



Hailan Holdings Limited 海藍控股有限公司

(incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 2278

2018

ANNUAL REPORT 年報



Contents

目錄

Corporate Information	公司資料	2
Chairman's Statement	主席報告書	5
Management Discussion and Analysis	管理層討論與分析	7
Directors and Senior Management	董事及高級管理層	26
Corporate Governance Report	企業管治報告	34
Report of the Directors	董事會報告	55
Environmental, Social and Governance Report	環境、社會及管治報告	85
Independent Auditor's Report	獨立核數師報告	117
Consolidated Statement of Profit or Loss and Other Comprehensive Income	綜合損益及其他全面收益表	129
Consolidated Statement of Financial Position	綜合財務狀況表	131
Consolidated Statement of Changes in Equity	綜合權益變動表	133
Consolidated Statement of Cash Flows	綜合現金流量表	134
Notes to the Consolidated Financial Statements	綜合財務報表附註	136
Financial Summary	財務摘要	284

Corporate Information

公司資料

DIRECTORS

Executive Directors

Ms. Zhou Li (*Chief Executive Officer and Chairman*)
Mr. Chen Xiang
Ms. Fan Wenyi
Ms. Chan Si Yu
Mr. Chen Zhonghua (*appointed on 26 September 2019*)

Non-executive Director

Ms. Yao Yu

Independent Non-executive Directors

Mr. E Junyu
Mr. Li Yong
Dr. Zhao Guoqing

COMPANY SECRETARY

Mr. Yang Dong John

AUTHORIZED REPRESENTATIVES UNDER THE LISTING RULES

Ms. Zhou Li
Mr. Yang Dong John

AUDIT COMMITTEE

Dr. Zhao Guoqing (*Chairman*)
Mr. E Junyu
Mr. Li Yong

REMUNERATION COMMITTEE

Mr. E Junyu (*Chairman*)
Mr. Li Yong
Dr. Zhao Guoqing
Ms. Zhou Li

NOMINATION COMMITTEE

Ms. Zhou Li (*Chairman*)
Mr. E Junyu
Mr. Li Yong
Dr. Zhao Guoqing

董事

執行董事

周莉女士 (*行政總裁兼主席*)
陳祥先生
范文燦女士
陳詩諭女士
陳仲華先生 (*於2019年9月26日獲委任*)

非執行董事

姚宇女士

獨立非執行董事

鄂俊宇先生
李勇先生
趙國慶博士

公司秘書

楊東先生

根據上市規則的法定代表

周莉女士
楊東先生

審核委員會

趙國慶博士 (*主席*)
鄂俊宇先生
李勇先生

薪酬委員會

鄂俊宇先生 (*主席*)
李勇先生
趙國慶博士
周莉女士

提名委員會

周莉女士 (*主席*)
鄂俊宇先生
李勇先生
趙國慶博士

Corporate Information

公司資料

AUDITOR

Mazars CPA Limited

PRINCIPAL BANKS

Industrial and Commercial Bank of China Limited
Bank of Communications Co., Ltd.

LEGAL ADVISORS

As to Hong Kong law
Loong & Yeung Solicitors
As to PRC law
Beijing Dentons Law Offices, LLP (Guangzhou)

REGISTERED OFFICE

Estera Trust (Cayman) Limited
PO Box 1350
Clifton House
75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

PRINCIPAL PLACE OF BUSINESS AND HEAD OFFICE IN THE PRC

2/F, No. 1 Building Hampton by Hilton
No. 169 Yu Lin Road
Tianya District
Sanya, the Hainan Province
The PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 2212, 22/F, The Center
99 Queen's Road Central
Central
Hong Kong

核數師

中審眾環(香港)會計師事務所有限公司

主要往來銀行

中國工商銀行股份有限公司
交通銀行股份有限公司

法律顧問

香港法律
龍炳坤、楊永安律師行
中國法律
北京大成(廣州)律師事務所

註冊辦事處

Estera Trust (Cayman) Limited
PO Box 1350
Clifton House
75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

中國主要營業地點及總部

中國
海南省三亞市
天涯區
育林路169號
希爾頓歡朋酒店旁1號樓二層

香港主要營業地點

香港
中環
皇后大道中99號
中環中心22樓2212室

Corporate Information

公司資料

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Estera Trust (Cayman) Limited
PO Box 1350
Clifton House
75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

PLACE OF LISTING

The Stock Exchange of Hong Kong Limited (the "Stock Exchange")

COMPANY WEBSITE

www.hailanholdings.com

主要股份過戶登記處

Estera Trust (Cayman) Limited
PO Box 1350
Clifton House
75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

香港股份過戶登記分處及轉讓登記處

卓佳證券登記有限公司
香港
皇后大道東 183 號
合和中心 54 樓

股份上市地點

香港聯合交易所有限公司(「聯交所」)

公司網站

www.hailanholdings.com

Chairman's Statement

主席報告書

Dear Shareholders,

On behalf of the board (the “**Board**”) of directors (the “**Director(s)**”) of Hailan Holdings Limited (the “**Company**” or “**Hailan Holdings**”, together with its subsidiaries, collectively known as the “**Group**”), I am pleased to present the audited financial results for the year ended 31 December 2018 (the “**Reporting Period**”).

In retrospect of the Reporting Period, under the strategic regulation of the real estate market by the Chinese government, the real estate investment, saleable area and sales in Hainan Province recorded a year-on-year drop of 16.5%, 37.5% and 23.2%, respectively. Facing the headwinds stemming from the operating environment, the performance of Hailan Holdings was also inevitably affected.

For the Reporting Period, contracted sales of the Group amounted to RMB1,179.0 million, representing a reduction of 45.5% as compared to 2017. Contracted saleable gross floor area (“**GFA**”) was approximately 42,017.1 square meters, representing a decrease of approximately 47.9% as compared to last year. The average selling price (“**ASP**”) was about RMB28,060.0 per square meter, representing an increase of approximately 4.6% as compared to last year.

Although we remain positive on the long-term development of China's real estate business, the Group has been actively looking for other business opportunities to diversify its business risks. We are pleased to announce that at the end of October 2018, the Company entered into a shareholders' agreement to establish a joint venture company, which principally engaged in real estate investment and development in Silicon Valley, the United States, representing an important milestone for Hailan Holdings to expand its business overseas. Given the current economic prosperity in the United States, the more stable real estate industry as compared to China, and the relatively high demand from real estate developers, the establishment of a joint venture company will enable the Group to enter into the US real estate industry more smoothly and thus create a new source of long-term income. As one of the important motivators for the US economy, Silicon Valley has assembled a large number of high-tech industry talents, making it one of the areas with the highest housing prices in the United States under a huge real estate market.

尊敬的股東：

本人謹代表海藍控股有限公司(「**本公司**」或「**海藍控股**」，連同其附屬公司統稱「**本集團**」)董事(「**董事**」)會(「**董事會**」)欣然提呈截至2018年12月31日止年度(「**報告期間**」)之經審核財務業績。

回顧報告期間，在中國政府策略性調控房地產市場下，於海南省的房地產投資同比下降16.5%，銷售面積同比下降37.5%，銷售額同比下降23.2%。面對經營環境的阻力，海藍控股的業績亦無可避免受到衝擊。

報告期間，本集團合約銷售額達至人民幣1,179.0百萬元，較2017年減少45.5%。合約銷售建築面積(「**建築面積**」)約為42,017.1平方米，較去年減少約47.9%。銷售均價(「**銷售均價**」)每平方米約人民幣28,060.0元，按年上升約4.6%。

儘管我們對中國房地產業務的長遠發展持樂觀態度，但為分散業務風險，本集團一直在積極物色其他商機。我們欣然宣佈，於2018年10月底，本公司訂立股東協議以成立合營公司，主要於美國矽谷從事房地產投資及開發，此乃海藍控股開拓海外業務的重要里程碑。鑑於當前美國經濟繁榮發展、房地產行業較中國更穩定，以及對房地產開發商的需求仍然相對高企，成立合營公司將令本集團更順利進軍美國房地產行業，從而帶來新的長期收入來源。而矽谷作為美國經濟的重要引擎之一，匯聚了大量高科技行業人才，令當地成為美國房價最高地區之一，房地產市場龐大。

Chairman's Statement

主席報告書

Looking ahead, we believe that the global economy will remain unstable under the Sino-US trade disputes and the Chinese government implements real estate regulations, which may constrain the development of the Group. However, we believe that the excellent track record of our valued assets, property management and property construction execution in Hainan Province, China and the stable sales revenue from housing contracts will support the sustainable growth of our business. The Group will promote the growth in contract sales by paying close attention to the changes in the macro-economic environment and policies, so as to grasp customer's demand, optimize product mix and undergo destocking as well as to accelerate the turnover of projects.

To further facilitate the development of the Group, we have been exploring different investment opportunities. In addition to our expansion of coverage in the overseas market, we will make our best endeavours to diversify our business and explore different emerging industries, including industries closely related to cutting-edge technology, city, population and real estate, such as artificial intelligence and high-tech manufacturing, health and biomedicine, emerging Internet and communication technology, in order to create synergies with the Group's core real estate business.

The management has formulated the future development plan. By basing in Hong Kong, delving into the Mainland, expanding the market in North America and spreading global footprints, it will further promote the development of the Group's business and create the best return for shareholders.

I would like to express my sincere gratitude on behalf of the Board to all our staff for their hard work, and my heartfelt thanks to investors, customers and business partners for their strong and continuous support to the Group.

Zhou Li
Chairperson

18 September 2019

展望未來，相信環球經濟在中美貿易糾紛下仍將陰晴不定，而中國政府可能會貫徹房地產調控，為本集團的發展帶來阻力。然而，憑藉我們於中國海南省的優質資產、物業管理和建房執行的卓越往績，以及穩定的住房合約銷售收益，相信將支持本集團業務的持續增長。本集團將密切留意宏觀經濟環境及政策的變化，把握客戶需求、改善產品結構、實施去庫存，並加快項目周轉，以推動合約銷售增長。

為進一步推動本集團的發展，我們一直發掘不同的投資良機。除了擴大海外足跡，我們將盡力使業務多元化，放眼不同的新興行業板塊，包括與前沿科技、城市、人口、房地產行業息息相關的行業，如人工智能及高科技製造、健康及生物醫療、新興互聯網及通訊科技等，務求與本集團的核心房地產業務產生協同效應。

管理層已製定好未來發展藍圖，透過立足香港、深耕內地、拓展北美、佈局全球，推動本集團的業務發展更上一層樓，為股東締造最佳回報。

最後，本人謹代表董事會對全體員工的辛勤工作致以誠摯的感謝。同時，向廣大投資者、客戶及業務夥伴給予本集團的大力及持續支持表示由衷地感謝。

周莉
主席

2019年9月18日

Management Discussion and Analysis

管理層討論與分析

BUSINESS REVIEW

Overall Performance

For the Reporting Period, the revenue and gross profit of the Group were approximately RMB1,410.5 million and RMB663.2 million, representing a decrease of approximately 29.7% and 25.5% as compared with 2017, respectively. Profit attributable to the equity shareholders of the Company was approximately RMB179.5 million, while we recorded profit attributable to the equity shareholders of the Company of approximately RMB251.2 million during last year. Basic earning per share was RMB60 cents (2017: RMB84 cents).

業務回顧

整體表現

報告期間，本集團的收益及毛利分別約為人民幣1,410.5百萬元及人民幣663.2百萬元，分別較2017年減少約29.7%及25.5%。本公司權益股東應佔溢利約為人民幣179.5百萬元，而去年則錄得本公司權益股東應佔溢利約人民幣251.2百萬元。每股基本盈利為人民幣60分（2017年：人民幣84分）。

Management Discussion and Analysis

管理層討論與分析

Performance Highlights	表現摘要	As at 31 December		
		2018	2017	Changes
		2018年	2017年	變動
Contracted sales (RMB million) ³	合約銷售(人民幣百萬元) ³	1,179.0	2,164.4	-45.5%
Contracted saleable gross floor area ("GFA") (sq.m.) ^{2,3}	合約銷售建築面積(「建築面積」)(平方米) ^{2,3}	42,017.1	80,688.8	-47.9%
Contracted average selling price ("ASP") (RMB/sq.m.) ^{2,3}	合約平均售價(「平均售價」)(人民幣/平方米) ^{2,3}	28,060.0	26,824.0	4.6%
Revenue ¹ (RMB million)	收益 ¹ (人民幣百萬元)	1,410.5	2,005.3	-29.7%
Among which: sales of properties	其中：物業銷售			
— Revenue from properties delivered (RMB million) ¹	— 已交付物業收益(人民幣百萬元) ¹	1,382.7	1,964.0	-29.6%
— GFA of properties delivered (sq.m.)	— 已交付物業建築面積(平方米)	49,288.9	93,925.0	-47.5%
— ASP of properties delivered (RMB/sq.m.)	— 已交付物業平均售價(人民幣/平方米)	28,052.9	20,910.0	34.2%
Rental income (RMB million) ¹	租賃收入(人民幣百萬元) ¹	21.6	5.0	332.0%
Gain on revaluation upon transfer of investment properties (RMB million)	投資物業轉移時之重估收益(人民幣百萬元)	6.0	36.4	-83.5%
Loss on changes in fair value of investment properties (RMB million)	投資物業公平值變動虧損(人民幣百萬元)	(21.4)	—	100.0%
Gross profit (RMB million)	毛利(人民幣百萬元)	663.2	890.4	-25.5%
Profit for the year	年度溢利			
— Attributable to owners (RMB million)	— 擁有人應佔(人民幣百萬元)	179.5	251.2	-28.5%
— Attributable to non-controlling interests (RMB million)	— 非控股權益應佔(人民幣百萬元)	1.5	8.3	-81.9%
Total assets (RMB million)	總資產(人民幣百萬元)	5,043.2	5,194.6	-2.9%
Cash and bank balances (including cash and cash equivalents and restricted cash) (RMB million)	現金及銀行結餘(包括現金及現金等價物，以及受限制現金)(人民幣百萬元)	766.6	938.1	-18.3%
Total equity (RMB million)	股本總權益(人民幣百萬元)	2,149.4	1,935.5	11.1%
Key financial ratios	主要財務比率			
Gross profit margin ⁴	毛利率 ⁴	47.0%	44.4%	2.6p.p. 個百分點
Net debt to equity ratio ⁵	淨債項權益率 ⁵	N/A 不適用	N/A 不適用	N/A 不適用
Gearing ratio ⁶	資產負債率 ⁶	—	—	N/A 不適用

Management Discussion and Analysis

管理層討論與分析

Notes:

1. Representing the amount of income after deduction of business tax and other sales related taxes.
2. Excluding the GFA of car parking spaces.
3. Pursuant to the agreement between the shareholders of Danzhou Shuang Lian Properties Development Company Limited (“**Danzhou Shuang Lian**”), one of the shareholders of Danzhou Shuang Lian shall continue to manage, develop and undertakes fully the risk and reward of phase I of the development project located at Danzhou (“**Danzhou Phase I**”). The acquisition of Danzhou Shuang Lian has been accounted for as a business combination with Danzhou Shuang Lian fully combined into our Group’s combined financial statements from the date of acquisition. As the Group does not share any risks and rewards relating to Danzhou Phase I pursuant to the abovementioned agreement, the net profit or loss, net assets or liabilities arising from Danzhou Phase I are wholly attributable to the non-controlling interests in the Group’s combined statements of profit or loss and other comprehensive income and the combined statements of changes in equity. Contracted sales of Danzhou Phase I is excluded in this analysis for discussion purpose.
4. Gross profit margin: $\text{Gross profit} \div \text{revenue} \times 100\%$
5. Net debt to equity ratio: $(\text{Total bank and other borrowings} - \text{cash and bank balances}) \div \text{total equity} \times 100\%$
6. Gearing ratio: $\text{Total bank and other borrowings} \div \text{Total equity} \times 100\%$

附註：

1. 指扣除營業稅及其他銷售相關稅項後的收入金額。
2. 並無計及車位應佔的建築面積。
3. 根據儋州雙聯房地產開發有限公司(「**儋州雙聯**」)股東之間的協議，儋州雙聯其中一名股東繼續管理、發展及悉數承擔和享有位於儋州的發展項目第一期(「**儋州一期**」)的風險及回報。儋州雙聯的收購已當作業務合併入賬，而儋州雙聯自收購日期起已全面併入本集團的綜合財務報表。根據上述協議，由於本集團並無分佔與儋州一期相關的任何風險及回報，因此儋州一期所產生的損益淨額、淨資產或負債，全部計入本集團綜合損益及其他全面收益表內以及綜合權益變動表內的非控股權益。就討論目的而言，本分析並未載入儋州一期合約銷售。
4. 毛利率： $\text{毛利} \div \text{收益} \times 100\%$
5. 淨債項權益率： $(\text{銀行及其他借款總額} - \text{現金及銀行結餘}) \div \text{總權益} \times 100\%$
6. 資產負債率： $\text{銀行及其他借款總額} \div \text{總權益} \times 100\%$

Management Discussion and Analysis

管理層討論與分析

PROPERTY DEVELOPMENT

Contracted sales

For the Reporting Period, the Group recorded contracted sales of approximately RMB1,179.0 million, representing a decrease of approximately 45.5% as compared with 2017. The contracted saleable GFA was 42,017.1 sq.m. in 2018, representing a decrease of approximately 47.9% year-on-year. The ASP of contracted sales was RMB28,060.0 per sq.m., representing an increase of approximately 4.6% year-on-year.

The decrease in contracted sales and contracted saleable GFA were mainly due to the slow progress of approval in relation to the planning construction and the strict limitations on purchasing commodity housing and making mortgage loan in the Hainan Province. In April 2018, the "Notice of the Hainan Provincial Communist Party Committee and the General Office of the People's Government of Hainan Province on Further Stabilizing the Real Estate Market" (《中共海南省委辦公廳海南省人民政府辦公廳關於進一步穩定房地產市場的通知》) clearly stated that Hainan Province has implemented a purchase restriction in the whole-province on the basis of the issued purchase restriction policy. The Housing and Development Department of the province made further clarification on the restrictions on purchasing and transferring commodity housing, and making mortgage loans, which has prevented the speculation on housing and land more effectively.

物業開發

合約銷售

於報告期間，本集團錄得合約銷售約人民幣1,179.0百萬元，較2017年度減少約45.5%。2018年合約銷售建築面積為42,017.1平方米，按年減少約47.9%。合約銷售平均售價為每平方米人民幣28,060.0元，同比增加約4.6%。

合約銷售及合約可售建築面積減少主要歸因於海南省對規劃建設的審批放緩及嚴格的限購限貸政策。於2018年4月，《中共海南省委辦公廳海南省人民政府辦公廳關於進一步穩定房地產市場的通知》明確，海南省在已出台限購政策的基礎上，實施全省限購。省住建廳對購房的限購、限貸、限制轉讓的相關要求作出進一步澄清，更有效地防範炒房炒地等投機行為的發生。

Project	項目	For the year ended 31 December 截至12月31日止年度			
		2018 2018年 Contracted GFA 合約建築面積 sq.m. 平方米	Contracted sales RMB'million 合約銷售 人民幣百萬元	2017 2017年 Contracted GFA 合約建築面積 sq.m. 平方米	Contracted sales RMB'million 合約銷售 人民幣百萬元
Sanya Phoenix Aqua City Left Shore	三亞鳳凰水城左岸	20,893.2	727.3	53,981.6	1,984.8
Sanya Phoenix Aqua City South Shore Phase I & II	三亞鳳凰水城南岸 一期及二期	7,723.9	293.1	454.9	19.4
Haikou Phoenix Aqua City Phase I	海口鳳凰水城一期	4,345.3	98.8	-	-
Danzhou Phase I	儋州一期	9,054.7	59.8	26,252.3	160.2
		42,017.1	1,179.0	80,688.8	2,164.4

Management Discussion and Analysis

管理層討論與分析

REVENUE FROM SALES OF PROPERTIES

For the Reporting Period, the GFA of delivered properties decreased due to the promulgation of whole-province limitation on purchase of commodity housing in the Hainan Province and fierce competition among the peers. As the ASP of delivered properties for the sale of multi-storey apartments for the Reporting Period was higher as compared with 2017, the revenue from the sales of property offset the effects of the promulgation of whole-province limitation in the Hainan Province and the keen market competition. The revenue from sales of properties was approximately RMB1,382.7 million, representing a decrease of approximately 29.6% as compared with 2017 and accounting for 98.0% of total revenue, which continues to be the main source of revenue and growth momentum for the Group.

Completed projects held for sale

During the Reporting Period, the Group has not registered any newly completed properties.

Projects held for future development and projects under development

As at 31 December 2018, the Group had a total of three projects or project phases held for future development with a total planned GFA of approximately 1.4 million sq.m. (At 31 December 2017: 1.4 million sq.m.).

Land bank

No new project was acquired by the Group during the Reporting Period.

As at 31 December 2018, the total GFA of the land bank of the Group amounted to approximately 1.4 million sq.m., among which 43% is located in Sanya City, 53.4% is located in Danzhou City and 3.6% is located in Haikou City of the Hainan Province.

物業銷售收益

於報告期間，海南省全省限購等政策出台及同業競爭激烈，導致已交付的物業建築面積減少。由於報告期間多層公寓銷售而交付的物業的平均售價較2017年高，因此，物業銷售收益抵銷海南省全省限購等政策出台及市場競爭激烈的影響。物業銷售收益約為人民幣1,382.7百萬元，較2017年減少約29.6%，佔收益總額的98.0%，繼續成為本集團主要的收益來源及增長動力。

持作銷售已落成項目

報告期間，本集團並無登記任何新竣工物業。

持作未來發展項目及開發中物業

於2018年12月31日，本集團共有三個持作未來發展項目或項目分期，規劃總建築面積合計約為1.4百萬平方米（於2017年12月31日：1.4百萬平方米）。

土地儲備

本集團於報告期間並無獲取新項目。

於2018年12月31日，本集團土地儲備總建築面積約為1.4百萬平方米，當中43%、53.4%及3.6%分別位於海南省三亞市、儋州市及海口市。

Management Discussion and Analysis

管理層討論與分析

PROPERTY INVESTMENTS

Rental income

The rental income of the Group for the Reporting Period amounted to approximately RMB21.6 million, deriving from the leasing of the serviced apartments and car parking spaces located at Sanya Phoenix Aqua City Left Shore and the shops located at Danzhou Phase I.

Investment properties

As at 31 December 2018, the investment properties of the Group represent the car parking spaces held by the Group for rental purpose. As at 31 December 2018, the carrying amount of investment properties was approximately RMB130.1 million, representing an increase of approximately 166.6% as compared with 2017, mainly due to certain properties under development and completed properties held for sale have been transferred into investment properties with a total fair value of approximately RMB102.7 million (2017: approximately RMB42.2 million).

Financial Review

(I) Revenue

Revenue of the Group is mainly derived from property development and property investment. During the Reporting Period, revenue of the Group amounted to approximately RMB1,410.5 million, representing a decrease of approximately 29.7% as compared with 2017, primarily due to the slow progress of approval in relation to the planning construction of the development projects in Hainan Province and the restrictions under the new policy on purchasing property in Hainan Province.

物業投資

租金收入

本集團於報告期間的租金收入約為人民幣21.6百萬元，此乃來自租賃位於三亞鳳凰水城左岸的服務式公寓及車位及位於儋州一期的店鋪。

投資物業

於2018年12月31日，本集團投資物業為本集團就持作租賃的車位。於2018年12月31日，投資物業的賬面值約為人民幣130.1百萬元，較2017年上升約166.6%，主要由於公平值合共約為人民幣102.7百萬元(2017年：約人民幣42.2百萬元)的若干發展中物業及持作銷售物業已轉移至投資物業。

財務回顧

(一) 收益

本集團的收益主要來自物業開發及物業投資的收益。報告期間，本集團的收益約為人民幣1,410.5百萬元，較2017年減少約29.7%，主要是因為海南省的開發項目規劃建設審批放緩，以及受限於海南省購買物業新政策影響所致。

Management Discussion and Analysis

管理層討論與分析

(II) Cost of sales and gross profit margin

The cost of sales and gross profit of the Group was approximately RMB747.3 million and RMB663.2 million respectively, representing a decrease of approximately 32.9% and 25.5% as compared with 2017, mainly due to the decrease in total GFA delivered.

Increase of gross profit margin from 44.4% to 47.0% was mainly due to the fact that the delivered properties of Haikou Phoenix Aqua City Phase I in the Reporting Period was a project with higher gross profit margin.

(III) Selling and distribution expenses and administrative expenses

The Group's selling and distribution expenses for the Reporting Period amounted to approximately RMB55.8 million (2017: approximately RMB53.1 million), mainly due to the increase in commission expenses as the Company has signed an exclusive and undertaking agency agreement with a property agency with higher commission rate in order to boost up the sales.

Administrative expenses increased by 41.5% to RMB68.6 million, mainly due to the increase of auditors' remuneration and legal and professional expenses on legal proceedings.

(IV) Finance income (costs), net

The net finance income of the Group for the Reporting Period amounted to approximately RMB4.8 million, while a net finance costs of approximately RMB8.3 million was recorded in 2017. In 2018, the finance income was mainly due to decrease in interest income resulted from the decrease in bank deposits, while no financing cost incurred by the Group in 2018 was due to full repayment of external loans and borrowings in 2017.

