



萬城
MILLION CITIES

萬城控股有限公司 Million Cities Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock code 股份代號: 2892



2019 Interim Report 中期報告



Contents 目錄



| | | |
|---|----|--------------|
| Corporate Information | 2 | 公司資料 |
| Chairman's Statement | 4 | 主席報告 |
| Management Discussion and Analysis | 6 | 管理層討論及分析 |
| Other Information | 16 | 其他資料 |
| Review Report | 27 | 審閱報告 |
| Consolidated Statement of Profit or Loss | 29 | 綜合損益表 |
| Consolidated Statement of Profit or Loss and Other Comprehensive Income | 30 | 綜合損益及其他全面收益表 |
| Consolidated Statement of Financial Position | 31 | 綜合財務狀況表 |
| Consolidated Statement of Changes in Equity | 33 | 綜合權益變動表 |
| Consolidated Statement of Cash Flows | 34 | 綜合現金流量表 |
| Notes to the Unaudited Interim Financial Report | 36 | 未經審核中期財務報告附註 |
| Glossary | 75 | 詞彙 |

Corporate Information

公司資料

BOARD OF DIRECTORS

Non-executive Director

Mr. Wong Ting Chung, *BBS, JP (Chairman)*

Executive Directors

Mr. Lau Ka Keung, *MH, JP (Chief Executive Officer)*

Mr. Wong Ka Lun, *(Chief Operating Officer)*

Ms. Lau Pui Kwan, *HKICPA, ACS, ACIS*

Mr. Lin Guoxian, *(resigned with effect from 19 July 2019)*

Independent non-executive Directors

Mr. Ip Shu Kwan, Stephen, *GBS, JP*

Mr. Li Yinquan

Dr. Wu Wing Kuen, *BBS*

BOARD COMMITTEES

Audit Committee

Mr. Li Yinquan, *(Chairman)*

Mr. Ip Shu Kwan, Stephen, *GBS, JP*

Dr. Wu Wing Kuen, *BBS*

Remuneration Committee

Dr. Wu Wing Kuen, *BBS (Chairman)*

Mr. Wong Ting Chung, *BBS, JP*

Mr. Li Yinquan

Nomination Committee

Mr. Ip Shu Kwan, Stephen, *GBS, JP (Chairman)*

Mr. Wong Ting Chung, *BBS, JP*

Dr. Wu Wing Kuen, *BBS*

Executive Committee

Mr. Lau Ka Keung, *MH, JP (Chairman)*

Mr. Wong Ka Lun

Ms. Lau Pui Kwan, *HKICPA, ACS, ACIS*

Mr. Lin Guoxian, *(resigned with effect from 19 July 2019)*

COMPANY SECRETARY

Ms. Lau Pui Kwan, *HKICPA, ACS, ACIS*

AUTHORISED REPRESENTATIVES

Mr. Lau Ka Keung, *MH, JP*

Ms. Lau Pui Kwan, *HKICPA, ACS, ACIS*

REGISTERED OFFICE IN THE CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited

Cricket Square, Hutchins Drive

PO Box 2681, Grand Cayman

KY1-1111, Cayman Islands

董事會

非執行董事

王庭聰先生, *BBS, JP (主席)*

執行董事

樓家強先生, *MH, JP (行政總裁)*

黃家倫先生, *(首席營運總監)*

劉佩君女士, *HKICPA, ACS, ACIS*

林國賢先生, *(於2019年7月19日辭任)*

獨立非執行董事

葉澍堃先生, *GBS, JP*

李引泉先生

胡永權博士, *BBS*

董事委員會

審核委員會

李引泉先生, *(主席)*

葉澍堃先生, *GBS, JP*

胡永權博士, *BBS*

薪酬委員會

胡永權博士, *BBS (主席)*

王庭聰先生, *BBS, JP*

李引泉先生

提名委員會

葉澍堃先生, *GBS, JP (主席)*

王庭聰先生, *BBS, JP*

胡永權博士, *BBS*

執行委員會

樓家強先生, *MH, JP (主席)*

黃家倫先生

劉佩君女士, *HKICPA, ACS, ACIS*

林國賢先生, *(於2019年7月19日辭任)*

公司秘書

劉佩君女士, *HKICPA, ACS, ACIS*

授權代表

樓家強先生, *MH, JP*

劉佩君女士, *HKICPA, ACS, ACIS*

開曼群島註冊辦事處

Conyers Trust Company (Cayman) Limited

Cricket Square, Hutchins Drive

PO Box 2681, Grand Cayman

KY1-1111, Cayman Islands

HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 2302, 23/F, New World Tower 1
18 Queen's Road Central, Central
Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

AUDITOR

KPMG
Certified Public Accountants
8/F, Prince's Building
10 Chater Road
Central, Hong Kong

LEGAL ADVISER

Chiu & Partners
40/F, Jardine House
1 Connaught Place
Hong Kong

COMPLIANCE ADVISER

China Everbright Capital Limited
24/F, Lee Garden One
33 Hysan Avenue
Causeway Bay, Hong Kong

PRINCIPAL BANKERS

Hang Seng Bank Limited
The Bank of East Asia, Limited
China Construction Bank (Asia) Corporation Limited

STOCK CODE

2892

WEBSITE OF THE COMPANY

<http://www.millioncities.com.cn>

香港總部及主要營業地點

香港
中環皇后大道中18號
新世界大廈1座23樓2302室

開曼群島主要股份過戶登記處

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

香港證券登記處

香港中央證券登記有限公司
香港灣仔
皇后大道東183號
合和中心
17樓1712-1716號舖

核數師

畢馬威會計師事務所
香港中環
遮打道10號
太子大廈8樓

法律顧問

趙不渝 馬國強律師事務所
香港
康樂廣場1號
怡和大廈40樓

合規顧問

中國光大融資有限公司
香港銅鑼灣
希慎道33號
利園一期24樓

主要往來銀行

恒生銀行有限公司
東亞銀行有限公司
中國建設銀行(亞洲)股份有限公司

股份代號

2892

本公司網站

<http://www.millioncities.com.cn>

Chairman's Statement

主席報告

On behalf of the Board, I hereby present the interim report of the Group for the six months ended 30 June 2019.

MARKET REVIEW

The trade tension between China and the United States has been escalated once again during the first half of 2019. On 10 May 2019, the United States raised tariff to 25% on US\$200 billion of Chinese imports, while China announced its retaliation immediately, forcing the trade negotiation to a halt. Impact of trade war on China's economy started to emerge, being reflected in its GDP growth rate dropping to 6.2% in the second quarter of 2019, the slowest pace in 27 years. While the China government acknowledged the downward pressure and new challenges faced by the country, their response has focused on pushing forward reforms to tap domestic demand, instead of increasing stimulus directly. Furthermore, on 12 July 2019, the National Development and Reform Commission has ordered to limit overseas bond issuance by property development companies, signaling the policy maker's determination to stabilise the housing market in the PRC.

BUSINESS REVIEW

The Group is a property developer primarily focusing on residential property development in the Greater Bay Area and other regions in the PRC with growth potential. During the six months ended 30 June 2019, the Group developed eight projects in Huizhou, Tianjin and Henan province in the PRC. Dragon Terrace Phase 1 launched pre-sale of GFA of approximately 52,000 sq.m. during the period and recorded a total pre-sold GFA of approximately 39,000 sq.m. (based on GFA of sales consent) up to 30 June 2019. Together with other ongoing and completed projects, a total GFA of approximately 90,000 sq.m. were sold (based on GFA of sales consent) during the six months ended 30 June 2019. An average of approximately 89.1% GFA of ongoing projects has been pre-sold up to 30 June 2019.

本人謹代表董事會呈報本集團截至2019年6月30日止六個月的中期報告。

市場回顧

2019年上半年，中國及美國貿易摩擦再度加劇。2019年5月10日，美國向中國2,000億美元進口貨品徵收的關稅增加至25%，而中國隨即宣佈作出報復，迫使貿易談判暫停。貿易戰對中國經濟的影響開始浮現，2019年第二季的本地生產總值增長率跌至6.2%，為27年來最緩慢的增速。中央政府承認國內面對下行壓力及新挑戰，對策是專注推行改革以增加內需，而非直接增加刺激經濟措施。此外，2019年7月12日，國家發展和改革委員會下令限制物業開發公司發行海外債券，顯示決策者對穩定中國樓市的決心。

業務回顧

本集團為主要專注於大灣區及中國其他具增長潛力地區住宅開發的物業發展商。於2019年6月30日止六個月期間，本集團於中國惠州、天津及河南省發展八個項目。期內，玖龍台一期已推出預售建築面積約52,000平方米，而截至2019年6月30日則錄得預售總建築面積約39,000平方米（按銷售認購書的建築面積計）。於2019年6月30日止六個月期間，連同其他預售中及已完成的項目計算，已銷售總建築面積約90,000平方米（按銷售認購書的建築面積計）。截至2019年6月30日，預售中的項目平均約89.1%的建築面積已預售。



FUTURE STRATEGIES AND PROSPECTS

Although the global economic outlook is less promising than a couple of years ago, the Directors consider that under such economic climate, the overheated land market may cool down so it is more likely to acquire quality land bank at a more reasonable price. The Group upholds its prudent principle in land acquisition to ensure the acquisition is of the best interest to the Group and its shareholders. The Directors remain positive about the prospects of the Greater Bay Area, which is going to be developed into an economy with similar economic scale comparable to San Francisco Bay Area, Greater New York and Greater Tokyo Area in the blueprint of the central government of the PRC. Therefore, the Group will keep its focus in Huizhou and other cities in the Greater Bay Area, while also exploring other potential locations in the PRC.

Wong Ting Chung
Chairman

24 August 2019

未來策略及前景

儘管全球經濟前景不如數年前般理想，但董事認為，在此經濟氣候下，過熱之土地市場可能放緩，所以有較大機會以更合理價錢收購優質土地儲備。本集團以審慎原則收購土地，確保收購符合本集團及股東的最佳利益。根據中國中央政府的藍圖，大灣區經濟規模將發展至可媲美舊金山灣區、大紐約及大東京地區，故董事對大灣區的前景仍然樂觀。因此，本集團會繼續以惠州及大灣區的其他城市為重心，同時發掘中國其他具潛力的地區。

王庭聰
主席

2019年8月24日

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW

財務回顧

| | | Six months ended 30/06/2019 截至2019年 6月30日 止六個月 RMB'000 人民幣千元 | Six months ended 30/06/2018 截至2018年 6月30日 止六個月 RMB'000 人民幣千元 | Increase/(Decrease) 增加/(減少) RMB'000 人民幣千元 | | % |
|---|----------------------|--|--|--|-----------|---|
| Revenue | 收入 | 59,416 | 263,009 | (203,593) | -77.4% | |
| Cost of sales | 銷售成本 | (33,045) | (139,898) | (106,853) | -76.4% | |
| Gross profit | 毛利 | 26,371 | 123,111 | (96,740) | -78.6% | |
| Valuation gains on investment properties | 投資物業估值收益 | 580 | 1,420 | (840) | -59.2% | |
| Other net income | 其他收入淨額 | 7,759 | 621 | 7,138 | 1,149.4% | |
| Selling expenses | 銷售開支 | (2,046) | (3,930) | (1,884) | -47.9% | |
| Administrative expenses | 行政開支 | (29,651) | (29,153) | 498 | 1.7% | |
| Other expenses | 其他開支 | (1,770) | (236) | 1,534 | 650.0% | |
| Profit from operations | 經營溢利 | 1,243 | 91,833 | (90,590) | -98.6% | |
| Finance costs | 融資成本 | (5,775) | (40) | 5,735 | 14,337.5% | |
| Share of profits less losses of associates | 應佔聯營公司溢利減虧損 | (38) | (786) | (748) | -95.2% | |
| Share of profits less losses of joint ventures | 應佔合營公司溢利減虧損 | (1,844) | (181) | 1,663 | 918.8% | |
| (Loss)/profit before taxation | 除稅前(虧損)/溢利 | (6,414) | 90,826 | (97,240) | -107.1% | |
| Income tax | 所得稅 | (7,563) | (51,206) | (43,643) | -85.2% | |
| (Loss)/profit for the period | 期內(虧損)/溢利 | (13,977) | 39,620 | (53,597) | -135.3% | |
| (Loss)/profit for the period attributable to equity shareholders of the Company | 本公司權益股東應佔期內(虧損)/溢利 | (12,305) | 16,800 | (29,105) | -173.2% | |
| Basic and diluted (loss)/earnings per share (RMB cents) | 每股基本及攤薄(虧損)/盈利(人民幣分) | (1.64) | 2.99 | (4.63) | -154.8% | |



Revenue

The Group's revenue mainly represented income from sale of properties and gross rentals from properties earned during the six months ended 30 June 2019, net of sales related taxes and discounts allowed.

Revenue from sale of properties has constituted, and is expected to continue to constitute, a majority of the Group's total revenue.

Property development

(i) Contracted sales

During the six months ended 30 June 2019, the Group continued to sell its four projects launched last year, namely Million Cities Legend Phase 2 (萬城名座二期), Crown Grand Court (皇冠豪苑), Million Cities Tycoon Place Phase 4 (萬城聚豪四期) and Dragon Palace Phase 1 (聚瓏灣一期). In addition, the Group launched partial pre-sale of Dragon Terrace Phase 1 (玖龍台一期) in March 2019. Total contracted sales (based on GFA of sales consent), including sales of properties by an associate and a joint venture of the Group, amounted to approximately RMB657.9 million, representing a GFA of approximately 90,000 sq.m. sold during the six months ended 30 June 2019. The Group will continue to focus on the Greater Bay Area, with diversification to other areas in the PRC with potential growth.

(ii) Land bank

As at 30 June 2019, the total GFA of the Group's land bank was about 2,098,000 sq.m., out of which (i) about 103,000 sq.m. GFA was unsold or undelivered completed properties projects; (ii) about 914,000 sq.m. GFA was under construction; and (iii) about 1,081,000 sq.m. GFA was reserved for future development.

收入

本集團的收入主要指於2019年6月30日止六個月期間取得的物業銷售收入及物業租金總額，已扣除銷售相關稅項及所給予折扣。

銷售物業所得收入一向及預計會繼續佔本集團總收入的重大部分。

物業發展

(i) 合約銷售

於2019年6月30日止六個月期間，本集團持續銷售去年推出的四個項目，即萬城名座二期、皇冠豪苑、萬城聚豪四期及聚瓏灣一期。此外，本集團於2019年3月推出玖龍台一期部分預售項目。於2019年6月30日止六個月期間，合約銷售總額(按銷售認購書的總建築面積計)(包括本集團聯營公司及合營公司物業銷售額)約為人民幣657.9百萬元，已售建築面積約90,000平方米。本集團將繼續專注大灣區，同時在中國具有發展潛力的其他地區實現多元化發展。

(ii) 土地儲備

2019年6月30日，本集團土地儲備總建築面積約為2,098,000平方米，其中(i)已竣工物業項目的未售或未交付建築面積約為103,000平方米；(ii)在建的建築面積約為914,000平方米；及(iii)留作未來發展的建築面積約為1,081,000平方米。

(iii) Revenue

During the six months ended 30 June 2019, the Group recorded revenue from sale of properties amounted to approximately RMB58.2 million, representing a decrease of approximately RMB202.7 million or 77.7% as compared to the same for the six months ended 30 June 2018. The decrease in revenue was mainly due to a decrease in overall GFA recognised from approximately 28,400 sq.m. for the six months ended 30 June 2018 to approximately 5,800 sq.m. for the six months ended 30 June 2019. The construction of Million Cities Legend Phase 2 and Crown Grand Court was substantially completed and they are targeted to be delivered before 31 December 2019.

Rental income

Gross rental income from investment properties and inventories decreased from approximately RMB2.1 million for the six months ended 30 June 2018 to approximately RMB1.2 million for the six months ended 30 June 2019. The decrease in gross rental income was due to disposal of certain investment properties and inventories last year and during the six months ended 30 June 2019.

Cost of sales

Cost of sales decreased from approximately RMB139.9 million for the six months ended 30 June 2018 to approximately RMB33.0 million for the six months ended 30 June 2019, representing a decrease of approximately RMB106.9 million or 76.4%. The decrease in cost of sales was mainly due to the decrease in GFA recognised for the six months ended 30 June 2019.

Gross profit and gross profit margin

Gross profit decreased from approximately RMB123.1 million for the six months ended 30 June 2018 to approximately RMB26.4 million for the same period in 2019, representing a decrease of approximately RMB96.7 million or 78.6%. Gross profit margin decreased by approximately 2.4 percentage points from approximately 46.8% to approximately 44.4% comparing the two periods in 2018 and 2019. Decrease in gross profit was in line with the drop in revenue. On the other hand, decrease in gross profit margin was a result of change in geographic combination. The Group's Tianjin project, namely Million Cities Tycoon Place, had contributed nearly 35% of the total revenue this period, while it contributed only less than 8% of the total revenue in last period. The Tianjin project has a lower gross profit margin than projects in Huizhou generally due to its higher development costs and land acquisition costs.

(iii) 收入

於2019年6月30日止六個月期間，本集團銷售物業所得收入約人民幣58.2百萬元，較截至2018年6月30日止六個月減少約人民幣202.7百萬元或77.7%，主要是由於整體已確認建築面積由截至2018年6月30日止六個月約28,400平方米減至截至2019年6月30日止六個月約5,800平方米。萬城名座二期及皇冠豪苑大部分施工工程已竣工，計劃於2019年12月31日前交付。

租金收入

投資物業及存貨的租金收入總額由截至2018年6月30日止六個月的約人民幣2.1百萬元減至截至2019年6月30日止六個月的約人民幣1.2百萬元，是由於若干投資物業及存貨已於去年及截至2019年6月30日止六個月出售。

銷售成本

銷售成本由截至2018年6月30日止六個月的約人民幣139.9百萬元減少約人民幣106.9百萬元或76.4%至截至2019年6月30日止六個月的約人民幣33.0百萬元，主要是由於截至2019年6月30日止六個月所確認的建築面積減少。

毛利及毛利率

毛利由截至2018年6月30日止六個月的約人民幣123.1百萬元減少約人民幣96.7百萬元或78.6%至2019年同期的約人民幣26.4百萬元。毛利率由2018年期間的約46.8%減少約2.4個百分點至截至2019年期間的約44.4%。毛利減少與收入下降一致。另一方面，毛利率減少主要是由於地理組合有所變動。本集團的天津項目（即萬城聚豪）收入佔本期總收入35%，但僅佔上期總收入少於8%。天津項目的毛利率較惠州項目低，通常是由於發展成本及土地收購成本較高。



Other net income

Other net income for the six months ended 30 June 2019 mainly comprised interest income, which amounted to approximately RMB7.1 million. As a result of a higher bank balance from sales proceeds received during the year 2018 and the six months ended 30 June 2019, the Group recorded significant increase in interest income, which in turn resulted in a significant increase in other net income by approximately RMB7.1 million or 1,149.4%.

