



China South City Holdings Limited 華南城控股有限公司

(incorporated in Hong Kong with limited liability)
(於香港註冊成立的有限公司)

Stock Code 股份代號 : 1668

ANNUAL REPORT 年報 2018 / 19

- 
- Outlet
 - Rental
 - E-Commerce
 - Trade Centers
 - Financial Services
 - Residential Projects
 - Offices & Apartments
 - Property Management
 - Logistics & Warehouse
 - Conventions & Exhibitions





華南城

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Corporate Information

公司資料

Board of Directors

Executive Directors*

Mr. Cheng Chung Hing (*Chairman*)⁽²⁾⁽³⁾
Mr. Fung Sing Hong Stephen (*Vice Chairman*) (*FCPA*)
Mr. Zhao Lidong (*Chief Executive Officer*)
Ms. Cheng Ka Man Carman

Non-Executive Directors

Dr. Ma Kai Cheung *SBS, BBS*
Mr. Cheng Tai Po
Mr. Lin Ching Hua

Independent Non-Executive Directors

Mr. Leung Kwan Yuen Andrew *GBS, SBS, JP*⁽¹⁾⁽²⁾⁽³⁾
Mr. Li Wai Keung⁽¹⁾⁽²⁾⁽³⁾
Mr. Hui Chiu Chung *JP*⁽¹⁾
Mr. Yung Wing Ki Samuel *SBS, MH, JP*⁽¹⁾

Chief Financial Officer

Mr. Hui Chun Yip (*CPA*)

Company Secretary

Ms. Tse Man Yu Michelle (*FCPA*)

Auditor

Ernst & Young

Legal Advisors

As to Hong Kong law
Linklaters
Reed Smith Richards Butler

As to China law

Commerce & Finance Law Offices

- (1) Member of Audit Committee
- (2) Member of Remuneration Committee
- (3) Member of Nomination Committee

* Mr. Song Chuan resigned as Executive Director and Chief Executive Officer of the Group with effect from 1 February 2019.

* Mr. Zhao Lidong has been appointed as Executive Director and Chief Executive Officer of the Group with effect from 1 February 2019.

董事會

執行董事*

鄭松興先生(*主席*)⁽²⁾⁽³⁾
馮星航先生(*副主席*)(*FCPA*)
趙立東先生(*行政總裁*)
鄭嘉汶女士

非執行董事

馬介璋博士*銀紫荊星章、銅紫荊星章*
鄭大報先生
林璟驊先生

獨立非執行董事

梁君彥先生*金紫荊星章、銀紫荊星章、太平紳士*⁽¹⁾⁽²⁾⁽³⁾
李偉強先生⁽¹⁾⁽²⁾⁽³⁾
許照中先生*太平紳士*⁽¹⁾
容永祺先生*銀紫荊星章、榮譽勳章、太平紳士*⁽¹⁾

集團首席財務總監

許進業先生(*CPA*)

公司秘書

謝文瑜女士(*FCPA*)

核數師

安永會計師事務所

法律顧問

香港法律
年利達律師事務所
禮德齊伯禮律師行

中國法律

通商律師事務所

- (1) 審核委員會成員
- (2) 薪酬委員會成員
- (3) 提名委員會成員

* 宋川先生自2019年2月1日起辭任執行董事兼本集團行政總裁。

* 趙立東先生自2019年2月1日獲委任為執行董事兼本集團行政總裁。

Corporate Information (Continued)

公司資料(續)

Principal Bankers

Agricultural Bank of China Limited
Bank of China Limited
Bank of Communications Co., Ltd.
China CITIC Bank Corporation Limited
China Construction Bank Corporation
Industrial and Commercial Bank of China Limited
Industrial Bank Co., Ltd.
Shanghai Pudong Development Bank Co., Ltd.
The Export-Import Bank of China
The Hongkong and Shanghai Banking Corporation Limited

Registered Office

Room 2205, Sun Life Tower
The Gateway, 15 Canton Road
Tsimshatsui
Kowloon
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

Listing Information

Share Listing

The Stock Exchange of Hong Kong Limited
Stock code: 1668

Senior Notes Listing

The Company's 5.75% 3 years senior notes due 2020
The Company's 10.875% 2 1/4 years senior notes due 2020
The Company's 6.75% 5 years senior notes due 2021
The Company's 7.25% 3 years senior notes due 2021
The Company's 11.875% 2 years senior notes due 2021
The Company's 7.25% 5 years senior notes due 2022
The Singapore Exchange Securities Trading Limited

Website

www.chinasouthcity.com

Investor Relations

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Email: ir@chinasouthcity.com

主要往來銀行

中國農業銀行股份有限公司
中國銀行有限公司
交通銀行股份有限公司
中信銀行股份有限公司
中國建設銀行股份有限公司
中國工商銀行股份有限公司
興業銀行股份有限公司
上海浦東發展銀行股份有限公司
中國進出口銀行
香港上海滙豐銀行有限公司

註冊辦事處

香港
九龍
尖沙咀
廣東道15號港威大廈
永明金融大樓2205室

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

上市資料

股份上市

香港聯合交易所有限公司
股份代號：1668

優先票據上市

本公司於2020年到期的5.75% 3年期優先票據
本公司於2020年到期的10.875% 2 1/4年期優先票據
本公司於2021年到期的6.75% 5年期優先票據
本公司於2021年到期的7.25% 3年期優先票據
本公司於2021年到期的11.875% 2年期優先票據
本公司於2022年到期的7.25% 5年期優先票據
新加坡證券交易所有限公司

網站

www.chinasouthcity.com

投資者關係

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Project Portfolio

項目概況

八城聯動 全國佈局

China South City has its eight projects layout highly adhered to important national strategies such as “Greater Bay Area”, the “Belt and Road” initiative and “Yangtze River Economic Belt”.

華南城於中國八城佈局與國家已實施的「粵港澳大灣區」、「一帶一路」和「長江經濟帶」等重大戰略高度契合。





Harbin
哈爾濱

Xi'an
西安

Zhengzhou
鄭州

Hefei
合肥

Chongqing
重慶

Nanchang
南昌

Nanning
南寧

Shenzhen
深圳



Shenzhen 深圳

立足深圳 · 依托珠三角 · 輻射全世界

China South City Shenzhen

China South City Shenzhen (“CSC Shenzhen”), the Group’s first project, is situated at the Pinghu Logistics Base in Longgang District, Shenzhen. Shenzhen City, one of the four first-tier cities in China, is located at the heart of the Greater Bay Area amid an extensive transportation network with about 13.02 million permanent resident population in 2018, accounting for 60.11% of the total increase in the Greater Bay Area. In 2018, the regional GDP has rapidly increased by around 7.5% compared to the previous year, the fastest growth rate among the first four first-tier cities in China. Its total GDP ranked the fifth over Asian cities. Located in the northeast of Shenzhen, Longgang District recorded a regional GDP of RMB420 billion in 2018 and ranked the second in the city with the top growth rate of 11%. With the local government further developing Longgang District as an innovation center in the east of Shenzhen, its ancillary infrastructure such as logistics, healthcare and education will continue to advance, bringing more convenience to tenants of CSC Shenzhen. Transportation around the project has also been improving. CSC Shenzhen is only 2.6 kilometers away from the Pinghu Railway Station. According to Shenzhen Metro Planning, subway line 10 passing through CSC Shenzhen is expected to be open for traffic by 2020. Upon completion, it will generate more business opportunities and uplift visitor traffic for CSC Shenzhen.

深圳華南城

深圳華南城位於深圳市龍崗區平湖物流園區，為本集團旗下首個項目。深圳市是中國四個一線城市之一，位處粵港澳大灣區的核心地帶，擁有完善的交通網絡，2018年常住人口逾1,302萬，增幅佔同期全省以及粵港澳大灣區常住人口增量的60.11%。2018年GDP總量相比去年同期增長約7.5%，實現高位增長，增速屬國內四大一線城市最快，經濟總量居亞洲城市前五。龍崗區位於深圳市東北部，2018年地區生產總值同比增長11%逾人民幣4,200億元，居全市第二，增速位居全市第一。隨著當地政府進一步推動龍崗區作為深圳東部創新中心的建設，區內包括物流、醫療、教育等配套設施將繼續完善，為深圳華南城商家的經營帶來更多便利。同時項目周邊的交通配套亦在進一步完善。深圳華南城距離平湖火車站僅2.6公里。根據深圳地鐵規劃，途經深圳華南城的地鐵10號預計於2020年建成通車，屆時將為深圳華南城的運營帶來更多的商機及客流。

The project is situated at the Pinghu Logistics Park in Longgang District of Shenzhen, occupying a site area of approximately 1.06 million square meters (“sq. m.”). As at 31 March 2019, CSC Shenzhen had acquired 100% attributable gross floor area (“GFA”) of its total planned GFA of approximately 2.64 million sq. m., and had completed approximately 2.39 million sq. m. of construction including trade centers, residential ancillary, multi-purpose offices and apartments, logistics park, hotels, etc. CSC Shenzhen is now in operation.

Positioned as a modern large-scale integrated logistics and trading platform to serve the Greater Bay Area, CSC Shenzhen covers a wide spectrum of product range, including textile and clothing, leather and accessories, electronic parts, printing, paper products and packaging, metals and chemicals, plastic materials, hotel supplies, tea and teaware, cross-border products, e-commerce, outlets, home furnishing, children education, produce and flower market, etc., on its trade center premises, complementary with various facilities and services on site, such as banking and finance, hotels and restaurants, governmental bodies, leisure and entertainment, etc. In addition, CSC Shenzhen provides micro-credit service for on-site small and medium-sized enterprises (“SMEs”), assisting them in resolving financing difficulties for business development.

項目位於深圳龍崗區平湖物流園區，佔地面積約106萬平方米。截至2019年3月31日，深圳華南城已購得規劃建築面積約264萬平方米土地，佔總規劃建築面積100%的可建建築面積，並已完成約239萬平方米建設，包括商品交易中心、住宅、多功能商辦及公寓、物流園及酒店等；深圳華南城已投入運營。

作為服務粵港澳大灣區的現代化大型綜合商貿物流及商品交易平臺，深圳華南城經營業態廣泛，商品交易中心所涵蓋業態包括紡織服裝、皮革皮具、電子配件、印刷、紙製品及包裝、五金化工、塑膠、酒店用品、茶葉茶具、跨境商品、電子商務、奧特萊斯、家居家品、兒童教育、水果及花卉市場等，並配備已進駐的各項銀行金融、酒店食肆、政府機構、消閑娛樂等設施及服務。同時，針對協助中小企解決運營上貸款困難的問題，深圳華南城為項目內中小企提供小貸款服務。



The Group's headquarters located in CSC Shenzhen
於深圳華南城集團總部大廈



Trade center plaza 1 in CSC Shenzhen
於深圳華南城內的1號交易廣場



Nanchang 南昌

立足江西 · 推動中部崛起

China South City Nanchang

China South City Nanchang (“CSC Nanchang”) is located at Honggutan New District of Nanchang, the capital of Jiangxi Province. Situated at the transportation hub for the Yangtze River Delta and Pearl River Delta, the project is readily accessible to suppliers, manufacturers and merchants via major highways, the largest port on the Gan River and a complete freight network which includes a cargo marshal yard, a container terminus and an international airport, coupled with Nanchang West Railway Station – a principal high-speed rail station just 1.2 km away. As a new business center of Nanchang, Honggutan New District is becoming more influential in administrative, commercial and cultural aspects day by day. In addition, the gradual completion of local amenities is driving visitor traffic and generating business opportunities, laying a solid foundation for the development of CSC Nanchang.

CSC Nanchang has a total planned land area of approximately 2.61 million sq. m. and a total planned GFA of approximately 6.87 million sq. m.. As at 31 March 2019, CSC Nanchang had a total planned GFA of approximately 4.79 million sq. m. of land acquired, of which the construction of approximately 2.40 million sq. m. completed, including trade centers, residential ancillary, logistics park, public facilities like primary school, etc.

南昌華南城

南昌華南城坐落江西省省會南昌市的紅谷灘新區，位於長三角及珠三角經濟區的交通樞紐；毗連主要高速公路及贛江的最大港口，並擁有完善的貨運網絡，包括鐵路編組站、鐵海聯運集裝箱堆場及國際機場，且距離主要高鐵車站—南昌西客站僅1.2公里，為供應商、生產商及商家提供方便的交通連接。紅谷灘新區作為南昌市新型商務中心，其行政、商業及文化功能日漸顯現，同時區內生活配套的逐步完善帶動了客流及商流的聚集，為南昌華南城的發展奠定基礎。

南昌華南城總規劃佔地面積約261萬平方米，總規劃建築面積約687萬平方米。截至2019年3月31日，南昌華南城已購得總規劃建築面積約479萬平方米的土庫，並已完成約240萬平方米建設，包括商品交易中心、住宅、物流園、公共設施如小學等。

CSC Nanchang is now in operation, and covers industries including building and decoration materials, small commodities, textile and clothing, leather and accessories, healthy and green products, outlets, etc., on its trade center premises.

As the first provincial-level E-commerce Model Base in Jiangxi Province and state-level University Students' E-commerce Business Incubator in Nanchang, CSC Nanchang has successfully attracted numerous e-commerce enterprises to move in since its establishment and cooperated with tertiary institutes to proactively consolidate its resources in wholesale market and e-commerce, so as to create a closer cooperation between the e-commerce startups and manufacturing enterprises, thereby helping SMEs within the project to transform and upgrade.

南昌華南城已投入營運。商品交易中心所涵蓋的經營業態包括家居建材、小商品、紡織服裝、皮革皮具、健康綠色食品及奧特萊斯等。

南昌華南城作為江西省首個省級電子商務示範基地及國家級南昌市大學生電子商務創業孵化基地，自成立以來已成功吸納眾多電商企業入駐，並與當地高等院校合作，通過積極整合批發市場及電商資源，創造電商創業企業與生產企業的緊密對接，協助項目內中小企業進行轉型及升級。



Residential ancillary (Xizhanruidu) in CSC Nanchang
於南昌華南城的住宅配套(西站瑞都)



Birdview - Trade centers in CSC Nanchang
於南昌華南城的交易廣場鳥瞰圖



Nanning 南寧

立足南寧 · 服務西南 · 輻射東盟

China South City Nanning

China South City Nanning (“CSC Nanning”) is located at Jiangnan District of Nanning, the capital of the Guangxi Zhuang Autonomous Region, a critical gateway between China and the Association of Southeast Asian Nations (“ASEAN”) countries. The project is easily accessible by railway stations, highways and an international airport. Strategically located in close proximity to Southeast Asia and enjoying the advantage of a tariff waiver on cross-border trade activities within the China-ASEAN Free Trade Area, CSC Nanning endeavors to serve as a key hub for cross-border trade catering to the demand from the Northern Bay Region and Southeast Asia. CSC Nanning was conferred as “China-ASEAN Plaza” in 2011, aiming to forge a regional trade and logistics hub. CSC Nanning has been awarded as “National AAA Class Tourist Attraction” as well.

CSC Nanning has a total planned net land area of approximately 1.83 million sq. m. and a total planned GFA of approximately 4.88 million sq. m. As at 31 March 2019, CSC Nanchang had a total planned GFA of approximately 2.48 million sq. m. of land acquired, of which the construction of approximately 1.95 million sq. m. completed, including trade centers, residential ancillary, multi-purpose offices and apartments, logistics park, exhibition center, public facilities like primary school, etc.

南寧華南城

南寧華南城位於廣西壯族自治區省會南寧市江南區，是中國與東盟成員國之間的重要視窗，項目與火車站、高速公路及國際機場接連，交通便利。坐擁毗鄰東南亞的策略性地理優勢，受惠於中國—東盟自由貿易區於跨境貿易活動豁免關稅，南寧華南城致力成為重要的跨境貿易樞紐，以滿足北部灣及東南亞地區的需求。南寧華南城於2011年被授予「中國—東盟商品交易中心」，旨在打造成為區域性商貿物流基地。南寧華南城亦被評定為「國家AAA級旅遊景區」。

南寧華南城的規劃淨佔地面積約183萬平方米，總規劃建築面積約488萬平方米。截至2019年3月31日，南寧華南城已購得總規劃建築面積約248萬平方米的土庫，並已完成約195萬平方米建設，包括商品交易中心、住宅、多功能商辦及公寓、物流園、會展中心、公共設施如小學等。

CSC Nanning is now in operation, and covers industries including textile and clothing, small commodities, ASEAN products, home furnishing, tea and teaware, e-commerce, groceries, automobiles and parts, outlets, etc., on its trade center premises. Through organizing a series of exhibitions, such as the China ASEAN Expo and Light Industrial Exhibition, Folk Culture Festival cum Expo, traffic flow to the project as well as regional brand recognition of the project were enhanced. In addition, the commercial complex, 1668 Square, launched by CSC Nanning, has commenced operation, so as to satisfy demands on entertainment, leisure and shopping from the residents of the community and, at the same time, enhance CSC Nanning's overall commercial attributes. CSC Nanning also provides micro-credit service for on-site SMEs, assisting them in resolving financing difficulties in business development.

南寧華南城已投入營運。商品交易中心所涵蓋的經營業態包括紡織服裝、小商品、東盟產品、家居家品、茶葉茶具、電子商貿、綜合食品、汽摩汽配及奧特萊斯等。通過舉辦中國－東盟博覽會輕工展、民俗文化商貿節等一系列展會活動帶旺項目人氣並提升品牌的區域知名度。此外，南寧華南城推出的商業綜合體項目－1668廣場已經投入運營，以滿足片區居民的娛樂、休閒及購物的需求，提升了南寧華南城綜合商貿屬性。同時，為協助中小企解決運營上貸款困難的問題，南寧華南城為項目內中小企業提供小額貸款服務。



Office tower of 1668 Square in CSC Nanning
於南寧華南城1668廣場寫字樓



Trade center plaza 3 in CSC Nanning
於南寧華南城的3號交易廣場



Xi'an 西安

輻射大西北 · 連通亞歐大陸橋

China South City Xi'an

China South City Xi'an ("CSC Xi'an") is located at the Xi'an International Trade and Logistics Park in Shaanxi Province. As a local key project, the Xi'an International Trade and Logistics Park is an open economic pilot zone and a core area for modern service industry, aiming to become the largest international transit hub and logistics distribution center along the Silk Road Economic Belt and an important strategic platform for the "Belt and Road" initiative. In addition, the Xi'an International Trade and Logistics Park is one of the three largest clusters of China (Shaanxi) Pilot Free Trade Zone. Benefiting from such geographic advantages, CSC Xi'an is highly accessible via the Xi'an City Expressway and Beijing-Kunming Expressway, Lianyungang-Khorgos Expressway, Shaanxi-Shanghai Expressway, Baotou-Maoming Expressway and other national highways, forming an intricate spider network which opens to all directions. Besides, the strategic location of CSC Xi'an is connected to a railway container terminal and the largest bonded area in the north western region of China, along with two planned subway lines that cross the project site. Subway line 3, which passes through CSC Xi'an, has commenced operation. In addition, that a new stadium is slated to be built to host the 14th National Games of the People's Republic of China in 2021 nearby CSC Xi'an, and the subway line connected to the venue have launched for development. This subway line and the new stadium will generate more business opportunities and visitor traffic for the Xi'an International Trade and Logistics Park and thus further enhance the value of CSC Xi'an.

西安華南城

西安華南城位於陝西省省會西安市國際港務區內。國際港務區是當地政府重點打造的開放型經濟先導區與現代服務業核心功能區，旨在成為絲綢之路經濟帶上最大國際中轉樞紐港與商貿物流集散地，是聯接「一帶一路」戰略的重要平台。同時，國際港務區為中國（陝西）自由貿易試驗區三大片區之一。受惠於國際港務區的優越地理位置，西安華南城交通便利，通往區內的西安繞城高速公路與京昆高速、連霍高速、陝滬高速、包茂高速等國家公路運輸樞紐緊密銜接，形成「米」字型對外高速公路網格局。此外，西安華南城的策略位置接連通往鐵路集裝箱中心及中國西北地區最大保稅區的龐大交通網絡，並處於兩條已規劃地下鐵路項目的沿綫。途經西安華南城的地鐵3號綫已正式通車。此外，用於舉辦2021年第十四屆中華人民共和國全運會的新體育中心亦將於西安華南城附近落成，連接場館的地鐵建設項目均已展開。此地鐵綫路和體育中心將有利於國際港務區聚集更多客流與商機，並進一步增加西安華南城項目的價值。

CSC Xi'an has a total planned land area of approximately 10.00 million sq. m. and the total planned GFA of approximately 17.50 million sq. m.. As at 31 March 2019, CSC Xi'an had a total planned GFA of approximately 4.68 million sq. m. of land acquired, of which the construction of approximately 1.79 million sq. m. completed, including trade centers, logistics park, supporting facilities, etc.

CSC Xi'an is now in operation, and covers industries including hardware and machinery, curtains and fabrics, textile and clothing, leather and fur, automobiles and parts, building and decoration materials, outlets, cross-border e-commerce, Central Asia and ASEAN product exhibition center, etc., on its trade center premises. Leveraging its geographical advantage in the starting point of the Silk Road Economic Belt, CSC Xi'an is actively poised to capture the immense opportunities arising from the "Belt and Road" initiative.

西安華南城總規劃佔地面積約1,000萬平方米，總規劃建築面積約1,750萬平方米。截至2019年3月31日，西安華南城已購得總規劃建築面積約468萬平方米的土地，並已完成約179萬平方米建設，包括商品交易中心、物流園及其他配套設施等。

西安華南城已投入營運。商品交易中心所涵蓋的經營業態包括五金機電、窗簾布藝、紡織服裝、皮革皮革、汽摩汽配、家居建材、奧特萊斯、跨境電商、中亞與東盟產品展示中心等。憑藉作為絲綢之路經濟帶起點的地理位置優勢，西安華南城積極蓄勢，以把握「一帶一路」倡議帶來的龐大商機。



The multi-purpose office and apartment complex –1668 Square under construction next to subway station
在建的多功能商辦及公寓綜合體 –1668廣場鄰近地鐵站口



Harbin 哈爾濱

立足東三省 · 輻射東北亞

China South City Harbin

Located at the Daowai District of Harbin, the capital of Heilongjiang Province, China South City Harbin (“CSC Harbin”) fully utilizes its advantageous location in Northeast China, a premier hub for cross-border trade with countries in Northeast Asia. Its proximity to the China-Russia border helps to facilitate economic activities within the region. Leveraging the opportunities arising from the area’s development potential, CSC Harbin endeavors to become the largest integrated logistics and trade center in Northeast China. Leveraging its own geographical location and advantages of local industries, CSC Harbin actively promotes the development of regional economy and trade, for example, the cooperation with merchants from Khabarovsk Russia, the signing of “Wuchang City Rice Official Flagship Store” with the municipal government, the signing of strategic cooperation with Anhui Chamber of Commerce, etc. It is also proactively to become the Northeast Asian green food exhibition and trading hub. In addition, Xinxiangfang North Station of Harbin – Mudanjiang high speed rail (哈牡高鐵新香坊北站), only a couple of kilometers from CSC Harbin, commenced operation by the end of 2018 and will bring more visitors and business opportunities to the project.

哈爾濱華南城

哈爾濱華南城位於黑龍江省省會哈爾濱市道外區，盡享中國東北部的地理優勢，是東北亞國家的跨境貿易主要樞紐。加上鄰近中俄邊界，配合該地區的經濟活動需要，哈爾濱華南城將充分把握該區發展潛力所帶來的機遇，致力成為中國東北部最大的綜合物流及商品交易中心。哈爾濱華南城利用自身地理位置及當地產業優勢，積極推進區域經濟貿易的發展，如與俄羅斯哈巴羅夫斯克市等商戶合作，與五常市政府簽訂「五常大米官方旗艦店」，與安徽商會簽訂戰略合作等，並積極打造成東北亞綠色食品展示交易的核心樞紐。此外，距哈爾濱華南城僅數公里的哈牡高鐵新香坊北站已於2018年底通車，為園區帶來更多的客流及商機。

CSC Harbin has a total planned land area of approximately 10.00 million sq. m. and the total planned GFA of approximately 12.00 million sq. m.. As at 31 March 2019, CSC Harbin had a total planned GFA of approximately 5.61 million sq. m. of land acquired, of which the constructions of approximately 1.83 million sq. m. completed, including trade centers, residential ancillary, logistics park, supporting facilities, etc.

CSC Harbin is now in operation, and covers industries including hardware and construction materials, chemicals, machinery, automobiles and parts, green food, small commodities, hotel supplies, leather and fur, outlets, e-commerce, etc., on its trade center premises. Among these, China Harbin Green Food International Expo City (中國綠色食品(哈爾濱)國際博覽城) on the project, aimed to become an influential one-stop green food base with economies of scale advantage, has been certified and licensed by China Green Food Development Center.

哈爾濱華南城總規劃佔地面積約1,000萬平方米，總規劃建築面積約1,200萬平方米。截至2019年3月31日，哈爾濱華南城已購得總規劃建築面積約561萬平方米的土地，並已完成約183萬平方米建設，包括商品交易中心、住宅、物流園及其他配套設施等。

哈爾濱華南城已投入營運。商品交易中心所涵蓋的經營業態包括五金建材、化工、機電、汽摩汽配、綠色食品、小商品、酒店用品、皮革皮革、奧特萊斯及電子商務等。園區內的中國綠色食品(哈爾濱)國際博覽城由中國綠色食品發展中心認證授牌，旨在打造極具影響力及規模效應的一站式綠色有機食品產業基地。



Residential ancillary (Hadonghuafu) in CSC Harbin
於哈爾濱華南城的住宅配套哈東華府



Zhengzhou 鄭州

中原商貿市場群

China South City Zhengzhou

China South City Zhengzhou (“CSC Zhengzhou”) is located in Zhengzhou, the capital of Henan Province, adjacent to the Airport Economy Zone (“AEZ”) of Zhengzhou, the only state-level AEZ with a complete network which includes an international airport, high-speed train, intercity train, metro and highway to act as an integrated transport hub to provide seamless connectivity. The project is highly accessible and enjoys extensive transportation links – it is a mere 16 km away from Zhengzhou Xinzheng International Airport and only a couple of kilometers away from the Beijing-Guangzhou Railway Freight Station and the Beijing-Hong Kong-Macao Highway. With subway south line 2 connecting downtown area to the airport across CSC Zhengzhou with three stations currently in full operation, and the main road (Zhonghua Road) to Xinzheng City Center open to traffic, more business opportunities and visitor traffic will be generated for the project.

CSC Zhengzhou has a total planned net land area of approximately 7.00 million sq. m., and total planned GFA of approximately 12.00 million sq. m.. As at 31 March 2019, CSC Zhengzhou had a total planned GFA of approximately 9.76 million sq. m. of land acquired, of which the construction of approximately 3.05 million sq. m. completed, including trade centers, residential ancillary, logistics park, public facilities like park, etc.

鄭州華南城

鄭州華南城位於河南省省會鄭州市，鄰近鄭州航空港經濟綜合實驗區。該實驗區乃目前全國唯一一個國家級航空港經濟綜合實驗區，是集國際航空、高鐵、城際鐵路、地鐵及高速公路於一體，可實現綜合樞紐的無縫銜接。項目享有廣闊的運輸網絡，四通八達，與鄭州新鄭國際機場相距僅16公里，與京廣鐵路貨運站及京港澳高速公路亦只有數公里之遙。於鄭州華南城內設有三個車站的地鐵2號線南延綫已全綫正式通車；加上通往新鄭市中心的中華路亦已開通，為鄭州華南城聚集更多商流及客流。

鄭州華南城總規劃淨佔地面積約700萬平方米，總規劃建築面積約為1,200萬平方米。截至2019年3月31日，鄭州華南城已購得總規劃建築面積約976萬平方米的土地，並已完成約305萬平方米建設，包括商品交易中心、住宅、物流園及公共設施如公園等。

CSC Zhengzhou is now in operation, and covers industries including building and decoration materials, small commodities, hardware and machinery, home furnishing, automobiles and parts, non-staple food, clothing, outlets, e-commerce, etc., on its trade center premises. CSC Zhengzhou will speed up the development of residential ancillary and commercial facilities such as multi-purpose offices and apartments, in order to meet the local demands.

In response to the local policy to support innovation and entrepreneurship, CSC Zhengzhou is also actively developing emerging industries and new types of businesses. Among them, CSC Zhengzhou has gradually become a “Provincial-level E-commerce Demonstration Base” since 2016, “Henan Province Cross-border E-Commerce Demonstration Base”, and “Henan Province Innovation Model Bases for Micro and Small Enterprises”.

鄭州華南城已投入營運。商品交易中心所涵蓋的經營業態包括建材、小商品、五金機電、家具、汽摩汽配、副食品、服裝、奧特萊斯及電子商貿等。鄭州華南城將繼續加強其住宅及商業包括多功能商辦及公寓等配套設施方面的業務，進一步滿足華南城及周邊市場的需求。

針對地方政府鼓勵扶持創新創業，鄭州華南城亦積極發展新興業態，其中於電商產業培育上，鄭州華南城從2016年起逐步成為「省級電子商務示範基地」、「河南省跨境電子商務示範基地」，及「河南省小微企業創業創新示範基地」。



Residential ancillary (Zhongyuan) in CSC Zhengzhou
於鄭州華南城的住宅配套中園



Hefei 合肥

立足安徽 · 輻射江浙滬

China South City Hefei

China South City Hefei ("CSC Hefei") is located at Anhui Feixi Economic Development Zone of Hefei (formerly Anhui Taohua Industrial Park), the capital of Anhui Province, and the transport and economic hub at the heart of Eastern China. Leveraging the advantageous geographical location, CSC Hefei will enjoy more visitors and business opportunities. CSC Hefei also benefits from the well-developed infrastructure, together with a planned transportation system of railways, highways and river transportation across China. The subway south line 4 across CSC Hefei will be accessible in 2021.

CSC Hefei has a total planned net land area of approximately 10.00 million sq. m. with a total planned GFA of approximately 12.00 million sq. m.. As at 31 March 2019, CSC Hefei had a total planned GFA of approximately 5.99 million sq. m. of land acquired, of which the construction of approximately 2.49 million sq. m. completed, including trade center, residential ancillary, logistics park, public facilities like secondary school, etc.

合肥華南城

合肥華南城位於安徽省省會合肥市肥西經濟開發區（原名：桃花工業園），沿綫合肥綜合性國家科學中心板塊，為華東地區經濟及交通之心臟地帶。所處的優越地理位置將為園區進一步帶來人流與商機。合肥華南城盡享完善基礎建設的策略地利，並配備規劃的鐵路、高速公路及河運運輸系統接連全中國。其中，途經合肥華南城的地鐵4號南延綫將於2021年正式運營。

合肥華南城總規劃淨佔地面積約1,000萬平方米，總規劃建築面積約為1,200萬平方米。截至2019年3月31日，合肥華南城已購得總規劃建築面積約599萬平方米的土地，並已完成約249萬平方米建設，包括商品交易中心、住宅、物流園及公共設施如中學等。



Residential ancillary (Zijingmingdu) and the secondary school in CSC Hefei
於合肥華南城的住宅配套紫荊名都及中學

CSC Hefei is now in operation, and covers industries including automobiles and parts, hardware and machinery, building and decoration materials, textile and clothing, hotel supplies, outlet, small commodities, non-staple food, etc., on its trade center premises.

As Hefei further plays its role as the political, economic, cultural and financial center at the heart of Eastern China, CSC Hefei aims to capture opportunities arising from the area and develop into a major large-scale integrated logistics and trade center in the region.

合肥華南城已投入營運。商品交易中心所涵蓋的經營業態包括汽摩汽配、五金機電、家居建材、紡織服裝、酒店用品、奧特萊斯、小商品及副食品等。

隨著合肥進一步發揮其作為華東中心地帶的政治、經濟、文化及金融中心的功能，合肥華南城將積極把握該區涌現的機遇，發展成為該地區的主要大型綜合物流及商品交易中心。



Chongqing 重慶

立足重慶 · 輻射西南

China South City Chongqing

China South City Chongqing (“CSC Chongqing”) is strategically located at Banan District of Chongqing, the only direct-administered municipality in midwestern China, and the essential location connecting both “Belt and Road” initiative and “Yangtze River Economic Belt”. CSC Chongqing is also the Group’s first project in direct-administered municipality. The project is highly accessible to the city center and other regions given its strategic location in the Chongqing Highway Logistics Base, the state-level transportation infrastructure and large highway base in the western region. Such location is also the starting point of national strategies of “The New International Land-sea Trade Corridor” and “Chongqing-ASEAN International Logistics Channel”. The transportation network around the project has been developed rapidly, coupled with the growing maturity of business in Banan district, laying a good foundation for the future transportation and commercial environment of the project. Following Chongqing government’s announcement that the development of new town in the core Southern District, where CSC Chongqing is located, it is expected the regional growth potential will be on the rise.

重慶華南城

重慶華南城策略性地位於中國中西部唯一的直轄市重慶市的巴南區，是「一帶一路」和「長江經濟帶」在重慶實現無縫連接的重要聯結點，為本集團首個落戶直轄市的項目。座擁西部國家級大型交通基建—重慶公路物流基地的策略性地利，項目連接完善的高速公路網絡，貫通市中心及全國其他地區，亦是國家戰略「國際陸海貿易新通道」及「重慶東盟國際物流大通道」之起點。重慶華南城周邊的交通網絡建設發展快速，隨著巴南區商圈的發展漸趨成形，為項目未來的交通配套及商業環境奠定了良好的基礎。隨著重慶市政府宣布於重慶華南城所處核心地區建立南部新城，預期該地區發展潛力進一步增加。



Residential ancillary (Bananhuafu) in CSC Chongqing
於重慶華南城的住宅配套巴南華府

CSC Chongqing has a total planned net land area of approximately 5.9 million sq. m. with a total GFA of approximately 13.1 million sq. m.. As at 31 March 2019, CSC Chongqing had a total planned GFA of approximately 6.50 million sq. m. of land acquired, of which the construction of approximately 1.88 million sq. m. completed, including trade centers, residential ancillary, logistics park, public facilities like primary and secondary schools, etc.

CSC Chongqing is now in operation, and covers industries such as small commodities, hardware and machinery, hotel supplies, building and decoration materials, textiles and clothing, automobile and parts, lightings and lamps, outlets, metals, cultural tourism, etc., on its trade center premises. There are CSC Chongqing South West University and CSC Primary School and CSC China Junior High School established on the project to cope with the on-site demand in course of development. With the opening of the two schools in September 2018, in addition to attracting the flow of people to CSC Chongqing, it drives the need of various facilities for living, which in turn further accelerates construction pace and development on the project.

重慶華南城總規劃淨佔地面積約590萬平方米，總規劃建築面積約為1,310萬平方米。截至2019年3月31日，重慶華南城已購得總規劃建築面積約650萬平方米的土地，並已完成約188萬平方米建設包括商品交易中心、住宅、物流園及公共設施如中、小學等。

重慶華南城已投入營運。商品交易中心所涵蓋的經營業態包括小商品、五金機電、酒店用品、家居建材、紡織服裝、汽摩汽配、燈具燈飾、奧特萊斯、金屬材料及文化旅遊等。為配合項目發展需要，重慶華南城內設有西南大學華南城小學及西南大學華南城初級中學。隨著2所學校於2018年9月開學，除帶動園區人流，也帶動園區各項周邊生活配套的需要，進一步加快項目的建設發展步伐。

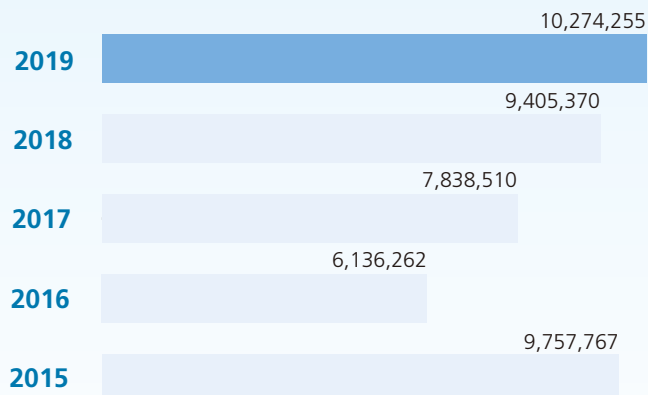
Financial Highlights

財務摘要

(in HK\$'000千港元)

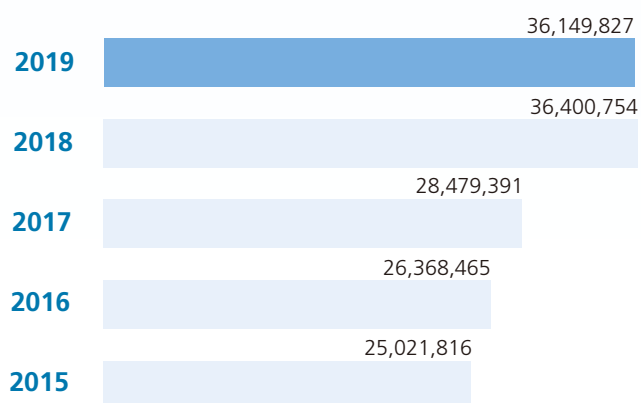
Revenue

收入



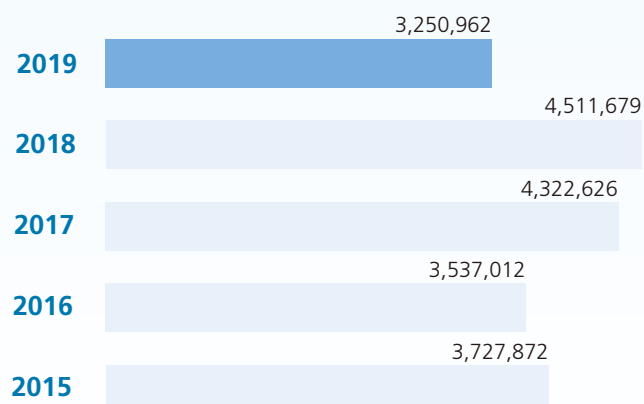
Net assets value

資產淨值



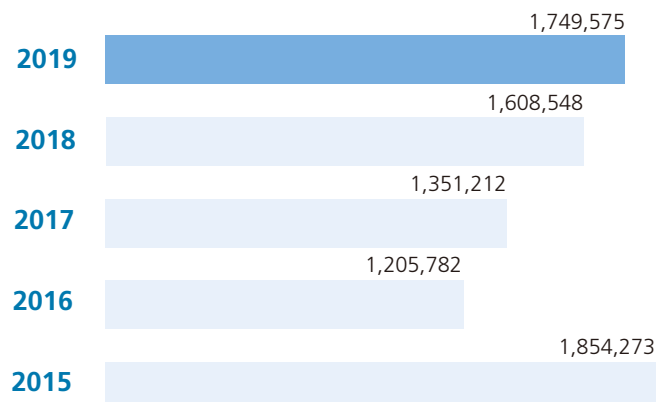
Profit attributable to owners of the parent

母公司擁有人應佔利潤



Core net profit attributable to owners of the parent

母公司擁有人應佔核心淨利潤



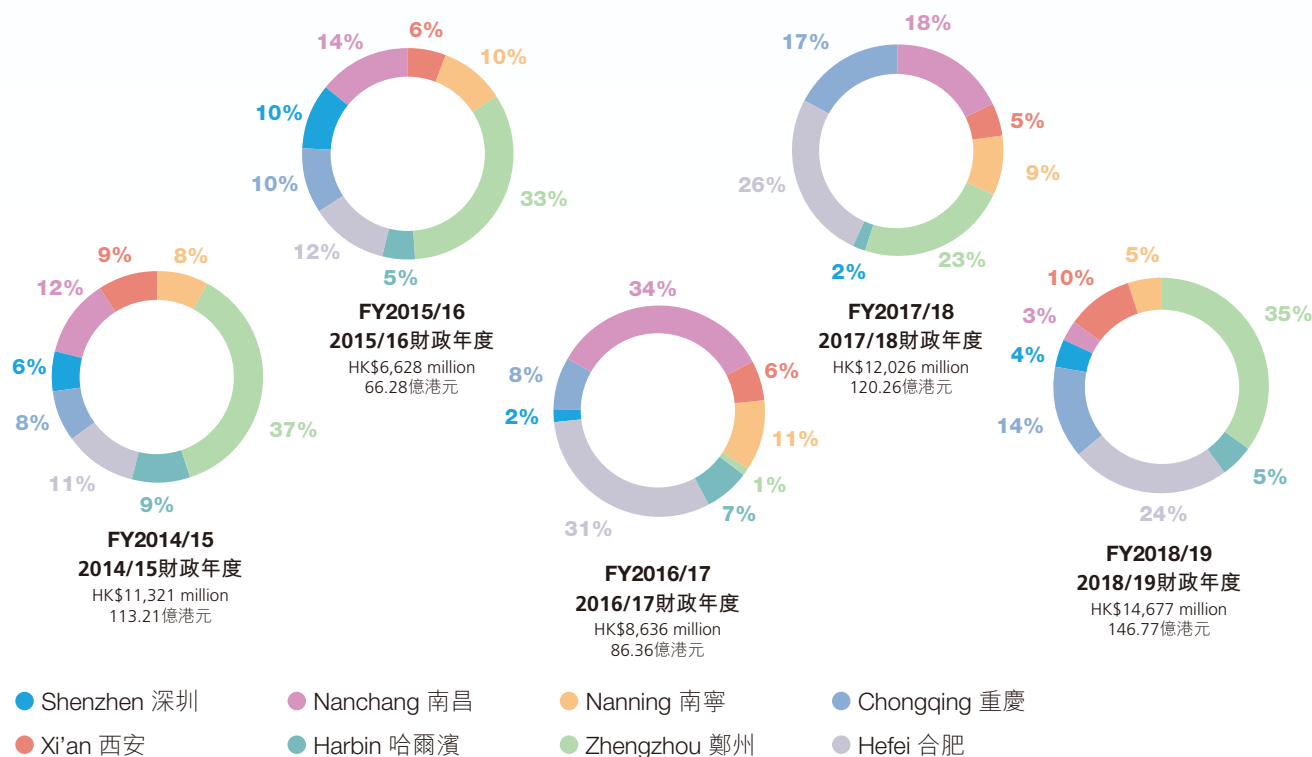
Financial Highlights (Continued) 財務摘要(續)

For the year ended 31 March 截至3月31日止年度		2019 HK\$'000 千港元	2018 HK\$'000 千港元	Approximate Change % 概約變幅%
Contracted sales	合約銷售	14,677,062	12,025,886	22.0
Revenue	收入	10,274,255	9,405,370	9.2
Among which, Recurring income	其中：持續性收入	2,314,884	2,019,976	14.6
Gross profit margin	毛利率	43%	43%	
Profit attributable to owners of the parent	母公司擁有人應佔利潤	3,250,962	4,511,679	-27.9
Core net profit attributable to owners of the parent*	母公司擁有人應佔核心淨利潤*	1,749,575	1,608,548	8.8
Earnings per share – Basic	每股盈利 – 基本	HK40.33 cents港仙	HK56.35 cents港仙	
Cash and bank balances**	現金及銀行存款**	9,359,772	10,655,692	
Gearing ratio	資本負債比率	68.9%	77.4%	
Proposed final dividend per share	擬派末期股息(每股)	HK5.0 cents港仙	HK5.0 cents港仙	

* Mainly represents the net profit attributable to owners of the parent excluding fair value gains on investment properties and related tax effects, provision for impairment of goodwill, provision for impairment loss of available-for-sale investments and loss on redemption of senior notes, etc. 主要代表未計投資物業公平值收益及相關稅務影響、商譽減值撥備、可供出售金融投資減值撥備和贖回優先票據之虧損等的母公司擁有人應佔淨利潤。

** Represents cash and cash equivalents and restricted cash. 代表現金及現金等價物及受限制現金。

Contracted Sales by Projects 按項目劃分合約銷售



Chairman's Statement

主席報告

On behalf of the Board of the Company, together with its subsidiaries, I report herewith the consolidated annual results of the Group for the year ended 31 March 2019.

Over the past year, both domestic and international environment experienced intricate and profound changes. The international community witnessed the resurgence of unilateralism and protectionism and a lack of growth momentum in global economic and trade. The escalating trade friction between China and the US put considerable downward pressure on the Chinese economy. The national economy entered the first quarter of 2019 with a stable start under a growing number of positive factors in the economic environment as well as improving market expectations and confidence, achieving a 6.4% year-on-year GDP growth which exceeded market expectation. The Chinese economy is signaling further stability as the economic structure continuously optimizes and effects from policies are gradually revealing. China recorded a Purchasing Managers' Index (PMI) of 50.1% and a New Orders Index of 51.4% in April, both figures remaining in the expansion territory and indicating the overall stable market demand in the manufacturing sector.

During the Year, real estate policy control in China was confronted by a complex macro-economic environment and unstable market, which in turn caused the market to call for greater emphasis on market regulation and rectifying speculation on property to ensure that reasonable housing demands were met. Despite a new record high in real estate transaction volume under the controlling policies, such tightened policies have impaired the growth momentum among real estate enterprises, as they recorded slower year-on-year growth rates. Some major Mainland real estate players have expanded their service offerings from residential development to areas such as apartments, logistics and commercial properties, as well as property service. Stimulated by the national policy of supply-side structural reform, these enterprises have transformed their business models and extended their presence to relevant industries such as property service, business and tourism, culture and sports as well as finance on top of real estate development.

本人謹代表本公司之董事會，連同其附屬公司，謹此呈報本集團截至2019年3月31日止財政年度之綜合年度業績。

過去一年，國內和國際環境發生了錯綜複雜的深刻變化，國際上單邊主義和保護主義抬頭，全球經濟貿易增長後勁明顯不足，中美貿易摩擦逐步升級，中國經濟下行壓力仍大。2019年第一季國民經濟開局較平穩，經濟環境積極因素逐漸增多，市場預期和信心逐漸改善，國內生產總值同比去年增長6.4%，增速好於市場預期。隨著經濟結構繼續優化及政策效應的逐漸顯現，中國經濟企穩信號將更加強烈。4月份中國製造業採購經理指數(PMI)為50.1%，其中新訂單指數為51.4%，繼續保持在擴張區間，表明製造業市場需求總體穩定。

本年度內，中國房地產政策調控面臨的宏觀經濟環境複雜，銷售市場風起雲湧，市場更注重強化市場監管，堅決遏制投機炒房，保障合理住房需求。房地產交易規模在調控政策下雖再創新高，但在調控政策從緊的影響下，房企普遍出現業績上漲乏力的現象，增速同比均有所放緩。部分內地大型房企已從住宅開發趨向商務公寓、物流地產、商業地產及物業服務等領域發展，於國家的供給側結構性改革政策推動下，更刺激傳統房企轉型，於房地產開發的基礎上延伸至物業、商旅、文體、金融等相關行業。

That the business transformation these industry-leading enterprises direct coincides with the "Trade and Logistics +" model that has been persevered by China South City over the years. The years of hard work has enabled the Group to sustain a diversified and flexible business model in concert with national development strategies. China South City managed to replicate the model of its CSC Shenzhen project to multiple strategic regions nationwide. Forward-looking to the prospect in the Guangdong-Hong Kong-Macau Greater Bay Area (the "Greater Bay Area"), the Group positioned the pilot project for its unique business model in the first-tier city, Shenzhen. Besides, CSC Shenzhen is situated at Pinghu, Shenzhen, laid on "Qianhai Houlu (Pinghu) Extension Area" (前海後陸(平湖)拓展區), which is the sole official cooperation area entitled to the same preferential policy as businesses in Qianhai, as well as the heart of the central city cluster among Shenzhen, Dongguan and Huizhou. Furthermore, in response to Pinghu old town renovation plan, China South City is proactively in negotiation with government authorities on renovation measures, for the benefit from the sublimation of post-renovation Pinghu area.

China South City also benefits from the strategic opportunity from national "Belt and Road Initiative". Apart from the Group's projects being afoot in key participating cities such as Xi'an, Chongqing and Shenzhen, CSC Harbin situated in the Northeast Asia market under the national "Belt and Road Initiative", serves as a bridge for economic collaboration between China-Eurasian Economic Union. Besides, CSC Nanning, strategically located adjacent to Southeast Asia, benefits from the preferential policy on cross-border trading activities devised by the "China-ASEAN Free Trade Zone".

At present, the Group's layout in eight Mainland cities highly adhere to important national strategies such as the "Greater Bay Area", the "Belt and Road Initiative" and the "Yangtze River Economic Belt". While the Group's eight projects grow more mature, and some of which are entitled as provincial or municipal key projects, China South City would quickly seize market opportunities amidst industry transformation.

行業標桿企業的轉型方向，正與華南城多年來所堅守的「商貿物流+」模式不謀而合。憑藉多年來的努力，一直保持多元化的靈活業務模式，致力協同國家發展策略，成功將深圳華南城項目的商業模式複製至全國多個戰略區域。本集團以一線城市深圳作為其獨特業務模式之實驗試點，提前佈局粵港澳大灣區（「粵港澳大灣區」）。此外，深圳華南城位於深圳平湖，選址輻射深圳、東莞及惠州之中部組團中心—「前海後陸(平湖)拓展區」—前海區域範圍外唯一的官方合作區域，可享受等同於前海企業之優惠政策。另外，響應平湖政府舊墟鎮改造計劃，華南城正與政府積極展開洽談園區改造辦法，以受益於舊改後平湖區域價值的整體提昇。

華南城亦受惠於國家實施「一帶一路」之戰略機遇，除本集團已佈局西安、重慶、深圳等重點參與城市外，哈爾濱華南城落點國家「一帶一路」之東北亞市場，是中國—歐亞經濟聯盟合作的橋樑。此外，南寧華南城更坐擁毗鄰東南亞之策略性地點，受惠於「中國—東盟自由貿易區」於跨境貿易活動之優惠政策。

當前，本集團於中國大陸之八城佈局與國家已實施的「粵港澳大灣區」、「一帶一路」和「長江經濟帶」等重大發展戰略高度契合。隨著八個項目發展日趨成熟，多個項目亦已被列入省政府重點項目，華南城將於行業轉型的趨勢中快速抓緊市場機遇。

Results and Dividends

Notwithstanding the fluctuations in the overall economic environment, China South City continued to consolidate its foundation and make steady progress during the Year. Striving to improve its organizational structure and team building, China South City has established standardized systems on various fronts and prepared more scientific and rigorous management measures and incentive mechanism, all of which laid a solid foundation for FY2019/20. During the Year, the Group recorded a notable increase of 22% to HK\$14,677.1 million in contracted sales compared with last year (FY2017/18: HK\$12,025.9 million). Revenue grew by HK\$868.9 million to HK\$10,274.3 million (FY2017/18: HK\$9,405.4 million), out of which recurring revenue rose by HK\$294.9 million to HK\$2,314.9 million (FY2017/18: HK\$2,020.0 million) with evident growth of 53.2% and 32.7% in segments of property management and warehousing and logistics respectively.

Profit attributable to owners of the parent recorded HK\$3,251.0 million (FY2017/18: HK\$4,511.7 million), while core net profit attributable to owners of the parent (excluding fair value gains on investment properties and related tax effects, provision for impairment of goodwill, provision for impairment loss of available-for-sale investments and loss on redemption of senior notes, etc.) was HK\$1,749.6 million (FY2017/18: HK\$1,608.5 million). Basic earnings per share was HK40.33 cents (FY2017/18: HK56.35 cents).

The Board recommend the payment of a final dividend of HK5.0 cents per share for FY2018/19 (FY2017/18: HK5.0 cents per share with scrip option) subject to approval of Shareholders at the forthcoming annual general meeting (the "AGM") to be held by the Company on 13 September 2019.

業績及股息

儘管整體經濟環境波動，本年度內，華南城繼續以務實基礎，穩步推進。本集團致力於完善組織架構和團隊建設，建立各項工作的標準化體系，制定更加科學嚴謹的管理辦法和激勵機制，為2019/20財年奠定堅實的基礎。本年度內，本集團的合約銷售較去年同期顯著增長22%至146.771億港元(2017/18財政年度：120.259億港元)；收入增長8.689億港元至102.743億港元(2017/18財政年度：94.054億港元)，其中持續性收入增長2.949億港元至23.149億港元(2017/18財政年度：20.200億港元)，當中以物業管理及倉儲與物流板塊增長較明顯，分別增長53.2%與32.7%。

母公司擁有人應佔淨利潤為32.510億港元(2017/18財政年度：45.117億港元)，而母公司擁有人應佔核心淨利潤(未計投資物業公平值收益及相關稅務影響、商譽減值撥備、可供出售金融投資減值撥備和贖回優先票據之虧損等)為17.496億港元(2017/18財政年度：16.085億港元)。每股基本盈利為40.33港仙(2017/18財政年度：56.35港仙)。

董事會建議派付2018/19財政年度末期股息每股5.0港仙(2017/18財政年度：每股5.0港仙附以股代息選擇)，惟須待股東於2019年9月13日舉行的本公司應屆股東週年大會(「股東週年大會」)批准後，方可作實。

Review of the Market and Operations Emphasizing on Merchants Recruitment, Strengthening Operation and Establishing Commercial Complexes

In a bid to capture market opportunities brought about by industry upgrade and transformation and support its long-term development, China South City carried out its strategy of "Emphasizing on Merchants Recruitment and Strengthening Operation" by establishing its business management division and investment development division, enabling more detailed work division in respect of project development and merchants recruitment, together with more precise and focused execution. The newly established entities also allow the Group to further improve its management in terms of strategy, organizational structure and business scope. The business management division is responsible for merchants recruitment and property management, with a professional team responsible for the prospecting and recruitment of tenants that can generate positive synergy for China South City projects. The investment development division focuses on project development, responsible for the construction of various properties that are required in different stages of China South City projects. Furthermore, the Group has enhanced digitalization and process management, effectively mastering project nodes to ensure construction quality and safety, whilst continuing to intensify cost control by fully establishing a target cost management system.

As a leading developer and operator of large-scale integrated logistics and trade centers in China, China South City has worked out a diversified and flexible business model to ensure stable revenue stream and sustainable business development for the Group. With a project portfolio that covers integrated logistics and trade centers supported by commercial and residential ancillary facilities, the Group successfully replicated its business model to establish strategic presence in a first-tier city, major provincial capitals and a direct-administered municipality in China to cater to tenants from different sectors with various types of business.

Leveraging a unique business model that provides tenants and visitors with diverse business and supporting services, the Group makes continuous strategic adjustments and optimizes business priorities according to the development stage of each project and local market demands. The Group has also tapped new sectors such as education to attract premium tenants, and further improve tenant portfolio to safeguard the future development of the China South City brand. In addition, the Group has successfully optimized its operation system by introducing a number of new operating revenue sources and ramped up its rental collection rate during the Year.

市場及運營回顧 重招商強運營 建設商業綜合體

為抓住行業升級轉型所帶來的市場機遇，並支持華南城的長遠發展，本年度內華南城落實「重招商、強運營」的戰略部署，成立了商業管理集團與投資開發集團，使本集團在項目開發建設、招商營運等方面分工更細化，執行更精準、更專注，從戰略、組織架構、業務領域等方面進行管理升級，優化管理模式。商業管理集團負責招商營運及物業管理，由專業團隊負責物色能為華南城各項目帶來良好協同效應的商戶，而投資開發集團則專注於項目開發建設，為華南城各項目在不同階段的需求建設所需要的物業。集團加強了信息化工程及流程管理，有效掌握工程節點，保障建設質素及安全，同時持續加強成本管理，全面建立目標成本管理體系。

作為中國領先大型綜合物流及商品交易中心的開發商及運營商，華南城已發展出多元靈活的商業模式，確保本集團得以穩定收入來源及業務的可持續發展。其項目組合涵蓋綜合物流及商品交易中心，輔以商業及住宅配套設施，透過成功複製商業模式，戰略布局於中國一線城市、主要省會及直轄市，服務不同業態及多種業務類型的商戶。

藉著向商家及訪客提供多元化物業及配套服務的獨特商業模式，本集團按各項目的發展階段及當地市場需求，戰略性地不斷調整和優化業務重點。本集團引進了教育等新業態以吸引優質客戶，提升商戶實力，為品牌未來發展保駕護航。除此之外，為強化市場運營，本集團於年內增加多種經營收入，並提高租金收繳率，成功完善運營體系。

As more new projects are developed, and existing projects becoming more mature, China South City also pays attention to the incubation of strategic emerging industries and the construction of commercial complexes. The Group has been in talks with industry associations and chambers of commerce over individual innovative high-tech industries (including startups), with an aim to upgrade its commercial service for industry cultivation, clustering and integration. During the Year, the Group stepped up its efforts to capture the opportunities of the market by developing multi-purpose office and apartment ancillary. The Group also provides with residential facility and property management service. Together they stimulated market demand, which has facilitated the development of the "China South City Ecosystem".

Formulating Timely and Flexible Business Strategies to Promote Stable Growth of Business

As a leading developer and operator of large-scale integrated logistics and trade centers in China, the Group continued to develop its five core businesses in rental, property management, logistics and warehousing, outlet operation and E-commerce in addition to enhancing the value of commercial and residential properties to serve tenants from a wide range of industries, and facilitating the development of China South City towards a path high quality and diversification.

As a number of projects successively commenced operation and the operating floor area continued to grow, the Group has started to transform its warehousing and logistics service from a rental-oriented model to an integrated third-party logistics-oriented model and has already secured a number of warehousing and distribution projects or logistics projects from renowned brands. Its warehousing and logistics operating networks was increased to 14, providing timely logistics and delivery service to more than 700 cities nationwide. Leveraging the business expansion and service upgrade, the Group expects to maintain a stable growth in this segment going forward.

Outlets maintained stable growth in its operational performance. Driven by the increasing income of urban and rural residents, the demand for discounted branded products has increased significantly. To optimize resource distribution and operational efficiency, the Group consolidated the business of the self-owned brands of outlets during the Year, in line with new consumption trends.

隨著更多的項目開展及日漸成熟，華南城亦關注戰略新興產業孵化，建設商業綜合體。本集團針對個別高新科技產業包括初創企業等，進行產業協會及商會洽談，以升級商業綜合服務，務求促進產業培育及聚集，加快行業融合。本年度內，本集團加大力度發展多功能商辦及公寓，以把握市場機遇，並提供住宅配套設施及物業管理服務，刺激市場需求，成功促進「華南城生態圈」的發展。

因時制宜制定靈活經營策略 促進業務穩定增長

作為中國領先的大型綜合物流及商品交易中心的開發商及運營商，除了提升商業和住宅物業價值外，本集團持續發展租賃業務、物業管理、倉儲及物流服務、奧特萊斯運營及電子商貿等五大核心業務，服務不同業態的商戶，助推華南城邁向高質量的多元化發展。

隨著多個項目陸續投入運營，經營面積不斷增加，本集團的倉儲物流服務開始從以園區租賃業務為主，向綜合性第三方物流伸展，並取得多個知名品牌的倉配項目或運輸項目。本集團的倉儲物流運營網點增至14個，物流配送可及時送達全國700多個城市。隨著業務的擴展和服務的升級，本集團預計此業務分部未來能保持穩定增長。

奧特萊斯的運營表現保持穩定增長。隨著城鄉居民收入持續增長，居民對折扣品牌產品需求大幅增加。為優化資源分配，並提升營運效率，本集團於本年度內整合奧特萊斯各自營品牌的業務，以滿足新消費趨勢。

In addition, the Group has strengthened its cooperation with HOBA Furnishing over the home building materials trade center, in an effort to develop a pan-industry base for home furnishing that integrates exhibition, warehousing and logistics. Apart from its Shenzhen and Nanning China South City projects, HOBA Furnishing opened a new store in Changsha and five new franchises in Ordos, Changsha, Chenzhou and Weihai during the Year, and is expected to commence business at CSC Zhengzhou in FY2019/20.

Prudent and Sound Financial Management, Flexible and Smooth Financing Channels

Looking back at the Year, the Group maintained diversified and extensive financing channels. In overseas market, the Group issued US\$150 million of senior notes in May 2018 and an additional US\$100 million of senior notes in June 2018, US\$200 million of senior notes in March 2019 and an additional US\$60 million of senior notes in June 2019. Domestically, the Group issued RMB600 million of medium-term notes in April 2019. The Group has laid a strong foundation for its future development by effectively utilizing domestic and overseas bond issuance quota, effectively optimizing the overall debt structure, reducing financing costs and maintaining a diverse range of smooth financing channels both domestically and overseas. Through effective application of note facilities from domestic and overseas capital markets, bank loans and internal operating cash flows, the Group repaid a number of domestic notes and reduced its overall liabilities effectively during the Year, which reflected its flexible capital operation and sound financial foundation. In addition, the Group further mitigated its liabilities through repurchase and cancellation of overseas bonds, which also improved the capital efficiency and returns of the Group. Looking into next fiscal year, the Group will maintain its prudent and sound financial management strategy as well as flexible and smooth financing channels, strive for better capital management, attain a balance between financial stability and business development, in a bid to create maximum value for shareholders.

本集團加強與好百年家居就家居建材交易中心的合作，致力於打造融合展示、倉儲、物流一體化的泛家居業基地。除深圳及南寧華南城項目外，本年度內，好百年家居於長沙新增門店，並於鄂爾多斯、長沙、郴州、威海等地新增5間加盟店；預計將於2019/20財政年度於鄭州華南城開設業務。

謹慎穩健的財務管理 靈活暢通的融資渠道

回望本年度，本集團維持多元而廣泛的融資渠道。境外，於2018年5月發行1.5億美元優先票據，並於2018年6月增加發行1億美元優先票據；於2019年3月發行2億美元優先票據，並於2019年6月增加發行6,000萬美元優先票據。境內，於2019年4月發行人民幣6億元中期票據。通過有效利用境內外發債額度，有效優化整體債券結構、降低融資成本、維護境內外的多元融資渠道保持暢通，為本集團未來的發展提供良好的支撐。透過有效運用境內外資本市場票據融資、銀行貸款及內部營運現金流，本集團於本年度償還多筆境內票據，有效降低整體負債，反映本集團的資金運轉靈活和財務基礎穩健。此外，本集團通過回購境外債券，註銷回購債券，進一步降低本集團的負債水平，同時為集團提升資金效益回報。展望下一財年，本集團將繼續採取謹慎穩健的財務管理策略，維護靈活暢通的融資渠道，並致力實現更佳的資金管理，務求在財務穩定及業務發展上取得平衡，為股東創造最大價值。

Prospects

Affected by uncertainties from home and abroad in 2019, China will stress on both "Stability" and "Progress" in development, and continue with its reform and development on the basis of stability. The real estate sector will pursue steady progress, as industry-leading enterprises continue to push forward their transformation and extend their value chain.

Looking ahead to FY2019/20, China South City will enhance capital operation and financial control, expand financing channels, and ramp up the quality of merchants recruitment, operation and projects. It will work to deliver refined products with rigorous cost control, prioritize efficiency and pay attention to business scale to facilitate the Group's future development. The "Trade and Logistics +" model will continue to help China South City capture opportunities amid industry transformation, leveraging the Group's competitive advantages to integrate resources. After years of development, its projects in Zhengzhou, Xi'an, Shenzhen and Nanchang have been furnished with a range of ancillaries and managed to cover increasing number of sectors. Together with the rail transportation development nearby, these projects will bring in more tenants and visitors and become the key projects for future breakthroughs.

China South City stays committed to putting national development strategies into practice. As China entered its first year of fully materializing the spirit of the 19th CPC National Congress in 2018, The Group will continue to execute its development strategy of "Integrating Industries into Projects, Building Beautiful New Cities Conducive to Work and Live". Focusing on the "One Center" approach, the Group will continue to develop its trade and logistics centers by leveraging its years of experience in real economy, to set an example of large-scale integrated trade and logistics centers in the domestic arena. With "Twin Bases" in place, China South City will continue with its business upgrade and transformation plan, target emerging industries and establish incubators for strategic emerging industries to align with the country's direction of strategic and economic transformation and join hands with real economy to cultivate new growth points. Meanwhile, the Group will promote urbanization in cities where respective China South City projects are located, by improving urban development and industry layout, to build thriving smart service bases that are conducive to work and live.

未來前景

踏入2019年，在國內外的不明朗因素影響下，中國將奉行「穩」、「進」並舉的發展方向，在穩定的前提下，持續推進改革發展。房地產行業將尋求穩步推進的方向發展，房地產標竿企業亦將繼續轉型，延伸價值鏈。

展望2019/20財政年度，華南城將加強資本運作力度，加強財務管控，努力拓寬融資渠道，並提高招商、運營及項目品質，做精產品、嚴控成本，效益優先，兼顧規模，推動集團的升級發展。華南城多年堅守的「商貿物流+」的模式，將有助華南城於這行業轉型的趨勢下把握機遇振翅騰飛，發揮本集團所處的優勢環境整合資源。本集團位於鄭州、西安、深圳、南昌等的項目經過多年發展，已建成多項配套，成功覆蓋更多業態，配合毗鄰的軌道交通發展，為項目帶來更多租戶及訪客，未來將成為重點突破的項目。

華南城一直致力踐行國家發展策略，隨著2018年中國正式進入全面貫徹十九大精神的開局之年，華南城將繼續落實「產城融合、宜業宜居美麗新城」的發展戰略，透過「一中心」—憑藉華南城多年來發展實體經濟，開創國內大型綜合商貿物流典範的經驗，繼續發展世界商貿物流中心；「兩基地」—繼續實行華南城的升級轉型計劃，著力研究新興產業，建立戰略新興產業孵化基地，以配合國家的戰略和經濟轉型方向，攜手實體經濟培育新增長點。同時，透過推動各華南城項目當地的城市化建設，完善城市功能和產業布局，打造一座座繁華的宜業宜居美好生活智慧服務基地。

Chairman's Statement (Continued)

主席報告(續)

The management expects that the Group will deliver its annual contracted sales target of HK\$16,000 million for the financial year ended 31 March 2020 ("FY2019/20"). In respect of recurring business, the Group will strive to keep its growth momentum and develop diversified and stable revenue streams.

Finally, on behalf of the Board, I wish to express my deepest gratitude to our shareholders, customers and business partners for their consistent trust and support to the Group. I would also like to thank the management and staff for their dedication and whole-hearted commitment, which have helped China South City grow from strength to strength.

Cheng Chung Hing
Chairman and Executive Director

Hong Kong, 26 June 2019

管理層預期本集團截至2020年3月31日止財政年度(「2019/20財政年度」)將實現160億港元的年度合約銷售目標。在持續性業務方面，本集團將致力保持其增長動力，繼續拓展多元化且穩定的收入來源。

最後，本人謹代表董事會，向本集團的尊貴股東、客戶以及業務夥伴一直以來對本集團的信任及支持致以最誠懇的感謝，同時亦感謝管理層及員工對協助華南城日益壯大所作的貢獻及全心投入。

鄭松興
主席兼執行董事

香港，2019年6月26日

Management Discussion and Analysis

管理層討論及分析

Business Review

Continuously Expanding and Improving the Scope of Business

During the Year, the international and domestic environment was complex and volatile. Affected by the Sino-US trade war, the Chinese economy faced multiple challenges, but by and large remained stable growth. In 2018, China's GDP exceeded RMB90 trillion for the first time, representing a year-on-year increase of 6.6%, which was, however, the lowest economic growth for the country in 28 years. Despite its slowing economic growth and challenging external environment, China maintained a robust performance in general. Consumers will remain the dominant driving force for China's economic growth, which continues to create opportunities for the Group and its stakeholders.

Given the slowdown of China's economic growth and challenging market conditions, the diversified and flexible business model of China South City enables the Group to make timely and effective adjustments to sales and operations portfolios according to different development stages of the projects and market needs of different regions. China South City continues to be a leading developer and operator of large-scale integrated logistics and trade centers by leveraging its innovative industry model. Our ongoing project construction and development attracted a wide range of businesses from various industries and generated more diverse demands for supporting services. The Group innovatively integrates the operation of trade centers with comprehensive integrated logistics and trade services to develop a core business system that is competitive in the market. In order to meet the increasing amount of project activities, the Group has strengthened the provision of ancillary services, such as residential units, multi-purpose office and apartment ancillary, office buildings, property management, conference and exhibition facilities, logistics and warehousing services, outlet operation and financial services.

業務回顧

不斷擴大完善業務範圍

於本年度內，國際及國內環境複雜多變，受中美貿易戰的影響，中國經濟面臨多種挑戰，但整體而言仍然保持平穩運行、穩中有進。2018年，中國國內生產總值首次突破90萬億元人民幣，同比增長6.6%，卻是中國28年來最低的經濟增長率。當前中國經濟增速放緩、外部環境充滿挑戰，但整體而言經濟繼續表現良好，消費仍將是推動中國經濟增長的主要動力，這為本集團及本集團之持份者繼續創造機遇。

面對中國經濟增長放緩及充滿挑戰的市場形勢，華南城多元、靈活的業務模式，讓本集團能夠根據項目不同發展階段和不同地區的市場需求，進行及時有效的銷售與運營組合調整。華南城憑藉其創新綜合商貿物流之產業模式，繼續成為領先的大型綜合商貿物流中心的開發商和運營商。隨著項目不斷建設與發展，聚集了更多業態，也產生更加豐富的配套服務需求。本集團創新性地將商品交易中心運營配以全方位的綜合物流及交易服務，打造具有市場競爭力的核心業務體系。為滿足日益增加的項目活動，本集團加強提供配套服務，例如住宅、具多功能商辦及公寓、寫字樓、物業管理、會議及展覽設施、倉儲物流服務、奧特萊斯運營及金融服務等。

CSC Shenzhen delivered a successful business model that serves as a pilot project for the upgrade of the Group's business model. By strategically replicating its unique business model from Shenzhen to other strategic economic regions, China South City has developed a diversified project portfolio with strategic value in eight cities with priority on economic development. Currently, the eight projects are in different stages of development. Among them, CSC Xi'an has welcomed more customers and business opportunities with the subway line 3 connecting the project. CSC Xi'an, located within the Silk Road Economic Belt, connects with the vast northwest of China via Xi'an City Expressway (西安繞城高速公路), which is linked to Beijing-Kunming Expressway, Lianyungang-Khorgos Expressway, Shanghai-Shaanxi Expressway and Baotou-Maoming Expressway as well as the Eurasian Continental Bridge. Furthermore, with the strategic expansion of ancillary services, CSC Xi'an has recently launched its multi-purpose office and apartment ancillary in response to the housing demand within and around the project. In the future, as railways and other public transportation services further connect various CSC projects to city centers, on-site housing demand is expected to rise continuously. The Group will reinforce its residential or multi-purpose office and apartment ancillaries according to the demand in each project.

During the Year, the Group's total revenue increased by 9.2% to HK\$10,274.3 million (FY2017/18: HK\$9,405.4 million). Its recurring income grew by 14.6% year-on-year from HK\$2,020.0 million in FY2017/18 to HK\$2,314.9 million, accounting for 22.5% of the total revenue (FY2017/18: 21.5%). Gross profit margin was 43% (FY2017/18: 43%). Profit attributable to owners of the parent was HK\$3,251.0 million (FY2017/18: HK\$4,511.7 million). Basic earnings per share amounted to HK40.33 cents (FY2017/18: HK56.35 cents).

深圳華南城的商業模式取得成功，並作為本集團商業模式升級試驗點。華南城將獨特的商業模式，策略性地由深圳複製到其他戰略性經濟地區，已於中國八個重點經濟發展城市發展出具戰略價值的多元化項目組合。目前八個項目處於不同發展階段，其中西安華南城隨著地鐵3號線於項目內的貫通，為項目帶來了更多客戶與商機。西安華南城坐落於絲綢之路經濟帶，通過西安繞城高速公路與京昆高速、連霍高速、陝滬高速、包頭茂名高速公路輻射大西北，聯通亞歐大陸橋。同時，隨著配套服務的戰略性擴展，西安華南城日前推出多功能商辦及公寓項目以回應項目內及周邊的住房需求。未來，隨著鐵路及其他公營交通服務進一步連接各地華南城及市中心，預期多個項目園區內的住房需求將持續上升。本集團將按各項目的需求加強住宅或多功能商辦及公寓的發展。

本年度內，本集團總收入增加9.2%至102.743億港元(2017/18財政年度：94.054億元)。持續性收入由2017/18財政年度的20.200億港元按年增加14.6%至23.149億港元，佔總收入的22.5%(2017/18財政年度：21.5%)。毛利率為43%(2017/18財政年度：43%)。母公司擁有人應佔淨利潤為32.510億港元(2017/18財政年度：45.117億港元)。每股基本盈利為40.33港仙(2017/18財政年度：56.35港仙)。

Refining Project Construction and Merchant Recruitment to Promote the Strategic Upgrade of the Group's Business

The Group continuously strives to be a leading developer and operator of large-scale integrated logistics and trade centers. For over a decade, it has established its presence in a first-tier city, provincial capitals and a direct-administered municipality in Mainland China through the successful establishment of multiple well-rounded projects containing trade centers, warehousing and logistics facilities, residential units, multi-purpose office and apartment ancillary, and other commercial complexes. These projects have delivered sustainable business development for the Group and helped it to gain a development edge during industry transformation. Within the Year, the Group established its business management division and investment development division to refine work division of project construction and merchant recruitment. The entities are tasked with project management and making the management of merchant recruitment more professional, to enable the Group to better cater to the daily needs of our projects' business tenants on business and households on living, and implement the integrated "Trade and Logistics+" model of China South City.

Project Investment and Development

Our investment development division mainly focuses on the Group's project investment, development and construction. The Group continued to adhere to its strategy of increasing the sales of housing and commercial ancillaries and enhancing its value-added supporting service from the previous year, to cater to the fast-growing demand among the business tenants of its integrated logistics and trade centers. To meet the different needs of local projects, the Group works to develop all-round commercial complexes in different projects: multi-purpose office and apartment ancillaries are being developed in Zhengzhou, Xi'an, Nanchang and Shenzhen projects; schools and education centers are being built in projects, of which primary school in Nanchang and Nanning projects and primary and secondary schools in Chongqing project have commenced operation, while the kindergarten and private school in CSC Hefei are also preparing for schooling. The Group also assisted the government in building public facilities such as parks in China South City projects, where there are local infrastructure facilities such as substations and gas stations, to meet the daily needs of business tenants and residents. The Group also continuously enhances the ancillary services within the projects.

細化項目建設及招商運營 • 推動本集團業務戰略升級

本集團一直致力發展成為領先的大型綜合商貿物流及商品交易中心開發商和運營商，在過去十多年於中國大陸布局八個主要一級城市、省會及直轄市，成功建設多個集商品交易中心、倉儲物流、住宅、多功能商辦及公寓、商業綜合體等的全方位項目，為本集團帶來可持續的業務發展，更有助本集團於行業轉型的過程中取得發展優勢。於本年度內，本集團透過成立商業管理集團及投資開發集團細化項目建設及招商運營的分工，使項目管理及招商管理更專業，並能更精準地針對項目商戶營商及住戶生活需要，貫徹華南城的「商貿物流+」發展模式。

項目投資及開發

投資開發團隊主要專注於本集團的項目投資開發建設。承接去年策略性增加居住及商業配套銷售及加強其增值配套服務，以配合綜合物流及商品交易中心商戶的快速增長需求。為滿足各地項目的不同需要，本集團於多個項目發展各類商業綜合體；於鄭州、西安、南昌、深圳等項目正開發多功能商辦及公寓配套；並於項目內建立學校及教育中心，其中南寧、南昌項目內的小學及重慶項目內的中小學已開始運營，合肥項目內的幼兒園及私立學校亦在籌備開學中。本集團亦配合政府投資，於華南城項目內興建如公園等公眾設施，同時各項目均有變電站、燃汽等當地基建設施，不斷加強項目內的服務配套以滿足進駐商戶及住戶的不同需要。

CSC Shenzhen

As of 31 March 2019, Phases I and II and part of Phase III of its properties had commenced operation of their respective trade centers and ancillary facilities with a total GFA of approximately 2.39 million sq. m., including approximately 1.62 million sq. m. of trade centers, approximately 412,000 sq. m. of residential ancillary and multi-purpose offices and apartments ancillaries and approximately 356,200 sq. m. of warehousing and other facilities. Phase III of the project is currently in development. As of 31 March 2019, the planning and construction of a GFA of approximately 185,000 sq. m. of multi-purpose office and apartment ancillary was underway.

In FY2018/19, CSC Shenzhen recorded total contracted sales of approximately HK\$495.7 million (FY2017/18: HK\$1.9 million), including a GFA of 34,000 sq. m. of multi-purpose office and apartment units at an average selling price ("ASP") of HK\$14,600/sq. m. (FY2017/18: 100 sq. m. at an ASP of HK\$19,400/sq. m.).

CSC Nanchang

As of 31 March 2019, construction of CSC Nanchang with a total GFA of approximately 2.40 million sq. m. was completed, including approximately 1.07 million sq. m. of trade centers, approximately 1.28 million sq. m. of residential ancillaries and approximately 44,300 sq. m. of warehousing facilities. As of 31 March 2019, construction of a GFA of approximately 340,000 sq. m. residential ancillary, multi-purpose offices and apartments was underway.

In FY2018/19, CSC Nanchang recorded total contracted sales of HK\$402.9 million (FY2017/18: HK\$2,123.9 million), including a GFA of 2,800 sq. m. of trade center units (detached style) at an ASP of HK\$10,400/sq. m. (FY2017/18: 1,500 sq. m. at an ASP of HK\$10,100/sq. m.) and a GFA of 40,500 sq. m. of residential ancillaries at an ASP of HK\$9,200/sq. m. (FY2017/18: 202,500 sq. m. at an ASP of HK\$10,400/sq. m.).

深圳華南城

截至2019年3月31日，總建築面積約239萬平方米的一期、二期及部分三期物業的商品交易中心及配套設施均已投入運營，包括約162萬平方米的商品交易中心、約412,000平方米的住宅和多功能商辦及公寓，及約356,200平方米的倉儲設施及其他設施。項目現時正進行第三期發展。截至2019年3月31日，建築面積約185,000平方米的多功能商辦及公寓工程已展開規劃建設。

於2018/19財政年度，深圳華南城錄得合約銷售總額4.957億港元(2017/18財政年度：190萬港元)，包括以平均售價14,600港元/平方米售出建築面積34,000平方米的多功能商辦及公寓單位合約銷售(2017/18財政年度：以平均售價19,400港元/平方米出售建築面積100平方米)。

南昌華南城

截至2019年3月31日，南昌華南城總建築面積約240萬平方米的建設已竣工，包括約107萬平方米的商品交易中心、約128萬平方米的住宅配套及約44,300平方米的倉儲設施。截至2019年3月31日，建築面積約340,000平方米的住宅、多功能商辦及公寓工程已展開建設。

於2018/19財政年度，南昌華南城錄得合約銷售總額4.029億港元(2017/18財政年度：21.239億港元)，包括以平均售價10,400港元/平方米售出2,800平方米的商品交易中心單位(單棟式)(2017/18財政年度：以平均售價10,100港元/平方米售出1,500平方米)及以平均售價9,200港元/平方米售出建築面積40,500平方米的住宅配套(2017/18財政年度：以平均售價10,400港元/平方米售出202,500平方米)。

CSC Nanning

As of 31 March 2019, construction of CSC Nanning with a total GFA of approximately 1.95 million sq. m. was completed, including approximately 896,600 sq. m. of trade centers, approximately 814,100 sq. m. of residential ancillaries, approximately 205,600 sq. m. of multi-purpose office and apartment ancillary and approximately 36,800 sq. m. of warehousing facilities. At of 31 March 2019, construction of a GFA of approximately 154,300 sq. m. of multi-purpose offices and apartments was underway.

In FY2018/19, CSC Nanning recorded total contracted sales of HK\$716.6 million (FY2017/18: HK\$1,058.2 million), including a GFA of 10,600 sq. m. of trade centers (mall style) at an ASP of HK\$11,300/sq. m. (FY2017/18: 1,000 sq. m. at an ASP of HK\$9,800/sq. m.), a GFA of 48,700 sq. m. of residential ancillary facilities at an ASP of HK\$10,700/sq. m. (FY2017/18: 103,000 sq. m. at an ASP of HK\$9,600/sq. m.), and a GFA of 7,600 sq. m. of multi-purpose office and apartment units at an ASP of HK\$10,100/sq. m. (FY2017/18: 6,200 sq. m. at an ASP of HK\$10,100/sq. m.).

CSC Xi'an

The development of CSC Xi'an is well underway with a total GFA of approximately 1.79 million sq. m. was completed, including approximately 1.72 million sq. m. of trade centers, approximately 55,800 sq. m. of warehousing facilities and approximately 23,300 sq. m. of ancillary facilities. During the Year, construction of a GFA of approximately 228,500 sq. m. of trade centers was completed. As of 31 March 2019, construction of a GFA of approximately 480,000 sq. m. of trade centers, warehousing facilities, multi-purpose offices and apartments was underway, of which approximately 194,200 sq. m. of trade centers and multi-purpose offices and apartments was expected to complete in FY2019/20.

南寧華南城

截至2019年3月31日，南寧華南城總建築面積約195萬平方米的建設已竣工，包括約896,600平方米的商品交易中心、約814,100平方米的住宅配套、約205,600平方米的多功能商辦及公寓設施及約36,800平方米的倉儲設施。截至2019年3月31日，建築面積約154,300平方米的多功能商辦及公寓工程已展開規劃建設。

於2018/19財政年度，南寧華南城錄得合約銷售總額7.166億港元(2017/18財政年度：10.582億港元)，包括以平均售價11,300港元/平方米售出建築面積10,600平方米的商品交易中心(商場形式)(2017/18財政年度：以平均售價9,800港元/平方米售出1,000平方米)，及以平均售價10,700港元/平方米售出48,700平方米的住宅配套設施(2017/18財政年度：以平均售價9,600港元/平方米售出103,000平方米)，及以平均售價10,100港元/平方米售出7,600平方米的多功能商辦及公寓單位(2017/18財政年度：以平均售價10,100港元/平方米售出6,200平方米)。

西安華南城

西安華南城正處於開發建設階段，其中總建築面積約179萬平方米已竣工，包括約172萬平方米的商品交易中心、約55,800平方米的倉儲設施，及約23,300平方米的配套設施。於本年度，建築面積約228,500平方米的商品交易中心已竣工。截至2019年3月31日，建築面積約480,000平方米的商品交易中心、倉儲設施、多功能商辦及公寓工程已展開建設，其中約194,200平方米的商品交易中心及多功能商辦及公寓設施預期可於2019/20財政年度竣工。

In FY2018/19, CSC Xi'an recorded total contracted sales of HK\$1,433.3 million (FY2017/18: HK\$544.1 million), including a GFA of 1,900 sq. m. of trade centers (mall style) at an ASP of HK\$10,900/sq. m. (FY2017/18: Nil), a GFA of 58,400 sq. m. of trade center (detached style) at an ASP of HK\$7,500/sq. m. (FY2017/18: 79,900 sq. m. at an ASP of HK\$6,800/sq. m.) and a GFA of 104,300 sq. m. of multi-purpose office and apartment units at an ASP of HK\$9,400/sq. m. (FY2017/18: Nil).

CSC Harbin

The development of CSC Harbin is well underway with a total GFA of approximately 1.83 million sq. m. completed, including approximately 1.43 million sq. m. of trade centers, approximately 317,700 sq. m. of residential ancillary, approximately 81,700 sq. m. of logistics and warehousing and ancillary facilities. During the Year, construction of a GFA of approximately 301,500 sq. m. of trade center was completed. As of 31 March 2019, construction of a GFA of approximately 667,200 sq. m. of trade centers, residential ancillary, multi-purpose offices and apartments and hotel was underway, of which approximately 8,700 sq. m. of ancillary facilities was expected to complete in FY2019/20.

In FY2018/19, CSC Harbin recorded total contracted sales of HK\$767.5 million (FY2017/18: HK\$301.3 million), including a GFA of approximately 21,100 sq. m. of trade centers (detached style) at an ASP of HK\$7,800/sq. m. (FY2017/18: 5,700 sq. m. at an ASP of HK\$8,800/sq. m.) and a GFA of 85,900 sq. m. of residential ancillaries at an ASP of HK\$7,000/sq. m. (FY2017/18: 48,800 sq. m. at an ASP of HK\$5,100/sq. m.).