(二) 銷售成本及毛利率

本集團銷售成本及毛利分別約人民幣747.3百萬元及人民幣663.2百萬元，較2017年減少約32.9%及25.5%，主要由於已交付總建築面積減少所致。

毛利率由44.4%增加至47.0%乃主要由於報告期間已交付的海口鳳凰水城一期物業為毛利率較高的項目所致。

(三) 銷售及分銷開支以及行政開支

本集團於報告期間銷售及分銷開支約為人民幣55.8百萬元(2017年：約人民幣53.1百萬元)，主要由於本公司為推動銷售增長，與物業代理簽署獨家及承諾代理協議，提供更高的佣金比例，導致佣金開支增加。

行政開支增加41.5%至人民幣68.6百萬元，主要由於核數師酬金以及法律訴訟的法律及專業開支增加所致。

(四) 財務收入(成本)淨額

本集團於報告期間的財務收入淨額約為人民幣4.8百萬元，而2017年則錄得財務成本淨額約人民幣8.3百萬元。於2018年，財務收入主要因銀行存款額下降導致利息收入下降，而本集團2018年度沒有融資成本乃由於2017年悉數償還外部貸款及借款所致。

Management Discussion and Analysis

管理層討論與分析

(V) Income tax expenses

The income tax expenses of the Group decreased by 30.4% to approximately RMB362.9 million. Among which, the current corporate income tax expenses decreased by 28.7% to approximately RMB165.3 million in the Reporting Period, while the land appreciation tax decreased by 24.3% to approximately RMB265.0 million. The decrease in the current corporate income tax expenses was primarily attributable to the decrease of profit before taxation (net of land appreciation tax expense), while the decrease in the land appreciation tax was the result of decrease in sales of properties.

(VI) Profit attributable to owners of the Company

The profit attributable to owners of the Company for the Reporting Period amounted to approximately RMB179.5 million, representing a decrease of approximately 28.5% as compared to 2017, which was mainly because sales of properties were less than in 2018.

(VII) Liquidity and financial resources

As at 31 December 2018, total assets of the Group amounted to approximately RMB5,043.2 million (2017: approximately RMB5,194.6 million), of which current assets amounted to approximately RMB4,647.7 million (2017: approximately RMB4,944.7 million). Total liabilities amounted to approximately RMB2,893.8 million (2017: approximately RMB3,259.1 million), of which non-current liabilities amounted to approximately RMB522.9 million (2017: approximately RMB527.2 million). Total equity amounted to approximately RMB2,149.4 million (2017: approximately RMB1,935.5 million). Total equity attributable to owners of the Company amounted to RMB1,811.3 million (2017: approximately RMB1,606.6 million).

As at 31 December 2018, the Group had cash and bank balances (including restricted cash) of approximately RMB766.6 million (2017: approximately RMB938.1 million). The Group has no borrowing as at 31 December 2018 and 31 December 2017.

(五) 所得稅開支

本集團的所得稅開支減少30.4%至約人民幣362.9百萬元。其中現時企業所得稅開支減少28.7%至報告期間約人民幣165.3百萬元，土地增值稅減少24.3%至約人民幣265.0百萬元。即期企業所得稅開支減少主要是由於稅前利潤減少(扣除土地增值稅費用後)，而土地增值稅減少則由於銷售物業減少而導致。

(六) 本公司擁有人應佔溢利

於報告期間，本公司擁有人應佔溢利約為人民幣179.5百萬元，較2017年減少約28.5%，乃主要由於銷售物業較2018年減少所致。

(七) 流動資金及財務資源

於2018年12月31日，本集團資產總值約為人民幣5,043.2百萬元(2017年：約人民幣5,194.6百萬元)，其中流動資產約為人民幣4,647.7百萬元(2017年：約人民幣4,944.7百萬元)。負債總額約為人民幣2,893.8百萬元(2017年：約人民幣3,259.1百萬元)，其中非流動負債約為人民幣522.9百萬元(2017年：約人民幣527.2百萬元)。總權益約為人民幣2,149.4百萬元(2017年：約人民幣1,935.5百萬元)。本公司擁有人應佔總權益為人民幣1,811.3百萬元(2017年：約人民幣1,606.6百萬元)。

於2018年12月31日，本集團現金及銀行結餘(包括受限制現金)約為人民幣766.6百萬元(2017年：約人民幣938.1百萬元)。本集團於2018年12月31日及2017年12月31日均無借款。

Management Discussion and Analysis

管理層討論與分析

(VIII) Commitments

As at 31 December 2018, the Group had capital commitments outstanding but not provided for in consolidated financial statements amounting to approximately RMB828.9 million (2017: approximately RMB51.5 million).

(IX) Contingent liabilities

Guarantees in respect of mortgage facilities

As at 31 December 2018, the Group provided guarantees (the “**Guarantees**”) of approximately RMB189.8 million (2017: approximately RMB252.1 million) to banks in respect of the mortgage loans granted to purchasers of the properties of the Group. Pursuant to the terms of the Guarantees, if there is any default of the mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage loans together with the accrued interest and penalty owned by the defaulted purchasers to the banks. The Group’s guarantee period commences from the dates of grant of the relevant mortgage loans and ends upon the earlier of the bank receiving the required evidence of mortgage over the relevant property in favour of the bank and the full settlement of mortgage loans by the buyer.

The Directors consider that it is not probable that the Group will sustain a loss under the Guarantees as during the relevant periods, the Group can take over the ownerships of the related properties and sell the properties to recover the amounts paid by the Group to the banks. The Directors also consider that the fair market value of the underlying properties is able to cover the outstanding mortgage loans guaranteed by the Group in the event that the purchasers default payments to the banks.

The Group has not recognised the deferred income in respect of the Guarantees as its fair value is considered to be minimal by the Directors.

(八) 承擔

於2018年12月31日，本集團尚未償還但未於綜合財務報表撥備的資本承擔約為人民幣828.9百萬元(2017年：約人民幣51.5百萬元)。

(九) 或然負債

按揭融資擔保

於2018年12月31日，本集團已就本集團物業買家獲授的按揭貸款向銀行提供約人民幣189.8百萬元(2017年：約人民幣252.1百萬元)的擔保(「擔保」)。根據擔保條款，倘該等買家拖欠按揭還款，則本集團有責任償還未償還按揭貸款，連同拖欠買家結欠銀行的應計利息及罰款。本集團的擔保期自授出相關按揭貸款之日起，至銀行收到相關物業按揭以銀行為受益人的所需證明或買家結清按揭貸款之日(以較早者為準)止。

董事認為，本集團不可能因擔保而蒙受損失，因為本集團於相關期間可接管有關物業的所有權並出售該等物業，藉以收回本集團向銀行支付的款項。董事亦認為，倘買家拖欠銀行還款，相關物業的公平市值足以彌補本集團所擔保的未償還按揭貸款。

本集團尚未就擔保確認遞延收入，原因為董事認為其公平值甚低。

Management Discussion and Analysis

管理層討論與分析

(X) Legal Proceedings

Haikou Phoenix Aqua City Phase II

On 17 January 2018, Nanhai Xiang Long, a subsidiary of the Group, received a decision from Haikou People's Government in relation to its confiscation of the state-owned construction land use right of a parcel of land owned by Nanhai Xiang Long located to the north of Bin Hai Xi Lu (濱海西路), Haikou, with a total site area of approximately 88,209.07 square meters (the land certificate number being Hai Kou Shi Guo Yong (2008) No. 001431 (海口市國用(2008)第001431號)) (Haikou Phoenix Aqua City Phase II (the "Phase II")) without compensation (the "Haikou Decision") for the reason that the land parcel has not been developed and constructed on schedule.

Reference is made to the Section headed "Business — Description of our property development projects — Haikou" in the prospectus of the Company dated 30 June 2016 (the "Prospectus"), for the Phase II, according to the notice issued by the Haikou Planning Bureau on 2 July 2013, the planned site area of the Phase II was decreased from 88,209.07 square meters to 61,761.00 square meters, and the plot ratio was increased from 0.5 to 0.78, for which compensation was to be made to the Group for the land being expropriated, and the nature of land use right was changed to "tourism". As at the date of this report, the government still has not determined the valuation and compensation proposal for the Phase II and the Group has not obtained the updated land use right certificate for the Phase II hence making the Group unable to further proceed with the developments under the Phase II.

(十) 法律訴訟

海口鳳凰水城二期

於2018年1月17日，本集團附屬公司南海翔龍收到海口市人民政府有關無償沒收南海翔龍擁有的位於海口市濱海西路北側，總地盤面積約88,209.07平方米之土地(土地證號為海口市國用(2008)第001431號)(海口鳳凰水城二期(「二期」)的國有建設用地使用權的決定書(「海口決定書」)，原因為該宗土地未有按時開發建設。

茲提述本公司日期為2016年6月30日的招股章程(「招股章程」)「業務 — 房地產發展項目詳情 — 海口」一節，就二期而言，根據海口市規劃局於2013年7月2日發出的通知，二期的規劃地盤面積由88,209.07平方米減少至61,761.00平方米，地積比率由0.5增加至0.78，藉此就被徵用土地向本集團作出補償，而土地使用權用途改為「旅遊」。於本報告日期，政府仍未釐定二期的估值及補償方案且本集團未就二期收到更新的土地使用權證，導致本集團未能進一步開發二期。

Management Discussion and Analysis

管理層討論與分析

However, the Haikou Decision deemed that pursuant to the provisions under the Regulations over Management of idle Land (閒置土地處置辦法) and the Regulations over the Identification and Management of idle Land in Hainan District (海南省閒置土地認定與處置規定), since such land parcel has failed to be developed in accordance with the original time schedule and has been delayed for more than two years, it has become idle land and its land use right shall be confiscated. Nanhai Xiang Long shall be entitled to apply for administrative appeal to the Hainan People's Government within 60 days upon the receipt of the Haikou Decision, or commence administrative proceedings to the Haikou Intermediate People's Court within six months.

The Group considered that the basis for which the Haikou Decision was made by the Haikou People's Government to confiscate the land use right is not fully consistent with the actual circumstances of the Phase II. The Group was of the view that the changes in governmental planning and coastline protection policies as well as the delay in updating the change of land use right certificate have objectively resulted in the impediment on the development of the Phase II, the consequence being that the land parcel was unable to be developed and constructed on schedule. In addition, it was objectively inconsistent with actual circumstances of the Phase II for the government to determine land vacancy by considering the Phase II and Haikou Phoenix Aqua City Phase I land parcel, which has been completed, inspected and put into record, to be two separate land parcels.

然而，海口決定書認為，根據閒置土地處置辦法及海南省閒置土地認定與處置規定，由於該宗土地未能根據原定時程表開發建設並已延期超過兩年，該土地已屬閒置並將沒收該宗土地使用權。南海翔龍有權於接獲海口決定書60日內向海南省人民政府申請行政覆議或六個月內向海口市中级人民法院提起行政訴訟。

本集團認為，海口市人民政府作出的沒收土地使用權的海口決定書所依據的事由與二期實際情況不完全相符。本集團認為，政府規劃及海岸線保護政策變化以及延遲更新土地使用證，客觀上造成二期開發受阻，導致該宗土地未能按時開發建設。且政府將二期與海口鳳凰水城一期地塊(已完工、驗收及備案)分做兩宗獨立土地而認定閒置情況，與二期實際情況不符。

Management Discussion and Analysis

管理層討論與分析

The Group has also continued its discussions with the Haikou Planning Bureau indicating its willingness to develop the Phase II subject to the Bureau's approval of its design plans. As at the date of this report, the Directors consider that the Group has reasonable grounds to challenge the Haikou Decision and that therefore, taking account of all available evidence, it is unlikely that a present obligation to surrender the land without compensation exists at the end of the Year. On 15 June 2018, the Group has formally instituted an application of administrative proceeding on the Haikou Decision (the "**Administrative Proceeding**") to the Intermediate People's Court of Haikou City* (海口市中级人民法院) (the "**Haikou Court**"). On 28 December 2018, the Haikou Court issued its administrative judgment on the Administrative Proceeding in relation to Phase II. Haikou Court ruled that the Group succeeded in its Administrative Proceeding against Haikou People's Government and dismissed the Haikou Decision in relation to the recovery of the land use right of Haikou project without compensation by the Haikou People's Government for the reasons (among others) that the Haikou Decision was made without sufficient evidence and was not applied with the applicable laws.

On 13 February 2019, Nanhai Xiang Long has received a notice of appeal from the Haikou Court, notifying Nanhai Xiang Long that the Haikou People's Government has submitted an application for appeal against the administrative judgment made by the Haikou Court regarding the administrative proceedings of the Phase II on 28 December 2018.

No impairment provision has therefore been made in respect of the Haikou Decision. Should the Haikou Decision be successfully enforced by the Haikou People's Government, the Group may suffer a loss from confiscation amounting to approximately RMB132.4 million being the carrying value of the Phase II recognised within the properties under development for the current year. For details of the Haikou Decision, please refer to the announcements of the Company date 25 January 2018, 31 January 2018, 26 June 2018, 9 January 2019 and 26 February 2019, respectively.

本集團亦已繼續與海口市規劃局討論，表明有意在規劃局批准其設計規劃後開發二期。於本報告日期，董事認為，本集團有合理理由質疑海口決定書，因而，經考慮所有現有證據後，不大可能在本年度末存在無償交出土地的現有義務。本集團已於2018年6月15日向海口市中级人民法院（「海口法院」）就海口決定書正式提出行政訴訟（「行政訴訟」）申請。於2018年12月28日，海口法院就有關二期之行政訴訟作出其行政判決。海口法院裁定，本集團在對海口市人民政府提出之行政訴訟中勝訴，並駁回有關海口市人民政府無償收回海口項目土地使用權之海口決定書，原因為（其中包括）海口決定書並非基於充足證據作出且不符合適用法律。

於2019年2月13日，南海翔龍收到來自海口法院的上訴通知，通知南海翔龍海口市人民政府已就海口法院於2018年12月28日有關二期之行政訴訟作出之行政判決提起上訴申請。

因此，本集團概無就海口決定書作出減值撥備。倘海口市人民政府成功強制執行海口決定書，本集團於本年度可能蒙受沒收損失約人民幣132.4百萬元，即於發展中物業確認的二期賬面值。有關海口決定書的詳情，請參閱本公司日期分別為2018年1月25日、2018年1月31日、2018年6月26日、2019年1月9日及2019年2月26日的公告。

Management Discussion and Analysis

管理層討論與分析

Danzhou Phoenix Aqua City

A subsidiary of the Group, Danzhou Shuang Lian Properties Development Company Limited (“**Danzhou Shuang Lian**”), collected the state-owned construction land use right decisions issued by the Danzhou People’s Government in May 2018 (the “**Danzhou Decisions**”), which state that on 30 December 2017, 13 February 2018 and 2 March 2018, Danzhou Phoenix Aqua City, the five land parcels developed by Danzhou Shuang Lian located on the section of Binhai Avenue, Southern Area, Baimajing Town (the land certificate number being Dan Guo Yong (2010) Nos. 710, 711, 712, 713 and 714* (儋國用(2010)第710、711、712、713及714號)), with a total site area of approximately 385,395.83 square meters (the “**Lands**”) was recovered without compensation for the reason that the Lands was unable to be developed and constructed on schedule.

Reference is made to the section headed “Business — Description of our property development projects — Danzhou” in the Prospectus, Danzhou Phoenix Aqua City occupies an aggregate site area of approximately 399,657.2 square meters and has an expected aggregate GFA (including saleable and non-saleable GFA) of approximately 704,312.8 square meters. As at the date of this report, the relevant government authorities have not yet granted the relevant planning and construction permits, hence making the Group unable to proceed with the development of Danzhou Phoenix Aqua City.

However, the Danzhou Decisions deemed that pursuant to the provisions under the Management of Idle Land* (閒置土地處置辦法) and the Regulations over the Identification and Management of Idle Land in Hainan District* (海南省閒置土地認定與處置規定), since the Lands have failed to be developed in accordance with the original time schedule and relevant construction work has been delayed for more than two years, they have become idle lands and their land use rights shall be recovered without compensation. Danzhou Shuang Lian shall be entitled to apply for administrative review to Hainan People’s Government within 60 days upon receipt of the Danzhou Decisions or initiate administrative proceedings with the Second Intermediate People’s Court of Hainan Province (the “**Hainan Court**”) within six months.

儋州鳳凰水城

本集團附屬公司儋州雙聯房地產開發有限公司(「**儋州雙聯**」)於2018年5月領取儋州市人民政府國有建設用地使用權決定書(「**儋州決定書**」)，該決定書顯示於2017年12月30日、2018年2月13日及2018年3月2日無償收回儋州雙聯開發的儋州鳳凰水城位於白馬井鎮南片區濱海大道路段的五宗土地(土地證號為：儋國用(2010)第710、711、712、713及714號)，總地盤面積約385,395.83平方米(「**該等土地**」)，原因為該等土地未有按時開發建設。

茲提述招股章程「業務 — 房地產發展項目詳情 — 儋州」一節，儋州鳳凰水城所佔的總地盤面積約為399,657.2平方米，而預期總建築面積(包括可銷售及不可銷售建築面積)約為704,312.8平方米。於本報告日期，有關政府部門尚未批出有關規劃及建設工程許可證，導致本集團未能進一步處理儋州鳳凰水城的發展。

然而儋州決定書認為，根據閒置土地處置辦法及海南省閒置土地認定與處置規定，由於該等土地未能根據原定時程表開發建設並已延期超過兩年，該等土地已屬閒置並將無償收回該等土地使用權。儋州雙聯有權於接獲儋州決定書60日內向海南省人民政府申請行政覆議或於六個月內向海南省第二中級人民法院(「**海南法院**」)提起行政訴訟。

Management Discussion and Analysis

管理層討論與分析

The Board considered that the basis on which the Danzhou Decisions were made by Danzhou People's Government to recover the land use rights without compensation is not fully consistent with actual circumstances of the Danzhou Phoenix Aqua City. The Board was of the view that the changes in governmental planning and the delay in processing relevant procedures have objectively resulted in the impediment to the development of the Danzhou Phoenix Aqua City, the consequence of which was that the Lands are unable to be developed and constructed on schedule.

On 20 July 2018, the Group has formally instituted an application of administrative proceeding on the Danzhou Decisions to the Hainan Court and the case was accepted on 24 July 2018.

On 25 December 2018, the Group submitted an application of appeal against the administrative judgment made by the Hainan Court regarding two land parcels of the above five land parcels with a total site area of approximately 113,349.30 square meters. In addition, the Company has received a summons from the Higher People's Court of Hainan Province on 15 February 2019, stating that the Danzhou People's Government has submitted an application of appeal against the administrative judgment regarding the other three land parcels with a total site area of approximately 272,046.53 square meters.

On 22 April 2019, the Higher People's Court of Hainan Province issued its administrative judgments on the Decisions issued by Danzhou People's Government in relation to the recovery of the Lands. The Higher People's Court of Hainan Province ruled that the appeals lodged by the Group against the administrative judgments made by the Hainan Court were succeeded and the appeals lodged by Danzhou People's Government against the administrative judgments made by the Hainan Court were not succeeded, and revoke the Decisions issued by Danzhou People's Government in relation to the recovery of the Lands. The administrative judgments issued by the Higher People's Court of Hainan Province were final.

董事會認為，儋州市人民政府做出的上述無償收回土地使用權的儋州決定書所認定的事由與儋州鳳凰水城實際情況不完全相符。董事會認為因為政府規劃變動原因及延遲辦理相關手續等情況，客觀上造成儋州鳳凰水城開發受阻，導致該等土地未能按時開發建設。

本集團已於2018年7月20日向海南法院就儋州決定書正式提出行政訴訟且案件已於2018年7月24日獲受理。

於2018年12月25日，本集團對海南法院就總地盤面積約113,349.30平方米之上述五宗土地的兩宗土地之行政判決提起上訴。此外，本公司自海南省高級人民法院收到日期為2019年2月15日之傳票，儋州市人民政府就總地盤面積約272,046.53平方米之其他三宗土地之行政判決提起上訴。

於2019年4月22日，海南省高級人民法院就決定書出具行政判決，內容有關收回該等土地。海南省高級人民法院裁定本集團在對海南法院作出的行政判決提出的上訴中勝訴，並撤銷儋州市人民政府就收回該等出具的決定書。海南省高級人民法院作出之行政判決為終審判決。

Management Discussion and Analysis

管理層討論與分析

For details of the Danzhou Decisions, please refer to the announcements of the Company dated 11 May 2018, 24 July 2018, 21 December 2018, 26 February 2019 and 26 April 2019, respectively.

Board Acknowledgment and actions to be taken

The Board would like to draw the attention of the shareholders and potential investors of the Company to the administrative proceedings in relation to the Decisions.

The Proceedings are still in progress. The management of the Company considers that the Company is unlikely to surrender the relevant land use rights without compensation exists at the end of the Reporting Period. However, at this moment the audit committee of the Company (the “**Audit Committee**”) is not able to assess the impact of the Proceedings on the financial results of the company for the Reporting Period or the subsequent periods. The Board is highly concerned about the progress of the Proceedings.

The Board will continue to monitor and assess the impacts of the Proceedings to the Company, and will make further announcement to inform the investors of the Company when necessary if there is any development. Depending on the progress of the legal proceedings, it is expected that the Audit Committee can recommend the management to set aside the provision for the land use rights concerned at the end of the Reporting Period.

有關儋州決定書的詳情，請參閱本公司日期分別為2018年5月11日、2018年7月24日、2018年12月21日、2019年2月26日及2019年4月26日的公告。

董事會確認及將採取的措施

董事會望提請本公司股東及潛在投資者注意有關決定書的行政訴訟。

訴訟仍在審理。本公司管理層認為，本公司不太可能在報告期間末無償交出相關土地使用權。然而，本公司審核委員會（「**審核委員會**」）目前無法評估訴訟對本公司報告期間或隨後期間財務業績的影響。董事會高度關注訴訟的進展。

董事會將持續監督及評估有關訴訟對本公司的影響，如有任何進展，將於必要時另行刊發公告以知會本公司投資者。根據法律訴訟的進展，預期審核委員會可能建議管理層於報告期間末撥出有關土地使用權撥備。

Management Discussion and Analysis

管理層討論與分析

MATERIAL ACQUISITIONS AND DISPOSALS AND SIGNIFICANT INVESTMENTS

On 9 April 2018, the Company fully redeemed the Wing Lung Ortus Fund from Wing Lung Asset Management Limited (“**WLAM**”) and the redemption proceeds were amounted to USD7,964,648.27, incurring a loss of USD802.79. On 17 April 2018, the Company also redeemed the Discretionary Segregated Managed Accounts (Investment Management) from WLAM and the redemption proceeds were amounted to USD23,981,418.43, generating a profit of USD85,065.43. The total amount of the above redemption proceeds amounted to USD31.95 million (equivalent to approximately HK\$250 million) which were transferred to the fund-raising account of the Company on 17 April 2018. For details, please refer to the announcement of the Company dated 18 April 2018.

On 30 October 2018, the Company entered into a shareholders’ agreement with Ms. Han Yurong (“**Ms. Han**”) and Mr. Huang Heng (“**Mr. Huang**”), pursuant to which the parties agreed to establish a joint venture company (the “**JV Company**”) in the United States of America (the “**USA**”) to principally engage in real estate investment and development in the USA. The aggregate capital contribution (“**Capital Contribution**”) to be made by the Company, Ms. Han and Mr. Huang (the “**JV Parties**”) was US\$10,000,000, which were contributed as to 58% (equivalent to US\$5,800,000) in cash by the Company, as to 40% (equivalent to US\$4,000,000) in cash by Ms. Han and as to 2% (equivalent to US\$200,000) in cash by Mr. Huang. Accordingly, upon completion of the formation of the JV Company, the JV Company were owned as to 58% by the Company, as to 40% by Ms. Han and as to 2% by Mr. Huang. The JV Company became a subsidiary of the Company, the results of which were consolidated into the financial statements of the Group. For details, please refer to the announcement of the Company dated 30 October 2018.

Save as disclosed in this report, there are no other material acquisitions, disposals and significant investments during the Reporting Period.

重大收購及出售事項及重大投資

於2018年4月9日，本公司已從永隆資產管理有限公司(「**WLAM**」)全部贖回永隆泓策基金，這筆贖回所得款項為7,964,648.27美元，虧損為802.79美元。於2018年4月17日，本公司亦已從WLAM贖回全權委託投資管理組合，這筆贖回金額23,981,418.43美元，收益為85,065.43美元。所有以上贖回的款項總額為31.95百萬美元(相當於約250百萬港元)，已於2018年4月17日轉入本公司的籌款賬戶。有關詳情，請參閱本公司日期為2018年4月18日的公告。

於2018年10月30日，本公司與韓郁容女士(「**韓女士**」)及黃衡先生(「**黃先生**」)訂立股東協議，據此各方同意於美利堅合眾國(「**美國**」)成立一間合營公司(「**合營公司**」)，以主要於美國從事房地產投資及開發。本公司、韓女士與黃先生(「**合營訂約方**」)作出的出資(「**出資**」)總額為10,000,000美元，其中本公司以現金出資58%(相當於5,800,000美元)、韓女士將以現金出資40%(相當於4,000,000美元)及黃先生將以現金出資2%(相當於200,000美元)。於成立合營公司完成後，合營公司由本公司、韓女士及黃先生分別擁有58%、40%、2%。合營公司成為本公司的附屬公司，業績併入本集團的財務報表。有關詳情，請參閱本公司日期為2018年10月30日的公告。

除本報告所披露者外，於報告期間並無其他重大收購事項、出售事項及重大投資。

Management Discussion and Analysis

管理層討論與分析

GEARING RATIO

The Group had no borrowings and loans as at 31 December 2018 and 31 December 2017, the gearing ratio as at the dates were not applicable.