Selling expenses

Selling expenses decreased by approximately RMB1.9 million or 47.9% from approximately RMB3.9 million for the six months ended 30 June 2018 to approximately RMB2.0 million for the six months ended 30 June 2019. Since less revenue was recognised during the current period, less sales commission was recognised. Moreover, there were less new projects being launched during the current period, thus marketing expenses decreased as well, when comparing with the same of last period.

Administrative expenses

Administrative expenses only slightly increased by approximately RMB0.5 million or 1.7%. Decrement in legal and professional fee expenses was noticed since the IPO related expenses incurred during the six months ended 30 June 2018 were not recurring this period. The effect was offset by increase in share based payment expenses and other general administrative expenses as a result of increased activities in Hong Kong after Listing.

Finance costs

Finance costs increased by approximately RMB5.7 million or more than 143 times from approximately RMB40,000 for the six months ended 30 June 2018 to approximately RMB5.8 million for the six months ended 30 June 2019, since some interests were not qualified for capitalisation during the six months ended 30 June 2019.

Income tax

For the six months ended 30 June 2019, as a result of less revenue recognised, both land appreciation tax and corporate income tax decreased, leading to a decrement of approximately 85.2% in income tax.

其他收入淨額

截至2019年6月30日止六個月的其他收入淨額主要包括約人民幣7.1百萬元的利息收入。由於2018年度及截至2019年6月30日止六個月所收取的銷售所得款項令致銀行結餘增加，本集團的利息收入大幅增加，使其他收入淨額大幅增加約人民幣7.1百萬元或1,149.4%。

銷售開支

銷售開支由截至2018年6月30日止六個月的約人民幣3.9百萬元減少約人民幣1.9百萬元或47.9%至截至2019年6月30日止六個月的約人民幣2.0百萬元。由於本期確認的收入減少，故確認銷售佣金亦減少。此外，本期推出的新項目減少，故營銷開支與上期相比有所減少。

行政開支

行政開支僅略微增加約人民幣0.5百萬元或1.7%。於2018年6月30日止六個月期間產生的首次公開發售相關的開支並無於本期內產生，故法律及專業開支有所減少，惟該影響被增加的以股份支付的開支，以及因上市後香港業務增加導致其他一般行政開支增加所抵銷。

融資成本

融資成本由截至2018年6月30日止六個月的約人民幣4萬元增加約人民幣5.7百萬元或逾143倍至截至2019年6月30日止六個月的約人民幣5.8百萬元，此乃由於截至2019年6月30日止六個月期間的部分利息不符合資本化條件。

所得稅

截至2019年6月30日止六個月，所得稅減少約85.2%，乃由於確認的收入減少導致土地增值稅及企業所得稅減少。



OTHER FINANCIAL INFORMATION

Liquidity and financial resources

For the six months ended 30 June 2019, the Group's cash and cash equivalents were used for developing the Group's development projects, to service the Group's indebtedness and to fund the Group's working capital. The Group finances its funding requirements mainly through a combination of cash generated from operating activities, borrowings and proceeds from Listing. The Group's gearing ratio, calculated at the interest bearing banks loan divided by equity, decreased from approximately 60.5% as at 31 December 2018 to approximately 52.5% as at 30 June 2019, due to repayment of the pre-IPO loan.

As at 30 June 2019, the Group had cash and cash equivalents amounting to approximately RMB831.5 million, which were denominated in HK\$ (11.9%) and RMB (88.1%). As at 30 June 2019, the Group had bank loans balance of approximately RMB468.7 million. The Group had a net cash position of approximately RMB362.8 million.

As at 30 June 2019, the Group's total borrowings were due for repayment as follows:

其他財務資料

流動資金及資金來源

截至2019年6月30日止六個月，本集團的現金及現金等價物用於發展本集團發展項目、償還債務及作為營運資金。本集團主要通過經營活動所得現金、借款及上市所得款項應付資金需求。本集團的負債比率基於計息銀行貸款除以權益計算，由2018年12月31日的約60.5%下降至2019年6月30日的約52.5%，由於償還首次公開發售前貸款所致。

於2019年6月30日，本集團的現金及現金等價物約人民幣831.5百萬元，以港元(11.9%)及人民幣(88.1%)計值。於2019年6月30日，本集團的銀行貸款餘額為約人民幣468.7百萬元。本集團的淨現金為約人民幣362.8百萬元。

於2019年6月30日，本集團的總借款的到期償還情況如下：

| | | At 30 June 2019 2019年 6月30日 RMB'000 人民幣千元 | At 31 December 2018 2018年 12月31日 RMB'000 人民幣千元 |
|---------------------------------------|---------|---|--|
| Within one year | 一年內 | 290,566 | 288,762 |
| After one year but within two years | 一年後但兩年內 | 178,088 | 154,775 |
| After two years but within five years | 兩年後但五年內 | — | 104,877 |
| | | 468,654 | 548,414 |

Notes:

(a) The above amounts due are based on the scheduled repayment dates set out in the relevant agreements and ignore the effect of any repayment on demand clause.

附註：

(a) 以上到期款項乃基於相關協議中載列的計劃還款日期，且不考慮任何要求隨時還款條款的影響。



- (b) As at 30 June 2019, the Group's borrowings were denominated in RMB. The bank loans are interest-bearing at 110% and 130% of the benchmarked loan interest rate published by the People's Bank of China ("RMB Loan Benchmark Rate") (31 December 2018: 110% and 130% of RMB Loan Benchmark Rate or at Hong Kong Inter Bank Offered Rate plus 4% per annum).
- (c) As at 30 June 2019, the Group's certain borrowings were secured by inventories with a total carrying amount of approximately RMB746.7 million (31 December 2018: RMB600.2 million).
- (b) 於2019年6月30日，本集團的借款以人民幣計值。銀行貸款按中國人民銀行公佈的基準貸款利率（「人民幣貸款基準利率」）110%及130%計息（2018年12月31日：人民幣貸款基準利率110%及130%或按香港銀行同業拆息加4%計算）。
- (c) 於2019年6月30日，本集團若干借款由總賬面值約人民幣746.7百萬元的存貨作抵押（2018年12月31日：人民幣600.2百萬元）。

Financial risk management objectives and policies

The Group's management has adopted certain policies on financial risk management with the objectives of: (i) ensuring appropriate funding strategies are adopted to meet the Group's short term and long term funding requirements after taking into consideration of the cost of funding, gearing ratios and cash flow projections of the Group; and (ii) ensuring appropriate strategies are also adopted to minimise the interest rate risk, credit risk and liquidity risk.

Foreign currency risk

The Group mainly operates in Hong Kong and the PRC with majority of the transactions settled in HK\$ and RMB. Foreign currency risk arises when future business transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. The Directors consider the Group's foreign currency risk exposure is minimal since all of the sales, assets and liabilities are denominated in RMB and only a small portion of operating expenses are denominated in HK\$.

Interest rate risk

The Group's interest rate risk arises primarily from borrowings and cash at bank. Borrowings and cash at bank issued at variable rates expose the Group to cash flow interest rate risk and borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group did not enter into any financial instruments to hedge against interest rate risk for the six months ended 30 June 2019 but the Board will continue to closely monitor the Group's loan portfolio in order to manage the Group's interest rate risk exposure.

金融風險管理目標及政策

本集團的管理層已採用有關金融風險管理的若干政策，以(i)確保採用適當的資金策略應對本集團的短期及長期資金需求（經衡量本集團的資金成本、負債比率及現金流量預測）；及(ii)確保採用適當的策略減少利率風險、信貸風險及流動資金風險。

外匯風險

本集團主要在香港及中國營運，大部分交易以港元及人民幣結算。當未來業務交易或已確認資產或負債以非實體功能貨幣計值時，將面臨外幣風險。董事認為，由於所有銷售、資產及負債均以人民幣計值，只有少部分營運開支以港元計值，故本集團的外幣風險較小。

利率風險

本集團的利率風險主要源於借款及銀行現金。按浮動利率授出的借款及銀行現金，使本集團承受現金流利率風險；按固定利率授出的借款，使本集團承受公平值利率風險。截至2019年6月30日止六個月，本集團並無使用金融工具對沖利率風險，惟董事會將繼續密切監察本集團的貸款組合以管理本集團的利率風險。

Credit risk

As of 30 June 2019, no trade debtors of the Group were past due. The Group normally receives full payment from buyers before the delivery of the property. For mortgage sales without full settlement, the Group would not deliver the property to the customers unless it obtains confirmation from the banks providing mortgage that the respective mortgages have been approved. In addition, the Group would not transfer titles of the properties to customers until full amount of sales proceeds are received. Accordingly, the Group is of the view that the expected irrecoverable trade debtors were immaterial. Thus, no bad debt provision for trade debtors was recognised during the six months ended 30 June 2019.

As at 30 June 2019, all the Group's bank balances and deposits were held with major financial institutions in Hong Kong and the PRC which the Directors believe are of high credit quality. The Directors do not expect any losses arising from the non-performance by these financial institutions.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and long terms. The Group has not experienced and does not expect to experience any difficulties in meeting credit obligations when they fall due.

Capital expenditures

The Group incurred capital expenditures of approximately RMB1.8 million for the six months ended 30 June 2019 (six months ended 30 June 2018: RMB0.2 million), which mainly related to the replacement of motor vehicle. These capital expenditures were fully financed by internal resources.

信貸風險

於2019年6月30日，本集團並無應收賬款逾期。本集團一般於移交物業前向買方收取全數款項。就尚未悉數結付的按揭銷售而言，除非收到來自提供按揭之銀行的確認書，確認有關按揭已獲批准，否則本集團將不會交付物業予客戶。此外，本集團僅於收到全數銷售所得款項後，方會將物業業權移交客戶。因此，本集團認為預計無法收回應收賬款的機會很低，而截至2019年6月30日止六個月並無就應收賬款確認壞賬撥備。

於2019年6月30日，本集團的所有銀行結餘及存款均存置於董事認為具有高信貸質素的香港及中國主要金融機構。董事預期不會因此等金融機構不履約而產生任何損失。

流動資金風險

流動資金風險乃本集團在履行與金融負債相關的責任時會遇到困難的風險。本集團的政策是經常監察流動資金需求以及是否符合借款契約規定，確保維持充裕的現金儲備，同時獲得主要金融機構承諾提供足夠的備用資金，以應付長短期流動資金需求。本集團未曾且預期不會在履行到期的信貸責任時遇到任何困難。

資本開支

截至2019年6月30日止六個月，本集團資本開支約人民幣1.8百萬元(截至2018年6月30日止六個月：人民幣0.2百萬元)，主要用於替換汽車，全數由內部資源撥付。



Capital commitments

The Group's capital commitments as at 30 June 2019 amounted to approximately RMB597.4 million (31 December 2018: RMB560.1 million) which were mainly related to development costs for the Group's properties under development.

Charge on assets

As at 30 June 2019, the Group's inventories with a total carrying amount of approximately RMB746.7 million (31 December 2018: RMB600.2 million) were pledged to banks to secure certain banking facilities granted to the Group.

Contingent liabilities

During the six months ended 30 June 2019, the Group has issued guarantees to banks to secure the mortgage arrangements of certain property buyers. The outstanding guarantees to the banks, amounted to approximately RMB661.8 million as at 30 June 2019 (31 December 2018: RMB567.0 million), will be terminated upon completion of transferring the legal title of the properties to the property buyers. The Directors consider loss arising from these guarantees as a result of default payment by customers to be immaterial, as the banks have the rights to sell the properties and recover the outstanding loan balance from sale proceeds.

The Group has not recognised any deferred income in respect of these guarantees as their fair values are considered to be insignificant.

During the six months ended 30 June 2019, the Group provided guarantee to secure the loan borrowed by a joint venture of the Group. The total banking facility secured by this guarantee was approximately RMB1.45 billion (31 December 2018: RMB1.45 billion) and the outstanding loan balance was RMB530.0 million as at 30 June 2019 (31 December 2018: RMB360.0 million). The bank loan is also jointly guaranteed by another shareholder of the joint venture and secured by the inventories of the joint venture. The Directors consider loss arising from this guarantee as a result of default payment by the joint venture to be immaterial.

資本承擔

於2019年6月30日，本集團的資本承擔約為人民幣597.4百萬元(2018年12月31日：人民幣560.1百萬元)，主要與本集團在建物業的開發成本有關。

資產抵押

於2019年6月30日，本集團總賬面值約人民幣746.7百萬元(2018年12月31日：人民幣600.2百萬元)的存貨已就本集團獲授的若干銀行融資而抵押予銀行。

或然負債

於2019年6月30日止六個月期間，本集團就若干買家按揭貸款購置物業向銀行提供擔保。於2019年6月30日，未了結銀行擔保約為人民幣661.8百萬元(2018年12月31日：人民幣567.0百萬元)，有關擔保將於物業法定業權轉讓予買家後終止。董事認為，本集團不會因買家拖欠款項而蒙受重大損失，原因是銀行有權出售物業，以出售所得款項抵償未償還貸款結餘。

本集團尚未就該等擔保確認任何遞延收入，因為其公平值視為微不足道。

截至2019年6月30日止六個月，本集團就合營公司借貸提供擔保。於2019年6月30日，該擔保下的銀行融資總額約為人民幣14.5億元(2018年12月31日：人民幣14.5億元)，未償還貸款結餘為人民幣530.0百萬元(2018年12月31日：人民幣360.0百萬元)。銀行貸款亦由合營公司的另一股東共同擔保，以合營公司的存貨作抵押。董事認為，本集團不會因合營公司拖欠款項而蒙受重大損失。



Deferred income of approximately RMB8.0 million was recognised in respect of this financial guarantee as at 30 June 2019 (31 December 2018: RMB6.8 million).

Operating segment information

The Group's revenue and results for the six months ended 30 June 2019 were derived from property development. Performance assessment is based on the results of the Group as a whole. Therefore, management considers there is only one operating segment.

Events after balance sheet date

The Group had no significant events after balance sheet date.

USE OF NET PROCEEDS

The net proceeds from the Listing amounted to approximately HK\$190.8 million after deducting the underwriting commission and other fees and expenses paid by the Company for the Listing. Up to the date of this report, HK\$100.0 million, representing approximately 52.4% of the net proceeds from the Listing, were used to repay the pre-IPO loan as disclosed in the prospectus of the Company dated 10 December 2018.

HUMAN RESOURCES

Human resources and emolument policy

As at 30 June 2019, the Group had a total of 139 (31 December 2018: 154) full-time employees in the PRC and Hong Kong. For the six months ended 30 June 2019, the total staff costs, including the directors' emoluments, amounted to approximately RMB19.7 million (six months ended 30 June 2018: RMB16.0 million), of which approximately RMB5.0 million (six months ended 30 June 2018: RMB2.6 million) were capitalised into inventories.

The Group's emolument policies are formulated based on the performance and experience of individual employee and are in line with the salary trends in Hong Kong and the PRC. Other employee benefits include performance-linked bonuses, insurance and medical coverage and share options.

於2019年6月30日，已就該財務擔保確認遞延收入約人民幣8.0百萬元(2018年12月31日：人民幣6.8百萬元)。

經營分部資料

本集團截至2019年6月30日止六個月的收入及業績來自物業開發。績效評估乃基於本集團整體業績。因此，管理層認為僅有一個經營分部。

結算日後事項

結算日後本集團並無重大事項。

所得款項淨額用途

經扣除包銷佣金及其他費用及本公司已付的上市開支後，上市所得款項淨額約為190.8百萬港元。截至本報告日，100.0百萬港元(佔上市所得款項淨額約52.4%)已按照2018年12月10日本公司招股章程所披露的用途用作償還首次公開發售前貸款。

人力資源

人力資源及薪酬政策

於2019年6月30日，本集團於中國及香港僱用合共139名全職僱員(2018年12月31日：154名)。截至2019年6月30日止六個月，員工成本總額(包括董事酬金)約為人民幣19.7百萬元(截至2018年6月30日止六個月：人民幣16.0百萬元)，其中約人民幣5.0百萬元已資本化為存貨(截至2018年6月30日止六個月：人民幣2.6百萬元)。

本集團的薪酬政策乃根據個別僱員的表現及經驗而制訂，並符合香港及中國的薪金趨勢。其他僱員福利包括表現掛鈎花紅、保險及醫療保障以及購股權。



Since human resources management is an important factor in maintaining and enhancing the Group's strong expertise in the property development, the Group will provide appropriate training programs to the employees as the Group sees fit. From time to time, different on-the-job training will be provided to employees in order to ensure continuous staff development and skills upgrading.

Remuneration policy

The Directors and senior management of the Group receive compensation in the form of salaries and discretionary bonuses related to the performance of the Group. The Group also reimburses them for expenses which are necessarily and reasonably incurred for providing services to the Group or executing their functions in relation to the Group's operations. The remuneration committee will regularly review and determine the remuneration and compensation package of the Directors and senior management, by reference to, among other things, market level of salaries paid by comparable companies, the respective responsibilities of the Directors and senior management and the performance of the Group.

由於人力資源管理為維持及提高本集團於物業開發方面的豐富經驗的重要因素，故本集團將酌情為僱員提供合適的培訓計劃。本集團將不時向僱員提供不同的在職培訓，以確保員工的持續發展及技能升級。

薪酬政策

本集團董事及高級管理層可獲得以薪金及與本集團表現掛鈎的酌情花紅等報酬。本集團亦就彼等為本集團提供服務或為本公司營運而執行職務所產生的必要及合理開支補償相關款項。薪酬委員會將參照(其中包括)可比較公司所支付薪酬的市場水平、董事及高級管理層各自的責任及本集團的業績，定期審閱及釐定董事及高級管理層薪酬及待遇。

Other Information

其他資料

INTERIM DIVIDEND

The Directors do not recommend any payment of interim dividend for the six months ended 30 June 2019 (six months ended 30 June 2018: Nil).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

For the six months ended 30 June 2019, neither the Company nor any of its subsidiaries, has purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE CODE

As the Company believes that good corporate governance can create value for its shareholders, the Board is committed to maintain a high standard of corporate governance practices by placing strong emphasis on a quality Board, sound internal controls and effective accountability to the shareholders as a whole. The Company has adopted the code provisions in CG Code as set out in Appendix 14 to the Listing Rules as its own code of corporate governance. In the opinion of the Directors, the Company has complied with all the mandatory code provisions set out in the CG Code for the six months ended 30 June 2019.

The Board will continue to enhance its corporate governance practices to ensure that it complies with the CG Code and aligns with the latest developments.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code for securities transactions by the Directors.

