劃用於面向周邊地區居民的零售用途。
- 港陸廣場，位於中國上海市黃浦區西藏中路18號，服務國際及國內企業的辦公樓。我們擁有該辦公樓第19層的七間辦公室。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論及分析 (續)

PROPERTY MANAGEMENT SERVICES

In March 2018, the Company disposed of our equity interest in Nanjing Wisdom Warden Investment Co., Ltd. (南京緯思武德投資實業有限公司), to an independent third party, with a view to streamlining our Group's organizational structure and focusing on our core business. The Company does not have property management service income after such disposal.

物業管理服務

於2018年3月，本公司將我們於南京緯思武德投資實業有限公司的股權出售予獨立第三方，以簡化本集團的組織架構並專注於我們的核心業務。本公司於有關出售後並無產生物業管理服務收入。

LAND RESERVES

As at 31 December 2018, the Group together with associates owns land reserves with a total planned GFA of approximately 3.4 million square meters. In 2018, the Group together with associates added 21 new land parcels with a total site area of approximately 0.7 million square meters, an estimated total planned GFA of approximately 2.0 million square meters in aggregate and total land costs of approximately RMB6,068.0 million.

土地儲備

於2018年12月31日，本集團連同聯營公司擁有土地儲備總規劃建築面積約3.4百萬平方米。於2018年，本集團連同聯營公司新增21塊新地塊，總佔地面積約為0.7百萬平方米，合計總估計規劃建築面積約2.0百萬平方米，總土地成本約人民幣6,068.0百萬元。

The table below sets forth the details of the new land parcels of the Group for the year ended 31 December 2018:

下表載列本集團於截至2018年12月31日止年度的新增地塊詳情：

| | Project | Location | Interests attributable to the Group | Types of properties | Total site area (sq.m.) | Estimated total GFA (sq.m.) | Land costs (RMB million) | Average land costs (RMB/sq.m.) |
|---|--|----------------|-------------------------------------|---------------------|-------------------------|-----------------------------|--------------------------|--------------------------------|
| | 項目 | 位置 | 本集團應佔權益 | 物業類型 | 總佔地面積 (平方米) | 估計總建築面積 (平方米) | 土地成本 (人民幣百萬元) | 平均土地成本 (人民幣元/平方米) |
| 1 | Ningbo Land Lot 2018-028 寧波2018-028地塊 | Ningbo 寧波 | 30% | Residential 住宅 | 17,333 | 34,878 | 90 | 2,579 |
| 2 | Yuyao Land Lot 2018-55 余姚2018-55地塊 | Ningbo 寧波 | 88% | Residential 住宅 | 15,044 | 32,834 | 59 | 1,805 |
| 3 | Fanchang Dafa Bliss (Land Lot FT1809) 繁昌大發融悅 (FT1809地塊) | Wuhu 蕪湖 | 9% | Residential 住宅 | 22,197 | 56,979 | 118 | 2,064 |
| 4 | Yancheng Land Lot 201815 鹽城201815地塊 | Yancheng 鹽城 | 91% | Residential 住宅 | 54,451 | 203,015 | 289 | 1,425 |
| 5 | Xuzhou Dafa Bliss Oriental (Pizhou Land Lot 2018-10) 徐州大發融悅東方 (邳州2018-10地塊) | Xuzhou 徐州 | 91% | Residential 住宅 | 49,126 | 153,833 | 251 | 1,630 |

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論及分析 (續)

| | Project 項目 | Location 位置 | Interests attributable to the Group 本集團 應佔權益 | Types of properties 物業 類型 | Total site area (sq.m.) 總佔地面積 (平方米) | Estimated total GFA (sq.m.) 估計總建築 面積 (平方米) | Land costs (RMB million) 土地成本 (人民幣百萬元) | Average land costs (RMB/sq.m.) 平均土地成本 (人民幣元/ 平方米) |
|----|---|-----------------|---|-------------------------------------|---|--|---|--|
| 6 | Huzhou Bliss Jinyuan (southern side of Xinhu Road, Changxing, Huzhou Land Lot A-1) 湖州融悅錦園 (湖州長興忻湖路南側A-1地塊) | Huzhou 湖州 | 43% | Residential 住宅 | 52,918 | 145,923 | 353 | 2,419 |
| 7 | Huzhou Land Lot 2018-36 湖州2018-36地塊 | Huzhou 湖州 | 10% | Residential, commercial 住宅、商業 | 35,461 | 112,484 | 610 | 5,424 |
| 8 | Anji Banda East Road Project (Land Lot AJ2018J-77) 安吉半島東路項目 (AJ2018J-77地塊) | Huzhou 湖州 | 25% | Residential 住宅 | 53,254 | 113,955 | 246 | 2,156 |
| 9 | Jurong Land Lot 2018-J1-1-04 句容2018-J1-1-04地塊 | Zhenjiang 鎮江 | 44% | Residential 住宅 | 45,781 | 106,325 | 345 | 3,243 |
| 10 | Jurong Land Lot 2018-J1-1-05 句容2018-J1-1-05地塊 | Zhenjiang 鎮江 | 23% | Residential 住宅 | 38,731 | 89,956 | 294 | 3,263 |
| 11 | Changzhou Land Lot GP2017083 常州GP2017083地塊 | Changzhou 常州 | 34% | Residential 住宅 | 69,261 | 169,796 | 406 | 2,389 |
| 12 | Yidi Land Lot 2018(10) 宜地2018(10)號地塊 | Wuxi 無錫 | 39% | Residential 住宅 | 25,829 | 52,586 | 270 | 5,134 |
| 13 | Yidi Land Lot 2018(49) 宜地2018(49)號地塊 | Wuxi 無錫 | 100% | Residential 住宅 | 17,959 | 40,389 | 113 | 2,793 |
| 14 | Changshu Land Lot 320581108009GB00033 常熟320581108009GB00033 地塊 | Suzhou 蘇州 | 25% | Residential 住宅 | 17,361 | 49,414 | 119 | 2,415 |
| 15 | Jiaxing Jingkai Land Lot 2018-13 嘉興經開2018-13地塊 | Jiaxing 嘉興 | 90% | Residential 住宅 | 37,167 | 97,397 | 461 | 4,733 |

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論及分析 (續)

| | Project 項目 | Location 位置 | Interests attributable to the Group 本集團 應佔權益 | Types of properties 物業 類型 | Total site area (sq.m.) 總佔地面積 (平方米) | Estimated total GFA (sq.m.) 估計總建築 面積 (平方米) | Land costs (RMB million) 土地成本 (人民幣百萬元) | Average land costs (RMB/sq.m.) 平均土地成本 (人民幣元/ 平方米) |
|----|---|-----------------|---|--|---|--|---|--|
| 16 | Qionglai Land Lot QL2018-09(07/05) 邛崃QL2018-09(07/05)地塊 | Chengdu 成都 | 91% | Residential, commercial service 住宅、商服 | 23,519 | 96,309 | 209 | 2,168 |
| 17 | Chongqing Land Lot BN-22-528 重慶BN-22-528地塊 | Chongqing 重慶 | 91% | Residential 住宅 | 37,142 | 114,768 | 352 | 3,069 |
| 18 | Yingde Land Lot 101536 英德101536地塊 | Qingyuan 清遠 | 100% | Residential 住宅 | 14,014 | 83,493 | 110 | 1,313 |
| 19 | Xuzhou Land Lot 2018-39 徐州2018-39號地塊 | Xuzhou 徐州 | 100% | Residential 住宅 | 24,441 | 63,351 | 311 | 4,912 |
| 20 | Hefei Land Lot E1805 合肥E1805地塊 | Hefei 合肥 | 100% | Residential 住宅 | 49,546 | 146,990 | 679 | 4,617 |
| 21 | Hefei Land Lot E1806 合肥E1806地塊 | Hefei 合肥 | 100% | Residential 住宅 | 25,168 | 74,818 | 384 | 5,134 |
| | Total 合計 | | | | 725,704 | 2,039,494 | 6,068 | 2,975 |

For details of property development projects of the Group for the year ended 31 December 2018, please see section headed “Summary of Principal Properties” in this annual report.

本集團於截至2018年12月31日止年度的物業開發項目詳情載於本年報「主要物業概要」一節。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)**管理層討論及分析 (續)****FINANCIAL REVIEW****Revenue**

The Group's total revenue increased by 30.1% from RMB4,569.6 million for the year ended 31 December 2017 to RMB5,946.0 million for the year ended 31 December 2018. The increase was mainly attributable to the increase in revenue from sales of properties.

Cost of sales

The cost of sales for the property development by the Group mainly comprised cost of properties sold, which represented direct construction costs, land use right costs and capitalised interest costs on related borrowings for the purpose of property development during the period of construction. Cost of commercial property investment and operations primarily includes staff costs, utility costs and repair and maintenance costs. Cost of property management services primarily includes staff costs and utility costs associated with the Group's property management company and other costs associated with the management of the properties and provision of related services.

The Group's cost of sales increased by 11.5% from RMB3,912.4 million for the year ended 31 December 2017 to RMB4,364.1 million for the year ended 31 December 2018, which was primarily attributable to the increase in total GFA of properties delivered during the year.

財務回顧**收益**

本集團的總收益由截至2017年12月31日止年度的人民幣4,569.6百萬元增加30.1%至截至2018年12月31日止年度的人民幣5,946.0百萬元。有關增加主要由於物業銷售收益增加所致。

銷售成本

本集團物業開發的銷售成本主要包括已出售物業成本，乃指建設期間的直接建設成本、土地使用權成本及就物業開發取得相關借貸的資本化利息成本。商業物業投資及經營成本主要包括員工成本、水電費及修理及維修成本。物業管理服務成本主要包括與本集團的物業管理公司有關的員工成本及水電費以及與物業管理及提供相關服務有關的其他成本。

本集團的銷售成本由截至2017年12月31日止年度的人民幣3,912.4百萬元增加11.5%至截至2018年12月31日止年度的人民幣4,364.1百萬元，主要由於該年度已交付物業總建築面積增加所致。

| | | For the year ended 31 December 截至12月31日止年度 | | | |
|------------------------------|-----------|---|---|--|---|
| | | 2018 2018年 | | 2017 2017年 | |
| | | Revenue 收益 RMB in millions 人民幣百萬元 | % of Total revenue 佔總收益 百分比 % | Revenue 收益 RMB in millions 人民幣百萬元 | % of Total revenue 佔總收益 百分比 % |
| Sales of properties | 物業銷售 | 5,879.4 | 98.9 | 4,476.6 | 98.0 |
| Property lease income | 物業租賃收入 | 65.2 | 1.0 | 85.0 | 1.9 |
| Property management services | 物業管理服務 | 1.4 | 0.1 | 8.0 | 0.1 |
| Total | 總計 | 5,946.0 | 100.0 | 4,569.6 | 100.0 |

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論及分析 (續)

Gross profit and gross profit margin

The Group's gross profit increased by 140.7% from RMB657.3 million for the year ended 31 December 2017 to RMB1,582.0 million for the year ended 31 December 2018. The gross profit margin increased from 14.4% for the year ended 31 December 2017 to 26.6% for the year ended 31 December 2018, mainly due to properties with relatively higher gross profit margin being delivered during the year.

毛利及毛利率

本集團的毛利由截至2017年12月31日止年度的人民幣657.3百萬元增加140.7%至截至2018年12月31日止年度的人民幣1,582.0百萬元。毛利率由截至2017年12月31日止年度的14.4%增長至截至2018年12月31日止年度的26.6%，主要由於該年度交付較高毛利率的物業所致。

| | | For the year ended 31 December 截至12月31日止年度 | | | |
|------------------------------|-----------|---|---|---|---|
| | | 2018 2018年 | | 2017 2017年 | |
| | | Gross profit 毛利 (RMB in millions) (人民幣百萬元) | Gross profit margin 毛利率 (%) (%) | Gross profit 毛利 (RMB in millions) (人民幣百萬元) | Gross profit margin 毛利率 (%) (%) |
| Sales of properties | 物業銷售 | 1,525.0 | 25.9 | 587.0 | 13.1 |
| Property lease income | 物業租賃收入 | 55.9 | 85.7 | 65.0 | 76.4 |
| Property management services | 物業管理服務 | 1.1 | 78.6 | 5.3 | 66.5 |
| Total | 總計 | 1,582.0 | 26.6 | 657.3 | 14.4 |

Finance income

Finance income consists of interest income on bank deposits. Our finance income increased by 90.3% from RMB9.3 million for the year ended 31 December 2017 to RMB17.7 million for the year ended 31 December 2018 mainly due to the increase in the total amount of bank deposits.

融資收入

融資收入包括銀行存款利息收入。本集團的融資收入由截至2017年12月31日止年度的人民幣9.3百萬元增加90.3%至截至2018年12月31日止年度的人民幣17.7百萬元，主要由於銀行存款總額增加所致。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論及分析 (續)

Other income and gains

The Group's other income and gains increased from RMB3.0 million for the year ended 31 December 2017 to RMB37.7 million for the year ended 31 December 2018, which primarily due to the gain on disposal of subsidiaries during the year.

Selling and distribution expenses

The Group's selling and distribution expenses primarily consist of advertising, marketing and business development expenses, commissions paid to external sales agents and office expenses.

The Group's selling and distribution expenses increased by 87.5% from RMB94.3 million for the year ended 31 December 2017 to RMB176.8 million for the year ended 31 December 2018 primarily due to (i) the Group's strengthened advertising, marketing and business development efforts to promote newly launched property projects in new cities and regions; and (ii) the expansion of the Group's internal sales and marketing team to support its business expansion during the year.

Administrative expenses

The Group's administrative expenses primarily consist of staff costs, taxes, listing expenses, office and meeting expenses and other miscellaneous expenses.

The Group's administrative expenses increased by 180.1% from RMB133.9 million for the year ended 31 December 2017 to RMB375.1 million for the year ended 31 December 2018, mainly due to the increase in our management and administrative headcount, listing expenses, travelling expenses and other miscellaneous expenses, which was in line with our business expansion.

Other expenses

Other expenses are mainly for charitable donations and loss on disposal of property, plant and equipment.

The Group's other expenses decreased from RMB27.6 million for the year ended 31 December 2017 to RMB20.3 million for the year ended 31 December 2018.

其他收入及收益

本集團的其他收入及收益由截至2017年12月31日止年度的人民幣3.0百萬元增加至截至2018年12月31日止年度的人民幣37.7百萬元，主要由於該年度的出售子公司收益。

銷售及分銷開支

本集團的銷售及分銷開支主要包括廣告、營銷及業務發展開支、支付予外部銷售代理的佣金及辦公室開支。

本集團的銷售及分銷開支由截至2017年12月31日止年度的人民幣94.3百萬元增加87.5%至截至2018年12月31日止年度的人民幣176.8百萬元，主要由於(i)本集團加大廣告、營銷及業務發展力度，以推廣在新城市及區域新推出的物業項目；及(ii)擴大本集團的內部銷售及營銷團隊，以支持本集團於該年度的業務擴展。

行政開支

本集團的行政開支主要包括員工成本、稅項、上市開支、辦公室及會議開支及其他雜項開支。

本集團的行政開支由截至2017年12月31日止年度的人民幣133.9百萬元增加180.1%至截至2018年12月31日止年度的人民幣375.1百萬元，主要由於本集團的管理及行政總人數、上市開支、差旅開支及其他雜項開支因應業務擴張而增加。

其他開支

其他開支主要為公益捐贈及處置物業、廠房及設備虧損。

本集團的其他開支由截至2017年12月31日止年度的人民幣27.6百萬元減少至截至2018年12月31日止年度的人民幣20.3百萬元。

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

管理層討論及分析 (續)

Fair value gains on investment properties

The Group owns four commercial complexes in Shanghai, Nanjing and Wenzhou, and one office floor in Shanghai on a long-term basis to obtain stable rental income and cash flows.

For the year ended 31 December 2018, the Group recorded fair value gains on investment properties of RMB61.3 million (for the year ended 31 December 2017: RMB58.0 million), which was attributable to the fair value gain on investment properties located in Nanjing and Shanghai.

Finance costs

The Group's finance costs mainly consist of interest on bank and other borrowings, and interest from significant financing component of contract liabilities less capitalised interest costs on related borrowings for the purpose of property development.

The Group's finance costs decreased by 0.7% from RMB133.7 million for the year ended 31 December 2017 to RMB132.7 million for the year ended 31 December 2018, primarily due to the Group's repayment of certain borrowings from certain proceeds from the initial public offering and proceeds from pre-sales and sales of our properties, which resulted in a decrease in the balance of borrowings.

Share of losses of associates

The Group's share of losses of associates increased from RMB2.6 million for the year ended 31 December 2017 to RMB4.0 million for the year ended 31 December 2018. The losses were primarily attributable to the rising number of projects under development of the associates, which will be in the development stage before contributing profits to the Group in the coming years.

投資物業的公允價值收益

本集團長期持有於上海、南京及溫州的四棟商業綜合樓，及於上海的一個辦公樓層以獲取穩定的租金收入及現金流量。

截至2018年12月31日止年度，本集團錄得投資物業的公允價值收益人民幣61.3百萬元（截至2017年12月31日止年度：人民幣58.0百萬元），歸因於位於南京及上海的投資物業的公允價值收益。

融資成本

本集團的融資成本主要包括銀行及其他借貸的利息以及合同負債重大融資部分的利息扣除就物業開發取得相關借貸的資本化利息成本。

本集團的融資成本由截至2017年12月31日止年度的人民幣133.7百萬元減少0.7%至截至2018年12月31日止年度的人民幣132.7百萬元，主要由於本集團以部分首次公開發售所得款項及物業預售及銷售所得款項償還了若干借貸，借貸餘額下降所致。

分佔聯營公司虧損

本集團分佔聯營公司虧損由截至2017年12月31日止年度的人民幣2.6百萬元增加至截至2018年12月31日止年度的人民幣4.0百萬元。有關虧損主要由於聯營公司的在建項目數目增加，而該等項目在未來幾年為本集團貢獻利潤之前將處於開發階段。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論及分析 (續)

Income tax expenses

The Group's income tax expenses represent corporate income tax and land appreciation tax ("LAT") payable by the Group's subsidiaries in the PRC.

The Group's income tax expenses increased by 161.3% from RMB191.4 million for the year ended 31 December 2017 to RMB500.1 million for the year ended 31 December 2018 mainly due to the increase in the Group's taxable profit. The Group's effective tax rate was 38.4% for the year ended 31 December 2018, compared with 43.3% for the year ended 31 December 2017.

Profit for the year

As a result of the foregoing, the Group's profit for the year increased significantly from RMB144.2 million for the year ended 31 December 2017 to RMB489.4 million for the year ended 31 December 2018.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

The Group funded and is expected to continue to fund its operations principally from proceeds from the initial public offering, cash generated from its operations, mainly including proceeds from pre-sales and sales of our properties, receipt of rental income, as well as bank loans and borrowings from financial institutions. Going forward, the Group may also look for additional financing opportunities, such as the issuance of corporate bonds, asset-backed securities programs and other debt offerings.

Cash positions

As at 31 December 2018, the Group had cash and cash equivalents of RMB1,487.1 million (31 December 2017: RMB377.2 million), pledged deposits of RMB26.3 million (31 December 2017: RMB14.9 million) and restricted cash of RMB650.6 million (31 December 2017: RMB211.1 million).

The Group's cash and cash equivalents are mainly denominated in Renminbi with the remaining denominated in US dollars and Hong Kong dollars.

所得稅費用

本集團的所得稅費用指本集團的中國子公司應付的企業所得稅及土地增值稅(「土地增值稅」)。

本集團的所得稅費用由截至2017年12月31日止年度的人民幣191.4百萬元增加161.3%至截至2018年12月31日止年度的人民幣500.1百萬元，主要由於本集團的應課稅利潤增加。本集團截至2018年12月31日止年度的實際稅率為38.4%，而截至2017年12月31日止年度則為43.3%。

年內利潤

由於上述原因，本集團的年內利潤由截至2017年12月31日止年度的人民幣144.2百萬元大幅增加至截至2018年12月31日止年度的人民幣489.4百萬元。

流動性、財務及資本資源

本集團過往並預期將繼續主要以首次公開發售所得款項、經營所得現金(主要包括物業預售及銷售所得款項及收取租金收入)以及銀行貸款及金融機構借貸撥付營運。日後，本集團亦可能尋求額外融資機會，如發行公司債券、資產支持證券計劃及其他債務發售。

現金狀況

於2018年12月31日，本集團的現金及現金等價物為人民幣1,487.1百萬元(2017年12月31日：人民幣377.2百萬元)、已質押存款人民幣26.3百萬元(2017年12月31日：人民幣14.9百萬元)及受限制現金人民幣650.6百萬元(2017年12月31日：人民幣211.1百萬元)。

本集團的現金及現金等價物以人民幣為主要貨幣單位，其他以美元及港元為貨幣單位。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論及分析 (續)

Borrowings and charges of assets

As at 31 December 2018, the total interest-bearing bank and other borrowings of the Group were RMB5,645.2 million (as at 31 December 2017: RMB5,987.3 million), of which, the Group's long-term borrowings accounted for 61.1% and fixed-rate borrowings accounted for 78.7% of borrowings, respectively. The Group's interest-bearing bank and other borrowings were denominated in Renminbi and Hong Kong dollar.

Certain bank and other borrowing of the Group were secured by properties under development, investment properties, completed properties held for sale and property, plant and equipment of the Group.

借貸及資產抵押

於2018年12月31日，本集團的總計息銀行及其他借貸為人民幣5,645.2百萬元（於2017年12月31日：人民幣5,987.3百萬元），其中，本集團之長期借貸佔借貸比例為61.1%，固定利率借貸佔借貸比例為78.7%。本集團的計息銀行及其他借貸以人民幣及港元列值。

本集團若干銀行及其他借貸由本集團的在建物業、投資物業、已竣工持作銷售物業及物業、廠房及設備作抵押。

| | | As of 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 |
| Current | 即期 | | |
| Bank loans – secured | 銀行貸款 – 有抵押 | – | 5,000 |
| Bank deposits – unsecured | 銀行存款 – 無抵押 | – | 20,000 |
| Other loans – secured | 其他貸款 – 有抵押 | 688,450 | – |
| Other loans – unsecured | 其他貸款 – 無抵押 | 56,200 | – |
| Current portion of long term bank loans – secured | 長期銀行貸款的即期部分 – 有抵押 | 736,370 | 210,203 |
| Current portion of long term other loans – secured | 其他長期貸款的即期部分 – 有抵押 | 713,188 | 355,024 |
| | | 2,194,208 | 590,227 |
| Non-current | 非即期 | | |
| Bank loans – secured | 銀行貸款 – 有抵押 | 2,522,195 | 3,739,728 |
| Other loans – secured | 其他貸款 – 有抵押 | 928,815 | 1,557,693 |
| Other loans – unsecured | 其他貸款 – 無抵押 | – | 99,622 |
| | | 3,451,010 | 5,397,043 |
| | | 5,645,218 | 5,987,270 |

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論及分析 (續)

The table below sets forth aging analysis of our interest-bearing bank and other borrowings as of the dates indicated.

下表載列於所示日期我們計息銀行及其他借貸的賬齡分析。

| | | As of 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 |
| Bank loans repayable: | 應償還銀行貸款： | | |
| Within one year or on demand | 一年內或按要求 | 736,370 | 235,203 |
| In the second year | 於第二年 | 560,150 | 727,128 |
| In the third to fifth years, inclusive | 於第三年至第五年 (包括首尾兩年) | 417,692 | 1,357,800 |
| Beyond five years | 五年以上 | 1,544,353 | 1,654,800 |
| | | 3,258,565 | 3,974,931 |
| Other loans repayable: | 應償還其他貸款： | | |
| Within one year or on demand | 一年內或按要求 | 1,457,838 | 355,024 |
| In the second year | 於第二年 | 928,815 | 1,657,315 |
| | | 2,386,653 | 2,012,339 |
| | | 5,645,218 | 5,987,270 |

Net gearing ratio

The Group's net gearing ratio decreased from 270.8% as at 31 December 2017 to 107.2% as at 31 December 2018, primarily due to (i) the Group's continuous efforts to manage its financial leverage to achieve sustainable growth; and (ii) the net proceeds from the IPO. Net gearing ratios as of 31 December 2017 and 2018 were calculated as total interest-bearing bank and other borrowings less cash and bank balances divided by total equity as of the end of the respective years.

淨資產負債比率

本集團的淨資產負債比率由2017年12月31日的270.8%下降至2018年12月31日的107.2%，主要是由於(i)本集團不斷努力管理其財務槓桿以實現可持續增長；及(ii)首次公開發售淨所得款項。於2017年及2018年12月31日的淨資產負債比率乃按總計息銀行及其他借貸減現金及銀行結餘除以各年度結束時的總權益計算。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論及分析 (續)

Contingent liabilities

The Group provides mortgage guarantees to banks in respect of the mortgage loans they provided to the Group's customers in order to secure the repayment obligations of such customers. The mortgage guarantees are issued from the date of grant of the relevant mortgage loans and released upon the earlier of (i) the transfer of the relevant real estate ownership certificates to the customers, or (ii) the settlement of mortgage loans by the customers. If a purchaser defaults on the mortgage loan, the Group is typically required to repurchase the underlying property by paying off the mortgage loan. If it fails to do so, the mortgagee banks will auction the underlying property and recover the balance from the Group if the outstanding loan amount exceeds the net foreclosure sale proceeds.

As at 31 December 2018, the Group's contingent liabilities were as follows:

或然負債

本集團就銀行提供予本集團客戶的按揭貸款向其提供按揭擔保，以確保該等客戶的還款責任。該等按揭擔保自授予相關按揭貸款之日起發出，並於下列較早者解除：(i)相關房屋所有權證過戶予客戶、或(ii)客戶結清按揭貸款。倘買方拖欠按揭貸款，本集團一般須通過付清按揭貸款的方式回購相關物業。倘未能付清按揭貸款，按揭銀行將拍賣相關物業，而若未償還貸款款項超過淨止贖權銷售所得款項，則由本集團支付餘額。

於2018年12月31日，本集團的或然負債如下：

| | | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|---|------------------------|-----------------------------------|-----------------------------------|
| Guarantees given to banks in connection with facilities granted to purchasers of the Group's properties | 向銀行作出的有關授予本集團物業買方融資的擔保 | 2,373,472 | 2,552,329 |

Commitments

As at 31 December 2018, the Group had the following commitments:

承擔

於2018年12月31日，本集團的承擔如下：

| | | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|---|----------|-----------------------------------|-----------------------------------|
| Contracted, but not provided for: | 已訂約但未撥備： | | |
| Property development activities | 物業開發活動 | 1,804,466 | 922,070 |
| Acquisition of land use rights | 收購土地使用權 | 540,261 | 550,796 |
| Capital contributions payable to associates | 應付聯營公司注資 | 92,100 | — |
| | | 2,436,827 | 1,472,866 |

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論及分析 (續)

Significant investments, major acquisitions and disposals

During the year ended 31 December 2018, the Group did not hold other significant investments in, or conduct material acquisitions or disposals of, subsidiaries, associates and joint ventures.

Exchange risk

The Group's business is principally conducted in Renminbi and most of its monetary assets and liabilities are denominated in Renminbi. Accordingly, the Group considers its exposure to currency risk to be insignificant. As of 31 December 2018, the Group has not entered into any hedging transactions against foreign currency risks.

OUTLOOK FOR 2019

Looking forward into 2019, the Group believes in the immense potentials in real estate industry in China. The continuation of urbanization and pursuits for better and improved living environment would be propelled by the increasing population of middle class and high net wealth market segments. The pillars of success lie in the ability to understand customer needs and effective execution of product and service delivery to meet their expectations. The Group will continue its customer-oriented design approach and the breakthrough concept of situational styles in its project developments. With increased brand awareness and recognition, the Group expects its customer base and customer satisfaction to be enhanced further, along with lifetime value of its customers. The Group is well placed for long-term sustainable growth in the future given its leverage to key demand drivers including population growth, urbanization, wealth accumulation and infrastructure improvement.

In order to strengthen the market positioning strategy, the Group has created eight Yue scenario systems based on the scenario experience in the residential property projects under construction, namely, Yue Home (悦歸家), Yue Walk (悦漫步), Yue Life (悦起居), Yue Growth (悦成長), Yue Neighborhood (悦友鄰), Yue Accompaniment (悦陪伴), Yue Control (悦智控) and Yue Sports (悦運動) and we have built a "scenario system" for "Yue" Series products based on such product concept, to provide system solutions for customers who pursue residential quality.

重大投資、重大收購及出售

截至2018年12月31日止年度期間，本集團並無持有其他重大投資、重大收購或出售子公司、聯營公司及合營企業。

匯兌風險

本集團業務主要以人民幣進行且我們的大部分貨幣資產及負債以人民幣計值。因此，本集團認為承受的貨幣風險並不重大。於2018年12月31日，本集團並未針對外匯風險訂立任何對沖交易。

2019年展望

展望2019年，本集團相信中國房地產行業的巨大潛力。中等及高收入市場分部的人口不斷增加將推動持續城市化並推動對更好跟完善的生活環境的追求。成功的關鍵在於了解客戶需求並有效提供產品及服務以滿足其期望的能力。本集團於其項目開發過程中將沿用其以客戶為導向的設計方法及情景風格嶄新概念。隨著品牌知名度和認知度提高，本集團預計其客戶基礎及客戶滿意度將進一步提升，同時客戶的終身價值也將得到改進。鑒於其對人口增長、城市化、財富積累及基礎設施改善等主要需求驅動因素的槓桿作用，本集團有足夠能力在未來實現長期可持續增長。

為加強市場定位策略，本集團已於在建住宅物業項目中以情景體驗為原點，創造出八大悦情景系統，分別為悦歸家、悦漫步、悦起居、悦成長、悦友鄰、悦陪伴、悦智控、悦運動，並以此產品理念，構建了「悦」系產品「情景系統」，為追求居住品質的客戶提供系統解決方案。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論及分析 (續)

USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING

The Company's shares have been listed on the Main Board of the Stock Exchange since 11 October 2018 (the "Listing Date"). Net proceeds from the initial public offering and partially exercising the over-allotment option received by the Company were approximately RMB809.7 million after deducting the underwriting commission and relevant expenses. The net proceeds have been applied for the purpose in accordance with the future plans and use of proceeds as set out in the prospectus of the Company dated 28 September 2018. As at 31 December 2018, the unutilised proceeds were deposited in licensed banks in Hong Kong and China.

首次公開發售所得款項用途

本公司股份自2018年10月11日(「上市日期」)起在聯交所主板上市。扣除包銷佣金及相關開支後，本公司收取的首次公開發售及部分行使超額配股權的淨所得款項約為人民幣809.7百萬元。淨所得款項已根據本公司日期為2018年9月28日的招股章程所載的未來計劃及所得款項用途而應用。於2018年12月31日，未動用所得款項存放於香港及中國的持牌銀行。

| Purpose | 用途 | Percentage of total amount 佔總額百分比 % | Net proceeds 淨所得款項 RMB in million 人民幣百萬元 | Utilised amount 已動用金額 RMB in million 人民幣百萬元 | Unutilised amount 未動用金額 RMB in million 人民幣百萬元 |
|---|-------------|---|---|--|--|
| Contractual arrangements and project expenditures | 合同安排及項目支出 | 60% | 485.8 | 40.4 | 445.4 |
| Repayment of loans | 償還貸款 | 30% | 242.9 | 242.9 | - |
| General corporate and working capital purposes | 一般公司及營運資金用途 | 10% | 81.0 | 12.1 | 68.9 |
| Total | 總計 | 100% | 809.7 | 295.4 | 514.3 |

EMPLOYEES AND REMUNERATIONS

As at 31 December 2018, the Group had a total of 1,057 employees (as at 31 December 2017: 388 employees). For the year ended 31 December 2018, the Group has recognised staff costs of RMB153.4 million (2017: RMB62.2 million). The Group provided employees with salaries and benefits that, in its opinion, were competitive with market standards and regularly reviewed the remuneration policies based on employees' contributions and industry standards. The Group also contributed to medical insurance, pension insurance, maternity insurance, unemployment insurance, work-related injury insurance and housing provident funds for our employees and paid relevant insurance premiums. In addition, the Group was committed to cultivating all-level skilled employees. The Group provided training programs based on the positions and expertise of our employees to enhance their understanding and apprehension of the property industry and related fields. Besides internal training, the Group also engaged external experts to provide training courses for its employees from time to time.

僱員與薪酬

於2018年12月31日，本集團擁有合共1,057名僱員(於2017年12月31日：388名僱員)。截至2018年12月31日止年度，本集團確認員工成本為人民幣153.4百萬元(2017年：人民幣62.2百萬元)。本集團向僱員提供本集團認為與市場標準相比具有競爭力的薪金及福利，並根據僱員貢獻及行業標準定期檢討薪酬政策。本集團亦為僱員繳納醫療保險、養老保險、生育保險、失業保險、工傷保險及住房公積金以及支付相關保費。另外，本集團致力於培養各級別擁有熟練技能的僱員。本集團根據僱員的職位及專門知識向他們提供培訓項目，以加強他們對物業行業及相關領域的理解和認識。除內部培訓外，本集團亦不時聘請外部專家為本集團的僱員提供培訓課程。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論及分析（續）

CORPORATE GOVERNANCE

The Board and the management of the Company are committed to the maintenance of good corporate governance practices and procedures.

The Company has adopted the corporate governance code (the “**Corporate Governance Code**”) contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as its own code on corporate governance. To the best knowledge of the Directors, the Company has complied with all applicable code provisions under the Corporate Governance Code from the Listing Date to 31 December 2018.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “**Model Code**”) as its code of conduct regarding the securities transactions by the Directors. The Model Code was not applicable to the Directors until the shares were listed on the Stock Exchange on the Listing Date. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the Model Code from the Listing Date to 31 December 2018.

PURCHASE, SALE OR REDEMPTION OF LISTING SECURITIES OF THE COMPANY

Neither the Company nor any member of the Group has purchased, sold or redeemed any of the Company’s shares during the period from the Listing Date to 31 December 2018.

企業管治

董事會及本公司管理層承諾維持良好企業管治常規及程序。

本公司已採納聯交所證券上市規則（「上市規則」）附錄十四所載的企業管治守則（「企業管治守則」）作為其自身企業管治守則。就董事所知，本公司自上市日期起直至2018年12月31日一直遵守企業管治守則項下的所有適用守則條文。

遵守董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「標準守則」），作為其有關董事進行證券交易的行為準則。標準守則在股份於上市日期在聯交所上市前不適用於董事。經本公司作出特定查詢後，全體董事已確認自上市日期起直至2018年12月31日均已遵守標準守則。

購買、出售或贖回本公司上市證券

自上市日期至2018年12月31日期間，本公司或本集團任何成員公司概無購買、出售或贖回本公司任何股份。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

EXECUTIVE DIRECTORS

Mr. Ge Yiyang, aged 35, was appointed as the executive Director of the Company on 23 March 2018. Mr. Ge is responsible for the overall strategic planning of the Group. He has over 11 years of experience in the PRC real estate industry. In addition, Mr. Ge currently holds directorship in some subsidiaries of the Group.

Mr. Ge obtained his bachelor's degree in business administration and computer science from Aston University in the U.K., in July 2006. He also obtained an executive master business administration degree from Cheung Kong Graduate School of Business (長江商學院) in Beijing, the PRC in September 2013. Mr. Ge also enrolled in the DBA program (企業家學者項目) offered by Cheung Kong Graduate School of Business in October 2016.

Mr. Liao Lujiang, aged 47, has been the executive Director since 23 March 2018. He was appointed as the chief executive officer on 4 April 2018 and is responsible for business operations and daily management of the Group. Mr. Liao has over 11 years of experience in the PRC real estate industry. He joined the Group in February 2018 and has been the chief executive officer of Shanghai Dafa. From October 2006 to January 2011, Mr. Liao was with Longfor Properties Co., Ltd. (龍湖地產有限公司), a company listed on the Stock Exchange (stock code: 960), where he successively served as a deputy manager of the department of human resources and a personnel director of human resources and was responsible for human resource management. From January 2011 to January 2018, Mr. Liao served as an executive director of Shimao Property Holdings Limited (世茂房地產控股有限公司), a company listed on the Stock Exchange (stock code: 813), where he was responsible for operation, information technology and human resources. Since September 2015, Mr. Liao has been a director of Beijing Bozhicheng Management Consulting Co., Ltd. (北京博志成在線科技股份有限公司), a technology company, whose shares are quoted on the National Equities Exchange and Quotations System (stock code: 872526).

執行董事

葛一陽先生，35歲，於2018年3月23日獲委任為本公司執行董事。葛先生負責本集團的整體戰略規劃。他於中國房地產行業擁有逾11年經驗。此外，葛先生現時於本集團若干子公司擔任董事職位。

葛先生於2006年7月取得英國阿斯頓大學工商管理及計算機科學學士學位。他亦於2013年9月取得中國北京長江商學院的高級管理人員工商管理碩士學位。葛先生亦於2016年10月加入長江商學院提供的企業家學者項目。

廖魯江先生，47歲，自2018年3月23日起為執行董事。他於2018年4月4日獲委任為首席執行官，負責本集團的業務營運及日常管理。廖先生於中國房地產行業擁有逾11年經驗。他於2018年2月加入本集團並擔任上海大發的首席執行官。於2006年10月至2011年1月，廖先生任職於龍湖地產有限公司（一家於聯交所上市的公司，股份代號：960），先後擔任人力資源部副經理及人力資源人員主管並負責人力資源管理。於2011年1月至2018年1月，廖先生擔任世茂房地產控股有限公司（一家於聯交所上市的公司，股份代號：813）的執行董事，負責營運、資訊科技及人力資源。自2015年9月起，廖先生一直擔任北京博志成在線科技股份有限公司（一家科技公司，其股份於全國中小企業股份轉讓系統掛牌，股票代碼：872526）的董事。

DIRECTORS AND SENIOR MANAGEMENT *(Continued)*

董事及高級管理層 (續)

Mr. Liao obtained a master's degree in public administration from Tsinghua University (清華大學) in Beijing, the PRC in July 2004. He also obtained an executive master of business administration degree from The Hong Kong University of Science and Technology in Hong Kong in November 2016.

Mr. Chi Jingyong, aged 41, has been the executive Director since 23 March 2018 and is primarily responsible for cost control and procurement of the Group. Mr. Chi has over 17 years of experience in the PRC real estate industry. Mr. Chi is currently the chairman of the board of directors of Wenzhou Kaize Real Estate.

Mr. Chi obtained his bachelor's degree in architectural engineering from Tongji University (同濟大學) in Shanghai, the PRC in January 2006 through online education. He also obtained a master's degree in international real estate from The Hong Kong Polytechnic University in Hong Kong in October 2012. Mr. Chi was granted the qualification as a constructor by the Ministry of Personnel of the PRC (中華人民共和國人事部) and the Ministry of Construction of the PRC (中華人民共和國建設部) in March 2007. He also obtained the qualification as a cost engineer granted by the Ministry of Human Resources and Social Security of the PRC (中華人民共和國人力資源和社會保障部) and the Ministry of Housing and Urban-Rural Development of the PRC (中華人民共和國住房和城鄉建設部) in January 2012. Since March 2014, Mr. Chi has also been a senior engineer authorized by Zhejiang Province Human Resources and Social Security Department (浙江省人力資源和社會保障廳).

Mr. Yang Yongwu, aged 51, has been the executive Director since 23 March 2018 and is primarily responsible for risk management and corporate governance of the Group. Mr. Yang has over 15 years of experience in financial management. In addition, Mr. Yang currently holds directorship in some subsidiaries of the Group.

Mr. Yang obtained his bachelor's degree in financial accounting from Zhejiang Open University (浙江廣播電視大學) in Zhejiang Province, the PRC in September 1990. He acquired his accounting license in May 1996 from the Ministry of Finance of the People's Republic of China. Mr. Yang obtained the qualification as an accountant in May 1996 as certified by the Ministry of Finance of the PRC (中華人民共和國財政部).

廖先生於2004年7月取得中國北京清華大學的公共管理碩士學位。他亦於2016年11月取得位於香港的香港科技大學的高級管理人員工商管理碩士學位。

池淨勇先生，41歲，自2018年3月23日起為執行董事，主要負責本集團的成本控制及採購。池先生於中國房地產行業擁有逾17年經驗。池先生現時亦為溫州凱澤置業的董事會主席。

池先生於2006年1月通過在線教育取得中國上海同濟大學的建築工程學士學位。他亦於2012年10月取得位於香港的香港理工大學的國際房地產碩士學位。池先生於2007年3月獲中華人民共和國人事部及中華人民共和國建設部授予建造師資格。他亦於2012年1月取得中華人民共和國人力資源和社會保障部及中華人民共和國住房和城鄉建設部授出的造價工程師資格。自2014年3月起，池先生亦為浙江省人力資源和社會保障廳認可的高級工程師。

楊永武先生，51歲，自2018年3月23日起為執行董事，主要負責本集團的風險管理及企業管治。楊先生擁有逾15年的財務管理經驗。此外，楊先生現時於本集團若干子公司擔任董事職位。

楊先生於1990年9月獲得中國浙江省浙江廣播電視大學財務會計學學士學位。他於1996年5月獲得中華人民共和國財政部頒發的會計從業資格證。楊先生於1996年5月獲得中華人民共和國財政部認證的會計師資格。

DIRECTORS AND SENIOR MANAGEMENT *(Continued)*

董事及高級管理層 (續)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Gu Jiong, aged 46, was appointed as the independent non-executive Director on 10 September 2018 and is primarily responsible for providing independent advice on the operations and management of the Group.

From July 1995 to April 2004, Mr. Gu was with Ernst & Young Shanghai office and was the senior manager of audit department when he left the firm. From April 2004 to December 2009, he successively worked in UTStarcom Telecom Co., Ltd. and its holding company, UTStarcom Inc., a company listed on Nasdaq (stock code: UTSI) and a global telecom infrastructure provider specialized in the provision of packet optical transport and broadband access products to network operators, where he was responsible for accounting and financial matters of this company. He was the financial controller when he left UTStarcom Inc. in December 2009. From January 2010 to August 2013, Mr. Gu served as the chief financial officer of BesTV New Media Co., Ltd., a company listed on the Shanghai Stock Exchange (stock code: 600637) (currently known as Oriental Pearly Media Co., Ltd. (東方明珠新媒體股份有限公司)) and principally engaged in the provision of technical services, content services and marketing services for television terminals, computer terminals and mobile terminals through media source platforms, where he was responsible for the financial matters of this company. Mr. Gu was a non-executive director and was an alternate director to Hui To Thomas of Shaw Brothers Holdings Limited (stock code: 953), a company listed on the Stock Exchange from January 2016 to October 2016 and from October 2016 to December 2018, respectively. Since September 2013 and October 2015, Mr. Gu has been the chief financial officer of CMC Capital Partners (華人文化產業投資基金), an investment fund specializing in media and entertainment investments in the PRC and globally, and CMC Holdings Limited (華人文化有限責任公司), an investment platform focused on media and entertainment investments, respectively, where he has been responsible for corporate strategy and overall financial management in the operation of these companies. Mr. Gu has also been an independent non-executive director of Ascletris Pharma Inc. (stock code: 1672) since August 2018, Xinming China Holdings Limited (stock code: 2699) and Chen Xing Development Holdings Limited (stock code: 2286) since July 2015, all of which are listed on the Stock Exchange.

獨立非執行董事

顧炯先生，46歲，於2018年9月10日獲委任為獨立非執行董事，主要負責就本集團的營運及管理提供獨立意見。

於1995年7月至2004年4月，顧先生於安永會計師事務所上海辦事處任職，他離開該事務所時擔任審計部高級經理。於2004年4月至2009年12月，他先後於UTStarcom Telecom Co., Ltd.及其控股公司UTStarcom Inc. (一家於納斯達克上市的公司 (股份代號：UTSI)，專注於為網絡營運商提供分組光傳送及寬帶接入產品的全球電信基礎設備供應商)任職，負責該公司的會計及財務事宜。他於2009年12月離開UTStarcom Inc.時擔任財務總監。於2010年1月至2013年8月，顧先生擔任百視通新媒體股份有限公司 (一家於上海證券交易所上市的公司 (股票代碼：600637)，現稱為東方明珠新媒體股份有限公司，主要從事透過媒體來源平台為電視終端、電腦終端及移動終端提供技術服務、內容服務及營銷服務)的首席財務官，負責該公司財務事宜。於2016年1月至2016年10月及自2016年10月至2018年12月，顧先生分別擔任邵氏兄弟控股有限公司 (股份代號：953，一家於聯交所上市的公司)的非執行董事及許濤的替任董事。自2013年9月及2015年10月起，顧先生分別一直擔任華人文化產業投資基金 (專注於中國及全球媒體及娛樂投資的投資基金)及華人文化有限責任公司 (專注於媒體及娛樂投資的投資平台)的首席財務官，負責該等公司經營的公司策略及整體財務管理。自2018年8月起，顧先生亦一直擔任歌禮製藥有限公司 (股份代號：1672)的獨立非執行董事，並自2015年7月起一直擔任新明中國控股有限公司 (股份代號：2699)及辰興發展控股有限公司 (股份代號：2286) (該等公司均於聯交所上市)的獨立非執行董事。

DIRECTORS AND SENIOR MANAGEMENT *(Continued)*

董事及高級管理層 (續)

Mr. Gu obtained a bachelor's degree in financial management from Fudan University (復旦大學) in Shanghai, the PRC in July 1995. He has been a non-practicing member of The Chinese Institute of Certified Public Accountants (中國註冊會計師協會) since April 2004.

Mr. Sun Bing, aged 44, was appointed as the independent non-executive Director on 10 September 2018 and is primarily responsible for providing independent advice on the operations and management of the Group. Mr. Sun has over 17 years of experience in auditing matters. Since September 2000, Mr. Sun has been the partner of BDO China SHU LUN PAN Certified Public Account LLP (立信會計師事務所 (特殊普通合伙)), and has been primarily responsible for coordinating and organizing the implementation of corporate audit matters and audit reports. From March 2017, Mr. Sun has been an independent director of Shanghai Jingwei (Group) Co., Ltd. (上海經緯 (集團) 有限公司), a company primarily engaged in asset management, investment management and corporate consulting services, where he was responsible for providing independent advice to this company.

Mr. Sun obtained a bachelor's degree from the University of Shanghai for Science and Technology (上海理工大學) in Shanghai, the PRC with a major in accounting and a minor in computer application in July 1997. He also obtained a master of professional accountancy from The Chinese University of Hong Kong in Hong Kong in December 2011. Mr. Sun registered as a certified public accountant with the Shanghai Institute of Certified Public Accountants (上海市註冊會計師協會) in December 1999.

Mr. Fok Ho Yin Thomas, aged 47, was appointed as the independent non-executive Director on 10 September 2018 and is primarily responsible for providing independent advice on the operations and management of the Group. Mr. Fok has worked in the listing division of the Stock Exchange and has extensive experience in the field of corporate finance specializing in equity financing and financial restructuring. From September 2007 to July 2016, Mr. Fok was an executive director of Jian ePayment Systems Limited (華普智通系統有限公司), a company listed on the Stock Exchange (stock code: 8165). Currently, Mr. Fok is an independent non-executive director of China Smarter Energy Group Holdings Limited (the shares of which are listed on the main board of the Stock Exchange, stock code: 1004) and SFund International Holdings Limited (the shares of which are listed on the main board of the Stock Exchange, stock code: 1367) and Landing International Development Limited (the shares of which are listed on the main board of the Stock Exchange, stock code: 582).

顧先生於1995年7月取得中國上海復旦大學金融管理學學士學位。他自2004年4月起一直為中國註冊會計師協會非執業會員。

孫冰先生，44歲，於2018年9月10日獲委任為獨立非執行董事，主要負責就本集團的營運及管理提供獨立意見。孫先生於審計事宜方面擁有逾17年經驗。自2000年9月起，孫先生一直擔任立信會計師事務所（特殊普通合夥）的合夥人，主要負責協調和組織企業審計事宜及審計報告的實施。自2017年3月起，孫先生一直擔任上海經緯（集團）有限公司（一家主要從事資產管理、投資管理及企業諮詢服務的公司）的獨立董事，負責向該公司提供獨立意見。

孫先生於1997年7月獲得位於中國上海的上海理工大學的學士學位，主修會計學，副修計算機應用。他亦於2011年12月自位於香港的香港中文大學獲得專業會計碩士學位。孫先生於1999年12月於上海市註冊會計師協會登記為註冊會計師。

霍浩然先生，47歲，於2018年9月10日獲委任為獨立非執行董事，主要負責就本集團的營運及管理提供獨立意見。霍先生曾任職於聯交所上市科，在企業融資領域擁有豐富的經驗，尤其擅長股本融資及財務重組。於2007年9月至2016年7月，霍先生為華普智通系統有限公司（一家於聯交所上市的公司，股份代號：8165）的執行董事，目前為中國智慧能源集團控股有限公司（其股份於聯交所主板上市，股份代號：1004）、廣州基金國際控股有限公司（其股份於聯交所主板上市，股份代號：1367）及藍鼎國際發展有限公司（其股份於聯交所主板上市，股份代號：582）之獨立非執行董事。

DIRECTORS AND SENIOR MANAGEMENT *(Continued)*

董事及高級管理層 (續)

Mr. Fok obtained his bachelor's degree in accountancy and management studies from University of Wollongong in Wollongong, Australia in May 1995. He is also a member of the Hong Kong Institute of Certified Public Accountants and CPA Australia, and is also a Chartered Financial Analyst.

Save as disclosed above, none of the Directors has any other directorships in listed companies during the three years immediately prior to the date of this annual report.

Save as disclosed in this annual report, each of the Directors has confirmed that there are no other matters relating to his position as a Director that need to be brought to the attention of the Shareholders and there is no other information in relation to his/her appointment which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

SENIOR MANAGEMENT

The senior management is responsible for the day-to-day management and operation of the business.

For details of **Mr. Liao Lujiang**, please see “– Executive Directors” in this section.

Mr. Leng Junfeng, aged 48, joined the Group as the senior vice president of the product operation centre of the Group in March 2018 and is responsible for the management of the Group's operations and engineering design.

Prior to joining the Group, Mr. Leng Junfeng served as general manager of the planning operations department/marketing department of Tahoe Group from February 2017 to February 2018, where he was responsible for operations management and marketing management of the Group.

Mr. Leng Junfeng served as the vice president for Northern China of Shimao Group from February 2015 to January 2017; and he served as general manager of Shenyang Branch of China Overseas Property from October 2013 to February 2015; and from July 1997 to January 2013, he served as general manager of Wuhan Branch of China State Construction Land. Since then, he has accumulated more than 15 years of experience in corporate management.

Mr. Leng Junfeng holds a bachelor's degree in heating and ventilating discipline from Jilin Jianzhu University and a master's degree in management from French National University of Science and Technology (法國國立科學技術大學).

霍先生於1995年5月獲得澳大利亞伍倫貢市伍倫貢大學(University of Wollongong)會計與管理學學士學位。霍先生是香港會計師公會、澳洲會計師公會成員、特許金融分析師。

除上文所披露者外，概無董事於緊接本年報日期前三年內在上市公司擔任任何其他董事職位。

除本年報所披露者外，各董事已確認，概無與其董事職務有關而需提請股東垂注的其他事宜，亦無與其委任有關而須根據上市規則第13.51(2)條予以披露的其他資料。

高級管理層

高級管理層負責業務的日常管理及營運。

有關**廖魯江**先生的詳情，請參閱本節「– 執行董事」。

冷俊峰先生，48歲，於2018年3月加入本集團，擔任本集團產品運營中心高級副總裁，負責集團運營、工程設計的管理工作。

加盟本集團之前，冷俊峰先生曾於2017年2月至2018年2月於泰禾集團擔任集團計劃運營部總經理／營銷部總經理，分管本集團運營管理、營銷管理工作。

冷俊峰先生自2015年2月至2017年1月於世茂集團擔任華北區副總裁；自2013年10月至2015年2月於中海地產瀋陽公司擔任總經理；自1997年7月至2013年1月於中建地產武漢公司擔任總經理，自此他在公司管理方面已累計超過十五年以上的經驗。

冷俊峰先生擁有吉林建築大學暖通專業學士學位和法國國立科學技術大學管理學碩士學位。

DIRECTORS AND SENIOR MANAGEMENT *(Continued)*

董事及高級管理層 (續)

Mr. Ge Lv, aged 35, was appointed as the vice president on 4 April 2018. Mr. Ge Lv is primarily responsible for the Group's real estate development projects located in Nanjing, Sheyang, Jurong, Changzhou, Wuxi, Pizhou and Yixing, Jiangsu Province. He joined the Group as the assistant to the general manager of Shanghai Dafa in March 2007. From September 2009 to March 2015, Mr. Ge was the general manager of Nanjing Wisdom Warden. From February 2014 to March 2015, Mr. Ge was the director of the commercial center of the Group. From April 2015 to March 2016, Mr. Ge was the assistant president of the Group. Since April 2016, Mr. Ge has been the vice president of the Group. Mr. Ge has over ten years of experience in the PRC real estate industry. In addition, Mr. Ge currently holds directorship in the some subsidiaries of the Group.

Mr. Ge obtained his bachelor's degree in business management and computer science from Aston University in the U.K., in July 2006. He also obtained his executive master business administration degree from Cheung Kong Graduate School of Business in September 2017.

Mr. Zhang Jian, aged 34, joined the Group as the vice president of the marketing centre of the Group in September 2018 and is responsible for the Group's marketing management.

Prior to joining the Group, Mr. Zhang Jian was the general manager of the Beijing branch of China SCE Property (中駿置業北京公司) from February 2017 to June 2018, where he was responsible for the operation and management of the Beijing branch.

Mr. Zhang Jian served as the operational director of the Shandong region of Shimao Group from September 2012 to January 2017. From March 2007 to June 2012, he served as the marketing director of the Qingdao branch of Longfor Properties (龍湖地產青島公司). Since then, he has accumulated over ten years of experience in the corporate marketing management.

Mr. Zhang Jian holds a bachelor's degree in marketing of the University of International Business and Economics.

葛律先生，35歲，於2018年4月4日獲委任為副總裁。葛律先生主要負責本集團於江蘇省南京、射陽、句容、常州、無錫、邳州及宜興的房地產開發項目。他於2007年3月加入本集團擔任上海大發總經理助理。於2009年9月至2015年3月，葛先生擔任南京緯思武德的總經理。於2014年2月至2015年3月，葛先生擔任本集團商業中心的總監。於2015年4月至2016年3月，葛先生擔任本集團的助理總裁。自2016年4月起，葛先生為本集團的副總裁。葛先生於中國房地產行業擁有逾十年經驗。此外，葛先生現時於本集團若干子公司擔任董事職位。

葛先生於2006年7月取得英國阿斯顿大學的工商管理及計算機科學學士學位。他亦於2017年9月取得長江商學院的高級管理人員工商管理碩士學位。

張健先生，34歲，於2018年9月加入本集團，擔任本集團營銷中心副總裁，負責集團營銷管理工作。

加盟本集團之前，張健先生曾於2017年2月至2018年6月於中駿置業北京公司擔任總經理，負責北京公司經營管理工作。

張健先生自2012年9月至2017年1月於世茂集團擔任山東區域運營總監；自2007年3月至2012年6月於龍湖地產青島公司擔任營銷總監，自此他在公司營銷管理方面已累計超過十年以上的經驗。

張健先生擁有對外經濟貿易大學市場營銷專業學士學位。

DIRECTORS AND SENIOR MANAGEMENT *(Continued)*

董事及高級管理層 (續)

Mr. Shen Jian, aged 38, was appointed as the person-in-charge for the project companies in Xuzhou on 4 April 2018 and is primarily responsible for the Group's real estate development projects located in Xuzhou, Jiangsu Province. Mr. Shen has over 16 years of experience in the PRC real estate industry. He joined Dafa Group as a staff member in project development department in February 2000. In August 2008, he was promoted as the general manager of Anqing Kairun Property Development. From June 2013 to September 2015, Mr. Shen was the director of the operation center of Shanghai Dafa. From October 2015 to November 2016, Mr. Shen served as the general manager of Wenzhou Kairun Real Estate. In November 2016 and April 2018, Mr. Shen has been the general manager of Shanghai Yinyi Real Estate and Shanghai Kaiyang Real Estate, respectively. Since November 2018, Mr. Shen was appointed as executive director and general manager of Xuzhou Kaiyang Industry.

Mr. Shen obtained a diploma in industrial and civil construction from Zhejiang University of Technology (浙江工業大學) in Zhejiang Province, the PRC in June 2005. He also obtained his bachelor's degree in civil engineering from Shandong University (山東大學) in Shandong Province, the PRC in January 2017 through long distance learning courses.

Mr. Kong Guisheng, aged 50, was appointed as the person-in-charge for the project companies in Anqing on 4 April 2018 and is primarily responsible for the Group's real estate development projects located in Hefei, Anhui Province. Mr. Kong has over 18 years of experience in the PRC real estate industry. He joined the Group in September 2001 and was the manager of the engineering department of Shanghai Dafa till March 2012. Before joining the Group, Mr. Kong was the manager of the engineering department of Dafa Group and was responsible for engineering management from July 1999 to September 2001. In addition, Mr. Kong is also currently the chairman of the board of directors of Anqing Yinyi Real Estate and holds directorship in Anqing Kairun Real Estate.