FUTURE PLAN FOR MATERIAL INVESTMENTS

The Group will continue to invest in property development projects and acquire suitable land parcels in the PRC, Hong Kong and the USA, if it thinks fit. It is expected that internal resources and bank borrowings will be sufficient to meet the necessary funding requirements. Save as disclosed in this report, the Group did not have any future plans for material investments as at the date of this report.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2018, taking into account of Danzhou Phase I, the Group had 25 employees (as at 31 December 2017: 24 employees). For the Reporting Period, the Group incurred employee costs of approximately RMB8.5 million, and was fully recognised as expenses. The remuneration of the employees generally includes salary and performance-based bonuses. According to the applicable PRC laws and regulations, the Group participates in various employee benefit plans of the municipal and provincial governments, including housing provident funds, pension, medical, maternity, occupational injury and unemployment benefit plans.

DEBT TO ASSETS RATIO

As at 31 December 2018, the debt to asset ratio (calculated by total debt divided by total equity) was Nil (2017: Nil).

PLEDGE OF ASSETS

As at 31 December 2018, the Group had no pledge of assets except for the restricted cash pledged for properties under development approximately RMB45.8 million (2017: Nil).

資產負債率

本集團於2018年12月31日及2017年12月31日均無借貸，故於該等日期的資產負債率並不適用。

重大投資的未來計劃

倘本集團認為適當，將會繼續投資物業開發項目及收購中國、香港及美國的合適地塊。預期內部資源及銀行借款將足以滿足必要的資金需求。除本報告所披露者外，於本報告日期，本集團並無任何未來重大投資計劃。

僱員及薪酬政策

於2018年12月31日，如計及儋州一期，本集團有25名僱員（於2017年12月31日：24名僱員）。本集團於報告期間產生僱員成本約人民幣8.5百萬元，且已全數確認為開支。僱員薪酬一般包括薪金及績效獎金。根據適用的中國法律及法規，本集團參與由省市政府舉辦的各種僱員福利計劃，包括住房公積金、退休金、醫療、婦產、工傷及失業福利計劃。

負債資產比率

於2018年12月31日，負債資產比率（按總債務除以總權益計算）為無（2017年：無）。

資產抵押

於2018年12月31日，本集團概無抵押資產，惟就發展中物業抵押的受限制現金約人民幣45.8百萬元（2017年：無）除外。

Management Discussion and Analysis

管理層討論與分析

FOREIGN CURRENCY RISKS

The Group mainly operates in the PRC. The Group's functional currency and the currency in which the Group denominates and settles substantially all of its transactions are Renminbi. Any depreciation of the Renminbi would affect the value of any dividends that the Group pays to the shareholders of the Company outside the PRC. The Group currently does not engage in any hedging activities designed or intended to manage foreign exchange rate risk.

FINAL DIVIDEND

The Board does not recommend the payment of any dividend for the Reporting Period (2017: Nil) to the Company's shareholders.

USE OF PROCEEDS

The net proceeds from the Listing was approximately HK\$249 million. As at the date of this report, the net proceeds from the Listing were applied as follows:

外幣風險

本集團主要於中國經營業務。本集團的功能貨幣及本集團計值及結算其絕大部分交易所用的貨幣均為人民幣。人民幣貶值將影響本集團向本公司中國境外的股東派付任何股息的價值。本集團目前並無進行計劃或有意管控外匯匯率風險的任何對沖活動。

末期股息

董事會不建議向本公司股東派發報告期間的任何股息(2017年：無)。

所得款項用途

上市所得款項淨額約為249百萬港元。於本報告日期，上市所得款項淨額的使用情況如下：

		Use of proceeds adjusted according to actual gross proceeds less estimated listing expense 根據實際所得款項總額減估計上市開支調整所得款項用途 HK\$ million 百萬港元	Change of use of proceeds 所得款項用途變動 HK\$ million 百萬港元	Utilisation of proceeds 所得款項的使用情況 HK\$ million 百萬港元	Unutilised Amount 未動用金額 HK\$ million 百萬港元
Finance the development of Sanya Phoenix Aqua City South Shore Phase II	撥付三亞鳳凰水城南岸二期開發資金	224.1	(224.1)	-	-
Working capital and other general corporate use	營運資金及其他一般企業用途	24.9	-	(16.4)	8.5
Finance the property development in Hong Kong and USA	撥付香港及美國物業發展資金	-	224.1	(43.9)	180.2
Total	總計	249.0	-	(60.3)	188.7

Management Discussion and Analysis

管理層討論與分析

The use of proceeds has not yet been applied to the development of Sanya Phoenix Aqua City South Shore Phase II, as the project is at the preliminary stage of applying for the construction planning permit. The Company expects that the proceeds from the sale of Company's properties will be able to provide sufficient cash flow for the development of Sanya Phoenix Aqua City South Shore Phase II. The Company has changed the use of proceeds to include the investment in property development in Hong Kong and USA, and general working capital of the Group. For further details, please refer to the announcement of the Company dated 3 June 2019.

The Board will continue to implement the established strategy of the Group prudently with a focus on high-end property development in tourist areas. To this end, it will act as an excellent developer with the view of era's development, expanding its presence in the property markets in Hong Kong and USA. The development of the properties project could be financed by the proceeds from the sales of aforesaid properties.

The Board is of the view that the expansion in the use of the net proceeds will facilitate the allocation of financial resources and diversify the business of the Group, which in turn shall further enhance the revenue of the Company, increase the income stream of the Group and pursue better investment return to the Company and the shareholder as a whole.

As at the date of this report, the net proceeds of approximately HK\$188.7 million have not been used.

由於三亞鳳凰水城南岸二期仍處於申請建設工程規劃許可證的初期階段，故所得款項用途尚未用於開發該項目。本公司預期銷售本公司物業的所得款項將可為三亞鳳凰水城南岸二期的開發提供足夠的現金流。本公司已將所得款項用途變更為（包括）對香港及美國物業發展的投資，以及本集團的一般營運資金。有關進一步詳情，請參閱本公司日期為2019年6月3日的公告。

董事會將繼續謹慎落實本集團既定策略，專注旅遊地區高端品質物業的開發，以卓越的發展商姿態，用時代發展的眼光，拓展香港及美國的物業市場版圖。物業項目開發可以通過銷售上述物業所得款項撥付資金。

董事會認為，擴大所得款項淨額用途將加強財務資源分配及令本集團業務更多元化，從而進一步提高本公司的收益，增加本集團的收入來源，並為本公司及全體股東謀取更好的投資回報。

於本報告日期，所得款項淨額約188.7百萬港元尚未動用。

Directors and Senior Management

董事及高級管理層

EXECUTIVE DIRECTORS

Ms. Zhou Li (周莉) (“Ms. Zhou”), aged 37, was appointed as an executive Director on 12 April 2016, a member of the remuneration committee and nomination committee of the Company on 22 June 2016 and the chief executive officer of the Company on 29 March 2017. Ms. Zhou is also a director of Lian Yun Gang Long Ji Properties Limited (連雲港隆基置業有限公司) (“**Lian Yun Gang Long Ji Properties**”) and the general manager of Sanya Hui Xin Trading Company Limited (三亞惠新貿易有限公司) (“**Sanya Hui Xin Trading**”), and the deputy general manager of Sanya Fenghuang Xincheng Industry Company Limited (三亞鳳凰新城實業有限公司) (“**Sanya Fenghuang Xincheng**”), Sanya Fenghuang Shuiyun Property Development Company Limited (三亞鳳凰水韻房地產開發有限公司) (“**Sanya Fenghuang Shuiyun**”) and Hainan Nanhai Xiang Long Properties Development Limited (海南南海翔龍房地產開發有限公司) (“**Hainan Nanhai Xiang Long**”), all of which are subsidiaries of the Company.

Ms. Zhou attended a long-distance Graduate Training Program course of Masters of Business Administration at the Sino-Dutch International Business Center of Nanjing University from December 2005 to December 2008, and obtained a Master of Business Administration degree from Maastricht School of Management, Netherlands in December 2008. She has been qualified as an engineer by the Nanjing Municipal Construction Engineering Intermediate Professional Technical Qualifications Social Assessment Committee (南京市建設工程中級專業技術資格社會化評審委員會) in December 2010 and has been awarded the practicing qualification for professional construction engineering category by the Department of Housing and Urban-Rural Development of Jiangsu Province since 2012.

Prior to joining the Group, Ms. Zhou was appointed as deputy manager in Chung Wai (Jiangsu) Decoration Park Project Company Limited (中惠(江蘇)裝飾園林工程有限公司) from March 2000 to September 2004. Ms. Zhou was the chairperson of Zhonghui Engineering Group (中惠工程產業集團) between October 2004 to July 2007.

執行董事

周莉女士(「周女士」)，37歲，於2016年4月12日獲委任為執行董事，於2016年6月22日獲委任為本公司薪酬委員會及提名委員會成員，並於2017年3月29日起獲委任為本公司行政總裁。周女士亦為連雲港隆基置業有限公司(「連雲港隆基置業」)董事及三亞惠新貿易有限公司(「三亞惠新貿易」)總經理，及三亞鳳凰新城實業有限公司(「三亞鳳凰新城」)、三亞鳳凰水韻房地產開發有限公司(「三亞鳳凰水韻」)及海南南海翔龍房地產開發有限公司(「海南南海翔龍」)副總經理，該等公司均為本公司的附屬公司。

周女士於2005年12月至2008年12月期間攻讀南京大學中荷國際工商管理教育中心舉辦的工商管理碩士研究生培訓計劃課程(遙距課程)，並於2008年12月獲荷蘭馬斯特里赫特管理學院(Maastricht School of Management)頒發工商管理碩士學位。彼自2010年12月獲南京市建設工程中級專業技術資格社會化評審委員會評審具備為工程師資格，並自2012年起獲江蘇省住房和城鄉建設廳取得建築工程專業類別的執業資格。

於加盟本集團之前，她於2000年3月至2004年9月獲委任為中惠(江蘇)裝飾園林工程有限公司副經理，並於2004年10月至2007年7月獲委任為中惠工程產業集團主席。

Directors and Senior Management

董事及高級管理層

Mr. Chen Xiang (陳祥) (“Mr. Chen”), aged 36, was appointed as an executive Director on 29 August 2017. Mr. Chen currently serves as a director of both cost procurement department and engineering design department in Sanya Fenghuang Xincheng, which is a subsidiary of the Company. From 2006 to 2012, Mr. Chen was also a cost estimator (預決算員) in Verdure International Holding Company Limited (翠屏國際控股有限公司). Mr. Chen graduated from the China University of Geosciences with a Bachelor degree of Civil Engineering in July 2008. Mr. Chen has been registered as a first class constructor (一級建造師) in housing construction (房屋建築) and in public utility (市政公用); and as a cost controller (造價工程師).

Ms. Fan Wenyi (范文熾) (“Ms. Fan”), aged 42, was appointed as an executive Director on 12 April 2016. Ms. Fan has been the chief operation officer and deputy general manager of the Group since 3 September 2007. Ms. Fan is the chairman of Sanya Fenghuang Xincheng, Sanya Fenghuang Shuiyun, Sanya Zhong Ze Kai Industry Company Limited (三亞中澤凱實業有限公司) and Danzhou Shuang Lian Properties Development Company Limited (儋州雙聯房地產開發有限公司) and the deputy general manager of Lian Yun Gang Tai Sheng City Development Limited (連雲港泰盛城市發展有限公司) (“**Lian Yun Gang Tai Sheng Development**”), Lian Yun Gang Long Ji Properties, Hainan Nanhai Xiang Long and Sanya Hui Xin Trading, all of which are subsidiaries of the Company. Ms. Fan graduated from Shaanxi External Services Training Academy (陝西對外服務培訓學院) majoring in foreign oriented secretary (涉外文秘) in the PRC in 1996. Ms. Fan was accredited as an intermediate accountant by MOF of the PRC (中國財政部) in May 2005. Prior to joining the Group, Ms. Fan worked as an assistant to general manager of Hainan Xinjia Tourism Co., Ltd. (海南新佳旅業有限公司) from November 2005 to February 2007.

陳祥先生(「陳先生」)，36歲，於2017年8月29日獲委任為執行董事。陳先生現時擔任本公司附屬公司三亞鳳凰新城成本採購部及工程設計部總監。陳先生於2006年至2012年亦曾任翠屏國際控股有限公司預決算員。陳祥先生於2008年7月畢業於中國地質大學土木工程專業，獲本科學歷。陳先生獲得註冊房屋建築及市政公用一級建造師資格以及造價工程師資格。

范文熾女士(「范女士」)，42歲，於2016年4月12日獲委任為執行董事。范女士自2007年9月3日起擔任本集團運營總監及副總經理。范女士為三亞鳳凰新城、三亞鳳凰水韻、三亞中澤凱實業有限公司及儋州雙聯房地產開發有限公司董事長，以及連雲港泰盛城市發展有限公司(「**連雲港泰盛發展**」)、連雲港隆基置業、海南南海翔龍及三亞惠新貿易的副總經理，該等公司均為本公司的附屬公司。范女士於1996年畢業於中國陝西對外服務培訓學院涉外文秘專業。范女士於2005年5月獲中國財政部認可為中級會計師。在加入本集團之前，范女士於2005年11月至2007年2月在海南新佳旅業有限公司擔任總經理助理。

Directors and Senior Management

董事及高級管理層

Ms. Chan Si Yu (陳詩諭) (“Ms. Chan”), aged 44, was appointed as an executive Director on 11 November 2018, responsible for the integration of the Group’s resources and assisting the Chief Executive in managing the Group. Ms. Chan obtained a bachelor of business administration degree majoring in human resources from the Hong Kong Lingnan University in 1997 and a master of business administration degree (a distance learning course) from the University of Wollongong in 2004. Ms. Chan has over 20 years of experience in corporate and human resources management and administration on various listed companies and multinational corporates. She joined the Group in May 2018 as a human resources manager of the Company. Before joining the Group, from June 2009 to July 2013, she was the senior human resources and administration manager of Goldin Properties Holdings Limited 高銀地產控股有限公司, a company previously listed on main board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (stock code: 283). From August 2014 to April 2017, Ms. Chan also served as the senior human resources manager of Rotam Global AgroSciences Limited 龍燈環球農業科技有限公司, a company listed on the Taiwan Stock Exchange Corporation (stock code: 4141).

Mr. Chen Zhonghua (陳仲華) (“Mr. Chen”), aged 41, was appointed as an executive Director on 26 September 2019. Mr. Chen obtained a Bachelor’s degree in Electrical Engineering from the Southeast University, China in July 1999, a Master’s degree in Engineering from the Harbin Institute of Technology in June 2010, and a Doctor of Management degree from the Hong Kong Polytechnic University in November 2017. Mr. Chen joined the Group as an executive president on 1 May 2019. Mr. Chen had over 20 years of experience in property development. Before joining the Group, he was a department manager and the director of Shenzhen Zhonghai Property Co., Ltd.* (深圳中海地產有限公司) from July 1999 to March 2010, the deputy general manager of Zhonghai Investment (Qingdao) Co., Ltd.* (中海投資(青島)有限公司) from March 2010 to May 2013, the deputy general manager of the development management department of Zhonghai Property Group Co., Ltd.* (中海地產集團有限公司) from May 2013 to March 2014 and the general manager of Zhonghai Property (Zhengzhou) Co., Ltd.* (中海地產(鄭州)有限公司) from March 2014 to May 2016, whereas all of these companies are the subsidiaries of China Overseas Land & Investment Ltd., the shares of which are listed on the Main Board of the Stock Exchange (stock code: 688). He was also the chief operating officer of Shenzhen Dahai Zhidi Property Development and Management Co., Ltd.* (深圳大海智地房產開發運營管理有限公司) from May 2016 to April 2019.

陳詩諭女士(「陳女士」), 44歲, 於2018年11月11日獲委任為執行董事, 負責集團資源整合及協助行政總裁管理集團事宜。陳女士於1997年在香港嶺南大學取得工商管理學士學位(主修人力資源), 並於2004年在卧龍崗大學取得工商管理碩士學位(遙距課程)。陳女士於多間上市公司及跨國公司的企業及人力資源管理以及行政領域擁有逾20年經驗。彼於2018年5月加入本集團擔任本公司人力資源經理。於加入本集團前, 彼於2009年6月至2013年7月, 於高銀地產控股有限公司(先前於香港聯合交易所有限公司(「聯交所」)主板上市的公司(股份代號: 283))擔任高級人力資源及行政經理。於2014年8月至2017年4月, 彼於龍燈環球農業科技有限公司(於台灣證券交易所上市(公司代號: 4141))擔任高級人力資源經理。

陳仲華先生(「陳先生」), 41歲, 於2019年9月26日獲委任為執行董事。陳先生於1999年7月獲中國東南大學的電氣工程學士學位; 於2010年6月獲哈爾濱工業大學的工程碩士學位; 並於2017年11月獲香港理工大學的管理學博士學位。陳先生於2019年5月1日加入本集團成為執行總裁。陳先生擁有超過20年的物業發展經驗。加入本集團之前, 彼於1999年7月至2010年3月為深圳中海地產有限公司的部門經理及董事; 於2010年3月至2013年5月為中海投資(青島)有限公司的副總經理; 於2013年5月至2014年3月為中海地產集團有限公司發展管理部的副總經理; 於2014年3月至2016年5月為中海地產(鄭州)有限公司的總經理; 而上述所有公司均為中國海外發展有限公司(其股份於聯交所主板上市(股份代號: 688))的附屬公司。於2016年5月至2019年4月, 彼亦為深圳大海智地房產開發運營管理有限公司的營運總監。

Directors and Senior Management

董事及高級管理層

NON-EXECUTIVE DIRECTOR

Ms. Yao Yu (姚宇) (“Ms. Yao”), aged 51, was appointed as a non-executive Director on 15 March 2018. Ms. Yao was responsible for providing opinion to the Board.

Ms. Yao obtained a college diploma in economic management from the Nanjing University (南京大學) in 1991 and then studied a course in Commercial English at the Nanjing University of Aeronautics and Astronautics (南京航空航天大學). She took a postgraduate course in Management Science and Engineering at the Nanjing University (南京大學). She has over 20 years of management experience. Ms. Yao is currently the deputy general manager of Holiday Inn Nanjing Harbour in Cuiping, Nanjing. Prior to joining the Group, Ms. Yao had been the manager of various hotels and shopping centers in the PRC.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Li Yong (李勇) (“Mr. Li”), aged 45, was appointed as an independent non-executive Director and a member of each of the audit committee, the remuneration committee, and nomination committee of the Company on 29 September 2017. Mr. Li is currently a general manager of Hainan Wanlong Real Estate Development & Construction Co., Ltd. (海南萬隆房屋開發建設有限公司) and an independent director of Hainan HNA Infrastructure Investment Group Co., Ltd. (海南海航基礎設施投資集團股份有限公司) (Stock code on Shanghai Stock Exchange: 600515).

Mr. Li was an assistant to the general manager of China Baoan Group Hainan Industry Co., Ltd.* (中國寶安集團海南實業有限公司) from March 2003 to January 2010. From January 2010 to January 2015, he acted as the director, deputy general manager and secretary of the board of directors of Hai Nan Yedao (Group) Co., Ltd., (海南椰島(集團)股份有限公司) (Stock code on Shanghai Stock Exchange: 600238) and as a general manager of Hainan Danzhou Baoan Real Estate Investment Co., Ltd.* (海南儋州寶安房地產開發有限公司) from January 2015 to November 2015.

In July 1995 and August 2014, respectively, Mr. Li completed the economic management diploma course at Xinxiang Municipal Committee Party School of Henan Province of the Chinese Communist Party (中共河南省新鄉市委黨校) and the advanced Business Administration program for president at the Hainan University.

非執行董事

姚宇女士(「姚女士」)，51歲，於2018年3月15日獲委任為非執行董事。姚女士負責向董事會提供意見。

姚女士於1991年自南京大學取得經濟管理大專學位，後自南京航空航天大學修讀商務英語課程及自南京大學修讀管理科學與工程研究生課程。彼擁有逾20年管理經驗。姚女士目前為南京翠屏新港假日酒店副總經理。加入本集團前，姚女士曾於中國多間酒店及購物中心擔任經理。

獨立非執行董事

李勇先生(「李先生」)，45歲，於2017年9月29日獲委任為獨立非執行董事以及本公司審核委員會成員、薪酬委員會成員及提名委員會成員。李先生目前為海南萬隆房屋開發建設有限公司的總經理及海南海航基礎設施投資集團股份有限公司(上海證券交易所股份代號：600515)的獨立董事。

李先生於2003年3月至2010年1月擔任中國寶安集團海南實業有限公司的總經理助理。於2010年1月至2015年1月，彼擔任海南椰島(集團)股份有限公司(上海證券交易所股份代號：600238)董事、副總經理兼董事會秘書及於2015年1月至2015年11月，彼擔任海南儋州寶安房地產開發有限公司的總經理。

李先生分別於1995年7月及2014年8月完成中共河南省新鄉市委黨校的經濟管理專業大專班及海南大學的高級工商管理總裁班課程。

Directors and Senior Management

董事及高級管理層

Mr. Li also obtained the qualification certificate as a secretary to the board of directors and qualification certificate as an independent director issued by the Shanghai Stock Exchange in 2010 and 2014 respectively. He was awarded the Intermediate Title of Business Administration by the National Ministry of Personnel in 2000.

Mr. E Junyu (鄂俊宇) (“Mr. E”), aged 49, was appointed as an independent non-executive Director, the chairman of the remuneration committee, and a member of the audit committee and nomination committee on 22 June 2016. Mr. E obtained a Master’s degree of Business Administrative Executive from Cheung Kong Graduate School of Business in the PRC in August 2006. Mr. E was awarded “The Young Leader of Chinese Property Market” (中國房地產青年領袖) in August 2005 and “The Meritorious People of Chinese Property Market in 2013–2014” (2013-2014年度中國房地產功勳人物) in January 2014. He was awarded the title of “Chinese Pension Real Estate Leader” (中國養老地產領軍人物) in 2017 and was also awarded the title of “Innovative Individual in China’s Real Estate Industry” (中國房地產年度創新人物), “Pioneer of China’s Real Estate Transformation” (中國地產轉型先鋒人物) and the “Filial Role Model” (孝星榜樣) by the Beijing Municipal People’s Government in 2018.

Mr. E worked in Hong Kong Lian Hua Investment Group (香港聯華投資集團) as the Beijing representative (北京代表) during January 1991 to March 1994. He then worked as assistant to general manager (總經理助理) in Everbright Real Estate Development Limited (中國光大房地產開發公司) during March 1994 to June 2002. From July 2002 to March 2009, he worked for Yeland Group Co., Ltd (億城集團股份有限公司) (a company listed on the Shenzhen Stock Exchange, Stock Code: SZ000616) and took up various positions including deputy manager, director and president. Mr. E has been appointed as a chairman of Beijing Hua Fu Sheng Shi Property Investment & Management Company Limited (北京華府盛世置業投資管理有限公司) since June 2009. Mr. E was appointed as the chairman of Beijing Anxin Pension Industry Investment Limited (北京安馨養老產業投資有限公司) in May 2015 and was appointed as the chairman of Beijing Anxin Tiangong Urban Renewal Construction Development Limited (北京安馨天工城市更新建設發展有限公司) in 2019. He also initiated the establishment of Urban Renewal and Existing Building Reconstruction Branch of the China Real Estate Chamber of Commerce (全國工商聯房地產商會城市更新與既有建築改造分會) and served as the standing vice president.

李先生亦分別於2010年及2014年自上海證券交易所取得董事會秘書資格證書及獨立董事資格證書。彼於2000年獲國家人事部頒發工商管理專業中級職稱。

鄂俊宇先生(「鄂先生」)，49歲，於2016年6月22日獲委任為獨立非執行董事、薪酬委員會主席、審核委員會成員及提名委員會成員。鄂先生於2006年8月獲中國長江商學院頒授高級管理人員工商管理碩士學位。鄂先生於2005年8月獲授「中國房地產青年領袖」稱號，於2014年1月獲授「2013–2014年度中國房地產功勳人物」名銜。於2017年獲授「中國養老地產領軍人物」名銜，亦於2018年分別獲授「中國房地產年度創新人物」、「中國地產轉型先鋒人物」、北京市人民政府頒發「孝星榜樣」名銜。

鄂先生於1991年1月至1994年3月期間擔任香港聯華投資集團，並出任北京代表。然後於1994年3月至2002年6月期間擔任中國光大房地產開發公司，並出任總經理助理。於2002年7月至2009年3月期間，他任職億城集團股份有限公司(在深圳證券交易所上市的公司；股份代號：SZ000616)，並出任不同職務，包括副經理、董事及總裁。鄂先生自2009年6月獲委任為北京華府盛世置業投資管理有限公司董事長。鄂先生自2015年5月獲委任為北京安馨養老產業投資有限公司董事長，於2019年為獲委任為北京安馨天工城市更新建設發展有限公司董事長，並發起創立全國工商聯房地產商會城市更新與既有建築改造分會，擔任常務副會長。

Directors and Senior Management

董事及高級管理層

Dr. Zhao Guoqing (趙國慶) (“Dr. Zhao”), aged 39, was appointed as an independent non-executive director, the chairman of the audit committee, and a member of the remuneration committee and nomination committee of the Company on 31 December 2018. Dr. Zhao is currently the national technical director and partner of Zhonghui Corporation* (中滙集團) and he has extensive working experience in taxation in the People’s Republic of China (the “PRC”).