All Directors have confirmed, following specific enquiries made by the Company, that they have fully complied with the required standards set out in the Model Code and the Company's code of conduct for the six months ended 30 June 2019.

Relevant employees who are likely to be in possession of inside information of the Group are also subject to compliance with written guidelines on terms no less exacting than the required standards set out in the Model Code. Each of the relevant employees has been given a copy of the written guidelines.

中期股息

董事不建議就截至2019年6月30日止六個月派付任何中期股息(截至2018年6月30日止六個月：零)。

購買、出售或贖回本公司上市證券

截至2019年6月30日止六個月，本公司及其附屬公司概無購買、出售或贖回本公司任何上市證券。

企業管治守則

本公司相信良好的企業管治可為本公司股東創造價值，董事會通過著重董事會質素、良好內部監控及有效問責，致力為全體股東維持高標準的企業管治常規。本公司已採納上市規則附錄十四所載企業管治守則，作為本身的企業管治守則。董事認為，本公司截至2019年6月30日止六個月一直遵守企業管治守則所載全部法定守則條文。

董事會將繼續加強企業管治常規，以確保遵守企業管治守則及配合最新之發展。

董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載標準守則，作為本公司董事進行證券交易的守則。

經本公司作出特定查詢後，全體董事確認，截至2019年6月30日止六個月，彼等完全遵守標準守則及本公司的行為守則所規定標準。

可能擁有本集團內幕消息的相關僱員亦須遵守條款不寬鬆於標準守則所載規定標準的書面指引。每名相關僱員已獲發一份書面指引。



No incident of non-compliance with these guidelines by the relevant employees has been notified to the Company for the six months ended 30 June 2019.

AUDIT COMMITTEE

The audit committee consists of three independent non-executive Directors, namely, Mr. Li Yinquan (chairman of the audit committee who possesses appropriate professional qualification or accounting or related financial management expertise), Mr. Ip Shu Kwan, Stephen, and Dr. Wu Wing Kuen. The written terms of reference of audit committee have been made available on the Company's website at www.millioncities.com.cn and on the website of the Stock Exchange.

The principal duties of the audit committee include review and supervision of the Group's financial reporting process and internal control system. The audit committee has reviewed with the external auditor the interim financial report of the Group for the six months ended 30 June 2019.

CHANGE IN INFORMATION

Formation of Executive Committee

The Executive Committee was established on 3 June 2019 with written terms of reference approved and adopted by the Board on the same date. The primary duties of the Executive Committee include (but not limited to): (i) discussing and making decisions on day to day management and operation matters of the Group; (ii) evaluating, determining and presenting to the Board's approval the Company's funding requirement and strategy; (iii) monitoring and overseeing the financial and operational performance of the Group; and (iv) assessing and making recommendations to the Board on major acquisitions of or investments in business or projects. For the six months ended 30 June 2019, the Executive Committee consists of all executive Directors, namely Mr. Lau Ka Keung (chairman of the Executive Committee), Mr. Wong Ka Lun, Ms. Lau Pui Kwan and Mr. Lin Guoxian (resigned as a committee member with effect from 19 July 2019). The written terms of reference of the Executive Committee have been made available on the Company's website at www.millioncities.com.cn and on the website of the Stock Exchange.

截至2019年6月30日止六個月，本公司並無獲悉相關僱員未有遵守此等指引的情況。

審核委員會

審核委員會包括三名獨立非執行董事，分別為李引泉先生(審核委員會主席，具有合適專業資格或會計或相關財務管理專業資歷)、葉樹堃先生及胡永權博士。審核委員會的書面職權範圍已刊載於本公司網站www.millioncities.com.cn及聯交所網站。

審核委員會主要職責包括審閱及監督本集團財務申報過程及內部控制系統。審核委員會已與外部核數師共同審閱本集團截至2019年6月30日止六個月的中期財務報告。

資料變更

組成執行委員會

執行委員會於2019年6月3日成立，書面職權範圍於同日獲董事會批准及採納。執行委員會主要職責包括(但不限於): (i)討論及決定本集團的日常管理及營運事項; (ii)評估及釐定本公司資金要求及策略，然後提呈董事會批准; (iii)監察及監督本集團財務及營運表現; 及(iv)評估主要業務及項目收購或投資，並向董事會提出建議。截至2019年6月30日止六個月，執行委員會成員包括所有執行董事，分別為樓家強先生(執行委員會主席)、黃家倫先生、劉佩君女士及林國賢先生(於2019年7月19日辭任委員會成員)。執行委員會的書面職權範圍已刊載於本公司網站www.millioncities.com.cn及聯交所網站。



Change in Information of Directors

Changes in Directors' other major offices which are required to be disclosed under Rule 13.51B(1) of the Listing Rules are set out below.

董事資料變更

根據上市規則第13.51B(1)條須披露之董事其他主要職務變更載列如下：

| | Appointment (Effective) 委任 (生效日期) | Cessation (Effective) 離任 (生效日期) |
|--|--|--|
| Mr. Lau Ka Keung 樓家強先生 | | |
| • The Company – the chairman of the Executive Committee • 本公司 – 執行委員會主席 | 3 June 2019 2019年6月3日 | |
| Mr. Wong Ka Lun 黃家倫先生 | | |
| • The Company – a member of the Executive Committee • 本公司 – 執行委員會成員 | 3 June 2019 2019年6月3日 | |
| Ms. Lau Pui Kwan 劉佩君女士 | | |
| • The Company – a member of the Executive Committee • 本公司 – 執行委員會成員 | 3 June 2019 2019年6月3日 | |
| Mr. Lin Guoxian 林國賢先生 | | |
| • The Company – executive Director • 本公司 – 執行董事 | | 19 July 2019 2019年7月19日 |
| • The Company – a member of the Executive Committee • 本公司 – 執行委員會委員 | 3 June 2019 2019年6月3日 | 19 July 2019 2019年7月19日 |
| Mr. Li Yinquan 李引泉先生 | | |
| • Kimou Environmental Holding Limited – independent non-executive director and chairman of the audit committee • 金茂源環保控股有限公司 – 獨立非執行董事及審核委員會主席 | 18 June 2019 2019年6月18日 | |
| Dr. Wu Wing Kuen 胡永權博士 | | |
| • EFT Solutions Holdings Limited – independent non-executive director and a member in each of the audit committee, remuneration committee and nomination committee • 俊盟國際控股有限公司 – 獨立非執行董事及審核委員會、薪酬委員會及提名委員會成員 | 26 March 2019 2019年3月26日 | |



DISCLOSURE OF INTERESTS

Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures

The interests and/or short positions of Directors and chief executive of the Company, in the shares and underlying shares of the Company (within the meaning of Part XV of the SFO) as at 30 June 2019 as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the SFC under the Model Code, are set out below:

Long position in the ordinary shares of the Company

權益披露

董事及主要行政人員於股份、相關股份及債權證的權益及淡倉

於2019年6月30日，本公司董事及主要行政人員於本公司的股份及相關股份(定義見證券及期貨條例第XV部)中擁有須記錄於證券及期貨條例第352條規定存置的登記冊的權益及/或淡倉或根據標準守則須知會本公司及證監會的權益及/或淡倉如下：

本公司普通股的好倉

| Name of Directors 董事姓名 | Nature of interests 權益性質 | Number of ordinary shares/ underlying shares held or interested in 所持或擁有 權益的普通股/ 相關股份數目 | Approximate percentage of the issued share capital of the Company ⁽⁵⁾ 佔本公司 已發行股本的 概約百分比 ⁽⁵⁾ |
|--|---------------------------------|--|--|
| Mr. Wong Ting Chung ⁽¹⁾⁽³⁾ 王庭聰先生 ⁽¹⁾⁽³⁾ | Beneficiary of a trust 信託受益人 | 562,500,000 | 75.0% |
| | Beneficial owner 實益擁有人 | 3,000,000 | 0.4% |
| Mr. Lau Ka Keung ⁽²⁾⁽³⁾ 樓家強先生 ⁽²⁾⁽³⁾ | Interest of spouse 配偶權益 | 562,500,000 | 75.0% |
| | Beneficial owner 實益擁有人 | 3,000,000 | 0.4% |
| Mr. Wong Ka Lun ⁽⁴⁾ 黃家倫先生 ⁽⁴⁾ | Beneficial owner 實益擁有人 | 1,500,000 | 0.2% |
| Ms. Lau Pui Kwan ⁽⁴⁾ 劉佩君女士 ⁽⁴⁾ | Beneficial owner 實益擁有人 | 1,500,000 | 0.2% |
| Mr. Lin Guoxian ⁽⁴⁾⁽⁶⁾ 林國賢先生 ⁽⁴⁾⁽⁶⁾ | Beneficial owner 實益擁有人 | 1,500,000 | 0.2% |
| Mr. Ip Shu Kwan, Stephen ⁽⁴⁾ 葉澍堃先生 ⁽⁴⁾ | Beneficial owner 實益擁有人 | 1,500,000 | 0.2% |



| Name of Directors | Nature of interests | Number of ordinary shares/ underlying shares held or interested in 所持或擁有權益的普通股／相關股份數目 | Approximate percentage of the issued share capital of the Company ⁽⁶⁾ 佔本公司已發行股本的概約百分比 ⁽⁶⁾ |
|---|---|--|--|
| 董事姓名 | 權益性質 | | |
| Mr. Li Yinquan ⁽⁴⁾ 李引泉先生 ⁽⁴⁾ | Beneficial owner 實益擁有人 | 1,500,000 | 0.2% |
| Dr. Wu Wing Kuen ⁽⁴⁾ 胡永權博士 ⁽⁴⁾ | Beneficial owner 實益擁有人 | 1,500,000 | 0.2% |
| Note 1: Mr. Wong Ting Chung is the settlor, the protector and one of the beneficiaries of the Happy Family Trust and therefore he is deemed to be interested in the shares held by the Happy Family Trust under the SFO. | 附註1: 王庭聰先生為庭槐信託的授予人、保護人及受益人之一，故根據證券及期貨條例視為於庭槐信託所持股份中擁有權益。 | | |
| Note 2: Mr. Lau Ka Keung is the spouse of Ms. Wong Wai Ling, who is one of the beneficiaries of the Happy Family Trust and therefore he is deemed to be interested in the shares held by the Happy Family Trust under the SFO. | 附註2: 樓家強先生為王惠玲女士(庭槐信託的受益人之一)配偶，故根據證券及期貨條例視為於庭槐信託所持股份中擁有權益。 | | |
| Note 3: Each of Mr. Wong Ting Chung and Mr. Lau Ka Keung has a beneficial interest in the share options granted to each of them on 29 March 2019 under the Share Option Scheme and which, if exercised in full, would result in the issuance of 3,000,000 shares to each of them. | 附註3: 王庭聰先生及樓家強先生各自於2019年3月29日根據購股權計劃獲授的購股權中擁有實益權益。倘悉數行使該等購股權，則會向彼等分別發行3,000,000股股份。 | | |
| Note 4: Each of Mr. Wong Ka Lun, Ms. Lau Pui Kwan, Mr. Lin Guoxian, Mr. Ip Shu Kwan, Stephen, Mr. Li Yinquan and Dr. Wu Wing Kuen, has a beneficial interest in the share options granted to each of them on 29 March 2019 under the Share Option Scheme and which, if exercised in full, would result in the issuance of 1,500,000 shares to each of them. | 附註4: 黃家倫先生、劉佩君女士、林國賢先生、葉樹堃先生、李引泉先生及胡永權博士各自於2019年3月29日根據購股權計劃獲授的購股權中擁有實益權益。倘悉數行使該等購股權，則會向彼等分別發行1,500,000股股份。 | | |
| Note 5: The calculation is based on the total number of issued ordinary shares of 750,000,000 shares as at 30 June 2019. | 附註5: 按2019年6月30日已發行普通股總數750,000,000股計算。 | | |
| Note 6: Mr. Lin Guoxian resigned as an executive Director with effect from 19 July 2019. | 附註6: 林國賢先生辭任執行董事，自2019年7月19日生效。 | | |



Save as disclosed above, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as at 30 June 2019 as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the SFC under the Model Code.

Other than the Share Option Scheme, at no time during the six months ended 30 June 2019 was the Company or any of its subsidiaries, holding companies, or any of the subsidiary undertakings (within the meaning of the Companies (Directors' Report) Regulation) of such holding companies a party to any arrangements whose objects are, or one of whose objects is, to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate. Save as disclosed above, none of the Directors and chief executive of the Company (including their spouses and children under the age of 18) had any interests in or was granted any right to subscribe for the securities of the Company or its associated corporations (within the meaning of Part XV of the SFO), or had exercised any such rights.

Substantial shareholders' and other persons' interests and short positions in the shares and underlying shares

Save as disclosed below, so far as known to the Directors and chief executive of the Company, as at 30 June 2019, the following persons or corporations (other than the Directors and chief executive of the Company) who had interest and/or short positions in the shares or underlying shares of the Company which would be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under Section 336 of the SFO were as follows:

除上文所披露者外，於2019年6月30日，概無本公司董事或主要行政人員於本公司或其相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債權證中擁有須記錄於證券及期貨條例第352條規定存置的登記冊的任何權益或淡倉或根據標準守則須知會本公司及證監會的權益或淡倉。

除購股權計劃外，本公司或其任何附屬公司、控股公司或該等控股公司的任何附屬企業(定義見公司(董事報告)規例)於截至2019年6月30日止六個月內任何時間概無訂立目標或目標之一為致使董事可透過購買本公司或任何其他法人團體的股份或債權證以獲得利益的任何安排。除上文所披露者外，概無董事及本公司主要行政人員(包括彼等的配偶及未滿18歲的子女)於本公司或其相聯法團(定義見證券及期貨條例第XV部)的證券中擁有任何權益或獲授予可認購該等證券的任何權利，或已行使任何有關權利。

主要股東及其他人士於股份及相關股份中的權益及淡倉

除下文所披露者外，據董事及本公司主要行政人員所知，於2019年6月30日，下列人士或法團(董事及本公司主要行政人員除外)於本公司的股份或相關股份中擁有根據證券及期貨條例第XV部第2及第3分部的條文須向本公司披露的權益及/或淡倉，或須記錄於證券及期貨條例第336條規定存置的登記冊的權益及/或淡倉：



Long position in the ordinary shares of the Company

本公司普通股的好倉

| Name of substantial shareholders | Nature of interest | Number of ordinary shares held or interested in | Approximate percentage of issued share capital of the Company ⁽¹⁰⁾ |
|--|--|---|---|
| 主要股東名稱／姓名 | 權益性質 | 所持或擁有權益的普通股數目 | 佔本公司已發行股本的概約百分比 ⁽¹⁰⁾ |
| Fortune Speed Investments Limited ⁽¹⁾ 瑞迅投資有限公司 ⁽¹⁾ | Beneficial owner 實益擁有人 | 562,500,000 | 75.0% |
| Winnermax Management Limited ⁽¹⁾ 恒威管理有限公司 ⁽¹⁾ | Interest in a controlled corporation 於受控制法團權益 | 562,500,000 | 75.0% |
| Happy Family Assets Limited ⁽¹⁾ 庭槐資產有限公司 ⁽¹⁾ | Interest in a controlled corporation 於受控制法團權益 | 562,500,000 | 75.0% |
| East Asia International Trustees Limited ⁽¹⁾ East Asia International Trustees Limited ⁽¹⁾ | Trustee of a trust 信託受託人 | 562,500,000 | 75.0% |
| Ms. Wang Kam Chu ⁽²⁾ Wang Kam Chu女士 ⁽²⁾ | Interest of spouse 配偶權益 | 565,500,000 | 75.4% |
| Ms. Wong Wai Ling ⁽³⁾ 王惠玲女士 ⁽³⁾ | Beneficiary of a trust 信託受益人 | 562,500,000 | 75.0% |
| | Interest of spouse 配偶權益 | 3,000,000 | 0.4% |
| Mr. Wong Ting Kau ⁽⁴⁾ 王庭交先生 ⁽⁴⁾ | Beneficiary of a trust 信託受益人 | 562,500,000 | 75.0% |
| Mr. Wong Ting Chun ⁽⁵⁾ 王庭真先生 ⁽⁵⁾ | Beneficiary of a trust 信託受益人 | 562,500,000 | 75.0% |
| Mr. Wong Wai Wing, Raymond ⁽⁶⁾ 王惠榮先生 ⁽⁶⁾ | Beneficiary of a trust 信託受益人 | 562,500,000 | 75.0% |
| Ms. Chan Ka Wai ⁽⁷⁾ Chan Ka Wai女士 ⁽⁷⁾ | Interest of spouse 配偶權益 | 562,500,000 | 75.0% |



| Name of substantial shareholders | Nature of interest | Number of ordinary shares held or interested in | Approximate percentage of issued share capital of the Company ⁽¹⁰⁾ |
|--|----------------------------|---|---|
| 主要股東名稱/姓名 | 權益性質 | 所持或擁有權益的普通股數目 | 佔本公司已發行股本的概約百分比 ⁽¹⁰⁾ |
| Ms. Tsoi Suet Ngai ⁽⁸⁾ Tsoi Suet Ngai女士 ⁽⁸⁾ | Interest of spouse 配偶權益 | 562,500,000 | 75.0% |
| Ms. Kwan Ying Tsi, Catherine ⁽⁹⁾ Kwan Ying Tsi, Catherine女士 ⁽⁹⁾ | Interest of spouse 配偶權益 | 562,500,000 | 75.0% |

Notes:

附註：

(1) Fortune Speed Investments Limited is a company wholly owned by Winnermax Management Limited, which is in turn wholly owned by Happy Family Assets Limited, a company wholly owned by East Asia International Trustees Limited.

East Asia International Trustees Limited is the trustee of Happy Family Trust, a trust established by Mr. Wong Ting Chung as the settlor. Accordingly, each of Happy Family Assets Limited, East Asia International Trustees Limited and Winnermax Management Limited, is deemed to be interested in the 562,500,000 shares held by Fortune Speed Investments Limited under the SFO.

(2) Ms. Wang Kam Chu is the spouse of Mr. Wong Ting Chung and is therefore deemed to be interested in the shares held, directly or indirectly, by Mr. Wong Ting Chung under the SFO.

(3) Ms. Wong Wai Ling, sister of Mr. Wong Ting Chung, is one of the beneficiaries of the Happy Family Trust and therefore she is deemed to be interested in the shares held by the Happy Family Trust under the SFO. Ms. Wong Wai Ling is also the spouse of Mr. Lau Ka Keung and is therefore deemed to be interested in the shares held by Mr. Lau Ka Keung under the SFO.

(4) Mr. Wong Ting Kau, brother of Mr. Wong Ting Chung, is one of the beneficiaries of the Happy Family Trust and therefore he is deemed to be interested in the shares held by the Happy Family Trust under the SFO.