Mr. Kong obtained a master's degree in international real estate from The Hong Kong Polytechnic University in October 2012. He obtained the qualification as an engineer granted by Anqing Municipal Commission of Urban-Rural Development (安慶市城鄉建設委員會) and Anqing Municipal Human Resources and Social Security Bureau (安慶市人力資源和社會保障局) in August 2013.

沈劍先生，38歲，於2018年4月4日獲委任為徐州項目公司的負責人，主要負責本集團於江蘇省徐州市的房地產開發項目。沈先生於中國房地產行業擁有逾16年經驗。他於2000年2月加入大發集團擔任項目開發部職員。於2008年8月，他獲擢升為安慶凱潤房地產開發的總經理。於2013年6月至2015年9月，沈先生擔任上海大發營運中心總監。於2015年10月至2016年11月，沈先生擔任溫州凱潤置業的總經理。於2016年11月及2018年4月，沈先生分別擔任上海垠壹置業及上海凱暘置業的總經理。自2018年11月起，沈先生獲委任為徐州凱暘置業的執行董事兼總經理。

沈先生於2005年6月取得中國浙江省浙江工業大學的工業與民用建築文憑。他亦通過遠程學習課程於2017年1月取得中國山東省山東大學的土木工程學士學位。

孔貴生先生，50歲，於2018年4月4日獲委任為安慶項目公司的負責人，主要負責本集團於安徽省合肥市的房地產開發項目。孔先生在中國房地產行業擁有逾18年經驗。他於2001年9月加入本集團，曾擔任上海大發工程部經理（直至2012年3月）。於加入本集團前，於1999年7月至2001年9月，孔先生擔任大發集團工程部經理，負責工程管理。此外，孔先生現時亦為安慶垠壹置業的董事會主席及於安慶凱潤置業擔任董事職位。

孔先生於2012年10月自香港理工大學獲得國際房地產碩士學位。他於2013年8月取得安慶市城鄉建設委員會及安慶市人力資源和社會保障局授出的工程師資格。

DIRECTORS AND SENIOR MANAGEMENT *(Continued)*

董事及高級管理層 (續)

Mr. Duan Xiaosu, aged 47, was appointed as the person-in-charge for the project companies in Wenzhou on 4 April 2018 and is primarily responsible for the Group's real estate development projects located in Wenzhou, Zhejiang Province. Mr. Duan has over 11 years of experience in the PRC real estate industry. Mr. Duan joined the Group in September 2007 and was a deputy general manager of Nanjing Kairun Real Estate till September 2013. From October 2013 to October 2016, Mr. Duan was a deputy general manager of Wenzhou Kairun Real Estate. Mr. Duan currently holds directorship in some subsidiaries of the Group.

Mr. Duan obtained a diploma in architectural engineering from Huangshi College (黃石高等專科學校) (currently known as Hubei Polytechnic University (湖北理工學院)) in Hubei Province, the PRC in June 1995. He also obtained a bachelor's degree (correspondence course) in civil engineering from Zhejiang University of Technology (浙江工業大學) in Zhejiang Province, the PRC in July 2003.

JOINT COMPANY SECRETARIES

Mr. Yang Yongwu and **Ms. So Shuk Yi Betty (蘇淑儀)** are the joint company secretaries of the Company.

For details of Mr. Yang Yongwu, please see sub-section headed "Executive Directors" in this section.

Ms. So Shuk Yi Betty, is one of the joint company secretaries. Ms. So currently serves as a vice president of SWCS Corporate Services Group (Hong Kong) Limited, a professional services provider specializing in corporate services, and has over 20 years of experience in the corporate secretarial field.

Ms. So received a Master of Laws degree in Chinese and Comparative Law from the City University of Hong Kong and a Master of Business Administration degree from the University of Leicester in the United Kingdom in November 2004 and July 1999, respectively. Ms. So has been an associate member of both The Institute of Chartered Secretaries and Administrators in the United Kingdom and The Hong Kong Institute of Chartered Secretaries since October 1997.

段曉素先生，47歲，於2018年4月4日獲委任為溫州項目公司的負責人，主要負責本集團於浙江省溫州市的房地產開發項目。段先生於中國房地產行業擁有逾11年經驗。段先生於2007年9月加入本集團，曾擔任南京凱潤房地產副總經理（直至2013年9月）。於2013年10月至2016年10月，段先生擔任溫州凱潤置業副總經理。段先生現時於本集團若干子公司擔任董事職務。

段先生於1995年6月取得中國湖北省黃石高等專科學校（現稱為湖北理工學院）的建築工程文憑。他亦於2003年7月取得中國浙江省浙江工業大學函授課程的土木工程學士學位。

聯席公司秘書

楊永武先生及蘇淑儀女士為本公司的聯席公司秘書。

有關楊永武先生的詳情，請參閱本節「執行董事」分節。

蘇淑儀女士，為聯席公司秘書之一。蘇女士目前擔任專門提供企業服務的專業服務供應商方圓企業服務集團（香港）有限公司的副總裁，於公司秘書領域擁有逾20年經驗。

蘇女士分別於2004年11月及1999年7月獲得香港城市大學的中國法與比較法法學碩士學位及英國萊切斯特大學的工商管理學碩士學位。蘇女士自1997年10月起一直為英國特許秘書及行政人員公會及香港特許秘書公會的會員。

DIRECTORS' REPORT

董事會報告

CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands under the Cayman Companies Law, as an exempted company with limited liability on 18 December 2017. The shares of the Company (the “Shares”) were listed on the Stock Exchange on 11 October 2018.

PRINCIPAL OPERATIONS

The Group is an expanding real estate developer in the Yangtze River Delta Region focusing on the development and sales of residential properties. Headquartered in Shanghai, we have an active presence in the Yangtze River Delta Region. As at 31 December 2018, we had a diverse portfolio of 46 projects consisting of 38 residential properties, four commercial complexes and one office floor. Of all the aforementioned projects, 5 projects are located in Shanghai, 38 projects are located in Jiangsu, Anhui and Zhejiang provinces.

Details of the principal activities of the principal subsidiaries of the Group are set out in note 1 to the financial statements of the Group in this annual report. There were no significant changes in the nature of the Group’s principal activities during the year ended 31 December 2018. As at the date of this annual report, the Board has no intention to significantly change the principal business of the Group.

RESULTS

The results of the Group for the year ended 31 December 2018 and the state of the Group’s financial position as at that date are set out in the financial statements on pages 107 to 258. The Group’s business review and outlook are provided in the section headed “Chairman’s Statement” in this annual report. An analysis of the Group’s performance using financial key performance indicators is provided in the section headed “Management Discussion and Analysis” in this annual report.

公司資料

本公司於2017年12月18日在開曼群島根據開曼群島公司法註冊成立為獲豁免有限公司。本公司股份（「股份」）於2018年10月11日在聯交所上市。

主要業務營運

本集團是長江三角洲地區不斷壯大的房地產開發商，專注於開發及銷售住宅物業。我們的總部位於上海，已在長江三角洲地區建立業務據點。於2018年12月31日，我們擁有由46個項目組成的多元化組合，包括38項住宅物業、四棟商業綜合樓及一個辦公樓層。上述所有項目中，5個項目位於上海，而38個項目位於江蘇省、安徽省及浙江省。

本集團主要子公司的主要業務詳情載於本年報內的本集團財務報表附註1。於截至2018年12月31日止年度，本集團主要業務的性質並無重大變動。於本年報日期，董事會並無意大幅改變本集團的主要業務。

業績

本集團截至2018年12月31日止年度的業績及本集團於該日的財務狀況載於第107至258頁的財務報表。本集團的業務回顧及展望載於本年報「主席報告」一節。運用財務關鍵表現指標對本集團表現進行的分析載於本年報「管理層討論及分析」一節。

DIRECTORS' REPORT *(Continued)*

董事會報告 (續)

BUSINESS REVIEW

A review of the business of the Group during the year and outlook are set out in the section headed "Chairman's Statement". An analysis of the Group's performance during the year using financial key performance indicators is set out in the section headed "Management Discussion and Analysis." Save as disclosed in the section headed "Director's report – Business Review" in this annual report, the Group has no significant events after the end of the financial year ended 31 December 2018 and up to the date of this annual report.

MATERIAL ACQUISITIONS AND DISPOSALS

Save as disclosed in the section headed "Management Discussion and Analysis – Significant Investments major acquisitions and disposal" in this annual report, during the year ended 31 December 2018 and up to the date of this annual report, the Group did not have any material acquisition or disposal of subsidiaries and associated companies.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the year ended 31 December 2018 are set out in note 13 to the financial statements of the Group in this annual report.

BORROWINGS

Details of the borrowings of the Group as at 31 December 2018 are set out in note 29 to the financial statements of the Group in this annual report.

RESERVES

Details of movements in the reserves of the Group during the year ended 31 December 2018 are set out in the consolidated statement of changes in equity in this annual report. As at 31 December 2018, the Company's reserves available for distribution calculated in accordance with the provision of Companies Law of the Cayman Islands amounted to approximately RMB1,203.0 million.

業務回顧

本集團於年內的業務回顧及展望載於「主席報告」一節。運用財務關鍵表現指標對本集團年內表現進行的分析載於「管理層討論及分析」一節。除本年報「董事會報告－業務回顧」一節所披露者外，於截至2018年12月31日止財政年度結束後及直至本年報日期，本集團並無重大事項。

重大收購及出售

除本年報「管理層討論及分析－重大投資、重大收購及出售」一節所披露者外，於截至2018年12月31日止年度及直至本年報日期，本集團並無任何重大收購或出售子公司及聯營公司。

物業、廠房及設備

本集團截至2018年12月31日止年度的物業、廠房及設備變動詳情載於本年報內的本集團財務報表附註13。

借貸

本集團於2018年12月31日的借貸詳情載於本年報內的本集團財務報表附註29。

儲備

本集團截至2018年12月31日止年度的儲備變動詳情載於本年報內的綜合權益變動表。於2018年12月31日，根據開曼群島公司法規定計算，本公司的可分派儲備約為人民幣1,203.0百萬元。

DIRECTORS' REPORT *(Continued)***董事會報告 (續)****MAJOR CUSTOMERS AND SUPPLIERS****Major Customers and suppliers**

Sales to the Group's five largest customers accounted for less than 30% of the Group's total revenue for the year. Purchase from the Group's five largest suppliers accounted for less than 30% of the Group's total purchase for the year.

To the best of the knowledge of the Directors, none of the Directors, their respective close associates or any Shareholder who owns more than 5% of the issued share capital of the Company had any interest in any of the five largest customers and suppliers of the Group during the year ended 31 December 2018.

SHARE CAPITAL

Details of movements in the Company's share capital during the year ended 31 December 2018 are set out in note 30 to the financial statements.

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The Directors during the year ended 31 December 2018 and up to the date of this annual report are:

Executive Directors

Mr. Ge Yiyang (*Chairman*)
Mr. Liao Lujiang
Mr. Chi Jingyong
Mr. Yang Yongwu

Independent Non-executive Directors

Mr. Gu Jiong
Mr. Sun Bing
Mr. Fok Ho Yin Thomas

主要客戶及供應商**主要客戶及供應商**

本集團五大客戶的銷售額佔本集團年內總收益的30%以下。向本集團五大供應商作出的採購額佔本集團年內總採購額的30%以下。

就董事所知，截至2018年12月31日止年度，概無董事、其各自的緊密聯繫人或擁有本公司已發行股本5%以上的任何股東於本集團的任何五大客戶及供應商中擁有任何權益。

股本

本公司截至2018年12月31日止年度的股本變動詳情載於財務報表附註30。

董事及董事服務合同

於截至2018年12月31日止年度及直至本年報日期，董事如下：

執行董事

葛一鳴先生 (主席)
廖魯江先生
池淨勇先生
楊永武先生

獨立非執行董事

顧炯先生
孫冰先生
霍浩然先生

DIRECTORS' REPORT *(Continued)*

董事會報告 (續)

Directors' Service Contracts

Each of the executive Directors has entered into a service contract with the Company for an initial term of three years commencing from the Listing Date. The letters of appointment may be renewed in accordance with the Articles of Association and the applicable laws, rules and regulations.

Each of the independent non-executive Directors has entered into a letter of appointment with the Company for an initial term of three years commencing from the Listing Date. The letters of appointment may be renewed in accordance with the Articles of Association and the applicable laws, rules and regulations.

None of the Directors has entered into any service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received a confirmation of independence from each of the independent non-executive Directors pursuant to Rule 3.13 of the Listing Rules. The Board has assessed their independence and concluded that all the independent non-executive Directors are considered to be independent pursuant to the Listing Rules.

DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the remuneration of the Directors and those of the five highest paid individuals of the Group for the year ended 31 December 2018 are set out in note 8 to the financial statements of the Group in this annual report.

None of the Directors waived his/her emoluments nor has agreed to waive his/her emoluments for the year ended 31 December 2018.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the date of this annual report, none of the Controlling Shareholders of the Group or the Directors was engaged or had interest in any business, apart from the business of the Group, which competes or is likely to compete, directly or indirectly, with the Group's business, which would require disclosure under Rule 8.10 of the Listing Rules.

董事服務合同

各執行董事已與本公司訂立服務合同，自上市日期起計初步為期三年。委任函可根據組織章程細則及適用法律、規則及法規予以續期。

各獨立非執行董事已與本公司訂立委任函，自上市日期起計初步為期三年。委任函可根據組織章程細則及適用法律、規則及法規予以續期。

概無董事與本公司訂立本公司於一年內倘不支付賠償（法定賠償除外）則不能終止的任何服務合同。

獨立非執行董事的獨立性確認函

本公司已接獲各獨立非執行董事根據上市規則第3.13條就其獨立性而作出的確認函。董事會已根據上市規則評估全體獨立非執行董事的獨立性並確認其均為獨立人士。

董事酬金及五名最高薪酬人士

截至2018年12月31日止年度，本集團董事及五名最高薪酬人士的薪酬詳情載於本年報內的本集團財務報表附註8。

截至2018年12月31日止年度，概無董事放棄其酬金或已同意放棄其酬金。

董事於競爭性業務的權益

於本年報日期，本集團控股股東或董事概無從事直接或間接與本集團業務構成或可能構成競爭的任何業務（本集團的業務除外）或於其中擁有須根據上市規則第8.10條作出披露的權益。

DIRECTORS' REPORT *(Continued)*

董事會報告 (續)

COMPLIANCE WITH NON-COMPETITION UNDERTAKINGS

Deed of Non-Competition

The Group's Controlling Shareholders, namely, Mr. Ge Hekai, Mr. Ge Yiyang, Mr. Ge Heming, Ms. Jin Linyin, Splendid Sun, Sound Limited, Shade (BVI), Glorious Villa and He Hong (together, the "**Covenantors**") entered into a deed of non-competition on September 10, 2018 (the "**Deed of Non-Competition**") in favour of the Company, pursuant to which each of the Covenantors has, among other things, irrevocably and unconditionally undertaken, jointly and severally, with the Company that, the Covenantors shall not, and shall procure that their close associates (other than members of the Group) shall not, directly or indirectly, carry on, engage in, invest in, participate in, attempt to participate in, render any services to, provide any financial support to or otherwise be involved in or interested in, whether alone or jointly with another person and whether directly or indirectly or on behalf of or to assist or act in concert with any other person, any business or investment activities in the PRC or anywhere except the United Kingdom which are the same as, similar to or in competition or likely to be in competition with the business carried on or contemplated to be carried on by any member of the Group from time to time (the "**Restricted Business**").

The Deed of Non-Competition shall expire on the earlier of (i) the date when the Covenantors and, as the case may be, any of their close associates, cease to hold, or otherwise be interested in, beneficially in aggregate whether directly or indirectly, 30% or more (or such other percentage of shareholding as stipulated in the Listing Rules to constitute a controlling shareholder) of the issued share capital of the Company; or (ii) the date on which the Shares cease to be listed on the Stock Exchange (except for temporary suspension of trading of the Shares).

For details of the Deed of Non-Completion, please refer to the section headed "Relationship with Controlling Shareholders – Non-Competition Undertakings" in the prospectus of the Company dated 28 September 2018.

Annual Review

The Covenantors have confirmed that they did not refer, or to procure the referral of, any investment or commercial opportunities relating to the Restricted Business to the Group during the year ended 31 December 2018.

遵守不競爭承諾

不競爭契據

本集團控股股東(即葛和凱先生、葛一陽先生、葛和鳴先生、金林蔭女士、Splendid Sun、Sound Limited、Shade (BVI)、Glorious Villa及He Hong, 統稱「**契諾承諾人**」)於2018年9月10日訂立以本公司為受益人的不競爭契據(「**不競爭契據**」), 據此, 契諾承諾人各自己(其中包括)不可撤回及無條件地向本公司共同及個別承諾, 契諾承諾人本身不得及須促使其緊密聯繫人(本集團成員公司除外)不會直接或間接進行、從事、投資、參與、試圖參與、提供任何服務或提供任何財務支持或以其他方式參與(不論單獨或與另一名人士共同, 亦不論直接或間接或代表或協助任何其他人士或與其他人士一致行動)任何於中國或英國以外任何地方與本集團任何成員公司不時所進行或預期將進行的業務相同、類似或構成競爭或可能構成競爭的業務或投資活動或於當中擁有權益(「**受限制業務**」)。

不競爭契據於以下較早日期屆滿: (i)契諾承諾人及(視乎情況而定)其任何緊密聯繫人不再持有或不再以其他方式直接或間接擁有本公司已發行股本合共30%或以上(或上市規則規定構成控股股東的其他股權比例)的實益權益之日; 或(ii)股份不再於聯交所上市之日(股份暫停買賣除外)。

有關不競爭契據的詳情, 請參閱本公司日期為2018年9月28日的招股章程「與控股股東的關係 – 不競爭承諾」一節。

年度審核

契諾承諾人已確認, 截至2018年12月31日止年度, 其並無向本集團轉介或促使向本集團轉介有關受限制業務的任何投資或商機。

DIRECTORS' REPORT *(Continued)*

董事會報告 (續)

The Company has received a written confirmation from each of the Covenantors in respect of the compliance by them and their close associates with the terms of the Deed of Non-Competition. The independent non-executive Directors have reviewed the Deed of Non-Competition and assessed whether the Covenantors and their close associates have complied with the terms of the Deed of Non-Competition, and were satisfied that each of the Covenantors has complied with its/his/her undertakings under the Deed of Non-Competition during the year ended 31 December 2018.

CONTINUING CONNECTED TRANSACTIONS

Tenancy agreement between Dafa Group and Shanghai Dafa

As disclosed in the prospectus, Shanghai Dafa Land Group Co. Ltd. (上海大发房地產集團有限公司) (“**Shanghai Dafa**”) and Dafa Group Co. Ltd. (大发集團有限公司) (“**Dafa Group**”) entered into a tenancy agreement (the “**Tenancy Agreement**”) on 19 April 2018, pursuant to which Shanghai Dafa leased from Dafa Group certain premise located at 6/F and 7/F, Dafa Commercial Building, Hui Min Lu Bei Shou, Lu Cheng District, Wenzhou, Zhejiang Province, the PRC with a GFA of approximately 1,210.83 sq.m. (the “**Premises**”) for a term of three years commencing from 19 April 2018 to 18 April 2021 at an annual rental of RMB1,743,595.20.

Dafa Group, a company established in the PRC with limited liability, is principally engaged in Office Building Leasing Business. Dafa Group is wholly-owned by the Controlling Shareholders and hence a connected person of the Company. The Premise is used as offices by Shanghai Dafa and/or its subsidiaries.

Since each of the applicable percentage ratio (other than the profits ratio) under the Listing Rules in respect of the annual caps is expected to be less than 0.1%, the transactions under the Tenancy Agreement are within the de minimis threshold stipulated in Rule 14A.76(1)(a) of the Listing Rules and will be exempt from the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

本公司已接獲各契諾承諾人就其及其緊密聯繫人遵守不競爭契據的條款而作出的書面確認函。獨立非執行董事已審閱不競爭契據，並評估契諾承諾人及其緊密聯繫人是否遵守不競爭契據的條款，並信納各契諾承諾人於截至2018年12月31日止年度已遵守其於不競爭契據下的承諾。

持續關連交易

大发集團與上海大发訂立的租賃協議

誠如招股章程所披露，上海大发房地產集團有限公司（「上海大发」）於2018年4月19日與大发集團有限公司（「大发集團」）訂立租期自2018年4月19日至2021年4月18日為期三年的租賃協議（「租賃協議」），據此，上海大发按年租金人民幣1,743,595.20元向大发集團租賃建築面積約為1,210.83平方米的若干物業（「該物業」），該物業位於中國浙江省溫州市鹿城區惠民路北首大发商廈6樓及7樓。

大发集團為一家在中國成立的有限公司，主要從事辦公樓租賃業務。大发集團由控股股東全資擁有，因此為本公司關連人士。該物業由上海大发及／或其子公司用作辦公室。

由於根據上市規則有關年度上限的各項適用百分比率（利潤比率除外）預期將低於0.1%，故租賃協議項下的交易屬於上市規則第14A.76(1)(a)條所規定的最低限額內，並將獲豁免遵守上市規則第14A章項下的申報、年度審核、公告、通函及獨立股東批准規定。

DIRECTORS' REPORT (Continued)

董事會報告 (續)

RELATED PARTY TRANSACTIONS

A summary of the related party transactions entered into by the Group during the year ended 31 December 2018 is contained in note 37 to the financial statements of the Group in this annual report. The transactions summarised in note 37 to the financial statements of the Group fall under the definition of "connected transactions" under the Listing Rules. The Company has complied with the disclosure requirements set out in Chapter 14A of the Listing Rules.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN TRANSACTION, ARRANGEMENT OR CONTRACTS

Other than those transactions disclosed in note 37 to the financial statements of the Group in this annual report and in the paragraphs headed "Continuing Connected Transactions" and "Subsequent Events after the Reporting Period" in this section, no Director or Controlling Shareholder of the Company has any material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the Group's business to which the Company, any of its subsidiaries, fellow subsidiaries or its parent companies were a party subsisted at the end of the year or at any time during the year ended 31 December 2018.

PRINCIPAL RISKS AND UNCERTAINTIES

Principal risks and uncertainties facing the Group include, among others, that:

- (i) the Group may not be able to acquire land reserves in desirable locations that are suitable for development at commercially acceptable prices in the future;
- (ii) the Group's business and prospects are heavily dependent on the performance of the PRC property markets and are subject to extensive government policies and regulations;
- (iii) the Group is subject to risks associated with certain covenants or restrictions under its bank borrowings and trust financing arrangements which may adversely affect its business.

關聯方交易

本集團截至2018年12月31日止年度進行的關聯方交易概要載於本年報內的本集團財務報表附註37。本集團財務報表附註37概述的交易屬於上市規則界定的「關連交易」。本公司已遵守上市規則第14A章所載的披露規定。

董事及控股股東於交易、安排或合同的權益

除本年報內的本集團財務報表附註37以及本節「持續關連交易」及「報告期後事項」各段所披露的交易外，概無本公司董事或控股股東於本集團業務屬重大而本公司、其任何子公司、同系子公司或其母公司為訂約方且於年末或截至2018年12月31日止年度任何時間仍然存續的任何交易、安排或合同中直接或間接擁有任何重大權益。

主要風險及不確定性

本集團面臨的主要風險及不確定性包括（其中包括）：

- (i) 本集團未來或不能在理想地段按商業合理價格收購合適土地儲備以用於開發；
- (ii) 本集團的業務及前景均倚重中國物業市場的表現並受大量政府政策及法規所規限；
- (iii) 本集團面臨與銀行借貸及信託融資安排項下若干契約或限制有關的風險，可能對其業務產生不利影響。

DIRECTORS' REPORT *(Continued)*

董事會報告 (續)

COMPLIANCE WITH LAWS AND REGULATIONS

Compliance procedures are in place to ensure adherence to applicable laws, rules and regulations which have a significant impact to the Group. As at the date of this annual report, except as disclosed in the annual report, the Group complied with, in all material respects, all the relevant and applicable PRC laws and regulations governing the business of property development and management and the Group has obtained all licenses, permits and certificates for the purpose of operating its business.

As at the date of this annual report, the Company's associates were not involved in and the Board is not aware of any non-compliance incidents that might adversely affect the value of the Company's interests in them.

SHARE OPTION SCHEME

The Company approved and adopted a share option scheme (the "Share Option Scheme") on 10 September 2018.

Details of the Share Option Scheme

(a) Purpose

The purpose of the Share Option Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group. The Directors believe the Share Option Scheme will enable the Group to reward the employees, the Directors and other selected participants for their contributions to the Group. Given that the Directors are entitled to determine the performance targets to be achieved as well as the minimum period that an option must be held before an option can be exercised on a case by case basis, and that the exercise price of an option cannot in any event fall below the price stipulated in the Listing Rules or such higher price as may be fixed by the Directors, it is expected that grantees of an option will make an effort to contribute to the development of the Group so as to bring about an increased market price of the Shares in order to capitalize on the benefits of the options granted.

遵守法律及法規

本集團已制定合規程序，以確保遵守對本集團有重大影響的適用法律、規則及法規。於本年報日期，除年報所披露者外，本集團於所有重大方面遵守所有規管物業開發及管理業務的有關及適用中國法律及法規，且本集團已就經營其業務取得所有執照、許可證及證書。

於本年報日期，本公司的聯營公司並無涉及且董事會並不知悉任何可能會對本公司於其中的權益價值產生不利影響的不合規事件。

購股權計劃

本公司於2018年9月10日批准及採納購股權計劃（「購股權計劃」）。

購股權計劃詳情

(a) 目的

購股權計劃旨在令本集團向選定參與人士授出購股權，作為他們對本集團作出貢獻的鼓勵或獎勵。董事認為，購股權計劃將令本集團向僱員、董事及其他選定參與人士提供獎勵，以表彰他們對本集團的貢獻。鑒於董事有權視乎個別情況而釐定須達成的表現目標以及行使購股權前須持有購股權的最低期限，加上購股權的行使價在任何情況下不得低於上市規則規定的價格或董事可能設定的較高價格，故預期購股權的承授人將竭力為本集團的發展作出貢獻，致使股份市價上升，從而自其獲授的購股權中獲益。

DIRECTORS' REPORT (Continued)**董事會報告 (續)***(b) Who may join*

The Directors (which expression shall, for the purpose of this paragraph, include a duly authorized committee thereof) may, at their absolute discretion, invite any person belonging to any of the following classes of participants, who the Board considers, in its sole discretion, have contributed or will contribute to the Group, to take up options to subscribe for Shares (collectively the **“Eligible Participants”**):

- (i) any directors (including executive Directors, non-executive Directors and independent non-executive Directors) and employees of any member of the Group; and
- (ii) any advisors, consultants, distributors, contractors, customers, suppliers, agents, business partners, joint venture business partners, service providers of any member of the Group.

For the purposes of the Share Option Scheme, the options may be granted to any company wholly owned by one or more persons belonging to any of the above classes of participants. For the avoidance of doubt, the grant of any options by the Company for the subscription of Shares or other securities of the Group to any person who falls within any of the above classes of participants shall not, by itself, unless the Directors otherwise so determine, be construed as a grant of option under the Share Option Scheme.

The eligibility of any of the above class of participants to the grant of any option shall be determined by the Directors from time to time on the basis of the Directors' opinion as to the participant's contribution to the development and growth of the Group.

(c) Maximum number of Shares

- (i) The maximum number of Shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme of the Group shall not in aggregate exceed 30% of the issued share capital of the Company from time to time.

(b) 可參與人士

董事（就本段而言，該詞包括獲正式授權的董事委員會）可全權酌情決定邀請屬下列任何參與人士類別且董事會全權酌情認為已經或將會對本集團作出貢獻的任何人士（統稱「合資格參與人士」）接納購股權以認購股份：

- (i) 本集團任何成員公司的任何董事（包括執行董事、非執行董事及獨立非執行董事）及僱員；及
- (ii) 本集團任何成員公司的任何顧問、諮詢人、分銷商、承建商、客戶、供應商、代理、業務夥伴、合營企業業務夥伴、服務供應商。

就購股權計劃而言，可向由屬於上述任何類別參與人士的一名或多名人士全資擁有的任何公司授出購股權。為免生疑，除非經董事另行決定，否則本公司向屬於上述任何類別參與人士的任何人士授出可認購股份或本集團其他證券的任何購股權本身不得當作按購股權計劃授出購股權論。

上述任何類別參與人士獲授任何購股權的資格，將由董事不時根據董事認為參與人士對本集團的發展及增長所作的貢獻而決定。

(c) 股份數目上限

- (i) 因根據購股權計劃及本集團任何其他購股權計劃所授出但尚未行使的所有發行在外購股權獲行使而可予發行的最高股份數目，合共不得超過本公司不時已發行股本30%。

DIRECTORS' REPORT *(Continued)***董事會報告 (續)**

- (ii) The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme of the Group shall not in aggregate exceed 10% of the aggregate of the Shares in issue on the day on which trading of the Shares commences on the Stock Exchange, and such 10% limit represents 80,000,000 Shares (the “**General Scheme Limit**”).
- (iii) Subject to paragraph (i) above and without prejudice to paragraph (iv) below, the Company may issue a circular to its Shareholders and seek approval of its Shareholders in a general meeting to extend the General Scheme Limit provided that the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share options scheme of the Group shall not exceed 10% of the Shares in issue as of the date of approval of the limit and, for the purpose of calculating the limit, options (including those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme and any other share option scheme of the Group) previously granted under the Share Option Scheme and any other share option scheme of the Group will not be counted. The circular sent by the Company to its Shareholders shall contain, among other information, the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules.
- (iv) Subject to paragraph (i) above and without prejudice to paragraph (iii) above, the Company may seek separate Shareholders' approval in a general meeting to grant options beyond the General Scheme Limit or, if applicable, the extended limit referred to in paragraph (iii) above to participants specifically identified by the Company before such approval is sought. In such event, the Company must send a circular to its Shareholders containing a general description of the identified participants, the number and terms of options to be granted, the purpose of granting options to the identified participants with an explanation as to how the terms of the options serve such purpose and all other information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules.
- (ii) 因根據購股權計劃及本集團任何其他購股權計劃授出的所有購股權獲行使而可予發行的股份總數，合共不得超過於股份開始在聯交所買賣之日已發行股份總數的10%，且該10%限額相當於80,000,000股股份（「**一般計劃限額**」）。
- (iii) 在上文(i)段的規限和不影響下文(iv)段的情況下，本公司可向其股東發出通函，並在股東大會上尋求股東批准擴大一般計劃限額，惟根據購股權計劃及本集團任何其他購股權計劃將予授出的所有購股權獲行使而可予發行的股份總數，不得超過截至批准計劃限額日期已發行股份10%，而計算限額時，先前根據購股權計劃及本集團任何其他購股權計劃授出的購股權（包括根據購股權計劃及本集團任何其他購股權計劃尚未行使、已註銷、已失效或已行使的購股權）將不會計算在內。本公司向股東寄發的通函須載有（其中包括）上市規則第17.02(2)(d)條規定的資料及上市規則第17.02(4)條規定的免責聲明等資料。
- (iv) 在上文(i)段的規限和不影響上文(iii)段的情況下，本公司可在股東大會上另行尋求股東批准授出超過一般計劃限額的購股權或（如適用）在取得該批准前，向本公司特別指定的參與人士授出上文(iii)段所述經擴大限額的購股權。在該情況下，本公司必須向其股東寄發通函，當中須載有指定參與人士的一般資料、將授出的購股權數目及條款、向指定參與人士授出購股權的目的，並解釋購股權的條款如何達到該等目的，以及所有上市規則第17.02(2)(d)條規定的其他資料及上市規則第17.02(4)條規定的免責聲明。

DIRECTORS' REPORT (Continued)**董事會報告 (續)***(d) Maximum entitlement of each participant*

The total number of Shares issued and to be issued upon exercise of the options granted and to be granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised and outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being (the “**Individual Limit**”). Any further grant of options to a participant in aggregate in excess of the Individual Limit in any 12-month period up to and including the date of such further grant shall be subject to the issue of a circular to the Shareholders and the Shareholders’ approval in general meeting of the Company with such participant and his close associates abstaining from voting. The number and terms (including the exercise price) of options to be granted to such participant must be fixed before Shareholders’ approval and the date of board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price under note (1) to Rule 17.03(9) of the Listing Rules.

(e) Grant of options to connected persons

- (i) Any grant of options under the Share Option Scheme to any Director, chief executive or substantial Shareholder of the Company or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed grantee of the options).
- (ii) Where any grant of options to a substantial Shareholder of the Company or an independent non-executive Director or any of their respective associates would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:
 - representing in aggregate over 0.1% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of the Shares in issue; and

(d) 每名參與人士可獲授權益上限

於任何12個月期間，因根據購股權計劃及本集團任何其他購股權計劃向每名參與人士已授出及將授出的購股權（包括已行使及尚未行使者）獲行使而已發行及將予發行的股份總數，不得超過本公司當時已發行股本1%（「**個人限額**」）。倘於截至進一步授出購股權日期（包括該日）止任何12個月期間進一步向參與人士授出合共超過個人限額的購股權，則須向股東寄發通函，且須於本公司股東大會上取得股東批准，而該名參與人士及其緊密聯繫人必須放棄投票。向該參與人士授出購股權的數目及條款（包括行使價）必須在股東批准前確定。就根據上市規則第17.03(9)條附註(1)規定計算行使價而言，建議進一步授出購股權的董事會會議日期應被視為授出日期。

(e) 向關連人士授出購股權

- (i) 根據購股權計劃向本公司任何董事、最高行政人員或主要股東或他們各自的任何聯繫人授出任何購股權，必須獲獨立非執行董事（不包括本身為建議購股權承授人的任何獨立非執行董事）批准。
- (ii) 倘向本公司主要股東或獨立非執行董事或其各自的任何聯繫人授出購股權會導致因行使該名人士於截至授出日期（包括授出日期）止12個月期間已經及將會獲授的所有購股權（包括已行使、已註銷及尚未行使的購股權）而已經及將予發行的股份：
 - 合共超過已發行股份0.1%（或聯交所可能不時規定的其他較高百分比）；及

DIRECTORS' REPORT *(Continued)***董事會報告 (續)**

- having an aggregate value, based on the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of each grant, in excess of HK\$5 million (or such other higher amount as may from time to time be specified by the Stock Exchange);

such further grant of options must be approved by the Shareholders in a general meeting. The Company must send a circular to its Shareholders no later than the date on which the Company gives notice of the general meeting to approve the Share Option Scheme. The grantees, their associates and all core connected persons of the Company must abstain from voting at such general meeting, except that they may vote against the relevant resolution at the general meeting provided that any of their intention to do so has been stated in the circular to be sent to the Shareholders in connection therewith. Any vote taken at the general meeting to approve the grant of such options must be taken on a poll. Any change in the terms of options granted to a substantial shareholder or an independent non-executive Director or any of their respective associates must be approved by the Shareholders in a general meeting.

(f) Time of acceptance and exercise of option

An option may be accepted by a participant to whom the offer is made within 5 business days from the date on which the letter containing the offer is delivered to that participant. An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence on a day after the date upon which the offer for the grant of options is made but shall end in any event not later than 10 years from the date of grant of the option subject to the provisions for early termination under the Share Option Scheme. Unless otherwise determined by the Directors and stated in the offer of the grant of options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised.

- 按股份於各授出日期在聯交所每日報價表的收市價計算，總值超過5百萬港元（或聯交所可能不時規定的其他較高金額）；

則進一步授出購股權必須經股東在股東大會上批准。本公司必須於不遲於發出旨在批准購股權計劃的股東大會通告日期向股東寄發通函。承授人、他們的聯繫人及本公司所有核心關連人士必須在該股東大會上放棄投票，惟已在寄發予股東的通函內表明其有意在股東大會上投票反對有關決議案者則除外。於股東大會上批准授出該等購股權的任何表決必須以投票方式進行。主要股東或獨立非執行董事或他們各自的任何聯繫人獲授的購股權條款的任何變動必須經股東在股東大會上批准。

(f) 接納及行使購股權期限

接獲建議的參與人士可自建議函件交付予參與人士的日期起計五個營業日內接納購股權。購股權可於董事決定及知會各承授人的期間內，根據購股權計劃的條款隨時行使，該期間可於建議授出購股權日期後翌日開始，但在任何情況下必須於授出購股權日期起計十年內結束，惟可根據購股權計劃的條文提前終止。除非董事另行決定及於建議授出購股權時已向承授人表明，否則購股權計劃並無規定購股權於行使前須持有的最短期限。

DIRECTORS' REPORT *(Continued)*

董事會報告 (續)

An offer shall be deemed to have been accepted and the option to which the offer relates shall be deemed to have been granted and to have taken effect when the duplicate of the offer letter comprising acceptance of the offer duly signed by the grantee with the number of Shares in respect of which the offer is accepted clearly stated therein, together with a remittance in favor of the Company of HK\$1.00 by way of consideration for the grant thereof, which must be received by the Company within 5 business days from the date on which the offer letter is delivered to the grantee.

(g) Performance targets

Unless the Directors otherwise determine and state in the offer of the grant of options to a grantee, a grantee is not required to achieve any performance targets before any options granted under the Share Option Scheme can be exercised.

(h) Subscription price for Shares and consideration for the option

The subscription price per Share under the Share Option Scheme will be a price determined by the Directors, but shall not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a business day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the offer of grant (provided that in the event that any option is proposed to be granted within a period of less than five business days after the trading of the Shares first commences on the Stock Exchange, the new issue price of the Shares for the Global Offering shall be used as the closing price for any business day falling within the period before listing of the Shares on the Stock Exchange); and (iii) the nominal value of a Share on the date of grant.

倘本公司於寄發要約函件予受讓人起計五個營業日內接獲一份由受讓人正式簽署有關接納要約之信件複本，其中明確寫上接納要約之股份數目，連同支付予本公司1.00港元款項，作為授予購股權之對價，則要約將會被視為已獲接納而與要約相關之購股權會被視為已授出並已生效。

(g) 表現目標

除非董事另行決定並於建議授出購股權時已向承授人表明，否則並無規定承授人於行使根據購股權計劃授出的任何購股權前須達成任何表現目標。

(h) 股份認購價及購股權對價

購股權計劃項下的每股股份認購價將為由董事決定的價格，惟有關價格不得低於下列三者中最高者：(i)於建議授出日期（必須為營業日）在聯交所每日報價表所報的股份收市價；(ii)緊接建議授出購股權日期前五個營業日在聯交所每日報價表所報的股份平均收市價（惟倘於股份首次在聯交所開始買賣後少於五個營業日的期間內建議授出任何購股權，則全球發售中股份的新發行價將用作股份於聯交所上市之前期間內任何營業日的收市價）；及(iii)授出日期的股份面值。

DIRECTORS' REPORT (Continued)**董事會報告 (續)***(i) Ranking of Shares*

- (i) Shares allotted and issued upon the exercise of an option will be identical to the then existing issued shares of the Company and subject to all the provisions of the Memorandum and Articles for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue on the date the name of the grantee is registered on the register of members of the Company or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members (the “**Exercise Date**”) and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Exercise Date. A Share allotted upon the exercise of an option shall not carry voting rights or rights to participate in any dividends or distributions (including those arising on a liquidation of the Company) declared or recommended or resolved to be paid to the Shareholders on the register until the completion of the registration of the grantee on the register of members of the Company as the holder thereof.
- (ii) Unless the context otherwise requires, references to “Shares” in this paragraph include references to shares in the ordinary equity share capital of the Company of such nominal amount as shall result from a subdivision, consolidation, reclassification or re-construction of the share capital of the Company from time to time.

(i) 股份地位

- (i) 因行使購股權而配發及發行的股份將與本公司當時的現有已發行股份相同，並須受當時有效的大綱及細則所有條文所限，及在所有方面與承授人於本公司股東名冊登記當日（或倘本公司於該日暫停辦理股東登記手續，則以恢復辦理股東登記手續的首日計算（「**行使日期**」）的已發行繳足股份享有同等權利，因此，購股權持有人將有權獲派於行使日期或之後所派付或作出的一切股息或其他分派，倘有關記錄日期定於行使日期前，在此以前已宣派或建議或議決派付或作出的任何股息或其他分派不包括在內。承授人完成於本公司股東名冊登記作為股份持有人前，因購股權獲行使而配發的股份將不享有投票權或參與任何已宣派或建議或議決派付予名列股東名冊的股東的任何股息或分派（包括因本公司清盤而產生者）的權利。
- (ii) 除文義另有所指外，本段內「股份」一詞包括本公司普通股股本中因本公司不時進行股本拆細、合併、重新分類或重組而產生的任何面額股份。

DIRECTORS' REPORT *(Continued)***董事會報告 (續)***(j) Restrictions on the time of grant of options*

No offer for grant of options shall be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been announced in accordance with the requirements of the Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of (i) the date of the meeting of the Directors (as such date is first notified to the Stock Exchange in accordance with the requirements of the Listing Rules) for the approval of the Company's results for any year, half-year, quarter or any other interim period (whether or not required under the Listing Rules); and (ii) the last date on which the Company must publish its announcement of its results for any year, half-year, quarter or any other interim period (whether or not required under the Listing Rules), and ending on the date of the announcement of the results, no offer for grant of options may be made.

The Directors may not grant any option to a participant who is a Director during the period or time in which Directors are prohibited from dealing in shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

(k) Period of the Share Option Scheme

The Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the Share Option Scheme is adopted.

Details of the Share Option Granted

No option was granted or agreed to be granted under the Share Option Scheme during the year ended 31 December 2018.

(j) 授出購股權的時限

倘發生股價敏感事件或作出有關股價敏感事宜的決定，則不得建議授出購股權，直至根據上市規則的規定公告有關可能影響股價的消息為止。尤其於緊接下列較早期限前一個月開始的期間內概不得建議授出購股權，直至業績公告日期為止：(i)就批准本公司的任何年度、半年度、季度或任何其他中期業績（不論是否上市規則所規定）而舉行董事會會議的日期（須根據上市規則的規定首先知會聯交所有關日期）；及(ii)本公司須刊發其任何年度、半年度、季度或任何其他中期業績公告（不論是否上市規則所規定）的最後期限。

在上市規則規定的上市發行人董事進行證券交易的標準守則或本公司所採納的任何相應守則或證券買賣限制規定禁止董事買賣股份的期間或時限內，董事不得向該等身為董事的參與人士授出任何購股權。

(k) 購股權計劃期限

購股權計劃自其獲採納之日起生效，為期十年。

購股權授出詳情

於截至2018年12月31日止年度，概無根據購股權計劃授出或同意授出任何購股權。

DIRECTORS' REPORT *(Continued)*

董事會報告 (續)

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 subsisted during the year ended 31 December 2018.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

During the year ended 31 December 2018, there were no any rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or children under 18 years of age, nor were there any such rights exercised by them. Also, there was no arrangement to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries is a party that would enable the Directors to acquire such rights in any other body corporate.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 31 December 2018, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the "SFO") which were required to be entered in the register kept by the Company pursuant to section 352 of the SFO, or which were otherwise required, to be notified to the Company and the Stock Exchange pursuant to the Model Code, are set out below:

管理合同

於截至2018年12月31日止年度，概無訂立或存在有關本公司業務整體或任何重要部分的管理及行政的合同。

購買股份或債權證的安排

於截至2018年12月31日止年度，概無向董事或其各自配偶或未滿18歲子女授出可透過購買本公司股份或債權證而獲益的權利，其亦無行使相關權利。本公司、其控股公司、任何子公司或同系子公司亦概無訂立任何安排致使董事可獲得任何其他法人團體的有關權利。

董事及主要行政人員於本公司或其相聯法團的股份、相關股份及債權證的權益及淡倉

於2018年12月31日，本公司董事及主要行政人員在本公司或其相聯法團（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、相關股份及債權證中擁有須於本公司根據證券及期貨條例第352條存置的登記冊中登記；或根據標準守則規定須通知本公司及聯交所的權益及淡倉如下：

DIRECTORS' REPORT *(Continued)*

董事會報告 (續)

Interests in Shares of the Company

於本公司股份的權益

| Name of Director 董事姓名 | Nature of interest/Capacity 權益性質 / 身份 | Number of Shares or underlying Shares 股份或相關股份數目 | Approximate percentage of shareholding 概約持股百分比 |
|--|--|--|---|
| Mr. Ge Yiyang ⁽¹⁾ 葛一暘先生 ⁽¹⁾ | Interest in a controlled corporation/ interest of concert parties 受控制法團權益 / 一致行動人士權益 | 600,000,000 | 72.5% |

Note:

(1) Pursuant to the Deed of Act-in-concert, each of the Ultimate Controlling Shareholders had agreed to, consult each other and reach a unanimous consensus among themselves on such matters being the subject matters of any shareholders' resolution, prior to putting forward such resolution to be passed at any shareholders' meeting of the members of our Group or their respective predecessors during the period when they (by themselves or together with their associates) remain in control of our Group and they have confirmed that they have historically voted on such resolutions in the same way since 1 January 2015 or the date when they became interested in any member of our Group, whichever is earlier.

As such, each of the Ultimate Controlling Shareholders together with their respective holding companies (being Splendid Sun, Sound Limited, Shade (BVI), Glorious Villa and He Hong) are all deemed to be interested in the total Shares directly and indirectly held by Splendid Sun, Sound Limited, Shade (BVI), Glorious Villa and He Hong. Therefore, Mr. Ge Yiyang is deemed to have interest in the Shares held by Splendid Sun, Glorious Villa and He Hong for the purpose of Part XV of the SFO.

附註：

(1) 根據一致行動契據，各最終控股股東已同意在其（其本身或連同其聯繫人）依然控制本集團期間提呈任何股東決議案在本集團成員公司或其各自的前身的任何股東大會通過前，就該等決議案主題事項所涉及事宜互相協商並彼此達成一致意見，且其已確認過往自2015年1月1日或其於本集團任何成員公司擁有權益的日期（以較早者為準）起已按相同方式就該等決議案進行投票。

因此，各最終控股股東連同其各自的控股公司（即Splendid Sun、Sound Limited、Shade (BVI)、Glorious Villa及He Hong）均被視為擁有Splendid Sun、Sound Limited、Shade (BVI)、Glorious Villa及He Hong直接及間接持有的全部股份權益。因此，就證券及期貨條例第XV部而言，葛一暘先生被視為擁有Splendid Sun、Glorious Villa及He Hong持有股份的權益。

DIRECTORS' REPORT (Continued)**董事會報告 (續)****Interests in Associated Corporations****於相聯法團的權益**

| Name of Director 董事姓名 | Nature of interest/Capacity 權益性質 / 身份 | Name of associated corporation 相聯法團名稱 | Approximate percentage of shareholding 概約持股百分比 |
|--------------------------|---|--|---|
| Mr. Ge Yiyang 葛一陽先生 | Beneficial interest 實益權益 | Glorious Villa ⁽¹⁾ | 100% |
| | Interest in controlled corporation 受控制法團權益 | He Hong ⁽¹⁾⁽²⁾ | 1% |

Notes:

附註：

(1) Pursuant to the Deed of Act-in-concert, each of the Ultimate Controlling Shareholders had agreed to, consult each other and reach a unanimous consensus among themselves on such matters being the subject matters of any shareholders' resolution, prior to putting forward such resolution to be passed at any shareholders' meeting of the members of our Group or their respective predecessors during the period when they (by themselves or together with their associates) remain in control of our Group and they have confirmed that they have historically voted on such resolutions in the same way since 1 January 2015 or the date when they became interested in any member of our Group, whichever is earlier.

As such, Glorious Villa, together with Splendid Sun, Sound Limited, Shade (BVI) and He Hong controlled 72.5% of the voting power at general meetings of the Company as at 31 December 2018 and therefore Glorious Villa, Splendid Sun, Sound Limited, Shade (BVI) and He Hong are associated corporations of the Company.

(2) Glorious Villa is wholly-owned by Mr. Ge Yiyang. By virtue of the SFO, Mr. Ge Yiyang is deemed to be interested in the shares of He Hong held by Glorious Villa.

Save as disclosed above, as at 31 December 2018, none of the Directors and chief executives of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or its associated corporations, recorded in the register required to be kept under section 352 of the SFO or required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

(1) 根據一致行動契據，各最終控股股東已同意在其（其本身或連同其聯繫人）依然控制本集團期間提呈任何股東決議案在本集團成員公司或其各自的前身的任何股東大會通過前，就該等決議案主題事項所涉及事宜互相協商並彼此達成一致意見，且其已確認過往自2015年1月1日或其於本集團任何成員公司擁有權益的日期（以較早者為準）起已按相同方式就該等決議案進行投票。

因此，於2018年12月31日，Glorious Villa連同Splendid Sun、Sound Limited、Shade (BVI)及He Hong於本公司股東大會上控制72.5%的投票權，故此，Glorious Villa、Splendid Sun、Sound Limited、Shade (BVI)及He Hong均為本公司相聯法團。

(2) Glorious Villa由葛一陽先生全資擁有。根據證券及期貨條例，葛一陽先生被視為於Glorious Villa所持有的He Hong股份中擁有權益。

除上文所披露者外，於2018年12月31日，概無本公司董事及最高行政人員於本公司或其相聯法團的股份、相關股份及債權證中擁有須於本公司根據證券及期貨條例第352條存置的登記冊中登記或根據標準守則須通知本公司及聯交所的任何權益或淡倉。

DIRECTORS' REPORT (Continued)**董事會報告 (續)****SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY****主要股東於本公司股份及相關股份的權益及淡倉**

So far as is known to the Company, as at 31 December 2018, as recorded in the register required to be kept by the Company under section 336 of the SFO, the following persons, other than a Director or chief executive of the Company, had an interest of 5% or more in the Shares or underlying Shares of the Company:

據本公司所深知，於2018年12月31日，誠如本公司根據證券及期貨條例第336條存置的登記冊所載，下列人士（本公司董事或主要行政人員除外）於本公司股份或相關股份中擁有5%或以上權益：

| Name of Shareholder 股東名稱 | Nature of interest/Capacity 權益性質／身份 | Number of Shares 股份數目 | Approximate percentage of shareholding 概約持股百分比 |
|-----------------------------|---|--------------------------|---|
| He Hong | Beneficial interest 實益權益 Interest of concert parties ⁽¹⁾ 一致行動人士權益 ⁽¹⁾ | 600,000,000 | 72.5% |
| Splendid Sun | Beneficial interest 實益權益 Interest of controlled corporation 受控制法團權益 Interest of concert parties ⁽¹⁾ 一致行動人士權益 ⁽¹⁾ | 600,000,000 | 72.5% |
| Mr. Ge Hekai 葛和凱先生 | Interest of controlled corporation 受控制法團權益 Interest of concert parties ⁽¹⁾ 一致行動人士權益 ⁽¹⁾ | 600,000,000 | 72.5% |
| Ms. Zhu Lan 朱嵐女士 | Interest of spouse ⁽²⁾ 配偶權益 ⁽²⁾ | 600,000,000 | 72.5% |
| Glorious Villa | Beneficial interest 實益權益 Interest of controlled corporation 受控制法團權益 Interest of concert parties ⁽¹⁾ 一致行動人士權益 ⁽¹⁾ | 600,000,000 | 72.5% |

DIRECTORS' REPORT (Continued)**董事會報告 (續)**

| Name of Shareholder 股東名稱 | Nature of interest/Capacity 權益性質 / 身份 | Number of Shares 股份數目 | Approximate percentage of shareholding 概約持股百分比 |
|-----------------------------|--|--------------------------|---|
| Ms. Yang Yaqi 楊雅淇女士 | Interest of spouse ⁽³⁾ 配偶權益 ⁽³⁾ | 600,000,000 | 72.5% |
| Shade (BVI) | Interest of controlled corporation 受控制法團權益 Interest of concert parties ⁽¹⁾ 一致行動人士權益 ⁽¹⁾ | 600,000,000 | 72.5% |
| Ms. Jin Linyin 金林蔭女士 | Interest of controlled corporation 受控制法團權益 Interest of concert parties ⁽¹⁾ 一致行動人士權益 ⁽¹⁾ | 600,000,000 | 72.5% |
| Sound Limited | Interest of controlled corporation 受控制法團權益 Interest of concert parties ⁽¹⁾ 一致行動人士權益 ⁽¹⁾ | 600,000,000 | 72.5% |
| Mr. Ge Heming 葛和鳴先生 | Interest of controlled corporation 受控制法團權益 Interest of concert parties ⁽¹⁾ 一致行動人士權益 ⁽¹⁾ | 600,000,000 | 72.5% |
| Ms. Wu Xiaolin 吳筱林女士 | Interest of spouse ⁽⁴⁾ 配偶權益 ⁽⁴⁾ | 600,000,000 | 72.5% |

Notes:

(1) Pursuant to the Deed of Act-in-concert, each of the Ultimate Controlling Shareholders had agreed to, consult each other and reach a unanimous consensus among themselves on such matters being the subject matters of any shareholders' resolution, prior to putting forward such resolution to be passed at any shareholders' meeting of the members of our Group or their respective predecessors during the period when they (by themselves or together with their associates) remain in control of our Group, and they have confirmed that they have historically voted on such resolutions in the same way since 1 January 2015 or the date when they became interested in any member of our Group, whichever is earlier.

附註：

(1) 根據一致行動契據，各最終控股股東已同意在其（其本身或連同其聯繫人）依然控制本集團期間提呈任何股東決議案在本集團成員公司或其各自的前身的任何股東大會通過前，就該等決議案主題事項所涉及事宜互相協商並彼此達成一致意見，且其已確認過往自2015年1月1日或其於本集團任何成員公司擁有權益的日期（以較早者為準）起已按相同方式就該等決議案進行投票。

DIRECTORS' REPORT *(Continued)***董事會報告 (續)**

As such, each of the Ultimate Controlling Shareholders together with their respective holding companies (being Splendid Sun, Sound Limited, Shade (BVI), Glorious Villa and He Hong) are all deemed to be interested in the total Shares directly and indirectly held by Splendid Sun, Sound Limited, Shade (BVI), Glorious Villa and He Hong.

因此，各最終控股股東連同其各自的控股公司（即Splendid Sun、Sound Limited、Shade (BVI)、Glorious Villa及He Hong），均被視為擁有Splendid Sun、Sound Limited、Shade (BVI)、Glorious Villa及He Hong直接及間接持有的全部股份權益。

(2) Ms. Zhu Lan (朱嵐), the spouse of Mr. Ge Hekai, is deemed to be interested in Mr. Ge Hekai's interest in our Company by virtue of the SFO.

(2) 就證券及期貨條例而言，朱嵐女士（葛和凱先生的配偶）被視為擁有葛和凱先生於本公司的權益。

(3) Ms. Yang Yaqi (楊雅淇), the spouse of Mr. Ge Yiyang, is deemed to be interested in Mr. Yiyang's interest in our Company by virtue of the SFO.

(3) 就證券及期貨條例而言，楊雅淇女士（葛一陽先生的配偶）被視為擁有葛一陽先生於本公司的權益。

(4) Ms. Wu Xiaolin (吳筱林), the spouse of Mr. Ge Heming, is deemed to be interested in Mr. Ge Heming's interest in our Company by virtue of the SFO.

(4) 就證券及期貨條例而言，吳筱林女士（葛和鳴先生的配偶）被視為擁有葛和鳴先生於本公司的權益。

Save as disclosed above, as at 31 December 2018, the Company has not been notified by any person who had any 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.

除上文所披露者外，於2018年12月31日，本公司並無獲知會有任何人士於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及第3分部的條文須向本公司披露，或記錄於本公司根據證券及期貨條例第336條須存置的登記冊內的任何權益或淡倉。

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the articles of association of the Company, or the law of Cayman Islands being the jurisdiction in which the Company was incorporated under which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

優先購買權

本公司組織章程細則或開曼群島（即本公司註冊成立所在司法權區）法例並無有關優先購買權的任何規定，規限本公司須向現有股東按持股比例發售新股份。

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's securities.

稅項減免

董事並不知悉有股東因持有本公司證券而可獲得的任何稅項減免。

DIRECTORS' REPORT (Continued)

董事會報告 (續)

CORPORATE GOVERNANCE

Principal corporate governance practices adopted by the Company are set out in the section headed "Corporate Governance Report" in this annual report.

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2018, the Group employed a total of 1,057 employees (as at 31 December 2017: 388 employees). For the year ended 31 December 2018, the staff cost recognised of the Group amounted to RMB153.4 million (2017: RMB62.2 million).

The remuneration policy of the Group is to provide remuneration packages including salary, bonuses and various allowances, so as to attract and retain top quality staff. In general, the Group determines employee salaries based on each employee's qualifications, position and seniority. The Group has designed a periodical review system to assess the performance of its employees, which forms the basis of the determination on salary rises, bonuses and promotions. As required by PRC regulations, the Group makes contributions to mandatory social security funds for the benefit of the Group's PRC employees that provide for pension insurance, medical insurance, unemployment insurance, personal injury insurance, maternity insurance and housing funds.

Furthermore, the Group has implemented systematic, specialty-focused vocational training programs for its employees at different levels on a regular basis to meet different requirements and emphasise individual initiative and responsibility. The Group believes that these initiatives have contributed to increased employee productivity.