於2018/19財政年度，西安華南城錄得合約銷售總額14.333億港元(2017/18財政年度：5.441億港元)，包括以平均售價10,900港元/平方米售出建築面積1,900平方米的商品交易中心(商場形式)(2017/18財政年度：無)，以平均售價7,500港元/平方米售出建築面積58,400平方米的商品交易中心(單幢式)(2017/18財政年度：以平均售價6,800港元/平方米售出79,900平方米)，以平均售價9,400港元/平方米售出建築面積104,300平方米的多功能商辦及公寓(2017/18財政年度：無)。

哈爾濱華南城

哈爾濱華南城正處於開發建設階段，其中總建築面積約183萬平方米的建設已竣工，包括約143萬平方米的商品交易中心、約317,700平方米的住宅配套、約81,700平方米的物流和倉儲設施及配套設施已竣工。於本年度，建築面積約301,500平方米的商品交易中心已竣工。截至2019年3月31日，建築面積約667,200平方米的商品交易中心、住宅、多功能商辦及公寓及酒店工程已展開建設，其中約8,700平方米的配套設施預期可於2019/20財政年度竣工。

於2018/19財政年度，哈爾濱華南城錄得合約銷售總額7.675億港元(2017/18財政年度：3.013億港元)，包括以平均售價7,800港元/平方米售出建築面積約21,100平方米的商品交易中心單位(單幢式)(2017/18財政年度：以平均售價8,800港元/平方米售出5,700平方米)，及以平均售價7,000港元/平方米售出85,900平方米的住宅配套(2017/18財政年度：以平均售價5,100港元/平方米售出48,800平方米)。

CSC Zhengzhou

The development of CSC Zhengzhou is well underway with a total GFA of approximately 3.05 million sq. m. completed, including approximately 2.67 million sq. m. of trade centers, approximately 286,200 sq. m. of warehousing and ancillary facilities, and approximately 101,600 sq. m. of residential ancillary. During the Year, construction of a GFA of approximately 190,200 sq. m. of residential ancillaries and trade centers was completed. As of 31 March 2019, construction of a GFA of approximately 2.59 million sq. m. of trade centers, residential units, multi-purpose office and apartment ancillary was underway, of which approximately 1.03 million sq. m. of trade centers and residential units was expected to complete in FY2019/20.

In FY2018/19, CSC Zhengzhou recorded total contracted sales of HK\$5,174.3 million (FY2017/18: HK\$2,748.3 million), including a GFA of 9,000 sq. m. of trade center units (mall style) at an ASP of HK\$15,000/sq. m. (FY2017/18: a GFA of 13,100 sq. m. at an ASP of HK\$10,100/sq. m.), a GFA of 100,300 sq. m. of trade center units (detached style) at an ASP of HK\$8,000/sq. m. (FY2017/18: a GFA of 104,800 sq. m. at an ASP of HK\$7,600/sq. m.), a GFA of 397,400 sq. m. of residential ancillaries at an ASP of HK\$10,400/sq. m. (FY2017/18: a GFA of 169,600 sq. m. at an ASP of HK\$10,700/sq. m.), and a GFA of 11,200 sq. m. of multi-purpose office and apartment units at an ASP of HK\$8,100/sq. m. (FY2017/18: Nil).

CSC Hefei

The development of CSC Hefei is well under underway with a GFA of approximately 2.49 million sq. m. completed, including approximately 1.59 million sq. m. of trade centers, approximately 820,600 sq. m. of residential ancillaries and approximately 82,000 sq. m. of warehousing and ancillary facilities. During the Year, construction of a GFA of approximately 421,100 sq. m. of residential ancillaries and warehousing facilities was completed. As of 31 March 2019, construction of a GFA of approximately 1.22 million sq. m. of trade centers, residential units and warehousing facilities was underway, of which approximately 558,400 sq. m. of trade centers and residential units was expected to complete in FY2019/20.

鄭州華南城

鄭州華南城正處於開發建設階段，其中建築面積約305萬平方米的建設已竣工，包括約267萬平方米的商品交易中心、約286,200平方米的倉儲設施及配套設施，及約101,600平方米的住宅配套。於本年度，建築面積約190,200平方米的住宅配套及商品交易中心已竣工。截至2019年3月31日，鄭州華南城已展開建築面積約259萬平方米的商品交易中心、住宅及多功能商辦及公寓建設，其中約103萬平方米的商品交易中心及住宅預期可於2019/20財政年度竣工。

於2018/19財政年度，鄭州華南城錄得合約銷售總額51.743億港元（2017/18財政年度：27.483億港元），包括以平均售價15,000港元/平方米售出建築面積9,000平方米的商品交易中心單位（商場形式）（2017/18財政年度：以平均售價10,100港元/平方米售出建築面積13,100平方米），以平均售價8,000港元/平方米售出建築面積100,300平方米的商品交易中心單位（單幢式）（2017/18財政年度：以平均售價7,600港元/平方米售出建築面積104,800平方米），以平均售價10,400港元/平方米售出397,400平方米的住宅配套（2017/18財政年度：以平均售價10,700港元/平方米售出169,600平方米），及以平均售價8,100港元/平方米售出11,200平方米的多功能商辦及公寓（2017/18財政年度：無）。

合肥華南城

合肥華南城正處於開發建設階段，其中建築面積約249萬平方米的建設已竣工，包括約159萬平方米的商品交易中心、約820,600平方米的住宅配套及約82,000平方米的倉儲設施及配套設施。於本年度，建築面積約421,100平方米的住宅配套、物流及倉儲設施已竣工。截至2019年3月31日，建築面積約122萬平方米的商品交易中心、住宅及倉儲工程已展開建設，其中約558,400平方米商品交易中心及住宅預期可於2019/20財政年度竣工。

In FY2018/19, CSC Hefei recorded total contracted sales of HK\$3,580.9 million (FY2017/18: HK\$3,182.1 million), including a GFA of 305,100 sq. m. of residential ancillaries at an ASP of HK\$11,700/sq. m. (FY2017/18: a GFA of 295,700 sq. m. at an ASP of HK\$10,600/sq. m.). During the year, there was no contracted sales of trade center units (detached style) (FY2017/18: a GFA of 8,400 sq. m. at an ASP of HK\$6,600/sq. m.).

CSC Chongqing

The development of China South City Chongqing is well underway with a GFA of approximately 1.88 million sq. m. completed, including approximately 1.26 million sq. m. of trade centers, approximately 395,100 sq. m. of residential ancillaries and approximately 217,100 sq. m. of warehousing and ancillary facilities. During the Year, construction of a GFA of approximately 431,200 sq. m. of residential and ancillary facilities was completed. As of 31 March 2019, construction of a GFA of approximately 537,500 sq. m. of residential and other ancillary facilities was underway, of which approximately 215,200 sq. m. was expected to complete in FY2019/20.

In FY2018/19, CSC Chongqing recorded total contracted sales of HK\$2,105.8 million (FY2017/18: HK\$2,066.1 million), including a GFA of 36,500 sq. m. of trade center units (detached style) at an ASP of HK\$7,500/sq. m. (FY2017/18: a GFA of 21,000 sq. m. at an ASP of HK\$9,100/sq. m.) and a GFA of 213,800 sq. m. of residential ancillaries at an ASP of HK\$8,600/sq. m. (FY2017/18: a GFA of 256,900 sq. m. at an ASP of HK\$7,300/sq. m.).

於2018/19財政年度，合肥華南城錄得合約銷售總額35.809億港元(2017/18財政年度：31.821億港元)，包括以平均售價11,700港元/平方米售出建築面積305,100平方米的住宅配套(2017/18財政年度：以平均售價10,600港元/平方米售出建築面積295,700平方米)。本財政年度無商品交易中心單位(單幢式)合約銷售(2017/18財政年度：以平均6,600港元/平方米售出8,400平方米)。

重慶華南城

重慶華南城正處於開發建設階段，其中建築面積約188萬平方米的建設已竣工，包括約126萬平方米的商品交易中心、約395,100平方米住宅配套及約217,100平方米倉儲設施及配套設施。於本年度，建築面積約431,200平方米的住宅及配套設施已竣工。截至2019年3月31日，重慶華南城已展開建築面積約537,500萬平方米的住宅配套建設，其中約215,200平方米預期可於2019/20財政年度竣工。

於2018/19財政年度，重慶華南城錄得合約銷售總額21.058億港元(2017/18財政年度：20.661億港元)，包括以平均售價7,500港元/平方米售出建築面積36,500平方米的商品交易中心單位(單幢式)(2017/18財政年度：以平均售價9,100港元/平方米售出建築面積21,000平方米)及以平均售價8,600港元/平方米售出建築面積213,800平方米的住宅配套(2017/18財政年度：以平均售價7,300港元/平方米售出建築面積256,900平方米)。

Sustaining the Growth Momentum of Recurring Business

As a leading developer and operator of large-scale integrated logistics and trade centers in China, China South City pays high attention to the overall operation of its projects. Apart from actively enriching the industries on project sites and promoting industry concentration, China South City has opened up vertical market to accelerate integration within different industries, coupled with the provision or introduction of a variety of ancillary facilities and services needed for project management and expansion. As each project gradually comes into operation, the growth momentum of recurring business sustained, which provides the Group with diverse and stable revenue streams. During the Year, the Group recorded total recurring income of HK\$2,314.9 million (FY2017/18: HK\$2,020.0 million) with an increase of 14.6%. Revenue from rental, property management, e-commerce, logistics and warehousing services and outlet operations amounted to HK\$776.8 million, HK\$575.3 million, HK\$145.6 million, HK\$289.3 million and HK\$427.9 million, respectively (FY2017/18: HK\$731.7 million, HK\$375.5 million, HK\$245.2 million, HK\$218.1 million and HK\$354.9 million, respectively).

Business Management and Operation

To solidify its leading position amongst the peers, the Group practically implemented the strategy of “Emphasizing on Merchants Recruitment and Strengthening Operation” during the Year. By establishing its business management division, project management and tenants recruitment would be implemented in a more professional manner, as merchants and industries needed on projects are pinpointed more precisely.

The Group works hard on incubating strategic emerging industries and constructing commercial complexes. It also engages itself in negotiation on innovative and high-tech industries such as e-commerce and the mega healthcare industry, including negotiation with start-ups to facilitate industry aggregation and integration. In particular, the e-commerce segment has attained notable results after years of development, some of them has become demonstration base on provincial or national level, while some attracts leading domestic cross-border e-commerce enterprises onsite.

保持持續性業務增長動力

作為中國領先大型綜合物流及商品交易中心的開發商及運營商，華南城高度重視項目整體營運。除積極豐富園區商品交易的業態，促進產業聚集，更開通業態的垂直市場，加快行業融合；並就園區管理及拓展需要提供或引進各項配套設施及服務。隨著各項目逐步進入運營階段，本集團持續性業務增長動力持續，成為多元化且穩定的收入來源。本年度內，本集團錄得持續性收入總額23.149億港元（2017/18財政年度：20.200億港元），增長14.6%。來自租金、物業管理、電子商貿、物流及倉儲服務以及奧特萊斯運營的收入分別為7.768億港元、5.753億港元、1.456億港元、2.893億港元及4.279億港元（2017/18財政年度：分別為7.317億港元、3.755億港元、2.452億港元、2.181億港元及3.549億港元）。

商業管理及營運

為鞏固本集團在行業中的領先地位，本年度內本集團切實執行「重招商、強運營」的策略，透過成立商業管理團隊，使項目管理及招攬商戶更專業，能更精準地針對項目發展所需要的產業企業。

本集團著力加強戰略新興產業孵化，建設商業綜合體，針對個別高新科技產業，如電商及大健康產業等進行產業協商，包括與初創企業洽談，以促進行業聚集，加快行業融合。其中電商產業經過多年培育，部份已成為省或國家級項目，吸引行內領先跨境電商進駐。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

During the Year, the Group also focused on tenant portfolio by introducing education industry into different projects and continuing to prospect quality customers. In the Year, CSC Nanchang set up an integrated experience hall of space technology which combines displays of aerospace technology, extracurricular science education and technology interaction. In addition, CSC Harbin leveraged its geographical location and advantages of local industries, actively promoting its cooperation with such business tenants as Khabarovsk, Russia, and entering into an agreement on “Wuchang Rice Official Flagship Store” with Wuchang Municipal Government of Heilongjiang Province.

During the Year, HOBA Furnishing has successfully increased its stores in Shenzhen, Changsha, Chenzhou, Ordos and Weihai in the form of franchise, cooperation or direct sales store. It also opened flagship stores in CSC Shenzhen, CSC Nanning and CSC Zhengzhou. These projects attract customers and stimulate consumption, which complements the flow of visitors and promote business attraction for the project as a whole.

Project and Property Management

The Group's business management division also took up property management of project spaces, and supported the management service required by different types of properties in respective projects. With years of development, China South City has earned National First-Class Property Management Qualification and become one of the few capable of covering both trade center premises and residential properties in China. During the Year, the revenue from property management amounted to HK\$575.3 million (FY2017/18: HK\$375.5 million), representing a year-on-year increase of 53.2%. With more projects commencing operation, the Group expects its recurring income to continue to grow and provide a stable cash flow.

As the projects become more mature, the Group will successively add multiple streams of revenue to improve its operation, including revenue from advertising, exhibitions, pop-up space leasing and parking. Meanwhile, as the Group has made fee payment digitalised on its projects during the Year, of which mobile payment, online payment and electronic invoicing commenced trial operation on 1 April 2019, with a view to providing more user-friendly payment collection while optimizing manpower.

本年度內本集團亦重點提升商戶實力，引進教育業態及繼續引進優質的客戶。於本年度，南昌華南城引入集航天科技展覽展示、課外科普教育及科技互動為一體的綜合性太空科技體驗館。此外，哈爾濱華南城利用自身地理位置及當地產業優勢，積極推進與俄羅斯哈巴羅夫斯克市等商戶合作，並與黑龍江省五常市政府簽訂「五常大米官方旗艦店」。

於本年度，好百年家居除了在全國多地如深圳、長沙、郴州、鄂爾多斯、威海等地以加盟、合作或直營等模式成功增加門店外，亦於深圳華南城、南寧華南城及鄭州華南城進駐旗艦店。該等項目成功引流，拉動消費，與園區其他業態形成人流互補，促進了整個項目的業態招商。

項目及物業管理

本集團的商管團隊亦負責維持項目園區內的綜合物業管理，支持各地項目內的不同物業類型所需要的管理服務。經過多年的發展，華南城的物業管理已擁有國家一級資質物業服務，是國內少數兼具管理商品交易中心以及住宅物業能力的綜合商業管理公司。本年度內，物業管理產生的收入達5.753億港元(2017/18財政年度：3.755億港元)，同比增加53.2%。隨著更多項目投入運營，本集團預期持續性收入將穩定增加，並將帶來穩定的現金流。

隨著項目發展日漸成熟，本集團將陸續增加多種經營收入以完善運營體系，包括廣告收入、會展收入、臨時場地租賃及停車場收費等。同時，本集團針對項目各種收款業務進行電子信息化，於本年度內已引入移動收費、網上繳費與電子發票等智能電子服務系統，並成功於2019年4月1日起投入試運營，在透過更便捷途徑收費的同時優化人手。

Logistics and Warehousing Services

The Group's logistics and warehousing business is chiefly developed along China South City projects, strategically located in major provincial capitals and direct-administered municipalities, and well connected to key domestic logistics nodes in China. During the Year, the revenue generated from logistics and warehousing services amounted to HK\$289.3 million (FY2017/18: HK\$218.1 million), representing a year-on-year increase of 32.7%.

During the Year, business scope of this segment gradually expanded from on-site leasing focus to comprehensive third-party logistics, forming a service base comprises of leasing, warehousing operation and forwarder distribution that provides integrated logistics service output for brands, manufacturers and channel partners to enhance the Group's market competitiveness.

In June 2018, the Group passed the assessment of ISO9001 and ISO14001 international management systems, and obtained the accreditation certificates of "Quality Management System" and "Environment Management System", realizing alignment with global top 500 customers on logistics information system and data-based project operation. Leveraging this as an opportunity, China South City conducts quality management strictly according to the audited international quality system standard, in an effort to meet the standardised and scientific requirements, fully boost work efficiency and product quality, and establish positive corporate image and reputation amidst market competition.

In March 2019, the Group was for the first time granted the status of 4A logistics enterprise by China Federation of Logistics & Purchasing, and commenced operation of its third-party logistics business in Shanghai, Chengdu, etc. As such, the Group has gradually formed its nationwide operation network to further enhance its scope of service and customer loyalty.

物流與倉儲服務

本集團之物流及倉儲服務業務，主要沿著華南城項目發展，戰略性地布局於主要省會及直轄市，連接國內關鍵物流節點。本年度內，物流與倉儲服務產生的收入達2.893億港元(2017/18財政年度：2.181億港元)，同比增加32.7%。

本年度內，本集團之倉儲及物流業務範圍由以園區租賃業務為主逐步向綜合性的第三方物流企業拓展，形成了園區租賃、倉儲運營及集運配送三大基礎產品體系；為品牌商、製造商及渠道商提供一體化的物流服務輸出，提升了本集團在市場的競爭力。

於2018年6月，本集團通過ISO9001、ISO14001國際管理體系評審，喜獲《質量管理體系》、《環境管理體系》認證證書，實現與世界五百強客戶在物流領域的信息系統對接及項目數據化操作。華南城以此為契機，嚴格按照經過審核的國際標準化的品質體系進行品質管理，力求真正達到標準化、科學化的要求，全面提高工作效率和產品品質，在市場競爭中樹立良好的企業形象和信譽。

2019年3月，本集團首次即獲得中國物流與採購聯合會授予的4A物流企業，並於上海、成都等地開始運營第三方物流業務，逐步形成了全國網絡化的運營網絡，進一步深化服務範圍並提升客戶忠誠度。

Outlet Operations

The Group operated eight outlet malls nationwide with a GFA of approximately 426,000 sq. m. and around 550 brands as regards its outlet business. Driven by the increasing income of urban and rural residents, the demand for discounted branded products has increased significantly. To optimize resources and enhance efficiency in operation, the Group consolidated the business lines of outlet operation during the Year, in line with new consumption trends.

During the Year, the Group's outlet operations recorded a gross turnover of approximately RMB1,747.4 million (FY2017/18: RMB1,445.0 million), which represented a year-on-year increase of approximately 21%, and generated a recurring income of HK\$427.9 million (FY2017/18: HK\$354.9 million) with a year-on-year increase of approximately 20.6%. Such increases were attributable to an efficient operating model that consolidates less efficient business and focuses on optimizing the brand structure optimisation on Shenzhen and Zhengzhou projects to enhance the brand yield. In terms of sales turnover, the Shenzhen project remained the largest contributor, followed by Zhengzhou project and Xi'an project, which accounted for turnover of 39%, 19% and 16% respectively.

E-commerce Development

Developing an online-offline ecosystem is a key initiative for the Group. While on one hand e-commerce is utilized to optimize the business for its on-site tenants, the Group also offers brick-and-mortar space to online businesses and expands their offline presence at the integrated logistics and trade centers of the Group. Since 2017, the e-commerce subsidiary of the Group has been accredited as a National High-tech Enterprise, and received government incentives in such field as enterprise technology research and development.

奧特萊斯運營

本集團旗下之奧特萊斯運營業務，在全國八個華南城項目運營奧特萊斯商城，經營面積為426,000平方米，所經營品牌數目約550個。隨著城鄉居民收入持續增長，對折扣品牌產品需求大幅增加。為優化資源分配，並提升營運效率，本集團於本年度內整合奧特萊斯各自營品牌的業務，以滿足新消費趨勢。

於本年度內，本集團的奧特萊斯運營錄得商城銷售總額約人民幣17.474億元(2017/18財政年度：人民幣14.450億元)，同比增長約21%，產生持續性收入4.279億港元(2017/18財政年度：3.549億港元)，同比增長約20.6%，此乃得益於效率化經營模式，對非效率業務進行整合，著重優化深圳、鄭州項目的品牌結構，提升品牌產出效益。就銷售額而言，深圳華南城仍為最大貢獻來源，其次是鄭州華南城和西安華南城，分別錄得營業額的為39%、19%及16%。

電子商貿發展

積極發展在線和線下生態圈是本集團的重要舉措，本集團在利用電子商貿優化駐場商戶業務的同時，也為運營在線業務的商戶提供實體空間，擴大其於本集團的綜合商貿物流及商品交易中心的線下使用。自2017年，本集團的電子商貿企業已獲得國家高新技術企業認定，並在企業技術開發領域獲得政府獎勵金。

In addition, the e-commerce industry parks, which have been successively established in the Group's projects in Shenzhen, Zhengzhou, Nanchang, Nanning and Harbin, are an essential part of China South City's online-offline ecosystem. The Group promotes industry incubation, cultivation, clustering and integration according to the trend of local e-commerce development. For example, the Shenzhen project attracts a few domestic leading enterprises in cross-border e-commerce. Apart from setting up offices, they also launched offline showrooms or use the logistics and warehousing service on site. The e-commerce park in the Nanchang project mainly serves undergraduate start-ups, and its "E-commerce Business Incubator for University Students of Nanchang" is a state-level project. The E-commerce Park in CSC Zhengzhou, developed in accordance with local government's policy, has become "Provincial E-commerce Demonstration Base", "Cross-border E-commerce Demonstration Base in Henan Province" and "Demonstration Base for SME Entrepreneurship and Innovation in Henan Province".

Trade Fairs

During the Year, leveraging on the Group's large-scale trading and logistics platforms in major provincial capitals and direct-administered municipalities, long-term partnership with local governments, as well as extensive experience in co-organizing trade fairs, the Group saw several of its projects selected to host major trade fairs and exhibitions organized by local governments. These successful events, well-received by international and local exhibitors as well as visitors, raised the profile of the Group's projects considerably and boosted visitor and business traffic, while bringing more business opportunities for the tenants in the trade centers.

Events at a Glance

Folk Culture Festival cum Expo

The 4th CSC Folk Culture Festival cum Expo took place at CSC Nanning in mid-April 2018. The event, successfully held for four consecutive years, attracts a large number of tourists every year. The nine-day event has significantly boosted the sales of CSC tenants, generated considerable visitor flow and business opportunities, and delivered a huge impact of China South City as a cultural brand in the region.

此外，本集團的線下資源是生態圈中重要一環。本集團在深圳、鄭州、南昌、南寧、哈爾濱等項目陸續建立了電商產業園，因地制宜按當地發展趨勢進行產業孵化、培育、聚集或展示：如深圳華南城吸引境內多家龍頭跨境電商進駐，除設立辦公點，亦同時於項目內開辦線下展示廳，並使用園區內倉儲物流設施；南昌華南城主要服務大學生電商初創，其「南昌市大學生電子商務創業孵化基地」是國家級項目；鄭州華南城的電商產業園配合地方政府政策發展，現已成為「省級電子商務示範基地」、「河南省跨境電子商務示範基地」，以及「河南省小微企業創業創新示範基地」。

貿易博覽會

本集團憑藉其布局於主要省會及直轄市的大型商貿物流平台，配合與各當地政府長期合作及合辦貿易博覽會的豐富經驗，於本年內，本集團多個項目均獲選承辦由多個當地政府組織的重要貿易博覽會等。該等貿易博覽會反應熱烈，吸引眾多國際及當地的參展商及訪客，而該等活動的成功亦大大提升了本集團項目的知名度，增加訪客及業務流量，同時為商品交易中心的商戶帶來更多商機。

活動回顧

民俗文化商貿節暨博覽會

華南城第四屆民俗文化商貿節於2018年4月中旬在南寧華南城舉辦，該活動已經連續四年成功舉辦，每屆活動都能吸引大量遊客。為期9天的活動不僅顯著帶動了華南城內商戶的銷售額，帶來大量客流與商機，亦替華南城在區內形成了巨大的文化品牌影響力。

CSC Zhengzhou • Central China Building Material and Hardware Exhibition (Spring) 2018

CSC Zhengzhou • Central China Building Material and Hardware Exhibition (Spring) 2018 took place in April 2018. The Central China Building Material and Hardware Industry Forum was held on the same day. The exhibition is a large-scale, highly professional industry exhibition with a comprehensive range of product categories in Central China.

The 29th Harbin International Economic and Trade Fair – CSC Session

The 29th Harbin International Economic and Trade Fair – CSC Session kicked off at CSC Harbin in June 2018. Harbin International Economic and Trade Fair serves as a window for China's opening up to the world, and a platform for economic and trade cooperation with Northeast Asia and other countries around the world. The Fair has been regarded as a leading exhibition for China on economic and trade cooperation and receives great attention from governments at all levels. Enterprises and institutions from home and abroad took an active part in the exhibition, setting CSC Harbin at a key position in the Northeast Asia Economic Zone.

The First CSC Hefei Hotel Supplies Expo

"The First CSC Hefei Hotel Supplies Expo – CSC Summer Dream Carnival" took place as a three-day event in June 2018. For the Expo, the partners of CSC Hefei – Hotel Supplies City (合肥華南城酒店用品城) gathered a number of hotel suppliers nationwide for exhibition, presenting a special sales event together with CSC tenants of various industries. The successful hotel supplies expo brought in visitors and opportunities from various locations and raised the brand effect of the Group.

鄭州華南城 • 2018中部(春季)建材五金展銷會

於2018年4月，鄭州華南城 • 2018中部(春季)建材五金展銷會盛大開幕，中部建材五金行業高峰論壇也於同日舉行，是中國中部地區規模盛大、專業度高、品類齊全的行業展會。

第二十九屆哈爾濱國際經濟貿易洽談會—華南城分會場

第二十九屆哈爾濱國際經濟貿易洽談會—華南城分會場，於2018年6月在哈爾濱華南城隆重舉辦。哈爾濱國際經濟貿易洽談會是中國對外開放的窗口和開展與東北亞及世界其他國家的經貿合作平台，是中國經貿合作的重要展會，得到了各級政府的重視。海內外企業和機構參展踴躍，為哈爾濱華南城奠定了在東北亞經濟區內的重要位置。

合肥華南城首屆酒店用品博覽會

於2018年6月，為期三天的「合肥華南城首屆酒店用品博覽會—暨華南城夏日夢幻狂歡嘉年華」，本次展會由合肥華南城內酒店用品城合作方整合全國多家酒店用品廠商展銷，結合項目內其他異業商戶進行特賣展銷。本次酒店用品博覽會的成功舉辦帶來了多方客流與機遇，加強了本集團的品牌效應。

China-ASEAN Expo and Light Industrial Exhibition

The 15th China-ASEAN Expo and Light Industrial Exhibition was co-hosted by the Chinese Ministry of Commerce, the economic and trade departments of 10 ASEAN countries and the China-ASEAN Expo Secretariat, and organized by the People's Government of Guangxi Zhuang Autonomous Region. The Exhibition took place at CSC Nanning in September 2018. CSC Nanning has hosted the event for nine consecutive years, which has firmly established CSC Nanning as an important platform for the trading and logistics of light industry products between China and ASEAN countries, strengthened trade and cultural exchanges, responded to the national "Belt and Road Initiative" and enhanced the Group's brand advantage.

The Third China Commercial Vehicles Fair in Chongqing

The China Commercial Vehicles Fair was held at CSC Chongqing in September 2018, where exhibitions of commercial vehicles, logistics chains, new energy vehicles and passenger vehicles made their appearance. The successful event not only promoted the cooperation on commercial vehicles and other fields, but also drove the development of the commercial vehicle industry in Chongqing. At the same time, it generated a continuous flow of business, logistics, capital and information for CSC Chongqing and even more opportunities for its business tenants.

中國－東盟博覽會輕工展

第十五屆中國－東盟博覽會由中國商務部和東盟10國政府經貿主管部門及東盟秘書處共同主辦，並由廣西壯族自治區人民政府承辦。東盟博覽會輕工展於2018年9月在南寧華南城圓滿舉辦。中國－東盟博覽會輕工展已連續九年於南寧華南城舉辦，該展會使南寧華南城成為中國與東盟各國之間輕工產品商貿物流的重要平台，有力推動雙方貿易往來和人文互通，同時響應了國家的「一帶一路」政策並進一步加強了本集團的品牌優勢。

重慶第三屆中國商用車博覽會

2018年9月，中國商用車博覽會在重慶華南城會展中心開幕。商用車展、物流產業鏈展、新能源車展、乘用車展等活動紛紛亮相。展會的成功，不僅推動了商用車和各領域的合作，亦同時促進重慶商用車行業的發展，為重慶華南城帶來持續的商流、物流、資金流、信息流以及為華南城的商家帶來更多的商機。

Land Bank

With its unique and flexible business model, the Group intends to retain commercial properties such as logistics and warehousing facilities and hotels, as well as no less than 50% of trade center units for self-use or long-term leasing purposes, while the remaining 50% of trade center units and residential properties will be sold progressively to generate cash flow for development. In order to support its growth momentum and revenue base, the Group acquired new plots of land with a GFA of approximately 1.503 million sq. m. at a consideration of approximately RMB1,333 million for projects in Harbin and Zhengzhou during the Year. Such land plots are for residential and commercial purposes.

土地儲備

按其獨特且富靈活性的商業模式，本集團將保留物流及倉儲設施、酒店等商業物業及不少於50%的商品交易中心商舖作為自營或長期出租用途，而餘下的約50%商品交易中心商舖及住宅物業，本集團將逐步出售，為本集團發展提供所需的現金流。為支持本集團增長勢頭和收入基礎，本集團於本年度內以人民幣約13.33億元為哈爾濱及鄭州等地的項目增購約150.3萬平方米可建築面積的土地，該等土地的用途以住宅及商業為主。

Project		Completed Properties ⁽¹⁾		Properties under construction	Properties to be Completed in FY2019/20	Properties for Future Development on GFA Acquired ⁽²⁾	Total Planned GFA ⁽³⁾	Total Planned GFA for Acquired Land ⁽⁴⁾	
		Sold	In operation		2019/20 財年 將於 竣工的物業	按已購土地 已規劃作 未來發展物業 ⁽²⁾	總規劃 建築面積 ⁽³⁾	已購土地規劃建築面積 (佔總規劃建築面積百分比) ⁽⁴⁾	%
項目		已竣工物業 ⁽¹⁾	建設中物業	建設中物業	2019/20 財年 將於 竣工的物業	未來發展物業 ⁽²⁾	總規劃 建築面積 ⁽³⁾	已購土地規劃建築面積 (佔總規劃建築面積百分比) ⁽⁴⁾	%
(sq. m.)		Sold	In operation		Estimated	Estimated	Estimated		
(平方米)		已售	運營中		預計	預計	預計		
CSC Shenzhen	深圳華南城	857,600	1,534,700	185,000	-	66,700	2,644,000	2,644,000	100%
CSC Nanchang	南昌華南城	1,405,600	995,300	340,000	-	2,053,500	6,866,000	4,794,400	70%
CSC Nanning	南寧華南城	658,900	1,294,200	154,300	-	372,600	4,880,000	2,480,000	51%
CSC Xi'an	西安華南城	791,700	1,002,400	480,000	194,200	2,402,500	17,500,000	4,676,600	27%
CSC Harbin	哈爾濱華南城	557,700	1,271,000	667,200	8,700	3,116,500	12,000,000	5,612,400	47%
CSC Zhengzhou	鄭州華南城	1,376,600	1,676,100	2,591,900	1,031,700	4,111,600	12,000,000	9,756,200	81%
CSC Hefei	合肥華南城	1,370,200	1,120,700	1,219,700	558,400	2,282,400	12,000,000	5,993,000	50%
CSC Chongqing	重慶華南城	560,000	1,316,300	537,500	215,200	4,088,000	13,100,000	6,501,800	50%
Total	總計	7,578,300	10,210,700	6,175,600	2,008,200	18,493,800	80,990,000	42,458,400	52%

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

Notes:

- (1) Represents the GFA for which the construction of all various types of buildings had been completed, including properties held for sales, warehouses, multi-purpose office and apartment ancillary, hotels and trade centers held for rental purpose as well as self-use properties.
- (2) Represents the remaining GFA after deducting the completed properties and properties under development from the total planned GFA for acquired land.
- (3) Represents the GFA planned upon establishment of the projects. The actual land and GFA to be acquired or built are subject to different factors and may vary subsequently.
- (4) Represents the planned GFA for the land acquired including completed properties and properties under development. The actual GFA to be built may vary subsequently according to needs of the Group.

Strengthening the Senior Management Team

To cope with the domestic and international complex environment, China South City continues to strengthen its management team during the Year to ensure an optimum mix of management resources and operational capabilities to deliver its business strategies.

During the Year, the Group appointed Mr. Zhao Lidong as an Executive Director of the Company and Chief Executive Officer of the Group, responsible for the overall operation and management of the Group. Mr. Zhao worked for a number of companies within Wanda Group and Wuzhou International Holdings Limited, with extensive experience in the commercial property management and operation of integrated trading platforms.

Under the guidance of the Board, the strengthened senior management team will continue leading the Group to create additional value for shareholders.

附註：

- (1) 代表已完成建設的各類型物業的建築面積，包括持作銷售物業、倉儲、多功能商辦及公寓、酒店及作出租的商品交易中心，以及自用物業。
- (2) 代表扣除已竣工物業及發展中物業後的已購土地的總規劃建築面積餘額。
- (3) 代表項目設立時的規劃建築面積，實際取得或建設的土地和建築面積可能會受多種因素影響而產生後續變更。
- (4) 代表已購得之土地的規劃建築面積包括已竣工物業及發展中物業，實際建築面積可能會因應本集團的需要而產生後續變更。

強化高級管理層團隊

面對國內外複雜多變的環境，本集團於本財政年內繼續加強其管理團隊，確保以最佳的行政管理資源及營運能力組合實現其業務策略。

本年度內本集團委任趙立東先生為本公司執行董事兼本集團行政總裁，負責本集團之整體運營及管理。趙先生曾任職萬達集團系內多家企業及五洲國際控股有限公司，對商業物業管理和綜合商貿平台的運營具有豐富的經驗。

在董事會的帶領下，強化後的高級管理團隊將繼續帶領本集團為股東創造更大價值。

FINANCIAL REVIEW

The main objective of the Group's financial management is to ensure its long-run sustainable growth with a strong and stable capital base while addressing financial health at the same time.

The Group proactively adjusts its business development strategies according to market environment, together with the pace of land acquisition and other capital expenditures in concurrence with its cash flows from operating and financing activities, in order to preserve liquidity as well as to keep its growth momentum.

The Group actively manages its financing structure through onshore and offshore bank loans as well as different inter-bank and capital market instruments, in order to achieve an optimal capital structure and maturity profile. During the Year, the satisfactory contracted sales and steady growth of its recurring income have helped optimize the debt structure of the Group. As at 31 March 2019, the total interest-bearing debts of the Group were HK\$34.3 billion, representing a decrease of HK\$4.6 billion compared to 31 March 2018. The net gearing ratio was 68.9%, representing a decrease of 8.5% compared to 31 March 2018. The interest bearing debts due within one year amounted to HK\$15.29 billion, representing a decrease of HK\$0.83 billion compared to 31 March 2018. The diversified financing channels and a more optimized debt structure enable the Group to maintain good liquidity and sustain stable development in long run.

When compared with the same period last year, the revenue of the Group increased 9.2% to HK\$10,274.3 million (FY2017/18: HK\$9,405.4 million) during the Year, and net profit attributable to owners of the parent decreased 27.9% to HK\$3,251.0 million (FY2017/18: HK\$4,511.7 million). Basic earnings per share decreased to HK40.33 cents (FY2017/18: HK56.35 cents). Core net profit attributable to owners of the parent for the Year increased by 8.8% to HK\$1,749.6 million (FY2017/18: HK\$1,608.5 million). The decrease in net profit attributable to owners of the parent and basic earnings per share are mainly due to the decrease of fair value gain of investment properties.

財務回顧

本集團的財務管理目標主要是通過堅實穩定的資本基礎，確保其長遠可持續發展，並同時達至財務穩健。

本集團因應市場的情況積極調整其業務發展戰略、配合土地收購及其他資本開支的步伐，整合運營及融資活動的現金流，從而維持流動性及保持增長勢頭。

本集團通過境內外銀行貸款和銀行間及資本市場不同融資工具積極管理融資結構，以實現最佳資本架構及債務到期組合。於本年度，在理想的合約銷售及穩定增長的持續性收入讓本集團優化了債務結構。截至2019年3月31日，本集團總計息債務為343億港元，較2018年3月31日減少46億港元；淨負債率為68.9%，較2018年3月31日減少8.5%。年內到期債務為152.9億港元，相比較2018年3月31日下降8.3億港元。多元化的融資渠道及更優化的債務結構將幫助本集團維持良好的流動性，保持長遠穩定發展。

於2018/19財政年度，本集團的收入增加9.2%至102.743億港元(2017/18財政年度：94.054億港元)；母公司擁有人應佔淨利潤減少27.9%至32.510億港元(2017/18財政年度：45.117億港元)。每股基本盈利減少至40.33港仙(2017/18財政年度：56.35港仙)。本年度母公司擁有人應佔核心淨利潤增加8.8%至17.496億港元(2017/18財政年度：16.085億港元)。母公司擁有人應佔利潤及每股基本盈利減少主要由於投資物業公平價值收益減少所致。

Management Discussion and Analysis (Continued)
管理層討論及分析(續)

Revenue

Revenue for the Year increased by 9.2% to HK\$10,274.3 million (FY 2017/18: 9,405.4 million). The increase was mainly attributable to more properties were sold and delivered through finance lease in Shenzhen and overall increase of recurring income.

收入

本年度的收入增加9.2%至102.743億港元(2017/18財政年度：94.054億港元)，增加主要原因是由於本年度透過融資租賃出售深圳項目物業增加及整體持續性收入增加所致。

		FY2018/19 財政年度 HKD\$'000 千港元	FY2017/18 財政年度 HKD\$'000 千港元	Change 變幅 %
Sales of properties and finance lease income	物業銷售及融資 租賃收入	7,959,371	7,385,394	7.8
Sales of properties	物業銷售	7,348,017	7,229,545	1.6
Finance lease income	融資租賃收入	496,569	155,849	218.6
Others	其他	114,785	–	N/A不適用
Recurring income	持續性收入	2,314,884	2,019,976	14.6
Rental income	租金收入	776,844	731,716	6.2
Properties management service income	物業管理服務收入	575,327	375,520	53.2
E-commerce income	電子商貿收入	145,595	245,241	-40.6
Other revenue	其他收入	817,118	667,499	22.4
		10,274,255	9,405,370	9.2

Sales of Properties and Finance Lease Income

Revenue from sales of properties increased by 1.6% to HK\$7,348.0 million (FY2017/18: HK\$7,229.5 million). The increase was mainly attributable to more sales and delivery of properties in Hefei, Chongqing and Zhengzhou projects during the Year. The sales of properties for each project are as follows:

銷售物業及融資租賃收入

銷售物業收入增加1.6%至73.48億港元(2017/18財政年度：72.295億港元)。增加主要原因是由於本期間位於合肥、重慶及鄭州項目有較多的物業銷售及交付。各項目的銷售情況如下：

		Average selling price (before deduction of sales tax*) (HK\$/sq. m.) 平均售價 (扣除銷售稅前*) (港元/平方米)		GFA sold (sq. m.) 已售建築面積 (平方米)		Sales revenue (before deduction of sales tax*) (HK\$ million) 銷售收入 (扣除銷售稅前*) (百萬港元)		Sales revenue (net of sales tax*) (HK\$ million) 銷售收入 (扣除銷售稅後*) (百萬港元)	
		2019 2019年	2018 2018年	2019 2019年	2018 2018年	2019 2019年	2018 2018年	2019 2019年	2018 2018年
CSC Nanchang	南昌華南城								
- Trade center units	- 交易中心商舖	15,000	19,900	4,500	7,100	67.0	142.0	64.9	135.0
- Residential properties	- 住宅物業	17,900	10,000	5,900	349,900	106.4	3,514.6	100.7	3,326.8
CSC Nanning	南寧華南城								
- Trade center units	- 交易中心商舖	12,800	10,700	12,600	1,800	160.4	18.9	152.2	18.1
- Residential properties	- 住宅物業	9,900	8,500	37,300	127,100	368.0	1,074.3	360.1	1,010.2
- Office units	- 辦公室單位	10,200	9,200	3,200	7,300	33.0	67.3	31.1	66.1
CSC Xi'an	西安華南城	6,900	6,100	71,100	50,800	493.1	312.1	449.8	284.8
CSC Harbin	哈爾濱華南城								
- Trade center units	- 交易中心商舖	8,000	7,600	24,100	52,900	192.6	402.0	182.5	383.6
- Residential properties	- 住宅物業	5,800	5,100	10,800	50,800	62.9	258.4	58.6	241.9
CSC Zhengzhou	鄭州華南城								
- Trade center units	- 交易中心商舖	8,600	11,100	73,600	84,600	632.3	936.5	580.7	864.2
- Residential properties	- 住宅物業	10,100	-	101,400	-	1,021.9	-	917.7	-
CSC Hefei	合肥華南城								
- Trade center units	- 交易中心商舖	-	8,700	-	13,100	-	114.4	-	103.6
- Residential properties	- 住宅物業	9,600	7,400	284,100	94,500	2,704.4	696.4	2,448.6	635.0
CSC Chongqing	重慶華南城								
- Trade center units	- 交易中心商舖	10,600	7,900	17,400	21,000	183.7	165.5	170.6	160.2
- Residential properties	- 住宅物業	6,900	-	294,000	-	2,019.9	-	1,830.5	-
Total	總計	N/A不適用	N/A不適用	940,000	860,900	8,045.6	7,702.4	7,348.0	7,229.5

* Sales tax represents business tax and surcharges on or before 30 April 2016 and value-added-tax and surcharges after 30 April 2016.

* 銷售稅指在2016年4月30日或之前為營業稅及附加，2016年4月30日後為增值稅及附加。

Finance lease income derived from the leasing of office buildings increased by 218.6% to HK\$496.6 million (FY2017/18: HK\$155.8 million). The increase was primarily attributable to more finance lease on office building at CSC Shenzhen were made during the Year. During the Year, the Group entered into finance lease arrangements with tenants for approximately 36,600 sq. m. (FY2017/18:10,300 sq. m.) at an average price of HK\$14,400/sq. m. (FY2017/18:HK\$16,000/sq. m.).

Rental Income

The Group intends to retain not less than 50% of the trade center units for self-use or rental purposes. Therefore, rental income will continue to be an important component of the recurrent income in a long run. CSC Shenzhen, being the Group's most mature project in its portfolio, contributed substantial part of the rental income. As at 31 March 2019, the total occupancy rate of the launched rentable GFA of different phases of CSC Shenzhen's trade centers and shops were approximately 87% to 94% (As at 31 March 2018: 83% to 98%). Along with the gradual extension of the operations in other projects, these projects, start to contribute rental income and resulting in satisfactory growth in rental income. During the Year, rental income of the Group slightly increased by 6.2% to HK\$776.8 million (FY2017/18: HK\$731.7 million) comparing to the same period last year. Due to expiry of tenancy, government demolition and business condition, HOBA Furnishing closed five stores last Year. This resulted in perceptible drop in its revenue and affected the growth rate of the Groups revenue income. If rental income of HOBA was excluded, rental income of the Group significantly increased by 20.8% to HK\$642.0 million (FY2017/18: HK\$531.7 million).

Property Management Service Income

Income from property management services increased by 53.2% to HK\$575.3 million (FY2017/18: HK\$375.5 million). The increase in property management service income was mainly attributable to the gradual increase in GFA of trade centers, shops and residential properties delivered and put into use during the Year.

來自寫字樓的融資租賃收入增加218.6%至4.966億港元(2017/18財政年度：1.558億港元)。上升的主因是於本年度較多深圳華南城寫字樓的融資租賃所致。於本年度，本集團與承租人訂立的融資租賃合同約36,600平方米(2017/18財政年度：10,300平方米)，平均單價約14,400港元/平方米(2017/18財政年度：16,000港元/平方米)。

租金收入

本集團規劃保留不少於50%的商品交易中心商舖作為自營和出租用途。因此，長遠而言，租金收入將是本集團持續性收入的重要組成部分。深圳華南城是本集團項目組合中較成熟的項目，也是租金收入的主要貢獻單位。截至2019年3月31日，深圳華南城各期商品交易中心及商舖已推出面積的總佔用率大約介乎由87%至94%(截至2018年3月31日：83%至98%)。隨著其他項目陸續進入運營，這些項目也開始貢獻租金收入，並不斷帶來不錯的租金收入增長。於本年度，本集團的租金收入較去年同期增加6.2%至7.768億港元(2017/18財政年度：7.317億港元)。好百年家居於上一個財政年度，因租約到期、政府拆遷及運營情況等因素關停了5家門店，這使其收入有較大的下調，影響了本集團租金收入的增長率。若不包括好百年的租金收入，本集團的租金收入上升20.8%至6.420億港元(2017/18財政年度：5.317億港元)。

物業管理服務收入

物業管理服務收入增加53.2%至5.753億港元(2017/18財政年度：3.755億港元)。物業管理服務收入增加主要是由於在本年度已交付及投入使用的交易中心、商舖及住宅項目的面積逐漸增加。

E-commerce Income

E-commerce income, derived from the E-commerce services provided to the Group's customers, decreased by 40.6% to HK\$145.6 million (FY2017/18: HK\$245.2 million) during the Year due to the internal restructuring of our E-commerce services.

Other Revenue

Other revenue rose by 22.4% to HK\$817.1 million (FY2017/18: HK\$667.5 million). The increase was mainly attributable to the continuous growth of the outlet operations and logistics and warehousing services, with revenue from outlet operations increased 20.6% to HK\$427.9 million (FY2017/18: HK\$354.9 million) while that of logistics and warehousing services increased 32.7% to HK\$289.3 million (FY2017/18: HK\$218.1 million) respectively during the Year.

Increase in income from outlet operations was mainly due to the growth of outlet business and the increase in operating areas of the outlets. During the Year, the gross mall sales turnover from the outlet business increased by 20.9% to RMB1,747.4 million (FY2017/18: RMB1,445.0 million). The increase in income from logistics and warehousing services was mainly due to the increase in rent rate and operating areas of warehouse and the increase in the third party logistic service income during the Year.

Cost of Sales

The Group's cost of sales mainly includes construction costs of properties sold, construction costs of properties held for finance lease and operating costs of recurring business. During the Year, cost of sales increased by 9.3% to HK\$5,834.7 million (FY2017/18: HK\$5,336.2 million). The increase in cost of sales was basically in line with the increase of GFA of properties sold during the Year.

Gross Profit

Gross profit increased by 9.1% to HK\$4,439.6 million (FY2017/18: HK\$4,069.2 million). During the Year, gross profit margin was 43% (FY2017/18: 43%).

電子商貿收入

來自為集團客戶提供電子商貿服務的收入於本年度減少40.6%至1.456億港元(2017/18財政年度: 2.452億港元)主要是對電子商貿服務進行內部重組所致。

其他收入

其他收入增加22.4%至8.171億港元(2017/18財政年度: 6.675億港元), 增長的主要原因是由於本年度奧特萊斯運營和倉儲與物流服務的持續增長所致。奧特萊斯運營的收入增加20.6%至4.279億港元(2017/18財政年度: 3.549億港元), 而倉儲與物流服務的收入增加32.7%至2.893億港元(2017/18財政年度: 2.181億港元)。

奧特萊斯運營收入增加主要是歸因於其業務量增長及運營面積增加。於本年度, 奧特萊斯運營錄得商城銷售與去年同期比較增加20.9%至人民幣17.474億元(2017/18財政年度: 人民幣14.450億元), 另外, 於本年度, 倉儲與物流服務收入增加主要是歸因於倉儲租金水平及營運面積上升以及第三方物流業務增長。

銷售成本

本集團的銷售成本主要包括已售物業建築成本、持作融資租賃物業建築成本及各持續性收入業務的運營成本。在本年度, 銷售成本增加9.3%至58.347億港元(2017/18財政年度: 53.362億港元)。銷售成本的增加與本年度已售物業的建築面積增加基本一致。

毛利

毛利增加9.1%至44.396億港元(2017/18財政年度: 40.692億港元)。於本期間, 毛利率持平於去年的43%(2017/18財政年度: 43%)。

Other Income and Gains

Other income and gains decreased by 6.2% to HK\$804.1 million (FY2017/18: HK\$857.0 million), mainly due to the decrease in government grants of HK\$540.9 million recognized during the Year (FY2017/18: HK\$783.9 million).

Fair Value Gains on Investment Properties

The fair value gains on investment properties decreased by 36.2% to HK\$2,793.4 million (FY2017/18: HK\$4,378.5 million). The decrease in fair value gains was mainly because the magnitude of increase of fair value gains of the investment properties during the Year was less than that of same period of last year.

For each of interim and annual financial reporting date, the Group appoints an independent professional qualified valuer to determine the fair value of our investment properties. The change in fair value of our investment properties may significantly affected by a variety of internal and external factors, such as rental area, rental rate, market prices of comparable properties.

Based on our business model, the Group may have new additions of investment properties every year and generate fair value gains. The fair value gains/(losses) may fluctuate with time due to the change in quantity of the investment properties, the change in market conditions and different construction phrases of our projects. During the Year, the fair value gains was mainly due to the addition of new investment properties at the existing projects. Since our projects are in different construction phrases, the new addition of investment properties may fluctuate year by year. Therefore, the amount of fair value gains/(losses) will also fluctuate accordingly.

Selling and Distribution Expenses

Selling and distribution expenses decreased by 2.1% to HK\$666.1 million (FY2017/18: HK\$680.7 million). The decrease was mainly attributable to the effective cost control measures taken as to marketing activities for promoting the sales of properties during the Year.

其他收入及收益

其他收入及收益減少6.2%至8.041億港元(2017/18財政年度：8.570億港元)，主要是由於本年度確認的政府補貼減少至5.409億港元(2017/18財政年度：7.839億港元)。

投資物業公平值收益

投資物業公平值收益減少36.2%至27.934億港元(2017/18財政年度：43.785億港元)，收益減少主要是由於本年度內投資物業增值幅度較上年同期減少。

於各中期及年度財務報告日，本集團均委聘一家獨立專業合資格估價師，以確定投資物業的公平值。投資物業公平值的改變，將受到各種內部和外部因素的重大影響，例如出租面積、租金率、可比物業的市場價格等。

按照本集團的商業模式，每年可能有新增的投資物業，並產生公平值收益。公平值收益/(虧損)可能會隨著投資物業量的變化、市場條件的動態和不同施工項目的階段之時間影響而波動。於本年度，公平值收益主要由於現有項目中新增的投資物業。由於各項目處於不同施工的階段，新增之投資物業亦會變動，因此，公平值收益/(虧損)亦將相應波動。

銷售及分銷開支

銷售及分銷開支減少2.1%至6.661億港元(2017/18財政年度：6.807億港元)，主要由於本年度內在物業銷售推廣方面作出多項成本管理措施奏效。

Administrative Expenses

Administrative expenses decreased by 7.1% to HK\$1,129.9 million (FY2017/18: HK\$1,216.0 million). The decrease was primarily due to the actions taken by the Group to streamline human resources and the effective control of administrative costs. Besides, during the year, the Company granted in aggregate 25,500,000 share options to four independent non-executive directors and certain employees of the Group. Together with the share options granted in prior years, share options expenses of HK\$14.6 million (FY2017/18: HK\$42.1 million) were recorded.

Other Expenses

Other expenses slightly increased by 1.1% to HK\$333.4 million (FY2017/18: HK\$329.7 million). The other expenses recorded during the Year was mainly attributable to the impairment of goodwill of HK\$134.2 million.

Finance Costs

Finance costs increased by 80.1% to HK\$530.9 million (FY2017/18: HK\$294.8 million), mainly attributable to the increase in bank and other borrowings for general operation purposes, with which the interest expenses was recorded in statement of profit or loss. Due to change of capital market, as at the end of March 2019, along with the increasing trend of market interest rate, the Group's weighted average financing cost was slightly increase to 7.17%, compared to 6.68% as at the end of March 2018.

Income Tax Expenses

Income tax expenses recorded a decreased of 6.5% to HK\$2,133.7 million (FY2017/18: HK\$2,281.1 million). The decrease in income tax expenses was due to the effect of the decrease in fair value gains of investment properties partly offset by the increase in revenue and operating profits during the Year.

Prepayments, Other Receivables and Other Assets

During the Year, prepayments, other receivables and other assets increased by 76.5% in aggregate to HK\$2,847.7 million (31 March 2018: HK\$1,613.2 million), which was mainly due to the increase in deposits paid for construction of new projects and prepayment of tax expenses.

行政開支

行政開支減少7.1%至11.299億港元(2017/18財政年度：12.160億港元)，主要是由於本集團精簡人力資源結構及有效控制行政成本等措施所致。另外，於本年度，本公司向4名獨立非執行董事及若干集團員工授出合共25,500,000份購股權。連同往年授出的購股權，購股權開支為1,460萬港元(2017/18財政年度：4,210萬港元)。

其他開支

其他開支輕微增加1.1%至3.334億港元(2017/18財政年度：3.297億港元)。本年度的其他開支主要是商譽減值，金額為1.342億港元。

融資成本

融資成本增加80.1%至5.309億港元(2017/18財政年度：2.948億港元)，主要由於作為一般流動資金用途的銀行及其他借貸增加而其利息開支計入損益表所致。由於資本市場的變化，於2019年3月底，本集團的加權平均融資成本跟隨市場利率上升至7.17%，2018年3月底的加權平均融資成本為6.68%。

所得稅開支

所得稅開支下降6.5%至21.337億港元(2017/18財政年度：22.811億港元)。所得稅開支的減少主要是投資物業公平值收益下跌，並與本年度的收入及經營利潤增加的稅務影響抵銷後所致。

預付款項、其他應收款項及其他資產

本年度的預付款項、其他應收款項及其他資產合共增加76.5%至28.477億港元(2018年3月31日：16.132億港元)，主要歸因於新項目的工程按金及預付稅款的增加。

Trade and Other Payables

Trade and other payables decreased by 31.0% to HK\$15,729.2 million (31 March 2018: HK\$22,807.8 million), mainly due to the adoption of new accounting standard, which resulted in reclassification of sales deposits received to contract liabilities during the Year. As at 31 March 2019, the balance of construction fees and retention payable and contract liabilities were HK\$5,132.9 million and HK\$13,655.1 million, respectively.

Liquidity and Financial Resources

The Group finances its development and operations primarily through internally generated funds, bank and other borrowings, and the issuance of different types of bonds on the on-shore and off-shore market, which includes but not limited to senior notes, short-term notes, medium-term notes, corporate bonds and domestic company bonds. The Group will continue to explore different financing means and to extend its financing channels.

Cash and Cash Equivalents and Restricted Cash

As at 31 March 2019, the Group had HK\$9,359.8 million cash and cash equivalents and restricted cash (31 March 2018: HK\$10,655.7 million), among which non-restricted cash and cash equivalents amounted to approximately HK\$5,933.8 million (31 March 2018: HK\$8,204.3 million). The Group's cash and cash equivalents and restricted cash were primarily denominated in Renminbi, HK dollars and US dollars.

Borrowing and Charges on the Group's Assets

As at 31 March 2019, the total interest-bearing debts of the Group was HK\$34,264.7 million (31 March 2018: HK\$38,827.7 million) which decreased by HK\$4,563.0 million. The financing channels mainly included interest-bearing bank and other borrowings, senior notes, short-term notes, medium-term notes, corporate bonds and domestic company bonds.

貿易及其他應付款項

貿易及其他應付款項減少31.0%至157.292億港元(2018年3月31日:228.078億港元),主要歸因於本年度因新會計準則的採納使由銷售按金款項重分類至合約負債。於2019年3月31日,應付建築費用及保留金以及合約負債分別為51.329億港元及136.551億港元。

流動資金及財務資源

本集團主要透過內部產生的資金、銀行及其他借貸、在境內和境外市場發得各種債券,包括優先票據、短期融資券、中期票據、企業債券和境內公司債券等融資撥付其業務發展及運營所需資金。本集團將一如既往不斷探討不同的融資方式,並拓展其融資渠道。

現金及現金等價物及受限制現金

於2019年3月31日,本集團持有現金及現金等價物及受限制現金93.598億港元(2018年3月31日:106.557億港元),當中不受限制現金及現金等價物約為59.338億港元(2018年3月31日:82.043億港元)。本集團持有的現金及現金等價物及受限制現金主要以人民幣、港元及美元為單位。

借貸及本集團資產抵押

於2019年3月31日,本集團的計息債務為342.647億港元,較2018年3月31日的388.277億港元減少45.630億港元,融資渠道主要包括計息銀行及其他借貸、優先票據、短期融資券、中期票據、企業債券以及境內公司債券。

Interest-bearing bank and other borrowings

The Group had aggregated interest-bearing bank and other borrowings of HK\$17,738.7 million as at 31 March 2019 (31 March 2018: HK\$16,098.2 million), of which HK\$8,778.9 million will be repayable within one year or on demand, HK\$4,281.3 million will be repayable in the second year, HK\$4,141.6 million will be repayable in the third to fifth years and HK\$536.9 million will be repayable after five years. As at 31 March 2019, the Group's interest-bearing bank and other borrowings of approximately HK\$15,640.9 million were secured by certain buildings, investment properties, properties under development, properties held for finance lease, property held for sales and bank deposits with a total carrying value of approximately HK\$38,655.6 million.

Except for a bank loan with balance of HK\$400 million denominated in HK dollars and bears interest at floating rates of HIBOR+2.50% which was repaid in September 2018, other interest-bearing bank and other borrowings of the Group were denominated in Renminbi with interest rates range from 4.08% to 12.35% (31 March 2018: 4.08% to 9.00%) per annum. Furthermore, as at 30 April 2019, the Group had unused banking facilities of approximately RMB12.84 billion. The Group will, depend on the needs of project development and working capital status, deploy these banking facilities as appropriate.

Insurance of Notes

Senior Notes

In September and October 2016, the Company issued senior notes due in September 2021 with a nominal value of US\$200 million (equivalents to approximately HK\$1,560 million) and US\$150 million (equivalents to approximately HK\$1,170 million) respectively, in a total of US\$350 million (equivalents to approximately HK\$2,730 million). These notes were consolidated and formed a single series of "2016 Notes" at a coupon rate of 6.75% per annum. The net proceed of the issue was mainly for the purpose of refinancing existing indebtedness and for general corporate purposes. The Company repurchased an aggregate principal amount of US\$4.5 million of the 2016 Notes and had it cancelled in September 2018. After such cancellation, the principal amount of the 2016 Notes outstanding is US\$345.5 million.

In March 2017, the Company issued senior notes due in March 2020 with a nominal value of US\$300 million (equivalents to approximately HK\$2,340 million) at a coupon rate of 5.75% per annum ("2017 March Notes"). The net proceed of the issue was mainly for the purpose of refinancing existing indebtedness and for general corporate purposes.

計息銀行及其他借貸

本集團於2019年3月31日的計息銀行及其他借貸合計為177.387億港元(2018年3月31日: 160.982億港元), 其中87.789億港元須於一年內或應要求償還、42.813億港元須於第二年償還、41.416億港元須於第三至第五年償還及5.369億港元須於五年後償還。於2019年3月31日, 本集團的計息銀行及其他借貸中約156.409億港元是以若干樓宇、投資物業、發展中物業、持作融資租賃物業、持作銷售物業及銀行存款作抵押, 其賬面總值約為386.556億港元。

除於2018年9月內償還的4億港元銀行貸款是按香港銀行同業拆息加2.5%利率計息及以港元為單位外, 本集團其他計息銀行及其他借貸以人民幣為單位, 並按每年4.08%至12.35%的利率計息(2018年3月31日: 4.08%至9.00%)。此外, 於2019年4月30日, 本集團持有備用銀行融資約128.4億人民幣。本集團將視乎項目發展需要及運營資金狀況適時調配此等銀行額度。

票據之發行

優先票據

於2016年9月及10月, 本公司分別發行於2021年9月到期面值2億美元(相當於約15.6億港元)及1.5億美元(相當於約11.7億港元)之優先票據, 合共3.5億美元(相當於約27.3億港元)。兩者合併並組成單一系列「2016年票據」, 票據的票面年利率為6.75%。發行所得款淨額主要用作現有債務的再融資及一般企業運營用途。本公司已回購本金額為450萬美元之2016年票據, 該票據並於2018年9月被註銷。註銷後, 2016年票據尚未償還之本金金額為3.455億美元。

於2017年3月, 本公司發行於2020年3月到期面值3億美元(相當於約23.4億港元)之優先票據, 票據的票面年利率為5.75%('2017年3月票據')。發行所得款淨額主要用作現有債務的再融資及一般企業運營用途。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

In November 2017, the Company issued senior notes due in November 2022 with a nominal value of US\$300 million (equivalents to approximately HK\$2,340 million) at a coupon rate of 7.25% per annum (“2017 November Notes”). The net proceed of the issue was mainly for the purpose of refinancing existing indebtedness in relation to the construction and development of our projects and for general corporate purposes. The Company repurchased an aggregate principal amount of US\$13.5 million of the 2017 November Notes and had it cancelled in September 2018. After such cancellation, the principal amount of the 2017 November Notes outstanding is US\$286.5 million.

In January 2018, the Company issued senior notes due in January 2021 with a nominal value of US\$250 million (equivalents to approximately HK\$1,950 million) at a coupon rate of 7.25% per annum (“2018 January Notes”). The net proceed of the issue was mainly for the purpose of refinancing existing indebtedness in relation to the construction and development of our projects and for general corporate purposes. The Company repurchased an aggregate principal amount of US\$12.0 million of the 2018 January Notes and had it cancelled in September 2018. After such cancellation, the principal amount of the 2018 January Notes outstanding is US\$238.0 million.

In May and June 2018, the Company issued senior notes due in August 2020 with a nominal value of US\$150 million (equivalents to approximately HK\$1,170 million) and US\$100 million (equivalents to approximately HK\$780 million) respectively, in a total of US\$250 million (equivalents to approximately HK\$1,950 million). These notes were consolidated and formed a single series of “2018 May Notes” at a coupon rate of 10.875% per annum. The net proceed of the issue was mainly for the purpose of refinancing existing indebtedness in relation to the construction and development of our projects and for general corporate purposes. The Company repurchased an aggregate principal amount of US\$7.0 million of the 2018 May Notes and had it cancelled in September 2018. After such cancellation, the principal amount of the 2018 May Notes outstanding is US\$243.0 million.

In March and June 2019, the Company issued senior notes due in March 2021 with a nominal value of US\$200 million (equivalents to approximately HK\$1,560 million) and US\$60 million (equivalents to approximately HK\$468 million) respectively, in a total of US\$260 million (equivalents to approximately HK\$2,028 million). These notes were consolidated and formed a single series of “2019 March Notes” at a coupon rate of 11.875% per annum. The net proceed of the issue was mainly for the purpose of refinancing existing indebtedness in relation to the construction and development of our projects and for general corporate purposes.

於2017年11月，本公司發行於2022年11月到期面值3億美元(相當於約23.4億港元)之優先票據，票據的票面年利率為7.25%(「2017年11月票據」)。發行所得款淨額主要用作項目開發及業務發展有關的現有債務再融資及一般企業運營用途。本公司已回購本金額1,350萬美元之2017年11月票據，該票據並於2018年9月被註銷。註銷後，2017年11月票據尚未償還之本金金額為2.865億美元。

於2018年1月，本公司發行於2021年1月到期面值2.5億美元(相當於約19.5億港元)之優先票據，票據的票面年利率為7.25%(「2018年1月票據」)。發行所得款淨額主要用作項目開發及業務發展有關的現有債務再融資及一般企業運營用途。本公司已回購本金額1,200萬美元之2018年1月票據，該票據並於2018年9月被註銷。註銷後，2018年1月票據尚未償還之本金金額為2.38億美元。

於2018年5月及6月，本公司發行於2020年8月到期面值1.5億美元(相當於約11.7億港元)及1億美元(相當於約7.8億港元)之優先票據，合共2.5億美元(相當於約19.5億港元)。兩者合併並組成為單一系列「2018年5月票據」，票據的票面年利率為10.875%。發行所得款淨額主要用作項目開發及業務發展有關的現有債務再融資及一般企業運營用途。本公司已回購本金額700萬美元之2018年5月票據，該票據並於2018年9月被註銷。註銷後，2018年5月票據尚未償還之本金金額為2.43億美元。

於2019年3月及6月，本公司發行於2021年3月到期面值2億美元(相當於約15.6億港元)及6,000萬美元(相當於約4.68億港元)之優先票據，合共2.6億美元(相當於約20.28億港元)。兩者合併並組成為單一系列「2019年3月票據」，票據的票面年利率為11.875%。發行所得款淨額主要用作項目開發及業務發展有關的現有債務再融資及一般企業運營用途。

As at 31 March 2019, the carrying value of senior notes were HK\$12,332.4 million. The senior notes are jointly guaranteed by certain subsidiaries and secured by pledges of share of certain subsidiaries.

Short-Term Notes

In October 2016, China South International Industrial Materials City (Shenzhen) Company Limited ("China South International") obtained the relevant approval for issuing the short-term notes in the national inter-bank market in the PRC with a maximum principal amount of RMB6.0 billion. In June and August 2017, China South International issued the first tranche and the second tranche of the short-term notes of 2017 with a total principal amount of RMB500 million with a maturity period of 270 days and at an interest rate of 6.5% per annum for each tranche, respectively. The proceeds thereof were to be used for general corporate purpose and repaying part of bank loans of the Group. The first tranche and second tranche short-term notes of 2017 have been repaid in March and May 2018, respectively.

Medium-Term Notes

In April 2014, China South International obtained the relevant approval for issuing the medium-term notes in the national inter-bank market in the PRC with a maximum principal amount of RMB4.0 billion. In May 2014, China South International issued the first tranche of the medium-term notes of 2014 with a total principal amount of RMB1.0 billion with a maturity period of 5 years and at an interest rate of 7.5% per annum. The proceeds thereof were to be used for repaying part of short-term bank loans of the Group. The first tranche of the medium-term notes of 2014 have been repaid in May 2019. In September 2014, China South International issued the second tranche of the medium-term notes of 2014 with a total principal amount of RMB1.0 billion with a maturity period of 5 years and at an interest rate of 8.4% per annum. The proceeds thereof were to be used for repaying part of bank loans of the Group. In July 2015, China South International issue the first tranche of the medium term notes of 2015 with a total principal amount of RMB2.0 billion with a maturity period of 3 years and at an interest rate of 7.0% per annum. The proceeds thereof were to be used for replacement of bank loans of the Group and the construction of CSC Nanning project. The first tranche of the medium-term notes of 2015 have been repaid in July 2018.

於2019年3月31日，優先票據的賬面值為123.324億港元。優先票據由若干附屬公司共同擔保，並由若干附屬公司之股份作抵押擔保。

短期融資券

於2016年10月，華南國際工業原料城(深圳)有限公司(「華南國際」)取得於中國銀行間市場發行本金額最高為人民幣60億元之短期融資券的相關批准。於2017年6月及8月，華南國際分別發行2017年第一期及第二期短期融資券，本金總額各為人民幣5億元，期限為270天，年利率為6.5%，該等發行所得款項主要用作補充本集團的流動資金及償還本集團的部份銀行貸款。於2018年3月及5月，華南國際已分別全數償還2017年第一期及第二期短期融資券。

中期票據

於2014年4月，華南國際取得於中國銀行間市場發行本金總額最高為人民幣40億元之中期票據的相關批准。於2014年5月，華南國際發行2014年第一期中期票據，本金總額為人民幣10億元，期限為5年，年利率為7.5%，該發行所得款項主要用作償還本集團的部份短期銀行貸款。於2019年5月，華南國際已全數償還2014年第一期中期票據。於2014年9月，華南國際發行2014年第二期中期票據，本金總額為人民幣10億元，期限為5年，年利率為8.4%，該發行所得款項主要用作償還本集團的部份銀行貸款。於2015年7月，華南國際發行2015年第一期中期票據，本金總額為人民幣20億元，期限為3年，年利率為7.0%，該發行所得款項主要用作置換本集團的銀行貸款及南寧華南城項目之發展。於2018年7月，華南國際已全數償還2015年第一期中期票據。

In April 2017, China South International obtained another approval for issuing the medium term notes with a maximum principal amount of RMB3.0 billion. In April 2019, China South International issued the first tranche of the medium-term notes of 2019 with a total principal amount of RMB600 million with a maximum maturity period of 3 years and at an interest rate of 8.5% per annum. The proceeds thereof were to be used for refinancing existing borrowings of the Group.

Corporate Bonds

In March 2015, China South International obtained the relevant approval for issuing the corporate bonds in a maximum principal amount of RMB1.5 billion in the PRC. In April 2015, China South International issued the corporate bonds with a total principal amount of RMB1.5 billion with a term of up to 6 years in maximum and at an interest rate of 7.0% per annum. The proceeds thereof were to be used for funding the development of CSC Zhengzhou project. In April 2018, China South International repaid approximately RMB1.499 billion of corporate bonds. The remaining portion of RMB482,000 will be matured at April 2021 which the interest rate was 8.05% per annum which was early repaid in full in April 2019.

Domestic Company Bonds

In December 2015, China South International obtained the relevant approval for issuing the domestic company bonds in a maximum principal amount of RMB4.4 billion in the PRC. In January 2016, China South International issued the first tranche of the domestic company bonds of 2016 with a total principal amount of RMB3.0 billion with a term of 3 years and at an interest rate of 5.98% per annum. The proceeds thereof were to be used for repaying part of bank loans of the Group and for general working capital. In May 2016, China South International issued the second tranche of the domestic company bonds of 2016 with a total principal amount of RMB1.4 billion with a term of 3 years and at an interest rate of 6.85% per annum. The proceeds thereof were to be used for repaying part of bank loans of the Group and for general working capital. The first tranche and second tranche of the domestic company bonds of 2016 was repaid in January and May 2019, respectively.

於2017年4月，華南國際取得另一個發行中期票據的批准，最高發行額度為人民幣30億元。於2019年4月，華南國際發行2019年第一期中期票據，本金總額為人民幣6億元，期限最長為3年，年利率為8.5%，該發行所得款項主要用作置換本集團現有借款。

企業債券

於2015年3月，華南國際取得於中國發行本金總額最高為人民幣15億元之企業債券的相關批准。於2015年4月，華南國際發行該企業債券，本金總額為人民幣15億元，期限為最長6年，年利率為7.0%，該發行所得款項主要用作興建鄭州華南城項目之發展。於2018年4月，華南國際償還本金總額約為人民幣14.99億元之企業債券。剩餘本金總額為人民幣482,000元之企業債券於2021年4月到期，年利率為8.05%，亦已於2019年4月提早償還。

境內公司債券

於2015年12月，華南國際取得於中國發行本金總額最高為人民幣44億元之境內公司債券的相關批准。於2016年1月，華南國際發行2016年第一期境內公司債券，本金總額為人民幣30億元，期限為3年，年利率為5.98%。該發行所得款項主要用作置換本集團的銀行貸款及一般營運資金。於2016年5月，華南國際發行2016年第二期境內公司債券，本金總額為人民幣14億元，期限為3年，年利率為6.85%。該發行所得款項主要用作置換本集團的銀行貸款及一般營運資金。於2019年1月及5月，華南國際已分別全數償還2016年第一期及第二期境內公司債券。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

In April 2019, China South International also obtained another two approvals for issuing the domestic company bonds with a maximum principal amount of RMB4.4 billion in total in the PRC. China South International may issue new domestic company bonds as when appropriates.

As at 31 March 2019, the carrying value of China South International's medium-term notes were HK\$2,459.9 million, corporate bonds were HK\$562,000 and domestic company bonds were HK\$1,733.2 million respectively.

Gearing Ratio

The Group's gearing ratio (net debt divided by total equity) was 68.9% as at 31 March 2019, 77.4% as at 31 March 2018 respectively. The total liabilities over total assets ratio was 68.0% as at 31 March 2019 and 67.4% as at 31 March 2018, respectively.

The Group's business and assets are mainly denominated in Renminbi, while the consolidated financial statements of the Group were presented in Hong Kong dollar and the changes in the exchange rate of Hong Kong dollar against the Renminbi would affect foreign exchange differences upon currency revaluation. Since early 2018, the depreciation of Renminbi against Hong Kong dollar result in the decrease in the Group's net assets presented in Hong Kong dollar. If taking out the effect of foreign currency, the adjusted net gearing ratio was 63.2%, which represented a significant decrease when compared with that at same period of last year.

Net Current Assets and Current Ratio

As at 31 March 2019, the Group had net current assets of HK\$4,365.8 million (31 March 2018: HK\$8,368.8 million) at a current ratio of 1.09 (31 March 2018: 1.19).

於2019年4月，華南國際取得另兩個發行境內公司債券的批准，合共最高發行額度為人民幣44億元。華南國際將於合適時機發行有關境內公司債券。

於2019年3月31日，華南國際中期票據的賬面值為24.599億港元、企業債券的賬面值為56.2萬港元及境內公司債券的賬面值為17.332億港元。

資本負債比率

本集團於2019年3月31日和2018年3月31日的資本負債比率(債務淨額除權益總額)分別為68.9%及77.4%。於2019年3月31日和2018年3月31日的總負債對總資產比率分別為68.0%及67.4%。

本集團的業務及資產主要以人民幣計價，而本集團的綜合財務報表以港元呈報，港元兌人民幣的變化將影響因貨幣重估產生的賬面匯兌差異。自2018年初以來，因人民幣兌港元貶值，導致本集團以港元呈報的資產淨值下降。如果撇除此外匯影響，調整後的淨資本負債比率為63.2%，均較上年同期有較大幅的下降。

流動資產淨值及流動比率

於2019年3月31日，本集團流動資產淨值為43.658億港元(2018年3月31日：83.688億港元)，流動比率為1.09(2018年3月31日：1.19)。

Contingent Liabilities

The Group has provided guarantees with respect to banking facilities granted by certain banks in connection with mortgage loans entered into by purchasers of the Group's trade centers and residential properties and bank loans entered into by lessees of the Group's residential and commercial properties. The guarantees granted to purchasers of trade centers and residential properties will be released when the purchasers obtain building ownership certificates, which will then be pledged to the banks. For leased residential and commercial properties, the guarantees will be released accordingly when the lessees repaid the loan. As at 31 March 2019, the guarantees amounted to HK\$15,219.0 million (31 March 2018: HK\$12,574.5 million).

Commitments

As at 31 March 2019, the Group had future capital expenditure contracted but not yet provided for in the amount of HK\$15,530.9 million (31 March 2018: HK\$10,725.3 million).

Acquisition and Disposal of Subsidiary and Associated Companies

The Group had no material acquisitions and disposals of subsidiaries and associated companies during the Year.

Foreign Exchange Risk

The Group conducts its business primarily in Renminbi. The income and bank deposits of the Group were substantially denominated in Renminbi to meet the Group's development and operation needs in the PRC. Other than the foreign currency denominated bank deposits, bank borrowings and senior notes, the Group does not have any other material exposure to foreign exchange risk. During the Year, the Group entered into certain forward currency contract and currency options with bank to hedge the amount of US\$100 million of the foreign exchange exposure, for which all contracts have been expired as at 31 March 2019.

The Group continues to adopt a proactive approach to closely monitor the foreign currency market, as well as explore the domestic capital market for financing opportunities and consider other hedging arrangement if such need arise.

或然負債

本集團為其交易中心及住宅物業買家與銀行訂立的按揭貸款以及其住宅及商業物業承租人與銀行訂立的銀行貸款提供擔保。授予買家的擔保將於買家取得房地產所有權證，並於其後抵押予銀行時解除。就租賃住宅及商業物業而言，擔保將於承租人償還貸款時相應解除。於2019年3月31日，擔保金額為152.190億港元(2018年3月31日：125.745億港元)。

承擔

於2019年3月31日，本集團的已訂約但未計提撥備的未來資本開支金額為155.309億港元(2018年3月31日：107.253億港元)。

收購及出售附屬公司及聯營公司

本集團於本年度並無任何收購及出售附屬公司及聯營公司的重大項目。

外匯風險

本集團之業務主要以人民幣進行。本集團之收入及銀行存款大部分為人民幣，以滿足其在國內的發展和運營所需。除以外幣計值的銀行存款、銀行借貸、優先票據外，本集團並沒有其他重大的外匯風險。於本年度，本集團與銀行訂立若干份遠期外匯合約及外匯期權，以對沖約1.0億美元金額外匯敞口。於2019年3月31日，所有有關合同均已到期。

本集團繼續採納積極態度密切監察外幣市場，同時開拓國內資本市場以爭取融資機會，並在需要時適時作出匯率對沖之其他安排。

Economic, Commercial and Other Risks

The Group may be exposed to the risk of negative developments in national and regional economies, property and financial markets. It may result in reductions in sales and selling prices of the properties, rental rates and occupancy rates of properties, and demand for ancillary services and facilities it provides. It may also result in recession, inflation, deflation and currency fluctuations as well as restrictions in the availability of credit, increases in financing and other operating costs. The development of the Group's projects may subject to market risks as it usually takes time to complete. Though the Group appoints quality partners for the development of its projects, it may still be subject to associated risk of the quality and safety of the products and services provided by the Group. The Group may also be subject to a number of regulatory environments in the territories in which it operates. Changes in the regulatory approach to such matters as ownership of assets and businesses, regulations related to development and operations, exchange controls, tax rules and employment legislation may impact the business of the Group. Changes in the political environment in such territories may also affect the Group. The management of the Group will keep abreast of the environment and policy changes and make the necessary adjustments in response to such changes, if any. Further steps taken by the Group to manage the financial risk will be set out in the notes to financial statements.

Land for Projects and Restriction on Sales

The Group signs project agreements with local governments prior to the development of all projects in order to outline the long term blueprints of relevant projects. These agreements generally set out the size and use of lands and the related development plans. However, the actual acquisition of lands, land area and terms and conditions of such acquisition are subject to the relevant regulations and local governments' requirements, the Group's development plans and the results of the relevant public tender, auction and listing. Since the development of each of these projects may last for more than ten years, the Group and the local government may discuss to adjust the details of these agreements to align with the actual needs of developments.

The progress of the land acquisition and project development depends on the progress of the Group's planning, as well as the procedural formalities as determined by the local government departments. As the procedures and requirements set by different local governments vary, the Group may adjust the development of each project according to relevant conditions. In view of its substantial land bank and flexibility in project planning, the Group believes such circumstances will not have material impact on its development as a whole.

經濟、商業及其他風險

本集團或會受到來自國家與區域經濟、房地產及金融市場負面發展風險的影響。該等風險或會導致物業銷售及其價格、物業租金及佔有率下降，以及對其提供的配套服務與設施需求的下降。其亦或會導致經濟衰退、通貨膨脹、通貨緊縮及匯價波動，以及信貸受限、融資及其他運營成本上升。由於本集團的項目開發需時，其或受到市場風險影響。儘管本集團委聘優質合作夥伴進行項目開發，但仍可能受其提供產品與服務之品質及安全性所帶來風險的影響。本集團於其運營的地區亦可能受一系列監管環境影響，包括資產及業務的擁有權、涉及開發及運營的法規、外匯管制、稅收規則及勞動法規等監管方式的變化或會影響本集團的業務。當地政策環境的變化亦可能會影響本集團的業務。本集團管理層將因應該等變化作出適時調整，以與市場環境及政策變化保持一致。本集團進一步管理財務風險的辦法將載於財務報表附註內。

項目土地及銷售限制

本集團在發展各項目前均與當地政府簽訂項目協議，以勾劃相關項目長遠的概要藍圖，該等協議一般會就項目土地規模、性質及發展作概要約定，但實質土地的取得、土地面積及取得之條款將按相關規定、當地政府要求、本集團的發展規劃及招拍掛的結果為準。由於各項目的發展期間可能超過十年，本集團及當地政府可能會因應項目發展的需要而協商調整協議內容。

本集團項目土地的取得及建設的進度，除視乎內部之規劃外，亦視乎項目當地政府部門各程序之手續。各地政府的程序和要求各異，因此，本集團對各項目的發展將視乎有關情況而作相應的調整和配合，但由於本集團的項目用地充裕，規劃上具較強的彈性，本集團認為有關情況對本集團的整體發展影響不大。

Pursuant to certain project and land related contracts and documents, some of the land acquired by the Group may have sales restrictions on properties built on it. These include the saleable area of trade centers of CSC Shenzhen is limited to 30% of the total buildable GFA of properties built on the relevant parcels of land. The saleable area of trade centers and warehousing facilities built on certain parcels of land acquired by CSC Nanchang and CSC Nanning in 2010 are limited to 60% of the relevant total buildable GFA. The saleable area of trade centers or commercial properties built by CSC Hefei and CSC Chongqing are limited to 50% of their relevant total buildable GFA. The saleable area of trade centers or commercial properties of phase I and future phases of CSC Zhengzhou are limited to 60% and 50% respectively of its relevant total buildable GFA. According to the Group's business model, the Group intends to hold not less than 50% of trade centers and commercial facilities for leasing and self-use, the related sales restrictions will not have significant impact to the Group.

Human Resources

As at 31 March 2019, the Group had a workforce of approximately 5,200 people. The number of the Group's staff decreased by approximately 7.8% from 5,640 people as at 31 March 2018. The Group aims to recruit, retain and develop competent individuals who are committed to the Group's long-term success and growth. Remunerations and other benefits of employees are reviewed annually in response to both market conditions and trends, and are based on qualifications, experience, responsibilities and performance. In addition to basic salaries and other staff benefits, discretionary bonuses and share options may be awarded to employees who display outstanding performance and contributions to the Group. During the Year, the Company granted in aggregate of 25,500,000 share options to four independent non-executive directors and certain employees of the Group.