(1) 瑞迅投資有限公司由恒威管理有限公司全資擁有，而恒威管理有限公司由庭槐資產有限公司全資擁有，庭槐資產有限公司則由East Asia International Trustees Limited全資擁有。

East Asia International Trustees Limited是庭槐信託(由王庭聰先生作為授予人創立的信託)的受託人。因此，庭槐資產有限公司、East Asia International Trustees Limited及恒威管理有限公司各自根據證券及期貨條例視為於瑞迅投資有限公司所持有的562,500,000股股份中擁有權益。

(2) Wang Kam Chu女士為王庭聰先生的配偶，故根據證券及期貨條例視為於王庭聰先生直接或間接持有的股份中擁有權益。

(3) 王惠玲女士(王庭聰先生的胞姊妹)為庭槐信託的受益人之一，因此，根據證券及期貨條例視為於庭槐信託持有的股份中擁有權益。王惠玲女士亦為樓家強先生的配偶，故根據證券及期貨條例視為於樓家強先生持有的股份中擁有權益。

(4) 王庭交先生(王庭聰先生的胞兄弟)為庭槐信託的受益人之一，故根據證券及期貨條例視為於庭槐信託所持股份中擁有權益。



- (5) Mr. Wong Ting Chun, brother of Mr. Wong Ting Chung, is one of the beneficiaries of the Happy Family Trust and therefore he is deemed to be interested in the shares held by the Happy Family Trust under the SFO.
- (6) Mr. Wong Wai Wing, Raymond, brother of Mr. Wong Ting Chung, is one of the beneficiaries of the Happy Family Trust and therefore he is deemed to be interested in the shares held by the Happy Family Trust under the SFO.
- (7) Ms. Chan Ka Wai is the spouse of Mr. Wong Ting Kau and is therefore deemed to be interested in the shares held, directly or indirectly, by Mr. Wong Ting Kau under the SFO.
- (8) Ms. Tsoi Suet Ngai is the spouse of Mr. Wong Ting Chun and is therefore deemed to be interested in the shares held, directly or indirectly, by Mr. Wong Ting Chun under the SFO.
- (9) Ms. Kwan Ying Tsi, Catherine is the spouse of Mr. Wong Wai Wing, Raymond and is therefore deemed to be interested in the shares held, directly or indirectly, by Mr. Wong Wai Wing, Raymond under the SFO.
- (10) The calculation is based on the total number of issued ordinary shares of 750,000,000 shares as at 30 June 2019.
- (5) 王庭真先生(王庭聰先生的胞兄弟)為庭槐信託的受益人之一，故根據證券及期貨條例視為於庭槐信託所持股份中擁有權益。
- (6) 王惠榮先生(王庭聰先生的胞兄弟)為庭槐信託的受益人之一，故根據證券及期貨條例視為於庭槐信託所持股份中擁有權益。
- (7) Chan Ka Wai女士為王庭交先生的配偶，故根據證券及期貨條例視為於王庭交先生直接或間接持有的股份中擁有權益。
- (8) Tsoi Suet Ngai女士為王庭真先生的配偶，故根據證券及期貨條例視為於王庭真先生直接或間接持有的股份中擁有權益。
- (9) Kwan Ying Tsi, Catherine女士為王惠榮先生的配偶，故根據證券及期貨條例視為於王惠榮先生直接或間接持有的股份中擁有權益。
- (10) 按2019年6月30日已發行普通股總數750,000,000股計算。

SHARE OPTION SCHEME

The Company has approved and adopted the Share Option Scheme on 26 November 2018. Under the Share Option Scheme, the eligible participants may be granted share options pursuant to the Share Option Scheme. Details of the Share Option Scheme have been disclosed in the 2018 annual report of the Company.

購股權計劃

本公司已於2018年11月26日批准及採納購股權計劃。根據購股權計劃，合資格參與者可根據購股權計劃獲授購股權。購股權計劃詳情已於本公司2018年年報中披露。

Details of the movements of the share options granted under the Share Option Scheme during the six months ended 30 June 2019 are as follows:

截至2019年6月30日止六個月，根據購股權計劃授出的購股權變動詳情如下：

| Name of grantees | Date of grant | Exercise price ⁽¹⁾ (HK\$) | Exercise period ⁽²⁾ | Balance as at 1 January 2019 於2019年1月1日的結餘 | Number of share options during the six months ended 30 June 2019 截至2019年6月30日止六個月購股權數目 | | | | Balance as at 30 June 2019 於2019年6月30日的結餘 |
|--|-----------------------------|---|---|---|---|-----------|-----------|--------|--|
| | | | | | Granted | Exercised | Cancelled | Lapsed | |
| 承授人姓名 | 授出日期 | 行使價 ⁽¹⁾ (港元) | 行使期 ⁽²⁾ | | 授出 | 行使 | 註銷 | 失效 | |
| Mr. Wong Ting Chung 王庭聰先生 | 29 March 2019 2019年3月29日 | 1.362 | 29 March 2020 to 28 March 2029 2020年3月29日至2029年3月28日 | — | 3,000,000 | — | — | — | 3,000,000 |
| Mr. Lau Ka Keung 樓家強先生 | 29 March 2019 2019年3月29日 | 1.362 | 29 March 2020 to 28 March 2029 2020年3月29日至2029年3月28日 | — | 3,000,000 | — | — | — | 3,000,000 |
| Mr. Wong Ka Lun 黃家倫先生 | 29 March 2019 2019年3月29日 | 1.362 | 29 March 2020 to 28 March 2029 2020年3月29日至2029年3月28日 | — | 1,500,000 | — | — | — | 1,500,000 |
| Ms. Lau Pui Kwan 劉佩君女士 | 29 March 2019 2019年3月29日 | 1.362 | 29 March 2020 to 28 March 2029 2020年3月29日至2029年3月28日 | — | 1,500,000 | — | — | — | 1,500,000 |
| Mr. Lin Guoxian ⁽³⁾ 林國賢先生 ⁽³⁾ | 29 March 2019 2019年3月29日 | 1.362 | 29 March 2020 to 28 March 2029 2020年3月29日至2029年3月28日 | — | 1,500,000 | — | — | — | 1,500,000 |
| Mr. Ip Shu Kwan, Stephen 葉樹堃先生 | 29 March 2019 2019年3月29日 | 1.362 | 29 March 2020 to 28 March 2029 2020年3月29日至2029年3月28日 | — | 1,500,000 | — | — | — | 1,500,000 |
| Mr. Li Yinquan 李引泉先生 | 29 March 2019 2019年3月29日 | 1.362 | 29 March 2020 to 28 March 2029 2020年3月29日至2029年3月28日 | — | 1,500,000 | — | — | — | 1,500,000 |
| Dr. Wu Wing Kuen 胡永權博士 | 29 March 2019 2019年3月29日 | 1.362 | 29 March 2020 to 28 March 2029 2020年3月29日至2029年3月28日 | — | 1,500,000 | — | — | — | 1,500,000 |
| Other employees of the Group 本集團其他僱員 | 29 March 2019 2019年3月29日 | 1.362 | 29 March 2020 to 28 March 2029 2020年3月29日至2029年3月28日 | — | 8,700,000 | — | — | — | 8,700,000 |
| Total 總計 | | | | — | 23,700,000 | — | — | — | 23,700,000 |



Notes:

附註：

- | | |
|---|---|
| <p>1. Exercise price of share options granted of HK\$1.362 per share represents the highest of:</p> <p>(i) the closing price of HK\$1.330 on the date of grant, i.e. 29 March 2019;</p> <p>(ii) the average closing price of HK\$1.362 for five business days immediately preceding the date of grant; and</p> <p>(iii) the nominal value of the share of HK\$0.01 each.</p> <p>2. The share options granted to the above Directors and other employees of the Group shall be vested in three equal tranches. The vesting periods of the share options are between the date of grant and the dates of commencement of exercise periods. The vesting periods and exercise periods of the share options are as follows:</p> | <p>1. 已授出購股權之行使價每股1.362港元為下列之最高者：</p> <p>(i) 於授出日期(即2019年3月29日)股份之收市價1.330港元；</p> <p>(ii) 於緊接授出日期前五個營業日股份之平均收市價1.362港元；及</p> <p>(iii) 股份面值每股0.01港元。</p> <p>2. 向上述董事及本集團其他僱員授出的購股權須分三期等額歸屬。購股權的歸屬期為授出日期至行使期開始日期期間。購股權的歸屬期及行使期如下：</p> |
|---|---|
-
- | Share options granted on 29 March 2019
於2019年3月29日授出的購股權 | Vesting period
歸屬期 | Exercise period
行使期 |
|---|--|--|
| One-third of the share options (rounded to the nearest number of share options which represents an integral multiples of one board lot) 三分之一的購股權(四捨五入至最接近一手整數倍數的購股權數目) | 29 March 2019 to 28 March 2020 2019年3月29日至 2020年3月28日 | 29 March 2020 to 28 March 2029 2020年3月29日至 2029年3月28日 |
| One-third of the share options (rounded to the nearest number of share options which represents an integral multiples of one board lot) 三分之一的購股權(四捨五入至最接近一手整數倍數的購股權數目) | 29 March 2019 to 28 March 2021 2019年3月29日至 2021年3月28日 | 29 March 2021 to 28 March 2029 2021年3月29日至 2029年3月28日 |
| The remaining share options 餘下購股權 | 29 March 2019 to 28 March 2022 2019年3月29日至 2022年3月28日 | 29 March 2022 to 28 March 2029 2022年3月29日至 2029年3月28日 |
-
- | | |
|---|--|
| <p>3. Mr. Lin Guoxian resigned as an executive Director of the Company with effect from 19 July 2019. The share options granted to Mr. Lin Guoxian were cancelled upon his resignation.</p> | <p>3. 林國賢先生辭任本公司執行董事，自2019年7月19日生效。授予林國賢先生的購股權於其辭任後註銷。</p> |
|---|--|



Review report to the board of directors of Million Cities Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 29 to 74 which comprises the consolidated statement of financial position of Million Cities Holdings Limited (the “Company”) as of 30 June 2019 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity and consolidated statement of cash flows for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

致萬城控股有限公司董事會的審閱報告

(於開曼群島註冊成立的有限公司)

引言

我們已審閱列載於第29至74頁的萬城控股有限公司(「貴公司」)的中期財務報告，包括貴公司於2019年6月30日的綜合財務狀況表及截至該日止六個月期間的相關綜合損益表、綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表與附註。香港聯合交易所有限公司證券上市規則要求根據其相關規定及香港會計師公會頒佈的香港會計準則第34號中期財務報告的規定編製中期財務報告。董事須負責根據香港會計準則第34號編製及列報本中期財務報告。

我們的責任是根據我們的審閱對中期財務報告作出結論，並按照所協定的應聘條款，僅向全體董事報告。除此以外，我們的報告書不可用作其他用途。我們概不就本報告書的內容對任何其他人士負責或承擔法律責任。



SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2019 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*.

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

24 August 2019

審閱範圍

我們已根據香港會計師公會頒佈的香港審閱準則第2410號獨立核數師對中期財務資料的審閱進行審閱。中期財務報告審閱工作包括主要向負責財務和會計事務的人員作出查詢，及應用分析及其他審閱程序。審閱的範圍遠較根據香港審計準則進行審核的範圍為小，故不能保證我們會獲知在審核中可能被發現的所有重大事項。因此，我們不會發表審核意見。

結論

按照我們的審閱，我們並無發現任何事項，使我們相信於2019年6月30日的中期財務報告有重大內容並不按照香港會計準則第34號中期財務報告編製。

畢馬威會計師事務所

執業會計師

香港中環
遮打道十號
太子大廈八樓

2019年8月24日

Consolidated Statement of Profit or Loss

綜合損益表

(Expressed in Renminbi)
(以人民幣列示)

For the six months ended 30 June 2019
截至2019年6月30日止六個月

| | | Six months ended 30 June 截至6月30日止六個月 | | |
|---|----------------------|--|---|-----------|
| | | 2019 2019年 RMB'000 人民幣千元 (Unaudited) (未經審計) | 2018 2018年 RMB'000 人民幣千元 (Audited) (經審計) | |
| | Note 附註 | | | |
| Revenue | 收入 | 3 | 59,416 | 263,009 |
| Cost of sales | 銷售成本 | | (33,045) | (139,898) |
| Gross profit | 毛利 | | 26,371 | 123,111 |
| Valuation gains on investment properties | 投資物業估值收益 | 10 | 580 | 1,420 |
| Other net income | 其他收入淨額 | 4 | 7,759 | 621 |
| Selling expenses | 銷售開支 | | (2,046) | (3,930) |
| Administrative expenses | 行政開支 | | (29,651) | (29,153) |
| Other expenses | 其他開支 | 5 | (1,770) | (236) |
| Profit from operations | 經營溢利 | | 1,243 | 91,833 |
| Finance costs | 融資成本 | 6(a) | (5,775) | (40) |
| Share of profits less losses of associates | 應佔聯營公司溢利減虧損 | | (38) | (786) |
| Share of profits less losses of joint ventures | 應佔合營公司溢利減虧損 | | (1,844) | (181) |
| (Loss)/profit before taxation | 除稅前(虧損)/溢利 | | (6,414) | 90,826 |
| Income tax | 所得稅 | 7 | (7,563) | (51,206) |
| (Loss)/profit for the period | 期內(虧損)/溢利 | | (13,977) | 39,620 |
| Attributable to: | 以下各方應佔: | | | |
| Equity shareholders of the Company | 本公司權益股東 | | (12,305) | 16,800 |
| Non-controlling interests | 非控股權益 | | (1,672) | 22,820 |
| (Loss)/profit for the period | 期內(虧損)/溢利 | | (13,977) | 39,620 |
| Basic and diluted (loss)/earnings per share (RMB cents) | 每股基本及攤薄(虧損)/盈利(人民幣分) | 8 | (1.64) | 2.99 |

The notes on pages 36 to 74 form part of this interim financial report.

第36至74頁之附註為本中期財務報告的一部分。

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

For the six months ended 30 June 2019 (Expressed in Renminbi)
 截至2019年6月30日止六個月 (以人民幣列示)

Six months ended 30 June
 截至6月30日止六個月

| | | 2019 2019年 RMB'000 人民幣千元 (Unaudited) (未經審計) | 2018 2018年 RMB'000 人民幣千元 (Audited) (經審計) |
|--|--------------------|--|---|
| (Loss)/profit for the period | 期內(虧損)/溢利 | (13,977) | 39,620 |
| Other comprehensive income for the period (after reclassification adjustments): | 期內其他全面收益(經重新分類調整): | | |
| <i>Items that may be subsequently reclassified to profit or loss:</i> | 其後可重新分類至損益的項目: | | |
| Exchange differences on translation of financial statements of: | 換算財務報表的匯兌差額: | | |
| — the associates and joint ventures | — 聯營公司及合營公司 | (275) | (1,745) |
| — the Hong Kong and overseas subsidiaries | — 香港及海外附屬公司 | (389) | (4,738) |
| Other comprehensive income for the period, net of nil tax | 期內其他全面收益, 已扣除零稅項 | (664) | (6,483) |
| Total comprehensive income for the period | 期內全面收益總額 | (14,641) | 33,137 |
| Attributable to: | 以下人士應佔: | | |
| Equity shareholders of the Company | 本公司權益股東 | (12,086) | 12,158 |
| Non-controlling interests | 非控股權益 | (2,555) | 20,979 |
| Total comprehensive income for the period | 期內全面收益總額 | (14,641) | 33,137 |

The notes on pages 36 to 74 form part of this interim financial report.

第36至74頁之附註為本中期財務報告的一部分。

Consolidated Statement of Financial Position

綜合財務狀況表

(Expressed in Renminbi)
(以人民幣列示)

At 30 June 2019
於2019年6月30日

| | | Note | At 30 June 2019 2019年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審計) | At 31 December 2018 2018年 12月31日 RMB'000 人民幣千元 (Audited) (經審計) |
|--|-----------------|------|--|--|
| Non-current assets | 非流動資產 | | | |
| Property, plant and equipment | 物業、廠房及設備 | 9 | 58,640 | 58,898 |
| Investment properties | 投資物業 | 10 | 20,000 | 19,420 |
| Interest in associates | 於聯營公司的權益 | | 104,519 | 104,576 |
| Interest in joint ventures | 於合營公司的權益 | | 63,452 | 63,997 |
| Deferred tax assets | 遞延稅項資產 | | 1,529 | 1,087 |
| | | | 248,140 | 247,978 |
| Current assets | 流動資產 | | | |
| Inventories and other contract costs | 存貨及其他合約成本 | 11 | 1,896,710 | 1,688,275 |
| Trade and other receivables | 貿易及其他應收款項 | 13 | 217,937 | 175,925 |
| Prepaid tax | 預付稅項 | | 97,360 | 70,382 |
| Pledged and restricted deposits | 已抵押及受限制存款 | 14 | 595,960 | 487,013 |
| Cash and cash equivalents | 現金及現金等價物 | 15 | 831,476 | 1,106,426 |
| | | | 3,639,443 | 3,528,021 |
| Non-current assets held for sale | 持作出售的非流動資產 | | — | 4,224 |
| | | | 3,639,443 | 3,532,245 |
| Total assets | 總資產 | | 3,887,583 | 3,780,223 |
| Current liabilities | 流動負債 | | | |
| Contract liabilities | 合約負債 | 12 | 1,837,509 | 1,494,172 |
| Trade and other payables | 貿易及其他應付款項 | 17 | 552,574 | 664,928 |
| Bank loans | 銀行貸款 | 16 | 468,654 | 548,414 |
| Tax payable | 應付稅項 | | 31,096 | 63,701 |
| | | | 2,889,833 | 2,771,215 |
| Net current assets | 流動資產淨值 | | 749,610 | 761,030 |
| Total assets less current liabilities | 總資產減流動負債 | | 997,750 | 1,009,008 |



Consolidated Statement of Financial Position (Continued)
綜合財務狀況表(續)

At 30 June 2019
於2019年6月30日

(Expressed in Renminbi)
(以人民幣列示)

| | | Note | At 30 June 2019 2019年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審計) | At 31 December 2018 2018年 12月31日 RMB'000 人民幣千元 (Audited) (經審計) |
|--|----------------------|------|--|--|
| Non-current liabilities | 非流動負債 | | | |
| Other payables | 其他應付款項 | 17 | 72,961 | 71,253 |
| Deferred tax liabilities | 遞延稅項負債 | | 31,785 | 31,456 |
| | | | 104,746 | 102,709 |
| NET ASSETS | 資產淨值 | | 893,004 | 906,299 |
| CAPITAL AND RESERVES | 資本及儲備 | | | |
| Share capital | 股本 | | 6,605 | 6,605 |
| Reserves | 儲備 | | 777,008 | 787,748 |
| Total equity attributable to equity shareholders of the Company | 本公司權益股東應佔權益總額 | | 783,613 | 794,353 |
| Non-controlling interests | 非控股權益 | | 109,391 | 111,946 |
| TOTAL EQUITY | 權益總額 | | 893,004 | 906,299 |

Approved and authorised for issue by the board of directors on 24 August 2019.