Dr. Zhao is a qualified certified public accountant in the PRC. Dr. Zhao graduated from Yangzhou University with a Bachelor’s Degree majoring in taxation in July 2002, obtained a Master’s Degree in Business Administration from Nanjing University in March 2012 and obtained a Doctorial Degree in Business Administration from Nanjing University in December 2018.

SENIOR MANAGEMENT

Mr. Jia Bin (賈濱) (“Mr. Jia”), was appointed as the chief financial officer of the Company from 12 May 2017 to 4 June 2018 and on 14 September 2018, respectively. Mr. Jia obtained a Bachelor’s Degree in Accounting from Nanjing Economic College (南京經濟學院) (which is currently known as Nanjing University of Finance and Economics (南京財經大學)) in 1997 and received a Doctorial Degree in Business Administration from the Nanjing University (南京大學) in 2015. He has been a non-practicing member of the Chinese Institute of Certified Public Accountants since 2003 and an associate member of the Association of International Accountants since 2016.

趙國慶博士(「趙博士」)，39歲，於2018年12月31日獲委任為本公司獨立非執行董事、審核委員會主席、薪酬委員會成員及提名委員會成員。趙博士現為中滙集團全國技術總監及合夥人且彼於中華人民共和國(「中國」)擁有豐富的稅務工作經驗。

趙博士擁有中國註冊會計師資格。趙博士於2002年7月畢業於揚州大學，獲稅務專業學士學位，於2012年3月獲南京大學工商管理碩士學位，並於2018年12月獲南京大學頒授工商管理博士學位。

高級管理層

賈濱先生(「賈先生」)，分別於2017年5月12日至2018年6月4日；及於2018年9月14日獲委任為本公司的首席財務官。賈先生於1997年在南京經濟學院(現稱南京財經大學)取得會計學士學位，並於2015年在南京大學取得工商管理碩士學位。彼自2003年起為中國註冊會計師協會的非執業會計師，並自2016年起為國際會計師公會會員。

Directors and Senior Management

董事及高級管理層

Prior to joining the Company, Mr. Jia has 20 years of experience in the accounting and financial management. He worked in Jiangsu Easthigh International Group Co., Limited* (江蘇東恒國際集團有限公司) and served consecutively as an accountant in Jiangsu Province International Economic and Trading Industrial Head Corporation* (江蘇省國際經貿實業總公司) from 1997 to 1999, as a financial manager in Jiangsu Province International Economic and Trade Property Management Company Limited* (江蘇省國際經貿物業管理有限公司) from 2000 to 2003, as a general manager of the capital finance department of Jiangsu Easthigh International Service and Trading Joint Stock Company Limited* (江蘇東恒國際服務貿易股份有限公司) from 2003 to 2008, and as an assistant to the general manager of the capital finance department of Jiangsu Easthigh International Group Co., Limited* (江蘇東恒國際集團有限公司) from 2006 to 2008. Subsequently, Mr. Jia worked in the finance department of Golden Eagle International Group Co., Limited* (金鷹國際集團有限公司) as an deputy chief financial officer from 2008 to 2009, as a chief financial officer from 2009 to 2011, as an assistant to the president from 2011 to 2015. Subsequently, he also worked in the finance cost center of Verdure International Holding Company Limited* (翠屏國際控股有限公司) as a general manager from April to September 2015 and in the financial headquarter of Suning Estate Group Co., Ltd.* (蘇寧置業集團有限公司) as an assistant to the chief executive officer from October 2015 to March 2017.

於加入本公司前，賈先生於會計及財務管理方面擁有20年經驗。彼曾任職於江蘇東恒國際集團有限公司，並先後自1997年至1999年擔任江蘇省國際經貿實業總公司會計師，於2000年至2003年擔任江蘇省國際經貿物業管理有限公司財務經理，於2003年至2008年擔任江蘇東恒國際服務貿易股份有限公司資金財務部總經理，於2006年至2008年擔任江蘇東恒國際集團有限公司資金財務部總經理助理。其後，賈先生任職於金鷹國際集團有限公司財務部，於2008年至2009年擔任財務副總監，於2009年至2011年擔任財務總監，於2011年至2015年擔任總裁助理。其後，彼亦於2015年4月至9月任職翠屏國際控股有限公司財務成本中心總經理，於2015年10月至2017年3月擔任蘇寧置業集團有限公司財務總部執行總裁助理。

* For identification purpose only

Directors and Senior Management

董事及高級管理層

COMPANY SECRETARY

Mr. Yang Dong John (楊東) (“Mr. Yang”), aged 44, served as the chief financial officer of Tsui Wah Holdings Limited (a company listed on the Main Board of the Stock Exchange, stock code: 1314) from 4 June 2012 to 31 December 2015 and from 22 August 2016 to 31 March 2019 and was responsible for financial planning and budgeting, overseeing the financial reporting functions and specific financial projects as well as maintaining investors’ relations. He also assisted in the listing of the company’s shares on the Stock Exchange. Mr. Yang was appointed as the chief executive officer for the People’s Republic of China (the “PRC”) region of Tsui Wah Holdings Limited from March 2014 to March 2017, assisting the company in the management and development of business in the PRC. He served as the company secretary and an authorised representative of Tsui Wah Holdings Limited from June 2012 to February 2015.

Mr. Yang has been a member of the Hong Kong Institute of Certified Public Accountants since 2003 and a non-practicing member of the Chinese Institute of Certified Public Accountants since 2011. Mr. Yang has accumulated over 17 years of experience in auditing, consolidated accounting, financial management, due diligence investigation, compliance auditing and financial auditing. Prior to joining Tsui Wah Holdings Ltd, he was the chief financial officer and company secretary of Wedding Banquet Specialist (煌府婚宴專門店). He spent over ten years at KPMG’s Hong Kong and Beijing offices, having engaged in numerous auditing projects involving listed companies on the Stock Exchange. Mr. Yang graduated from the City University of Hong Kong in November 1999 with a Bachelor’s Degree in Business Administration (Accountancy) and obtained his Master’s Degree in Business Administration from The Chinese University of Hong Kong in November 2015.

公司秘書

楊東先生(「楊先生」)，44歲，於2012年6月4日至2015年12月31日期間及2016年8月22日至2019年3月31日期間擔任翠華控股有限公司(一間於聯交所主板上市的公司，股份代號：1314)的首席財務官，負責財務規劃和預算及監督財務申報職能和特定財務項目，並同時負責投資者關係工作，以協助其股份於聯交所上市。於2014年3月至2017年3月期間，楊先生獲委任為翠華控股有限公司中華人民共和國(「中國」)地區首席執行官，協助管理及發展其中國地區業務。彼於2012年6月至2015年2月期間擔任翠華控股有限公司的公司秘書及授權代表。

楊先生自2003年起為香港會計師公會會員，並自2011年起為中國註冊會計師協會非執業會員。楊先生於審計、合併會計、財務管理、盡職調查、合規審核及財務審核方面累積逾17年經驗。加盟翠華控股有限公司前，彼曾任煌府婚宴專門店的財務總監兼公司秘書。彼曾在畢馬威會計師事務所的香港及北京辦事處任職超過十年，曾參與多項涉及聯交所上市公司的審核項目。楊先生於1999年11月畢業於香港城市大學，取得工商管理(會計)學士學位，並於2015年11月於香港中文大學取得工商管理碩士學位。

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintain high standards of corporate governance with a view to assure the conduct of management of the Company and protect the interests of all shareholders. The Company are fully aware that transparency and accountability in corporate governance are crucially important to the shareholders and the Board considers that sound corporate governance can maximize the shareholders' interest.

The Company has adopted the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules as its own code of conduct of corporate governance.

During the Reporting Period, the Company has complied with the code provisions as set out in the CG Code except for the deviation from code provision A.2.1 of the CG Code as described below.

Under code provision A.2.1 of the CG Code as set out in Appendix 14 of the Listing Rules, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Under the current organisation structure of the Group, the function of chief executive officer is performed by Ms. Zhou Li. The Board is of the opinion that vesting the roles of both chairman and chief executive officer in Ms. Zhou Li has the benefit of ensuring consistent leadership within the Group thus enabling more effective and efficient strategic planning for the Group.

Under this arrangement, the Board also believes that the balance of power and authority will not be compromised and is adequately ensured by the existing Board which comprises experienced and competent individuals with more than one-third of the Board being independent non-executive directors. Therefore, the Board considers that the deviation from code provision A.2.1 of the CG Code is appropriate in such circumstances.

企業管治常規

本公司致力維持高水準企業管治，以確保本公司管理層的職業操守並維護全體股東的利益。本公司深諳股東對於企業管治透明度及問責的重要性，而董事會認為，良好的企業管治能為股東創造最大利益。

本公司已採納上市規則附錄十四所載企業管治守則（「企業管治守則」），作為其本身企業管治守則。

於報告期間，本公司一直遵守企業管治守則所載的守則條文，惟下文企業管治守則第A.2.1條守則條文的偏離情況除外。

根據上市規則附錄十四所載的企業管治守則第A.2.1條守則條文，主席與行政總裁的職能應有所區分且不應由同一人士出任。根據本集團目前的組織架構，行政總裁的職能由周莉女士擔任。董事會認為，由周莉女士兼任主席及行政總裁職務有利於確保本集團的領導貫徹一致，並可使本集團的戰略規劃更有效力及效率。

根據此項安排，董事會亦相信，權力與權責之間的平衡不會受到影響，而現時之董事會由經驗豐富及能幹的人士組成，當中有三分之一以上為獨立非執行董事，確保有足夠的權力與權責制衡。因此，董事會認為，於有關情況下偏離企業管治守則守則第A.2.1條守則條文為適當。

Corporate Governance Report

企業管治報告

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 of the Listing Rules as the code of conduct regarding Directors’ dealings in the securities of the Company. Having made specific enquiries with all Directors, each of the Directors has confirmed that he/she has complied with the required standards in the Model Code during the Reporting Period.

The Company has also established written guidelines on terms no less exacting than the Model Code for securities transactions by employees who are likely to be in possession of unpublished inside information of the Company. No incident of non-compliance of the above written guidelines by the relevant employees was noted by the Company.

In case when the Company is aware of any restricted period for dealings in the Company’s securities, the Company will notify its Directors and relevant employees in advance.

BOARD OF DIRECTORS

As at the date of this annual report, the Board comprises the following Directors:

Chairman of the Board and Executive Director

Zhou Li (*Chief Executive Officer and Chairman*)

Executive Directors

Chan Si Yu

Chen Xiang

Fan Wenyi

Chen Zhonghua (*appointed on 26 September 2019*)

Non-executive Director

Yao Yu

Independent Non-executive Directors

E Junyu

Li Yong

Zhao Guoqing

The biographical information of the Directors are set out in the section headed “Directors and Senior Management” on pages 26 to 33 of this annual report.

證券交易的標準守則

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則(「**標準守則**」)作為董事買賣本公司證券的行為守則。經向全體董事作出具體查詢後，各董事確認其於報告期間一直遵守標準守則。

本公司亦已由可能擁有本公司未公佈之內部資料的僱員按不低於標準守則所列之標準建立書面指導。本公司並無註明存在相關僱員違反上述書面指導的事件。

意識到處於買賣本公司證券受限制期間的情況下，本公司將提前通知其董事及相關僱員。

董事會

於本年報日期，董事會包括如下董事：

董事會主席兼執行董事

周莉 (*行政總裁兼主席*)

執行董事

陳詩諭

陳祥

范文燦

陳仲華 (*於2019年9月26日獲委任*)

非執行董事

姚宇

獨立非執行董事

鄂俊宇

李勇

趙國慶

董事的個人資料載於本年報第26至33頁「董事及高級管理層」一節。

Corporate Governance Report

企業管治報告

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Company's corporate governance practices are based on the principles and code provisions as set out in the CG Code. During the Reporting Period, to the best knowledge of the Board, the Company has complied with all the applicable code provisions set out in the Code, except for certain deviations as specified with considered reasons for such deviations as explained below.

Under Code Provision A.2.1 of the Code, the roles of the chairman and chief executive officer should be separated and should not be performed by the same individual.

Since 29 March 2017, the Company has not separated the roles of chairman and chief executive officer of the Company. Since 29 March 2017, Ms. Zhou has been the chairman and also the chief executive officer of the Company and is responsible for overseeing the operations of the Group (For details of the appointment, please refer to the Company's announcement on 29 March 2017). In view of the fact that Ms. Zhou has been operating and managing the Group since 2016, the Board believes that it is in the best interests of the Group to have Ms. Zhou taking up both roles for effective management and business development. The Board also believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring the consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. Although Ms. Zhou performs both roles of chairman and chief executive officer, the division of responsibilities between the two roles is clearly established. While the chairman provides leadership for the Board by ensuring the board works efficiently and discharges his responsibilities in time, and is responsible for supervising the functions and performance of the Board, the chief executive officer is responsible for the management of the Group's business. The Board considers that the balance of power and authority for the present arrangement will not be impaired given the appropriate delegation of the power of the Board to the senior management of the Company for the day-to-day management of the Group, and the effective functions of the independent non-executive Directors representing at least one-third of the Board such that no one individual has unfettered power of decisions. This structure will also enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and chief executive officer of the Company at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

主席及行政總裁

本公司的企業管治慣例乃以企業管治守則載列的原則及守則條文為基礎。於報告期間，盡董事會所深知，本公司已遵守守則載列的所有適用守則條文，惟如下所述因經考慮原因引致的若干偏離情況除外。

根據守則的守則條文第A.2.1條，主席及行政總裁的角色應予區分及不應由同一人兼任。

自2017年3月29日起，本公司並無區分本公司主席與行政總裁的角色。自2017年3月29日起，周女士已兼任本公司主席及行政總裁，負責監管本集團的業務營運（有關委任詳情，請參閱本公司於2017年3月29日的公告）。鑒於周女士自2016年起一直經營及管理本集團，董事會認為，由周女士擔任兩個職務以進行有效管理及業務發展符合本集團的最佳利益。董事會亦認為，由同一人兼任主席及行政總裁的角色，可有利於確保本集團內部領導貫徹一致，使本集團的整體策略規劃更有效及更具效率。儘管周女士同時履行主席及行政總裁職務，主席及行政總裁的職責分工已清楚確立。主席領導董事會，確保董事會有效運行以及及時履行其職責，並負責監督董事會職能及表現，而行政總裁則負責管理本集團業務。董事會認為，鑒於董事會就本集團的日常管理適當分配權力予本公司高級管理層，現行安排不會削弱權力和權限制衡，加上獨立非執行董事佔董事會成員最少三分之一，以致並無個別人士有絕對的決定權，能有效發揮職能，此架構亦可讓本公司迅速及有效地作出及落實決策。董事會將繼續進行檢討，並會在計及本集團整體情況後考慮於適當時候將董事會主席與本公司行政總裁的角色分開。

Corporate Governance Report

企業管治報告

With the support of executive Directors and the company secretary, the chairman seeks to ensure that all Directors are properly briefed on issues arising at the Board meetings and receive adequate and reliable information in a timely manner.

INDEPENDENT NON-EXECUTIVE DIRECTOR

The Board at all times during the Reporting Period met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

Each of the three independent non-executive Directors has confirmed his independence and the Company considers each of them to be independent in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The chairman of the Board holds meetings with non-executive Directors (including independent non-executive Directors) without executive Directors present at least once a year.

NON-EXECUTIVE DIRECTORS AND DIRECTORS' RE-ELECTION

Code provision A.4.1 of the CG Code stipulates that non-executive directors shall be appointed for a specific term, subject to re-election, whereas code provision A.4.2 states that all directors appointed to fill a casual vacancy shall be subject to election by shareholders at the first general meeting after appointment and that every director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years.

Each of the Directors is appointed for a specific term of three years and is subject to retirement by rotation at least once every three years. The articles of association of the Company (the "**Articles of Association**") requires that at each annual general meeting one-third of the Directors for the time being (or, if the number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

在執行董事及公司秘書的協助下，主席已設法確保董事會會議上所有董事均適當知悉當前的事項，並及時收到完備而可靠的資訊。

獨立非執行董事

於報告期間，董事會一直符合上市規則關於至少任命三名獨立非執行董事的要求，該三名董事佔董事會三分之一，且其中一名擁有適當專業資格或會計或相關財務管理專業知識。

三名獨立非執行董事中都已確認其獨立性，且公司認為他們均根據上市規則第3.13條所載之獨立指引具有獨立性。董事會主席應每年與非執行董事（包括獨立非執行董事）在執行董事缺席的情況下舉行至少一次會議。

重選非執行董事及董事

企業管治守則的第A.4.1條守則條文規定，非執行董事須有指定任期，並須接受重選，而第A.4.2條守則條文指出，所有獲委任填補臨時空缺的董事應在獲委任後的首次股東大會上由股東選任，且每位董事（包括按指定任期委任的董事）須至少每三年輪值退任一次。

各董事均按指定任期（三年）獲委任，且須至少每三年輪值退任一次。本公司組織章程細則（「章程細則」）規定，於每屆股東週年大會上，當時三分之一董事，（或倘有關人數並非三的倍數則為最接近但不少於三分之一的數目）須輪值退任，致使每名董事於週年股東大會上須至少每三年輪值退任一次。

Corporate Governance Report

企業管治報告

RESPONSIBILITIES, ACCOUNTABILITIES AND CONTRIBUTIONS OF THE BOARD AND MANAGEMENT

The Board is responsible for leadership and control of the Company and oversees the Group's businesses, strategic decisions and performance and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. The Board take decisions objectively in the interests of the Company.

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

All Directors shall have full and timely access to all the information of the Company as well as the services and advice from the company secretary and senior management. The Directors may, upon request, seek independent professional advice in appropriate circumstances for discharging their duties to the Company at the Company's expense. The board and each director shall have a separate and independent access to the Company's senior management.

The Directors shall disclose to the Company details of other offices held by them and the Board regularly reviews the contribution required from each Director to perform his/her responsibilities to the Company.

The Company has arranged appropriate insurance cover in respective of legal action against its Directors.

董事會及管理層職責、問責及貢獻

董事會負責領導及控制本公司並監督本集團的業務、戰略決策及表現以及集體負責透過指導及監管本公司事務推動其成功發展。董事會應以本公司利益作出客觀決定。

全體董事(包括非執行董事及獨立非執行董事)均為董事會帶來多種領域的寶貴業務經驗、知識及專長,使其高效及有效地運作。

全體董事均可全面並及時獲得本公司所有資料以及要求公司秘書及高級管理層提供服務及意見。董事可於要求時在適當情況下尋求獨立專業意見,以向本公司履行其職責,費用由本公司承擔。董事會及各董事可個別而獨立地聯絡本公司之高級管理層。

董事須向本公司披露彼等擔任其他職務的詳情,而董事會定期審閱各董事向本公司履行其職責時須作出之貢獻。

本公司已安排適當保險以涵蓋其董事因法律行動而須承擔的責任。

Corporate Governance Report

企業管治報告

DELEGATION BY THE BOARD

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to the management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the management.

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

Directors shall keep abreast of responsibilities as a Director of the Company and of the conduct, business activities and development of the Company.

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

In accordance with A.6.5 of the CG Code with regards to continuous professional development, Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. Internally-facilitated briefings for Directors will be arranged and reading material on relevant topics will be issued to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

董事會授權

董事會負責決定所有重要事宜，當中涉及政策事宜、策略及預算、內部控制及風險管理、重大交易（特別是或會涉及利益衝突者）、財務資料、委任董事及本公司其他重大營運事宜。有關執行董事會決策、指導及協調本公司日常營運及管理的職責轉授予管理層。所授權的職能及職責由董事會定期審閱。高級管理層訂立任何重大交易前，須獲得董事會批准。

董事的持續專業發展

董事須時刻了解身為本公司董事的職責並遵守本公司的行為操守、跟進業務活動及公司發展。

每名新任董事均於首次獲委任時獲提供正式、全面及針對性入職介紹，確保新董事可適當掌握本公司業務及營運，並完全了解於上市規則及相關法規下的董事職責及責任。

根據有關持續專業發展的企業管治守則第A.6.5條，董事須參與合適的持續專業發展，以提高及更新其知識及技能，以確保繼續在具備全面資訊及切合所需的情況下向董事會作出貢獻。本公司將會於適當時為董事安排內部講座，並就有關主題刊發閱讀材料。本公司鼓勵所有董事參加相關培訓課程，費用由本公司承擔。

Corporate Governance Report

企業管治報告

During the Reporting Period, each individual Director has attended training courses or workshops or reading materials relevant to his/her professional and/or duties as Director. The Company has maintained a training record in order to assist the Directors to record the training that they have undertaken. A summary is as follows:

於報告期間，各董事已參加與其專業及／或董事職責相關的培訓課程或工作坊或閱讀資料。本公司已保有培訓記錄以幫助董事記錄彼等所參加的培訓，概述如下：

Name of Directors	董事姓名	Reading materials regarding regulatory updates and corporate governance matters 閱讀有關監管更新及企業管治事項的資料	Attending in house training relating to the ongoing compliance obligations, governance and other related topics 參加有關持續合規義務、管治及相關主題的室內培訓
Executive Directors			
Ms. Zhou Li	周莉女士	✓	✓
Ms. Fan Wenyi	范文燦女士	✓	✓
Mr. Chen Xiang	陳祥先生	✓	✓
Ms. Chan Si Yu (appointed on 1 November 2018)	陳詩諭女士 (於2018年11月1日獲委任)	✓	✓
Non-executive Director			
Ms. Yao Yu	姚宇女士	✓	✓
Independent Non-executive Directors			
Dr. Chen Shimin (resigned on 31 December 2018)	陳世敏博士 (於2018年12月31日辭任)	✓	✓
Mr. Li Yong	李勇先生	✓	✓
Mr. E Junyu	鄂俊宇先生	✓	✓
Dr. Zhao Guoqing (appointed on 31 December 2018)	趙國慶博士 (於2018年12月31日獲委任)	✓	-

Corporate Governance Report

企業管治報告

BOARD MEETING

The Board intends to hold Board meetings regularly at least four times a year at approximately quarterly intervals. Notices of not less than fourteen days will be given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for regular Board meetings.

For other Board meetings, reasonable notice will generally be given. All Board committee meetings require a notice of at least seven (7) days to be given, unless such notification is waived by all members of the respective Board committees. The agenda and accompanying Board papers are dispatched to the Directors or Board committee members at least three days before the meetings to ensure that they have sufficient time to review the papers and be adequately prepared for the meetings. When Directors or Board committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the chairman prior to the meeting.

Minutes of the Board meetings and Board committee meetings are/will be recorded in sufficient detail to include the matters considered by the Board and the Board committees and the decisions reached, including any concerns raised by the Directors. Draft minutes of each Board meeting and Board committee meeting are/will be sent to the Directors for comments within a reasonable time after the date on which the meeting is held.

董事會會議

董事會計劃每年定期召開至少四次董事會會議，大約每季一次。董事會例行會議通知將於會議舉行前至少14日送呈全體有機會出席會議的董事，並於是次董事會例行會議議程內載入有關事宜。

就其他董事會會議而言，本公司一般將發出合理通知。所有董事委員會會議須發出至少七(7)日的通知，惟獲有關董事委員會所有成員豁免發出有關通知則除外。議程及相關董事會文件將於會議召開前至少3日寄予董事或董事委員會成員，以確保彼等有充足時間審閱有關文件及充分著手出席會議。倘董事或董事委員會成員未能出席會議，則彼等會獲悉將予討論的事宜及於會議召開前有機會知會主席有關彼等的意見。

董事會會議及董事委員會會議的會議記錄會／將會詳盡記錄以包括董事會及董事委員會所考慮的事宜及所達致的決定，包括董事提出的任何問題。各董事會會議及董事委員會會議的會議記錄草擬本於／將於會議舉行當日後的合理時間內寄送至各董事，以供彼等考慮。

Corporate Governance Report

企業管治報告

ATTENDANCE RECORDS

The following is the attendance record of the Directors at Board and committee meetings, and general meetings held during the Reporting Period:

出席記錄

董事於報告期間舉行的董事會及委員會會議以及股東大會的出席記錄如下：

Name of Director	董事姓名	Attendance/Number of Meetings in 2018				Annual General Meeting
		Board	Audit Committee	Nomination Committee	Remuneration Committee	
		董事會	審核委員會	提名委員會	薪酬委員會	股東週年大會
Zhou Li	周莉	9/9	–	5/5	5/5	1/1
Chen Xiang	陳祥	7/9	–	–	–	1/1
Fan Wenyi	范文燧	7/9	–	–	–	1/1
Chan Si Yu (Note 1)	陳詩諭(附註1)	2/9	–	–	–	–
Yao Yu	姚宇	5/9	–	–	–	1/1
Li Yong	李勇	9/9	2/2	5/5	5/5	1/1
E Junyu	鄂俊宇	9/9	2/2	4/5	5/5	1/1
Chen Shimin (Note 2)	陳世敏(附註2)	7/9	2/2	–	4/5	1/1
Zhao Guoqing (Note 3)	趙國慶(附註3)	0/9	0/2	0/5	0/5	–
Liu Bing (Note 4)	劉冰(附註4)	0/9	–	–	–	1/1

Note 1: Ms. Chan Si Yu was appointed as an executive director on 1 November 2018.