根據若干項目及土地相關合同和文件，部分項目土地所建之物業存在銷售限制，包括深圳華南城相關地塊上的交易中心的可銷售面積限於總可建建築面積的30%；南昌華南城和南寧華南城於2010年取得的若干土地，其上建設的交易中心及倉儲設施的可銷售面積限於該等物業總可建建築面積的60%；合肥華南城及重慶華南城建設的交易中心或商業物業的可銷售面積限於該等物業總可建建築面積的50%；鄭州華南城建設的一期及以後各期的交易中心或商業物業的可銷售面積分別限於該等物業總可建建築面積的60%及50%。按本集團商業模式，本集團規劃持有不少於50%交易中心及商業配套設施作租賃和自用，有關銷售限制對本集團的影響不大。

人力資源

於2019年3月31日，本集團有僱員約5,200人。本集團僱員人數較2018年3月31日的5,640人下降約7.8%。本集團致力招聘、挽留及培訓該等致力於本集團長遠成功及增長的人員。僱員的薪酬及其他福利乃參考市況及市場趨勢，以及按彼等的資歷、經驗、職責及表現每年進行檢討。除基本薪金及其他員工福利外，表現優秀且為本集團作出貢獻的僱員亦可獲獎勵酌情花紅及購股權。於本年度，本公司向4名獨立非執行董事及若干集團員工授出合共25,500,000份購股權。

Project Portfolio

項目組合

Properties held for sale/finance lease 持作銷售/融資租賃物業

Project	Location	Group's Interest	Acquired land	Description	Approx. GFA (sq. m.)	Completion Year
			area (sq. m.)			
項目	地點	本集團權益	已購土地面積 (平方米)	內容	概約建築面積 (平方米)	竣工年份
China South City Shenzhen 深圳華南城	No. 1 Hua Nan Main Road, Pinghu, Longgang District, Shenzhen, China 中國深圳市龍崗區平湖華南大道一號	100%	1,060,000	Phase I trade centers 一期交易中心	1,000	2004
				Phase II residential facilities 二期住宅配套設施	800	2008
				Phase II commercial and other ancillary facilities 二期商業及其他配套設施		
				Phase II trade centers 二期交易中心		
				Phase III commercial and other ancillary facilities 三期商業及其他配套設施		
				Phase III trade centers 三期交易中心	42,500	2016
China South City Nanchang 南昌華南城	No. 1, Huanan Avenue, Honggutan New District, Nanchang City, Jiangxi Province, China 中國江西省南昌市紅谷灘新區華南大道一號	100%	1,807,800	Logistics zone commercial and other ancillary facilities 物流園區商業及其他配套設施	30,000	2015, 2016
				— Office tower — 辦公樓		
China South City Nanchang 南昌華南城	No. 1, Huanan Avenue, Honggutan New District, Nanchang City, Jiangxi Province, China 中國江西省南昌市紅谷灘新區華南大道一號	100%	1,807,800	Phase I trade centers 一期交易中心	186,500	2012, 2014, 2015, 2016
				Phase I residential facilities 一期住宅配套設施	3,000	2012, 2015, 2017, 2018

Project Portfolio (Continued)
項目組合(續)

Properties held for sale/finance lease
持作銷售/融資租賃物業

Project	Location	Group's Interest	Acquired land	Description	Approx. GFA (sq. m.)	Completion Year
			area (sq. m.)			
項目	地點	本集團權益	已購土地面積 (平方米)	內容	概約建築面積 (平方米)	竣工年份
China South City Nanning 南寧華南城	No. 56, Shajing Avenue, Jiangnan District, Nanning City, Guangxi Zhuang Autonomous Region, China 中國廣西壯族自治區南寧市江南區沙井大道56號	100%	890,000	Phase I trade centers 一期交易中心	182,800	2012
				Phase I offices 一期寫字樓	11,800	2018
				Phase I residential facilities 一期住宅配套設施	33,500	2013, 2017, 2018
China South City Xi'an 西安華南城	No. 8, Port Avenue, Xi'an International Trade and Logistics Park, Xi'an City, Shaanxi Province, China 中國陝西省西安市西安國際港務區港務大道8號	100%	1,926,000	Phase I trade centers 一期交易中心	464,700	2013, 2015, 2017, 2018, 2019
China South City Harbin 哈爾濱華南城	Tuanjie Town, Daowei District, Harbin City, Heilongjiang Province, China 中國黑龍江省哈爾濱市道外區團結鎮	100%	2,313,300	Phase I trade centers 一期交易中心	643,200	2014, 2017, 2019
				Phase I residential facilities 一期住宅配套設施		
China South City Zhengzhou 鄭州華南城	Longhu Town, Xinzheng City, Zhengzhou City, Henan Province, China 中國河南省鄭州市新鄭市龍湖鎮	100%	3,510,000	Phase I trade centers 一期交易中心	499,800	2014, 2016, 2018
				Phase I residential facilities 一期住宅配套設施	300	2019
China South City Hefei 合肥華南城	Fanhua Avenue, Taohua Industrial Park, Feixi County of Hefei City, Anhui Province, China 中國安徽省合肥市肥西桃花工業園繁華大道	100%	2,450,100	Phase I trade centers 一期交易中心	92,600	2014, 2015, 2018
				Phase I residential facilities 一期住宅配套設施	74,400	2016, 2018, 2019
China South City Chongqing 重慶華南城	No. 1 Dongcheng Avenue, Nanpeng, Banan District, Chongqing Municipality, China 中國重慶市巴南區南彭東城大道一號	100%	2,751,400	Phase I trade centers 一期交易中心	411,700	2015, 2016
				Phase I residential facilities 一期住宅配套設施	28,800	2018, 2019

Project Portfolio (Continued)
項目組合(續)

Properties for Investment
投資物業

Project	Location	Group's Interest	Description	Approx. GFA ⁽¹⁾ (sq. m.) 概約建築面積 ⁽¹⁾ (平方米)	Lease Term
項目	地點	本集團權益	內容		契約年期
China South City Shenzhen 深圳華南城	No. 1 Hua Nan Main Road, Pinghu, Longgang District, Shenzhen, China 中國深圳市龍崗區平湖 華南大道一號	100%	Phase I trade centers 一期交易中心	167,100	Medium Term Lease 中期契約
			Phase I commercial and other ancillary facilities 一期商業及其他配套設施		
			— Business centers — 商務中心	22,400	Medium Term Lease 中期契約
			— Hotel properties — 酒店物業	32,100	Medium Term Lease 中期契約
			Phase II trade centers 二期交易中心	352,800	Medium Term Lease 中期契約
			Phase II commercial and other ancillary facilities 二期商業及其他配套設施		
			— Office tower — 辦公樓	15,100	Medium Term Lease 中期契約
			— Shopping plaza — 商場	15,200	Medium Term Lease 中期契約
			Phase III trade centers 三期交易中心	267,400	Medium Term Lease 中期契約
			Phase III commercial and other ancillary facilities 三期商業及其他配套設施		
— Office tower — 辦公樓	4,400	Medium Term Lease 中期契約			

Project Portfolio (Continued)
項目組合(續)

Properties for Investment
投資物業

Project	Location	Group's Interest	Description	Approx. GFA ⁽¹⁾ (sq. m.) 概約建築面積 ⁽¹⁾ (平方米)	Lease Term
項目	地點	本集團權益	內容		契約年期
China South City Nanchang 南昌華南城	No. 1 Huanan Avenue, Honggutan New District, Nanchang City, Jiangxi Province, China 中國江西省南昌市紅谷灘新區 華南大道一號	100%	Phase I trade centers 一期交易中心	232,300	Medium Term Lease 中期契約
China South City Nanning 南寧華南城	No. 56 Shajing Avenue, Jiangnan District, Nanning City, Guangxi Zhuang Autonomous Region, China 中國廣西壯族自治區南寧市 江南區沙井大道56號	100%	Phase I trade centers and offices 一期交易中心和寫字樓	616,300	Medium Term Lease 中期契約
China South City Xi'an 西安華南城	No. 8, Port Avenue, Xi'an International Trade and Logistics Park, Xi'an City, Shaanxi Province, China 中國陝西省西安市 西安國際港務區 港務大道8號	100%	Phase I trade centers 一期交易中心	225,000	Medium Term Lease 中期契約
China South City Harbin 哈爾濱華南城	Tuanjie Town, Daowei District, Harbin City, Heilongjiang Province, China 中國黑龍江省哈爾濱市道外區 團結鎮	100%	Phase I trade centers 一期交易中心	449,200	Medium Term Lease 中期契約
China South City Zhengzhou 鄭州華南城	Longhu Town, Xinzheng City, Zhengzhou City, Henan Province, China 中國河南省鄭州市新鄭市 龍湖鎮	100%	Phase I trade centers 一期交易中心	747,400	Medium Term Lease 中期契約
China South City Hefei 合肥華南城	Fanhua Avenue, Taohua Industrial Park, Feixi County of Hefei City, Auhui Province, China 中國安徽省合肥市肥西桃花工業園 繁華大道	100%	Phase I trade centers and warehouse 一期交易中心和倉儲	1,038,900	Medium Term Lease 中期契約
China South City Chongqing 重慶華南城	No. 1 Dongcheng Avenue, Nanpeng, Banan District, Chongqing Municipality, China 中國重慶市巴南區 南彭東城大道一號	100%	Phase I trade centers 一期交易中心	507,100	Medium Term Lease 中期契約

Note:

(1) The approximate GFA does not include the area of underground facilities.

附註：

(1) 概約建築面積不包括地底設施面積。

Project Portfolio (Continued)
項目組合(續)

Properties under Development – with Land use Rights Certificates
發展中物業 – 具備土地使用權證書

Project/Location	Group's Interest	Approx. Acquired land area ⁽¹⁾ (sq. m.) 概約已購土地面積 ⁽¹⁾ (平方米)	Total Planned GFA ⁽²⁾ (sq. m.) 規劃總建築面積 ⁽²⁾ (平方米)	Description	Properties under Development (sq. m.)	Stage of completion	Estimated completion calendar year
項目/地點	本集團權益			內容	發展中物業 (平方米)	完成階段	預計竣工曆年
1. China South City Shenzhen 深圳華南城 No. 1 Hua Nan Main Road, Pinghu, Longgang District, Shenzhen, China 中國深圳市龍崗區平湖 華南大道一號	100%	1,060,000	2,644,000	a. Trade centers, warehouse and other ancillary facilities 交易中心·倉儲及其他配套設施	185,000	Foundation work and superstructure in progress 地基工程及上蓋工程進行中	2020-2021
				b. Remaining portions 餘下部分	–	Planning 規劃中	–
2. China South City Nanchang 南昌華南城 No. 1, Huanan Avenue, Honggutan New District, Nanchang City, Jiangxi Province, China 中國江西省南昌市紅谷灘新區 華南大道一號	100%	1,807,800	4,794,400	a. Trade centers, residential, commercial, warehouse and other ancillary facilities 交易中心·住宅·商業·倉儲及其他配套設施	340,000	Foundation work and superstructure in progress 地基工程及上蓋工程進行中	2020-2021
				b. Remaining portions 餘下部分	–	Planning 規劃中	–
3. China South City Nanning 南寧華南城 No. 56, Shajing Avenue, Jiangnan District, Nanning City, Guangxi Zhuang Autonomous Region, China 中國廣西壯族自治區南寧市 江南區沙井大道56號	100%	890,000	2,480,000	a. Trade centers, warehouse and other ancillary facilities 交易中心·倉儲及其他配套設施	154,300	Foundation work and superstructure in progress 地基工程及上蓋工程進行中	2020-2021
				b. Remaining portions 餘下部分	–	Planning 規劃中	–
4. China South City Xi'an 西安華南城 No.8, Port Avenue, Xi'an International Trade and Logistics Park, Xi'an City, Shaanxi Province, China 中國陝西省西安市西安國際港務區 港務大道8號	100%	1,926,000	4,676,600	a. Trade centers, commercial, warehouse and other ancillary facilities 交易中心·商業·倉儲及其他配套設施	480,000	Foundation work and superstructure in progress 地基工程及上蓋工程進行中	2019-2021
				b. Remaining portions 餘下部分	–	Planning 規劃中	–
5. China South City Harbin 哈爾濱華南城 Tuanjie Town, Daowei District, Harbin City, Heilongjiang Province, China 中國黑龍江省哈爾濱市道外區團結鎮	100%	2,313,300	5,612,400	a. Trade centers, residential, commercial, hotels, warehouse and other ancillary facilities 交易中心·住宅·商業·酒店·倉儲及其他配套設施	667,200	Foundation work and superstructure in progress 地基工程及上蓋工程進行中	2019-2021
				b. Remaining portions 餘下部分	–	Planning 規劃中	–

Properties under Development – with Land use Rights Certificates
發展中物業 – 具備土地使用權證書

Project/Location	Group's Interest	Approx. Acquired land area ⁽¹⁾ (sq. m.) 概約已購土地面積 ⁽¹⁾ (平方米)	Total Planned GFA ⁽²⁾ (sq. m.) 規劃總建築面積 ⁽²⁾ (平方米)	Description	Properties under Development (sq. m.)	Stage of completion	Estimated completion calendar year
項目/地點	本集團權益			內容	發展中物業 (平方米)	完成階段	預計竣工曆年
6. China South City Zhengzhou 鄭州華南城 Longhu Town, Xinzheng City, Zhengzhou City, Henan Province, China 中國河南省鄭州市新鄭市 龍湖鎮	100%	3,510,000	9,756,200	a. Trade centers, residential, commercial, warehouse and other ancillary facilities 交易中心、住宅、商業、倉儲及其他配套設施	2,591,900	Foundation work and superstructure in progress 地基工程及上蓋工程進行中	2019-2021
				b. Remaining portions 餘下部分	-	Planning 規劃中	-
7. China South City Hefei 合肥華南城 Fanhua Avenue, Taohua Industrial Park, Feixi County of Hefei City, Anhui Province, China 中國安徽省合肥市肥西 桃花工業園繁華大道	100%	2,450,100	5,993,000	a. Trade centers, residential, commercial, warehouse and other ancillary facilities 交易中心、住宅、商業、倉儲及其他配套設施	1,219,700	Foundation work and superstructure in progress 地基工程及上蓋工程進行中	2019-2021
				b. Remaining portions 餘下部分	-	Planning 規劃中	-
8. China South City Chongqing 重慶華南城 No. 1 Dongcheng Avenue, Nanpeng, Banan District, Chongqing Municipality, China 中國重慶市巴南區南彭東城大道一號	100%	2,751,400	6,501,800	a. Trade centers, residential, commercial, warehouse and other ancillary facilities 交易中心、住宅、商業、倉儲及其他配套設施	537,500	Foundation work and superstructure in progress 地基工程及上蓋工程進行中	2019-2021
				b. Remaining portions 餘下部分	-	Planning 規劃中	-

Notes:

- (1) Represents the land area acquired by the Group as at 31 March 2019.
- (2) Represents the planned GFA for the land acquired including completed properties and properties under development. The actual GFA to be built may vary subsequently according to needs of the Group.

附註：

- (1) 代表本集團於2019年3月31日已購得之土地。
- (2) 代表已購得之土地的規劃建築面積包括已竣工物業及發展中物業，後續實際建設的面積可能會因應本集團的需要而有所變更。

Five Years' Financial Summary

五年財務概要

		Year ended 31 March 截至3月31日止年度				
		2019 HK\$'000 千港元	2018 HK\$'000 千港元	2017 HK\$'000 千港元	2016 HK\$'000 千港元	2015 HK\$'000 千港元
RESULTS	業績					
Revenue	收入	10,274,255	9,405,370	7,838,510	6,136,262	9,757,767
Gross Profit	毛利	4,439,594	4,069,179	3,510,145	2,959,053	5,175,530
Profit before tax	稅前利潤	5,376,775	6,783,465	6,592,254	4,904,233	5,859,489
Income tax expenses	所得稅開支	(2,133,661)	(2,281,133)	(2,269,292)	(1,370,457)	(2,144,709)
Profit for the year	本年度利潤	3,243,114	4,502,332	4,322,962	3,533,776	3,714,780
Attributable to:	下列各方應佔：					
Owners of the parent	母公司擁有人	3,250,962	4,511,679	4,322,626	3,537,012	3,727,872
Non-controlling interests	非控股權益	(7,848)	(9,347)	336	(3,236)	(13,092)
Core net profit attributable to owners of the parent*	母公司擁有人應佔核心淨利潤*	1,749,575	1,608,548	1,351,212	1,205,782	1,854,273
ASSETS AND LIABILITIES	資產及負債					
Non-current assets	非流動資產	59,867,531	59,267,098	51,889,666	44,393,168	38,990,032
Current assets	流動資產	53,239,431	52,278,868	37,086,167	38,992,163	34,263,939
Total assets	資產總值	113,106,962	111,545,966	88,975,833	83,385,331	73,253,971
Current liabilities	流動負債	48,873,586	43,910,048	29,601,179	28,021,173	28,345,624
Non-current liabilities	非流動負債	28,083,549	31,235,164	30,895,263	28,995,693	19,886,531
Total liabilities	負債總額	76,957,135	75,145,212	60,496,442	57,016,866	48,232,155
Equity attributable to owners of parent	母公司擁有人應佔權益	35,990,593	36,218,344	28,298,254	26,178,517	24,866,969
Non-controlling interests	非控股權益	159,234	182,410	181,137	189,948	154,847
Total equity	權益總額	36,149,827	36,400,754	28,479,391	26,368,465	25,021,816
Earnings per share attributable to ordinary equity holders of the parent	歸屬於母公司普通股權益持有人之每股盈利					
Basic	基本	HK40.33 cents 港仙	HK56.35 cents 港仙	HK53.99 cents 港仙	HK44.22 cents 港仙	HK48.73 cents 港仙
Diluted	攤薄	HK40.33 cents 港仙	HK56.19 cents 港仙	HK53.96 cents 港仙	HK44.05 cents 港仙	HK45.27 cents 港仙

* Mainly represents the net profit attributable to owners of the parent excluding fair value gains on investment properties and related tax effects, provision for impairment of goodwill, provision for impairment loss of available-for-sale investments, fair value gain on derivative financial instrument and loss on redemption of senior notes, etc.

* 主要代表未計投資物業公平值收益及相關稅務影響、商譽減值撥備、可供出售金融投資減值撥備、衍生金融工具公平值收益和贖回優先票據之虧損等的母公司擁有人應佔淨利潤。

Biographical Details of Directors and Key Management

董事及主要管理層履歷

Executive Directors

Mr. CHENG Chung Hing, aged 58, is our Chairman and an Executive Director. He is a co-founder of our Group and has been a Director since 2 August 2002. He acted as Co-Chairman of the Group from 30 September 2009 until he was re-designated as Chairman of the Group on 25 July 2017. Mr. Cheng is primarily responsible for formulating the overall strategies and assessing the performance of the Group as well as providing leadership for the Board. He has more than 36 years of management experience in the manufacturing, wholesale and distribution businesses. Mr. Cheng has been awarded the “Young Industrialist Awards of Hong Kong 1997” from the Federation of Hong Kong Industries, the Distinguished International Entrepreneur of the Year Award 1997 from San Francisco State University and the Chinese Outstanding Entrepreneur Award 2008 from the China Enterprise Confederation and the China Enterprise Directors Association. Mr. Cheng is the vice chairman of the China Chamber of International Commerce, a member of the 10th and a standing member of the 11th Guangxi Zhuang Autonomous Region Committee of the Chinese People’s Political Consultative Conference and a member of the 3rd, the 4th and the 5th Shenzhen Committee of the Chinese People’s Political Consultative Conference. Mr. Cheng is also presently the foundation honorary chairman of Gem and Jewelry Committee of China General Chamber of Commerce, a standing member of the China Enterprise Confederation and the China Enterprise Directors Association, vice president of the China Federation of Logistics and Purchasing, vice president of the Guangxi Zhuang Autonomous Region Federation of Industry and Commerce, vice president of the Guangxi Overseas Friendship Association, vice president of the China Chamber of International Commerce Shenzhen, honorary chairman of the Shenzhen Logistics and Supply Chain Management Association, vice chairman of the Federation of Shenzhen Industries, honorary life president of the Hong Kong Gemstone Manufacturers’ Association Limited, honorary chairman of Zhejiang Pearl Trade Association and member of the Shenzhen Overseas Friendship Association. Mr. Cheng was the chairman and non-executive director of Man Sang Jewellery Holdings Limited, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (“The Hong Kong Stock Exchange”) (stock code: 1466) until 10 December 2016. Mr. Cheng is the father of Ms. Cheng Ka Man Carman, an Executive Director, and a younger brother of Mr. Cheng Tai Po, a Non-Executive Director.

執行董事

鄭松興先生，58歲，主席兼執行董事。彼為本集團的創辦人之一，自2002年8月2日獲委任為董事。彼由2009年9月30日起擔任集團聯席主席至2017年7月25日調任為集團主席。鄭先生主要負責制定本集團的整體策略及評估本集團的業績，並領導董事會。彼在製造及批發分銷業務方面擁有逾36年管理經驗。鄭先生獲香港工業總會頒發1997年香港青年工業家獎、獲三藩市州立大學頒發Distinguished International Entrepreneur of the Year Award 1997，以及獲中國企業聯合會及中國企業家協會頒發2008年中國優秀企業家獎。鄭先生為中國國際商會副會長、中國人民政治協商會廣西壯族自治區委員會第十屆委員及第十一屆常務委員以及中國人民政治協商會議廣東省深圳市委員會第三屆、第四屆及第五屆委員。彼現時亦為中國商業聯合會珠寶首飾委員會名譽創會會長、中國企業聯合會及中國企業家協會常務委員、中國物流與採購聯合會副會長、廣西壯族自治區工商聯副主席、廣西海外聯誼會副會長、深圳國際商會副會長、深圳市物流與供應鏈管理協會名譽會長、深圳工業總會副會長、香港寶石廠商會永遠名譽會長、浙江省珍珠行業協會名譽會長及深圳海外聯誼會會員。鄭先生曾為民生珠寶控股有限公司（一家於香港聯合交易所有限公司（「香港聯交所」）主板上市之公司，股份代號：1466）之主席兼非執行董事至2016年12月10日止。鄭先生為執行董事鄭嘉汶女士之父親，非執行董事鄭大報先生之胞弟。

Biographical Details of Directors and Key Management (Continued)

董事及主要管理層履歷(續)

Mr. FUNG Sing Hong Stephen, aged 54, is our Group Vice Chairman and Executive Director. Mr. Fung joined our Group in July 2006 and since then he acted as the Group's Chief Financial Officer until 19 May 2016. He has been an Executive Director since August 2014. Mr. Fung had been the Chief Executive Officer of the Group since 1 January 2016 until he was appointed as the Group Vice Chairman on 4 May 2017. Mr. Fung is primarily responsible for assisting the Chairman in formulating the overall development planning and strategies of the Group and will be responsible for formulating capital market financing, merger and acquisition strategies, as well as strategic cooperations in e-commerce, logistics and commercial operations, including extending the cooperations with Tencent. Mr. Fung graduated from the University of Wales, United Kingdom with a Master degree in Business Administration. He is a fellow member of the Hong Kong Institute of Certified Public Accountants, a member of the American Institute of Certified Public Accountants and the Chartered Global Management Accountants, a fellow member of the Hong Kong Institute of Directors and a member of the Hong Kong Professionals And Senior Executives Association. Mr. Fung has more than 26 years of experience in financial management, mergers and acquisitions, capital markets financing and corporate restructuring. Mr. Fung is a standing member of the 5th Chongqing Committee of the Chinese People's Political Consultative Conference. He is also an Advisor of National Management Accounting Advisory Committee, Ministry of Finance, the director & vice president of Hong Kong Business Accountants Association and the vice president of Hong Kong Chongqing Friendship Federation. Prior to joining our Group, Mr. Fung was an executive director and the chief financial officer of Guangdong Investment Limited ("GDI"). Before joining GDI, Mr. Fung served as an executive director and the chief financial officer of Guangdong Land Holdings Limited (formerly known as Kingway Brewery Holdings Limited) ("GDL"). Both GDI and GDL are companies listed on the Main Board of The Hong Kong Stock Exchange (stock codes: 270 and 124, respectively). Mr. Fung was also a key member of the Guangdong Enterprises (Holdings) Limited ("GDE") restructuring team and has been extensively involved in the US\$5.3 billion debt restructuring of GDE.

馮星航先生，54歲，集團副主席兼執行董事。馮先生於2006年7月加入本集團，並由加入本集團至2016年5月19日擔任本集團首席財務總監。馮先生由2014年8月出任執行董事，並於2016年1月1日至2017年5月4日期間擔任本集團行政總裁。馮先生於2017年5月4日晉升為集團副主席。馮先生主要負責協助集團主席制定集團發展規劃和戰略佈局，並負責制定資本市場融資及收購合併策略，以及本集團在電子商務、物流、商業運作等方面的戰略合作，包括深化與騰訊系公司的合作。馮先生畢業於英國威爾斯大學，持有工商管理碩士學位。彼為香港會計師公會資深會員、美國執業會計師公會會員、全球特許管理會計師公會會員、香港董事學會資深會員及香港專業及資深行政人員協會會員。馮先生於財務管理、合併及收購、資本市場融資及企業重組方面擁有超過26年經驗。馮先生為中國人民政治協商會議重慶市第五屆委員會常務委員。彼亦為國家財政部管理會計諮詢專家、香港商界會計師協會之董事兼副會長及香港重慶總會副會長。加入本集團之前，馮先生為粵海投資有限公司(「粵海投資」)執行董事及財務總監。在加入粵海投資前，馮先生擔任粵海置地控股有限公司(前稱金威啤酒集團有限公司)(「粵海置地」)執行董事及財務總監。粵海投資及粵海置地均為香港聯交所主板上市的公司(股份代號分別為270及124)。馮先生亦曾為粵海企業(集團)有限公司(「粵海企業」)重組隊伍的主要成員，廣泛地參與粵海企業涉及53億美元的債務重組。

Biographical Details of Directors and Key Management (Continued)

董事及主要管理層履歷(續)

Mr. ZHAO Lidong, aged 48, is our Executive Director and Chief Executive Officer. Mr. Zhao joined the Group as the Chief Operating Officer of the Group in November 2018, and he has been appointed as an Executive Director of the Company and the Chief Executive Officer of the Group with effect from 1 February 2019. He is primarily responsible for the overall operation and management of the Group. Mr. Zhao was graduated from Dalian University in 1992 with a Diploma in Thermal Power Engineering and graduated from Dalian University of Technology in 1999 with a Bachelor degree in Computer and Applications. Mr. Zhao obtained the qualification of Heating and Ventilation Engineer in 2000. Before joining the Group, Mr. Zhao was the president of China Glorious City Holdings Group Co., Ltd. from April 2017 to November 2018, he was the president of 華董(中國)有限公司 (Hua Dong (China) Co. Ltd.*) from September 2016 to April 2017. During the period of November 2011 to September 2016, Mr. Zhao worked with Wuzhou International Holdings Limited, a company listed on the mainboard of the Stock Exchange of Hong Kong (stock code: 1369) as executive director and executive president. During the period from 2003 to 2011, Mr. Zhao served as deputy general manager of Wuhan Wanda Plaza Commercial Management Co., Ltd. and Tianjin Wanda Plaza Commercial Management Co., Ltd. and general manager of property management department, construction department and preparatory department of 萬達集團商業管理有限公司 (Wanda Group Commercial Management Co., Ltd.*) etc.

Ms. CHENG Ka Man Carman, aged 30, has been an Executive Director since 4 May 2017. She is primarily responsible for the administration and operations of the Group. Ms. Cheng graduated from the University of London with a Bachelor of Science degree in Financial and Business Economics. She also obtained a Master of Science degree in Management from the Imperial College London and a Master of Philosophy degree in Real Estate Finance from the University of Cambridge. Prior to joining the Group, Ms. Cheng was an executive director of Man Sang International Limited, a company listed on the Main Board of The Hong Kong Stock Exchange (stock code: 938). She had also worked in a leading investment firm in Asia. Ms. Cheng is the daughter of Mr. Cheng Chung Hing, the Chairman and Executive Director and the niece of Mr. Cheng Tai Po, a Non-Executive Director.

趙立東先生，48歲，執行董事兼集團行政總裁。趙先生於2018年11月加入本集團擔任集團首席運營官，並於2019年2月1日起獲委任為本公司執行董事兼集團行政總裁，負責本集團之整體運營及管理。趙先生於1992年畢業於大連大學，取得化學工程系熱能工程專科文憑，並於1999年畢業於大連理工大學計算機及應用專業本科。趙先生於2000年取得暖通工程師資格。於加入本集團前，趙先生於2017年4月至2018年11月期間為華耀城控股集團有限公司之總裁、於2016年9月至2017年4月期間為華董(中國)有限公司之總裁，並於2011年11月至2016年9月期間曾任職五洲國際控股有限公司(一家於香港聯交所主板上市的公司，股份代號：1369)之執行董事及執行總裁。趙先生於2003年至2011年期間曾任職位武漢萬達廣場商業管理有限公司及天津萬達廣場商業管理有限公司副總經理、萬達集團商業管理有限公司物業管理部、工程部及前期籌備部總經理等。

鄭嘉汶女士，30歲，自2017年5月4日獲委任為執行董事，主要負責本集團的行政工作，並參與本集團的運營工作。鄭女士畢業於英國倫敦大學取得金融及商業經濟學學士學位，彼亦取得英國帝國理工學院之管理學碩士學位及英國劍橋大學之房產金融碩士學位。於加盟本集團前，鄭女士為民生國際有限公司(一家於香港聯交所主板上市的公司，股份代號：938)之執行董事。彼亦曾於一間亞洲領先的投資公司任職。鄭女士為主席兼執行董事鄭松興先生之女兒，及非執行董事鄭大報先生之侄女。

* For identification purposes only

Non-Executive Directors

Dr. MA Kai Cheung, SBS, BBS, aged 77, is our Non-Executive Director. He is a co-founder of our Group and has been a Director since 2 August 2002, then resigned as Co-Chairman of the Group and remains as Non-Executive Director of the Group with effect from 25 July 2017. He is primarily responsible for advising on the formulation of the Group's general business models, development strategies and the resolution of major issues. Dr. Ma has more than 47 years of management experience in garment distribution and manufacturing businesses. Dr. Ma was awarded a Bronze Bauhinia Star (BBS) and a Silver Bauhinia Star (SBS) by the Government of Hong Kong Special Administrative Region in 2003 and 2009 respectively. He was also a member of the 9th, the 10th and the 11th National Committee of the Chinese People's Political Consultative Conference. Dr. Ma is currently the permanent honorary president of Shenzhen Overseas Chinese International Association, the permanent honorary president of Hong Kong Chiu Chow Chamber of Commerce Limited, the chairman of Federation of Hong Kong Guangdong Community Organizations, the permanent honorary president of Hong Kong & Kowloon Chiu Chow Public Association and the permanent honorary chairman of Federation of Hong Kong Chiu Chow Community Organizations. Dr. Ma received an Honorary Doctoral degree in Philosophy from the Morrison University in the United States in 2004. He received a fellowship from the Asian Knowledge Management Association in 2008. Dr. Ma is also the honorary chairman and non-executive director of Carrianna Group Holdings Company Limited, a company listed on the Main Board of The Hong Kong Stock Exchange (stock code: 126).

非執行董事

馬介璋博士，銀紫荊星章、銅紫荊星章，77歲，非執行董事。彼為本集團的創辦人之一，自2002年8月2日獲委任為董事，由2017年7月25日起辭任集團聯席主席，並繼續擔任本公司之非執行董事。彼主要負責就制定本集團的整體業務模式、發展策略及重大事項提供意見。馬博士在成衣分銷及製造業方面擁有逾47年管理經驗。馬博士分別於2003年及2009年獲香港特別行政區政府頒授銅紫荊星章及銀紫荊星章，並為中國人民政治協商會議全國委員會第九屆、第十屆及第十一屆委員。馬博士現為深圳市僑商國際聯合會永遠名譽會長、香港潮州商會永遠名譽會長、香港廣東社團總會會長、香港九龍潮州公會永遠榮譽主席及香港潮屬社團總會永遠名譽主席。馬博士於2004年獲美國莫里森大學頒授榮譽哲學博士學位。彼於2008年獲亞洲知識管理協會頒授院士名銜。馬博士亦為佳寧娜集團控股有限公司(一家於香港聯交所主板上市的公司，股份代號：126)之名譽主席兼非執行董事。

Biographical Details of Directors and Key Management (Continued)

董事及主要管理層履歷(續)

Mr. CHENG Tai Po, aged 67, is a Non-Executive Director. He has been a Director since 30 April 2010 and is primarily responsible for advising on the formulation of the Group's general business models, development strategies and the resolution of major issues. Mr. Cheng has over 36 years of experience in manufacturing, wholesale and distribution businesses. He is a board member of the Zhanjiang Ocean University, China, a general committee member of the Hong Kong Jewelry Manufacturers' Association, the chairman of Hong Kong Overseas Puning Sheshan Clansmen Association and the permanent honorary president of Hong Kong Association of Jie Yang Federation of Returned Overseas Chinese Limited. Mr. Cheng has been the executive director and deputy chairman of Man Sang International Limited, a company listed on the Main Board of The Hong Kong Stock Exchange (stock code: 938), since August 1997 and has been re-designated as chairman and non-executive director since 16 October 2014 until his retirement effective from 31 March 2016, and the director and vice-chairman of China Metro-Rural Holdings Limited (formerly known as Man Sang International (B.V.I) Limited), a company listed on the New York Stock Exchange MKT (ticker symbol: CNR) until his retirement effective from 5 September 2014. Mr. Cheng is an elder brother of Mr. Cheng Chung Hing, the Chairman and Executive Director, and is an uncle of Ms. Cheng Ka Man Carman, the Executive Director.

Mr. LIN Ching Hua, aged 46, has been a Non-Executive Director since 28 June 2014. He is primarily responsible for advising on the formulation of the Group's general business models, development strategies and the resolution of major issues. Mr. Lin joined Tencent Group ("Tencent Group" includes Tencent Holdings Limited, shares of which are listed on the Main Board of The Hong Kong Stock Exchange with stock code no. 700, and its subsidiaries) in April 2013. He is currently the vice president of Tencent Group and is the general manager of Strategy Development Department and Social and Performance Advertisement Department. Mr. Lin is mainly responsible to establish the strategic platform of Tencent, to formulate the business development strategies of the Tencent Group, and to lead the research and development of various business models in the Tencent Group and the business cooperation with external strategic partners who the Tencent Group has equity investments. Mr. Lin has taken a crucial and leading role in promoting Tencent's strategic initiatives, including Weixin commercialization, important strategic investments and cooperations, and the business planning and development in internet finance, and resources integration and product innovation on social advertisement. Before joining Tencent, Mr. Lin was a partner at McKinsey & Company, Inc. ("McKinsey") and general manager of its branch in Taiwan. Mr. Lin mainly served clients and performed research in technology sector, including hi-tech manufacturing, internet service, telecommunication and media during his 12 years with McKinsey. His various research received wide coverage in a number of Business and Financial media in China. Before joining McKinsey, Mr. Lin worked at Deloitte Consulting Inc., Taiwan Office, as a consultant. He received his Master of Business Administration degree from Harvard Business School in 2001.

鄭大報先生，67歲，非執行董事。自2010年4月30日獲委任為董事，主要負責就制定本集團的整體業務模式、發展策略及重大事項提供意見。鄭先生於製造及批發分銷業務方面擁有逾36年的經驗。彼為中國湛江海洋大學校董、香港珠寶製造業廠商會之理事、香港海外普寧社山同鄉聯會會長及香港揭陽僑聯聯誼會之永遠名譽主席。鄭先生自1997年8月出任民生國際有限公司(一家於香港聯交所主板上市的公司，股份代號：938)之執行董事及副主席，並於2014年10月16日獲調任為主席兼非執行董事至2016年3月31日退任為止，以及為China Metro-Rural Holdings Limited(前稱Man Sang International (B.V.I) Limited)(一家於紐約交易所MKT上市之公司，股份代號：CNR)之董事及副主席至2014年9月5日退任為止。鄭先生為主席兼執行董事鄭松興先生之胞兄，及執行董事鄭嘉汶女士之伯父。

林環驊先生，46歲，自2014年6月28日獲委任為非執行董事，主要負責就制定本集團的整體業務模式、發展策略及重大事項提供意見。林先生於2013年4月加入騰訊集團(「騰訊集團」包括其股份於香港聯交所主板上市，股份代號為700之騰訊控股有限公司及其附屬公司)。彼現任騰訊集團副總裁，並兼任戰略發展部及社交與效果廣告部總經理。林先生主要負責騰訊戰略平台的構建、業務發展戰略的擬定，主導騰訊集團各項商業模式的創新以及對外投資的業務合作等工作。林先生在近期的騰訊微信商業化、重要的戰略投資合作、互聯網金融業務規劃與推進，以及在騰訊集團社交廣告整合與產品創新等關鍵領域均承擔主要推動領導職責。在加入騰訊前，林先生為麥肯錫全球合夥人及台灣分公司的總經理。在麥肯錫的12年間，林先生主要服務和研究的領域包括高科技產品、互聯網、通信和媒體等行業，其領導的多項研究成果在國內的多家財經與商業經營權威媒體發表。在加入麥肯錫前，林先生曾在台灣的勤業管理顧問公司擔任諮詢師，並於2001年取得哈佛大學商學院的工商管理碩士學位。

Biographical Details of Directors and Key Management (Continued)

董事及主要管理層履歷(續)

Independent Non-Executive Director

Mr. LEUNG Kwan Yuen Andrew, *GBS, SBS, JP*, aged 68, has been an Independent Non-Executive Director since 4 September 2009. He has more than 39 years of management experience in the textile manufacturing, wholesale and distribution businesses. Mr. Leung was elected as the President of the Sixth Legislative Council of Hong Kong on 12 October 2016 and he is currently a member of the Industrial (First) Functional Constituency of the Legislative Council of Hong Kong and is also a member of the National Committee of the Chinese People's Political Consultative Conference. Mr. Leung is currently the honorary chairman of Textile Council of Hong Kong, the honorary president of the Federation of Hong Kong Industries, a fellow member of the Textiles Institute as well as the Clothing and Footwear Institute in the United Kingdom. He was a council member of the Hong Kong Trade Development Council. In addition, Mr. Leung is an independent non-executive director of Wharf Real Estate Investment Company Limited (stock code 1997) and Dah Sing Financial Holdings Limited (stock code 440), both are companies listed on the Main Board of The Hong Kong Stock Exchange. Mr. Leung was an independent non-executive director of Dah Sing Banking Group Limited (stock code: 2356) and Harbour Centre Development Limited (stock code: 51) until his resignation effective from 20 December 2017 and 4 May 2018 respectively. He was the chairman and director of Sun Hing Knitting Factory Limited until his resignation effective from 28 February 2017.

Mr. LI Wai Keung, aged 62, has been an Independent Non-Executive Director since 4 September 2009. Mr. Li has more than 41 years of experience in financial management. Mr. Li graduated from the Hong Kong Polytechnic and holds a Master degree in Business Administration from the University of East Asia, Macau, currently known as the University of Macau. He was appointed a member of the Chinese People's Political Consultative Conference Guangdong Provincial Committee on 17 January 2018 and was subsequently appointed a standing member on 27 January 2018. He is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants, and re-designated as the honorary president and remains as director of Hong Kong Business Accountants Association on 2 August 2018. Mr. Li is the executive director and chief financial officer of Guangdong Holdings Limited, executive director of Guangdong Land Holdings Limited (formerly known as Kingway Brewery Holdings Limited) ("GDL"), non-executive director of Guangdong Investment Limited ("GDI") and an independent non-executive director of Shenzhen Investment Limited ("SZ Investment") and Hans Energy Company Limited ("Hans"). GDL, GDI, SZ Investment and Hans are companies listed on the Main Board of The Hong Kong Stock Exchange (stock codes: 124, 270, 604 and 554 respectively). He is the chairman of the Council of the Hong Kong Chinese Orchestra Limited, a member of China Overseas Friendship Association and the vice chairman and secretary of the Financial and Accounting Affairs Steering Committee of the Hong Kong Chinese Enterprises Association. He was appointed as Advisor of Management Accounting of the Ministry of Finance, PRC since 21 July 2014. Mr. Li had worked for Henderson Land Development Company Limited (stock code: 12).

獨立非執行董事

梁君彥先生，*金紫荊星章、銀紫荊星章、太平紳士*，68歲，自2009年9月4日獲委任為獨立非執行董事。彼於紡織品製造、批發及分銷業務方面擁有逾39年管理經驗。梁先生於2016年10月12日獲當選為第六屆香港立法會主席，彼現為香港立法會工業界(第一)功能界別成員，亦為中國人民政治協商會議全國委員會委員。梁先生同時亦為香港紡織業聯會理事委員會名譽會長、香港工業總會名譽會長、英國的紡織學會以及製衣業及鞋類學會資深會員。彼曾為香港貿易發展局理事會成員。此外，梁先生為於香港聯交所主板上市之九龍倉置業地產投資有限公司(股份代號：1997)及大新金融集團有限公司(股份代號：440)之獨立非執行董事。梁先生曾為大新銀行集團有限公司(股份代號：2356)及海港企業有限公司(股份代號：51)之獨立非執行董事分別至2017年12月20日及2018年5月4日辭任為止。彼曾為新興織造廠有限公司主席及董事至2017年2月28日辭任為止。

李偉強先生，62歲，自2009年9月4日獲委任為獨立非執行董事。李先生擁有逾41年財務管理經驗。李先生畢業於香港理工學院，並持有澳門東亞大學(現稱為澳門大學)工商管理碩士學位。李先生於2018年1月17日獲委任為中國人民政治協商會議廣東省委員會委員，並隨後於2018年1月27日獲委任為該委員會常務委員。彼為英國特許公認會計師公會及香港會計師公會資深會員，以及於2018年8月2日調任為香港商界會計師協會榮譽會長並繼續兼任董事。李先生現為粵海控股集團有限公司的執行董事兼財務總監，粵海置地控股有限公司(前稱金威啤酒集團有限公司)(「粵海置地」)執行董事，同時亦為粵海投資有限公司(「粵海投資」)之非執行董事、深圳控股有限公司(「深圳控股」)及漢思能源有限公司(「漢思」)之獨立非執行董事。粵海置地、粵海投資、深圳控股及漢思均為在香港聯交所主板上市的公司(股份代號分別為124、270、604及554)。彼為香港中樂團有限公司理事會主席、中華海外聯誼會理事及香港中國企業協會財會專業委員會副主任委員兼副秘書長，於2014年7月21日獲聘為中華人民共和國財政部管理會計諮詢專家。李先生曾任職於恒基兆業地產公司(股份代號：12)。

Biographical Details of Directors and Key Management (Continued)

董事及主要管理層履歷(續)

Mr. HUI Chiu Chung, JP, aged 72, has been an Independent Non-Executive Director since 11 April 2011. Mr. Hui has over 48 years of experience in the securities and investment industry. He has served as a council member and vice chairman of The Hong Kong Stock Exchange, a member of the Advisory Committee of the Hong Kong Securities and Futures Commission, a director of the Hong Kong Securities Clearing Company Limited, a member of the Listing Committee of the Hong Kong Exchanges and Clearing Limited, an appointed member of the Securities and Futures Appeal Tribunal, a member of the Standing Committee on Company Law Reform and an appointed member of the Hong Kong Institute of Certified Public Accountants Investigation Panel A for a number of years. He was also a member of the Committee on Real Estate Investment Trusts of the Hong Kong Securities and Futures Commission and a member of Government "Appointees" (independent member) of Appeal Panel of the Travel Industry Council of Hong Kong. Mr. Hui was appointed by the Government of the Hong Kong Special Administrative Region a Justice of the Peace (JP) in 2004 and was also appointed as a member of the Zhuhai Municipal Committee of the Chinese People's Political Consultative Conference from 2006 to 2017. He is a fellow member of The Hong Kong Institute of Directors and a senior fellow member of Hong Kong Securities and Investment Institute. Mr. Hui also serves as a non-executive director of Luk Fook Holdings (International) Limited (stock code: 590) and an independent non-executive director of Zhuhai Holdings Investment Group Limited (formerly known as Jiuzhou Development Company Limited) (stock code: 908), Lifestyle International Holdings Limited (stock code: 1212), Gemdale Properties and Investment Corporation Limited (formerly known as Frasers Property (China) Limited) (stock code: 535), SINOPEC Engineering (Group) Co., Limited (stock code: 2386), Agile Property Holdings Limited (stock code: 3383) and FSE Engineering Holdings Limited (stock code: 331), whose shares are listed on The Hong Kong Stock Exchange. He was an independent non-executive director of Chun Wo Development Holdings Limited (now known as Asia Allied Infrastructure Holdings Limited) (stock code: 711) and Hong Kong Exchanges and Clearing Limited (stock code: 388) until his resignation effective from 1 February 2015 and his retirement effective from 29 April 2015 respectively.

許照中先生，太平紳士，72歲，自2011年4月11日獲委任為獨立非執行董事。許先生具備逾48年之證券及投資經驗。彼多年來曾出任香港聯交所理事會理事及副主席、香港證券及期貨事務監察委員會諮詢委員會委員、香港中央結算有限公司董事、香港交易及結算所有有限公司上市委員會委員、證券及期貨事務上訴審裁處委員、公司法改革常務委員會委員及香港會計師公會調查小組A組委員。彼曾為香港證券及期貨事務監察委員會房地產投資信託基金委員會委員及香港旅遊業議會上訴委員會獨立委員。許先生於2004年獲香港特區政府頒授太平紳士榮銜，並由2006年至2017年獲中國珠海市人民政治協商會議委任為政協委員。彼為香港董事學會資深會員和香港證券及投資學會傑出資深會員。許先生亦為股份於香港聯交所上市之六福集團(國際)有限公司(股份代號：590)之非執行董事，以及為珠海控股投資集團有限公司(前稱九洲發展有限公司)(股份代號：908)、利福國際集團有限公司(股份代號：1212)、金地商置集團有限公司(前稱星獅地產(中國)有限公司)(股份代號：535)、中石化煉化工程(集團)股份有限公司(股份代號：2386)、雅居樂地產控股有限公司(股份代號：3383)及豐盛機電控股有限公司(股份代號：331)之獨立非執行董事。彼曾為俊和發展集團有限公司(現稱亞洲聯合基建控股有限公司)(股份代號：711)和香港交易及結算所有有限公司(股份代號：388)之獨立非執行董事，分別至2015年2月1日退任及2015年4月29日任滿為止。

Biographical Details of Directors and Key Management (Continued)

董事及主要管理層履歷(續)

Mr. YUNG Wing Ki Samuel, SBS, MH, JP, aged 60, has been an Independent Non-Executive Director since 1 March 2013. Mr. Yung has over 37 years of experience in insurance sector. He was awarded an EMBA from the Hong Kong University of Science and Technology and has attained certain professional qualifications, including Certified Financial Planner, Registered Financial Consultant, Fellow Chartered Financial Practitioner, Chartered Life Practitioner, Certified Manager of Financial Advisor and Chartered Insurance Agency Manager. Mr. Yung is currently an executive district director of AIA International Limited and an independent non-executive director of China Overseas Insurance Limited, a wholly-owned subsidiary of China Overseas Holdings Group, and is also an independent non-executive director of China Overseas Property Holdings Limited (stock code: 2669), a company listed on the Main Board of The Hong Kong Stock Exchange. He was an independent non-executive director of Camsing International Holding Limited (formerly known as Fitec International Group Limited) (stock code: 2662) until his resignation effective from 31 May 2016, a company listed on the Main Board of The Hong Kong Stock Exchange. Mr. Yung is also presently a member of the National Committee of the Chinese People's Political Consultative Conference, the vice chairman of the Committee for Economic Affairs (CEA) of the CPPCC National Committee, the founding president of Hong Kong Professionals and Senior Executives Association, the chairman of Hong Kong Examinations and Assessment Authority and the chairman or committee member of several Government committees and non-governmental organizations. Mr. Yung was elected the "Ten Outstanding Young Persons Award" in 1994. He was also a Municipal Commission standing member of the Chinese People's Political Consultative Conference of Jilin, Standing Committee member of All-China Youth Federation, member of Commission on Strategic Development of the HKSAR, member of Central Policy Unit, chairman of Hong Kong United Youth Association, chairman of The Outstanding Young Persons' Association, director and chairman of International Committee of General Agents & Managers Association International, co-chairman of the Asia Pacific Financial Services Association and president of The Life Underwriters Association of Hong Kong, president of General Agents and Managers Association of Hong Kong and chairman of Betting and Lotteries Commission.

容永祺先生，銀紫荊星章、榮譽勳章、太平紳士，60歲，自2013年3月1日獲委任為獨立非執行董事。容先生於保險業方面擁有逾37年經驗，獲香港科技大學頒授高層管理人員工商管理碩士，並取得若干專業資格，包括認可財務策劃師、認證財務顧問師、註冊特許財務策劃師、特許壽險策劃師、認可財務經理顧問及特許壽險營業經理等。容先生現為友邦保險(國際)有限公司區域執行總監，以及中國海外保險有限公司(中國海外集團旗下之一間全資附屬公司)之獨立非執行董事，彼亦為一家在香港聯交所主板上市之中海物業集團有限公司(股份代號：2669)之獨立非執行董事。彼曾為一家在香港聯交所主板上市之承興國際控股有限公司(前稱奕達國際集團有限公司)(股份代號：2662)之獨立非執行董事至2016年5月31日辭任為止。此外，容先生亦現為中國人民政治協商會議全國委員會委員、全國政協經濟委員會副主任、香港專業及資深行政人員協會創會會長、香港考試及評核局主席及其他多個政府委員會及社會服務團體的主席或委員。容先生曾於1994年獲選為香港「十大傑出青年」，亦曾任吉林省政協常委、全國青聯常委、特區政府策略發展委員會委員、中央政策組成員、香港青年聯會主席、傑出青年協會主席、國際人壽保險經理協會董事兼國際委員會主席、亞太財務策劃聯會聯席主席、香港人壽保險從業員協會會長、香港人壽保險經理協會會長及博彩及獎券事務委員會主席等。

Key Management

Mr. HUI Chun Yip, aged 39, has been appointed as the Group's Chief Financial Officer since 3 April 2018. Mr. Hui is primarily responsible for the overall financial management of the Group, establishing and maintaining investor relations and executing the Group's capital market financing, mergers and acquisitions and business cooperation. Mr. Hui has more than 17 years of experience in financial management which include auditing, accounting and financial management, corporate finance and investor relations. During the period from March 2007 to February 2015, Mr. Hui held various senior financial management positions of the Group, which included the Group's chief accountant and general manager of account department. Before rejoined the Group on 3 April 2018, Mr. Hui was the chief financial officer and company secretary of Yuzhou Properties Company Limited, a company listed on the Main Board of The Hong Kong Stock Exchange (stock code: 1628), from 31 March 2015 to 9 February 2018. Mr. Hui also had worked in Ernst & Young before. Mr. Hui graduated from the Chinese University of Hong Kong with a Bachelor of Business Administration degree. Mr. Hui is a member of the Hong Kong Institute of Certified Public Accountants.

Ms. JIANG Ling, aged 46, is the Group's Vice President. Ms. Jiang joined our Group in November 2003, and is responsible for the Group's strategic development, including policy research, project planning, land resources planning and management and public relations. Ms. Jiang graduated from the Department of Journalism, Huazhong University of Science and Technology in 1994. She later completed Advanced Business Management Course at HSBC Business School, Peking University in 2009, the postgraduate course in fashion buying at Hong Kong Institute of Fashion Buying in 2011, and the Advanced Capital Management (Investment and Financing) Course at Shenzhen Tsinghua University Research Institute in 2016. She has also attained the qualification of senior planner from the Ministry of Labor and Social Security of the People's Republic of China (which has been renamed as the Ministry of Human Resources and Social Security of the People's Republic of China). Ms. Jiang has over 19 years of management experience in the property industry and has experience in the media industry. She was the manager of the development department of Shanghai Chenghuang Temple Fuyoumen Small-Commodities Market Corporation Limited, the director of Shenzhen Column Editorial Department, Hong Kong Ta Kung Pao and the general manager of Shenzhen Tongyuan Nanling Cultural and Creative Park Corporation Limited.

主要管理層

許進業先生，39歲，於2018年4月3日獲委任集團首席財務總監。許先生主要負責本集團的整體財務管理、建立和維護投資者關係、執行本集團資本市場融資、收購合併及業務合作項目等。許先生擁有逾17年財務管理經驗，於企業的審計、會計及財務管理、企業融資、投資者關係等方面擁有豐富經驗。許先生由2007年3月至2015年2月期間歷任本集團高級財務管理職位，包括集團總會會計師及計財部總經理，於2018年4月3日再次加入本集團前，許先生於2015年3月31日至2018年2月9日期間為禹洲地產股份有限公司（一家於香港聯合交易所上市公司，股份代號：1628）之財務總監及公司秘書。許先生曾於安永會計師事務所工作。許先生畢業於香港中文大學，取得工商管理學學士學位。許先生現為香港會計師公會的會員。

姜玲女士，46歲，集團副總裁。姜女士於2003年11月加入本集團，負責本集團的戰略發展工作，包括政策研究、項目策劃、土地資源規劃與管理及公共關係等事務。姜女士於1994年畢業於華中理工大學（現為華南科技大學）新聞系，並於2009年於北京大學匯豐商學院完成高級工商管理課程，其後於2011年於香港時尚買手學院修畢時尚買手研究生課程，於2016年於深圳清華大學研究院完成資本經營（投融資）高級研修班（第29期）課程，並持有中華人民共和國勞動和社會保障部（現稱中華人民共和國人力資源和社會保障部）頒發的高級策劃師資格。姜女士於產業地產行業擁有愈19年管理經驗，亦擁有傳媒行業經驗。姜女士曾擔任上海市城隍廟福佑門小商品批發市場有限公司開發部經理、香港大公報深圳專欄採編部主任及深圳市同源南嶺文化創意園有限公司總經理。

Biographical Details of Directors and Key Management (Continued)

董事及主要管理層履歷(續)

Ms. TSE Man Yu, aged 48, is the Company Secretary and the Group's Deputy Chief Financial Officer. Ms. Tse joined our Group in February 2008. She assists the Chief Financial Officer in offshore financing, merger and acquisition, business cooperation of the Group, and responsible for company secretarial duties and investor relations. Ms. Tse is also a director of certain subsidiaries of the Group. Ms. Tse graduated from the City University of Hong Kong with a Bachelor of Science (Honors) degree in Finance. She is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. Ms. Tse has more than 23 years of experience in financial management, mergers and acquisitions, corporate finance and asset management. Prior to joining our Group, Ms. Tse was the assistant chief financial officer of GDI which is a company listed on the Main Board of The Hong Kong Stock Exchange (stock code: 270). Ms. Tse was an alternate director of Guangdong Development Fund Limited ("GDF"), which is a company listed on the London Stock Exchange (code: gdf), and a director of Guangdong Investment Management Limited, which is the fund manager of GDF. Ms. Tse had also been a senior corporate finance executive of Tung Fong Hung (Holdings) Limited (stock code: 279) and Sing Pao Media Group Limited (stock code: 164), both companies were listed on the Main Board of The Hong Kong Stock Exchange.

Mr. Qiu Wen, aged 46, is the Investment Development Division's Executive Vice President. Mr. Qiu joined our Group in July 2016 and served as the General Manager of CSC Shenzhen. He has been the Investment Development Division's Vice President in December 2018, and was then appointed as the Executive Vice President in June 2019, responsible for the operation and management of the Investment Development Group. Mr. Qiu has extensive experience in construction management, cost control, real estate sales planning and corporate management. Mr. Qiu graduated from the Industrial and Civil Architecture College of Huanghe S&T University, and obtained an Executive Master of Business Administration degree from Lingnan (University) College. Prior to joining the Group, Mr. Qiu was a general manager of Guangzhou region in Hopson Development Holdings Limited, a company listed on the Main Board of The Hong Kong Stock Exchange (stock code: 754). He also worked in Guangdong Pearl River Engineering General Contractor Limited*, and served as a deputy general manager of Beijing region in Zhujiang Investment Co., Ltd*, and a general manager of Beijing office in Guangdong Han Jian Construction & Installing Engineering Co., Ltd.

Mr. Chen Weiguo, aged 51, is the Business Management Division's Executive Vice President. Mr. Chen joined our Group as the General Manager of CSC Nanning in February 2018. In December 2018, he was appointed as the Business Management Division's Executive Vice President, responsible for merchants recruitment, operation and property management. Mr. Chen graduated from Chemistry Department, Hanshan Normal University. Mr. Chen has extensive experience in merchants recruitment and management in the wholesale market. Prior to joining the Group, Mr. Chen worked as managing director of China Pearls and Jewellery International City Co., Ltd. (a subsidiary of Man Sang International Limited, a company listed on the Main Board of The Hong Kong Stock Exchange, stock code: 938). He had also worked with Man Hing Industry Development (Shenzhen) Co., Ltd.

* For identification purposes only

謝文瑜女士，48歲，公司秘書及集團副財務總監。謝女士於2008年2月加入本集團。彼協助集團首席財務總監進行本集團的境外融資、收購合併和業務合作項目，並負責公司秘書事務和投資者關係。謝女士現亦為本集團若干附屬公司之董事。謝女士畢業於香港城市大學，取得財務學榮譽理學士學位。彼為英國特許公認會計師公會及香港會計師公會資深會員。謝女士於財務管理、合併及收購、企業財務及資產管理方面擁有超過23年經驗。加入本集團之前，謝女士為粵海投資有限公司(一家於香港聯交所主板上市的公司，股份代號：270)的助理財務總監。謝女士曾為Guangdong Development Fund Limited(「GDF」)(一家於倫敦證券交易所上市的公司，代號：gdf)擔任董事及Guangdong Investment Management Limited(GDF的基金經理)董事。謝女士亦曾任在香港聯交所主板上市之東方紅集團有限公司(股份代號：279)及成報傳媒集團有限公司(股份代號：164)的高級企業融資人員。

邱文先生，46歲，投資開發集團常務副總裁，邱先生於2016年7月加入本集團，曾任深圳華南城總經理，並於2018年12月起擔任投資開發集團副總裁，其後於2019年6月調任常務副總裁，負責投資開發集團運營及管理工作。邱先生在建築工程管理、成本控制、房地產銷售策劃和企業管理等方面擁有豐富經驗。邱先生畢業於黃河科技大學工民建專科，其後獲得中山大學嶺南(大學)學院在職經理工商管理學碩士。在加入本集團前，邱先生曾任職合生創展集團有限公司(一家在香港聯交所主板上市的公司，股份代號：754)廣州地區公司總經理，並曾任職廣東珠江工程總承包有限公司，歷任珠江投資集團北京地區公司副總經理、廣東韓江建築安裝工程有限公司北京公司總經理等。

陳衛國先生，51歲，華南城商業管理集團常務副總裁。陳先生於2018年2月加入本集團擔任南寧華南城總經理，並於2018年12月獲委任為商管集團常務副總裁，負責招商、運營和物業管理等工作。陳先生畢業於韓山師範學院化學專業。陳先生於專業市場招商和管理等方面有豐富經驗。於加入本集團前，陳先生曾任職暨華東國際珠寶城有限公司(民生國際有限公司，一家於香港聯交所主板上市的公司，股份代號：938，之附屬公司)之董事總經理，亦曾任職民興實業發展(深圳)有限公司。

Report of the Directors

董事會報告

The Board hereby presents this annual report and the audited consolidated financial statements of the Group for the fiscal year ended 31 March 2019.

Principal Activities

The principal activities of the Group is developing and operating large-scale integrated logistics and trade centers in China, providing a comprehensive trading platform of raw materials and finished products for domestic and international wholesale suppliers, traders, manufacturers, distributors and retail clients. With its unique business model, the Group not only sells and leases well-designed, high quality trade center units for businesses to display and sell their products, but also provides trade center occupants and their customers with a full range of facilities and services such as property management, logistics and warehousing services, E-commerce services, outlet operations, offices, residential facilities, convention and exhibition facilities, hotels, restaurants, banking services, on-site government services in a bid to offer one-stop convenient supply chain solutions. The successful business model was first pioneered by CSC Shenzhen and has been replicated to other provincial capitals and municipality across China such as Nanchang, Nanning, Xi'an, Harbin, Zhengzhou, Hefei and Chongqing, forming a strategic network covering key domestic logistic nodes. At the same time, through the cooperation with Tencent, the Group is actively building an O2O business eco-system to facilitate the industrial upgrade of the occupants. Details of the principal activities of the principal subsidiaries and associates are set out under Management Discussion and Analysis as well as in notes 1 and 18 to the financial statements of this annual report respectively.

董事會謹此呈列本集團截至2019年3月31日止財政年度的年報及經審核綜合財務報表。

主要業務

本集團的主要業務為在中國開發及經營大型綜合物流及商品交易中心，為內地和國際批發供應商、貿易商、製造商、分銷商及零售客戶提供原材料和製成品的全方位交易平台。憑藉其獨特的業務模式，本集團不僅銷售及出租設計優良、高質的交易中心商舖，供企業展示和出售其產品，亦為交易中心商戶與其客戶提供完善的設施及服務，包括物業管理、倉儲物流服務、電子商貿服務、奧特萊斯運營、辦公樓、住宅設施、會議展覽設施、酒店、餐廳、銀行服務、駐場政府服務等，藉此提供一站式便捷供應鏈解決方案。這源自深圳華南城的成功業務模式已複製至南昌、南寧、西安、哈爾濱、鄭州、合肥及重慶等中國省會及直轄城市，形成一個覆蓋中國關鍵物流節點的戰略網絡。與此同時，通過與騰訊的合作，本集團正在積極打造O2O商貿生態系統，從而促進商戶的產業升級。主要附屬公司及聯營公司的主要業務之詳情分別載於本年報內的管理層討論及分析，以及財務報表附註1及18。

Results and Dividends

The Group's results for the fiscal year ended 31 March 2019 and the state of affairs of the Company and the Group at that date are set out under Chairman's Statement as well as in the consolidated financial statements on pages 136 to 288 of this annual report respectively.

The Board recommends the payment of a final dividend of HK5.0 cents per Share in respect of FY2018/19 (FY2017/18: HK5.0 cents per Share with scrip option). Subject to the approval of the shareholders of the Company (the "Shareholders") at the forthcoming AGM to be held on 13 September 2019, the proposed final dividend will be distributed on or about 21 October 2019 to Shareholders whose names appear on the register of members of the Company on 23 September 2019.

The register of members of the Company will be closed from 19 September 2019 to 23 September 2019, both days inclusive during which period no transfer of shares of the Company will be effected. The ex-dividend date will be on 17 September 2019. In order to qualify for the proposed final dividend, all properly completed transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, 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 18 September 2019.

Business Overview

The business overview of the Group for the year ended 31 March 2019 are provided in the Chairman's Statement, the Management Discussion and Analysis and the Environmental, Social and Governance Report of this annual report.

業績及股息

本集團截至2019年3月31日止財政年度的業績及本公司與本集團於該日的事務狀況已分別載於本年報內的主席報告，以及第136至288頁之綜合財務報表。

董事會建議派付2018/19財政年度的末期股息每股5.0港仙(2017/18財政年度：每股5.0港仙附有以股代息選擇)。待本公司股東(「股東」)於2019年9月13日舉行的應屆股東週年大會上批准後，建議末期股息將於2019年10月21日或其前後派付予於2019年9月23日名列本公司股東名冊之股東。

本公司將由2019年9月19日至2019年9月23日(包括首尾兩天)止期間暫停辦理股份過戶登記。期內，本公司將不會辦理股份過戶登記。股息除淨日期為2019年9月17日。為符合資格獲派付建議末期股息，所有填妥之股份過戶文件連同有關股票最遲須於2019年9月18日下午4時30分前送達本公司之股份過戶登記處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716室。

業務回顧

本集團截至2019年3月31日止年度的業務回顧已於本年報內的主席報告、管理層討論及分析，以及環境、社會與管治報告闡述。

Share Capital

Details of the movements in the share capital of the Company during the Year are set out in note 37 to the financial statements.

Reserves

Details of the reserves are disclosed in note 39 to the financial statements.

Details of movements in the reserves of the Group and the Company during the Year are set out in the section headed “Consolidated Statement of Changes in Equity” and in note 51 to the financial statements, respectively.

Distributable Reserves

Details of the Company’s reserves available for distribution as at 31 March 2019, calculated in accordance with Part 6 of the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong), amounted to approximately HK\$572.4 million (31 March 2018: HK\$763.1 million), of which HK\$405.9 million (31 March 2018: HK\$400.5 million), subject to the adjustment with the number of shares which may be allotted after the date of this report but before the date of book close, has been proposed as final dividend for the fiscal year under review, are disclosed in note 11 and 51 to the financial statements.

Senior Notes

The information of the outstanding senior notes issued by the Company during the reporting period is as below:

In September and October 2016, the Company issued senior notes due in September 2021 with a nominal value of US\$200 million (equivalents to approximately HK\$1,560 million) and US\$150 million (equivalents to approximately HK\$1,170 million) respectively, in a total of US\$350 million (equivalents to approximately HK\$2,730 million). These notes were consolidated and formed a single series of “2016 Notes” at a coupon rate of 6.75% per annum. The net proceed of the issue was mainly for the purpose of refinancing existing indebtedness and for general corporate purposes. The Company repurchased an aggregate principal amount of US\$4.5 million of the 2016 Notes and have it cancelled in September 2018. After such cancellation, the principal amount of the 2016 Notes outstanding is US\$345.5 million.

股本

本公司於本年度內的股本變動詳情載於財務報表附註37。

儲備

有關儲備詳情載於財務報表附註39。

本集團及本公司於本年度內的儲備變動詳情分別載於「綜合權益變動表」及財務報表附註51。

可分派儲備

本公司按照香港公司條例(香港法例第622章)第6部計算於2019年3月31日的可分派儲備約為5.724億港元(2018年3月31日: 7.631億港元), 並建議動用當中4.059億港元(2018年3月31日: 4.005億港元)作本年度末期股息(股票數目可能會於本報告發佈後並在股份暫停辦理股份過戶登記前因應配發股份而有所調整), 有關詳情載於財務報表附註11及51。

優先票據

於本年報期內, 本公司已發行的優先票據情況如下:

於2016年9月及10月, 本公司分別發行於2021年9月到期面值2億美元(相當於約15.6億港元)及1.5億美元(相當於約11.7億港元)之優先票據, 合共3.5億美元(相當於約27.3億港元)。兩者合併並組成爲單一系列「2016年票據」, 票據的票面年利率為6.75%。發行所得款淨額主要用作現有債務的再融資及一般企業運營用途。本公司已回購本金額450萬美元之2016年票據, 該票據並於2018年9月被註銷。註銷後, 2016年票據尚未償還之本金金額為3.455億美元。

In March 2017, the Company issued senior notes due in March 2020 with a nominal value of US\$300 million (equivalents to approximately HK\$2,340 million) at a coupon rate of 5.75% per annum (“2017 March Notes”). The net proceed of the issue was mainly for the purpose of refinancing existing indebtedness and for general corporate purposes.

In November 2017, the Company issued senior notes due in November 2022 with a nominal value of US\$300 million (equivalents to approximately HK\$2,340 million) at a coupon rate of 7.25% per annum (“2017 November Notes”). The net proceed of the issue was mainly for the purpose of refinancing existing indebtedness in relation to construction and development of our projects and for general corporate purposes. The Company repurchased an aggregate principal amount of US\$13.5 million of the 2017 November Notes and have it cancelled in September 2018. After such cancellation, the principal amount of the 2017 November Notes outstanding is US\$286.5 million.

In January 2018, the Company issued senior notes due in January 2021 with a nominal value of US\$250 million (equivalents to approximately HK\$1,950 million) at a coupon rate of 7.25% per annum (“2018 January Notes”). The net proceed of the issue was mainly for the purpose of refinancing existing indebtedness in relation to the construction and development of our projects and for general corporate purposes. The Company repurchased an aggregate principal amount of US\$12.0 million of the 2018 January Notes and have it cancelled in September 2018. After such cancellation, the principal amount of the 2018 January Notes outstanding is US\$238.0 million.

In May and June 2018, the Company issued senior notes due in August 2020 with a nominal value of US\$150 million (equivalents to approximately HK\$1,170 million) and US\$100 million (equivalents to approximately HK\$780 million) respectively, in a total of US\$250 million (equivalents to approximately HK\$1,950 million). These notes were consolidated and formed a single series of “2018 May Notes” at a coupon rate of 10.875% per annum. The net proceed of the issue was mainly for the purpose of refinancing existing indebtedness in relation to the construction and development of our projects and for general corporate purposes. The Company repurchased an aggregate principal amount of US\$7.0 million of the 2018 May Notes and have it cancelled in September 2018. After such cancellation, the principal amount of the 2018 May Notes outstanding is US\$243.0 million.

於2017年3月，本公司發行於2020年3月到期面值3億美元(相當於約23.4億港元)之優先票據，票據的票面年利率為5.75%(「2017年3月票據」)。發行所得款淨額主要用作現有債務的再融資及一般企業運營用途。

於2017年11月，本公司發行於2022年11月到期面值3億美元(相當於約23.4億港元)之優先票據，票據的票面年利率為7.25%(「2017年11月票據」)。發行所得款淨額主要用作項目開發及業務發展有關的現有債務再融資及一般企業運營用途。本公司已回購本金額1,350萬美元之2017年11月票據，該票據並於2018年9月被註銷。註銷後，2017年11月票據尚未償還之本金金額為2.865億美元。

於2018年1月，本公司發行於2021年1月到期面值2.5億美元(相當於約19.5億港元)之優先票據，票據的票面年利率為7.25%(「2018年1月票據」)。發行所得款淨額主要用作項目開發及業務發展有關的現有債務再融資及一般企業運營用途。本公司已回購本金額1,200萬美元之2018年1月票據，該票據並於2018年9月被註銷。註銷後，2018年1月票據尚未償還之本金金額為2.38億美元。

於2018年5月及6月，本公司發行於2020年8月到期面值1.5億美元(相當於約11.7億港元)及1億美元(相當於約7.8億港元)之優先票據，合共2.5億美元(相當於約19.5億港元)。兩者合併並組成為單一系列「2018年5月票據」，票據的票面年利率為10.875%。發行所得款淨額主要用作項目開發及業務發展有關的現有債務再融資及一般企業運營用途。本公司已回購本金額700萬美元之2018年5月票據，該票據並於2018年9月被註銷。註銷後，2018年5月票據尚未償還之本金金額為2.43億美元。

Report of the Directors (Continued)

董事會報告(續)

In March and June 2019, the Company issued senior notes due in March 2021 with a nominal value of US\$200 million (equivalents to approximately HK\$1,560 million) and US\$60 million (equivalents to approximately HK\$468 million) respectively, in a total of US\$260 million (equivalents to approximately HK\$2,028 million). These notes were consolidated and formed a single series of "2019 March Notes" at a coupon rate of 11.875% per annum. The net proceed of the issue was mainly for the purpose of refinancing existing indebtedness in relation to the construction and development of our projects and for general corporate purposes.

Further details of the Senior Notes are set out in note 32 to the financial statements.

Property, Plant and Equipment

Details of movements in the property, plant and equipment of the Group during the Year are set out in note 13 to the financial statements.

Donations

During the Year, in order to care about the society where the Group operates its business, the Group made charitable donations totaling approximately HK\$9.75 million (FY2017/18: HK\$34.49 million) to various charitable organizations.

Subsidiaries

Details of the Company's principal subsidiaries as at 31 March 2019 are set out in note 1 to the financial statements.

於2019年3月及6月，本公司發行於2021年3月到期面值2億美元(相當於約15.6億港元)及6,000萬美元(相當於約4.68億港元)之優先票據，合共2.6億美元(相當於約20.28億港元)。兩者合併並組成為單一系列「2019年3月票據」，票據的票面年利率為11.875%。發行所得款淨額主要用作項目開發及業務發展有關的現有債務再融資及一般企業運營用途。

優先票據之進一步詳情載於財務報表附註32。

物業、廠房及設備

本集團於本年度內的物業、廠房及設備變動詳情載於財務報表附註13。

捐款

於本年度內，本集團向各慈善機構合共捐出約975萬港元(2017/18財政年度：3,449萬港元)的慈善捐款，以關顧本集團有業務營運的社區。

附屬公司

本公司於2019年3月31日的主要附屬公司詳情載於財務報表附註1。

Directors

The Directors during the Year and up to the date of this report are:

Executive Directors*

Mr. Cheng Chung Hing (*Chairman*)
Mr. Fung Sing Hong Stephen (*Vice Chairman*)
Mr. Zhao Lidong (*Chief Executive Officer*)
Ms. Cheng Ka Man Carman

Non-Executive Directors

Dr. Ma Kai Cheung
Mr. Cheng Tai Po
Mr. Lin Ching Hua

Independent Non-Executive Directors

Mr. Leung Kwan Yuen Andrew
Mr. Li Wai Keung
Mr. Hui Chiu Chung
Mr. Yung Wing Ki Samuel

Notes:

- * Mr. Song Chuan resigned as Executive Director and Chief Executive Officer of the Group with effect from 1 February 2019.
- * Mr. Zhao Lidong has been appointed as Executive Director and Chief Executive Officer of the Group with effect from 1 February 2019.

The Company's Articles provide rotation and re-election for all Directors. In accordance with the Articles, at each annual general meeting of the Company, one-third of the Directors for the time being, or if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation. The Articles also provide that any Director appointed by the Board to fill a casual vacancy on the Board shall hold office only until the next following general meeting of the Company and shall then be eligible to offer for re-election, and any Director appointed by the Board as an addition to the Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible to offer for re-election.

董事

於本年度內及截至本報告日期之董事包括：

執行董事*

鄭松興先生(*主席*)
馮星航先生(*副主席*)
趙立東先生(*行政總裁*)
鄭嘉汶女士

非執行董事

馬介璋博士
鄭大報先生
林璟驊先生

獨立非執行董事

梁君彥先生
李偉強先生
許照中先生
容永祺先生

附註：

- * 宋川先生自2019年2月1日起辭任執行董事兼本集團行政總裁。
- * 趙立東先生自2019年2月1日獲委任為執行董事兼本集團行政總裁。

本公司章程規定全體董事須輪席退任及重選連任。根據章程規定，於本公司各屆股東週年大會上，當時三分之一的董事(或倘人數並非三或三的倍數，則為最接近但不少於三分之一的人數)須輪席退任。章程亦規定任何由董事會委任的董事若是為填補董事會臨時空缺，其任期僅直至本公司下次股東大會，屆時將符合資格重選連任；而任何由董事會委任的董事以作為董事會新增成員，其任期僅直至本公司下次股東週年大會，屆時將符合資格重選連任。

Report of the Directors (Continued) 董事會報告(續)

The Board has received an annual confirmation of independence from each of the Independent Non-Executive Directors pursuant to Rule 3.13 of the Rules governing the Listing of Securities on the Hong Kong Stock Exchange (the “Listing Rules”). The Board considers all Independent Non-Executive Directors to be independent.

The list of names of all Directors who have served on the boards of the subsidiaries of the Company during the Year and up to the date of this report is available on the Company’s website.

Directors’ Service Contracts

Each of the Executive Directors has entered into service contract with the Company while each of the Non-Executive Directors and Independent Non-Executive Directors has entered into letter of appointment with the Company for a term of three years. The service contract and the letter of appointment may be terminated by either party thereto by giving not less than one month’s prior written notice.

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.

Directors’ Interests in Contracts of Significance

None of the Directors had a material beneficial interest, whether directly or indirectly, in any significant contract to which the Company or any of its subsidiaries, its holding companies or a subsidiary of its holding companies was a party during the Year or as at 31 March 2019.

Biographical Information of Directors and Key Management

The biographical information of the Directors and Key Management of the Company is set out in the section headed “Biographical Details of Directors and Key Management” on pages 72 to 81 of this annual report.

本公司已接獲各獨立非執行董事根據香港聯交所證券上市規則(「上市規則」)第3.13條編製的年度獨立確認書。董事會認為全體獨立非執行董事均屬獨立人士。

於本年度內及截至本報告日期，所有出任本公司附屬公司董事會的董事姓名名單已載於本公司網站。

董事服務合約

各執行董事已與本公司訂立服務合約，而本公司亦與各非執行董事及獨立非執行董事訂立委任函，該服務合約及委任函為期三年。任何一方可向對方事先發出不少於一個月書面通知終止該合約或委任函。

董事與本公司概無訂立任何本公司於一年內不作賠償(法定賠償除外)而不可終止的服務合約。

董事於重大合約的權益

於本年度內或於2019年3月31日，概無董事於本公司或其任何附屬公司、其控股公司或其控股公司的附屬公司訂立的任何重大合約中直接或間接擁有重大實際權益。

董事及主要管理層履歷

本公司董事及主要管理層的履歷資料載於本年報第72至81頁「董事及主要管理層履歷」一節。

Enforcement of the Deed of Non-Competition

Pursuant to the deed of non-competition dated 4 September 2009 (“Non-Competition Undertaking”) entered into by each of Mr. Cheng Chung Hing has undertaken with the Company (for itself and on behalf of each other member of the Group) that so long as the Company is listed on the Main Board of the Hong Kong Stock Exchange and so long as:

- in respect of Mr. Cheng Chung Hing, he remains as the controlling shareholder or a director of the Company;

that he shall not, and shall procure his associates not to, either alone or jointly with any other person or entity, or for any other person, firm or company, or as principal, partner, director, employee, consultant or agent through any body corporate, partnership, joint venture or other contractual arrangement, be engaged, invested, or otherwise involved, whether as a shareholder, director, employee, partner, agent or otherwise, directly or indirectly, in the carrying on of any business in any form or manner in China that is in competition or is likely to be in competition, directly or indirectly, with the business of the Group, unless those business opportunities have been first offered to the Group upon terms which are fair and reasonable and the Board has declined such opportunities, in accordance with the provisions of the Non-Competition Undertaking, Mr. Cheng Chung Hing or his respective associates may pursue such opportunities.

The Company has received an annual confirmation from Mr. Cheng Chung Hing confirming his compliance with the Non-Competition Undertaking during the Year.

Directors’ Emoluments

Particulars of the Directors’ emoluments for the fiscal year ended 31 March 2019 are set out in note 8 to the financial statements.

Directors’ Interests in Competing Business

Save as disclosed above, the Company has received confirmations from all Directors that none of them have engaged or were interested in any business which were in competition or were likely to compete, either directly or indirectly, with the business of the Group during the Year.

履行不競爭契據

根據鄭松興先生於2009年9月4日訂立的不競爭契據(「不競爭承諾」)，彼向本公司(就其本身及代表本集團各其他成員公司)承諾，只要本公司仍於香港聯交所主板上市，且以下仍生效：

- 有關鄭松興先生，當彼仍為本公司之控股股東或董事；

彼將不會及促使其聯繫人不會就其本身或聯同任何其他人士或實體或代任何人士、企業或公司，或以其主事人、合夥人、董事、僱員、顧問或代理身分透過任何法人團體、合作夥伴、合營企業或其他合約安排，以股東、董事、僱員、合夥人、代理或其他身份直接或間接於中國以任何形式或方式經營、投資或以其他方式涉足與本集團業務直接或間接構成競爭或可能構成競爭的任何業務，除非該等商機按公平合理的條款首先向本集團提出及由董事會拒絕該等商機後，根據不競爭承諾的條文，鄭松興先生或彼の聯繫人才可尋求該等商機。

本公司已接獲鄭松興先生確認有關彼於本年度內已遵守不競爭承諾。

董事酬金

截至2019年3月31日止財政年度之董事酬金詳情載於財務報表附註8。

董事於競爭業務之權益

除上文披露者外，本公司已接獲所有董事確認彼等於本年度內，並無從事與本集團業務直接或間接競爭之業務或於可能存在競爭之業務中擁有權益。

Directors' and Chief Executive's Interests in Securities

As at 31 March 2019, the interests and short positions of the Directors in the shares of the Company (the "Shares"), underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register maintained by the Company under section 352 of the SFO or as notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

董事及主要行政人員於證券的權益

於2019年3月31日，董事於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的本公司股份（「股份」）、相關股份及債權證中擁有載入本公司根據證券及期貨條例第352條須予存置的登記冊，或根據上市發行人董事進行證券交易的標準守則（「標準守則」）須知會本公司及香港聯交所的權益及淡倉如下：

Long Position in the Shares and Underlying Shares of the Company

於本公司股份及相關股份的好倉

Name of Directors	Class of Shares	Number of Shares held				Share options	Total	Approximate percentage of the Company's total number of issued Shares ⁽⁵⁾
		Corporate interest	Personal interest	Family interest	所持有股份數目			
董事姓名	股份類別	公司權益	個人權益	家族權益	購股權	總計	佔本公司已發行股份總數概約百分比 ⁽⁵⁾	
Cheng Chung Hing 鄭松興	Ordinary Shares 普通股	2,224,920,458 ⁽¹⁾	81,633,333	-	-	2,306,553,791	28.41%	
Cheng Tai Po 鄭大報	Ordinary Shares 普通股	588,984,145 ⁽²⁾	4,936,000	-	-	593,920,145	7.31%	
Ma Kai Cheung 馬介璋	Ordinary Shares 普通股	138,966,649 ⁽³⁾	-	-	-	138,966,649	1.71%	
Fung Sing Hong Stephen 馮星航	Ordinary Shares/Share Options 普通股 / 購股權	-	9,200,000	-	189,990,000 ⁽⁴⁾	199,190,000	2.45%	
Li Wai Keung 李偉強	Share Options 購股權	-	-	-	2,000,000 ⁽⁴⁾	2,000,000	0.02%	
Leung Kwan Yuen Andrew 梁君彥	Share Options 購股權	-	-	-	2,000,000 ⁽⁴⁾	2,000,000	0.02%	
Hui Chiu Chung 許照中	Share Options 購股權	-	-	-	2,000,000 ⁽⁴⁾	2,000,000	0.02%	
Yung Wing Ki Samuel 容永祺	Share Options 購股權	-	-	-	2,000,000 ⁽⁴⁾	2,000,000	0.02%	

Notes:

- (1) Mr. Cheng Chung Hing is interested in 100% of the issued share capital of Accurate Gain Developments Limited which in turn was deemed to have interests in 2,224,920,458 Shares. As informed by Mr. Cheng Chung Hing, he had voting rights and certain other rights over 1,446,666,666 Shares, pursuant to certain swap funding arrangements between Accurate Gain Developments Limited and PAG Holdings Limited.

Mr. Cheng Chung Hing is a director of Accurate Gain Developments Limited. He is the father of Ms. Cheng Ka Man Carman and the younger brother of Mr. Cheng Tai Po.

- (2) Mr. Cheng Tai Po is interested in 100% of the issued share capital of Proficient Success Limited which in turn holds 588,984,145 Shares and is therefore deemed to be interested in the aforesaid 588,984,145 Shares. Mr. Cheng is a director of Proficient Success Limited. Mr. Cheng Tai Po is the elder brother of Mr. Cheng Chung Hing and the uncle of Ms. Cheng Ka Man Carman.
- (3) Dr. Ma Kai Cheung, as beneficial owner and beneficiary of trust and through the interest of his spouse, being interested in 40.83% of the issued share capital of Carrianna Group Holdings Company Limited which through a number of intermediaries, wholly owns Carrianna Development Limited, Dr. Ma Kai Cheung is therefore deemed to be interested and duplicated interests in an aggregate of 138,966,649 Shares held by Carrianna Development Limited via its holding company. Dr. Ma is a director of each of Carrianna Group Holdings Company Limited, Carrianna Development Limited, Sincere United Holdings Limited, Carrianna Holdings Limited, Gartrend Development Limited and Carrianna (BVI) Limited.
- (4) The relevant interests are share options granted to Mr. Fung Sing Hong Stephen, Mr. Leung Kwan Yuen Andrew, Mr. Li Wai Keung, Mr. Hui Chiu Chung and Mr. Yung Wing Ki Samuel pursuant to the Company's share option scheme adopted on 4 September 2009. Further details of the share option scheme are set out in the section headed "Share Option Scheme" in this report.
- (5) The percentage shareholding was calculated on the basis of 8,117,130,848 Shares issued as at 31 March 2019.

附註：

- (1) 由於鄭松興先生擁有 Accurate Gain Developments Limited 已發行股本的 100% 權益，而該公司被視為享有 2,224,920,458 股股份之權益。根據鄭松興先生之通知，按 Accurate Gain Developments Limited 與 PAG Holdings Limited 的若干調期融資安排，其就 1,446,666,666 股股份享有相關投票權及其他權利。

鄭松興先生為 Accurate Gain Developments Limited 之董事。彼為鄭嘉汶女士之父親及鄭大報先生之胞弟。

- (2) 由於鄭大報先生擁有 Proficient Success Limited 已發行股本的 100% 股份權益，而該公司持有 588,984,145 股股份，故鄭先生被視為持有上述 588,984,145 股股份之權益。鄭先生為 Proficient Success Limited 之董事。鄭大報先生為鄭松興先生之胞兄及鄭嘉汶女士之伯父。
- (3) 由於馬介璋博士為實益擁有人及信託受益人，並透過其配偶的權益，持有佳寧娜集團控股有限公司已發行股本中 40.83% 之股份權益，而佳寧娜集團控股有限公司透過若干中間控股公司全資擁有 Carrianna Development Limited，馬介璋博士故被視為透過其控股公司於 Carrianna Development Limited 持有合共 138,966,649 股股份中擁有權益及權益重疊。馬博士為佳寧娜集團控股有限公司、Carrianna Development Limited、Sincere United Holdings Limited、佳寧娜集團有限公司、嘉堅發展有限公司及 Carrianna (BVI) Limited 之董事。
- (4) 有關之權益是指根據本公司於 2009 年 9 月 4 日採納之購股權計劃而授予馮星航先生、梁君彥先生、李偉強先生、許照中先生及容永祺先生之購股權。購股權計劃之進一步詳情載於本報告之「購股權計劃」一節內。
- (5) 股本百分比乃根據於 2019 年 3 月 31 日已發行之 8,117,130,848 股股份計算。

Save as disclosed above, as at 31 March 2019, to the knowledge of the Directors, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be: (i) notified to the Company and The Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive were taken or deemed to have under such provisions of the SFO); (ii) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and The Hong Kong Stock Exchange pursuant to the Model Code.

Substantial Shareholders' Interests in Securities

As at 31 March 2019, to the knowledge of the Directors, the following persons (other than a Director or chief executive of the Company) had or were deemed or taken to have interests or short position in the Shares or underlying Shares which were required 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 kept by the Company pursuant to Section 336 of the SFO:

Long Position in the Shares

除上文所披露者外，於2019年3月31日，據董事所知，概無董事或本公司主要行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債權證中擁有：(i)根據證券及期貨條例第XV部第7及第8分部須知會本公司及香港聯交所的權益或淡倉(包括董事及主要行政人員根據證券及期貨條例相關條文被當作或被視為擁有之權益及淡倉)；(ii)本公司根據證券及期貨條例第352條須記錄於登記冊的權益或淡倉；或(iii)根據標準守則須知會本公司及香港聯交所之任何權益或淡倉。

主要股東於證券的權益

於2019年3月31日，據董事所知，以下人士(董事或本公司主要行政人員除外)於股份或相關股份中擁有或被視為或當作擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司披露，或載入本公司根據證券及期貨條例第336條須予存置的登記冊的權益或淡倉：

於股份中的好倉

Name	Nature of interest	Number of Shares or underlying Shares held	Approximate percentage of the Company's total number of issued Shares ⁽⁴⁾
姓名/名稱	權益性質	所持股份或相關股份數目	佔本公司已發行股份總數概約百分比 ⁽⁴⁾
Accurate Gain Developments Limited	Beneficial owner 實益擁有人	2,224,920,458 ⁽¹⁾	27.41%
Tencent Holdings Limited 騰訊控股有限公司	Deemed interest in controlled corporation 被視作受控制法團權益	955,936,666 ⁽²⁾	11.78%
THL H Limited	Beneficial owner 實益擁有人	955,936,666 ⁽²⁾	11.78%
Proficient Success Limited	Beneficial owner 實益擁有人	588,984,145 ⁽³⁾	7.25%

Notes:

- (1) As informed by Accurate Gain Developments Limited, it was interested in 778,253,792 Shares in the capacity of a beneficial owner and had 1,446,666,666 Shares in respect of derivative interests under certain swap funding arrangements with PAG Holdings Limited. Therefore, Accurate Gain Developments Limited was deemed to have interests in 2,224,920,458 Shares.