於2019年8月24日經董事會批准及授權刊發。

Wong Ting Chung

王庭聰

Director

董事

Lau Ka Keung

樓家強

Director

董事

The notes on pages 36 to 74 form part of this interim financial report.

第36至74頁之附註為本中期財務報告的一部分。

Consolidated Statement of Changes in Equity

綜合權益變動表

(Expressed in Renminbi) | For the six months ended 30 June 2019
(以人民幣列示) | 截至2019年6月30日止六個月

Attributable to equity shareholders of the Company
本公司權益股東應佔

| | Note 附註 | Share capital | Share premium | Share option reserve | Statutory reserves | Exchange reserves | Retained profits | Total | Non-controlling interests | Total equity |
|---|------------------------|------------------|------------------|----------------------|--------------------|-------------------|------------------|------------------|---------------------------|------------------|
| | | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 | RMB'000 人民幣千元 |
| Balance at 1 January 2018 | 於2018年1月1日的結餘 | 22,385 | — | — | 17,953 | 21,579 | 115,848 | 177,765 | 90,170 | 267,935 |
| Changes in equity for the six months ended 30 June 2018: | 截至2018年6月30日止六個月的權益變動： | | | | | | | | | |
| Profit for the period | 期內溢利 | — | — | — | — | — | 16,800 | 16,800 | 22,820 | 39,620 |
| Other comprehensive income | 其他全面收益 | — | — | — | — | (4,642) | — | (4,642) | (1,841) | (6,483) |
| Total comprehensive income | 全面收益總額 | — | — | — | — | (4,642) | 16,800 | 12,158 | 20,979 | 33,137 |
| Deemed distribution to shareholders | 視作向股東分派 | 17(b) | — | — | — | — | (34,031) | (34,031) | (31,412) | (65,443) |
| Arising from reorganisation | 產生自重組 | | (22,385) | — | — | — | — | (22,385) | — | (22,385) |
| Balance at 30 June 2018 | 於2018年6月30日的結餘 | — | — | — | 17,953 | 16,937 | 98,617 | 133,507 | 79,737 | 213,244 |
| Balance at 1 January 2019 | 於2019年1月1日的結餘 | 6,605 | 660,653 | — | 20,060 | (6,051) | 113,086 | 794,353 | 111,946 | 906,299 |
| Changes in equity for the six months ended 30 June 2019: | 截至2019年6月30日止六個月的權益變動： | | | | | | | | | |
| Loss for the period | 期內虧損 | — | — | — | — | — | (12,305) | (12,305) | (1,672) | (13,977) |
| Other comprehensive income | 其他全面收益 | — | — | — | — | 219 | — | 219 | (883) | (664) |
| Total comprehensive income | 全面收益總額 | — | — | — | — | 219 | (12,305) | (12,086) | (2,555) | (14,641) |
| Equity settled share-based transactions | 以權益結算以股份為基礎的交易 | 18(b) | — | 1,346 | — | — | — | 1,346 | — | 1,346 |
| Balance at 30 June 2019 | 於2019年6月30日的結餘 | 6,605 | 660,653 | 1,346 | 20,060 | (5,832) | 100,781 | 783,613 | 109,391 | 893,004 |

The notes on pages 36 to 74 form part of this interim financial report.

第36至74頁之附註為本中期財務報告的一部分。

Consolidated Statement of Cash Flows

綜合現金流量表

For the six months ended 30 June 2019 (Expressed in Renminbi)
截至2019年6月30日止六個月 (以人民幣列示)

| | | Six months ended 30 June 截至6月30日止六個月 | |
|--|------------------------|--|---|
| | | 2019 2019年 RMB'000 人民幣千元 (Unaudited) (未經審計) | 2018 2018年 RMB'000 人民幣千元 (Audited) (經審計) |
| | | Note 附註 | |
| Operating activities | 經營活動 | | |
| Cash (used in)/generated from operations | 經營活動(所用)/所得現金 | 15 | 427,789 |
| Income tax paid | 已付所得稅 | | (78,122) |
| Net cash (outflow)/inflow from operating activities | 經營活動現金(流出)/流入淨額 | | 349,667 |
| Investing activities | 投資活動 | | |
| Investments in associates and joint ventures | 投資聯營公司及合營公司 | | (12,000) |
| Payment for the purchase of property, plant and equipment | 收購物業、廠房及設備付款 | | (184) |
| Proceeds from disposal of property, plant and equipment | 出售物業、廠房及設備所得款項 | | — |
| Proceeds from disposal of non-current assets held for sale | 出售持作出售的非流動資產所得款項 | | — |
| Interest received | 已收利息 | | 625 |
| Payments for purchase of other financial assets | 購買其他金融資產付款 | | — |
| Proceeds from disposal of other financial assets | 出售其他金融資產所得款項 | | 40,026 |
| Net cash inflow from investing activities | 投資活動現金流入淨額 | | 28,467 |

Consolidated Statement of Cash Flows (Continued)
綜合現金流量表(續)



(Expressed in Renminbi)
(以人民幣列示)

For the six months ended 30 June 2019
截至2019年6月30日止六個月

Six months ended 30 June
截至6月30日止六個月

| | Note | 2019 2019年 RMB'000 人民幣千元 (Unaudited) (未經審計) | 2018 2018年 RMB'000 人民幣千元 (Audited) (經審計) |
|--|------------------------|--|---|
| Financing activities | 融資活動 | | |
| Proceeds from bank loans | 銀行貸款所得款項 | 10,000 | 105,537 |
| Repayment of bank loans | 償還銀行貸款 | (89,603) | (40,350) |
| Interest paid on bank loans | 已付銀行貸款利息 | (14,401) | (7,876) |
| Advances from related parties | 關聯方墊款 | 22,232 | 12,510 |
| Repayment to related parties | 償還關聯方款項 | — | (62,367) |
| Payment of listing expenses | 支付上市開支 | (5,841) | (5,236) |
| Net cash (outflow)/inflow from financing activities | 融資活動現金(流出)/流入淨額 | (77,613) | 2,218 |
| (Decrease)/increase in cash and cash equivalents | 現金及現金等價物(減少)/增加 | (275,001) | 380,352 |
| Cash and cash equivalents at 1 January | 於1月1日的現金及現金等價物 | 1,106,426 | 94,172 |
| Effect of changes in foreign exchange rates | 匯率變動的影響 | 51 | (32) |
| Cash and cash equivalents at 30 June | 於6月30日的現金及現金等價物 | 831,476 | 474,492 |

The notes on pages 36 to 74 form part of this interim financial report.

第36至74頁之附註為本中期財務報告的一部分。

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

1 BASIS OF PREPARATION

Million Cities Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 15 November 2016 as an exempted company with limited liability under the Companies Law Cap.22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

The Company is an investment holding company and has not carried on any business since the date of its incorporation save for the Group reorganisation below. The core business activities of the Company and its subsidiaries (together, the “Group”) include property development and sale (the “Listing Business”) in the People’s Republic of China (the “PRC”).

During the six months ended 30 June 2018, the Listing Business was conducted through various domestic companies established in the PRC (the “PRC Operating Entities”), all of which are under the control of Wong Ting Chung, Wong Ting Kau, Wong Ting Chun, Wong Wai Wing, Wong Wai Ling, Lau Ka Keung and Wong Wai Yue (together referred to as the “Wong Ting Chung and his family”). To rationalise the corporate structure in preparation of listing of the Company’s shares on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the Group underwent a reorganisation (the “Reorganisation”). Upon completion of the Reorganisation on 28 June 2018, the Company became the holding company of the Group. As the Reorganisation primarily involved inserting a newly formed entity, with no substantive operations, as the new holding company between Wong Ting Chung and his family and the PRC Operating Entities, there has been no change in the ultimate control and there were no substantive changes in the business and operations of the companies now comprising the Group. As the control is not transitory and, consequently, there was a continuation of risks and benefits to the Wong Ting Chung and his family, the condensed consolidated interim financial information has been prepared and presented using the merger basis of accounting as if the Group has always been in existence. The net assets of the companies taking part in the Reorganisation are consolidated using the book values from perspective of Wong Ting Chung and his family.

1 編製基準

萬城控股有限公司(「本公司」)於2016年11月15日根據開曼群島第22章公司法(1961年第3號法例，經綜合及修訂)在開曼群島註冊成立為獲豁免有限公司。

本公司為投資控股公司，自註冊成立日期以來概無經營任何業務(下述集團重組除外)。本公司及其附屬公司(統稱「本集團」)的核心業務活動包括於中華人民共和國(「中國」)經營物業發展及銷售(「上市業務」)。

截至2018年6月30日止六個月期間，上市業務由多間於中國成立的國內公司(「中國營運實體」)經營，全部由王庭聰、王庭交、王庭真、王惠榮、王惠玲、樓家強及王槐裕(統稱「王庭聰及其家族」)控制。籌備本公司股份於香港聯合交易所有限公司(「聯交所」)主板上市時，為理順公司架構，本集團曾進行重組(「重組」)。於2018年6月28日完成重組時，本公司成為本集團的控股公司。由於重組主要涉及於王庭聰及其家族和中國營運實體之間加入無實質業務的新成立實體成為新控股公司，最終控制權並無變更，本集團目前旗下公司的業務及營運並無重大變化。由於控制權並非過渡性質，故王庭聰及其家族持續承擔風險及享有利益，而簡明綜合中期財務資料已按合併會計法編製及呈列，猶如本集團一直存在。參與重組的公司的資產淨值按王庭聰及其家族認為的賬面值綜合入賬。



1 BASIS OF PREPARATION (Continued)

The consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the six months ended 30 June 2018 include the financial performance and cash flows of the companies now comprising the Group as if the current group structure had been in existence and remained unchanged throughout the six months ended 30 June 2018. Intra-group balances and transactions are eliminated in full in preparing the financial statements.

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange, including compliance with Hong Kong Accounting Standard (HKAS) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (HKICPA). It was authorised for issue on 24 August 2019.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2018 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2019 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of this interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

1 編製基準(續)

本集團截至2018年6月30日止六個月期間的綜合損益表、綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表載有本集團目前旗下公司之財務表現及現金流量，猶如現有集團架構於截至2018年6月30日止六個月期間一直存在且維持不變。集團內公司間結餘及交易於編製財務報表時已悉數對銷。

本中期財務報告乃根據聯交所證券上市規則的適用披露規定編製，包括遵照香港會計師公會頒佈的香港會計準則第34號*中期財務報告*。本中期財務報告獲授權於2019年8月24日刊發。

本中期財務報告乃按照2018年年度財務報表所採納的相同會計政策編製，惟預期將於2019年年度財務報表中反映的會計政策變動除外。會計政策變動詳情載於附註2。

按照香港會計準則第34號編製本中期財務報告要求管理層作出判斷、估計及假設，該等判斷、估計及假設會影響會計政策的應用，以及按截至該日止年度基準呈報的資產及負債、收入及支出金額。實際結果可能有別於該等估計。



1 BASIS OF PREPARATION (Continued)

This interim financial report contains consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2018 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

This interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. KPMG’s independent review report to the board of directors is included on pages 27 to 28.

The financial information relating to the financial year ended 31 December 2018 that is included in the interim financial report as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements.

The Company’s auditor has reported on those financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report.

1 編製基準(續)

本中期財務報告包括綜合財務報表及部分闡釋附註。附註包括有助了解本集團自刊發2018年年度財務報表後的財務狀況變動與表現的事件及交易闡釋。簡明綜合中期財務報表及其附註並不包括根據香港財務報告準則編製全份財務報表所需的全部資料。

本中期財務報告未經審核，但經畢馬威會計師事務所根據香港會計師公會頒佈的香港審閱委聘準則第2410號「由實體的獨立核數師執行中期財務資料審閱」進行審閱。畢馬威會計師事務所致董事會之獨立審閱報告載於第27至28頁。

與截至2018年12月31日止財政年度有關而載於中期財務報告內作為比較資料的財務資料，並不構成本公司該財政年度的法定年度綜合財務報表，但乃源自該等財務報表。

本公司核數師已就該等財務報表發出無保留意見報告，報告中並無提述核數師在不作保留意見的情況下，以注意事項的方式敬希垂注的任何事宜。



2 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a new HKFRS and a number of amendments to HKFRSs that are first effective for the current accounting period of the Group. The amendments, new standards and interpretations comprise of the following:

- HKFRS 16, *Leases*
- Amendments to HKFRS 9, *Prepayment features with negative compensation*
- Amendments to HKAS 19, *Plan amendment, curtailment or settlement*
- HK(IFRIC) 23, *Uncertainty over income tax treatments*
- Amendments to HKAS 28, *Long-term interests in associates and joint ventures*
- Annual improvement to HKFRSs 2015–2017 Cycle

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Further details of the nature and effect of applying HKFRS 16 and the transition options applied are set out below:

HKFRS 16 replaces HKAS 17, *Leases*, and the related interpretations, HK(IFRIC) 4, *Determining whether an arrangement contains a lease*, HK(SIC) 15, *Operating leases – incentives*, and HK(SIC) 27, *Evaluating the substance of transactions involving the legal form of a lease*. It introduces a single accounting model for lessees, which requires a lessee to recognise a right-of-use asset and a lease liability for all leases, except for leases that have a lease term of 12 months or less ("short-term leases") and leases of low value assets. The lessor accounting requirements are brought forward from HKAS 17 substantially unchanged.

2 會計政策變動

香港會計師公會已頒佈一項新香港財務報告準則及多項香港財務報告準則修訂，將於本集團當前會計期間首次生效。該等修訂、新訂準則及詮釋包括以下各項：

- 香港財務報告準則第16號，*租賃*
- 香港財務報告準則第9號的修訂，*反向賠償的提前還款特徵*
- 香港會計準則第19號的修訂，*計劃修訂、削減或結算*
- 香港(國際財務報告詮釋委員會)詮釋第23號，*所得稅處理之不確定性*
- 香港會計準則第28號的修訂，*於聯營公司及合營公司的長期權益*
- 香港財務報告準則2015年至2017年週期年度改進

該等修訂對如何編製及在本中期財務報告呈列本集團於本期間或過往期間的業績及財務狀況概無重大影響。本集團並無採用任何在當前會計期間尚未生效的新訂準則或詮釋。有關應用香港財務報告準則第16號的性質及影響以及所採用的過渡選擇的詳情如下：

香港財務報告準則第16號取代香港會計準則第17號*租賃*及相關詮釋，香港財務報告詮釋委員會詮釋第4號，*釐定一項安排是否包含租賃*，HK(SIC)第15號，*經營租賃 – 優惠*及HK(SIC)第27號*評估涉及租賃法律形式交易之內容*。其為承租人引入單一會計處理模式，該模式要求承租人就所有租賃確認使用權資產及租賃負債，惟租期為12個月或以下的租賃(「短期租賃」)及低價值資產除外。出租人會計處理規定沿用香港會計準則第17號，基本保持不變。



2 CHANGES IN ACCOUNTING POLICIES (Continued)

The Group has initially applied HKFRS 16 as from 1 January 2019. The Group has elected to use the modified retrospective approach and there are no adjustments to the opening balance of equity at 1 January 2019 with no restatement of comparative information.

(a) Changes in the accounting policies

(i) New definition of a lease

The change in the definition of a lease mainly relates to the concept of control. HKFRS 16 defines a lease on the basis of whether a customer controls the use of an identified asset for a period of time, which may be determined by a defined amount of use. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group applies the new definition of a lease in HKFRS 16 only to contracts that were entered into or changed on or after 1 January 2019. For contracts entered into before 1 January 2019, the Group has used the transitional practical expedient to grandfather the previous assessment of which existing arrangements are or contain leases.

Accordingly, contracts that were previously assessed as leases under HKAS 17 continue to be accounted for as leases under HKFRS 16 and contracts previously assessed as non-lease service arrangements continue to be accounted for as executory contracts.

2 會計政策變動(續)

本集團已於二零一九年一月一日起首次應用香港財務報告準則第16號。本集團已選擇使用經修訂追溯法及並無對二零一九年一月一日之權益期初結餘的調整及並無重列比較資料。

(a) 會計政策變動

(i) 租賃的新定義

租賃定義的變動主要涉及控制的概念。香港財務報告準則第16號根據客戶是否與一段期間內控制已識別資產的使用來定義租賃，其可藉界定的使用量釐定。倘客戶既有權指示已識別資產的使用，亦有權自該使用中獲得絕大部分經濟利益，則控制權已轉移。

本集團僅對於二零一九年一月一日或之後訂立或變更的合約應用香港財務報告準則第16號中的租賃新定義。對於二零一九年一月之前訂立的合約，本集團已採用過渡性可行權宜方法，以令對現有安排為租賃或包含租賃的過往評估不受新規定限制。

因此，先前根據香港會計準則第17號評估為租賃的合約繼續按香港財務報告準則第16號入賬列為租賃，而先前評估為非租賃服務安排的合約繼續入賬列為未生效合約。



2 CHANGES IN ACCOUNTING POLICIES (Continued)

(a) Changes in the accounting policies (Continued)

(ii) Lessee accounting

HKFRS 16 eliminates the requirement for a lessee to classify leases as either operating leases or finance leases, as was previously required by HKAS 17. Instead, the Group is required to capitalise all leases when it is the lessee, including leases previously classified as operating leases under HKAS 17, other than those short-term leases and leases of low-value assets.

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method.

2 會計政策變動(續)

(a) 會計政策變動(續)

(ii) 承租人會計處理

香港財務報告準則第16號取消了如香港會計準則第17號先前所要求的承租人將租賃分類為經營租賃或融資租賃的規定。相反，本集團於為承租人時，須資本化所有租賃，包括先前根據香港會計準則第17號分類為經營租賃的租賃，惟短期租賃及低價值資產租賃除外。

若合約包括租賃部分及非租賃部分，本集團已選擇不區分非租賃部分，將所有租賃部分及任何關聯的非租賃部分入賬列為單一租賃部分。

當本集團就低價值資產訂立租賃時，本集團決定是否按租賃基準將租賃資本化。與該等未資本化租賃相關的租賃付款於租期內按系統基準確認為開支。

若租賃被資本化，則租賃負債初始於租期內按應付租賃付款的現值確認，使用租賃中隱含的利率貼現，或倘無法輕易釐定該利率，則使用有關增量借款利率。初始確認後，租賃負債按攤銷成本計量及利息開支使用實際利率法計算。



2 CHANGES IN ACCOUNTING POLICIES

(Continued)

(a) Changes in the accounting policies (Continued)

(ii) Lessee accounting (Continued)

Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses, except for the following types of right-of-use asset:

- right-of-use assets that meet the definition of investment property are carried at fair value;
- right-of-use assets related to interests in leasehold land where the interest in the land is held as inventory are carried at the lower of cost and net realisable value.