The Group's employees do not negotiate their terms of employment through any labor union or by way of collective bargaining agreements. During the year ended 31 December 2018, no labor dispute had occurred which materially and adversely affected or was likely to have a material and adverse effect on the operations of the Group.

企業管治

本公司採納的主要企業管治常規載於本年報「企業管治報告」一節。

僱員及薪酬政策

於2018年12月31日，本集團總共僱用僱員1,057名（於2017年12月31日：388名僱員）。截至2018年12月31日止年度，本集團確認員工成本人民幣153.4百萬元（2017年：人民幣62.2百萬元）。

本集團的薪酬政策旨在提供薪酬方案，包括工資、花紅及多項津貼，以吸納及挽留優質員工。一般而言，本集團按各僱員的資質、職位及資歷釐定僱員薪金。本集團已設立定期評審制度評估僱員的表現，評估結果即為釐定薪金升幅、花紅及晉升的依據。按中國法規所規定，本集團為本集團的中國僱員利益向養老保險、醫療保險、失業保險、工傷保險、生育保險及住房公積金等強制性社會保障基金供款。

此外，本集團已定期為不同水平的僱員實施有系統且專門的職業培訓計劃以滿足不同的要求，並重視個人的主動性及責任感。本集團相信，該等措施有助提升僱員工作效率。

本集團的僱員並無透過任何工會或集體議價方式協商僱傭條款。於截至2018年12月31日止年度，概無發生任何對或可能對本集團的營運造成重大不利影響的勞資糾紛。

DIRECTORS' REPORT *(Continued)***董事會報告 (續)****ENVIRONMENTAL, SOCIAL AND GOVERNANCE****Environmental Protection**

The Group is subject to a number of environmental laws and regulations including the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), the Prevention and Control of Environmental Noise Pollution Law of the PRC (《中華人民共和國環境噪聲污染防治法》), the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》) and the Administrative Regulations on Environmental Protection for Development Projects (《建設項目環境保護管理條例》).

Pursuant to applicable laws and regulations, each of the Group's development projects must undergo an environmental assessment before the commencement of construction. The Group must fulfill environmental impact assessment procedures with the relevant environmental protection authorities. The procedures may contain certain standards, which must be incorporated into the design, construction and operation of the project. The Group requires its construction companies to comply with these standards during the construction process. The Group also encourages its construction companies to use environmentally friendly equipment and technologies. Upon the completion and before the delivery of the property, the relevant environmental protection authorities inspect the project to ensure compliance with all applicable environmental laws and regulations.

As at 31 December 2018, the Group did not encounter any material issues in passing inspections conducted by the relevant environmental protection authorities upon completion of the properties. During the year ended 31 December 2018 and up to the date of this annual report, no material fines or penalties were imposed on the Group for non-compliance of PRC environmental laws and regulations. As at the date of this annual report, the Group had obtained all required approvals in relation to the environmental impact reports, where applicable, for the projects of the Group under development.

環境、社會及管治**環境保護**

本集團受多項環境法律及法規監管，包括《中華人民共和國環境保護法》、《中華人民共和國環境噪聲污染防治法》、《中華人民共和國環境影響評價法》及《建設項目環境保護管理條例》。

根據適用法律及法規，本集團的各開發項目於開始施工前必須進行環境評估。本集團須於相關環保部門完成環境影響評估程序。該程序可能包含若干標準，其必須納入項目的設計、施工及營運中。本集團要求其建築公司於施工過程中遵守該等標準。本集團亦鼓勵其建築公司使用環保設備及技術。於物業竣工後及交付前，相關環保部門會對項目進行檢驗，以確保遵守所有適用環境法律及法規。

於2018年12月31日，本集團於物業竣工後通過相關環保部門進行的檢驗時未遇到任何重大問題。於截至2018年12月31日止年度及直至本年報日期，本集團並無因違反中國環境法律及法規而被處以重大罰款或遭受處罰。於本年報日期，本集團已就本集團的在建項目取得一切有關環境影響報告的所需批准（如適用）。

DIRECTORS' REPORT *(Continued)*

董事會報告 (續)

Social Responsibility

The Group has entered into employment contracts with its employees in accordance with the applicable PRC and Hong Kong laws and regulations.

The Group maintains social welfare insurance for its full-time employees in the PRC and Hong Kong, including pension insurance, medical insurance, personal injury insurance, unemployment insurance and maternity insurance, in accordance with the relevant PRC and Hong Kong laws and regulations.

Health and Work Safety

The employee's administrative measures adopted by the Group contain policies and procedures regarding work safety and occupational health issues. The Group provides its employees with annual medical checks and safety training, and the construction sites of the Group are equipped with safety equipments including gloves, boots and hats.

The chairman's office of the Group is responsible for recording and handling work accidents as well as maintaining health and work safety compliance records.

During the year ended 31 December 2018 and up to the date of this annual report, the Group did not encounter any material safety accident, there were no material claims for personal or property damages and no material compensation was paid to employees in respect of claims for personal or property damages related to safety accident.

INDEMNITY AND INSURANCE PROVISIONS

The articles of association of the Company provides that the Directors, managing directors, alternate Directors, Auditors, Secretary and other officers for the time being of the Company and the trustees (if any) for the time being acting in relation to any of the affairs of the Company, and their respective executors or administrators, shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their executors or administrators, shall or may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their respective offices or trusts. The Company has arranged appropriate directors and officers liability insurance in respect of legal action against Directors.

社會責任

本集團已根據適用中國及香港法律及法規與僱員訂立勞動合同。

本集團根據相關中國及香港法律及法規為中國及香港的全職僱員購買社會福利保險，包括養老保險、醫療保險、工傷保險、失業保險及生育保險。

健康及工作安全

本集團採用的員工管理辦法載有關於工作安全及職業健康事宜的政策及程序。本集團向僱員提供年度體檢及安全培訓，且本集團的建築工地配有安全設備，包括手套、安全靴及安全帽。

本集團的主席辦公室負責記錄及處理工程事故以及保存健康及工作安全合規記錄。

於截至2018年12月31日止年度及直至本年報日期，本集團並無遭遇任何重大安全事故，亦無有關人身傷害或財產損失的重大申索及並無有關人身傷害或有關安全事故的財產損失的申索向僱員支付重大賠償。

彌償及保險規定

本公司組織章程細則規定，董事、董事總經理、替任董事、審計師、秘書及本公司當時的其他高級人員及就本公司的任何事務行事的受託人（如有）及其各自的遺囑執行人或遺產管理人因應其於其各自的職位或信託的職責或建議職責的履行而作出、應允或遺漏的行為而理應或可能引致或蒙受的所有訴訟、成本、費用、損失、損害及開支，其應自本公司資產中獲得彌償保證及不受損害。本公司已就董事可能面對的法律行動安排適當的董事及主要職員責任保險。

DIRECTORS' REPORT (Continued)**董事會報告 (續)****EQUITY-LINKED AGREEMENTS**

Save for the Share Option Scheme as set out in this annual report, no equity-linked agreements were entered into by the Group, or subsisted during the year ended 31 December 2018.

SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD**Framework Agreement between Shanghai Dafa and Dafa Group**

Shanghai Dafa and Dafa Group entered into a framework agreement (the “**Framework Agreement**”) on 15 March 2019, pursuant to which Shanghai Dafa agreed to purchase, and Dafa Group agreed to supply elevator equipment and the relevant after-sale services for a term from 15 March 2019 to 31 December 2021. The proposed annual caps of the transactions contemplated under the Framework Agreement for the three years ending 31 December 2019, 2020 and 2021 are RMB80,000,000, RMB120,000,000 and RMB150,000,000, respectively.

Dafa Group is owned by Mr. Ge Hekai (a controlling Shareholder), Mr. Ge Yiyang (the son of Mr. Ge Hekai) and Shanghai Hehong as to 60%, 20% and 20%, respectively. Shanghai Hehong is in turn owned by Mr. Ge Hekai, Mr. Ge Yiyang as to 79% and 21%, respectively. Accordingly, Dafa Group is an associate (as defined under the Listing Rules) of Mr. Ge Hekai and thus a connected person of the Company. Therefore, the transactions contemplated under the Framework Agreement constitute continuing connected transactions of the Company.

As the highest applicable percentage ratio in respect of the proposed annual caps under the Framework Agreement is more than 0.1% but less than 5%, the transactions contemplated under the Framework Agreement are subject to the announcement, reporting and annual review requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

For details of the Framework Agreement, please refer to the announcement of the Company dated 15 March 2019.

股票掛鈎協議

除本年報所載購股權計劃外，於截至2018年12月31日止年度，本集團並無訂立股票掛鈎協議或有關協議仍然生效。

報告期後事項**上海大發與大發集團訂立框架協議**

上海大發於2019年3月15日與大發集團訂立框架協議（「**框架協議**」），據此，上海大發同意購買，而大發集團同意供應電梯設備及相關售後服務，年期由2019年3月15日至2021年12月31日。截至2019年、2020年及2021年12月31日止三個年度的框架協議項下擬進行交易的建議年度上限分別為人民幣80,000,000元、人民幣120,000,000元及人民幣150,000,000元。

大發集團由葛和凱先生（控股股東）、葛一暘先生（葛和凱先生的兒子）及上海和鴻分別擁有60%、20%及20%。上海和鴻由葛和凱先生、葛一暘先生分別擁有79%及21%。因此，大發集團為葛和凱先生的聯繫人（定義見上市規則），並因此為本公司的關連人士。因此，框架協議項下擬進行的交易構成本公司的持續關連交易。

由於框架協議項下建議年度上限的最高適用百分比率超過0.1%但低於5%，故框架協議項下擬進行的交易須遵守上市規則第14A章項下的公告、申報及年度審核的規定，惟獲豁免遵守獨立股東批准的規定。

有關框架協議的詳情，請參閱本公司日期為2019年3月15日的公告。

DIRECTORS' REPORT *(Continued)*

董事會報告 (續)

SUFFICIENCY OF PUBLIC FLOAT

Rule 8.08 of the Listing Rules requires there to be an open market in the securities for which listing is sought and a sufficient public float of an issuer's listed securities to be maintained. This normally means that at least 25% of the issuer's total issued share capital must at all times be held by the public.

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

CHARITABLE DONATIONS

During the year ended 31 December 2018, the Group made charitable and other donations in a total amount of RMB10.0 million.

ANNUAL GENERAL MEETING

Annual general meeting of the Company will be held on 5 June 2019 (the "AGM"). The notice of the AGM will be published and despatched to the shareholders in accordance with the requirements of the Listing Rules in April 2019.

PAYMENT OF FINAL DIVIDEND

The Board recommends the payment of a final dividend of 16.9 HK cents per share (equivalent to RMB14.5 cents per share calculated at the exchange rate of HK\$1 to RMB0.8554) for the year ended 31 December 2018 (the "2018 Proposed Final Dividend"). The 2018 Proposed Final Dividend, if approved, shall be payable on 12 July 2019 and is subject to the approval of the Company's shareholders at the AGM. The Shareholders whose names appear on the register of members of the Company at the close of business on 14 June 2019 will be entitled to the 2018 Proposed Final Dividend. The 2018 Proposed Final Dividend will be declared and paid in Hong Kong dollars.

公眾持股量的充足性

上市規則第8.08條規定，尋求上市的證券必須有一個公開市場，且發行人的上市證券須維持足夠的公眾持股量，即無論何時發行人已發行總股本至少有25%須由公眾人士持有。

根據於刊發本年報前的最後可行日期本公司可公開獲得的資料及就董事所知，本公司一直維持上市規則所規定的足夠公眾持股量。

慈善捐款

於截至2018年12月31日止年度，本集團作出慈善及其他捐款共計人民幣10.0百萬元。

股東週年大會

本公司的股東週年大會將於2019年6月5日召開（「股東週年大會」）。根據上市規則規定刊發的股東週年大會通告將於2019年4月寄發予股東。

派付末期股息

董事會建議派付截至2018年12月31日止年度末期股息每股16.9港仙（相當於每股人民幣14.5分（按港元1：人民幣0.8554的匯率計算））（「2018年建議末期股息」）。倘獲批准，2018年建議末期股息將於2019年7月12日派付，但須待本公司股東於股東週年大會上批准後方可作實。於2019年6月14日營業時間結束時名列本公司股東名冊的股東將有權獲派2018年建議末期股息。2018年建議末期股息將以港元宣派及派付。

DIRECTORS' REPORT (Continued)**董事會報告 (續)****CLOSURE OF REGISTER OF MEMBERS****(a) For determining the entitlement of the shareholders to attend and vote at the AGM**

The register of members of the Company will be closed from 31 May 2019 to 5 June 2019 (both days inclusive), during which period no transfer of shares will be effected. In order to determine the identity of members who are entitled to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 30 May 2019.

(b) For determining the entitlement to the 2018 Proposed Final Dividend

The register of members of the Company will be closed from 12 June 2019 to 14 June 2019 (both days inclusive), during which no transfer of shares of the Company will be registered. In order to be eligible for the 2018 Proposed Final Dividend, unregistered holders of shares of the Company should ensure that all transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 11 June 2019.

AUDITOR

The consolidated financial statements for the year ended 31 December 2018 have been audited by Ernst & Young. A resolution for the re-appointment of Ernst & Young as the Company's auditor is to be proposed at the AGM. There is no change in the auditor of the Company in the preceding 3 financial years.

暫停辦理股份過戶登記手續**(a) 為確定股東合資格出席股東週年大會並於會上投票**

本公司將自2019年5月31日至2019年6月5日(包括首尾兩天)暫停辦理股份過戶登記手續,期間概不辦理股份過戶登記。為釐定有權出席股東週年大會並於會上投票的股東身份,所有股份過戶文件連同有關股票須於2019年5月30日下午四時三十分前送抵本公司的香港證券登記分處香港中央證券登記有限公司進行登記,地址為香港灣仔皇后大道東183號合和中心17樓1712-1716室。

(b) 為確定合資格獲派2018年建議末期股息

本公司將自2019年6月12日至2019年6月14日(包括首尾兩天)暫停辦理股份過戶登記手續,期間概不辦理本公司股份過戶登記。為符合資格獲派2018年建議末期股息,本公司的未登記股份持有人應確保所有過戶表格連同有關股票須於2019年6月11日下午四時三十分前送抵證券登記分處進行登記,地址為香港灣仔皇后大道東183號合和中心17樓1712-1716室。

審計師

安永會計師事務所已審計截至2018年12月31日止年度的綜合財務報表。有關續聘安永會計師事務所為本公司審計師的決議案將於股東週年大會上獲提呈。於前三個財政年度,本公司的審計師均無變更。

DIRECTORS' REPORT *(Continued)*

董事會報告 (續)

PROFESSIONAL TAX ADVICE RECOMMENDED

If the Shareholders are unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or the exercise of any rights in relation to the Shares, they are advised to consult an expert.

For and on behalf of the Board

DaFa Properties Group Limited

Ge Yiyang

Chairman

Hong Kong, 28 March 2019

建議諮詢專業稅務意見

股東如對購買、持有、出售、買賣或行使有關股份的任何權利的稅務影響存有任何疑問，建議其諮詢其專業顧問。

承董事會命

大发地产集团有限公司

葛一陽

主席

香港，2019年3月28日

CORPORATE GOVERNANCE REPORT

企業管治報告

The Company is committed to achieving high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Board is pleased in presenting this Corporate Governance Report for the year ended 31 December 2018.

本公司致力於實現高水準的企業管治，以保障股東權益及提高企業價值與責任承擔。董事會欣然呈列截至2018年12月31日止年度的企業管治報告。

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the Corporate Governance Code contained in Appendix 14 to the Listing Rules as its own code on corporate governance. The Shares were listed on the Stock Exchange on 11 October 2018. To the best knowledge of the Directors, the Company has complied with all applicable code provisions under the Corporate Governance Code during the period commencing from the Listing Date and up to the date of this annual report.

企業管治常規

本公司已採納上市規則附錄十四所載的企業管治守則作為其自身企業管治守則。股份於2018年10月11日在聯交所上市。就董事所知，於自上市日期起及直至本年報日期止期間，本公司一直遵守企業管治守則項下的所有適用守則條文。

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its code of conduct regarding Directors' securities transactions. The Model Code was not applicable to the Directors until the Shares were listed on the Stock Exchange on the Listing Date. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the Model Code from the Listing Date to 31 December 2018.

遵守董事進行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標準守則，作為其有關董事進行證券交易的行為準則。標準守則在股份於上市日期在聯交所上市前不適用於董事。經本公司作出特定查詢後，全體董事已確認自上市日期起直至2018年12月31日均已遵守標準守則。

CORPORATE GOVERNANCE REPORT *(Continued)*

企業管治報告 (續)

THE BOARD

1. Responsibilities

The Board assumes the responsibility of leadership and control of the Company, and supervises and approves significant decisions regarding financial performance, strategic development objectives and operations of the Company. The Board delegates to the management authority and responsibility for the Company's daily operations and businesses management according to the Board's instructions. The Board has established various committees and has delegated to the audit committee (the "Audit Committee"), the remuneration committee (the "Remuneration Committee"), and the nomination committee (the "Nomination Committee") of the Board (collectively, the "Board Committees") various duties. All the Board Committees perform their distinct roles in accordance with their respective terms of reference.

All Directors shall at all times ensure that they carry out duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and the Shareholders.

2. Board Composition

Executive Directors

Mr. Ge Yiyang (*Chairman*)
Mr. Liao Lujiang (*Chief Executive Officer*)
Mr. Chi Jingyong
Mr. Yang Yongwu

Independent Non-Executive Directors

Mr. Gu Jiong
Mr. Sun Bing
Mr. Fok Ho Yin Thomas

The list of the Directors (by category) is also disclosed in all corporate communications issued by the Company from time to time pursuant to the Listing Rules. The independent non-executive Directors are expressly identified in all corporate communications pursuant to the Listing Rules.

董事會

1. 責任

董事會負責領導及控制本公司，並監管及審批有關本公司財務表現、策略發展目標及業務的重大決定。董事會向管理層授出根據董事會的指示負責本公司日常經營及業務管理的權力及責任。董事會已成立多個委員會並向董事會的審計委員會（「審計委員會」）、薪酬委員會（「薪酬委員會」）及提名委員會（「提名委員會」）（統稱為「董事委員會」）委派多項職責。所有董事委員會均根據其各自的職責範圍履行不同的責任。

全體董事須始終確保其本著真誠、遵守適用法律及法規並符合本公司及股東利益的原則履行職責。

2. 董事會組成

執行董事

葛一暘先生（主席）
廖魯江先生（首席執行官）
池淨勇先生
楊永武先生

獨立非執行董事

顧炯先生
孫冰先生
霍浩然先生

董事名單（按分類）亦根據上市規則於本公司不時公佈的所有公司通訊內予以披露。獨立非執行董事亦根據上市規則於所有公司通訊內明確列出。

CORPORATE GOVERNANCE REPORT *(Continued)*

企業管治報告 (續)

Save as disclosed in the prospectus and in this annual report, to the best knowledge of the Company, there are no financial, business, family, or other material/relevant relationships among members of the Board.

During 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 at least one-third of the Board and at least one independent non-executive Director with appropriate professional qualifications, or accounting or related financial management expertise.

The Company has received written annual confirmation from each independent non-executive Director of his or her independence pursuant to the requirements of the Listing Rules. The Company considers all the independent non-executive Directors to be independent in accordance with the independence requirements set out in the Listing Rules.

Appointment, Re-election and Removal of Directors

The procedures and process of appointment, re-election and removal of the Directors are laid down in the Articles of Association. The primary duties of the Nomination Committee include, but are not limited to, reviewing the structure, size and composition of the Board, assessing the independence of the independent non-executive Directors and making recommendations to the Board on matters relating to the appointment of the Directors.

Each of our executive Directors has entered into a service contract with our Company. The initial term of their respective service contract shall commence from the date of the appointment as a Director and continue for a period of three years after or until the third annual general meeting of the Company since the Listing Date, whichever is earlier, and shall be subject always to re-election as and when required under the Articles, until terminated in accordance with the terms and conditions of the service contract or by either party giving to the other not less than 30 days' prior notice in writing.

除招股章程及本年報所披露者外，就本公司所知，董事會成員之間概無財務、業務、家庭或其他重大／相關關係。

於上市日期至2018年12月31日止期間內，董事會一直遵守上市規則有關委任至少三名獨立非執行董事（佔董事會成員人數至少三分之一）及至少一名獨立非執行董事擁有適當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的規定發出有關其本身獨立性的年度書面確認。本公司認為，根據上市規則所載的獨立性規定，所有獨立非執行董事均屬獨立人士。

董事的委任、重選及罷免

董事的委任、重選及罷免程序及過程已載於組織章程細則。提名委員會的主要職責包括但不限於審閱董事會架構、規模及組成、評估獨立非執行董事的獨立性及就委任董事的相關事宜向董事會作出建議。

各執行董事已與本公司訂立服務合同。其各自服務合同的初步期限為自其獲委任為董事之日起計為期三年，或直至上市日期起計本公司第三次股東週年大會（以較早者為準），且須按細則的規定膺選連任，直至根據服務合同的條款及條件或由其中一方方向另一方提前發出不少於30天的書面通知予以終止為止。

CORPORATE GOVERNANCE REPORT *(Continued)*

企業管治報告 (續)

Each of our independent non-executive Directors has entered into an appointment letter with our Company. The initial term for their appointment letters shall be three years from the Listing Date or until the third annual general meeting of the Company since the Listing Date, whichever is sooner, and shall be subject always to re-election as and when required under the Articles until terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other not less than three months' prior notice in writing.

In accordance with the Articles of Association, all of the Directors are subject to retirement by rotation at least once every three years and the Board has power from time to time and at any time to appoint any new Director to fill a causal vacancy or as an addition to the Board. Any Director so appointed shall hold office until the next following annual general meeting of the Company and shall then be eligible for re-election at that meeting.

Induction and Continuing Development for Directors

Each newly appointed Director receives formal, comprehensive and tailored induction on the first occasion of his appointment, so as to ensure that he or she understands the business and operations of the Company and that he or she is fully aware of his or her responsibilities and obligations under the Listing Rules and other relevant regulatory requirements.

The Directors are continually provided with information relating to the developments in the legal and regulatory regime and the business and market environments to facilitate the execution of their responsibilities. Continuing briefings and professional development for the Directors were arranged by the Company and its professional advisers.

During the year ended 31 December 2018, each Director has attended training sessions arranged by the Company regarding the continuing obligations of listed companies and its directors, disclosure obligations of listed companies and update on the Listing Rules.

各獨立非執行董事已與本公司訂立委任書。其委任書的初步期限為自上市日期起計為期三年，或直至上市日期起計本公司第三次股東週年大會（以較早者為準），且須按細則的規定膺選連任，直至根據委任書的條款及條件或由其中一方向另一方提前發出不少於三個月的書面通知予以終止為止。

根據組織章程細則，全體董事須至少每三年輪值告退一次，而董事會有權不時及隨時委任任何新董事以填補臨時空缺或增加董事會人數。任何就此獲委任的董事任期僅至本公司下屆股東週年大會為止，惟屆時可於大會上膺選連任。

董事的就任導引及持續發展

本公司於每名新委任董事首次獲委任時向其作出正式、全面及特設的就任導引，以確保其了解本公司的業務及運作，並完全知悉其於上市規則及其他有關監管規定下的職責及責任。

董事持續獲提供有關法律及監管制度以及業務及市場環境最新發展的資料，以協助其履行職責。本公司及其專業顧問已為董事安排持續性簡介及專業發展。

截至2018年12月31日止年度，各董事均已參加由本公司安排的培訓課程，該等課程內容有關上市公司及其董事的持續性義務、上市公司的披露義務及上市規則的更新。

CORPORATE GOVERNANCE REPORT *(Continued)*

企業管治報告 (續)

According to records provided by the Directors, a summary of training received by the Directors for the year ended 31 December 2018 is as follows:

根據董事提供的記錄，董事於截至2018年12月31日止年度獲得的培訓概要如下：

| Name of Director 董事姓名 | Training* 培訓* |
|--------------------------------|------------------|
| Mr. GE Yiyang 葛一暘先生 | √ |
| Mr. LIAO Lujiang 廖魯江先生 | √ |
| Mr. CHI Jingyong 池淨勇先生 | √ |
| Mr. YANG Yongwu 楊永武先生 | √ |
| Mr. GU Jiong 顧炯先生 | √ |
| Mr. SUN Bing 孫冰先生 | √ |
| Mr. FOK Ho Yin Thomas 霍浩然先生 | √ |

* Each of the Directors has participated in training courses arranged by the Company, which are related to connected transactions, corporate governance and the continuing obligations of listed companies and their directors. In addition to the above training, each of the Directors has also studied the information prepared by external professional consultants on the same subject.

* 各董事均已參加由本公司安排的培訓課程，該等課程內容有關關連交易、企業管治以及上市公司及其董事的持續性義務。除上述培訓外，各董事亦已研讀由外部專業顧問就相同主體準備的資料。

Attendance Record of Board Meetings

Number of Meetings and Directors' Attendance

Code provision A.1.1 of the Corporate Governance Code prescribes that at least four regular Board meetings should be held in each year at approximately quarterly intervals with active participation of majority of directors, either in person or through electronic means of communication.

No meeting had been held by the Board since the Listing Date to 31 December 2018. Subsequent to the end of 2018 and up to the date of this annual report, one Board meeting was held on 28 March 2019 for reviewing and approving the financial statements for the year ended 31 December 2018. All Directors attended the Board meeting.

董事會會議出席記錄

會議次數及董事出席率

企業管治守則守則條文A.1.1條規定，每年至少召開四次定期董事會會議，至少約每季召開一次，且大多數董事須積極參與會議（無論親身或通過電子通訊方式）。

董事會自上市日期起至2018年12月31日止並無召開任何會議。隨後於2018年年底及直至本年報日期，一次董事會會議於2019年3月28日召開，以審閱及批准截至2018年12月31日止年度的財務報表。全體董事親身出席了該董事會會議。

CORPORATE GOVERNANCE REPORT *(Continued)*

企業管治報告 (續)

The Company has not held any general meetings from the Listing Date to 31 December 2018.

Practices and Conduct of Meetings

Notices of regular Board meetings are served to all of the Directors at least 14 days before the meetings. For other Board and committee meetings, reasonable notices were generally given.

Board papers together with all appropriate, complete and reliable information were sent to all of the Directors at least three days before each Board meeting or committee meeting to keep the Directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions.

Each Director also had separate and independent access to the senior management of the Company whenever necessary.

The senior management of the Company attend all regular Board meetings and where necessary, other Board and committee meetings, to advise on business developments, financial and accounting matters, statutory and regulatory compliance, corporate governance and other major aspects of the Company.

The joint company secretaries are responsible for taking and keeping minutes of all Board meetings and committee meetings. Draft minutes are normally circulated to the Directors for comment within a reasonable time after each meeting and the final version is open for the Directors' inspection.

3. Chairman and Chief Executive Officer

The roles of the chairman and the chief executive officer of the Company have been separated as required by Code Provision A.2.1 of the Corporate Governance Code. For the year ended 31 December 2018, Mr. Ge Yiyang has served as the Chairman of Company and Mr. Liao Lujiang has served as the chief executive officer of the Company.

自上市日期至2018年12月31日，本公司並無召開任何股東大會。

會議常規及指引

定期董事會會議通知須於召開會議前至少14日送達所有董事。就其他董事會及委員會會議而言，通常將給予合理通知。

董事會文件連同所有適當、完整及可靠資料已於每次董事會會議或委員會會議前至少三日送達董事，以便董事了解本公司最新發展及財務狀況及使其作出知情決定。

於需要時，各董事亦可單獨及獨立地聯絡本公司高級管理層。

本公司高級管理層出席所有定期董事會會議並於需要時出席其他董事會及委員會會議，以就本公司業務發展、財務及會計事項、法律及監管合規事宜、企業管治及其他重大方面提供意見。

聯席公司秘書負責記錄所有董事會會議及委員會會議，並保存有關記錄。記錄草稿一般於每次會議後的合理時間內交予董事傳閱以便其提出意見，定稿可供董事隨時查閱。

3. 主席及首席執行官

本公司主席與首席執行官的角色已根據企業管治守則的守則條文A.2.1條規定予以區分。截至2018年12月31日止年度，葛一陽先生已擔任本公司主席，而廖魯江先生已擔任本公司首席執行官。

CORPORATE GOVERNANCE REPORT *(Continued)*

企業管治報告 (續)

BOARD COMMITTEES

The Company has established the Audit Committee, the Remuneration Committee and the Nomination Committee. Each of these committees has specific written terms of reference which deal clearly with their authority and duties. The chairmen of these committees will report their findings and recommendations to the Board after each meeting.

1. Audit Committee

The Company has established an audit committee with written terms of reference in compliance with the Corporate Governance Code as set out in Appendix 14 to the Listing Rules. The primary duties of the audit committee are to review and supervise our financial reporting process and internal control system of our Company, oversee the audit process, provide advice and comments to our Board and perform other duties and responsibilities as may be assigned by our Board.

The Audit Committee consists of three members, namely Mr. Fok Ho Yin Thomas, Mr. Sun Bing and Mr. Gu Jiong, each of them is an independent non-executive Director. The chairman of the audit committee is Mr. Fok Ho Yin Thomas who possesses appropriate accounting and related financial management expertise.

The primary duties of the Audit Committee comprise communication, supervision and verification work for internal and external auditors of the Company, including:

- to propose the appointment, re-appointment or replacement of external audit institution, to provide advice to the Board, to approve the remuneration and engagement terms of external audit institution;
- to review and monitor external audit institution to see if it is independent and objective and whether its auditing process is effective, to discuss the nature, scope and method of auditing and the relevant reporting responsibilities with the audit institution prior to the commencement of audit work, to formulate and implement policies for engaging external audit institutions to provide non-audit services;

董事委員會

本公司已設立審計委員會、薪酬委員會及提名委員會。該等委員會均設有具體的書面職責範圍，清晰列明其權限及職責。該等委員會主席將於每次會議後向董事會報告其結論及推薦建議。

1. 審計委員會

本公司已遵照上市規則附錄十四所載企業管治守則成立審計委員會，並制定其書面職權範圍。審計委員會的主要職責為審閱及監督我們的財務報告程序及本公司的內部監控系統、監督審計過程、為董事會提供意見和建議以及履行董事會可能指派的其他職責及責任。

審計委員會由三名成員組成，即霍浩然先生、孫冰先生及顧炯先生，其均為獨立非執行董事。審計委員會主席為霍浩然先生，其具備合適的會計及相關的財務管理專業知識。

審計委員會的主要職責包括本公司內部及外部審計師的溝通、監督及核實工作，其中包括：

- 建議委任、續聘或取代外部核數機構，向董事會提供意見，批准外部核數機構的薪酬及委聘條款；
- 審核及監控外部核數機構以查明其是否具有獨立性及客觀性以及其核數過程是否有效，在開始核數工作之前與核數機構討論核數及相關申報責任的性質、範圍及方法，制定並實施委聘外部核數機構提供非核數服務的政策；

CORPORATE GOVERNANCE REPORT *(Continued)*

企業管治報告（續）

- to supervise the internal audit system of the Company and its implementation, to review financial information of the Company and its disclosure;
 - to be responsible for communication between internal auditors and external auditors;
 - to review the financial control, internal control and risk management systems of the Company and conduct audits on material connected transactions; and
 - to perform other responsibilities required by laws, regulations, rules, regulatory documents, Articles of Association and assigned by the Board.
- 監督本公司內部審計體系及其實施情況，審閱本公司財務資料及其披露；
 - 負責內部審計師與外部審計師之間的溝通；
 - 審核本公司的財務控制、內部監控及風險管理體系並對重大關連交易進行審計；及
 - 履行法律、法規、規則、監管文件、組織章程細則規定以及董事會指派的其他責任。

No meeting had been held by the Audit Committee during the year ended 31 December 2018 as the shares of the Company were only listed on the Main Board of the Stock Exchange on 11 October 2018. From the Listing Date and up to the date of this annual report, one Audit Committee meeting was held on 28 March 2019 to review the annual financial results and report, major internal audit issues, re-appointment of external auditors, relevant scope of works and the effectiveness of the risk management and internal control systems of the Group. All members of the Audit Committee attended the meeting.

The Audit Committee has reviewed the remuneration of the auditor for the year ended 31 December 2018 and has recommended the Board to re-appoint Ernst & Young as the auditor of the Company for the year ending 31 December 2019, subject to approval by the Shareholders at the AGM.

由於本公司股份僅於2018年10月11日在聯交所主板上市，故審計委員會於截至2018年12月31日止年度並無召開任何會議。自上市日期直至本年報日期止，一次審計委員會會議於2019年3月28日召開，以審閱本集團年度財務業績及報告、主要內部審計事項、外部審計師的續聘事宜、相關工作範疇及風險管理及內部監控系統的有效性。審計委員會全體成員親身出席了該會議。

審計委員會已審閱截至2018年12月31日止年度的審計師酬金並向董事會推薦重新委任安永會計師事務所擔任本公司截至2019年12月31日止年度的審計師，惟須經股東於股東週年大會上批准。

CORPORATE GOVERNANCE REPORT *(Continued)*

企業管治報告 (續)

2. Remuneration Committee

The Company has established a remuneration committee with written terms of reference in compliance with the Corporate Governance Code as set out in Appendix 14 of the Listing Rules. The primary duties of the remuneration committee are to establish, review and make recommendations to our Directors on our policy and structure concerning remuneration of our Directors and senior management and on the establishment of a formal and transparent procedure for developing policies concerning such remuneration, determine the terms of the specific remuneration package of each executive Director and senior management and review and approve performance-based remuneration by reference to corporate goals and objectives.

The Remuneration Committee consists of five members, namely Mr. Sun Bing, Mr. Fok Ho Yin Thomas, Mr. Gu Jiong, Mr. Liao Lujiang and Mr. Yang Yongwu. The chairman of the remuneration committee is Mr. Sun Bing.

The primary duties of the Remuneration Committee are to formulate appraisal standards and conduct appraisals for Directors and managers of the Company, and to formulate and review the remuneration policies and proposals for Directors and senior management of the Company. The details are as follows:

- to make proposals and recommendations to the Board on remuneration plans or proposals and establishment of formal and transparent procedures for the formulation of the above remuneration plans or proposals according to the primary scope, responsibilities, importance of the management positions of directors and senior management members and the remuneration standards of relevant positions in other relevant enterprises;
- to formulate the specific remuneration packages for all executive directors and senior management members, and to make recommendation to the Board on remuneration of non-executive directors;

2. 薪酬委員會

本公司已遵照上市規則附錄十四所載企業管治守則成立薪酬委員會，並制定其書面職權範圍。薪酬委員會的主要職責為就有關董事及高級管理層薪酬的政策和架構以及就制訂有關薪酬政策設立正式和透明的程序而訂立、檢討及向董事作出推薦建議、釐定各執行董事及高級管理層的特定薪酬組合條款、參考公司目標和宗旨以檢討及審批績效薪酬。

薪酬委員會由五名成員組成，即孫冰先生、霍浩然先生、顧炯先生、廖魯江先生及楊永武先生。薪酬委員會主席為孫冰先生。

薪酬委員會的主要職責為制定考核標準並對本公司董事及管理人員進行考核，並制定及檢討本公司董事及高級管理層的薪酬政策及建議。詳情如下：

- 就薪酬計劃或建議以及就根據董事及高級管理層成員的管理崗位主要範圍、責任及重要性以及其他相關企業相關崗位的薪酬標準制定上述薪酬計劃或建議而設立正式透明的程序向董事會作出建議及推薦意見；
- 為所有執行董事及高級管理層成員制定特定薪酬待遇，並就非執行董事的薪酬向董事會提出推薦意見；

CORPORATE GOVERNANCE REPORT *(Continued)*

企業管治報告 (續)

- to review the performance of duties of Directors (non-independent Directors) and senior management members of the Company and to conduct annual performance appraisals on them; and
- to perform other responsibilities required by laws, regulations, rules, regulatory documents, Articles of Association and assigned by the Board.

No meeting had been held by the Remuneration Committee during the year ended 31 December 2018 as the shares of the Company were only listed on the Main Board of the Stock Exchange on 11 October 2018. From the Listing Date and up to the date of this annual report, one Remuneration Committee meeting was held on 28 March 2019 for considering and recommending to the Board the remuneration and other benefits paid by the Company to the Directors and senior management and other related matters. All members of the Remuneration Committee attended the meeting.

Details of the Directors' remuneration are set out in note 8 to the Financial Statements. In addition, the remuneration payable to the senior management of the Company (who are not the Directors) by band for the year ended 31 December 2018 are set out in the section headed "Corporate Governance Report – Remuneration of Senior Management" of this annual report.

3. Nomination Committee

The nomination committee consists of five members, namely Mr. Ge Yiyang, Mr. Yang Yongwu, Mr. Fok Ho Yin Thomas, Mr. Sun Bing and Mr. Gu Jiong. The chairman of the nomination committee is Mr. Ge Yiyang.

The primary duties of the Nomination Committee of the Company comprise the selection and recommendation of candidates, election criteria and procedures for appointments of Directors and senior management members of the Company. The details are as follows:

- to make recommendation to the Board about the size and composition of the Board according to the operating activities, size of assets and shareholding structure of the Company;
- to conduct research on the selection criteria, procedure and methods for Directors and senior management members and submit to the Board for consideration;

- 審核本公司董事（非獨立董事）及高級管理層成員的履職情況並對其進行年度績效考核；及
- 履行法律、法規、規則、監管文件、組織章程細則規定以及董事會指派的其他責任。

由於本公司股份僅於2018年10月11日在聯交所主板上市，故薪酬委員會於截至2018年12月31日止年度並無召開任何會議。自上市日期直至本年報日期止，一次薪酬委員會會議於2019年3月28日召開，以審議及向董事會建議本公司向董事及高級管理層支付的薪酬及其他福利以及其他相關事宜。薪酬委員會全體成員親身出席了該會議。

董事的薪酬詳情載於財務報表附註8。此外，截至2018年12月31日止年度應付予本公司高級管理層（並非董事）的薪酬按等級載於本年報「企業管治報告－高級管理層的薪酬」一節。

3. 提名委員會

提名委員會由五名成員組成，即葛一暘先生、楊永武先生、霍浩然先生、孫冰先生及顧炯先生。提名委員會主席為葛一暘先生。

本公司提名委員會的主要職責包括選擇及建議候選人以及制定委任本公司董事及高級管理層成員的選擇標準及程序。詳情如下：

- 根據本公司的經營活動、資產規模及股權架構就董事會的規模及組成向董事會作出推薦意見；
- 對董事及高級管理層成員的選擇標準、程序及方法進行研究並提交董事會審議；

CORPORATE GOVERNANCE REPORT *(Continued)*

企業管治報告 (續)

- to screen the candidates for Directors and senior management and make recommendations;
- to conduct comprehensive assessment on the skills, knowledge and experience of Directors and senior management members, and to review the independence of independent non-executive Directors; and
- to perform other responsibilities required by laws, regulations, rules, regulatory documents, Articles of Association and assigned by the Board.

No meeting had been held by the Nomination Committee during the year ended 31 December 2018 as the shares of the Company were only listed on the Main Board of the Stock Exchange on 11 October 2018. From the Listing Date and up to the date of this annual report, one Nomination Committee meeting was held on 28 March 2019 to review the structure, size and composition of the Board, assess the independence of independent non-executive Directors and make recommendation to the Board on the re-election of the retiring Directors. All members of the Nomination Committee attended the meeting.

Where vacancies on the Board arise, the Nomination Committee will carry out the selection process by making reference to the skills, experience, professional knowledge, personal integrity and time commitments of the proposed candidates, the Company's needs and other relevant statutory requirements and regulations.

- 篩選董事及高級管理層成員候選人並作出推薦意見；
- 對董事及高級管理層成員的技能、知識及經驗進行綜合評估，並審核獨立非執行董事的獨立性；及
- 履行法律、法規、規則、監管文件、組織章程細則規定以及董事會指派的其他責任。

由於本公司股份僅於2018年10月11日在聯交所主板上市，故提名委員會於截至2018年12月31日止年度並無召開任何會議。自上市日期直至本年報日期止，一次提名委員會會議於2019年3月28日召開，以檢討董事會的架構、規模及組成、評估獨立非執行董事的獨立性及就重選退任董事向董事會作出建議。提名委員會全體成員親身出席了該會議。

倘董事會出現空缺，提名委員會將參照建議候選人的技能、經驗、專業知識、個人誠信及時間投入，本公司的需要及其他相關法定規定及規例，啟動甄選程序。

CORPORATE GOVERNANCE REPORT *(Continued)*

企業管治報告 (續)

Nomination Policy

The Nomination Policy was approved and adopted by the Board on 28 March 2019 for evaluating and selecting any candidate for directorship. The Nomination Committee would consider the following criteria, including, among other things, character and integrity, qualifications (cultural and educational background, professional qualifications, skills, knowledge and experience and diversity aspects under the Board Diversity Policy), any potential contributions the candidate can bring to the Board in terms of qualifications, skills, experience, independence and diversity, and willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board committee(s).

The Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of new director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship. The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship with a ranking of the candidates (if applicable) by order of preference based on the needs of the Company and reference check of each candidate.

提名政策

提名政策於2019年3月28日獲董事會批准及採納，以評估及甄選董事候選人。提名委員會將考慮以下標準，其中包括，品格與誠信，資格（文化及教育背景、專業資格、技能、知識及經驗以及董事會多元化政策所提述的的多元化因素）、候選人的資格、技能、經驗、獨立性及多元化方面可為董事會帶來的任何潛在貢獻、投放足夠時間履行身為董事會成員及／或擔任董事委員會委員的職責的意願及能力。

提名委員會及／或董事會在收到委任新董事的建議及候選人的履歷資料（或相關詳情）後，依據上述準則評估該候選人，以決定該候選人是否合資格擔任董事。提名委員會隨後應根據本公司的需要及每位候選人的資歷查核按優先順序對候選人進行排名（如適用）以向董事會推薦委任適當候選人為董事。

CORPORATE GOVERNANCE REPORT *(Continued)*

企業管治報告 (續)

Board Diversity Policy

In order to enhance the effectiveness of our Board and to maintain the high standard of corporate governance, the Company has adopted the board diversity policy which sets out the objective and approach to achieve and maintain diversity of our Board. Pursuant to the board diversity policy, the Company seeks to achieve Board diversity through the consideration of a number of factors when selecting the candidates to our Board, including but not limited to gender, skills, age, professional experience, knowledge, cultural, education background, ethnicity and length of service. The ultimate decision of the appointment will be based on merit and the contribution which the selected candidates will bring to our Board.

Our Directors have a balanced mix of knowledge and skills, including overall management and strategic development, human resources, information technology, accounting and financial management, risk management, corporate governance and evaluation of properties and assets. They obtained degrees in various majors including business administration, computer science, public administration, architectural engineering, international real estate, accounting and financial management. The Board has three independent non-executive Directors with different industry backgrounds, representing more than one third of the members of our Board. Furthermore, our Board has a wide range of age, ranging from 35 years old to 51 years old. Taking into account our existing business model and specific needs as well as the different background of our directors, the composition of our Board satisfies our board diversity policy.

Our nomination committee is responsible for ensuring the diversity of our Board members. Our nomination committee will review the board diversity policy from time to time to ensure its continued effectiveness and the Company will disclose in its corporate governance report about the implementation of the board diversity policy on an annual basis.

董事會多元化政策

為提升董事會的效率及維持高水準的企業管治，本公司已採取董事會多元化政策，有關政策列明實現及維持董事會多元化的目標及方法。根據董事會多元化政策，本公司在挑選董事會候選人時，通過考慮多項因素力求實現董事會多元化，包括但不限於性別、技能、年齡、專業經驗、知識、文化、教育背景、種族及服務年限。最終委任決定將基於所選候選人將給董事會帶來的價值及貢獻。

董事擁有均衡的知識及技能組合，包括整體管理及戰略發展、人力資源、信息技術、會計及財務管理、風險管理、企業管治以及物業及資產評估。其獲得各類專業的學位，包括工商管理、計算機科學、公共管理、建築工程、國際房地產、會計及財務管理。董事會有三名獨立非執行董事，具有不同的行業背景，佔董事會成員的三分之一以上。此外，董事會年齡範圍較廣，介乎35歲到51歲。考慮到我們現有的業務模式及特定需求以及董事的不同背景，董事會的組成符合我們的董事會多元化政策。

我們的提名委員會負責確保董事會成員的多元化。我們的提名委員會將不時檢討董事會多元化政策，以確保其持續有效，且本公司每年會在其企業管治報告中披露有關董事會多元化政策的落實情況。

CORPORATE GOVERNANCE REPORT *(Continued)*

企業管治報告 (續)

DIVIDEND POLICY

The dividend policy of the Company, adopted by the Board on 28 March 2019, is set out as follows:

Payment of dividends by the Company is also subject to any restrictions under the Companies Law of Cayman Islands and the memorandum and articles of association of the Company. The Board will review the dividend policy as appropriate from time to time. The declaration and payment of dividends shall be determined at the sole discretion of the Board. The Board shall also take into account the following factors when considering whether to propose dividends and determining the dividend amount:

1. the Group's actual and expected financial performance;
2. retained earnings and distributable reserves of the Company and each of the members of the Group;
3. the Group's working capital requirements, capital expenditure requirements and future expansion plans;
4. the Group's liquidity position;
5. contractual restrictions on the payment of dividends by the Company to the Shareholders or by the Company's subsidiaries to the Company;
6. taxation considerations;
7. general economic conditions, business cycle of the Group's business and other internal or external factors that may have an impact on the business or financial performance and position of the Group; and
8. other factors that the Board deems relevant.

股息政策

董事會於2019年3月28日採納的本公司股息政策載列如下：

本公司派付股息亦受開曼群島公司法及本公司組織章程大綱及細則之任何限制所規限。董事會將適時不時檢討股息政策。股息宣派及派付應由董事會全權酌情決定。在決定是否建議宣派股息及釐定股息的金額時，董事會亦須考慮下列因素：

- 一、本集團的實際和預期財務表現；
- 二、本公司及本集團各成員公司的保留盈利和可分派儲備；
- 三、本集團的營運資金需求，資本支出需求及未來擴展計劃；
- 四、本集團的流動性狀況；
- 五、本公司向股東或本公司子公司向本公司派付股息的合同限制；
- 六、稅務考慮；
- 七、整體經濟狀況、本集團業務的商業週期，以及對本集團業務或財務表現及狀況可能有影響的內在或外在因素；及
- 八、董事會認為相關的其他因素。

CORPORATE GOVERNANCE REPORT *(Continued)*

企業管治報告 (續)

REMUNERATION OF SENIOR MANAGEMENT

The remuneration payable to the senior management of the Company (who are not the Directors) is shown in the following table by band:

| | 2018 2018年 |
|--|---------------|
| Nil to HK\$1,000,000 零至1,000,000港元 | 1 |
| HK\$1,000,001 to HK\$1,500,000 1,000,001港元至1,500,000港元 | 1 |
| | 2 |

高級管理層的薪酬

應付予本公司高級管理層（並非董事）的薪酬按等級於下表列示：

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code. Specific enquiries have been made to all the Directors and the Directors have confirmed that they have complied with the Model Code from the Listing Date to 31 December 2018.

The Company's employees, who are likely to be in possession of inside information of the Company, have also been subject to the Model Code for securities transactions. No incident of non-compliance of the Model Code by the Company's employees was noted by the Company from the Listing Date to 31 December 2018.

證券交易的標準守則

本公司已採納標準守則。本公司已向全體董事作出具體查詢，而董事均已確認其自上市日期至2018年12月31日一直遵守標準守則。

可能掌握本公司內幕消息的本公司僱員亦已遵守證券交易的標準守則。自上市日期至2018年12月31日，本公司並無注意到出現本公司僱員不遵守標準守則的事件。

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING

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

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, inside information announcements and other financial disclosures required by the Listing Rules and other regulatory requirements.

The senior management of the Company has provided such explanation and information to the Board as necessary to enable the Board to carry out an informed assessment of the financial information and position of the Company in order to put forward such information to the Board for approval.

董事進行財務申報的責任

董事確認其編製本公司截至2018年12月31日止年度財務報表的責任。

董事會負責對年度及中期報告、內幕消息公告及按上市規則及其他監管要求規定的其他財務披露作出平衡、清晰而可理解的評估。

本公司高級管理層已在需要時向董事會提供有關解釋及資料，以便董事會對本公司財務資料及狀況作出知情評估，從而提呈該等資料予董事會批准。

CORPORATE GOVERNANCE REPORT *(Continued)*

企業管治報告 (續)

EXTERNAL AUDITOR AND AUDITOR REMUNERATION

The statement of the external auditor of the Company about their reporting responsibilities for the financial statements is set out under the section headed “Independent Auditor’s Report” in this annual report.

The external auditor of the Company will be invited to attend the annual general meeting to answer questions about the conduct of the audit, the preparation and content of the auditor’s report and auditor’s independence.

The remuneration paid/payable to the external auditor of the Company for the provision of audit services for the year ended 31 December 2018 amounted to RMB4.0 million.

The remuneration payable to the external auditor of the Company in respect of non-audit services for the year ended 31 December 2018 was nil.

USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING

Details of the use of proceeds from the initial public offering are set out in the section headed “Management Discussion and Analysis – Use of Proceeds from the Initial Public Offering”.

JOINT COMPANY SECRETARIES

The joint company secretaries of the Company are Mr. Yang Yongwu and Ms. So Shuk Yi Betty. Ms. So Shuk Yi Betty, a vice president of SWCS Corporate Services Group (Hong Kong) Limited (an external service provider) who fulfils the qualification requirements laid down in the Listing Rules and the primary contact person at the Company is Mr. Yang Yongwu. Biographical details of joint company secretaries are set out under “Directors and senior management” section in this annual report. In compliance with Rule 3.29 of the Listing Rules, Mr. Yang and Mr. So each has undertaken no less than 15 hours of relevant professional training during the year ended 31 December 2018.

外部審計師及審計師酬金

本公司外部審計師就財務報表的申報責任作出的聲明載於本年報「獨立審計師報告」一節。

本公司將邀請外部審計師出席股東週年大會，以回答有關審計工作、審計師報告的編製及內容以及審計師的獨立性等問題。

本公司就截至2018年12月31日止年度獲提供的審計服務而已付／應付予外部審計師的酬金為人民幣4.0百萬元。

本公司就截至2018年12月31日止年度的非審計服務而應付予外部審計師的酬金為零。

首次公開發售所得款項用途

首次公開發售所得款項用途詳情載於「管理層討論及分析 – 首次公開發售所得款項用途」一節。

聯席公司秘書

本公司聯席公司秘書為楊永武先生及蘇淑儀女士。蘇淑儀女士為外部服務供應商方圓企業服務集團(香港)有限公司的副總裁，其符合上市規則規定的資質要求及其在本公司的主要聯繫人為楊永武先生。聯席公司秘書的履歷詳情載於本年報「董事及高級管理層」一節。根據上市規則第3.29條，楊先生及蘇女士各自於截至2018年12月31日止年度接受不少於15小時的相關專業培訓。

CORPORATE GOVERNANCE REPORT *(Continued)*

企業管治報告 (續)

PRIMARY CORPORATE CONTACT PERSON

Mr. YANG Yongwu is the primary corporate contact person of the joint company secretary, Ms. SO Shuk Yi Betty.

公司主要聯絡人

楊永武先生為聯席公司秘書蘇淑儀女士的公司主要聯絡人。

GOING CONCERN

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to the Shareholders through the optimization of the debt and equity balance.

There are no material uncertainties relating to events or conditions that cast significant doubt upon the Company's liability to continue as a going concern.

持續經營能力

本集團會對其資本進行管理，以確保本集團旗下實體能夠在透過優化債務與資本之間的平衡使股東回報最大化的同時亦持續經營。

概無任何事件或情況的重大不明朗因素會對本公司的持續經營能力構成重大疑問。

ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibilities for preparing all information and representations contained in the consolidated financial statements of the Company for the year ended 31 December 2018 which give a true and fair view of the state of affairs of the Company and of the results and cash flow for the relevant period. The Directors consider that the consolidated financial statements of the Company for the year ended 31 December 2018 have been prepared in conformity with all applicable accounting standards and requirements and reflect amounts that are based on the best estimates and reasonable, informed and prudent judgment of the Board and the management. The Directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the Directors have prepared the financial statements of the Company on a going concern basis. The statements of the auditor of the Company about its reporting responsibility on the consolidated financial statements of the Company is set out in the section headed "Independent Auditor's Report" in this annual report.

問責及審計

董事承認，其有責任編製本公司截至2018年12月31日止年度的綜合財務報表所載的一切資料及陳述，並真實公平地反映本公司的事務狀況以及相關期間的業績及現金流量。董事認為，本公司截至2018年12月31日止年度的綜合財務報表已遵照所有適用會計準則及規定編製，並反映根據董事會及管理層的最佳估計以及合理、知情及審慎的判斷所得的數額。董事並不知悉任何有關可能導致對本公司的持續經營能力產生重大質疑的任何事件或情況的重大不確定因素。因此，董事已按持續基準編製本公司財務報表。本公司審計師就其對本公司綜合財務報表的呈報責任的聲明載於本年報「獨立審計師報告」一節。

CORPORATE GOVERNANCE REPORT *(Continued)*

企業管治報告 (續)

RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT

The Board is responsible for the risk management and internal control systems of the Company and for reviewing their effectiveness.

The Company recognizes that risk management is critical to the success of any property developer in the PRC. Key operational risks that the Company face include changes in general market conditions and the regulatory environment of the PRC property market, availability of suitable land sites for developments at commercially acceptable prices, local economic environment, expansion risks relating to entering into new cities or geographic regions, ability to timely complete our construction projects with sound quality, available financing to support our growth, competition from other property developers and our ability to promote and sell our properties in a timely fashion.

In order to meet these challenges, the Company have adopted, a series of internal control policies, procedures and plans that are designed to reasonably assure effective and efficient operations, reliable financial reporting and compliance with applicable laws and regulations. See “Directors’ Report – Principal Risks and Uncertainties” for a discussion of various risks and uncertainties the Company face. In addition, the Company also faces various market risks. In particular, the Company is exposed to credit, liquidity, interest rate and currency risks that arise in the normal course of our business. See “Note 40 to the financial statements” for a discussion of these market risks.

In order to ensure the effective implementation of such internal control policies, the Company have adopted various on-going measures, including the following:

- Our Board of Directors is responsible and has general powers over the management and conduct of the business of our Company. Any significant business decision involving material risks, such as decisions to expand into new geographic regions or to incur significant corporate finance transactions, are reviewed, analyzed and approved at the board level to ensure a thorough examination of the associated risks at our highest corporate governance body.

風險管理及內部監控

風險管理

董事會負責本公司的風險管理及內部監控系統並檢討其有效性。

本公司認為風險管理對中國任何物業開發商的成功而言至關重要。本公司面對的主要營運風險包括整體市況及中國物業市場監管環境的變動、能否按商業上可接受的價格取得適宜開發的地盤、地方經濟環境、與向新城市或地區擴張有關的風險、及時優質地完成建設項目的能力、能否取得融資以支持增長、來自其他物業開發商的競爭及我們及時推廣及銷售我們物業的能力。

為應對該等挑戰，本公司已經採納一系列內部監控政策、程序及計劃，旨在合理確保有效及高效的營運、可靠的財務申報及符合適用法律及法規。有關本公司所面對的各項風險及不確定因素的討論，請參閱「董事會報告 – 主要風險及不確定性」。此外，本公司亦面對多種市場風險。尤其是，本公司面對日常業務過程中產生的信貸、流動性、利率及貨幣風險。有關該等市場風險的討論，請參閱「財務報表附註40」。

為確保有效實施有關內部監控政策，本公司採取了多項持續措施，包括以下各項：

- 董事會負責並擁有一般權利管理及開展本公司的業務。涉及重大風險的任何重大業務決定（如決定向新地區擴張或進行重大公司財務交易）會經董事會審議、分析及批准，以確保相關風險經最高公司管治機構的全面檢查。

CORPORATE GOVERNANCE REPORT *(Continued)*

企業管治報告 (續)

- Our management team at the headquarter level is in charge of the daily business operations and risk monitoring of our Company, and is responsible for the supervision of the respective fields of operations on a daily basis as well as the supervision and approval of any material business decisions of our city and project companies. We adopt a centralized approach to review and approve the business plan and structure. Our financial and accounting matters are directly controlled and reviewed at our headquarters level to ensure the consistency and accuracy. Our cost management department centralizes major procurement and construction contracts entered into to monitor the risks associated with such contracts, and also our internal audit function and legal affairs department to ensure regulatory and contractual compliance. Our IT system facilitates the above management processes.
- Our final site selection decisions are made by our investment committee. This committee was specifically formed to review and approve such business development and consists of our Chairman of the Board of Directors, CEO and the vice presidents of relevant departments at the headquarters level.
- For particular operational and market risks, control measures are adopted at an operational level. For example, the Company controls major construction risk by engaging qualified construction contractors with strict contractual requirements and reputable independent third-party project supervisory companies while maintaining daily quality control supervision.
- The Company enforces strict control and accountability policies and manuals at an individual employee level and conduct ongoing training. Our policies and manuals are updated consistently based on our operational needs. The Company seeks to maintain a corporate culture with a high level of responsibility, integrity and reliability to manage our operational and market risks.
- Our internal audit function will perform regular reviews on the design and implementation of the internal controls and follow through remediation of deficiencies identified, the details of which are set out above.
- 總部的管理層團隊掌管本公司的日常業務營運及風險監控，並負責我們營運各方面的日常監督以及監督及批准我們城市及項目公司的任何重大業務決策。我們採用集中方式審議及批准業務計劃及架構。我們的財務及會計事項直接由總部控制及審議，以確保一致性及準確性。我們的成本管理部門集中訂立主要採購及建築合同，以監控與該等合同有關的風險，而內部審計部及法律事務部亦確保監管及合同方面的合規。我們的IT系統協助上述管理過程。
- 我們的最終地盤甄選決定由投資委員會作出。我們專門成立該委員會以審核及批准有關業務發展，該委員會由董事會主席、首席執行官及總部相關部門的副總裁組成。
- 就特定營運及市場風險而言，我們在營運層面採取控制措施。例如，本公司透過保持日常質量控制監督的同時委聘訂有嚴格合同規定的合資格承建商及信譽良好的獨立第三方項目監理公司來控制主要建設風險。
- 本公司於個別僱員層面執行嚴格的控制及問責政策及規定，並進行持續的培訓。我們的政策及規定根據營運所需不斷更新。本公司尋求保持具高度責任感、誠實及可靠的企業文化以管理我們的營運及市場風險。
- 我們的內部審計部將定期審查內部監控措施的設計及實施並跟進已識別缺陷的補救，詳情載於上文。

CORPORATE GOVERNANCE REPORT *(Continued)*

企業管治報告 (續)

INTERNAL CONTROL

The internal control system is designed to provide reasonable and adequate assurance for effective and efficient operations, reliable financial reporting and compliance with applicable laws and regulations.