As informed by PAG Holdings Limited, through its ultimately controlled corporations, Pacific Alliance Group Limited, Pacific Alliance Investment Management Limited, Pacific Alliance Group Asset Management Limited, Pacific Alliance Asia Opportunity Fund L.P. and PA Eminent Opportunity VII Limited, it was deemed to have interest in 1,446,666,666 Shares.

- (2) THL H Limited is wholly owned by Tencent Holdings Limited.
- (3) Mr. Cheng Tai Po owns 100% of the issued share capital of Proficient Success Limited.
- (4) The percentage shareholding is calculated on the basis of 8,117,130,848 Shares issued as at 31 March 2019.

Save as disclosed above, as at 31 March 2019, to the knowledge of the Directors or chief executive of the Company, no other person (other than a Director or chief executive of the Company) had, or were deemed or taken to have interest or short position in the Shares or underlying Shares which were required 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 kept by the Company pursuant to Section 336 of the SFO.

Information on Share Options Share Option Scheme

The Company has adopted a share option scheme on 4 September 2009 (the "Share Option Scheme"). The major terms of the Share Option Scheme are summarized as follows:

1. The purpose of the Share Option Scheme is to provide incentives to eligible persons for their contribution to the Group and to enable the Group to recruit high-calibre employees and attract human resources that are valuable to the Group.
2. The Board may at its discretion grant options to Directors, employees, officers, agents, consultants or representatives of the Group.

附註：

- (1) 根據Accurate Gain Developments Limited之通知，其實益擁有778,253,792股股份，並按與PAG Holdings Limited的若干調期融資安排，就1,446,666,666股股份擁有衍生權益。概此，Accurate Gain Developments Limited被視為享有2,224,920,458股股份之權益。

根據PAG Holdings Limited之通知，通過由其最終控制的Pacific Alliance Group Limited, Pacific Alliance Investment Management Limited, Pacific Alliance Group Asset Management Limited, Pacific Alliance Asia Opportunity Fund L.P.及PA Eminent Opportunity VII Limited等公司，其被視為擁有1,446,666,666股股份之權益。

- (2) THL H Limited由騰訊控股有限公司全資擁有。
- (3) 鄭大報先生擁有Proficient Success Limited已發行股本的100%股份權益。
- (4) 股本百分比乃根據於2019年3月31日已發行之8,117,130,848股股份計算。

除上文所披露者外，於2019年3月31日，據董事或本公司主要行政人員所知，概無其他人士(董事或本公司主要行政人員除外)於股份或相關股份中擁有或被視為或被當作擁有根據證券及期貨條例第XV部第2及3分部之條文須向本公司披露，或根據證券及期貨條例第336條載入本公司存置的登記冊之權益或淡倉。

有關購股權的資料 購股權計劃

本公司已於2009年9月4日採納了一套購股權計劃(「購股權計劃」)，購股權計劃的主要條款摘錄如下：

1. 該購股權計劃旨在獎勵合資格人士對本集團所作貢獻，並使本集團得以招聘優秀員工及吸引人才。
2. 董事會有權酌情向本集團之董事、僱員、高級職員、代理、顧問或代表授出購股權。

3. The total number of Shares which may be issued upon exercise of all share options granted and yet to be exercised under the Share Option Scheme must not exceed 30% of the Shares in issue from time to time. The total number of Shares in respect of which options may be granted under the Share Option Scheme is not permitted to exceed 10% in nominal amount of the issued Shares as at the date of commencement of the listing of Shares on The Hong Kong Stock Exchange unless with the prior approval from the Shareholders. The Share Option Scheme limit was refreshed at the annual general meeting of the Company held on 21 August 2013, and hence the maximum number of the Shares available for issue upon exercise of all share options which may be granted under the Share Option Scheme is 319,632,400 Shares, representing approximately 3.93% of the total number of issued Shares of the Company as at 31 March 2019.
 4. The total number of Shares issued and to be issued upon the exercise of share options granted under the Share Option Scheme (including exercised, cancelled and outstanding share options) to each grantee in any 12-month period up to the date of grant shall not exceed 1% of the issued share capital of the Company as at the date of grant. Any further grant of share options in excess of this limit is subject to approval of the Shareholders.
 5. The period during which a share option may be exercised will be determined by the Directors at their absolute discretion, save that no share option may be exercised more than 10 years after grant.
 6. The consideration paid by each grantee for each grant of options is HK\$1.
 7. The exercise price in relation to each share option will be determined by the Directors at their absolute discretion and shall not be less than the highest of: (i) the official closing price of the Shares as stated in the daily quotation sheet of the Hong Kong Stock Exchange on the date of grant; (ii) the average closing prices of the Shares as stated in the daily quotation sheets of The Hong Kong Stock Exchange for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Shares on the date of grant.
 8. The Share Option Scheme will expire on 29 September 2019 after which no further options will be granted under the Share Option Scheme. In respect of the options granted and accepted prior to such expiration and not then exercised, they shall continue to be valid and exercisable subject to and in accordance with the Share Option Scheme.
3. 因購股權計劃項下已授出但尚未行使之所有購股權獲行使而可予發行的股份總數，不得超過不時已發行股份的30%。除獲本公司股東預先批准，否則根據購股權計劃可予授出的購股權所涉及股份總數，不得超過股份於香港聯交所上市之日期之已發行股份面值的10%。購股權計劃上限已於2013年8月21日舉行之本公司股東週年大會上更新，因此根據購股權計劃項下可予授出的所有購股權獲行使而可供發行的股份總數為319,632,400股，相當於本公司於2019年3月31日已發行股份總數約3.93%。
 4. 因購股權計劃項下已授出購股權(包括已行使、註銷及未行使之購股權)獲行使而於任何12個月期間至授出日期止向各承授人發行及即將發行的股份總數，不得超過本公司於授出日期已發行股本的1%。如要進一步授出超過此限額的購股權，須獲股東批准。
 5. 董事可全權酌情決定購股權的行使期，惟以購股權獲授出後10年為限。
 6. 各承授人須支付1港元作為每次獲授購股權的代價。
 7. 董事可全權酌情決定各購股權的行使價，惟不得低於下列各項的最高者：(i)股份於授出日期在香港聯交所每日報價表所列官方收市價；(ii)股份於緊接授出日期前五個營業日在香港聯交所每日報價表所列平均收市價；及(iii)股份於授出日期的面值。
 8. 購股權計劃將於2019年9月29日終止，其後將不能根據購股權計劃進一步授出購股權。根據購股權計劃並在其規限下，於該終止前已授出並獲接納惟當時並未行使之購股權將仍然有效及可行使。

Report of the Directors (Continued)
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The table below summarized the details of the movements in the share options granted pursuant to the Share Option Scheme during the Year:

於本年度內根據購股權計劃授出購股權的變動詳情摘錄於下表之內：

Name	Date of Grant	Number of Share Options 購股權數目				Cancelled/ Lapsed	As at 31 March 2019 於 2019 年 3 月 31 日	Exercise Price HK\$ 行使價 港元	Exercisable Period 行使期
		As at 1 April 2018 於 2018 年 4 月 1 日	Granted	Exercised					
名稱	授出日期		已授出	已行使	已註銷 / 失效				
Directors									
董事									
Fung Sing Hong Stephen	27/6/2013	8,000,000	-	-	(8,000,000)	-	1.69	27/6/2014-26/6/2018	
馮星航	17/2/2014	19,000,000	-	-	(19,000,000)	-	4.14	17/2/2014-16/2/2019	
		19,000,000	-	-	(19,000,000)	-	4.14	17/2/2015-16/2/2019	
	30/6/2014	15,000,000	-	-	-	15,000,000	4.07	30/6/2014-29/6/2019	
		15,000,000	-	-	-	15,000,000	4.07	30/6/2015-29/6/2019	
	13/1/2016	39,995,000	-	-	-	39,995,000	1.528	13/1/2016-12/1/2021	
		39,995,000	-	-	-	39,995,000	1.528	13/1/2017-12/1/2022	
	3/7/2017	40,000,000	-	-	-	40,000,000	1.52	3/7/2017-2/7/2022	
		40,000,000	-	-	-	40,000,000	1.52	3/7/2018-2/7/2023	
Song Chuan ⁽¹⁾	3/7/2017	20,000,000	-	-	(20,000,000)	-	1.52	3/7/2018-2/7/2023	
宋川		10,000,000	-	-	(10,000,000)	-	1.52	3/7/2019-2/7/2024	
		10,000,000	-	-	(10,000,000)	-	1.52	3/7/2020-2/7/2025	
Leung Kwan Yuen Andrew	17/2/2014	1,000,000	-	-	(1,000,000)	-	4.14	17/2/2014-16/2/2019	
梁君彥		1,000,000	-	-	(1,000,000)	-	4.14	17/2/2015-16/2/2019	
	13/4/2018	-	1,000,000	-	-	1,000,000	1.81	13/4/2018-12/4/2023	
		-	1,000,000	-	-	1,000,000	1.81	13/4/2019-12/4/2024	
Li Wai Keung	17/2/2014	1,000,000	-	-	(1,000,000)	-	4.14	17/2/2014-16/2/2019	
李偉強		1,000,000	-	-	(1,000,000)	-	4.14	17/2/2015-16/2/2019	
	13/4/2018	-	1,000,000	-	-	1,000,000	1.81	13/4/2018-12/4/2023	
		-	1,000,000	-	-	1,000,000	1.81	13/4/2019-12/4/2024	
Hui Chiu Chung	17/2/2014	1,000,000	-	-	(1,000,000)	-	4.14	17/2/2014-16/2/2019	
許照中		1,000,000	-	-	(1,000,000)	-	4.14	17/2/2015-16/2/2019	
	13/4/2018	-	1,000,000	-	-	1,000,000	1.81	13/4/2018-12/4/2023	
		-	1,000,000	-	-	1,000,000	1.81	13/4/2019-12/4/2024	
Yung Wing Ki Samuel	17/2/2014	1,000,000	-	-	(1,000,000)	-	4.14	17/2/2015-16/2/2019	
容永祺		1,000,000	-	-	(1,000,000)	-	4.14	17/2/2016-16/2/2019	
	13/4/2018	-	1,000,000	-	-	1,000,000	1.81	13/4/2018-12/4/2023	
		-	1,000,000	-	-	1,000,000	1.81	13/4/2019-12/4/2024	
Employees/Advisers	27/6/2013	1,000,000	-	-	(1,000,000)	-	1.69	27/6/2013-26/6/2018	
僱員 / 顧問		1,500,000	-	-	(1,500,000)	-	1.69	27/6/2014-26/6/2018	
		1,000,000	-	-	(1,000,000)	-	1.69	27/6/2015-26/6/2018	
	17/2/2014	1,000,000	-	-	(1,000,000)	-	4.14	17/2/2015-16/2/2019	
		1,000,000	-	-	(1,000,000)	-	4.14	17/2/2016-16/2/2019	
	30/6/2014	34,650,000	-	-	-	34,650,000	4.07	30/6/2014-29/6/2019	
		34,650,000	-	-	-	34,650,000	4.07	30/6/2015-29/6/2019	
	22/8/2016	17,500,000	-	-	(3,750,000)	13,750,000	1.75	22/8/2016-21/8/2021	
		28,000,000	-	-	(11,000,000)	17,000,000	1.75	22/8/2017-21/8/2022	
		4,500,000	-	-	(1,250,000)	3,250,000	1.75	22/8/2018-21/8/2023	
	13/4/2018	-	1,250,000	-	(1,250,000)	-	1.81	13/4/2018-12/4/2023	
		-	8,750,000	-	(1,250,000)	7,500,000	1.81	13/4/2019-12/4/2024	
		-	7,500,000	-	-	7,500,000	1.81	13/4/2020-12/4/2025	
		408,790,000	25,500,000	-	(118,000,000)	316,290,000			

Notes:

1. Mr. Song Chuan resigned as Executive Director and Chief Executive Officer of the Group with effect from 1 February 2019.
2. The closing price of the Shares immediately before the date on which the share options granted on 13 April 2018 was HK\$1.83 per share.
3. Details of the Share Option Scheme is set out in note 38 to the financial statements.

附註：

1. 宋川先生自2019年2月1日起辭任執行董事兼本集團行政總裁。
2. 緊接於2018年4月13日授出購股權日期前本公司股份收市價為每股1.83港元。
3. 購股權計劃的詳情載於財務報表附註38。

Directors' Rights to Acquire Shares or Debt Securities

Save as disclosed in the sections headed "Directors' and Chief Executive's Interests in Securities" and "Information on Share Options" in this report and in note 38 to the financial statements, at no time during the Year was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or chief executives of the Company (including their spouses or children under 18 years of age) to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

董事認購股份或債務證券的權利

除本報告「董事及主要行政人員於證券的權益」及「有關購股權的資料」章節及財務報表附註38所披露者外，本公司或其任何附屬公司於本年度內任何時候概無進行任何安排，致使董事或本公司主要行政人員（包括彼等的配偶或18歲以下的子女）透過收購本公司或任何其他法人團體的股份或債權證獲取利益。

Issuance of Debt Securities by a Subsidiary Short-Term Notes

In October 2016, China South International obtained the relevant approval for issuing the short-term notes in the national inter-bank market in the PRC with a maximum principal amount of RMB6.0 billion. In June and August 2017, China South City International issued the first tranche and the second tranche of the short-term notes of 2017 with a principal amount of RMB500 million with a maturity period of 270 days and at an interest rate of 6.5% per annum for each tranche, respectively. The proceeds thereof were to be used for general corporate purpose and repaying part of the bank loans of the Group. The first tranche and the second tranche of the short-term notes of 2017 have been repaid in March and May 2018 respectively.

附屬公司發行債務證券 短期融資券

於2016年10月，華南國際取得於中國銀行間市場發行本金總額最高為人民幣60億元之短期融資券的相關批准。於2017年6月及8月，華南國際分別發行2017年第一期及第二期短期融資券，本金總額各為人民幣5億元，期限為270天，年利率為6.5%，該等發行所得款項主要用作補充本集團的流動資金及償還本集團的部份銀行貸款。於2018年3月及5月，華南國際已分別全數償還2017年第一期及第二期短期融資券。

Further details of the short-term notes are set out in note 31 to the financial statements.

短期融資券之進一步詳情載於財務報表附註31。

Medium-Term Notes

In April 2014, China South International obtained the relevant approval for issuing the medium-term notes in the national inter-bank market in the PRC with a maximum principal amount of RMB4.0 billion. In May 2014, China South International issued the first tranche of the medium-term notes of 2014 with a total principal amount of RMB1.0 billion with a maturity period of 5 years and at an interest rate of 7.5% per annum. The proceeds thereof were to be used for repaying part of short-term bank loans of the Group. The first tranche of the medium-term notes of 2014 have been repaid in May 2019. In September 2014, China South International issued the second tranche of the medium-term notes of 2014 with a total principal amount of RMB1.0 billion with a maturity period of 5 years and at an interest rate of 8.4% per annum. The proceeds thereof were to be used for repaying part of bank loans of the Group. In July 2015, China South International issued the first tranche of the medium-term notes of 2015 with a total principal amount of RMB2.0 billion with a maturity period of 3 years and at an interest rate of 7.0% per annum. The proceeds thereof were to be used for replacement of bank loans of the Group and the construction of CSC Nanning project. The first tranche of the medium-term notes of 2015 have been repaid in July 2018.

In April 2017, China South International obtained another approval for issuing the medium-term notes with a maximum principal amount of RMB3.0 billion. In April 2019, China South International issued the first tranche of the medium-term notes of 2019 with a total principal amount of RMB600 million with a maximum maturity period of 3 years and at an interest rate of 8.5% per annum. The proceeds thereof were to be used for refinancing existing borrowings of the Group. As assessed by Golden Credit Rating International Co., Ltd., China South International and the first tranche of the medium-term notes of 2019 both were given "AA+" rating.

As at 31 March 2019, the carrying value of China South International's medium-term notes was HK\$2,459.9 million. As assessed by Dagong Global, China South International, and the first tranche and second tranche of the medium-term notes of 2014 both were given "AA" rating.

Further details of the medium-term notes are set out in note 33 to the financial statements.

中期票據

於2014年4月，華南國際取得於中國銀行間市場發行本金總額最高為人民幣40億元之中期票據的相關批准。於2014年5月，華南國際發行2014年第一期中期票據，本金總額為人民幣10億元，期限為5年，年利率為7.5%。該發行所得款項主要用作償還本集團的部份短期銀行貸款。於2019年5月，華南國際已全數償還2014年第一期中期票據。於2014年9月，華南國際發行2014年第二期中期票據，本金總額為人民幣10億元，期限為5年，年利率為8.4%，該發行所得款項主要用作償還本集團的部分銀行貸款。於2015年7月，華南國際發行2015年第一期中期票據，本金總額為人民幣20億元，期限為3年，年利率為7.0%。該發行所得款項主要用作置換本集團的部分銀行貸款及南寧華南城項目之發展。於2018年7月，華南國際已全數償還2015年第一期中期票據。

於2017年4月，華南國際取得另一個發行中期票據的批准，最高發行額度為人民幣30億元。於2019年4月，華南國際發行2019年第一期中期票據，本金總額為人民幣6億元，期限最長為3年，年利率為8.5%，該發行所得款項主要用作置換本集團現有借款。經東方金誠國際信用評估有限公司評定，華南國際及2019年第一期中期票據的信用評級兩者均為「AA+」級。

於2019年3月31日，華南國際中期票據的賬面值為24.599億港元。經大公國際評定，華南國際、2014年第一期及第二期中期票據的信用評級兩者均為「AA」級。

中期票據之進一步詳情載於財務報表附註33。

Corporate Bonds

In March 2015, China South International obtained the relevant approval for issuing the corporate bonds in a maximum principal amount of RMB1.5 billion in the PRC. In April 2015, China South International issued the corporate bonds with a total principal amount of RMB1.5 billion with a term of up to 6 years in maximum and at an interest rate of 7.0% per annum. The proceeds thereof were to be used for funding the development of CSC Zhengzhou project. In April 2018, China South International repaid approximately RMB1.499 billion of corporate bonds. The remaining portion of RMB482,000 will be matured at April 2021 which the interest rate was 8.05% per annum which was early repaid in full in April 2019.

As at 31 March 2019, the carrying value of China South International's corporate bonds was HK\$562,000. As assessed by Pengyuan Credit Rating Co., Ltd., China South International and the corporate bonds were given "AA" and "AA+" rating respectively.

Further details of the corporate bonds are set out in note 34 to the financial statements.

Domestic Company Bonds

In December 2015, China South International obtained the relevant approval for issuing the domestic company bonds in a maximum principal amount of RMB4.4 billion in the PRC. In January 2016, China South International issued the first tranche of the domestic company bonds of 2016 with a total principal amount of RMB3.0 billion with a term of 3 years and at an interest rate of 5.98% per annum. The proceeds thereof were to be used for repaying part of the bank loans of the Group and for general working capital. In May 2016, China South International issued the second tranche of the domestic company bonds of 2016 with a total principal amount of RMB1.4 billion with a term of 3 years and at an interest rate of 6.85% per annum. The proceeds thereof were to be used for repaying part of bank loans of the Group and for general working capital. The first tranche and second tranche of the domestic company bonds of 2016 was repaid in January and May 2019, respectively.

In April 2019, China South International obtained another two approvals for issuing the domestic company bonds in a maximum principal amount of RMB4.4 billion in total in the PRC. China South International may issue new domestic company bonds as when appropriate.

As at 31 March 2019, the carrying value of China South International's domestic company bonds was HK\$1,733.2 million. As assessed by Golden Credit Rating International Co., Ltd., China South International and the domestic company bonds were given "AA" and "AA+" rating respectively.

企業債券

於2015年3月，華南國際取得於中國發行本金總額最高為人民幣15億元之企業債券的相關批准。於2015年4月，華南國際發行該企業債券，本金總額為人民幣15億元，期限為最長6年，年利率為7.0%。該發行所得款項主要用作興建鄭州華南城項目之發展。於2018年4月，華南國際償還本金總額約為人民幣14.99億元之企業債券，剩餘本金總額為人民幣482,000之企業債券於2021年4月到期，年利率為8.05%，亦已於2019年4月提早償還。

於2019年3月31日，華南國際企業債券的賬面值為562,000港元。經鵬元資信評估有限公司評定，華南國際及企業債券的信用評級分別為「AA」級及「AA+」級。

企業債券之進一步詳情載於財務報表附註34。

境內公司債券

於2015年12月，華南國際取得於中國發行本金總額最高為人民幣44億元之境內公司債券的相關批准。於2016年1月，華南國際發行2016年第一期境內公司債券，本金總額為人民幣30億元，期限為3年，年利率為5.98%。該發行所得款項主要用作置換本集團的銀行貸款及一般營運資金。於2016年5月，華南國際發行2016年第二期境內公司債券，本金總額為人民幣14億元，期限為3年，年利率為6.85%。該發行所得款項主要用作置換本集團的銀行貸款及一般營運資金。於2019年1月及5月，華南國際已分別全數償還2016年第一期及第二期境內公司債券。

於2019年4月，華南國際取得另兩個發行境內公司債券的批准，合共最高發行額度為人民幣44億元。華南國際將於合適時機發行有關境內公司債券。

於2019年3月31日，華南國際境內公司債券的賬面值為17.332億港元。經東方金誠國際信用評估有限公司評定，華南國際及境內公司債券的信用評級分別為「AA」級及「AA+」級。

Report of the Directors (Continued)

董事會報告(續)

Further details of the domestic company bonds are set out in note 35 to the financial statements.

Purchase, Sale or Redemption of Listed Securities

During the year, the Company repurchased part of the senior notes and an aggregated principal amount of US\$37.0 million was cancelled in September 2018.

Further information of the senior notes is set out in the section headed "Senior Notes" and note 32 to the financial statements of this report.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Year.

Bank Borrowings

Details of the Group's bank borrowings as at 31 March 2019 are set out in note 30 to the financial statements.

Major Customers and Suppliers

The aggregate sales to the Group's five largest customers were less than 10% of the Group's total revenue. The aggregate purchases from the five largest suppliers of the Group accounted for approximately 40% (FY2017/18: 58%) of the Group's total purchases and purchases from the largest supplier accounted for approximately 20% (FY2017/18: 26%) of the Group's total purchases for the fiscal year ended 31 March 2019.

None of the Directors, their associates, or any Shareholders which to the knowledge of the Directors own more than 5% of the Company's total number of issued Shares has any interests in the Group's five largest suppliers or customers.

Corporate Governance

The Company is committed to achieving high standard of corporate governance. Detailed information on the Company's corporate governance principles and practices are set out in the Corporate Governance Report as contained in this annual report.

境內公司債券之進一步詳情載於財務報表附註35。

購買、出售或贖回上市證券

於本年度內，本公司已回購部份優先票據並於2018年9月註銷本金額3,700萬美元。

優先票據之進一步資料載於本年報「優先票據」一節內及財務報表附註32。

除上述披露者外，本公司及其任何附屬公司於本年度概無購買、出售或贖回本公司任何上市證券。

銀行借貸

於2019年3月31日，本集團銀行借貸詳情載於財務報表附註30。

主要客戶及供應商

本集團五大客戶總銷售額佔本集團總收入少於10%。截至2019年3月31日止財政年度，本集團五大供應商總採購額約佔本集團總採購額約40% (2017/18財政年度：58%)，而最大供應商採購額約佔本集團總採購額20% (2017/18財政年度：26%)。

董事知悉，概無擁有本公司已發行股份總數超過5%的董事、其聯繫人或任何股東於本集團五大供應商或客戶中擁有任何權益。

企業管治

本公司致力實現高標準的企業管治。有關本公司之企業管治原則及常規載於本年報的企業管治報告內。

Environmental, Social and Governance

The Group is committed to fulfilling its corporate social responsibility in community affairs, environmental protection and corporate governance during its business operation in order to achieve its sustainable development. The Company's Environmental, Social and Governance Report is set out in this annual report.

Public Float

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

Five Year's Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five fiscal years is set out on page 71 of this annual report.

Management Contract

During the Year, no contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year.

Events after the Reporting Period

The events after the reporting period are set out in note 52 to the financial statements.

Auditor

The financial statements have been audited by Messrs. Ernst & Young who will retire and being eligible, offer themselves for re-appointment at the forthcoming AGM. A resolution for the re-appointment of Messrs. Ernst & Young as auditor of the Company is to be proposed at the forthcoming AGM.

For and on behalf of the Board
CHENG CHUNG HING
Chairman & Executive Director

Hong Kong, 26 June 2019

環境、社會與管治

本集團在運營過程中致力履行自身在參與社會活動、環境保護及公司管治的企業社會責任，以達至集團的可持續發展。本公司之環境、社會與管治報告載於本年報內。

公眾持股量

根據本公司的公開資料及據董事於本報告刊發前之最後實際可行日期所知，本公司已根據上市規則維持本公司股份足夠的公眾持股量。

五年財務概要

本集團過去五個財政年度的業績及資產與負債摘要載於本年報第71頁。

管理合約

於本年度內，本公司並無就全盤業務或其中任何重要部分簽訂或存有任何管理及行政合約。

報告期間結束後事項

本報告日期後事項詳情載於財務報表附註52。

核數師

財務報表由安永會計師事務所審核，其將退任並符合資格於應屆股東週年大會重選連任。續聘安永會計師事務所為本公司獨立核數師之決議案將於應屆股東週年大會提呈。

代表董事會
鄭松興
主席兼執行董事

香港，2019年6月26日

Corporate Governance Report

企業管治報告

The Company recognizes the value and importance of achieving high standard of corporate governance to enhance the corporate performance accountability and is committed to doing so. To the best knowledge and belief of the Directors, the Company has complied with the applicable code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Hong Kong Stock Exchange (the “Listing Rules”) during the year, save and except for the following deviation:

Code provision A.6.7 provides that Independent Non-Executive Directors and other Non-Executive Directors, are equal board members, should attend general meetings of the Company. During the Year, two Non-Executive Directors and two Independent Non-Executive Directors of the Company were unable to attend the last annual general meeting of the Company held on 21 August 2018 as they had other prior business engagement.

The Board of Directors

Board Composition

As at 31 March 2019, the Board comprises eleven Directors, including four Executive Directors, three Non-Executive Directors and four Independent Non-Executive Directors.

The brief biographical details of the Directors are set out in the section headed “Biographical Details of the Directors and Key Management” on pages 72 to 81 of this annual report.

Independent Non-Executive Director

During the Year, the Board has at all times met the requirements of Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules relating to the appointment of at least three Independent Non-Executive Directors and representing at least one-third of the board with at least one Independent Non-Executive Director possessing appropriate professional qualifications, or accounting or related financial management expertise.

During the Year, all existing Independent Non-Executive Directors have made an annual confirmation of independence in accordance with Rule 3.13 of the Listing Rules. The Company considers that each of the Independent Non-Executive Directors to be independent.

本公司認同實現高標準的企業管治以提高企業業績的問責制的價值及重要性，並會致力達成此目標。據本公司董事深知及確信，本公司於本年度內已遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄14所載企業管治守則（「管治守則」）之適用守則條文，惟以下守則條文除外：

根據守則條文第A.6.7，獨立非執行董事及其他非執行董事作為與其他董事擁有同等地位的董事會成員，應出席本公司的股東大會。於本年度內，本公司兩位非執行董事及兩位獨立非執行董事因有其他先前的事務在身而未能出席本公司於2018年8月21日舉行之股東週年大會。

董事會

董事會組成

於2019年3月31日，董事會由十一名董事組成，包括四名執行董事、三名非執行董事及四名獨立非執行董事。

董事履歷詳情載於本年報第72至81頁「董事及主要管理層履歷」一節。

獨立非執行董事

於本年度內，董事會於任何時間一直符合上市規則第3.10(1)、3.10(2)及3.10A條的要求，委任最少三名獨立非執行董事並佔董事會成員人數至少三分之一，而最少一名獨立非執行董事須具備適當專業資格，或會計或相關財務管理專業知識。

於本年度內，全體獨立非執行董事已根據上市規則第3.13條之規定，各自就其獨立性作出年度確認。本公司認為各獨立非執行董事均為獨立人士。

Role and Function

The Board is responsible for overall strategic formulation and performance monitoring of the Group. It delegates day-to-day operations of the Group to the Executive Directors and key senior management within the control and authority framework set by the Board. In addition, the Board has also delegated various responsibilities to the Audit Committee, the Remuneration Committee and the Nomination Committee. Further details of these committees are set out in this report.

Relationship between Directors

- Mr. Cheng Tai Po is an elder brother of Mr. Cheng Chung Hing and the uncle of Ms. Cheng Ka Man Carman.
- Ms. Cheng Ka Man Carman is the daughter of Mr. Cheng Chung Hing and the niece of Mr. Cheng Tai Po.

Change in Information of Directors

The change in the information of Directors since the publication of the 2018/19 interim report up to the date of this annual report is set out below pursuant to Rule 13.51(B)(1) of the Listing Rules:

- Mr. Fung Sing Hong Stephen has been appointed as an Advisor of National Management Accounting Advisory Committee, Ministry of Finance with effect from 25 December 2018.
- Mr. Song Chuan resigned as Executive Director and Chief Executive Officer of the Group with effect from 1 February 2019.
- Mr. Zhao Lidong has been appointed as Executive Director and Chief Executive Officer of the Group with effect from 1 February 2019.

Details of appointment of Mr. Zhao Lidong is set out in the announcement dated 31 January 2019.

角色及職能

董事會負責制定本集團的整體策略及監察其表現，並委派執行董事及主要高級管理人員在董事會設定的控制範圍及職權框架內處理本集團的日常運作。此外，董事會亦將若干責任委派予審核委員會、薪酬委員會及提名委員會。該等委員會的進一步詳情載於本年報內。

與董事的關係

- 鄭大報先生為鄭松興先生的胞兄，及鄭嘉汶女士的伯父。
- 鄭嘉汶女士為鄭松興先生的女兒，及鄭大報先生的侄女。

董事資料變動

根據上市規則第13.51(B)(1)條，於2018/19中期報告刊發後至本年報日期的董事資料變動載列如下：

- 馮星航先生自2018年12月25日起獲委任為國家財政部管理會計諮詢專家。
- 宋川先生自2019年2月1日起辭任執行董事兼本集團行政總裁。
- 趙立東先生自2019年2月1日獲委任為執行董事兼本集團行政總裁。

有關趙立東先生之委任詳情載於2019年1月31日之公告內。

Compliance with the Model Code for Securities Transactions

The Company has adopted the Model Code of the Listing Rules as a code of conduct of the Company for Directors' securities transactions. Having made specific enquiry of all Directors, the Directors have complied with the required standard set out in the Model Code throughout the relevant period of the fiscal year ended 31 March 2019. Employees who are, or likely to be, in possession of unpublished price sensitive information in relation to the Company or its Shares are required to prohibit from dealing in shares of the Company during the black-out period.

Board Meetings

During the Year, four Board meetings were convened by the Company. The attendance of the Directors at the Board meetings was as follows:

遵守董事進行證券交易之標準守則

本公司已採納上市規則所載的標準守則，作為本公司董事進行證券交易的標準。本公司已向全體董事作出具體查詢後，董事於截至2019年3月31日止財政年度相應期間內一直遵守標準守則所載的規定準則。擁有或可能擁有有關本公司或其股份的未公佈股價敏感資料的僱員不得於禁制期內買賣本公司股份。

董事會會議

於本年度內，本公司共召開四次董事會會議，董事會會議的董事出席情況如下：

Directors	董事	Number of Attendance/ meeting held ⁽³⁾ 出席／舉行 會議次數 ⁽³⁾
Executive Directors	執行董事	
Mr. Cheng Chung Hing (Chairman)	鄭松興先生(主席)	4/4
Mr. Fung Sing Hong Stephen (Vice Chairman)	馮星航先生(副主席)	4/4
Mr. Song Chuan (Chief Executive Officer) ⁽¹⁾	宋川先生(行政總裁) ⁽¹⁾	3/3
Mr. Zhao Lidong (Chief Executive Officer) ⁽²⁾	趙立東先生(行政總裁) ⁽²⁾	1/1
Ms. Cheng Ka Man Carman	鄭嘉汶女士	4/4
Non-Executive Directors	非執行董事	
Dr. Ma Kai Cheung	馬介璋博士	2/4
Mr. Cheng Tai Po	鄭大報先生	4/4
Mr. Lin Ching Hua	林璟驊先生	4/4
Independent Non-Executive Directors	獨立非執行董事	
Mr. Leung Kwan Yuen Andrew	梁君彥先生	4/4
Mr. Li Wai Keung	李偉強先生	4/4
Mr. Hui Chiu Chung	許照中先生	4/4
Mr. Yung Wing Ki Samuel	容永祺先生	4/4

Notes:

- (1) Mr. Song Chuan resigned as Executive Director of the Company with effect from 1 February 2019.
- (2) Mr. Zhao Lidong has been appointed as Executive Director of the Company with effect from 1 February 2019.
- (3) The attendance figure represents actual attendance/the number of meetings a director is entitled to attend.

附註：

- (1) 宋川先生自2019年2月1日起辭任本公司執行董事。
- (2) 趙立東先生自2019年2月1日獲委任為本公司執行董事。
- (3) 出席數字為董事實際出席有關會議的次數／有資格出席的次數。

The Directors are provided with agenda and relevant Board materials related to the agenda in advance before the meeting. They can access to the senior management and the company secretary of the Company at all time and, upon reasonable request, seek independent professional advice at the Company's expense.

Appointment and Re-election of Directors

Each of the Executive Directors has entered into service contract with the Company while each of the Non-Executive Directors and Independent Non-Executive Directors has entered into a letter of appointment with the Company for a term of three years.

The Company's Articles provide rotation and re-election for all Directors. In accordance with the Articles, at each annual general meeting of the Company, one-third of the Directors for the time being, or if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation. The Articles also provide that any Director appointed by the Board to fill a casual vacancy on the Board shall hold office only until the next following general meeting of the Company and shall then be eligible to offer for re-election, and any Director appointed by the Board as an addition to the Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible to offer for re-election/election. Accordingly, five Directors, namely, Mr. Cheng Chung Hing, Mr. Lin Ching Hua, Mr. Li Wai Keung, Mr. Hui Chiu Chung and Mr. Zhao Lidong are eligible to offer themselves for re-election/election at the forthcoming AGM of the Company.

Chairman and Chief Executive Officer

To ensure a balance of power and authority, the roles of the Chairman and the Chief Executive Officer are segregated. During the Year, Mr. Cheng Chung Hing was Chairman of the Company and he provided leadership for the Board and ensure the proper and effective functioning of the Board in the discharge of its responsibilities, while Mr. Song Chuan during his tenure of office as the Chief Executive Officer from 1 April 2018 to 1 February 2019, and Mr. Zhao Lidong during his tenure of office as the Chief Executive Officer since 1 February 2019, is accountable to the Board for the overall implementation of the Company's strategies and the coordination of overall business operations of the Group.

會議舉行前，董事預先獲提供議程及與議程相關的董事會資料。彼等可隨時與本公司高級管理人員及公司秘書接洽，在合理情況下尋求獨立專業意見，費用由本公司承擔。

委任及重選董事

各執行董事已與本公司訂立服務合約，而各非執行董事及獨立非執行董事已與本公司訂立委任函，為期三年。

本公司章程規定全體董事須輪席退任及重選連任。根據章程規定，於本公司各屆股東週年大會上，當時三分之一的董事(或倘人數並非三或三的倍數，則為最接近但不少於三分之一的人數)須輪席退任。章程亦規定任何由董事會委任的董事若是為填補董事會臨時空缺，其任期僅直至本公司下次股東大會，屆時將符合資格重選連任；而任何由董事會委任的董事以作為董事會新增成員，其任期僅直至本公司下次股東週年大會，屆時將符合資格重選連任/選舉。因此，鄭松興先生、林璟驊先生、李偉強先生、許照中先生及趙立東先生等五名董事須退任，並符合資格於本公司應屆股東週年大會上重選連任/選舉。

主席及行政總裁

為確保權力及職權平衡，主席及行政總裁的職責有所區分。於本年度內，鄭松興先生為本公司的主席，彼領導董事會，並確保董事會於履行其職責時能正確有效地運作，而宋川先生於2018年4月1日至2019年2月1日期間出任本集團行政總裁，及趙立東先生自2019年2月1日起出任本集團行政總裁，期間行政總裁就履行本公司整體策略及協調本集團的整體業務運作向董事會負責。

Board Committees

The Board has established three committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee, to handle particular responsibilities of the Board and the Company's affairs. All board committees of the Company are established with specific written terms of reference which have been published at the websites of The Hong Kong Stock Exchange and the Company respectively. The board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice at the Company's expense.

Audit Committee

The Audit Committee is responsible for the review and supervision of the Group's financial reporting process, risk management and internal control system and review of the Company's financial statements. The written terms of reference are in line with the provisions under the CG Code and the roles and the responsibilities delegated to the Audit Committee by the Board, which include to determine the appropriate corporate governance practices applicable to the Group's circumstances and to ensure processes and procedures are in place to achieve the Group's corporate governance objectives.

During the Year, the Audit Committee consisted of Mr. Li Wai Keung as chairman, Mr. Leung Kwan Yuen Andrew, Mr. Hui Chiu Chung and Mr. Yung Wing Ki Samuel. All the Audit Committee members are Independent Non-Executive Directors. During the Year, two meetings of Audit Committee were held to review the FY2017/18 annual results and the FY2018/19 interim results of the Group before submission to the Board.

During FY2018/19, the Audit Committee reviewed the risk management and internal control system, connected transactions, interim results and annual results of the Group and the accounting principles and practices adopted by the Group. The attendance of the Directors at the Audit Committee meetings was as follows:

董事委員會

董事會成立三個委員會，包括審核委員會、薪酬委員會及提名委員會，負責處理董事會及本公司的特定事務。本公司所有董事委員會均訂有明確的書面職權範圍，相關職權範圍書已分別刊發於香港聯交所及本公司網站。董事委員會獲提供足夠資源以履行其職責，並可在合理情況下尋求獨立專業意見，費用由本公司承擔。

審核委員會

審核委員會負責檢討及監察本集團的財務申報程序、風險管理及內部監控系統及審閱本公司的財務報表。其書面職權範圍與管治守則項下規定及董事會指派審核委員會的職責及職務相符，其中包括負責釐定適用於本集團情況的恰當企業管治常規，並確保現時流程及程序可達致本集團企業管治的目的。

於本年度內，審核委員會由李偉強先生(主席)、梁君彥先生、許照中先生及容永祺先生組成。審核委員會所有成員均為獨立非執行董事。於本年度內，曾召開兩次審核委員會會議，於提交董事會前已審閱本集團2017/18財政年度業績及2018/19財政年度中期業績。

於2018/19財政年度，審核委員會已審閱本集團的風險及內部監控系統、關連交易、中期業績及全年業績以及本集團採納的會計原則及慣例。審核委員會會議的董事出席情況如下：

Directors	董事	Number of attendance/ meeting held 出席/舉行 會議次數
Mr. Li Wai Keung (Chairman)	李偉強先生(主席)	2/2
Mr. Leung Kwan Yuen Andrew	梁君彥先生	2/2
Mr. Hui Chiu Chung	許照中先生	2/2
Mr. Yung Wing Ki Samuel	容永祺先生	2/2

Remuneration Committee

The Remuneration Committee is responsible for making recommendations on the Directors' and senior management's remuneration and other benefits. The remuneration of all Directors and senior management is subject to regular monitoring by the Remuneration Committee so as to ensure that the level of their remuneration and compensation are reasonable. The specific written terms of reference are in line with the provisions of the CG Code.

The Remuneration Committee comprises two Independent Non-Executive Directors and one Executive Director, including Mr. Li Wai Keung as chairman, Mr. Leung Kwan Yuen Andrew and Mr. Cheng Chung Hing.

The primary goal of the Group's remuneration policy for Executive Directors is to enable the Company to retain and motivate Executive Directors by linking their compensation with their individual performance as measured against the Group's corporate objectives and operating results, taking into account also the comparable market conditions. The principal elements of the remuneration package of an Executive Director include basic salary, performance and/or discretionary bonus, participation in the Share Option Scheme and other benefits. The remuneration of Non-Executive Directors (including Independent Non-Executive Directors) includes mainly the director's fee and participation in the Share Option Scheme which is a matter for the Board to decide by reference to their duties and responsibilities and the comparable market conditions.

During the Year, one Remuneration Committee meeting was held to review the structure of the remunerations for Directors of the Company and the grant of share options under the Share Option Scheme to Director of the Company. The attendance of the Directors at the Remuneration Committee meeting was as follows:

薪酬委員會

薪酬委員會負責就董事及高級管理人員薪酬及其他福利提出建議。薪酬委員會定期監察全體董事及高級管理人員的薪酬，確保彼等的薪酬水平及補償屬合理。其明確書面職權範圍符合管治守則規定。

薪酬委員會由兩名獨立非執行董事及一名執行董事組成，包括李偉強先生(主席)、梁君彥先生及鄭松興先生。

本集團的執行董事薪酬政策主要目的為讓本公司執行董事的酬金與彼等的個人表現及本集團的企業目標和經營業績掛鉤，同時考慮可資比較市場情況，藉以挽留及激勵執行董事。執行董事的薪酬待遇主要包括基本薪金、績效及/或酌定花紅，參與購股權計劃及其他福利。非執行董事(包括獨立非執行董事)的薪酬主要包括董事袍金及參與購股權計劃，並由董事會經參照彼等的職責及可資比較市場情況後釐定。

於本年度內，曾召開一次薪酬委員會會議，以審閱本公司董事的薪酬架構以及根據購股權計劃授予董事購股權事宜。薪酬委員會會議的董事出席情況如下：

Directors	董事	Number of attendance/ meeting held 出席/舉行 會議次數
Mr. Li Wai Keung (Chairman)	李偉強先生(主席)	1/1
Mr. Leung Kwan Yuen Andrew	梁君彥先生	1/1
Mr. Cheng Chung Hing	鄭松興先生	1/1

Nomination Committee

The Nomination Committee is responsible for making recommendation to the nomination of Directors with a view for the appointment of suitable individuals with relevant expertise and experience to enhance the constitution of the Board and to contribute to the Board. The specific written terms of reference are in line with the provisions of the CG Code.

The Nomination Committee comprises two Independent Non-Executive Directors and one Executive Director, including Mr. Leung Kwan Yuen Andrew as chairman, Mr. Li Wai Keung and Mr. Cheng Chung Hing. During the Year, the Nomination Committee were reviewed the structure, size and composition of the Board, including the skill, knowledge, experience and diversity of background of its members, and the re-designation of senior management of the Company.

Board Diversity Policy

The Company seeks to achieve Board diversity by adopting a board diversity policy which stipulates that when identifying individuals suitably qualified to become Directors, the Nomination Committee will consider the benefits of all aspects of diversity including, but not limited to, a number of factors, such as age, race, cultural and educational background, professional and business-related experience, reputation of candidates for integrity and his/her accomplishment, skills, knowledge and length of service, in order to maintain an appropriate range of balance of skills, experience and background on the Board. The appointments of Directors will base on meritocracy and take into account the aforesaid factors as a whole for the benefits of the Company, as well as taking into consideration its own business model and specific needs from time to time.

Directors' and Officers' Insurance

During the Year, the Company arranged appropriate Directors' and Officers' liabilities insurance coverage in respect of legal action against its Directors and officers.

提名委員會

提名委員會負責就董事提名提供建議，以委任具備相關專業知識及經驗的適當人選，以強化董事會成員架構，為董事會作出貢獻。其明確書面職權範圍符合管治守則規定。

提名委員會由兩名獨立非執行董事及一名執行董事組成，包括梁君彥先生(主席)、李偉強先生及鄭松興先生。於本年度內，提名委員檢討了董事會結構、人數及構成，包括董事會成員的技能、知識、經驗及背景的多樣性，以及本公司高級管理層之調任。

董事會成員多元化政策

為達至董事會成員多元化，本公司採納董事會成員多元化政策，當提名委員會物色具備合適資格擔任董事之人士時，將考慮多元化在各方面的裨益，包括但不限於一些因素例如年齡、種族、文化及教育背景、專業及業務相關經驗、候選人的誠信度及彼之成就、技能、知識及服務任期，以使董事會具備合適且比例均稱的專門技術、經驗及背景。董事之委任將以有能者居之為原則，並就本公司的利益整體考慮上述因素，及不時考慮本公司本身的業務模式及具體需要。

董事及要員責任保險

於本年度內，本公司就董事及高級職員可能會面對的法律行動，已安排投保適當的董事及高級職員責任保險。

Risk Management and Internal Control

The Board is responsible for overseeing the risk management and internal control systems of the Group and reviewing its effectiveness. A defined management structure with specified limits of authority and responsibilities is developed for safeguarding assets against unauthorized use or disposition, the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publications and the compliance of applicable laws, rules and regulations.

An internal audit department has been established to perform regular financial and operational reviews and recommend necessary actions to the relevant management. The works carried out by the internal audit department ensure the risk management and internal control systems are in place and function properly as intended. The results of the internal audit and reviews are reported to the Executive Directors and Audit Committee of the Company. The Directors have reviewed the effectiveness of the Group's risk management and internal control systems and are satisfied with the adequacy of the systems of risk management and internal control of the Group during the Year.

For the annual review on the risk management and internal control, the Audit Committee considered the internal control report and risk management report were satisfied as to effectiveness of the Group's risk management and internal control systems. There were no matters of material concerns relating to financial, operational or compliance controls. The Board is satisfied with the adequacy and the effectiveness of the systems of the risk management and internal control of the Group during the Year.

Independent Auditor's Remuneration

The Group's independent auditor are Messrs. Ernst & Young. For FY2018/19, the remuneration paid and payable by the Group to the independent auditor in respect of audit and non-audit services provided by them were as follows:

風險管理及內部監控

董事會負責本集團之風險管理及內部監控系統，並檢討其有效性。本公司已制定明確界定的管理架構，並訂明職權範圍及職責，以防止未經授權使用或處置資產、確保維持妥善會計記錄，以提供可靠財務資料供內部使用或刊發，並遵守適用法例、規則及法規。

內部審核部門已經成立，以定期進行財務及運營檢討，並向有關管理人員建議所需行動。內部審核部門所進行的工作乃為確保風險管理及內部監控系統合適地進行，並按擬定功能有效運作。內部審核及審閱的結果會向本公司執行董事及審核委員會報告。董事已審閱本集團風險管理及內部監控系統的有效性，並信納本集團於本年度內的風險管理及內部監控系統屬足夠。

就風險及內部監控的年度審閱而言，審核委員會審議內部監控報告及風險管理報告，並信納本集團風險及內部監控系統屬有效，且並無有關財務、運營或合規監控而須高度關注的事宜。董事會信納本集團於本年度的風險管理及內部監控系統屬足夠及有效性。

獨立核數師酬金

本集團的獨立核數師為安永會計師事務所。截至2018/19財政年度，本集團向獨立核數師就彼等所提供審核及非審核服務已付及應付的酬金如下：

		HK\$'000 千港元
Audit and review services	審核及審查服務	4,350
Non-audit services (Other services related to senior notes)	非審核服務(有關發行優先票據的其他服務)	830

Directors' Responsibility

Every newly appointed Director will receive briefings and comprehensive induction on appointment to ensure understanding of the Directors' responsibilities and obligations under the Listing Rules and relevant regulatory requirements. Directors are encouraged to participate in continuous professional development to refresh their knowledge and skills and the Company organizes appropriate directors' training to Directors to help ensure they are apprised of the role, functions and duties being a director of the Company.

The Directors are aware that they should give sufficient time and attention to the affairs of the Company and they are continually adapted with regulatory developments and business development of the Group to discharge their responsibilities. The Directors' knowledge and skills are continuously developed and refreshed by, inter alia, the following means:

- (1) Attending training session organized by and/or reading materials provided by the Company, as regards to legal and regulatory changes and matters relevant to the Directors in discharging their duties, including the laws, rules and regulations relating to the corporate governance;
- (2) Participating in continuous professional training seminars/conferences/courses/workshops on subjects relating to directors' duties and corporate governance, and rules and regulatory changes, organized by the other companies, professional bodies or government authorities; and
- (3) Reading news, journal, magazine or other reading materials from time to time as regards to legal and regulatory changes, economy and matters relevant to the Directors in discharging their duties.

董事責任

每位新獲委任董事將會接獲一份有關委任的綜合資料，藉此可確保其瞭解在上市規則和相關監管規定下之董事責任和義務。董事鼓勵參與持續專業發展以更新其知識和技能，而本公司亦會在適當時組織及安排董事培訓，藉以確保他們瞭解作為本公司董事之角色、職能及責任。

董事知悉彼等須付出足夠時間及注意力以處理本公司事務，及彼等獲持續提供最新的上市規則發展及本集團的業務發展，以助彼等履行職務。透過(其中包括)以下形式以持續發展並更新董事之知識及技能：

- (1) 參加由本公司舉辦之董事培訓講座和閱覽所提供的相關資料，內容有關法律及規管變動，以及董事履行其職責之相關事項，包括企業管治事項之法例、規則及規例；
- (2) 參與由其他公司、專業團體或政府機構舉辦有關董事職責和企業管治，及法規和監管變更有關的課題或持續專業培訓講座、會議、課程或研討會；及
- (3) 不時閱讀就有關法律及規管變更、經濟，以及其他有關董事履行其責任相關事宜之新聞、期刊、雜誌或其他閱讀資料。

According to the records provided by the Directors, the Directors received the following trainings during the Year:

根據董事所提供的記錄，於本年度內，董事參與之培訓如下：

Directors	董事	Type of Training 培訓類型
Executive Directors⁽¹⁾		
Mr. Cheng Chung Hing (<i>Chairman</i>)	鄭松興先生(主席)	(1) and (3)
Mr. Fung Sing Hong Stephen (<i>Vice Chairman</i>)	馮星航先生(副主席)	(1) and (3)
Mr. Zhao Lidong (<i>Chief Executive Officer</i>)	趙立東先生(行政總裁)	(1) and (3)
Ms. Cheng Ka Man Carman	鄭嘉汶女士	(1)
Non-Executive Directors		
Dr. Ma Kai Cheung	馬介璋博士	(1)
Mr. Cheng Tai Po	鄭大報先生	(1) and (3)
Mr. Lin Ching Hua	林璟驊先生	(1) and (3)
Independent Non-Executive Directors		
Mr. Leung Kwan Yuen Andrew	梁君彥先生	(1) and (3)
Mr. Li Wai Keung	李偉強先生	(1) and (3)
Mr. Hui Chiu Chung	許照中先生	(1), (2) and (3)
Mr. Yung Wing Ki Samuel	容永祺先生	(1) and (3)

Notes:

(1) Mr. Zhao Lidong have been appointed as Executive Director of the Company with effect on 1 February 2019.

附註：

(1) 趙立東先生自2019年2月1日起獲委任為本公司執行董事。

Directors' and Auditor's Responsibilities for the Financial Statements

The Directors acknowledge their responsibility for the preparation of the consolidated financial statements of the Group for FY2018/19 which were prepared in accordance with statutory requirements and applicable accounting standards.

The reporting responsibility of the independent auditor of the Company on the consolidated financial statements of the Group is set out in the independent auditor's report on pages 129 to 135.

董事及核數師就財務報表承擔的責任

董事及核數師確認其對編製本集團2018/19財政年度綜合財務報表的責任，並已按照法定規定及適用會計準則編製。

本公司獨立核數師對本集團綜合財務報表的申報責任載於第129至135頁的獨立核數師報告內。

Company Secretary

Ms. Tse Man Yu has been the Company Secretary of the Company since 2008. She is a full time employee of the Company with professional qualifications and extensive experience, and has adequate working knowledge on the Company to discharge her duty as the Company Secretary. During the Year, Ms. Tse confirmed that she received relevant professional training of not less than 15 hours to update her skills and knowledge.

Communication with Shareholders and Noteholders

The Company believes that effective communication with shareholders, noteholders and other investment community is essential. During the Year, the Executive Directors, Chief Financial Officer and team of investor relations of the Group held regular briefings, press conferences and analysts meetings of interim and annual results, attended investor forums and participated in roadshows, conducted meetings and visits to projects of the Group with the institutional investors and financial analysts in China, Hong Kong and overseas countries to keep them abreast of the Group's business and development. Investors can also communicate with the Company through email at ir@chinasouthcity.com.

The shareholders' meeting provides a useful platform for the shareholders to exchange views with the Board. The Directors and Chief Financial Officer of the Group will attend the shareholders' meetings to answer the questions raised by the shareholders. Shareholders can also direct their enquiries and proposals to the Company. The contact details of the Company are set out in the "Contact Us" section of the Company's website at www.chinasouthcity.com.

Shareholders' Right

Pursuant to the new Companies Ordinance (Chapter 622 of the Laws of Hong Kong), shareholders of the Company holding not less than 5% of the total voting rights of all the members having a right to vote at general meeting may request the Directors to call a general meeting. The request must state the general nature of business to be dealt with at the meeting and may be sent to the Company in hard copy form or in electronic form and must be authenticated by the person or persons making it in accordance with the provisions under sections 566 to 568 of the New Companies Ordinance and the Company's Articles.

公司秘書

謝文瑜女士自2008年起出任本公司之公司秘書。彼為本公司全職僱員，具有專業資格和資深經驗，及具備足夠的工作經驗，以履行公司秘書的職責。於本年度內，謝女士確認彼已接受不少於15小時之相關專業培訓以更新其技能和知識。

與股東及票據持有人溝通

本公司認為，與股東、票據持有人及其他投資團體作出有效溝通乃至關重要。於本年度內，執行董事、集團首席財務總監及投資者關係團隊定期舉行簡報會、新聞發佈會以及中期及年度業績分析會議、於中國、香港及海外國家出席投資者論壇，與機構投資者及財務分析員參與路演、舉行會議及參觀本集團之項目，讓彼等能了解本集團的業務及最新發展。投資者亦可透過電郵 ir@chinasouthcity.com 與本公司聯絡。

股東會議提供具裨益的平台，供股東與董事會互相交流意見。董事及集團首席財務總監將出席股東大會解答股東提出的提問。股東亦可以向本公司提出諮詢及建議。本公司的聯絡詳情載於本公司網站 www.chinasouthcity.com 「聯絡我們」一節。

股東權利

根據新《公司條例》(香港法例第622章)，本公司全體有權於股東會議上投票並持有本公司總投票權不少於5%的股東均可要求董事召開股東會議。有關請求需明述將會於會上處理之事務，並獲該提出要求的人士認證後，可採用書面或電子形式送交予本公司，並須根據新《公司條例》第566至568條的規定以及本公司章程進行。

Corporate Governance Report (Continued)
企業管治報告(續)

Attendance of the Directors at the annual general meeting of the Company which was held on 21 August 2018 was as follows:

董事於2018年8月21日舉行之本公司股東週年大會的出席情況如下：

Directors	董事	Number of attendance/ meeting held 出席／舉行 會議次數
Executive Directors		
Mr. Cheng Chung Hing (<i>Chairman</i>)	鄭松興先生(主席)	1/1
Mr. Fung Sing Hong Stephen (<i>Vice-Chairman</i>)	馮星航先生(副主席)	1/1
Mr. Song Chuan (<i>Chief Executive Officer</i>)	宋川先生(行政總裁)	1/1
Ms. Cheng Ka Man Carman	鄭嘉汶女士	1/1
Non-Executive Directors		
Dr. Ma Kai Cheung	馬介璋博士	0/1
Mr. Cheng Tai Po	鄭大報先生	1/1
Mr. Lin Ching Hua	林環驊先生	0/1
Independent Non-Executive Directors		
Mr. Leung Kwan Yuen Andrew	梁君彥先生	1/1
Mr. Li Wai Keung	李偉強先生	1/1
Mr. Hui Chiu Chung	許照中先生	0/1
Mr. Yung Wing Ki Samuel	容永祺先生	0/1

Published documents together with the latest corporate information and news are available on the Company's website at www.chinasouthcity.com.

有關發佈文件連同最新的公司資料及新聞，可瀏覽本公司網站www.chinasouthcity.com

Environmental, Social and Governance Report

環境、社會與管治報告

Our Philosophy

China South City is a leading developer and operator of large-scale integrated logistics and trade centers in China. Through years of operation and development, the Group has adhered to its business philosophy of “Integrity, Harmony, Win-win and Sharing” and has endeavored to provide an online and offline combined logistics and trade integrated ecosystem for SMEs. On one hand, the Group assists local governments in upgrading old markets by developing modern wholesale marketplaces that promote regional economic transformation and development. On the other hand, it provides one-stop comprehensive value-added services for SMEs in China South City projects, thereby helping such businesses reduce their costs and enhance their competitiveness through business initiatives aimed at “Sustaining, Supporting, Assisting and Promoting Enterprises”.

The Group strives to keep close communication and cooperation with its stakeholders in operation, in order to raise the level of corporate governance. The Group endeavors to attain sustainable development by creating a favorable working environment for its employees, assisting its customers in improving their operational competitiveness and establishing sustainable relations to create value, and continuously minimizing environmental impact in the course of operation.

Our Awards and Accreditation

Recently, the Group won the “Most Innovative Award for Hong Kong Listed Companies” prize in the competition of “Roadshow China • the Best Listed Company in Greater China”, which is a recognition of China South City continuing effort to develop and innovate for our Stakeholders.

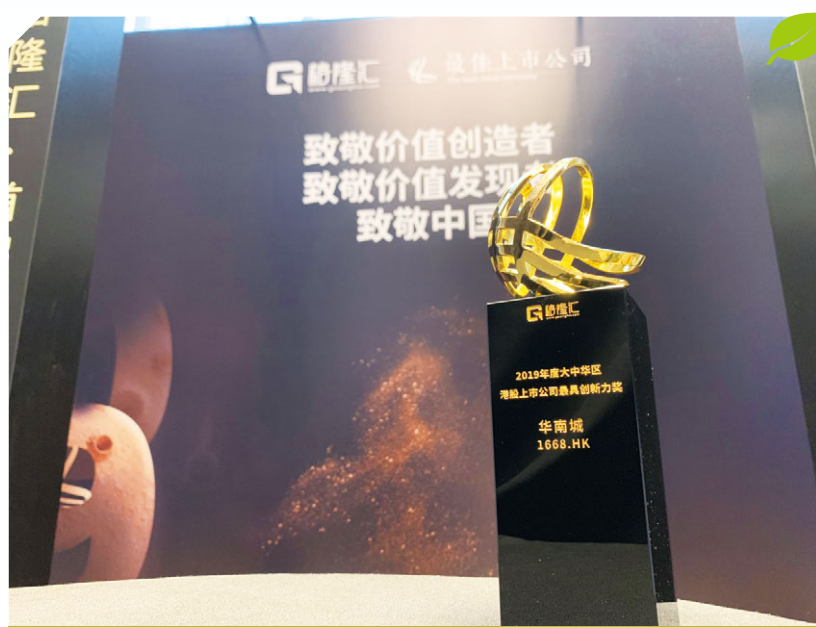
集團理念

華南城是中國領先的大型綜合商貿物流及商品交易中心的開發商及營運商。經過多年的經營和發展，本集團一直堅持「誠信、和諧、共贏、分享」的經營理念，致力為中小企業提供結合線上和線下的商貿物流一體化的生態系統。本集團一方面通過建設現代化的多業態專業市場，協助項目當地政府進行舊市場改造升級，振興區域經濟轉型與發展，另一方面亦向入駐華南城項目的中小企提供一站式的全面增值服務，通過「穩商、助商、扶商、富商」的營商措施，協助中小企業降低成本，以提升競爭力。

本集團在運營過程中致力與持份者保持緊密溝通與合作，以提升企業管治水平。本集團通過為員工提供良好的工作環境，協助客戶提升運營競爭力並與彼等建立可持續關係並為彼此創造價值，同時不斷努力將業務運營對環境的影響減至最低，以達至可持續發展的目標。

企業獎項與認證

近期，本集團在「格隆匯•首屆大中華區最佳上市公司」評選活動中榮獲「港股上市公司最具創新力獎」，肯定了華南城不斷為持份者開拓創新的努力。



CSC won the “Most Innovative award for Hong Kong Listed Companies” prize
華南城榮獲「港股上市公司最具創新力獎」

Workplace Quality

Talents are the prime impetus to sustainable corporate development. Adhering to its “people-oriented” management philosophy, the Group aims to attract and cultivate talents by providing them with an extensive platform to grow and perform. Meanwhile, the Group complies with national and local labor laws and regulations, upholds the principle of equity and fairness, and strives to provide employees with equal opportunities. Our policy of equal employment opportunities applies to employment arrangements including recruitment, hiring, promotion, re-designation, redundancy and dismissal, regardless of race, religion, gender, family status, sexual orientation, physical disability or any other reasons. All employees and job candidates are treated equally. During the Year, the Group continued to achieve a win-win situation for both employees and corporate development, by effectively allocating human resources and standardizing collaborative relationships among employees.

Employee Overview

China South City strives to best allocate human resources and make timely adjustments to its team structure according to the actual needs of business development. During the Year, the Group streamlined part of the employee structure in response to its business needs, by retrenching employees not in line with business development and engaging qualified candidates through public recruitment as well as internal referrals for the expanding business need. The Group upheld the principle of fairness, equity and openness during these processes.

As at 31 Mar 2019, the total number of full-time employee was 5,038. The younger generation has become the major composition of the employees, and gender composition by and large reached a balance.

工作環境質素

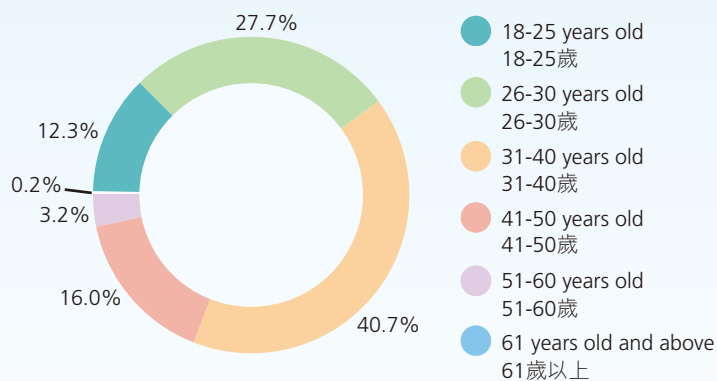
人才是推動企業實現可持續發展的原動力。本集團貫徹「以人為本」之管理理念，以吸納及培養人才為目標，為員工成長及表現創造廣闊的平台。同時，本集團遵守國家及相關公司所在地的勞動法律法規，堅持公正和公平的原則，致力為員工提供平等的機會。我們的平等就業機會政策適用於包括招聘、僱傭、晉升、換崗、裁員及解僱在內的僱傭安排，確保不論種族、宗教、性別、家庭狀況、性傾向、肢體殘疾或任何其他因由，所有員工及應聘者均獲平等對待。於本年度內，本集團繼續致力於通過有效配置人力資源，規範員工協作關係，實現員工和企業發展的雙贏。

員工概況

華南城根據業務發展的實際需要來分配人力資源並及時調整團隊架構。於本年度內，本集團因管理架構的調整，精簡了部分組織架構，解聘了與業務發展需求不相匹配的員工，同時，就擴展中的業務，本集團分別通過社會公開招聘及內部推薦等多種方式聘用合資格人士。在這些過程中，本集團堅持公平、公正、公開的原則。

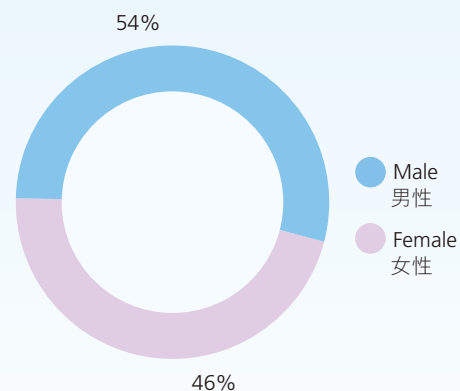
於2019年3月31日，本集團之全職僱員人數為5,038人。本集團員工已經形成以較為年輕的青年員工為主要組成部分，同時在性別上基本達到了男女平衡。

The overall employees (by age) as at 31 March 2019
 截至2019年3月31日按年齡劃分的僱員情況



Total number of employees (by gender) as at 31 March 2019:

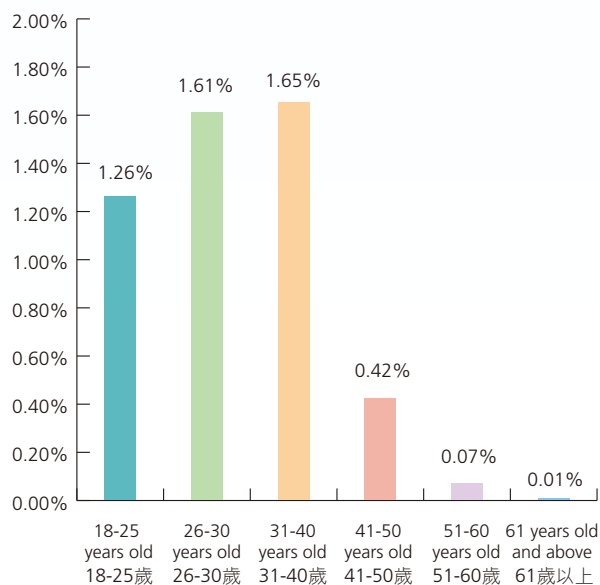
截至2019年3月31日按性別劃分的僱員情況



During the Year, the monthly employee turnover rate by gender of the Group was 2.36% for female employees and 2.65% for male employees.

於本年度，本集團按性別劃分月度僱員流失率，女性僱員流失率為2.36%，男性僱員流失率為2.65%。

Average monthly employee turnover (by age) during the Year
 本年度按年齡組別劃分平均月度僱員流失率



Employee Development and Training

China South City believes that talent is the most important driving force to its sustainable development. Learning serves as the principal means for employees' sustainable development and creativity. Therefore, it is the responsibility of a corporation to provide employees with opportunities of continuous improvement.

During the Year, the Group continued to enhance its staff training system that incorporated orientation, training for management associates, etc. at all levels. Furthermore, the Group provided adequate on-the-job training for its employees through a wide array of activities, such as lectures and seminars, outward bound courses, experience sharing, etc. In addition, to record and monitor the effect of training, the Group included training hours as one of the departmental appraisal criteria in order to motivate employees and to create a positive training environment for them. In order to plan employee training and development in a more systematic way, the Group launched the "CSC Talent Program" ("城·龍計畫") to help employees prepare career paths and build a team of backup management talents for China South City. During the Year, the Group recorded an average 5.17 training hours for each employee.

員工發展及培訓

華南城相信，人才是企業最重要的持續發展動力。學習是使員工具備持續性發展及創造能力的主要途徑，因此企業有責任為員工創造不斷提升的機遇。

於本年度內，本集團繼續深化員工培訓制度，為各級員工提供包括新入職培訓、管理層能力發展等內容在內的培訓體系，並通過包括知識講座、戶外拓展及經驗分享計劃等豐富多樣的培訓，為員工提供充分的在職教育。同時，為紀錄和監察培訓效果，本集團將培訓時數納入部門考核的標準，以鼓勵員工積極學習，致力營造良好的員工培訓環境。為更有系統地規劃僱員之培訓及發展，集團於本年度推出「城·龍計畫」，幫助員工制定職業規劃，實現搭建華南城後備管理人才梯隊的目標。於本財年度內，本集團員工整體的平均培訓時數為每人5.17小時。



Outward bound training for excellent and promoted staff on 23 June 2018
2018年6月23日優秀員工及晉升員工進行拓展培訓



The "CSC Talent" ("城·龍") management training
集團「城·龍」管理人員培訓

Training hours (by grade of staff) in FY2018/19

2018/19財政年度按員工級別劃分的培訓時數

		Entry Level 基層	Middle Level 中層	Senior Level 高層	Total 合計
Number of Hours	小時	16,750	8,630	820	26,200
Percentage	百分比	64%	33%	3%	100%

In respect of remuneration and fringe benefits, externally the Group takes reference to the general economic environment and the pay level of industry peers, while internally it upholds the principles of fairness and competitiveness, with reference to position, capability, performance, as well as educational and professional qualifications. According to employees' position, responsibility and job nature, the Company applies three different categories of remuneration, including an annual scheme with reference to operating results of the year, a performance-based scheme with reference to annual and quarterly performance, and a commission-based scheme with reference to sales performance.

In respect of Employees' career development and promotion opportunities, the Group maintains a fair competition and a diversified employee development scheme. With the employee performance appraisal system in place to boost the work performance of individual employees, a healthy and positive promotion mechanism is also established. By combining the effective use of a balanced scorecard with KPI targets management, the Group dissects mid to long-term goals into annual, quarterly and monthly indicators to keep motivating employees to improve themselves. Training, internal referral, internal competitive engagement and other mechanisms are employed to create a diverse range of fair opportunities for the development of employees. The Group has a comprehensive vacation system in place in accordance with local labor laws and regulations, which covers sick leave, casual leave, marriage leave, bereavement leave, maternity leave, lactation leave, annual leave, injury leave and statutory holidays. The employee benefit system is under constant improvement to take better care of our employees. In a bid to promote a healthy and balanced lifestyle, the Group organizes a variety of corporate culture and recreational activities to facilitate work-life balance, cultivate team spirit and increase the sense of belonging among the employees in an all-round manner.

本集團僱員的薪酬和福利水平，對外結合整體經濟環境與同行業薪酬水平，對內保持公平及競爭性，並結合職位、個人能力、業績、學歷及專業資格等而釐定。根據職位、職責和工作性質的不同，公司採用三種不同薪酬類別，包括與企業年度經營業績相關的年薪制、與年度及季度績效相關的崗位績效工資制及與銷售業績相關的提成工資制。

在員工職業發展及晉升機會方面，本集團保持內部公平競爭及員工多元化發展計劃，全面推行員工績效考核體系，在提升員工個人崗位績效的同時，建立了健康積極晉升機制。本集團通過有效運用平衡積分卡並結合KPI目標管理，將中長期目標分解成年度、季度、月度指標，不斷促進員工實現自我。通過培訓、內部推薦及內部競聘等多元機制，促進員工個人成長。本集團按照所在地勞動法建立包括病假、事假、婚假、喪假、產假、哺乳假、年休假、工傷假、法定節日假在內的合理休假制度。本集團不斷完善員工福利體系，關愛員工，並促進員工的個人成長。為推廣健康平衡的生活模式，本集團透過組織豐富的企業文化康樂活動，促進工作生活平衡，培養企業團隊精神，全方位提升員工之企業歸屬感。

Occupational Safety and Health for Employees

The Group endeavors to provide a healthy and safe working environment for its employees, and encourages them to strike a balance between work and life. The Group has established its safety committee and project management center to ensure regular inspection and evaluation of the safety and civilized construction of each project on a quarterly basis. To further facilitate safety management in construction, operation and development, the Group continues to actively carry out the “Production Safety Month” activity, with the theme of “Preventing Risks, Eliminating Hazards and Containing Accidents” to promote safety management. The Group also provides regular courses and training on occupational safety for employees, particularly those involved in construction and fire services, with several safety seminars and fire drills conducted and project inspections arranged by the safety team. These activities raise the awareness of safety precautions among all the employees, improve their safety skills, eliminate potential safety risks and proactively eliminate hazards. With a comprehensive response mechanism in place, the Group provides medical payment in advance for the injured employees in the first instance while timely reporting to the Human Resources and Social Security Bureau (人力資源和社會保障局) with its adequate risk prevention and emergency response measures. The Group also delegates its labor union personnel to visit the injured employees, console their family members, and seek for the best treatment plan together with medical institutions.

員工職業安全及健康

本集團致力於為員工提供一個健康與安全的工作環境，並鼓勵員工尋求工作與健康生活的平衡。集團成立安全委員會及集團工程管理中心，按季度確保各項目的安全文明施工進行定期檢查和評估。為進一步統籌規劃並促進本集團在建設、運營及發展中的安全管理工作，本集團繼續積極開展「安全生產月」的活動，以「防風險、除隱患、遏事故」為活動主題，促進安全管理水平提升。通過定期向員工，尤其是涉及施工、消防的相關員工，提供職業安全教育課程及培訓，開展了多次安全講座及消防演習，以及安排安全小組巡查項目工作，以增強全員安全防範意識，提升員工安全技能，排除可能存在的安全風險並積極消除隱患。本集團亦通過一套完善的應對系統，於事故的第一時間為傷病員工墊付工傷醫療費用，並及時向人力資源和社會保障局溝通申報，做好足夠風險防範及應急處理措施。同時本集團亦派出公會人員進行傷病員工慰問探訪，做好員工家屬的心理輔導，並與醫療機構配合，多方尋求最佳治療方案。



Fire drill practice at CSC Chongqing
重慶華南城消防演習

Apart from accident prevention, we have invested resources to enhance health awareness among employees. For instance, CSC Shenzhen has its employee dormitories furnished with facilities such as gyms and table tennis to promote their work-life balance. During the Year, CSC Shenzhen held a health talk of “CSC Lectures (Shenzhen)” where the knowledge of oral health and First Aid were disseminated among the employees to help employees pay attention to their personal health in daily life and be more capable to cope with health related incidents.

除防止意外發生，我們亦投入資源增強僱員間之健康意識。例如，深圳華南城在僱員宿舍內配備健身房、乒乓球設施等，促進僱員工作生活平衡。本年度內，深圳華南城舉辦了「華南城大講堂(深圳)」之健康講座，為員工普及口腔健康知識及急救常識，幫助員工關注日常個人健康及加強應對健康意外的能力。

		Male 男性	Female 女性	Total 整體
Rate of work-related injuries per thousand employees	每千名員工的工傷率	1.38	0.39	1.77
Number of working days lost due to work-related injuries	因工傷損失工作日數	197	22	219



Employees' trip to Wutong Mountain, Shenzhen
 員工深圳梧桐山之行



Free medical consultation by our volunteers in CSC Shenzhen
深圳華南城園區內義工義診活動

Labor Standards

The Group strictly complies with the PRC government's "Provisions on the Prohibition of Child Labor" and does not hire any employees aged below 16. During the Year, there were no incidents related to child labor, forced labor or harassment. The Group works regularly to inspect and prevent child labor and forced labor through proper pre-employment review of the personal information of its employees, as well as inclusive internal training to raise the legal consciousness among its subsidiaries and in turn attain the goal of forbidding child labor and forced labor.

Environmental Protection

China South City is aware of the potential eco-environmental impact which may result from business development. Therefore, to ensure sustainable development and protect the environment, the Group adheres to energy saving and emissions reduction in the entire process of its development and operation, ensuring its compliance with applicable laws and regulations on environmental protection. In addition, the Group has rolled out multiple recycling plans throughout its daily operation, to raise the environmental awareness of employees, business tenants and residents. From product design, green construction to operation, the Group is committed to reducing its environmental impact through various green measures.

勞工準則

本集團嚴格遵守中國政府的《禁止使用童工條例》，並不會僱用任何16歲以下的人士。於本年度內，本集團並未發生僱用童工、強迫勞工或騷擾相關事件。本集團通過做好入職前人員信息審核，定時檢查及防止童工或強制勞工的現象，做好內部培訓工作，提高旗下附屬公司法律法規意識，來達到禁止僱傭童工和強迫勞動的目標。

環境保護

華南城深明企業發展可能對生態環境造成影響。為確保可持續發展及保護生態環境，本集團將節能減排的理念貫穿於開發運營的過程，確保符合所適用的環境保護法律法規。本集團在日常運營中推行多項循環再用計劃以提高員工、商戶及住戶的環保意識。本集團致力通過從產品的設計到綠色施工及運營等各項環保舉措減低對環境的影響。

Environmental Friendly Design

All design and construction of China South City projects comply with the national standards on energy-saving buildings and have passed third-party inspection, as well as energy-saving acceptance checks by the government upon project completion. During its project design, the Group maximizes the application of energy-saving and environmental friendly materials, and adopts energy-saving solutions to reduce carbon emissions. For instance, at CSC Zhengzhou, residential projects are designed with an integrated insulation structure which combines insulation and enclosure functions of a building. Such design, with its greater durability and new fire prevention technology, serves as an effective solution to the quality and fire safety issues commonly seen in the projects of energy-saving insulation buildings. In line with national energy saving measures and emissions reduction measures, the design is of great significance to ramping up the energy-saving capacity of buildings and facilitating the transformation and upgrade of the construction sector.

The Group applied the national standards on energy-saving buildings to its building design and construction in its projects. During the Year, several projects of the Group obtained environmental friendly awards such as the National Award for Green Building Design (One Star) (國家一星級綠色建築設計獎項).

環保設計

華南城項目的建築設計及施工均按照國家節能建築標準及通過第三方節能審查，項目竣工時亦會通過政府節能驗收。在項目設計過程中，本集團均盡量選用節能環保材料；及採用節能方案以減少碳排放。以鄭州華南城為例，鄭州住宅項目採用保溫與結構一體化設計，實現建築保溫功能與建築維護功能於一體，具有較強的耐久性且兼備先端的防火技術，能有效解決建築節能保溫工程上遇到的質量和消防安全問題，並符合國家節能減排的政策，對於提高建築節能水平、促進建築領域轉型升級具有重要意義。

本集團的項目建築均按照國家節能建築標準進行設計施工。於本年度內，本集團多個項目均獲得國家一星級綠色建築設計獎項等環保獎項。

Subsidiary 子公司	Project Name 項目名稱	Approximate Construction Scale (1,000 m ²) 建築規模(千平方米)	Certificate/Verification Letter 獲取證書／審查意見書
CSC Nanchang 南昌華南城	Xizhanhuaifu Phase IV (Residential Buildings) 西站華府四期住宅	270	Certificate of Green Building Design Label (One Star) 一星級綠色建築設計
	Wangcheng Phase I (Commercial Buildings) 望城一期商業項目	70	Certificate of Green Building Design Label (One Star) 一星級綠色建築設計
CSC Zhengzhou 鄭州華南城	CSC Zhongyuan 華南城中園	1,192	Certificate of Green Building Design Label (One Star) 一星級綠色建築設計
	CSC T-Park 華南城T-Park科創產業園	580	Certificate of Green Building Design Label (One Star) 一星級綠色建築設計
CSC Hefei 合肥華南城	Zijingmingdu Phase IV (Residential Buildings) 紫荊名都四期住宅	410	Certificate of Green Building Design Label (One Star) 一星級綠色建築設計
	Community Center 社區中心	50	Certificate of Green Building Design Label (Two Star) 二星級綠色建築設計
CSC Nanning 南寧華南城	1668 Pioneer Park Zone 1 4# and 6# 1668創業園1區 4#、6#	20	Certificate of Green Building Design Label (Two Star) 二星級綠色建築設計
CSC Chongqing 重慶華南城	Bananhuaifu Phase II (Residential Buildings) 巴南華府二期項目	700	Certificate of Green Building Design Label (One Star) 一星級綠色建築設計

Environmental Friendly Facilities

To better incorporate the philosophy of sustainable development into its daily operation and management, the Group proactively promotes the application of energy-saving equipment in each project.

For instance, there was an energy-saving program on lighting and air-conditioning in CSC Shenzhen. Lamps have been replaced with LED energy-saving ones at Plazas 1 and 2, Phase 1 wholesale market and the administrative building, and intelligence air-conditioning system were gradually in use, which saved over 7,440,000 kWh of electricity during the Year. A 1.7MW photovoltaic system was installed at the roof top of Plaza 4 of CSC Shenzhen, generating 1,620,000 kWh of electricity during the Year. In respect of water saving, CSC Shenzhen has applied water saving equipment and facilities, using sensor-activated taps and pedal-enabled water-saving toilets, which effectively reduced the water usage of the plazas and public areas within the project.

During the Year, other CSC projects also implemented a number of energy saving and emissions reduction measures. For instance, in CSC Harbin, LED Lamps have been adopted in the underground car parks of Plaza 2 without prejudice to the available illumination, timer setup for signboard lighting on a seasonal basis, and usage control of the air conditioning system based on seasonal and outdoor temperature, etc.

In CSC Hefei, The PV-LED photovoltaic lighting system was adopted in the underground car parks of Plaza 3. In addition, the photovoltaic system also enabled Phase 4 of the residential buildings and community center to reduce the emissions of exhaust gas and dust.

Education on Environmental Protection

To make the best use of resources, the Group proactively implemented Green Office in its daily management and operation. Employees have been educated on energy saving and environmental protection to boost their environmental awareness. They have also been encouraged to protect the environment by managing office supplies consumption, water and energy saving, workflow simplification and paper reduction.

Civilized Construction

Highly attentive to the impact on the environment and communities during its project development, the Group strictly complies with applicable laws and regulations on environmental protection. The Group has formulated civilized construction standards, including the "Construction Sites Safety and Civilized Construction Standard of China South City" (《華南城集團施工現場安全文明施工管理標準》) and the "Construction Project Safety and Civilized Construction Evaluation Methods of China South City (Trial)" (《華南城建設工程安全文明施工專項評比辦法(試行)》), in order to advocate civilized and green construction and strive to establish a better business environment in a more environmental-friendly manner.

環保設施

為將可持續發展的理念更融入日常運營及管理，本集團積極推動各項目使用節能設備。

以深圳項目為例，通過節能燈具及空調節能改造工程，深圳華南城一號交易廣場、二號交易廣場、一期專業批發市場及行政樓更換安裝LED節能燈並逐步使用空調智能控制系統，年度內有效節電逾744萬千瓦時。深圳華南城四號廣場之屋頂光伏站項目亦安裝1.7兆瓦光伏發電設施，於本年度內，累計使用光伏發電量逾162萬千瓦時。於節約用水方面，深圳華南城採用節水設備及措施，應用自動感應水龍頭及腳踏板節水沖便器，有效減少了園區內交易廣場及公共區域用水。

本財年，本集團其他項目亦採取了多種節能減排措施。例如，哈爾濱華南城二號交易廣場地下停車場在保證照明亮度情況下採用LED燈，利用季節制定招牌燈開啟時間，並按照季節、室外溫度控制空調系統開啟時間等措施。

合肥華南城三號交易廣場地下車庫採用PV-LED太陽能光伏照明系統。住宅四期及社區中心亦通過太陽能系統，有效減少廢氣和粉塵的排放。

環保教育

為善用資源，本集團於日常管理以及運營操作方面積極實行綠色辦公，通過對員工進行節能環保教育，提高其環保意識，並鼓勵員工通過在辦公用品消耗管理、節水節能、簡化工作流程和減少紙張流程方面積極實踐環保。

文明施工

本集團非常重視項目開發過程中對環境及小區造成的影響，嚴格遵守所適用的環境保護法律法規，並制定了文明施工的準則，包括《華南城集團施工現場安全文明施工管理標準》及《華南城建設工程安全文明施工專項評比辦法(試行)》等，以倡導文明及綠色施工，致力採用更為環保的方式以建立一個更好的營商環境。

In respect of managing exhaust gas and dust pollution, green management has taken place at construction sites. Cement and other construction materials which are easily blown into the air are sealed and stored; and construction waste is discharged and transported through special airtight refuse passages or containers. Construction sites are also equipped with enclosed waste stations where construction waste and domestic waste are classified and stored.

In respect of managing sewage discharge, sedimentation tanks have been built at the cleaning space for concrete carrier vehicles for diversion of rain, sewage and wastewater from construction sites. Sewage goes through technical treatment before being reclaimed. The remainder of processed water is discharged into municipal sewage pipelines or recycled for greening and road flushing. Oil, thinner and paint at construction sites must be placed in storage rooms whose ground must have received anti-seepage treatment to prevent any groundwater pollution.