2 會計政策變動(續)

(a) 會計政策變動(續)

(ii) 承租人會計處理(續)

不依賴於指數或利率的可變租賃付款不包括在租賃負債的計量，因此在其產生的會計期間計入損益。

於租賃資本化時確認的使用權資產初始按成本計量，其中包括租賃負債的初始金額加上於開始日期或之前作出的任何租賃付款，以及產生的任何初始直接成本。於適用情況下，使用權資產的成本亦包括拆除及移除相關資產或恢復相關資產或該資產所在地的估計成本，並貼現至彼等的現值再減去任何已收租賃優惠。

使用權資產其後按成本減累計折舊及減值虧損列賬，惟下列使用權資產類別除外：

- 符合投資物業定義之使用權資產，按公平值入賬；
- 與租賃土地權益有關而土地之權益作為存貨持有之使用權資產，按成本與可變現淨值之較低者入賬。



2 CHANGES IN ACCOUNTING POLICIES (Continued)

(a) Changes in the accounting policies (Continued)

(ii) Lessee accounting (Continued)

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(iii) Leasehold investment property

Under HKFRS 16, the Group is required to account for all leasehold properties as investment properties when these properties are held to earn rental income and/or for capital appreciation ("leasehold investment properties"). The adoption of HKFRS 16 does not have a significant impact on the Group's financial statements as the Group previously elected to apply HKAS 40, *Investment properties*, to account for all of its leasehold properties that were held for investment purposes as at 31 December 2018. Consequentially, these leasehold investment properties continue to be carried at fair value.

2 會計政策變動(續)

(a) 會計政策變動(續)

(ii) 承租人會計處理(續)

倘指數或利率變動引致未來租賃付款變動，或本集團估計剩餘價值擔保預期應付款項有變，或當重新評估本集團可否合理確定行使購買、延期或終止選擇權而有所變動，則會重新計量租賃負債。當租賃負債以此方式重新計量，就使用權資產之賬面值作出相應調整，倘使用權資產之賬面值減至零，則於損益入賬。

(iii) 租賃投資物業

根據香港財務報告準則第16號，倘租賃物業乃為賺取租金收入及／或為資本增值而持有，則本集團須將所有該等租賃物業以投資物業入賬（「租賃投資物業」）。由於本集團先前選擇應用香港會計準則第40號投資物業對所有於二零一八年十二月三十一日就投資目的而持有之租賃物業進行會計處理，因此採納香港財務報告準則第16號對本集團財務報表並無重大影響。故此，該等租賃投資物業繼續按公平值入賬。



2 CHANGES IN ACCOUNTING POLICIES

(Continued)

(a) Changes in the accounting policies (Continued)

(iv) Lessor accounting

In addition to leasing out the investment property referred to in paragraph (a)(iii) above, the Group leases out a number of items of properties as the lessor of operating leases. The accounting policies applicable to the Group as a lessor remain substantially unchanged from those under HKAS 17.

(b) Critical accounting judgements and sources of estimation uncertainty in applying the above accounting policies

Classification of interest in leasehold land and buildings held for own use

In accordance with HKAS 16, *Property, plant and equipment*, the Group chooses to apply cost model as its accounting policy for items of property, plant and equipment held for own use on a class-by-class basis. In applying this policy, the Group has concluded that its registered ownership interests in leasehold properties and the right to use other properties leased under tenancy agreements are two separate groupings of assets which differ significantly in their nature and use. Accordingly, they are regarded by the Group as separate classes of asset for subsequent measurement policies in accordance with the above accounting policies.

2 會計政策變動(續)

(a) 會計政策變動(續)

(iv) 出租人會計處理

除以上(a)(iii)段所述出租的投資物業外，本集團以經營租賃的出租人方式出租多項物業項目，適用於本集團作為出租人的會計處理與香港會計準則第17號的會計處理大致上維持不變。

(b) 應用以上會計政策的關鍵會計判斷及估計不確定性的來源

持作自用的租賃土地及樓宇權益之分類

根據香港會計準則第16號物業、廠房及設備，本集團選擇就不同類別應用成本模式作為持作自用物業、廠房及設備項目的會計政策。應用該政策方面，本集團決定租賃物業的註冊所有權權益及根據租賃協議所擁有其他租賃物業的使用權分為兩項性質和使用有明顯差異的獨立類別資產。因此，根據以上的會計政策，本集團其後的計量政策將有關資產分別歸類。



2 CHANGES IN ACCOUNTING POLICIES (Continued)

(c) Transitional impact

At the date of transition to HKFRS 16 (i.e. 1 January 2019), the Group determined the length of the remaining lease terms and measured the lease liabilities for the leases previously classified as operating leases at the present value of the remaining lease payments, discounted using the relevant incremental borrowing rates at 1 January 2019.

There is no material impact of transition to HKFRS 16 on lease liabilities and right-of-use assets recognised as at 1 January 2019 and no impact on the opening balance of equity.

To ease the transition to HKFRS 16, the Group applied the following recognition exemption and practical expedients at the date of initial application of HKFRS 16:

- (i) the Group elected not to apply the requirements of HKFRS 16 in respect of the recognition of lease liabilities and right-of-use assets to leases for which the remaining lease term ends within 12 months from the date of initial application of HKFRS 16, i.e. where the lease term ends on or before 31 December 2019;
- (ii) when measuring the lease liabilities at the date of initial application of HKFRS 16, the Group applied a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment); and

2 會計政策變動(續)

(c) 過渡影響

於向香港財務報告準則第16號過渡日期(即二零一九年一月一日),本集團釐定剩餘租期及按剩餘租賃付款的現值計量先前分類為經營租賃之租賃的租賃負債,並於二零一九年一月一日使用相關增量借款利率進行折現。

過渡至香港財務報告準則第16號對2019年1月1日確認的租賃負債及使用權資產並無重大影響,對權益期初結餘亦無影響。

為簡化向香港財務報告第16號過渡,本集團於首次應用香港財務報告第16號之日期採用以下確認豁免及可行權宜方法:

- (i) 本集團決定不應用香港財務報告準則第16號有關確認剩餘租期自初次應用香港財務報告準則第16號日期起十二個月內到期(即截至二零一九年十二月三十一日之租期或於二零一九年十二月三十一日前)的租賃之租賃負債及使用權資產的規定;
- (ii) 於計量初次應用香港財務報告準則第16號日期的租賃負債時,本集團對具有合理相似特徵的租賃組合(如在相似的經濟環境下具有相似類別的相關資產的相似剩餘租期之租賃)採用單一貼現率;及

2 CHANGES IN ACCOUNTING POLICIES

(Continued)

(c) Transitional impact (Continued)

- (iii) when measuring the right-of-use assets at the date of initial application of HKFRS 16, the Group relied on the previous assessment for onerous contract provisions as at 31 December 2018 as an alternative to performing an impairment review.

The analysis of the net book value of the Group's right-of-use assets by class of underlying asset at the end of the reporting period and at the date of transition to HKFRS 16 is as follows:

| | | At 30 June 2019 2019年6月30日 RMB'000 人民幣千元 | At 1 January 2019 2019年1月1日 RMB'000 人民幣千元 |
|---|------------------------|--|---|
| Included in "Property, plant and equipment": | 計入「物業、廠房及設備」: | | |
| Ownership interests in leasehold land and buildings held for own use, carried at depreciated cost | 按折舊成本入賬之持作自用的租賃土地及樓宇權益 | 7,087 | 7,299 |
| Included in "Investment properties": | 計入「投資物業」: | | |
| Ownership interests in leasehold investment properties, carried at fair value | 按公平值入賬之租賃投資物業權益 | 20,000 | 19,420 |
| Included in "Non-current assets held for sale": | 計入「持作出售的非流動資產」: | | |
| Ownership interests in leasehold investment properties, carried at fair value | 按公平值入賬之租賃投資物業權益 | — | 4,224 |
| Included in "Inventories and other contract costs": | 計入「存貨及其他合約成本」: | | |
| Properties held for development | 持作發展物業 | 38,301 | 38,301 |
| Properties under development | 建設中物業 | 309,067 | 314,898 |
| Completed properties for sale | 待售已竣工物業 | 8,308 | 9,526 |
| | | 355,676 | 362,725 |
| | | 382,763 | 393,668 |

2 會計政策變動(續)

(c) 過渡影響(續)

- (iii) 於初步應用香港財務報告準則第16號當日計量使用權資產時，本集團依據先前於2018年12月31日對繁重合約條文的評估作為減值檢討的替代方法。

本集團於報告期末及過渡至香港財務報告準則第16號日期按相關資產類別劃分的使用權資產賬面淨值分析如下：



3 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are property development and sale in the PRC.

Disaggregation of revenue

Revenue mainly represents income from sale of properties and gross rentals from properties, net of sales related taxes and discounts allowed, and is analysed as follows:

3 收入及分部報告

(a) 收入

本集團的主要活動為在中國經營物業發展及銷售。

收入細分

收入主要指物業銷售收入及物業租金總額，已扣除銷售相關稅項及所給予折扣，分析如下：

| | | Six months ended 30 June 截至6月30日止六個月 | |
|--|------------|--|---|
| | | 2019 2019年 RMB'000 人民幣千元 (Unaudited) (未經審核) | 2018 2018年 RMB'000 人民幣千元 (Audited) (經審核) |
| Revenue from contracts with customers 來自客戶合約的收益 | | | |
| Sales of properties: 物業銷售： | | | |
| — Recognised at a point in time | — 於某個時點確認 | 17,933 | 135,654 |
| — Recognised over time | — 於某段時間確認 | 40,256 | 125,256 |
| | | 58,189 | 260,910 |
| Revenue from other sources 其他來源的收益 | | | |
| — Gross rentals from operating leases | — 經營租賃租金總額 | 1,227 | 2,099 |
| | | 59,416 | 263,009 |



3 REVENUE AND SEGMENT REPORTING (Continued)

(b) Operating segment

Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance is more focused on the Group as a whole, as all of the Group's activities are considered to be primarily dependent on the performance on property development. Resources are allocated based on what is beneficial for the Group in enhancing its property development activities as a whole rather than any specific service. Performance assessment is based on the results of the Group as a whole. Therefore, management considers there is only one operating segment under the requirements of HKFRS 8, *Operating segments*.

Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers; and (ii) the Group's property, plant and equipment, investment properties and interests in associates and joint ventures ("specified non-current assets"). The geographical location of revenue is based on the location at which the properties were developed or leased out. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of property, plant and equipment and investment properties, and the location of operations, in the case of interests in associates and joint ventures.

3 收入及分部報告(續)

(b) 經營分部

就資源分配及分部表現評估向本集團主要營運人匯報時，由於本集團主要依賴物業發展之表現，故有關匯報資料較集中於本集團整體。資源按如何有利本集團提升整體物業發展活動而非任何特定服務而予以分配。表現評估乃根據本集團整體業績作出。因此，管理層認為根據香港財務報告準則第8號經營分部的規定，僅有一個經營分部。

地區資料

下表載列有關(i)本集團來自外界客戶的收入，及(ii)本集團物業、廠房及設備、投資物業及於聯營公司及合營公司權益(「指定非流動資產」)所在地的資料。收入所在地乃基於發展及出租物業的位置。指定非流動資產的所在地乃基於資產的實際位置(如屬物業、廠房及設備及投資物業)及業務位置(如屬於聯營公司及合營公司權益)。



3 REVENUE AND SEGMENT REPORTING

(Continued)

(b) Operating segment (Continued)
Geographic information (Continued)

3 收入及分部報告(續)

(b) 經營分部(續)
地區資料(續)

| | | Revenue from external customers 來自外界客戶的收入 | | Specified non-current assets 指定非流動資產 | |
|----------------|------|--|---|--|--|
| | | Six months ended 30 June 截至6月30日止六個月 | | At 30 June 2019 2019年 6月30日 | At 31 December 2018 2018年 12月31日 |
| | | 2019 2019年 RMB'000 人民幣千元 (Unaudited) (未經審核) | 2018 2018年 RMB'000 人民幣千元 (Audited) (經審核) | RMB'000 人民幣千元 (Unaudited) (未經審核) | RMB'000 人民幣千元 (Audited) (經審核) |
| Huizhou city | 惠州市 | 38,820 | 243,230 | 107,528 | 108,463 |
| Tianjin city | 天津市 | 20,596 | 19,779 | 32,661 | 33,516 |
| Zhumadian city | 駐馬店市 | — | — | 104,519 | 104,576 |
| Others | 其他 | — | — | 1,903 | 336 |
| | | 59,416 | 263,009 | 246,611 | 246,891 |



4 OTHER NET INCOME

4 其他收入淨額

| | | Six months ended 30 June 截至6月30日止六個月 | |
|--|----------------------|---|---|
| | | 2019 2019年 RMB'000 人民幣千元 (Unaudited) (未經審核) | 2018 2018年 RMB'000 人民幣千元 (Audited) (經審核) |
| Interest income | 利息收入 | 7,088 | 625 |
| Net gain on disposal of other financial assets | 出售其他金融資產的收益淨額 | 367 | 26 |
| Net loss on disposal of non-current assets held for sale | 出售持作出售的非流動資產的虧損淨額 | (99) | — |
| Net gain/(loss) on disposal of property, plant and equipment | 出售物業、廠房及設備的收益/(虧損)淨額 | 293 | (9) |
| Net exchange gain/(loss) | 匯兌收益/(虧損)淨額 | 51 | (32) |
| Others | 其他 | 59 | 11 |
| | | 7,759 | 621 |

5 OTHER EXPENSES

5 其他開支

| | | Six months ended 30 June 截至6月30日止六個月 | |
|-----------------------|--------|---|---|
| | | 2019 2019年 RMB'000 人民幣千元 (Unaudited) (未經審核) | 2018 2018年 RMB'000 人民幣千元 (Audited) (經審核) |
| Donations | 捐贈 | 1,760 | 113 |
| Other sundry expenses | 其他雜項開支 | 10 | 123 |
| | | 1,770 | 236 |



6 (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation is arrived at after charging/
(crediting):

(a) Finance costs

6 除稅前(虧損)/溢利

除稅前(虧損)/溢利乃經扣除/(計入)
下列各項後達致：

(a) 融資成本

| | | Six months ended 30 June 截至6月30日止六個月 | |
|---|------------------|--|---|
| | | 2019 2019年 RMB'000 人民幣千元 (Unaudited) (未經審核) | 2018 2018年 RMB'000 人民幣千元 (Audited) (經審核) |
| Interest on bank loans | 銀行借貸利息 | 13,468 | 8,464 |
| Accrued interest on significant financing component of contract liabilities | 合約負債的重大融資部分的應計利息 | 29,551 | 4,432 |
| Others | 其他 | 1,717 | — |
| | | 44,736 | 12,896 |
| Less: Interest expenses capitalised into inventories | 減：資本化至存貨的利息開支 | (38,961) | (12,856) |
| | | 5,775 | 40 |



6 (LOSS)/PROFIT BEFORE TAXATION

(Continued)

(b) Staff costs

| | | Six months ended 30 June 截至6月30日止六個月 | |
|--|---------------------------|--|---|
| | | 2019 2019年 RMB'000 人民幣千元 (Unaudited) (未經審核) | 2018 2018年 RMB'000 人民幣千元 (Audited) (經審核) |
| Salaries, wages and other benefits | 薪金、工資及其他福利 | 17,383 | 14,926 |
| Contributions to defined contribution retirement plan | 向界定供款退休計劃供款 | 979 | 1,031 |
| Equity-settled share-based payment expenses (note 18(b)) | 以權益結算以股份為基礎的支付開支(附註18(b)) | 1,346 | — |
| Less: Staff costs capitalised into inventories | 減：資本化至存貨的員工成本 | (4,978) | (2,642) |
| | | 14,730 | 13,315 |

(c) Other items

| | | Six months ended 30 June 截至6月30日止六個月 | |
|--|------------|--|---|
| | | 2019 2019年 RMB'000 人民幣千元 (Unaudited) (未經審核) | 2018 2018年 RMB'000 人民幣千元 (Audited) (經審核) |
| Depreciation | 折舊 | 2,065 | 1,930 |
| Cost of inventories (note 11) | 存貨成本(附註11) | 32,685 | 138,594 |
| Rentals receivables from investment properties | 投資物業應收租金 | (346) | (868) |
| Less: Direct outgoings | 減：直接支出 | 3 | 39 |
| | | (343) | (829) |

6 除稅前(虧損)/溢利(續)

(b) 員工成本

(c) 其他項目



7 INCOME TAX

7 所得稅

| | | Six months ended 30 June 截至6月30日止六個月 | |
|---|------------------|---|---|
| | | 2019 2019年 RMB'000 人民幣千元 (Unaudited) (未經審核) | 2018 2018年 RMB'000 人民幣千元 (Audited) (經審核) |
| Current tax | 即期稅項 | | |
| Provision for Corporate Income Tax ("CIT") | 企業所得稅(「企業所得稅」)撥備 | 522 | 12,800 |
| Provision for Land Appreciation Tax ("LAT") | 土地增值稅(「土地增值稅」)撥備 | 7,154 | 32,551 |
| | | 7,676 | 45,351 |
| Deferred tax | 遞延稅項 | | |
| Origination and reversal of temporary differences | 產生及撥回暫時差額 | (113) | 5,855 |
| | | 7,563 | 51,206 |

(i) CIT and Hong Kong Profits Tax

Provision for CIT is based on the estimated taxable income at the rates applicable to each subsidiary in the Group. The income tax rate applicable to the principal subsidiaries in the PRC is 25% during the six months ended 30 June 2019 (six months ended 30 June 2018: 25%).

No provision for Hong Kong Profits Tax was recognised for the six months ended 30 June 2019 (six months ended 30 June 2018: Nil) as the subsidiaries in Hong Kong did not have any assessable profits for the period.

(i) 企業所得稅及香港利得稅

企業所得稅撥備基於估計應課稅收益按本集團各附屬公司適用的稅率計算。截至2019年6月30日止六個月中國主要附屬公司適用的所得稅率為25%(截至2018年6月30日止六個月：25%)。

截至2019年6月30日止六個月概無確認香港利得稅撥備(截至2018年6月30日止六個月：零)，因為香港附屬公司期內概無任何應課稅利潤。

7 INCOME TAX (Continued)

(ii) LAT

LAT is levied on properties developed by the Group for sale, at progressive rates ranging from 30% to 60% on the appreciation of land value, which under the applicable regulations is based on the proceeds of sales of properties less deductible expenditures including lease charges of land use rights, borrowing costs and relevant property development expenditures.