Our internal control system covers all major aspects of our operations, including, among others, sales, procurement, asset management, budgeting and accounting processes. To effectively implement such processes, the Company has a set of comprehensive policies and guidelines which set out details regarding the internal control standards, segregation of responsibilities, approval procedures and personnel accountability in each aspect. The Company also carry out regular internal assessments and training to ensure our employees are equipped with sufficient knowledge on such policies and guidelines.

The Board had conducted an annual review of the Group's risk management and internal control systems for the year ended 31 December 2018 and considered them effective and adequate.

INFORMATION DISCLOSURE

The Company discloses information in compliance with the Listing Rules and other applicable laws, and publishes periodic reports and announcements to the public in accordance with relevant laws and regulations. In particular, the Company has put in place a robust framework for the disclosure of inside information in compliance with the SFO. The framework sets out the procedures and internal controls for the handling and dissemination of inside information in a timely manner so as to allow all the stakeholders to apprehend the latest position of the Company. The framework and its effectiveness are subject to review by the Board on a regular basis.

內部監控

內部監控制度旨在為實現有效及高效的營運、可靠的財務申報及符合適用法律及法規提供合理適當保證。

我們的內部監控制度涵蓋我們營運的各個主要方面，其中包括銷售、採購、資產管理、預算及會計程序等。為有效實施該等程序，本公司已制定有一套全面的政策及指引，當中載列有關內部監控標準、職責分工、審批程序及員工問責的各方面詳情。本公司亦定期進行內部評估及培訓以確保我們的僱員充分了解該等政策及指引。

董事會已對本集團截至2018年12月31日止年度的風險管理及內部監控系統進行年度審核，並認為其屬有效及足夠。

資料披露

本公司根據上市規則及其他適用法律披露資料，及根據有關法律及法規向公眾刊發定期報告及公告。特別是，本公司根據證券及期貨條例對內幕資料的披露設有完善的架構。此架構設有關於及時處理及發佈內幕資料的程序及內部監控，以便全體利益相關者能知悉本公司的最新情況。此架構及其成效會由董事會定期檢討。

CORPORATE GOVERNANCE REPORT *(Continued)*

企業管治報告 (續)

INTERNAL AUDIT

The Company has an internal audit function. The primary role of the internal audit function is to help the Board and the senior management of the Company to protect the assets, reputation and sustainability of the Company. The internal audit function provides independent and objective assurance as to whether the design and operational effectiveness of the Company's framework of risk management, control and governance processes, as designed and represented by the Company's management, is adequate. The internal audit function of the Company is independent of the risk management and internal control systems of the Company.

Results of audit work together with an assessment of the overall risk management and control framework are reported to the Audit Committee as appropriate. The internal audit function also reviews the Company's management's action plans in relation to audit findings and verifies the adequacy and effectiveness of the mitigating controls before formally closing the issue.

內部審計

本公司設有內部審計部。內部審計部的主要責任為協助董事會及本公司高級管理層保護本公司資產、聲譽及可持續性。內部審計部就本公司管理層所制訂及陳述的本公司風險管理框架、監控及管治程序在設計及運行方面是否足夠有效提供獨立及客觀的保證。本公司內部審計部獨立於本公司的風險管理及內部監控系統。

審計工作結果連同整體風險管理及監控框架評估會於適當時向審計委員會匯報。內部審計部亦會審閱本公司管理層就審計發現提出的整改計劃，並會在正式確認問題整改完成前核實相關整改措施的充分性及有效性。

CORPORATE GOVERNANCE REPORT *(Continued)*

企業管治報告 (續)

SHAREHOLDERS

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company is committed to pursue active dialogue with Shareholders as well as to provide timely disclosure of information concerning the Company's material developments to its Shareholders, investors and other stakeholders.

Annual general meeting of the Company serves as an effective forum for communication between the Shareholders and the Board. Notice of annual general meeting together with the meeting materials will be despatched to all Shareholders not less than 21 days and not less than 20 clear business days before the annual general meeting. As one of the measures to safeguard the Shareholders' interests and rights, separate resolutions will be proposed at general meetings on each substantial issue, including the election of individual Directors, for Shareholders' consideration and voting. In addition, the Company regards annual general meeting as an important event, and all Directors, the chairmen of all Board Committees, senior management and external auditor will attend the annual general meeting of the Company to address Shareholders' inquiries. If the chairmen of the Board or each Board Committee fail to attend the meeting, then other members of each Board Committee will be invited to attend the annual general meeting and answer Shareholders' inquiries thereat. All resolutions proposed at general meetings will be voted by poll. The voting results will be posted on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.dafaland.com) on the same day of the relevant general meetings.

To promote effective communication, the Company maintains a website (www.dafaland.com), where the latest information and updates on its business operation and development, corporate governance practice, contact information of investor relations and other information are published for the public's access.

股東

與股東及投資者溝通

本公司致力尋求與股東開展積極對話，並及時向股東、投資者及其他利益相關者披露有關本公司重大發展的資料。

本公司的股東週年大會為股東與董事會提供一個有效的溝通平台。股東週年大會通告連同會議資料將於召開股東週年大會前至少21日及不少於20個完整營業日寄發予全體股東。作為保障股東權益及權利的措施之一，將於股東大會上就各重大事項分別提呈決議案，包括選舉個別董事以供股東考慮及投票。此外，本公司將股東週年大會視為重要事件，而全體董事、所有董事委員會的主席、高級管理層及外部審計師均會出席本公司股東週年大會以應對股東的問詢。如董事會或各董事委員會的主席未能出席大會，則各董事委員會的其他成員將獲邀出席股東週年大會並於會上應答股東的問詢。股東大會上提呈的所有決議案將以投票方式表決。投票結果將於相關股東大會舉行同日在聯交所網站(www.hkexnews.hk)及本公司網站(www.dafaland.com)刊載。

為促進有效溝通，本公司設有網站(www.dafaland.com)，並於該網站上刊載有關其業務運營及發展的最新資料及更新資料、企業管治常規、投資者關係部的聯絡資料及其他資料，以供公眾人士閱覽。

CORPORATE GOVERNANCE REPORT *(Continued)*

企業管治報告 (續)

PROCEDURES FOR SHAREHOLDERS TO CONVENE AN EXTRAORDINARY GENERAL MEETING

In accordance with article 64 of the articles of association of the Company, any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at the general meetings of the Company shall at all times have the rights, by written requisition to the Board or the company secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Board fails to process to convene such meeting, the requisitioner(s) himself (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.

PROCEDURES FOR PUTTING FORWARD PROPOSALS AT GENERAL MEETINGS

There are no provisions allowing Shareholders to propose new resolutions at the general meetings under the articles of association of the Company and the Cayman Islands Companies Law. However, Shareholders who wish to propose resolutions may follow article 64 of the articles of association of the Company for requisitioning an extraordinary general meeting and including a resolution at such meeting. The requirements and procedures of article 64 are set out above.

股東召開臨時股東大會的程序

根據本公司組織章程細則第64條，任何一名或多名於遞呈要求日期持有不少於本公司繳足股本（附有於本公司股東大會上投票的權利）十分之一的股東將有權隨時透過向董事會或本公司公司秘書發出書面要求，要求董事會召開臨時股東大會，以處理有關要求中指明的任何事項；而該大會應於遞呈該要求後兩個月內舉行。倘於遞呈後21日內，董事會未能召開該大會，則遞呈要求人士可自行以相同方式召開大會，而遞呈要求人士因董事會的缺失而合理產生的所有開支應由本公司向遞呈要求人士作出償付。

於股東大會上提呈建議的程序

本公司組織章程細則及開曼群島公司法並無條文允許股東於股東大會上提呈新決議案。然而，擬提呈決議案的股東可根據本公司組織章程細則第64條，請求召開臨時股東大會並於會上提呈決議案。第64條的規定及程序載於上文。

CORPORATE GOVERNANCE REPORT *(Continued)*

企業管治報告 (續)

PROCEDURES FOR DIRECTING SHAREHOLDERS' ENQUIRIES TO THE BOARD

Shareholders may at any time send their enquiries and concerns to the Board in writing through the investor relations which contact details are as follows:

Address: 40th Floor, Sunlight Tower
No. 248 Queen's Road East
Wanchai, Hong Kong

Email: ir@dafaland.com

AMENDMENT TO THE MEMORANDUM AND ARTICLES OF ASSOCIATIONS

During the period from the Listing Date to the date of this annual report, there has not been any change in the Company's memorandum and articles of association.

股東向董事會提出查詢的程序

股東可隨時以書面形式通過投資者關係部向董事會遞交其查詢及關注事項，其聯絡方式詳情如下：

地址：香港灣仔
皇后大道東248號
陽光中心40樓

電郵：ir@dafaland.com

組織章程大綱及細則修訂

於自上市日期起至本年報日期止期間，本公司並無對組織章程大綱及細則作出任何變更。

INDEPENDENT AUDITOR'S REPORT

獨立審計師報告



Ernst & Young
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To the shareholders of DaFa Properties Group Limited
(Incorporated in the Cayman Islands with limited liability)

致大发地产集团有限公司股東
(於開曼群島註冊成立的有限公司)

OPINION

We have audited the consolidated financial statements of DaFa Properties Group Limited (the “**Company**”) and its subsidiaries (the “**Group**”) set out on pages 107 to 258, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA’s *Code of Ethics for Professional Accountants* (the “**Code**”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

意見

吾等已審計第107至258頁所載大发地产集团有限公司(「**貴公司**»)及其子公司(「**貴集團**»)之綜合財務報表，此綜合財務報表包括於2018年12月31日之綜合財務狀況表與截至該日止年度之綜合損益表及綜合全面收入表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括重大會計政策概要。

吾等認為，綜合財務報表乃根據國際會計準則理事會(「**國際會計準則理事會**»)頒佈之國際財務報告準則(「**國際財務報告準則**»)真實公平地反映 貴集團於2018年12月31日之綜合財務狀況以及截至該日止年度之綜合財務表現及綜合現金流量，並已按照香港公司條例之披露規定妥為編製。

意見的基礎

吾等根據香港會計師公會(「**香港會計師公會**»)頒佈的香港審計準則(「**香港審計準則**»)進行審計。吾等在該等準則下承擔的責任已在報告審計師就審計綜合財務報表須承擔的責任一節中作進一步闡述。根據香港會計師公會頒佈的專業會計師職業道德守則(「**守則**»), 吾等獨立於 貴集團，並已根據守則履行其他職業道德責任。吾等相信，吾等所獲得的審計憑證能充足及適當地為吾等的意見提供基礎。

INDEPENDENT AUDITOR'S REPORT (Continued)

獨立審計師報告（續）

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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

關鍵審計事項

關鍵審計事項是指根據吾等的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。該等事項是在吾等審計整體綜合財務報表及出具意見時進行處理的，且吾等不會對該等事項提供單獨的意見。有關吾等的審計如何處理下述各項事項的描述乃以此為背景。

吾等已履行報告審計師就審計綜合財務報表須承擔的責任一節中所述責任，包括有關該等事項的責任。因此，吾等的審計包括執行為應對綜合財務報表重大錯報風險的評估而設的程序。審計程序（包括下文處理事項進行之程序）之結果為隨附之綜合財務報表的審計意見提供基礎。

INDEPENDENT AUDITOR'S REPORT *(Continued)*

獨立審計師報告 (續)

KEY AUDIT MATTERS (CONTINUED)

關鍵審計事項 (續)

| Key audit matters 關鍵審計事項 | How our audit addressed the key audit matters 吾等的審計如何處理關鍵審計事項 |
|--|---|
| <p><i>Valuation of investment properties</i> 投資物業之估值</p> <p>The Group owns investment properties in mainland China which are measured at fair value and the aggregate carrying amount was approximately RMB2,582,000,000 as at 31 December 2018, representing 13.41% and 79.54% of the Group's total assets and net assets, respectively. The Group has engaged an external valuer to perform the valuation of these properties as at 31 December 2018.</p> <p>貴集團在中國內地擁有多項按公允價值計量的投資物業，該等物業於2018年12月31日的總賬面值約為人民幣2,582,000,000元，分別佔貴集團總資產及淨資產的13.41%及79.54%。貴集團已聘請外部估值師於2018年12月31日對該等物業進行估值。</p> <p>Significant judgment is required to determine the fair values of the investment properties, which reflect market conditions as at the end of the year. The use of different valuation techniques and assumptions could produce significantly different estimates of fair values. Accordingly, the valuation of investment properties is identified as a key audit matter.</p> <p>在釐定投資物業的公允價值時需要作出重大判斷，該等公允價值反映年末的市況。採用不同的估值技術及假設可能導致公允價值出現重大差異。因此，投資物業的估值被確定為關鍵審計事項。</p> <p>The accounting policies and disclosures of the investment properties are included in notes 2.4, 3 and 14 to the consolidated financial statements.</p> <p>有關投資物業的會計政策及披露載於綜合財務報表附註2.4、3及14。</p> | <p>We performed the following procedures to address valuation of investment properties:</p> <p>吾等已執行以下程序以對投資物業進行評估：</p> <ul style="list-style-type: none"> - evaluating the competency, independence and objectivity of the external valuer, and assessed the valuation approach used by the external valuer; - 評估外部估值師的能力、獨立性及客觀性，並評估外部估值師所使用的估值方法； - with the assistance of our internal valuation experts, assessing the reasonableness of the assumptions such as capitalisation rate, vacancy rate and sale prices used in the valuations by comparing them to available industry data, taking into consideration comparability and market factors; - 經考慮兼容性及市場因素後，透過將其與可用行業數據進行對比，在內部估值專家的協助下，評估估值所用假設（如資本化率、空置率及售價等）的合理性； - testing the accuracy of the property related data used as inputs for the valuations; and - 測試用作估值輸入數據的物業相關數據的正確性；及 - evaluating the disclosures on the valuation of the investment properties. - 評估對投資物業估值所作的披露。 |

INDEPENDENT AUDITOR'S REPORT (Continued)

獨立審計師報告 (續)

KEY AUDIT MATTERS (CONTINUED)

關鍵審計事項 (續)

Key audit matters

關鍵審計事項

How our audit addressed the key audit matters

吾等的審計如何處理關鍵審計事項

Provision for land appreciation tax 土地增值稅撥備

The Group is a property developer in mainland China focusing on the development of residential properties and the development, operation and management of commercial and mixed-use properties. Land appreciation tax (“LAT”) in mainland China is one of the main components of the Group’s taxation charge. LAT is levied on the sale of properties at progressive rates ranging from 30% to 60% based on the appreciation of land value. At the end of each reporting period, management of the Group estimates the provision for LAT based on its understanding and interpretation of the relevant tax rules and regulations, and the estimated total sales of properties less total deductible expenditure, which includes lease charges for land use rights, property development costs, borrowing costs and development expenditure. When the LAT is subsequently determined, the actual payments may be different from the estimates.

貴集團為一家中國內地的物業開發商，專注於開發住宅物業，以及開發、運營及管理商業及綜合用途物業。中國內地的土地增值稅（「土地增值稅」）為貴集團稅項支出的主要組成部分之一。物業銷售的土地增值稅乃按照30%至60%的累進稅率對土地增值額徵收。於各報告期末，貴集團管理層會根據其對相關稅務規則及法規的理解及詮釋對土地增值稅撥備及估計物業銷售總額減可扣減開支總額（包括土地使用權租賃開支、物業開發成本、借貸成本及開發支出）作出估計。在隨後確定土地增值稅時，實際付款金額可能與估計值有所不同。

The disclosures for the provision for land appreciation tax are included in notes 3 and 10 to the consolidated financial statements.

有關土地增值稅撥備的披露載於綜合財務報表附註3及10。

We performed the following procedures to address provision for land appreciation tax:

吾等已執行以下程序，以處理土地增值稅撥備：

- with the assistance of internal tax specialists, performing a review on the LAT position, including the review of the estimates and assumptions used by the Group;
- 在內部稅務專家的協助下對土地增值稅狀況進行審查，包括審查貴集團使用的估計及假設；
- forming an independent view on the tax exposure based on communications between the Group and the relevant tax authorities; and
- 根據貴集團與相關稅務部門間的溝通形成有關稅務風險的獨立意見；及
- recalculating the tax computation and comparing our calculations with the amounts recorded by the Group.
- 重新計算稅項計算結果，並將吾等的計算結果與貴集團錄得的金額進行比較。

INDEPENDENT AUDITOR'S REPORT *(Continued)*

獨立審計師報告 (續)

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the 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 THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

載於年報的其他資料

貴公司董事須對其他資料承擔責任。其他資料包括載於年報的資料，不包括綜合財務報表及吾等的審計師報告。

吾等對綜合財務報表作出的意見並無涵蓋其他資料，而吾等不會對其他資料發表任何形式的核證結論。

就吾等審計綜合財務報表而言，吾等的責任為閱讀其他資料，從而考慮其他資料是否與綜合財務報表或吾等在審計過程中獲悉的資料存在重大不符，或似乎存在重大錯誤陳述。倘吾等基於已進行的工作認為其他資料出現重大錯誤陳述，吾等須報告有關事實。就此，吾等毋須作出報告。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據國際會計準則理事會頒佈的國際財務報告準則及香港公司條例的披露規定，編製真實而公平地反映情況的綜合財務報表，並進行董事釐定對編製綜合財務報表屬必要的有關內部監控，以使該等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。

在編製綜合財務報表時，貴公司董事須負責評估貴集團持續經營的能力，並披露與持續經營有關的事項（如適用）。除非貴公司董事擬將貴集團清盤或停止營運，或除此之外並無其他實際可行的辦法，否則須採用以持續經營為基礎的會計法。

審計委員會協助貴公司董事履行其監督貴集團財務報告程序的責任。

INDEPENDENT AUDITOR'S REPORT *(Continued)*

獨立審計師報告（續）

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional 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.

審計師就審計綜合財務報表須承擔的責任

吾等的目標為合理確定此等綜合財務報表整體而言不會存在由於欺詐或錯誤而導致的重大錯誤陳述，並發出載有吾等意見的審計師報告。根據香港公司條例第405條，本報告的編製，僅向全體股東報告，除此以外不可作其他用途。吾等概不就本報告的內容對任何其他人士負責或承擔任何責任。

合理確定屬高層次的核證，惟根據香港審計準則進行的審計工作不能保證總能察覺所存在的重大錯誤陳述。錯誤陳述可因欺詐或錯誤產生，倘個別或整體在合理預期情況下可影響使用者根據該等綜合財務報表作出的經濟決定時，則被視為重大錯誤陳述。

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

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險、設計及執行審計程序以應對該等風險，以及獲取充足和適當的審計憑證，作為吾等意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或凌駕內部監控的情況，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監控，以設計適當的審計程序，惟並非旨在對貴集團內部監控的有效性發表意見。

INDEPENDENT AUDITOR'S REPORT *(Continued)*

獨立審計師報告 (續)

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- 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.

審計師就審計綜合財務報表須承擔的責任 (續)

- 評估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。
- 對董事採用持續經營會計基礎的恰當性作出結論，並根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。倘吾等認為存在重大不確定性，則有必要在審計師報告中提請使用者注意綜合財務報表中的相關披露，或倘有關披露不足，則修訂吾等的意見。吾等的結論乃基於截至審計師報告日期止所取得的審計憑證而作出。然而，未來事項或情況可能導致貴集團無法持續經營。
- 評估綜合財務報表的整體呈報方式、結構及內容，包括披露資料，以及綜合財務報表是否中肯反映相關交易和事項。
- 就貴集團內實體或業務活動的財務資料獲取充足及適當的審計憑證，以便對綜合財務報表發表意見。吾等負責集團審計的方向、監督及執行。吾等就審計意見承擔全部責任。

吾等與審計委員會就(其中包括)審計的計劃範圍、時間安排及重大審計發現進行溝通，該等發現包括吾等在審計過程中識別的內部監控的任何重大缺失。

INDEPENDENT AUDITOR'S REPORT (Continued)

獨立審計師報告（續）

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 Ho Wai Ling.

Ernst & Young
Certified Public Accountants
Hong Kong
28 March 2019

審計師就審計綜合財務報表須承擔的責任（續）

吾等亦向審計委員會作出聲明，指出吾等已符合有關獨立性的相關道德要求，並與其溝通可能被合理認為會影響吾等獨立性的所有關係及其他事宜，以及相關防範措施（如適用）。

從與審計委員會溝通的事項中，吾等確定對本期間綜合財務報表的審計至關重要的事項，因而構成關鍵審計事項。吾等在審計師報告中描述該等事項，除非法律或法規不允許公開披露該等事項，或在極端罕見的情況下，倘合理預期在吾等報告中溝通某事項造成的負面後果超出產生的公眾利益，則吾等決定不應在報告中溝通該事項。

出具本獨立審計師報告的審計項目合夥人為Ho Wai Ling。

安永會計師事務所
執業會計師
香港
2019年3月28日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

YEAR ENDED 31 DECEMBER 2018 截至2018年12月31日止年度

| | Notes 附註 | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|---|-------------|-----------------------------------|-----------------------------------|
| REVENUE 收益 | 5 | 5,946,047 | 4,569,636 |
| Cost of sales 銷售成本 | | (4,364,068) | (3,912,355) |
| GROSS PROFIT 毛利 | | 1,581,979 | 657,281 |
| Finance income 融資收入 | | 17,740 | 9,344 |
| Other income and gains 其他收入及收益 | 5 | 37,672 | 2,958 |
| Selling and distribution expenses 銷售及分銷開支 | | (176,814) | (94,293) |
| Administrative expenses 行政開支 | | (375,071) | (133,925) |
| Other expenses 其他開支 | | (20,284) | (27,580) |
| Impairment losses of financial assets, net 淨金融資產減值虧損 | | (395) | – |
| Fair value gains on investment properties 投資物業的公允價值收益 | 14 | 61,295 | 58,000 |
| Finance costs 融資成本 | 7 | (132,711) | (133,650) |
| Share of loss of associates 分佔聯營公司虧損 | 16 | (3,969) | (2,607) |
| PROFIT BEFORE TAX 除稅前利潤 | 6 | 989,442 | 335,528 |
| Income tax expense 所得稅費用 | 10 | (500,067) | (191,364) |
| PROFIT FOR THE YEAR 年內利潤 | | 489,375 | 144,164 |
| Attributable to: 以下人士應佔： | | | |
| Owners of the parent 母公司擁有人 | | 476,817 | 137,495 |
| Non-controlling interests 非控股權益 | | 12,558 | 6,669 |
| | | 489,375 | 144,164 |
| EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT 母公司普通權益持有人應佔每股盈利 | | | |
| Basic and diluted 基本及攤薄 | 12 | RMB0.73 人民幣0.73元 | RMB0.23 人民幣0.23元 |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收入表

YEAR ENDED 31 DECEMBER 2018 截至2018年12月31日止年度

| | Notes 附註 | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|--|-------------|-----------------------------------|-----------------------------------|
| PROFIT FOR THE YEAR 年內利潤 | | 489,375 | 144,164 |
| Other comprehensive income that will not be reclassified to profit or loss in subsequent periods: 後續期間並無重新分類為損益的其他全面收入： | | | |
| Revaluation gains on transfer from property, plant and equipment to investment properties 自物業、廠房及設備轉撥至投資物業的重估收益 | 14 | – | 20,178 |
| Income tax effect 所得稅項影響 | 10 | – | (5,044) |
| Revaluation gains on equity investments designated at fair value through other comprehensive income (“FVOCI”) 指定為按公允價值計入其他全面收入（「按公允價值計入其他全面收入」） 的股權投資的重估收益 | | (13,200) | – |
| Income tax effect 所得稅項影響 | 10 | 3,300 | – |
| | | (9,900) | 15,134 |
| Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods 後續期間並無重新分類為損益的其他淨全面收入 | | (9,900) | 15,134 |
| OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX 年內其他全面收入，扣除稅項 | | (9,900) | 15,134 |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR 年內總全面收入 | | 479,475 | 159,298 |
| Attributable to: 以下人士應佔： | | | |
| Owners of the parent 母公司擁有人 | | 466,917 | 152,629 |
| Non-controlling interests 非控股權益 | | 12,558 | 6,669 |
| | | 479,475 | 159,298 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

31 DECEMBER 2018 2018年12月31日

| | Notes 附註 | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|--|-------------|-----------------------------------|-----------------------------------|
| NON-CURRENT ASSETS 非流動資產 | | | |
| Property, plant and equipment 物業、廠房及設備 | 13 | 160,088 | 168,114 |
| Investment properties 投資物業 | 14 | 2,582,000 | 2,497,000 |
| Intangible assets 無形資產 | 15 | 5,353 | 1,576 |
| Investments in associates 於聯營公司的投資 | 16 | 24,091 | 1,810 |
| Available-for-sale investments 可供銷售投資 | 19 | – | 112,000 |
| Equity investments designated at fair value through other comprehensive income 指定為按公允價值計入其他全面收入的股權投資 | 20 | 106,400 | – |
| Deferred tax assets 遞延稅項資產 | 17 | 231,075 | 162,062 |
| Total non-current assets 總非流動資產 | | 3,109,007 | 2,942,562 |
| CURRENT ASSETS 流動資產 | | | |
| Available-for-sale investments 可供銷售投資 | 19 | – | 240,000 |
| Financial assets at fair value through profit or loss 按公允價值計入損益的金融資產 | 18 | 20,899 | – |
| Properties under development 在建物業 | 21 | 11,003,293 | 7,916,216 |
| Completed properties held for sale 已竣工持作銷售物業 | 22 | 1,094,172 | 1,388,673 |
| Trade receivables 貿易應收款項 | 23 | 33,531 | 38,924 |
| Due from related companies 應收關聯公司款項 | 37 | 570,396 | 801,082 |
| Due from a shareholder 應收股東款項 | 37 | – | 600 |
| Prepayments, other receivables and other assets 預付款項、其他應收款項及其他資產 | 24 | 1,067,063 | 1,198,427 |
| Tax recoverable 可收回稅項 | | 195,219 | 147,706 |
| Restricted cash 受限制現金 | 25 | 650,574 | 211,110 |
| Pledged deposits 已質押存款 | 25 | 26,321 | 14,933 |
| Cash and cash equivalents 現金及現金等價物 | 25 | 1,487,075 | 377,190 |
| Total current assets 總流動資產 | | 16,148,543 | 12,334,861 |
| CURRENT LIABILITIES 流動負債 | | | |
| Trade and bills payables 貿易應付款項及應付票據 | 26 | 1,424,969 | 1,158,688 |
| Other payables and accruals 其他應付款項及應計費用 | 27 | 863,436 | 289,331 |
| Contract liabilities 合同負債 | 28 | 6,986,306 | 5,014,139 |
| Due to related companies 應付關聯公司款項 | 37 | 30,473 | 143,790 |
| Interest-bearing bank and other borrowings 計息銀行及其他借貸 | 29 | 2,194,208 | 590,227 |
| Tax payable 應付稅項 | 10 | 664,766 | 309,692 |
| Total current liabilities 總流動負債 | | 12,164,158 | 7,505,867 |
| NET CURRENT ASSETS 淨流動資產 | | 3,984,385 | 4,828,994 |
| TOTAL ASSETS LESS CURRENT LIABILITIES 總資產減流動負債 | | 7,093,392 | 7,771,556 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)**綜合財務狀況表（續）**

31 DECEMBER 2018 2018年12月31日

| | Notes 附註 | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|---|-------------|-----------------------------------|-----------------------------------|
| NON-CURRENT LIABILITIES 非流動負債 | | | |
| Interest-bearing bank and other borrowings 計息銀行及其他借貸 | 29 | 3,451,010 | 5,397,043 |
| Deferred tax liabilities 遞延稅項負債 | 17 | 396,417 | 386,485 |
| Total non-current liabilities 總非流動負債 | | 3,847,427 | 5,783,528 |
| Net assets 淨資產 | | 3,245,965 | 1,988,028 |
| EQUITY 權益 | | | |
| Equity attributable to owners of the parent 母公司擁有人應佔權益 | | | |
| Share capital 股本 | 30 | 730 | – |
| Reserves 儲備 | 31 | 3,082,302 | 1,989,229 |
| | | 3,083,032 | 1,989,229 |
| Non-controlling interests 非控股權益 | | 162,933 | (1,201) |
| Total equity 總權益 | | 3,245,965 | 1,988,028 |

Mr. Ge Yiyang

葛一陽先生

Director

董事

Mr. Liao Lujiang

廖魯江先生

Director

董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

YEAR ENDED DECEMBER 31, 2018 截至2018年12月31日止年度

| | Attributable to owners of the parent 母公司擁有人應佔 | | | | | | | | | | |
|---|--|---------------|----------------|-----------------|---------------------------|---------------------------|--|------------------|-----------|---------------------------|--------------|
| | Share capital | Share premium | Merger reserve | Capital reserve | Statutory surplus reserve | Asset revaluation reserve | Equity investments revaluation reserve | Retained profits | Total | Non-controlling interests | Total equity |
| | 股本 | 股份溢價 | 合併儲備 | 資本儲備 | 法定盈餘儲備 | 資產重估儲備 | 股權投資重估儲備 | 保留利潤 | 總計 | 非控股權益 | 總權益 |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| | Note 30 | Note 31(a) | Note 31(d) | Note 31(b) | Note 31(c) | Note 31(e) | Note 31(f) | | | | |
| | 附註30 | 附註31(a) | 附註31(d) | 附註31(b) | 附註31(c) | 附註31(e) | 附註31(f) | | | | |
| At 1 January 2017 於2017年1月1日 | - | - | 584,900 | (6,621) | 78,621 | - | - | 1,321,660 | 1,978,560 | (3,355) | 1,975,205 |
| Profit for the year 年內利潤 | - | - | - | - | - | - | - | 137,495 | 137,495 | 6,669 | 144,164 |
| Other comprehensive income for the year: 年內其他全面收入: | | | | | | | | | | | |
| Transfer from property, plant and equipment to investment properties, net of tax 自物業、廠房及設備轉撥至 投資物業，扣除稅項 | - | - | - | - | - | 15,134 | - | - | 15,134 | - | 15,134 |
| Total comprehensive income for the year 年內總全面收入 | - | - | 584,900 | (6,621) | 78,621 | 15,134 | - | 1,459,155 | 2,131,189 | 3,314 | 2,134,503 |
| Disposal of a subsidiary 出售子公司 | - | - | - | - | - | - | - | - | - | 17 | 17 |
| Dividend declared to the then equity holders of subsidiaries 向子公司當時權益持有人宣派的股息 | - | - | - | - | - | - | - | (141,960) | (141,960) | - | (141,960) |
| Dividend declared to the non-controlling shareholder of a subsidiary 向子公司非控股股東宣派的股息 | - | - | - | - | - | - | - | - | - | (4,532) | (4,532) |
| Appropriations to statutory surplus reserve 轉撥至法定盈餘儲備 | - | - | - | - | 22,777 | - | - | (22,777) | - | - | - |
| At 31 December 2017 於2017年12月31日 | - | - | 584,900 | (6,621) | 101,398 | 15,134 | - | 1,294,418 | 1,989,229 | (1,201) | 1,988,028 |
| Effect of adoption of IFRS 9 採納國際財務報告準則第9號的影響 | - | - | - | - | - | - | 5,700 | - | 5,700 | - | 5,700 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

綜合權益變動表 (續)

YEAR ENDED DECEMBER 31, 2018 截至2018年12月31日止年度

| | Attributable to owners of the parent 母公司擁有人應佔 | | | | | | | | | | |
|--|--|---------------|----------------|-----------------|---------------------------|---------------------------|--|------------------|-----------|---------------------------|--------------|
| | Share capital | Share premium | Merger reserve | Capital reserve | Statutory surplus reserve | Asset revaluation reserve | Equity investments revaluation reserve | Retained profits | Total | Non-controlling interests | Total equity |
| | 股本 | 股份溢價 | 合併儲備 | 資本儲備 | 法定盈餘儲備 | 資產重估儲備 | 股權投資重估儲備 | 保留利潤 | 總計 | 非控股權益 | 總權益 |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| | Note 30 | Note 31(a) | Note 31(d) | Note 31(b) | Note 31(c) | Note 31(e) | Note 31(f) | | | | |
| | 附註30 | 附註31(a) | 附註31(d) | 附註31(b) | 附註31(c) | 附註31(e) | 附註31(f) | | | | |
| At 1 January 2018 (restated) 於2018年1月1日(經重述) | - | - | 584,900 | (6,621) | 101,398 | 15,134 | 5,700 | 1,294,418 | 1,994,929 | (1,201) | 1,993,728 |
| Profit for the year 年內利潤 | - | - | - | - | - | - | - | 476,817 | 476,817 | 12,558 | 489,375 |
| Other comprehensive income for the year: 年內其他全面收入: Net change in fair value of equity investments designated at FVOCI, net of tax 指定為按公允價值計入其他全面 收入的股權投資公允價值變動 淨值, 扣除稅項 | - | - | - | - | - | - | (9,900) | - | (9,900) | - | (9,900) |
| Total comprehensive income for the year 年內總全面收入 | - | - | 584,900 | (6,621) | 101,398 | 15,134 | (4,200) | 1,771,235 | 2,461,846 | 11,357 | 2,473,203 |
| Issuance of new shares 發行新股 | 730 | 1,249,269 | - | - | - | - | - | - | 1,249,999 | - | 1,249,999 |
| Capital contribution from non-controlling shareholders of subsidiaries 子公司非控股股東注資 | - | - | - | - | - | - | - | - | - | 151,049 | 151,049 |
| Acquisition of subsidiaries by the Group from the then equity holder of subsidiaries 本集團向子公司當時權益持有人 收購子公司 | - | - | (627,900) | - | - | - | - | - | (627,900) | - | (627,900) |
| Acquisition of a non-controlling interest 收購非控股權益 | - | - | - | (913) | - | - | - | - | (913) | (4,818) | (5,731) |
| Disposal of subsidiaries 出售子公司 | - | - | - | - | - | - | - | - | - | 5,345 | 5,345 |
| Appropriations to statutory surplus reserve 轉撥至法定盈餘儲備 | - | - | - | - | 90,367 | - | - | (90,367) | - | - | - |
| At 31 December 2018 於2018年12月31日 | 730 | 1,249,269* | (43,000)* | (7,534)* | 191,765* | 15,134* | (4,200)* | 1,680,868* | 3,083,032 | 162,933 | 3,245,965 |

* These reserve accounts comprise the consolidated reserves of RMB3,082,302,000 (2017: RMB1,989,229,000) in the consolidated statement of financial position.

* 該等儲備賬目包括綜合財務狀況表內的綜合儲備人民幣3,082,302,000元(2017年: 人民幣1,989,229,000元)。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

YEAR ENDED 31 DECEMBER 2018 截至2018年12月31日止年度

| | Notes 附註 | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|---|-------------|-----------------------------------|-----------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| 經營活動產生的現金流量 | | | |
| Profit before tax 除稅前利潤 | | 989,442 | 335,528 |
| Adjustments for: 調整: | | | |
| Depreciation of items of property, plant and equipment 物業、廠房及設備項目折舊 | 6, 13 | 17,091 | 12,292 |
| Amortisation of intangible assets 無形資產攤銷 | 6, 15 | 458 | 427 |
| Loss on disposal of items of property, plant and equipment, net 出售物業、廠房及設備項目淨虧損 | 6 | 2 | 9 |
| Gain on disposal of an associate 出售聯營公司收益 | 5 | (4,634) | – |
| Gain on disposal of subsidiaries, net 淨出售子公司收益 | 33 | (22,301) | (1,037) |
| Share of losses of associates 分佔聯營公司虧損 | 16 | 3,969 | 2,607 |
| Changes in fair value of investment properties 投資物業的公允價值變動 | 14 | (61,295) | (58,000) |
| Impairment losses of financial assets, net 淨金融資產減值虧損 | | 395 | – |
| Finance costs 融資成本 | 7 | 132,711 | 133,650 |
| Finance income 融資收入 | | (17,740) | (9,344) |
| | | 1,038,098 | 416,132 |
| Increase in properties under development 在建物業增加 | | (2,751,817) | (431,334) |
| Decrease/(increase) in completed properties held for sale 已竣工持作銷售物業減少/(增加) | | 294,501 | (1,057,206) |
| Decrease/(increase) in trade receivables 貿易應收款項減少/(增加) | | 5,064 | (31,763) |
| Decrease/(increase) in prepayments, other receivables and other assets 預付款項、其他應收款項及其他資產減少/(增加) | | 69,929 | (288,433) |
| Increase in restricted cash 受限制現金增加 | | (439,464) | (87,284) |
| (Increase)/decrease in pledged deposits 已質押存款(增加)/減少 | | (9,550) | 318 |
| Increase in trade and bills payables 貿易應付款項及應付票據增加 | | 266,321 | 380,757 |
| Increase in other payables and accruals 其他應付款項及應計費用增加 | | 652,674 | 112,112 |
| Increase/(decrease) in contract liabilities 合同負債增加/(減少) | | 1,988,321 | (765,253) |
| (Decrease)/increase in amounts due to related parties 應付關聯方款項(減少)/增加 | | (1,728) | 1,795 |
| Cash generated from/(used in) operating activities | | | |
| 經營活動所得/(所用)現金 | | | |
| Interest received 已收利息 | | 10,786 | 4,019 |
| Interest paid 已付利息 | | (443,569) | (474,429) |
| Tax paid 已付稅項 | | (250,187) | (172,897) |
| Net cash flows from/(used in) operating activities | | | |
| 經營活動所得/(所用)淨現金流量 | | | |
| | | 429,379 | (2,393,466) |

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)**綜合現金流量表 (續)**

YEAR ENDED 31 DECEMBER 2018 截至2018年12月31日止年度

| | Notes 附註 | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|--|-------------|-----------------------------------|-----------------------------------|
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| 投資活動產生的現金流量 | | | |
| Purchases of items of property, plant and equipment 購買物業、廠房及設備項目 | | (48,163) | (26,437) |
| Purchase of intangible assets 購買無形資產 | | (4,438) | (924) |
| Purchase of investment properties 購買投資物業 | | (4,069) | – |
| Acquisition of available-for-sale investments 收購可供銷售投資 | | – | (328,000) |
| Acquisition of financial assets at fair value through profit or loss 收購按公允價值計入損益的金融資產 | | (510,899) | – |
| Disposal of subsidiaries 出售子公司 | 33 | 8,575 | 1,019 |
| Disposal of an associate 出售聯營公司 | | 5,600 | – |
| Disposal of available-for-sale investments 出售可供銷售投資 | | – | 388,000 |
| Disposal of financial assets at fair value through profit or loss 出售按公允價值計入損益的金融資產 | | 730,000 | – |
| Investment in associates 於聯營公司的投資 | | (27,216) | (2,000) |
| Disposal of items of property, plant and equipment 出售物業、廠房及設備項目 | | – | 32 |
| Interest received 已收利息 | | 6,954 | 5,325 |
| Advances to a shareholder 向股東作出的墊款 | 37 | – | (300) |
| Repayment of advances to a shareholder 股東償還墊款 | 37 | 600 | – |
| Repayment of advances to related companies 關聯公司償還墊款 | 37 | 2,179,079 | 1,037,715 |
| Advances to related companies 向關聯公司作出的墊款 | 37 | (1,948,393) | (1,189,811) |
| Net cash flows from/(used in) investing activities 投資活動所得／(所用) 淨現金流量 | | 387,630 | (115,381) |

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)**綜合現金流量表 (續)**

YEAR ENDED 31 DECEMBER 2018 截至2018年12月31日止年度

| | Notes 附註 | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|--|-------------|-----------------------------------|-----------------------------------|
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| 融資活動產生的現金流量 | | | |
| Proceeds from issue of new shares 發行新股所得款項 | | 1,285,103 | — |
| Share issue expenses 股份發行開支 | | (35,104) | — |
| Capital contribution from non-controlling shareholders of subsidiaries 子公司非控股股東注資 | | 151,049 | — |
| Acquisition of subsidiaries by the Group from the then equity holder of subsidiaries 本集團向子公司當時權益持有人收購子公司 | | (627,900) | — |
| Acquisition of a non-controlling interest 收購非控股權益 | | (5,731) | — |
| Dividends paid to the then equity holder of subsidiaries 向子公司當時權益持有人支付的股息 | | (146,492) | — |
| Advances from a related company 關聯公司墊款 | 37 | 68,478 | — |
| Repayment of an advance from a related company 償還關聯公司墊款 | 37 | (38,107) | (150) |
| Increase in pledged deposits 已質押存款增加 | | (1,838) | (14) |
| Proceeds from interest-bearing bank and other borrowings 計息銀行及其他借貸所得款項 | | 2,418,372 | 5,978,800 |
| Repayment of interest-bearing bank and other borrowings 償還計息銀行及其他借貸 | | (2,774,954) | (3,249,400) |
| Net cash flows from financing activities 融資活動所得淨現金流量 | | 292,876 | 2,729,236 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | | | |
| 現金及現金等價物淨增加 | | 1,109,885 | 220,389 |
| Cash and cash equivalents at beginning of year 年初現金及現金等價物 | | 377,190 | 156,801 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | | | |
| 年末現金及現金等價物 | | 1,487,075 | 377,190 |
| ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS | | | |
| 現金及現金等價物結餘分析 | | | |
| Cash and bank balances 現金及銀行結餘 | 25 | 2,163,970 | 603,233 |
| Less: Restricted cash 減：受限制現金 | 25 | 650,574 | 211,110 |
| Pledged deposits 已質押存款 | 25 | 26,321 | 14,933 |
| Cash and cash equivalents as stated in the statement of cash flows 現金流量表所列現金及現金等價物 | | 1,487,075 | 377,190 |

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 DECEMBER 2018 2018年12月31日

1. CORPORATE AND GROUP INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 18 December 2017. The Company's shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 11 October 2018. The registered office of the Company is located at 27 Hospital Road, George Town, Grand Cayman, KY1-9008, Cayman Islands.

During the year, the Group was principally involved in property development, property leasing and providing property management services.

In the opinion of the directors, the ultimate holding company of the Company is Splendid Sun Limited, which is incorporated in the British Virgin Islands.

1. 公司及集團資料

本公司於2017年12月18日在開曼群島註冊成立為獲豁免有限公司。本公司股份於2018年10月11日在香港聯合交易所有限公司（「聯交所」）主板上市。本公司的註冊辦事處地址為27 Hospital Road, George Town, Grand Cayman, KY1-9008, Cayman Islands。

於年內，本集團主要從事物業開發、物業租賃及提供物業管理服務。

董事認為，本公司的最終控股公司為 Splendid Sun Limited，該公司於英屬處女群島註冊成立。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 DECEMBER 2018 2018年12月31日

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries

Particulars of the Company's principal subsidiaries are set out below:

1. 公司及集團資料(續)

有關子公司的資料

本公司主要子公司的詳情載列如下：

| Subsidiaries 子公司 | Place of incorporation/ registration and business 註冊成立/註冊地點及營業地點 | Issued ordinary/ registered share capital 已發行普通股/註冊股本 | Actual percentage of equity attributable to the Company 本公司應佔股權實際百分比 | Principal activities 主要業務 |
|---|--|--|---|---|
| Directly held: 直接持有： | | | | |
| DaFa Blooms Limited ("DaFa Blooms") DaFa Blooms Limited (「DaFa Blooms」) | British Virgin Islands 英屬處女群島 | US\$200 200美元 | 100% | Investment holding 投資控股 |
| Indirectly held: 間接持有： | | | | |
| YinYi Holdings (Hong Kong) Limited ("YinYi Holdings") 垠壹香港有限公司(「垠壹」) | Hong Kong 香港 | HK\$200 200港元 | 100% | Investment holding 投資控股 |
| 溫州凱暘企業管理有限公司 Wenzhou Kaiyang Group Co., Ltd. ("Wenzhou Kaiyang")* 溫州凱暘企業管理有限公司(「溫州凱暘」)* | People's Republic of China ("PRC")/Mainland China 中華人民共和國 (「中國」)/中國內地 | US\$70,000,000 70,000,000美元 | 100% | Investment holding 投資控股 |
| 上海大發房地產集團有限公司 Shanghai Dafa Land Group Co., Ltd. ("Shanghai Dafa") 上海大發房地產集團有限公司(「上海大發」) | PRC/Mainland China 中國/中國內地 | RMB500,000,000 人民幣500,000,000元 | 100% | Property development and property leasing 物業開發及物業租賃 |
| 安慶市凱潤房地產開發有限公司 Anqing Kairun Property Development Co., Ltd. ("Anqing Kairun Property Development") 安慶市凱潤房地產開發有限公司 (「安慶凱潤房地產開發」) | PRC/Mainland China 中國/中國內地 | RMB100,000,000 人民幣100,000,000元 | 100% | Property development 物業開發 |

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 DECEMBER 2018 2018年12月31日

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are set out below: (continued)

1. 公司及集團資料(續)

有關子公司的資料(續)

本公司主要子公司的詳情載列如下:(續)

| Subsidiaries 子公司 | Place of incorporation/ registration and business 註冊成立/註冊地點 及營業地點 | Issued ordinary/ registered share capital 已發行普通股 /註冊股本 | Actual percentage of equity attributable to the Company 本公司應佔股權 實際百分比 | Principal activities 主要業務 |
|---|---|--|--|---|
| 南京凱鴻房地產開發有限公司 Nanjing Kaihong Real Estate Development Co., Ltd. ("Nanjing Kaihong Real Estate") 南京凱鴻房地產開發有限公司(「南京凱鴻房地產」) | PRC/Mainland China 中國/中國內地 | RMB56,000,000 人民幣56,000,000元 | 100% | Property development and property leasing 物業開發及物業租賃 |
| 南京凱潤房地產開發有限公司 Nanjing Kairun Real Estate Development Co., Ltd. ("Nanjing Kairun Real Estate") 南京凱潤房地產開發有限公司(「南京凱潤房地產」) | PRC/Mainland China 中國/中國內地 | RMB56,000,000 人民幣56,000,000元 | 100% | Property development and property leasing 物業開發及物業租賃 |
| 南京凱沅置業有限公司 Nanjing Kaixuan Real Estate Co., Ltd. ("Nanjing Kaixuan Real Estate") 南京凱沅置業有限公司(「南京凱沅置業」) | PRC/Mainland China 中國/中國內地 | RMB58,000,000 人民幣58,000,000元 | 100% | Property development 物業開發 |
| 南京凱洲置業有限公司 Nanjing Kaizhou Real Estate Co., Ltd. ("Nanjing Kaizhou Real Estate") 南京凱洲置業有限公司(「南京凱洲置業」) | PRC/Mainland China 中國/中國內地 | RMB50,020,000 人民幣50,020,000元 | 100% | Property development 物業開發 |
| 上海凱陽置業有限公司 Shanghai Kaiyang Real Estate Co., Ltd. ("Shanghai Kaiyang Real Estate") 上海凱陽置業有限公司(「上海凱陽置業」) | PRC/Mainland China 中國/中國內地 | RMB260,210,000 人民幣260,210,000元 | 100% | Property development 物業開發 |
| 上海垠壹置業有限公司 Shanghai Yinyi Real Estate Co., Ltd. ("Shanghai Yinyi Real Estate") 上海垠壹置業有限公司(「上海垠壹置業」) | PRC/Mainland China 中國/中國內地 | RMB100,000,000 人民幣100,000,000元 | 100% | Property development 物業開發 |

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

1. 公司及集團資料 (續)

Information about subsidiaries (Continued)

有關子公司的資料 (續)

Particulars of the Company's principal subsidiaries are set out below: (continued)

本公司主要子公司的詳情載列如下：(續)

| Subsidiaries 子公司 | Place of incorporation/ registration and business 註冊成立／註冊地點 及營業地點 | Issued ordinary/ registered share capital 已發行普通股 ／註冊股本 | Actual percentage of equity attributable to the Company 本公司應佔股權 實際百分比 | Principal activities 主要業務 |
|---|---|--|--|------------------------------|
| 溫州市凱潤置業有限公司 Wenzhou Kairun Real Estate Co., Ltd. ("Wenzhou Kairun Real Estate") 溫州市凱潤置業有限公司 (「溫州凱潤置業」) | PRC/Mainland China 中國／中國內地 | RMB100,000,000 人民幣100,000,000元 | 100% | Property development 物業開發 |
| 溫州市垠壹置業有限公司 Wenzhou Yinyi Real Estate Co., Ltd.** ("Wenzhou Yinyi Real Estate") 溫州市垠壹置業有限公司 (「溫州垠壹置業」)** | PRC/Mainland China 中國／中國內地 | RMB100,000,000 人民幣100,000,000元 | 96% | Property development 物業開發 |
| 溫州市貴垠置業有限公司 Wenzhou Guiyin Real Estate Co., Ltd.** ("Wenzhou Guiyin Real Estate") 溫州市貴垠置業有限公司 (「溫州貴垠置業」)** | PRC/Mainland China 中國／中國內地 | RMB100,000,000 人民幣100,000,000元 | 90% | Property development 物業開發 |
| 寧波凱陽置業有限公司 Ningbo Kaiyang Real Estate Co., Ltd.** ("Ningbo Kaiyang Real Estate") 寧波凱陽置業有限公司 (「寧波凱陽置業」)** | PRC/Mainland China 中國／中國內地 | RMB338,000,000 人民幣338,000,000元 | 98% | Property development 物業開發 |
| 溫州市凱澤置業有限公司 Wenzhou Kaize Real Estate Co., Ltd. ("Wenzhou Kaize Real Estate") 溫州市凱澤置業有限公司 (「溫州凱澤置業」) | PRC/Mainland China 中國／中國內地 | RMB365,470,000 人民幣365,470,000元 | 100% | Property development 物業開發 |
| 舟山凱舟置業有限公司 Zhoushan Kaizhou Real Estate Co., Ltd. ("Zhoushan Kaizhou Real Estate") 舟山凱舟置業有限公司 (「舟山凱舟置業」) | PRC/Mainland China 中國／中國內地 | RMB100,000,000 人民幣100,000,000元 | 100% | Property development 物業開發 |

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 DECEMBER 2018 2018年12月31日

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are set out below: (continued)

| Subsidiaries 子公司 | Place of incorporation/ registration and business 註冊成立／註冊地點 及營業地點 | Issued ordinary/ registered share capital 已發行普通股 ／註冊股本 | Actual percentage of equity attributable to the Company 本公司應佔股權 實際百分比 | Principal activities 主要業務 |
|--|---|--|--|------------------------------|
| 安慶市垵壹置業有限公司 Anqing Yinyi Real Estate Co., Ltd. ("Anqing Yinyi Real Estate") (Note (a)) 安慶市垵壹置業有限公司(「安慶垵壹置業」)(附註(a)) | PRC/Mainland China 中國／中國內地 | RMB476,078,400 人民幣476,078,400元 | 100% | Property development 物業開發 |
| 南京沅置業有限公司 Nanjing Xuanyin Real Estate Co., Ltd.** ("Nanjing Xuanyin Real Estate") 南京沅置業有限公司(「南京沅置業」)** | PRC/Mainland China 中國／中國內地 | RMB50,000,000 人民幣50,000,000元 | 90% | Property development 物業開發 |
| 南京歌陽置業有限公司 Nanjing Geyang Real Estate Co., Ltd. ("Nanjing Geyang Real Estate") 南京歌陽置業有限公司(「南京歌陽置業」) | PRC/Mainland China 中國／中國內地 | RMB50,000,000 人民幣50,000,000元 | 100% | Property development 物業開發 |
| 蕪湖垵壹置業有限公司 Wuhu Yinyi Real Estate Co., Ltd. ("Wuhu Yinyi Real Estate") 蕪湖垵壹置業有限公司(「蕪湖垵壹置業」) | PRC/Mainland China 中國／中國內地 | RMB262,678,000 人民幣262,678,000元 | 100% | Property development 物業開發 |
| 蕪湖歌陽置業有限公司 Wuhu Geyang Real Estate Co., Ltd.** ("Wuhu Geyang Real Estate") 蕪湖歌陽置業有限公司(「蕪湖歌陽置業」)** | PRC/Mainland China 中國／中國內地 | RMB10,000,000 人民幣10,000,000元 | 100% | Property development 物業開發 |
| 蕪湖齊垵置業有限公司 Wuhu Qiyin Real Estate Co., Ltd. ("Wuhu Qiyin Real Estate") 蕪湖齊垵置業有限公司(「蕪湖齊垵置業」) | PRC/Mainland China 中國／中國內地 | RMB10,000,000 人民幣10,000,000元 | 100% | Property development 物業開發 |

1. 公司及集團資料(續)

有關子公司的資料(續)

本公司主要子公司的詳情載列如下:(續)

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 DECEMBER 2018 2018年12月31日

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

1. 公司及集團資料(續)

Information about subsidiaries (Continued)

有關子公司的資料(續)

Particulars of the Company's principal subsidiaries are set out below: (continued)

本公司主要子公司的詳情載列如下:(續)

| Subsidiaries 子公司 | Place of incorporation/ registration and business 註冊成立/註冊地點 及營業地點 | Issued ordinary/ registered share capital 已發行普通股 /註冊股本 | Actual percentage of equity attributable to the Company 本公司應佔股權 實際百分比 | Principal activities 主要業務 |
|---|---|--|--|------------------------------|
| 蕪湖沅置業有限公司 Wuhu Xuanyin Real Estate Co., Ltd. ("Wuhu Xuanyin Real Estate") 蕪湖沅置業有限公司(「蕪湖沅置業」) | PRC/Mainland China 中國/中國內地 | RMB10,000,000 人民幣10,000,000元 | 100% | Property development 物業開發 |
| 邳州垠壹置業有限公司 Pizhou Yinyi Real Estate Co., Ltd.** ("Pizhou Yinyi Real Estate") 邳州垠壹置業有限公司(「邳州垠壹置業」)** | PRC/Mainland China 中國/中國內地 | RMB100,000,000 人民幣100,000,000元 | 91% | Property development 物業開發 |
| 長興垠壹置業有限公司 Changxing Yinyi Real Estate Co., Ltd.*** ("Changxing Yinyi Real Estate") 長興垠壹置業有限公司(「長興垠壹置業」)*** | PRC/Mainland China 中國/中國內地 | RMB50,000,000 人民幣50,000,000元 | 43% | Property development 物業開發 |
| 合肥凱潤房地產開發有限公司 Hefei Kairun Property Development Co., Ltd. ("Hefei Kairun Property Development") 合肥凱潤房地產開發有限公司(「合肥凱潤房地 產開發」) | PRC/Mainland China 中國/中國內地 | RMB10,000,000 人民幣10,000,000元 | 100% | Property development 物業開發 |
| 句容沅置業有限公司 Jurong Xuanyin Real Estate Co., Ltd.*** ("Jurong Xuanyin Real Estate") 句容沅置業有限公司(「句容沅置業」)*** | PRC/Mainland China 中國/中國內地 | RMB40,000,000 人民幣40,000,000元 | 44% | Property development 物業開發 |
| 射陽煜闕置業有限公司 Sheyang Yuque Real Estate Co., Ltd.** ("Sheyang Yuque Real Estate") 射陽煜闕置業有限公司(「射陽煜闕置業」)** | PRC/Mainland China 中國/中國內地 | RMB20,000,000 人民幣20,000,000元 | 91% | Property development 物業開發 |

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 DECEMBER 2018 2018年12月31日

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are set out below: (continued)

1. 公司及集團資料(續)

有關子公司的資料(續)

本公司主要子公司的詳情載列如下:(續)

| Subsidiaries 子公司 | Place of incorporation/ registration and business 註冊成立/註冊地點 及營業地點 | Issued ordinary/ registered share capital 已發行普通股 /註冊股本 | Actual percentage of equity attributable to the Company 本公司應佔股權 實際百分比 | Principal activities 主要業務 |
|--|---|--|--|------------------------------|
| 寧波余姚市凱潤置業有限公司 Ningbo Yuyao Kairun Real Estate Co., Ltd.** ("Ningbo Yuyao Kairun Real Estate") 寧波余姚市凱潤置業有限公司(「寧波余姚凱潤置業」)** | PRC/Mainland China 中國/中國內地 | RMB10,000,000 人民幣10,000,000元 | 88% | Property development 物業開發 |
| 嘉興市凱澤置業有限公司 Jiaxing Kaize Real Estate Co., Ltd.** ("Jiaxing Kaize Real Estate") 嘉興市凱澤置業有限公司(「嘉興凱澤置業」)** | PRC/Mainland China 中國/中國內地 | RMB50,000,000 人民幣50,000,000元 | 90% | Property development 物業開發 |
| 英德市煜闕置業有限公司 Yingde Yuque Real Estate Co., Ltd. ("Yingde Yuque Real Estate") 英德市煜闕置業有限公司(「英德煜闕置業」) | PRC/Mainland China 中國/中國內地 | RMB50,000,000 人民幣50,000,000元 | 100% | Property development 物業開發 |
| 邛崃市瀚顏房地產開發有限公司 Qionglai Hanyan Property Development Co., Ltd.** ("Qionglai Hanyan Property Development") 邛崃市瀚顏房地產開發有限公司(「邛崃瀚顏房地 地產開發」)** | PRC/Mainland China 中國/中國內地 | RMB50,000,000 人民幣50,000,000元 | 91% | Property development 物業開發 |
| 重慶融闕置業有限公司 Chongqing Rongque Real Estate Co., Ltd.** ("Chongqing Rongque Real Estate") 重慶融闕置業有限公司(「重慶融闕置業」)** | PRC/Mainland China 中國/中國內地 | RMB10,000,000 人民幣10,000,000元 | 91% | Property development 物業開發 |
| 徐州凱陽置業有限公司 Xuzhou Kaiyang Real Estate Co., Ltd. ("Xuzhou Kaiyang Real Estate") 徐州凱陽置業有限公司(「徐州凱陽置業」) | PRC/Mainland China 中國/中國內地 | RMB20,000,000 人民幣20,000,000元 | 100% | Property development 物業開發 |

NOTES TO FINANCIAL STATEMENTS *(Continued)*

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (Continued)

Particulars of the Company's principal subsidiaries are set out below: (continued)

- * Wenzhou Kaiyang is registered as a wholly-foreign-owned enterprise under PRC law.
- ** These companies are subsidiaries of non-wholly-owned subsidiaries of the Company and, accordingly, are accounted for as subsidiaries by virtue of the Company's control over them.
- *** As the Group has exposure or rights to variable returns from its involvement with those companies, and has the ability to affect those returns through its majority voting position and the existing rights to direct the relevant activities including but not limited to the budget, pricing and promotion strategies of these companies, the Group has control over these companies and these companies are thus accounted for as subsidiaries of the Group.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

The English names of all group companies registered in the PRC represent the best efforts made by management of the Company to translate the Chinese names of these companies as they do not have official English names.