In respect of managing solid waste discharge, the Group requires the constructor to timely remove the solid waste generated during its construction process and, utilize or dispose of such wastes according to regulations. Wastes are packed by bag, regularly collected by property management personnel, put in dumpsters to be sorted in garbage stations and transported by garbage trucks after sealing treatment, to enhance the recycling and reuse of construction and demolition wastes during on-site operations. During the Year, a total of approximately 60,000 cubic meters of construction and renovation waste materials were cleared and transported.

In respect of environmental protection at communities, the Group also requires its contractors to establish relevant measures to not disturb residents nearby, with proper prevention of dust, noise and light pollution as well as traffic congestion at construction sites so as to further mitigate the impact on the life of community residents.

Operating Practices

Through close cooperation with its suppliers and contractors, the Group seeks to provide its customers with high-quality products and services. All employees are required to comply with the Group's anti-bribery and anti-corruption policies at all times to prevent violating laws and regulations.

於廢氣揚塵污染管理方面，施工現場已進行綠化管理。水泥和其他易飛揚顆粒建築材料密閉存放，施工垃圾清運採用封閉式專用垃圾通道或封閉式容器吊運。施工現場設密閉式垃圾站，施工垃圾及生活垃圾分類存放。

於污水排放管理方面，混凝土運輸車清洗處設沉澱池，對施工基地的雨水、污水、廢水進行分流處理。廢水經技術處理後回收使用，使用不完的方可排入市政污水管綫或回收用於綠化及道路沖洗等。施工現場的油料、稀料、油漆等，必須存放於庫房內，庫房地面必須進行防滲處理，避免污染地下水體。

於固體廢棄物排放管理方面，本集團要求施工單位及時清運工程施工過程中產生的固體廢物，並按照法規進行利用或者處置，將廢棄物按袋分裝，並由物業管理人員定時收集，裝桶運到垃圾站整理、密封處理後由垃圾車運走，實現將在現場操作中加強建築垃圾和建築物拆除產生的廢棄物的回收及再利用。於本年度，清運建築裝修廢料的總量約60,000立方米。

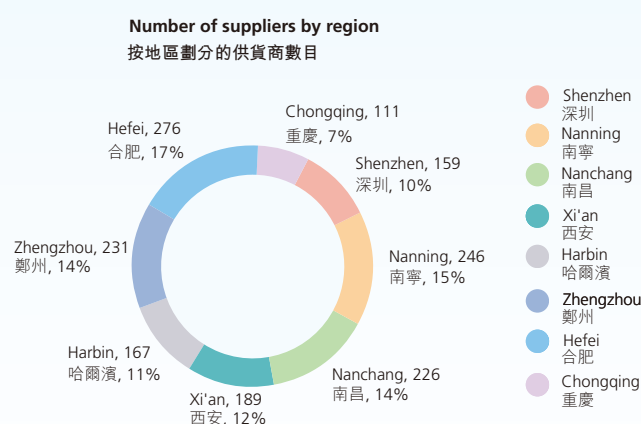
於小區環保方面，本集團亦要求承建商制定相關施工不擾民措施，做好施工現場的防粉塵、防噪音、防光污染、防交通擁塞，從而進一步降低對小區居民生活的影響。

營運慣例

本集團通過與供貨商及承建商緊密合作，竭誠為客戶提供高效優質的產品及服務，並要求員工時刻遵守公司反貪污及賄賂的政策，以避免違規行為。

Supply Chain Management

The Group values product quality and cost control, with most of its procurement going through a tendering process. The Group implements a series of unbiased, fair, just and transparent tendering processes and a supervisory mechanism, to ensure the quality of its products and services as well as professionalism during the performance of agreements. In selecting contractors, the Group also takes into account a contractor's environmental awareness and social responsibility. The number of suppliers for the Group by geographical region during the Year is detailed as follows:



The main suppliers selected by China South City are the subsidiaries of China State Construction Engineering Corporation, one of the world's top-500 enterprises and a large state-owned enterprise with good labor safety and welfare management.

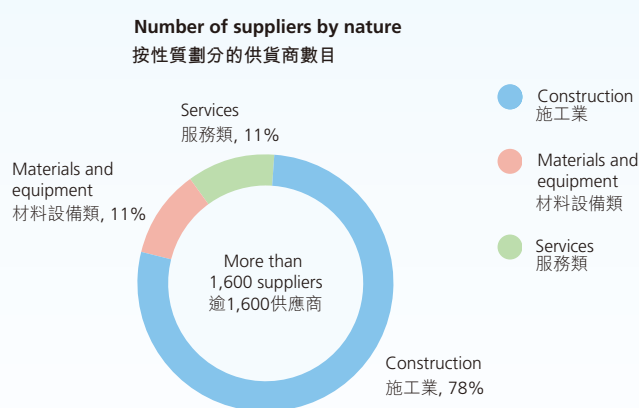
Product Liabilities

Apart from developing properties, the Group actively cultivates the market in order to provide a favorable business environment for its tenants. In this regard, the Group values the advice and suggestions from its tenants and seeks to communicate with them through different channels. During the Year, the Group further refined the implementation rules of customer satisfaction surveys for its regional subsidiaries. The Group can learn the extent of customer satisfaction of China South City in respect of product planning and design, construction quality, business operation, property management and customer service through customer satisfaction surveys. Accordingly, specific targets are set, to drive the continuous improvement of management and services, so as to raise customer satisfaction and loyalty. According to the "Complaint Management and Handling Control Procedure of the Group (Third Edition)" (《集團投訴管理及處理控制程序》(第三版)), general complaints would be concluded within two working days from the date of acceptance.

In addition, along with business development, the Group has successively set up departments or chambers of commerce at its project companies to serve tenants, with the goal of building a platform for effective communication and to enhance mutual understanding and trust between China South City and our tenants.

供應鏈管理

本集團重視產品的質量及成本的控制，大部分的採購均通過招標進行。本集團採用一系列不偏不倚、公平、公正、公開的招投標流程及監督機制，確保其供應產品與服務的質量以及履約過程的專業性。在選擇承建商時，本集團亦會將承建商的環保意識及社會責任感納入考慮範圍。於本財年內，集團按地區劃分的供應商數目詳見如下：



華南城選擇的主要供應商為世界500強企業中國建築集團有限公司下屬的企業，為大型國企，具有良好的勞工安全及福利管理。

產品責任

本集團在開發物業之余亦積極培育市場，為入駐商戶提供良好的營商環境。為此本集團十分重視商戶的意見及建議，並通過各種渠道尋求與商戶的溝通。本年度內，本集團進一步細化完善了地區公司客戶滿意度調查實施細則，通過進行客戶滿意度的調查，瞭解客戶對華南城產品在規劃設計與工程質量、商業經營、物業管理及客戶服務等方面的滿意度，制訂專項提升目標，以促進管理與服務的持續改善，提升客戶滿意度和忠誠度。根據《集團投訴管理及處理控制程序》(第三版)規定，一般投訴在受理投訴日起兩個工作日內結案。

此外，隨著業務的發展，本集團各地的項目公司陸續成立為商戶服務的部門或商會組織，旨在為華南城與商戶之間建立有效溝通的平台及增進彼此之間的理解與信任。

Regarding the protection of customer information and privacy, the Group uploads its customers' personal information to the CRM System, and assigns special personnel to be responsible for the use of CRM accounts. Any access to such information must go through a multi-level approval procedure.

In respect of product quality control, the Group's business management division organizes regular "product safety trainings" to promote the national laws and regulations on quality control. The Group also invites quality control authorities for regular sampling inspection.

As more and more CSC projects are put into operation, safety management has become an important part of the Group's development. During the Year, the Group continued to intensify its fire safety and prevention management, with the formulated "China South City Manual of Fire Safety and Prevention System and Standards". The specialists of the Production Safety Supervision and Management Office also participates in safety-related work such as project planning, blueprint design, construction, inspection and acceptance as well as fire safety; the project unit organizes regular safety inspections which engages the first parties of projects, supervisors and the constructor; the construction unit organizes a safety inspection on a monthly basis; and the construction management center of the Group organizes a routine inspection each quarter with special inspections, to apply the implementation rules throughout project operation. During the Year, China South City, together with the armed-police and fire department, promoted fire safety knowledge and training to the employees, tenants and residents, and held joint fire drills with fire authorities during which participants were introduced to the use of firefighting equipment, firefighting methods, precautions against safety hazards and self-rescue knowledge.

Professional Ethics

The Group strictly prohibits any acts of bribery and corruption during its business operation. The staff handbook applicable to the Group is prepared in accordance with national laws and regulations, and ethical requirements of the industry, to regulate any abuse of power, malpractice, bribery and corruption. In order to raise all employees' sense of abiding the law and further foster a clean culture of enterprise, and intensify the anti-corruption education in China South City, the Group successively conducted "Education and Trainings on Observing Discipline and Law" in the eight projects during the Year, in which more than 1,800 employees participated. For proper risk prevention, the Group has set up the mailboxes and phone number for collecting public complaints and reporting at each subsidiary. All the complaints and reporting are handled and investigated by dedicated personnel from the Group's customer service center or risk control center after receiving and categorizing the cases. If criminal behavior is involved in the reported case, it will be referred to the police. During the Year, there was no litigation case related to corruption.

本集團於保障消費者資料及私隱方面，將客戶個人私隱數據均上傳明源系統，並由專人負責明源賬戶的使用。如需存取任何相關信息，需取得多重審批同意。

於產品質量檢定方面，本集團商業運營管理團隊定期組織「商品安全培訓」，宣傳國家質檢的相關法律條規，並邀請質檢部門，定期進行抽樣檢查。

隨著華南城越來越多的項目投入試運營，安全管理是本集團發展中的重要一環。於本年度內，本集團繼續透過已制定的《華南城集團安全消防制度標準手冊》深化消防安全管理工作。安全生產監督管理辦公室專員亦參與工程規劃、圖紙設計、施工、驗收及消防安全等安全相關專項工作，項目部定期組織項目甲方、監理、施工單位參加安全檢查，工程部組織月度安全檢查，集團工程管理中心組織全集團的季度巡檢(每季度一次)及專項檢查，將實施細則貫穿到項目的整體運營中。於本年度內，華南城亦聯同武警消防部門向華南城員工、商家及住戶進行消防知識宣傳與培訓，並聯合消防部門進行聯合演習，介紹消防器材的使用、滅火方法及安全隱患注意事項、應急自救常識等。

職業道德

本集團嚴禁在運營過程中有任何賄賂及貪腐行為。本集團根據國家法律法規及行業道德要求制定員工手冊，規範濫用職權、營私舞弊、行賄受賄等行為。為提高公司全體員工的遵紀守法意識，進一步加強企業廉政文化建設，深入推進華南城反腐倡廉宣傳教育工作，集團於年度內於八個項目相繼開展了「遵紀守法教育培訓」，集團員工愈1800人參加了此次培訓。為做好風險防範工作，本集團在各附屬公司設立公開投訴舉報信箱，並通過辦公系統發布舉報郵箱及舉報受理電話。所有投訴舉報，由本集團的客服中心、風險控制中心的監察專門崗位，於接收彙報後，區別情況調查處理。若被舉報行為涉及犯罪的，將依法移送司法機關處理。本年度內，無貪污訴訟案件。

Community Engagement

The business operation of China South City is closely related to community development. Over the years, the Group, actively engaged in community charity affairs and well aware of its responsibility in community development, has been striving to create demand within the communities where the Group's operations are located and make contribution to their sustainable development.

Charity Donations

The Group cares about the society where its projects are located and made an aggregate charitable donation of approximately HK\$9.75 million to various charitable organizations during the Year. China South City cares people's livelihood, poverty relief, disaster relief, environmental protection, education, medical assistance, care for children and other charitable causes.

During the Year, the major donations made by China South City included:

1. Red Cross education against poverty in Feixi County
2. The launch of "Love and Caring to Disabled Children" donation
3. Donation to Mengqing County
4. Donation to Guodian County
5. Donation to Zhengzhou University
6. Co-fundrasing activity for Guangdong and Guangxi Provinces
7. Cardboard donation to schools in Nanning
8. Donation for passageway repairs in Xieshan Village, Meitong Town, Putling City

社區參與

業務運營與小區發展密切相關，華南城多年來一直致力於參與小區公益事務，知悉我們於小區發展方面之責任，致力推動於本集團業務運營所在小區之需求，並為其可持續發展作出貢獻。

慈善捐助

本集團關愛其所處之社區，並於本年度內向各慈善機構合共捐出約975萬港元的慈善捐款。華南城致力關注民生、扶貧濟困、賑災救援、環境保護、教育事業、醫療救助、兒童關愛等公益慈善項目。

本年度華南城支持的慈善項目主要包括：

1. 肥西縣紅十字會開展助學扶貧
2. 關於開展2018「雨露助殘－關愛殘疾兒童成長」愛心捐贈活動
3. 孟慶鎮獻愛心捐款
4. 郭店獻愛心捐款
5. 捐贈鄭州大學
6. 粵桂扶貧協作募捐活動
7. 向南寧學校捐贈櫃子
8. 普寧市梅塘鎮社山村轄區內村道修建捐贈

Cultural and Recreational Activities

1. CSC Shenzhen – The First Staff Knowledge Contest

In response to the Group's and its major decision on enhancing fire safety control, and create a conducive learning atmosphere for employees and establish solid awareness of regulations and safety, the First Staff Knowledge Contest took place in CSC Shenzhen on 17 August 2018. The contest is designed to help employees to further study the Employee Handbook and the Fire Safety Manual, while alleviating their work pressure and creating a lively working atmosphere.



CSC Shenzhen – "The First Staff" knowledge contest
深圳华南城員工知識競賽

文化康樂活動

1. 深圳華南城－首屆員工知識競賽活動

為積極響應集團制度規範和加強安全消防管控的重要決策，並為員工營造良好的學習氛圍，樹立牢固的規範意識及安全意識，深圳華南城首屆員工知識競賽預賽於2018年8月17日在深圳華南城順利舉行。此次競賽幫助員工進一步學習《員工手冊》及《安全消防手冊》的同時，緩解員工工作壓力，活躍了工作氛圍。



Tree-planting volunteer activity by CSC Zhengzhou
鄭州華南城義務植樹活動

Serving the Community

1. A Tree-planting Volunteer Activity by CSC Zhengzhou

On the morning of 2 March 2019, volunteer employees of CSC Zhengzhou conducted a tree-planting activity at Longhu Town, Xinzheng City to enhance green awareness, the sense of social responsibility among employees and bring "green" along the Zhengzhou-Yaoshan Expressway.

服務社區

1. 鄭州華南城舉行義務植樹活動

為了增強員工之綠化意識、生態意識和社會責任感，2019年3月2日，鄭州華南城員工50多人於新鄭市龍湖鎮王許村開展義務植樹活動，為鄭州鄭堯高速沿綫增添了一抹濃濃綠意。

2. 2019 Spring Festival Product Exhibition by CSC Nanning to Help Huanan Village with Poverty Alleviation

Huanan Village is one of the administrative villages of Yan'an Town, Jiangnan District, Nanning City, and one of the poverty-stricken villages under priority support by the autonomous region. In January 2019, CSC Nanning presented free booth for Huanan Village to sell their renowned local specialties such as oranges during the 11-day "2019 Spring Festival Product Exhibition" of CSC Nanning. Such products were well-received among citizens. CSC Nanning will leverage its own development resources and advantages to intensively work on poverty alleviation by pairs for Huanan Village, and contribute to the nationwide poverty relief campaign.



Products from the poverty-stricken village on hotsale
扶貧村產品於展銷會上熱賣

2. 南寧華南城舉辦2019年新春產品展銷會扶貧華南村

華南村是南寧市江南區延安鎮行政村，也是廣西壯族自治區重點扶持的貧困村。2019年1月，在為期十一天的南寧華南城「2019年新春產品展銷會」上，南寧華南城為華南村提供免費展位。華南村產品在展銷會上廣受市民群眾的喜愛。南寧華南城用自身發展資源與優勢，深入推進華南村結對幫扶工作，為全國打贏脫貧攻堅戰做出貢獻。



Charity performance by CSC Shenzhen
深圳華南城公益演出活動

3. 2018 "Wonderful Life • Cultural Practice", a Charity Performance by CSC Shenzhen

2018 "Wonderful Life • Cultural Practice," a charity performance was successfully held at CSC Shenzhen on the afternoon of 29 December 2018. The event was embraced by the audience enjoying lively music. The activity was organised by Longgang District Cultural and Sports Tourism Bureau, and co-hosted by Longgang District Cultural Center Management Office and CSC Shenzhen, to allow citizens to experience music culture. While continuously popularizing fine art and realizing cultural synergy among regions, the event was welcomed by citizens with enjoyment and made positive contribution to the work of benefitting people through culture.

3. 深圳華南城2018「美好生活·文化踐行」公益演出

2018年12月29日，2018「美好生活·文化踐行」公益演出在深圳華南城順利舉行，活動現場人潮涌動，樂聲飛揚。是次活動是由龍崗區文體旅遊局主辦，龍崗區文化中心管理處承辦，深圳華南城協辦的公益活動，旨在不斷實現高雅藝術的普及，實現文化層面的區域聯動的同時，為市民帶來視覺及聽覺美的感受，為文化惠民工作做出積極貢獻。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



To the members of China South City Holdings Limited
(Incorporated in Hong Kong with limited liability)

Opinion

We have audited the consolidated financial statements of China South City Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 136 to 288, which comprise the consolidated statement of financial position as at 31 March 2019, 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 March 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, 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.

致華南城控股有限公司各股東
(於香港註冊成立之有限公司)

意見

我們已審核華南城控股有限公司(「貴公司」)及其附屬公司(「貴集團」)載於第136至288頁的綜合財務報表，當中載有於2019年3月31日的綜合財務狀況表、及截至該日止年度的綜合損益表、綜合全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒布之香港財務報告準則(「香港財務報告準則」)真實而公允地反映了貴集團於2019年3月31日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港公司條例妥為編制。

意見之基礎

我們根據香港會計師公會頒布之香港審計準則(「香港審計準則」)進行審核。根據該等準則下，我們的責任於本報告內核數師就審核綜合財務報表須承擔之責任一節中進一步闡述。根據香港會計師公會之專業會計師操守守則(「守則」)，我們獨立於貴集團，並已根據守則履行其他道德責任。我們相信，我們所獲得的審核憑證能足夠及能適當地為我們的審核意見提供基礎。

關鍵審核事項

關鍵審核事項根據我們的專業判斷，認為對我們審核本期間綜合財務報表最為重要之事項。該等事項是在我們對綜合財務報表整體進行審核並形成意見之背景下處理，我們不會對該等事項提供單獨意見。我們對下述每一事項在審核中是如何處理之描述亦以此為背景。

Key audit matters (Continued)

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.

Key audit matter

Fair values of investment properties

As of 31 March 2019, the carrying amount of investment properties was HK\$52,464,934,000. Fair value gains on investment properties amounted to HK\$2,793,403,000 which accounted for 51.95% of profit before tax of the Group. The Group engaged an external valuation expert to perform valuations of the Group's investment properties to estimate their fair values as at 31 March 2019. The fair values of investment properties were determined principally using the income capitalization method by capitalizing the rental income derived from the existing tenancies with due provisions for the reversionary income potential of the properties. The determination of application of the valuation technique, future rental income and rented rate involved significant management judgment and estimates.

The related disclosures are included in notes 3 and 14 to the consolidated financial statements.

How our audit addressed the key audit matter

Our audit procedures included evaluating the valuation process and the independence and expertise of the external valuation expert. We assessed the related data of the properties as used by the external valuation expert as inputs for the valuations by comparing to the historical data and market index. We also involved our valuation specialists to assist us in evaluating the valuation methodology and the underlying assumptions which principally included the market unit rental rate and capitalization rate.

關鍵審核事項(續)

我們已履行本報告中核數師審核綜合財務報表之責任一節中所述的責任，包括有關該等事項之責任。因此，我們的審核包括執行旨在應對綜合財務報表存有重大錯誤陳述風險評估而設定之程序。審核程序的結果包括處理以下事項的程序，為我們就隨附的綜合財務報表的審核意見提供基礎。

關鍵審核事項

投資物業之公平值

截至2019年3月31日，投資物業的賬面值為52,464,934,000港元。投資物業之公平值收益為2,793,403,000港元，佔貴集團稅前利潤之51.95%。貴集團委聘外部估值專家進行貴集團投資物業於2019年3月31日的估值。投資物業公平值主要按收入資本化法釐定，方法是將現有租賃所得的租金收入資本化，並就物業的潛在可復歸收入計提適當撥備。決定估值技術的運用、未來租金收入及出租率涉及重大的管理層判斷及估計。

相關披露載於綜合財務報表附註3及14。

該事項在審計中如何處理

我們的審核程序包括評估估值程序及外部估值專家的獨立性及專業性。我們比較歷史數據及市場指數，從而評估外部估值專家用於估值中有關物業資料投入。我們亦委託我們的評估專家協助評定評估的方法及包括市場單位租金率及資本化比率等主要基礎假設。

Key audit matters (Continued)

Key audit matter

Impairment of trade receivable balances

As at 31 March 2019, the carrying amount of trade receivables was HK\$1,064,890,000. Assessment of the recoverability of trade receivables involves a high level of management judgment. During the year, management used a provision matrix to calculate expected credit losses for receivables. The matrix was initially based on the Group's historical default rates, and specific factors that management considered in the estimation of the rates including the type of customers, ageing of the balances and recent historical payment patterns. Management then calibrated the matrix for the historical credit loss experience with forward-looking information, such as forecasted economic conditions.

The related disclosures are included in notes 3 and 24 to the consolidated financial statements.

How our audit addressed the key audit matter

We evaluated the design, implementation and operating effectiveness of key internal controls which govern credit control, debt collection and estimate of expected credit losses ("ECL").

We assessed, on a sample basis, whether items in the trade receivable ageing report were classified with the appropriate ageing bracket by comparing individual items in the report with the relevant sales invoices.

We assessed the adequacy of the ECL provision by:(i) evaluating the management's assumptions used in establishing the ECL provision matrix; (ii) examining the information used by management to form such estimations, including testing the accuracy of historical default data, and evaluating whether the historical loss rates were appropriately adjusted based on current economic conditions and forward-looking information and (iii) examining the actual losses recorded during the current financial year.

關鍵審核事項(續)

關鍵審核事項

應收貿易賬款減值

於2019年3月31日，應收貿易賬款賬面值為1,064,890,000港元。應收貿易賬款的可回收性的評估涉及高水平的管理層判斷。年內，管理層使用撥備矩陣計算應收賬款的預期信貸虧損。矩陣最初基於本集團歷史違約率及管理層在估計利率時考慮的特定因素，包括客戶類型、結餘賬齡及近期歷史支付模式。其後，管理層使用前瞻性信息(例如預測的經濟條件)校準歷史信用損失經驗的矩陣。

相關披露載於綜合財務報表附註3及24。

該事項在審計中如何處理

我們評估了控制信貸控制，收債和預期信貸虧損估計的關鍵內部控制的設計，實施和運營有效性。

我們通過比較報告中的各個項目與相關銷售發票，以抽樣方式評估應收貿易賬款賬齡報告中的項目是否按適當的賬齡作分類。

我們通過以下方式評估預期信貸虧損撥備的充分性：(i)評估管理層在建立預期信貸虧損撥備矩陣時所使用的假設；(ii)檢查管理層用以形成此類估計的信息，包括測試歷史違約數據的準確性，評估歷史損失率是否根據當前經濟狀況和前瞻性信息進行適當調整，以及(iii)檢查本財政年度錄得的實際虧損。

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 HKFRSs issued by the HKICPA and 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.

年報中所載之其他資料

貴公司董事須對其他資料承擔責任。其他資料包括年報所載資料，惟不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表作出之意見並不涵蓋其他資料，我們亦不會就其他資料發表任何形式之鑒證結論。

就審核綜合財務報表而言，我們的責任為閱讀其他資料，及在此過程中，考慮其他資料是否與綜合財務報表或我們在審核過程中所了解的情況有重大不符，或者似乎有重大錯誤陳述。基於我們已執行之工作，如我們認為其他資料出現重大錯誤陳述，我們需要報告有關事實。就此而言，我們並無需報告任何事項。

董事就綜合財務報表須承擔之責任

貴公司董事須負責根據香港會計師公會頒布之香港財務報告準則及香港公司條例規定編製綜合財務報表使其真實而公允地列報，及制訂董事認為必要之相關內部監控，以使綜合財務報表之編製不會存在由於欺詐或錯誤而導致之重大錯誤陳述。

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之能力，並在適用情況下披露與持續經營有關之事項。除非貴公司董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

貴公司董事在審核委員會協助下履行監督貴集團財務報告過程之責任。

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 judgment and maintain professional scepticism throughout the audit. We also:

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

核數師就審核綜合財務報表須承擔之責任

我們的目標為對整體綜合財務報表是否不存在由於欺詐或錯誤而導致之任何重大錯誤陳述取得合理保證，並發出載有我們意見的核數師報告。我們根據香港公司條例第405條，僅向整體股東報告，而不作其他用途。我們概不就本報告之內容對任何其他人士承擔任何責任或負責。

合理保證是高水平的保證，惟根據香港審計準則進行之審核工作不能保證總能察覺所存在之重大錯誤陳述。錯誤陳述可因欺詐或錯誤產生，如按合理預期情況下可影響使用者根據綜合財務報表作出之經濟決定時，則被視為重大錯誤陳述。

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

- 識別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之風險，設計及執行審核程序以應對該等風險，以及獲取充足和適當之審核憑證，作為我們意見之基礎。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之情況，因此未能發現因欺詐而導致之重大錯誤陳述之風險較因錯誤而導致之重大錯誤陳述之風險為高。
- 了解與審核相關之內部監控，以設計適當之審核程序，但目的並非對貴集團內部監控之有效性發表意見。
- 評估董事所採用會計政策之恰當性及作出會計估計和相關披露之合理性。

Auditor's responsibilities for the audit of the consolidated financial statements (Continued)

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

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

核數師就審核綜合財務報表須承擔之責任(續)

- 對董事採用持續經營會計基礎之恰當性作出結論，並根據所獲取之審核憑證，決定是否存在與事件或情況有關之重大不確定性，而可能對貴集團持續經營之能力構成重大疑慮。如我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中之相關披露，或倘有關之披露不足，則修改吾等之意見。我們的結論是基於截至核數師報告日期止所取得的審核憑證。然而，未來事件或情況可能導致貴集團無法持續經營。
- 評價綜合財務報表之整體列報方式、結構及內容，包括披露資料，以及綜合財務報表是否公允反映相關交易和事項。
- 就貴集團實體或業務活動之財務資料獲取充分及適當的審核憑證，以對綜合財務報表發表意見。我們負責指導、監督和執行集團審核。我們對審核意見承擔全部責任。

我們與審核委員會溝通計劃審計範圍、時間安排及重大審核發現等事項，包括我們在審核期間識別出內部監控之任何重大缺陷。

我們亦向審核委員會提交聲明，說明我們已符合有關獨立性之相關道德要求，並與彼等溝通所有合理地被認為會影響我們獨立性之關係及其他事宜，以及相關防範措施(如適用)。

Auditor's responsibilities for the audit of the consolidated financial statements (Continued)

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 TJEN Michael.

Ernst & Young
Certified Public Accountants
22/F, CITIC Tower
1 Tim Mei Avenue
Central
Hong Kong

26 June 2019

核數師就審核綜合財務報表須承擔之責任
(續)

就與審核委員會溝通之事項中，我們釐定對本期綜合財務報表之審核最為重要之事項，因而構成關鍵審核事項。我們於核數師報告中描述該等事項，除非法律法規不允許公開披露該等事項，或在極端罕見之情況下，若合理預期下於我們報告中溝通某事項造成之負面後果將會超過其產生之公眾利益，我們將不會在報告中溝通該事項。

本獨立核數師報告之審核項目合伙人為曾文元。

安永會計師事務所
執業會計師
香港
中環
添美道1號
中信大廈22樓

2019年6月26日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

Year ended 31 March 2019 截至2019年3月31日止年度

		For the year ended 31 March		
		截至3月31日止年度		
			2019	2018
		Notes	HK\$'000	HK\$'000
		附註	千港元	千港元
Revenue	收入	5	10,274,255	9,405,370
Cost of sales	銷售成本		(5,834,661)	(5,336,191)
Gross profit	毛利		4,439,594	4,069,179
Other income and gains	其他收入及收益	5	804,061	856,965
Fair value gains on investment properties	投資物業公平值收益	5	2,793,403	4,378,474
Selling and distribution expenses	銷售及分銷開支		(666,069)	(680,691)
Administrative expenses	行政開支		(1,129,949)	(1,216,023)
Other expenses	其他開支		(333,407)	(329,668)
Finance costs	融資成本	7	(530,858)	(294,771)
PROFIT BEFORE TAX	稅前利潤	6	5,376,775	6,783,465
Income tax expenses	所得稅開支	10	(2,133,661)	(2,281,133)
PROFIT FOR THE YEAR	本年度利潤		3,243,114	4,502,332
Attributable to:	下列各方應佔：			
Owners of the parent	母公司擁有人		3,250,962	4,511,679
Non-controlling interests	非控股權益		(7,848)	(9,347)
			3,243,114	4,502,332
EARNINGS PER SHARE	歸屬於母公司普通股			
ATTRIBUTABLE TO ORDINARY	權益持有人之			
EQUITY HOLDERS OF THE PARENT	每股盈利	12		
Basic	基本			
– for profit for the year	– 本年度利潤		HK40.33 cents港仙	HK56.35 cents港仙
Diluted	攤薄			
– for profit for the year	– 本年度利潤		HK40.33 cents港仙	HK56.19 cents港仙

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

Year ended 31 March 2019 截至2019年3月31日止年度

		For the year ended 31 March	
		截至3月31日止年度	
		2019	2018
		HK\$'000	HK\$'000
		千港元	千港元
PROFIT FOR THE YEAR	本年度利潤	3,243,114	4,502,332
OTHER COMPREHENSIVE (LOSS)/INCOME	其他全面(虧損)/收入		
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:	將於其後期間有可能重分類至損益的其他全面(虧損)/收入：		
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	(3,273,127)	3,776,276
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX	本年度除稅後其他全面(虧損)/收入	(3,273,127)	3,776,276
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR	本年度總全面(虧損)/收入	(30,013)	8,278,608
Attributable to:	下列各方應佔：		
Owners of the parent	母公司擁有人	(9,480)	8,271,536
Non-controlling interests	非控股權益	(20,533)	7,072
		(30,013)	8,278,608

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

31 March 2019 2019年3月31日

		Notes 附註	31 March 2019 2019年3月31日 HK\$'000 千港元	31 March 2018 2018年3月31日 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	13	1,400,177	1,749,787
Investment properties	投資物業	14	52,464,934	48,135,043
Properties under development	發展中物業	15	979,151	3,451,245
Prepaid land lease payments	預付土地出租金	16	1,328,747	1,449,228
Goodwill	商譽	17	49,111	34,128
Investments in associates	於聯營公司的投資	18	–	142,112
Financial assets at fair value through profit or loss	透過損益以公平值列賬之金融資產	19	12,965	–
Available-for-sale investments	可供出售金融投資	19	–	138
Other long-term receivables	其他長期應收款項	20	21,904	15,684
Deposits paid for purchase of land use rights and property	購買土地使用權及物業支付的按金	21	31,740	1,149,909
Deferred tax assets	遞延稅項資產	36	3,578,802	3,139,824
Total non-current assets	非流動資產總值		59,867,531	59,267,098
CURRENT ASSETS	流動資產			
Properties held for finance lease	持作融資租賃物業	22	295,545	333,514
Properties held for sale	持作銷售物業	22	39,155,078	38,108,017
Inventories	存貨	23	133,427	177,095
Trade receivables	應收貿易賬款	24	1,064,890	1,185,378
Contract assets	合約資產	26	99,621	–
Prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產	25	2,847,730	1,613,206
Financial assets at fair value through profit or loss	透過損益以公平值列賬之金融資產	19	283,368	205,966
Cash and cash equivalents and restricted cash	現金及現金等價物及受限制現金	27	9,359,772	10,655,692
Total current assets	流動資產總值		53,239,431	52,278,868
CURRENT LIABILITIES	流動負債			
Trade and other payables	貿易及其他應付款項	28	15,729,226	22,807,754
Contract liabilities	合約負債	29	13,655,066	–
Interest-bearing bank and other borrowings	計息銀行及其他借貸	30	8,778,903	7,098,504
Short-term notes	短期融資券	31	–	625,100
Senior notes	優先票據	32	2,314,682	–
Medium-term notes	中期票據	33	2,459,903	2,622,149
Corporate bonds	企業債券	34	562	1,978,294
Domestic company bonds	境內公司債券	35	1,733,161	3,789,933
Tax payables	應付稅項		4,202,083	4,988,314
Total current liabilities	流動負債總額		48,873,586	43,910,048
NET CURRENT ASSETS	流動資產淨值		4,365,845	8,368,820
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		64,233,376	67,635,918

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

31 March 2019 2019年3月31日

			31 March 2019	31 March 2018
			2019年3月31日	2018年3月31日
		Notes	HK\$'000	HK\$'000
		附註	千港元	千港元
NON-CURRENT LIABILITIES	非流動負債			
Interest-bearing bank and other borrowings	計息銀行及其他借貸	30	8,959,775	8,999,701
Senior notes	優先票據	32	10,017,690	9,230,272
Medium-term notes	中期票據	33	–	2,629,495
Domestic company bonds	境內公司債券	35	–	1,854,236
Deferred tax liabilities	遞延稅項負債	36	9,106,084	8,521,460
			28,083,549	31,235,164
Total non-current liabilities	非流動負債總額		28,083,549	31,235,164
			36,149,827	36,400,754
Net assets	資產淨值		36,149,827	36,400,754
EQUITY	權益			
Equity attributable to owners of the parent	母公司擁有人應佔權益			
Share capital	股本	37	7,222,312	7,060,973
Other reserves	其他儲備	39	28,768,281	29,157,371
			35,990,593	36,218,344
Non-controlling interests	非控股權益		159,234	182,410
			36,149,827	36,400,754
Total equity	權益總額		36,149,827	36,400,754

CHENG CHUNG HING 鄭松興
Director 董事

ZHAO LIDONG 趙立東
Director 董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

Year ended 31 March 2019 截至2019年3月31日止年度

		Attributable to owners of the parent 母公司擁有人應佔							Non-controlling interests		Total equity
		Share capital	Statutory surplus reserve	Share option reserve	Exchange fluctuation reserve	Capital reserve	Revaluation reserve	Retained profits	Total	Non-controlling interests	Total equity
		股本	法定盈餘儲備	購股權儲備	匯兌波動儲備	資本儲備	重估儲備	保留利潤	總計	非控股權益	權益總額
Notes		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
附註		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		Note (i) 附註(i)									
At 1 April 2017	於2017年4月1日	7,054,362	1,591,047	169,245	(1,466,215)	(275,841)	286,456	20,939,200	28,298,254	181,137	28,479,391
Profit for the year	本年度利潤	-	-	-	-	-	-	4,511,679	4,511,679	(9,347)	4,502,332
Other comprehensive income for the year:	本年度其他全面收入：										
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	-	-	-	3,759,857	-	-	-	3,759,857	16,419	3,776,276
Total comprehensive income for the year	本年度總全面收入	-	-	-	3,759,857	-	-	4,511,679	8,271,536	7,072	8,278,608
Disposal of subsidiaries	處置附屬公司	-	(371)	-	1,579	-	-	-	1,208	(5,799)	(4,591)
Exercise of share options	行使購股權	37	6,611	(1,014)	-	-	-	-	5,597	-	5,597
Lapse of share options	購股權失效	-	-	(7,501)	-	-	-	7,501	-	-	-
Equity-settled share option arrangements	以權益結算的購股權安排	38	-	42,065	-	-	-	-	42,065	-	42,065
Final 2017 dividend paid	已付2017年末期股息	-	-	-	-	-	-	(400,316)	(400,316)	-	(400,316)
Transfer from retained profits	轉撥自保留利潤	-	411,035	-	-	-	-	(411,035)	-	-	-
At 31 March 2018	於2018年3月31日	7,060,973	2,001,711*	202,795*	2,295,221*	(275,841)*	286,456*	24,647,029*	36,218,344	182,410	36,400,754

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

綜合權益變動表(續)

Year ended 31 March 2019 截至2019年3月31日止年度

		Attributable to owners of the parent 母公司擁有人應佔									
		Share capital	Statutory surplus reserve	Share option reserve	Exchange fluctuation reserve	Capital reserve	Revaluation reserve	Retained profits	Total	Non-controlling interests	Total equity
		股本	法定盈餘儲備	購股權儲備	匯兌波動儲備	資本儲備	重估儲備	保留利潤	總計	非控股權益	權益總額
Notes		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
附註		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
			Note (i) 附註(i)								
At 1 April 2018	於2018年4月1日	7,060,973	2,001,711	202,795	2,295,221	(275,841)	286,456	24,647,029	36,218,344	182,410	36,400,754
Effect of adoption of HKFRS 9	採納香港財務報告準則第9號之影響	-	-	-	-	-	-	(44,450)	(44,450)	-	(44,450)
Effect of adoption of HKFRS 15	採納香港財務報告準則第15號之影響	-	-	-	-	-	-	58,366	58,366	-	58,366
At 1 April 2018 (restated)	於2018年4月1日(經重列)	7,060,973	2,001,711	202,795	2,295,221	(275,841)	286,456	24,660,945	36,232,260	182,410	36,414,670
Profit for the year	本年度利潤	-	-	-	-	-	-	3,250,962	3,250,962	(7,848)	3,243,114
Other comprehensive income for the year:	本年度其他全面收入：										
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	-	-	-	(3,260,442)	-	-	-	(3,260,442)	(12,685)	(3,273,127)
Total comprehensive income for the year	本年度總全面收入	-	-	-	(3,260,442)	-	-	3,250,962	(9,480)	(20,533)	(30,013)
Disposal of subsidiaries	處置附屬公司	-	(1,523)	-	(6,119)	-	-	-	(7,642)	(905)	(8,547)
Acquisition of a subsidiary	收購一家附屬公司	40	-	-	-	-	-	-	-	(6,401)	(6,401)
Capital contribution from a non-controlling shareholder	一個非控股股東的資本出資	-	-	-	-	-	-	-	-	4,663	4,663
Scrip dividend	以股代息	37	161,339	-	-	-	-	(161,339)	-	-	-
Lapse of share options	購股權失效	-	-	(55,569)	-	-	-	55,569	-	-	-
Equity-settled share option arrangements	以權益結算的購股權安排	38	-	14,595	-	-	-	-	14,595	-	14,595
Final 2018 dividend paid	已付2018年末期股息	-	-	-	-	-	-	(239,140)	(239,140)	-	(239,140)
Transfer from retained profits	轉撥自保留利潤	-	595,308	-	-	-	-	(595,308)	-	-	-
At 31 March 2019	於2019年3月31日	7,222,312	2,595,496*	161,821*	(971,340)*	(275,841)*	286,456*	26,971,689*	35,990,593	159,234	36,149,827

* These reserve accounts comprise the consolidated other reserves of HK\$28,768,281,000 (31 March 2018: HK\$29,157,371,000) in the consolidated statement of financial position.

* 該等儲備賬包括綜合財務狀況表所載的綜合其他儲備28,768,281,000港元(2018年3月31日: 29,157,371,000港元)。

Note:

附註:

(i) In accordance with the PRC Company Law, the Company's subsidiaries registered in the PRC are required to appropriate 10% of the annual statutory profit after tax (after offsetting any prior years' losses) to the statutory surplus reserve. When the balance of this reserve fund reaches 50% of the entity's registered capital, any further appropriation is optional. The statutory surplus reserve can be utilized to offset prior years' losses or to increase capital. However, the balance of the statutory surplus reserve must be maintained at a minimum of 25% of the registered capital after such usages.

(i) 根據中國公司法，本公司於中國註冊的附屬公司須將年度法定稅後利潤(經抵銷任何過往年度虧損後)的10%撥入法定盈餘儲備。當儲備資金結餘達至實體註冊資本的50%時，可以選擇是否再次撥入資金。法定盈餘儲備可用於抵銷過往年度虧損或增加資本。然而，法定盈餘儲備於作出該等用途後的結餘必須最少維持於註冊資本的25%。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

Year ended 31 March 2019 截至2019年3月31日止年度

		For the year ended 31 March		
		截至3月31日止年度		
		2019	2018	
		HK\$'000	HK\$'000	
		千港元	千港元	
	Notes			
	附註			
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動現金流量			
Profit before tax	稅前利潤	5,376,775		6,783,465
Adjustments for:	調整：			
Finance costs	融資成本	7	530,858	294,771
Interest income	利息收入	5	(89,240)	(77,945)
Loss/(gain) on disposal of items of property, plant and equipment	處置物業、廠房及設備項目虧損／(收益)	6	1,077	(113)
Depreciation	折舊	6	140,239	130,309
Amortization of prepaid land lease payments	預付土地出租金攤銷	6	34,087	28,269
Changes in fair value of investment properties	投資物業公平值變動	5	(2,793,403)	(4,378,474)
Provision for impairment of trade receivables	應收貿易賬款減值撥備	6	86,115	112,134
Provision for impairment of goodwill	商譽減值撥備	6	134,228	–
Provision for impairment of available-for-sale investments	可供出售金融投資減值撥備	6	–	175,500
Gain on disposal of subsidiaries	處置附屬公司收益	5	(24,515)	(1,142)
Loss on redemption of the senior notes	贖回優先票據之虧損	5	–	89,876
Gain on repurchase of the senior notes	回購優先票據之收益	5	(94,607)	–
Fair value (gains)/losses on financial assets at fair value through profit or loss, net	透過損益以公平值列賬之金融資產的公平值(收益)／虧損，淨額	5	(1,003)	4,461
Dividend income from financial assets at fair value through profit or loss	透過損益以公平值列賬之金融資產的股息收入		(3,261)	–
Equity-settled share option expense	以權益結算的購股權開支	6	14,595	42,065
			3,311,945	3,203,176
Decrease/(increase) in properties held for finance lease and sale	持作融資租賃及銷售物業減少／(增加)		1,783,520	(345,051)
Decrease/(increase) in inventories	存貨減少／(增加)		31,712	(24,597)
Increase in other long-term receivables	其他長期應收款項增加		(7,279)	(8,883)
(Increase)/decrease in trade receivables	應收貿易賬款(增加)／減少		(104,505)	75,107
Increase in contract assets	合約資產增加		(27,054)	–
Increase in prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產增加		(1,351,761)	(420,124)
Increase in contract liabilities	合約負債增加		3,648,438	–
(Increase)/decrease in restricted cash	受限制現金(增加)／減少		(1,140,069)	285,721
Increase in trade and other payables	貿易及其他應付款項增加		3,085,945	2,721,755
Cash generated from operations	經營所得的現金		9,230,892	5,487,104
Overseas taxes paid	已付海外稅項		(2,074,498)	(1,543,899)
Net cash flows from operating activities	經營活動現金流入淨額		7,156,394	3,943,205

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

Year ended 31 March 2019 截至2019年3月31日止年度

		For the year ended 31 March	
		截至3月31日止年度	
		2019	2018
		HK\$'000	HK\$'000
		千港元	千港元
	Notes 附註		
Net cash flows from operating activities	經營活動現金流入淨額	7,156,394	3,943,205
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動現金流量		
Purchases of items of property, plant and equipment	購買物業、廠房及設備項目	(111,283)	(50,342)
Dividends received from financial assets at fair value through profit or loss	透過損益以公平值列賬之金融資產已收股息	3,261	–
Net cash outflow on purchase/disposal of financial assets at fair value through profit or loss transactions	透過損益以公平值列賬之購買/處置金融資產交易現金淨額流出	(103,131)	(210,431)
Proceeds from disposal of items of property, plant and equipment	處置物業、廠房及設備項目所得款項	6,616	34,058
Proceeds from increase in minority interests	增加收購少數股東權益	4,663	–
Purchase of an available-for-sale investment	購買一可供出售金融投資	–	(126)
Increase in amounts due from associates	應收聯營公司增加	–	(50,654)
Acquisition of a subsidiary	收購一家附屬公司	1,855	–
Cash inflow/(outflow) from disposal of subsidiaries, net	處置附屬公司現金流入/(流出)淨額	25,647	(11,805)
Deposits paid for purchase of land use rights and property	購買土地使用權及物業支付的按金	(48,951)	(1,133,019)
Additions to properties under development	發展中物業添置	(3,376,973)	(3,613,317)
Interest received	已收利息	89,240	74,654
Net cash flows used in investing activities	投資活動現金流出淨額	(3,509,056)	(4,960,982)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動現金流量		
Issue of short-term notes	發行短期融資券	–	1,163,784
Payment for interest on short-term notes	短期融資券利息付款	(28,027)	(97,686)
Repayment of short-term notes	償還短期融資券	(614,885)	(2,016,970)
Issue of senior notes	發行優先票據	3,449,469	4,149,512
Payment for interest on senior notes	優先票據利息付款	(708,755)	(318,825)
Redemption of the senior notes	贖回優先票據	–	(1,568,994)
Repurchase of the senior notes	回購優先票據	(411,432)	–
Repayment of domestic company bonds	預付境內公司債券	(3,497,400)	–
Payment for interest on medium-term notes	中期票據利息付款	(348,574)	(352,581)
Payment for interest on corporate bonds	企業債券利息付款	(122,409)	(123,816)
Redemption of corporate bonds	贖回企業債券	(1,866,186)	–
Repayment of medium-term notes	償還中期票據	(2,352,443)	–
Payment for interest on domestic company bonds	境內公司債券利息付款	(320,945)	(324,633)
New bank and other borrowings	新借銀行及其他貸款	9,853,446	9,612,905
Repayment of bank and other borrowings	償還銀行及其他貸款	(7,304,845)	(8,428,673)
Exercise of share options	行使購股權	–	5,597
Dividends paid	分派股息	(239,140)	(400,316)
Interest paid	已付利息	(1,041,510)	(841,138)
Net cash flows (used in)/from financing activities	融資活動現金(流出)/流入淨額	(5,553,636)	458,166
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物減少淨額	(1,906,298)	(559,611)
Cash and cash equivalents at the beginning of year	年初的現金及現金等價物	8,204,333	8,022,020
Effect of foreign exchange rate changes, net	匯率變動影響淨額	(364,203)	741,924
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	年終的現金及現金等價物	5,933,832	8,204,333
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物結餘分析		
Cash and cash equivalents	現金及現金等價物	5,933,832	8,204,333

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 March 2019 2019年3月31日

1. Corporate and Group Information

China South City Holdings Limited (the "Company") is a limited liability company incorporated in Hong Kong. The registered office of the Company is located at Room 2205, 22/F, Sun Life Tower, The Gateway, 15 Canton Road, Tsimshatsui, Kowloon, Hong Kong.

During the year, the Company and its subsidiaries (collectively referred to as the "Group") were principally engaged in the development and operation of large-scale integrated logistics and trade centers, development of residential and commercial ancillary facilities, property management and the provision of E-commerce, outlet operations, logistics and warehousing services.

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name 名稱	Place of incorporation/ registration and business 註冊成立/註冊及 經營地點	Nominal value of issued ordinary/ registered share capital as at 31 March 2019 於2019年3月31日 已發行普通/註冊 股本面值	Date of incorporation/ registration 註冊成立/ 註冊日期	Percentage of equity attributable to the		Principal activities 主要業務
				Company 本公司應佔 權益百分比		
				Direct 直接 %	Indirect 間接 %	
China South International Industrial Materials City (Shenzhen) Company Limited (ii)(iv) ("China South International") 華南國際工業原料城(深圳)有限公司(ii)(iv) (「華南國際」)	The People's Republic of China ("PRC")/ Mainland China 中國/中國大陸	HK\$2,200,000,000 2,200,000,000港元	18 December 2002 18-12-2002	100	-	Development and operation of integrated logistics and trade centers 綜合商貿物流及商品交易中心 開發及運營
Nanchang China South City Company Limited (i)(iv) ("CSC Nanchang") 南昌華南城有限公司(i)(iv) (「南昌華南城」)	PRC/Mainland China 中國/中國大陸	Renminbi ("RMB") 1,100,000,000 人民幣1,100,000,000元	16 November 2007 16-11-2007	-	100	Development and operation of integrated logistics and trade centers 綜合商貿物流及商品交易中心 開發及運營
Nanning China South City Company Limited (iii)(iv) ("CSC Nanning") 南寧華南城有限公司(iii)(iv) (「南寧華南城」)	PRC/Mainland China 中國/中國大陸	RMB1,000,000,000 人民幣1,000,000,000元	28 August 2009 28-08-2009	-	100	Development and operation of integrated logistics and trade centers 綜合商貿物流及商品交易中心 開發及運營

1. 公司及本集團資料

華南城控股有限公司(「本公司」)在香港註冊成立為有限公司。本公司註冊辦事處位於香港九龍尖沙咀廣東道15號港威大廈永明金融大樓22樓2205室。

年內，本公司及其附屬公司(統稱「本集團」)主要從事發展及經營大型綜合物流及商品交易中心、開發商住配套設施、物業管理以及提供電子商貿、奧特萊斯運營、物流及倉儲服務。

附屬公司資料

本公司的主要附屬公司詳情如下：

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

31 March 2019 2019年3月31日

1. Corporate and Group Information (Continued)
Information about subsidiaries (Continued)

1. 公司及本集團資料(續)
附屬公司資料(續)

Name 名稱	Place of incorporation/ registration and business 註冊成立/註冊及 經營地點	Nominal value of issued ordinary/ registered share capital as at 31 March 2019 於2019年3月31日 已發行普通/註冊 股本面值	Date of incorporation/ registration 註冊成立/ 註冊日期	Percentage of equity attributable to the		Principal activities 主要業務
				Company 本公司應佔 權益百分比		
				Direct 直接 %	Indirect 間接 %	
Xi'an China South City Company Limited (iii) 西安華南城有限公司(iii)	PRC/Mainland China 中國/中國大陸	RMB1,000,000,000 人民幣1,000,000,000元	12 November 2009 12-11-2009	-	100	Development and operation of integrated logistics and trade centers 綜合商貿物流及商品交易中心 開發及運營
Harbin China South City Company Limited (iii) 哈爾濱華南城有限公司(iii)	PRC/Mainland China 中國/中國大陸	RMB1,500,000,000 人民幣1,500,000,000元	9 January 2012 09-01-2012	-	100	Development and operation of integrated logistics and trade centers 綜合商貿物流及商品交易中心 開發及運營
Harbin Baoliton Market Development Management Company Limited (iii) 哈爾濱寶力通市場開發管理有限公司(iii)	PRC/Mainland China 中國/中國大陸	RMB500,000,000 人民幣500,000,000元	22 December 2011 22-12-2011	-	100	Development and operation of integrated logistics and trade centers 綜合商貿物流及商品交易中心 開發及運營
Zhengzhou China South City Company Limited (iii)(iv) ("CSC Zhengzhou") 鄭州華南城有限公司(iii)(iv) (「鄭州華南城」)	PRC/Mainland China 中國/中國大陸	RMB1,000,000,000 人民幣1,000,000,000元	17 May 2012 17-05-2012	-	100	Development and operation of integrated logistics and trade centers 綜合商貿物流及商品交易中心 開發及運營
Hefei China South City Company Limited (ii)(iv) ("CSC Hefei") 合肥華南城有限公司(ii)(iv) (「合肥華南城」)	PRC/Mainland China 中國/中國大陸	RMB1,200,000,000 人民幣1,200,000,000元	25 December 2012 25-12-2012	-	100	Development and operation of integrated logistics and trade centers 綜合商貿物流及商品交易中心 開發及運營
Chongqing China South City Company Limited (ii)(iv) ("CSC Chongqing") 重慶華南城有限公司(ii)(iv) (「重慶華南城」)	PRC/Mainland China 中國/中國大陸	RMB1,000,000,000 人民幣1,000,000,000元	27 December 2013 27-12-2013	-	100	Development and operation of integrated logistics and trade centers 綜合商貿物流及商品交易中心 開發及運營

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

31 March 2019 2019年3月31日

1. Corporate and Group Information (Continued)
Information about subsidiaries (Continued)

1. 公司及本集團資料(續)
附屬公司資料(續)

Name 名稱	Place of incorporation/ registration and business 註冊成立/註冊及 經營地點	Nominal value of issued ordinary/ registered share capital as at 31 March 2019 於2019年3月31日 已發行普通/註冊 股本面值	Date of incorporation/ registration 註冊成立/ 註冊日期	Percentage of equity attributable to the		Principal activities 主要業務
				Company 本公司應佔 權益百分比		
				Direct 直接 %	Indirect 間接 %	
Shenzhen Huasheng Commercial Development Company Limited (iii) 深圳華盛商業發展有限公司(iii)	PRC/Mainland China 中國/中國大陸	RMB50,000,000/ RMB100,000,000 人民幣50,000,000元/ 人民幣100,000,000元	19 November 2010 19-11-2010	-	100	Management of outlet operations 奧特萊斯商場運營管理
Shenzhen China South City E-Commerce Technology Company Limited (ii) 深圳華南城網科技有限公司(ii)	PRC/Mainland China 中國/中國大陸	RMB100,000,000 人民幣100,000,000元	19 April 2012 19-04-2012	-	100	Development, operation and management of an E-commerce platform 電子商貿平台開發、運營及管理
Shenzhen First Asia Pacific Property Management Company Limited (i) 深圳第一亞太物業管理有限公司(i)	PRC/Mainland China 中國/中國大陸	RMB50,000,000 人民幣50,000,000元	31 December 2003 31-12-2003	-	100	Provision of property management services 提供物業管理服務
Qianlong Logistics Group Limited (iii) 乾龍物流集團有限公司(iii)	PRC/Mainland China 中國/中國大陸	RMB1,003,000,000 人民幣1,003,000,000元	2 July 2004 02-07-2004	-	100	Provision of logistics services 提供物流服務
Shenzhen HOBA Home Furnishing Chain Store Company Limited (iii) 深圳市好百年家居連鎖股份有限公司(iii)	PRC/Mainland China 中國/中國大陸	RMB480,000,000 人民幣480,000,000元	12 October 2001 12-10-2001	-	75	Furnishing market operation 家居廣場運營

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

31 March 2019 2019年3月31日

1. Corporate and Group Information (Continued)
Information about subsidiaries (Continued)

1. 公司及本集團資料(續)
附屬公司資料(續)

Name 名稱	Place of incorporation/ registration and business 註冊成立/註冊及 經營地點	Nominal value of issued ordinary/ registered share capital as at 31 March 2019 於2019年3月31日 已發行普通/註冊 股本面值	Date of incorporation/ registration 註冊成立/ 註冊日期	Percentage of equity attributable to the		Principal activities 主要業務
				Company 本公司應佔 權益百分比		
				Direct 直接 %	Indirect 間接 %	
China South City Management Company Limited 華南城管理有限公司	Hong Kong 香港	HK\$1 1港元	9 November 2007 09-11-2007	-	100	Provision of management services 提供管理服務
China South City Group Company Limited (iii) 華南城集團有限公司(iii)	PRC/Mainland China 中國/中國大陸	RMB300,000,000 人民幣300,000,000元	20 July 2004 20-07-2004	-	100	Investment holding 投資控股
Chongqing Zhenzhong Real Estate Development Company Limited (iii) 重慶振中房地產開發有限公司(iii)	PRC/Mainland China 中國/中國大陸	RMB50,000,000 人民幣50,000,000元	24 May 2016 24-05-2016	-	100	Development and operation of residential and commercial ancillary 商住配套設施開發及運營

Notes:

- (i) Sino-foreign equity joint ventures under PRC law.
- (ii) Wholly-foreign-owned enterprises under PRC law.
- (iii) Limited companies under PRC law.
- (iv) Pursuant to certain project and land related contracts signed by the subsidiaries of the Group and the local governments, as well as pursuant to the requirements of the local governments and the local authorities related to the relevant public tender, auction and listing, some parcels of the land acquired have sales restrictions on properties built on them. The saleable area of trade centers of China South International is limited to 30% of the total buildable gross floor area ("GFA") of properties built on the relevant parcels of land. The saleable area of trade centers and logistics facilities built on certain parcels of land acquired by CSC Nanchang and CSC Nanning in 2010 is limited to 60% of the relevant total buildable GFA. The saleable area of trade centers or commercial properties built by CSC Hefei and CSC Chongqing is limited to 50% of their relevant total buildable GFA. The saleable area of trade centers or commercial properties of phase I and future phases of CSC Zhengzhou is limited to 60% and 50% respectively of the relevant total buildable GFA. Except for the restrictions mentioned herein, there is no sales restriction on the parcels of land acquired by the Group.

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company (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.

附註：

- (i) 中國法律下的中外合資經營公司。
- (ii) 中國法律下的外商獨資企業。
- (iii) 中國法律下的有限公司。
- (iv) 根據本集團附屬公司與當地政府簽訂的若干項目及土地相關合同，以及根據當地政府或招拍掛相關部門的文件要求，部分項目所建物業存在銷售限制，包括華南國際相關地塊上的交易中心的可銷售面積限於總可建建築面積的30%；南昌華南城和南寧華南城於2010年取得的若干土地，其上建設的交易中心及倉儲設施的可銷售面積限於該等物業總可建建築面積的60%；合肥華南城及重慶華南城建設的交易中心或商業物業的可銷售面積限於該等物業總可建建築面積的50%；鄭州華南城建設的一期及以後各期的交易中心或商業物業的可銷售面積分別限於該等物業總可建建築面積的60%及50%。除上述情況之外，本集團的土地並沒有銷售限制。

上表所列乃本公司的董事認為對本年度業績有重大影響或構成本集團資產淨值主要部分之本公司附屬公司。董事認為提供其他附屬公司之詳情將過於冗長。

31 March 2019 2019年3月31日

2.1 Basis of Preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and financial assets at fair value through profit or loss, which have been measured at fair value. These financial statements are presented in Hong Kong dollars 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 Group for the year ended 31 March 2019. 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).

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 arrangement; 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 dates on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2.1 編製基準

該等財務報表乃根據香港會計師公會(「香港會計師公會」)頒布之香港財務報告準則(「香港財務報告準則」)(當中包括所有香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋)、香港公認會計原則及香港公司條例之規定而編製，並按歷史成本法編製，惟投資物業及透過損益以公平值列賬之金融資產按公平值計量則除外。除另有說明外，此等財務報表以港元呈列，所有數值均已四捨五入至最接近千位數。

綜合基準

合併財務報表包括本集團截至2019年3月31日止年度的財務報表。附屬公司為本公司直接或間接控制的實體(包括結構性實體)。當本集團承受或享有參與投資對象業務所得的可變回報，且能透過對投資對象的權力(即賦予本集團現有有能力主導投資對象相關活動的既存權利)影響該等回報時，即取得控制權。

倘本公司直接或間接擁有少於投資對象大多數的投票或類似權利，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) 與投資對象其他投票持有人的合約安排；
- (b) 其他合約安排所產生的權利；及
- (c) 本集團的投票權及潛在投票權。

附屬公司的財務報表乃就與本公司相同的報告期間採納一致的會計政策編製。附屬公司的業績由本集團取得控制權當日起綜合計算，並會繼續綜合，直至該等控制權終止。

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2.1 Basis of Preparation (Continued)

Basis of consolidation (Continued)

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.

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 derecognizes (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 recognizes (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 recognized 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)

即使會導致非控股權益出現虧蝕結餘，損益及其他全面收入的各個組成部分仍會歸屬於本集團母公司擁有人及非控股權益。

所有集團內公司間資產、負債、權益、收入及開支以及與本集團成員公司間交易有關的現金流，將於綜合時悉數對銷。

倘事實或情況顯示上文所述三個控制因素中有一個或以上出現變動，則本集團將重新評估其是否仍控制該投資對象。於附屬公司擁有權權益的變動(並無喪失控制權)於入賬時列作權益交易。

倘本集團失去附屬公司的控制權，則會終止確認(i)該附屬公司的資產(包括商譽)及負債；(ii)任何非控股權益的賬面值；及(iii)計入權益的累計匯兌差額；並確認(i)已收代價的公平值；(ii)任何獲保留投資的公平值；及(iii)其因而產生計入損益的盈餘或虧蝕。先前已於其他全面收入確認的本集團應佔部分，乃按照本集團直接出售相關資產及負債時所規定的相同基準，在適當的情況下重新分類至損益或保留利潤。

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2.2 Changes in Accounting Policies and Disclosures

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

Amendments to HKFRS 2	<i>Classification and Measurement of Share-based Payment Transactions</i>
Amendments to HKFRS 4	<i>Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts</i>
HKFRS 9	<i>Financial Instruments</i>
HKFRS 15	<i>Revenue from Contracts with Customers</i>
Amendments to HKFRS 15	<i>Clarifications to HKFRS 15 Revenue from Contracts with Customers</i>
Amendments to HKAS 40	<i>Transfers of Investment Property</i>
HK(IFRIC)-Int 22	<i>Foreign Currency Transactions and Advance Consideration</i>
<i>Annual Improvements 2014-2016 Cycle</i>	<i>Amendments to HKFRS 1 and HKAS 28</i>

Except for the amendments to HKFRS 4 and *Annual Improvements 2014-2016 Cycle*, which are not relevant to the preparation of the Group's financial statements, the nature and the impact of the new and revised HKFRSs are described below:

- (a) Amendments to HKFRS 2 address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding a certain amount in order to meet an employee's tax obligation associated with the share-based payment; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled. The amendments clarify that the approach used to account for vesting conditions when measuring equity-settled share-based payments also applies to cash-settled share-based payments. The amendments introduce an exception so that a share-based payment transaction with net share settlement features for withholding a certain amount in order to meet the employee's tax obligation is classified in its entirety as an equity-settled share-based payment transaction when certain conditions are met. Furthermore, the amendments clarify that if the terms and conditions of a cash-settled share-based payment transaction are modified, with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as an equity-settled transaction from the date of the modification. The amendments have had no impact on the financial position or performance of the Group as the Group does not have any cash-settled share-based payment transactions and has no share-based payment transactions with net settlement features for withholding tax.

2.2 會計政策的變更及披露

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之香港財務報告準則：

香港財務報告準則第2號之修訂	釐清及計量以股份為基礎付款之交易
香港財務報告準則第4號之修訂	採用香港財務報告準則第4號保險合約時一併應用香港財務報告準則第9號金融工具
香港財務報告準則第9號	金融工具
香港財務報告準則第15號	客戶合約收益
香港財務報告準則第15號之修訂	對香港財務報告準則第15號客戶合約收益之澄清
香港會計準則第40號之修訂	投資物業轉讓
香港(國際財務報告詮釋委員會)一詮釋第22號	外幣交易及預付代價
2014年至2016年週期之年度改進	香港財務報告準則第1號及香港會計準則第28號之修訂

除了對本集團財務報表沒重大財務影響之香港財務報告準則第4號(修訂)及2014年至2016年週期之年度改進，以上新編或經修訂之準則及詮釋的性質如下：

- (a) 香港財務報告準則第2號之修訂本闡述三大範疇：歸屬條件對計量以股份為基礎的現金結算付款交易的影響；為僱員履行其以股份為基礎付款的稅務責任而預扣若干金額的以股份為基礎付款交易(附有淨額結算特質)的分類；以及對以股份為基礎付款交易的條款及條件作出修訂令其分類由現金結算變為權益結算的會計處理方法。該等修訂明確說明計量以股份為基礎的權益結算付款時歸屬條件的入賬方法亦適用於以股份為基礎的現金結算付款。該等修訂引入一個例外情況，在符合若干條件時，為僱員履行稅務責任而預扣若干金額的以股份為基礎付款交易(附有淨額結算特質)，將整項分類為以股份為基礎的權益結算付款交易。此外，該等修訂明確說明，倘以股份為基礎的現金結算付款交易的條款及條件有所修訂，令其成為以股份為基礎的權益結算付款交易，該交易自修訂日期起作為以權益結算的交易入賬。因本集團沒有以股份為基礎的現金結算付款交易及沒有需預扣稅務的以股份為基礎結算付款交易，故該等修訂本對本集團之財務狀況表現並無影響。

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2.2 Changes in Accounting Policies and Disclosures

(Continued)

- (b) HKFRS 9 *Financial Instruments* replaces HKAS 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.

The Group has recognized the transition adjustments against the applicable opening balances in equity at 1 April 2018. Therefore, the comparative information was not restated and continues to be reported under HKAS 39.

Classification and measurement

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

A reconciliation between the carrying amounts under HKAS 39 and the balances reported under HKFRS 9 as at 1 April 2018 is as follows:

		Notes 備註	HKAS 39 measurement 香港會計準則第39號計量			HKFRS 9 measurement 香港財務報告準則第9號計量		
			Category 類別	Amount 金額 HK\$'000 千港元	Re- classification 重分類 HK\$'000 千港元	ECL 預期信貸虧損 HK\$'000 千港元	Amount 金額 HK\$'000 千港元	Category 類別
Financial assets	金融資產							
Available-for-sale investments	可供出售金融投資		AFS ¹	138	(138)	-	-	N/A
To: Financial assets at fair value through profit or loss	轉至：透過損益以公平值 列賬之金融資產	(i)			(138)	-		
Other long-term receivables	其他長期應收款項		L&R ²	15,684	-	-	15,684	AC ³
Trade receivables	應收貿易賬款	(ii)	L&R	1,185,378	-	(59,267)	1,126,111	AC
Financial assets included in prepayments, other receivables and other assets	預付款項、其他應收款項及 其他資產中包含的 金融資產		L&R	1,190,964	-	-	1,190,964	AC
Financial assets at fair value through profit or loss	透過損益以公平值列賬之 金融資產		FVPL ⁴	205,966	138	-	206,104	FVPL (mandatory) (強制性)
From: Available-for-sale investments	轉自：可供出售金融投資				138	-		
Cash and cash equivalents and restricted cash	現金和現金等價物 及受限制現金		L&R	10,655,692	-	-	10,655,692	AC
				13,253,822	-	(59,267)	13,194,555	

2.2 會計政策的變更及披露(續)

- (b) 香港財務報告準則第9號金融工具於2018年1月1日或之後開始的年度期間取代香港會計準則第39號金融工具：確認及計量，匯集金融工具會計處理的所有三個方面：分類及計量、減值及對沖會計處理。

本集團已就於2018年4月1日的期初股權結餘確認過渡性調整。因此，概無重列比較資料，並繼續根據香港會計準則第39號呈報。

分類和計量

以下資料載列採納香港財務報告準則第9號對財務狀況表的影響，包括以香港財務報告準則第9號的預期信貸虧損取代香港會計準則第39號所產生的信貸虧損計算的影響。

根據香港會計準則第39號的賬面值與2018年4月1日根據香港財務報告準則第9號報告的結餘進行對賬如下：

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

31 March 2019 2019年3月31日

2.2 Changes in Accounting Policies and Disclosures 2.2 會計政策的變更及披露(續)

(Continued)

(b) (Continued)
Classification and measurement (Continued)

(b) (續)
分類和計量(續)

	Note 備註	Category 類別	HKAS 39 measurement 香港會計準則第39號計量			HKFRS 9 measurement 香港財務報告準則第9號計量	
			Amount 金額 HK\$'000 千港元	Re- classification 重分類 HK\$'000 千港元	ECL 預期信貸虧損 HK\$'000 千港元	Amount 金額 HK\$'000 千港元	Category 類別
<u>Other assets</u> Contract assets Deferred tax assets		<u>其他資產</u> 合約資產 遞延稅項資產					
	(ii)		77,821	-	-	77,821	
			3,139,824	-	14,817	3,154,641	
			3,217,645	-	14,817	3,232,462	
Total assets		總資產	111,623,787	-	(44,450)	111,579,337	
<u>Financial liabilities</u> Financial liabilities included in trade and other payables Interest-bearing bank and other borrowings Senior notes Short-term notes Medium-term notes Corporate bonds Domestic company bonds		<u>金融負債</u> 金融負債包括在貿易 及其他應付款項中 計息銀行及其他借貸 優先票據 短期融資券 中期票據 企業債券 境內公司債券					
			9,705,579	-	-	9,705,579	AC
			16,098,205	-	-	16,098,205	AC
			9,230,272	-	-	9,230,272	AC
			625,100	-	-	625,100	AC
			5,251,644	-	-	5,251,644	AC
			1,978,294	-	-	1,978,294	AC
			5,644,169	-	-	5,644,169	AC
			48,533,263	-	-	48,533,263	
Total liabilities		負債總額	75,145,212	-	-	75,145,212	

- 1 AFS: Available-for-sale investments
2 L&R: Loans and receivables
3 AC: Financial assets or financial liabilities at amortized cost
4 FVPL: Financial assets at fair value through profit or loss

Notes:

- (i) The Group has classified its unlisted investments previously classified as available-for-sale investments as financial assets measured at fair value through profit or loss as these non-equity investments did not pass the contractual cash flow characteristics test in HKFRS 9.
- (ii) The gross carrying amounts of the trade receivables and the contract assets under the column "HKAS 39 measurement – Amount" represent the amounts after adjustments for the adoption of HKFRS 15 but before the measurement of ECLs. Further details of the adjustments for the adoption of HKFRS 15 are included in note 2.2(c) to the financial statements.

- 1 AFS: 可供出售金融資產投資
2 L&R: 貸款和應收款項
3 AC: 按攤銷成本計算的金融資產或金融負債
4 FVPL: 透過損益以公平值列賬之金融資產

備註:

- (i) 本集團已將其先前分類為可供出售投資的非上市投資分類為透過損益以公平值列賬之金融資產，因為該等非股權投資未通過香港財務報告準則第9號的合約現金流量特徵測試。
- (ii) 於「香港會計準則第39號計量—金額」一欄中的應收貿易賬款及合約資產的賬面值總額指採納香港財務報告準則第15號調整後但在計量預期信貸虧損調整前的金額。有關採納香港財務報告準則第15號的調整詳情將載於財務報表附註2.2(c)。

31 March 2019 2019年3月31日

2.2 Changes in Accounting Policies and Disclosures

(Continued)

(b) (Continued)

Impairment

The following table reconciles the aggregate opening impairment allowances under HKAS 39 to the ECL allowances under HKFRS 9. Further details are disclosed in note 24 to the financial statements.

		Impairment allowances under HKAS 39 at 31 March 2018	Re-measurement	ECL allowances under HKFRS 9 at 1 April 2018
		於2018年3月31日 採納香港會計準則第39號下的 總減值撥備 HK\$'000 千港元	重新計量 HK\$'000 千港元	於2018年4月1日 採納香港財務報告準則第9號下的 總預期信貸 虧損撥備 HK\$'000 千港元
Trade receivables	應收貿易賬款	412,908	59,267	472,175

Impact on retained profits

The impact of transition to HKFRS 9 on retained profits is as follows:

保留利潤的影響

轉換為香港財務報告準則第9號對保留利潤的影響：

		Retained profits
		保留利潤 HK\$'000 千港元
Retained profits	保留利潤	
Balance as at 31 March 2018 under HKAS 39	香港會計準則第39號下 2018年3月31日的結餘	24,647,029
Recognition of expected credit losses for trade receivables under HKFRS 9	香港財務報告準則第9號下所確立的 應收貿易賬款的預期信貸虧損	(59,267)
Deferred tax in relation to the above	因以上調整引致的遞延稅項	14,817
Balance as at 1 April 2018 under HKFRS 9	香港財務報告準則第9號下 2018年4月1日的結餘	24,602,579

31 March 2019 2019年3月31日

2.2 Changes in Accounting Policies and Disclosures (Continued)

- (c) HKFRS 15 and its amendments replace HKAS 11 *Construction Contracts*, HKAS 18 *Revenue* and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. HKFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognizing revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgments and estimates. The disclosures are included in notes 3 and 5 to the financial statements. As a result of the application of HKFRS 15, the Group has changed the accounting policy with respect to revenue recognition in note 2.4 to the financial statements.

The Group has adopted HKFRS 15 using the modified retrospective method of adoption. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Group has elected to apply the standard to contracts that are not completed as at 1 April 2018.

The cumulative effect of the initial application of HKFRS 15 was recognized as an adjustment to the opening balance as at 1 April 2018. Therefore, the comparative information was not restated and continues to be reported under HKAS 11, HKAS 18 and related interpretations.

2.2 會計政策的變更及披露(續)

- (c) 香港財務報告準則第15號及其修訂本代替香港會計準則第11號*建築合約*、香港會計準則第18號*收入*及相關詮釋，適用於所有因與客戶簽訂合約而產生的收入(有限例外情況除外)。香港財務報告準則第15號建立一個新五步模式，以確認客戶合約產生的收入。根據香港財務報告準則第15號，收入按能反映實體預期就向客戶轉讓貨物或服務作交換而有權獲得的代價金額確認。香港財務報告準則第15號的原則為計量和確認收入提供了更有條理的方法。該項準則亦引入大量定性及定量披露規定，包括分拆總收入，有關履約責任的資料，合約資產及負債賬目結餘於各期間的變動以及主要判斷及估計。披露內容載於財務報表附註3及5。由於香港財務報告準則第15號的應用，本集團已將財務報表附註2.4有關收益確認的會計政策變更。

本集團透過採用修改後的追溯調整法採納香港財務報告準則第15號。根據這種方法，此準則可應用於初始應用之日的所有合同，或於始應用之日未完成的合同。本集團選擇應用於在2018年4月1日還沒有完成的合同。

首次應用香港財務報告準則第15號的累計影響被確認為對2018年4月1日期初餘額的調整。因此，比較資料並未重述，並繼續根據香港會計準則第11號、香港會計準則第18號及相關詮釋予以報告。

31 March 2019 2019年3月31日

2.2 Changes in Accounting Policies and Disclosures 2.2 會計政策的變更及披露(續)

(Continued)

(c) (Continued)

Set out below are the amounts by which each financial statement line item was affected as at 1 April 2018 as a result of the adoption of HKFRS 15:

(c) (續)

以下列出由於採用香港財務報告準則第15號而導致的每個財務報表項目在2018年4月1日受影響的金額：

		Notes 附註	Increase/ (decrease) 增加/(減少) HK\$'000 千港元
Assets	資產		
Inventories	存貨	(iii)	(3,403)
Prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產	(iii)	3,403
Properties held for sale	持作銷售物業	(i)	133,705
Contract assets	合約資產	(ii)	77,821
Total assets	總資產		211,526
Liabilities	負債		
Trade and other payables	貿易及其他應付款項	(i)	(10,597,370)
Contract liabilities	合約負債	(i)	10,731,075
Deferred tax liabilities	遞延稅項負債	(ii)	19,455
Total liabilities	總負債		153,160
Equity	權益		
Other reserves	其他儲備	(ii)	58,366

31 March 2019 2019年3月31日

2.2 Changes in Accounting Policies and Disclosures (Continued)

(c) (Continued)

Set out below are the amounts by which each financial statement line item was affected as at 31 March 2019 and for the year ended 31 March 2019 as a result of the adoption of HKFRS 15. The adoption of HKFRS 15 has had no impact on other comprehensive income or on the Group's operating, investing and financing cash flows. The first column shows the amounts recorded under HKFRS 15 and the second column shows what the amounts would have been had HKFRS 15 not been adopted:

Consolidated statement of profit or loss for the year ended 31 March 2019:

2.2 會計政策的變更及披露(續)

(c) (續)

以下列出了由於採用了香港財務報告準則第15號，在2019年3月31日以及截至2019年3月31日的年度財務報表項目受影響的金額。採用香港財務報告準則第15號對其他全面收益或本集團的經營、投資及融資現金流量並無影響。第一列顯示香港財務報告準則第15號下記錄的金額，第二列顯示未採用的金額：

截至2019年3月31日止年度的綜合損益表：

		Amounts prepared under 編制金額根據			
		Notes 附註	HKFRS 15 香港財務 報告準則 第15號 HK\$'000 千港元	Previous HKFRS 未更改之 香港財務 報告準則 HK\$'000 千港元	Increase/ (decrease) 增加/ (減少) HK\$'000 千港元
Revenue	收入	(i)	10,274,255	10,265,001	9,254
Cost of sales	銷售成本	(i)	(5,834,661)	(5,825,407)	9,254
Gross profit	毛利		4,439,594	4,439,594	-
Selling and distribution expenses	銷售及分銷開支	(ii)	(666,069)	(693,122)	(27,053)
Profit before tax	稅前利潤		5,376,775	5,349,722	27,053
Income tax expenses	所得稅開支	(ii)	(2,133,661)	(2,126,898)	6,763
Profit for the year	本年度利潤		3,243,114	3,222,824	20,290
Attributable to: Owners of the parent	下列各方應佔： 母公司擁有人		3,250,962	3,230,672	20,290

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

31 March 2019 2019年3月31日

2.2 Changes in Accounting Policies and Disclosures 2.2 會計政策的變更及披露(續)

(Continued)

(c) (Continued)

(c) (續)

		Amounts prepared under 編制金額根據		
		HKFRS 15 香港財務 報告準則 第15號 HK\$'000 千港元	Previous HKFRS 未更改之 香港財務 報告準則 HK\$'000 千港元	Increase/ (decrease) 增加/ (減少) HK\$'000 千港元
Earnings per share attributable to ordinary equity holders of the parent	歸屬於母公司普通股權益持有人之每股盈利			
Basic	基本			
– for profit for the year	– 本年度利潤	HK40.33 cents 40.33港仙	HK40.08 cents 40.08港仙	HK0.25 cents 0.25港仙
Diluted	攤薄			
– for profit for the year	– 本年度利潤	HK40.33 cents 40.33港仙	HK40.08 cents 40.08港仙	HK0.25 cents 0.25港仙

Consolidated statement of financial position as at 31 March 2019:

於2019年3月31日的綜合資產負債表：

		Amounts prepared under 編制金額根據		
		HKFRS 15 香港財務 報告準則 第15號 HK\$'000 千港元	Previous HKFRS 未更改之 香港財務 報告準則 HK\$'000 千港元	Increase/ (decrease) 增加/ (減少) HK\$'000 千港元
Inventories	存貨	(iii) 133,427	140,133	(6,706)
Prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產	(iii) 2,847,730	2,841,024	6,706
Properties held for sale	持作銷售物業	(i) 39,155,078	38,459,937	695,141
Contract assets	合約資產	(ii) 99,621	–	99,621
Total assets	總資產	113,106,962	112,312,200	794,762

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

31 March 2019 2019年3月31日

2.2 Changes in Accounting Policies and Disclosures 2.2 會計政策的變更及披露(續)

(Continued)

(c) (Continued)

(c) (續)

		Amounts prepared under 編制金額根據			
			Previous HKFRS	Increase/ (decrease)	
		Notes	HKFRS 15 香港財務 報告準則 第15號	未更改之 香港財務 報告準則	增加/ (減少)
		附註	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Trade and other payables	貿易及其他應付款項	(i), (iii)	15,729,226	28,689,151	(12,959,925)
Contract liabilities	合約負債	(i)	13,655,066	–	13,655,066
Deferred tax liabilities	遞延稅項負債	(ii)	9,106,084	9,081,179	24,905
Total liabilities	負債總額		76,957,135	76,237,089	720,046
Other reserves	其他儲備	(ii)	28,768,281	28,693,565	74,716
Total equity	總權益		36,149,827	36,075,111	74,716

The nature of the adjustments as at 1 April 2018 and the reasons for the significant changes in the consolidated statement of financial position as at 31 March 2019 and the consolidated statement of profit or loss for the year ended 31 March 2019 are described below:

2018年4月1日的調整性質及2019年3月31日綜合財務狀況表與截至2019年3月31日止年度綜合損益表重大變動的理由載列如下：

31 March 2019 2019年3月31日

2.2 Changes in Accounting Policies and Disclosures

(Continued)

(c) (Continued)

(i) Sale of properties

In the prior reporting periods, proceeds received from customers for pre-sold properties were presented as deposits and receipts in advance included in trade and other payables and no interest was accrued on the advances received.

Under HKFRS 15, for contracts where the period between the payments by the customer differs from the transfer of the promised goods or service, the transaction price and the amount of revenue from the sales is adjusted for the effects of a financing component, if significant. The Group concluded that there is a significant financing component considering the length of time between the customers' payment and the transfer of properties to customers and the prevailing interest rates in the market. The transaction price is discounted to take into consideration the significant financing component. The Group recognized contract liabilities for the interest on the advances received from customers with a significant financing component. In addition, reclassifications have been made from sales deposits received included in trade and other payables to contract liabilities for the outstanding balance of advances from customers.

The consolidated statement of financial position as at 1 April 2018 was restated, resulting in recognition of contract liabilities, increase in properties held for sale and decrease in sales deposits received included in trade and other payables amounting to HK\$10,731,075,000, HK\$133,705,000 and HK\$10,597,370,000, respectively.

As at 31 March 2019, the adoption of HKFRS 15 resulted in an increase in contract liabilities and properties held for sale amounting to HK\$695,141,000. For the year ended 31 March 2019, the adoption of HKFRS 15 resulted in an increase in revenue and cost of sales amounting to HK\$9,254,000.

As at 31 March 2019, under HKFRS 15, HK\$12,959,925,000 was reclassified from sales deposits received included in trade and other payables to contract liabilities.

2.2 會計政策的變更及披露(續)

(c) (續)

(i) 銷售物業

於過往報告期間，就預售物業收取客戶的所得款項按貿易及其他應付款項下按金及預收款項呈列及不會就已收墊款累計利息。

根據香港財務報告準則第15號，倘合約下客戶付款期間與轉移承諾商品或服務的期間不同，則交易價格及銷售所得收益金額就融資部分的影響(如重大)作出調整。本集團認為，因考慮到客戶付款及向客戶轉移物業之間的時差及市場當下利率，融資部分屬重大。交易價會貼現以計及重大融資部分。本集團就自客戶所收取包含重大融資部分的墊款利息確認合約負債。此外，客戶墊款的尚未結付結餘已從貿易及其他應付款項下按金及預收款項重新分類至合約負債。

於2018年4月1日的綜合財務狀況表已經重列，導致確認合約負債、持作銷售物業增加及貿易及其他應付款項下預售物業已收墊款分別減少10,731,075,000港元、133,705,000港元及10,597,370,000港元。

於2019年3月31日，因採納香港財務報告準則第15號導致的合約負債及持作銷售物業的上升分別均為695,141,000港元。截至2019年3月31日止年度，因應用香港財務報告準則第15號導致的收入及銷售成本上升分別均為9,254,000港元。

於2019年3月31日，根據香港財務報告準則第15號，由包含在貿易及其他應付款項下銷售按金款項重新分類至合約負債的金額為12,959,925,000港元。

31 March 2019 2019年3月31日

2.2 Changes in Accounting Policies and Disclosures (Continued)

(c) (Continued)

(ii) Incremental costs of obtaining a contract

Following the adoption of HKFRS 15, sales commissions directly attributable to obtaining a contract, if recoverable, are capitalized as contract assets.

The consolidated statement of financial position as at 1 April 2018 was restated, resulting in recognition of contract assets, increases in other reserves and deferred tax liabilities amounting to HK\$77,821,000, HK\$58,366,000 and HK\$19,455,000, respectively.

As at 31 March 2019, the adoption of HKFRS 15 resulted in increases in contract assets, deferred tax liabilities and other reserves amounting to HK\$99,621,000, HK\$24,905,000 and HK\$74,716,000, respectively. For the year ended 31 March 2019, the adoption of HKFRS 15 resulted in an increase in income tax expenses and decrease in selling and distribution expenses amounting to HK\$6,763,000 and HK\$27,053,000, respectively.

(iii) Sale of merchandise with variable consideration

Some contracts for the sale of merchandise provide customers with a right of return. Before adopting HKFRS 15, the Group recognized revenue from the sale of goods measured at the fair value of the consideration received or receivable, net of returns and volume rebates. If revenue could not be reliably measured, the Group deferred the recognition of revenue until the uncertainty was resolved. Under HKFRS 15, rights of return give rise to variable consideration which is determined using the expected value method or the most likely amount method.