Note 2: Dr. Chen Shimin resigned as an independent non-executive director with effect from 31 December 2018.

Note 3: Dr. Zhao Guoqing was appointed as an independent non-executive director with effect from 31 December 2018.

Note 4: Mr. Liu Bing was appointed as an executive director on 4 June 2018 and resigned on 14 September 2018, with effect from 14 September 2018.

附註1：陳詩諭女士獲委任為執行董事，自2018年11月1日起生效。

附註2：陳世敏博士辭任獨立非執行董事，自2018年12月31日起生效。

附註3：趙國慶博士獲委任為獨立非執行董事，自2018年12月31日起生效。

附註4：劉冰先生於2018年6月4日獲委任為執行董事並於2018年9月14日辭任，自2018年9月14日起生效。

None of the meetings set out above was attended by any alternate Director.

上表載列會議概無替任董事出席。

Corporate Governance Report

企業管治報告

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference. The terms of reference of the Board committees are posted on the Company's website and the Stock Exchange's website and are available to shareholders upon request.

The majority of the members of each Board committee are independent non-executive Directors and the list of the chairman and members of each Board committee is set out under the section "Corporate Information" on page 2 of this annual report.

Audit Committee

On 22 June 2016, the Company established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C.3 and paragraph D.3 of the CG Code. The Audit Committee currently consists of three members, comprising Zhao Guoqing, Li Yong and E Junyu. All members of the Audit Committee are independent non-executive Directors. The chairman of the Audit Committee is Zhao Guoqing, who holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules. The main duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting process, internal control procedures and risk management system, audit plan and relationship with external auditor, and arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company. The Audit Committee will hold at least two meetings a year.

The Board has also delegated the corporate governance duties to the Audit Committee for performing the functions set out in the code provision D.3.1 of the CG Code.

During the Reporting Period, the Audit Committee held 2 meetings to review the Group's financial result for the year ended 31 December 2017, review the internal control and risk management systems of the Group, oversee the audit process and make recommendation on the re-appointment of the external auditors, and the interim financial results of the Group for the six months ended 30 June 2018.

董事委員會

董事會已成立三個委員會，即審核委員會、薪酬委員會及提名委員會，以監督本公司的特定事務。本公司所有董事委員會均制定書面職權範圍。董事委員會的職權範圍在本公司網站及聯交所網站登載，並可應股東要求而提供。

各董事委員會的成員大多數為獨立非執行董事，各董事委員會的主席及成員名單載於本年報第2頁「公司資料」一節。

審核委員會

本公司已於2016年6月22日成立審核委員會，並根據上市規則第3.21條及企業管治守則第C.3段及第D.3段以書面制定其職權範圍。審核委員會現時包括三名成員，即趙國慶、李勇及鄂俊宇。所有審核委員會成員均為獨立非執行董事。審核委員會主席為趙國慶，其持有上市規則第3.10(2)條及第3.21條所規定的適用專業資格。審核委員會的主要職責為協助董事會審閱財務資料及申報程序、內部控制程序及風險管理系統、審核計劃及與外聘核數師之關係，以及讓本公司僱員就本公司的財務申報、內部控制或其他事宜的潛在問題提問的安排。審核委員會每年將至少舉行兩次會議。

董事會亦已將企業管治職責轉授予審核委員會，以履行企業管治守則的第D.3.1條守則條文所載的職能。

報告期間，審核委員會曾舉行兩次會議以審閱本集團截至2017年12月31日止年度的財務業績、審閱本集團的內部控制及風險管理系統、監督審核程序及就重新委聘外部核數師提供意見及本集團截至2018年6月30日止六個月的中期財務業績。

Corporate Governance Report

企業管治報告

Nomination Committee

On 22 June 2016, the Company established the Nomination Committee with written terms of reference in compliance with paragraph A.5 of the CG Code. The Nomination Committee currently consists of four members, comprising Zhou Li, Li Yong, E Junyu and Zhao Guoqing. Besides Zhou Li is an executive Director, all other members are independent non-executive Directors. The chairman of the Nomination Committee is Zhou Li. The principal duties of the Nomination Committee include reviewing the Board composition, developing and formulating relevant procedures for the nomination and appointment of Directors, making recommendations to the Board on the appointment and succession planning of Directors, in particular the chairman and the chief executive and assessing the independence of independent non-executive Directors.

In assessing the Board composition, the Nomination Committee would take into account various aspects set out in the Board Diversity Policy adopted by the Company (as defined below in the section headed "Board Diversity Policy"), including but not limited to educational background, professional qualifications, skills, knowledge and industry experience. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption. In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's qualifications, experience, independence and other relevant criteria necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendations to the Board.

The Nomination Committee will meet at least once a year to review the structure, size and diversity of the Board and the independence of the independent non-executive Directors and to consider the qualifications of the retiring Directors standing for election at annual general meetings.

During the Reporting Period, the Nomination Committee held 5 meetings to review the structure, size and composition (including the skills, knowledge and experience) of the Board, the independence of the independent non-executive Directors and the Company's Board Diversity Policy and the progress on achieving the objectives set for implementing the said policy.

提名委員會

本公司於2016年6月22日成立提名委員會，並根據企業管治守則A.5段制定書面職權範圍。提名委員會現時包括四名成員，即周莉、李勇、鄂俊宇及趙國慶。除周莉為執行董事外，所有其他成員均為獨立非執行董事。提名委員會主席為周莉。提名委員會的主要職責包括審核董事會組成、編製並制定董事的提名與任命之相關程式，就董事（尤其是董事長及首席執行董事）的任命與繼任計劃向董事會提出建議，並評估獨立非執行董事的獨立性。

在評估董事會組成時，提名委員會將考慮到本公司所採納的董事會多元化政策（定義見下文「董事會多元化政策」一節）中闡明的不同方面，包括但不限於教育背景、專業資格、技能、知識及行業經驗。提名委員會將討論並商定可衡量目標，以實現董事會多元化，如有必要，將向董事會建議該等目標，以供採納。如屬適當，在確定及選拔董事會的適當候選人時，提名委員會向董事會作出推薦之前將酌量候選人的資歷、經驗、獨立性及其他對於補充公司戰略與實現董事會多元化屬必要的相關條件。

提名委員會每年將至少舉行一次會議，以審核董事會的組織結構、規模及多元化以及獨立非執行董事的獨立性，並將酌量輪值退任董事在股東週年大會上膺選連任的資格。

於報告期間，提名委員會曾舉辦五次會議，以審閱董事會的組織架構、人數及組成（包括技能、知識及經驗）及獨立非執行董事的獨立性以及本公司董事會多元化政策及實施該政策所設定目標的進展情況。

Corporate Governance Report

企業管治報告

Remuneration Committee

The Company established the Remuneration Committee on 22 June 2016 with written terms of reference in compliance with paragraph B.1 of the CG Code. The Remuneration Committee currently consists of four members, comprising E Junyu, Zhou Li, Li Yong and Zhao Guoqing. Besides Zhou Li is an executive Director, all other members are independent non-executive Directors. The chairman of the Remuneration Committee is E Junyu. The primary functions of the Remuneration Committee include reviewing and making recommendations to the Board on the remuneration packages of individual executive Directors and senior management, the remuneration policy and structure for all Directors and senior management and establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her close associates will participate in deciding his/her own remuneration.

The Remuneration Committee will meet at least once a year to review and make recommendation to the Board on the remuneration policy and structure of the Company, and the remuneration packages of the executive Directors and senior management and other related matters.

During the Reporting Period, the Remuneration Committee held 5 meetings to review and recommendation to the Board regarding the remuneration of the Directors and senior management.

BOARD DIVERSITY POLICY

On 22 June 2016, the Board adopted the Board Diversity Policy (“**Board Diversity Policy**”). Under the Board Diversity Policy, the Nomination Committee will monitor the implementation of the Board Diversity Policy and give adequate consideration to the Board Diversity Policy when identifying suitably qualified candidates to become members of the Board. The Board will regularly review the Board Diversity Policy and make appropriate revisions to ensure the effectiveness of the Board Diversity Policy.

薪酬委員會

本公司於2016年6月22日成立薪酬委員會，並根據企業管治守則第B.1段以書面制定職權範圍。薪酬委員會現時包括四名成員，即鄂俊宇、周莉、李勇及趙國慶。除周莉為執行董事外，所有其他成員均為獨立非執行董事。薪酬委員會的主席為鄂俊宇。薪酬委員會的主要職能包括審閱個別執行董事及高級管理層的薪酬待遇、就全體董事及高級管理層的薪酬政策及架構向董事會提供意見，及設立透明程序以制定該等薪酬政策及架構，以確保概無董事或任何彼等緊密聯繫人士可參與釐定彼等自身薪酬。

薪酬委員會每年將至少舉行一次會議，以就薪酬政策及本公司組織結構以及執行董事與高級管理層的薪酬利益和其他相關事宜，進行審核並向董事會提出建議。

於報告期間，薪酬委員會曾舉辦五次會議，以就董事及高級管理層薪酬進行審核並向董事會提出建議。

董事會多元化政策

於2016年6月22日，董事會採納董事會多元化政策（「**董事會多元化政策**」）。根據董事會多元化政策，提名委員會將監督董事會多元化政策實施情況，並於確認董事會成員適當合資格候選人時，對董事會多元化政策進行充分考慮。董事會將定期檢討董事會多元化政策並對其進行適當修訂以確保董事會多元化政策的有效性。

Corporate Governance Report

企業管治報告

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Company for the Reporting Period.

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the financial and other information put before them for approval. The management provides all members of the board with monthly updates on the Company's performance, positions and prospects.

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

The statement of the independent auditor of the Company about its reporting responsibilities on the consolidated financial statements is set out in the Independent Auditor's Report on pages 117 to 128 of this annual report.

AUDITORS' REMUNERATION

The remuneration paid or payable to the external auditors of the Company in respect of audit and non-audit services for the Reporting Period as follows:

Services rendered	提供的服務	Fees paid/payable
		已付／應付費用 HK\$'000 千港元
Audit services	核數服務	5,650
Non-audit services	非核數服務	952

For the reporting period, the audit services fees paid or payable to Mazars CPA Limited and Grant Thornton Hong Kong Limited were HK\$2,677,000 and HK\$2,973,000 respectively. The amount of HK\$952,000 paid by the Group to KPMG in respect of their non-audit services provided during the reporting period.

董事就綜合財務報表的責任

董事知悉其編製本公司報告期間的綜合財務報表的責任。

管理層向董事會提供說明及資料，以使董事會可對提呈其批准之財務及其他資料作出知情評核。管理層每月向董事會所有成員就本公司的表現、狀況及前景提供最新資料。

董事未知悉任何可對本公司持續經營能力構成重大疑慮之事件或情況方面之任何重大不明朗因素。

本公司獨立核數師關於其就綜合財務報表的報告責任之聲明載於本年度報告第117至128頁的獨立核數師報告。

核數師酬金

於報告期間的核數及非核數服務向本公司外部核數師已付或應付的酬金金額如下：

	Fees paid/payable
	已付／應付費用 HK\$'000 千港元
Audit services	5,650
Non-audit services	952

於報告期間，已付或應付中審眾環(香港)會計師事務所有限公司及致同(香港)會計師事務所有限公司的核數服務費用分別為2,677,000港元及2,973,000港元。本集團就畢馬威會計師事務所於報告期間提供的非核數服務向該會計師事務所支付952,000港元。

Corporate Governance Report

企業管治報告

INTERNAL CONTROL AND RISK MANAGEMENT

內部控制及風險管理

RISK MANAGEMENT AND INTERNAL CONTROL

風險管理及內部控制

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

董事會深知其負責風險管理及內部控制制度並審查其有效性。該等制度旨在管理而非消除未能實現業務目標的風險，且僅可提供預防重大錯誤陳述或損失的合理而非絕對保證。

The Board has delegated its responsibilities (with relevant authorities) of risk management and internal control to the Audit Committee, who oversees management in the design, implementation and monitoring of the risk management and internal control systems.

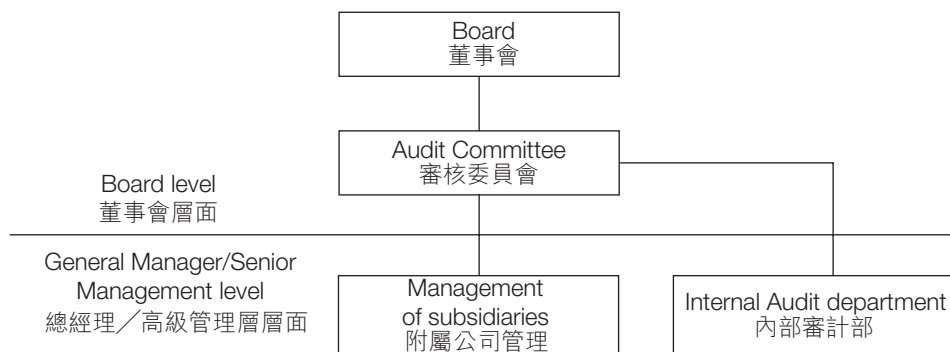
董事會已將風險管理及內部控制的責任(與相關權力)授予審核委員會，而審核委員會監督風險管理及內部控制制度的設計、實施及監察。

Main features of the risk management and internal control systems

風險管理及內部控制制度的主要特點

The risk management framework of the Group and main responsibilities of the members in the framework are described as follows:

本集團的風險管理架構及架構內各成員的主要職責描述如下：



Corporate Governance Report

企業管治報告

Member 成員	Main Responsibilities 主要職責
The Board 董事會	<ul style="list-style-type: none"> • Set up goals for risk management strategy, assess and determine the nature and extent of risk acceptable to achieve the strategy goals; • 設立風險管理戰略目標、評估及釐定實現戰略目標時可承受的風險性質及程度； • Establish and maintain a proper and effective risk management and internal control systems; • 建立及維護適當有效的風險管理及內部控制制度； • Review the effectiveness of the risk management and internal control systems annually. • 每年審查風險管理及內部控制制度的有效性。
Audit Committee 審核委員會	<ul style="list-style-type: none"> • Assist the Board in overseeing the risk level and the design and performance of the risk management and internal control systems; • 協助董事會監察風險水平以及風險管理及內部控制制度的設計及執行情況； • Discuss the risk management and internal control systems with the management, ensure the management has fulfilled its responsibility of establishing effective systems; • 與管理層討論風險管理及內部控制制度，確保管理層已履行職責建立有效的制度； • Ensure that the internal audit function has sufficient resources for operation and has a proper position, review and supervise its performance; • 確保內部審計職能具有充足的資源運作及適當的地位，審查及監督其成效； • Keep updated of various major risks confronted by the Group and the risk management status, make decisions for effective risk control; • 更新本集團面臨的各項重大風險及風險管理狀況，作出有效風險控制的決策； • Report the risk status of the Group and issues to be concerned or improved to the Board on a regular basis; • 定期向董事會報告本集團的風險狀況及有待關注或完善的問題； • Facilitate risk management and assessment, regularly appoint relevant accountable persons to implement risk assessment; • 促進風險管理及評估、定期委任相關負責人進行風險評估； • Organise and promote the establishment of the risk management system at the group level; • 組織推動集團層面的風險管理體系建設； • Review material risk assessment report and various risk management reports. • 審查重大風險評估報告及各項風險管理報告； • Review major risk management measures, rectify and deal with the decisions made or actions adopted by relevant organizations or individuals beyond the risk management system; • 審查重大風險管理措施、糾正及處理有關組織或個人於風險管理體系以外採取的決策或行動；

Corporate Governance Report

企業管治報告

Member 成員	Main Responsibilities 主要職責
	<ul style="list-style-type: none"> • Engage relevant persons to organise and coordinate various departments and projects to carry out identification and assessment of significant risks at the group level, summarise and analyse such information, submit risk assessment and various risk management reports; and • 聘請有關人員組織協調各部門及項目，對集團層面的重大風險進行識別及評估，並總結及分析信息，提交風險評估及各項風險管理報告；及 • Carry out risk management for other major issues. • 對其他重大問題進行風險管理。
Management of subsidiaries 附屬公司管理	<ul style="list-style-type: none"> • Ensure that the subsidiaries carry out the risk assessment in compliance with the risk assessment manual formulated by the Group; • 確保附屬公司按照本集團制定的風險評估手冊進行風險評估； • Review and approve the risk assessment results of the subsidiaries in respect of the business; • 審閱及批准附屬公司對業務的風險評估結果； • Ensure that the subsidiaries implement effective risk management; • 確保附屬公司實施有效的風險管理； • Monitor the principal business risks confronted by the subsidiaries and the effectiveness of relevant risk management measures; • 監控附屬公司面臨的主要業務風險及相關風險管理措施的有效性； • Allocate resources such as fund and workforce to the subsidiaries for implementation of the risk assessment projects. • 向附屬公司配置實施風險評估項目的資源，如資金、人力等。
Internal audit department 內部審計部	<ul style="list-style-type: none"> • Report directly to the Audit Committee, analyse and conduct independent assessment on the adequacy and effectiveness of the risk management and internal control systems. • 直接向審核委員會報告，對風險管理及內部控制制度的充分性以及有效性作出分析及獨立評估。

Corporate Governance Report

企業管治報告

The process used to identify, assess and management of principal risks

用於識別、評估及管理重大風險的程序

The risk management process of the Group is described as follows: 本集團的風險管理程序列述如下：

Risk Identification 風險識別	— identify the current risks confronted. 識別目前面臨的風險。
Risk Analysis 風險分析	— conduct analysis on the risk including the impact extent and possibility of occurrence. 對影響程度及發生的可能性進行風險分析。
Risk Response 風險應對	— choose a proper risk response method and develop a risk mitigation strategy. 選擇適當的風險應對方式並建立降低風險的策略。
Control Measures 控制措施	— propose up-to-date internal control measures and policy and process. 配對現時的內部控制措施及政策與流程。
Risk Control 風險控制	— continuously monitor the risks identified and implement relevant internal control measures to ensure the effective operation of the risk response strategy. 持續監測已識別風險並實施相應的內部控制措施確保風險應對策略的有效運行。
Risk Management Report 風險管理報告	— summarise results of risk assessment and analysis and internal audit, formulate and report an action plan. 總結風險評估分析及內部審計的結果，制定行動計劃並加以匯報。

The process used to review the effectiveness of the risk management and internal control systems and to resolve material internal control defects:

用以檢討風險管理及內部控制制度有效性及解決重大內部控制缺失的程序：

The Group establishes a risk management information and communication channel that is functional within the whole basic risk control procedure, connects different levels in the reporting system and different departments and operation units, so as to ensure timely, accurate and complete communication of information, laying a solid foundation for the monitoring and improvement of risk management.

本集團設立在整個基礎風險控制程序中起作用的風險管理信息通訊渠道，連接不同層次的報告系統、各部門與操作單位，確保信息及時、準確及完整的傳遞，為監控及改進風險管理奠定了堅實的基礎。

Different departments and business units of the Group regularly inspect and examine their own risk management process in order to locate the shortcomings and remedy the situation if possible. Their inspection and examination reports are delivered to the Group's risk management department in time.

本集團不同部門及業務單位定期視察及檢查其各自風險管理程序，以找出缺點並盡可能糾正該局面。其視察及檢查報告及時交付予本集團風險管理部門。

Corporate Governance Report

企業管治報告

The internal audit department of the enterprise may regularly or irregularly carry out supervision and evaluation in relevant departments and business units to decide if they are capable of performing regular risk management tasks and their related work performance. Reports of supervision and evaluation are delivered directly to the audit committee established by the Board of Directors.

The Board reviewed the effectiveness of risk management and internal control systems and further considers that (i) there was no material issue relating to the Group's risk management and internal controls, including financial, operational and compliance controls and risk management functions of the Group and considers these effective; and (ii) that there were adequate staff with appropriate and adequate qualifications and experience, resources for accounting, internal audit and financial reporting functions, and adequate training programmes had been provided during the Reporting Period.

Internal audit function

The Group's internal audit function is performed by an internal audit team, which reports directly to the Audit Committee. The procedures and internal controls for the handling and dissemination of inside information: The Company has implemented proper procedures and internal controls for the handling and dissemination of inside information. The Company has established a policy with close regard to the "Guidelines on Disclosure of Inside Information" issued by the Securities and Futures Commission, to ensure that all the Group's stakeholders and the public are provided with appropriate information relating to the Group in a timely and simultaneous manner.

企業內部審計部可定期或不定期對有關部門及業務單位進行監督及評估，以決定其是否有能力進行定期風險管理任務及履行相關工作。監督及評估報告直接交付予董事會建立的審核委員會。

董事會審閱了風險管理及內部控制系統的有效性，並認為，(i)本集團風險管理及內部控制(包括本集團財務、營運及合規監控及風險管理職能)並無重大問題及屬有效；及(ii)本集團具適當資格及經驗的員工以及會計、內部審計及財務報告職能的資源均屬充裕，且於報告期間已提供足夠的培訓課程。

內部審核職能

本集團的內部審核職能由內部審核團隊履行，其直接向審核委員會報告。處理散播內幕消息的程序及內部控制措施：本公司已就處理及散播內幕消息實施適當程序及內部控制措施。本公司已制定與證券及期貨事務監察委員會頒佈的「內幕消息披露指引」密切相關的政策，以確保所有本集團持份者及公眾及時及同時獲取與本集團相關的可用資料。

Corporate Governance Report

企業管治報告

COMPANY SECRETARY

The Company has engaged Mr. Chiu Ming King, the executive director of Corporate Services of Vistra Corporate Services (HK) Limited, external service provider, as the company secretary of the Company (the “**Company Secretary**”). Ms. He Yuan is the assistant company secretary of the Company, who acted as the main contact person of Mr. Chiu Ming King. Mr. Chiu Ming King was responsible for advising the Board on corporate governance matters and ensuring that Board policy and procedures and applicable laws, rules and regulations are followed. Mr. Chiu Ming King has resigned from the position of company secretary with effect from 29 September 2018. Mr. Chiu Ming King has taken no less than 15 hours of relevant professional training for the year ended 31 December 2018 as required under Rule 3.29 of the Listing Rules.

The Company has appointed Mr. Kung Wai Chiu Marco as the Company Secretary with effect from 29 September 2018 to replace Mr. Chiu Ming King. Mr. Kung Wai Chiu Marco has resigned from the position of Company Secretary with effect from 1 April 2019. Mr. Kung Wai Chiu Marco has taken no less than 15 hours of relevant professional trainings for the Reporting Period as required under Rule 3.29 of the Listing Rules.

The Company has appointed Mr. Yang Dong John as the Company Secretary with effect from 1 April 2019.

Details of the biographies of each of the Company Secretary are set out in the section headed “Directors and Senior Management” of this annual report.

SHAREHOLDERS’ RIGHTS

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

公司秘書

本公司已聘請外部服務供應商瑞致達企業服務(香港)有限公司企業服務部執行董事趙明璟先生擔任本公司的公司秘書(「**公司秘書**」)。何源女士為本公司的助理公司秘書，其擔任趙明璟先生的主要聯絡人。趙明璟先生負責就公司管治事務向董事會提供建議，從而確保董事會的政策及規程以及適用法律、規章制度均得到遵守。趙明璟先生已辭任公司秘書，自2018年9月29日起生效。趙明璟先生已按照上市規則第3.29條規則的規定，截至2018年12月31日止年度參加不少於15小時的相關專業培訓。

本公司已委任孔維釗先生為公司秘書以取代趙明璟先生，自2018年9月29日起生效。孔維釗先生已辭任公司秘書，自2019年4月1日起生效。孔維釗先生已按照上市規則第3.29條規則的規定，於報告期間參加不少於15小時的相關專業培訓。

本公司已委任楊東先生為公司秘書，自2019年4月1日起生效。

各公司秘書之履歷詳情載於本年度報告「董事及高級管理層」一節。

股東權利

為保障股東的權益及權利，將在股東大會上針對每個實質性單獨問題提出單獨決議，包括選舉個人董事。根據上市規則，在股東大會上提出的所有決議將以投票方式表決，每屆股東大會結束後，投票結果將於本公司網站及聯交所網站上予以公告。

Corporate Governance Report

企業管治報告

CONVENING AN EXTRAORDINARY GENERAL MEETING (“EGM”) AND PUTTING FORWARD PROPOSALS

Pursuant to Article 64 of the Articles of Association, any one or more shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the company secretary of the Company, to require an EGM to be called by the Board for the transaction of any business specified in such requisition, and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

PUTTING FORWARD ENQUIRIES TO THE BOARD

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

CONTACT DETAILS

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

Address: 2/F, No.1 Building Hampton By Hilton
No. 169 Yu Lin Road
Tianya District
Sanya, the Hainan Province
The PRC (For the attention of the Board of Directors/
Company Secretary)

Email: hailankonggu@hailanholdings.com

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

召開股東特別大會(「EGM」)並提出提案

根據章程細則第64條，任何一名或以上於遞呈要求日期時持有不少於本公司繳足股本(附有於本公司股東大會上投票權)十分之一的股東，於任何時候均有權向本公司董事會或秘書發出書面要求，要求董事會就該等要求中所闡明的任何業務交易召開股東特別大會，且有關大會應於遞呈該要求後兩個月內舉行。倘於該等遞呈後二十一天內，董事會未能著手召開該等大會，請求人本身可以相同方式自行召開大會，且因董事會失職而導致的由請求人產生的所有合理費用須由本公司向請求人進行補償。

向董事會提出查詢

如需向本公司董事會提出任何查詢，股東可向本公司發送書面查詢。本公司通常不會處理口頭查詢或匿名查詢。

詳細聯絡資訊

股東可按照上述要求將查詢發送到以下：

地址：中國
海南省三亞市
天涯區育林路169號
希爾頓歡朋酒店旁1號樓二層(請註明
董事會/公司秘書查收)

電子郵件：hailankonggu@hailanholdings.com

為免生疑問，股東須將經正式簽署的書面要求、通知或聲明或查詢(視情況而定)的原件遞呈及發送至上述地址，且須提供股東全稱、詳細聯絡資訊及身份證明，方告有效。可按照法律要求披露股東資料。

Corporate Governance Report

企業管治報告

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company makes the best endeavours to maintain an on-going dialogue with shareholders. In this regard, the Company established a shareholders' communication policy and review it on a regular basis to ensure its effectiveness. The Board is committed in providing clear and full performance information of the Group to shareholders through the publication of interim and annual reports. In addition to the circulars, notices and financial reports sent to shareholders, additional information of the Group is also available to shareholders on the website of the Company.