1. 公司及集團資料 (續)

有關子公司的資料 (續)

本公司主要子公司的詳情載列如下：(續)

- * 溫州凱陽已根據中國法律註冊為外商獨資企業。
- ** 該等公司為本公司的非全資子公司的子公司，因本公司於該公司擁有控制權而入賬列為子公司。
- *** 由於本集團因參與該等公司而享有或有權享有可變回報，且能通過其於該等公司的多數投票權影響上述回報並有權指導該等公司的相關活動，包括但不限於預算、定價及推廣政策，本集團對該等公司擁有控制權，故該等公司列作本集團的子公司。

上表列述董事認為主要影響本集團年度業績或構成本集團大部分淨資產的本公司子公司。董事認為，提供其他子公司的詳情會導致詳情過長。

所有於中國註冊的集團公司的英文名稱乃由本公司管理層盡最大努力對該等公司中文名稱翻譯所得，乃因其並無正式英文名稱。

NOTES TO FINANCIAL STATEMENTS (Continued)**財務報表附註 (續)**

31 DECEMBER 2018 2018年12月31日

1. CORPORATE AND GROUP INFORMATION (CONTINUED)**Information about subsidiaries (Continued)**

Note (a): The percentage of attributable equity interests presented is the percentage of beneficiary interests held by the Group. The equity interests in Anqing Yinyi Real Estate legally held by the Group are lower than the beneficiary interests because of the existence of trust financing arrangement. The Group legally transferred the equity interests in Anqing Yinyi Real Estate as collateral as at the date of this report. The percentage of equity pledged in Anqing Yinyi Real Estate is 20.18% as at the date of this report.

Under the aforementioned-stated arrangement, the Group was obliged to repurchase on at a fixed amount on a future date upon repayment of the borrowings from the trust financing company. Meanwhile, the Group retains the power to operate and manage Anqing Yinyi Real Estate in the ordinary course of business. In this regard, considering the facts that the substance of the arrangement is to collateralize the 20.18% equity interests in Anqing Yinyi Real Estate for the borrowings for project development and the Group retains the practical ability to govern the financial and operating policies of Anqing Yinyi Real Estate so as to obtain benefits from the operating activities of Anqing Yinyi Real Estate, the directors of the Company are of the view that the financial position and operating results of Anqing Yinyi Real Estate should be consolidated into the Group's financial statements in full, irrespective of the equity transfers from the legal perspective.

1. 公司及集團資料 (續)**有關子公司的資料 (續)**

附註(a)：所呈列應佔股權百分比為本集團持有的實益權益百分比。本集團於安慶垠壹置業合法持有的股權因信託融資安排存續而低於實益權益。於本報告日期，本集團將安慶垠壹置業的股權作為抵押物合法轉讓。於本報告日期，安慶垠壹置業已質押權益百分比為20.18%。

根據上述安排，本集團有責任於借貸償還後在未來某個日期按固定金額向信託融資公司進行購回。同時，本集團保留在日常業務經營中經營及管理安慶垠壹置業的權力。就此而言，考慮到該安排的實質是為項目開發借貸提供安慶垠壹置業20.18%股權作為抵押物及本集團保留實際能力管理安慶垠壹置業的財務及經營政策以自安慶垠壹置業的經營活動獲取利益，本公司董事認為安慶垠壹置業的財務狀況及經營業績應全部併入本集團財務報表，而不必從法律角度考慮股權轉讓。

NOTES TO FINANCIAL STATEMENTS *(Continued)*

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) (which include all standards and interpretations, International Accounting Standards (“IASs”) and Standing Interpretations Committee interpretations) approved by the International Accounting Standards Board (the “IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance. IFRS 15 *Revenue from Contracts with Customers* and amendments to IFRS 15 *Clarification to IFRS 15 Revenue from Contracts with Customers*, which are effective for annual periods beginning on or after 1 January 2018, have been early adopted by the Company in the preparation of the Annual Report. Early adoption of IFRS 15 and amendments to it is permitted. These financial statements have been prepared under the historical cost convention, except for investment properties, available-for-sale investments, financial assets at fair value through profit or loss and equity investments designated at fair value through other comprehensive income which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2018. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

2.1 編製基準

該等財務報表乃根據國際會計準則理事會（「國際會計準則理事會」）批准的國際財務報告準則（「國際財務報告準則」）（包括所有準則及詮釋、國際會計準則（「國際會計準則」）及常務詮釋委員會詮釋）及香港公司條例的披露規定編製。本公司於編製年報時已提前採納國際財務報告準則第15號客戶合同收益及國際財務報告準則第15號的修訂對國際財務報告準則第15號客戶合同收益的澄清（自2018年1月1日或之後開始的年度期間生效）。提前採納國際財務報告準則第15號及其修訂乃獲允許。該等財務報表乃根據歷史成本法編製，惟已按公允價值計量的投資物業、可供銷售投資、按公允價值計入損益的金融資產及指定為按公允價值計入其他全面收入的股權投資除外。該等財務報表以人民幣（「人民幣」）呈列，除文義另有所指外，所有金額均經四捨五入調整至最接近的千位數。

綜合基準

綜合財務報表包括本公司及其子公司（統稱「本集團」）截至2018年12月31日止年度的財務報表。子公司指由本公司直接或間接控制的實體（包括結構性實體）。當本集團對參與投資對象業務的可變回報承擔風險或享有權利以及能通過對投資對象的權力（即本集團獲賦予現有以主導投資對象有關活動的既存權利）影響該等回報時，即取得控制權。

NOTES TO FINANCIAL STATEMENTS (Continued)**財務報表附註 (續)**

31 DECEMBER 2018 2018年12月31日

2.1 BASIS OF PREPARATION (CONTINUED)**Basis of consolidation (Continued)**

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.1 編製基準 (續)**綜合基準 (續)**

倘本公司直接或間接擁有少於投資對象大多數投票或類似權利，則本集團於評估其是否擁有對投資對象的權力時會考慮一切相關事實及情況，包括：

- (a) 與投資對象的其他投票權持有人的合同安排；
- (b) 其他合同安排所產生的權利；及
- (c) 本集團的投票權及潛在投票權。

子公司與本公司之財務報表之報告期相同，並採用一致之會計政策編製。子公司之業績由本集團獲得控制權當日起綜合入賬，並繼續綜合入賬直至有關控制權終止當日為止。

損益及其他全面收入之各個組成部分歸屬於本集團母公司之擁有人及非控股權益，即使此舉會導致非控股權益有虧絀結餘。所有有關本集團各成員公司間交易之集團內部資產及負債、權益、收入、開支及現金流量均會於綜合入賬時全數抵銷。

NOTES TO FINANCIAL STATEMENTS *(Continued)*

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

2.1 BASIS OF PREPARATION (CONTINUED)

Basis of consolidation (Continued)

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.1 編製基準 (續)

綜合基準 (續)

倘事實及情況顯示上述三項控制因素之一項或多項出現變化，本集團會重新評估其是否控制投資對象。於子公司的所有權權益變動，惟並無失去控制權，則以權益交易入賬。

倘本集團失去對子公司之控制權，則終止確認(i)該子公司之資產(包括商譽)及負債、(ii)任何非控股權益之賬面值及(iii)於權益內記錄之累計交易差額；及確認(i)已收對價之公允價值、(ii)所保留任何投資之公允價值及(iii)損益中任何因此產生之盈餘或虧損。先前已於其他全面收入內確認之本集團應佔部分重新分類至損益或保留利潤(如適當)，基準與本集團直接出售相關資產或負債所需使用之基準相同。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised IFRSs for the first time for the current year's financial statements.

| | |
|-------------------------------------|--|
| Amendments to IFRS 2 | <i>Classification and Measurement of Share-based Payment Transactions</i> |
| Amendments to IFRS 4 | <i>Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts</i> |
| IFRS 9 | <i>Financial Instruments</i> |
| Amendments to IAS 40 | <i>Transfers of Investment Property</i> |
| IFRIC 22 | <i>Foreign Currency Transactions and Advance Consideration</i> |
| Annual Improvements 2014-2016 Cycle | Amendments to IFRS 1 and IAS 28 |

Other than as explained below regarding the impact of IFRS 9, the adoption of the above new and revised standards has had no significant financial effect on these financial statements.

- (a) IFRS 9 *Financial Instruments* replaces IAS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting.

With the exception of hedge accounting, which the Group has applied prospectively, the Group has recognised the transition adjustments against the applicable opening balances in equity at 1 January 2018. Therefore, the comparative information was not restated and continues to be reported under IAS 39.

The following information sets out the impacts of adopting IFRS 9 on the statement of financial position, including the effect of replacing IAS 39's incurred credit loss calculations with IFRS 9's expected credit losses ("ECLs").

2.2 會計政策的變動及披露

本集團已就本年度之財務報表首次採納下列新訂及經修訂國際財務報告準則。

| | |
|----------------------|---|
| 國際財務報告準則第2號的修訂 | 以股份為基礎的支付交易的分類及計量 |
| 國際財務報告準則第4號的修訂 | 採用國際財務報告準則第4號保險合同的同時一併應用國際財務報告準則第9號金融工具 |
| 國際財務報告準則第9號 | 金融工具 |
| 國際會計準則第40號的修訂 | 轉讓投資物業 |
| 國際財務報告詮釋委員會詮釋第22號 | 外幣交易及預付對價 |
| 年度改進 (2014年至2016年週期) | 對國際財務報告準則第1號及國際會計準則第28號的修訂 |

除下文所闡釋有關國際財務報告準則第9號的影響外，採納上述新訂及經修訂準則對該等財務報表並無重大財務影響。

- (a) 就2018年1月1日或之後開始的年度期間，國際財務報告準則第9號金融工具取代國際會計準則第39號金融工具：確認及計量，匯集金融工具在分類及計量、減值及對沖會計三個方面的會計處理。

除提前應用對沖會計外，本集團已對2018年1月1日的權益內適用期初結餘確認過渡調整。因此，並無重列比較資料及繼續根據國際會計準則第39號呈報。

下列資料列載採納國際財務報告準則第9號對於財務狀況表的影響，包括以國際財務報告準則第9號的預期信貸虧損（「預期信貸虧損」）取代國際會計準則第39號的已產生信貸虧損計算的影響。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(a) (Continued)

Classification and measurement

A reconciliation between the carrying amounts under IAS 39 and the balances reported under IFRS 9 as at 1 January 2018 is as follows:

| | Notes 附註 | IAS 39 measurement 國際會計準則第39號計量 | | Re- classification 重新分類 RMB'000 人民幣千元 | ECL 預期信貸虧損 RMB'000 人民幣千元 | Other 其他 RMB'000 人民幣千元 | IFRS 9 measurement 國際財務報告準則第9號計量 | |
|---|-------------|--|----------------------------------|---|-----------------------------------|---------------------------------|--|---|
| | | Category 類別 | Amount 金額 RMB'000 人民幣千元 | | | | Amount 金額 RMB'000 人民幣千元 | Category 類別 |
| Financial assets 金融資產 | | | | | | | | |
| Equity investments designated at fair value through other comprehensive income 指定為按公允價值計入其他全面收入的股權投資 | | N/A 不適用 | – | 112,000 | – | 7,600 | 119,600 | FVOCI ¹ (equity) 按公允價值計入其他全面收入 ¹ (權益) |
| From: Available-for-sale investments 自：可供銷售投資 | (i) | | | 112,000 | – | – | | |
| Available-for-sale investments 可供銷售投資 | | AFS ² 可供銷售 ² | 352,000 | (352,000) | – | – | – | N/A 不適用 |
| To: Equity investments designated at fair value through other comprehensive income 予：指定為按公允價值計入其他全面收入的股權投資 | (i) | | | (112,000) | – | – | | |
| To: Financial assets at fair value through profit or loss 予：按公允價值計入損益的金融資產 | (ii) | | | (240,000) | – | – | | |
| Due from related companies 應收關聯公司款項 | | L&R ³ 貸款及應收款項 ³ | 801,082 | – | – | – | 801,082 | AC ⁴ 按攤銷成本計量的金融資產或金融負債 ⁴ |

2.2 會計政策的變動及披露 (續)

(a) (續)

分類及計量

於2018年1月1日，國際會計準則第39號項下的賬面值與國際財務報告準則第9號項下所呈報結餘的對賬如下：

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

2.2 會計政策的變動及披露 (續)

(a) (Continued)

(a) (續)

Classification and measurement (Continued)

分類及計量 (續)

| | Notes 附註 | IAS 39 measurement 國際會計準則第39號計量 | | Re- classification 重新分類 RMB'000 人民幣千元 | ECL 預期信貸虧損 RMB'000 人民幣千元 | Other 其他 RMB'000 人民幣千元 | IFRS 9 measurement 國際財務報告準則第9號計量 | |
|---|---|---------------------------------------|----------------------------------|---|-----------------------------------|---------------------------------|--|----------------|
| | | Category 類別 | Amount 金額 RMB'000 人民幣千元 | | | | Amount 金額 RMB'000 人民幣千元 | Category 類別 |
| | | Due from a shareholder 應收股東款項 | L&R 貸款及應收款項 | | | | 600 | - |
| Trade receivables 貿易應收款項 | L&R 貸款及應收款項 | 38,924 | - | - | - | 38,924 | AC 按攤銷成本計量的金融資產或金融負債 | |
| Financial assets included in prepayments, other receivables and other assets 計入預付款項、其他應收款項及其他資產的金融資產 | L&R 貸款及應收款項 | 51,590 | - | - | - | 51,590 | AC 按攤銷成本計量的金融資產或金融負債 | |
| Financial assets at fair value through profit or loss 按公允價值計入損益的金融資產 | FVPL ⁵ 按公允價值計入損益 ⁵ | - | 240,000 | - | - | 240,000 | FVPL (mandatory) 按公允價值計入損益(強制性) | |
| From: Available-for-sale investments 自：可供銷售投資 | (ii) | - | 240,000 | - | - | - | | |
| Restricted cash 受限制現金 | L&R 貸款及應收款項 | 211,110 | - | - | - | 211,110 | | |

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 DECEMBER 2018 2018年12月31日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

2.2 會計政策的變動及披露(續)

(a) (Continued)

(a) (續)

Classification and measurement (Continued)

分類及計量(續)

| | Notes 附註 | IAS 39 measurement 國際會計準則第39號計量 | | Re- classification 重新分類 RMB'000 人民幣千元 | ECL 預期信貸虧損 RMB'000 人民幣千元 | Other 其他 RMB'000 人民幣千元 | IFRS 9 measurement 國際財務報告準則第9號計量 | |
|---|-------------|---------------------------------------|----------------------------------|---|-----------------------------------|---------------------------------|--|-------------------------|
| | | Category 類別 | Amount 金額 RMB'000 人民幣千元 | | | | Amount 金額 RMB'000 人民幣千元 | Category 類別 |
| Pledged deposits 已質押存款 | | L&R 貸款及應收款項 | 14,933 | - | - | - | 14,933 | AC 按攤銷成本計量的金融資產或金融負債 |
| Cash and cash equivalents 現金及現金等價物 | | L&R 貸款及應收款項 | 377,190 | - | - | - | 377,190 | AC 按攤銷成本計量的金融資產或金融負債 |
| Total assets 總資產 | | | 1,495,429 | - | - | - | 1,495,429 | |
| Financial liabilities 金融負債 | | | | | | | | |
| Trade and bills payables 貿易應付款項及應計票據 | | AC 按攤銷成本計量的金融資產或金融負債 | 1,158,688 | - | - | - | 1,158,688 | AC 按攤銷成本計量的金融資產或金融負債 |
| Financial liabilities included in other payables and accruals 計入其他應付款項及應計費用的金融負債 | | AC 按攤銷成本計量的金融資產或金融負債 | 191,831 | - | - | - | 191,831 | AC 按攤銷成本計量的金融資產或金融負債 |

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

2.2 會計政策的變動及披露 (續)

(a) (Continued)

(a) (續)

Classification and measurement (Continued)

分類及計量 (續)

| | Notes 附註 | IAS 39 measurement 國際會計準則第39號計量 | | Re- classification 重新分類 RMB'000 人民幣千元 | ECL 預期信貸虧損 RMB'000 人民幣千元 | Other 其他 RMB'000 人民幣千元 | IFRS 9 measurement 國際財務報告準則第9號計量 | |
|--|-------------------------|---------------------------------------|----------------------------------|---|-----------------------------------|---------------------------------|--|----------------|
| | | Category 類別 | Amount 金額 RMB'000 人民幣千元 | | | | Amount 金額 RMB'000 人民幣千元 | Category 類別 |
| | | Due to related companies 應付關聯公司款項 | AC 按攤銷成本計量的金融資產或金融負債 | | | | 143,790 | - |
| Interest-bearing bank and other borrowings 計息銀行及其他借貸 | AC 按攤銷成本計量的金融資產或金融負債 | 5,987,270 | - | - | - | 5,987,270 | AC 按攤銷成本計量的金融資產或金融負債 | |
| Total liabilities 總負債 | | | 7,481,579 | - | - | - | 7,481,579 | |

¹ FVOCI: Financial assets at fair value through other comprehensive income

² AFS: Available-for-sale investments

³ L&R: Loans and receivables

⁴ AC: Financial assets or financial liabilities at amortised cost

⁵ FVPL: Financial assets at fair value through profit or loss

¹ 按公允價值計入其他全面收入：按公允價值計入其他全面收入的金融資產

² 可供銷售：可供銷售投資

³ 貸款及應收款項：貸款及應收款項

⁴ 按攤銷成本計量的金融資產或金融負債：按攤銷成本計量的金融資產或金融負債

⁵ 按公允價值計入損益：按公允價值計入損益的金融資產

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(a) (Continued)

Classification and measurement (Continued)

Notes:

- (i) As at 1 January 2018, the Group elected to apply the FVOCI option on an unlisted equity investment which was previously classified as AFS as this equity investment was not held for trading.
- (ii) As at 1 January 2018, the Group classified a portion of its AFS as financial assets at FVPL as these financial investments were held for trading.

The impact of transition to IFRS 9 on reserves is as follows:

| | Reserves 儲備 RMB'000 人民幣千元 |
|--|------------------------------------|
| Equity investments revaluation reserve: 股權投資重估儲備： | |
| Closing balance as at 31 December 2017 under IAS 39 根據國際會計準則第39號於2017年12月31日的期末結餘 | - |
| Revaluation gains on equity investments designated at fair value through other comprehensive income 指定為按公允價值計入其他全面收入的股權投資的重估收益 | 7,600 |
| Deferred tax in relation to the above 有關上述各項的遞延稅項 | (1,900) |
| Opening balance as at 1 January 2018 於2018年1月1日的期初結餘 | 5,700 |

Equity investments revaluation reserve: 股權投資重估儲備：

| | |
|--|---------|
| Closing balance as at 31 December 2017 under IAS 39 根據國際會計準則第39號於2017年12月31日的期末結餘 | - |
| Revaluation gains on equity investments designated at fair value through other comprehensive income 指定為按公允價值計入其他全面收入的股權投資的重估收益 | 7,600 |
| Deferred tax in relation to the above 有關上述各項的遞延稅項 | (1,900) |
| Opening balance as at 1 January 2018 於2018年1月1日的期初結餘 | 5,700 |

There was no significant impact by replacing the aggregate opening impairment allowances under IAS 39 with ECL allowances under IFRS 9 on financial instruments as at 1 January 2018.

2.2 會計政策的變動及披露 (續)

(a) (續)

分類及計量 (續)

附註：

- (i) 於2018年1月1日，本集團選擇對非上市股權投資（先前被分類為可供銷售）採用按公允價值計入其他全面收入，因該股權投資並非持作買賣。
- (ii) 於2018年1月1日，本集團已將其可供銷售的一部分分類為按公允價值計入損益的金融資產，因該等金融投資持作買賣。

向國際財務報告準則第9號過渡對儲備的影響如下：

| | Reserves 儲備 RMB'000 人民幣千元 |
|--|------------------------------------|
| Equity investments revaluation reserve: 股權投資重估儲備： | |
| Closing balance as at 31 December 2017 under IAS 39 根據國際會計準則第39號於2017年12月31日的期末結餘 | - |
| Revaluation gains on equity investments designated at fair value through other comprehensive income 指定為按公允價值計入其他全面收入的股權投資的重估收益 | 7,600 |
| Deferred tax in relation to the above 有關上述各項的遞延稅項 | (1,900) |
| Opening balance as at 1 January 2018 於2018年1月1日的期初結餘 | 5,700 |

Equity investments revaluation reserve: 股權投資重估儲備：

| | |
|--|---------|
| Closing balance as at 31 December 2017 under IAS 39 根據國際會計準則第39號於2017年12月31日的期末結餘 | - |
| Revaluation gains on equity investments designated at fair value through other comprehensive income 指定為按公允價值計入其他全面收入的股權投資的重估收益 | 7,600 |
| Deferred tax in relation to the above 有關上述各項的遞延稅項 | (1,900) |
| Opening balance as at 1 January 2018 於2018年1月1日的期初結餘 | 5,700 |

以國際財務報告準則第9號項下之預期信貸虧損撥備取代國際會計準則第39號項下之期初減值撥備總額對2018年1月1日的金融工具並無重大影響。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements.

| | |
|-------------------------------------|---|
| Amendments to IFRS 3 | <i>Definition of a Business</i> ² |
| Amendments to IFRS 9 | <i>Prepayment Features with Negative Compensation</i> ¹ |
| Amendments to IFRS 10 and IAS 28 | <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴ |
| IFRS 16 | <i>Leases</i> ¹ |
| IFRS 17 | <i>Insurance Contracts</i> ³ |
| Amendments to IAS 1 and IAS 8 | <i>Definition of Material</i> ² |
| Amendments to IAS 19 | <i>Plan Amendment, Curtailment or Settlement</i> ¹ |
| Amendments to IAS 28 | <i>Long-term Interests in Associates and Joint Ventures</i> ¹ |
| IFRIC 23 | <i>Uncertainty over Income Tax Treatments</i> ¹ |
| Annual Improvements 2015-2017 Cycle | <i>Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23</i> ¹ |

- ¹ Effective for annual periods beginning on or after 1 January 2019
- ² Effective for annual periods beginning on or after 1 January 2020
- ³ Effective for annual periods beginning on or after 1 January 2021
- ⁴ No mandatory effective date yet determined but available for adoption

2.3 已頒佈但尚未生效之國際財務報告準則

本集團於該等財務報表中並未採納下列已頒佈但尚未生效的新訂及經修訂國際財務報告準則。

| | |
|----------------------------|---|
| 國際財務報告準則第3號的修訂 | 業務的定義 ² |
| 國際財務報告準則第9號的修訂 | 具有負補償的提早還款特性 ¹ |
| 國際財務報告準則第10號及國際會計準則第28號的修訂 | 投資者與其聯營公司或合營企業之間的資產出售或注資 ⁴ |
| 國際財務報告準則第16號 | 租賃 ¹ |
| 國際財務報告準則第17號 | 保險合同 ³ |
| 國際會計準則第1號及國際會計準則第8號的修訂 | 重大的定義 ² |
| 國際會計準則第19號的修訂 | 計劃修訂、縮減或清償 ¹ |
| 國際會計準則第28號的修訂 | 於聯營公司及合營企業的長期權益 ¹ |
| 國際財務報告詮釋委員會詮釋第23號 | 所得稅處理的不確定性 ¹ |
| 年度改進 (2015年至2017年週期) | 對國際財務報告準則第3號、國際財務報告準則第11號、國際會計準則第12號及國際會計準則第23號的修訂 ¹ |

- ¹ 於2019年1月1日或之後開始的年度期間生效
- ² 於2020年1月1日或之後開始的年度期間生效
- ³ 於2021年1月1日或之後開始的年度期間生效
- ⁴ 尚未釐定強制生效日期，惟可供採納

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs (CONTINUED)

Further information about those IFRSs that are expected to be applicable to the Group is described below.

Amendments to IFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group expects to adopt the amendments prospectively from 1 January 2020.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB in December 2015 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

2.3 已頒佈但尚未生效之國際財務報告準則 (續)

預期將適用於本集團的該等國際財務報告準則的進一步資料如下。

國際財務報告準則第3號的修訂澄清並就業務的定義提供額外指引。該等修訂澄清，一系列綜合活動及資產需至少包括對實質性產出能力有重大貢獻的投入及實質性進程方可被視為一項業務。業務可不包括創造輸出所需的所有投入及進程而存在。該等修訂取消了對市場參與者是否有能力獲得業務並繼續產生輸出的評估。相反，重點是所獲得投入及所取得實質性進程是否共同對創造輸出的能力有重大貢獻。該等修訂亦縮小了輸出的定義，重點關注向客戶提供的商品或服務，投資收入或自日常業務產生的其他收入。此外，該等修訂對評估所取得的進程是否屬實質性提供了指引，並引入可選的公允價值集中測試，以簡化對所獲得的一系列活動及資產是否屬業務的評估。本集團預期將自2020年1月1日起前瞻性地採納該等修訂。

國際財務報告準則第10號及國際會計準則第28號的修訂處理國際財務報告準則第10號及國際會計準則第28號於處理投資者與其聯營公司或合營企業間之資產出售或投入方面之規定之不一致情況。該等修訂規定，當投資者與其聯營公司或合營企業間之資產出售或投入構成一項業務時，須全面確認收益或虧損。對於涉及並無構成一項業務之資產之交易而言，該項交易產生之收益或虧損於投資者之損益中確認，惟僅以不相關投資者於該聯營公司或合營企業之權益為限。該等修訂將按前瞻基準應用。國際會計準則委員會已於2015年12月剔除國際財務報告準則第10號及國際會計準則第28號之修訂的以往強制生效日期，而新的強制生效日期將於對聯營公司及合營企業的會計處理完成更廣泛的檢討後釐定。然而，該等修訂可於現時採納。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs (CONTINUED)

IFRS 16 replaces IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two elective recognition exemptions for lessees – leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in IAS 40, or relates to a class of property, plant and equipment to which the revaluation model is applied. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under IFRS 16 is substantially unchanged from the accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between operating leases and finance leases. IFRS 16 requires lessees and lessors to make more extensive disclosures than under IAS 17. Lessees can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group will adopt IFRS 16 from 1 January 2019. The Group plans to adopt the transitional provisions in IFRS 16 to recognise the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 January 2019 and will not restate the comparatives. In addition, the Group plans to apply the new requirements to contracts that were previously identified as leases applying IAS 17 and measure the lease liability at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at the date of initial application. The right-of-use asset will be measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before the date of initial application. The Group plans to use the exemptions allowed by the standard on lease contracts whose lease terms end within 12 months as of the date of initial application. The Group's future aggregate minimum lease payments under non-cancellable operating leases as at 31 December 2018 were RMB8,993,000, with the minimum lease payments due less than one year amounting to RMB5,103,000 and those due more than one year and less than five years amounting to RMB3,890,000. Given that the Group had total assets of RMB19,257,550,000 and total liabilities of RMB16,011,585,000 as at 31 December 2018, the directors of the Company are of the view that the initial adoption of IFRS 16 will not have any significant impact on the financial performance and position of the Group.

2.3 已頒佈但尚未生效之國際財務報告準則 (續)

國際財務報告準則第16號取代國際會計準則第17號租賃、國際財務報告詮釋委員會第4號釐定安排是否包括租賃、常設詮釋委員會第15號經營租賃—優惠及常設詮釋委員會第27號評估牽涉租賃的法律形式的交易內容。該標準載列有關租賃的確認、計量、呈列及披露的原則，並要求承租人確認絕大部分租賃資產及負債。該標準包括承租人的兩項可選擇確認豁免—低價值資產租賃及短期租賃。於租賃開始日期，承租人將確認租賃負債及代表使用相關資產的權利為資產（即有使用權資產）。有使用權資產其後按成本減累計折舊及任何減值虧損計量，除非有使用權資產符合或國際會計準則第40號中投資物業的定義或涉及重估模型適用的一類物業、廠房及設備。租賃負債其後就反映租賃負債的利息而增加及因租賃付款而減少。承租人將單獨確認租賃負債的利息開支及於發生若資產的折舊開支。承租人亦將須於發生若幹事件（即租期變動、用於釐定未來付款的指數或利率變動導致的該人等付款變動）時重新計量租賃負債。承租人將對租賃負債的重新計量金額確認為對有使用權資產的調整。國際財務報告準則第16號項下的出租人會計處理與國際會計準則第17號項下的會計處理相比並無大幅改變。出租人將繼續使用與國際會計準則第17號相同的分類原則對所有租賃進行分類及區分經營租賃及融資租賃。國際財務報告準則第16號要求承租人及出租人作出比國際會計準則第17號更廣泛的披露。承租人可選擇採用全面追溯或修訂追溯方法來應用該準則。本集團將自2019年1月1日起採納國際財務報告準則第16號。本集團計劃採用國際財務報告準則第16號的過渡性條款，以將初步採納的累積影響確認為於2019年1月1日對保留盈利的期初結餘所作的調整，且將不會重列比較資料。此外，本集團計劃將該等新規定應用於先前根據國際會計準則第17號確認為租賃的合同，按剩餘租賃付款的現值計量租賃負債，並採用本集團於首次應用日期的增量借貸利率貼現。有使用權資產將按租賃負債金額計量，並按於緊接首次應用日期前在財務狀況表中確認的租賃相關的任何預付或應計租賃付款金額作出調整。本集團計劃對租賃期限於首次應用日期起計12個月內免終止的租賃合同使用該準則所允許的豁免條款。本集團於2018年12月31日不可撤銷經營租賃項下的未來最低租賃款項總額為人民幣8,993,000元，其中於一年內到期的最低租賃款項為人民幣5,103,000元及於一年以上及五年以下到期的最低租賃款項為人民幣3,890,000元。鑒於本集團於2018年12月31日擁有的總資產及總負債分別為人民幣19,257,550,000元及人民幣16,011,585,000元，本公司董事認為，首次採納國際財務報告準則第16號不會對本集團的財務表現及狀況造成任何重大影響。

NOTES TO FINANCIAL STATEMENTS *(Continued)*

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs (CONTINUED)

Amendments to IAS 1 and IAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. The Group expects to adopt the amendments prospectively from 1 January 2020. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IAS 28 clarify that the scope exclusion of IFRS 9 only includes interests in an associate or joint venture to which the equity method is applied and does not include long-term interests that in substance form part of the net investment in the associate or joint venture, to which the equity method has not been applied. Therefore, an entity applies IFRS 9, rather than IAS 28, including the impairment requirements under IFRS 9, in accounting for such long-term interests. IAS 28 is then applied to the net investment, which includes the long-term interests, only in the context of recognising losses of an associate or joint venture and impairment of the net investment in the associate or joint venture. The Group expects to adopt the amendments on 1 January 2019 and will assess its business model for such long-term interests based on the facts and circumstances that exist on 1 January 2019 using the transitional requirements in the amendments. The Group also intends to apply the relief from restating comparative information for prior periods upon adoption of the amendments.

2.3 已頒佈但尚未生效之國際財務報告準則 (續)

國際會計準則第1號及國際會計準則第8號的修訂為重大提供了新的定義。該新定義指出，倘遺漏、失實陳述或隱藏某項資料可合理預期將對通用財務報表的主要用戶依據該等財務報表做出的決策產生影響，則該項資料屬重大。該等修訂澄清，重要性將取決於資料的性質或程度。倘可合理預期資料的失實陳述將對主要用戶做出的決策產生影響，則該項失實陳述屬重大。本集團預期自2020年1月1日起前瞻性地採納該等修訂。預期該等修訂不會對本集團的財務報表產生任何重大影響。

國際會計準則第28號的修訂澄清國際財務報告準則第9號的範圍豁免僅包括應用權益法的聯營公司或合營企業之權益，且不包括實質上構成聯營公司或合營企業淨投資額一部分的長期權益（尚未對其應用權益法）。因此，計算此類長期利益時，實體應用國際財務報告準則第9號（包括國際財務報告準則第9號項下的減值規定）而非國際會計準則第28號。只有在確認聯營公司或合營企業的虧損及聯營公司或合營企業淨投資減值的情況下，國際會計準則第28號才會被應用於淨投資（包括長期權益）。本集團預期於2019年1月1日採納該等修訂，並使用該等修訂的過渡性規定，根據2019年1月1日已存在的事實及情況就該等長期權益評估其業務模式。本集團亦有意於採納該等修訂後，應用過往期間重列比較資料的寬免。

NOTES TO FINANCIAL STATEMENTS (Continued)**財務報表附註 (續)**

31 DECEMBER 2018 2018年12月31日

2.3 ISSUED BUT NOT YET EFFECTIVE IFRSs (CONTINUED)

IFRIC 23, issued in June 2017, addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of IAS 12 (often referred to as “uncertain tax positions”). The interpretation does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. The interpretation is to be applied retrospectively, either fully retrospectively without the use of hindsight or retrospectively with the cumulative effect of application as an adjustment to the opening equity at the date of initial application, without the restatement of comparative information. The Group expects to adopt the interpretation from 1 January 2019. The interpretation is not expected to have any significant impact on the Group’s financial statements.

2.3 已頒佈但尚未生效之國際財務報告準則 (續)

國際財務報告詮釋委員會詮釋第23號於2017年6月頒佈，該詮釋提出於會計處理涉及會影響國際會計準則第12號應用的不確定性因素（常稱為「不確定課稅情況」）時將所得稅（即期及遞延）入賬的會計處理方法。該詮釋並不適用於國際會計準則第12號範疇以外的稅項或徵費，亦無特別載列與不確定稅務處理的相關利息及罰款有關的規定。詮釋具體處理(i)實體有否單獨考慮不確定稅務處理；(ii)實體就稅務當局調查稅務處理作出的假設；(iii)實體如何釐定應課稅利潤或稅務虧損、稅基、未動用稅務虧損、未動用稅務抵免及稅率；以及(iv)實體如何考慮事實及情況變動。該詮釋將在不利用後見之明的情況下全面追溯應用，或按應用的累積影響追溯應用（作為於首次應用日期對期初權益所作的調整，且不會重列比較資料）。本集團預期自2019年1月1日起採納該詮釋。該詮釋預期不會對本集團的財務報表產生任何重大影響。

NOTES TO FINANCIAL STATEMENTS *(Continued)*

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investments in associates and joint ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

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

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures are included in the consolidated statement of comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

2.4 重大會計政策概要

於聯營公司及合營企業的投資

聯營公司為本集團於其一般不少於20%股本投票權中擁有長期權益的實體，且可對其發揮重大影響力。重大影響力指參與投資對象的財務和經營決策的權力，但不是控制或共同控制該等政策的權力。

合營企業指一種合營安排，對安排擁有共同控制權之訂約方據此對合營企業之淨資產擁有權利。共同控制指按照合同協定對一項安排所共有之控制，共同控制僅在有關活動要求享有控制權之訂約方作出一致同意之決定時存在。

本集團於聯營公司及合營企業的投資乃按本集團根據權益會計法應佔淨資產減任何減值虧損於綜合財務狀況表列賬。本集團應佔聯營公司及合營企業收購後業績及其他全面收入計入綜合全面收入表。此外，倘直接於聯營公司或合營企業的權益確認一項變動，則本集團會於綜合權益變動表確認其應佔任何變動（倘適用）。本集團與其聯營公司或合營企業間交易所產生的未變現收益及虧損以本集團於聯營公司或合營企業的投資為限對銷，惟倘未變現虧損證明所轉讓資產減值則除外。收購聯營公司或合營企業所產生的商譽計入作本集團於聯營公司或合營企業的投資的一部分。

NOTES TO FINANCIAL STATEMENTS (Continued)**財務報表附註 (續)**

31 DECEMBER 2018 2018年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Investments in associates and joint ventures (Continued)**

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

2.4 重大會計政策概要 (續)**於聯營公司及合營企業的投資 (續)**

倘於聯營公司的投資變成於合營企業的投資或出現相反情況，則不會重新計量保留權益。反之，該投資繼續根據權益法入賬。在所有其他情況下，失去對聯營公司的重大影響力或對合營企業的共同控制權後，本集團按其公允價值計量及確認任何保留投資。聯營公司或合營企業於失去重大影響力或共同控制權時的賬面值與保留投資及出售所得款項的公允價值之間的任何差額乃於損益確認。

業務合併及商譽

業務合併乃以收購法入賬。轉讓的對價乃以收購日期的公允價值計量，該公允價值為本集團轉讓的資產於收購日期的公允價值、本集團對被收購方的前擁有人承擔的負債，及本集團發行以換取被收購方控制權的股權的總和。於每項業務合併中，本集團選擇是否以公允價值或被收購方可識別淨資產的應佔比例，計量於被收購方屬現時所有權權益並賦予持有人權利於清盤時按比例分佔淨資產的非控股權益。非控股權益的所有其他部分乃按公允價值計量。收購相關成本於產生時列為開支。

NOTES TO FINANCIAL STATEMENTS *(Continued)*

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations and goodwill (Continued)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

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

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

2.4 重大會計政策概要 (續)

業務合併及商譽 (續)

當本集團收購一項業務時，其會根據合同條款以及於收購日期的經濟環境及相關條件，評估所承擔的金融資產及負債，以作出適合的分類及指定。此包括將被收購方主合同中的嵌入式衍生工具進行分離。

倘業務合併分階段進行，先前持有的股權按收購日期的公允價值重新計量，所產生的任何收益或虧損於損益確認。

收購方將予轉讓的任何或然對價於收購日期按公允價值確認。分類為一項資產或負債的或然對價按公允價值計量，公允價值的變動於損益確認。分類為權益的或然對價不會重新計量，其後結算於權益中入賬。

商譽初步按成本計量，即已轉讓對價、就非控股權益確認的金額及本集團先前持有的被收購方股權的任何公允價值總額，超過所收購可識別淨資產及所承擔負債的差額。倘此對價及其他項目的總額低於所收購淨資產的公允價值，於重新評估後，其差額於損益確認為議價購買收益。

NOTES TO FINANCIAL STATEMENTS (Continued)**財務報表附註 (續)**

31 DECEMBER 2018 2018年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Business combinations and goodwill (Continued)**

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

2.4 重大會計政策概要 (續)**業務合併及商譽 (續)**

於初步確認後，商譽按成本減任何累計減值虧損計量。商譽每年作減值測試，倘有事件發生或情況改變顯示賬面值有可能減值，則會更頻密地進行測試。本集團於12月31日對商譽進行年度減值測試。為進行減值測試，於業務合併購入的商譽自購入之日被分配至預期可從合併產生的協同效益中獲益的本集團各個現金產生單位或現金產生單位組別，而無論本集團其他資產或負債是否已分配予該等單位或單位組別。

減值乃通過評估有關商譽的現金產生單位（或一組現金產生單位）的可收回金額而釐定。當現金產生單位（或一組現金產生單位）的可收回金額低於賬面值，則會確認減值虧損。就商譽確認的減值虧損不會於其後期間撥回。

倘商譽已被分配至現金產生單位（或一組現金產生單位），且該單位中的部分業務被出售，則於釐定出售的收益或虧損時，與該項被出售業務相關的商譽會納入該業務的賬面值。在有關情況下被出售的商譽按該項被出售業務及被保留現金產生單位的有關部分的相關價值計量。

NOTES TO FINANCIAL STATEMENTS *(Continued)*

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value measurement

The Group measures its investment properties, derivative financial instruments and equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2.4 重大會計政策概要 (續)

公允價值的計量

本集團於各報告期結束時按公允價值計量其投資物業、衍生金融工具及股權投資。公允價值乃在市場參與者於計量日期進行的有序交易中出售資產所收取或轉移負債所支付的價格。公允價值計量乃基於假設出售資產或轉移負債的交易於資產或負債的主要市場或（於未有主要市場的情況下）於資產或負債的最有利市場進行。主要或最有利市場須為本集團可進入的市場。資產或負債的公允價值乃採用市場參與者為資產或負債定價時所用的假設計量（假設市場參與者依照其最佳經濟利益行事）。

非金融資產公允價值的計量計及市場參與者最大限度使用該資產達致最佳用途或將該資產出售予最大限度使用該資產達致最佳用途的另一市場參與者而產生經濟利益的能力。

本集團使用適用於不同情況的估值方法，而其有足夠數據計量公允價值，以盡量利用相關可觀察輸入數據及盡量減少使用不可觀察輸入數據。

NOTES TO FINANCIAL STATEMENTS (Continued)**財務報表附註 (續)**

31 DECEMBER 2018 2018年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Fair value measurement (Continued)**

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, financial assets, investment properties and non-current assets/a disposal group classified as held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

2.4 重大會計政策概要 (續)**公允價值的計量 (續)**

於財務報表中計量或披露公允價值的所有資產及負債，均基於對公允價值計量整體而言屬重大的最低級別輸入數據在下述公允價值層級內進行分類：

第一級 – 基於相同資產或負債於活躍市場的報價（未經調整）

第二級 – 基於對公允價值計量而言屬重大的可觀察（直接或間接）最低級別輸入數據的估值方法

第三級 – 基於對公允價值計量而言屬重大的不可觀察最低級別輸入數據的估值方法

就按經常性基準於財務報表確認的資產及負債而言，本集團通過於各報告期結束時重新評估分類（基於對公允價值計量整體而言屬重大的最低級別輸入數據），釐定層級內級別之間是否出現轉移。

非金融資產減值

倘存在減值跡象，或當須每年就資產（存貨、金融資產、投資物業及非流動資產／分類為持作銷售的處置組別除外）進行減值測試，則會估計資產的可收回金額。資產的可收回金額為資產或現金產生單位的使用價值與其公允價值減出售成本兩者的較高者，並就個別資產而釐定，除非資產並不產生在很大程度上獨立於其他資產或資產組別的現金流入，於此情況下，則可收回金額就資產所屬現金產生單位而釐定。

NOTES TO FINANCIAL STATEMENTS (Continued)**財務報表附註 (續)**

31 DECEMBER 2018 2018年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Impairment of non-financial assets (Continued)**

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

2.4 重大會計政策概要 (續)**非金融資產減值 (續)**

僅在資產賬面值高於其可收回金額的情況下，方會確認減值虧損。於評估使用價值時，估計未來現金流量按反映幣值時間值及資產特定風險的現時市場評估的稅前貼現率貼現至其現值。減值虧損按與該減值資產功能相符的開支類別於產生期間自損益扣除。

會在各報告期結束時評估是否有跡象顯示先前所確認的減值虧損已不在或可能減少。倘出現有關跡象，則會估計可收回金額。僅當用以釐定資產（商譽除外）可收回金額的估計有變時，方會撥回該資產先前確認的減值虧損，但撥回後的金額不得超逾假設於過往年度並無就該項資產確認減值虧損而應釐定的賬面值（扣除任何折舊／攤銷）。減值虧損撥回會計入產生期間的損益，除非資產以重估金額入賬，在此情況下，減值虧損撥回根據重估資產的有關會計政策入賬。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註（續）

31 DECEMBER 2018 2018年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

2.4 重大會計政策概要（續）

關聯方

以下人士被視為本集團的關聯方，倘：

(a) 有關方為一名人士或該人士的關係密切家庭成員，而該人士

(i) 擁有本集團的控制權或共同控制權；

(ii) 對本集團具有重大影響力；或

(iii) 為本集團或本集團母公司的主要管理人員的一名成員；

或

(b) 有關方為實體且符合下列任何一項條件：

(i) 該實體與本集團屬同一集團的成員公司；

(ii) 一實體為另一實體（或另一實體的母公司、子公司或同系子公司）的聯營公司或合營企業；

(iii) 該實體與本集團為同一第三方的合營企業；

(iv) 一實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司；

NOTES TO FINANCIAL STATEMENTS *(Continued)*

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related parties (Continued)

(b) (Continued)

- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

2.4 重大會計政策概要 (續)

關聯方 (續)

(b) (續)

- (v) 該實體提供一項僱傭後福利計劃予本集團或本集團關聯實體的僱員作為福利；
- (vi) 該實體受(a)所述人士控制或共同控制；
- (vii) (a)(i)所述人士對實體具有重大影響力或屬該實體(或該實體母公司)主要管理人員的一名成員；及
- (viii) 向本集團或本集團的母公司提供主要管理人員服務的實體或為其一部分的任何集團成員公司。

物業、廠房及設備與折舊

物業、廠房及設備(在建工程除外)乃按成本減累計折舊及任何減值虧損列賬。物業、廠房及設備項目的成本包括其購買價及任何令資產投入運作及將資產運往擬定用途地點的直接應佔成本。

於物業、廠房及設備項目投入運作後所引致的支出，如維修及保養費等，通常於支出期間計入損益。倘符合確認標準，主要檢查支出會作為重置，於資產賬面值中資本化。倘大部分物業、廠房及設備須不時重置，本集團確認該等部分為個別具有特定可使用年期的資產及相應地對其作出折舊。

NOTES TO FINANCIAL STATEMENTS (Continued)**財務報表附註 (續)**

31 DECEMBER 2018 2018年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Property, plant and equipment and depreciation (Continued)**

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal estimated useful lives and the annual depreciation rates are as follows:

| | Annual depreciation rates 年折舊率 |
|---|-----------------------------------|
| Buildings 樓宇 | 3% |
| Motor vehicles 汽車 | 16%-24% |
| Office equipment and electronic devices 辦公設備及電子裝置 | 19%-32% |
| Leasehold improvements 租賃物業裝修 | 13%-33% |

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents a building under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

2.4 重大會計政策概要 (續)**物業、廠房及設備與折舊 (續)**

折舊乃以直線法按其估計可使用年期撇銷各項物業、廠房及設備的成本至其剩餘價值計算。主要估計可使用年期及年折舊率如下：

當一項物業、廠房及設備的各部分有不同可使用年期時，該項目的成本乃按合理基準在各部分之間分配，而各部分乃個別地折舊。剩餘價值、可使用年期及折舊方法至少於各財政年末檢討，並作出調整（如適用）。

物業、廠房及設備項目（包括初步確認的任何重大部分）於出售或預期其使用或出售不會帶來任何未來經濟利益時終止確認。因出售或報廢而於該資產終止確認年度的損益確認的任何收益或虧損乃有關資產淨銷售所得款項與賬面值的差額。

在建工程乃指按成本減任何減值虧損列賬且未予減值的在建樓宇。成本包括建設期間所產生的直接建造成本及與借貸資金有關的資本化借貸成本。在建工程於完工及可予使用時重新分類至物業、廠房及設備的適當類別。

NOTES TO FINANCIAL STATEMENTS *(Continued)*

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment properties

Investment properties are interests in land and buildings (including the leasehold interest under an operating lease for a property which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

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

Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of the retirement or disposal.

For a transfer from investment properties to owner-occupied properties or inventories, the deemed cost of a property for subsequent accounting is its fair value at the date of change in use. If a property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under "Property, plant and equipment and depreciation" up to the date of change in use, and any difference at that date between the carrying amount and the fair value of the property is accounted for as a revaluation in accordance with the policy stated under "Property, plant and equipment and depreciation" above. For a transfer from inventories to investment properties, any difference between the fair value of the property at that date and its previous carrying amount is recognised in profit or loss.

2.4 重大會計政策概要 (續)

投資物業

投資物業為持有作賺取租金收入及／或資本增值，而非作生產或供應貨品或服務或作行政用途，亦非在日常業務過程中作銷售的土地及樓宇權益（包括物業經營租賃下的租賃權益，而有關物業在其他方面符合投資物業的定義）。該等物業初步按成本（包括交易成本）計量。於初步確認後，投資物業按反映報告期結束時市況的公允價值入賬。

投資物業公允價值變動所產生的收益或虧損於產生年度計入損益。

報廢或出售投資物業的任何收益或虧損於報廢或出售年度在損益確認。

由投資物業轉為自用物業或存貨時，該物業其後會計的認定成本為改變用途日期的公允價值。如本集團的自用物業轉為投資物業，本集團直至改變用途日期前會根據「物業、廠房及設備與折舊」項下所述政策將該物業入賬，而物業於當日的賬面值與公允價值的任何差額則會根據上述「物業、廠房及設備與折舊」項下所述政策列作重估。由存貨轉為投資物業時，該物業於當日的公允價值與先前的賬面值的任何差額於損益確認。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Properties under development

Properties under development are intended to be held for sale after completion.

Properties under development are stated at the lower of cost comprising land costs, construction costs, borrowing costs, professional fees and other costs directly attributable to such properties incurred during the development period and net realisable value.

Properties under development are classified as current assets unless those will not be realised in the normal operating cycle. On completion, the properties are transferred to completed properties held for sale.

Completed properties held for sale

Completed properties held for sale are stated in the statement of financial position at the lower of cost and net realisable value. Cost is determined by an apportionment of the total costs of land and buildings attributable to the unsold properties. Net realisable value takes into account the price ultimately expected to be realised, less estimated costs to be incurred in selling the properties.

Allocation of property development cost

Land costs are allocated to each unit according to their respective saleable gross floor area ("GFA") to the total saleable GFA. Construction costs relating to units were identified and allocated specifically. Common construction costs have been allocated according to the saleable GFA similar to land costs.

2.4 重大會計政策概要 (續)

在建物業

在建物業擬於竣工後持作銷售。

在建物業按成本與可變現淨值的較低者列賬，而成本包括土地成本、建設成本、借貸成本、專業費用及於開發期內與有關物業直接相關的其他成本。

除非在建物業不能於正常營運週期內落成，否則相關在建物業分類為流動資產。物業於竣工時轉撥至已竣工持作銷售物業。

已竣工持作銷售物業

已竣工持作銷售物業按成本與可變現淨值兩者的較低者於財務狀況表列賬。成本按未出售物業應佔土地及樓宇總成本的分攤比例釐定。可變現淨值按預期最終將變現的價格減出售物業產生的估計成本計算。

物業開發成本分配

土地成本根據各單位的可銷售建築面積(「建築面積」)佔可銷售總建築面積的比例分配至各單位。單位相關建設成本按個別情況識別及分配。一般建設成本按與土地成本相若的方式根據可銷售建築面積分配。

NOTES TO FINANCIAL STATEMENTS (Continued)**財務報表附註 (續)**

31 DECEMBER 2018 2018年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Intangible assets (other than goodwill)**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Software is stated at cost less any impairment loss and is amortised on the straight-line basis over its estimated useful life of 5 years.

Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to profit or loss so as to provide a constant periodic rate of charge over the lease terms.

2.4 重大會計政策概要 (續)**無形資產 (商譽除外)**

單獨購入的無形資產於初步確認時按成本計量。通過業務合併購入的無形資產的成本為收購日期的公允價值。無形資產的可使用年期被評估為有限期或無限期。有限期的無形資產隨後於可使用經濟年期內攤銷，並於有跡象顯示無形資產可能出現減值時評估減值。具有有限可使用年期的無形資產的攤銷期及攤銷方法至少於各財政年末檢討一次。

軟件按成本減任何減值虧損列賬，並於五年的估計可使用年期內按直線法攤銷。

租賃

將資產所有權 (法定業權除外) 的絕大部分回報與風險轉移至本集團的租賃乃列作融資租賃。於融資租賃開始時，租賃資產的成本乃按最低租賃款項的現值資本化及與債務 (利息除外) 一同記錄，以反映是項購置及融資。根據資本化融資租賃持有的資產 (包括融資租賃下預付土地租賃款項) 乃計入物業、廠房及設備，並按資產的租期及估計可使用年期 (以較短者為準) 折舊。該等租賃的融資成本乃自損益扣除，以便在租期內反映平均的費用率。

NOTES TO FINANCIAL STATEMENTS (Continued)**財務報表附註 (續)**

31 DECEMBER 2018 2018年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Leases (Continued)**

Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to profit or loss on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

When the lease payments cannot be allocated reliably between the land and buildings elements, the entire lease payments are included in the cost of the land and buildings as a finance lease in property, plant and equipment.