2.2 會計政策的變更及披露(續)

(c) (續)

(ii) 取得合約而增加之費用

於採納香港財務報告準則第15號後，直接源於獲取合約的銷售佣金(倘可收回)，資本化為「合約資產」。

於2018年4月1日的綜合財務狀況表已經重列，導致確認合約資產、其他儲備及遞延稅項負債分別增加77,821,000港元、58,366,000港元及19,455,000港元。

於2019年3月31日，因應用香港財務報告準則第15號而導致合約資產、遞延稅項負債及其他儲備上升，分別為99,621,000港元、24,905,000港元及74,716,000港元。截至2019年3月31日止年度，因應用香港財務報告準則第15號導致利得稅支出的上升，及銷售及分銷開支的下跌分別為6,763,000港元及27,053,000港元。

(iii) 商品銷售的可變動考慮

一些商品銷售合同為客戶提供了退貨權。於採納香港財務報告準則第15號前，本集團按已收或應收代價的公平價值(扣除退貨及數量折扣)確認出售貨品的收入。如果收入無法可靠計量，則本集團將收入確認推遲到不確定性得到解決之前。根據香港財務報告準則第15號，退貨權產生可變代價，該代價乃採用預期價值法或最可能數額法釐定。

31 March 2019 2019年3月31日

2.2 Changes in Accounting Policies and Disclosures (Continued)

(c) (Continued)

(iii) Sale of merchandise with variable consideration

(Continued)

Rights of return

For a contract that provides a customer with a right to return the goods within a specified period, the Group previously estimated expected returns based on the average historical return rate. Before the adoption of HKFRS 15, the amount of revenue related to the expected returns was deferred and recognized as deferred revenue which was included in other payables and accruals in the consolidated statement of financial position with a corresponding adjustment to cost of sales. The initial carrying amount of goods expected to be returned was included in inventories.

Upon adoption of HKFRS 15, the Group recognized a right-of-return asset which is included in prepayments, other receivables and other assets and is measured at the former carrying amount of the goods to be returned less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. In addition, a refund liability was recognized based on the amount that the Group expects to return to the customers using the expected value method. Accordingly, the Group reclassified deferred revenue of HK\$4,199,000 to refund liabilities as included in other payables and accruals and reclassified inventories of HK\$3,403,000 to right-of-return assets as included in prepayments, other receivables and other assets as at 1 April 2018.

As at 31 March 2019, the adoption of HKFRS 15 resulted in an increase in prepayments, other receivables and other assets and a decrease in inventories by HK\$6,706,000. Besides, refund liabilities were increased by HK\$8,273,000 and other payables and accruals were decreased by HK\$8,273,000.

2.2 會計政策的變更及披露(續)

(c) (續)

(iii) 商品銷售的可變動考慮(續)

退貨權

對於為客戶提供在指定期限內退貨的權利的合約，本集團先前根據平均歷史退貨率估計預期退貨。於採納香港財務報告準則第15號前，與預期退貨相關的收入金額已遞延並確認為遞延收入，併計入綜合財務狀況表的其他應付款項及應計費用，並相應調整銷售成本。預期退回的貨物的初始賬面金額計入存貨。

於採納香港財務報告準則第15號後，本集團確認包括在預付款項、其他應收款項及其他資產中的退貨資產，並按以往退回貨品的賬面值減去退回貨品的任何預期成本計量，包括退回貨物價值的任何潛在減少。此外，退款負債乃根據本集團預期使用預期價值法退回客戶的金額確認。因此，本集團將遞延收入4,199,000港元重新分類為退款負債(包括於其他應付款項及應計項目及重新分類存貨3,403,000港元)至退貨權資產，包括於2018年4月1日的預付款項、其他應收款項及其他資產。

截至2019年3月31日，因採用香港財務報告準則第15號導致預付款項、其他應收款項及其他資產增加及存貨減少6,706,000港元。此外，退款負債增加8,273,000港元，其他應付款項及應計款項減少8,273,000港元。

31 March 2019 2019年3月31日

2.2 Changes in Accounting Policies and Disclosures (Continued)

- (d) Amendments to HKAS 40 clarify when an entity should transfer property, including property under construction or development, into or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments have had no impact on the financial position or performance of the Group.
- (e) HK(IFRIC)-Int 22 provides guidance on how to determine the date of the transaction when applying HKAS 21 to the situation where an entity receives or pays advance consideration in a foreign currency and recognizes a non-monetary asset or liability. The interpretation clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognizes the non-monetary asset (such as a prepayment) or non-monetary liability (such as deferred income) arising from the payment or receipt of the advance consideration. If there are multiple payments or receipts in advance of recognising the related item, the entity must determine the transaction date for each payment or receipt of the advance consideration. The interpretation has had no impact on the Group's financial statements as the Group's accounting policy for the determination of the exchange rate applied for initial recognition of non-monetary assets or non-monetary liabilities is consistent with the guidance provided in the interpretation.

2.2 會計政策的變更及披露(續)

- (d) 香港會計準則第40號的修訂本釐清實體何時應將物業(包括在建物或發展中物業)轉入或轉出投資物業。該修訂本說明,倘物業符合或不再符合投資物業定義及存在用途改變的憑據時,即視作發生用途改變。僅管理層對物業用途的意向變動不足以作為用途改變的憑據。該等修訂不會對本集團的綜合財務報表產生任何影響。
- (e) 香港(國際財務報告詮釋委員會)一詮釋第22號就實施香港會計準則第21號時如何釐定交易日期提供指引,以指明實體以外幣收取或支付預付代價並確認非貨幣資產或負債的情況。該解釋澄清,為確定相關資產,費用或收入(或部分)的初始確認時使用的匯率,交易日期為主體初始確認非貨幣資產的日期(例如預付款)或因支付或收到預付代價而產生的非貨幣負債(如遞延收入)。如果在確認相關項目之前有多個付款或收據,則主體必須確定每筆付款或收到預付對價的交易日期。由於本集團確定用於初步確認非貨幣資產或非貨幣負債的匯率的會計政策與解釋中提供的指引一致,因此該詮釋對本集團的財務報表並無影響。

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

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2.3 Issued But Not Yet Effective Hong Kong Financial Reporting Standards

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

Amendments to HKFRS 3	<i>Definition of a Business</i> ²
Amendments to HKFRS 9	<i>Prepayment Features with Negative Compensation</i> ¹
Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴
HKFRS 16	<i>Leases</i> ¹
HKFRS 17	<i>Insurance Contracts</i> ³
Amendments to HKAS 1 and HKAS 8	<i>Definition of Material</i> ²
Amendments to HKAS 19	<i>Plan Amendment, Curtailment or Settlement</i> ¹
Amendments to HKAS 28	<i>Long-term Interests in Associates and Joint Ventures</i> ¹
HK(IFRIC)-Int 23	<i>Uncertainty over Income Tax Treatments</i> ¹
Annual Improvements 2015-2017 Cycle	Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23 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

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

2.3 已頒佈但尚未生效之香港財務報告準則

本集團並無於該等財務報表應用下列已頒佈但尚未生效之新訂及經修訂香港財務報告準則：

香港財務報告準則第3號之修訂	業務的定義 ²
香港財務報告準則第9號	具有負補償之提前償付特徵 ¹
香港財務報告準則第10號及香港會計準則第28號(2011年)之修訂	投資者與其聯營公司或合營公司之間的資產出售或注資 ⁴
香港財務報告準則第16號	租賃 ¹
香港財務報告準則第17號	保險合約 ³
香港會計準則第1號及香港會計準則第8號之修訂	重大之定義 ²
香港會計準則第19號之修訂	計劃修訂、縮減或結清 ¹
香港會計準則第28號之修訂	於聯營公司及合營公司之長期權益 ¹
香港(國際財務報告解釋委員會)解釋公告第23號	所得稅處理之不確定性 ¹
2015年至2017年週期之年度改進	香港財務報告準則第3號、香港財務報告準則第11號、香港會計準則第12號及香港會計準則第23號之修訂 ¹

- ¹ 於2019年1月1日或之後開始之年度期間生效
- ² 於2020年1月1日或之後開始之年度期間生效
- ³ 於2021年1月1日或之後開始之年度期間生效
- ⁴ 並無確定強制生效日期，但可提前採納

預期將適用於本集團之香港財務報告準則的進一步資料載述如下：

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2.3 Issued But Not Yet Effective Hong Kong Financial Reporting Standards (Continued)

Amendments to HKFRS 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 April 2020.

Amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) 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 recognized 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 HKFRS 10 and HKAS 28 (2011) was removed by the HKICPA in January 2016 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香港財務報告準則(續)

香港財務報告準則第3號之修訂澄清業務的定義，並提供額外指引。該修訂訂明可視為業務的一組整合活動和資產，必須至少包括一項投入和一項重要過程，而兩者必須對形成收益的能力有重大貢獻。業務毋須包括形成產出所需的所有投入或過程。該修訂取消了評估市場參與者是否有能力收購業務並能持續獲得收益的規定，轉為重點關注所取得的投入和重要過程共同對形成收益的能力有否重大貢獻。該修訂亦已收窄收益的定義範圍，重點關注為客戶提供的商品或服務、投資收益或日常活動產生的其他收入。此外，修訂亦提供有關評估所取得過程是否重大的指引，並新增公平值集中度測試選項，允許對所取得的一組活動和資產是否不屬於業務進行簡化評估。本集團預期自2020年4月1日起採用該等修訂。

香港財務報告準則第10號及香港會計準則第28號(2011年)之修訂針對香港財務報告準則第10號及香港會計準則第28號(2011年)之間有關投資者與其聯營公司或合營公司之間的資產出售或注資兩者規定之不一致性。該等修訂規定，當投資者與其聯營公司或合營公司之間的資產出售或注資構成一項業務時，須確認全數收益或虧損。當交易涉及不構成一項業務的資產時，由該交易產生的收益或虧損於該投資者的損益內確認，惟僅以不相關投資者於該聯營公司或合營公司的權益為限。該等修訂將前瞻地應用。香港會計師公會已於2016年1月撤銷香港財務報告準則第10號及香港會計準則第28號(2011年)之修訂的前強制生效日期，並將於完成對聯營公司及合營公司會計處理的更廣泛檢討後釐定新強制生效日期。然而，該等修訂現時可供採納。

31 March 2019 2019年3月31日

2.3 Issued But Not Yet Effective Hong Kong Financial Reporting Standards (Continued)

HKFRS 16 replaces HKAS 17 *Leases*, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases – Incentives* and HK(SIC)-Int 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 recognize 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 recognize 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 HKAS 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 recognize 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 recognize the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under HKFRS 16 is substantially unchanged from the accounting under HKAS 17. Lessors will continue to classify all leases using the same classification principle as in HKAS 17 and distinguish between operating leases and finance leases. HKFRS 16 requires lessees and lessors to make more extensive disclosures than under HKAS 17. Lessees can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group will adopt HKFRS 16 from 1 April 2019. The Group plans to adopt the transitional provisions in HKFRS 16 to recognize the cumulative effect of initial adoption as an adjustment to the opening balance of retained profits at 1 April 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 HKAS 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 recognized 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. During the year ended 31 March 2019, the Group has performed a detailed assessment on the impact of adoption of HKFRS 16. The Group has estimated that right-of-use assets of HK\$120,744,000 and lease liabilities of HK\$119,795,000 will be recognized at 1 April 2019.

2.3 已頒佈但尚未生效之香港財務報告準則(續)

香港財務報告準則第16號取代香港會計準則第17號*租賃*、香港(國際財務報告解釋委員會)解釋公告第4號*確定一項安排是否包含租賃*、香港(常設解釋委員會)解釋公告第15號*經營租賃—激勵措施*，以及香港(常設解釋委員會)解釋公告第27號*評價涉及租賃法律形式交易的實質*。該項準則載列確認、計量、呈列及披露租賃的原則，並要求承租人就絕大多數租賃確認資產及負債。該準則包含兩項對承租人的選擇性確認豁免—低值資產租賃及短期租賃。承租人將於租賃開始當日確認一項作出租賃付款的負債(即租賃負債)及一項代表租賃期內使用相關資產的權利之資產(即使用權資產)。除非使用權資產符合香港會計準則第40號對於投資物業的定義或有關應用重估模式之物業、廠房及設備類別，否則，其後使用權資產須按成本減累計折舊及任何減值虧損計算。其後，租賃負債的增加乃反映租賃負債的利息，或因租賃付款而減少。承租人將須分開確認租賃負債的利息開支及使用權資產的折舊開支。若干事件發生(如租賃期改變及未來租賃付款因用以釐定該付款的指數或費率有所變動而改變)後，承租人亦須重計量租賃負債。承租人一般會將重新計算的租賃負債金額確認為使用權資產的調整。香港財務報告準則第16號大致保留香港會計準則第17號對出租人的會計要求。出租人將繼續採用香港會計準則第17號所載的相同分類原則將所有租賃分類，分為經營租賃或融資租賃。香港財務報告準則第16號要求承租人及出租人作出相較香港會計準則第17號項下更為廣泛的披露。承租人可選擇使用完全追溯方式或經修改追溯方式應用該準則。本集團將自2019年4月1日起採納香港財務報告準則第16號。本集團計劃採納香港財務報告準則第16號的過渡條文，以確認首次採用的累計影響，作為2019年4月1日保留盈利年初結餘的調整，而將不會重列比較數字。此外，本集團計劃將新要求應用於先前已確認為應用香港會計準則第17號的租賃合約，並按剩餘租賃付款的現值計量租賃負債，並使用本集團於首次應用日期的增量借貸利率貼現。使用權資產將按租賃負債金額計量，並於緊接首次應用日期前就財務狀況表確認的與租賃有關的任何預付或應計租賃付款金額作出調整。本集團計劃在租賃合約中使用該準則所允許的豁免，其租賃期限自首次應用日期起計12個月內終止。於截至2019年3月31日止年度，本集團已就採納香港財務報告準則第16號的影響進行詳細評估。本集團估計將於2019年4月1日確認使用權資產120,744,000港元及租賃負債119,795,000港元。

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2.3 Issued But Not Yet Effective Hong Kong Financial Reporting Standards (Continued)

Amendments to HKAS 1 and HKAS 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 April 2020. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKAS 28 clarify that the scope exclusion of HKFRS 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 HKFRS 9, rather than HKAS 28, including the impairment requirements under HKFRS 9, in accounting for such long-term interests. HKAS 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 April 2019 and will assess its business model for such long-term interests based on the facts and circumstances that exist on 1 April 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.

HK(IFRIC)-Int 23 addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of HKAS 12 (often referred to as "uncertain tax positions"). The interpretation does not apply to taxes or levies outside the scope of HKAS 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 April 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香港財務報告準則(續)

香港會計準則第1號及香港會計準則第8號之修訂本提供新的重要定義。新定義載明，如對資料的遺漏、失實陳述或模糊可合理預期會影響一般用途財務報表的主要用戶對基於該等財務報表作出的決定，則有關資料為重要資料。該等修訂本澄清重要性將取決於資料的性質或數量。如可合理預期資料的失實陳述會影響主要用戶作出的決定，則該資料的失實陳述屬重要。本集團預期自2020年4月1日起採納該等修訂本。該等修訂本預期不會對本集團的財務報表產生任何重大影響。

香港會計準則第28號之修訂澄清香港財務報告準則第9號範疇排除情況僅包括於聯營公司或合營公司之權益，當中應用權益法，且並不包括實質上組成聯營公司或合營公司淨投資一部分之長期權益(當中並無應用權益法)。因此，實體就有關長期權益之會計處理應用香港財務報告準則第9號，而非香港會計準則第28號(包括香港財務報告準則第9號項下之減值規定)。僅就確認聯營公司或合資公司之虧損及聯營公司或合資公司淨投資之減值而言，香港會計準則第28號其後方適用於淨投資(包括長期權益)。本集團預期將於2019年4月1日採納該等修訂，並將按照於2019年4月1日存在之事實及情況使用該等修訂中之過渡性規定評估其有關該等長期權益之業務模式。本集團亦擬於採納該等修訂後應用有關重列過往期間可資比較資料之寬免。

香港(國際財務報告解釋委員會)解釋公告第23號處理當稅務處理涉及影響應用香港會計準則第12號之不確定性(通常稱為「不明確稅務狀況」)時對所得稅(即期及遞延)之會計處理。該解釋並不適用於香港會計準則第12號範疇以外之稅項或徵費，亦並無具體包括有關利息之規定及與不明確稅務處理相關之處罰。該解釋具體處理(i)實體是否獨立考慮不明確稅務處理；(ii)實體就檢查稅務機關進行之稅務處理所作出之假設；(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；及(iv)實體如何考慮事實及情況之變動。該解釋將追溯應用，即完全追溯而並無採用後見之明或追溯而應用之累計影響作為對於初始應用當日之期初權益之調整，而並無重列可資比較資料。本集團預期將自2019年4月1日起採納該解釋。該修訂預期將不會對本集團之財務報表造成任何重大影響。

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2.4 Summary of Significant Accounting Policies Investments in associates

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.

The Group's investments in associates 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.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of associates is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates, except where unrealized losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates is included as part of the Group's investments in associates.

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, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

When an investment in an associate is classified as held for sale, it is accounted for in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

2.4 重大會計政策概要 於聯營公司的投資

聯營公司為本集團一般擁有不少於20%股本投票權的長期權益，並能對其發揮重大影響力的實體。重大影響力為參與投資對象財政及經營政策決策的權力，但並非控制或共同控制該等政策。

本集團於聯營公司的投資乃按以權益會計法計算之本集團應佔資產淨值減任何減值虧損於綜合財務狀況表內列賬。

倘出現任何不相符的會計政策，即會作出調整加以修正。

本集團應佔聯營公司收購後業績和其他全面收入分別計入綜合損益表及綜合其他全面收益內。此外，倘直接於聯營公司的權益確認變動，則本集團會於綜合權益變動表確認其應佔的任何變動(如適用)。本集團與其聯營公司進行交易而出現的未實現利益及虧損會互相抵銷，金額以本集團於聯營公司的投資為限，但如果未實現虧損證明所轉讓資產發生減值則除外。收購聯營公司產生的商譽計入本集團於聯營公司的投資的一部分。

倘於聯營公司的投資變為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，對聯營公司失去重大影響力或對合營企業失去共同控制後，本集團按其公平值計量及確認任何保留投資。於失去重大影響力或共同控制後聯營公司的賬面值與保留投資及來自處置所得款項之公平值之間的差額於損益內確認。

當聯營公司的投資被視為持作銷售，將會以香港財務報告準則第5號持作待售之非流動資產及非持續業務計量。

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2.4 Summary of Significant Accounting Policies (Continued)

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 either 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.

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 recognized in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognized 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 recognized 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 recognized 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, recognized in profit or loss as a gain on bargain purchase.

2.4 重大會計政策概要(續)

業務併購及商譽

業務併購乃使用收購法入賬。所轉讓之代價乃以收購日期之公平值計量，該公平值為本集團所轉讓之資產於收購日期之公平值、本集團自被收購方之前年度擁有人承擔之負債，及本集團發行以換取被收購方控制權之股權之總和。就各業務合併而言，本集團選擇以公平值或被收購方可識別資產淨值之應佔比例，計算於被收購方中現時屬擁有權權益並賦予其持有人權利可於清盤時按比例分佔資產淨值之非控股權益。非控股權益之所有其他部分按公平值計量。有關收購成本於產生時支銷。

當本集團收購一項業務時，會根據合約條款、於收購日期之經濟環境及相關條件，評估將承接之金融資產及負債，以作出適合之分類及指定用途。此包括將被收購方主合約中之嵌入式衍生工具分開計算。

倘業務併購分階段進行，先前持有股權應按收購日期公平值計入損益表重新計量及任何產生之收益或虧損確認於損益。

由收購方將予轉讓的任何或然代價將按收購日期的公平值確認。分類為資產或負債之或然代價按公平值計量，而公平值變動於損益確認。倘或然代價歸類為權益毋須重新計量，其日後結算於權益列賬。

商譽起初按成本計量，即已轉讓代價、已確認非控股權益及本集團先前持有的被收購方股權之公平值之總和，超逾與所收購可識別資產淨值及所承擔負債的差額。倘此代價及其他項目的總和低於所收購資產淨值的公平值，於重新評估後其差額將於損益表內確認為議價購買收益。

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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 March. 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 recognized. An impairment loss recognized 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.

Fair value measurement

The Group measures its investment properties and held-for-trading investments at fair value through profit or loss 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.

2.4 重大會計政策概要(續)

業務併購及商譽(續)

於初始確認後，商譽按成本減任何累計減值虧損計量。商譽須每年作減值測試，倘有事件發生或情況改變顯示賬面值有可能減值，則會更頻密地進行檢討。本集團於3月31日進行商譽的年度減值測試。為進行減值測試，因業務合併而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。

減值乃通過評估與商譽相關之現金產生單位(或現金產生單位組別)之可收回金額釐定。倘現金產生單位(或現金產生單位組別)之可收回金額低於賬面值時，減值虧損則予以確認。已就商譽確認之減值虧損不得於其後期間撥回。

倘商譽被分配為現金產生單位(或現金產生單位組別)之一部分，而該單位內部分業務被出售，則出售業務相關商譽於釐定出售業務收益或虧損時列入業務之賬面值。在這些情況下處置之商譽根據已出售業務及所保留現金產生單位部分之相對價值計算。

公平值計量

本集團於各報告期末透過損益以公平值計量投資物業及持作買賣投資。公平值為市場參與者於計量日期在有序交易中出售資產所收取的價格或轉讓負債所支付的價格。公平值計量乃假設出售資產或轉讓負債的交易於資產或負債主要市場或(在無主要市場情況下)最具優勢市場進行而作出。主要或最具優勢市場須為本集團可進入之市場。資產或負債的公平值乃基於市場參與者於資產或負債定價所用的假設計量(即假設市場參與者會以最佳經濟利益行事)。

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2.4 Summary of Significant Accounting Policies

(Continued)

Fair value measurement (Continued)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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 recognized 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.

2.4 重大會計政策概要(續)

公平值計量(續)

非金融資產的公平值計量須計及市場參與者透過最大限度使用該資產達致最佳用途，或將該資產出售予將最大限度使用該資產達致最佳用途的其他市場參與者以產生經濟利益的能力。

本集團採納適用於不同情況且具備充分數據以供計量公平值的估值方法，以盡量使用相關可觀察元素及盡量減少使用不可觀察元素。

所有於財務報表計量或披露公平值的資產及負債乃基於對公平值計量整體而言屬重大的最低層輸入數據按以下公平值層級分類：

- 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 – 按估值技術計量，而對公平值計量而言屬重大的最低層元素可直接或間接觀察得出
- 第三級 – 按估值技術計量，而對公平值計量而言屬重大的最低層元素不可觀察得出

就按經常性基準於財務報表確認的資產及負債而言，本集團透過於各報告期末重新評估分類(基於對公平值計量整體而言屬重大的最低層元素)確定是否發生不同層級轉移。

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2.4 Summary of Significant Accounting Policies (Continued)

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 goodwill), 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.

An impairment loss is recognized 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 the statement of 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 recognized impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognized 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/amortization) had no impairment loss been recognized for the asset in prior years. A reversal of such an impairment loss is credited to the statement of 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

倘有跡象顯示減值存在，或當必須為資產(存貨、金融資產、投資物業及商譽除外)作出年度減值測試時，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平值減處置成本兩者的較高者，並就個別資產而釐定，惟不可產生大體上獨立於其他資產或資產組別的現金流入的資產則除外，在此情況下，可收回金額就資產所屬的現金產生單位而釐定。

僅於資產的賬面值超逾其可收回金額時，減值虧損方予確認。評估使用價值時，估計日後現金流量乃使用可反映金額時間值的現行市場評估及該資產特有的風險的稅前折現率折現至現值。減值虧損於其產生期間自收益表與該減值資產功能一致的該等費用類別內扣除。

於各申報日期結束時均評估是否有任何跡象顯示於過往確認的減值虧損可能不再存在或可能已經減少。如該等跡象存在，則會估計可收回金額。僅於用作釐定資產的可收回金額的估計出現變動時，資產(商譽除外)過往確認的減值虧損方可撥回；惟撥回金額不得高於(倘該資產於過往年度未有確認減值虧損)將可釐定的賬面值(扣除任何折舊/攤銷)。有關減值虧損的撥回於產生期間計入損益表，但如該資產按重估金額列賬，則減值損失撥回會根據該重估資產的有關會計政策列賬。

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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;
 - (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.

2.4 重大會計政策概要(續)

關連人士

有關人士在下列情況下被視為與本集團有關連：

- (a) 該人士為一名人士或該人士之近親，而該人士：
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本集團母公司的其中一名主要管理層成員；

或

- (b) 該人士為符合下列任何一項條件之實體：
 - (i) 該實體與本集團屬同一集團之成員公司；
 - (ii) 該實體為另一家實體之聯營公司或合營企業(或另一家實體之母公司、附屬公司或同系附屬公司)；
 - (iii) 該實體與本集團均為同一第三方之合營企業；
 - (iv) 該實體為第三方實體之合營企業，而另一家實體則為該第三方實體的聯營公司；
 - (v) 該實體為就本集團或與本集團有關連之實體之僱員之利益而設之離職後福利計劃；
 - (vi) 該實體受(a)項所識別之人士控制或共同控制；
 - (vii) 於(a)(i)項所識別之人士對該實體有重大影響力或屬該實體(或該實體之母公司)之主要管理層成員之一；及
 - (viii) 實體或實體作為集團任何成員公司其中一部分向本集團或本集團的母公司提供主要管理人員服務。

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2.4 Summary of Significant Accounting Policies (Continued)

Property, plant and equipment and depreciation

Property, plant and equipment 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 the statement of 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 capitalized 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 recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.

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 annual rates used for this purpose are as follows:

Buildings	3% to 9%
Furniture, fixtures and equipment	9% to 18%
Motor vehicles	9% to 18%

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 recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognized in the statement of profit or loss in the year the asset is derecognized is the difference between the net sales proceeds and the carrying amount of the relevant asset.

2.4 重大會計政策概要(續)

物業、廠房和設備及折舊

物業、廠房及設備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使其投入現時運作狀況及將其運往擬定用途地點的任何直接應佔成本。

物業、廠房及設備項目投入使用後所產生的開支，如維修保養費用，通常於產生期間在收益表扣除。在符合確認條件的情況下，大的檢修開支於資產賬面值資本化，作為置換。倘大部分物業、廠房及設備須定期置換，本集團確認該等部分為具備特定可使用年期及據此折舊之個別資產。

折舊乃以直線法於估計可使用年期撇銷各物業、廠房及設備項目的成本至其剩餘價值計算。就此而言使用的主要年率如下：

樓宇	3%至9%
傢俬、裝置及設備	9%至18%
汽車	9%至18%

倘物業、廠房及設備項目的部分有不同的可使用年期，則該項目的成本以合理基準在該等部分之間分配，而各部分將會分開折舊。至少於各財政年結日檢討剩餘價值、可使用年期及折舊方法，並在適當情況下調整。

物業、廠房及設備項目包括初步確認之任何重大部分於處置或預期不會從使用或處置有關項目而取得未來經濟利益時終止確認。於終止確認資產的年度內在損益表確認的任何處置或報廢該等項目的盈虧乃指銷售所得款項淨額與有關資產賬面值的差額。

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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 the statement of profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognized in the statement of 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. 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 recognized in the statement of profit or loss.

Properties under development

Properties under development are stated at the lower of cost and net realizable value. Cost comprises the land costs, construction costs, capitalized borrowing costs and other costs directly attributed to such properties during the period of construction.

Properties under development are initially classified as non-current assets and transferred to current assets under the category of properties held for sale when the construction of the relevant properties commences and the construction period of the relevant property development project is expected to complete within the normal operating cycle.

2.4 重大會計政策概要(續)

投資物業

投資物業指為賺取租金收入及/或資本增值目的而持有的土地及樓宇權益(包括符合投資物業定義的物業以經營租賃下的租賃權益)，但不包括用作生產或供應貨品或提供服務或行政管理用途；或用作於日常業務過程中出售的土地及樓宇權益。該等物業初步按成本(包括交易成本)計量。初步確認後，投資物業按反映於報告期末市場狀況的公平值列賬。

投資物業公平值變動產生的盈虧，會於產生年度計入損益表。

報廢或處置投資物業產生的任何盈虧，會於報廢或處置的年度在損益表確認。

就投資物業轉撥至業主自用物業或存貨而言，物業日後視作會計處理的成本為用途變更當日的公平值。就將存貨轉為投資物業而言，物業在該日的公平值與其先前賬面值之間的差額於損益表確認。

發展中物業

發展中物業按成本值及可變現淨值兩者的較低者列賬。成本包括土地成本、發展開支、借貸成本及其他於建築期間該等物業應佔的直接成本。

起始時發展中物業分類為非流動資產，並於有關物業的建設開始及有關發展項目之預計施工期於正常營運週期內結轉至流動資產中的持作銷售物業。

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2.4 Summary of Significant Accounting Policies

(Continued)

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 capitalized 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 capitalized 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 the statement of profit or loss so as to provide a constant periodic rate of charge over the lease terms.

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 the statement of 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 the statement of 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 recognized on the straight-line basis over the lease terms.

2.4 重大會計政策概要(續)

租賃

凡資產所有權(除法定業權外)的絕大部分回報及風險轉移予本集團，均列為融資租賃。於融資租賃生效時，租賃資產之成本按最低應付租金之現值資本化，並連同承擔(不包括利息部分)入賬，以反映購入及融資情況。根據資本化融資租約持有之資產(包括融資租約項下之預付土地租賃款項)均計入物業、廠房及設備，並於租期與資產之估計可使用年期之間以較短期者計算折舊。有關租賃之融資成本於收益表扣除，以便於租期內按固定比率扣除。

凡資產所有權的絕大部分回報及風險仍歸出租人所有，則有關租賃列為經營租賃。倘本集團為出租人，則本集團根據經營租賃出租的資產計入非流動資產，而經營租賃下的應收租金則以直線法於租賃期內計入損益表。倘本集團為承租人，則經營租賃下的應付租金以直線法於租賃期內在收益表扣除。

經營租賃下的預付土地出租金初步按成本列賬，其後則以直線法於租賃期內確認。

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2.4 Summary of Significant Accounting Policies (Continued)

Investments and other financial assets (policies under HKFRS 9 applicable from 1 April 2018)

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost 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 HKFRS 15 in accordance with the policies set out for "Revenue recognition (applicable from 1 April 2018)" below.

In order for a financial asset to be classified and measured at amortized 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.

All regular way purchases and sales of financial assets are recognized 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(自2018年4月1日起適用的香港財務報告準則第9號政策)

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及按公平值計入損益計量。

初步確認時的金融資產分類取決於金融資產的合約現金流量特性及本集團管理該等資產的業務模式。除不含有重大融資部分或本集團已應用不調整重大融資部分之影響的實務情況之應收貿易賬款外，本集團初步按公平值加上(如屬並非按公平值計入損益的金融資產)交易成本計量金融資產。不含有重大融資部分或本集團已應用實務情況之應收貿易賬款乃根據下文「收入確認(自2018年4月1日起適用)」所載政策，按根據香港財務報告準則第15號釐定之交易價格計量。

為按攤銷成本分類或按公平值計入其他全面收益及計量金融資產，該金融資產需要產生純粹為支付本金及尚未清償本金額之利息(「SPPI」)的現金流量。

本集團管理金融資產的業務模式指如何管理金融資產以產生現金流量。業務模式釐定現金流量是否會自收取合約現金流量、出售金融資產或兩者產生。

所有一般金融資產買賣概於交易日(即本集團承諾購買或出售該資產當日)予以確認。一般買賣乃指按照一般市場規定或慣例在一定期間內交付資產的金融資產買賣。

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2.4 Summary of Significant Accounting Policies

(Continued)

Investments and other financial assets (policies under HKFRS 9 applicable from 1 April 2018)

(Continued)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortized cost (debt instruments)

The Group measures financial assets at amortized 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 amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in the statement of profit or loss when the asset is derecognized, modified or impaired.

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 amortized 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.

2.4 重大會計政策概要(續)

投資及其他金融資產(自2018年4月1日起適用的香港財務報告準則第9號政策)(續)

後續計量

金融資產按分類進行後續計量，分類如下：

按攤銷成本計量之金融資產(債務工具)

如符合以下兩項條件，本集團按攤銷成本計量金融資產：

- 以收取合約現金流量為目的持有金融資產之業務模式下持有之金融資產。
- 金融資產之合約條款於指定日期產生之現金流量純屬支付本金及尚未清償本金額之利息。

按攤銷成本計量之金融資產其後採用實際利率法計量及須作出減值測試。收益及虧損於資產不再確認、修訂或減值時於損益內確認。

按公平值計入損益之金融資產

按公平值計入損益之金融資產包括持作買賣的金融資產及於初步確認時指定為按公平值計入損益的金融資產或強制要求按公平值計量的金融資產。倘收購金融資產旨在於短期內出售或購回，則有關金融資產分類為持作買賣。衍生工具包括個別嵌入式衍生工具，除非獲指定為有效對沖工具，否則亦分類為持作買賣。現金流量並非純粹為支付本金及利息的金融資產，乃按公平值計入損益分類及計量(不論其業務模式)。儘管債務工具的標準如上所述按攤銷成本分類或按公平值計入其他全面收益，但倘如此行事會消除或大幅減少會計錯配，則債務工具可在初步確認時指定按公平值計入損益。

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2.4 Summary of Significant Accounting Policies

(Continued)

Investments and other financial assets (policies under HKFRS 9 applicable from 1 April 2018)

(Continued)

Subsequent measurement (Continued)

Financial assets at fair value through profit or loss

(Continued)

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 recognized in the statement of profit or loss.

This category includes equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value through profit or loss are also recognized 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.

Investments and other financial assets (policies under HKAS 39 applicable before 1 April 2018)

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss and available-for-sale financial investments, or loans and receivables. When financial assets are recognized 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 recognized 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(自2018年4月1日起適用的香港財務報告準則第9號政策)(續)

後續計量(續)

按公平值計入損益的金融資產(續)

按公平值計入損益的金融資產按公平值於財務狀況表列賬，公平值變動淨額則於損益內確認。

此類別包括本集團並未不可撤銷地選擇按公平值計入其他全面收益計量之方式分類的股權投資。倘已確立支付權，則分類為按公平值計入損益之金融資產股權投資的股息亦在損益內確認為其他收入，本集團將很有可能獲得與股息相關的經濟利益並能夠可靠地計算股息金額。

投資及其他金融資產(適用於2018年4月1日前的香港會計準則第39號的政策)

初次確認及計量

金融資產於初始確認時分類為以公平值列值計入損益表的金融資產及可供出售金融投資，或貸款及應收賬款。金融資產於初次確認時以公平值及收購金融資產應佔交易成本計量，惟以公平值列值計入損益表的金融資產除外。

所有金融資產常規買賣均於交易日確認，即本集團承諾購買或出售該項資產的日期。常規買賣乃指需按法規規定或市場慣例在一定期間內轉移資產的金融資產買賣交易。

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2.4 Summary of Significant Accounting Policies

(Continued)

Investments and other financial assets (policies under HKAS 39 applicable before 1 April 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. Financial assets are classified as held-for-trading if they are acquired for the purpose of sale in the near term.

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 presented as other income and gains. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognized in accordance with the policies set out for "Revenue recognition (applicable before 1 April 2018)" 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 HKAS 39 are satisfied.

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 amortized cost using the effective interest rate method less any allowance for impairment. Amortized 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 amortization is included in other income and gains in the statement of profit or loss. The loss arising from impairment is recognized in the statement of 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(適用於2018年4月1日前的香港會計準則第39號的政策)(續)

其後計量

金融資產的其後計量視其以下分類而定：

透過損益以公平值列賬的金融資產

透過損益以公平值列賬之金融資產，包括持作買賣的金融資產。倘金融資產的收購目的為於短期內出售，則分類為持作買賣。

透過損益以公平值列賬之金融資產於財務狀況表按公平值列賬，而公平值之正變動淨額列為其他收入及收益。該等公平淨值變動並未包括根據下文「收入確認(適用於2018年4月1日前)」所載政策確認的該等金融資產的任何股息或所賺取的利息。

僅當符合香港會計準則第39號的條件時，在初步確認時指定為按公平值計入損益的金融資產方於初步確認指定日期。

貸款及應收款項

貸款及應收款項指具有固定或可確定收回金額但無活躍市場報價的非衍生性金融資產。初步計量後，該等資產其後以實際利率法計算的攤銷成本減去任何減值撥備計量。計量攤銷成本時已考慮到收取時產生的任何折扣或溢價，包括構成實際利率一部分的費用或成本。實際利率攤銷計入收益表中的其他收入及收益內。減值產生之虧損在損益表中確認為貸款的融資成本及應收款項的其他開支。

可供出售金融投資

可供出售金融投資指上市及非上市的權益投資及債權證券的非衍生金融資產。分類為可供出售的權益投資即未被分類為持作買賣亦非被指定為公平值計入損益的金融資產。該分類中的債權證券乃以並無具體到期日持有為意圖且根據流動性需要和市場行情變化而出售。

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2.4 Summary of Significant Accounting Policies

(Continued)

Investments and other financial assets (policies under HKAS 39 applicable before 1 April 2018)

(Continued)

Available-for-sale financial investments (Continued)

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealized gains or losses recognized as other comprehensive income in the available-for-sale investments revaluation reserve until the investment is derecognized, at which time the cumulative gain or loss is recognized in the statement of profit or loss as other income, or until the investment is determined to be impaired, when the cumulative gain or loss is reclassified from the available-for-sale investments 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 recognized in the statement of profit or loss as other income in accordance with the policies set out for "Revenue recognition (applicable before 1 April 2018)" 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.

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortized cost and any previous gain or loss on that asset that has been recognized in equity is amortized to the statement of profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortized cost and the maturity amount is also amortized 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 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(適用於2018年4月1日前的香港會計準則第39號的政策)(續)

可供出售金融投資(續)

於首次確認後，可供出售金融投資按公平值計量，而有關盈虧確認為其他全面收益中的可供出售投資重估儲備，直至投資終止確認為止，屆時過往在權益入賬的累計盈虧均計入損益表作其他收入，或者直至該投資被確定減值為止，屆時該等投資的累計盈虧將由可供出售投資重估儲備轉撥至損益表作其他收入或虧損。所賺取的利息及股息分別列報為利息收入及股息收入，並根據下文「收入確認(適用於2018年4月1日前)」一段所載的政策於綜合收益表中確認為其他收入。

倘基於(a)該項投資的合理公平值估計範圍廣闊或(b)於估計公平值時無法合理評估並使用該範圍內不同估計的可能性而未能可靠衡量非上市權益投資的公平值，則該等投資均按成本減任何減值虧損入賬。

本集團評估可供出售的金融資產以判斷其於短期內出售的能力和意圖是否恰當。當本集團由於市場喪失活躍性而無法交易該金融資產本集團將重分類這些金融資產(極少情況)，僅當實體有能力和意圖在可見將來或到期日持有該金融資產。

當金融資產被分類出可供出售金融資產類別，該等資產任何原計入權益的盈虧須在該投資的剩餘年限內按實際利率法攤銷入損益。任何新攤銷成本與原預期現金流的差異亦須在資產的剩餘年限內按實際利率法予以攤銷。若該資產於其後被確定減值，原計入權益的金額被分類至損益表。

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2.4 Summary of Significant Accounting Policies

(Continued)

Derecognition of financial assets (policies under HKFRS 9 applicable from 1 April 2018 and policies under HKAS 39 applicable before 1 April 2018)

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement 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.

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 recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes 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.

2.4 重大會計政策概要(續)

終止確認金融資產(適用於2018年4月1日後的香港財務報告準則第9號政策及2018年4月1日前的香港會計準則第39號政策)

金融資產(或(如適用)金融資產的一部分或同類金融資產組別的一部分)在下列情況下終止確認(從本集團綜合財務狀況表移除):

- 從資產收取現金流量的權利屆滿時;或
- 本集團已轉讓其收取該項資產所得現金流量的權利,或須根據一項「轉付」安排,有責任在無重大延誤情況下將所收取現金流量悉數付予第三方;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的絕大部分風險及回報,但已轉讓該項資產的控制權。

當本集團已轉讓其收取該項資產所得現金流量的權利或已訂立一項轉付安排,會評估其是否保留該項資產所有權的風險及回報及其程度。倘並無轉讓或保留該項資產的絕大部分風險及回報,且並無轉讓該項資產的控制權,該項資產將按本集團於資產的持續參與而確認入賬。在此情況下,本集團亦確認相關負債。已轉讓的資產及相關負債按反映本集團已保留的權利及責任的基準計量。

持續涉及指本集團就已轉讓資產作出之保證,已轉讓資產乃以該項資產之原賬面值及本集團或須償還之代價數額上限(以較低者為準)計算。

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2.4 Summary of Significant Accounting Policies (Continued)

Impairment of financial assets (policies under HKFRS 9 applicable from 1 April 2018)

The Group recognizes 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.

General approach

ECLs are recognized 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 one year 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.

Financial assets at amortized 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 and contract assets which apply the simplified approach as detailed below.

2.4 重大會計政策概要(續)

金融資產減值(自2018年4月1日起適用的香港財務報告準則第9號政策)

本集團就並非按公平值計入損益持有的所有債務工具確認預期信貸損失撥備。預期信貸損失乃基於根據合約到期的合約現金流量與本集團預期收取並按初始實際利率的概約利率折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約條款所包含的其他信貸升級措施所得的現金流量。

一般方法

預期信貸損失分兩個階段確認。就初步確認以來信貸風險並無大幅增加的信貸敞口而言，會為未來12個月(12個月預期信貸損失)可能發生的違約事件所產生的信貸損失計提預期信貸損失撥備。就初步確認以來信貸風險大幅增加的信貸敞口而言，須就預期於敞口的剩餘年期產生的信貸損失計提減值撥備，不論違約時間(全期預期信貸損失)。

於各報告日期，本集團評估金融工具的信貸風險自初步確認以來是否顯著增加。作出評估時，本集團將金融工具於報告日期的違約風險與初步確認時的違約風險進行比較，並考慮無需付出過多成本及努力即可獲得的合理可靠資料，包括歷史及前瞻性資料。

當合同付款逾期一年時，本集團認為金融資產違約。但是，在某些情況下，倘內部或外部資料反映，在未計及本集團所持任何信貸增強前，本集團不大可能悉數收到未償還合約款項，則本集團認為金融資產違約。倘無法合理預期收回合約現金流量，則撇銷金融資產。

按攤銷成本計量的金融資產須按一般方法減值，除應收貿易賬款及合約資產應用下文詳述的簡化方法外，金融資產按以下級別分類用於計量預期信貸損失。

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2.4 Summary of Significant Accounting Policies

(Continued)

Impairment of financial assets (policies under HKFRS 9 applicable from 1 April 2018) (Continued)

General approach (Continued)

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 and contract assets 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 recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix 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(自2018年4月1日起適用的香港財務報告準則第9號政策)
(續)

一般方法(續)

第一級 – 金融工具的信貸風險自初步確認以來並未顯著增加，且其虧損撥備按12個月預期信貸損失等額計量

第二級 – 金融工具的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，且其虧損撥備按全期預期信貸損失等額計量

第三級 – 於報告日期出現信貸減值的金融資產(但並非購入或承辦信貸減值)，且其虧損撥備按全期預期信貸損失等額計量

簡化方法

對於不含有重大融資部分或本集團已應用不調整重大融資部分之影響的實務情況之應收貿易賬款及合約資產，本集團應用簡化方法計算預期信貸損失。根據簡化方法，本集團並無追蹤信貸風險變動，但於各報告日期根據全期預期信貸損失確認減值撥備。本集團已根據其歷史信貸損失經驗，建立撥備矩陣，並就債務人及經濟環境的特定前瞻性因素作出調整。

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2.4 Summary of Significant Accounting Policies (Continued)

Impairment of financial assets (policies under HKAS 39 applicable before 1 April 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 reorganization 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 amortized cost

For financial assets carried at amortized 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, recognized are not included in a collective assessment of impairment.

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 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 recognized in the statement of 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 realized or has been transferred to the Group.

2.4 重大會計政策概要(續)

金融資產減值(適用於2018年4月1日前的香港會計準則第39號的政策)

本集團於各報告期末時對資產進行評估，以判斷是否存在客觀證據表明某項金融資產或某組金融資產可能已減值。倘於初步確認資產後發生一個或多個事件，而該事件對該項或該組金融資產的估計未來現金流量所造成的影響乃能夠可靠地估計，即存在減值。減值證據可能包括債務人或一組債務人出現重大財政困難、違約或拖欠利息或本金付款，有面臨破產或進行其他財務重組之可能以及有公開資料表明其預計未來現金流量已出現可計量之減幅，如債務人支付能力或所處經濟環境惡化。

按攤銷成本入賬的金融資產

對於按攤銷成本列賬的金融資產，本集團首先對個別金額屬重大的金融資產單獨評估是否有客觀減值證據，或對個別金額屬不重大的金融資產共同進行評估。倘本集團認定單獨評估的金融資產並不存在客觀減值證據，無論其金額是否重大，亦應當包括具有類似信貸風險特性的金融資產組合內的資產進行集體減值評估。已個別進行減值測試及已確認減值虧損或繼續確認減值虧損的資產不應進行集體減值評估。

已發生減值虧損的金額按該資產的賬面值與所估計未來現金流量(不包括尚未發生的未來信貸虧損)的現值之差額計算。估計未來現金流量的現值按該金融資產的原實際利率(即初始確認時使用的實際利率)折現。

該資產的賬面值乃透過使用撥備賬扣減，而虧損金額則於收益表確認。利息收入應繼續按照計量減值虧損時對未來現金流量進行折現採用的折現率為基準按扣減後的賬面值計算。當未來收回並無實質展望時，則撇銷貸款及應收款項及任何有關撥備，且所有抵押品已變現或轉讓予本集團。

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2.4 Summary of Significant Accounting Policies

(Continued)

Impairment of financial assets (policies under HKAS 39 applicable before 1 April 2018) (Continued)

Financial assets carried at amortized cost (Continued)

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized 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 the statement of profit or loss.

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 amortization) and its current fair value, less any impairment loss previously recognized in the statement of profit or loss, is removed from other comprehensive income and recognized in the statement of profit or loss.

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 recognized in the statement of profit or loss – is removed from other comprehensive income and recognized in the statement of profit or loss. Impairment losses on equity instruments classified as available for sale are not reversed through the statement of profit or loss. Increases in their fair value after impairment are recognized directly in other comprehensive income.

2.4 重大會計政策概要(續)

金融資產減值(適用於2018年4月1日前的香港會計準則第39號的政策)(續) 按攤銷成本入賬的金融資產(續)

倘在後續期間，確認減值後發生致使估計減值虧損金額增加或減少的事件，則調整撥備賬以增加或減少先前確認的減值虧損。倘撇銷款項其後收回，則收回金額於損益表以其他開支入賬。

可供出售金融投資

對於可供出售金融投資，本集團於各報告期末進行評估，確定是否存在單項投資或一組投資減值的客觀證據。

如果可供出售的資產發生減值，則將按其成本(減去已償還的本金和攤銷額)與當前公平值之間的差額，減去任何以前在損益中確認的減值損失，從其他全面收入轉出並於損益表中確認。

對於分類為可供出售的權益投資，若一項投資的公平值大幅或長期下跌至低於其成本價，即屬客觀減值證據。「大幅」乃相對於投資的成本原值而評估，「長期」相對於公平值低於成本原值的期間。如出現減值證據，累計損失(購入成本與目前公平值的差額，減該項投資先前在損益表中確認的任何減值損失)將從其他全面收入轉出並於損益表中確認。分類為可供出售的權益工具的減值損失，不會在損益表中撥回，減值後公平值如有增加，則直接在其他全面收入確認。

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2.4 Summary of Significant Accounting Policies

(Continued)

Impairment of financial assets (policies under HKAS 39 applicable before 1 April 2018) (Continued)

Available-for-sale financial investments (Continued)

The determination of what is “significant” or “prolonged” requires judgment. In making this judgment, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

Financial liabilities (policies under HKFRS 9 applicable from 1 April 2018 and HKAS 39 applicable before 1 April 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 or payables, as appropriate.

All financial liabilities are recognized 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, interest-bearing bank and other borrowings, short-term notes, senior notes, medium-term notes, corporate bonds and domestic company bonds.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Loans and borrowings

After initial recognition, interest-bearing bank and other borrowings, short-term notes, senior notes, medium-term notes, corporate bonds and domestic company bonds are subsequently measured at amortized 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 recognized in the statement of profit or loss when the liabilities are derecognized as well as through the effective interest rate amortization process.

Amortized 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 amortization is included in finance costs in the statement of profit or loss.

2.4 重大會計政策概要(續)

金融資產減值(適用於2018年4月1日前的香港會計準則第39號的政策)(續)

可供出售金融投資(續)

何謂「大幅」或「長期」則需運用判斷決定。在作出此項判斷時，本集團評估某項投資的公平價值低於其成本的持續時間或程度，及其他因素。

金融負債(適用於2018年4月1日前的香港會計準則第39號政策及2018年4月1日後的香港財務會計準則第9號政策)

初始確認及計量

金融負債於初始確認時分類為以公平值列值計入損益表的金融負債、貸款及借貸或應付款項，視情況而定。

所有金融負債乃按公平值初步確認，而倘為貸款及借貸及應付款項，則扣除直接計入應佔交易成本。

本集團的金融負債包括貿易及其他應付款項、計息銀行及其他借貸、短期融資券、優先票據、中期票據、企業債券及境內公司債券。

其後計量

金融負債的其後計量視其以下分類而定：

貸款及借貸

於初步確認後，計息銀行及其他借貸、短期融資券、優先票據、中期票據、企業債券及境內公司債券其後用實際利率法按攤銷成本計量，惟倘貼現影響並不重大，則於該情況下，金融負債按成本列賬。損益乃於負債終止確認時及於實際利率法攤銷過程中於損益表中確認。

攤銷成本乃計算自收購的任何折扣或溢價及屬於實際利率構成部分的費用或成本。實際利率攤銷乃計入損益表中的融資成本內。

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2.4 Summary of Significant Accounting Policies (Continued)

Financial liabilities (policies under HKFRS 9 applicable from 1 April 2018 and HKAS 39 applicable before 1 April 2018) (Continued)

Financial guarantee contracts (policies under HKFRS 9 applicable from 1 April 2018)

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognized initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contracts at the higher of: (i) the ECL allowance determined in accordance with the policy as set out in "Impairment of financial assets (policies under HKFRS 9 applicable from 1 April 2018)"; and (ii) the amount initially recognized less, when appropriate, the cumulative amount of income recognized.

Financial guarantee contracts (policies under HKAS 39 applicable before 1 April 2018)

A financial guarantee contract is recognized initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period; and (ii) the amount initially recognized less, when appropriate, cumulative amortization.

Derecognition of financial liabilities (policies under HKFRS 9 applicable from 1 April 2018 and HKAS 39 applicable before 1 April 2018)

A financial liability is derecognized when the obligation under the liability is discharged or canceled, 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 recognized in the statement of profit or loss.

2.4 重大會計政策概要(續)

金融負債(適用於2018年4月1日前的香港會計準則第39號政策及2018年4月1日後的香港財務會計準則第9號政策)(續)

財務擔保合同(適用於2018年4月1日後的香港財務會計準則第9號政策)

本集團發行的財務擔保合同乃規定於特定債務人未能按照債務票據條款於到期時支付款項時須支付款項以補償持有人所蒙受損失。財務擔保合同初步以公平值確認為負債，並按與發出財務擔保合同有直接關係的交易成本予以調整。在初步確認後，本集團對財務擔保合同的計量以(i)根據「金融資產減值(適用於2018年4月1日後的香港財務會計準則第9號政策)」所釐定的總預期信貸虧損撥備；及(ii)按初步確認金額減(如適用)已確認的累計收入金額，兩者之較高者計算。

財務擔保合同(適用於2018年4月1日前的香港會計準則第39號政策)

財務擔保合同初步以公平值確認為負債，並按與發出財務擔保合同有直接關係的交易成本予以調整。在初步確認後，本集團對財務擔保合同的計量以(i)於報告期末時履行有關責任的最佳估計開支金額；及(ii)按初步確認金額減(如適用)累計攤銷，兩者之較高者計算。

終止確認金融負債(適用於2018年4月1日前的香港會計準則第39號政策及2018年4月1日後的香港財務會計準則第9號政策)

當負債項下的責任已解除、取消或期滿，則終止確認金融負債。

如現有金融負債被同一貸款人按條款大部分不同的另一項金融負債取代，或現有負債的條款被大幅修改，有關置換或修改會被視作終止確認原有負債並確認新負債，而其各自賬面值間的差額於損益表確認。

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2.4 Summary of Significant Accounting Policies (Continued)

Offsetting of financial instruments (policies under HKFRS 9 applicable from 1 April 2018 and HKAS 39 applicable before 1 April 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 recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Properties held for sale and held for finance lease

Properties held for sale and held for finance lease include completed properties held for sale and held for finance lease and properties under development expected to be completed within the normal operating cycle. Properties held for sale and held for finance lease are stated at the lower of cost and net realizable value. Cost includes land costs, all development expenditure, applicable borrowing costs and other direct costs attributable to such properties. Net realizable value is determined by reference to the prevailing market prices, on an individual property basis.

Inventories

Inventories comprise merchandise purchased for resale and are stated at the lower of cost and net realizable value. Cost of merchandise is determined on the first-in, first-out basis. Net realizable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

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)

金融工具的抵銷(適用於2018年4月1日前的香港會計準則第39號政策及2018年4月1日後的香港財務會計準則第9號政策)

當目前有可執行法定權利以抵銷已確認金額並擬按淨額基準結算，或將資產變現及償還負債時，金融資產及金融負債會互相抵銷，並在財務狀況表內以淨額列示。

持作銷售及持作融資租賃物業

持作銷售及持作融資租賃物業包括持作銷售及持作融資租賃已落成物業及建築期間預計在正常經營週期內的發展中物業。持作銷售及持作融資租賃物業按成本值及可變現淨值兩者的較低者列賬。成本包括土地成本、所有發展開支、適用的借貸成本及該等物業應佔的其他直接成本。可變現淨值乃參考當前市價按個別物業基準釐定。

存貨

存貨包括為購買後作轉售的商品，並按成本或可變現淨值兩者較低者列賬。商品成本會根據先入先出法而釐定。可變現淨值按估計售價減任何尚需投入的完成生產及處置的估計成本計算。

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，以及可隨時轉換為已知金額現金的短期高流動性投資，該筆現金承受價值轉變的較低風險，一般於收購起計三個月內到期，並已減去須應要求償還的銀行透支，而成為本集團現金管理的一部分。

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銀行存款，當中包括定期存款及性質與現金相類的資產，該等存款用途不受限制。

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2.4 Summary of Significant Accounting Policies

(Continued)

Provisions

A provision is recognized 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 recognized 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.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognized outside profit or loss is recognized 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 recognized 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 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)

撥備

撥備乃於本集團因以往的事件導致現行的責任(不論法定或推定)產生，並將有可能需要於日後作出資源流出以履行責任時確認，惟須可靠地估計有關責任的金額。

倘折現的影響重大，確認為撥備的金額則為預期須用作履行責任的日後開支於報告期末的現值。折現的現值因時間流逝而產生的升幅，乃於損益表中列作融資成本。

所得稅

所得稅包括即期及遞延稅項。於損益以外確認項目相關的所得稅於損益以外之其他全面收入或直接於權益確認。

即期稅項資產和負債按預期可自稅務機關收回或須支付予稅務機關的金額，基於報告期末時已頒布或實際已頒布的稅率(和稅法)，計及本集團營運所在國家現行詮釋及慣例計量。

在報告期末時，資產與負債的稅基與作為財務報告用途的資產與負債賬面值之間的全部暫時性差異，須按負債法計提遞延稅項撥備。

所有應課稅暫時性差異均確認為遞延稅項負債，惟下列各項除外：

- 倘若遞延稅項負債的起因，是由於商譽而產生，或在一宗非屬業務合併的交易中初步確認資產或負債，而於進行交易時，對會計利潤或應課稅利潤或虧損均無影響；及
- 對於與於附屬公司及聯營公司的投資的權益有關的應課稅暫時性差異而言，倘若撥回暫時性差異的時間可以控制，而暫時性差異不甚可能在可見將來撥回。

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2.4 Summary of Significant Accounting Policies

(Continued)

Income tax (Continued)

Deferred tax assets are recognized for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognized 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 utilized, 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 and associates, deferred tax assets are only recognized 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 utilized.

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 utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized 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 realized 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.

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 realize 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.

2.4 重大會計政策概要(續)

所得稅(續)

對於所有可扣減暫時性差異、結轉未動用稅項抵免及任何未動用稅項虧損，若日後有可能出現應課稅利潤，可用以抵銷該等可扣減暫時性差異、結轉未動用稅項抵免及未動用稅項虧損，則遞延稅項資產確認入賬，惟下列各項除外：

- 倘若有關可扣減暫時性差異的遞延稅項資產的起因，是由於在一宗非屬業務合併的交易中初步確認資產或負債，而於進行交易時，對會計利潤或應課稅利潤或虧損均無影響；及
- 對於與於附屬公司及聯營公司的投資的權益有關的可扣減暫時性差異而言，只有在暫時性差異有可能在可見將來撥回，而且日後有可能出現應課稅利潤，可用以抵銷該等暫時性差異時，方會確認遞延稅項資產。

遞延稅項資產的賬面值，在各報告期末時予以審閱，若不再可能有足夠應課稅利潤可用以抵扣全部或部分遞延稅項資產，則扣減遞延稅項資產賬面值。過往未予確認的遞延稅項資產於各報告期末時重新評估，而在可能有足夠應課稅利潤可用以抵扣全部或部分遞延稅項資產，則確認過往未予確認的遞延稅項資產。

變現資產或清償負債的期間預期適用的稅率，會用作計量遞延稅項資產及負債，並以報告期末時已經頒布或實際已經頒布的稅率(及稅法)為基準。

當及僅當本集團有法定可強制執行權力抵銷即期稅項資產及即期稅項負債，而遞延稅項資產及遞延稅項負債與同一稅務當局向同一應課稅實體或不同應課稅實體徵收之所得稅有關，且計劃在預期有重大金額的遞延稅項負債或資產須予清償或收回的每個未來期間，按淨額基準清償即期稅項負債及資產，或同時變現該資產及清償該負債，將抵銷遞延稅項資產及遞延稅項負債。

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2.4 Summary of Significant Accounting Policies

(Continued)

Government grants

Government grants are recognized 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 recognized 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 the statement of profit or loss over the expected useful life of the relevant asset by equal annual installments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge or over the benefits received by the Group related to such assets.

Revenue recognition (applicable from 1 April 2018)

Revenue from contracts with customers

Revenue from contracts with customers is recognized when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group a significant financial benefit for more than one year, revenue recognized under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

2.4 重大會計政策概要(續)

政府補助

政府補助於合理地確保本集團將取得該補助並將可符合所有隨附條件時按公平值確認。與開支項目有關的補助，則有系統地於擬作成本開銷期間確認為收入。

當該補助與資產有關時，則以其公平值記錄於遞延收入中，再於有關資產之預計可使用年期內，分期每年分攤計入損益表，或在資產之賬面值扣除，並以扣減折舊費用方式或本集團從該資產得到的得益之攤分方式計入損益表。

收入確認(自2018年4月1日起適用)

客戶合約收益

於貨物或服務的控制權按反映本集團預期就交換該等貨物或服務有權收取的代價的金額轉讓予客戶時確認客戶合約收益。

當合約代價包含可變金額時，代價金額估計為本集團就向客戶轉讓貨物或服務而有權換取的數額。可變代價於合約開始時估計並受到約束，直至其後消除關乎可變代價的不確定因素，使已確認累計收入金額不大可能發生重大收入撥回。

倘合約包含就向客戶轉讓貨物或服務為客戶提供超過一年的重大融資利益的融資部分，則收入按應收款項的現值計量，並使用本集團與客戶於合約開始時單獨融資交易中反映的折現率貼現。倘合約包含為本集團提供超過一年的重大融資利益的融資部分，則根據該合約確認的收入包括按實際利率法計算的合約負債所產生的利息開支。就客戶付款與承諾貨物或服務轉移期間為一年或一年以下的合約而言，採納香港財務報告準則第15號中實務情況後交易價格不會因重大融資成分的影響而調整。

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2.4 Summary of Significant Accounting Policies

(Continued)

Revenue recognition (applicable from 1 April 2018) (Continued)

(a) Sale of properties

Revenue from the sale of properties is recognized at the point in time when the purchaser obtain the physical possession of the completed property and the Group has a present right to payment and the collection of the consideration is probable.

(b) Property management service, E-commerce, logistics and warehousing services

Property management service income, E-commerce income, logistics and warehousing services income are recognized over time when the services are rendered.

(c) Outlet operations

In outlet operations, revenue from sale of merchandise and commissions from concessionaire sales is recognized at the point in time when control of the asset is transferred to the customer.

Some contracts for the sale of merchandise provide customers with rights of return. The rights of return give rise to variable consideration.

Rights of return

For contracts which provide a customer with a right to return the goods within a specified period, the expected value method is used to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in HKFRS 15 on constraining estimates of variable consideration are applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, a refund liability is recognized. A right-of-return asset (and the corresponding adjustment to cost of sales) is also recognized for the right to recover products from a customer.

Revenue from other sources

Rental income is recognized on a time proportion basis over the lease terms.

Finance lease income is recognized when the significant risks and rewards incidental to ownership of the properties have been transferred to the lessee.

2.4 重大會計政策概要(續)

收入確認(自2018年4月1日起適用) (續)

(a) 物業銷售

物業銷售的收入於買方取得已落成物業實際擁有權的時間點確認，而本集團已取得現有支付權並且可能收取代價。

(b) 物業管理服務、電子商務、物流和倉儲服務

物業管理服務收入、電子商務收入、物流及倉儲服務收入於提供服務時隨時確認。

(c) 奧特萊斯運營

在奧特萊斯運營中，來自商品銷售和特許經銷商銷售佣金之收入在資產的控制權轉移給客戶時已確認。

一些商品銷售合同為客戶提供了退貨權。退貨權引起了可變的考慮。

退貨權

對於為客戶提供在指定期限內退貨的權利的合同，預期價值法用於估計不會退回的貨物，因為該方法最能預測本集團有權獲得的可變對價金額。香港財務報告準則第15號有關限制可變代價估計的規定適用於確定可計入交易價格的可變代價金額。對於預計將退回的貨物而非收入，退款負債將被確認。對於從客戶處回收產品的權利，還確認了退貨權資產(以及相應的銷售成本調整)。

其他來源的收益

租金收入於租期內按時間比例確認。

融資租賃收入在物業所有權附帶的重大風險和報酬已轉移給承租人時確認。

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2.4 Summary of Significant Accounting Policies

(Continued)

Revenue recognition (applicable from 1 April 2018) (Continued)

Other income

Interest income is recognized on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognized when the shareholders' right to receive 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.

Revenue recognition (applicable before 1 April 2018)

Revenue is recognized when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from the sale of properties, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the properties sold;
- (b) rental income, on a time proportion basis over the lease terms;
- (c) finance lease income, when the significant risks and rewards incidental to ownership of the properties have been transferred to the lessee;
- (d) property management service and other income, when the services have been rendered;
- (e) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset;
- (f) income from outlet operations, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold, or when the services have been rendered; and
- (g) income from E-commerce and the provision of logistics and warehousing services, when the services have been rendered.

2.4 重大會計政策概要(續)

收入確認(自2018年4月1日起適用) (續)

其他收入

利息收入之確認，以計提基準，於金融工具的預期年期或較短期間(如適用)內採用實際利息法按估計未來現金收入準確折現至金融資產賬面淨額的折現率。

股息收入於股東收取付款權利時確認，與股息相關的經濟利益很可能流入本集團且股息金額能夠可靠地計量。

收入確認(適用於2018年4月1日)

收入乃於經濟利益有可能流入本集團，並能夠可靠地計量收入之時，按下列基準確認：

- (a) 來自銷售物業的收入，於所有權的重大風險及回報已轉移予買家，而本集團並不保留通常與所有權有關的管理權或對已售物業的有效控制；
- (b) 租金收入，在租賃期內按時間比例基準；
- (c) 融資租賃收入，當物業擁有權相關的主要風險及回報已轉移予承租人；
- (d) 物業管理服務及其他收入，於提供服務時；
- (e) 利息收入，以計提基準，於金融工具的預期年期或較短期間(如適用)內採用實際利息法按估計未來現金收入準確折現至金融資產賬面淨額的折現率；
- (f) 奧特萊斯運營收入，於所有權的重大風險及回報已轉移予買家，而本集團並不保留通常與所有權有關的管理權或對已售貨品的有效控制或於提供服務時；及
- (g) 電子商貿及提供物流倉儲服務收入，於提供服務時。

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2.4 Summary of Significant Accounting Policies (Continued)

Contract assets (applicable from 1 April 2018)

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Contract liabilities (applicable from 1 April 2018)

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 recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

Right-of-return assets (applicable from 1 April 2018)

A right-of-return asset represents the Group's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the goods to be returned, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned goods.

Refund liabilities (applicable from 1 April 2018)

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

2.4 重大會計政策概要(續)

合約資產(自2018年4月1日起適用)

合約資產指就向客戶轉讓貨物或服務收取代價的權利。倘本集團於客戶支付代價或付款到期前通過向客戶轉讓貨物或服務履約，則就有條件賺取的代價確認合約資產。

合約負債(自2018年4月1日起適用)

合約負債指就本集團向客戶收取代價(或代價款項已到期)而須向客戶轉讓貨物或服務的責任。倘客戶於本集團向其轉讓貨物或服務前支付代價，則於作出付款或付款到期時(以較早者為準)確認合約負債。合約負債於本集團履行合約時確認為收入。

退貨權資產(自2018年4月1日起適用)

退貨權資產代表本集團有權收回客戶預期退回的貨物。資產按以前退回貨物的賬面金額減去收回貨物的預期成本(包括退回貨物價值的任何可能減少)計量。本集團更新所記錄資產的計量，以對其預期退貨水平進行任何修訂，以及退回貨物價值的任何額外減少。

退款負債(自2018年4月1日起適用)

退款負債是退還部分或全部客戶對價的義務，並按本集團最終預期必須返還給客戶的金額計量。本集團於各報告期末更新其退款負債估計(及交易價格的相應變動)。

31 March 2019 2019年3月31日

2.4 Summary of Significant Accounting Policies

(Continued)

Share-based payments

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including Directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees for grants after 7 November 2002 is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using an appropriate pricing model, further details of which are given in note 38 to the financial statements.

The cost of equity-settled transactions is recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefit expense. The cumulative expense recognized for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognized as at the beginning and end of that period.

2.4 重大會計政策概要(續)

以股份形式付款

本公司營運購股權計劃，向為本集團業務成就作出貢獻的合資格參與者提供獎勵及報酬。本集團僱員(包括董事)按以股份形式付款方式收取薪酬，僱員以提供服務作為權益工具的代價(「以權益結算的交易」)。

與僱員之間於2002年11月7日後的以權益結算的交易成本乃參考授出日期的公平值計量。公平值乃由外聘估值師採用適當定價模式釐定，進一步詳情載於財務報表附註38。

權益結算交易之成本在績效及/或服務條件達成之期間，連同權益之相應升幅一併確認。就權益結算交易於各告期間結束時至歸屬日期確認之累計開支，反映歸屬期屆滿之程度以及本集團就最終歸屬之權益工具數目之最佳估計。期內在損益表扣除或計入之金額，指於該期間期初及期終所確認之累計開支變動。

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2.4 Summary of Significant Accounting Policies (Continued)

Share-based payments (Continued)

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognized. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognized as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognized for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

2.4 重大會計政策概要(續)

以股份形式付款(續)

釐定獎勵獲授當日之公平值時，並不計及服務及非市場績效條件，惟在有可能符合條件的情況下，則評估為本集團對最終將會歸屬權益工具數目最佳估計之一部分。市場績效條件反映於獎勵獲授當日之公平值。獎勵之任何其他附帶條件(但不帶有服務要求)視作非歸屬條件。非歸屬條件反映於獎勵之公平值，除非同時具服務及/或績效條件，否則獎勵即時支銷。

因非市場績效及/或服務條件未能達成而最終無歸屬之獎勵並不確認為支出。凡獎勵包含市場或非歸屬條件，無論市場條件或非歸屬條件獲履行與否，而所有其他績效及/或服務條件均獲履行，則交易仍被視為一項歸屬。

當以權益結算的獎勵的條款經修改，倘符合獎勵的原有條款，則會確認最低額度的開支，猶如條款未經修改。此外，就引致以股份形式付款的總公平值上升或以其他方式對僱員有利的任何改動(以改動當日的計量為準)確認開支。

當一項以權益結算的獎勵註銷，會被視作猶如於註銷當日歸屬，及並未就獎勵確認的任何開支將即時確認。此乃包括受本集團或僱員控制的非歸屬條件未能達成的任何獎勵。然而，如一項新獎勵取代一項註銷獎勵，並於授出當日界定為取替的獎勵，如上段所述，註銷及新獎勵兩者會被視為原有獎勵的改動。

尚未行使購股權的攤薄影響用於計算每股盈利時反映為額外股份攤薄。

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2.4 Summary of Significant Accounting Policies (Continued)

Other employee benefits

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees’ basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme.

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 percentage of their respective payroll costs to the central pension scheme. The contributions are charged to the statement of 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 capitalized as part of the cost of those assets. The capitalization 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 capitalized. 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.

2.4 重大會計政策概要(續)

其他僱員福利

退休金計劃

本集團根據強制性公積金計劃條例為其所有香港僱員參與強制性公積金計劃(「強積金計劃」)營運一項定額供款強積金計劃。供款按僱員基本薪金的若干百分比作出，並於根據強積金計劃規則的規定於應付時自收益表扣除。強積金計劃的資產乃與本集團資產分開以獨立管理基金持有。本集團對強積金計劃作出的僱主供款，在供款作出時全數歸屬僱員。

本集團旗下在中國大陸營運的附屬公司的僱員，須參與由地方市政府營運的中央公積金計劃。該等附屬公司須按彼等各自的支薪成本的若干百分比向中央公積金計劃作出供款。供款須按照中央公積金計劃規則的規定於應付時在損益表內扣除。

借貸成本

因收購、建設或生產合資格資產(即須頗長期間準備方可用作其擬定用途或銷售的資產)直接產生的借貸成本，乃作為該等資產的部分成本予以資本化。當資產大致達到擬定用途或銷售時，該等借貸成本則不再予以資本化。待作出合資格資產開支的特定借貸臨時投資所賺取的投資收入於借貸成本資本化時扣除。所有其他借貸成本會於發生當期支銷。借貸成本包括利息及其他由公司借貸資金而產生之費用。

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2.4 Summary of Significant Accounting Policies

(Continued)

Dividends

Final dividends are recognized as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in note 11 to the financial statements.

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. 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 recognized in the statement of profit or loss.

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 measures 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 recognized in other comprehensive income or profit or loss is also recognized 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 recognizes 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.

2.4 重大會計政策概要(續)

股息

當末期股息於股東大會上獲股東批准，該等股息則被確認為負債。擬派末期股息於財務報表附註11披露。

外幣

此等財務報表按港元呈列，而港元為本公司的功能貨幣。本集團內各實體決定其本身的功能貨幣，而各實體的財務報表內各項目均使用該功能貨幣計量。本集團實體所入賬的外幣交易初步普遍按交易日期其各自的功能貨幣匯率入賬。以外幣為單位的貨幣資產及負債，乃按報告期末的功能貨幣匯率換算。因結算或換算貨幣項目產生的一切差額乃於損益表入賬。

按外幣的歷史成本計量的非貨幣項目按最初交易當日的匯率換算。按外幣公平值計量的非貨幣項目按釐定公平值當日的匯率換算。換算非貨幣項目產生的收益或虧損乃按與確認該項目的公平值變動產生按公平值的收益或虧損一致的方法處理（即公平值收益或虧損於其他全面收入或損益確認的項目的換算差額，亦分別於其他全面收入或損益確認）。

在確定與終止代價有關的非貨幣性資產或非貨幣性負債終止確認時相關資產，費用或收入的初始確認時的匯率，初始交易日期為本集團初步確認的日期預付代價產生的非貨幣性資產或非貨幣性負債。如果之前有多筆付款或收據，則本集團會確定每筆付款或收到預付對價的交易日期。

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2.4 Summary of Significant Accounting Policies (Continued)

Foreign currencies (Continued)

The functional currencies of certain overseas subsidiaries and associates are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into Hong Kong dollars at the weighted average exchange rates for the year.

The resulting exchange differences are recognized 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 recognized in the statement of profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

3. Significant Accounting Judgments and Estimates

The preparation of the Group's financial statements requires management to make judgments, 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.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements:

2.4 重大會計政策概要(續)

外幣(續)

若干海外附屬公司及聯營公司的功能貨幣為港元以外的貨幣。於報告期末時，該等實體的資產及負債按報告期末時的匯率換算為港元，而該等公司的損益表按該年度普遍的平均匯率換算為港元。

所產生的匯兌差額確認為其他全面收入，並累計於匯兌波動儲備。處置海外實體時，在其他全面收入有關該特定海外業務的金額在損益表確認。

就綜合現金流量表而言，海外附屬公司的現金流量按現金流量日期的匯率換算為港元。海外附屬公司於年內經常產生的現金流量則按該年度的加權平均匯率換算為港元。

3. 重大會計判斷及估計

編製本集團財務報表時需管理層作出影響於報告期末的收入、費用、資產及負債及其隨附披露事項以及或然負債之呈報金額的判斷、估計及假設。然而，此等假設及估計的不明朗因素將引致受影響之資產或負債賬面值於將來或作出重大調整。

判斷

在應用本集團的會計政策的過程中，除該等涉及估計者外，管理層已作出下列對財務報表確認的金額有最重大影響的判斷：

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3. Significant Accounting Judgments and Estimates

(Continued)

Judgments (Continued)

Revenue from contracts with customers

The Group applied the following judgments that significantly affect the determination of the amount and timing of revenue from contracts with customers:

(i) *Determining the timing of satisfaction of contracts related to sale of properties*

The Group determined that the sales contracts with customers require the Group to complete the development of property before transferring the physical possession of the relevant property to the customer. The Group also determined that the Group does not have an enforceable right to payment from customers for performance completed to date before the transfer of the physical possession of the relevant property to the customer. Consequently, the Group concluded that the timing of transfer of properties is at the point in time when the purchaser obtains the physical possession of the completed property.

(ii) *Determining the method to estimate variable consideration and assessing the constraint for the sale of merchandise*

Certain contracts for the sale of merchandise include a right of return that gives rise to variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Group determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of merchandise with rights of return, given the large number of customer contracts that have similar characteristics.

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

3. 重大會計判斷及估計(續)

判斷(續)

客戶合約收益

本集團採用以下判斷，顯著影響與客戶合約收入金額及時間的確定：

(i) *確定與出售物業有關的合約的滿足時間*

本集團確定與客戶簽訂的銷售合約要求本集團在將相關物業的實際擁有權轉讓給客戶前完成物業發展。本集團亦確定，本集團並無向客戶支付可執行的權利，以確保在將相關物業的實際擁有權轉讓給客戶之前已完成的業績。因此，本集團得出結論，物業轉讓的時間是在買方取得已完工物業的實際擁有權的時間點。

(ii) *確定估計可變對價和評估商品銷售限制的方法*

某些商品銷售合同包括產生可變對價的退貨權。在估計可變代價時，本集團需根據那種方法更好地預測其有權獲得的代價金額，使用預期價值法或最可能金額法。

鑑於具有類似特徵的大量客戶合約，本集團確定預期價值法是用於估計出售具有退貨權的商品的可變對價的適當方法。

在將任何數額的可變對價納入交易價格之前，本集團會考慮可變對價的金額是否受到限制。本集團根據其歷史經驗、業務預測及當前經濟狀況確定可變對價的估計不受限制。此外，可變對價的不確定性將在短時間內得到解決。

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3. Significant Accounting Judgments and Estimates (Continued)

Judgments (Continued)

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.

Transfer from properties under development to investment properties

Properties under development are transferred to investment properties when there is a change in use with sufficient evidence. The Group determines whether a change in use has occurred based on an assessment of all relevant facts and circumstances, which include but are not limited to: (a) a business plan that reflects the future rental income generated by the property; (b) the resources to hold and manage an investment property; (c) legal permissibility for the change in use; and (d) the commencement of development if the property requires further development for the change in use. Any excess of fair value over the original carrying amount of such properties at the date of transfer was recognized as current year profit or loss.

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 judgment. 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 independent 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. Judgment 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(續)

判斷(續)

經營租賃承擔 – 本集團作為出租人

本集團已就其投資物業組合訂立商業物業租賃。本集團已根據對該等安排的條款及條件作出的評估來釐定，本集團仍保留該等按照經營租賃出租的物業之所有權的所有重大風險及回報。

發展中物業轉移至投資物業

當有充足證明用途轉變時，發展中物業轉移至投資物業。本集團乃基於所有相關事實及情況的評估釐定用途有否轉變，其中包括但不限於：(a) 反映此物業將來產生租金收入的商業計劃；(b) 持有及經營投資物業所需的資源；(c) 容許改變有關用途的法律許可；及(d) 如物業改變用途需其他開發，有關開發需開始進行。於轉移日期該等物業的公平值超出原賬面值的任何金額確認為本年度損益。

投資物業與業主自用物業之間的分類

本集團釐定物業是否符合投資物業的條件，並已制定出一套判斷準則。投資物業是持作賺取租金或資本增值或兩者俱備的物業。因此，本集團考慮物業產生現金流量時是否大體獨立於本集團持有的其他資產。某些物業的部分是為賺取租金或資本增值而持有，而另一部分是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，本集團將把有關部分分開入賬。倘若該等部分無法分開出售，則僅在非主要部分持作生產或供應貨品或服務或作行政用途時，有關物業方會列作投資物業。本集團按基準對個別物業作出判斷，以決定配套服務是否重要，以致物業不符合作為投資物業的條件。

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3. Significant Accounting Judgments 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.

Variable consideration for returns

The Group estimates variable consideration to be included in the transaction price for the sale of merchandise with rights of return.

The Group has developed a statistical model for forecasting sales returns. The model uses the historical return data of each product to come up with expected return percentages. These percentages are applied to determine the expected value of the variable consideration. Any significant changes in experience as compared to the historical return pattern will impact the expected return percentages estimated by the Group.

The Group updates its assessment of expected returns half a year and the refund liabilities are adjusted accordingly. Estimates of expected returns are sensitive to changes in circumstances and the Group's past experience regarding returns entitlements may not be representative of customers' actual returns and rebate entitlements in the future. As at 31 March 2019, the amount recognized as refund liabilities was HK\$8,273,000 for the expected returns.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 March 2019 was HK\$49,111,000 (2018: HK\$34,128,000). Further details are given in note 17.

3. 重大會計判斷及估計(續)

估計的不確定因素

有關未來的主要假設以及於報告期末時存在重大風險導致於下一個財政年度對資產及負債的賬面值作出重大調整的其他主要估計不確定因素來源在下文論述。

退貨的可變考慮因素

本集團估計可變代價將包括在具有退貨權的商品銷售的交易價格中。

本集團已開發出預測銷售退貨的統計模型。該模型使用每種產品的歷史退貨數據來得出預期的退貨百分比。應用這些百分比來確定可變對價的預期值。與歷史退貨模式相比，經驗的任何重大變化都將影響本集團估計的預期退貨百分比。

本集團更新半年預期退貨評估，並相應調整退款負債。預期退貨的估計對環境變化敏感，而本集團過往有關退貨權益的經驗可能無法代表客戶未來的實際退貨及回贈權益。於2019年3月31日，確認為退款負債的金額為預期回報的8,273,000港元。

商譽減值

本集團至少每年釐定商譽是否減值。這需要對獲分配商譽的現金產生單位的使用價值作出估計。估計使用價值時，本集團須對現金產生單位的預期未來現金流量作出估計，亦須選擇適當的折現率以計算該等現金流量的現值。於2019年3月31日，商譽的賬面值為49,111,000港元(2018年：34,128,000港元)。詳情載於附註17。

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3. Significant Accounting Judgments and Estimates (Continued)

Estimation uncertainty (Continued)

Estimation of fair value of investment properties

The Group engaged Savills Valuation and Professional Services Limited ("Savills"), an independent professional qualified valuer, to perform the valuation of the Group's investment properties at the end of the reporting period. Such valuations were based on certain assumptions, which are subject to uncertainty. In making the estimation, information about market unit rental rate and capitalization rate is considered and assumptions that are mainly based on market conditions existing at the end of each reporting period are used. The carrying amount of investment properties as at 31 March 2019 was HK\$52,464,934,000 (2018: HK\$48,135,043,000). Further details are given in note 14.

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by product type, service type, customer type and rating).

The provision matrix 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 manufacturing 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 analyzed.

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 is disclosed in note 24 to the financial statements.

3. 重大會計判斷及估計(續)

估計的不確定因素(續)

投資物業公平值估計

本集團委聘獨立專業合資格估值師第一太平戴維斯估值及專業顧問有限公司(「第一太平戴維斯」)進行本集團投資物業於報告期末時的估值。此類估值基於若干具有不確定性的假設。在進行估計時，有關市場單位租金率和資本化率的信息會被考慮，並且使用主要基於各報告期末存在的市場條件的假設。於2019年3月31日，投資物業的賬面值為52,464,934,000港元(2018年：48,135,043,000港元)。詳情載於附註14。

應收貿易賬款的預期信貸損失撥備

本集團使用撥備矩陣計算應收貿易賬款的預期信貸虧損。撥備率基於具有類似損失模式(即，按產品類型、服務類型、客戶類型和評級)的各個客戶群分組的過期天數。

撥備矩陣最初基於集團歷史觀察到的違約率。本集團將校準矩陣以使用前瞻性信息調整歷史信貸虧損經驗。例如，如果預計經濟狀況(即國內生產總值)預計在明年惡化，這可能導致製造業違約數量增加，則調整歷史違約率。在每個報告日期，更新歷史觀察到的違約率並分析前瞻性估計值的變化。

對歷史觀察到的違約率，預測經濟狀況和預期信貸虧損之間的相關性的評估是一個重要的估計。預期信貸虧損的數量對環境變化和預測經濟條件敏感。本集團的歷史信用損失經驗和經濟狀況預測也可能無法代表客戶未來的實際違約。有關本集團應收貿易賬款預期信貸虧損的信息披露於財務報表附註24。

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3. Significant Accounting Judgments and Estimates

(Continued)

Estimation uncertainty (Continued)

Land appreciation tax

Under the Provisional Regulations on Land Appreciation Tax ("LAT") implemented upon the issuance of the Provisional Regulations of the PRC on 27 January 1995, all gains arising from the transfer of real estate properties in Mainland China with effect from 1 January 1994 are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including land use rights, borrowing costs and all property development expenditures.

The subsidiaries of the Group engaging in the property development business in Mainland China are subject to LAT, which has been included in income tax. However, the implementation of these taxes varies amongst various Mainland China cities and the Group has not finalized its LAT returns with various tax authorities. Accordingly, significant judgment is required in determining the amount of land appreciation and its related taxes. The ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes these liabilities based on management's best estimates. When the final tax outcome of these matters is different from the amounts that were initially recorded, the differences will impact the income tax and provisions for land appreciation taxes in the period in which the determination is made.

Withholding tax arising from the distribution of dividends

The PRC New Corporate Income Tax Law, which became effective on 1 January 2008, states that the distribution of dividends by a foreign-invested enterprise established in Mainland China to its foreign investors, from its earnings of 2008 or thereafter, shall be subject to withholding taxes at an applicable rate of 5% or 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. Further details are given in note 36 to the financial statements.

3. 重大會計判斷及估計(續)

估計的不確定因素(續)

土地增值稅

根據於1995年1月27日頒布實施的中華人民共和國土地增值稅(「土地增值稅」)暫行條例實施細則，於中國大陸轉讓房地產物業產生的所有收益自1994年1月1日起須按介乎土地增值的30%至60%之累進稅率繳納土地增值稅。土地增值指出售物業所得款項減應課稅開支，包括土地使用權、借貸成本及所有物業開發開支。

本集團附屬公司於中國大陸從事物業開發業務，須繳納土地增值稅(計入所得稅)。然而，中國大陸的不同城市對土地增值稅的實施不盡相同，故本集團並未完成向不同稅務機關申報土地增值稅。因此，有關釐定土地增值及相關稅項須作出重大判斷。於日常業務中釐定的最終稅項金額並不確定。本集團基於管理層之最佳估計確認該等負債。當該等事宜之最終稅項支出與初步列賬之數額出現差異時，該等差額將影響釐定稅項期間之所得稅及土地增值稅撥備。

股息分派產生的預扣稅

新的中國企業所得稅法於2008年1月1日起生效，規定在中國內地成立之外資企業從其於2008年或以後的利潤中向外國投資者派發股息時，須繳納適用稅率為5%或10%的扣繳稅。因此，本集團須為於中國內地成立的附屬公司就2008年1月1日起產生之盈利分派股息而繳納預扣稅。進一步詳情載於財務報表附註36。

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3. Significant Accounting Judgments and Estimates

(Continued)

Estimation uncertainty (Continued)

Deferred tax assets

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of deferred tax assets relating to recognized tax losses as at 31 March 2019 was HK\$489,252,000 (2018: HK\$545,359,000). The amount of unrecognized tax losses as at 31 March 2019 was HK\$1,319,446,000 (2018: HK\$1,199,509,000). Further details are contained in note 36 to the financial statements.