- (iii) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (“BVI”), the Group is not subject to any income tax in the Cayman Islands and the BVI.

8 (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

For the six months ended 30 June 2019, the calculation of basic (loss)/earnings per share is based on the loss attributable to equity shareholders of the Company of RMB12,305,000 (six months ended 30 June 2018: profit attributable to equity shareholders of the Company of RMB16,800,000) and the weighted average number of issued ordinary shares of 750,000,000 (six months ended 30 June 2018: 562,500,000 shares), calculated as follows:

Weighted average number of ordinary shares

| | | 2019 2019年 '000 shares 千股 | 2018 2018年 '000 shares 千股 |
|---|----------------------|------------------------------------|------------------------------------|
| Issued ordinary shares at 1 January | 於1月1日已發行普通股 | 750,000 | — |
| Effect of capitalisation of shareholders' loans and capitalisation issue (Note) | 股東貸款資本化及資本化發行的影響(附註) | — | 562,500 |
| Weighted average number of ordinary shares at 30 June | 於6月30日之普通股加權平均數 | 750,000 | 562,500 |

7 所得稅(續)

(ii) 土地增值稅

土地增值稅按30%至60%的累進稅率就本集團已開發並銷售物業的土地增值額徵收。根據相關法規，土地增值額按銷售物業所得款項減可抵扣開支(包括土地使用權租賃費、借款成本及相關物業開發支出)計算。

- (iii) 根據開曼群島及英屬維爾京群島(「英屬維爾京群島」)的規則及規例，本集團毋須繳納開曼群島及英屬維爾京群島任何所得稅。

8 每股(虧損)/盈利

(a) 每股基本(虧損)/盈利

截至2019年6月30日止六個月，每股基本(虧損)/盈利乃根據本公司權益股東應佔虧損人民幣12,305,000元(截至2018年6月30日止六個月：本公司權益股東應佔溢利人民幣16,800,000元)及750,000,000股(截至2018年6月30日止六個月：562,500,000股)已發行普通股加權平均數計算如下：

普通股加權平均數



8 (LOSS)/EARNINGS PER SHARE (Continued)

(a) Basic (loss)/earnings per share (Continued) Weighted average number of ordinary shares (Continued)

Note: Pursuant to a written resolution of the Company's sole shareholder passed on 26 November 2018, the shareholders' loans of HKD543,501,000 (equivalent to approximately RMB478,662,000) were capitalised into 9,998 new shares of the Company. Accordingly, the total number of shares of the Company increased from 2 to 10,000 on 20 December 2018.

Pursuant to a written resolution of the Company's sole shareholder passed on 26 November 2018, the directors of the Company authorised to allot and issue a total of 562,490,000 shares, by way of capitalising the share premium of HKD5,624,900 (equivalent to approximately RMB4,954,000). The capitalisation issue was completed upon listing (i.e. 20 December 2018). Accordingly, the total number of shares of the Company further increased to 562,500,000 on 20 December 2018, before the issuance under the initial public offering.

The weighted average number of shares in issue in the six months ended 30 June 2018 was based on the assumption that 562,500,000 shares were issued before listing of the shares of the Company on the Stock Exchange, as if such shares had been outstanding throughout the six months ended 30 June 2018.

8 每股(虧損)/盈利(續)

(a) 每股基本(虧損)/盈利(續) 普通股加權平均數(續)

附註：根據本公司唯一股東於2018年11月26日通過的書面決議案，股東貸款543,501,000港元(相當於約人民幣478,662,000元)撥充資本至本公司9,998股新股份，從而使本公司股份總數由2股增至2018年12月20日的10,000股。

根據本公司唯一股東於2018年11月26日通過的書面決議案，本公司董事授權以將股份溢價5,624,900港元(相當於約人民幣4,954,000元)撥充資本的方式配發及發行總計562,490,000股股份。資本化發行於上市時(即2018年12月20日)完成，從而使首次公開發售發行前本公司股份總數再增至2018年12月20日的562,500,000股。

截至2018年6月30日止六個月的已發行股份加權平均數乃基於假設本公司股份於聯交所上市前已發行562,500,000股股份計算，猶如該等股份於截至2018年6月30日止六個月一直發行流通。



8 (LOSS)/EARNINGS PER SHARE (Continued)

(b) Diluted (loss)/earnings per share

Diluted (loss)/earnings per share for the six months ended 30 June 2019 and 2018 were the same as the basic (loss)/earnings per share.

At 30 June 2019, 23,700,000 share options (see note 18(b)) were excluded from the diluted weighted average number of ordinary shares calculation because their effect would have been anti-dilutive. The average market value of the Company's shares for the purpose of calculating the dilutive effect of share options was based on quoted market prices of the Company's shares for the period during which the options were outstanding.

At 30 June 2018, there were no potentially dilutive ordinary shares.

9 PROPERTY, PLANT AND EQUIPMENT

As at 30 June 2019 and 31 December 2018, the Group was in the process of applying for certificates of ownership for certain properties with the carrying amount of RMB34,517,000.

Acquisitions and disposals

During the six months ended 30 June 2019, the Group acquired property, plant and equipment with a cost of RMB1,829,000 (six months ended 30 June 2018: RMB184,000), and disposed of property, plant and equipment with a net book value of RMB52,000 (six months ended 30 June 2018: RMB10,000).

8 每股(虧損)/盈利(續)

(b) 每股攤薄(虧損)/盈利

截至2019年及2018年6月30日止六個月的每股攤薄(虧損)/盈利與每股基本(虧損)/盈利相同。

於2019年6月30日，由於23,700,000份購股權(見附註18(b))具有反攤薄效應，故計算普通股攤薄加權平均數目時並不包括該等購股權。用於計算購股權攤薄效應的本公司股份之平均市值乃基於在購股權發行流通期間的本公司股份市場報價。

於2018年6月30日並無潛在攤薄普通股。

9 物業、廠房及設備

於2019年6月30日及2018年12月31日，本集團正在申請部分物業的所有權證，該等物業的賬面值為人民幣34,517,000元。

收購及出售

截至2019年6月30日止六個月，本集團以人民幣1,829,000元(截至2018年6月30日止六個月：人民幣184,000元)購置物業、廠房及設備，並出售賬面淨值為人民幣52,000元(截至2018年6月30日止六個月：人民幣10,000元)之物業、廠房及設備。



10 INVESTMENT PROPERTIES

The Group's investment properties were revalued at fair value as at 30 June 2019 by Vincorn Consulting and Appraisal Limited (formerly known as Unicorn Consulting and Appraisal Limited), an independent valuer who has relevant professional qualification and recent experience in the location and category of properties being valued. Same valuation techniques were used by this valuer when carrying out the valuations as at 31 December 2018. The Group's management had discussion with the valuer on the valuation assumptions and valuation results twice a year for financial reporting purpose.

As a result of the revaluation, a net gain of RMB580,000 (six months ended 30 June 2018: RMB1,420,000) and deferred tax thereon of RMB145,000 (six months ended 30 June 2018: RMB355,000), have been recognised in profit or loss for the six months ended 30 June 2019.

10 投資物業

本集團投資物業於2019年6月30日由獨立估值師泓亮諮詢及評估有限公司(前稱銳漢諮詢及評估有限公司)按公平值重新評估。該估值師具有相關專業資質，近期曾對所評估物業所處地段的同類物業進行評估，其估值方法與2018年12月31日估值所用估值方法相同。為編製財務報告，本集團管理層與估值師每年討論估值假設及估值結果兩次。

截至2019年6月30日止六個月，由於重新估值，我們已於損益確認收益淨額人民幣580,000元(截至2018年6月30日止六個月：人民幣1,420,000元)及相關遞延稅項人民幣145,000元(截至2018年6月30日止六個月：人民幣355,000元)。

11 INVENTORIES AND OTHER CONTRACT COSTS

11 存貨及其他合約成本

| | | At 30 June 2019 2019年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核) | At 31 December 2018 2018年 12月31日 RMB'000 人民幣千元 (Audited) (經審核) |
|---------------------------------|---------------|--|--|
| Inventories | 存貨 | | |
| Properties held for development | 持作發展物業 | 38,301 | 38,301 |
| Properties under development | 建設中物業 | 1,429,956 | 1,215,175 |
| Completed properties for sale | 待售已竣工物業 | 409,609 | 418,822 |
| | | 1,877,866 | 1,672,298 |
| Other contract costs | 其他合約成本 | 18,844 | 15,977 |
| | | 1,896,710 | 1,688,275 |

11 INVENTORIES AND OTHER CONTRACT COSTS (Continued)

At 30 June 2019, certain of the Group's inventories were pledged to secure bank loans (see note 16).

The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

11 存貨及其他合約成本(續)

於2019年6月30日，本集團若干存貨已就銀行貸款作出抵押(見附註16)。

確認為開支並計入損益的存貨金額分析如下：

| | | Six months ended June 截至6月30日止六個月 | |
|---------------------------------|--------------|--|---|
| | | 2019 2019年 RMB'000 人民幣千元 (Unaudited) (未經審核) | 2018 2018年 RMB'000 人民幣千元 (Audited) (經審核) |
| Cost of inventories (note 6(c)) | 存貨成本(附註6(c)) | 32,685 | 138,594 |

12 CONTRACT LIABILITIES

The following table provides information about receivables and contract liabilities from contracts with customers:

12 合約負債

下表列載有關客戶合約應收款項及合約負債的資料：

| | | At 30 June 2019 2019年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核) | At 31 December 2018 2018年 12月31日 RMB'000 人民幣千元 (Audited) (經審核) |
|---|--|---|--|
| Receivables from contracts with customers within the scope of HKFRS 15, which are included in "Trade and other receivables" | 《香港財務報告準則》第15號範圍內的客戶合約應收款項，計入「貿易及其他應收款項」 | 95 | 95 |
| Contract liabilities – Receipt in advance from property sales | 合約負債 – 物業銷售預收款 | 1,837,509 | 1,494,172 |



12 CONTRACT LIABILITIES (Continued)
Movements in contract liabilities

12 合約負債(續)
合約負債變動

| | | 2019 2019年 RMB'000 人民幣千元 (Unaudited) (未經審核) | 2018 2018年 RMB'000 人民幣千元 (Audited) (經審核) |
|--|----------------------------------|--|---|
| Balance at 1 January | 於1月1日的結餘 | 1,494,172 | 71,281 |
| Decrease in contract liabilities as a result of recognising revenue during the period that was included in the contract liabilities at the beginning of the period | 合約負債因期內確認期初計入合約負債的收入而減少 | (17,914) | (53,074) |
| Increase in contract liabilities as a result of receipt in advance from property sales during the period in respect of properties still under construction as at 30 June | 合約負債因期內於6月30日仍然在建物業產生的物業銷售預收款而增加 | 331,700 | 629,588 |
| Increase in contract liabilities as a result of accruing interest expense on receipt in advance | 合約負債因所收取預付款的累計利息開支而增加 | 29,551 | 4,896 |
| Balance at 30 June | 於6月30日的結餘 | 1,837,509 | 652,691 |



13 TRADE AND OTHER RECEIVABLE

13 貿易及其他應收款項

| | | At 30 June 2019 2019年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核) | At 31 December 2018 2018年 12月31日 RMB'000 人民幣千元 (Audited) (經審核) |
|--|--------------|--|--|
| Trade debtors, net of loss allowance | 應收賬款，扣除損失撥備 | 409 | 418 |
| Other debtors | 其他應收款項 | 7,872 | 7,449 |
| Financial assets measured at amortised cost | 按攤餘成本計量的金融資產 | 8,281 | 7,867 |
| Deposits | 按金 | 19,110 | 11,562 |
| Prepayments | 預付款項 | 190,546 | 156,496 |
| | | 217,937 | 175,925 |

As of 30 June 2019, based on the due date of trade debtors, no trade debtors were past due (31 December 2018: Nil). Based on experience, management believes that no impairment allowance is necessary in respect of the trade debtors as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

截至2019年6月30日，基於應收賬款到期日概無應收賬款逾期(2018年12月31日：零)。基於經驗，管理層認為由於信貸質素並無重大改變且該等結餘仍被視為可悉數收回，故毋須就應收賬款計提減值撥備。本集團並無就該等結餘持有任何抵押品。



14 PLEDGED AND RESTRICTED DEPOSITS

14 已抵押及受限制存款

| | | At 30 June 2019 2019年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核) | At 31 December 2018 2018年 12月31日 RMB'000 人民幣千元 (Audited) (經審核) |
|--|-----------------|--|--|
| Pledged deposits for mortgage arrangements of the property buyers | 就物業買家按揭安排作抵押的存款 | 32,945 | 28,959 |
| Restricted deposits for the construction of properties under development | 建築在建物業的受限制存款 | 563,015 | 458,054 |
| | | 595,960 | 487,013 |

15 CASH AND CASH EQUIVALENTS

15 現金及現金等價物

| | | At 30 June 2019 2019年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核) | At 31 December 2018 2018年 12月31日 RMB'000 人民幣千元 (Audited) (經審核) |
|--------------|------|--|--|
| Cash on hand | 手頭現金 | 140 | 94 |
| Cash at bank | 銀行現金 | 831,336 | 1,106,332 |
| | | 831,476 | 1,106,426 |



15 CASH AND CASH EQUIVALENTS (Continued)

Reconciliation of (loss)/profit before taxation to cash (used in)/generated from operation is as follow:

15 現金及現金等價物(續)

除稅前(虧損)/溢利與經營(所用)/所產生現金的對賬如下:

| | | Six months ended 30 June 截至6月30日止六個月 | |
|---|------------------|--|-----------------------------------|
| | | 2019 2019年 RMB'000 人民幣千元 | 2018 2018年 RMB'000 人民幣千元 |
| (Loss)/profit before taxation | 除稅前(虧損)溢利 | (6,414) | 90,826 |
| Adjustments for non-operating items and non-cash transactions | 非經營項目及非現金交易之調整 | 2,788 | 9,660 |
| Operating cash flows before changes in working capital | 營運資金變動前經營現金流量 | (3,626) | 100,486 |
| Changes in working capital: | 營運資金變動: | | |
| (Increase)/decrease in trade and other receivables | 貿易及其他應收款項(增加)/減少 | (42,012) | 10,958 |
| Increase in contract liabilities | 合約負債增加 | 313,786 | 581,370 |
| (Decrease)/increase in trade and other payables | 貿易及其他應付款項(減少)/增加 | (129,908) | 24,094 |
| Other changes in working capital | 營運資金其他變動 | (278,421) | (289,119) |
| Cash (used in)/generate from operations | 經營(所用)/所產生現金 | (140,181) | 427,789 |



16 BANK LOANS

16 銀行貸款

| | | At 30 June 2019 2019年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核) | At 31 December 2018 2018年 12月31日 RMB'000 人民幣千元 (Audited) (經審核) |
|-------------|-------|--|--|
| — Secured | — 有抵押 | 458,654 | 460,794 |
| — Unsecured | — 無抵押 | 10,000 | 87,620 |
| | | 468,654 | 548,414 |

The secured bank loans are secured by assets below:

有抵押銀行貸款以下列資產作抵押：

| | | At 30 June 2019 2019年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核) | At 31 December 2018 2018年 12月31日 RMB'000 人民幣千元 (Audited) (經審核) |
|-------------|----|--|--|
| Inventories | 存貨 | 746,659 | 600,220 |

At 30 June 2019, the secured bank loan of RMB95,353,000 (31 December 2018: RMB96,316,000) was guaranteed by related parties (see note 21(e)).

於2019年6月30日，有抵押銀行貸款人民幣95,353,000元（2018年12月31日：人民幣96,316,000元）由關聯方擔保（見附註21(e)）。

The Group's banking facilities are subject to the fulfilment of certain covenants which are common in similar lending arrangements with financial institutions. If the Group were to breach the covenants, the drawn down facilities would become payable on demand.

本集團的銀行融資須達成若干契諾方可作實，有關契諾於與金融機構的相若借貸安排中常見。倘本集團違反契諾，已提取融資將須按要求償還。



16 BANK LOANS (Continued)

At 30 June 2019, bank loans were repayable as follows according to the repayment schedules as set out in the loan agreements:

| | | At 30 June 2019 2019年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核) | At 31 December 2018 2018年 12月31日 RMB'000 人民幣千元 (Audited) (經審核) |
|----------------------------------|---------|--|--|
| Within 1 year | 一年內 | 290,566 | 288,762 |
| After 1 year but within 2 years | 一年後但兩年內 | 178,088 | 154,775 |
| After 2 years but within 5 years | 兩年後但五年內 | — | 104,877 |
| | | 468,654 | 548,414 |

Notwithstanding the specified repayment schedules as stated in the facilities letters which allow the loans to be repaid over a period of more than one year, banking facilities granted to the Group include a clause that gives the bank an unconditional rights to call the bank loans at any time (“repayment on demand clause”). The bank loans subject to the repayment on demand clause amounted to RMB468,654,000 as at 30 June 2019 (31 December 2018: RMB460,794,000) were classified as current liabilities in the consolidated statement of financial position.

16 銀行貸款(續)

於2019年6月30日，根據貸款協議所載還款時間表銀行貸款須按以下時間償還：

儘管融資函件所述特定還款時間表容許貸款的還款期超過一年，惟本集團獲授的銀行融資有條款容許銀行可無條件隨時要求償還銀行貸款(「要求償還條款」)。於2019年6月30日，受限於要求償還條款的銀行貸款為人民幣468,654,000元(2018年12月31日：人民幣460,794,000元)，均於綜合財務狀況表內歸類為流動負債。



17 TRADE AND OTHER PAYABLES

As of the end of the reporting period, the ageing analysis of trade creditors (which are included in trade and other payables), based on the date of the trade payables recognised, is as follows:

17 貿易及其他應付款項

於報告期末按已確認貿易應付款項日期之應付賬款(計入貿易及其他應付款項)的賬齡分析如下:

| | | At 30 June 2019 2019年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核) | At 31 December 2018 2018年 12月31日 RMB'000 人民幣千元 (Audited) (經審核) |
|---|----------------|--|--|
| Current portion: | 流動部分: | | |
| Within 3 months | 3個月內 | 95,100 | 157,633 |
| 3 to 6 months | 3至6個月 | — | 148 |
| 6 to 12 months | 6至12個月 | 954 | 98 |
| Over 12 months | 12個月以上 | 12,049 | 17,057 |
| Trade creditors | 應付賬款 | 108,103 | 174,936 |
| Interest payables | 應付利息 | 1,060 | 1,993 |
| Other payables and accruals | 其他應付款項及應計費用 | 67,248 | 136,155 |
| Amounts due to related parties (Note (a)) | 應付關聯方款項(附註(a)) | | |
| — minority shareholders | — 少數股東 | 372,214 | 349,084 |
| — other related party | — 其他關聯方 | — | 78 |
| Financial liabilities measured at amortised cost | 以攤餘成本計量的金融負債 | 548,625 | 662,246 |
| Financial guarantee issued (Note 20) | 已發出的財務擔保(附註20) | 3,949 | 2,682 |
| | | 552,574 | 664,928 |
| Non-current portion: | 非流動部分: | | |
| Amounts due to related parties (Note (b)) | 應付關聯方款項(附註(b)) | 68,865 | 67,145 |
| Financial guarantee issued (Note 20) | 已發出的財務擔保(附註20) | 4,096 | 4,108 |
| | | 72,961 | 71,253 |
| | | 625,535 | 736,181 |



17 TRADE AND OTHER PAYABLES (Continued)

Notes:

- (a) Current portion of the amounts due to related parties are interest-free, unsecured and repayable on demand.
- (b) Pursuant to the capital injection agreement between Huizhou Yuefu Real Estate Co., Ltd. ("Huizhou Yuefu"), a subsidiary of the Group, and its shareholders signed on 25 June 2018 (the "Agreement"), an amount of RMB65,443,000, representing the sum of the retained profits as at 31 May 2018 and the estimated unrealised gain arising from the unsold inventories as at 31 May 2018, should be distributed to the original shareholders in accordance with their original equity interest ratio in Huizhou Yuefu before the capital injection. The balance is initially recognised at fair value and subsequently stated at amortised cost. The balance is unsecured and expected to be settled upon disposal of the relevant inventories.