2.4 重大會計政策概要 (續)**租賃 (續)**

以融資性質租購合同購入的資產乃列作融資租賃，惟會於其估計可使用年內折舊。

凡資產所有權的絕大部分回報與風險歸由出租人承擔的租賃均列作經營租賃。如本集團為出租人，本集團按經營租賃出租的資產包括在非流動資產中，而經營租賃項下的應收租金於租賃期內以直線法計入損益。如本集團為承租人，經營租賃項下的應付租金經扣除從出租人收取的任何優惠後乃於租賃期內以直線法自損益扣除。

經營租賃項下的預付土地租賃款項初步按成本列賬，其後在租期內以直線法確認。

倘租賃款項未能在土地及樓宇項目間可靠分配，則租賃款項將作為物業、廠房及設備的融資租賃全數計入土地及樓宇的成本。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (policies under IFRS 9 applicable from 1 January 2018)

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially 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. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

2.4 重大會計政策概要 (續)

投資及其他金融資產 (國際財務報告準則第9號項下自2018年1月1日起適用的政策)

初步確認及計量

金融資產於初步確認時分類為其後按攤銷成本、按公允價值計入其他全面收入及按公允價值計入損益計量。

於初步確認時，金融資產分類取決於金融資產的合同現金流量特點及本集團管理該等金融資產的業務模式。除並無重大融資成分或本集團已就其應用實際權宜之計 (即不對重大融資成分的影響作出調整) 的貿易應收款項外，本集團初步按公允價值加上 (倘金融資產並非按公允價值計入損益) 交易成本計量金融資產。並無重大融資成分或本集團已就其應用實際權宜之計的貿易應收款項根據下文「收益確認」所載政策按國際財務報告準則第15號釐定的交易價格計量。

為使金融資產按攤銷成本或按公允價值計入其他全面收入進行分類及計量，需產生僅支付本金及未償還本金的利息 (「SPPI」) 的現金流量。

本集團管理金融資產的業務模式指其如何管理其金融資產以產生現金流量。業務模式確定現金流量是否來自收取合同現金流量、出售金融資產，或兩者兼有。

NOTES TO FINANCIAL STATEMENTS (Continued)**財務報表附註 (續)**

31 DECEMBER 2018 2018年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Investments and other financial assets (policies under IFRS 9 applicable from 1 January 2018) (Continued)***Initial recognition and measurement (Continued)*

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

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

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

2.4 重大會計政策概要 (續)**投資及其他金融資產 (國際財務報告準則第9號項下自2018年1月1日起適用的政策) (續)***初步確認及計量 (續)*

金融資產的所有常規買賣於交易日 (即本集團承諾買賣該資產之日) 確認。常規買賣指需在一般市場規定或慣例規定的期間內交付資產的金融資產買賣。

後續計量

不同類別金融資產的後續計量如下：

按攤銷成本列賬的金融資產 (債務工具)

倘滿足以下兩個條件，本集團將按攤銷成本計量金融資產：

- 於旨在持有金融資產以收取合同現金流量的業務模式中持有金融資產。
- 金融資產的合同條款於特定日期產生屬未償還本金的純粹本息付款的現金流量。

按攤銷成本計量的金融資產其後使用實際利率法計量，並可能受減值影響。當資產終止確認、經修訂或已減值時，收益及虧損於損益表中確認。

NOTES TO FINANCIAL STATEMENTS *(Continued)*

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (policies under IFRS 9 applicable from 1 January 2018) (Continued)

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

2.4 重大會計政策概要 (續)

投資及其他金融資產 (國際財務報告準則第9號項下自2018年1月1日起適用的政策) (續)

指定為按公允價值計入其他全面收入的金融資產 (股權投資)

於初步確認時，本集團可選擇於股權投資符合國際會計準則第32號金融工具：呈報項下的股本定義且並非持作買賣時，將其股權投資不可撤回地分類為指定為按公允價值計入其他全面收入的股權投資。分類乃按個別工具基準釐定。

該等金融資產的收益及虧損概不會被重新計入損益表。當確立支付權，而與股息有關的經濟利益可能流入本集團且股息金額能可靠計量時，股息會於損益表中確認為其他收入，惟當本集團於作為收回金融資產一部分成本的所得款項中獲益時則除外，在此等情況下，該等收益於其他全面收入入賬。指定為按公允價值計入其他全面收入的股權投資不受減值評估影響。

NOTES TO FINANCIAL STATEMENTS (Continued)**財務報表附註 (續)**

31 DECEMBER 2018 2018年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Investments and other financial assets (policies under IFRS 9 applicable from 1 January 2018) (Continued)***Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

2.4 重大會計政策概要 (續)**投資及其他金融資產 (國際財務報告準則第9號項下自2018年1月1日起適用的政策) (續)***按公允價值計入損益的金融資產*

按公允價值計入損益的金融資產包括持作買賣的金融資產，於初步確認時指定為按公允價值計入損益的金融資產，或強制要求按公允價值計量的金融資產。倘為於近期出售或購回而收購金融資產，則該等金融資產分類為持作買賣。衍生工具（包括獨立嵌入式衍生工具）亦分類為持作買賣，惟該等衍生工具被指定為有效對沖工具則除外。現金流量並非純粹本息付款的金融資產，不論其業務模式如何，均按公允價值計入損益分類及計量。儘管如上文所述債務工具可按攤銷成本或按公允價值計入其他全面收入分類，但於初步確認時，倘能夠消除或顯著減少會計錯配，則債務工具可指定為按公允價值計入損益。

按公允價值計入損益的金融資產按公允價值於財務狀況表列賬，而公允價值變動淨額於損益表中確認。

NOTES TO FINANCIAL STATEMENTS *(Continued)*

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (policies under IAS 39 applicable before 1 January 2018)

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial investments, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

2.4 重大會計政策概要 (續)

投資及其他金融資產 (國際會計準則第39號項下於2018年1月1日前適用的政策)

初步確認及計量

金融資產於初步確認時分類為按公允價值計入損益的金融資產、貸款及應收款項以及可供銷售金融投資或被指定為一項有效對沖的對沖工具的衍生工具 (如適用)。金融資產初步確認時，以公允價值加收購該等金融資產時應佔的交易成本計量，惟按公允價值計入損益的金融資產除外。

金融資產的所有常規買賣於交易日 (即本集團承諾買賣該資產之日) 確認。常規買賣指需在一般市場規定或慣例規定的期間內交付資產的金融資產買賣。

NOTES TO FINANCIAL STATEMENTS (Continued)**財務報表附註 (續)**

31 DECEMBER 2018 2018年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Investments and other financial assets (policies under IAS 39 applicable before 1 January 2018) (Continued)***Subsequent measurement*

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with positive net changes in fair value presented as other income and gains and negative net changes in fair value presented as finance costs in profit or loss. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognised in accordance with the policies set out for "Revenue recognition" below.

Financial assets designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in IAS 39 are satisfied.

2.4 重大會計政策概要 (續)**投資及其他金融資產 (國際會計準則第39號項下於2018年1月1日前適用的政策) (續)***後續計量*

不同類別金融資產的後續計量如下：

按公允價值計入損益的金融資產

按公允價值計入損益的金融資產包括持作買賣的金融資產和初步確認時指定為按公允價值計入損益的金融資產。購入目的為於近期出售的金融資產歸類為持作買賣的金融資產。衍生工具（包括獨立嵌入式衍生工具）亦分類為持作買賣，惟該等衍生工具被指定為國際會計準則第39號所界定的有效對沖工具則除外。

按公允價值計入損益的金融資產在財務狀況表以公允價值列示，公允價值淨增加於損益內列為其他收入及收益，而公允價值淨減少列為融資成本。該等公允價值淨變動不包括該等金融資產賺取的任何股息或利息，該等股息或利息會根據下文「收益確認」所載政策確認。

於初步確認時指定為按公允價值計入損益的金融資產在初步確認當日指定，且必須符合國際會計準則第39號的標準。

NOTES TO FINANCIAL STATEMENTS *(Continued)*

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (policies under IAS 39 applicable before 1 January 2018) (Continued)

Subsequent measurement (Continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in profit or loss. The loss arising from impairment is recognised in profit or loss in finance costs for loans and in other expenses for receivables.

Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets in listed and unlisted equity investments and debt securities. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated as at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

2.4 重大會計政策概要 (續)

投資及其他金融資產 (國際會計準則第39號項下於2018年1月1日前適用的政策) (續)

後續計量 (續)

貸款及應收款項

貸款及應收款項指有固定或可確定還款且在活躍市場並無報價的非衍生金融資產。初步計量後，該等資產隨後採用實際利率法以攤銷成本減任何減值撥備計量。計算攤銷成本時，計及收購產生的任何折讓或溢價，且包括實際利率中不可或缺的費用或成本。實際利率攤銷計入損益中的其他收入及收益。貸款的減值虧損於損益中確認為融資成本，而應收款項的減值虧損則於損益中確認為其他開支。

可供銷售金融投資

可供銷售金融投資指上市及非上市股權投資及債務證券中的非衍生金融資產。既非分類為持作買賣，亦非指定為按公允價值計入損益的股權投資分類為可供銷售。該類別債務證券擬無限期持有且可因流動性需求或市況改變而予出售。

NOTES TO FINANCIAL STATEMENTS (Continued)**財務報表附註 (續)**

31 DECEMBER 2018 2018年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Investments and other financial assets (policies under IAS 39 applicable before 1 January 2018) (Continued)***Subsequent measurement (Continued)*

Available-for-sale financial investments (Continued)

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale investment revaluation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in profit or loss in other income, or until the investment is determined to be impaired, when the cumulative gain or loss is reclassified from the available-for-sale investment revaluation reserve to the statement of profit or loss in other gains or losses. Interest and dividends earned whilst holding the available-for-sale financial investments are reported as interest income and dividend income, respectively and are recognised in profit or loss as other income in accordance with the policies set out for “Revenue recognition” below.

When the fair value of unlisted equity investments cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such investments are stated at cost less any impairment losses.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity.

2.4 重大會計政策概要 (續)**投資及其他金融資產 (國際會計準則第39號項下於2018年1月1日前適用的政策) (續)***後續計量 (續)*

可供銷售金融投資 (續)

初步確認後，可供銷售金融投資其後以公允價值計量，而未變現收益或虧損於可供銷售投資重估儲備確認為其他全面收入，直至終止確認投資（屆時累計收益或虧損於損益中的其他收入確認）或投資被釐定為已減值（屆時累計收益或虧損自可供銷售投資重估儲備重新分類至損益表中的其他損益）為止。持有可供銷售金融投資所賺取的利息及股息分別呈報為利息收入及股息收入，根據下文「收益確認」所載政策於損益中確認為其他收入。

當非上市股權投資的公允價值由於(a)公允價值合理估計範圍的變化對該投資而言屬重大或(b)上述範圍內各種估計的機率難以合理評估及用於估計公允價值而無法可靠計量時，該等投資以成本減任何減值虧損列賬。

本集團評估於短期內銷售可供銷售金融資產的能力及意圖是否仍適宜。在極少情況下，當本集團因缺乏活躍市場而無法對該等金融資產進行交易時，倘管理層有能力及意向在可預見將來持有該等資產或持有至到期日，則本集團可選擇對該等金融資產進行重新分類。

NOTES TO FINANCIAL STATEMENTS *(Continued)*

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (policies under IAS 39 applicable before 1 January 2018) (Continued)

Subsequent measurement (Continued)

Available-for-sale financial investments (Continued)

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to profit or loss.

Derecognition of financial assets (policies under IFRS 9 applicable from 1 January 2018 and policies under IAS 39 applicable before 1 January 2018)

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's statements of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2.4 重大會計政策概要 (續)

投資及其他金融資產 (國際會計準則第39號項下於2018年1月1日前適用的政策) (續)

後續計量 (續)

可供銷售金融投資 (續)

倘金融資產從可供銷售類別重新分類，則重新分類當日的公允價值賬面值為其新攤銷成本，任何先前於權益確認的該資產的收益或虧損採用實際利率法於剩餘投資年期內在損益攤銷。新攤銷成本與到期金額的任何差額亦採用實際利率法於資產剩餘年期內攤銷。倘資產其後釐定為已減值，則計入權益的金額重新分類至損益。

金融資產的終止確認 (國際財務報告準則第9號項下自2018年1月1日起適用及國際會計準則第39號項下於2018年1月1日前適用的政策)

金融資產 (或 (倘適用) 金融資產的一部分或一組類似金融資產的一部分) 主要於出現以下情況時終止確認 (即從本集團財務狀況表中剔除) :

- 從資產收取現金流量的權利已到期；或
- 本集團已根據「轉手」安排轉讓從資產收取現金流量的權利，或已承擔向第三方無重大延誤全額支付所收現金流量的義務；及(a)本集團已轉讓該項資產的絕大部分風險及回報；或(b)本集團並無轉讓或保留該項資產絕大部分風險及回報，但已轉讓該項資產的控制權。

NOTES TO FINANCIAL STATEMENTS (Continued)**財務報表附註 (續)**

31 DECEMBER 2018 2018年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Derecognition of financial assets (policies under IFRS 9 applicable from 1 January 2018 and policies under IAS 39 applicable before 1 January 2018) (Continued)**

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets (policies under IFRS 9 applicable from 1 January 2018)

The Group recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

2.4 重大會計政策概要 (續)**金融資產的終止確認 (國際財務報告準則第9號項下自2018年1月1日起適用及國際會計準則第39號項下於2018年1月1日前適用的政策) (續)**

倘本集團已轉讓從資產收取現金流量的權利或已訂立轉手安排，其會評估有否保留資產所有權的風險及回報及保留的程度。倘本集團並無轉讓或保留資產的絕大部分風險及回報，亦無轉讓資產控制權，則本集團繼續以本集團持續參與程度為限確認已轉讓資產。在此情況下，本集團亦確認相關負債。已轉讓資產及相關負債基於反映本集團所保留權利及義務的基準計量。

以擔保形式對已轉讓資產的持續參與乃按資產原賬面值與本集團可能須償還的最高對價兩者的較低者計量。

金融資產減值 (國際財務報告準則第9號項下自2018年1月1日起適用的政策)

本集團就並非按公允價值計入損益持有的所有債務工具確認預期信貸虧損撥備。預期信貸虧損乃基於根據合同到期的合同現金流量與本集團預期收取並按原始實際利率的相若利率貼現的所有現金流量之間的差額釐定。預期現金流量將包括出售所持抵押品或合同條款所包含的其他信用增強手段所得的現金流量。

NOTES TO FINANCIAL STATEMENTS *(Continued)*

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (policies under IFRS 9 applicable from 1 January 2018) (Continued)

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.4 重大會計政策概要 (續)

金融資產減值 (國際財務報告準則第9號項下自2018年1月1日起適用的政策) (續)

一般辦法

預期信貸虧損分兩個階段確認。就初步確認以來信貸風險並無顯著增加的信貸敞口而言，本集團會就未來12個月可能發生的違約事件所產生的信貸虧損 (12個月預期信貸虧損) 計提預期信貸虧損撥備。就初步確認以來信貸風險顯著增加的信貸敞口而言，本集團須就預期於敞口的餘下年期產生的信貸虧損計提虧損撥備，不論違約的時間 (整個存續期的預期信貸虧損)。

於各報告日期，本集團評估金融工具信貸風險自初步確認以來是否顯著上升。於評估時，本集團會將於報告日期金融工具發生違約的風險與於初步確認日期金融工具發生違約的風險進行比較，並會考慮毋須花費過度成本或努力即可獲得的合理且可支撐的資料 (包括歷史及前瞻性資料)。

本集團會在合同付款逾期90日時認為金融資產違約。然而，在若干情況下，倘內部或外部資料反映，在沒有計及本集團持有的任何信用增強手段前，本集團不大可能全額收取未償還合同款項，則本集團亦可認為金融資產將會違約。倘無法合理預期可收回合同現金流量，則會撇銷金融資產。

NOTES TO FINANCIAL STATEMENTS (Continued)**財務報表附註 (續)**

31 DECEMBER 2018 2018年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Impairment of financial assets (policies under IFRS 9 applicable from 1 January 2018) (Continued)***General approach (Continued)*

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has evaluated expected loss rate that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2.4 重大會計政策概要 (續)**金融資產減值 (國際財務報告準則第9號項下自2018年1月1日起適用的政策) (續)***一般辦法 (續)*

按攤銷成本計量的金融資產須按照一般辦法進行減值，且就計量預期信貸虧損而言，該等金融資產會被分類為如下階段，除下文所詳述應用簡化辦法的貿易應收款項除外。

第一階段 – 信貸風險自初步確認以來並無顯著增加及按相當於12個月預期信貸虧損金額計量虧損撥備的金融工具

第二階段 – 信貸風險自初步確認以來顯著增加 (但並非信貸減值金融資產) 及按相當於整個存續期預期信貸虧損金額計量虧損撥備的金融工具

第三階段 – 於報告日期已信貸減值 (但並非購入或源生信貸減值) 及按相當於整個存續期的預期信貸虧損金額計量虧損撥備的金融資產

簡化辦法

就不包含重大融資部分或本集團應用實際權宜之計 (即不對重大融資部分的影響作出調整) 的貿易應收款項而言，本集團應用簡化辦法計算預期信貸虧損。根據簡化辦法，本集團並無追蹤信貸風險的變化，反而於各報告日期根據整個存續期的預期信貸虧損確認虧損撥備。本集團已根據其以往信貸虧損經驗評估預期虧損率，並就債務人及經濟環境的特定前瞻性因素作出調整。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (policies under IFRS 9 applicable from 1 January 2018) (Continued)

Simplified approach (Continued)

For trade receivables that contain a significant financing component and lease receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

Impairment of financial assets (policies under IAS 39 applicable before 1 January 2018)

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

2.4 重大會計政策概要 (續)

金融資產減值 (國際財務報告準則第9號項下自2018年1月1日起適用的政策) (續)

簡化辦法 (續)

就包含重大融資部分及租賃應收款項的貿易應收款項而言，本集團將採用簡化辦法及按照上文所述政策計算預期信貸虧損作為其會計政策。

金融資產減值 (國際會計準則第39號項下於2018年1月1日前適用的政策)

本集團於各報告期結束時評估是否存在客觀跡象顯示一項或一組金融資產出現減值。當資產初步確認後發生一項或多項事件，且有關事件對該項或該組金融資產的估計未來現金流量的影響能夠可靠估計時，即表示存在減值。減值跡象可包括一名或一組債務人正面臨重大財務困難、拖欠或欠付利息或本金、其有可能破產或進行其他財務重組，以及有可觀察數據顯示估計未來現金流量出現可計量的減少，例如欠款數目或與拖欠相關的經濟狀況發生變動。

按攤銷成本入賬的金融資產

就按攤銷成本入賬的金融資產而言，本集團首先按個別基準評估單項重大的金融資產或按共同基準評估單項非重大的金融資產是否存在減值。倘本集團釐定個別評估的金融資產並無客觀減值證據，則不論資產重大與否均須將該資產歸入一組具有相似信貸風險特徵的金融資產，以共同評估有否減值。已個別評估減值並已確認或將繼續確認減值虧損的資產不包括在共同減值評估之內。

NOTES TO FINANCIAL STATEMENTS (Continued)**財務報表附註 (續)**

31 DECEMBER 2018 2018年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Impairment of financial assets (policies under IAS 39 applicable before 1 January 2018) (Continued)***Financial assets carried at amortised cost (Continued)*

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in profit or loss.

2.4 重大會計政策概要 (續)**金融資產減值 (國際會計準則第39號項下於2018年1月1日前適用的政策) (續)***按攤銷成本入賬的金融資產 (續)*

已確定的任何減值虧損金額按資產賬面值與估計未來現金流量的現值 (不包括尚未產生的未來信貸虧損) 的差額計算。估計未來現金流量的現值按金融資產的原實際利率 (即初步確認時的實際利率) 貼現。

資產賬面值通過使用撥備賬調減，虧損金額於損益確認。為計量減值虧損，利息收入會繼續於已調減賬面值以用於貼現未來現金流量的利率累計。貸款及應收款項連同任何相關撥備於實際不可能於未來收回而所有抵押品已變現或已轉撥至本集團的情況下撇銷。

倘於往後期間估計減值虧損金額因確認減值後發生的事件而增加或減少，則先前確認的減值虧損會通過調整撥備賬調高或調減。倘其後收回撇銷金額，則收回金額會計入損益的其他開支。

NOTES TO FINANCIAL STATEMENTS *(Continued)*

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Impairment of financial assets (policies under IAS 39 applicable before 1 January 2018) (Continued)***Assets carried at cost*

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is removed from other comprehensive income and recognised in profit or loss.

2.4 重大會計政策概要 (續)**金融資產減值 (國際會計準則第39號項下於2018年1月1日前適用的政策) (續)***按成本入賬的資產*

倘有客觀證據顯示，因無法可靠計量公允價值而未按公允價值入賬的無報價股權工具或與該無報價股權工具相掛鉤且必須以交付該無報價股權工具進行結算的衍生資產出現減值虧損，則虧損金額按該資產的賬面值與估計未來現金流量的現值（按類似金融資產的現行市場回報率貼現）的差額計量。該等資產的減值虧損不予撥回。

可供銷售金融投資

就可供銷售金融投資而言，本集團會於各報告期結束時評估有否客觀證據顯示一項投資或一組投資出現減值。

當可供銷售資產減值時，其成本（扣除任何本金款項及攤銷）與其現時公允價值的差額，扣減先前於損益確認的任何減值虧損，將自其他全面收入移除，並在損益確認。

NOTES TO FINANCIAL STATEMENTS (Continued)**財務報表附註 (續)**

31 DECEMBER 2018 2018年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Impairment of financial assets (policies under IAS 39 applicable before 1 January 2018) (Continued)***Available-for-sale financial investments (Continued)*

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. “Significant” is evaluated against the original cost of the investment and “prolonged” against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss – is removed from other comprehensive income and recognised in profit or loss. Impairment losses on equity instruments classified as available for sale are not reversed through profit or loss. Increases in their fair value after impairment are recognised directly in other comprehensive income.

The determination of what is “significant” or “prolonged” requires judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

In the case of debt instruments classified as available for sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. Impairment losses on debt instruments are reversed through profit or loss if the subsequent increase in fair value of the instruments can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

2.4 重大會計政策概要 (續)**金融資產減值 (國際會計準則第39號項下於2018年1月1日前適用的政策) (續)***可供銷售金融投資 (續)*

倘股權投資被列作可供銷售類別，則客觀證據將包括該項投資的公允價值大幅或長期跌至低於其成本。「大幅」是相對於投資的初步成本評估，而「長期」則相對於公允價值低於初步成本的時期而評估。倘出現減值證據，則累計虧損（按收購成本與現時公允價值的差額減先前在損益確認的該項投資的任何減值虧損計量）將從其他全面收入中移除，並於損益確認。分類為可供銷售的股權工具的減值虧損不會通過損益撥回。其公允價值於減值後的增加部分會直接於其他全面收入確認。

釐定是否屬「大幅」或「長期」時須作出判斷。在作出該判斷時，本集團會評估（其中包括）一項投資的公允價值低於其成本的持續時間或程度。

倘債務工具被列作可供銷售，則評估減值的標準與按攤銷成本入賬的金融資產所採用者相同。然而，減值的入賬金額乃按攤銷成本與現時公允價值的差額，扣減先前在損益確認的該項投資的任何減值虧損計量的累積虧損。為計量減值虧損，未來利息收入繼續就資產的已調減賬面值以用於貼現未來現金流量的利率累計。利息收入入賬為融資收入的一部分。倘債務工具公允價值的其後增加客觀上與在損益確認減值虧損後發生的事件相關，則其減值虧損通過損益撥回。

NOTES TO FINANCIAL STATEMENTS *(Continued)*

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities (policies under IFRS 9 applicable from 1 January 2018 and IAS 39 applicable before 1 January 2018)

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, an amount due to the ultimate holding company, derivative financial instruments and interest-bearing bank and other borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

2.4 重大會計政策概要 (續)

金融負債 (國際財務報告準則第9號項下自2018年1月1日起適用及國際會計準則第39號項下於2018年1月1日前適用的政策)

初步確認及計量

金融負債於初步確認時歸類為按公允價值計入損益的金融負債、貸款及借貸、應付款項，或指定為於有效對沖中作對沖工具的衍生工具 (倘適用)。

所有金融負債初步按公允價值確認，而貸款及借貸以及應付款項則須扣除直接應佔交易成本。

本集團的金融負債包括貿易及其他應付款項、應付最終控股公司款項、衍生金融工具以及計息銀行及其他借貸。

後續計量

金融負債的後續計量取決於其以下類別：

貸款及借貸

於初步確認後，計息貸款及借貸隨後以實際利率法按攤銷成本計量，除非貼現影響為微不足道，在該情況下則按成本列賬。當負債終止確認及按實際利率法進行攤銷程序時，其收益及虧損於損益內確認。

攤銷成本於計及收購事項任何折讓或溢價及屬實際利率不可或缺一部分的費用或成本後計算。實際利率攤銷計入損益的融資成本內。

NOTES TO FINANCIAL STATEMENTS (Continued)**財務報表附註 (續)**

31 DECEMBER 2018 2018年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Derecognition of financial liabilities (policies under IFRS 9 applicable from 1 January 2018 and IAS 39 applicable before 1 January 2018)**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments (policies under IFRS 9 applicable from 1 January 2018 and IAS 39 applicable before 1 January 2018)

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

2.4 重大會計政策概要 (續)

金融負債的終止確認 (國際財務報告準則第9號項下自2018年1月1日起適用及國際會計準則第39號項下於2018年1月1日前適用的政策)

當金融負債的責任已履行、取消或屆滿時，該負債會被終止確認。

當現有金融負債被另一項來自同一貸款人且條款大不相同的金融負債所取代，或當現有負債的條款被重大修訂，該取代或修訂被視為對原有負債的終止確認及對新負債的確認，而各自賬面值的差額於損益確認。

抵銷金融工具 (國際財務報告準則第9號項下自2018年1月1日起適用及國際會計準則第39號項下於2018年1月1日前適用的政策)

倘有現行可予執行的法律權利以抵銷確認金額及有意按淨額基準償付，或變現資產與清還負債同時進行，則抵銷金融資產及金融負債並於財務狀況表內呈報淨金額。

現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手頭現金及活期存款，以及可即時兌換為已知金額現金、所涉價值變動風險不高而一般自取得起計三個月內到期的短期高流動性投資，減須按要求的償還的銀行透支，並構成本集團現金管理不可或缺的部分。

就綜合財務狀況表而言，現金及現金等價物包括手頭現金及用途不受限制的銀行現金 (包括定期存款及與現金性質相似的資產)。

NOTES TO FINANCIAL STATEMENTS *(Continued)*

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of (i) the amount that would be recognised in accordance with the general guidance for provisions above; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the guidance for revenue recognition.

2.4 重大會計政策概要 (續)

撥備

倘因過往事件導致產生現時責任(法定或推定責任)，且日後可能須撥出資源以履行責任，並能可靠估計責任的數額，則會確認撥備。

當貼現影響屬重大時，確認撥備的金額為預期清償責任所需的未來開支於報告期結束時的現值。因時間流逝而增加的貼現現值金額會記入損益表的融資成本項下。

於業務合併中確認的或然負債初步按其公允價值計量。其後以(i)根據上述計提撥備的一般指引確認的金額；及(ii)初步確認的金額減(倘適用)按照收益確認指引確認的累計攤銷二者中的較高者計量。

NOTES TO FINANCIAL STATEMENTS (Continued)**財務報表附註 (續)**

31 DECEMBER 2018 2018年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Income tax**

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, joint ventures and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2.4 重大會計政策概要 (續)**所得稅**

所得稅包括即期及遞延稅項。與於損益以外確認項目相關的所得稅於損益以外的其他全面收入確認或直接於權益確認。

即期稅項資產及負債乃按預期自稅務機關收回或支付予其的金額，根據於報告期結束前已頒佈或實質上已頒佈的稅率（及稅法），經考慮本集團經營所在國家通行的詮釋及慣例計量。

遞延稅項採用負債法就於報告期結束時資產及負債的稅基與兩者用作財務報告的賬面值之間的所有暫時差額計提撥備。

遞延稅項負債乃就所有應課稅暫時差額而確認，惟下列情況除外：

- 遞延稅項負債乃因在一項並非業務合併的交易中初次確認商譽或資產或負債而產生，且於交易時並不影響會計利潤或應課稅利潤或虧損；及
- 就與於子公司、合營企業及聯營公司的投資相關的應課稅暫時差額而言，暫時差額的撥回時間為可控制，且該等暫時差額於可預見將來可能不會撥回。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax (Continued)

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, joint ventures and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

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

2.4 重大會計政策概要 (續)

所得稅 (續)

遞延稅項資產乃就所有可扣減暫時差額、未動用稅項抵免及任何未動用稅項虧損的結轉而確認。遞延稅項資產以可能有應課稅利潤用作對銷可扣減暫時差額、未動用稅項抵免及未動用稅項虧損的結轉為限予以確認，惟下列情況除外：

- 與可扣減暫時差額有關的遞延稅項資產乃因在一項並非業務合併的交易中初次確認資產或負債而產生，且於交易時並不影響會計利潤或應課稅利潤或虧損；及
- 就與於子公司、合營企業及聯營公司的投資相關的可扣減暫時差額而言，遞延稅項資產僅於暫時差額於可預見將來有可能撥回以及將有應課稅利潤用作對銷暫時差額的情況下，方予確認。

於各報告期結束時審閱遞延稅項資產的賬面值，並在不再可能有足夠應課稅利潤以動用全部或部分遞延稅項資產時，相應扣減該賬面值。未被確認的遞延稅項資產會於各報告期結束時重新評估，並在可能有足夠應課稅利潤以收回全部或部分遞延稅項資產時予以確認。

遞延稅項資產及負債乃按預期適用於變現資產或清還負債期間的稅率，根據於報告期結束前已頒佈或實質上已頒佈的稅率（及稅法）計算。

NOTES TO FINANCIAL STATEMENTS (Continued)**財務報表附註 (續)**

31 DECEMBER 2018 2018年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Income tax (Continued)**

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to profit or loss by way of a reduced depreciation charge.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sales of properties and services provided in the ordinary course of the Group's activities. Revenue is shown net of taxes.

2.4 重大會計政策概要 (續)**所得稅 (續)**

當且僅當本集團有可合法執行權利可將即期稅項資產與即期稅項負債抵銷，且遞延稅項資產與遞延稅項負債與同一稅務機關對同一應課稅實體或於各未來期間預期有大額遞延稅項負債或資產需要結算或收回時，擬按淨額基準結算即期稅項負債及資產或同時變現資產及結算負債的不同應課稅實體徵收的所得稅相關，則遞延稅項資產與遞延稅項負債可予抵銷。

政府補助

倘能合理確定將會收取政府補助且符合所有附帶條件，則有關補助將按公允價值予以確認。倘補助與開支項目有關，即於擬補償成本的支銷期間內系統地確認為收入。

倘補助與資產有關，公允價值將計入遞延收入賬戶，並於有關資產的預期可使用年期內，以等額年金調撥至損益或從資產賬面值中扣減並以經扣減折舊開支調撥至損益。

收益確認

收益乃按本集團於日常業務過程中就物業銷售及所提供服務而已收或應收對價的公允價值計量。收益乃經扣除稅項後列示。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (Continued)

Sales of properties

Revenues are recognised when or as the control of the asset is transferred to the purchaser. 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 benefits which are received and consumed simultaneously by the purchaser; or
- creates and enhances an asset that the purchaser controls as the Group performs; or
- 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.

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 purchaser 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 that best depict the Group's performance in satisfying the performance obligation.

In determining the transaction price, the Group adjusts the promised amount of consideration for the effect of a financing component if it is significant.

For property development and sales contracts for which the control of the property is transferred at a point in time, revenue is recognised when the purchaser obtains the physical possession or the legal title of the completed property and the Group has a present right to payment and the collection of the consideration is probable.

2.4 重大會計政策概要 (續)

收益確認 (續)

物業銷售

收益於資產控制權轉移至買方時確認。資產的控制權是在一段時間內抑或在某一時點轉移，取決於合同的條款與適用於合同的法律規定。資產的控制權會在一段時間內轉移，前提是本集團的履約行為

- 提供買方同時取得及消耗的利益；或
- 創造及改良買方在本集團履約時控制的資產；或
- 並無創造對本集團有替代用途的資產，且本集團具有就迄今為止已完成的履約部分獲得付款的可強制執行權利。

如果資產的控制權在一段時間內轉移，收益確認會按在整個合同期間已完成該履約義務的進度進行。否則，收益會於買方獲得資產控制權的時點確認。

已完成履約義務的進度按本集團為完成履約義務而發生的支出或投入計量，有關支出或投入最能反映本集團完成履約義務的表現。

於確定交易價格時，如交易屬重大，本集團會就融資部分的影響調整已承諾的對價金額。

對於在某一時點轉移物業控制權的物業開發及銷售合同，收益於買方獲得實物所有權或已竣工物業的法定所有權且本集團已獲得現時收款權並很可能收回對價時確認。

NOTES TO FINANCIAL STATEMENTS (Continued)**財務報表附註 (續)**

31 DECEMBER 2018 2018年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Sales of properties (Continued)***Property management service income*

Property management service income derived from the provision of property maintenance and management services is recognised when the relevant services are rendered and the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms.

Other income

Interest income is recognised, on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts over the expected life of the financial instrument of the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received a consideration (or an amount of consideration that is due) from the customer. If a customer pays the consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

2.4 重大會計政策概要 (續)**收益確認 (續)***物業管理服務收入*

自提供物業維護及管理服務產生的物業管理服務收入於提供相關服務且客戶同時收到並消耗有關實體履約時所提供的利益時予以確認。

其他來源收益

租金收入於租賃期間按時間比例基準確認。

其他收入

利息收入乃透過採用於金融工具預期年內將估計未來現金收入貼現至金融資產淨賬面值的利率以實際利率法按應計基準確認。

股息收入於股東收取款項的權利確立時確認。

合同負債

合同負債指本集團因已向客戶收取對價 (或對價款項已到期)，而須向客戶轉讓貨品或服務的責任。倘客戶於本集團將貨品或服務轉讓予客戶前支付對價，則於作出付款或付款到期時 (以較早者為準) 確認合同負債。合同負債於本集團履行合同時確認為收益。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employee benefits

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain proportion of these payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when 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 borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

Foreign currencies

Since the majority of the assets and operations of the Group are located in the mainland China, the financial statements are presented in RMB, which is the functional currency of the Company. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

2.4 重大會計政策概要 (續)

僱員福利

本集團於中國內地營運的子公司的僱員須參加當地市政府實施的中央退休金計劃。該等子公司須按工資成本的一定比例向中央退休金計劃供款。該等供款於根據中央退休金計劃的規則成為應付款項時自損益表扣除。

借貸成本

收購、建造或生產合資格資產(即需待相當時間方可達致其擬定用途或出售的資產)直接應佔的借貸成本資本化作為該等資產成本的一部分。當資產大致可作擬定用途或出售時,則停止將該等借貸成本資本化。特定借貸於用作合資格資產支出前的暫時性投資所賺取的投資收入,於已資本化的借貸成本中扣除。所有其他借貸成本均於產生期間支銷。借貸成本包括實體就借取資金產生的利息及其他成本。

股息

末期股息於股東大會上獲股東批准時確認為負債。擬派末期股息於財務報表附註披露。

外幣

由於本集團的大部分資產及營運位於中國內地,故其財務報表以本公司的功能貨幣人民幣呈列。本集團實體錄得的外幣交易初步使用交易日期其各自的功能貨幣當前利率入賬。以外幣計值的貨幣資產及負債按報告期結束時功能貨幣的適用匯率換算。因結算或換算貨幣項目而產生的差額在損益確認。

NOTES TO FINANCIAL STATEMENTS (Continued)**財務報表附註 (續)**

31 DECEMBER 2018 2018年12月31日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Foreign currencies (Continued)**

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.4 重大會計政策概要 (續)**外幣 (續)**

以外幣為單位而按歷史成本計量的非貨幣項目按首次交易日的匯率換算。以外幣為單位而按公允價值計量的非貨幣項目按計量公允價值當日的匯率換算。換算按公允價值計量的非貨幣項目產生的收益或虧損按與確認項目公允價值變動的收益或虧損一致的方式處理(即公允價值收益或虧損於其他全面收入或損益中確認的項目的匯兌差額亦分別於其他全面收入或損益中確認)。

在終止確認預付對價相關的非貨幣性資產或非貨幣性負債時，為釐定初步確認相關資產、費用或收入的匯率，首次交易日為本集團初步確認預付對價產生的非貨幣性資產或非貨幣性負債之日。如有多次支付或收取預付款項，本集團會釐定各項支付或收取預付對價的交易日期。

因此而產生的匯兌差額於其他全面收入確認並於匯兌波動儲備累計。出售海外業務時，與該項特定海外業務有關的其他全面收入的組成部分會在損益確認。

因收購外國業務而產生的任何商譽及對收購事項所產生資產與負債賬面值的公允價值調整作為外國業務之資產及負債處理，並按收市匯率換算。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Operating lease commitments – Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

3. 重大會計判斷及估計

編製本集團的財務資料時，管理層須作出會影響收益、開支、資產及負債的呈報金額及其隨附披露以及或然負債披露的判斷、估計及假設。有關該等假設及估計的不確定因素可能導致日後須就受影響的資產或負債賬面值作出重大調整的結果。

判斷

在應用本集團的會計政策時，除涉及估計的判斷外，管理層已作出下列判斷，其對財務報表的已確認金額影響至為重大：

經營租賃承擔 – 本集團作為出租人

本集團就其投資物業組合訂有商業物業租約。本集團基於對有關安排的條款及條件作出的評估，決定保留其以經營租賃租出的物業所有權的所有重大風險及回報。

投資物業及業主自用物業的分類

本集團會釐定物業是否合資格作為投資物業，並已制訂作出該判斷的標準。投資物業為持有以賺取租金或資本增值或兩者兼有的物業。因此，本集團會考慮物業是否可主要地獨立於本集團所持有的其他資產而產生現金流量。某些物業部分為賺取租金或資本增值而持有，而另一部分為用於生產或供應貨品或服務或作行政用途而持有。倘若此等部分可以分開出售（或根據融資租賃分開出租），本集團會將有關部分分開入賬。倘若該等部分無法分開出售，則只會用於生產或供應貨品或服務或作行政用途而持有的部分並不重要時，有關物業才會列作投資物業。本集團對各項物業個別作出判斷，以決定配套服務是否重要到使物業不符合投資物業的資格。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Provision for expected credit losses on trade receivables and prepayments, other receivables and other assets

The Group uses a provision matrix to calculate ECLs for trade receivables and prepayments, other receivables and other assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The expected loss rate is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults in the property sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and prepayments, other receivables and other assets is disclosed in note 24 to the financial statements, respectively.

3. 重大會計判斷及估計 (續)

估計不確定因素

對導致就下個財政年度內資產及負債賬面值作出大幅調整構成重大風險的有關未來的主要假設以及於報告期結束時存在的估計不確定因素的其他主要來源載於下文。

貿易應收款項及預付款項、其他應收款項及其他資產的預期信貸虧損撥備

本集團使用撥備矩陣計算貿易應收款項及預付款項、其他應收款項及其他資產的預期信貸虧損。撥備率乃基於具有類似虧損模式的多個客戶分類組別(即按地理位置、產品類型、客戶類型及評級, 以及信用證及其他形式的信貸保險的覆蓋範圍劃分)的逾期天數。

預期虧損率最初基於本集團歷史可觀察違約率。本集團將根據前瞻性資料調整矩陣以調整歷史信貸虧損經驗。例如, 如預測經濟狀況(即國內生產總值)將在未來一年惡化, 這可能導致房地產行業違約數量增加, 則調整歷史違約率。於各報告日期, 更新歷史可觀察違約率並分析前瞻性估計的變化。

對歷史可觀察違約率、預測經濟狀況與預期信貸虧損之間的相關性評估是一項重要估計。預期信貸虧損的數量對環境變化及預測經濟狀況敏感。本集團的歷史信貸虧損經驗及經濟狀況預測亦或無法代表客戶的未來實際違約情況。有關本集團貿易應收款項及預付款項、其他應收款項及其他資產的預期信貸虧損的資料分別於財務報表附註24中披露。

NOTES TO FINANCIAL STATEMENTS *(Continued)*

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

Provision for properties under development and completed properties held for sale

The Group's properties under development and completed properties held for sale are stated at the lower of cost and net realisable value. Based on the Group's historical experience and the nature of the subject properties, the Group makes estimates of the selling prices, the costs of completion of properties under development, and the costs to be incurred in selling the properties based on prevailing market conditions.

If there is an increase in costs to completion or a decrease in net sales value, the net realisable value will decrease and this may result in a provision for properties under development and completed properties held for sale. Such provision requires the use of judgement and estimates. Where the expectation is different from the original estimate, the carrying value and provision for properties in the periods in which such estimate is changed will be adjusted accordingly.

PRC corporate income tax ("CIT")

The Group is subject to corporate income taxes in the PRC. As a result of the fact that certain matters relating to the income taxes have not been confirmed by the local tax bureau, objective estimate and judgement based on currently enacted tax laws, regulations and other related policies are required in determining the provision for income taxes to be made. Where the final tax outcome of these matters is different from the amounts originally recorded, the differences will impact on the income tax and tax provisions in the period in which the differences realise.

3. 重大會計判斷及估計 (續)

估計不確定因素 (續)

在建物業及已竣工持作銷售物業的撥備

本集團的在建物業及已竣工持作銷售物業以成本與可變現淨值的較低者入賬。本集團根據以往的經驗及所涉物業的性質估計在建物業的售價與竣工成本，以及根據當前市況估計銷售物業將產生的費用。

倘竣工成本增加而銷售淨值降低，則可變現淨值會減少，可能導致須就在建物業及已竣工持作銷售物業作出撥備。作出相關撥備時須運用判斷及估計。倘預期有別於原先估計，則會於變更估計期間相應調整物業賬面值及撥備。

中國企業所得稅 (「企業所得稅」)

本集團須繳納中國企業所得稅。由於地方稅務局尚未確認有關所得稅的若干事宜，故釐定所得稅撥備時須根據目前已頒佈的稅法、法規及其他相關政策作出客觀估計及判斷。倘該等事項的最終稅款數額有別於原已記錄的數額，則差額會影響差額變現期間的所得稅及稅項撥備。

NOTES TO FINANCIAL STATEMENTS (Continued)**財務報表附註 (續)**

31 DECEMBER 2018 2018年12月31日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)**Estimation uncertainty (Continued)***PRC land appreciation tax ("LAT")*

The Group is subject to LAT in the PRC. The provision for LAT is based on management's best estimates according to the understanding of the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon the completion of the property development projects. The Group has not finalised its LAT calculation and payments with the tax authorities for all its property development projects. The final outcome could be different from the amounts that were initially recorded, and any differences will impact on the LAT expenses and the related provision in the period in which the differences realise.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. Impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

3. 重大會計判斷及估計 (續)**估計不確定因素 (續)***中國土地增值稅 (「土地增值稅」)*

本集團須繳納中國土地增值稅。土地增值稅撥備根據管理層對中國相關稅務法律及法規所載規定的理解所作最佳估計計提。實際的土地增值稅負債須待物業開發項目竣工後由稅務機關釐定。本集團尚未就其所有物業開發項目與稅務機關最終確定土地增值稅的計算及付款。最終結果可能與初步入賬的金額不同，且任何差額將會影響差額變現期間的土地增值稅開支及相關撥備。

非金融資產 (商譽除外) 減值

本集團於各報告期結束時評估所有非金融資產有否任何減值跡象。無限年期的無形資產每年及於出現減值跡象的其他時間測試減值。其他非金融資產在有跡象顯示賬面值可能無法收回時進行減值測試。倘資產或現金產生單位的賬面值超逾其可收回金額 (即公允價值減出售成本與使用價值的較高者)，則視為已減值。公允價值減出售成本按自同類資產公平交易中具約束力的銷售交易的可得數據或可觀察市價減出售資產的增量成本計算。倘採用使用價值計算，則管理層須估計資產或現金產生單位的預期未來現金流量，選取合適的貼現率以計算該等現金流量的現值。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

Estimate of fair value of investment properties

In the absence of current prices in an active market for similar properties, the Group considers information from a variety of sources, including:

- (a) current prices in an active market for properties of a different nature, condition or location, adjusted to reflect those differences;
- (b) recent prices of similar properties on 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, supported by the terms of any existing lease and other contracts and (when possible) by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

At 31 December 2018, the carrying amount of investment properties was RMB2,582,000,000 (2017: RMB2,497,000,000). Further details, including the key assumptions used for fair value measurement, are given in note 14 to the financial statements.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

3. 重大會計判斷及估計 (續)

估計不確定因素 (續)

投資物業公允價值估計

倘活躍市場上並無類似物業的當前價格，則本集團會考慮各方面資料，包括：

- (a) 不同性質、狀況或地點的物業於活躍市場的當前價格，並進行調整以反映有關差異；
- (b) 相似物業於較不活躍市場的近期價格，並進行調整以反映自按該等價格進行交易當日以來經濟狀況出現的任何變動；及
- (c) 根據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(如可能)外在憑證(如地點及狀況相同的類似物業當前市值租金)，並採用足以反映當前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。

於2018年12月31日，投資物業的賬面值為人民幣2,582,000,000元(2017年：人民幣2,497,000,000元)。包括用於公允價值計量的主要假設在內的進一步詳情載於財務報表附註14。

遞延稅項資產

倘可能具有應課稅利潤抵銷虧損，則會就未動用稅項虧損確認遞延稅項資產。管理層在釐定可予以確認的遞延稅項資產金額時，須根據未來應課稅利潤可能出現的時間及水平連同未來稅務計劃策略作出重大判斷。

NOTES TO FINANCIAL STATEMENTS (Continued)**財務報表附註 (續)**

31 DECEMBER 2018 2018年12月31日

4. OPERATING SEGMENT INFORMATION

Management monitors the operating results of the Group's business which includes property development and leasing and commercial property management by project location for the purpose of making decisions about resource allocation and performance assessment, while no revenue, net profit or total assets from a single location exceed 10% of the Group's consolidated revenue, net profit or total assets. As the economic characteristics are similar in all the locations, where the nature of property development and leasing and management are similar, as well as the nature of the aforementioned business processes, the type or class of customers for the aforementioned businesses and the methods used to distribute properties or provide the services, all locations were therefore aggregated as one reportable operating segment.

Geographical information

No geographical information is presented as the Group's revenue from the external customers is derived solely from its operation in the Mainland China and no non-current assets of the Group are located outside the Mainland China.

Information about major customers

No sales to a single customer or a group of customers under common control accounted for 10% or more of the Group's revenue at the end of the reporting period.

4. 經營分部資料

管理層按項目位置監控本集團業務(包括物業管理及租賃及商業物業管理)的經營業績,以就資源分配及表現評估作出決策,而並無任何單一位置的收益、純利或總資產超過本集團綜合收益、純利或總資產的10%。因所有位置具備類似經濟特徵及物業開發及租賃與管理的性質、上述業務流程的性質、上述業務的客戶類型或級別以及分配財產或提供服務所用方法類似,因而所有位置被歸總為一個可報告經營分部。

地區資料

由於本集團來自外部客戶的收益僅來自其於中國內地的經營所得且本集團並無非流動資產位於中國內地境外,故並無呈列地區資料。

有關主要客戶的資料

於報告期結束時,對單一客戶或共同控制下的一組客戶的銷售並無佔本集團收益的10%或以上。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 DECEMBER 2018 2018年12月31日

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue and other income and gains is as follows:

5. 收益、其他收入及收益

對收益及其他收入及收益的分析如下：

| | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|---|-----------------------------------|-----------------------------------|
| <i>Revenue from contracts with customers</i> 客戶合同收益 | | |
| Sale of properties 物業銷售 | 5,879,356 | 4,476,569 |
| Property management services 物業管理服務 | 1,479 | 8,023 |
| <i>Revenue from other sources</i> 其他來源收益 | | |
| Rental income 租金收入 | 65,212 | 85,044 |
| | 5,946,047 | 4,569,636 |

Revenue from contracts with customers

客戶合同收益

(i) Disaggregated revenue information

(i) 分列收益資料

| Segments 分部 | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|---|-----------------------------------|-----------------------------------|
| Timing of revenue recognition: 收益確認時間： | | |
| Revenue from sale of properties Recognised at a point in time 於某一時點確認的物業銷售收益 | 5,879,356 | 4,476,569 |
| Revenue from property management services Recognised over time 於一段時間內確認的物業管理服務收益 | 1,479 | 8,023 |
| <i>Revenue from contracts with customers</i> 客戶合同收益 | 5,880,835 | 4,484,592 |

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 DECEMBER 2018 2018年12月31日

5. REVENUE, OTHER INCOME AND GAINS (CONTINUED)

Revenue from contracts with customers (Continued)

(i) Disaggregated revenue information (Continued)

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

| | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|---|-----------------------------------|-----------------------------------|
| Revenue recognised that was included in contract liabilities at the beginning of the reporting period: 計入報告期初合同負債的已確認收益： | | |
| Sale of properties 物業銷售 | 3,380,055 | 4,418,213 |

(ii) Performance obligations

The transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) are as follows:

| | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|-------------------------|-----------------------------------|-----------------------------------|
| Within one year 一年內 | 4,678,543 | 3,549,556 |
| More than one year 一年以上 | 4,170,750 | 909,469 |
| | 8,849,293 | 4,459,025 |

5. 收益、其他收入及收益(續)

客戶合同收益(續)

(i) 分列收益資料(續)

下表載列於本報告期確認並於報告期初計入合同負債的收益金額及因過往期間履行履約責任而確認的收益金額：

(ii) 履約責任

分配予剩餘履約責任(未履行或部分未履行)的交易價格如下：

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 DECEMBER 2018 2018年12月31日

5. REVENUE, OTHER INCOME AND GAINS (CONTINUED)

Revenue from contracts with customers (Continued)

(ii) Performance obligations (Continued)

5. 收益、其他收入及收益(續)

客戶合同收益(續)

(ii) 履約責任(續)

| | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|--|-----------------------------------|-----------------------------------|
| Other income 其他收入 | | |
| Others 其他 | 736 | 657 |
| Gains 收益 | | |
| Gain on disposal of subsidiaries (note 33) 出售子公司收益(附註33) | 22,471 | 1,037 |
| Foreign exchange differences, net 淨匯兌差額 | 6,296 | - |
| Gain on disposal of an associate 出售聯營公司收益 | 4,634 | - |
| Deposit forfeiture 按金沒收 | 3,213 | 996 |
| Government grants 政府補助 | 322 | 267 |
| Gain on disposal of items of property, plant and equipment 出售物業、廠房及設備項目收益 | - | 1 |
| | 36,936 | 2,301 |
| | 37,672 | 2,958 |

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 DECEMBER 2018 2018年12月31日

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

| | Notes 附註 | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|---|-------------|-----------------------------------|-----------------------------------|
| Cost of inventories sold 已出售存貨成本 | 22 | 4,354,317 | 3,889,585 |
| Cost of rental service 租賃服務成本 | | 9,331 | 20,080 |
| Cost of property management service 物業管理服務成本 | | 420 | 2,690 |
| Depreciation of items of property, plant and equipment 物業、廠房及設備項目折舊 | 13 | 17,091 | 12,292 |
| Amortisation of intangible assets 無形資產攤銷 | 15 | 458 | 427 |
| Loss on disposal of items of property, plant and equipment, net 出售物業、廠房及設備項目淨虧損 | | 2 | 9 |
| Auditor's remuneration 審計師薪酬 | | 4,025 | 1,091 |
| Employee benefit expense (including directors' and chief executives' remuneration (note 8)): 僱員福利開支(包括董事及最高行政人員的酬金(附註8)): | | | |
| Wages and salaries 工資及薪金 | | 125,868 | 51,351 |
| Pension scheme contributions and social welfare 退休金計劃供款及社會福利 | | 27,536 | 10,891 |

6. 除稅前利潤

本集團除稅前利潤已扣除以下各項：

7. FINANCE COSTS

An analysis of finance costs is as follows:

| | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|--|-----------------------------------|-----------------------------------|
| Interest on bank and other borrowings 銀行及其他借貸的利息 | 487,607 | 475,526 |
| Interest from a significant financing component of contract liabilities 合同負債重大融資部分的利息 | 205,300 | 155,245 |
| | 692,907 | 630,771 |
| Less: Interest capitalised 減：資本化利息 | (560,196) | (497,121) |
| | 132,711 | 133,650 |

7. 融資成本

融資成本的分析如下：

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 DECEMBER 2018 2018年12月31日

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

8. 董事及最高行政人員薪酬

根據上市規則、香港公司條例第383(1)(a)、(b)、(c)及(f)條及公司(披露董事利益資料)規例第2部披露的董事及最高行政人員的年度薪酬如下：

| | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|--|-----------------------------------|-----------------------------------|
| Fees 袍金 | 507 | - |
| Other emoluments: 其他酬金： | | |
| Salaries, allowances and benefits in kind 薪金、津貼及實物福利 | 792 | 996 |
| Performance related bonuses* 表現掛鈎花紅* | 2,451 | 1,591 |
| Pension scheme contributions and social welfare 退休金計劃供款及社會福利 | 326 | 215 |
| | 3,569 | 2,802 |
| | 4,076 | 2,802 |

* Certain executive directors of the Company are entitled to bonus payments which are determined as a percentage of the profit after tax of the Group.

* 本公司若干執行董事有權獲得花紅付款，花紅付款按本集團除稅後利潤的百分比釐定。

NOTES TO FINANCIAL STATEMENTS (Continued)**財務報表附註 (續)**

31 DECEMBER 2018 2018年12月31日

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)**(a) Independent non-executive directors**

Mr. Gu Jiong, Mr. Sun Bing and Mr. Fok Ho Yin Thomas were appointed as independent non-executive directors of the Company on 10 September 2018. The fees paid to independent non-executive directors during the year were as follows:

| | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|---------------------------------|--|-----------------------------------|
| – Mr. Gu Jiong – 顧炯先生 | 45 | – |
| – Mr. Sun Bing – 孫冰先生 | 45 | – |
| – Mr. Fok Ho Yin Thomas – 霍浩然先生 | 45 | – |
| | 135 | – |

There was no other emolument payable to the independent non-executive directors for the year ended 31 December 2018 (2017: Nil).

8. 董事及最高行政人員薪酬 (續)**(a) 獨立非執行董事**

顧炯先生、孫冰先生及霍浩然先生於2018年9月10日獲委任為本公司獨立非執行董事。年內向獨立非執行董事支付的袍金如下：

截至2018年12月31日止年度並無其他應付獨立非執行董事的酬金(2017年：無)。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 DECEMBER 2018 2018年12月31日

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED) 8. 董事及最高行政人員薪酬(續)

(b) Executive directors and non-executive directors

(b) 執行董事及非執行董事

| | Fees | Salaries, allowances and benefits in kind | Performance related bonuses | Pension scheme contributions and social welfare | Total remuneration |
|----------------------------|------------|---|-----------------------------|---|--------------------|
| | 袍金 | 薪金、津貼及實物福利 | 表現掛鈎花紅 | 退休金計劃供款及社會福利 | 總薪酬 |
| | 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 |
| 2018 | | | | | |
| 2018年 | | | | | |
| Executive directors: 執行董事： | | | | | |
| – Mr. Ge Yiyang – 葛一暘先生 | 189 | 471 | 915 | 96 | 1,671 |
| – Mr. Liao Lujiang – 廖魯江先生 | 66 | 102 | 690 | 96 | 954 |
| – Mr. Chi Jingyong – 池淨勇先生 | 66 | 102 | 438 | 96 | 702 |
| – Mr. Yang Yongwu – 楊永武先生 | 51 | 117 | 408 | 38 | 614 |
| | 372 | 792 | 2,451 | 326 | 3,941 |

| | Fees | Salaries, allowances and benefits in kind | Performance related bonuses | Pension scheme contributions and social welfare | Total remuneration |
|----------------------------|----------|---|-----------------------------|---|--------------------|
| | 袍金 | 薪金、津貼及實物福利 | 表現掛鈎花紅 | 退休金計劃供款及社會福利 | 總薪酬 |
| | 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 |
| 2017 | | | | | |
| 2017年 | | | | | |
| Executive directors: 執行董事： | | | | | |
| – Mr. Ge Yiyang – 葛一暘先生 | – | 660 | 895 | 90 | 1,645 |
| – Mr. Liao Lujiang – 廖魯江先生 | – | – | – | – | – |
| – Mr. Chi Jingyong – 池淨勇先生 | – | 168 | 348 | 90 | 606 |
| – Mr. Yang Yongwu – 楊永武先生 | – | 168 | 348 | 35 | 551 |
| | – | 996 | 1,591 | 215 | 2,802 |

NOTES TO FINANCIAL STATEMENTS (Continued)**財務報表附註 (續)**

31 DECEMBER 2018 2018年12月31日

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)**(b) Executive directors and non-executive directors (Continued)**

Mr. Liao Lujiang is the chief executive officer and an executive director of the Company. There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees for the year ended 31 December 2018 included three directors (2017: three), details of whose remuneration are set out in note 8 above. Details of the remuneration for the years ended 31 December 2018 of the remaining two (2017: two) highest paid employees who are neither a director nor chief executive of the Company are as follows:

| | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|--|-----------------------------------|-----------------------------------|
| Salaries, allowances and benefits in kind 薪金、津貼及實物福利 | 336 | 670 |
| Performance related bonuses 表現掛鈎花紅 | 1,207 | 1,068 |
| Pension scheme contributions and social welfare 退休金計劃供款及社會福利 | 192 | 132 |
| | 1,735 | 1,870 |

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

| | 2018 2018年 | 2017 2017年 |
|--|---------------|---------------|
| Nil to HK\$1,000,000 零至1,000,000港元 | 1 | - |
| HK\$1,000,001 to HK\$1,500,000 1,000,001港元至1,500,000港元 | 1 | 2 |
| | 2 | 2 |

8. 董事及最高行政人員薪酬 (續)**(b) 執行董事及非執行董事 (續)**

廖魯江先生為本公司的首席執行官兼執行董事。年內，概無董事或最高行政人員放棄或同意放棄任何薪酬的安排。

9. 五名最高薪酬僱員

截至2018年12月31日止年度的五名最高薪酬僱員包括三名董事(2017年：三名)，其薪酬詳情載於上文附註8。截至2018年12月31日止年度，並非本公司董事或最高行政人員的餘下兩名(2017年：兩名)最高薪酬僱員的薪酬詳情分別如下：

薪酬位於以下範圍的非董事及非最高行政人員的最高薪酬僱員人數如下：

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 DECEMBER 2018 2018年12月31日

10. INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and British Virgin Islands, the Company and the Group's subsidiaries incorporated in the Cayman Islands and British Virgin Islands are not subject to any income tax. The Group's subsidiary incorporated in Hong Kong was not liable for income tax as it did not have any assessable profits currently arising in Hong Kong for the year ended 31 December 2018.

Subsidiaries of the Group operating in Mainland China were subject to the PRC corporate income tax rate of 25% for the year ended 31 December 2018.

LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sale of properties less deductible expenditures including land costs, borrowing costs and other property development expenditures. The Group has estimated, made and included in taxation a provision for LAT according to the requirements set forth in the relevant Mainland China tax laws and regulations. The LAT provision is subject to the final review and approval by the local tax bureau.