4. Operating Segment Information

For management purposes, the Group is organized into business units based on their products and services and has five reportable operating segments as follows:

- (a) the property development segment engages in the development of integrated logistics and trade centers and residential and commercial ancillary facilities;
- (b) the property investment segment invests in integrated logistics and trade centers and residential and commercial ancillary facilities;
- (c) the property management segment engages in the management of the Group's developed properties;
- (d) the E-commerce segment engages in the development, operations and maintenance of an E-commerce platform; and
- (e) the "others" segment comprises, principally, the provision of advertising, exhibition, logistics and warehousing services, outlet operations, micro-credit services and other services.

3. 重大會計判斷及估計(續)

估計的不確定因素(續)

遞延稅項資產

僅在可能取得應課稅利潤作扣減虧損的情況下，方確認由所有未動用稅項虧損產生的遞延稅項資產。在釐定可予確認的遞延稅項資產款項時，管理層須根據可能的時間、未來應課稅利潤的水平連同未來稅項計劃策略，作出重大的判斷。於2019年3月31日，有關因稅項虧損而確認的遞延稅項資產的賬面值為489,252,000港元(2018年：545,359,000港元)。於2019年3月31日，未確認的稅項虧損為1,319,446,000港元(2018年：1,199,509,000港元)。詳情載於財務報表附註36。

4. 經營分部資料

就管理而言，本集團按其產品及服務劃分為不同的業務單位，並具備以下五個可申報營運分部：

- (a) 物業發展分部從事發展綜合物流及商品交易中心及住宅及商業配套設施；
- (b) 物業投資分部投資綜合物流及商品交易中心及住宅及商業配套設施；
- (c) 物業管理分部從事管理本集團的已建成物業；
- (d) 電子商貿分部從事發展、經營及維持電子商貿平台；及
- (e) 「其他」分部基本上包括提供廣告、展覽、物流及倉儲服務、奧特萊斯運營、小額貸款服務及其他服務。

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4. Operating Segment Information (Continued)

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit before tax except that interest income, finance costs, fair value gains/(losses) from the Group's financial instruments, head office, corporate expenses and unallocated cost of sales are excluded from this measurement.

Segment assets exclude cash and cash equivalents and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank and other borrowings, senior notes, medium-term notes, corporate bonds, domestic company bonds, short-term notes, tax payables and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

No geographical segment analysis is presented as the majority of the assets and operations of the Group are located in the PRC, which is considered as one geographical location in an economic environment with similar risks and returns.

There were no sales to a single customer which amounted to 10% or more of the Group's revenue during the year ended 31 March 2019 (2018: Nil).

4. 經營分部資料(續)

管理層會獨立監察營運分部之業績而作出資源分配決定及評定其表現。分部表現乃根據可呈報分部利潤/(虧損)(即經調整稅前利潤/(虧損))來評估。經調整稅前利潤/(虧損)與本集團稅前利潤計量方式一致，惟利息收入、融資成本、本集團金融工具公平值收益/(虧損)以及總辦事處、公司開支及未分配銷售成本均無計算在內。

分部資產不包括現金及現金等價物及其他未分配總辦事處及公司資產，原因為該等資產按集團整體管理。

分部負債不包括計息銀行及其他借貸、優先票據、中期票據、企業債券、境內公司債券、短期融資券、應付稅項及其他未分配總辦事處及公司負債，原因為該等負債按集團整體管理。

分部間銷售及轉讓乃參考當時向第三方按市價作出銷售的售價進行。

由於本集團的大部分資產及經營均位於中國(被視為處於具類似風險及回報的經濟環境的一個地理位置)，本集團並無呈列地理分部分析。

截至2019年3月31日止年度，並無單一客戶的銷售為本集團收入貢獻10%或以上(2018年：無)。

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

31 March 2019 2019年3月31日

4. Operating Segment Information (Continued)

4. 經營分部資料(續)

Year ended 31 March 2019 截至2019年3月31日止年度		Property development 物業發展 HK\$'000 千港元	Property investment 物業投資 HK\$'000 千港元	Property management 物業管理 HK\$'000 千港元	E-commerce 電子商貿 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Segment revenue (note 5):	分部收入(附註5):						
Sales to external customers	對外部客戶銷售	7,959,371	776,844	575,327	145,595	817,118	10,274,255
Intersegment sales	分部間銷售	–	183,261	450,715	127,127	93,268	854,371
		7,959,371	960,105	1,026,042	272,722	910,386	11,128,626
Elimination of intersegment sales	分部間銷售對銷						(854,371)
Revenue	收入						10,274,255
Segment results before increase in fair value of investment properties and goodwill impairment	投資物業公平值增加及商譽減值前分部業績	3,422,238	694,987	226,695	139,475	342,679	4,826,074
Increase in fair value of investment properties	投資物業公平值增加	–	2,793,403	–	–	–	2,793,403
Goodwill impairment	商譽減值	–	(134,228)	–	–	–	(134,228)
Segment results after increase in fair value of investment properties and goodwill impairment	投資物業公平值增加及商譽減值後分部業績	3,422,238	3,354,162	226,695	139,475	342,679	7,485,249
Unallocated cost of sales	未分配銷售成本						(386,480)
Interest income	利息收入						89,240
Fair value gains on financial assets at fair value through profit or loss, net	透過損益以公平值列賬之金融資產公平值收益，淨額						1,003
Unallocated income and gains	未分配收入及收益						713,818
Unallocated expenses	未分配開支						(1,995,197)
Finance costs	融資成本						(530,858)
Profit before tax	稅前利潤						5,376,775
Segment assets	分部資產	45,906,024	52,709,250	130,837	36,996	1,342,050	100,125,157
Reconciliation: Unallocated assets	對賬： 未分配資產						12,981,805
Total assets	資產總值						113,106,962
Segment liabilities	分部負債	18,804,518	9,034,233	156,672	106,719	599,107	28,701,249
Reconciliation: Unallocated liabilities	對賬： 未分配負債						48,255,886
Total liabilities	負債總額						76,957,135
Other segment information:	其他分部資料：						
Depreciation	折舊	81,700	11,995	340	19,449	7,273	120,757
Corporate and other unallocated amounts	公司及其他未分配金額						19,482
							140,239
Increase in fair value of investment properties	投資物業公平值增加	–	2,793,403	–	–	–	2,793,403
Goodwill impairment	商譽減值	–	(134,228)	–	–	–	(134,228)
Capital expenditure*	資本開支*	10,131,938	1,877,257	1,215	12	32,640	12,043,062

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

31 March 2019 2019年3月31日

4. Operating Segment Information (Continued)

4. 經營分部資料(續)

Year ended 31 March 2018 截至2018年3月31日止年度		Property development 物業發展 HK\$'000 千港元	Property investment 物業投資 HK\$'000 千港元	Property management 物業管理 HK\$'000 千港元	E-commerce 電子商貿 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Segment revenue (note 5):	分部收入(附註5):						
Sales to external customers	對外部客戶銷售	7,385,394	731,716	375,520	245,241	667,499	9,405,370
Intersegment sales	分部間銷售	–	214,403	343,825	174,452	63,391	796,071
		7,385,394	946,119	719,345	419,693	730,890	10,201,441 (796,071)
Elimination of intersegment sales	分部間銷售對銷						
Revenue	收入						9,405,370
Segment results before increase in fair value of investment properties	投資物業公平值增加前 分部業績	3,301,780	532,524	145,143	243,293	305,615	4,528,355
Increase in fair value of investment properties	投資物業公平值增加	–	4,378,474	–	–	–	4,378,474
Segment results after increase in fair value of investment properties	投資物業公平值增加後 分部業績	3,301,780	4,910,998	145,143	243,293	305,615	8,906,829
Unallocated cost of sales	未分配銷售成本						(459,176)
Interest income	利息收入						77,945
Fair value losses on financial assets at fair value through profit or loss, net	透過損益以公平值列賬之金融 資產公平值虧損，淨額						(4,461)
Unallocated income and gains	未分配收入及收益						783,481
Unallocated expenses	未分配開支						(2,226,382)
Finance costs	融資成本						(294,771)
Profit before tax	稅前利潤						6,783,465
Segment assets	分部資產	47,674,543	49,185,154	167,412	76,789	1,553,674	98,657,572
Reconciliation:	對賬:						
Investments in associates	於聯營公司的投資						142,112
Unallocated assets	未分配資產						12,746,282
Total assets	資產總值						111,545,966
Segment liabilities	分部負債	15,594,034	8,082,782	149,545	272,118	651,634	24,750,113
Reconciliation:	對賬:						
Unallocated liabilities	未分配負債						50,395,099
Total liabilities	負債總額						75,145,212
Other segment information:	其他分部資料:						
Depreciation	折舊	91,370	1,813	448	4,965	23,190	121,786
Corporate and other unallocated amounts	公司及其他未分配金額						8,523
							130,309
Increase in fair value of investment properties	投資物業公平值增加	–	4,378,474	–	–	–	4,378,474
Capital expenditure*	資本開支*	11,461,772	266,742	399	9,019	54,718	11,792,650

* Capital expenditure consists of additions to property, plant and equipment, prepaid land lease payments, properties under development and investment properties.

* 資本開支包括物業、廠房及設備、預付土地出租金、發展中物業及投資物業添置。

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

31 March 2019 2019年3月31日

5. Revenue, Other Income and Gains

An analysis of revenue is as follows:

5. 收入、其他收入及收益

收入分析如下：

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Revenue from contracts with customers	客戶合約收益		
Sales of properties	物業銷售	7,462,802	7,229,545
Property management fee income	物業管理費收入	575,327	375,520
E-commerce income	電子商貿收入	145,595	245,241
Others*	其他*	579,361	526,658
		8,763,085	8,376,964
Revenue from other sources	其他來源收入		
Rental income	租金收入	776,844	731,716
Finance lease income	融資租賃收入	496,569	155,849
Others*	其他*	237,757	140,841
		1,511,170	1,028,406
		10,274,255	9,405,370

* Others include amounts of HK\$427,825,000 (2018: HK\$354,885,000) related to income from outlet operations and HK\$289,290,000 (2018: HK\$218,066,000) related to income from logistics and warehousing services.

* 其他已包括奧特萊斯運營收入427,825,000港元(2018年：354,885,000港元)及物流及倉儲服務收入289,290,000港元(2018年：218,066,000港元)。

Revenue from contracts with customers

(i) Disaggregated revenue information

For the year ended 31 March 2019

客戶合約收益

(i) 分類收入資料

截至2019年3月31日止年度

		Property development 物業發展 HK\$'000 千港元	Property management 物業管理 HK\$'000 千港元	E-commerce 電子商貿 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Timing of revenue recognition	收益確認時間					
Goods transferred at a point in time	在某一時點轉移的貨品	7,462,802	-	-	458,040	7,920,842
Services transferred over time	於一段時間內轉移的服務	-	575,327	145,595	121,321	842,243
Total revenue from contracts with customers	總客戶合約收益	7,462,802	575,327	145,595	579,361	8,763,085

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

31 March 2019 2019年3月31日

5. Revenue, Other Income and Gains (Continued)

Revenue from contracts with customers (Continued)

(i) Disaggregated revenue information (Continued)

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

For the year ended 31 March 2019

5. 收入、其他收入及收益(續)

客戶合約收益(續)

(i) 分類收入資料(續)

以下列出為客戶合約收益與分部資料中披露的金額對賬：

截至2019年3月31日止年度

		Property development 物業發展 HK\$'000 千港元	Property management 物業管理 HK\$'000 千港元	E-commerce 電子商貿 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Revenue from contracts with customers	客戶合約收益					
External customers	外部客戶	7,462,802	575,327	145,595	579,361	8,763,085
Intersegment sales	分部間銷售	–	450,715	127,127	49,080	626,922
		7,462,802	1,026,042	272,722	628,441	9,390,007
Intersegment adjustments and eliminations	分部間銷售調整及對銷	–	(450,715)	(127,127)	(49,080)	(626,922)
Total revenue from contracts with customers	總客戶合約收益	7,462,802	575,327	145,595	579,361	8,763,085

31 March 2019 2019年3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 recognized in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognized from performance obligations satisfied in previous periods:

		2019 HK\$'000 千港元
Revenue recognized that was included in contract liabilities at the beginning of the reporting period:	包含在報告期初合約負債之中的收益金額：	
Sale of properties	物業銷售	4,910,206

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of properties

The performance obligation is satisfied upon the physical possession of the completed property is obtained by the purchasers and the Group has a present right to payment and the collection of the consideration is probable.

Property management service and E-commerce

The performance obligation is satisfied over time as services are rendered.

Others

Others include sale of merchandise and commissions from concessionaire sales included in outlet operations, logistics and warehousing services. The performance obligation of logistics and warehousing services is satisfied over time as services are rendered. The performance obligation of sale of merchandise and commissions from concessionaire sales is satisfied when control of the asset is transferred to the customer.

5. 收入、其他收入及收益(續)

客戶合約收益(續)

(i) 分類收入資料(續)

下表顯示本報告期間確認的收益金額，該收益金額包含在報告期初的合約負債之中及從先前期間符合的履約責任中確認：

(ii) 履約責任

有關本集團履約責任的資料摘錄如下：

物業銷售

履約責任於買方獲得已竣工物業的實際擁有權及本集團獲得現時收款權且很可能收取代價時履行。

物業管理服務及電子商貿

履約責任會隨著服務的提供而逐漸履行。

其他

其他包括奧特萊斯業務、物流和倉儲服務中商品銷售和特許經銷商銷售佣金。物流和倉儲服務的履約責任會隨著服務的提供而逐漸履行。商品銷售和特許經銷商銷售佣金的履約責任會在資產的控制權轉移給客戶時履行。

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

31 March 2019 2019年3月31日

5. Revenue, Other Income and Gains (Continued)
Revenue from contracts with customers (Continued)
(ii) Performance obligations (Continued)
Others (Continued)

5. 收入、其他收入及收益(續)
客戶合約收益(續)
(ii) 履約責任(續)
其他(續)

	Notes 附註	2019 HK\$'000 千港元	2018 HK\$'000 千港元
Other income	其他收入		
Interest income	利息收入	89,240	77,945
Government grants*	政府補貼*	540,875	783,912
Others	其他	64,972	31,917
		695,087	893,774
Gains/(losses)	收益/(虧損)		
(Losses)/gains on disposal of items of property, plant and equipment	處置物業、廠房及設備項目之(虧損)/收益	(1,077)	113
Fair value gains/(losses) on financial assets at fair value through profit or loss, net	透過損益以公平值列賬之金融資產公平值收益/(虧損)·淨額	1,003	(4,461)
Gain on repurchase of the senior notes	回購優先票據之收益	94,607	–
Loss on redemption of the senior notes	贖回優先票據之虧損	–	(89,876)
Gain on disposal of subsidiaries	處置附屬公司之收益	24,515	1,142
Exchange (losses)/gains, net	滙兌(虧損)/收益·淨額	(10,074)	56,273
		108,974	(36,809)
		804,061	856,965
Fair value gains on investment properties	投資物業公平值收益	2,793,403	4,378,474

* Various government grants have been received from the relevant government authorities to foster and support the development of the relevant projects of the Group in Mainland China. There are no unfulfilled conditions or contingencies relating to these grants.

* 若干政府補貼為相關政府部門給予本集團，以培育及扶持本集團於中國大陸項目的發展。該等補貼沒有未履行之條件或或然事件。

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

31 March 2019 2019年3月31日

6. Profit Before Tax

The Group's profit before tax is arrived at after charging/(crediting):

6. 稅前利潤

本集團的稅前利潤已扣除/(計入)下列各項：

		For the year ended 31 March 截至3月31日止年度	
		2019 HK\$'000 千港元	2018 HK\$'000 千港元
	Notes 附註		
Cost of properties sold	已售物業成本	4,157,769	4,024,550
Cost of properties held for finance lease	融資租賃物業成本	379,364	59,064
Depreciation	折舊	140,597	131,147
Less: Depreciation capitalized in respect of properties under development	減：就發展中物業的資本化折舊	(358)	(838)
		140,239	130,309
Amortization of prepaid land lease payments	預付土地出租金攤銷	34,087	28,269
Minimum lease payments under operating leases in respect of land and buildings and vehicles	土地及樓宇及汽車於經營租賃下的最低租金	10,807	11,732
Auditor's remuneration	核數師薪酬	4,350	4,220
Employee benefit expense (including Directors' remuneration):	僱員福利開支(包括董事薪酬)：		
Wages and salaries*	工資及薪金*	763,780	746,465
Equity-settled share option expense	以權益結算的購股權開支	14,595	42,065
Pension scheme contributions	退休金計劃供款	113,986	106,144
		892,361	894,674
Provision for impairment of trade receivables**	應收貿易賬款減值撥備**	86,115	112,134
Provision for impairment of available-for-sale investments**	可供出售金融投資減值撥備**	—	175,500
Provision for impairment of goodwill**	商譽減值撥備**	134,228	—
Losses/(gains) on disposal of items of property, plant and equipment	處置物業、廠房及設備項目之虧損/(收益)	1,077	(113)

* Included an amount of HK\$64,073,000 for the year ended 31 March 2019 (2018: HK\$71,569,000), which was capitalized under properties under development.

** Included in "Other expenses" in the consolidated statement of profit or loss.

* 包括截至2019年3月31日止年度的金額64,073,000港元(2018年：71,569,000港元)，已予以資本化計入發展中物業。

** 計入綜合損益表「其他開支」項內。

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

31 March 2019 2019年3月31日

7. Finance Costs

An analysis of finance costs is as follows:

		For the year ended 31 March 截至3月31日止年度	
		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Interest on bank and other borrowings (including senior notes, medium-term notes, corporate bonds, domestic company bonds and short-term notes)	銀行及其他借貸利息(包括優先票據、中期票據、企業債券、境內公司債券及短期融資券)	2,494,708	2,209,896
Less: Interest capitalized	減：資本化利息	(1,963,850)	(1,915,125)
Total	總計	530,858	294,771

7. 融資成本

融資成本之分析如下：

8. Directors' Emoluments

Directors' remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (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. 董事酬金

根據香港聯交所證券上市規則(「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，於本年度的董事酬金披露如下：

		For the year ended 31 March 截至3月31日止年度	
		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Fees	袍金	2,880	3,591
Other emoluments:	其他酬金：		
Salaries, allowances, and benefits in kind	薪金、津貼及實物福利	26,011	23,602
Performance-related bonuses*	與表現掛鉤的花紅*	34,796	38,642
Equity-settled share option expense	以權益結算的購股權開支	9,594	34,366
Pension scheme contributions	退休金計劃供款	72	73
		73,353	100,274

* Certain Executive Directors of the Company are entitled to performance-related bonus payments which are determined as a percentage of the Group's consolidated net profit attributable to owners of the parent excluding adjustments on fair value gains of investment properties and related tax effects, impairment of goodwill and investments, and loss on redemption of senior notes (in addition to any discretionary bonus (if any)) of the financial year.

* 本公司若干執行董事有權收取按該財政年度的未計投資物業公平值收益及相關稅務影響、商譽及投資減值和贖回優先票據的虧損的母公司擁有人應佔綜合淨利潤百分比釐定有關表現之花紅(除任何酌情花紅(如有))。

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

31 March 2019 2019年3月31日

8. Directors' Emoluments (Continued)

(a) Independent Non-Executive Directors

The fees paid to Independent Non-Executive Directors during the year were as follows:

		Fees	Equity-settled share option expense	Total
		袍金	以權益結算的 購股權開支	總計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
2019	2019年			
Leung Kwan Yuen Andrew	梁君彥	380	939	1,319
Li Wai Keung	李偉強	380	939	1,319
Hui Chiu Chung	許照中	380	939	1,319
Yung Wing Ki Samuel	容永祺	380	939	1,319
		1,520	3,756	5,276

		Fees	Equity-settled share option expense	Total
		袍金	以權益結算的 購股權開支	總計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
2018	2018年			
Leung Kwan Yuen Andrew	梁君彥	380	-	380
Li Wai Keung	李偉強	380	-	380
Hui Chiu Chung	許照中	380	-	380
Yung Wing Ki Samuel	容永祺	380	-	380
		1,520	-	1,520

8. 董事酬金(續)

(a) 獨立非執行董事

年內付予獨立非執行董事的袍金如下：

Fees	Equity-settled share option expense	Total
袍金	以權益結算的 購股權開支	總計
HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元

Fees	Equity-settled share option expense	Total
袍金	以權益結算的 購股權開支	總計
HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元

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

31 March 2019 2019年3月31日

8. Directors' Emoluments (Continued)
(b) Executive Directors and Non-Executive Directors

8. 董事酬金(續)
(b) 執行董事及非執行董事

		Fees	Salaries, allowances, and benefits in kind	Performance-related bonuses	Equity-settled share option expense	Pension scheme contributions	Total
		袍金	薪金、津貼及實物福利	與表現掛鈎的花紅	以權益結算的購股權開支	退休金計劃供款	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
2019	2019年						
Executive Directors:	執行董事：						
Cheng Chung Hing	鄭松興	-	5,850	17,844	-	18	23,712
Fung Sing Hong Stephen	馮星航	-	6,800	13,383	3,892	18	24,093
Zhao Lidong*	趙立東*	-	1,267	-	-	3	1,270
Song Chuan*	宋川*	-	10,594	-	1,946	15	12,555
Cheng Ka Man Carman	鄭嘉汶	-	1,500	3,569	-	18	5,087
		-	26,011	34,796	5,838	72	66,717
Non-Executive Directors:	非執行董事：						
Ma Kai Cheung	馬介璋	680	-	-	-	-	680
Cheng Tai Po	鄭大報	680	-	-	-	-	680
Lin Ching Hua***	林璟驊***	-	-	-	-	-	-
		1,360	-	-	-	-	1,360
		1,360	26,011	34,796	5,838	72	68,077

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

31 March 2019 2019年3月31日

8. Directors' Emoluments (Continued)
(b) Executive Directors and Non-Executive Directors (Continued)

8. 董事酬金(續)
(b) 執行董事及非執行董事(續)

		Fees	Salaries, allowances, and benefits in kind	Performance-related bonuses	Equity-settled share option expense	Pension scheme contributions	Total
		袍金	薪金、津貼及實物福利	與表現掛鉤的花紅	以權益結算的購股權開支	退休金計劃供款	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
2018	2018年						
Executive Directors:	執行董事：						
Cheng Chung Hing	鄭松興	-	5,850	15,921	-	18	21,789
Leung Moon Lam**	梁滿林**	-	503	-	-	3	506
Fung Sing Hong Stephen	馮星航	-	6,800	11,941	26,255	18	45,014
Song Chuan*	宋川*	-	9,086	7,700	8,111	17	24,914
Cheng Ka Man Carman	鄭嘉汶	-	1,363	3,080	-	17	4,460
		-	23,602	38,642	34,366	73	96,683
Non-Executive Directors:	非執行董事：						
Ma Kai Cheung	馬介璋	807	-	-	-	-	807
Sun Kai Lit Cliff**	孫啟烈**	216	-	-	-	-	216
Ma Wai Mo**	馬偉武**	216	-	-	-	-	216
Cheng Tai Po	鄭大報	680	-	-	-	-	680
Leung Moon Lam**	梁滿林**	152	-	-	-	-	152
Lin Ching Hua***	林璟驊***	-	-	-	-	-	-
		2,071	-	-	-	-	2,071
		2,071	23,602	38,642	34,366	73	98,754

* On 1 February 2019, Mr. Song Chuan has resigned as Executive Director of the Company and Mr. Zhao Lidong has been appointed as Executive Director of the Company.

** On 4 May 2017, Mr. Leung Moon Lam was re-designated from an Executive Director to a Non-Executive Director of the Company. On 25 July 2017, Mr. Sun Kai Lit Cliff, Dr. Ma Wai Mo and Mr. Leung Moon Lam have resigned as Non-Executive Director of the Company.

*** Mr. Lin Ching Hua, a Non-Executive Director of the Company, has voluntarily decided not to receive any director's emolument in the future from the Company since his appointment on 28 June 2014, including a director's fee of HK\$380,000 per annum. Apart from this, there was no arrangement under which a director waived or agreed to waive any remuneration during the year.

* 於2019年2月1日，宋川先生已辭任本公司之執行董事而趙立東先生獲委任為本公司之執行董事。

** 於2017年5月4日，梁滿林先生由本公司之執行董事調任為非執行董事，而宋川先生及鄭嘉汶女士獲委任為本公司之執行董事。於2017年7月25日，孫啟烈先生、馬偉武博士及梁滿林先生已辭任本公司之非執行董事。

*** 本公司之非執行董事林璟驊先生自願不收取自2014年6月28日上任以後的任何本公司之董事酬金，包括每年董事酬金380,000港元。除此之外，於本年內無董事放棄或同意放棄酬金的安排。

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

31 March 2019 2019年3月31日

9. Five Highest Paid Employees

The five highest paid employees during the year included four (2018: three) Directors, details of whose remuneration are set out in note 8 above. Details of the remuneration of the five highest paid employees for the year are as follows:

9. 五位最高薪人士

年內，五位最高薪僱員分別包括四名董事(2018年：三名)，其酬金已載於上文附註8。年內五名最高薪僱員酬金的詳情如下：

		For the year ended 31 March 截至3月31日止年度	
		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	28,301	27,690
Performance-related bonuses	與表現掛鉤的花紅	34,796	37,768
Equity-settled share option expense	以權益結算的購股權開支	5,838	36,985
Pension scheme contributions	退休金計劃供款	69	89
		69,004	102,532

The number of the five highest paid employees whose remuneration fell within the following bands is as follows:

介乎以下範圍的五名最高薪僱員人數如下：

		Number of employees 僱員人數	
		2019	2018
HK\$3,000,001 to HK\$10,000,000	3,000,001港元至10,000,000港元	2	2
HK\$10,000,001 to HK\$20,000,000	10,000,001港元至20,000,000港元	1	–
HK\$20,000,001 to HK\$30,000,000	20,000,001港元至30,000,000港元	2	2
HK\$30,000,001 to HK\$40,000,000	30,000,001港元至40,000,000港元	–	–
HK\$40,000,001 to HK\$50,000,000	40,000,001港元至50,000,000港元	–	1
		5	5

During the year and in prior years, share options were granted to non-director, highest paid employees in respect of their services to the Group, further details of which are included in the disclosure in note 38 to the financial statements. The fair value of those options, which is recognized in the consolidated statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above five highest paid employees' remuneration disclosures.

年內及以前年度，非董事及最高薪僱員就其向本集團提供之服務而獲授購股權，其進一步詳情載於財務報表附註38。該等購股權的公平值(已於歸屬期間於綜合損益表確認)乃於授出日期釐定，而載於本年度財務報表的金額已包括於上文五名最高薪僱員酬金的披露資料。

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

31 March 2019 2019年3月31日

10. Income Tax

Hong Kong profits tax has been provided at the rate of 16.5% (2018: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in Hong Kong during the year (2018: Nil).

Taxes on profits assessable in Mainland China are calculated at the rates of tax prevailing in the provinces in which the Group operates.

Under the relevant income tax law, the PRC subsidiaries are subject to corporate income tax ("CIT") at the statutory rate of 25% (2018: 25%) on their respective taxable income during the year.

The PRC LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from the sale of properties less deductible expenditures including land costs, borrowing costs and all property development expenditures.

The major components of income tax expenses for the year are as follows:

10. 所得稅

年內，香港利得稅乃根據於香港產生的估計應課稅溢利16.5%(2018年：16.5%)的稅率計提。年內，由於本集團概無源自香港的應課稅利潤，故並無計提香港利得稅撥備(2018年：無)。

中國大陸的應課稅溢利稅項乃按本集團營運所在省份的現行稅率計提。

根據相關所得稅法，年內，中國附屬公司須就各自應課稅收入按法定稅率25%(2018年：25%)繳納企業所得稅。

中國土地增值稅按30%至60%不等的累進稅率就土地價值(即物業銷售所得款項減包括土地成本、借貸成本及所有物業發展開支在內的可扣減開支)增值徵收。

年內，所得稅開支主要部分如下：

		For the year ended 31 March 截至3月31日止年度		
		Note	2019 HK\$'000 千港元	2018 HK\$'000 千港元
		附註		
Current — Mainland China	即期—中國大陸		1,013,337	920,093
LAT in Mainland China	中國大陸土地增值稅		611,687	687,487
Deferred Mainland China corporate income tax	遞延中國大陸企業所得稅	36	508,637	673,553
Total tax charge for the year	年度稅項支出總額		2,133,661	2,281,133

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

31 March 2019 2019年3月31日

10. Income Tax (Continued)

A reconciliation of the tax expense applicable to profit before tax at the statutory rate to the tax expense at the Group's effective income tax rate is as follows:

10. 所得稅(續)

按法定稅率計算適用於稅前利潤的稅項開支與按本集團本年度實際稅率計算的稅項開支的對賬如下：

		For the year ended 31 March 截至3月31日止年度	
		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Profit before tax	稅前利潤	5,376,775	6,783,465
Tax at the statutory tax rate of 16.5%	按16.5%法定稅率計算的稅項	887,168	1,119,272
Higher tax rates enacted by local authorities	地方機關制定的較高稅率	460,989	608,503
Income not subject to tax	毋須繳稅收入	(101,330)	(54,522)
Expenses not deductible for tax	不可扣稅開支	336,137	87,768
Tax losses utilized from previous years	動用過往年度的稅項虧損	(6,774)	(4,041)
Tax losses not recognized	未確認的稅項虧損	40,348	68,017
LAT	土地增值稅	611,687	687,487
Tax effect of LAT	土地增值稅的稅務影響	(152,921)	(171,871)
Adjustments in respect of current tax of previous years	過往年度稅項調整	31,000	723
Effect of withholding tax on the distributable profits of the Group's PRC subsidiaries	按本集團的中國附屬公司的可分配利潤而計算預扣所得稅的影響	27,357	(60,203)
Tax charge at the Group's effective rate	按本集團實際稅率計算的稅項支出	2,133,661	2,281,133

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11. Dividend

		For the year ended 31 March 截至3月31日止年度	
		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Proposed final dividend — HK5.0 cents per ordinary share (2018: HK5.0 cents per ordinary share with scrip option)	建議末期股息— 每股普通股5.0港仙 (2018年：每股普通股 5.0港仙，附有以股代息 選擇權)	405,857	400,479

The final dividend (with scrip option) of HK5.0 cents per share amounting to HK\$400,479,000 for the financial year ended 31 March 2018 was approved on 21 August 2018. The final dividend paid in cash was HK\$239,140,000, and paid in allotment and issuance of shares was HK\$161,339,000, which was settled or dispatched to shareholders on 10 October 2018.

The proposed final dividend is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

12. Earnings Per Share Attributable to Ordinary Equity Holders of the Parent

The calculation of the basic earnings per share 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 8,060,551,947 (2018: 8,007,198,026) in issue during the year.

The calculation of the diluted earnings per share for the year ended 31 March 2018 is based on the profit for the year ended 31 March 2018 attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year ended 31 March 2018, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

No adjustment has been made to the basic earnings per share amount presented for the year ended 31 March 2019 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic earnings per share amount presented.

11. 股息

截至2018年3月31日之財政年度每股5.0港仙之末期股息(附有以股代息選擇權)已於2018年8月21日批准，總金額為400,479,000港元。以現金支付的末期股息239,140,000港元及以配發及發行股份的末期股息161,339,000港元已於2018年10月10日支付或派發給股東。

擬派末期股息須待本公司股東於應屆股東週年大會批准後，方可作實。

12. 歸屬於母公司普通股權益持有人的每股盈利

每股基本盈利乃根據母公司普通股權益持有人應佔年內利潤及年內已發行8,060,551,947股(2018年：8,007,198,026股)普通股的加權平均數計算。

截至2018年3月31日止年度每股攤薄盈利乃根據母公司普通股權益持有人應佔2018年3月31日之年內利潤計算。計算所用的普通股加權平均數乃為計算每股基本盈利所用於截至2018年3月31日之年內已發行普通股股數，而加權平均普通股數目乃假設行使或轉換所有具潛在攤薄性的普通股為普通股按無償發行。

由於未行使之購股權對所呈列的每股基本盈利金額具反攤薄影響，故並無就截至2019年3月31日止年度所呈列之每股基本盈利金額作出調整。

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

31 March 2019 2019年3月31日

12. Earnings Per Share Attributable to Ordinary Equity Holders of the Parent (Continued)

The calculations of basic and diluted earnings per share are based on:

12. 歸屬於母公司普通股權益持有人的每股盈利(續)

每股基本及攤薄盈利的計算乃基於：

		For the year ended 31 March 截至3月31日止年度	
		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Earnings	盈利		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation	用於計算每股基本及攤薄盈利之母公司普通股權益持有人應佔利潤	3,250,962	4,511,679
		Number of shares 股數	
		2019	2018
Shares	股份		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	用於計算每股基本盈利之年內已發行普通股的加權平均數	8,060,551,947	8,007,198,026
Effect of dilution — weighted average number of ordinary shares:	攤薄影響 — 普通股加權平均數：		
Share options	購股權	—	22,635,257
		8,060,551,947	8,029,833,283

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

31 March 2019 2019年3月31日

13. Property, Plant and Equipment

13. 物業、廠房及設備

31 March 2019	2019年3月31日	Notes 附註	Buildings	Furniture, fixtures and equipment	Motor vehicles	Total
			樓宇 HK\$'000 千港元	傢俬、 裝置及設備 HK\$'000 千港元	汽車 HK\$'000 千港元	總計 HK\$'000 千港元
At 1 April 2018:	於2018年4月1日：					
Cost	成本		2,168,145	223,246	91,960	2,483,351
Accumulated depreciation	累計折舊		(498,969)	(166,087)	(68,508)	(733,564)
Net carrying amount	賬面淨額		1,669,176	57,159	23,452	1,749,787
At 1 April 2018, net of accumulated depreciation	於2018年4月1日，已扣除累計折舊		1,669,176	57,159	23,452	1,749,787
Additions	添置		81,610	21,832	7,841	111,283
Acquisition from a subsidiary	從附屬公司收購	40	-	2,842	-	2,842
Disposal of subsidiaries	處置附屬公司	41	-	(1,688)	-	(1,688)
Transfer from properties under development	轉撥自發展中物業	15	33,038	-	-	33,038
Transfer to properties held for sale	轉撥至持作銷售物業		(228,895)	-	-	(228,895)
Disposals	處置		-	(1,329)	(6,364)	(7,693)
Depreciation provided during the year	年度折舊撥備	6	(125,714)	(9,526)	(5,357)	(140,597)
Exchange realignment	匯兌調整		(112,785)	(3,645)	(1,470)	(117,900)
At 31 March 2019, net of accumulated depreciation	於2019年3月31日，已扣除累計折舊		1,316,430	65,645	18,102	1,400,177
At 31 March 2019:	於2019年3月31日：					
Cost	成本		1,907,133	223,171	77,316	2,207,620
Accumulated depreciation	累計折舊		(590,703)	(157,526)	(59,214)	(807,443)
Net carrying amount	賬面淨額		1,316,430	65,645	18,102	1,400,177

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

31 March 2019 2019年3月31日

13. Property, Plant and Equipment (Continued)

13. 物業、廠房及設備(續)

			Buildings 樓宇 HK\$'000 千港元	Furniture, fixtures and equipment 傢私、 裝置及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
31 March 2018	2018年3月31日	Notes 附註				
At 1 April 2017:	於2017年4月1日:					
Cost	成本		1,706,052	202,401	83,597	1,992,050
Accumulated depreciation	累計折舊		(339,546)	(141,175)	(56,420)	(537,141)
Net carrying amount	賬面淨額		1,366,506	61,226	27,177	1,454,909
At 1 April 2017, net of accumulated depreciation	於2017年4月1日，已扣除累計折舊		1,366,506	61,226	27,177	1,454,909
Additions	添置		27,891	18,141	4,310	50,342
Transfer from properties under development	轉撥自發展中物業	15	244,017	-	-	244,017
Disposals	處置		(10,857)	(19,004)	(4,084)	(33,945)
Depreciation provided during the year	年度折舊撥備	6	(115,581)	(9,212)	(6,354)	(131,147)
Exchange realignment	匯兌調整		157,200	6,008	2,403	165,611
At 31 March 2018, net of accumulated depreciation	於2018年3月31日，已扣除累計折舊		1,669,176	57,159	23,452	1,749,787
At 31 March 2018:	於2018年3月31日:					
Cost	成本		2,168,145	223,246	91,960	2,483,351
Accumulated depreciation	累計折舊		(498,969)	(166,087)	(68,508)	(733,564)
Net carrying amount	賬面淨額		1,669,176	57,159	23,452	1,749,787

Certain of the Group's buildings with an aggregate carrying value of approximately HK\$445,957,000 as at 31 March 2019 (2018: HK\$732,660,000) were pledged to secure general banking facilities granted to the Group (note 30).

As at 31 March 2019, certificates of ownership in respect of certain buildings of the Group in the PRC with an aggregate carrying value of approximately HK\$1,027,547,000 (2018: HK\$1,235,520,000) had not been issued by the relevant PRC authorities. The Group is in the process of obtaining the relevant certificates of ownership.

於2019年3月31日，本集團賬面總值約445,957,000港元(2018年：732,660,000港元)的若干樓宇已抵押作為本集團獲授一般銀行融資的擔保(附註30)。

於2019年3月31日，本集團於中國賬面總值合共約1,027,547,000港元(2018年：1,235,520,000港元)的若干樓宇未獲相關中國機關發出所有權證。本集團正在領取相關所有權證。

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

31 March 2019 2019年3月31日

14. Investment Properties

14. 投資物業

		Notes 附註	2019 HK\$'000 千港元	2018 HK\$'000 千港元
Carrying amount at the beginning of year	年初的賬面值		48,135,043	42,191,542
Additions	添置		1,877,257	266,742
Transfer from properties under development	轉撥自發展中物業	15	343,819	3,149,463
Transfer from completed properties held for sale	轉撥自竣工持作銷售物業		4,227,857	1,046,404
Transfer to properties held for finance lease and sale	轉撥至持作融資租賃及銷售物業		(1,662,730)	(7,752,240)
Net gain from a fair value adjustment	公平值調整淨收益	5	2,793,403	4,378,474
Exchange realignment	匯兌調整		(3,249,715)	4,854,658
Carrying amount at the end of year	年終的賬面值		52,464,934	48,135,043

The Group's investment properties were revalued on 31 March 2019 by Savills at RMB45,003,374,000 (equivalent to approximately HK\$52,464,934,000) (2018: RMB38,501,874,000 (equivalent to HK\$48,135,043,000)), on an open market, existing use basis.

第一太平戴維斯於2019年3月31日重估本集團的投資物業，按公開市場現有用途基準的價值為人民幣45,003,374,000元(相等於約52,464,934,000港元)(2018年：人民幣38,501,874,000元(相等於約48,135,043,000港元))。

The Group's investment properties with an aggregate carrying value of approximately HK\$29,439,659,000 as at 31 March 2019 (2018: HK\$22,399,725,000), were pledged to secure general banking facilities granted to the Group (note 30).

於2019年3月31日，本集團賬面總值約29,439,659,000港元(2018年：22,399,725,000港元)的投資物業已抵押作為本集團獲授一般銀行融資的擔保(附註30)。

The Group's investment properties with an aggregate carrying value of approximately HK\$46,228,050,000 as at 31 March 2019 (2018: HK\$42,381,123,000), are subject to sales restrictions (note 1(iv)).

於2019年3月31日，本集團賬面總值約46,228,050,000港元(2018年：42,381,123,000港元)的投資物業受到銷售限制(附註1(iv))。

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14. Investment Properties (Continued)

The Group's investment properties consist of trade centers, commercial and other ancillary facilities in Mainland China. The Group's investment properties were revalued on 31 March 2019 based on valuations performed by Savills, an independent professional qualified valuer, at HK\$52,464,934,000 on an open market, existing use basis. Each year, the Group's management decides 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 finance department has discussions with the valuer on the valuation assumptions and valuation results twice a year when the valuation is performed for interim and annual financial reporting.

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

14. 投資物業(續)

本集團的投資物業包括在中國的交易中心、商業及其他配套設施。根據一家獨立專業合資格估值師第一太平戴維斯進行的估值，本集團的投資物業於2019年3月31日的按公開市場現有用途基準重估價值達52,464,934,000港元。本集團的管理層每年決定委任負責對本集團物業進行外部估值的外聘估值師人選。篩選準則包括市場知識、聲譽、獨立性，以及是否維持專業水平。就中期及年度財務報告進行估值時，本集團的財務部與估值師於每年中期及年度報告就估值假設及估值結果進行兩次討論。

公平值層級

本集團投資物業的公平值計量層級載於下表：

		Fair value measurement as at 31 March 2019 using significant unobservable inputs (Level 3) 於2019年3月31日 使用重大不可觀察元素 的公平值計量 (第3級) HK\$'000 千港元
Recurring fair value measurement for:	就以下各項的經常性公平值計量：	
Trade centers, commercial and other ancillary facilities	交易中心、商業及 其他配套設施	52,464,934

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

31 March 2019 2019年3月31日

14. Investment Properties (Continued)
Fair value hierarchy (Continued)

14. 投資物業(續)
公平值層級(續)

Fair value measurement
as at 31 March 2018
using significant
unobservable inputs
(Level 3)
於2018年3月31日
使用重大不可觀察元素
的公平值計量
(第3級)
HK\$'000
千港元

Recurring fair value measurement for: Trade centers, commercial and other ancillary facilities	就以下各項的經常性公平值計量： 交易中心、商業及 其他配套設施	48,135,043
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During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2018: Nil).

年內，第1級與第2級之間概無發生公平值計量的轉移，第3級亦無公平值計量轉入或轉出(2018年：無)。

Below is a summary of the valuation technique used and the key inputs to the valuation of investment properties:

以下為投資物業估值所用的估值技術及主要元素的概要：

	Valuation technique 估值技術	Significant unobservable inputs 重大不可觀察元素	Range 範圍	
			As at 31 March 2019 於2019年3月31日	As at 31 March 2018 於2018年3月31日
Trade centers, commercial and other ancillary facilities 交易中心、商業及 其他配套設施	Income capitalization method 收入資本化法	Market unit rental rate (RMB/sq. m./month) 市場單位租金 (人民幣/平方米/月)	14-154	27-154
		Capitalization rate 資本化率	3.00%-8.25%	3.00%-8.25%

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14. Investment Properties (Continued)

Fair value hierarchy (Continued)

The fair values of investment properties are determined principally using the income capitalization method by capitalizing the rental income derived from the existing tenancies with due provisions for the reversionary income potential of the properties. The fair value measurement is positively correlated to the market unit rental rate and negatively correlated to the capitalization rate. For the portions which were under construction, the expended construction costs and the costs that are expected to be expended to complete the properties have also been taken into account in arriving at their fair values.

15. Properties Under Development

			2019	2018
		Notes	HK\$'000	HK\$'000
		附註	千港元	千港元
Carrying amount at the beginning of year	年初的賬面值		3,451,245	4,493,810
Additions	添置		10,054,522	11,475,566
Transfer to property, plant and equipment	轉撥至物業、 廠房及設備	13	(33,038)	(244,017)
Transfer to investment properties	轉撥至投資物業	14	(343,819)	(3,149,463)
Transfer to prepaid land lease payments	轉撥至預付土地出租金	16	(61,138)	(196,745)
Transfer to completed properties held for sale and properties under development held for sale	轉撥至已竣工持作 銷售物業及發展中持作 銷售物業		(11,660,430)	(9,308,198)
Disposal of subsidiaries	處置附屬公司	41	(190,448)	-
Exchange realignment	匯兌調整		(237,743)	380,292
Carrying amount at the end of year	年終的賬面值		979,151	3,451,245

Certain of the Group's properties under development with an aggregate carrying value of approximately HK\$586,152,000 as at 31 March 2019 (2018: HK\$2,251,941,000), were pledged to secure general banking facilities granted to the Group (note 30).

The government grants of approximately RMB494,261,000 (equivalent to HK\$576,209,000) (2018: RMB272,491,000 (equivalent to HK\$321,321,000)), which were provided by the local government authorities to support infrastructure construction and development activities in connection with the Group's property development projects and were previously deducted from the additions of properties under development, have been credited to the cost of properties sold during the current year.

14. 投資物業(續)

公平值層級(續)

投資物業公平值主要按收入資本化法釐定，方法是將現有租賃所得的租金收入資本化，並就物業的潛在可復歸收入計提適當撥備。公平值計量與市場租金成正比且與資本化率成反比。就正在建造之部分，在確定公平值時，已支銷的建築成本及完成開發項目預計將支銷的成本亦已被考慮在內。

15. 發展中物業

於2019年3月31日，本集團賬面總值約586,152,000港元(2018年：2,251,941,000港元)的若干發展中物業已抵押作為本集團獲授一般銀行融資的擔保(附註30)。

約人民幣494,261,000元(相等於576,209,000港元)(2018年：人民幣272,491,000元(相等於321,321,000港元))由地方政府機關提供，旨在為集團物業發展項目中有關於基礎建設工程及發展活動提供支持的政府補貼，並於以前已在添置發展中物業中扣除，而在年內於已售物業成本扣除。

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

31 March 2019 2019年3月31日

16. Prepaid Land Lease Payments

16. 預付土地出租金

		Notes 附註	2019 HK\$'000 千港元	2018 HK\$'000 千港元
Carrying amount at the beginning of year	年初的賬面值		1,477,497	1,173,128
Transfer from properties under development	轉撥自發展中物業	15	61,138	196,745
Recognized during the year	年內確認	6	(34,087)	(28,269)
Exchange realignment	匯兌調整		(141,714)	135,893
Carrying amount at the end of year	年終的賬面值		1,362,834	1,477,497
Current portion included in prepayments, other receivables and other assets	即期部份計入預付款項、 其他應收款項及其他資產		(34,087)	(28,269)
Non-current portion	非即期部分		1,328,747	1,449,228

17. Goodwill

17. 商譽

		HK\$'000 千港元
At 31 March 2018:	於2018年3月31日：	
Cost	成本	54,194
Accumulated impairment	累計減值	(20,066)
Net carrying amount	賬面淨值	34,128
Cost at 1 April 2018, net of accumulated impairment	於2018年4月1日的成本，累計減值淨額	34,128
Acquisition of a subsidiary (note 40)	收購一家附屬公司(附註40)	144,164
Impairment during the year (note 6)	年內減值(附註6)	(134,228)
Exchange realignment	匯兌調整	5,047
Cost and net carrying amount at 31 March 2019	於2019年3月31日的成本及賬面淨額	49,111
At 31 March 2019:	於2019年3月31日：	
Cost	成本	201,700
Accumulated impairment	累計減值	(152,589)
Net carrying amount	賬面淨額	49,111

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the following cash-generating unit for impairment testing.

- Hotel cash-generating unit (“Hotel”);
- Property leasing operation cash-generating unit-furniture (“Property leasing operation-furniture”); and
- Property leasing operation cash-generating unit-fur market (“Property leasing operation-fur market”).

商譽減值測試

透過業務合併收購的商譽已分配至以下現金產生單位作減值測試。

- 酒店的現金產生單位(「酒店」)；
- 物業租賃經營的現金產生單位—傢俬(「物業租賃經營—傢俬」)；及
- 物業租賃經營的現金產生單位—皮草市場(「物業租賃經營—皮草市場」)。

31 March 2019 2019年3月31日

17. Goodwill (Continued)

Impairment testing of goodwill (Continued)

The carrying amount of goodwill allocated to each of the cash-generating units is as follows:

		Hotel		Property leasing operation-furniture		Property leasing operation-fur market		Total	
		酒店		物業租賃經營－傢俬		物業租賃經營－皮草市場		總額	
		2019	2018	2019	2018	2019	2018	2019	2018
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	
Carrying amount of goodwill	商譽賬面值	-	-	34,128	34,128	14,983	-	49,111	34,128

Hotel

The Group has leased its hotel properties to an independent party. A full impairment loss of HK\$20,066,000 was provided on the goodwill allocated to hotel cash-generating unit in the previous year.

Property leasing operation-furniture

The recoverable amount of property leasing operation-furniture has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 15% (2018: 15%). The growth rate used to extrapolate the cash flows of property leasing operation-furniture beyond the five-year period is 3% (2018: 5%).

Property leasing operation-fur market

The recoverable amount of property leasing operation-fur market has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 15%. The growth rate used to extrapolate the cash flows of property leasing operation-fur market beyond the five-year period is 3%.

During the year, an impairment loss of HK\$134,228,000 was recognized to write down the carrying amount of goodwill allocated to property leasing operation-fur market. The impairment loss is recognized in the "Other expenses" in the consolidated statement of profit or loss (note 6).

17. 商譽(續)

商譽減值測試(續)

分配於各現金產生單位的商譽賬面值：

酒店

本集團已出租其酒店物業予一個獨立第三方。分配至酒店的現金產生單位的商譽在以前年度已計提了全部的減值虧損，金額為20,066,000港元。

物業租賃經營－傢俬

物業租賃經營－傢俬的可收回金額已使用價值計算法確定。該計算法使用以高級管理層批准為期五年的財務預算為基準的現金流量預測。現金流量預測的貼現率為15% (2018: 15%)。用作推斷五年期後物業租賃經營－傢俬的現金流的增長率為3% (2018: 5%)。

物業租賃經營－皮草市場

物業租賃經營－皮草市場的可收回金額已使用價值計算法確定。該計算法使用以高級管理層批准為期五年的財務預算為基準的現金流量預測。現金流量預測的貼現率為15%。用作推斷五年期後物業租賃經營－皮草市場的現金流的增長率為3%。

分配至物業租賃經營－皮草市場的商譽賬面值已於本年度確認134,228,000港元之減值虧損。減值虧損已於綜合損益表「其他開支」項內確認(附註6)。

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

31 March 2019 2019年3月31日

18. Investments in Associates

18. 於聯營公司的投資

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Due from associates	應收聯營公司款項	–	142,112

As at 31 March 2018, the amounts due from associates included in investments in associates above were unsecured and interest-free.

於2018年3月31日，計入上述於聯營公司的投資的應收聯營公司款項為無抵押及免息。

Particulars of the associates are as follows:

聯營公司詳情如下：

Names 名稱	Place of registration and business 註冊及經營地點	Nominal value of issued and fully paid- up registered capital 已發行及繳足 註冊資本面值	Date of registration 註冊日期	Percentage of equity attributable to the Group as at 31 March 於3月31日 本集團應佔 權益百分比		Principal activities 主要業務
				2019 %	2018 %	
China South Intimex Technology (Shenzhen) Co., Ltd. 華南泰美科技(深圳)有限公司	PRC/Mainland China 中國/中國大陸	RMB10,000,000 人民幣10,000,000元	18 January 2004 18-01-2004	30	30	Website and software development 網站及軟件開發
Harbin Huayilong Fur Market Co., Ltd.* 哈爾濱華億龍皮革城有限公司*	PRC/Mainland China 中國/中國大陸	RMB80,000,000 人民幣80,000,000元	17 January 2014 17-01-2014	70.07	25	Property leasing 物業租賃

* On 12 April 2018, the Group obtained control over Harbin Huayilong Fur Market Co., Ltd., which then became a subsidiary of the Group (note 40).

* 於2018年4月12日，本集團取得哈爾濱華億龍皮革城有限公司的控制權，其後，該公司成為本公司的附屬公司(附註40)。

The associates have a financial year end of 31 December. The consolidated financial statements are adjusted for the material transactions between the associates and the group companies between 1 January and 31 March annually.

聯營公司的財政年度乃截至12月31日止。綜合財務報表就每年1月1日至3月31日期間聯營公司與集團成員公司之間的重大交易作出調整。

The associates have been accounted for using the equity method in these consolidated financial statements.

聯營公司乃以權益法於此等綜合財務報表入賬。

The Group has discontinued the recognition of its share of losses of the aforesaid associates because the share of losses of these associates exceeded the Group's interests in the associates and the Group has no obligation to take up further losses. The amounts of the Group's unrecognized share of losses of these associates for the current year and cumulatively was nil (2018: HK\$8,311,000) and HK\$654,000 (2018: HK\$39,685,000), respectively.

因應佔聯營公司之虧損之超過本集團於聯營公司的投資及本集團並無義務承擔其他虧損，所以本集團已停止確認其對於以上聯營公司的應佔之虧損。本集團於本年度及累計並無確認之應佔聯營公司之虧損金額分別為無(2018年：8,311,000港元)及654,000港元(2018年：39,685,000港元)。

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

31 March 2019 2019年3月31日

18. Investments in Associates (Continued)

The following table illustrates the aggregate financial information of the Group's associates:

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Assets	資產	3,920	15,636
Liabilities	負債	5,052	145,531
Revenue	收入	-	9,294
Loss	虧損	-	(33,243)

18. 於聯營公司的投資(續)

下表列示摘錄本集團聯營公司的財務資料概要：

19. Financial Assets at Fair Value Through Profit or Loss/Available-for-sale Investment

19. 透過損益以公平值列賬之金融資產／可供出售金融投資

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Financial assets at fair value through profit or loss	透過損益以公平值列賬之金融資產		
Listed investments, at fair value	以公平值列賬之上市投資	50,208	205,966
Unlisted investments	非上市投資	12,965	-
Structured bank deposits with floating interest rates	浮動利率的結構性銀行存款	233,160	-
Total	總計	296,333	205,966
Current portion	即期部份	(283,368)	(205,966)
Non-current portion	非即期部份	12,965	-
Available-for-sale investments	可供出售金融投資		
Unlisted investments	非上市投資	-	138

The above listed investments as at 31 March 2019 were classified as financial assets at fair value through profit or loss as they were held for trading.

於2019年3月31日的上市投資分類為透過損益以公平值列賬之金融資產，原因為該上市投資是持作買賣。

The above unlisted investments as at 31 March 2019 were classified as financial assets at fair value through profit or loss as the Group has not elected to recognize the fair value gain or loss through other comprehensive income.

於2019年3月31日的非上市投資分類為透過損益以公平值列賬之金融資產，原因為本集團尚未選擇透過其他全面收益以確認公平值損益。

The structured bank deposits have terms of one year and were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

一年期的結構性銀行存款強制性地分類為透過損益以公平值列賬之金融資產，原因為其合約現金流量並非純粹為支付本金及利息。

31 March 2019 2019年3月31日

20. Other Long-term Receivables

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Other long-term receivables	其他長期應收款項	21,904	15,684

The Group estimated that the expected credit loss rate is minimal.

本集團估計預期信貸虧損率極低。

21. Deposits Paid for Purchase of Land Use Rights and Property

The balance represents deposits paid for acquisitions of land use rights for parcels of land and property in Mainland China. The carrying amounts of the deposits paid for the purchase of land use rights and property approximate to their fair values.

21. 購買土地使用權及物業支付的按金

該結餘指在中國大陸收購地塊的土地使用權及物業所支付的按金。購買土地使用權及物業支付的按金的賬面值與其公平值相若。

22. Properties Held for Finance Lease and Sale

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Completed properties held for finance lease	持作融資租賃物業	295,545	333,514
Completed properties held for sale	持作銷售竣工物業	16,454,104	20,831,313
Properties under development expected to be completed within the normal operating cycle	預期於正常營運週期內竣工的發展中物業	22,700,974	17,276,704
		39,155,078	38,108,017
Properties under development expected to be completed and ready for sale	發展中物業預期竣工及可作銷售		
Within one year	一年內	6,357,259	6,954,970
Beyond one year	一年後	16,343,715	10,321,734
Total	總值	22,700,974	17,276,704

Certain of the Group's properties held for finance lease and properties held for sale with aggregate carrying values of HK\$48,958,000 (2018: HK\$40,778,000) and HK\$6,838,744,000 (2018: HK\$6,352,132,000) at the end of the reporting period, respectively, were pledged to secure general banking facilities granted to the Group (note 30).

於報告期末時，本集團的若干持作融資租賃物業及持作銷售物業賬面總值分別為48,958,000港元(2018: 40,778,000港元)及6,838,744,000港元(2018: 6,352,132,000港元)已抵押作為本集團獲授一般銀行融資的擔保(附註30)。

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

31 March 2019 2019年3月31日

23. Inventories

23. 存貨

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Finished goods	成品	133,427	177,095

24. Trade Receivables

24. 應收貿易賬款

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Trade receivables	應收貿易賬款	1,351,630	1,598,286
Impairment	減值	(286,740)	(412,908)
		1,064,890	1,185,378

Trade receivables represent sales income, rental receivables and service income receivables from customers which are payable on issuance of invoices or in accordance with the terms of the related sale and purchase agreements. The Group generally allows a credit period of not exceeding 60 days to its customers. The Group seeks to maintain strict control over its outstanding receivables and closely monitors them to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of this and the fact that the Group's trade receivables relate to a large number of diversified customers, 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 non-interest-bearing.

An ageing analysis of the trade receivables as at 31 March 2019 and 2018 based on the payment due date, net of loss allowance, is as follows:

應收貿易賬款指於出具發票時應收或根據相關買賣協議條款應收客戶的銷售收入、應收租金及服務收入。本集團一般提供不超過60天信貸期予客戶。本集團致力對未償還應收賬款維持嚴謹的控制及監控以把信用風險降至最低。高級管理層會定期審閱逾期結餘。有鑑於此及本集團的應收貿易賬款與大量不同客戶有關，故並無重大集中信貸風險。本集團並沒有對應收貿易賬款持有任何的抵押或其他信用增級。應收貿易賬款為免息。

於2019年及2018年3月31日，根據付款到期日，應收貿易賬款扣除信貸虧損後的賬齡分析如下：

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Within 1 month	1個月以內	628,622	716,256
1 to 2 months	1至2個月	74,424	37,059
2 to 3 months	2至3個月	26,808	28,940
Over 3 months	超過3個月	335,036	403,123
		1,064,890	1,185,378

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

31 March 2019 2019年3月31日

24. Trade Receivables (Continued)

Movement in the loss allowance for impairment of trade receivables are as follows:

	Note	2019	2018
	附註	HK\$'000	HK\$'000
		千港元	千港元
Carrying amount at the beginning of year		412,908	296,250
Effect of adoption of HKFRS 9		59,267	–
At the beginning of year (restated)		472,175	296,250
Provision for impairment of trade receivables	6	86,115	112,134
Write-off of trade receivables		(238,035)	(16,102)
Exchange realignment		(33,515)	20,626
Carrying amount at the end of year		286,740	412,908

Impairment under HKFRS 9 for the year ended 31 March 2019

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by product type, service type, customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 March 2019

		Past due					Total
		Current	Less than 1 year	1-2 years	2-3 years	Over 3 years	
		即期	少於1年	1至2年	2至3年	超過3年	總計
Expected credit loss rate	預期信貸虧損率	2%	2%	25%	75%	100%	21%
Gross carrying amount	原賬面金額	567,462	391,936	122,568	130,263	139,401	1,351,630
	(HK\$'000)		(千港元)				
Expected credit losses	預期信貸虧損	11,238	7,762	30,642	97,697	139,401	286,740
	(HK\$'000)		(千港元)				

24. 應收貿易賬款(續)

應收貿易賬款的減值虧損撥備變動如下：

	Note	2019	2018
	附註	HK\$'000	HK\$'000
		千港元	千港元
Carrying amount at the beginning of year		412,908	296,250
Effect of adoption of HKFRS 9		59,267	–
At the beginning of year (restated)		472,175	296,250
Provision for impairment of trade receivables	6	86,115	112,134
Write-off of trade receivables		(238,035)	(16,102)
Exchange realignment		(33,515)	20,626
Carrying amount at the end of year		286,740	412,908

截至2019年3月31日止年度的香港財務報告準則第9號的減值

本集團會在每個財政年度完結時使用撥備矩陣以計量預期信貸虧損。撥備率基於具有類似損失模式的各個客戶群分組的過期天數(如按產品類型、服務類型、客戶類型和評級)。該計算反映了概率加權結果、貨幣時間價值以及報告日期可獲得的關於過去事件、當前狀況和未來經濟狀況預測的合理和可支持的信息。一般而言，應收貿易賬款如逾期超過一年並且沒有強制追討行動的則予以註銷。

下表載列有關本集團應收貿易賬款的信貸風險使用撥備矩陣的資料：

於2019年3月31日

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

31 March 2019 2019年3月31日

24. Trade Receivables (Continued)
Impairment under HKAS 39 for the year ended 31 March 2018

The ageing analysis of trade receivables as at 31 March 2018 that were not individually nor collectively considered to be impaired under HKAS 39 is as follows:

		2018 HK\$'000 千港元
Neither past due nor impaired	未逾期及未減值	626,433
Less than 1 month past due	逾期少於1個月	89,823
1 to 3 months past due	逾期1至3個月	65,999
Over 3 months past due	逾期3個月以上	403,123
		1,185,378

Receivables that were neither past due nor impaired and past due but not impaired relate to a large number of diversified customers for whom there was no recent history of default. The Group would not release the property ownership certificates to the buyers before the buyers fully settle the payment.

24. 應收貿易賬款(續)
截至2018年3月31日止年度的香港會計準則第39號減值

於2018年3月31日，個別或合計均不被視為減值的應收貿易賬款的賬齡根據香港會計準則第39號分析如下：

	2018 HK\$'000 千港元
未逾期及未減值	626,433
逾期少於1個月	89,823
逾期1至3個月	65,999
逾期3個月以上	403,123
	1,185,378

未逾期及未減值以及已逾期但未減值的應收款項與大量不同客戶有關，彼等最近並無欠款記錄。在買家全數清償付款前，本集團不會向其發出房產證。

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

31 March 2019 2019年3月31日

25. Prepayments, Other Receivables and Other Assets **25. 預付款項、其他應收款項及其他資產**

		2019	2018
		HK\$'000	HK\$'000
		千港元	千港元
Prepayments	預付款項	455,773	422,242
Deposits and other receivables	按金及其他應收款項	2,385,226	1,187,923
Right-of-return assets	退貨權資產	6,706	–
Current portion of finance lease receivables	融資租賃應收款項之 即期部分	25	3,041
		2,847,730	1,613,206

The financial assets included in the above balances relate to receivables for which there was no recent history of default. The Group estimated that the expected credit loss rate is minimal.

於上述結餘入賬的金融資產最近並無欠款記錄。本集團估計預期信貸虧損率極低。

26. Contract Assets

26. 合約資產

		31 March 2019	1 April 2018	31 March 2018
		2019年3月31日	2018年4月1日	2018年3月31日
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Contract assets arising from:	產生的合約資產：			
Sale of properties	銷售物業	99,621	77,821	–

The Group estimated that the expected credit loss rate is minimal.

本集團估計預期信貸虧損率極低。

The expected timing of recovery or settlement for contract assets as at 31 March 2019 is as follows:

於2019年3月31日，合約資產的預計收回或結算時間如下：

		HK\$'000
		千港元
Within one year	一年內	99,621

31 March 2019 2019年3月31日

27. Cash and Cash Equivalents and Restricted Cash 27. 現金及現金等價物及受限制現金

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Cash and bank balances	現金及銀行結餘	9,359,772	10,655,692
Less: Restricted cash*	減：受限制現金*	(3,425,940)	(2,451,359)
Cash and cash equivalents	現金及現金等價物	5,933,832	8,204,333

* Restricted cash mainly comprises: (i) guarantee deposits for the mortgage loan facilities granted by the banks to purchasers of the Group's properties; (ii) guarantee funds of construction projects to meet local authorities' requirements; (iii) certain amounts of pre-sale proceeds from properties placed as guarantee deposits for the construction of related properties; (iv) certain amounts of proceeds from lease of properties which have been placed as guarantee deposits for the borrowings; and (v) pledged deposits to secure general banking facilities granted to the Group.

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to HK\$6,512,169,000 (2018: HK\$7,882,747,000). 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 authorized to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and restricted cash are deposited with creditworthy banks with no recent history of default.

Certain of the Group's bank deposits with a carrying amount of HK\$1,296,098,000 as at 31 March 2019 (2018: HK\$255,416,000), were pledged to secure general banking facilities granted to the Group (note 30).

* 受限制現金主要包括：(i)就購買本集團物業之買家獲銀行授予的按揭貸款融資的保證按金；(ii)建設項目的保證金，以符合當地機關的要求；(iii)物業預售的若干所得款項金額，以作為相關物業建設的保證按金；(iv)租賃物業的若干出租所得款項金額以作為借貸保證的保證按金；及(v)已質押銀行存款作為本集團獲授一般銀行融資擔保。

於報告期末，本集團以人民幣為單位的現金及銀行結餘達6,512,169,000港元(2018年：7,882,747,000港元)。人民幣並不可自由兌換為其他貨幣，然而，根據中國大陸的外匯管制條例及結匯、付匯及售匯規定，本集團可以透過獲准進行外匯業務的銀行將人民幣兌換為其他貨幣。

存於銀行之現金根據每日銀行存款利率之浮動利率賺取利息。短期定期存款的存款期各異，由一天至三個月不等，視乎本集團即時的現金需求而定，而利息則按各個短期定期存款利率賺取。銀行結餘及受限制現金乃存放於信譽良好且近期並無欠款記錄的銀行。

於2019年3月31日，本集團賬面總值為1,296,098,000港元(2018年：255,416,000港元)的若干存款已抵押作為本集團獲授一般銀行融資的擔保(附註30)。

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

31 March 2019 2019年3月31日

28. Trade and Other Payables

28. 貿易及其他應付款項

			2019 HK\$'000 千港元	2018 HK\$'000 千港元
		Notes 附註		
Other payables and accruals	其他應付款項及應計項目		5,500,942	3,973,463
Notes payable	應付票據	(i)	2,951,877	607,291
Sales deposits received	銷售按金款項		–	10,597,370
Advanced rental and other receipts	預收租金及其他款項		2,135,255	2,504,805
Refund liabilities	退款負債		8,273	–
Construction fee and retention payables	應付建築費用及保留金	(ii)	5,132,879	5,124,825
			15,729,226	22,807,754

(i) An ageing analysis of the Group's notes payable presented based on the invoice date at the end of the reporting period is as follows:

(i) 於報告期末本集團基於發票日之應付票據的賬齡分析如下：

			2019 HK\$'000 千港元	2018 HK\$'000 千港元
1 to 3 months	1至3個月		1,102,099	–
Over 3 months	超過3個月		1,849,778	607,291
			2,951,877	607,291

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

31 March 2019 2019年3月31日

28. Trade and Other Payables(Continued)

- (ii) An ageing analysis of the construction fee and retention payables as at the end of the reporting period is as follows:

		2019	2018
		HK\$'000	HK\$'000
		千港元	千港元
Within 1 year	1年內	3,906,003	4,147,578
Over 1 year	超過1年	1,226,876	977,247
		5,132,879	5,124,825

All the notes payable have maturity dates within 365 days. As at 31 March 2019, notes payable amounting to HK\$1,832,556,000 were discounted by these notes holders.

The construction fee and retention payables are non-interest-bearing and repayable within the normal operating cycle or on demand.

The other payables are non-interest-bearing.

28. 貿易及其他應付款項(續)

- (ii) 於報告期末應付建築費用及保留金的賬齡分析如下：

	2019	2018
	HK\$'000	HK\$'000
	千港元	千港元
Within 1 year	3,906,003	4,147,578
Over 1 year	1,226,876	977,247
	5,132,879	5,124,825

所有應付票據均於365日內到期。於2019年3月31日，本集團為港幣1,832,556,000元的應付票據已由這票據持有人貼現。

應付建築費用及保留金為免息及須於一般業務週期或應要求償還。

其他應付款項為免息。

29. CONTRACT LIABILITIES

Details of contract liabilities as at 31 March 2019 and 1 April 2018 are as follows:

		31 March 2019	1 April 2018
		2019年3月31日	2018年4月1日
		HK\$'000	HK\$'000
		千港元	千港元
<i>Advances received from customers</i>	收取客戶的預付款項		
Sale of properties	銷售物業	13,655,066	10,731,075

Contract liabilities include advances received from customers in relation to the pre-sale of properties. The increase in contract liabilities in 2019 was mainly due to the increase in advances received from customers in relation to the pre-sale of properties during the year.

29. 合約負債

於2019年3月31日與2018年4月1日之合約負債明細列示如下：

	31 March 2019	1 April 2018
	2019年3月31日	2018年4月1日
	HK\$'000	HK\$'000
	千港元	千港元
<i>Advances received from customers</i>		
Sale of properties	13,655,066	10,731,075

合約負債包括預售物業收取客戶所得的預付款項。2019年合約負債的增加主要是由於本年度從預售物業收取客戶所得的預付款項增加。

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

31 March 2019 2019年3月31日

30. Interest-Bearing Bank and Other Borrowings

30. 計息銀行及其他借貸

		2019			2018		
		Effective interest rate (%) 實際利率 (%)	Maturity 到期	HK\$'000 千港元	Effective interest rate (%) 實際利率 (%)	Maturity 到期	HK\$'000 千港元
Current	即期						
Bank and other borrowings – unsecured	銀行及其他借貸 – 無抵押	4.35%-7.20%	2019-2020	1,762,147	4.79%-6.50% HIBOR+ 2.5%	2018-2019	906,581
Bank and other borrowings – secured	銀行及其他借貸 – 有抵押	4.08%-7.00%	2019-2020	3,975,036	4.08%-7.00%	2018-2019	1,574,490
Current portion of long term bank and other borrowings:	長期銀行及其他借貸的 即期部分：						
Bank and other borrowings – unsecured	銀行及其他借貸 – 無抵押	5.15%-6.80%	2019-2020	58,475	5.15%-5.70%	2018-2019	325,052
Bank and other borrowings – secured	銀行及其他借貸 – 有抵押	4.75%-10.00%	2019-2020	2,983,245	4.75%-8.50%	2018-2019	4,292,381
				8,778,903			7,098,504
Non-current	非即期						
Bank and other borrowings – unsecured	銀行及其他借貸 – 無抵押	5.15%-6.80%	2021	277,109	5.15%-5.70%	2020	81,264
Bank and other borrowings – secured	銀行及其他借貸 – 有抵押	4.75%-12.35%	2020-2033	8,682,666	4.75%-9.00%	2019-2027	8,918,437
				8,959,775			8,999,701
				17,738,678			16,098,205

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

31 March 2019 2019年3月31日

30. Interest-Bearing Bank and Other Borrowings (Continued) 30. 計息銀行及其他借貸(續)

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Analyzed into:	分析列為：		
Bank and other borrowings repayable:	須於以下期間償還的 銀行及其他借貸：		
Within one year or on demand	一年內或應要求	8,778,903	7,098,504
In the second year	第二年	4,281,269	3,702,696
In the third to fifth years, inclusive	第三至第五年 (包括首尾兩年在內)	4,141,655	4,505,663
Beyond five years	五年後	536,851	791,342
		17,738,678	16,098,205

The Group has entered into an asset-backed securities ("ABS") arrangement with an independent third party by pledging of the future six years' right of receiving management fees for certain properties under its management for a maximum of 6 years. As at 31 March 2019, an aggregate amount of RMB760,000,000 is the priority portion of the ABS which had been purchased by the third parties. The net proceeds from the ABS, after deducting the issuance costs, amounted to approximately RMB742,535,000 (equivalent to HK\$865,647,000), which are repayable from one year to six years. Interest is payable quarterly in arrears. On the twelfth interest payment date, the Group is eligible to redeem all the undue priority securities as of the interest payment date at one time. Currently, holders of the priority portions of the ABS are entitled to receive interests which are at varying interest rates ranging from 6.3% to 6.6% per annum based on the terms and dates of redemption. A portion of the above ABS with a principal amount of RMB120,000,000 matured and was settled on 15 September 2018. As at 31 March 2019, amounts of HK\$116,580,000 and HK\$615,682,000 of the ABS are included in the current and non-current portions of secured bank and other borrowings, respectively.

本集團與一獨立第三方訂立最長為期6年的資產支持證券(「資產支持證券」)安排，以未來6年若干物業收取管理費用權利作抵押。於2019年3月31日，第三方已購買總值為人民幣760,000,000元的優先級資產支持證券。扣除發行成本後，資產支持證券所得款項淨額約為人民幣742,535,000元(相當於約865,647,000港元)，於一至六年償還。利息於每季支付。於第十二個利息支付日，本集團有權於利息支付日行使一次性贖回所有未到期資產支持證券的權利。優先級資產支持證券持有人，根據不同期限，現行可享有介乎年利率6.3%至6.6%之利息。上述一部分本金為人民幣120,000,000元的資產支持證券已於2018年9月15日到期並結算。截至2019年3月31日，116,580,000港元和615,682,000港元的資產支持證券分別包括在有抵押銀行及其他借貸的即期和非即期部份。

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

31 March 2019 2019年3月31日

30. Interest-Bearing Bank and Other Borrowings
(Continued)

Bank loans with a total amount of HK\$15,640,947,000 (2018: HK\$14,785,308,000) are secured by:

- (i) Certain of the Group's buildings with an aggregate carrying value of approximately HK\$445,957,000 as at 31 March 2019 (2018: HK\$732,660,000) (note 13);
- (ii) Certain of the Group's investment properties situated in Mainland China with an aggregate carrying value of approximately HK\$29,439,659,000 as at 31 March 2019 (2018: HK\$22,399,725,000) (note 14);
- (iii) Certain of the Group's properties under development situated in Mainland China with an aggregate carrying value of approximately HK\$586,152,000 as at 31 March 2019 (2018: HK\$2,251,941,000) (note 15);
- (iv) Certain of the Group's properties held for finance lease and properties held for sale with aggregate carrying values of HK\$48,958,000 (2018: HK\$40,778,000) and HK\$6,838,744,000 (2018: HK\$6,352,132,000) respectively (note 22); and
- (v) Certain of Group's bank deposits with a carrying amount of HK\$1,296,098,000 as at 31 March 2019 (2018: HK\$255,416,000) (note 27).

As at 31 March 2019, interest-bearing bank and other borrowings of the Group are denominated in RMB and bear interest at floating rates ranging from 4.08% to 12.35% per annum (2018: 4.08% to 9.00% per annum). As at 31 March 2018, except for the bank loans equivalent to HK\$400,000,000 which were denominated in Hong Kong dollars and bore interest at a floating rate of HIBOR+ 2.5%, all interest-bearing bank and other borrowings of the Group were denominated in RMB.

30. 計息銀行及其他借貸(續)

總共15,640,947,000港元(2018年: 14,785,308,000港元)的銀行貸款以下列各項抵押:

- (i) 於2019年3月31日賬面總值約445,957,000港元的本集團若干樓宇(2018年: 732,660,000港元)(附註13);
- (ii) 於2019年3月31日賬面總值約29,439,659,000港元的本集團位於中國大陸的若干投資物業(2018年: 22,399,725,000港元)(附註14);
- (iii) 於2019年3月31日賬面總值約586,152,000港元的本集團位於中國大陸的若干發展中物業(2018年: 2,251,941,000港元)(附註15);
- (iv) 於2019年3月31日賬面總值分別約48,958,000港元(2018: 40,778,000港元)及6,838,744,000港元(2018: 6,352,132,000港元)的本集團若干持作融資租賃物業及持作銷售物業(附註22);及
- (v) 於2019年3月31日賬面總值約1,296,098,000港元的本集團若干銀行存款(2018年: 255,416,000港元)(附註27)。

於2019年3月31日,本集團計息銀行及其他借貸均以人民幣為單位,並按每年4.08%至12.35%的浮動利率計息(2018年: 每年4.08%至9.00%的浮動利率)。於2018年3月31日,除400,000,000港元銀行貸款以港元為單位及按香港銀行同業拆息加2.5%之浮動利率計息外,本集團所有計息銀行及其他借貸以人民幣為單位。

31 March 2019 2019年3月31日

30. Interest-Bearing Bank and Other Borrowings (Continued)

The carrying amounts of the Group's bank and other borrowings approximate to their fair values, which have been calculated by discounting the expected future cash flows at the prevailing interest rates.

31. Short-Term Notes

The Group issued the following short-term notes in the current and prior years:

- (i) On 13 September 2016, China South International completed the issuance of the first tranche of short-term notes of 2016 (the "2016 First Tranche STN") with a total principal amount of RMB1,200,000,000 (equivalent to HK\$1,395,187,000) in the national inter-bank market of the PRC. The 2016 First Tranche STN carried interest at the rate of 4.9% per annum, payable on 13 September in arrears and matured on 13 September 2017. The amount was fully settled on 13 September 2017.
- (ii) On 22 June 2017, China South International completed the issuance of the first tranche of short-term notes of 2017 (the "2017 First Tranche STN") with a total principal amount of RMB500,000,000 (equivalent to HK\$571,886,000) in the national inter-bank market of the PRC. The 2017 First Tranche STN carried interest at the rate of 6.5% per annum, payable on 23 March in arrears, and matured on 23 March 2018. The amount was fully settled on 23 March 2018.
- (iii) On 30 August 2017, China South International completed the issuance of the second tranche of short-term notes of 2017 (the "2017 Second Tranche STN") with a total principal amount of RMB500,000,000 (equivalent to HK\$591,898,000) in the national inter-bank market of the PRC. The 2017 Second Tranche STN carried interest at the rate of 6.5% per annum, payable on 28 May in arrears, and matured on 28 May 2018. The amount was fully settled on 28 May 2018.

30. 計息銀行及其他借貸(續)

本集團計息銀行及其他借貸的賬面值與其公平值相若，乃按預期日後現金流量以當時利率貼現計算。

31. 短期融資券

本集團於本年及以前年度發行以下短期融資券：

- (i) 華南國際於2016年9月13日完成在中國銀行間市場發行2016年第一期短期融資券，本金總額為人民幣1,200,000,000元(相等於1,395,187,000港元)。2016年第一期短期融資券年利率為4.9%，每年於9月13日支付，並於2017年9月13日到期。其金額已於2017年9月13日全數支付。
- (ii) 華南國際於2017年6月22日完成在中國銀行間市場發行2017年第一期短期融資券，本金總額為人民幣500,000,000元(相等於571,886,000港元)。2017年第一期短期融資券年利率為6.5%，每年於3月23日支付，並於2018年3月23日到期。其金額已於2018年3月23日全數支付。
- (iii) 華南國際於2017年8月30日完成在中國銀行間市場發行2017年第二期短期融資券，本金總額為人民幣500,000,000元(相等於591,898,000港元)。2017年第二期短期融資券年利率為6.5%，每年於5月28日支付，並於2018年5月28日到期。其金額已於2018年5月28日全數支付。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 March 2019 2019年3月31日

32. Senior Notes

The Group issued the following senior notes in the current and prior years:

- (i) On 13 September 2016 and 3 October 2016, the Company issued senior notes with the aggregate principal amounts of US\$200,000,000 and US\$150,000,000, respectively, (collectively known as, the “2016 Notes”). The 2016 Notes are listed on the Singapore Exchange Securities Trading Limited. The 2016 Notes carry interest at the rate of 6.75% per annum, payable semi-annually on 13 September and 13 March in arrears, and will mature on 13 September 2021, unless redeemed earlier. The offering prices were at 98.960% and 98.964% of the principal amounts of the 2016 Notes of US\$200,000,000 and US\$150,000,000, respectively.

At any time and from time to time on or after 13 September 2019, the Company may redeem the 2016 Notes, in whole or in part, at a redemption price equal to the percentage of the principal amount set forth below plus accrued and unpaid interest as of (but not including) the redemption date if redeemed during the twelve-month period beginning on 13 September of each of the years indicated below:

Period	Redemption price
2019	103.3750%
2020 and thereafter	101.6875%

At any time prior to 13 September 2019, the Company may at its option redeem the 2016 Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the 2016 Notes plus the applicable premium and accrued and unpaid interest, if any, as of (but not including) the redemption date.

32. 優先票據

本集團於本年及以前年度發行以下優先票據：

- (i) 於2016年9月13日及2016年10月3日，本公司分別發行本金總額200,000,000美元及150,000,000美元的優先票據（統稱為「2016年票據」）。2016年票據於新加坡證券交易所有限公司上市。2016年票據按年利率6.75%計息，每半年於9月13日及3月13日支付，並將於2021年9月13日到期（除非提早贖回）。發售價分別為2016年票據之200,000,000美元及150,000,000美元本金總額的98.960%及98.964%。

於2019年9月13日或之後任何時候，本公司可按相等於下述本金額百分比的贖回價，另加截至贖回日期（但不包括該日）的累計及未付利息，贖回全部或部分2016年票據（倘於下文所示各年度9月13日開始的12個月期間內贖回）：

期間	贖回價
2019	103.3750%
2020及之後	101.6875%

於2019年9月13日前任何時間，本公司可按相等於2016年票據本金總額100%的贖回價，另加截至贖回日期（但不包括該日）2016年票據的適用溢價以及累計及未付利息（如有），贖回全部但非部分2016年票據。

31 March 2019 2019年3月31日

32. Senior Notes (Continued)

(i) (Continued)

At any time and from time to time prior to 13 September 2019, the Company may redeem up to 35% of the aggregate principal amount of the 2016 Notes with the net cash proceeds of one or more sales of common stock of the Company in an equity offering at a redemption price of 106.75% of the principal amount of the 2016 Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date, provided that at least 65% of the aggregate principal amount of the 2016 Notes originally issued remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related sales of the Company's capital stock and is subject to certain conditions.

(ii) On 9 March 2017, the Company issued senior notes with the aggregate principal amount of US\$300,000,000 (the "2017 March Notes"). The 2017 March Notes are listed on the Singapore Exchange Securities Trading Limited. The 2017 March Notes carry interest at the rate of 5.75% per annum, payable semi-annually on 9 March and 9 September in arrears, and will mature on 9 March 2020, unless redeemed earlier. The offering price was at 98.986% of the principal amount of the 2017 March Notes.

At any time prior to 9 March 2020, the Company may at its option redeem the 2017 March Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the 2017 March Notes plus the applicable premium and accrued and unpaid interest, if any, as of (but not including) the redemption date.

At any time and from time to time prior to 9 March 2020, the Company may redeem up to 35% of the aggregate principal amount of the 2017 March Notes at a redemption price of 105.75% of the principal amount of the 2017 March Notes, plus accrued and unpaid interest, if any, as of (but not including) the redemption date, with the proceeds from sales of certain kinds of capital stock of the Company.

32. 優先票據(續)

(i) (續)

於2019年9月13日前任何時間，本公司可以在股份發售中進行一次或多次銷售本公司普通股所得的現金款項淨額，按2016年票據本金額106.75%的贖回價，另加截至贖回日期(但不包括該日)的累計及未付利息(如有)，贖回最多2016年票據本金總額的35%，惟每次贖回後2016年票據原發行本金總額最少65%須仍未贖回，且任何有關贖回須於相關本公司股本銷售結束後60日內進行及受限於若干條件。

(ii) 於2017年3月9日，本公司發行本金總額300,000,000美元的優先票據(「2017年3月票據」)。2017年3月票據於新加坡證券交易所有限公司上市。2017年3月票據按年利率5.75%計息，每半年於3月9日及9月9日支付，並將於2020年3月9日到期(除提早贖回)。發售價為2017年3月票據本金總額的98.986%。

於2020年3月9日前任何時間，本公司可按相等於2017年3月票據本金總額100%的贖回價，另加截至贖回日期(但不包括該日)2017年3月票據的適用溢價以及累計及未付利息(如有)，贖回全部但非部分2017年3月票據。

於2020年3月9日前任何時間，本公司可以在銷售本公司任何股份中所得的款項，按2017年3月票據本金額105.75%的贖回價，另加截至贖回日期(但不包括該日)的累計及未付利息(如有)，贖回最多2017年3月票據本金總額的35%。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 March 2019 2019年3月31日

32. Senior Notes (Continued)

- (iii) On 20 November 2017, the Company issued senior notes with the aggregate principal amount of US\$300,000,000 (the "2017 November Notes"). The 2017 November Notes are listed on the Singapore Exchange Securities Trading Limited. The 2017 November Notes carry interest at the rate of 7.25% per annum, payable semi-annually on 20 May and 20 November in arrears, and will mature on 20 November 2022, unless redeemed earlier. The offering price was at 97.96% of the principal amount of the 2017 November Notes.