Shareholders are encouraged to attend the annual general meeting for which at least 20 clear business days' notice is given. The chairman of the Board and Directors are available to answer questions on the Group's business at the meeting. All resolutions at the general meeting are decided by a poll which is conducted by the Company's branch share registrar and transfer office in Hong Kong.

The Group values feedbacks from shareholders on its effort to promote transparency and foster investor relationships. Comments and suggestions are always welcomed.

The annual general meeting of the Company provides a useful forum for shareholders to exchange views with the Board. All Directors will make an effort to attend. External auditor is also available at the annual general meeting to address shareholders' queries. In case of any general meeting to approve a connected transaction or any other transaction that is subject to shareholders' approval, members of the independent Board committee will also make an effort to address shareholders' queries.

CONSTITUTIONAL DOCUMENTS

There are no changes in the Company's constitutional documents for the Reporting Period.

與股東溝通及投資者關係

本公司認為，與股東有效溝通對於加強投資者關係以及令投資者了解本集團的業務績效及戰略必不可少。本公司竭力維持與股東的持續對話。就此而言，本公司已制定股東通訊政策並定期審閱以保證其有效性。董事會致力於透過刊發中期及年度報告向股東提供本集團清晰全面的業績資料。除向股東發送的通函、通告及財務報告外，本公司網站亦向股東提供本集團其他資料。

鼓勵股東出席發出至少足20個營業日通知的股東週年大會。董事會主席將出席會議回答關於本集團業務的問題。股東大會上的所有決議案均由香港股份過戶登記分處及轉讓登記處投票決定。

本集團重視股東所提出的本集團應努力提升透明度及促進投資者關係的反饋意見，始終歡迎提出意見及建議。

本公司股東週年大會提供了有用的論壇，供股東與董事會交流意見。所有董事均將盡力出席會議。外部核數師亦將出席股東週年大會，回答股東查詢。倘任何就批准關連交易或任何須經股東批准的其他交易而召開股東大會，獨立董事委員會的成員亦將盡力回答股東查詢。

組織章程文件

本公司組織章程文件於報告期間無任何變更。

Report of the Directors

董事會報告

The Board is pleased to present its report together with the audited consolidated financial statements of the Group for the Reporting Period.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its subsidiaries are investment holding, properties development and sales and rental of developed properties. There were no significant changes in the nature of the Group's principal activities during the year.

RESULTS AND DIVIDEND

The results of the Group for the Reporting Period are set out in the consolidated statement of profit or loss and other comprehensive income on pages 129 to 130 of this annual report.

The Board did not recommend payment of final dividend to the shareholders of the Company for the Reporting Period.

BUSINESS REVIEW

A fair review of the business of the Group as required pursuant to Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), comprising analysis of the Group performance during the year, a discussion on the Group's future business development and a description of the principal risks and uncertainties facing the Group, are set out in the sections "Chairman's Statement", "Management Discussion and Analysis", from pages 5 to 25 of this annual report. Discussions on the environmental policies and performance, compliance by the Group with the relevant laws and regulations that have a significant impact on the Group and the account of the key relationships of the Group with its stakeholders are contained in the "Environmental, Social and Governance Report" on pages 85 to 116 of this annual report. These discussions forms part of this Directors' Report.

董事會謹此提呈報告期間的董事會報告及本集團的經審核綜合財務報表。

主要業務

本公司為一間投資控股公司。其附屬公司之主要業務為投資控股、物業開發、出售及出租已開發物業。年內，本集團主要業務的性質概無重大變動。

業績及股息

本集團於報告期間的業績載列於本年度報告第129至130頁的綜合損益及其他全面收益表。

董事會不建議向股東派發報告期間的末期股息。

業務回顧

按公司條例(香港法例第622章)附表5指定本集團業務之中肯審視，包括對本集團年內表現之分析、對本集團未來業務發展的討論以及對本集團所面對主要風險及不明朗因素之描述，均載於本年度報告第5至25頁之「主席報告書」及「管理層討論與分析」章節。對環境政策及表現之討論、對本集團遵守對其有重大影響之相關法律法規之情況以及本集團與其利益相關人士主要關係之描述，均載於本年度報告第85至116頁之「環境、社會及管治報告」。該等討論組成本董事會報告的一部分。

Report of the Directors

董事會報告

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining shareholders who are entitled to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 28 October 2019 to Thursday, 31 October 2019, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the AGM, all transfer documents accompanied by the relevant share certificates should be lodged for registration with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 25 October 2019.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Reporting Period are set out in note 11 to the consolidated financial statements.

INVESTMENT PROPERTIES

Details of movements in the investment properties of the Group during the Reporting Period are set out in note 12 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company during the Reporting Period are set out in note 26 to the consolidated financial statements.

暫停辦理股份過戶登記

為確定有權出席股東週年大會並於會上投票的股東名單，本公司將由2019年10月28日(星期一)至2019年10月31日(星期四)(包括首尾兩天)，暫停辦理股份過戶登記手續，期間不會辦理任何股份過戶登記。為符合資格出席股東週年大會並於會上投票，本公司股東須最遲於2019年10月25日(星期五)下午4時30分前，將所有過戶文件連同相關股票交回本公司的香港股份過戶登記分處卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心54樓。

物業、廠房及設備

有關本集團於報告期間的物業、廠房及設備變動的詳情載列於綜合財務報表附註11。

投資物業

有關本集團於報告期間的投資物業變動的詳情載列於綜合財務報表附註12。

股本

有關本公司於報告期間的股本變動的詳情載列於綜合財務報表附註26。

Report of the Directors

董事會報告

RESERVES

Details of movements in the reserves of the Company and the Group during the Reporting Period are set out in the note 32 to the consolidated financial statements and the consolidated statement of changes in equity.

DISTRIBUTABLE RESERVES

As at 31 December 2018, the Company did not have any distributable reserves available for distribution to shareholders.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the single largest supplier and the five largest suppliers for the Group (exclusive of Danzhou Phase I) accounted for approximately 42% and 71% of our total purchases under our supply contracts respectively. The percentage of revenue attributable to the Group's single largest customer and five largest customers accounted for less than 30% of the total revenue of the Group respectively.

To the best of the knowledge of the Directors, save for Nanjing Huizhi Construction Installation Engineering Co., Ltd which is indirectly held as to 100% by Mr. Yeung Man, a controlling shareholder of the Company, being one of the five largest supplies for the Group, none of the Directors, their respective close associates or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) have any interest in any of the Group's five largest customers or suppliers.

儲備

有關本公司及本集團於報告期間的儲備變動的詳情載列於綜合財務報表附註32及綜合權益變動表。

可供分派儲備

於2018年12月31日，本公司沒有任何可供分派儲備可分派給股東。

主要客戶及供應商

年內，本集團單一最大及五大供應商(不包括儋州一期)分別約佔我們供應合約總採購額的42%及71%。本集團單一最大客戶及五大客戶應佔收益百分比分別佔本集團總收益的30%以下。

就董事所深知，除本集團五大供應商之一南京惠智建築安裝工程有限公司(由本公司的控股股東楊敏先生間接全資持有)外，董事、彼等各自的緊密聯繫人或任何股東(據董事會所知擁有本公司已發行股本5%以上者)概無擁有任何本集團五大客戶或供應商的任何權益。

Report of the Directors

董事會報告

DIRECTORS

The Directors during the Reporting Period and up to the date of this report were:

Executive Directors:

Zhou Li (*Chief Executive Officer and Chairman*)
Chen Zhonghua (*appointed on 26 September 2019*)
Chan Si Yu (*appointed on 1 November 2018*)
Chen Xiang
Fan Wenyi
Liu Bing (*appointed on 4 June 2018 and resigned on 14 September 2018*)

Non-executive Directors:

Wang Pei (*resigned on 15 March 2018*)
Yao Yu (*appointed on 15 March 2018*)

Independent Non-executive Directors:

Chen Shimen (*resigned on 31 December 2018*)
Li Yong
E Junyu
Zhao Guoqing (*appointed on 31 December 2018*)

In accordance with Article 108(a) of the Articles of Association, Ms. Zhou Li and Mr. Chen Xiang shall retire from their office at the Annual General Meeting, being eligible, Ms. Zhou Li will offer herself for re-election at the Annual General Meeting while Mr. Chen Xiang will retire as executive Director after the conclusion of the Annual General Meeting and will not offer himself for re-election at the Annual General Meeting.

In accordance with Article 112 of the Articles of Association, Mr. Chen Zhonghua, Ms. Chan Si Yu and Dr. Zhao Guoqing, being appointed by the Board to fill a casual vacancy or as an additional Director shall hold office only until the first general meeting of the Company after their appointments. Mr. Chen Zhonghua and Dr. Zhao Guoqing will offer themselves for re-election at the Annual General Meeting while Ms. Chan Si Yu will retire as executive Director after the conclusion of the Annual General Meeting and will not offer herself for re-election at the Annual General Meeting.

董事

於報告期間直至本報告日期的董事為：

執行董事：

周莉 (*行政總裁兼主席*)
陳仲華 (*於2019年9月26日獲委任*)
陳詩諭 (*於2018年11月1日獲委任*)
陳祥
范文燾
劉冰 (*於2018年6月4日獲委任並於2018年9月14日辭任*)

非執行董事：

王培 (*於2018年3月15日辭任*)
姚宇 (*於2018年3月15日獲委任*)

獨立非執行董事：

陳世敏 (*於2018年12月31日辭任*)
李勇
鄂俊宇
趙國慶 (*於2018年12月31日獲委任*)

根據組織章程細則第108(a)條，周莉女士及陳祥先生將於股東週年大會上退任。周莉女士符合資格並願於股東週年大會上膺選連任，而陳祥先生將於股東週年大會結束後退任執行董事，並將不會於股東週年大會上膺選連任。

根據組織章程細則第112條，陳仲華先生、陳詩諭女士及趙國慶博士獲董事會委任填補空缺或增加董事會成員，任期直至彼等獲委任後本公司首個股東週年大會為止。陳仲華先生及趙國慶博士將於股東週年大會上膺選連任，而陳詩諭女士將於股東週年大會結束後退任執行董事，並將不會於股東週年大會上膺選連任。

Report of the Directors

董事會報告

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and senior management are set out in the section headed "Directors and Senior Management" on pages 26 to 33 of this annual report.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed herein, at no time during the Reporting Period was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares or debentures of the Group or any other body corporate; and none of the Directors, or their spouses or children under the age of 18, had any right to subscribe for the securities of the Group, or had exercised any such right during the Reporting Period.

DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at the Annual General Meeting has a service contract that is not determinable within one year without payment of compensation, other than statutory compensation.

Each of the executive Directors is entitled to a basic salary pursuant to their respective service agreements, which is determined with reference to their responsibilities, experience, performance and the prevailing market conditions. In addition, each of them is entitled to a bonus of such amount as the Board may determine in respect of each complete financial year of the Company.

Each of the non-executive Director and independent non-executive Directors is entitled to a director's fee pursuant to their respective letters of appointment, which is determined with reference to their responsibilities, experience, performance and the prevailing market conditions. Save for director's fee, each of the non-executive Director and independent non-executive Directors is not expected to receive any other remuneration for holding his office as a non-executive Director or an independent non-executive Director respectively.

董事及高級管理層之履歷

董事及高級管理層履歷詳情載列於本年度報告第26至33頁「董事及高級管理層」一節。

董事收購股份或債券之權利

除本報告所披露者外，於報告期間，本公司或其任何附屬公司並無訂立任何安排致使董事可藉收購本集團或任何其他法定團體之股份或債券而獲益；於報告期間，亦無董事或彼等之配偶或未滿18歲之子女享有可認購本集團證券之任何權利，亦無行使任何該等權利。

董事之服務合約

建議於股東週年大會重選連任之董事概無訂立任何不可於一年內終止而毋須作出賠償（法定賠償除外）之服務合約。

各執行董事有權根據彼等各自的服務協議收取基本薪金，此乃參考彼等之職責、經驗、表現及當時市況而釐定。此外，彼等各自有權享有花紅，款項由董事會於本公司每一個完整年度財政所釐定。

各非執行董事及獨立非執行董事有權根據彼等各自的委任書收取董事袍金，此乃參考彼等之職責、經驗、表現及當時市況而釐定。除董事袍金外，預期各非執行董事及獨立非執行董事將不會就其分別出任非執行董事或獨立非執行董事一職而收取任何其他酬金。

Report of the Directors

董事會報告

REMUNERATION OF THE DIRECTORS AND SENIOR MANAGEMENT

Details of remuneration of the Directors during the Reporting Period are set out in note 10 to the consolidated financial statements.

Details of remuneration paid to members of the senior management by band for the Reporting Period is set out below:

Remuneration band	薪酬範圍	Number of individual(s) 人數
RMB500,000 or below	人民幣 500,000 元或以下	7
RMB500,000 to RMB1,000,000	人民幣 500,000 元至人民幣 1,000,000 元	4
RMB1,000,000 to RMB1,500,000	人民幣 1,000,000 元至人民幣 1,500,000 元	2

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the three independent non-executive Directors, a confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors to be independent in accordance with Rule 3.13 of the Listing Rules.

POTENTIAL COMPETING BUSINESS

Set out below are details of certain businesses of Mr. Yeung Man, a controlling shareholder and an executive Director (disqualified on 18 December 2017) which were not included into the Group as at the date of this report. For further details, please refer to the section headed "Relationship with Controlling Shareholders — Excluded Businesses" in the Company's prospectus dated 30 June 2016 (the "Prospectus").

董事及高級管理層薪酬

有關報告期間董事薪酬的詳情載列於綜合財務報表附註10。

報告期間，向高級管理層成員支付的薪酬按範圍劃分的詳情如下：

獨立非執行董事之獨立性

本公司已收到三名獨立非執行董事各自根據上市規則第3.13條之要求就其獨立性出具之確認。根據上市規則第3.13條，本公司認為所有獨立非執行董事均為獨立人士。

潛在競爭業務

下文載列控股股東兼執行董事楊敏先生(於2017年12月18日失去資格)的若干業務詳情，於本報告日期，該等業務並未計入本集團。有關進一步詳情，請參閱本公司日期為2016年6月30日的招股章程(「招股章程」)「與控股股東關係 — 除外業務」一節。

Report of the Directors

董事會報告

EXCLUDED HAINAN PROJECTS

As disclosed in the Prospectus, the Excluded Hainan Projects held by the private group (being companies owned by Mr. Yeung Man apart from members of our Group which are principally engaged in real estate development, the “**Private Group**”) comprised two properties development projects in Wenchang and Haikou in the Hainan Province, details of which are set out below:

除外海南項目

誠如招股章程所披露，私人集團（由楊敏先生擁有而並不組成本集團成員公司的多家公司，主要從事房地產發展，統稱「私人集團」）持有的除外海南項目包括位於海南省文昌及海口的兩項房地產發展項目，有關詳情載於下文：

Location 地點	Description 描述	Status as at 31 December 2018 於2018年12月31日的狀況
Wenchang Dongjiao Coconut Forest (文昌東郊椰林)	<p>On 8 January 2010, Chung Wai Holding Company Limited (the “Chung Wai Holding”), and the People’s Government of Wenchang entered into a co-operation framework agreement, pursuant to which the People’s Government of Wenchang agreed that, among others (i) all expenses and developmental construction costs for the primary land development of the land reclamation of 400 mu would be borne by Chung Wai Holding, (ii) to establish a project company namely, Wenchang City Construction Investment Company Limited which was owned as to 40% by the People’s Government of Wenchang and 60% by Chung Wai Holding (which was owned as to 30%, 40% and 30% by Chung Wai Holding, the People’s Government of Wenchang and Nanjing Yu Ming Hang respectively as at the Latest Practicable Date), and (iii) Wenchang City Construction Investment Company Limited will be invited to participate in the tendering for and the reclaimed land will be sold via tender, auction, or listing-for-sale procedures with reference to the agreed land reclamation cost and would be determined between Chung Wai Holding and the People’s Government of Wenchang.</p>	<p>As at 31 December 2018, the People’s Government of Wenchang had yet to proceed with the bidding, invitation, auction and listing for the land use rights of the relevant reclaimed land in accordance with the co-operation framework agreement. There is uncertainty as to when and whether the reclaimed land could be obtained.</p>
文昌東郊椰林	<p>於2010年1月8日，中惠控股有限公司（「中惠控股」）與文昌人民政府訂立合作框架協議，據此文昌人民政府同意（其中包括）(i)400畝填海地的主要土地發展的所有開支及開發建設成本應由中惠控股承擔；(ii)成立項目公司文昌市城市建設投資有限公司，當時分別由文昌市人民政府及中惠控股擁有40%及60%權益，而於最後實際可行日期則分別由中惠控股、文昌市人民政府及南京禦銘行擁有30%、40%及30%權益；及(iii)文昌市城市建設投資有限公司將獲邀參與招標，而填海土地將會參考經協定的土地填海費用，透過招拍掛程序出售，並將由中惠控股與文昌市人民政府釐定。</p>	<p>於2018年12月31日，文昌人民政府尚未按照合作框架協議就有關填海土地的土地使用權展開招標拍賣掛牌程序。現時並不確定何時及能否獲得填海土地。</p>

Report of the Directors

董事會報告

Location 地點	Description 描述	Status as at 31 December 2018 於2018年12月31日的狀況
<p>Gui Lin Yang Bin Hai Tourism Area (桂林洋濱海旅遊區) in Haikou</p> <p>位於海口的桂林洋濱海旅遊區</p>	<p>On 9 March 2007, Haikou Bo Tai Long Property Development Company Limited (the “Haikou Bo Tai Long”) entered into a land grant contract with the relevant competent authority for, among other matters, acquisition of the land use rights in a piece of land located in the west of Gui Lin Yang Bin Hai Tourism Area (桂林洋濱海旅遊區) with a site area of 642,350 sq.m (“the land use right of Gui Lin Yang Bin Hai”). On 7 January 2008, Haikou Bo Tai Long obtained the construction land planning permit (建設用地規劃許可證) for the said piece of land. Such permit has expired and Haikou Bo Tai Long has not filed any renewal application.</p> <p>於2007年3月9日，海口博泰隆房地產開發有限公司(「海口博泰隆」)與有關主管當局訂立土地出讓合同，以(其中包括)收購位於桂林洋濱海旅遊區西部的一幅地盤面積為642,350平方米的的土地的土地使用權(「桂林洋濱海土地使用權」)。於2008年1月7日，海口博泰隆就上述土地獲得建設用地規劃許可證。該許可證已經屆滿，而海口博泰隆未有提交任何續期申請。</p> <p>On 19 July 2007, Chung Wai (China) Properties Group Limited (the “Chung Wai (China) Properties”) (as transferee), entered into an agreement (the “equity transfer agreement”) with the then equity holders of Haikou Bo Tai Long (as transferors), all being Independent Third Parties, for the acquisition of 60% interests in Haikou Bo Tai Long at the consideration of RMB179,210,000.</p> <p>於2007年7月19日，中惠(中國)置業集團有限公司(「中惠(中國)置業」)(作為承讓人)與海口博泰隆當時的股權持有人(作為轉讓人)(全部均為獨立第三方)就按代價人民幣179,210,000元收購海口博泰隆的60%權益訂立協議(「股權轉讓協議」)。</p>	<p>On 31 December 2018, the Haikou Intermediate People’s Court made the first instance administrative judgment. Both Haikou Bo Tai Long and the Haikou City Government appealed to the Higher People’s Court of Hainan Province within the statutory period. The hearing was held and is pending the second instance judgment.</p> <p>於2018年12月31日，海口市中级人民法院作出一審行政判決。博泰隆及海口市政府在法定期限內均向海南省高級人民法院提起上訴。該案聆訊已經舉行，等待二審判決。</p>

Report of the Directors

董事會報告

Location 地點	Description 描述	Status as at 31 December 2018 於2018年12月31日的狀況
	<p>On 27 October 2017, Haikou Land Bureau issued the Idle Land Verification (閒置土地認定書) to Haikou Bo Tai Long, and the idling was caused by government reasons. On 7 November 2017, Haikou Land Bureau issued the Notice on the Availability of the Cost of Obtaining the Land and Preliminary Reasonable Investment of Related Materials (關於提供土地取得成本和前期合理投入相關材料的通知) to Haikou Bo Tai Long. On 19 December 2017, Haikou Land Bureau issued the Notice on the Meeting concerning Recovery of the Land Use Right with a Payment (關於召開有償收回土地使用權會議的通知) to Haikou Bo Tai Long.</p> <p>於2017年10月27日，海口市國土局向海口博泰隆下達《閒置土地認定書》，認定系政府原因構成閒置。於2017年11月7日，海口國土局向海口博泰隆發出《關於提供土地取得成本和前期合理投入相關材料的通知》。於2017年12月19日，海口國土局向海口博泰隆發出《關於召開有償收回土地使用權會議的通知》。</p>	
	<p>On 22 March 2018, Haikou Land Bureau issued the Decision on the Recovery of the State-owned Construction Land Use Right by the People's Government of Haikou (海口市人民政府收回國有建設用地使用權決定書) to Haikou Bo Tai Long.</p> <p>2018年3月22日，海口國土局向海口博泰隆發出《海口市人民政府收回國有建設用地使用權決定書》。</p>	
	<p>On 30 July 2018, Haikou Bo Tai Long filed a lawsuit to the Haikou Intermediate People's Court, requesting the cancellation of the No. 1 Land Recovery Decision (1號收地決定), and the Court accepted the case on the same day.</p> <p>2018年7月30日，海口博泰隆向海口市中级人民法院提起訴訟，請求撤銷1號收地決定，法院於當日立案受理。</p>	
	<p>On 25 December 2018, the Haikou Intermediate People's Court made the first instance administrative judgment. Both Haikou Bo Tai Long and the Haikou City Government appealed to the Higher People's Court of Hainan Province within the statutory period. Currently, the hearing was held and is pending the second instance judgment.</p> <p>2018年12月25日，海口市中级人民法院作出一審行政判決。海口博泰隆及海口市政府在法定期限內均向海南省高級人民法院提起上訴，該案聆訊經已舉行，等待二審判決。</p>	

Report of the Directors

董事會報告

NON-TARGET CITIES PROJECTS

非目標城市項目

As disclosed in the Prospectus, the Private Group had 6 Non-Target Cities Projects, further details of which are set out below:

誠如招股章程所披露，私人集團有6項非目標城市項目，有關詳情載列如下：

Project Name	Location	Description	Status as at 31 December 2018 於2018年12月31日 的狀況	Total GFA (sq.m.) 總建築面積 (平方米)	Site area (sq.m.) 地盤面積 (平方米)
項目名稱	地點	說明			
Zi Qi Yun Gu	Nanjing, Jiangsu Province	Residential and commercial	Fully completed and partly land for future development	728,332.9 (including GFA of undeveloped land of project calculating with a 30% plot ratio for villa and the actual GFA of which shall be subject to the government's final approval)	790,519.6
紫氣雲谷	江蘇省南京	住宅及商業	已全部竣工，部分土地用作未來發展的土地儲備	728,332.9 (含該項目未開發土地以興建別墅的30%容積率計算之建築面積，而有關實際建築面積將待政府最終批准)	
Xin Gang Financial Centre 新港金融中心	Nanjing, Jiangsu Province 江蘇省南京	Commercial, office and guesthouses 商業、寫字樓及賓館	Fully completed 已全部竣工	134,765.4	24,513.9
Bo En Garden 博恩花園	Nanjing, Jiangsu Province 江蘇省南京	Residential 住宅	Partly completed and partly under development 部分已竣工、部分發展中	1,046,040.5	641,728.8
Cui Ping Cheng Yuan 翠屏誠園	Nanjing, Jiangsu Province 江蘇省南京	Ordinary Residential 普通住宅	Partly completed and partly under development 部分已竣工、部分發展中	534,176.3	271,992.5
Tuo Le Jia 托樂嘉	Nanjing, Jiangsu Province 江蘇省南京	Residential and commercial 住宅及商業	Fully completed 已全部竣工	747,951.8	435,199.7
Gong Jue Town 公爵小鎮	Huizhou, Guangdong Province 廣東省惠州	Residential 住宅	Whole project had been disposed to third party 項目已全部轉讓第三方	-	-

Report of the Directors

董事會報告

Save as disclosed above, none of the Directors had any direct or indirect interest in a business which competed or might compete with the business of the Group as required to be disclosed under Rule 8.10 of the Listing Rules for the Reporting Period.