10. 所得稅費用

本集團須就本集團成員公司註冊及經營所在稅務司法管轄區產生及源自其的利潤按實體基準繳納所得稅。根據開曼群島及英屬處女群島的規則及規例，本公司及本集團於開曼群島及英屬處女群島註冊成立的子公司無須繳納任何所得稅。本集團於香港註冊成立的子公司無須繳納所得稅，因為該公司於截至2018年12月31日止年度並無現時於香港產生的任何應課稅利潤。

本集團於中國內地經營的子公司於截至2018年12月31日止年度須按25%的稅率繳納中國企業所得稅。

土地增值稅乃按照介乎30%至60%的累進稅率對土地增值額徵收，土地增值額為物業銷售所得款項減可扣減開支（包括土地成本、借貸成本及其他物業開發開支）。本集團根據有關中國內地稅務法律及法規的規定為土地增值稅估計、作出及計提稅項撥備。土地增值稅撥備須由當地稅務機關進行最終審核及批准。

| | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|---------------------------------------|-----------------------------------|-----------------------------------|
| Current tax: 即期稅項： | | |
| PRC CIT 中國企業所得稅 | 362,177 | 132,398 |
| PRC LAT 中國土地增值稅 | 195,571 | 81,355 |
| Deferred tax (note 17) 遞延稅項(附註17) | (57,681) | (22,389) |
| Total tax charge for the year 年內總稅項支出 | 500,067 | 191,364 |

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 DECEMBER 2018 2018年12月31日

10. INCOME TAX EXPENSE (CONTINUED)

A reconciliation of income tax expense applicable to profit before tax at the statutory rate for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the income tax expense at the effective income tax rate is as follows:

| | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|---|-----------------------------------|-----------------------------------|
| Profit before tax 除稅前利潤 | 989,442 | 335,528 |
| Tax at the statutory income tax rate 按法定所得稅率計算的稅項 | 247,361 | 83,882 |
| Loss attributable to associates 聯營公司應佔虧損 | 992 | 652 |
| Income not subject to tax 無須課稅收入 | (1,727) | - |
| Expenses not deductible for tax 不可扣稅開支 | 4,163 | 13,193 |
| Tax losses and deductible temporary differences utilised from previous years 過往年度利用的稅項虧損及可扣減暫時差額 | (496) | (2,155) |
| Tax losses and deductible temporary differences not recognised 未確認稅項虧損及可扣減暫時差額 | 103,096 | 34,776 |
| Provision for LAT 土地增值稅撥備 | 195,571 | 81,355 |
| Tax effect on LAT 土地增值稅的稅務影響 | (48,893) | (20,339) |
| Tax charge at the Group's effective rate 按本集團實際稅率計算的稅項支出 | 500,067 | 191,364 |

The share of tax credit attributable to associates amounting to RMB1,323,000 is included in "share of loss of associates" in the consolidated statement of profit or loss for the years ended 31 December 2018 (2017: RMB869,000).

Tax payable in the consolidated statements of financial position represents:

| | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|---------------------------|-----------------------------------|-----------------------------------|
| PRC CIT payable 應付中國企業所得稅 | 376,233 | 129,089 |
| PRC LAT payable 應付中國土地增值稅 | 288,533 | 180,603 |
| Total tax payable 應付總稅項 | 664,766 | 309,692 |

10. 所得稅費用(續)

本公司及其大部分子公司註冊所在司法管轄區按法定稅率計算的除稅前利潤適用的所得稅費用與按實際所得稅率計算的所得稅費用對賬如下：

截至2018年12月31日止年度，分佔聯營公司應佔稅項抵免為人民幣1,323,000元(2017年：人民幣869,000元)，計入綜合損益表內「分佔聯營公司虧損」項下。

綜合財務狀況表內的應付稅項指：

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

11. DIVIDENDS

11. 股息

| | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|---|-----------------------------------|-----------------------------------|
| Proposed final – 16.9 HK cents (2017: Nil) per ordinary share 建議末期股息 – 每股普通股16.9港仙 (2017年：無) | 119,889 | – |

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

建議年度末期股息須待本公司股東於應屆股東週年大會上批准後方可作實。

12. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

12. 母公司普通權益持有人應佔每股盈利

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 649,743,641 (2017: 599,999,804) in issue during the year.

每股基本盈利乃根據母公司普通權益持有人應佔年內利潤以及年內已發行普通股加權平均數649,743,641股 (2017年：599,999,804股) 計算。

For the year ended 31 December 2018, the weighted average number of ordinary shares in issue includes the following shares: the allotment of 1 ordinary share on 18 December 2017; the allotment of 99 ordinary shares on 19 December 2017; the allotment of 100 ordinary shares on 20 April 2018; the issuance of 2,000,000,000 new ordinary shares as the Company listed on the Stock Exchange on 11 October 2018; the capitalisation issue of 599,999,800 ordinary shares on 11 October 2018, which were considered existent from the beginning of the year; and the allotment and issuance of 27,880,000 additional shares by partially exercising the over-allotment option on 30 October 2018.

截至2018年12月31日止年度，已發行普通股加權平均數包括以下股份：於2017年12月18日配發1股普通股；於2017年12月19日配發99股普通股；於2018年4月20日配發100股普通股；於2018年10月11日發行2,000,000,000股本公司於聯交所上市的新普通股；於2018年10月11日資本化發行599,999,800股普通股，自年初起被視為存在；及於2018年10月30日部分行使超額配股權而配發及發行27,880,000股額外股份。

For the year ended 31 December 2017, the weighted average number of ordinary shares in issue includes the following shares: the allotment of 1 ordinary share on 18 December 2017; the allotment of 99 ordinary shares on 19 December 2017; and the capitalisation issue of 599,999,800 ordinary shares on 11 October 2018, which were considered existent from the beginning of the year ended 31 December 2017.

截至2017年12月31日止年度，已發行普通股的加權平均數包括以下股份：於2017年12月18日配發1股普通股；於2017年12月19日配發99股普通股；於2018年10月11日資本化發行599,999,800股普通股，自截至2017年12月31日止年度起被視為存在。

NOTES TO FINANCIAL STATEMENTS (Continued)**財務報表附註 (續)**

31 DECEMBER 2018 2018年12月31日

**12. EARNINGS PER SHARE
ATTRIBUTABLE TO ORDINARY
EQUITY HOLDERS OF THE PARENT
(CONTINUED)**

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2018 and 2017 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2018 and 2017.

The calculation of the basic earnings per share amounts is based on:

**12. 母公司普通權益持有人應佔
每股盈利 (續)**

由於本集團於截至2018年及2017年12月31日止年度並無已發行潛在攤薄普通股，故並未就截至2018年及2017年12月31日止年度呈列之每股基本盈利作出攤薄調整。

每股基本盈利的計算乃基於：

| | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|---|-----------------------------------|-----------------------------------|
| Earnings 盈利 | | |
| Profit attributable to ordinary equity holders of the parent 母公司普通權益持有人應佔利潤 | 476,817 | 137,495 |
| Shares 股份 | | |
| Weighted average number of ordinary shares in issue during the year 年內已發行普通股的加權平均數 | 649,743,641 | 599,999,804 |
| Earnings per share 每股盈利 | | |
| Basic 基本 | RMB0.73 人民幣0.73元 | RMB0.23 人民幣0.23元 |

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 DECEMBER 2018 2018年12月31日

13. PROPERTY, PLANT AND EQUIPMENT 13. 物業、廠房及設備

| | Buildings 樓宇 RMB'000 人民幣千元 | Motor vehicles 汽車 RMB'000 人民幣千元 | Office equipment and electronic devices 辦公設備及 電子裝置 RMB'000 人民幣千元 | Leasehold improvements 租賃 物業裝修 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|---|-------------------------------------|---|---|---|---------------------------------|
| 31 December 2018 2018年12月31日 | | | | | |
| At 31 December 2017 and 1 January 2018: 於2017年12月31日及2018年1月1日: | | | | | |
| Cost 成本 | 108,174 | 25,164 | 8,525 | 80,035 | 221,898 |
| Accumulated depreciation 累計折舊 | (4,295) | (19,437) | (5,086) | (24,966) | (53,784) |
| Net carrying amount 淨賬面值 | 103,879 | 5,727 | 3,439 | 55,069 | 168,114 |
| At 1 January 2018, net of accumulated depreciation 於2018年1月1日，扣除累計折舊 | 103,879 | 5,727 | 3,439 | 55,069 | 168,114 |
| Additions 添置 | 847 | 5,468 | 6,801 | 35,047 | 48,163 |
| Disposals 出售 | - | - | (2) | - | (2) |
| Disposal of subsidiaries 出售子公司 | - | (633) | (281) | (38,182) | (39,096) |
| Depreciation provided during the period 期內折舊撥備 | (3,857) | (1,824) | (1,785) | (9,625) | (17,091) |
| At 31 December 2018, net of accumulated depreciation 於2018年12月31日，扣除累計折舊 | 100,869 | 8,738 | 8,172 | 42,309 | 160,088 |
| At 31 December 2018: 於2018年12月31日: | | | | | |
| Cost 成本 | 109,021 | 28,468 | 13,384 | 52,131 | 203,004 |
| Accumulated depreciation 累計折舊 | (8,152) | (19,730) | (5,212) | (9,822) | (42,916) |
| Net carrying amount 淨賬面值 | 100,869 | 8,738 | 8,172 | 42,309 | 160,088 |

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 DECEMBER 2018 2018年12月31日

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED) 13. 物業、廠房及設備(續)

| | Buildings 樓宇 RMB'000 人民幣千元 | Motor vehicles 汽車 RMB'000 人民幣千元 | Office equipment and electronic devices 辦公設備及 電子裝置 RMB'000 人民幣千元 | Leasehold improvements 租賃 物業裝修 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|--|-------------------------------------|---|---|---|---------------------------------|
|--|-------------------------------------|---|---|---|---------------------------------|

31 December 2017

2017年12月31日

At 31 December 2016 and 1 January 2017:

於2016年12月31日及2017年1月1日:

| | | | | | |
|---|----------|----------|---------|----------|----------|
| Cost 成本 | 72,296 | 25,313 | 6,326 | 60,252 | 164,187 |
| Accumulated depreciation 累計折舊 | (14,152) | (18,839) | (4,481) | (17,612) | (55,084) |
| Net carrying amount 淨賬面值 | 58,144 | 6,474 | 1,845 | 42,640 | 109,103 |
| At 1 January 2017, net of accumulated depreciation 於2017年1月1日，扣除累計折舊 | 58,144 | 6,474 | 1,845 | 42,640 | 109,103 |
| Additions 添置 | 92,422 | 649 | 2,312 | 19,783 | 115,166 |
| Disposals 出售 | - | (40) | (1) | - | (41) |
| Transfer to investment properties 轉入投資物業 | (43,822) | - | - | - | (43,822) |
| Depreciation provided during the year 年內折舊撥備 | (2,865) | (1,356) | (717) | (7,354) | (12,292) |
| At 31 December 2017, net of accumulated depreciation 於2017年12月31日，扣除累計折舊 | 103,879 | 5,727 | 3,439 | 55,069 | 168,114 |
| At 31 December 2017: 於2017年12月31日: | | | | | |
| Cost 成本 | 108,174 | 25,164 | 8,525 | 80,035 | 221,898 |
| Accumulated depreciation 累計折舊 | (4,295) | (19,437) | (5,086) | (24,966) | (53,784) |
| Net carrying amount 淨賬面值 | 103,879 | 5,727 | 3,439 | 55,069 | 168,114 |

At 31 December 2018, the Group's property, plant and equipment with an aggregate carrying amount of approximately RMB89,094,000 (2017: RMB91,846,000) were pledged to secure bank and other borrowings granted to the Group (note 29).

本集團於2018年12月31日總賬面值約人民幣89,094,000元(2017年: 人民幣91,846,000元)的物業、廠房及設備已質押，為本集團獲授的銀行及其他借貸作抵押(附註29)。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 DECEMBER 2018 2018年12月31日

14. INVESTMENT PROPERTIES

14. 投資物業

| | Completed 已竣工 RMB'000 人民幣千元 | Under construction 在建 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|--|--------------------------------------|---|---------------------------------|
| Carrying amount at 1 January 2017 於2017年1月1日的賬面值 | 2,375,000 | - | 2,375,000 |
| Transferred from property, plant and equipment (note 13) 轉自物業、廠房及設備(附註13) | 43,822 | - | 43,822 |
| Fair value transferred from property, plant and equipment 轉自物業、廠房及設備的公允價值 | 20,178 | - | 20,178 |
| Net gain from a fair value adjustment 公允價值調整所得淨收益 | 58,000 | - | 58,000 |
| Carrying amount at 31 December 2017 and 1 January 2018 於2017年12月31日及2018年1月1日的賬面值 | 2,497,000 | - | 2,497,000 |
| Transferred from properties under development (note 21) 轉自在建物業(附註21) | - | 19,636 | 19,636 |
| Addition (note 21) 添置(附註21) | - | 4,069 | 4,069 |
| Net gain from a fair value adjustment 公允價值調整所得淨收益 | 45,500 | 15,795 | 61,295 |
| Carrying amount at 31 December 2018 於2018年12月31日的賬面值 | 2,542,500 | 39,500 | 2,582,000 |

The Group's investment properties are situated in Mainland China. The Group's investment properties were revalued on 31 December 2018 based on valuations performed by Jones Lang LaSalle Corporate Appraisal and Advisory Limited ("JLL"), an independent professionally qualified valuer, at RMB2,582,000,000 (2017: RMB2,497,000,000). The Group's senior finance manager and the chief financial officer decide, after approval from the board of directors of the Company, to appoint which external valuer to be responsible for the external valuations of the Group's properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group's senior finance manager and the chief financial officer have discussions with the valuer on the valuation assumptions and valuation results when the valuation is performed for financial reporting.

本集團的投資物業位於中國內地。本集團的投資物業乃基於獨立專業合資格估值師仲量聯行企業評估及諮詢有限公司(「仲量聯行」)的評估於2018年12月31日重估為人民幣2,582,000,000元(2017年:人民幣2,497,000,000元)。本集團的高級財務經理及首席財務官經本公司董事會批准後決定委任外部估值師負責本集團物業的外部估值。甄選標準包括市場知識、聲譽、獨立性及是否保持專業標準。本集團的高級財務經理及首席財務官已與估值師就進行財務報告估值的估值假設及估值結果進行討論。

NOTES TO FINANCIAL STATEMENTS (Continued)**財務報表附註 (續)**

31 DECEMBER 2018 2018年12月31日

**14. INVESTMENT PROPERTIES
(CONTINUED)**

The investment properties are leased to third parties and a related company, 上海企界實業發展有限公司 (Shanghai Qijie Industry Co., Ltd.) under operating leases, further summary details of which are included in note 35.

At 31 December 2018, the Group's investment properties with an aggregate carrying amount of approximately RMB1,120,100,000 (2017: RMB1,910,712,000) were pledged to secure bank and other borrowings granted to the Group (note 29).

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

14. 投資物業 (續)

投資物業乃根據經營租賃出租予第三方及一家關聯公司上海企界實業發展有限公司，其進一步概要詳情載於附註35。

本集團於2018年12月31日的總賬面值約人民幣1,120,100,000元(2017年：人民幣1,910,712,000元)的投資物業已質押，為本集團獲授的銀行及其他借貸作抵押(附註29)。

公允價值層級

下表說明本集團投資物業的公允價值計量層級：

| | Fair value measurement as at 31 December 2018 using 於2018年12月31日使用以下級別的公允價值計量 | | | |
|---|---|--|---|---------------------------------|
| | Quoted prices in active markets (Level 1) 於活躍市場 的報價 (第一級) RMB'000 人民幣千元 | Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二級) RMB'000 人民幣千元 | Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三級) RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
| Recurring fair value measurement for 就以下項目進行的經常性公允價值計量 | | | | |
| Commercial properties 商業物業 | | | | |
| Completed 已竣工 | - | - | 2,542,500 | 2,542,500 |
| Under construction 在建 | - | - | 39,500 | 39,500 |
| | - | - | 2,582,000 | 2,582,000 |

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 DECEMBER 2018 2018年12月31日

14. INVESTMENT PROPERTIES
(CONTINUED)

14. 投資物業(續)

Fair value hierarchy (Continued)

公允價值層級(續)

| | Fair value measurement as at 31 December 2017 using 於2017年12月31日使用以下級別的公允價值計量 | | | |
|---|---|--|---|---------------------------------|
| | Quoted prices in active markets (Level 1) 於活躍市場 的報價 (第一級) RMB'000 人民幣千元 | Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二級) RMB'000 人民幣千元 | Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三級) RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
| Recurring fair value measurement for 就以下項目進行的經常性公允價值計量 | | | | |
| Commercial properties 商業物業 | | | | |
| Completed 已竣工 | - | - | 2,497,000 | 2,497,000 |

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfer into or out of Level 3 (2017: Nil).

於年內，第一級與第二級之間並無公允價值計量的轉撥，亦無轉撥至或轉撥自第三級(2017年：無)。

NOTES TO FINANCIAL STATEMENTS (Continued)**財務報表附註 (續)**

31 DECEMBER 2018 2018年12月31日

**14. INVESTMENT PROPERTIES
(CONTINUED)****Fair value hierarchy (Continued)**

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment properties:

14. 投資物業 (續)**公允價值層級 (續)**

以下為投資物業估值所用的估值技術及主要輸入數據概要：

| | Valuation techniques 估值技術 | Significant unobservable inputs 重大不可觀察輸入數據 | Range or weighted average 31 December 範圍或加權平均 12月31日 | | |
|--|------------------------------|---|---|-------------------------|----------|
| | | | 2018 2018年 | 2017 2017年 | |
| Completed commercial properties 已竣工商業物業 | Income approach 收益法 | Estimated rental value (per square meter and per month) 估計租金價值 (每平方米及每月) | RMB111-603 人民幣111-603元 | RMB60-603 人民幣60-603元 | |
| | | | Capitalisation rate 資本化率 | 4%-6.25% | 4%-6.25% |
| | | | Long term vacancy rate 長期空置率 | 4%-5% | 2%-5% |
| Commercial properties under construction 在建商業物業 | Comparison method 比較法 | Expected profit margin 預期利潤率 | 10% | — | |

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

14. INVESTMENT PROPERTIES (CONTINUED)

Fair value hierarchy (Continued)

The fair value of completed commercial properties is determined by the income approach by taking into account the rental income of the properties derived from the existing leases and/or achievable in the existing market with due allowance for the reversionary income potential of the leases, which have been then capitalised to determine the fair value at an appropriate capitalisation rate. Where appropriate, reference to the comparable sales transactions as available in the relevant market has also been considered.

A significant increase (decrease) in the estimated rental value would result in a significant increase (decrease) in the fair value of the investment properties. A significant increase (decrease) in the long term vacancy rate and the capitalisation rate in isolation would result in a significant decrease (increase) in the fair value of the investment properties.

The fair value of commercial properties under construction is determined by using comparison method, with reference to comparable sales evidence as available in the relevant market to derive the fair value of the property assuming it was completed and, where appropriate, after deducting the following items:

- Estimated construction cost and professional fees to be expensed to complete the properties that would be incurred by a market participant; and
- Estimated profit margin that a market participant would require to hold and develop the property to completion.

The higher estimated construction cost would result in the lower fair value of the investment properties under construction.

The higher expected profit margin would result in the lower fair value of the investment properties under construction.

14. 投資物業 (續)

公允價值層級 (續)

已竣工商業物業的公允價值乃通過收益法釐定，方法是通過計入以現有租賃所得及／或在現有市場上可收取的物業租金收入，且已就租賃的復歸收入潛力作適當估量，並已按適當的資本化率進行資本化以釐定公允價值。在適當情況下，吾等亦曾考慮參考相關市場可資比較的销售交易。

估計租金價值大幅增加(減少)將導致投資物業的公允價值大幅增加(減少)。長期空置率及資本化率單獨大幅增加(減少)將導致投資物業的公允價值大幅減少(增加)。

在建商業物業的公允價值使用比較法釐定，經參考有關市場上可資比較的销售個案並(如適用)經扣除以下項目後得出物業的公允價值(假設其已竣工)：

- 市場參與者令物業竣工將產生的估計建設成本及專業費用；及
- 市場參與者持有及開發物業至竣工所需的估計利潤率。

估計建設成本越高，將會導致在建投資物業公允價值越低。

預期利潤率越高，將導致在建投資物業的公允價值越低。

NOTES TO FINANCIAL STATEMENTS (Continued)**財務報表附註 (續)**

31 DECEMBER 2018 2018年12月31日

15. INTANGIBLE ASSETS**15. 無形資產**

| | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|--|-----------------------------------|-----------------------------------|
| Software 軟件 | | |
| At the beginning of the year: 年初： | | |
| Cost 成本 | 4,394 | 3,472 |
| Accumulated amortisation 累計攤銷 | (2,818) | (2,393) |
| Net carrying amount 淨賬面值 | 1,576 | 1,079 |
| Carrying amount at the beginning of the year 年初賬面值 | 1,576 | 1,079 |
| Additions 添置 | 4,438 | 924 |
| Disposal of a subsidiary 出售子公司 | (203) | - |
| Amortisation provided during the year 年內已撥備攤銷 | (458) | (427) |
| Carrying amount at the end of the year 年末賬面值 | 5,353 | 1,576 |
| At the end of the year: 年末： | | |
| Cost 成本 | 8,117 | 4,394 |
| Accumulated amortisation 累計攤銷 | (2,764) | (2,818) |
| Net carrying amount 淨賬面值 | 5,353 | 1,576 |

16. INVESTMENT IN ASSOCIATES**16. 於聯營公司的投資**

| | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|---------------------------|-----------------------------------|-----------------------------------|
| Share of net assets 分佔淨資產 | 24,091 | 1,810 |

The Group's trade receivable and payable balances with the associates are disclosed in note 37 to the financial statements.

本集團與聯營公司的貿易應收款項及應付款項結餘於財務報表附註37披露。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

16. INVESTMENT IN ASSOCIATES
(CONTINUED)

The following table illustrates the aggregate financial information of the Group's associate that is not individually material:

16. 於聯營公司的投資 (續)

下表列示本集團聯營公司的非個別重大總財務資料：

| | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|---|-----------------------------------|-----------------------------------|
| Share of the associates' loss and total comprehensive income 分佔聯營公司虧損及總全面收入 | (3,969) | (2,607) |
| Aggregate carrying amount of the Group's investment in the associates 本集團於聯營公司的投資的總賬面值 | 24,091 | 1,810 |

The directors of the Company are of the opinion that no provision for impairment is necessary as at 31 December 2018 as the investments in associates are considered fully recoverable (2017: Nil). The associates have been accounted for using the equity method in these financial statements.

本公司董事認為，於2018年12月31日無須計提減值撥備（2017年：無），原因是於聯營公司的投資被認為可悉數收回。聯營公司已於該等財務報表中使用權益法入賬。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 DECEMBER 2018 2018年12月31日

17. DEFERRED TAX

The movements in deferred tax assets and liabilities during the year are as follows:

Deferred tax assets

| | Losses available for offsetting against future taxable profits 可供抵銷未來應課稅利潤的虧損 RMB'000 人民幣千元 | Advertising fee for offsetting against future taxable profits 抵銷未來應課稅利潤的廣告費 RMB'000 人民幣千元 | Payroll and welfare accrued 應計工資及福利 RMB'000 人民幣千元 | Accrued construction cost 應計建設成本 RMB'000 人民幣千元 | Unrealised revenue in contract liabilities 合同負債中的未變現收益 RMB'000 人民幣千元 | Accrued LAT 應計土地增值稅 RMB'000 人民幣千元 | Impairment losses on financial assets 金融資產減值虧損 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|--|--|--|--|---|---|--|---|---------------------------------|
| At 1 January 2017 於2017年1月1日 | 3,917 | 682 | - | 24,176 | 89,350 | 52,145 | - | 170,270 |
| Deferred tax credited/(charged) to profit or loss during the year 年內計入/(扣除自)損益的遞延稅項 | 5,752 | 2,132 | - | 16,723 | 19,330 | (7,048) | - | 36,889 |
| At 31 December 2017 and 1 January 2018 於2017年12月31日及2018年1月1日 | 9,669 | 2,814 | - | 40,899 | 108,680 | 45,097 | - | 207,159 |
| Deferred tax credited/(charged) to profit or loss during the year 年內計入/(扣除自)損益的遞延稅項 | 947 | (1,687) | 134 | (3,045) | 49,505 | 26,982 | 168 | 73,004 |
| At 31 December 2018 於2018年12月31日 | 10,616 | 1,127 | 134 | 37,854 | 158,185 | 72,079 | 168 | 280,163 |

17. 遞延稅項

遞延稅項資產及負債於年內的變動如下：

遞延稅項資產

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 DECEMBER 2018 2018年12月31日

17. DEFERRED TAX (CONTINUED)

The movements in deferred tax assets and liabilities during the year is as follows: (Continued)

Deferred tax liabilities

17. 遞延稅項(續)

遞延稅項資產及負債於年內的變動如下：
(續)

遞延稅項負債

| | Fair value adjustments arising from investment properties 投資物業產生的公允價值調整 RMB'000 人民幣千元 | Fair value adjustments arising from equity investments designated at FVOCI 指定為按公允價值計入其他全面收入的股權投資產生的公允價值調整 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|---|--|--|---------------------------------|
| At 1 January 2017 於2017年1月1日 | 412,038 | – | 412,038 |
| Deferred tax charged to profit or loss during the year 年內自損益扣除的遞延稅項 | 14,500 | – | 14,500 |
| Deferred tax charged to other comprehensive income during the year 年內自其他全面收入扣除的遞延稅項 | 5,044 | – | 5,044 |
| At 31 December 2017 於2017年12月31日 | 431,582 | – | 431,582 |
| Deferred tax in relation to fair value adjustment due to reclassification of available-for-sale investments to equity investments designated at FVOCI 有關重新分類可供銷售投資至指定為按公允價值計入其他全面收入的股權投資導致的公允價值調整的遞延稅項 | – | 1,900 | 1,900 |
| Restated balance at 1 January 2018 於2018年1月1日的重列結餘 | 431,582 | 1,900 | 433,482 |
| Deferred tax charged to profit or loss during the year 年內自損益扣除的遞延稅項 | 15,323 | – | 15,323 |
| Deferred tax charged to other comprehensive income during the year 年內自其他全面收入扣除的遞延稅項 | – | (3,300) | (3,300) |
| At 31 December 2018 於2018年12月31日 | 446,905 | (1,400) | 445,505 |

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

17. DEFERRED TAX (CONTINUED)

Deferred tax liabilities (Continued)

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statements of financial position. The following is an analysis of the deferred tax balances for financial reporting purposes:

| | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|--|-----------------------------------|-----------------------------------|
| Net deferred tax assets recognised in the consolidated statements of financial position 於綜合財務狀況表內確認的淨遞延稅項資產 | 231,075 | 162,062 |
| Net deferred tax liabilities recognised in the consolidated statements of financial position 於綜合財務狀況表內確認的淨遞延稅項負債 | (396,417) | (386,485) |
| | (165,342) | (224,423) |

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

At 31 December 2018 and 2017, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Company and the Group's subsidiaries established in Mainland China. In the opinion of the directors of the Company, the Group's fund will be retained in Mainland China for the expansion of the Group's operation, so it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amounts of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled approximately RMB1,917,784,000 as at 31 December 2018 (2017: RMB1,395,816,000).

17. 遞延稅項 (續)

遞延稅項負債 (續)

就呈列而言，若干遞延稅項資產及負債已於綜合財務狀況表內抵銷。以下為就財務申報目的之遞延稅項結餘分析：

根據中國企業所得稅法，於中國內地成立的外商投資企業向外國投資者宣派股息須繳納10%預扣稅。該規定自2008年1月1日起生效並適用於2007年12月31日後的盈利。倘中國內地與外國投資者的司法管轄區訂有稅收協定，則可應用較低的預扣稅率。就本集團而言，適用稅率為10%。因此，本集團有責任就該等於中國內地成立的子公司自2008年1月1日起產生的盈利所分派的股息繳納預扣稅。

於2018年及2017年12月31日，本公司及本集團並無就於中國內地成立的子公司應繳納預扣稅的未匯出盈利而應付的預扣稅確認遞延稅項。本公司董事認為，本集團的資金將就拓展本集團的經營而於中國內地保留，故該等子公司於可預見將來不大可能分派有關盈利。於2018年12月31日，與於中國內地子公司的投資相關而未確認遞延稅項負債的總暫時差額合共約為人民幣1,917,784,000元(2017年：人民幣1,395,816,000元)。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

17. DEFERRED TAX (CONTINUED)

Deferred tax liabilities (Continued)

Deferred tax assets have not been recognised in respect of the following items:

| | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|-----------------|-----------------------------------|-----------------------------------|
| Tax Losses 稅項虧損 | 153,586 | 91,665 |

Deferred tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefits through future taxable profits is probable. At 31 December 2018, the Group did not recognise deferred income tax assets of approximately RMB153,586,000 (2017: RMB91,665,000), in respect of tax losses amounting to approximately RMB614,344,000 (2017: RMB366,660,000), that can be carried forward to offset against future taxable income. These tax losses will expire up to and including years 2019, 2020, 2021 and 2022, respectively.

17. 遞延稅項 (續)

遞延稅項負債 (續)

並無就以下項目確認遞延稅項資產：

倘若相關稅項利益可能透過未來應課稅利潤變現，則會就所結轉的稅項虧損確認遞延稅項資產。於2018年12月31日，本集團並無就約為人民幣614,344,000元（2017年：人民幣366,660,000元）的稅項虧損確認遞延所得稅資產約人民幣153,586,000元（2017年：人民幣91,665,000元），該等遞延所得稅資產可予結轉以抵銷未來應課稅收入。該等稅項虧損將分別於截至2019年、2020年、2021年及2022年（並包括該等年度）屆滿。

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|---|-----------------------------------|-----------------------------------|
| Listed equity investment, at fair value 按公允價值計的上市股權投資 | 20,899 | - |

The above equity investment at 31 December 2018 was classified as financial assets at fair value through profit or loss as it was held for trading.

18. 按公允價值計入損益的金融資產

上述於2018年12月31日的股權投資於持作買賣時分類為按公允價值計入損益的金融資產。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 DECEMBER 2018 2018年12月31日

19. AVAILABLE-FOR-SALE INVESTMENTS 19. 可供銷售投資

| | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|---|-----------------------------------|-----------------------------------|
| Unlisted equity investment, at cost 按成本計的非上市股權投資 | - | 112,000 |
| Unlisted fund investments, at fair value 按公允價值計的非上市基金投資 | - | 240,000 |
| | - | 352,000 |
| Less: Current portion 減：即期部分 | - | 240,000 |
| Non-current portion 非即期部分 | - | 112,000 |

The unlisted equity investment at cost as at 31 December 2017 represents an equity investment in 蘭州銀行股份有限公司 (an unlisted company with a registered capital of RMB5,126,127,451), which was designated as an available-for-sale financial asset. The investment was stated at cost less impairment because the investment did not have a quoted market price in an active market. The Group does not intend to dispose it in the near future. As at 1 January 2018, the Group classified it as an equity investment designated at FVOCI.

The unlisted fund investments at fair value as at 31 December 2017 were wealth management products. The unlisted fund investments were designated as available-for-sale investments and measured at fair value.

於2017年12月31日，按成本計的非上市股權投資指於蘭州銀行股份有限公司（一家註冊資本為人民幣5,126,127,451元的非上市公司）的股權投資，被指定為可供銷售金融資產。投資乃按成本扣除減值列賬，因為投資於活躍市場中並無市場報價。本集團於短期內不擬出售其投資。於2018年1月1日，本集團將其分類為指定為按公允價值計入其他全面收入的股權投資。

於2017年12月31日，按公允價值計的非上市基金投資為理財產品。非上市基金投資被指定為可供銷售投資，並按公允價值計量。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 DECEMBER 2018 2018年12月31日

20. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

20. 指定為按公允價值計入其他全面收入的股權投資

| | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|---|-----------------------------------|-----------------------------------|
| Equity investments designated at fair value through other comprehensive income 指定為按公允價值計入其他全面收入的股權投資 | 106,400 | - |

The Group has elected the option to irrevocably designate some of its previous available-for-sale investments as equity investments designated at FVOCI at 1 January 2018 on the basis that they are not held for trading.

At 1 January 2018, the Group classified an equity investment in 蘭州銀行股份有限公司 as an investment measured at FVOCI.

The movements of equity investments designated at FVOCI are as follows:

於2018年1月1日，本集團已選擇不可逆轉地將其部分先前可供銷售投資（前提是其並非持作買賣）指定為指定為按公允價值計入其他全面收入的股權投資。

於2018年1月1日，本集團將於蘭州銀行股份有限公司的股權投資分類為按公允價值計入其他全面收入計量的投資。

指定為按公允價值計入其他全面收入的股權投資的變動如下：

| | 2018 2018年 RMB'000 人民幣千元 |
|---|-----------------------------------|
| At 31 December 2017 於2017年12月31日 | - |
| Reclassified from available-for-sale investments under IAS 39 根據國際會計準則第39號重新分類自可供銷售投資 | 112,000 |
| Fair value adjustment 公允價值調整 | 7,600 |
| Restated balance at 1 January 2018 於2018年1月1日的重列結餘 | 119,600 |
| Net change in fair value of equity investments designated at FVOCI 指定為按公允價值計入其他全面收入的股權投資公允價值變動淨值 | (13,200) |
| At 31 December 2018 於2018年12月31日 | 106,400 |

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 DECEMBER 2018 2018年12月31日

21. PROPERTIES UNDER DEVELOPMENT

21. 在建物業

| | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|---|-----------------------------------|-----------------------------------|
| At the beginning of the year 年初 | 7,916,216 | 7,143,006 |
| Additions 添置 | 7,166,529 | 5,720,001 |
| Transferred to investment properties (note 14) 轉撥至投資物業(附註14) | (19,636) | - |
| Transferred to completed properties held for sale (note 22) 轉撥至已竣工持作銷售物業(附註22) | (4,059,816) | (4,946,791) |
| At the end of the year 年末 | 11,003,293 | 7,916,216 |

The Group's properties under development are situated on leasehold lands in Mainland China.

At 31 December 2018, the Group's properties under development with an aggregate carrying amount of approximately RMB7,427,944,000 (2017: RMB4,808,181,000) were pledged to secure bank and other borrowings granted to the Group (note 29).

本集團的在建物業位於中國內地的租賃土地上。

於2018年12月31日，本集團總賬面值約為人民幣7,427,944,000元(2017年：人民幣4,808,181,000元)的在建物業已質押，為本集團獲授的銀行及其他借貸作抵押(附註29)。

22. COMPLETED PROPERTIES HELD FOR SALE

22. 已竣工持作銷售物業

| | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|---|-----------------------------------|-----------------------------------|
| Carrying amount at the beginning of the year 年初賬面值 | 1,388,673 | 331,467 |
| Transferred from properties under development (note 21) 轉撥自在建物業(附註21) | 4,059,816 | 4,946,791 |
| Transferred to cost of sales (note 6) 轉撥至銷售成本(附註6) | (4,354,317) | (3,889,585) |
| Carrying amount at the end of the year 年末賬面值 | 1,094,172 | 1,388,673 |

At 31 December 2018, the Group's completed properties held for sale with an aggregate carrying amount of approximately RMB39,434,000 (2017: RMB16,334,000) were pledged to secure bank and other borrowings granted to the Group (note 29).

於2018年12月31日，本集團總賬面值約為人民幣39,434,000元(2017年：人民幣16,334,000元)的已竣工持作銷售物業已質押，為本集團獲授的銀行及其他借貸作抵押(附註29)。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 DECEMBER 2018 2018年12月31日

23. TRADE RECEIVABLES

| | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|--------------------------|-----------------------------------|-----------------------------------|
| Trade receivables 貿易應收款項 | 33,531 | 38,924 |
| Impairment 減值 | - | - |
| | 33,531 | 38,924 |

Trade receivables mainly represent receivable from sales of properties and rentals receivable from tenants. The credit term of trade receivables is generally from one to six months. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by management. In view of the aforementioned, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are unsecured and non-interest-bearing.

The carrying amounts of trade receivables in the consolidated statements of financial position approximate to their fair values.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

| | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|-----------------------|-----------------------------------|-----------------------------------|
| Less than 1 year 少於一年 | 33,531 | 38,924 |
| Over 1 year 一年以上 | - | - |
| | 33,531 | 38,924 |

23. 貿易應收款項

貿易應收款項主要指物業銷售應收款項及應收租戶租金。貿易應收款項的信貸期通常為一至六個月。本集團尋求對其未收回應收款項維持嚴格控制並設有信用控制部門以將信貸風險最小化。管理層會定期審閱逾期結餘。鑒於以上所述，並無重大信貸風險集中情況。本集團並無就其貿易應收款項結餘持有任何抵押物或其他信用增強手段。貿易應收款項為無抵押且不計息。

綜合財務狀況表中貿易應收款項的賬面值與其公允價值相若。

於報告期結束時，基於發票日期的貿易應收款項賬齡分析如下：

NOTES TO FINANCIAL STATEMENTS (Continued)**財務報表附註 (續)**

31 DECEMBER 2018 2018年12月31日

23. TRADE RECEIVABLES (CONTINUED)

The ageing analysis of the trade receivables that were not individually nor collectively considered to be impaired is as follows:

| | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|---------------------------------------|-----------------------------------|-----------------------------------|
| Neither past due nor impaired 未逾期亦未減值 | 33,531 | 38,924 |

Trade receivables which were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default. The directors of the Company are of the opinion that the balances are considered fully recoverable.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Expected loss rate of trade receivables is assessed to be 0.1%. Based on evaluation on expected loss rate and gross carrying amount, the directors of the Company are of the opinion that the ECL in respect of these balances is considered immaterial and therefore there has not been a loss allowance provision.

23. 貿易應收款項 (續)

個別或共同不被視為減值的貿易應收款項的賬齡分析如下：

未逾期亦未減值貿易應收款項涉及大量無近期違約記錄的不同類型客戶。本公司董事認為，該等結餘可悉數收回。

本集團採用簡化辦法，規定國際財務報告準則第9號規定的預期信貸虧損，有關條文允許為所有貿易應收款項計提整個存續期的預期虧損撥備。為計量預期信貸虧損，貿易應收款項根據共同信貸風險特徵和逾期天數進行分組。貿易應收款項的預期虧損率估計為0.1%。根據對預期虧損率及總賬面值的評估，本公司董事認為，該等結餘的預期信貸虧損並不重大，故並無計提虧損撥備。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 DECEMBER 2018 2018年12月31日

24. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

24. 預付款項、其他應收款項及其他資產

| | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|---|-----------------------------------|-----------------------------------|
| Prepayments for acquisition of land use rights 收購土地使用權的預付款項 | 288,171 | 693,204 |
| Land auction and other deposits 土地拍賣及其他按金 | 108,528 | 78,083 |
| Other tax recoverable 其他可收回稅項 | 274,790 | 368,803 |
| Due from third parties 應收第三方款項 | 188,513 | - |
| Due from non-controlling shareholders of the subsidiaries 應收子公司非控股股東款項 | 152,308 | 22,560 |
| Prepayments for construction cost 建設成本的預付款項 | 1,277 | 6,747 |
| Other receivables 其他應收款項 | 53,871 | 29,030 |
| | 1,067,458 | 1,198,427 |
| Less: Impairment 減：減值 | 395 | - |
| | 1,067,063 | 1,198,427 |

Other receivables are unsecured, non-interest-bearing and repayable on demand.

The internal credit rating of amounts due from non-controlling shareholders of subsidiaries, amounts due from third parties and other deposits was performed. The Group has assessed that the credit risk of these receivables has not increased significantly since initial recognition. The expected loss rate of these receivables is assessed to be 0.1%. The Group has evaluated the expected loss rate and gross carrying amount, measured the impairment based on the 12-month expected credit losses, and assessed that the expected credit losses were RMB395,000 as at 31 December 2018 (2017: Nil).

其他應收款項為無抵押、不計息且按要求償還。

應收子公司的非控股股東款項、應收第三方款項及其他按金的內部信用等級正在進行評定。本集團已評估該等應收款項的信貸風險自初步確認以來並無顯著增加。該等應收款項的預期虧損率被評定為0.1%。本集團已對預期虧損率及總賬面值進行評估，根據12個月的預期信貸虧損計量減值，並已評估2018年12月31日的預期信貸虧損為人民幣395,000元（2017年：零）。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 DECEMBER 2018 2018年12月31日

25. CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND PLEDGED DEPOSITS

25. 現金及現金等價物、受限制現金及已質押存款

| | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|------------------------------------|-----------------------------------|-----------------------------------|
| Cash and bank balances 現金及銀行結餘 | 2,163,970 | 603,233 |
| Less: Restricted cash 減：受限制現金 | 650,574 | 211,110 |
| Pledged deposits 已質押存款 | 26,321 | 14,933 |
| Cash and cash equivalents 現金及現金等價物 | 1,487,075 | 377,190 |

Pursuant to relevant regulations in the PRC, certain property development companies of the Group are required to place certain amounts of cash in designated bank accounts for specified use. As at 31 December 2018, such restricted cash amounted to RMB650,574,000 (2017: RMB211,110,000)

As at 31 December 2018, bank deposits of RMB26,321,000 (2017: RMB14,933,000) were pledged as security for purchasers' mortgage loans, construction of projects, or pledged to banks as collateral for issuance of bank acceptance notes.

根據有關中國法規，本集團的若干物業開發公司須將若干現金款項存置於指定銀行賬戶作特定用途。於2018年12月31日，該等受限制現金為人民幣650,574,000元（2017年：人民幣211,110,000元）。

於2018年12月31日，銀行存款人民幣26,321,000元（2017年：人民幣14,933,000元）已質押，作為買方按揭貸款、項目建設的抵押品，或質押予銀行作為發行銀行承兌票據的抵押品。

| | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|---------------------------|-----------------------------------|-----------------------------------|
| Denominated in RMB 以人民幣計值 | 1,392,892 | 377,190 |
| Denominated in HK\$ 以港元計值 | 94,177 | - |
| Denominated in US\$ 以美元計值 | 6 | - |
| | 1,487,075 | 377,190 |

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

人民幣不得自由兌換為其他貨幣，但根據中國內地的外匯管理條例及結匯、售匯及付匯管理規定，本集團可通過獲授權進行外匯業務的銀行將人民幣兌換為其他貨幣。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 DECEMBER 2018 2018年12月31日

25. CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND PLEDGED DEPOSITS (CONTINUED)

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents approximated to their fair values.

As at 31 December 2018, the internal credit rating of restricted cash, pledged deposits and cash and cash equivalents was performed. The Group has assessed that the credit risk of the restricted cash, pledged deposits and cash and cash equivalents has not increased significantly since initial recognition and measured the impairment based on 12-month expected credit loss, and has assessed that the expected credit losses are immaterial.

26. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

| | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|-----------------------|-----------------------------------|-----------------------------------|
| Less than 1 year 少於一年 | 1,395,674 | 1,131,835 |
| Over 1 year 一年以上 | 29,295 | 26,853 |
| | 1,424,969 | 1,158,688 |

Trade and bills payables are unsecured and interest-free and are normally settled based on the progress of construction.

The fair values of trade and bills payables as at the end of the reporting period approximated to their corresponding carrying amounts due to their relatively short maturity terms.

25. 現金及現金等價物、受限制現金及已質押存款(續)

銀行現金根據每日銀行存款利率按浮動利率計息。銀行結餘存於無近期違約記錄的信譽可靠的銀行。現金及現金等價物的賬面值與其公允價值相若。

於2018年12月31日，受限制現金、已質押存款以及現金及現金等價物的內部信用等級正在進行評定。本集團已評估受限制現金、已質押存款以及現金及現金等價物的信貸風險自初步確認以來並無顯著增加及根據12個月的預期信貸虧損計量減值，並已評估預期信貸虧損並不重大。

26. 貿易應付款項及應付票據

於報告期結束時，基於發票日期的貿易應付款項及應付票據賬齡分析如下：

貿易應付款項及應付票據為無抵押及免息，一般基於施工進度結算。

由於貿易應付款項及應付票據到期期限相對較短，因此貿易應付款項及應付票據於報告期結束時的公允價值與其相應賬面值相若。

NOTES TO FINANCIAL STATEMENTS (Continued)**財務報表附註 (續)**

31 DECEMBER 2018 2018年12月31日

27. OTHER PAYABLES AND ACCRUALS**27. 其他應付款項及應計費用**

| | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|---|-----------------------------------|-----------------------------------|
| Deposits related to land use rights 土地使用權相關按金 | 387,106 | – |
| Advances from non-controlling shareholders of subsidiaries 子公司非控股股東墊款 | 121,699 | 79,630 |
| Retention deposits related to construction 建築相關保留按金 | 106,693 | 102,369 |
| Business tax and surcharges 營業稅及附加費 | 78,363 | 13,541 |
| Payroll and welfare payable 應付工資及福利 | 46,607 | 17,689 |
| Deposits related to sales of properties 物業銷售相關按金 | 36,297 | 35,324 |
| Interest payable 應付利息 | 34,340 | 9,832 |
| Others 其他 | 52,331 | 30,946 |
| | 863,436 | 289,331 |

Other payables and advances from non-controlling shareholders of subsidiaries are unsecured, non-interest-bearing and repayable on demand. The fair values of other payables at the end of the reporting period approximated to their corresponding carrying amounts.

其他應付款項及子公司非控股股東墊款為無抵押、不計息並須按要求償還。其他應付款項於報告期結束時的公允價值與其相應的賬面值相若。

28. CONTRACT LIABILITIES**28. 合同負債**

The Group recognised the following revenue-related contract liabilities:

本集團已確認下列收益相關合同負債：

| | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|---------------------------|-----------------------------------|-----------------------------------|
| Contract liabilities 合同負債 | 6,986,306 | 5,014,139 |

The Group receives payments from customers based on billing schedules as established in the property sale contracts. Payments are usually received in advance of the performance under the contracts which are mainly from property development and sales.

本集團根據物業銷售合同中確定的收款時間表收取來自客戶的付款。付款通常於合同履行之前收取（主要來自物業開發及銷售）。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 DECEMBER 2018 2018年12月31日

29. INTEREST-BEARING BANK AND OTHER BORROWINGS

29. 計息銀行及其他借貸

| | 2018 2018年 | | | 2017 2017年 | | |
|---|---|----------------|------------------|---|----------------|------------------|
| | Effective interest rate (%) 實際利率 (%) | Maturity 到期 | RMB'000 人民幣千元 | Effective interest rate (%) 實際利率 (%) | Maturity 到期 | RMB'000 人民幣千元 |
| Current 即期 | | | | | | |
| Bank loans – secured 銀行貸款 – 有抵押 | | | – | 6.50 | 2018 | 5,000 |
| Bank loans – unsecured 銀行貸款 – 無抵押 | | | – | 16.00 | 2018 | 20,000 |
| Other loans – secured 其他貸款 – 有抵押 | 7.00-17.00 | 2019 | 688,450 | | | – |
| Other loans – unsecured 其他貸款 – 無抵押 | 9.00 | | 56,200 | | | – |
| Current portion of long term bank loans – secured 長期銀行貸款的即期部分 – 有抵押 | 4.75-8.00 | 2019 | 736,370 | 5.46-6.50 | 2018 | 210,203 |
| Current portion of long term other loans – secured 長期其他貸款的即期部分 – 有抵押 | 8.50-12.00 | 2019 | 713,188 | 8.50-9.40 | 2018 | 355,024 |
| | | | 2,194,208 | | | 590,227 |
| Non-current 非即期 | | | | | | |
| Bank loans – secured 銀行貸款 – 有抵押 | 4.50-16.00 | 2020-33 | 2,522,195 | 5.46-7.60 | 2019-33 | 3,739,728 |
| Other loans – secured 其他貸款 – 有抵押 | 8.50-15.70 | 2020 | 928,815 | 8.34-9.40 | 2019 | 1,557,693 |
| Other loans – unsecured 其他貸款 – 無抵押 | | | – | 12.85 | 2019 | 99,622 |
| | | | 3,451,010 | | | 5,397,043 |
| | | | 5,645,218 | | | 5,987,270 |

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 DECEMBER 2018 2018年12月31日

29. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

29. 計息銀行及其他借貸(續)

| | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|--|-----------------------------------|-----------------------------------|
| Analysed into: 分析: | | |
| Bank loans repayable: 應償還銀行貸款: | | |
| Within one year or on demand 一年內或按要求 | 736,370 | 235,203 |
| In the second year 於第二年 | 560,150 | 727,128 |
| In the third to fifth years, inclusive 於第三至第五年(包括首尾兩年) | 417,692 | 1,357,800 |
| Beyond five years 五年以上 | 1,544,353 | 1,654,800 |
| | 3,258,565 | 3,974,931 |
| Other borrowings repayable: 應償還其他借貸: | | |
| Within one year or on demand 一年內或按要求 | 1,457,838 | 355,024 |
| In the second year 於第二年 | 928,815 | 1,657,315 |
| | 2,386,653 | 2,012,339 |
| | 5,645,218 | 5,987,270 |

The Group's borrowings are denominated in RMB and HK\$.

本集團的借貸以人民幣及港元計值。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 DECEMBER 2018 2018年12月31日

29. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

Certain of the Group's bank and other borrowings are secured by the pledges of the following assets with carrying values at the end of the reporting period as follows:

| | Notes 附註 | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|--|-------------|-----------------------------------|-----------------------------------|
| Property, plant and equipment 物業、廠房及設備 | 13 | 89,094 | 91,846 |
| Investment properties 投資物業 | 14 | 1,120,100 | 1,910,712 |
| Properties under development 在建物業 | 21 | 7,427,944 | 4,808,181 |
| Completed properties held for sale 已竣工持作銷售物業 | 22 | 39,434 | 16,334 |

As at 31 December 2018, the Controlling Shareholders have guaranteed certain of the bank and other borrowings up to RMB2,035,569,000 (2017: RMB3,972,717,000).

As at 31 December 2018, the Group has pledged future proceeds in respect of properties sold and properties leasing as collateral to secure bank and other borrowings amounting to RMB850,000,000 (2017: RMB2,250,000,000).

As at 31 December 2018, the third parties, 正榮地產控股股份有限公司 (“Zhenro Property Holdings Co., Ltd.”) and 南京紅太陽房地產開發有限公司 (“Nanjing Red Sun Real Estate Development Co., Ltd.”) have guaranteed certain of the Group's bank loans up to RMB81,000,000 (2017: Nil).

The management of the Company has assessed that the fair values of interest-bearing bank and other borrowings approximate to their carrying amounts largely due to the fact that such borrowings were made between the Group and independent third party financial institutions based on prevailing market interest rates.

29. 計息銀行及其他借貸(續)

本集團的若干銀行及其他借貸由質押以下於報告期結束時賬面值如下的資產作抵押：

於2018年12月31日，控股股東已就若干不超過人民幣2,035,569,000元（2017年：人民幣3,972,717,000元）的銀行及其他借貸作出擔保。

於2018年12月31日，本集團已質押已出售物業及出租中物業的未來所得款項作為抵押品，以獲得銀行及其他借貸人民幣850,000,000元（2017年：人民幣2,250,000,000元）。

於2018年12月31日，第三方正榮地產控股股份有限公司及南京紅太陽房地產開發有限公司已就本集團若干不超過人民幣81,000,000元（2017年：零）的銀行貸款作出擔保。

本公司管理層已評估計息銀行及其他借貸的公允價值與其賬面值相若，主要是由於該等借貸乃本集團與獨立第三方金融機構根據現行市場利率所作出。

NOTES TO FINANCIAL STATEMENTS (Continued)**財務報表附註 (續)**

31 DECEMBER 2018 2018年12月31日

30. SHARE CAPITAL**30. 股本****Shares****股份**

| | 2018 2018年 HK\$ 港元 | 2017 2017年 HK\$ 港元 |
|---|---|---|
| Issued and fully paid: 已發行及繳足 : | | |
| 827,880,000 (2017: 100) ordinary shares of HK\$0.001 each | | |
| 827,880,000股 (2017年 : 100股) 每股面值0.001港元的普通股 | 827,880 | – |

A summary of movements in the Company's share capital is as follows:

本公司股本的變動概述如下：

| | Number of share in issue 已發行股份數目 | Share capital 股本 RMB'000 人民幣千元 |
|---|---|---|
| At 18 December 2017 (date of incorporation) 於2017年12月18日 (註冊成立日期) | – | – |
| Issuance of ordinary shares 發行普通股 | 100 | – |
| At 31 December 2017 and 1 January 2018 於2017年12月31日及2018年1月1日 | 100 | – |
| Issue of ordinary shares 發行普通股 | 100 | – |
| Issue of ordinary shares 發行普通股 | 200,000,000 | 176 |
| Issue of ordinary shares on capitalisation 資本化下發行的普通股 | 599,999,800 | 529 |
| Issue of ordinary shares on an over-allotment option 超額配股權下發行的普通股 | 27,880,000 | 25 |
| At 31 December 2018 於2018年12月31日 | 827,880,000 | 730 |

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

30. SHARE CAPITAL (CONTINUED)

Shares (Continued)

The Company was incorporated in the Cayman Islands on 18 December 2017 with authorised share capital of HK\$380,000 divided in 380,000,000 shares of HK\$0.001 at par value each. On its date of incorporation, 1 ordinary share of HK\$0.001 was allotted by the Company to a subscriber, and was transferred to Splendid Sun Limited, a company controlled by Mr. Ge Hekai, on 19 December 2017.

On 19 December 2017, 59, 20 and 20 ordinary shares of HK\$0.001 each were allotted by the Company for cash to Splendid Sun Limited, Glorious Villa Limited and He Hong Limited, respectively.

On 20 April 2018, 60, 20 and 20 ordinary shares of HK\$0.001 each, which were all fully paid up at an aggregate consideration of US\$70,000,000, were allotted by the Company for cash to Splendid Sun Limited, Glorious Villa Limited and He Hong Limited, respectively, and the issued share capital of the Company was then HK\$0.2.

On 11 October 2018, upon its listing on the Stock Exchange, the Company issued 2,000,000,000 new ordinary shares with par value HK\$0.001 each at HK\$4.20 per share for a total cash consideration of HK\$840,000,000 (equivalent to approximately RMB740,628,000). The respective share capital amount was approximately RMB176,000 and share premium arising from the issuance was approximately RMB708,426,000, net of the share issuance costs. The share issuance costs paid and payable mainly include share underwriting commissions, lawyers' fees, reporting accountant's fee and other related costs, which are incremental costs directly attributable to the issuance of the new shares. These costs amounting to RMB32,026,000 were treated as a deduction against the share premium arising from the issuance.

On 11 October 2018, 599,999,800 shares were issued by way of capitalisation with par value HK\$0.001 each, the respective share capital amount was approximately RMB529,000.

30. 股本 (續)

股份 (續)

本公司於2017年12月18日在開曼群島註冊成立，法定股本為380,000港元，分為380,000,000股每股面值0.001港元的股份。於其註冊成立日期，本公司已將1股0.001港元的普通股配發予認購人，並於2017年12月19日轉讓予Splendid Sun Limited (由葛和凱先生控制的公司)。

於2017年12月19日，本公司向Splendid Sun Limited、Glorious Villa Limited及He Hong Limited分別配發59股、20股及20股每股面值0.001港元的普通股以獲取現金。

於2018年4月20日，本公司向Splendid Sun Limited、Glorious Villa Limited及He Hong Limited分別配發60股、20股及20股每股面值0.001港元的普通股 (其已全部按總對價70,000,000美元繳足) 以獲取現金，及本公司當時已發行股本為0.2港元。

於2018年10月11日，本公司在聯交所上市後，按每股4.20港元發行2,000,000,000股每股面值0.001港元的新普通股，總現金對價為840,000,000港元 (相等於約人民幣740,628,000元)。相關股本金額約為人民幣176,000元，發行所得股份溢價約為人民幣708,426,000元 (扣除股份發行成本)。已付及應付股份發行成本主要包括股份承銷佣金、律師費、申報會計師費用及其他相關成本，其為發行新股直接應佔新增成本。該等成本為數人民幣32,026,000元，自發行所產生的股份溢價中扣除。

於2018年10月11日，599,999,800股每股面值0.001港元股份乃按資本化方式發行，相關股本金額約為人民幣529,000元。

NOTES TO FINANCIAL STATEMENTS (Continued)**財務報表附註 (續)**

31 DECEMBER 2018 2018年12月31日

30. SHARE CAPITAL (CONTINUED)**Shares (Continued)**

On 30 October 2018, upon its listing on the Stock Exchange, the over-allotment option has been partially exercised and the Company allotted and issued 27,880,000 additional shares at HK\$4.20 per share for a total cash consideration of HK\$117,096,000 (equivalent to approximately RMB103,667,000). The corresponding share capital amount was approximately RMB25,000 and share premium arising from the issuance was approximately RMB100,564,000, net of the share issuance costs. The share issuance costs paid and payable mainly include share underwriting commissions and other related costs, which are incremental costs directly attributable to the issuance of the new shares. These costs amounting to RMB3,078,000 were treated as a deduction against the share premium arising from the issuance.

31. RESERVES

The amounts of the Group's reserves and the movements therein for the year ended 31 December 2018 are presented in the consolidated statements of changes in equity.

(a) Share premium

The share premium represents the difference between the par value of the shares issued and the consideration received.

(b) Capital reserve

The capital reserve represents any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid for acquisition of non-controlling interest in subsidiaries. Details of the movements in capital reserve are set out in the consolidated statements of changes in equity.