At any time prior to 20 November 2022, the Company may at its option redeem the 2017 November Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the 2017 November Notes plus the applicable premium and accrued and unpaid interest, if any, as of (but not including) the redemption date.

At any time and from time to time prior to 20 November 2022, the Company may redeem up to 35% of the aggregate principal amount of the 2017 November Notes at a redemption price of 107.25% of the principal amount of the 2017 November Notes, plus accrued and unpaid interest, if any, as of (but not including) the redemption date, with the proceeds from sales of certain kinds of capital stock of the Company.

- (iv) On 25 January 2018, the Company issued senior notes with the aggregate principal amount of US\$250,000,000 (the "2018 January Notes"). The 2018 January Notes are listed on the Singapore Exchange Securities Trading Limited. The 2018 January Notes carry interest at the rate of 7.25% per annum, payable semi-annually on 25 January and 25 July in arrears, and will mature on 25 January 2021, unless redeemed earlier. The offering price was at 99.011% of the principal amount of the 2018 January Notes.

At any time prior to 25 January 2021, the Company may at its option redeem the 2018 January Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the 2018 January Notes plus the applicable premium and accrued and unpaid interest, if any, as of (but not including) the redemption date.

At any time and from time to time prior to 25 January 2021, the Company may redeem up to 35% of the aggregate principal amount of the 2018 January Notes at a redemption price of 107.25% of the principal amount of the 2018 January Notes, plus accrued and unpaid interest, if any, as of (but not including) the redemption date, with the proceeds from sales of certain kinds of capital stock of the Company.

32. 優先票據(續)

- (iii) 於2017年11月20日，本公司發行本金總額300,000,000美元的優先票據(「2017年11月票據」)。2017年11月票據於新加坡證券交易所有限公司上市。2017年11月票據按年利率7.25%計息，每半年於5月20日及11月20日支付，並將於2022年11月20日到期(除非提早贖回)。發售價為2017年11月票據本金總額的97.96%。

於2022年11月20日前任何時間，本公司可按相等於2017年11月票據本金總額100%的贖回價，另加截至贖回日期(但不包括該日)2017年11月票據的適用溢價以及累計及未付利息(如有)，贖回全部但非部分2017年11月票據。

於2022年11月20日前任何時間，本公司可以在銷售本公司任何股份中所得的款項，按2017年11月票據本金總額107.25%的贖回價，另加截至贖回日期(但不包括該日)的累計及未付利息(如有)，贖回最多2017年11月票據本金總額的35%。

- (iv) 於2018年1月25日，本公司發行本金總額250,000,000美元的優先票據(「2018年1月票據」)。2018年1月票據於新加坡證券交易所有限公司上市。2018年1月票據按年利率7.25%計息，每半年於1月25日及7月25日支付，並將於2021年1月25日到期(除非提早贖回)。發售價為2018年1月票據本金總額的99.011%。

於2021年1月25日前任何時間，本公司可按相等於2018年1月票據本金總額100%的贖回價，另加截至贖回日期(但不包括該日)2018年1月票據的適用溢價以及累計及未付利息(如有)，贖回全部但非部分2018年1月票據。

於2021年1月25日前任何時間，本公司可以在銷售本公司任何股份中所得的款項，按2018年1月票據本金總額107.25%的贖回價，另加截至贖回日期(但不包括該日)的累計及未付利息(如有)，贖回最多2018年1月票據本金總額的35%。

31 March 2019 2019年3月31日

32. Senior Notes (Continued)

- (v) On 24 May 2018 and 4 June 2018, the Company issued senior notes with the aggregate principal amounts of US\$150,000,000 and US\$100,000,000, respectively, (collectively known as, the “2018 May Notes”). The 2018 May Notes are listed on the Singapore Exchange Securities Trading Limited. The 2018 May Notes carry interest at the rate of 10.875% per annum, payable semi-annually on 24 February and 24 August in arrears, and will mature on 24 August 2020, unless redeemed earlier. The offering prices were at 99.654% and 99.649% of the principal amounts of the 2018 May Notes of US\$150,000,000 and US\$100,000,000, respectively.

At any time prior to 24 August 2020, the Company may at its option redeem the 2018 May Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the 2018 May Notes plus the applicable premium and accrued and unpaid interest, if any, as of (but not including) the redemption date.

At any time and from time to time prior to 24 August 2020, the Company may redeem up to 35% of the aggregate principal amount of the 2018 May Notes at a redemption price of 110.875% of the principal amount of the 2018 May Notes, plus accrued and unpaid interest, if any, as of (but not including) the redemption date, with the proceeds from sales of certain kinds of capital stock of the Company.

- (vi) On 27 March 2019, the Company issued senior notes with the aggregate principal amount of US\$200,000,000 (the “2019 March Notes”). The 2019 March Notes are listed on the Singapore Exchange Securities Trading Limited. The 2019 March Notes carry interest at the rate of 11.875% per annum, payable semi-annually on 27 March and 27 September in arrears, and will mature on 27 March 2021, unless redeemed earlier. The offering price was at 99.567% of the principal amount of the 2019 March Notes.

At any time prior to 27 March 2021, the Company may at its option redeem the 2019 March Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the 2019 March Notes plus the applicable premium and accrued and unpaid interest, if any, as of (but not including) the redemption date.

32. 優先票據(續)

- (v) 於2018年5月24日及2018年6月4日，本公司分別發行本金總額150,000,000美元及100,000,000美元的優先票據(統稱為「2018年5月票據」)。2018年5月票據於新加坡證券交易所有限公司上市。2018年5月票據按年利率10.875%計息，每半年於2月24日及8月24日支付，並將於2020年8月24日到期(除非提早贖回)。發售價分別為2018年5月票據之150,000,000美元及100,000,000美元本金總額的99.654%及99.649%。

於2020年8月24日前任何時間，本公司可按相等於2018年5月票據本金總額100%的贖回價，另加截至贖回日期(但不包括該日)2018年5月票據的適用溢價以及累計及未付利息(如有)，贖回全部但非部分2018年5月票據。

於2020年8月24日前任何時間，本公司可以在銷售本公司任何股份中所得的款項，按2018年5月票據本金總額110.875%的贖回價，另加截至贖回日期(但不包括該日)的累計及未付利息(如有)，贖回最多2018年5月票據本金總額的35%。

- (vi) 於2019年3月27日，本公司發行本金總額200,000,000美元的優先票據(「2019年3月票據」)。2019年3月票據於新加坡證券交易所有限公司上市。2019年3月票據按年利率11.875%計息，每半年於3月27日及9月27日支付，並將於2021年3月27日到期(除非提早贖回)。發售價為2019年3月票據本金總額的99.567%。

於2021年3月27日前任何時間，本公司可按相等於2019年3月票據本金總額100%的贖回價，另加截至贖回日期(但不包括該日)2019年3月票據的適用溢價以及累計及未付利息(如有)，贖回全部但非部分2019年3月票據。

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

31 March 2019 2019年3月31日

32. Senior Notes (Continued)

(vi) (Continued)

At any time and from time to time prior to 27 March 2021, the Company may redeem up to 35% of the aggregate principal amount of the 2019 March Notes at a redemption price of 111.875% of the principal amount of the 2019 March Notes, plus accrued and unpaid interest, if any, as of (but not including) the redemption date, with the proceeds from sales of certain kinds of capital stock of the Company.

At the end of the reporting period, the 2016 Notes, 2017 March Notes, 2017 November Notes, 2018 January Notes, 2018 May Notes and 2019 March Notes (collectively named as the "Senior Notes") contain liability components and early redemption options as follows:

- (i) The liability component represents the present value of the contractually determined stream of future cash flows discounted at the prevailing market interest rate at that time applicable to instruments with comparable credit status that provided substantially the same cash flows, on the same terms, but without the embedded derivatives.

Interest charged for the year is calculated by applying effective interest rates of approximately 7%, 7%, 8%, 8%, 11% and 12% per annum to the liability components of the 2016 Notes, 2017 March Notes, 2017 November Notes, 2018 January Notes, 2018 May Notes and 2019 March Notes, respectively, since they were issued.

- (ii) Early redemption options are regarded as embedded derivatives not closely related to the host contract. The Directors consider that the fair value of the above early redemption options is insignificant on initial recognition and as at 31 March 2019.

32. 優先票據(續)

(vi) (續)

於2021年3月27日前任何時間，本公司可以在銷售本公司任何股份中所得的款項，按2019年3月票據本金額111.875%的贖回價，另加截至贖回日期(但不包括該日)的累計及未付利息(如有)，贖回最多2019年3月票據本金總額的35%。

於報告期末，2016年票據、2017年3月票據、2017年11月票據、2018年1月票據、2018年5月票據及2019年3月票據(統稱為「優先票據」)含有下列負債部分及上述提早贖回權：

- (i) 負債部分指合約所釐定未來現金流量按具有可資比較信貸評級並按相同條款提供大致相同現金流量但無嵌入衍生工具的工具當時適用的現行市場利率折現的現值。

期內的利息費用乃按2016年票據、2017年3月票據、2017年11月票據、2018年1月票據、2018年5月票據及2019年3月票據發行以來的負債部分分別按實際年利率約7%、7%、8%、8%、11%及12%計算。

- (ii) 提早贖回權被視為並非與主合約有密切關係的嵌入衍生工具。董事認為於初始確認及在2019年3月31日，上述提早贖回權的公平值不大。

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

31 March 2019 2019年3月31日

32. Senior Notes (Continued)

The Senior Notes recognized in the consolidated statement of financial position were calculated as follows:

	Note	2019 HK\$'000 千港元	2018 HK\$'000 千港元
	附註		
Carrying amount at the beginning of year	於年初的賬面值	9,230,272	6,425,992
Additions	新增	3,449,469	4,149,512
Interest expenses	利息開支	867,425	452,711
Payment for interest	支付利息	(708,755)	(318,825)
Redemption of the senior notes	贖回優先票據	–	(1,479,118)
Repurchase of the senior notes	回購優先票據 (i)	(506,039)	–
Carrying amount at the end of year	於年終的賬面值	12,332,372	9,230,272
Current portion	即期部份	(2,314,682)	–
Non-current portion	非即期部份	10,017,690	9,230,272

(i) During the year, the Company and a subsidiary of the Company repurchased part of the senior notes with an aggregated principal amount of US\$65,600,000 (equivalent to HK\$511,680,000) from the open market. The total consideration of the repurchase was US\$52,748,000 (equivalent to HK\$411,432,000). The carrying amount of the repurchase was US\$64,877,000 (equivalent to HK\$506,039,000), resulting in a gain on repurchase amounting to HK\$94,607,000 in the current year (note 5).

The fair value of the Senior Notes as at 31 March 2019 amounted to HK\$11,431,686,000 (2018: HK\$8,894,383,000). The fair value was calculated by using the quoted market price of the Senior Notes on 31 March 2019.

32. 優先票據(續)

已於綜合財務狀況表確認的優先票據計算如下：

(i) 於本年度，本公司和本公司的一家附屬公司於公開市場回購部份優先票據合共本金金額為65,600,000美元(相等於511,680,000港元)。回購總代價為52,748,000美元(相等於411,432,000港元)。所回購之票據的賬面值為64,877,000美元(相等於506,039,000港元)，導致於本年度錄得94,607,000港元之回購收益(附註5)。

於2019年3月31日，優先票據的公平值達11,431,686,000港元(2018年：8,894,383,000港元)。公平值乃使用優先票據於2019年3月31日的市場價格之報價計算。

NOTES TO FINANCIAL STATEMENTS (Continued)

財務報表附註(續)

31 March 2019 2019年3月31日

33. Medium-Term Notes

The Group had the following medium-term notes which remained in issue at the end of the reporting period:

- (i) On 9 May 2014, China South International completed the issuance of the first tranche of medium-term notes of 2014 (the "2014 First Tranche MTN") with a total principal amount of RMB1,000,000,000 in the national inter-bank market of the PRC. The 2014 First Tranche MTN carry interest at the rate of 7.5% per annum, payable annually on 9 May in arrears, and matured on 9 May 2019. The amount was fully settled in May 2019.
- (ii) On 12 September 2014, China South International completed the issuance of the second tranche of medium-term notes of 2014 (the "2014 Second Tranche MTN") with a total principal amount of RMB1,000,000,000 in the national inter-bank market of the PRC. The 2014 Second Tranche MTN carry interest at the rate of 8.4% per annum, payable annually on 12 September in arrears, and will mature on 12 September 2019.
- (iii) On 13 July 2015, China South International completed the issuance of the first tranche of medium-term notes of 2015 (the "2015 First Tranche MTN") with a total principal amount of RMB2,000,000,000 in the national inter-bank market of the PRC. The 2015 First Tranche MTN carry interest at the rate of 7.0% per annum, payable annually on 13 July in arrears, and matured on 13 July 2018. The amount was fully settled in July 2018.

33. 中期票據

本集團於報告期末尚有以下中期票據在發行：

- (i) 華南國際於2014年5月9日完成在中國銀行間市場發行2014年第一期中期票據，本金總額為人民幣1,000,000,000元。2014年第一期中期票據年利率為7.5%，每年於5月9日支付，並於2019年5月9日到期。其金額已於2019年5月全數支付。
- (ii) 華南國際於2014年9月12日完成在中國銀行間市場發行2014年第二期中期票據，本金總額為人民幣1,000,000,000元。2014年第二期中期票據年利率為8.4%，每年於9月12日支付，並將於2019年9月12日到期。
- (iii) 華南國際於2015年7月13日完成在中國銀行間市場發行2015年第一期中期票據，本金總額為人民幣2,000,000,000元。2015年第一期中期票據年利率為7.0%，每年於7月13日支付，並於2018年7月13日到期。其金額已於2018年7月全數支付。

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

31 March 2019 2019年3月31日

33. Medium-Term Notes (Continued)

The medium-term notes recognized in the consolidated statement of financial position were calculated as follows:

33. 中期票據(續)

已於綜合財務狀況表確認的中期票據計算如下：

		2019	2018
		HK\$'000	HK\$'000
		千港元	千港元
Carrying amount at the beginning of year	於年初的賬面值	5,251,644	4,723,000
Repayment of the 2015 First Tranche MTN	償還2015年第一期中期票據	(2,352,443)	–
Interest expenses	利息開支	242,968	367,288
Payment for interest	支付利息	(348,574)	(352,581)
Exchange realignment	匯兌調整	(333,692)	513,937
Carrying amount at the end of year	於年終的賬面值	2,459,903	5,251,644
Current portion	即期部份	(2,459,903)	(2,622,149)
Non-current portion	非即期部份	–	2,629,495

The fair value of the medium-term notes as at 31 March 2019 amounted to HK\$2,430,103,000 (2018: HK\$5,261,155,000). The fair value was calculated by using the quoted market price of the medium-term notes on 31 March 2019.

於2019年3月31日，中期票據的公平值為2,430,103,000港元(2018年：5,261,155,000港元)。公平值乃使用中期票據於2019年3月31日的市場價格之報價計算。

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

31 March 2019 2019年3月31日

34. Corporate Bonds

The Group had the following corporate bonds which remained in issue at the end of the reporting period:

On 13 April 2015, China South International completed the issuance of the corporate bonds with a total principal amount of RMB1,500,000,000 on the Shanghai Stock Exchange of the PRC. The corporate bonds carry interest at the rate of 7.0% per annum, payable annually on 13 April in arrears, and have a term of up to 6 years at a maximum.

On 13 April 2018, China South International had redeemed a portion of the above corporate bonds with a principal amount of RMB1,499,518,000 (equivalent to HK\$1,866,186,000) from the open market, and the remaining portion carries interest at the rate of 8.05% per annum, payable annually on 13 April in arrears, and will mature on 13 April 2021, that was early repaid in full in April 2019.

The corporate bonds recognized in the consolidated statement of financial position were calculated as follows:

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Carrying amount at the beginning of year	於年初的賬面值	1,978,294	1,778,744
Redemption	贖回	(1,866,186)	-
Interest expenses	利息開支	26,368	129,785
Payment for interest	支付利息	(122,409)	(123,816)
Exchange realignment	匯兌調整	(15,505)	193,581
Carrying amount at the end of year	於年終的賬面值	562	1,978,294

The fair value of the corporate bonds as at 31 March 2019 amounted to HK\$554,000 (2018: HK\$1,874,550,000). The fair value was calculated by using the quoted market price of the corporate bonds on 31 March 2019.

34. 企業債券

本集團於報告期末尚有以下企業債券在發行：

華南國際於2015年4月13日完成於中國上海證券交易所發行本金總額為人民幣1,500,000,000元的企業債券。企業債券年利率為7.0%，每年於4月13日支付，期限最高為6年。

於2018年4月13日，華南國際於市場贖回部分本金為人民幣1,499,518,000元（相等於1,866,186,000港元）的企業債券。剩餘部份的企業債券之年利率為8.05%，於每年4月13日支付並於2021年4月13日到期，該已於2019年4月提早償還。

已於綜合財務狀況表確認的企業債券計算如下：

於2019年3月31日，企業債券的公平值為554,000港元（2018年：1,874,550,000港元）。公平值乃使用企業債券於2019年3月31日的市場價格之報價計算。

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35. Domestic Company Bonds

The Group had the following domestic company bonds which remained in issue at the end of the reporting period:

- (i) On 14 January 2016, China South International completed the issuance of the first tranche of domestic company bonds of 2016 (the “2016 First Tranche DCB”) with a total principal amount of RMB3,000,000,000 on the Shenzhen Stock Exchange of the PRC. The 2016 First Tranche DCB carry interest at the rate of 5.98% per annum, payable annually on 13 January in arrears, and matured on 13 January 2019. The amount was fully settled in January 2019.
- (ii) On 4 May 2016, China South International completed the issuance of the second tranche of domestic company bonds of 2016 (the “2016 Second Tranche DCB”) with a total principal amount of RMB1,400,000,000 on the Shenzhen Stock Exchange of the PRC. The 2016 Second Tranche DCB carry interest at the rate of 6.85% per annum, payable annually on 3 May in arrears, and matured on 3 May 2019. The amount was fully settled in May 2019.

The domestic company bonds recognized in the consolidated statement of financial position were calculated as follows:

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Carrying amount at the beginning of year	於年初的賬面值	5,644,169	5,079,429
Repayment of the 2016 First Tranche DCB	償還2016年第一期境內公司債券	(3,497,400)	-
Interest expenses	利息開支	288,370	336,868
Payment for interest	支付利息	(320,945)	(324,633)
Exchange realignment	匯兌調整	(381,033)	552,505
Carrying amount at the end of year	於年終的賬面值	1,733,161	5,644,169
Current portion	即期部份	(1,733,161)	(3,789,933)
Non-current portion	非即期部份	-	1,854,236

The fair value of the domestic company bonds as at 31 March 2019 amounted to HK\$1,623,959,000 (2018: HK\$5,169,152,000). The fair value was calculated by using the quoted market price of the domestic company bonds on 31 March 2019.

35. 境內公司債券

本集團於報告期末尚有以下境內公司債券在發行：

- (i) 華南國際於2016年1月14日完成於深圳證券交易所發行本金總額為人民幣3,000,000,000元的2016年第一期境內公司債券。2016年第一期境內公司債券年利率為5.98%，每年於1月13日支付，並於2019年1月13日到期。其金額已於2019年1月全數支付。
- (ii) 華南國際於2016年5月4日完成於深圳證券交易所發行本金總額為人民幣1,400,000,000元的2016年第二期境內公司債券。2016年第二期境內公司債券年利率為6.85%，每年於5月3日支付，並於2019年5月3日到期。其金額已於2019年5月全數支付。

已於綜合財務狀況表確認的境內公司債券計算如下：

於2019年3月31日，境內公司債券的公平值達1,623,959,000港元（2018年：5,169,152,000港元）。公平值乃使用境內公司債券於2019年3月31日的市場價格之報價計算。

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

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36. Deferred Tax

The movements in deferred tax liabilities and assets during the year are as follows:

Deferred tax liabilities

	Note	Costs to obtain contracts 獲得合約的成本 HK\$'000 千港元	Accelerated tax depreciation 加速稅項折舊 HK\$'000 千港元	Revaluation of investment properties 投資物業重估 HK\$'000 千港元	Withholding tax 預扣稅 HK\$'000 千港元	Revaluation of property, plant and equipment 物業、廠房及設備重估 HK\$'000 千港元	Capitalized interest expense 資本化利息 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 31 March 2018		-	628,079	7,062,410	341,265	93,123	396,583	8,521,460
Effect of Adoption of HKFRS 15	於2018年3月31日採納香港財務報告準則第15號之影響	19,455	-	-	-	-	-	19,455
At 1 April 2018 (restated)	於2018年4月1日(經重列)	19,455	628,079	7,062,410	341,265	93,123	396,583	8,540,915
Deferred tax charged to the consolidated statement of profit or loss during the year	年內於綜合損益表內計入/的遞延稅項	6,763	128,818	889,873	27,357	-	92,954	1,145,765
Exchange differences	匯兌差異	(1,313)	(46,405)	(476,778)	(23,040)	(6,287)	(26,773)	(580,596)
Gross deferred tax liabilities at 31 March 2019	於2019年3月31日的總遞延稅項負債	24,905	710,492	7,475,505	345,582	86,836	462,764	9,106,084

36. 遞延稅項

年內遞延稅項負債及資產之變動如下：

遞延稅項負債

Deferred tax assets

遞延稅項資產

	Note	Tax effect of LAT 土地增值稅的稅務影響 HK\$'000 千港元	Losses available for offsetting against future taxable profits 可供抵銷未來應課稅利潤的虧損 HK\$'000 千港元	Provision for impairment of trade receivables 應收賬款減值撥備 HK\$'000 千港元	Tax effect of government grants relating to assets 有關資產之政府補助的稅務影響 HK\$'000 千港元	Accrued expense 應計開支 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 31 March 2018		1,327,190	545,359	72,458	1,194,817	-	3,139,824
Effect of adoption of HKFRS 9	於2018年3月31日採納香港財務報告準則第9號之影響	-	-	14,817	-	-	14,817
At 1 April 2018 (restated)	於2018年4月1日(經重列)	1,327,190	545,359	87,275	1,194,817	-	3,154,641
Deferred tax credited/(charged) to the consolidated statement of profit or loss during the year	年內於綜合損益表內計入/(扣除)的遞延稅項	152,921	(19,290)	8,190	412,397	82,910	637,128
Exchange differences	匯兌差異	(89,598)	(36,817)	(5,892)	(80,660)	-	(212,967)
Gross deferred tax assets at 31 March 2019	於2019年3月31日的總遞延稅項資產	1,390,513	489,252	89,573	1,526,554	82,910	3,578,802

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

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36. Deferred Tax (Continued)
Deferred tax liabilities

36. 遞延稅項(續)
遞延稅項負債

		Accelerated tax depreciation 加速稅項折舊	Revaluation of investment properties 投資物業重估	Withholding tax 預扣稅	Revaluation of property, plant and equipment 物業、廠房及 設備重估	Capitalized interest expense 資本化利息	Total 總計
	Note 附註	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 April 2017	於2017年4月1日	456,351	5,355,369	365,400	83,998	257,143	6,518,261
Deferred tax charged/(credited) to the consolidated statement of profit or loss during the year	年內於綜合損益表內計入/ (扣除)的遞延稅項	10 115,218	1,081,351	(60,203)	-	105,174	1,241,540
Exchange realignment	匯兌調整	56,510	625,690	36,068	9,125	34,266	761,659
At 31 March 2018	於2018年3月31日	628,079	7,062,410	341,265	93,123	396,583	8,521,460

Deferred tax assets

遞延稅項資產

		Tax effect of LAT 土地增值稅的 稅務影響	Losses available for offsetting against future taxable profits 可供抵銷未來 應課稅利潤的 虧損	Provision for impairment of trade receivables 減值撥備	Tax effect of government grants relating to assets 有關資產之 政府補助的 稅務影響	Total 總計
	Note 附註	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 April 2017	於2017年4月1日		1,032,799	425,650	75,605	2,289,999
Deferred tax credited/(charged) to the consolidated statement of profit or loss during the year	年內於綜合損益表內計入/ (扣除)的遞延稅項	10 171,871	70,337	(10,715)	336,494	567,987
Exchange realignment	匯兌調整	122,520	49,372	7,568	102,378	281,838
At 31 March 2018	於2018年3月31日		1,327,190	545,359	1,194,817	3,139,824

The Group has tax losses arising in Hong Kong of HK\$387,896,000 (2018: HK\$299,412,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

本集團於香港產生的稅項虧損為387,896,000港元(2018年: 299,412,000港元)，可無限期結轉，以抵銷產生虧損的公司未來應課稅溢利。

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

31 March 2019 2019年3月31日

36. Deferred Tax (Continued)

The Group also has tax losses in Mainland China of HK\$931,550,000 (2018: HK\$900,097,000) that will expire in one to five years for offsetting against future taxable profits.

Deferred tax assets have not been recognized in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilized.

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 generated from 1 January 2008. 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 5% or 10%. The Group is therefore liable for withholding taxes on dividends distributed by subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008. In the current year, the Group accrued withholding tax of HK\$27,357,000 (2018: reversed of HK\$60,203,000) for those subsidiaries established in Mainland China.

As at 31 March 2019, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognized was HK\$7,234,975,000 (2018: HK\$6,115,313,000). No liability has been recognized in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

**37. Share Capital
Shares**

36. 遞延稅項(續)

本集團亦於中國大陸產生稅項虧損為931,550,000港元(2018年: 900,097,000港元), 將於一至五年內屆滿, 可用以抵銷未來應課稅溢利。

由於該等虧損由已出現虧損一段時期的附屬公司產生, 且被認為並不可能有充足應課稅溢利以抵銷該等可動用的稅項虧損, 故並無就該等虧損確認遞延稅項資產。

根據中國企業所得稅法, 凡於中國內地成立的外商投資企業向海外投資者宣派的股息須繳納10%預扣所得稅。該規定自2008年1月1日起生效, 並適用於2008年1月1日後所產生之盈利。倘中國與海外投資者所處司法權區訂有稅務條約, 則可採用較低預扣所得稅率。本集團的適用稅率為5%或10%。因此, 本集團須就於中國內地成立的附屬公司分派2008年1月1日後所賺取盈利的股息而繳納預扣所得稅。於本年度, 本集團計提預扣所得稅27,357,000港元(2018年: 撥回60,203,000港元)。

於2019年3月31日, 與附屬公司之投資相關而尚未確認遞延稅項負債之暫時性差額總額合共約為7,234,975,000港元(2018年: 6,115,313,000港元)。概無就有關差額確認負債乃由於本集團可控制撥回暫時性差額之時間及暫時性差額於可預見之將來可能不會撥回。

**37. 股本
股份**

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Issued and fully paid: 8,117,130,848 (31 March 2018: 8,009,571,999) ordinary shares	已發行及繳足: 8,117,130,848股 (2018年3月31日: 8,009,571,999股)普通股	7,222,312	7,060,973

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

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37. Share Capital (Continued)

A summary of the movements in the Company's share capital is as follows:

		Number of shares in issue 已發行股份數目	Share capital 股本 HK\$'000 千港元
At 1 April 2017	於2017年4月1日	8,006,321,999	7,054,362
Exercise of share options	行使購股權	3,250,000	6,611
At 31 March 2018	於2018年3月31日	8,009,571,999	7,060,973
At 1 April 2018	於2018年4月1日	8,009,571,999	7,060,973
Scrip dividend (note)	以股代息(附註)	107,558,849	161,339
At 31 March 2019	於2019年3月31日	8,117,130,848	7,222,312

Note:

The final dividend (with scrip option) of HK5.0 cents per share amounting to HK\$400,479,000 for financial year ended 31 March 2018 was approved on 21 August 2018. The final dividend paid in cash was HK\$239,140,000, and paid in allotment and issuance of 107,558,849 shares at the price of approximately HK\$1.50 per share, which was settled or dispatched to shareholders on 10 October 2018.

Share options

Details of the Company's share option scheme and the share options issued under the scheme are included in note 38 to the financial statements.

37. 股本(續)

本公司的股本變動摘要如下：

		Number of shares in issue 已發行股份數目	Share capital 股本 HK\$'000 千港元
At 1 April 2017	於2017年4月1日	8,006,321,999	7,054,362
Exercise of share options	行使購股權	3,250,000	6,611
At 31 March 2018	於2018年3月31日	8,009,571,999	7,060,973
At 1 April 2018	於2018年4月1日	8,009,571,999	7,060,973
Scrip dividend (note)	以股代息(附註)	107,558,849	161,339
At 31 March 2019	於2019年3月31日	8,117,130,848	7,222,312

附註：

截至2018年3月31日之財政年度每股5.0港仙的末期股息(附有以股代息選擇權)已於2018年8月21日批准，總金額為400,479,000港元。以現金支付的末期股息239,140,000港元及以配發及以每股1.5港元發行股份的末期股息107,558,849股已於2018年10月10日支付或派發給股東。

購股權

關於本公司的購股權計劃及於計劃下已發行的購股權已詳載於財務報表的附註38。

31 March 2019 2019年3月31日

38. Share Options

The Company has adopted a share option scheme on 4 September 2009 (the "Share Option Scheme") to provide incentives and reward to selected eligible persons which include the Directors, employees, officers, agents, consultants or representatives of the Group for their contribution or potential contribution to the Company or its subsidiaries. The Share Option Scheme became effective on 30 September 2009 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date. Further details of the Share Option Scheme are set out in the "Report of the Directors" in the Company's annual report.

On 27 June 2013, a total of 186,300,000 share options under the Share Option Scheme were granted. These share options have an exercise price of HK\$1.69 per share and an exercise period ranging from 27 June 2013 to 26 June 2018. Of the total 186,300,000 share options, 70,800,000 share options were granted to certain Executive Directors of the Company, and 115,500,000 share options were granted to certain employees of the Group.

The fair value of the 186,300,000 share options granted was HK\$44,470,000, of which no share option expense was recognized during the current year (2018: Nil).

On 17 February 2014, a total of 48,000,000 share options under the Share Option Scheme were granted. These share options have an exercise price of HK\$4.14 per share and an exercise period ranging from 17 February 2014 to 16 February 2019. Of the total 48,000,000 share options, 8,000,000 share options were granted to certain Independent Non-Executive Directors of the Company, and 40,000,000 share options were granted to certain employees of the Group.

The fair value of the 48,000,000 share options granted was HK\$36,470,000, of which no share option expense was recognized during the current year (2018: Nil).

On 30 June 2014, a total of 103,300,000 share options under the Share Option Scheme were granted to certain Directors, senior management and certain other employees of the Company and its subsidiaries in respect of their services to the Group. These share options have an exercise price of HK\$4.07 per share and an exercise period ranging from 30 June 2014 to 29 June 2019.

The fair value of the 103,300,000 share options granted was HK\$83,552,000, of which no share option expense was recognized during the current year (2018: Nil).

38. 購股權

本公司已於2009年9月4日採納購股權計劃(「購股權計劃」)，向對本公司或其附屬公司作出貢獻或潛在貢獻的經甄選合資格人士(包括本集團董事、僱員、高級職員、代理、顧問或代表)提供獎勵及回報，購股權計劃自2009年9月30日起生效，並由當日起持續十年(除非取消或作出修訂)。購股權計劃的進一步詳情載於公司年報中的「董事會報告」。

於2013年6月27日，根據購股權計劃授出合共186,300,000份購股權。該等購股權的行使價為每股1.69港元，行使期為2013年6月27日至2018年6月26日。於合共186,300,000份購股權中，70,800,000份購股權已授予本公司若干本公司之執行董事，另115,500,000份購股權則授予本集團若干僱員。

所授出的186,300,000份購股權之公平值為44,470,000港元，本集團於本年度並無確認購股權開支(2018年：無)。

於2014年2月17日，根據購股權計劃授出合共48,000,000份購股權。該等購股權的行使價為每股4.14港元，行使期為2014年2月17日至2019年2月16日。於合共48,000,000份購股權中，8,000,000份購股權已授予本公司若干本公司之獨立非執行董事，另40,000,000份購股權則授予本集團若干僱員。

所授出的48,000,000份購股權的公平值為36,470,000港元，本集團於本年度並無確認購股權開支(2018年：無)。

於2014年6月30日，根據購股權計劃向本公司若干本公司之董事、高級管理層及本公司及其附屬公司若干僱員就彼等向本集團所提供的服務授出合共103,300,000份購股權。該等購股權的行使價為每股4.07港元，行使期為2014年6月30日至2019年6月29日。

所授出的103,300,000份購股權之公平值為83,552,000港元，本集團於本年度並無確認購股權開支(2018年：無)。

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38. Share Options (Continued)

On 13 January 2016, a total of 79,990,000 share options under the Share Option Scheme were granted to a Director of the Company in respect of his services to the Group. These share options have an exercise price of HK\$1.528 per share and an exercise period ranging from 13 January 2016 to 12 January 2022.

The fair value of the 79,990,000 share options granted was HK\$29,802,000, of which no share option expense was recognized during the current year (2018: Nil).

On 22 August 2016, a total of 70,500,000 share options under the Share Option Scheme were granted to certain senior management and other employees of the Company and its subsidiaries in respect of their services to the Group. These share options have an exercise price of HK\$1.75 per share and an exercise period ranging from 22 August 2016 to 21 August 2023.

The fair value of the 70,500,000 share options granted was HK\$27,739,000, of which the Group recognized a share option expense of HK\$319,000 during the current year (2018: HK\$7,699,000).

On 3 July 2017, a total of 120,000,000 share options under the Share Option Scheme were granted to certain Directors of the Company in respect of their services to the Group. These share options have an exercise price of HK\$1.52 per share and an exercise period ranging from 3 July 2017 to 2 July 2025.

The fair value of the 120,000,000 share options granted was HK\$45,599,000, of which the Group recognized a share option expense of HK\$5,838,000 during the current year (2018: HK\$34,366,000).

On 13 April 2018, a total of 25,500,000 share options under the Share Option Scheme were granted to four Independent Non-Executive Directors and certain management of the Company in respect of their services to the Group. These share options have an exercise price of HK\$1.81 per share and an exercise period ranging from 13 April 2018 to 12 April 2025.

The fair value of the 25,500,000 share options granted was HK\$11,342,000, of which the Group recognized a share option expense of HK\$8,438,000 during the current year.

38. 購股權(續)

於2016年1月13日，根據購股權計劃向本公司一名董事就彼等向本集團所提供的服務授出合共79,990,000份購股權。該等購股權的行使價為每股1.528港元，行使期為2016年1月13日至2022年1月12日。

所授出79,990,000份購股權之公平值為29,802,000港元，本集團於本年度並無確認購股權開支(2018年：無)。

於2016年8月22日，根據購股權計劃向本公司若干本公司之高級管理層及本公司及其附屬公司若干僱員就彼等向本集團所提供的服務授出合共70,500,000份購股權。該等購股權的行使價為每股1.75港元，行使期為2016年8月22日至2023年8月21日。

所授出70,500,000份購股權之公平值為27,739,000元，其中本集團於本年度內確認購股權開支合共319,000港元(2018年：7,699,000港元)。

於2017年7月3日，根據購股權計劃向本公司若干本公司之董事就彼等向本集團所提供的服務授出合共120,000,000份購股權。該等購股權的行使價為每股1.52港元，行使期為2017年7月3日至2025年7月2日。

所授出120,000,000份購股權之公平值為45,599,000港元，其中本集團已於本年度內確認購股權開支合共5,838,000港元(2018年：34,366,000港元)。

於2018年4月13日，根據購股權計劃向本公司若干本公司之四位獨立非執行董事及若干管理人員就彼等向本集團所提供的服務授出合共25,500,000份購股權。該等購股權的行使價為每股1.81港元，行使期為2018年4月13日至2025年4月12日。

所授出25,500,000份購股權之公平值為11,342,000港元，其中本集團已於本年度內確認購股權開支合共8,438,000港元。

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

31 March 2019 2019年3月31日

38. Share Options (Continued)

The fair value of the share options granted on 13 April 2018 was estimated as at the date of grant by Vigers Appraisal and Consulting Limited, using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model:

Share price at the date of grant (HK\$)	1.80
Exercise price (HK\$)	1.81
Dividend yield (%)	4.61
Expected volatility (%)	39.0–42.0
Risk-free interest rate (%)	1.73–1.80
Exercise multiple	2.10–2.50

The expected life of the options is based on historical data and is not necessarily indicative of the exercise patterns that may occur. The expected volatility was determined based on the movement of the share price of the Company since its listing, which may also not necessarily be the actual outcome. No other feature of the options granted was incorporated into the measurement of fair value.

The following share options were outstanding under the Share Option Scheme during the year:

38. 購股權(續)

於2018年4月13日授出的購股權的公平值，威格斯資產評估有限公司於授出日期採用二項式模式對該等購股權進行估計，當中已考慮購股權獲授出時的條款及條件。下表列示所用模式的主要元素：

於授出日之股價(港元)	1.80
行使價(港元)	1.81
股息率(%)	4.61
預期波動性(%)	39.0–42.0
無風險利率(%)	1.73–1.80
行使倍數	2.10–2.50

購股權的預期年期乃按歷史數據得出，及未必顯示可能發生的行使情況。預期波動性乃按自上市日期起本公司股價之變動而釐定，未必是實際結果。計量公平值時，並無考慮所授出的購股權的其他特性。

於年內根據購股權計劃尚未行使之購股權如下：

		Year ended 31 March 截至3月31日止年度			
		2019		2018	
		Weighted average exercise price per share 每股加權 平均行使價 HK\$ 港元	Number of options 購股權數目 '000 千份	Weighted average exercise price per share 每股加權 平均行使價 HK\$ 港元	Number of options 購股權數目 '000 千份
At the beginning of year	於年初	2.4815	408,790	2.8165	310,540
Granted during the year	年內授出	1.8100	25,500	1.5200	120,000
Lapsed during the year	年內失效	2.8959	(95,500)	2.0000	(18,500)
Exercised during the year	年內行使	–	–	1.7223	(3,250)
Forfeited during the year	年內沒收	1.5522	(22,500)	–	–
At the end of year	於年終	2.3684	316,290	2.4815	408,790

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

31 March 2019 2019年3月31日

38. Share Options (Continued)

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

2019

Number of options 購股權數目 '000 千股	Exercise price 行使價 HK\$ per share 每股港元	Exercise period 行使期
49,650	4.07	30-06-2014 to 29-06-2019 2014年6月30日至2019年6月29日
49,650	4.07	30-06-2015 to 29-06-2019 2015年6月30日至2019年6月29日
39,995	1.528	13-01-2016 to 12-01-2021 2016年1月13日至2021年1月12日
39,995	1.528	13-01-2017 to 12-01-2022 2017年1月13日至2022年1月12日
13,750	1.75	22-08-2016 to 21-08-2021 2016年8月22日至2021年8月21日
17,000	1.75	22-08-2017 to 21-08-2022 2017年8月22日至2022年8月21日
3,250	1.75	22-08-2018 to 21-08-2023 2018年8月22日至2023年8月21日
40,000	1.52	03-07-2017 to 02-07-2022 2017年7月3日至2022年7月2日
40,000	1.52	03-07-2018 to 02-07-2023 2018年7月3日至2023年7月2日
4,000	1.81	13-04-2018 to 12-04-2023 2018年4月13日至2023年4月12日
11,500	1.81	13-04-2019 to 12-04-2024 2019年4月13日至2024年4月12日
7,500	1.81	13-04-2020 to 12-04-2025 2020年4月13日至2025年4月12日
316,290		

38. 購股權(續)

於報告期末，未行使購股權的行使價及行使期如下：

2019年

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

31 March 2019 2019年3月31日

38. Share Options (Continued)
2018

Number of options 購股權數目 '000 千股	Exercise price 行使價 HK\$ per share 每股港元	Exercise period 行使期
1,000	1.69	27-06-2013 to 26-06-2018 2013年6月27日至2018年6月26日
9,500	1.69	27-06-2014 to 26-06-2018 2014年6月27日至2018年6月26日
1,000	1.69	27-06-2015 to 26-06-2018 2015年6月27日至2018年6月26日
22,000	4.14	17-02-2014 to 16-02-2019 2014年2月17日至2019年2月16日
24,000	4.14	17-02-2015 to 16-02-2019 2015年2月17日至2019年2月16日
2,000	4.14	17-02-2016 to 16-02-2019 2016年2月17日至2019年2月16日
49,650	4.07	30-06-2014 to 29-06-2019 2014年6月30日至2019年6月29日
49,650	4.07	30-06-2015 to 29-06-2019 2015年6月30日至2019年6月29日
39,995	1.528	13-01-2016 to 12-01-2021 2016年1月13日至2021年1月12日
39,995	1.528	13-01-2017 to 12-01-2022 2017年1月13日至2022年1月12日
17,500	1.75	22-08-2016 to 21-08-2021 2016年8月22日至2021年8月21日
28,000	1.75	22-08-2017 to 21-08-2022 2017年8月22日至2022年8月21日
4,500	1.75	22-08-2018 to 21-08-2023 2018年8月22日至2023年8月21日
40,000	1.52	03-07-2017 to 02-07-2022 2017年7月3日至2022年7月2日
60,000	1.52	03-07-2018 to 02-07-2023 2018年7月3日至2023年7月2日
10,000	1.52	03-07-2019 to 02-07-2024 2019年7月3日至2024年7月2日
10,000	1.52	03-07-2020 to 02-07-2025 2020年7月3日至2025年7月2日
408,790		

38. 購股權(續)
2018年

At the end of the reporting period, the Company had 316,290,000 share options outstanding under the Share Option Scheme, which represented approximately 3.90% of the Company's shares in issue as at that date. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 316,290,000 additional ordinary shares of the Company and additional share capital of HK\$749,106,000 (before issue expenses).

於報告期末時，根據購股權計劃，本公司有316,290,000份未行使購股權，相當於本公司當日已發行股份約3.90%。根據本公司現時的資本結構而言，全數行使未行使購股權將會導致本公司發行316,290,000股額外普通股及額外股本749,106,000港元(扣除發行開支前)。

31 March 2019 2019年3月31日

38. Share Options (Continued)

At the date of approval of these financial statements, the Company had 314,790,000 share options outstanding under the Share Option Scheme, which represented approximately 3.88% of the Company's shares in issue as at that date.

39. Other Reserves

The amounts of the Group's reserves and the movements therein for the current year and the prior year are presented in the consolidated statement of changes in equity on pages 140 and 141 of the financial statements.

Pursuant to the relevant laws and regulations for Sino-foreign joint venture enterprises, a portion of the profits of the Group's subsidiaries which are established in the PRC has been transferred to the statutory reserve which is restricted as to use.

The capital reserve represents additional contribution made by the shareholders of the Company's subsidiaries and, in the case of an acquisition of an additional equity interest in a non-wholly-owned subsidiary, the difference between the cost of acquisition and the non-controlling interests acquired.

The revaluation reserve represents the difference arising from change in use from owner-occupied properties to investment properties carried at fair value.

40. ACQUISITION OF A SUBSIDIARY

As at 31 March 2018, Harbin China South City Company Limited ("CSC Harbin"), a subsidiary of the Company, held a 25% equity interest in Harbin Huayilong Fur Market Co., Ltd. ("Huayilong"), which was accounted for as an investment in an associate.

On 12 April 2018, CSC Harbin entered into a share purchase agreement with the then existing shareholders of Huayilong to acquire additional 45.07% equity interests in Huayilong with no consideration. Upon completion of the share purchase, CSC Harbin held 70.07% of the equity interest in Huayilong. On 12 April 2018, the Group obtained control over Huayilong, which then became a subsidiary of the Company.

The Group has elected to measure the non-controlling interests in Huayilong at the non-controlling interest's proportionate share of Huayilong's identifiable net assets.

38. 購股權(續)

於該等財務報表批准當日，根據購股權計劃，本公司有314,790,000份未行使購股權，相當於本公司當日已發行股份約3.88%。

39. 其他儲備

有關本集團於本年度及過往年度的儲備及其變動已呈列於財務報表第140及141頁的綜合權益變動表內。

根據中外合營企業相關法律及法規，本集團旗下在中國成立的附屬公司的部分利潤已轉撥至用途受限制的法定儲備金。

資本儲備指本公司附屬公司之股東作出的額外注資，以及在收購一家非全資附屬公司的額外股權後，收購成本與所收購非控制權益兩者之差額。

重估儲備指因用途變更而由自用物業轉為以公平價值列賬的投資物業而產生的差額。

40. 收購一家附屬公司

於2018年3月31日，本公司附屬公司哈爾濱華南城有限公司(「哈爾濱華南城公司」)持有哈爾濱華億龍皮草城有限公司(「華億龍」)25%股權，列作於一家聯營公司的投資入賬。

於2018年4月12日，哈爾濱華南城公司與華億龍當時現任股東訂立股份購買協議，無需代價收購華億龍額外的45.07%股權。於股份購買完成後，哈爾濱華南城公司持有華億龍的70.07%股權。於2018年4月12日，本集團取得華億龍的控制權，其後，該公司成為本公司的附屬公司。

本集團已選擇以非控股權益應佔華億龍可識別資產淨值的比例，計算於華億龍的非控股權益。

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

31 March 2019 2019年3月31日

40. ACQUISITION OF A SUBSIDIARY (Continued)

The fair values of the identifiable assets and liabilities of Huayilong as at the date of acquisition were as follows:

40. 收購一家附屬公司(續)

華億龍於收購日期之可識別資產及負債公平值如下：

		Notes 附註	Fair value recognized on acquisition 於收購時確認之 公平值 HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	13	2,842
Trade receivables	應收貿易賬款		413
Prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產		5,776
Cash and cash equivalents and restricted cash	現金及現金等價物及受限制現金		1,855
Trade and other payables	貿易及其他應付款項		(161,451)
Total identifiable net liabilities at fair value	按公平值計量的可識別負債淨值總額		(150,565)
Non-controlling interests	非控股權益		6,401
			(144,164)
Goodwill	商譽	17	144,164
			-
Satisfied by:	以下方式支付：		
Previously held equity interest remeasured at acquisition-date fair value	按收購日期公平值重新計量的先前持有的股權		-
Total consideration	代價總額		-

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

31 March 2019 2019年3月31日

40. ACQUISITION OF A SUBSIDIARY (Continued)

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

		HK\$'000 千港元
Cash consideration	現金代價	–
Cash and cash equivalents and restricted cash acquired	所獲現金及現金等價物及受限制資金	1,855
Net inflow of cash and cash equivalents and restricted cash included in cash flows from investing activities	計入投資活動現金流的現金及現金等價物及受限制資金淨流入	1,855

Since the acquisition, Huayilong contributed HK\$8,977,000 to the Group's turnover and net loss of HK\$20,296,000 to the consolidated profit for the year ended 31 March 2019.

Had the combination taken place at the beginning of the year, the consolidated revenue and the consolidated profit of the Group for the year would have been HK\$10,274,474,000 and HK\$3,242,814,000, respectively.

40. 收購一家附屬公司(續)

有關收購附屬公司的現金流量分析如下：

自是次收購後，截至2019年3月31日止期間，華億龍為本集團收入額貢獻8,977,000港元及為本集團合併利潤帶來淨虧損20,296,000港元。

若該合併於本年度初發生，則本集團於本年度的合併收入及合併利潤分別為10,274,474,000港元及3,242,814,000港元。

41. DISPOSAL OF SUBSIDIARIES

41. 處置附屬公司

		Notes 附註	2019 HK\$'000 千港元
Net assets disposed of:	淨資產之處置：		
Property, plant and equipment	物業、廠房及設備	13	1,688
Cash and cash equivalents and restricted cash	現金及現金等價物及受限制現金		3,305
Properties under development	發展中物業	15	190,448
Prepayments, other receivables and other assets	預付款項、其他應收款及其他資產		14,107
Trade and other payables	貿易及其他應付款項		(204,206)
Non-controlling interests	非控股權益		(905)
Gain on disposal of subsidiaries	處置附屬公司之利潤	5	24,515
			28,952
Satisfied by:	以下方式支付：		
Cash	現金		28,952

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

31 March 2019 2019年3月31日

41. DISPOSAL OF SUBSIDIARIES (Continued)

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

		HK\$'000 千港元
Cash consideration	現金代價	28,952
Cash and cash equivalents and restricted disposed of	所處理現金及現金等價物及受限制資金	(3,305)
Net inflow of cash and cash equivalents and restricted cash in respect of disposal of subsidiaries	因處置附屬公司計入的現金及現金等價物及受限制資金淨流入	25,647

41. 處置附屬公司(續)

有關處置附屬公司的現金及現金等價物淨流入分析如下：

42. Note to the Consolidated Statement of Cash Flows
Changes in liabilities arising from financing activities

42. 綜合現金流量表附註

融資活動產生的負債變動

		Interest-bearing bank and other borrowings	Short-term notes	Senior notes	Medium-term notes	Corporate bonds	Domestic company bonds	Interest payable included in trade and other payables
		計息銀行及其他借貸	短期融資券	優先票據	中期票據	企業債券	境內公司債券	貿易及其他應付款項內的應付利息
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 April 2018	於2018年4月1日	16,098,205	625,100	9,230,272	5,251,644	1,978,294	5,644,169	45,929
Interest expense	利息開支	-	-	867,425	242,968	26,368	288,370	1,069,577
Changes from financing cash flows	融資現金流變動	2,548,601	(614,885)	2,329,282	(2,701,017)	(1,988,595)	(3,818,345)	(1,069,537)
Gain on repurchase of the senior notes	回購優先票據之收益	-	-	(94,607)	-	-	-	-
Exchange realignment	匯兌變動	(908,128)	(10,215)	-	(333,692)	(15,505)	(381,033)	(3,101)
At 31 March 2019	於2019年3月31日	17,738,678	-	12,332,372	2,459,903	562	1,733,161	42,868

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

31 March 2019 2019年3月31日

42. Note to the Consolidated Statement of Cash Flows (Continued)
Changes in liabilities arising from financing activities (Continued)

42. 綜合現金流量表附註(續)

融資活動產生的負債變動(續)

		Interest-bearing bank and other borrowings	Short-term notes	Senior notes	Medium-term notes	Corporate bonds	Domestic company bonds	Interest payable included in trade and other payables
		計息銀行及其他借貸	短期融資券	優先票據	中期票據	企業債券	境內公司債券	貿易及其他應付款項內的應付利息
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 April 2017	於2017年4月1日	13,412,462	1,353,240	6,425,992	4,723,000	1,778,744	5,079,429	59,398
Interest expense	利息開支	-	-	452,711	367,288	129,785	336,868	923,244
Changes from financing cash flows	融資現金流變動	1,184,232	(853,186)	2,261,693	(352,581)	(123,816)	(324,633)	(938,824)
Loss on redemption of the 2014 Notes	贖回2014年票據之虧損	-	-	89,876	-	-	-	-
Exchange realignment	匯兌變動	1,501,511	125,046	-	513,937	193,581	552,505	2,111
At 31 March 2018	於2018年3月31日	16,098,205	625,100	9,230,272	5,251,644	1,978,294	5,644,169	45,929

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

31 March 2019 2019年3月31日

43. Pledge of Assets

Details of the Group's assets pledged for the Group's bank and other borrowings are included in notes 13, 14, 15, 22, 27 and 30 to the financial statements.

44. Contingent Liabilities

At the end of the reporting period, contingent liabilities not provided for in the financial statements were as follows:

43. 資產抵押

以本集團的資產作抵押的銀行及其他借貸詳情載於財務報表附註13、14、15、22、27及30。

44. 或然負債

於報告期末，財務報表內未有撥備的或然負債如下：

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Guarantees given to banks in connection with facilities granted to:	就以下各方獲授的融資而向銀行提供的擔保：		
Third parties	第三方	15,218,964	12,574,525

The Group has provided guarantees in respect of banking facilities granted by certain banks to the purchasers of the Group's properties held for sale and held for finance lease. Pursuant to the terms of the guarantees, if there is default of the loan payments by the purchasers and lessees, the Group is responsible for repaying the outstanding loans together with accrued interest thereon and any penalty owed by the defaulted purchasers and lessees to banks. The Group is then entitled to take over the legal titles and usage rights of the related properties. For trade center units and residential properties sold, the guarantee period commences from the dates of grant of the relevant loans and ends when the purchasers obtain the building ownership certificates which will then be pledged to the banks. For residential and commercial properties under finance lease, the guarantees will be released along with the full repayment of loan principals by the lessees.

本集團就若干銀行授予持作銷售物業及融資租賃物業的買家的銀行信貸提供擔保。根據該等擔保條款，倘該等買家及承租人拖欠貸款還款，本集團負責償還未付貸款，連同應計利息，以及欠款買家及承租人結欠銀行的任何罰金。其後，本集團有權接管相關物業的法律業權及使用權。已售交易中心商舖及住宅物業方面，擔保期由相關貸款授出日期起至買家取得其後抵押予銀行的房地產權證日期止。就融資租賃下的住宅及商業物業而言，擔保將隨承租人償還貸款本金解除。

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44. Contingent Liabilities (Continued)

The Group did not incur any material losses during the financial year in respect of the guarantees provided for mortgage facilities granted to the purchasers and lessees of the Group's properties. The Directors consider that in case of default on payments, the net realizable value of the related properties can cover the repayment of the outstanding mortgage loans together with any accrued interest and penalty, and therefore the fair value of the guarantees is not significant.

45. Operating Lease Arrangements

(a) As lessor

The Group leases its investment properties (note 14) and properties sold with cooperation and leasing arrangements with the purchasers under operating lease arrangements negotiated for terms ranging from one to twenty years. The terms of the leases also require the tenants to pay security deposits.

At the end of the reporting period, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

44. 或然負債(續)

本集團於財政年度內並無因向本集團物業的買家及承租人於獲授按揭融資時所提供擔保而錄得任何重大虧損。董事認為，倘出現拖欠款項的情況，相關物業的可變現淨值足以支付未償還按揭貸款連同任何應計利息及罰款，故擔保之公平值並不重大。

45. 經營租賃安排

(a) 作為出租人

本集團根據經營租賃安排租賃其投資物業(附註14)及與買家的合作及租賃安排的已出售物業，並磋商一至二十年的租賃期。租賃條款亦規定租戶需支付押金。

於報告期末，本集團根據與租戶訂立的不可註銷經營租賃按下列年度到期之未來最低應收租金總額如下：

		2019	2018
		HK\$'000	HK\$'000
		千港元	千港元
Within one year	一年內	937,833	754,836
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)	1,768,876	1,575,985
After five years	五年後	828,458	488,270
Total	總計	3,535,167	2,819,091

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

31 March 2019 2019年3月31日

45. Operating Lease Arrangements (Continued)
(b) As lessee

The Group leases certain of its land and buildings and vehicles under operating lease arrangements. Leases are negotiated for terms ranging from one to eight years.

At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		2019	2018
		HK\$'000	HK\$'000
		千港元	千港元
Within one year	一年內	73,685	133,205
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)	67,617	127,817
After five years	五年後	11,210	32,333
Total	總計	152,512	293,355

46. Commitments

In addition to the operating lease commitments detailed in note 45(b) above, the Group had the following commitments at the end of the reporting period:

		2019	2018
		HK\$'000	HK\$'000
		千港元	千港元
Contracted, but not provided for:	已訂約但未撥備：		
Properties under development	發展中物業	15,530,925	10,470,922
Prepaid land lease payments	預付土地出租金	-	254,416
Total	總計	15,530,925	10,725,338

45. 經營租賃安排(續)
(b) 作為承租人

本集團以經營租賃安排租用若干土地及房屋及汽車，並磋商一至八年的租賃期。

於報告期末，本集團根據不可註銷經營租賃按下列年度到期之未來最低租金總額如下：

46. 承擔

除上文附註45(b)詳述的經營租賃承擔外，於報告期末，本集團有下列承擔：

31 March 2019 2019年3月31日

47. Related Party Transactions

(a) Outstanding balances with related parties

As at 31 March 2019, an amount included in trade and other payables amounting to HK\$53,627,000 from a non-controlling shareholder of a subsidiary was unsecured, interest-free and had no fixed terms of repayment.

Details of the Group's amounts due from associates as at the end of the reporting period are disclosed in note 18.

(b) Compensation of key management personnel of the Group

47. 關連人士交易

(a) 與關連人士之間的未結付結餘

於2019年3月31日，來自一位附屬公司的非控股股東的款項包括貿易及其他應付款項總額為53,627,000港元，該款項為無抵押、免息及無固定還款期。

本集團於報告期末的應收聯營企業之款項詳情於附註18披露。

(b) 本集團主要管理人員薪酬

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Short term employee benefits	短期僱員福利	63,687	65,835
Post-employment benefits	離職後福利	72	73
Share-based payments	以權益結算的購股權開支	9,594	34,366
Total compensation paid to key management personnel	支付予主要管理人員的薪酬總額	73,353	100,274

Further details of Directors' emoluments are included in note 8 to the financial statements.

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 March 2019 2019年3月31日

48. 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:

2019

Financial assets

48. 金融工具分類

於報告期末，各類金融工具的賬面值如下：

2019

金融資產

		Financial assets at fair value through profit or loss 透過損益以公平值列賬之 金融資產			Total
		Designated as such upon initial recognition	Held for trading	Financial assets at amortized cost	
		在初步 確認時指定為	持作買賣	按攤銷成本 計量之 金融資產	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Trade receivables	應收貿易賬款	-	-	1,064,890	1,064,890
Other long-term receivables	其他長期應收款項	-	-	21,904	21,904
Financial assets included in prepayments, other receivables and other assets	金融資產包括預付 款項、其他應收 款項及其他資產	-	-	2,385,251	2,385,251
Financial assets at fair value through profit or loss	透過損益以公平值 列賬之金融資產	12,965	283,368	-	296,333
Cash and cash equivalents and restricted cash	現金及現金等價物及 受限制現金	-	-	9,359,772	9,359,772
		12,965	283,368	12,831,817	13,128,150

Financial liabilities

金融負債

		Financial liabilities at amortized cost 按攤銷成本 計量之金融負債 HK\$'000 千港元
Financial liabilities included in trade and other payables	計入貿易及其他應付款項的金融負債	13,585,698
Interest-bearing bank and other borrowings	計息銀行及其他借貸	17,738,678
Senior notes	優先票據	12,332,372
Medium-term notes	中期票據	2,459,903
Corporate bonds	企業債券	562
Domestic company bonds	境內公司債券	1,733,161
		47,850,374

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

31 March 2019 2019年3月31日

48. Financial Instruments by Category (Continued)
2018

Financial assets

		Financial assets at fair value through profit or loss 透過損益 以公平值列賬 之金融資產 HK\$'000 千港元	Loans and receivables 貸款及 應收款項 HK\$'000 千港元	Available- for-sale financial assets 可供出售 金融資產 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Trade receivables	應收貿易賬款	-	1,185,378	-	1,185,378
Other long-term receivables	其他長期應收款項	-	15,684	-	15,684
Financial assets included in prepayments, other receivables and other assets	金融資產包括預付 款項、其他應收 款項及其他資產	-	1,190,964	-	1,190,964
Financial assets at fair value through profit or loss	透過損益以公平值 列賬之金融資產	205,966	-	-	205,966
Available-for-sale investments	可供出售金融投資	-	-	138	138
Cash and cash equivalents and restricted cash	現金及現金等價物及 受限制現金	-	10,655,692	-	10,655,692
		205,966	13,047,718	138	13,253,822

Financial liabilities

金融負債

		Financial liabilities at amortized cost 按攤銷成本 計量之金融負債 HK\$'000 千港元
Financial liabilities included in trade and other payables	計入貿易及其他應付款項之金融負債	9,705,579
Interest-bearing bank and other borrowings	計息銀行及其他借貸	16,098,205
Short-term notes	短期融資券	625,100
Senior notes	優先票據	9,230,272
Medium-term notes	中期票據	5,251,644
Corporate bonds	企業債券	1,978,294
Domestic company bonds	境內公司債券	5,644,169
		48,533,263

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

31 March 2019 2019年3月31日

49. Fair Value and Fair Value Hierarchy of Financial Instruments

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

49. 金融工具之公平值及公平值等級架構

本集團之金融工具之賬面值及公平值(賬面值與公平值極其相近者除外)如下:

		Carrying amounts		Fair values	
		賬面值		公平值	
		2019	2018	2019	2018
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Short-term notes	短期融資券	–	625,100	–	647,446
Senior notes	優先票據	12,332,372	9,230,272	11,431,686	8,894,383
Medium-term notes	中期票據	2,459,903	5,251,644	2,430,103	5,261,155
Corporate bonds	企業債券	562	1,978,294	554	1,874,550
Domestic company bonds	境內公司債券	1,733,161	5,644,169	1,623,959	5,169,152
		16,525,998	22,729,479	15,486,302	21,846,686

Management has assessed that the fair values of cash and cash equivalents, trade receivables, financial assets included in prepayments, other receivables and other assets, financial liabilities included in trade and other payables, the current portion of interest-bearing bank and other borrowings and amounts due from associates, approximate to their carrying amounts largely due to the short term maturities of these instruments.

管理層已評估現金及現金等價物、應收賬款、金融資產包括預付款、其他應收款項及其他資產、金融負債包括貿易及其他應付款項、計息銀行及其他借貸的即期部分及應收聯營公司款項之公平值與其各自之賬面值相若，主要因為該等工具於短期內到期。

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49. Fair Value and Fair Value Hierarchy of Financial Instruments (Continued)

The Group's management is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The management reports directly to the Directors and the audit committee. At each reporting date, management analyzes 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 Directors. The valuation process and 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. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of other long-term receivables and 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 in interest-bearing bank and other borrowings as at 31 March 2019 was assessed to be insignificant. The fair values of the non-current portion of other long-term receivables and interest-bearing bank and other borrowings are not materially different from their carrying amounts.

The fair values of senior notes, medium-term notes, corporate bonds and domestic company bonds are calculated by using the quoted market prices on 31 March 2019.

As at 31 March 2019, the Group's financial instruments which comprised financial assets at fair value through profit or loss were measured at fair value. The Group's financial assets at fair value through profit or loss comprised listed and unlisted investments and structured bank deposits with floating interest rates. The fair values of listed investments were based on quoted market prices. The fair values of the unlisted investments have been estimated using valuation methodology according to the price of recent investments. The fair values of structured bank deposits with floating interest rates were measured using valuation techniques including the Hull-White model and net present value of the cash flow model. The models incorporate various market observable inputs including the interest rate yield curve and foreign exchange forward rate.

49. 金融工具之公平值及公平值等級架構(續)

本集團管理層負責釐定金融工具公平值計量之政策及程序。管理層直接向董事及審核委員會報告。於各報告日期，管理層分析金融工具之價值變動並釐定估值中適用的主要元素。估值由董事審核及批准。估值過程及結果由審核委員會每年討論兩次，以便呈列於中期及年度財務報告。

金融資產及負債的公平值按可在自願雙方(強迫或清盤銷售除外)在現有交易中進行交換的工具之金額入賬。估計公平值時所用之方法及假設載述如下：

其他長期應收款項、計息銀行及其他借貸之非即期部分的公平值乃透過使用當前可供金融工具使用之現行利率按類似條款、信用風險及餘下到期日，折讓預期未來現金流量而計算。於2019年3月31日，本集團自身於計息銀行及其他借貸之不履約風險被評定為並不重大。其他長期應收款項及計息銀行及其他借貸非即期部分的公平值與賬面值相差不大。

優先票據、中期票據、企業債券及境內公司債券之公平值乃根據2019年3月31日的市場價格之報價釐定。

於2019年3月31日，本集團之金融工具包括透過損益以公平值列賬之金融資產以公平值計算。本集團之透過損益以公平值列賬之金融資產包括上市和非上市投資及浮動利率的結構性銀行存款。上市投資的公平值乃根據市場價格釐定。非上市投資的公平值乃根據最近投資的價格使用估值方法估算。浮動利率的結構性銀行存款的公平值乃根據包括赫爾懷特模型及現金流淨現值模型等估值方法計量。該等模型納入包括利率收益曲線及外匯遠期匯率等多項市場可觀察元素。

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

31 March 2019 2019年3月31日

49. Fair Value and Fair Value Hierarchy of Financial Instruments (Continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

		Fair value measurement using 使用於公平值計量			
		Quoted prices in active markets 活躍市場之 報價 (Level 1) (第1級) HK\$'000 千港元	Significant observable inputs 重大可觀察 元素 (Level 2) (第2級) HK\$'000 千港元	Significant unobservable inputs 重大不可觀察 元素 (Level 3) (第3級) HK\$'000 千港元	Total 總額 HK\$'000 千港元
As at 31 March 2019	於2019年3月31日				
Listed investments	上市投資	50,208	–	–	50,208
Unlisted investments	非上市投資	–	–	12,965	12,965
Structured bank deposits with floating interest rates	浮動利率的結構性 銀行存款	–	233,160	–	233,160
		50,208	233,160	12,965	296,333
As at 31 March 2018	於2018年3月31日				
Listed investments	上市投資	205,966	–	–	205,966

49. 金融工具之公平值及公平值等級架構(續)

公平值層級

本集團運用下列層級，以取決及披露金融工具之公平值：

按公平值計量之資產：

31 March 2019 2019年3月31日

49. Fair Value and Fair Value Hierarchy of Financial Instruments (Continued)

Fair value hierarchy (Continued)

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 (2018: Nil).

Liabilities for which fair values are disclosed:

As at 31 March 2019

49. 金融工具之公平值及公平值等級架構 (續)

公平值等級 (續)

本年內，公平值計量於第1級別與第2級別之間並無轉換及無轉入或轉出至第3級別(2018年：無)。

已披露公平值之金融負債：

於2019年3月31日

		Fair value measurement using quoted prices in active markets (Level 1) 使用於活躍市場之 報價的公平值計量 (第一級) HK\$'000 千港元
Senior notes	優先票據	11,431,686
Medium-term notes	中期票據	2,430,103
Corporate bonds	企業債券	554
Domestic company bonds	境內公司債券	1,623,959
		15,486,302

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

31 March 2019 2019年3月31日

49. Fair Value and Fair Value Hierarchy of Financial Instruments (Continued)

Fair value hierarchy (Continued)

As at 31 March 2018

49. 金融工具之公平值及公平值等級架構
 (續)

公平值等級(續)

於2018年3月31日

		Fair value measurement using quoted prices in active markets (Level 1) 使用於活躍市場之 報價的公平值計量 (第一級) HK\$'000 千港元
Short-term notes	短期融資券	647,446
Senior notes	優先票據	8,894,383
Medium-term notes	中期票據	5,261,155
Corporate bonds	企業債券	1,874,550
Domestic company bonds	境內公司債券	5,169,152
		21,846,686

31 March 2019 2019年3月31日

50. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise bank and other borrowings, short-term notes, senior notes, medium-term notes, corporate bonds, domestic company bonds and cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets such as trade receivables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk, liquidity risk and foreign exchange risk. The Board of Directors reviews and agrees policies for managing each of these risks and they are summarized below.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to the Group's borrowings. The interest rates and terms of repayment of the Group's borrowings are disclosed in notes 30, 31, 32, 33, 34 and 35 to the financial statements. The Group's policy is to obtain the most favourable interest rates available for its borrowings.

The Group will constantly assess the interest rate risk it encounters to decide whether it is required to hedge against the possible interest rate risk that may arise.

On 31 March 2019, if the interest rate of bank borrowings had increased/decreased by 0.5% and all other factors remained unchanged, the profit after tax for the year of the Group would have decreased/increased by approximately HK\$56,039,000 (2018: HK\$51,217,000).

50. 財務風險管理目標及政策

本集團主要金融工具包括銀行及其他借貸、短期融資券、優先票據、中期票據、企業債券、境內公司債券及現金及短期存款。該等金融工具主要為本集團業務籌集資金。本集團亦擁有多項其他金融資產，例如直接從業務營運產生的應收貿易賬款。

本集團金融工具所產生的主要風險包括利率風險、信貸風險、流動資金風險及外匯風險。董事會對管理上述各項風險的政策進行檢討及協定，該等風險概述如下。

利率風險

本集團面臨的利率風險主要與本集團的借貸相關。本集團借貸的利率及還款期於財務報表附註30、31、32、33、34及35中披露。本集團的政策是為其借貸取得最有利的利率。

本集團將持續評估所遇到的利率風險以決定是否需要對沖可能產生的利率風險。

於2019年3月31日，倘銀行借貸的利率上升/下降0.5%及所有其他因素保持不變，則本集團本年度稅後利潤將會減少/增加約56,039,000港元（2018年：51,217,000港元）。

31 March 2019 2019年3月31日

50. Financial Risk Management Objectives and Policies (Continued)

Credit risk

Maximum exposure and year-end staging as at 31 March 2019

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 March 2019.

		12-month ECLs		Lifetime ECLs		
		12個月的 預期信貸虧損		整個期間 預期信貸虧損		
		Stage 1	Stage 2	Stage 3	Simplified approach	
		階段一	階段二	階段三	簡化方法	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Other long-term receivables	其他長期應收款項	21,904	-	-	-	21,904
Trade receivables*	應收貿易賬款*	-	-	-	1,064,890	1,064,890
Contract assets*	合約資產*	-	-	-	99,621	99,621
Financial assets included in prepayments, other receivables and other assets	計入預付款項、其他應收賬項及其他資產的金融資產	2,385,251	-	-	-	2,385,251
Cash and cash equivalents and restricted cash	現金及現金等價物及受限制現金	9,359,772	-	-	-	9,359,772
		11,766,927	-	-	1,164,511	12,931,438

* For trade receivables and contract assets to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in notes 24 and 26 to the financial statements, respectively.

50. 財務風險管理目標及政策(續)

信貸風險

於2019年3月31日的最高金額和年終分期

下表顯示了基於本集團信貸政策的信貸質量和最高信貸風險金額，除非其他可用信息並不需要額外成本或加工，該信貸政策主要基於過去的信息，以及截至2019年3月31日的年終分期分類。

* 就本集團採用簡化方法減值的應收貿易賬款及合約資產，其資料基於撥備矩陣分別於財務報表附註24及26中披露。

31 March 2019 2019年3月31日

50. Financial Risk Management Objectives and Policies (Continued)

Credit risk (Continued)

Maximum exposure and year-end staging as at 31 March 2018

The credit risk of the Group's financial assets, which comprise cash and cash equivalents, trade and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments. The Group is also exposed to credit risk through the granting of financial guarantees, further details of which are disclosed in note 44 to the financial statements.

To manage the risk, deposits are mainly placed with banks with high credit quality. The Group trades only with recognized and creditworthy third parties. For the sales of properties, the Group has policies in place to ensure that sales are made to buyers with appropriate financial strength and appropriate percentage of down payments. The Group would not release the property ownership certificates to the buyers before the buyers fully settle the payment. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews regularly the recoverable amount of each individual trade receivable to ensure that adequate provisions for impairment losses are made for irrecoverable amounts. With exposure spread over a number of counterparties and customers, the Group has no significant concentration of credit risk.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 24 to the financial statements.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank and other borrowings, short-term notes, senior notes, medium-term notes, corporate bonds and domestic company bonds.

50. 財務風險管理目標及政策(續)

信貸風險(續)

於2018年3月31日的最高金額和年終分期

本集團金融資產包括現金及現金等價物、應收貿易賬款及其他應收款項的信貸風險來自對方拖欠付款，而可能拖欠的最高金額等於此等工具的賬面值。本集團亦因提供財務擔保而面對信貸風險，有關詳情於財務報表附註44中披露。

為管理風險，本集團主要將存款存入高信貸質素的銀行。本集團僅與知名及具信譽的第三方進行交易。就出售物業方面，本集團已實行政策確保向具有適當財務實力及支付適當百分比首期付款的買家作出銷售。在買家全數清償付款前，本集團不會向其發出房產證。本集團亦擁有其他監控程序以確保採取跟進措施收回逾期款項。此外，本集團定期審閱每個別應收貿易賬款的可收回金額，以確保就不可收回金額作出足夠的減值虧損撥備列賬。本集團並無任何重大集中信貸風險，而所面對的風險分散到多名交易對手及客戶。

有關本集團就應收貿易賬款的信貸風險所承擔的風險的進一步量化數據於財務報表附註24中披露。

流動資金風險

本集團的目標是透過使用銀行及其他借貸、短期融資券、優先票據、中期票據、企業債券及境內公司債券，維持資金持續性與靈活性之間的平衡。

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

31 March 2019 2019年3月31日

50. Financial Risk Management Objectives and Policies (Continued)

Liquidity risk (Continued)

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, was as follows:

		2019					
		On demand	Within one year	One to two years	Two to five years	Beyond five years	Total
		應要求	一年內	第一至二年	第二至五年	五年後	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Interest-bearing bank and other borrowings	計息銀行及其他借貸	–	8,776,589	4,709,169	4,464,197	592,685	18,542,640
Senior notes	優先票據	–	3,398,286	6,588,319	5,786,318	–	15,772,923
Medium-term notes	中期票據	–	2,516,962	–	–	–	2,516,962
Corporate bonds	企業債券	–	562	–	–	–	562
Domestic company bonds	境內公司債券	–	1,743,920	–	–	–	1,743,920
Financial liabilities included in trade and other payables	計入應付貿易及其他應付款項的金融負債	–	13,585,698	–	–	–	13,585,698
Financial guarantees granted to third parties	對第三方授予財務擔保	15,218,964	–	–	–	–	15,218,964
Total	總計	15,218,964	30,022,017	11,297,488	10,250,515	592,685	67,381,669

50. 財務風險管理目標及政策(續)

流動資金風險(續)

本集團於報告期末時的金融負債的到期狀況(按照合同未折現付款)如下：

		2018					
		On demand	Within one year	One to two years	Two to five years	Beyond five years	Total
		應要求	一年內	第一至二年	第二至五年	五年後	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Interest-bearing bank and other borrowings	計息銀行及其他借貸	–	7,892,373	4,193,177	4,933,369	864,157	17,883,076
Short-term notes	短期融資券	–	665,732	–	–	–	665,732
Senior notes	優先票據	–	787,438	3,712,906	9,935,011	–	14,435,355
Medium-term notes	中期票據	–	2,874,210	2,699,182	–	–	5,573,392
Corporate bonds	企業債券	–	1,978,294	–	–	–	1,978,294
Domestic company bonds	境內公司債券	–	4,094,780	1,870,174	–	–	5,964,954
Financial liabilities included in trade and other payables	計入應付貿易及其他應付款項的金融負債	–	9,705,579	–	–	–	9,705,579
Financial guarantees granted to third parties	對第三方授予財務擔保	12,574,525	–	–	–	–	12,574,525
Total	總計	12,574,525	27,998,406	12,475,439	14,868,380	864,157	68,780,907

31 March 2019 2019年3月31日

50. Financial Risk Management Objectives and Policies (Continued)

Foreign exchange risk

The Group only conducts business within Mainland China. Except for interest payables, repayment of foreign currency loans obtained to finance the Group's operations and any potential future dividends of its subsidiaries that might be declared to their shareholders, the bulk of the Group's revenue, capital investment and expenses are denominated in RMB. At the date of approval of the financial statements, the Group has not experienced any difficulties in obtaining government approval for its necessary foreign exchange purchases. During the year, the Group did not issue any financial instruments for hedging purposes.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the RMB exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities).

		RMB rate 人民幣匯率變動	% %	Increase/ (decrease) in profit before tax 稅前利潤增加/ (減少) HK\$'000 千港元
2019	2019年			
If Hong Kong dollar weakens against RMB	倘港元兌人民幣轉弱	5		69,419
If Hong Kong dollar strengthens against RMB	倘港元兌人民幣轉強	5		(69,419)
2018	2018年			
If Hong Kong dollar weakens against RMB	倘港元兌人民幣轉弱	5		55,206
If Hong Kong dollar strengthens against RMB	倘港元兌人民幣轉強	5		(55,206)

Capital management

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 maximize shareholders' value.

50. 財務風險管理目標及政策(續)

外匯風險

本集團僅在中國大陸經營業務。除應付利息、本集團就撥資營運所需而取得的外幣貸款的還款，以及其附屬公司可能向其股東宣派的任何潛在股息外，本集團大部分收入、資本投資及開支均以人民幣為單位。於財務報表批准日期，本集團在申領政府批文就其外匯購買所需方面，從未遇上任何困難。年內，本集團並無為對沖目的而發行任何金融工具。

下表顯示在所有其他變量維持不變的情況下，本集團稅前利潤於報告期末對人民幣匯率的可能合理變動的敏感度，有關稅前利潤的變動乃因貨幣資產及負債的公平值出現變動所致。

資本管理

本集團資本管理的首要目標是為了確保本集團持續發展及穩健資本比率的能力，以支持其業務運作及實現最大股東價值。

31 March 2019 2019年3月31日

50. Financial Risk Management Objectives and Policies (Continued)

Capital management (Continued)

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 31 March 2018.

The Group monitors capital using a gearing ratio (net debt to total equity) and total liabilities to total assets ratio. Net debt includes interest-bearing bank and other borrowings, short-term notes, senior notes, medium-term notes, corporate bonds and domestic company bonds, less cash and cash equivalents and restricted cash. The gearing ratios and total liabilities to total assets ratio as at the end of the reporting periods were as follows:

		Notes 附註	2019 HK\$'000 千港元	2018 HK\$'000 千港元
Interest-bearing bank and other borrowings	計息銀行及其他借貸	30	17,738,678	16,098,205
Short-term notes	短期融資券	31	—	625,100
Senior notes	優先票據	32	12,332,372	9,230,272
Medium-term notes	中期票據	33	2,459,903	5,251,644
Corporate bonds	企業債券	34	562	1,978,294
Domestic company bonds	境內公司債券	35	1,733,161	5,644,169
Less: Cash and cash equivalents and restricted cash	減：現金及現金等價物及受限制現金	27	(9,359,772)	(10,655,692)
Net debt	債務淨額		24,904,904	28,171,992
Total equity	權益總額		36,149,827	36,400,754
Total assets	總資產		113,106,962	111,545,966
Total liabilities	總負債		76,957,135	75,145,212
Net debt/Total equity	資本負債比率		69%	77%
Total liabilities/Total assets	負債對資產比率		68%	67%

50. 財務風險管理目標及政策(續)

資本管理(續)

本集團根據經濟情況的變動及相關資產的風險特點，管理其資本結構並對其作出調整。為維持或調整資本結構，本集團可能會調整向股東派發的股息付款、向股東返還資本或發行新股。本集團毋須遵守任何外界施加的資本規定。截至2019年3月31日及2018年3月31日止年度，並無更改資本管理的目標、政策或程序。

本集團採用資本負債比率(債務淨額除以權益總額)和負債對資產比率監控資本情況。債務淨額包括計息銀行及其他借貸、短期融資券、優先票據、中期票據、企業債券及境內公司債券減現金及現金等價物及受限制現金。於報告期末，資本負債比率及負債對資產比率如下：

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

31 March 2019 2019年3月31日

51. Statement of Financial Position of the Company 51. 公司財務狀況表

		31 March 2019 2019年 3月31日 HK\$'000 千港元	31 March 2018 2018年 3月31日 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產		
Property, plant and equipment	物業、廠房及設備	890	1,177
Investments in subsidiaries	於附屬公司的投資	3,247,972	3,246,958
Total non-current assets	非流動資產總額	3,248,862	3,248,135
CURRENT ASSETS	流動資產		
Due from subsidiaries	應收附屬公司款項	16,927,664	13,521,584
Prepayments, other receivables and other assets	預付款項、其他應收款項及其他資產	514	514
Cash and cash equivalents	現金及現金等價物	510,343	631,113
Total current assets	流動資產總額	17,438,521	14,153,211
CURRENT LIABILITIES	流動負債		
Other payables, accruals and deposits received	其他應付款項、應計項目及已收按金	177,966	144,184
Senior notes	優先票據	2,326,500	-
Total current liabilities	流動負債總額	2,504,466	144,184
NET CURRENT ASSETS	流動資產淨值	14,934,055	14,009,027
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總額減流動負債	18,182,917	17,257,162
NON-CURRENT LIABILITIES	非流動負債		
Senior notes	優先票據	10,226,417	9,230,272
Total non-current liabilities	非流動負債總額	10,226,417	9,230,272
Net assets	資產淨值	7,956,500	8,026,890
EQUITY	權益		
Share capital	股本	7,222,312	7,060,973
Reserves (note)	其他儲備(附註)	734,188	965,917
Total equity	權益總額	7,956,500	8,026,890

CHENG CHUNG HING 鄭松興
Director 董事

ZHAO LIDONG 趙立東
Director 董事

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

31 March 2019 2019年3月31日

51. Statement of Financial Position of the Company

(Continued)

Note:

A summary of the Company's reserves is as follows:

		Share option reserve 購股權儲備 HK\$'000 千港元	Retained profits 保留利潤 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2018	於2018年4月1日	202,795	763,122	965,917
Profit for the year	年內利潤	–	154,155	154,155
Equity-settled share option arrangements	以權益結算的購股權安排	14,595	–	14,595
Lapse of share options	購股權失效	(55,569)	55,569	–
Scrip dividend	以股代息	–	(161,339)	(161,339)
Final 2018 dividend paid	已付2018末期股息	–	(239,140)	(239,140)
At 31 March 2019	於2019年3月31日	161,821	572,367	734,188

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in note 2.4 to the financial statements. The amount will either be transferred to share capital when the related options are exercised, or be transferred to retained profits should the related options expire.

51. 公司財務狀況表(續)

附註：

公司之儲備變動詳情如下：

		Share option reserve 購股權儲備 HK\$'000 千港元	Retained profits 保留利潤 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2018	於2018年4月1日	202,795	763,122	965,917
Profit for the year	年內利潤	–	154,155	154,155
Equity-settled share option arrangements	以權益結算的購股權安排	14,595	–	14,595
Lapse of share options	購股權失效	(55,569)	55,569	–
Scrip dividend	以股代息	–	(161,339)	(161,339)
Final 2018 dividend paid	已付2018末期股息	–	(239,140)	(239,140)
At 31 March 2019	於2019年3月31日	161,821	572,367	734,188

購股權儲備包含已授出但未行使之購股權的公平值，其有關以股份為基礎之會計政策已詳載於財務報表附註2.4內，當有關購股權被行使，此金額會轉入股本，或者當有關購股權失效，此金額會轉至保留利潤。

		Share option reserve 購股權儲備 HK\$'000 千港元	Retained profits 保留利潤 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2017	於2017年4月1日	169,245	584,673	753,918
Profit for the year	年內利潤	–	571,264	571,264
Equity-settled share option arrangements	以權益結算的購股權安排	42,065	–	42,065
Exercise of share options	行使購股權	(1,014)	–	(1,014)
Lapse of share options	購股權失效	(7,501)	7,501	–
Final 2017 dividend paid	已付2017末期股息	–	(400,316)	(400,316)
At 31 March 2018	於2018年3月31日	202,795	763,122	965,917

31 March 2019 2019年3月31日

52. Events After the Reporting Period

On 18 April 2019, China South International completed the issuance of the first tranche of medium-term notes of 2019 (the "2019 First Tranche MTN") with a total principal amount of RMB600,000,000 in the national inter-bank market of the PRC. The 2019 First Tranche MTN carry interest at the rate of 8.5% per annum, payable annually on 18 April in arrears, and have a term of up to 3 years at maximum.

On 12 June 2019, the Company further issued senior notes with an aggregate principal amounts of US\$60,000,000 (the "2019 June Notes"). The 2019 June Notes consolidated and form a single series with the 2019 March Notes issued by the Company on 27 March 2019 (note 32) are listed on the Singapore Exchange Securities Trading Limited. The 2019 June Notes carry interest at the rate of 11.875% per annum, payable semi-annually on 27 March and 27 September in arrears, and will mature on 27 March 2021, unless redeemed earlier.

53. Approval of the Financial Statements

The financial statements were approved and authorized for issue by the Board of Directors on 26 June 2019.

52. 報告期間結束後事項

華南國際於2019年4月18日完成在中國銀行間市場發行2019年第一期中期票據，本金總額為人民幣600,000,000元。2019年第一期票據年利率為8.5%，每年於4月18日支付，期限最長為3年。

於2019年6月12日，本公司進一步發行本金總額60,000,000美元的優先票據（「2019年6月票據」）。2019年6月票據與本公司於2019年3月27日發行之2019年3月票據合併並組成為單一系列（附註32）並於新加坡證券交易所有限公司上市。2019年6月票據按年利率11.875%計息，每半年於3月27日及9月27日支付，並將於2021年3月27日到期（除非提早贖回）。

53. 批核財務報表

董事會於2019年6月26日批准及授權刊發財務報表。



華商城