NON-COMPETITION UNDERTAKINGS

Each of the controlling shareholders has confirmed to the Company of his/its compliance with the non-competition undertakings provided to the Company under the Deed of Non-Competition (as defined in the Prospectus). The independent non-executive Directors have reviewed the status of compliance and confirmed that all the undertakings under the Deed of Non-Competition have been complied with by the controlling shareholders during the period commencing from the Deed of Non-Competition and up to 31 December 2018.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Save as disclosed in the sections headed "Connected Transactions" in this report, there was no transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted as at 31 December 2018 or at any time during the year ended 31 December 2018.

Save as disclosed, there was no contract of significance between the Company or one of its subsidiaries on the one hand, and a controlling shareholder or any of its subsidiaries on the other, subsisting during or as at the end of the Reporting Period.

Save as disclosed, there was also no other contract of significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder or any of its subsidiaries during or as at the end of the same period.

除上文所披露者外，於報告期間，概無董事直接或間接於與本集團業務存在競爭或可能存在競爭的業務中擁有須根據上市規則第8.10條披露的權益。

不競爭承諾

各控股股東已向本公司確認，已遵照根據不競爭契據(定義見招股章程)向本公司提供的不競爭承諾。獨立非執行董事已檢討其遵例情況，並確認控股股東已於不競爭契據開始直至2018年12月31日期間遵照不競爭契據下的所有承諾。

董事於重大交易、安排及合約中的權益

除本報告「關連交易」一節所披露者外，概不存在本公司或其任何附屬公司為訂約方，而董事在其中直接或間接擁有重大權益並於2018年12月31日或截至2018年12月31日止年度內任何時間仍然存續的重大交易、安排或合約。

除上文所披露者外，於報告期間或報告期間結束時，本公司或其任何附屬公司(作為一方)與控股股東或其任何附屬公司(作為另一方)之間概無重大合約存續。

除上文所披露者外，於同期間內或該期間結束時，概無其他控股股東或其任何附屬公司向本公司或其任何附屬公司提供服務的重大合約。

Report of the Directors

董事會報告

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association, every Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto subject to the Hong Kong Companies Ordinance. Such provision was in force during the year ended 31 December 2018 and remained in force as of the date of this report. The Company has also arranged appropriate directors' and officers' liability insurance for the Directors and officers of the Group.

MANAGEMENT CONTRACTS

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

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OR DEBENTURES

As of 31 December 2018, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

獲准許彌償條文

根據組織章程細則，本公司董事或其他高級職員在香港公司條例的規限下，就其執行職務或與此有關所蒙受或招致之一切損失或負債，均有權從本公司資產中獲得彌償保證。該條文於截至2018年12月31日止年度生效，並於本報告日期仍然生效。本公司亦已為本集團董事及高級職員安排合適的董事及高級職員責任保險。

管理合約

於報告期間，概無訂立或存續的任何有關管理及經營本公司全部或任何重大部分業務的合約。

董事及主要行政人員於股份及相關股份或債券之權益及淡倉

截至2018年12月31日，本公司董事及主要行政人員於本公司及其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之任何股份、相關股份或債券中，擁有記錄於本公司根據證券及期貨條例第352條須予置存之登記冊或根據上市發行人董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所之任何權益及淡倉如下：

Report of the Directors

董事會報告

(A) INTEREST IN SHARES OF THE COMPANY

(A) 於本公司的股份權益

Name of Director	Capacity	Position (Long/Short)	Number of Shares held/ interested in	Approximate shareholding percentage
董事姓名	身份	倉位 (好倉/淡倉)	持有/擁有權益的股份數目	概約持股百分比
Ms. Zhou Li	Interest of spouse (Note 1)	Long	225,000,000 Shares	75%
周莉女士	配偶權益(附註1)	好倉	225,000,000 股股份	

Notes:

- (1) 225,000,000 shares of the Company are held by Zhong Jia (International) Investment Construction Company Limited (“**Zhong Jia (International)**”) and Zhong Ze (International) Investment Company Limited (“**Zhong Ze (International)**”) as to 224,325,000 shares and 675,000 shares, respectively. Mr. Yeung Man (“**Mr. Yeung**”) beneficially owns 100% of the issued share capital of Zhong Jia (International) and Zhong Ze (International) and is deemed, or taken to be, interested in all the shares held by Zhong Jia (International) and Zhong Ze (International) for the purposes of the SFO. Mr. Yeung and Ms. Zhou Li have declared that they are cohabiting as spouse. Accordingly, Ms. Zhou Li is deemed, or taken to be, interested in the Shares in which Mr. Yeung is interested for the purpose of the SFO.
- (2) As of the date of this report, the total number of issued shares of the Company was 300,000,000.

附註：

- (1) 中嘉(國際)投資建設有限公司(「**中嘉(國際)**」)及中澤(國際)投資有限公司(「**中澤(國際)**」)持有本公司225,000,000股股份，二者分別持有224,325,000股股份及675,000股股份。楊敏先生(「**楊先生**」)實益擁有中嘉(國際)及中澤(國際)100%的已發行股本，故根據證券及期貨條例被視為或當作擁有中嘉(國際)及中澤(國際)的所有股份權益。楊敏先生及周莉女士報稱同居儼如配偶。因此，就證券及期貨條例而言，周莉女士被視為或當作於楊先生所擁有的股份中擁有權益。
- (2) 截至本報告日期，本公司已發行股份總數為300,000,000股。

Report of the Directors

董事會報告

(B) LONG POSITION IN THE SHARES OF ASSOCIATED CORPORATION

(i) Long position in Zhong Jia (International) and Zhong Ze (International)

Name of Director or Chief executive	Name of associated corporation	Capital	Position (Long/Short)	Number and class of securities held/ interested in	Approximate shareholding percentage
董事或行政總裁姓名	相聯法團名稱	身份	倉位 (好倉/淡倉)	持有/擁有權益的證券數目及類別	概約持股百分比
Ms. Zhou Li	Zhong Jia (International)	Interest of spouse (Note 1)	Long	1 ordinary share	100%
周莉女士	中嘉(國際)	配偶權益(附註1)	好倉	1股普通股	
	Zhong Ze (International)	Interest of spouse (Note 1)	Long	7,000 ordinary shares	100%
	中澤(國際)	配偶權益(附註1)	好倉	7,000股普通股	

Note:

- (1) Mr. Yeung owns 100% interest in Zhong Jia (International) and Zhong Ze (International). Mr. Yeung and Ms. Zhou Li have declared that they are cohabiting as spouse. Accordingly, Ms. Zhou Li is deemed, or taken to be, interested in the Shares of Zhong Jia (International) and Zhong Ze (International) in which Mr. Yeung is interested for the purpose of the SFO.

附註：

- (1) 楊先生擁有及中嘉(國際)及中澤(國際)100%的權益。楊先生及周莉女士報稱同居儼如配偶。因此，就證券及期貨條例而言，周莉女士被視為或被當作於楊先生擁有權益的中嘉(國際)及中澤(國際)股份中擁有權益。

(ii) Long position in Sanya Hui Xin Trading

Name of Director or Chief Executive	Capacity	Position (Long/Short)	Approximate shareholding percentage
董事或行政總裁姓名	身份	倉位 (好倉/淡倉)	概約持股百分比
Ms. Zhou Li	Beneficiary of a trust (Note 1)	Long	6.56%
周莉女士	信託受益人(附註1)	好倉	
Ms. Fan Wenyi	Beneficiary of a trust (Note 1)	Long	1.75%
范文燚女士	信託受益人(附註1)	好倉	
Mr. Chen Xiang	Beneficiary of a trust (Note 1)	Long	0.53%
陳祥先生	信託受益人(附註1)	好倉	

Note:

- (1) Each of the target participants and their percentage of equity interest to be interested in Sanya Hui Xin Trading are set out on page 77 of this annual report.

附註：

- (1) 各目標參與者及其於三亞惠新貿易擁有的股權比例均載於本年報第77頁。

(B) 於相聯法團股份中的好倉

(i) 於中嘉(國際)及中澤(國際)的好倉

Name of Director or Chief executive	Name of associated corporation	Capital	Position (Long/Short)	Number and class of securities held/ interested in	Approximate shareholding percentage
董事或行政總裁姓名	相聯法團名稱	身份	倉位 (好倉/淡倉)	持有/擁有權益的證券數目及類別	概約持股百分比
Ms. Zhou Li	Zhong Jia (International)	Interest of spouse (Note 1)	Long	1 ordinary share	100%
周莉女士	中嘉(國際)	配偶權益(附註1)	好倉	1股普通股	
	Zhong Ze (International)	Interest of spouse (Note 1)	Long	7,000 ordinary shares	100%
	中澤(國際)	配偶權益(附註1)	好倉	7,000股普通股	

附註：

- (1) 楊先生擁有及中嘉(國際)及中澤(國際)100%的權益。楊先生及周莉女士報稱同居儼如配偶。因此，就證券及期貨條例而言，周莉女士被視為或被當作於楊先生擁有權益的中嘉(國際)及中澤(國際)股份中擁有權益。

(ii) 於三亞惠新貿易的好倉

Name of Director or Chief Executive	Capacity	Position (Long/Short)	Approximate shareholding percentage
董事或行政總裁姓名	身份	倉位 (好倉/淡倉)	概約持股百分比
Ms. Zhou Li	Beneficiary of a trust (Note 1)	Long	6.56%
周莉女士	信託受益人(附註1)	好倉	
Ms. Fan Wenyi	Beneficiary of a trust (Note 1)	Long	1.75%
范文燚女士	信託受益人(附註1)	好倉	
Mr. Chen Xiang	Beneficiary of a trust (Note 1)	Long	0.53%
陳祥先生	信託受益人(附註1)	好倉	

附註：

- (1) 各目標參與者及其於三亞惠新貿易擁有的股權比例均載於本年報第77頁。

Report of the Directors

董事會報告

Save as disclosed above, as of 31 December 2018, none of the Directors and chief executive of the Company and their respective close associates had any interests or short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

INTERESTS AND/OR SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARE CAPITAL OF THE COMPANY

So far as the Directors are aware as of 31 December 2018, the following persons (other than the Directors or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO:

除上文披露者外，於2018年12月31日，本公司董事、最高行政人員及其各自的緊密聯繫人士於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份及債券中，概無任何須根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所的權益及淡倉（包括根據證券及期貨條例有關條文彼等被當作或被視為擁有的任何權益或淡倉），或須根據證券及期貨條例第352條記入該條所指的登記冊內的權益及淡倉，或根據上市規則的標準守則須知會本公司及聯交所的權益及淡倉。

主要股東於本公司股本中的權益及／或淡倉

就董事所知，截至2018年12月31日，以下人士（本公司董事或最高行政人員除外）於根據證券及期貨條例第336條須由本公司記入登記冊內的本公司股份或相關股份中擁有權益或淡倉：

Name of Substantial Shareholder	Nature of interest	Position (Long/Short)	Number and class of securities held/interested in 持有／擁有 權益的證券 數目及類別	Approximate shareholding percentage 概持股約 百分比
主要股東名稱	權益性質	倉位（好倉／淡倉）		
Zhong Jia (International) 中嘉（國際）	Beneficial owner 實益擁有人	Long 好倉	224,325,000 Shares 股股份	74.78%
Mr. Yeung 楊先生	Interest of a controlled corporation (Note) 受控法團權益（附註）	Long 好倉	224,325,000 Shares 股股份	74.78%

Report of the Directors

董事會報告

Note:

224,325,000 shares of the Company are held by Zhong Jia (International). Mr. Yeung beneficially owns 100% of the issued share capital of Zhong Jia (International) and is deemed, or taken to be, interested in all the shares held by Zhong Jia (International) for the purposes of the SFO. Mr. Yeung is the sole director of Zhong Jia (International).

Save as disclosed above, as at 31 December 2018, the Directors are not aware of any person who had an interest or short position in the shares and the underlying shares of the Company which would require to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

CONNECTED TRANSACTIONS

Related party transactions of our Group during the year ended 31 December 2018 set out in note 30 to the consolidated financial statements. Save as disclosed below, other related party transactions of our Company did not constitute connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules. Our Company has complied with the disclosure requirements pursuant to the Chapter 14A of the Listing Rules.

附註：

中嘉(國際)持有本公司224,325,000股股份。楊先生實益擁有中嘉(國際)100%的已發行股本，故根據證券及期貨條例被視為或當作擁有中嘉(國際)的所有股份權益。楊先生是中嘉(國際)的唯一董事。

除上文披露者外，於2018年12月31日，董事不知曉於將根據證券及期貨條例第XV部第2及3分部條文須向本公司披露或已由本公司根據證券及期貨條例第336條記入規定的登記冊內的本公司股份及相關股份中擁有權益或淡倉的任何人士。

關連交易

本集團截至2018年12月31日止年度的關聯方交易的詳情載於綜合財務報表附註30。除下文所披露外，本公司其他關聯方交易根據上市規則第14A章並不構成關連交易或持續關連交易。本公司已根據上市規則第14A章遵守披露規定。

Report of the Directors

董事會報告

The historical transaction amount of the continuing connected transactions of the Group for the Reporting Period is set out below:

本集團於報告期間訂立的持續關聯交易之過往交易額載列如下：

Connected Person	Nature of Transaction	Transaction Amount for Year ended 31 December 2018 截至2018年12月31日止年度交易額 RMB'000 人民幣千元
關聯人士	交易性質	

Non-exempt continuing connected transactions

非豁免持續關聯交易

Nanjing Huizhi Construction Installation Engineering Company Limited (Note 1) 南京惠智建築安裝工程有限公司(附註1)	Construction Cooperation Framework Agreement 工程施工合作框架協議	53,296
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Notes:

附註：

- (1) Nanjing Huizhi Construction Installation Engineering Company Limited (南京惠智建築安裝工程有限公司), a company established in the PRC with limited liability which is indirectly held as to 100% by Mr. Yeung Man, a controlling shareholder of the Company.

- (1) 南京惠智建築安裝工程有限公司為一間在中國成立的有限責任公司，由楊敏先生(本公司的控股股東)間接全資擁有。

On 8 April 2016, Nanjing Huizhi Construction Installation Engineering Company Limited has entered into a Construction Cooperation Framework Agreement with the Company and its subsidiaries, Sanya Fenghuang Xincheng, Sanya Fenghuang Shuiyun, Hainan Nanhai Xiang Long and Danzhou Shuang Lian effective from the Listing Date up to 31 December 2018.

於2016年4月8日，南京惠智建築安裝工程有限公司與本公司及其附屬公司(三亞鳳凰新城、三亞鳳凰水韻、海南南海翔龍及儋州雙聯)訂立一項工程施工合作框架協議，自上市日期起生效，直至2018年12月31日止。

Under the Construction Cooperation Framework Agreement, Nanjing Huizhi Construction Installation Engineering Company Limited has agreed, where it is selected following the relevant tender processes, to provide the construction services to the Group according to the construction contracts entered into between Nanjing Huizhi Construction Installation Engineering Company Limited and the Group from time to time. The construction fee would be specified in the construction contracts to be entered into between Nanjing Huizhi Construction Installation Engineering Company Limited and the Group from time to time.

根據該工程施工合作框架協議，南京惠智建築安裝工程有限公司同意，若經過有關招標程序後獲選，其將根據與本集團不時簽訂的建築合同，向本集團提供建築服務。建築費用將在其與本集團不時訂立的建築合同中列明。

The annual caps for the transactions under the Construction Cooperation Framework Agreement for each of the three years ending 31 December 2016, 2017 and 2018 will be approximately RMB50,540,000, RMB399,404,000 and RMB501,722,000, respectively. For more details of these transactions, please refer to the section headed "Connected Transactions" in the Prospectus.

截至2016年、2017年及2018年12月31日止三個年度，該工程施工合作框架協議項下交易的各年度上限分別約為人民幣50,540,000元、人民幣399,404,000元及人民幣501,722,000元。有關該等交易的詳情，請參閱招股章程「關聯交易」一節。

Report of the Directors

董事會報告

CORPORATE GOVERNANCE RELATING TO THE CONSTRUCTION COOPERATION FRAMEWORK AGREEMENT WITH NANJING HUIZHI CONSTRUCTION INSTALLATION ENGINEERING COMPANY LIMITED

Summaries of corporate governance mechanisms in place in the Reporting Period regarding the non-exempt continuing connected transaction with Nanjing Huizhi Construction Installation Engineering Company Limited under the Construction Cooperation Framework Agreement:

(i) Independence in Selection Process

The Group has adopted an independent mechanism with the following features to govern and monitor the selection process for our potential bidders:

- (a) the Internal Tender Review Committee, which comprises members appointed by the independent non-executive Directors and accountable to the independent non-executive Directors, is responsible for reviewing the terms and conditions of tenders and screen out unsuitable tenders, which shall also comply with the requirements of the relevant laws and regulations. The members of the Internal Tender Review Committee include the heads of our Group's tender department and the relevant project general managers of our Group. The appointment of the members of the Internal Tender Review Committee by the independent non-executive Directors is based on nominations by the executive Directors and relevant senior management of our Group. Ms. Zhou Li shall abstain from such nomination process;
- (b) objective criteria for identifying potential bidders, such as the price, quality of construction work, size of the project, construction schedule and other required services, is prescribed by the Internal Tender Review Committee in relation to each of our projects and each criterion must be approved by the Internal Tender Review Committee;

與南京惠智建築安裝工程有限公司之間的工程施工合作框架協議有關的企業管治

於本報告期間，與工程施工合作框架協議下南京惠智建築安裝工程有限公司非豁免持續關連交易有關的企業管治機制概要如下：

(i) 甄選程序中的獨立性

本集團已採納一套具有以下特點的獨立機制以控制和監察有意投標人的甄選程序：

- (a) 內部招標審核委員會，由獨立非執行董事委派的向獨立非執行董事負責的成員組成，根據有關法律法規的要求，負責審閱標書的條款及條件以及作廢不合格標書。內部招標委員會的成員包括本集團招標部門主管及有關的項目總經理。獨立非執行董事對內部招標審核委員會成員的委任乃根據本集團執行董事及有關高級管理層的提名。周莉女士應放棄參與該提名程序；
- (b) 物色有意投標人的客觀標準（如我們各個項目的價格、建設工程質量、項目規模、施工進度及其他所要求的服務）由內部招標審核委員會訂明，且各項標準須經內部招標審核委員會批准；

Report of the Directors

董事會報告

- (c) the relevant project company will contact qualified potential bidders and require them to provide information regarding their qualifications, industry experience and the size and composition of their management teams; and
- (d) the relevant project company will be responsible for compiling a list of qualified potential bidders in accordance with the prescribed criteria laid down by the Internal Tender Review Committee and the relevant project company will issue tender application documents to three to five qualified bidders. In the event that Nanjing Huizhi Construction Installation Engineering Company Limited is chosen as one of the potential construction companies after the selection process described above and it submits a completed tender application document to the relevant project company, the relevant project company will submit Nanjing Huizhi Construction Installation Engineering Company Limited's tender application document to the Internal Tender Review Committee for review and approval. The Internal Tender Review Committee will only approve Nanjing Huizhi Construction Installation Engineering Company Limited's application if Nanjing Huizhi is considered to have a competitive advantage in the relevant market in which the relevant project will be situated.

Shortlisted qualified bidders shall submit tender documents to us or the tendering agency appointed by us. The assessment committee established by us is responsible for reviewing tenders and selecting a tender for acceptance according to applicable laws and regulations. According to the Measures on the Tender and Commencement of Construction Projects (工程項目建設施工招標投標辦法), the selected industry expert(s) will be disqualified if he/she is found to have a conflict of interest. After the assessment committee has selected a tender for acceptance, we will award the constructions contract to the successful bidder.

- (c) 相關項目公司將聯繫合資格有意投標人並要求彼等提供有關資質、行業經驗及其管理團隊人數及組成的資料；及
- (d) 相關項目公司將負責根據內部招標審核委員會制定的標準編製合資格有意投標人名單，並向三至五名合資格投標人發出標書。倘於上述甄選程序後，南京惠智建築安裝工程有限公司獲入選為有意建設公司之一，其將向相關項目公司提交一份作好的標書，相關項目公司將南京惠智建築安裝工程有限公司的標書交予內部招標審核委員會進行審閱與批准。倘南京惠智建築安裝工程有限公司被認為在有關項目所在的相關市場具有競爭優勢，則內部招標審核委員會將只會批准南京惠智建築安裝工程有限公司的投標。

入圍的合資格投標人將向我們或我們指定的招標代理提供其投標文件。我們所設立的評審委員會則負責審閱標書並根據適用法律法規選出中標方。根據工程項目建設施工招標投標辦法，倘所挑選的行業專家被發現存在利益衝突，其將會喪失評審資格。於評審委員會選出中標方後，我們將會把建設合約授予成功中標人。

Report of the Directors

董事會報告

(ii) Independent Review of Construction Services Provided by Nanjing Huizhi Construction Installation Engineering Company Limited

In addition, we have also put in place the following procedures with a view to monitoring the quality of construction work carried out by Nanjing Huizhi Construction Installation Engineering Company Limited if it is selected to provide construction services to the Group after the above tender and selection procedures:

- (a) monthly reports regarding the construction progress and the quality of construction services prepared by independent qualified engineering supervisory companies will be provided to the independent non-executive Directors, and the views and recommendations of the independent non-executive Directors will be adopted by the Company; and
- (b) written approval from the Internal Tender Review Committee is required if Nanjing Huizhi Construction Installation Engineering Company Limited seeks to modify the scope of work, construction schedule or other relevant information as provided in the construction contract.

The Directors believe that the above selection and review mechanism will ensure that the terms of the Construction Cooperation Framework Agreement are conducted on normal commercial terms and are in the best interests of our Company and our independent shareholders as a whole. In the Reporting Period, the mechanisms have been effective and operated accordingly.

(ii) 對南京惠智建築安裝工程有限公司所提供建設服務的獨立審核

此外，我們已制定以下程序，以監督由南京惠智建築安裝工程有限公司施工的建築工程質量（倘於上述招標及甄選程序之後，其被選中為本集團提供建築服務）：

- (a) 獨立合資格工程監理公司每月向獨立非執行董事提供就建築進度及建築服務質量編製的報告。本公司將採納獨立非執行董事的意見及建議；及
- (b) 倘南京惠智建築安裝工程有限公司擬變更工程規模、施工進度或建築合同中訂明的其他相關資料，須獲得內部招標審核委員會的書面同意。

董事認為，上述甄選及審閱機制將確保工程施工合作框架協議的條款按一般商業條款執行且符合本公司及全體獨立股東的整體利益。於本報告期間，有關機制相應生效並實施。

Report of the Directors

董事會報告

CONFIRMATION FROM INDEPENDENT NON-EXECUTIVE DIRECTORS

All the independent non-executive Directors have reviewed the above continuing connected transactions and confirmed that those transactions had been entered into:

- (1) in the ordinary and usual course of business of the Company and the Group (where appropriate);
- (2) either on normal commercial terms or better; and
- (3) according to the relevant agreements governing the relevant transactions on terms that are fair and reasonable and in the interests of the shareholders as a whole.

CONFIRMATIONS FROM THE COMPANY'S INDEPENDENT AUDITORS

Pursuant to Rule 14A.56 of the Listing Rules, the Board has engaged the auditor of the Company to perform review procedures on the aforesaid continuing connected transactions. Based on the work performed, the auditor of the Company had provided a letter to the Board confirming that the aforesaid continuing connected transactions:

- (i) have been approved by the Directors;
- (ii) were entered into in accordance with the pricing policies of the Group;
- (iii) were entered into in accordance with the terms of the relevant agreements governing such transactions; and
- (iv) did not exceed the annual cap amounts.

獨立非執行董事的確認

所有獨立非執行董事已審閱上述持續關連交易，並確認該等交易乃：

- (1) 於本公司及本集團日常及一般業務過程中(如適用)；
- (2) 按一般商業條款或更優條款；及
- (3) 根據規管相關交易的相關協議，按公平合理及符合股東整體利益的條款訂立。

本公司獨立核數師的確認

根據上市規則第14A.56條，董事會已委聘本公司核數師對上述持續關連交易執行審核程序。根據所開展的工作，本公司核數師已向董事會提供函件，確認上述持續關連交易：

- (i) 已獲董事批准；
- (ii) 按照本集團的定價政策訂立；
- (iii) 按照規管該等交易的相關協議的條款訂立；及
- (iv) 未超出年度上限金額。

Report of the Directors

董事會報告

EMOLUMENT POLICY

A Remuneration Committee was set up to make recommendations on the Company's emolument policy and structure for all remuneration of the Directors and senior management of the Group on the basis of their merit, qualifications and competence.

The Company has adopted a pre-IPO share incentive scheme on 5 January 2016 (the "**Pre-IPO Share Incentive Scheme**") to recognize and reward the contribution of certain directors and senior management (the "**Target Participant(s)**") who have or may have made to the growth and development of the business(es) of the Group.

Under the Pre-IPO Share Incentive Scheme, the Group allocated 17.5% of the total equity interest (the "**Incentive Equity Interest**") in Sanya Hui Xin Trading (representing approximately 3% effective interest in Sanya Fenghuang Shuiyun) held by Mr. Yang Jinhe or Mr. Fang Jing, both of whom held such interest on trust for Mr. Yeung to the Target Participants. The Target Participants entered into trust agreements with Mr. Yeung, Mr. Yang Jinhe, Mr. Fang Jing, Zhonghui (China) Investment Company Limited and the Company on 5 January 2017, pursuant to which the Incentive Equity Interest shall be held on trust by Mr. Yang Jinhe or Mr. Fang Jing for the Target Participants until such Incentive Equity interest are vested in the relevant Target Participant in accordance with the provision of the Pre-IPO Share Incentive Scheme. The Target Participants can exercise his/her rights in the abovementioned Incentive Equity Interest at nil consideration after their completion of three service years (commenced from the date of trust agreement) in the Group and satisfaction of the achievement targets in these three consecutive years.