30. 股本 (續)**股份 (續)**

於2018年10月30日，本公司在聯交所上市後，超額配股權已獲部分行使，本公司按每股4.20港元配發及發行27,880,000股額外股份，總現金對價為117,096,000港元（相等於約人民幣103,667,000元）。相關股本金額約為人民幣25,000元，發行所得股份溢價約為人民幣100,564,000元（扣除股份發行成本）。已付及應付股份發行成本主要包括股份承銷佣金及其他相關成本，其為發行新股直接應佔新增成本。該等成本為數人民幣3,078,000元，自發行所產生的股份溢價中扣除。

31. 儲備

截至2018年12月31日止年度，本集團的儲備金額及其變動呈列於綜合權益變動表。

(a) 股份溢價

股份溢價指已發行股份的面值與已收對價之差額。

(b) 資本儲備

資本儲備指非控股權益獲調整的金額與就收購子公司的非控股權益已付對價公允價值之間的任何差額。資本儲備的變動詳情載於綜合權益變動表。

NOTES TO FINANCIAL STATEMENTS *(Continued)*

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

31. RESERVES (CONTINUED)

(c) Statutory surplus reserve

In accordance with the PRC Company Law and the articles of association of the subsidiaries established in the PRC, the Group is required to appropriate 10% of its net profits after tax, as determined under the PRC GAAP, to the statutory surplus reserve until the reserve balance reaches 50% of its registered capital. Subject to certain restrictions set out in the relevant PRC regulations and in the articles of association of the Group, the statutory surplus reserve may be used either to offset losses, or to be converted to increase share capital provided that the balance after such conversion is not less than 25% of the registered capital of the Group. The reserve cannot be used for purposes other than those for which it is created and is not distributable as cash dividends.

(d) Merger reserve

The merger reserve of the Group represents the issued capital of the then holding company of the companies now comprising the Group and the capital contributions from the equity holders of certain subsidiaries now comprising the Group before the completion of the corporate restructuring and the reorganisation.

(e) Asset revaluation reserve

The asset revaluation reserve arises from change in use from an owner-occupied property to an investment property.

(f) Equity investments revaluation reserve

The asset revaluation reserve represents unrealised fair value gains or losses for equity investments designated at FVOCI.

31. 儲備 (續)

(c) 法定盈餘儲備

根據《中華人民共和國公司法》及於中國成立的子公司的組織章程細則，本集團須將除稅後純利的10%撥作法定盈餘儲備，此乃根據中國公認會計原則釐定，直至儲備結餘達到其註冊資本50%為止。受相關中國法規及本集團組織章程細則所載若干限制的規限，法定盈餘儲備可用於抵銷虧損或轉換為增加股本，但轉換後結餘不得少於本集團註冊資本的25%。儲備不得用作其設立目的以外的其他用途，亦不得作為現金股息分派。

(d) 合併儲備

本集團的合併儲備指公司重組及重組完成前現時組成本集團的公司當時控股公司的已發行股本及現時組成本集團的若干子公司權益持有人的注資。

(e) 資產重估儲備

資產重估儲備源於一項自用物業的用途更改為投資物業。

(f) 股權投資重估儲備

資產重估儲備為指定為按公允價值計入其他全面收入的股權投資的未變現公允價值收益或虧損。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 DECEMBER 2018 2018年12月31日

32. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

32. 綜合現金流量表附註

Changes in liabilities arising from financing activities

融資活動產生的負債變動

| | Interest-bearing bank and other borrowings 計息銀行及其他借貸 RMB'000 人民幣千元 | Interest payable 應付利息 RMB'000 人民幣千元 | Due to related companies 應付關聯公司款項 RMB'000 人民幣千元 | Total liabilities from financing activities 融資活動產生的總負債 RMB'000 人民幣千元 |
|---|---|--|--|---|
| At 1 January 2017 於2017年1月1日 | 3,258,573 | 8,032 | 185 | 3,266,790 |
| Cash flows from financing activities 融資活動產生的現金流量 | 2,729,400 | – | (150) | 2,729,250 |
| Finance costs on interest-bearing bank and other borrowings 計息銀行及其他借貸的融資成本 | 6,316 | 117,480 | – | 123,796 |
| Interest capitalised arising from interest-bearing bank and other borrowings 計息銀行及其他借貸產生的資本化利息 | 86,205 | 265,525 | – | 351,730 |
| Interest paid classified as operating cash flows 分類為經營現金流量的已付利息 | (93,224) | (381,205) | – | (474,429) |
| Cash flows from non-financing activities 非融資活動產生的現金流量 | – | – | 1,795 | 1,795 |
| Dividend declared to the then equity holder of the subsidiaries 向子公司當時權益持有人宣派的股息 | – | – | 141,960 | 141,960 |
| At 31 December 2017 於2017年12月31日 | 5,987,270 | 9,832 | 143,790 | 6,140,892 |
| Cash flows from financing activities 融資活動產生的現金流量 | (356,582) | – | (111,589) | (468,171) |
| Finance costs on interest-bearing bank and other borrowings 計息銀行及其他借貸的融資成本 | 11,872 | 120,839 | – | 132,711 |
| Interest capitalised arising from interest-bearing bank and other borrowings 計息銀行及其他借貸產生的資本化利息 | 141,470 | 137,909 | – | 279,379 |
| Interest paid classified as operating cash flows 分類為經營現金流量的已付利息 | (138,812) | (234,240) | – | (373,052) |
| Cash flows from non-financing activities 非融資活動產生的現金流量 | – | – | (1,728) | (1,728) |
| At 31 December 2018 於2018年12月31日 | 5,645,218 | 34,340 | 30,473 | 5,710,031 |

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 DECEMBER 2018 2018年12月31日

33. DISPOSAL OF SUBSIDIARIES

For the year ended 31 December 2018

(a) 南京緯思武德投資實業有限公司 (“Nanjing Wisdom Warden Investment Co., Ltd.”)

Pursuant to the share transfer agreement dated 19 March 2018, the Group disposed of its 70% equity interest in Nanjing Wisdom Warden Investment Co., Ltd. to a third party named 上海琦淮實業發展有限公司 (“Shanghai Qihuai Industrial Development Co., Ltd.”) for a cash consideration of RMB10,000,000. The consideration was determined by reference to the fair value of the equity interest of Nanjing Wisdom Warden Investment Co., Ltd. disposed of as at 28 February 2018.

The carrying values of the assets and liabilities of Nanjing Wisdom Warden Investment Co., Ltd. on the date of disposal were as follows:

33. 出售子公司

截至2018年12月31日止年度

(a) 南京緯思武德投資實業有限公司

根據日期為2018年3月19日的股份轉讓協議，本集團以現金對價人民幣10,000,000元向第三方上海琦淮實業發展有限公司出售其於南京緯思武德投資實業有限公司的70%股權。該對價乃參考於2018年2月28日出售南京緯思武德投資實業有限公司股權的公允價值釐定。

南京緯思武德投資實業有限公司於出售日期的資產及負債賬面值如下：

| | 2018 2018年 RMB'000 人民幣千元 |
|---|-----------------------------------|
| Net liabilities disposed of: 出售的淨負債： | |
| Property, plant and equipment (Note 13) 物業、廠房及設備(附註13) | 39,096 |
| Intangible assets (Note 15) 無形資產(附註15) | 203 |
| Trade receivables 貿易應收款項 | 329 |
| Prepayments, deposits and other receivables 預付款項、按金及其他應收款項 | 8,059 |
| Cash and cash equivalents 現金及現金等價物 | 1,419 |
| Trade payables 貿易應付款項 | (40) |
| Other payables, deposits received and accruals 其他應付款項、已收按金及應計費用 | (45,728) |
| Contract liabilities 合同負債 | (16,154) |
| Interest-bearing bank and other borrowings 計息銀行及其他借貸 | (5,000) |
| Non-controlling interests 非控股權益 | 5,345 |
| | (12,471) |
| Gain on disposal of a subsidiary 出售子公司收益 | 22,471 |
| Cash consideration 現金對價 | 10,000 |

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

33. DISPOSAL OF SUBSIDIARIES
(CONTINUED)

For the year ended 31 December 2018 (Continued)

(a) 南京緯思武德投資實業有限公司 (“Nanjing Wisdom Warden Investment Co., Ltd.”) (Continued)

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of the subsidiary is as follows:

| | RMB'000 人民幣千元 |
|--|------------------|
| Cash consideration 現金對價 | 10,000 |
| Cash and cash equivalents disposed of 出售的現金及現金等價物 | (1,419) |
| <hr/> | |
| Net inflow of cash and cash equivalents in respect of the disposal of Nanjing Wisdom Warden Investment Co., Ltd. 有關出售南京緯思武德投資實業有限公司的現金及現金等價物淨流入 | 8,581 |

(b) 上海瀚從實業發展有限公司 (“Shanghai Hancong Industry Development Co., Ltd.” (Shanghai Hancong))

Pursuant to the share transfer agreement dated 6 August 2018, the Group disposed of its 80% equity interest in Shanghai Hancong Industry Development Co., Ltd. to a third party named 嘉興悅瑞企業管理合夥企業 (有限合夥) (“**Jiaying Yuerui Enterprise Management Partnership (Limited Partnership)**”), and a 10% equity interest to 嘉興金揚實業有限公司 (“**Jiaying Jinyang Industrial Co., Ltd.**”) respectively. The consideration was determined by reference to the corresponding value of the equity interest of Shanghai Hancong Industry Development Co., Ltd. disposed of as at 31 July 2018.

33. 出售子公司 (續)

截至2018年12月31日止年度 (續)

(a) 南京緯思武德投資實業有限公司 (續)

有關出售子公司的現金及現金等價物淨流入的分析如下：

(b) 上海瀚從實業發展有限公司 (「上海瀚從」)

根據日期為2018年8月6日的股份轉讓協議，本集團向第三方嘉興悅瑞企業管理合夥企業 (有限合夥) 及嘉興金揚實業有限公司分別出售其於上海瀚從實業發展有限公司的80%及10%股權。對價乃參考於2018年7月31日出售上海瀚從實業發展有限公司股權的相應價值釐定。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

33. DISPOSAL OF SUBSIDIARIES
(CONTINUED)

For the year ended 31 December 2018 (Continued)

(b) 上海瀚從實業發展有限公司 (“Shanghai Hancong Industry Development Co., Ltd.” (Shanghai Hancong)) (Continued)

The carrying values of the assets and liabilities of Shanghai Hancong Industry Development Co., Ltd. on the date of disposal were as follows:

| | 2018 2018年 RMB'000 人民幣千元 |
|--|-----------------------------------|
| Net liabilities disposed of: 出售的淨負債： | |
| Prepayments, other receivables and other assets 預付款項、其他應收款項及其他資產 | 53,000 |
| Cash and cash equivalents 現金及現金等價物 | 6 |
| Other payables and accruals 其他應付款項及應計費用 | (52,817) |
| | 189 |
| The corresponding value of remaining 10% equity interest of Shanghai Hancong 於上海瀚從的餘下10%股權的相應價值 | 19 |
| Loss on disposal of Shanghai Hancong 出售上海瀚從的虧損 | (170) |
| Cash consideration 現金對價 | - |

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of the subsidiary is as follows:

| | RMB'000 人民幣千元 |
|---|------------------|
| Cash consideration 現金對價 | - |
| Cash and cash equivalents disposed of 出售的現金及現金等價物 | (6) |
| Net outflow of cash and cash equivalents in respect of the disposal of Shanghai Hancong 有關出售上海瀚從的現金及現金等價物淨流出 | (6) |

33. 出售子公司 (續)

截至2018年12月31日止年度 (續)

(b) 上海瀚從實業發展有限公司
(「上海瀚從」) (續)

上海瀚從實業發展有限公司於出售日期的資產及負債賬面值如下：

有關出售子公司的現金及現金等價物淨流入的分析如下：

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 DECEMBER 2018 2018年12月31日

33. DISPOSAL OF SUBSIDIARIES
(CONTINUED)

For the year ended 31 December 2017

南京創尚勢商貿有限公司 (“Nanjing Chuangshangshi Trading Co., Ltd.”)

Pursuant to the share transfer agreement dated 30 June 2017, the Group disposed of its 51% equity interest in Nanjing Chuangshangshi Trading Co., Ltd. to 上海凱濰迪森投資發展有限公司 (“Shanghai Kaiweidisen Investment Development Co., Ltd.”) for a cash consideration of RMB1,020,000. The consideration was determined by reference to the corresponding value of the equity interest of Nanjing Chuangshangshi Trading Co., Ltd. disposed of as at 30 June 2017.

The carrying values of the assets and liabilities of Nanjing Chuangshangshi Trading Co., Ltd. on the date of disposal were as follows:

| | 2017 2017年 RMB'000 人民幣千元 |
|---|-----------------------------------|
| Net liabilities disposed of: 出售的淨負債： | |
| Prepayments, deposits and other receivables 預付款項、按金及其他應收款項 | 3,434 |
| Cash and cash equivalents 現金及現金等價物 | 1 |
| Other payables, deposits received and accruals 其他應付款項、已收按金及應計費用 | (3,469) |
| Non-controlling interests 非控股權益 | 17 |
| | (17) |
| Gain on disposal of a subsidiary 出售子公司收益 | 1,037 |
| Cash consideration 現金對價 | 1,020 |

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of the subsidiary is as follows:

| | RMB'000 人民幣千元 |
|--|------------------|
| Cash consideration 現金對價 | 1,020 |
| Cash and cash equivalents disposed of 出售的現金及現金等價物 | (1) |
| Net inflow of cash and cash equivalents in respect of the disposal of Nanjing Chuangshangshi Trading Co, Ltd. 有關出售南京創尚勢商貿有限公司的現金及現金等價物淨流入 | 1,019 |

33. 出售子公司(續)

截至2017年12月31日止年度

南京創尚勢商貿有限公司

根據日期為2017年6月30日的股份轉讓協議，本集團以現金對價人民幣1,020,000元向上海凱濰迪森投資發展有限公司出售其於南京創尚勢商貿有限公司的51%股權。該對價乃參考於2017年6月30日出售南京創尚勢商貿有限公司股權的相應價值釐定。

南京創尚勢商貿有限公司於出售日期的資產及負債賬面值如下：

有關出售子公司的現金及現金等價物淨流入的分析如下：

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

34. CONTINGENT LIABILITIES

At the end of the reporting period, contingent liabilities not provided for in the consolidated financial statements were as follows:

| | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|---|-----------------------------------|-----------------------------------|
| Guarantees given to banks in connection with facilities granted to purchasers of the Group's properties 向銀行作出的有關授予本集團物業買方融資的擔保 | 2,373,472 | 2,552,329 |

The Group provided guarantees in respect of mortgage facilities granted by certain banks to the purchasers of the Group's completed properties held for sale. Pursuant to the terms of the guarantee arrangements, in case of default on mortgage payments by the purchasers, the Group is responsible for repaying the outstanding mortgage principals together with any accrued interest and penalties owed by the defaulted purchasers to those banks.

Under the above arrangement, the related properties were pledged to the banks as collateral for the mortgage loans. Upon default on mortgage repayments by these purchasers, the banks are entitled to take over the legal titles and will realise the pledged properties through open auction.

The Group's guarantee period starts from the dates of grant of the relevant mortgage loans and ends upon the issuance and registration of property ownership certificates to the purchasers, which will generally be available within half a year to two years after the purchasers take possession of the relevant properties.

The Group did not incur any material losses during the reporting period in respect of the guarantees provided for mortgage facilities granted to purchasers of the Group's completed properties held for sale. The directors of the Company considered that in case of default on payments, the net realisable value of the related properties would be sufficient to repay the outstanding mortgage loans together with any accrued interest and penalty, and therefore no provision has been made in connection with the guarantees.

34. 或然負債

於報告期結束時，未於綜合財務報表內撥備的或然負債如下：

本集團就若干銀行向本集團已竣工持作銷售物業買方授出的抵押融資提供擔保。根據擔保安排的條款，如買方拖欠按揭付款，本集團負責向該等銀行償還未償還抵押本金連同違約買方所欠的任何應計利息及罰款。

根據上述安排，相關物業已質押予該等銀行作為抵押貸款的抵押品。倘該等買方拖欠抵押還款，則該等銀行有權接管有關法定業權，並透過公開拍賣將抵押物業變現。

本集團的擔保期由授出相關抵押貸款日期起至買方獲發房屋所有權證及辦理登記止，有關證明一般會於買方接管相關物業後的半年至兩年內取得。

於報告期，本集團並未就向本集團已竣工持作銷售物業買方授出的抵押融資提供擔保產生任何重大損失。本公司董事認為如出現違約付款，相關物業的可變現淨值可足以償還未償還抵押貸款連同任何應計利息及罰款，故並無對擔保計提撥備。

NOTES TO FINANCIAL STATEMENTS (Continued)**財務報表附註 (續)**

31 DECEMBER 2018 2018年12月31日

35. OPERATING LEASE ARRANGEMENTS**As lessor**

The Group leases out its investment properties (note 14) under operating lease arrangements with leases negotiated from terms ranging from 1 to 7 years. The terms of leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

The Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

| | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|---|--|-----------------------------------|
| Within one year 一年內 | 87,975 | 74,805 |
| In the second to fifth years, inclusive 第二至第五年 (包括首尾兩年) | 182,108 | 305,764 |
| After five years 五年後 | 69,795 | 231,734 |
| | 339,878 | 612,303 |

35. 經營租賃安排**作為出租人**

本集團根據經營租賃安排出租其投資物業 (附註14)，協定租賃租期介乎一至七年。租賃條款一般要求租戶支付保證金，並規定根據當時市況定期調整租金。

本集團根據與租戶訂立的不可撤銷經營租賃應收到期未來最低總租賃款項如下：

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 DECEMBER 2018 2018年12月31日

35. OPERATING LEASE ARRANGEMENTS
(CONTINUED)

As lessee

The Group leases certain of its office properties under operating lease arrangements, negotiated for terms of 1 to 3 years with an option for renewal after the end of lease terms, at which time all terms will be renegotiated.

The Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

| | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|--|-----------------------------------|-----------------------------------|
| Within one year 一年內 | 5,103 | 1,462 |
| In the second to fifth years, inclusive 第二至第五年(包括首尾兩年) | 3,890 | 825 |
| | 8,993 | 2,287 |

36. COMMITMENTS

In addition to the operating lease commitments detailed in note 35 above, the Group had the following capital commitments at the end of the reporting period:

| | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|--|-----------------------------------|-----------------------------------|
| Contracted, but not provided for: 已訂約但未撥備: | | |
| Property development activities 物業開發活動 | 1,804,466 | 922,070 |
| Acquisition of land use rights 收購土地使用權 | 540,261 | 550,796 |
| Capital contributions payable to associates 應付聯營公司注資 | 92,100 | - |
| | 2,436,827 | 1,472,866 |

35. 經營租賃安排(續)

作為承租人

本集團根據經營租賃安排承租若干辦公物業，協定租期介乎一至三年，租賃期滿後可選擇續約，屆時所有條款需重新商定。

本集團根據不可撤銷經營租賃應付到期未來最低總租賃款項如下：

36. 承擔

除上文附註35所詳述的經營租賃承擔外，本集團於報告期結束時擁有以下資本承擔：

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 DECEMBER 2018 2018年12月31日

37. RELATED PARTY TRANSACTIONS

37. 關聯方交易

(1) Name and relationship

(1) 名稱及關係

| Name of related party 關聯方名稱 | Relationship with the Group 與本集團的關係 |
|--|---|
| Mr. Ge Hekai 葛和凱先生 | Controlling Shareholder 控股股東 |
| Mr. Ge Yiyang 葛一陽先生 | Controlling Shareholder 控股股東 |
| Ms. Jin Linyin 金林蔭女士 | Controlling Shareholder 控股股東 |
| 上海垠壹投資發展有限公司 ("Shanghai Win Investment and Development Co., Ltd.") | Company controlled by the Controlling Shareholders 由控股股東控制的公司 |
| 上海垠壹投資發展有限公司 大发集團有限公司 ("Dafa Group Co., Ltd.") | Company controlled by the Controlling Shareholders 由控股股東控制的公司 |
| 大发集團有限公司 南京凱沅潤建材有限公司 ("Nanjing Kaixuanrun Construction Materials Co., Ltd.") | Company controlled by the Controlling Shareholders 由控股股東控制的公司 |
| 南京凱沅潤建材有限公司 安慶市思嘉貿易有限公司 ("Anqing Sijia Trading Co., Ltd.") | Company controlled by the Controlling Shareholders 由控股股東控制的公司 |
| 安慶市思嘉貿易有限公司 南京凱歐寧貿易有限公司 ("Nanjing Kaiouning Trading Co., Ltd.") | Company controlled by the Controlling Shareholders 由控股股東控制的公司 |
| 南京凱歐寧貿易有限公司 凱沅財控投資股份有限公司 ("Kaiyuan Financial Holding Investment Co., Ltd.") | Company controlled by the Controlling Shareholders 由控股股東控制的公司 |
| 凱沅財控投資股份有限公司 溫州市大发貿易有限公司 ("Wenzhou Dafa Trading Co., Ltd.") | Company controlled by the Controlling Shareholders 由控股股東控制的公司 |
| 溫州市大发貿易有限公司 上海凱沅實業有限公司 ("Shanghai Kaixuan Industrial Co., Ltd.") | Company controlled by the Controlling Shareholders 由控股股東控制的公司 |
| 上海凱沅實業有限公司 安慶市盈建建材銷售有限公司 ("Anqing Yingjian Building Material Co., Ltd.") | Company controlled by the Controlling Shareholders 由控股股東控制的公司 |
| 安慶市盈建建材銷售有限公司 溫州市瑞宏強貿易有限公司 ("Wenzhou Ruihongqiang Trading Co., Ltd.") | Company controlled by a close family member of the Controlling Shareholders 由控股股東的緊密家族成員控制的公司 |
| 溫州市瑞宏強貿易有限公司 | |

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 DECEMBER 2018 2018年12月31日

37. RELATED PARTY TRANSACTIONS
(CONTINUED)

37. 關聯方交易(續)

(1) Name and relationship (Continued)

(1) 名稱及關係(續)

| Name of related party 關聯方名稱 | Relationship with the Group 與本集團的關係 |
|--|--|
| 湖州市凱暘置業有限公司 ("Huzhou Kaiyang Real Estate Co., Ltd.") | Associate 聯營公司 |
| 湖州市凱暘置業有限公司 上海瀚從實業發展有限公司 ("Shanghai Hancong Industry Development Co., Ltd.") | Associate 聯營公司 |
| 上海瀚從實業發展有限公司 常州億隆房地產開發有限公司 ("Changzhou Yilong Property Development Co., Ltd.") | Associate 聯營公司 |
| 常州億隆房地產開發有限公司 宜興市梁輝置業有限公司 ("Yixing Lianghui Real Estate Co., Ltd.") | Associate 聯營公司 |
| 宜興市梁輝置業有限公司 蕪湖泫暘置業有限公司 ("Wuhu Xuanyang Real Estate Co., Ltd.") | Associate 聯營公司 |
| 蕪湖泫暘置業有限公司 寧波鑫遠達湖山置業有限公司 ("Ningbo Xinyuanda Hushan Real Estate Co., Ltd.") | Associate 聯營公司 |
| 寧波鑫遠達湖山置業有限公司 安吉融尚房地產有限公司 ("Anji Rongshang Real Estate Co., Ltd.") | Associate 聯營公司 |
| 安吉融尚房地產有限公司 上海企界實業發展有限公司* ("Shanghai Qijie Industry Co., Ltd.") | Associate 聯營公司 |

* Shanghai Qijie Industry Co., Ltd. was disposed of on 28 March 2018.

* 上海企界實業發展有限公司已於2018年3月28日出售。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

37. RELATED PARTY TRANSACTIONS
(CONTINUED)

(2) Significant related party transactions

The following transactions were carried out with related parties during the year:

| | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|---|-----------------------------------|-----------------------------------|
| Advances from associates 聯營公司墊款 | 68,478 | - |
| Repayment of advances from associates 償還聯營公司墊款 | 38,107 | 150 |
| Advances to a shareholder 向股東作出的墊款 | - | 300 |
| Repayment of advances to a shareholder 股東償還墊款 | 600 | - |
| Advances to company controlled by the controlling shareholders 向由控股股東控制的公司作出的墊款 | 506,696 | 1,189,811 |
| Advances to associates 向聯營公司作出的墊款 | 1,441,697 | - |
| Repayments of advances to company controlled by the controlling shareholders 由控股股東控制的公司償還墊款 | 1,307,778 | 1,037,715 |
| Repayment of advances to associates 聯營公司償還墊款 | 871,301 | - |
| Rental services from company controlled by the controlling shareholders (Note) 由控股股東控制的公司提供的租賃服務 (附註) | 1,739 | 1,728 |
| Rental services to associates (Note) 提供予聯營公司的租賃服務 (附註) | 249 | 1,085 |

Note: These transactions were carried out in accordance with the terms and conditions mutually agreed by the parties involved.

37. 關聯方交易 (續)

(2) 重大關聯方交易

年內與關聯方進行以下交易：

附註：該等交易乃根據參與各方共同協定的條款及條件進行。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 DECEMBER 2018 2018年12月31日

37. RELATED PARTY TRANSACTIONS
(CONTINUED)

(3) Other transactions with related parties

As at 31 December 2018, the Controlling Shareholders have guaranteed certain of the bank and other borrowings up to RMB2,035,569,000 (2017: RMB3,972,717,000).

(4) Outstanding balances with related parties

| | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|---|-----------------------------------|-----------------------------------|
| Due from a shareholder 應收股東款項 | - | 600 |
| Due from company controlled by the controlling shareholders 應收由控股股東控制的公司款項 | - | 801,082 |
| Due from associates 應收聯營公司款項 | 570,396 | - |
| Due to company controlled by the controlling shareholders 應付由控股股東控制的公司款項 | - | 143,688 |
| Due to associates 應付聯營公司款項 | 30,473 | 102 |

Balances with the above related parties were unsecured, non-interest-bearing and repayable on demand.

37. 關聯方交易(續)

(3) 與關聯方的其他交易

於2018年12月31日，控股股東已對最高為人民幣2,035,569,000元(2017年：人民幣3,972,717,000元)的若干銀行及其他借貸作出擔保。

(4) 與關聯方的未付結餘

與上述關聯方的結餘為無抵押、免息及按要求償還。

NOTES TO FINANCIAL STATEMENTS (Continued)**財務報表附註 (續)**

31 DECEMBER 2018 2018年12月31日

**37. RELATED PARTY TRANSACTIONS
(CONTINUED)****37. 關聯方交易 (續)****(5) Compensation of key management personnel
of the Group:****(5) 本集團主要管理人員薪酬：**

| | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|--|--|-----------------------------------|
| Short-term employee benefits 短期僱員福利 | 6,798 | 5,595 |
| Pension scheme contributions 退休金計劃供款 | 710 | 565 |
| Total compensation paid to key management personnel 支付予主要管理人員的總薪酬 | 7,508 | 6,160 |

Further details of directors' emoluments are included in note 8 to the financial statement.

董事酬金的進一步詳情載於財務報表附註8。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 DECEMBER 2018 2018年12月31日

38. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2018

Financial assets

| | Financial assets at FVPL designated as such upon initial recognition 於初步確認時指定為按公允價值計入損益的金融資產 RMB'000 人民幣千元 | Financial assets at FVOCI equity investments 按公允價值計入其他全面收入的金融資產 股權投資 RMB'000 人民幣千元 | Financial assets at amortised cost 按攤銷成本列賬的金融資產 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|---|---|--|--|---------------------------------|
| Equity investments designated at fair value through other comprehensive income 指定為按公允價值計入其他全面收入的股權投資 | - | 106,400 | - | 106,400 |
| Trade receivables 貿易應收款項 | - | - | 33,531 | 33,531 |
| Financial assets included in prepayments, other receivables and other assets (note 24) 計入預付款項、其他應收款項及其他資產的金融資產(附註24) | - | - | 394,692 | 394,692 |
| Financial assets at fair value through profit or loss 按公允價值計入損益的金融資產 | 20,899 | - | - | 20,899 |
| Restricted cash 受限制現金 | - | - | 650,574 | 650,574 |
| Pledged deposits 已質押存款 | - | - | 26,321 | 26,321 |
| Cash and cash equivalents 現金及現金等價物 | - | - | 1,487,075 | 1,487,075 |
| | 20,899 | 106,400 | 2,592,193 | 2,719,492 |

38. 按類別劃分的金融工具

於報告期結束時各類金融工具的賬面值如下：

2018年

金融資產

NOTES TO FINANCIAL STATEMENTS (Continued)**財務報表附註 (續)**

31 DECEMBER 2018 2018年12月31日

38. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

2018 (Continued)

Financial liabilities**38. 按類別劃分的金融工具 (續)**

2018年 (續)

金融負債

| | Financial liabilities at amortised cost 按攤銷成本列賬 的金融負債 RMB'000 人民幣千元 |
|--|---|
| Trade and bills payables 貿易應付款項及應付票據 | 1,424,969 |
| Financial liabilities included in other payables and accruals (note 27) 計入其他應付款項及應計費用的金融負債 (附註27) | 262,732 |
| Due to related companies 應付關聯公司款項 | 30,473 |
| Interest-bearing bank and other borrowings (note 29) 計息銀行及其他借貸 (附註29) | 5,645,218 |
| | 7,363,392 |

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 DECEMBER 2018 2018年12月31日

38. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

2017

Financial assets

| | Loans and receivables 貸款及應收款項 RMB'000 人民幣千元 | Available-for-sale financial assets 可供銷售金融資產 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|---|--|---|---------------------------------|
| Financial assets included in prepayments, deposits and other receivables (note 24) 計入預付款項、按金及其他應收款項的金融資產(附註24) | 51,590 | – | 51,590 |
| Available-for-sale investments 可供銷售投資 | – | 352,000 | 352,000 |
| Trade receivables 貿易應收款項 | 38,924 | – | 38,924 |
| Due from related companies 應收關聯公司款項 | 801,082 | – | 801,082 |
| Due from a shareholder 應收股東款項 | 600 | – | 600 |
| Restricted cash 受限制現金 | 211,110 | – | 211,110 |
| Pledged deposits 已質押存款 | 14,933 | – | 14,933 |
| Cash and cash equivalents 現金及現金等價物 | 377,190 | – | 377,190 |
| | 1,495,429 | 352,000 | 1,847,429 |

38. 按類別劃分的金融工具(續)

2017年

金融資產

NOTES TO FINANCIAL STATEMENTS (Continued)**財務報表附註 (續)**

31 DECEMBER 2018 2018年12月31日

38. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

2017 (Continued)

Financial liabilities**38. 按類別劃分的金融工具 (續)**

2017年 (續)

金融負債

| | Financial liabilities at amortised cost 按攤銷成本列賬 的金融負債 RMB'000 人民幣千元 |
|--|--|
| Trade payables 貿易應付款項 | 1,158,688 |
| Financial liabilities included in other payables and accruals (note 27) 計入其他應付款項及應計費用的金融負債 (附註27) | 191,831 |
| Due to related companies 應付關聯公司款項 | 143,790 |
| Interest-bearing bank and other borrowings (note 29) 計息銀行及其他借貸 (附註29) | 5,987,270 |
| | 7,481,579 |

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 DECEMBER 2018 2018年12月31日

39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments as at the end of the year, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

39. 金融工具的公允價值及公允價值層級

除賬面值與公允價值合理相若的金融工具外，於年末，本集團金融工具的賬面值及公允價值如下：

| | Carrying amounts 賬面值 | | Fair values 公允價值 | |
|--|--|--|--|--|
| | 31 December 2018 2018年 12月31日 RMB'000 人民幣千元 | 31 December 2017 2017年 12月31日 RMB'000 人民幣千元 | 31 December 2018 2018年 12月31日 RMB'000 人民幣千元 | 31 December 2017 2017年 12月31日 RMB'000 人民幣千元 |
| Financial assets 金融資產 | | | | |
| Available-for-sale investments 可供銷售投資 | - | 352,000 | - | 359,600 |
| Financial assets at fair value through other comprehensive income 按公允價值計入其他全面收入的金融資產 | 112,000 | - | 106,400 | - |
| Financial assets at fair value through profit or loss 按公允價值計入損益的金融資產 | 20,899 | - | 20,899 | - |
| | 132,899 | 352,000 | 127,299 | 359,600 |
| Financial liabilities 金融負債 | | | | |
| Interest-bearing bank and other borrowings (note 29) 計息銀行及其他借貸(附註29) | 5,645,218 | 5,987,270 | 5,647,090 | 5,979,458 |

NOTES TO FINANCIAL STATEMENTS (Continued)**財務報表附註 (續)**

31 DECEMBER 2018 2018年12月31日

39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, restricted cash, amounts due from related companies, amounts due from a shareholder, trade receivables, financial assets included in prepayments, other receivables, trade and bills payables, financial liabilities included in other payables and accruals and amounts due to related companies approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

For the fair values of the unlisted fund investments under IAS 39 during the year ended 31 December 2017, management has estimated the fair value by the expected future cash flows, the fair value measurement of the available-for-sale investments is categorised within Level 2 of the fair value hierarchy.

39. 金融工具的公允價值及公允價值層級 (續)

管理層已評估現金及現金等價物、已質押存款、受限制現金、應收關聯公司款項、應收股東款項、貿易應收款項、計入預付款項的金融資產、其他應收款項、貿易應付款項及應付票據、計入其他應付款項及應計費用的金融負債以及應付關聯公司款項的公允價值與其賬面值相若，主要是由於該等工具於短期內到期。

本集團的財務部門由財務經理帶領，負責釐定金融工具公允價值計量的政策及程序。財務經理直接向首席財務官匯報。於各報告日期，財務部門分析金融工具價值的變動並決定應用於估值的主要輸入數據。估值由首席財務官審閱及批准。每年就中期及年度財務報告與審計委員會對估值結果進行兩次討論。

金融資產及負債的公允價值以自願交易方（強迫或清盤銷售除外）當前交易中該工具的可交易金額入賬。

於截至2017年12月31日止年度，就國際會計準則第39號下的非上市基金投資的公允價值而言，管理層通過預期未來現金流量估計公允價值。可供銷售投資的公允價值計量於公允價值層級內分類為第二級。

NOTES TO FINANCIAL STATEMENTS *(Continued)*

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

The management has applied the comparable companies' market value approach in determining fair value of unlisted equity investments, which is classified as equity investments designated at FVOCI under IFRS 9, using price to earnings ratio ("P/E") and price to book ratio ("P/B") multiples, which are calculated by using comparable companies' financial statements, to determine the fair value of the unlisted equity investments and taking into account of marketability discount as the appropriate adjustment. Comparable companies are based on similarity of business nature and profitability. The fair value measurement of the equity investments designated at FVOCI is categorised within Level 3 of the fair value hierarchy.

The fair values of interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for interest-bearing bank and other borrowings as at 31 December 2017 and 31 December 2018 was assessed to be insignificant.

39. 金融工具的公允價值及公允價值層級 (續)

管理層已於釐定非上市股權投資(按國際財務報告準則第9號分類為指定為按公允價值計入其他全面收入的股權投資)的公允價值時應用可資比較公司的市值法, 透過市盈率(「市盈率」)及市淨率(「市淨率」)倍數(透過使用可資比較公司之財務報表計算)釐定非上市股權投資的公允價值並經計及作為適當調整的可銷性折讓。可資比較公司乃基於相似的業務性質及盈利能力。指定為按公允價值計入其他全面收入的股權投資的公允價值計量於公允價值層級內分類為第三級。

計息銀行及其他借貸的公允價值乃通過貼現預期未來現金流量計算, 並採用現時可用於具類似條款、信貸風險及剩餘期限的工具的貼現率。本集團本身的計息銀行及其他借貸於2017年12月31日及2018年12月31日的不履約風險被評定為並不重大。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 DECEMBER 2018 2018年12月31日

39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2018:

39. 金融工具的公允價值及公允價值層級(續)

下表概述於2018年12月31日金融工具估值的重大不可觀察輸入數據連同定量敏感度分析：

| | Valuation technique 估值技術 | Significant unobservable inputs 重大不可觀察輸入數據 | Range/ Weighted average 範圍/ 加權平均 | Sensitivity of fair value to the input 公允價值對輸入數據的敏感度 |
|--|-----------------------------|--|---|--|
| Unlisted equity investments classified as equity investments designated at FVOCI 分類為指定為按公允價值計入其他全面收入的股權投資的非上市股權投資 | Market multiples 市場倍數 | Discount for lack of marketability 就缺乏可銷性折讓 | 14.9% | 5% increase (decrease) in marketability result in (decrease) increase in fair value by RMB931,000 可銷性增加(減少)5%令公允價值(減少)增加人民幣931,000元 |
| | | P/E 市盈率 | 5.3 – 8.0 | 5% increase (decrease) in P/E result in increase (decrease) in fair value by RMB2,648,000 市盈率增加(減少)5%令公允價值增加(減少)人民幣2,648,000元 |
| | | P/B 市淨率 | 0.7 – 1.0 | 5% increase (decrease) in P/B result in increase (decrease) in fair value by RMB2,672,000 市淨率增加(減少)5%令公允價值增加(減少)人民幣2,672,000元 |

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 DECEMBER 2018 2018年12月31日

39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy

Assets measured at fair value:

As at 31 December 2018

39. 金融工具的公允價值及公允價值層級(續)

公允價值層級

以公允價值計量的資產：

於2018年12月31日

| | Fair value measurement using 使用以下級別的公允價值計量 | | | |
|--|---|--|---|---------------------------------|
| | Quoted prices in active markets (Level 1) 於活躍市場 的報價 (第一級) RMB'000 人民幣千元 | Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二級) RMB'000 人民幣千元 | Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三級) RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
| Equity investments designated at fair value through other comprehensive income 指定為按公允價值計入其他全面收入的股權投資 | - | - | 106,400 | 106,400 |
| Financial assets at fair value through profit or loss 按公允價值計入損益的金融資產 | 20,899 | - | - | 20,899 |
| | 20,899 | - | 106,400 | 127,299 |

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy (Continued)

Assets measured at fair value: (Continued)

As at 31 December 2017

39. 金融工具的公允價值及公允價值層級 (續)

公允價值層級 (續)

以公允價值計量的資產：(續)

於2017年12月31日

| | Fair value measurement using 使用以下級別的公允價值計量 | | | Total 總計 |
|---|---|--|---|-------------|
| | Quoted prices in active markets (Level 1) 於活躍市場 的報價 (第一級) RMB'000 人民幣千元 | Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二級) RMB'000 人民幣千元 | Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三級) RMB'000 人民幣千元 | |
| Available-for-sale investments: 可供銷售投資： | | | | |
| Unlisted fund investments 非上市基金投資 | – | 240,000 | – | 240,000 |

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

39. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy (Continued)

Assets measured at fair value: (Continued)

As at 31 December 2018

| | Fair value measurement using 使用以下級別的公允價值計量 | | | |
|---|---|--|---|---------------------------------|
| | Quoted prices in active markets (Level 1) 於活躍市場 的報價 (第一級) RMB'000 人民幣千元 | Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二級) RMB'000 人民幣千元 | Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三級) RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
| Interest-bearing bank and other borrowings 計息銀行及其他借貸 | - | 5,647,090 | - | 5,647,090 |

As at 31 December 2017

於2017年12月31日

| | Fair value measurement using 使用以下級別的公允價值計量 | | | |
|---|---|--|---|---------------------------------|
| | Quoted prices in active markets (Level 1) 於活躍市場 的報價 (第一級) RMB'000 人民幣千元 | Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二級) RMB'000 人民幣千元 | Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三級) RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
| Interest-bearing bank and other borrowings 計息銀行及其他借貸 | - | 5,979,458 | - | 5,979,458 |

NOTES TO FINANCIAL STATEMENTS (Continued)**財務報表附註 (續)**

31 DECEMBER 2018 2018年12月31日

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments mainly include cash and cash equivalents, restricted cash, pledged deposits, trade and other receivables, trade payables and other payables, which arise directly from its operations. The Group has other financial assets and liabilities such as interest-bearing bank and other borrowings, amounts due to related companies and amounts due from related companies, amounts due from a shareholder. The main purpose of these financial instruments is to raise finance for the Group's operations.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk and liquidity risk. Generally, the Group introduces conservative strategies on its risk management. To keep the Group's exposure to these risks to a minimum, the Group has not used any derivatives and other instruments for hedging purposes. The Group does not hold or issue derivative financial instruments for trading purposes. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below:

(a) Interest rate risk

The Group's exposure to risk for changes in market interest rates relates primarily to the Group's interest-bearing bank and other borrowings set out in note 29. The Group does not use derivative financial instruments to hedge interest rate risk. The Group manages its interest cost using variable rate bank borrowings and other borrowings.

If the interest rate of bank and other borrowings had increased/decreased by 1% and all other variables held constant, the profit before tax of the Group, through the impact on floating rate borrowings would have decreased/increased by approximately RMB3,621,000 for the year ended 31 December 2018 (2017: RMB3,762,000).

40. 財務風險管理目標及政策

本集團的主要金融工具主要包括現金及現金等價物、受限制現金、已質押存款、貿易及其他應收款項、貿易應付款項以及其他應付款項，該等金融工具因其經營而直接產生。本集團擁有其他金融資產及負債，如計息銀行及其他借貸、應付關聯公司款項、應收關聯公司款項及應收股東款項。該等金融工具的主要目的在於為本集團的運營融資。

本集團金融工具產生的主要風險為利率風險、信貸風險及流動性風險。一般而言，本集團對其風險管理採取保守策略。為將本集團所面臨的該等風險保持最低，本集團並無使用任何衍生及其他工具作對沖目的。本集團未持有或發行作交易用途的衍生金融工具。董事會檢討並同意各項風險管理政策，其概述如下：

(a) 利率風險

本集團面臨的市場利率變動風險主要與附註29所載的本集團計息銀行及其他借貸有關。本集團並無使用衍生金融工具對沖利率風險。本集團使用浮息銀行借貸及其他借貸管理其利息成本。

倘在所有其他變量維持不變情況下銀行及其他借貸的利率上升／下降1%，則本集團截至2018年12月31日止年度的除稅前利潤（透過對浮息借貸的影響）將減少／增加約人民幣3,621,000元（2017年：人民幣3,762,000元）。

NOTES TO FINANCIAL STATEMENTS *(Continued)*

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Head of Credit Control.

40. 財務風險管理目標及政策 (續)

(b) 信貸風險

本集團僅與認可及信譽超著的第三方進行買賣。本集團的政策為所有有意以信貸期進行買賣之客戶，須接受信貸審核程序。此外，應收款項結餘受持續監管，而本集團承受壞賬的風險並不重大。對於並非以有關營運單位功能貨幣計值的交易，本集團在未經信用控制部門主管特別批准的情況下不會給予信貸期。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 DECEMBER 2018 2018年12月31日

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk (Continued)

Maximum exposure and year-end staging as at 31 December 2018

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2018. The amounts presented are gross carrying amounts for financial assets.

| | 12-month ECLs | Lifetime ECLs | | | |
|---|------------------|---------------|----------|---------------------|------------------|
| | 12個月的預期信貸虧損 | 整個存續期的預期信貸虧損 | | | |
| | Stage 1 | Stage 2 | Stage 3 | Simplified approach | |
| | 第一階段 | 第二階段 | 第三階段 | 簡易方法 | |
| | 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 |
| Trade receivables* 貿易應收款項* | - | - | - | 33,531 | 33,531 |
| Financial assets included in prepayments, other receivables and other assets 計入預付款項、其他應收款項及其他資產的金融資產 | | | | | |
| - Normal** 正常** | 394,692 | - | - | - | 394,692 |
| Restricted cash 受限制現金 | 650,574 | - | - | - | 650,574 |
| Pledged deposits 已質押存款 | 26,321 | - | - | - | 26,321 |
| Cash and cash equivalents 現金及現金等價物 | 1,487,075 | - | - | - | 1,487,075 |
| | 2,558,662 | - | - | 33,531 | 2,592,193 |

* For trade receivables to which the Group applies the simplified approach for impairment based on the disclosure in note 23 to the financial statements, there is no significant concentration of credit risk.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition.

40. 財務風險管理目標及政策 (續)

(b) 信貸風險(續)

於2018年12月31日的最高風險及年末階段

下表載列2018年12月31日基於本集團信貸政策的信貸質素及最高信貸風險(主要基於逾期資料, 除非其他資料可無需花費不必要成本或精力而獲取, 則另作別論)以及年末階段分類。所呈列的金額指金融資產的總賬面值。

* 就本集團基於財務報表附註23所披露的資料應用簡易方法進行減值的貿易應收款項而言, 並無重大信貸風險集中情況。

** 倘計入預付款項、其他應收款項及其他資產的金融資產並無逾期亦無資料顯示自初步確認起金融資產的信貸風險大幅增加, 則其信貸質素被視為「正常」。

NOTES TO FINANCIAL STATEMENTS *(Continued)*

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk (Continued)

Maximum exposure as at 31 December 2017

Credit risk is the risk of loss due to the inability or unwillingness of a counterparty to meet its contractual obligations. Exposure to credit risk arises primarily from its financing activities to customers.

The Group has no concentrations of credit risk in view of its large number of customers. The Group did not record any significant bad debt losses during the year 2017.

The credit risk of the Group's other financial assets, which mainly comprise cash and pledged deposits, other receivables, and amounts due from related companies, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

40. 財務風險管理目標及政策 (續)

(b) 信貸風險 (續)

於2017年12月31日的最高風險

信貸風險指因交易對手無法或不願履行其合同責任而帶來的虧損風險。信貸風險主要來自向客戶提供融資服務。

鑒於本集團擁有大量客戶，故並無信貸風險集中情況。於2017年內，本集團並無錄得任何重大壞賬虧損。

本集團其他金融資產（主要包括現金及已質押存款、其他應收款項及應收關聯公司款項）的信貸風險產生自交易對手的違約，最高風險等於該等工具的賬面值。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 DECEMBER 2018 2018年12月31日

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank and other borrowings, and receipts under securitisation arrangement. Cash flows are being closely monitored on an ongoing basis.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

40. 財務風險管理目標及政策(續)

(c) 流動性風險

本集團的目標為透過運用計息銀行及其他借貸以及證券化安排的收款維持融資持續性與靈活性之間的平衡。本集團持續密切監控現金流量。

本集團於報告期結束時按合同未貼現付款計算的金融負債的到期情況如下：

| | On demand 按要求 RMB'000 人民幣千元 | Less than 3 months 三個月以內 RMB'000 人民幣千元 | 3 to 12 months 三至十二個月 RMB'000 人民幣千元 | Over 1 year 一年以上 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|---|--------------------------------------|---|--|---|---------------------------------|
| 31 December 2018 2018年12月31日 | | | | | |
| Interest-bearing bank and other borrowings 計息銀行及其他借貸 | - | 915,749 | 1,728,791 | 5,119,522 | 7,764,062 |
| Trade and bills payables 貿易應付款項及應付票據 | 1,424,969 | - | - | - | 1,424,969 |
| Financial liability included in other payables and accruals 計入其他應付款項及應計費用的金融負債 | 262,732 | - | - | - | 262,732 |
| Due to related companies 應付關聯公司款項 | 30,473 | - | - | - | 30,473 |
| | 1,718,174 | 915,749 | 1,728,791 | 5,119,522 | 9,482,236 |

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

40. FINANCIAL RISK MANAGEMENT
OBJECTIVES AND POLICIES
(CONTINUED)40. 財務風險管理目標及政策
(續)

(c) Liquidity risk (Continued)

(c) 流動性風險 (續)

| | On demand 按要求 RMB'000 人民幣千元 | Less than 3 months 三個月以內 RMB'000 人民幣千元 | 3 to 12 months 三至十二個月 RMB'000 人民幣千元 | Over 1 year 一年以上 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|---|--------------------------------------|---|--|---|---------------------------------|
| 31 December 2017 | | | | | |
| 2017年12月31日 | | | | | |
| Interest-bearing bank and other borrowings 計息銀行及其他借貸 | – | 118,739 | 905,813 | 6,588,384 | 7,612,936 |
| Trade and bills payables 貿易應付款項及應付票據 | 1,158,688 | – | – | – | 1,158,688 |
| Financial liability included in other payables 計入其他應付款項的金融負債 | 191,831 | – | – | – | 191,831 |
| Due to related companies 應付關聯公司款項 | 143,790 | – | – | – | 143,790 |
| | 1,494,309 | 118,739 | 905,813 | 6,588,384 | 9,107,245 |

(d) Capital management

(d) 資本管理

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholder's value.

本集團資本管理的主要目標為保障本集團持續經營並維持穩健的資本比率的能力，以支持其業務並使股東價值最大化。

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

本集團會根據經濟狀況的變化管理及調整其資本結構。為維持或調整資本結構，本集團或會調整派予股東的股息、返還股東資本或發行新股。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註 (續)

31 DECEMBER 2018 2018年12月31日

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Capital management (Continued)

The Group monitors capital using a gearing ratio, which is net debt divided by capital plus net debt. The Group includes, within net debt, trade and bills payables, other payables and accruals, amounts due to related companies and interest-bearing bank and other borrowings, less cash and cash equivalents. Capital represents equity attributable to owners of the parent. The gearing ratios as at the end of the reporting periods were as follows:

| | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|--|-----------------------------------|-----------------------------------|
| Trade and bills payables 貿易應付款項及應付票據 | 1,424,969 | 1,158,688 |
| Other payables and accruals 其他應付款項及應計費用 | 863,436 | 289,331 |
| Due to related companies 應付關聯公司款項 | 30,473 | 143,790 |
| Interest-bearing bank and other borrowings 計息銀行及其他借貸 | 5,645,218 | 5,987,270 |
| Less: Cash and cash equivalents 減：現金及現金等價物 | (1,487,075) | (377,190) |
| Net debt 淨債務 | 6,477,021 | 7,201,889 |
| Equity attributable to owners of the parent 母公司擁有人應佔權益 | 3,083,032 | 1,989,229 |
| Capital and net debt 資本及淨債務 | 9,560,053 | 9,191,118 |
| Gearing ratio 資產負債比率 | 68% | 78% |

40. 財務風險管理目標及政策 (續)

(d) 資本管理 (續)

本集團採用資產負債比率(即淨債務除以資本與淨債務之和)來監控資本。本集團於淨債務計入貿易應付款項及應付票據、其他應付款項及應計費用、應付關聯公司款項以及計息銀行及其他借貸減現金及現金等價物。資本指母公司擁有人應佔權益。於報告期結束時的資產負債比率如下：

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 DECEMBER 2018 2018年12月31日

41. STATEMENT OF FINANCIAL POSITION
OF THE COMPANY

41. 本公司財務狀況表

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

於報告期結束有關本公司財務狀況表的資料如下：

| | 2018 2018年 RMB'000 人民幣千元 | 2017 2017年 RMB'000 人民幣千元 |
|---|-----------------------------------|-----------------------------------|
| NON-CURRENT ASSETS 非流動資產 | | |
| Investment in a subsidiary 於子公司的投資 | 439,442 | — |
| Total non-current assets 總非流動資產 | 439,442 | — |
| CURRENT ASSETS 流動資產 | | |
| Cash and cash equivalents 現金及現金等價物 | 59,512 | — |
| Financial assets at fair value through profit or loss 按公允價值計入損益的金融資產 | 20,899 | — |
| Prepayments, other receivables and other assets 預付款項、其他應收款項及其他資產 | 482 | — |
| Due from related companies 應收關聯公司款項 | 750,703 | — |
| Total current assets 總流動資產 | 831,596 | — |
| CURRENT LIABILITIES 流動負債 | | |
| Other payables and accruals 其他應付款項及應計費用 | 9,018 | — |
| Interest-bearing bank and other borrowings 計息銀行及其他借貸 | 10,450 | — |
| Due to other related parties 應付其他關聯方款項 | 47,855 | — |
| Total current liabilities 總流動負債 | 67,323 | — |
| NET CURRENT ASSETS 淨流動資產 | 764,273 | — |
| TOTAL ASSETS LESS CURRENT LIABILITIES 總資產減流動負債 | 1,203,715 | — |
| Net assets 淨資產 | 1,203,715 | — |
| EQUITY 權益 | | |
| Share capital 股本 | 730 | — |
| Reserves 儲備 | 1,202,985 | — |
| Total equity 總權益 | 1,203,715 | — |

NOTES TO FINANCIAL STATEMENTS (Continued)**財務報表附註 (續)**

31 DECEMBER 2018 2018年12月31日

41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)**41. 本公司財務狀況表 (續)**

Note:

附註：

A summary of the Company's reserves is as follows:

本公司儲備概要如下：

| | Share capital 股本 RMB'000 人民幣千元 | Share premium 股份溢價 RMB'000 人民幣千元 | Retained profits 保留利潤 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|---|--|--|---|--|
| Balance at 1 January 2018 and 31 December 2017 於2018年1月1日及2017年12月31日的結餘 | - | - | - | - |
| Total comprehensive income for the year 年內總全面收入 | - | - | (44,568) | (44,568) |
| Issuance of new shares 發行新股 | 730 | - | - | 730 |
| Share premium 股份溢價 | - | 1,247,553 | - | 1,247,553 |
| Balance at 31 December 2018 於2018年12月31日的結餘 | 730 | 1,247,553 | (44,568) | 1,203,715 |

42. APPROVAL OF THE FINANCIAL STATEMENTS**42. 批准財務報表**

The financial statements were approved and authorised for issue by the board of directors on 28 March 2019.

財務報表已於2019年3月28日獲董事會批准及授權刊發。

FINANCIAL SUMMARY

財務概要

| | Year ended 31 December | | | |
|--|------------------------|-------------|-----------|-----------|
| | 截至12月31日止年度 | | | |
| | 2018 | 2017 | 2016 | 2015 |
| | 2018年 | 2017年 | 2016年 | 2015年 |
| | 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 |
| Revenue | | | | |
| 收益 | 5,946,047 | 4,569,636 | 704,646 | 688,995 |
| Cost of sales | | | | |
| 銷售成本 | (4,364,068) | (3,912,355) | (585,489) | (581,287) |
| Gross profit | | | | |
| 毛利 | 1,581,979 | 657,281 | 119,157 | 107,708 |
| Finance income | | | | |
| 融資收入 | 17,740 | 9,344 | 8,437 | 15,783 |
| Other income and gains | | | | |
| 其他收入及收益 | 37,672 | 2,958 | 2,103 | 1,646 |
| Selling and distribution expenses | | | | |
| 銷售及分銷開支 | (176,814) | (94,293) | (71,194) | (55,900) |
| Administrative expenses | | | | |
| 行政開支 | (375,071) | (133,925) | (105,046) | (89,002) |
| Other expenses | | | | |
| 其他開支 | (20,284) | (27,580) | (6,212) | (824) |
| Impairment losses of financial assets, net | | | | |
| 淨金融資產減值虧損 | (395) | – | – | – |
| Fair value gains on investment properties | | | | |
| 投資物業的公允價值收益 | 61,295 | 58,000 | 254,000 | 271,000 |
| Finance costs | | | | |
| 融資成本 | (132,711) | (133,650) | (114,562) | (101,855) |
| Share of loss of associates | | | | |
| 分佔聯營公司虧損 | (3,969) | (2,607) | (1,583) | – |
| PROFIT BEFORE TAX | | | | |
| 除稅前利潤 | 989,442 | 335,528 | 85,100 | 148,556 |
| Income tax expenses | | | | |
| 所得稅費用 | (500,067) | (191,364) | (63,245) | (95,138) |

FINANCIAL SUMMARY (Continued)

財務概要 (續)

| | Year ended 31 December | | | |
|---|------------------------|------------|------------|-----------|
| | 2018 | 2017 | 2016 | 2015 |
| | 2018年 | 2017年 | 2016年 | 2015年 |
| | 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 |
| PROFIT FOR THE YEAR | | | | |
| 年內利潤 | 489,375 | 144,164 | 21,855 | 53,418 |
| Attributable to: | | | | |
| 以下人士應佔： | | | | |
| Owners of the parent | | | | |
| 母公司擁有人 | 476,817 | 137,495 | 24,723 | 58,380 |
| Non-controlling interests | | | | |
| 非控股權益 | 12,558 | 6,669 | (2,868) | (4,962) |
| | 489,375 | 144,164 | 21,855 | 53,418 |
| Non-current assets | | | | |
| 非流動資產 | 3,109,007 | 2,942,562 | 2,806,443 | 2,446,609 |
| Current assets | | | | |
| 流動資產 | 16,148,543 | 12,334,861 | 9,783,809 | 6,973,077 |
| Total assets | | | | |
| 總資產 | 19,257,550 | 15,277,423 | 12,590,252 | 9,419,686 |
| Non-current liabilities | | | | |
| 非流動負債 | 3,847,427 | 5,783,528 | 2,125,556 | 3,134,698 |
| Current liabilities | | | | |
| 流動負債 | 12,164,158 | 7,505,867 | 8,489,491 | 4,324,208 |
| Total liabilities | | | | |
| 總負債 | 16,011,585 | 13,289,395 | 10,615,047 | 7,458,906 |
| Net assets | | | | |
| 淨資產 | 3,245,965 | 1,988,028 | 1,975,205 | 1,960,780 |
| Equity attributable to owners of the parent | | | | |
| 母公司擁有人應佔權益 | 3,083,032 | 1,989,229 | 1,978,560 | 1,960,458 |
| Non-controlling interests | | | | |
| 非控股權益 | 162,933 | (1,201) | (3,355) | 322 |
| Total equity | | | | |
| 總權益 | 3,245,965 | 1,988,028 | 1,975,205 | 1,960,780 |



大发地产集团有限公司
DAFA PROPERTIES GROUP LIMITED