18 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

No dividends have been declared or paid by the Company and its subsidiaries during the six months ended 30 June 2019 (six months ended 30 June 2018: Nil).

In respect of the deemed distribution to shareholders by a subsidiary of the Group, please refer to note 17(b).

17 貿易及其他應付款項(續)

附註：

- (a) 應付關聯方款項的流動部分為免息、無抵押及要求時償還。
- (b) 根據本集團附屬公司惠州市悅富房地產開發有限公司(「惠州悅富」)與其股東於2018年6月25日簽訂的注資協議(「該協議」)，2018年5月31日之保留溢利及2018年5月31日之未售存貨的估計未變現收益總額合計人民幣65,443,000元應根據注資前原有股東所持惠州悅富原股權比例向彼等分派。結餘初步按公平值確認，其後按攤餘成本列賬。結餘並無抵押且預期將於相關存貨售出後結清。

18 資本、儲備及股息

(a) 股息

截至2019年6月30日止六個月，本公司及其附屬公司並無宣派或派付股息(截至2018年6月30日止六個月：零)。

有關本集團一間附屬公司視作向股東作出的分派，請參閱附註17(b)。



18 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(b) Equity settled share-based transactions

On 29 March 2019, 23,700,000 share options (six months ended 30 June 2018: Nil) were granted for nil consideration to the directors and certain employees of the Group under the Company's share option scheme. Each option gives the holder the right to subscribe for one ordinary share of the Company at an exercise price of HKD1.362. The share options have a term of 10 years commencing from 29 March 2019 and will be vested in three equal tranches in three years.

The Group recognised share-based payment expenses of RMB1,346,000 during the six months ended 30 June 2019 (six months ended 30 June 2018: Nil).

No options were exercised during the six months ended 30 June 2019 (2018: Nil).

18 資本、儲備及股息(續)

(b) 以權益結算以股份為基礎的交易

2019年3月29日，23,700,000份購股權(截至2018年6月30日止六個月：零)根據本公司購股權計劃以零代價授予董事及本集團僱員。每份購股權可供持有人以行使價1.362港元認購一股本公司普通股。該等購股權可於2019年3月29日起10年內行使，於三年內分三批等額歸屬。

截至2019年6月30日止六個月，本集團確認股份支付開支人民幣1,346,000元(2018年：零)。

截至2019年6月30日止六個月並無行使任何購股權(2018年：零)。

19 COMMITMENTS

Capital commitments outstanding at 30 June 2019 not provided for in the interim financial report are as follow:

19 承擔

未於中期財務報告撥備的2019年6月30日尚未支付資本承擔如下：

| | At 30 June 2019 2019年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核) | At 31 December 2018 2018年 12月31日 RMB'000 人民幣千元 (Audited) (經審核) |
|--|--|--|
| Contracted for: Construction and development contracts | 已訂約： 建築及發展合約 597,424 | 560,053 |



20 CONTINGENT LIABILITIES

During the six months ended 30 June 2019, the Group has issued guarantees to banks to secure the mortgage arrangements of certain property buyers. The outstanding guarantees to the banks, amounting to RMB661,842,000 as at 30 June 2019 (31 December 2018: RMB566,978,000), will be terminated upon completion of transferring the legal title of the properties to the property buyers. The directors consider loss arising from these guarantees as a result of default payment by customers to be immaterial, as the banks have the rights to sell the property and recover the outstanding loan balance from sale proceeds.

The Group has not recognised any deferred income in respect of these guarantees as their fair values are considered to be insignificant.

During the six months ended 30 June 2019, the Group provided guarantee to secure the bank loan borrowed by a joint venture of the Group (see note 21(f)). The total banking facility secured by this guarantee was RMB1,450,000,000 (31 December 2018: 1,450,000,000) and the outstanding loan balance was RMB530,000,000 as at 30 June 2019 (31 December 2018: 360,000,000). The bank loan is also jointly guaranteed by another shareholder of the joint venture and secured by the inventories of the joint venture. The directors consider loss arising from this guarantee as a result of default payment by the joint venture to be immaterial.

Deferred income in respect of the financial guarantee issued is disclosed in note 17.

20 或然負債

截至2019年6月30日止六個月，本集團就若干物業買家按揭安排向銀行提供擔保。於2019年6月30日，未了結銀行擔保為人民幣661,842,000元(2018年12月31日：人民幣566,978,000元)，有關擔保將於物業法定業權轉讓予物業買家後終止。董事認為，本集團不會因客戶拖欠款項而蒙受重大損失，原因是倘客戶拖欠款項，銀行有權出售物業，以出售所得款項抵償未償還貸款結餘。

本集團尚未就該等擔保確認任何遞延收入，因為其公平值微不足道。

截至2019年6月30日止六個月，本集團就合營公司銀行借貸提供擔保(見附註21(f))。於2019年6月30日，該擔保下的銀行融資總額為人民幣1,450,000,000元(2018年12月31日：人民幣1,450,000,000元)，未償還貸款結餘為人民幣530,000,000元(2018年12月31日：人民幣360,000,000元)。銀行貸款亦由合營公司的另一股東共同擔保，以合營公司的存貨作抵押。董事認為，本集團不會因合營公司拖欠款項而蒙受重大損失。

已提供的財務擔保的遞延收入於附註17披露。



21 MATERIAL RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere, the Group entered into the following material related party transactions.

(a) Name and relationship with related parties

21 重大關聯方交易

除其他章節所披露之關聯方資料外，本集團訂立以下重大關聯方交易。

(a) 關聯方名稱及與其關係

| Name of related party 關聯方名稱 | Relationship with the Group 與本集團的關係 |
|---|--|
| Wong Ting Chung 王庭聰 | Chairman of the board; one of the controlling shareholders of the Group 董事會主席；本集團控股股東之一 |
| Liu Weito 劉偉韜 | Minority shareholder in certain entities of the Group 本集團若干實體的少數股東 |
| Fan Yuanxin 范元新 | Close family member of Liu Weito 劉偉韜之近親家族成員 |
| Wang Xiaoxia 王小霞 | Minority shareholder in certain entities of the Group 本集團若干實體的少數股東 |
| Wong Man Li 黃敏利 | Controlling shareholder of Brightwood Management Limited 顯駿管理有限公司控股股東 |
| Lin Guoxian 林國賢 | Close family member of Wong Ting Chung 王庭聰之近親家族成員 |
| Brightwood Management Limited ("Brightwood") 顯駿管理有限公司(「顯駿」) | Minority shareholder in certain entities of the Group 本集團若干實體的少數股東 |
| Gold Concept Development Limited ("Gold Concept") | Associate of the Group |
| Gold Concept Development Limited (「Gold Concept」) | 本集團聯營公司 |
| Asia Image (H.K.) Limited ("Asia Image") 怡美(香港)有限公司(「怡美」) | Associate of the Group 本集團聯營公司 |



21 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(a) Name and relationship with related parties (Continued)

21 重大關聯方交易(續)

(a) 關聯方名稱及與其關係(續)

| Name of related party 關聯方名稱 | Relationship with the Group 與本集團的關係 |
|--|---|
| Henan Julongju Real Estate Co., Ltd.* ("Henan Julongju") 河南聚龍居置業有限公司 (「河南聚龍居」) | Associate of the Group 本集團聯營公司 |
| Well Kong Investments Limited ("Well Kong Investment") 惠港投資有限公司(「惠港投資」) | Joint venture of the Group 本集團合營公司 |
| Well Kong (H.K.) Limited ("Well Kong HK") 惠港(香港)有限公司(「惠港香港」) | Joint venture of the Group 本集團合營公司 |
| Huizhou Well Kong Real Estate Co., Ltd.* ("Huizhou Well Kong") 惠州惠港置業有限公司(「惠州惠港」) | Joint venture of the Group 本集團合營公司 |
| Huizhou Kangcheng Property Management Ltd.* ("Huizhou Kangcheng") (note) 惠州市康城物業管理有限公司 (「惠州康城」)(附註) | Entities controlled by Lin Guoxian and significantly influenced by Liu Weito 受林國賢控制及劉偉韜擁有重大影響力的實體 |
| Jingjiazhuang (Huizhou) Health Food Co., Ltd.* ("Jingjiazhuang Health Food") 勁家莊(惠州)健康食品有限公司 (「勁家莊健康食品」) | Entities significantly influenced by Wong Ting Chung and his family 王庭聰及其家族擁有重大影響力的實體 |
| Huizhou Gangsheng Real Estate Co., Ltd.* ("Huizhou Gangsheng") 惠州港升置業有限公司(「惠州港升」) | Entities controlled by Wong Ting Chung and his family 受王庭聰及其家族控制的實體 |



21 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(a) Name and relationship with related parties (Continued)

21 重大關聯方交易(續)

(a) 關聯方名稱及與其關係(續)

| Name of related party 關聯方名稱 | Relationship with the Group 與本集團的關係 |
|--|--|
| Huizhou Nanxuan Weaving Co., Ltd.* 惠州南旋毛織廠有限公司(「惠州南旋」) | Entities controlled by Wong Ting Chung and his family 受王庭聰及其家族控制的實體 |
| * These entities are PRC limited liability companies. The English translation of the company names is for reference only. The official names of the companies are in Chinese. | * 該等實體為中國有限責任公司。公司英文譯名僅供參考，中文名為官方名稱。 |
| Note: Lin Guoxian and Liu Weito disposed of their equity interests in Huizhou Kangcheng respectively on 7 May 2018 and 29 June 2018, and Huizhou Kangcheng ceased to be a related party of the Group since then. | 附註：林國賢及劉偉韜分別於2018年5月7日及2018年6月29日出售彼等於惠州康城的股權，其後惠州康城不再為本集團之關聯方。 |

21 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(b) Transactions with key management personnel

Remuneration for key management personnel of the Group is as follows:

21 重大關聯方交易(續)

(b) 與主要管理層人員的交易

本集團主要管理層人員的薪酬如下：

| | | Six months ended 30 June 截至6月30日止六個月 | |
|------------------------------------|----------------|--|---|
| | | 2019 2019年 RMB'000 人民幣千元 (Unaudited) (未經審核) | 2018 2018年 RMB'000 人民幣千元 (Audited) (經審核) |
| Short-term employee benefits | 短期僱員福利 | 4,064 | 2,106 |
| Retirement scheme contributions | 退休計劃供款 | 37 | 23 |
| Equity-settled share based payment | 以權益結算以股份為基礎的支付 | 865 | — |
| | | 4,966 | 2,129 |

(c) Transactions with related parties

(c) 與關聯方的交易

| | | Six months ended 30 June 截至6月30日止六個月 | |
|--|----------------|--|---|
| | | 2019 2019年 RMB'000 人民幣千元 (Unaudited) (未經審核) | 2018 2018年 RMB'000 人民幣千元 (Audited) (經審核) |
| Property rental income received from Huizhou Nanxuan | 自惠州南旋收取的物業租金收入 | — | 50 |
| Rental expenses paid to Huizhou Nanxuan | 付予惠州南旋的租賃開支 | (36) | — |
| Accommodation services received from Huizhou Gangsheng | 接受惠州港升的住宿服務 | (362) | (546) |
| Property management services received from Huizhou Kangcheng | 接受惠州康城的物業管理服務 | — | (1,261) |
| Purchase of goods from Jingjiazhuang Health Food | 自勁家莊健康食品購買貨品 | (46) | (87) |



21 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(d) Balances with related parties

Balances with related parties as at 30 June 2019 are as follows.

Amounts due from related parties recorded in other receivables and interests in associates and joint ventures:

Non-trade in nature

| | | 30 June 2019 2019年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核) | 31 December 2018 2018年 12月31日 RMB'000 人民幣千元 (Audited) (經審核) |
|----------------------|--------------|--|--|
| Henan Julongju | 河南聚龍居 | 87,000 | 87,000 |
| Well Kong Investment | 惠港投資 | 43,612 | 43,440 |
| Huizhou Well Kong | 惠州惠港 | 15,000 | 15,000 |
| Asia Image | 怡美 | 264 | 262 |
| Gold Concept | Gold Concept | 21,112 | 21,029 |
| Well Kong HK | 惠港香港 | 44 | — |
| | | 167,032 | 166,731 |

21 重大關聯方交易(續)

(d) 與關聯方的結餘

於2019年6月30日與關聯方的結餘如下。

記錄於其他應收款項及於聯營公司及合營公司之權益的應收關聯方款項：

非貿易性質

21 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(d) Balances with related parties (Continued)

Amounts due to related parties recorded in other payables:

Non-trade in nature

| | | 30 June 2019 2019年 6月30日 RMB'000 人民幣千元 (Unaudited) (未經審核) | 31 December 2018 2018年 12月31日 RMB'000 人民幣千元 (Audited) (經審核) |
|-------------------|------|--|--|
| Wong Ting Chung | 王庭聰 | 35,808 | 34,915 |
| Wang Xiaoxia | 王小霞 | 55,286 | 32,230 |
| Brightwood | 顯駿 | 224,562 | 223,678 |
| Liu Weito | 劉偉韜 | 109,823 | 109,806 |
| Huizhou Gangsheng | 惠州港升 | — | 78 |
| Fan Yuanxin | 范元新 | 15,600 | 15,600 |
| | | 441,079 | 416,307 |

(e) Bank loans guaranteed by related parties

As at 30 June 2019, the secured bank loan of RMB95,353,000 was guaranteed by Wong Man Li (31 December 2018: RMB96,316,000).

(f) Guarantee issued to related party

As at 30 June 2019, the Group provided guarantee to secure the loan borrowed by the Group's joint venture, Huizhou Well Kong. Details of the guarantee issued are set out in note 20.

21 重大關聯方交易(續)

(d) 與關聯方的結餘(續)

記錄於其他應付款項的應付關聯方款項：

非貿易性質

(e) 關聯方擔保的銀行貸款

於2019年6月30日，人民幣95,353,000元的有抵押銀行貸款由黃敏利擔保(2018年12月31日：人民幣96,316,000元)。

(f) 關聯方擔保

於2019年6月30日，本集團就合營公司惠州惠港的借貸提供擔保。所提供擔保的詳情載於附註20。

| | |
|-------------------------------------|--|
| “Board” 「董事會」 | the board of Directors 董事會 |
| “CG Code” 「企業管治守則」 | the code provisions in the Corporate Governance Code and Corporate Governance Report 企業管治守則及企業管治報告的守則條文 |
| “Company” or “the Company” 「本公司」 | Million Cities Holdings Limited 萬城控股有限公司 |
| “Director(s)” 「董事」 | the director(s) of the Company 本公司董事 |
| “Executive Committee” 「執行委員會」 | the executive committee of the Board 董事會執行委員會 |
| “GFA” 「建築面積」 | gross floor area 建築面積 |
| “Group” or “the Group” 「本集團」 | the Company and its subsidiaries 本公司及其附屬公司 |
| “HK\$” 「港元」 | Hong Kong Dollar, the lawful currency of Hong Kong 香港法定貨幣港元 |
| “IPO” 「首次公开发售」 | initial public offering 首次公开发售 |
| “Listing” 「上市」 | listing of the shares of the Company on the Main Board of the Stock Exchange 本公司股份於聯交所主板上市 |
| “Listing Rules” 「上市規則」 | the Rules Governing the Listing of Securities on the Stock Exchange 聯交所證券上市規則 |
| “Main Board” 「主板」 | the Main Board of the Stock Exchange 聯交所主板 |
| “Model Code” 「標準守則」 | the Model Code for Securities Transactions by Directors of Listed Issuers 上市發行人董事進行證券交易的標準守則 |
| “PRC” or “China” 「中國」 | the People’s Republic of China 中華人民共和國 |

| | |
|----------------------------------|---|
| “RMB” 「人民幣」 | Renminbi, the lawful currency of the PRC 中國法定貨幣人民幣 |
| “SFC” 「證監會」 | the Securities and Futures Commission 證券及期貨監察事務委員會 |
| “SFO” 「證券及期貨條例」 | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time 香港法例第571章證券及期貨條例，經不時修訂、補充或以其他方式修改 |
| “Share Option Scheme” 「購股權計劃」 | the share option scheme of the Company approved and adopted on 26 November 2018 於2018年11月26日獲批准及採納之本公司購股權計劃 |
| “sq. m.” 「平方米」 | square metres 平方米 |
| “Stock Exchange” 「聯交所」 | the Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司 |
| “United States” 「美國」 | the United States of America 美利堅合眾國 |



萬城

MILLION CITIES

<http://www.millioncities.com.cn>

Hong Kong Office 香港辦事處

Million Cities Holdings Limited (Hong Kong Office)
萬城控股香港辦事處

Address 地址：Unit 2302, 23/F, New World Tower 1,
18 Queen's Road Central, Central, Hong Kong
香港中環皇后大道中18號新世界大廈1座23樓2302室

Tel 電話：(852) 2689-1999

Fax 傳真：(852) 2689-1882

China Office 國內辦事處

Million Cities Holdings Limited (China Office)
萬城控股國內辦事處

Address 地址：Plant No.5, 8 Longhe East Road,
Shuikou Street Office, Huicheng District, Huizhou City, the PRC
中國惠州市惠城區水口街道辦事處龍和東路8號（5號廠房）

Tel 電話：(86) 752-331-6668

Fax 傳真：(86) 752-331-6777