The table below shows the details of each Target Participant under the Pre-IPO Share Incentive Scheme in Sanya Hui Xin Trading as at 31 December 2018.

薪酬政策

薪酬委員會已告成立，以基於本集團全體董事及高級管理層的優點、資歷及能力，對本公司就彼等的薪酬政策及架構作出建議。

本公司於2016年1月5日採納首次公開發售前股權激勵計劃（「**首次公開發售前股權激勵計劃**」），以肯定及酬謝若干董事及高級管理層（「**目標參與者**」）已對或可能已對本集團的業務增長及發展作出的貢獻。

根據首次公開發售前股權激勵計劃，本集團將楊金和先生或方晶先生所持三亞惠新貿易的合共17.5%股權（「**激勵股權**」，相當於三亞鳳凰水韻約3%的實際權益，楊金和先生及方晶先生均以信託形式代楊先生持有該等權益）分配予目標參與者。於2017年1月5日，目標參與者與楊先生、楊金和先生、方晶先生、中惠（中國）投資有限公司及本公司訂立信託協議，據此，激勵股權應由楊金和先生或方晶先生以信託形式代目標參與者持有，直至有關激勵股權根據首次公開發售前股權激勵計劃的規定歸屬予相關目標參與者為止。目標參與者可在於本集團服務滿三年（自信託協議日期起計）並在該三個連續年度內達到績效目標後，以零代價行使彼等於上述激勵股權中的權利。

下表列示於2018年12月31日，首次公開發售前股權激勵計劃項下各持有人於三亞惠新貿易之詳情。

Report of the Directors

董事會報告

Holders	Outstanding equity interest in Sanya Hui Xin to be acquired under the options 購股權項下將予收購之三亞惠新之尚未發行股權	Position	Consideration of Pre-IPO Equity Interest 首次公開發售前股權之代價	Equity Interest in Sanya Hui Xin being granted 所授出之三亞惠新股權	Exercise Price 行使價	Date of Grant 授出日期	Vesting Period 歸屬期	The period during which share options are exercisable 購股權行使期	Cancelled/lapsed options (where applicable) 已註銷/失效之購股權 (倘適用)
Ms. Zhou Li 周莉女士	6.5625%	Executive Director and Chairman 執行董事兼主席	Nil 無	6.5625%	Nil 無	5 January 2016 2016年1月5日	Three years from the date of grant 授出日期起計三年	No expiration date 無屆滿日期	Nil 無
Mr. Huang Annan 黃安南先生	(note 1) (附註1)	Executive Director and general manager 執行董事兼總經理	Nil 無	6.5625%	Nil 無	5 January 2016 2016年1月5日	Three years from the date of grant 授出日期起計三年	No expiration date 無屆滿日期	Lapsed (note 1) 已失效(附註1)
Ms. Fan Wen Yi 范文懿女士	1.75%	Executive Director and deputy general manager of operation 執行董事兼運營部副總經理	Nil 無	1.75%	Nil 無	5 January 2016 2016年1月5日	Three years from the date of grant 授出日期起計三年	No expiration date 無屆滿日期	Nil 無
Ms. Wu Lijuan 吳莉娟女士	(note 1) (附註1)	Chief Financial Officer 財務總監	Nil 無	0.525%	Nil 無	5 January 2016 2016年1月5日	Three years from the date of grant 授出日期起計三年	No expiration date 無屆滿日期	Lapsed (note 1) 已失效(附註1)
Mr. Wang Tao 王濤先生	(note 1) (附註1)	Chief Marketing Officer 營銷總監	Nil 無	0.525%	Nil 無	5 January 2016 2016年1月5日	Three years from the date of grant 授出日期起計三年	No expiration date 無屆滿日期	Lapsed (note 1) 已失效(附註1)
Ms. Zhao Lin 趙琳女士	0.525%	Chief Administration Officer 行政總監	Nil 無	0.525%	Nil 無	5 January 2016 2016年1月5日	Three years from the date of grant 授出日期起計三年	No expiration date 無屆滿日期	Nil 無
Mr. Chen Xiang 陳祥先生	0.525%	Executive Director 執行董事	Nil 無	0.525%	Nil 無	5 January 2016 2016年1月5日	Three years from the date of grant 授出日期起計三年	No expiration date 無屆滿日期	Nil 無
Mr. Wang Pei 王培先生	(note 1) (附註1)	Non-executive Director 非執行董事	Nil 無	0.525%	Nil 無	5 January 2016 2016年1月5日	Three years from the date of grant 授出日期起計三年	No expiration date 無屆滿日期	Lapsed (note 1) 已失效(附註1)

Note:

1. Mr. Huang Annan resigned as an executive Director on 29 March 2017, Ms. Wu Lijuan resigned as the head of financial management division of the Company on 15 April 2017, Mr. Wang Tao resigned as the chief marketing officer of the Company on 26 July 2017 and Mr. Wang Pei resigned as a non-executive Director on 15 March 2018. Therefore, they cannot fulfil their commitment to 3 years of service from the date of grant under the Pre-IPO Share Incentive Scheme.

附註：

1. 黃安南先生已於2017年3月29日辭任執行董事、吳莉娟女士已於2017年4月15日辭任本公司財務管理部總監、王濤先生已於2017年7月26日辭任本公司營銷總監及王培先生已於2018年3月15日辭任非執行董事。因此，彼等未能履行自首次公開發售前股權激勵計劃項下授出日期起計三年服務期的承諾。

Report of the Directors

董事會報告

Save as disclosed above, no further Incentive Equity Interest has been offered under the Pre-IPO Share Incentive Scheme and no further Incentive Equity Interest will be offered thereunder on or after the Listing Date. For further details, please refer to note 23 to the consolidated financial statements. Save as disclosed above, the Company does not have any equity linked agreement.

None of the Directors waived any emoluments during the Reporting Period.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the laws of Cayman Islands which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the knowledge of the Directors, the Company has maintained a sufficient public float as required under the Listing Rules for the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

除上文所披露者外，概無根據首次公開發售前股權激勵計劃進一步授出激勵股權，且於上市日期當日或之後亦不會據此進一步授出激勵股權。有關進一步詳情，請參閱綜合財務報表附註23。除上文所披露者外，本公司概無任何股票掛鈎協議。

於報告期間，概無董事放棄任何酬金。

優先購買權

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

充足的公眾持股量

根據本公司可獲取的公開資料以及據董事所知，於報告期間，本公司一直維持上市規則規定的充足公眾持股量。

購入、出售或贖回本公司上市證券

於報告期間，本公司及其任何附屬公司概無購入、出售或贖回本公司任何上市證券。

Report of the Directors

董事會報告

MATERIAL EVENTS AFTER THE REPORTING PERIOD

(i) Renewal of construction cooperation framework agreement

The framework construction services agreement dated 8 April 2016 (“**Construction Cooperation Framework Agreement**”) entered into among the Company, Sanya Fenghuang Xincheng, Sanya Fenghuang Shuiyun, Hainan Nanhai Xiang Long, Danzhou Shuang Lian and Nanjing Huizhi (collectively the “**Relevant Parties**”) as disclosed in the Prospectus has been expired on 31 December 2018.

On 25 January 2019, the Relevant Parties have agreed to continue with the arrangement under the Construction Cooperation Framework Agreement after the expiry of its term upon similar terms and/or covering similar scope of services as in the Construction Cooperation Framework Agreement by entering into of the new construction cooperation framework agreement entered into among the Relevant Parties (“**2019 Renewal Framework Agreement**”), of which it extends the Construction Cooperation Framework Agreement for three financial years commencing from 1 January 2019 to 31 December 2021. The 2019 Renewal Framework Agreement was approved in the extraordinary general meeting on 29 April 2019.

For more details of the 2019 Renewal Framework Agreement, please refer to the announcements of the Company dated 25 January 2019, 20 February 2019 and 13 March 2019, respectively and the circular of the Company dated 26 March 2019.

報告期後重大事項

(i) 重續工程施工合作框架協議

招股章程所披露由本公司、三亞鳳凰新城、三亞鳳凰水韻、海南南海翔龍、儋州雙聯與南京惠智(統稱為「**相關訂約方**」)訂立日期為2016年4月8日的框架工程施工服務協議(「**工程施工合作框架協議**」)已於2018年12月31日到期。

於2019年1月25日，工程施工合作框架協議的相關訂約方已同意於到期後透過與相關訂約方訂立的新工程施工合作框架協議(「**2019年重續框架協議**」)按照工程施工合作框架協議類似條款及／或涵蓋類似服務範圍繼續工程施工合作框架協議項下之安排，以延長自2019年1月1日起至2021年12月31日止三個財政年度的工程施工合作框架協議。2019年重續框架協議已於2019年4月29日的股東特別大會上獲批准。

有關2019年重續框架協議的更多詳情，請參閱本公司日期分別為2019年1月25日、2019年2月20日及2019年3月13日的公告，以及本公司日期為2019年3月26日的通函。

Report of the Directors

董事會報告

(ii) Formation of subsidiaries

- (a) On 24 April 2019, Nanjing Hailan Estate Co., Ltd.* (南京海藍置業有限公司) (“**Nanjing Hailan**”), an indirect wholly-owned subsidiary of the Company incorporated in the PRC in 2019 entered into a cooperation agreement A (the “**Cooperation Agreement A**”) with 廣州瑞豐房地產開發有限公司 (Guangzhou Ruifeng Property Development Co., Ltd.*) (“**Guangzhou Ruifeng**”), pursuant to which the both parties agreed to establish a joint venture company (the “**Company A**”) in the PRC to principally engage in real estate development in the PRC.

Pursuant to the Cooperation Agreement A, Nanjing Hailan will advance up to RMB500 million to the Company A in 2019 in the form of shareholders’ loan with an annual interest rate of 12%, subject to capital needs of the Company A. The Company A shall principally engage in real estate investment, development and management in the PRC. Pursuant to the terms of the Cooperation Agreement A, the registered capital of the Company A is RMB50 million. Nanjing Hailan shall contribute RMB27,500,000, representing 55% of the registered capital of the Company A, whereas Guangzhou Ruifeng shall contribute RMB22,500,000, representing 45% of the registered capital of the Company A.

- (b) On 24 April 2019, Nanjing Hailan also entered into another cooperation agreement B (the “**Cooperation Agreement B**”) with Zhou Xiaojun (“**Mr. Zhou**”), pursuant to which both parties agreed to establish a joint venture company (the “**Company B**”) in the PRC to principally engage in real estate development in the PRC.

(ii) 成立附屬公司

- (a) 於2019年4月24日，本公司於2019年在中國註冊成立的間接全資附屬公司南京海藍置業有限公司(「**南京海藍**」)與廣州瑞豐房地產開發有限公司(「**廣州瑞豐**」)訂立合作協議A(「**合作協議A**」)，據此，雙方同意於中國成立合營公司(「**公司A**」)，主要於中國從事房地產開發。

根據合作協議A，南京海藍將於2019年以股東貸款形式向公司A墊付最多人民幣500百萬元，年利率為12%，惟視乎公司A的資金需求而定。公司A主要於中國從事房地產投資、開發及管理。根據合作協議A之條款，公司A之註冊資本為人民幣50百萬元。南京海藍將出資人民幣27,500,000元，佔公司A註冊資本的55%，而廣州瑞豐將出資人民幣22,500,000元，佔公司A註冊資本的45%。

- (b) 於2019年4月24日，南京海藍亦與周小俊(「**周先生**」)訂立另一份合作協議B(「**合作協議B**」)，據此，雙方同意於中國成立合營公司(「**公司B**」)，主要於中國從事房地產開發。

Report of the Directors

董事會報告

Pursuant to the Cooperation Agreement B, Nanjing Hailan will advance up to RMB500 million to the Company B in 2019 in the form of shareholders' loan with an annual interest rate of 12%, subject to the capital needs of the Company B. The Company B shall principally engage in real estate investment, development and management in the PRC. Pursuant to the terms of the Cooperation Agreement B, the registered capital of the Company B is RMB50 million. Nanjing Hailan shall contribute RMB32,500,000, representing 65% of the registered capital of the Company B, whereas Mr. Zhou shall contribute RMB17,500,000, representing 35% of the registered capital of the Company B.

For more details of the Cooperation Agreement A and Cooperation Agreement B, please refer to the announcement of the Company dated 24 April 2019.

根據合作協議B，南京海藍將基於公司B的資金需求而於2019年以股東貸款形式向公司B墊付最多人民幣500百萬元，年利率為12%。公司B主要於中國從事房地產投資、開發及管理。根據合作協議B之條款，公司B之註冊資本為人民幣50百萬元。南京海藍將出資人民幣32,500,000元，佔公司B註冊資本的65%，而周先生將出資人民幣17,500,000元，佔公司B註冊資本的35%。

有關合作協議A及合作協議B的更多詳情，請參閱本公司日期為2019年4月24日的公告。

(iii) Acquisition of land use rights in Zhanjiang, the PRC

On 28 June 2019, Guangzhou Hailan Property Development Limited* (廣州海藍房地產開發有限公司) (“**Guangzhou Hailan**”) an indirect non wholly-owned subsidiary of the Company incorporated in the PRC in 2019, entered into a confirmation letter (the “**Confirmation Letter**”) with the Zhanjiang Public Resources Trading Centre to confirm that Guangzhou Hailan has successfully won the bid for the auction for the land use rights of the Land which is located at the southwest of Binhe New District Section (濱河新區路段), Yingbin Avenue (迎賓大道), Suicheng Town (遂城鎮), Suixi County (遂溪縣), Zhanjiang City (湛江市), Guangdong Province, the PRC at a consideration of RMB357,390,000.

As a result of successfully winning the bid for the auction, the State-owned Construction Land Use Rights Assignment Contract (國有建設用地使用權出讓合同) was entered into by Guangzhou Hailan and the Suixi County Natural Resources Bureau (遂溪縣自然資源局) on 9 July 2019.

For more details, please refer to the announcements of the Company dated 5 July 2019 and 2 September 2019, respectively.

(iii) 收購中國湛江的土地使用權

於2019年6月28日，本公司於2019在中國註冊成立的間接非全資附屬公司廣州海藍房地產開發有限公司(「廣州海藍」)與湛江市公共資源交易中心訂立確認書(「確認書」)，以確認廣州海藍已成功在拍賣上投得該土地(位於中國廣東省湛江市遂溪縣遂城鎮迎賓大道濱河新區路段西南側)的土地使用權，代價為人民幣357,390,000元。

由於在拍賣上成功中標，廣州海藍於2019年7月9日與遂溪縣自然資源局訂立國有建設用地使用權出讓合同。

有關更多詳情，請參閱本公司日期分別為2019年7月5日及2019年9月2日的公告。

Report of the Directors

董事會報告

(iv) Provision of shareholder loan to a joint venture company

On 15 July 2019, Nanjing Hailan entered into the shareholder loan agreement (the “**Shareholder Loan Agreement**”) with Shenzhen Aolan Estate Co., Ltd* (深圳奧藍置業有限公司) (“**Shenzhen Aolan**”), a company established in the PRC with limited liability, which is owned as to 51% by Aoyuan Group (Meizhou) Company Limited* (奧園集團(梅州)有限公司) (“**Aoyuan Meizhou**”), a company established in the PRC with limited liability and 49% by Nanjing Hailan. Aoyuan Meizhou is an indirect wholly-owned subsidiary of China Aoyuan Group Limited (中國奧園集團股份有限公司), a company incorporated under the laws of the Cayman Islands with limited liability, the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 3883).

Shenzhen Aolan is solely engaged in the holding of 50% equity interest in Meizhou Aochuang Estate Co., Ltd.* (梅州市奧創置業有限公司), a company established in the PRC with limited liability which is solely engaged in development of a land parcel at Meijiang District (梅江區), Meizhou City (梅州市), Guangdong Province.

Pursuant to the Shareholder Loan Agreement, Nanjing Hailan, as lender, agreed to provide a shareholder loan of up to RMB150.0 million (equivalent to approximately HK\$169.9 million) at an interest rate of 12% per annum to Shenzhen Aolan. The first drawdown in the principal amount of approximately RMB66.1 million (equivalent to approximately HK\$74.9 million) was made on 15 July 2019, and the amounts drawn and outstanding under the Shareholder Loan Agreement do not have a fixed term of repayment.

The details of the Shareholder Loan Agreement are detailed in the Company’s announcement dated 16 July 2019.

(iv) 向聯營公司提供股東貸款

於2019年7月15日，南京海藍與深圳奧藍置業有限公司(「深圳奧藍」)訂立股東貸款協議(「股東貸款協議」)，深圳奧藍為一家於中國成立的有限公司，由奧園集團(梅州)有限公司(「奧園梅州」)(一家於中國成立的有限公司)擁有51%權益，以及由南京海藍擁有49%權益。奧園梅州為中國奧園集團股份有限公司的間接全資附屬公司，後者為一家根據開曼群島法例註冊成立的有限公司，其股份於香港聯合交易所有限公司主板上市(股份代號：3883)。

深圳奧藍僅從事持有梅州市奧創置業有限公司(一間於中國成立的有限公司，僅從事開發一塊位於廣州市梅州市梅江區的土地)的50%股權。

根據股東貸款協議，南京海藍(作為貸款人)同意向深圳奧藍提供股東貸款最高人民幣150.0百萬元(相當於約169.9百萬港元)，年利率為12%。於2019年7月15日作出本金額約為人民幣66.1百萬元(相當於約74.9百萬港元)的首次提款，而根據股東貸款協議已提取但尚未償還的金額並無固定還款期。

股東貸款協議的詳情載於本公司日期為2019年7月16日的公告。

Report of the Directors

董事會報告

(v) Pledge of assets

On 5 June 2019, Sanya Fenghuang Xincheng pledged its certain properties under development to Hainan branch of Bank of Communications Co., Limited as to guarantee a secured term loan facility (the “Facility”) of RMB300,000,000. Hainan Nanhai Xiang Long is the guarantor of the Facility.

Save as disclosed in this report, there is no material event affecting the Group which has occurred after the Reporting Period.

AUDIT COMMITTEE

The annual results and the audited consolidated financial statements of the Group for the Reporting Period have been reviewed by the Audit Committee of the Company. Information on the work of the Audit Committee and its composition are set out in section headed “Corporate Governance Report” on page 34 of this annual report.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding Directors’ securities transactions. Having made specific enquiries with all the Directors, each of the Directors has confirmed that he/she has complied with the Model Code for the Reporting Period.

CORPORATE GOVERNANCE

Details of the Company’s corporate governance practices are set out in the section headed “Corporate Governance Report” in this annual report.

(v) 資產抵押

於2019年6月5日，三亞鳳凰新城將其若干發展中物業抵押予交通銀行股份有限公司海南分行，以擔保有抵押定期貸款融資（「融資」）人民幣300,000,000元。海南南海翔龍為融資的擔保人。

除於本報告披露者外，於報告期後並無發生影響本集團之重大事項。

審核委員會

本公司審核委員會已審閱本集團於報告期間的年度業績及經審核綜合財務報表。有關審核委員會的工作及其構成的資料載列於本年報第34頁「企業管治報告」一節。

證券交易的標準守則

本公司已採納標準守則，作為其自身有關董事進行證券交易的行為守則。經向全體董事作出具體查詢後，各董事確認其於報告期間一直遵守標準守則。

企業管治

有關本公司企業管治常規的詳情載列於本年報「企業管治報告」一節。

Report of the Directors

董事會報告

AUDITOR

KPMG resigned as the auditor of the Company with effect from 26 December 2018 and Grant Thornton Hong Kong Limited (“**Grant Thornton**”) has been appointed as the auditor of the Company with effect from 11 January 2019 to fill the casual vacancy following the resignation of KPMG. Grant Thornton resigned as the auditor of the Company with effect from 14 June 2019 and Mazars CPA Limited has been appointed as the auditor of the Company with effect from 21 June 2019 to fill the casual vacancy following the resignation of Grant Thornton.

The consolidated financial statements for the Reporting Period have been audited by Mazars CPA Limited who will retire and, being eligible, offer themselves for re-appointment at the forthcoming Annual General Meeting. A resolution will be proposed at the Annual General Meeting to re-appoint Mazars CPA Limited as the auditor of the Company for the ensuing year.

On behalf of the Board

Zhou Li
Chairperson

Hong Kong, 18 September 2019

核數師

畢馬威會計師事務所已辭任本公司核數師，自2018年12月26日起生效，而致同(香港)會計師事務所有限公司(「致同」)已獲委任為本公司核數師，自2019年1月11日起生效，以填補畢馬威會計師事務所辭任後的空缺。致同已辭任本公司核數師，自2019年6月14日起生效，而中審眾環(香港)會計師事務所有限公司已獲委任為本公司核數師，自2019年6月21日起生效，以填補致同辭任後的空缺。

報告期間的綜合財務報表已由將於本公司應屆股東週年大會退任的中審眾環(香港)會計師事務所有限公司審核，而其應符合資格及願意於應屆股東週年大會上續聘連任。本公司將於股東週年大會上提呈決議案，續聘中審眾環(香港)會計師事務所有限公司為本公司下一年的核數師。

代表董事會

主席
周莉

香港，2019年9月18日

Environmental, Social and Governance Report

環境、社會及管治報告

ABOUT THIS REPORT

Hailan Holdings Limited (the “**Company**”), together with its subsidiaries (collectively the “**Group**”), is pleased to present this Environmental, Social and Governance Report (the “**Report**”) to provide an overview of the Group’s management on significant issues affecting the operation, and the performance of the Group in terms of environmental and social aspects.

Preparation Basis and Scope

This Report is prepared in accordance with Appendix 27 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) — “Environmental, Social and Governance Reporting Guide” and has complied with “comply or explain” provision in the Listing Rules.

This Report summarises the performance of the Group in respect of corporate social responsibility, covering its operating activities which are considered as material by the Group — property development and property investment in the Hainan Province of People’s Republic of China (“**PRC**”).

With the aim to optimise and improve the disclosure requirements in the Report, the Group has taken initiative to formulate policies, record relevant data, implement and monitor measures.

Reporting Period

This Report demonstrates our sustainability initiatives during the reporting period from 1 January 2018 to 31 December 2018.

Contact Information

The Group welcomes your feedback on this Report for our sustainability initiatives. Please contact us by email to hailankonggu@hailanholdings.com.

關於本報告

海藍控股有限公司(「**本公司**」，連同其附屬公司統稱「**本集團**」)欣然提呈本環境、社會及管治報告(「**本報告**」)，以提供本集團管理層對影響本集團營運以及在環境及社會方面的表現的重大事宜的概覽。

編製基準及範圍

本報告乃根據香港聯合交易所有限公司(「**聯交所**」)證券上市規則(「**上市規則**」)附錄27—「環境、社會及管治報告指引」而編製，並已遵守上市規則所載「不遵守就解釋」條文。

本報告概述本集團於企業社會責任方面的表現，內容涵蓋本集團視為重大的營運活動——於中華人民共和國(「**中國**」)海南省的物業開發及物業投資。

為優化及提高本報告的披露規定，本集團已採取計劃制定政策，記錄相關數據並落實及監督措施。

報告期

本報告列載2018年1月1日起至2018年12月31日止報告期我們的可持續發展措施。

聯絡資料

本集團歡迎閣下對本報告提出任何可持續發展措施方面的反饋意見。請通過 hailankonggu@hailanholdings.com 與我們聯絡。

Environmental, Social and Governance Report

環境、社會及管治報告

INTRODUCTION

As one of the world's leading property developer located in Hainan Province with primarily activities in property development and property investment, the Group is principally engaged in the business of residential property in Hainan Province. Its projects include commodity residential properties, commercial properties and hotels. Property investment projects of the Group include residential property leasing and parking lots located in tourist destinations like Sanya, Haiko and Danzhou and targets at mid- and high-income vacationers from all over the country who spend their holidays in Hainan Province.

The Group is rooted in the international tourism island of Hainan, focusing on the development of high-end properties in tourist areas. The Group upholds four principle values — "Standardisation, Innovation, Mutual Success and Excellence" and strives to become a comprehensive developer and operator for creating a better living environment. At the same time, the Group recognises the importance of operating in a responsible manner for the environment and community. We strive to achieve sustainable development for affordable capital and long-term competitiveness by integrating environmental and social factors into the management considerations. Sustainability strategy is based on the compliance with the legal requirements in the area where we operate and the opinions from stakeholders. The Group has established and implemented various policies to manage and monitor the risks related to environment, employment, operating practices and community. Details of the management approaches to sustainable development of different areas are illustrated in this Report.

STAKEHOLDERS ENGAGEMENT AND MATERIALITY ASSESSMENT

The Group understands the success of the Group's business depends on the support from its key stakeholders, who (a) have invested or will invest in the Group; (b) have the ability to influence the outcomes within the Group; and (c) are interested in or affected by or have the potential to be affected by the impact of the Group's activities, products, services and relationships. It allows the Group to understand risks and opportunities. The Group will continue to ensure effective communication and maintain good relationship with each of its key stakeholders.

緒言

作為位於海南省的世界領先房地產發展商之一，主要從事物業開發及物業投資業務，本集團主要專注於在海南省開發住宅物業。其項目包括銷售住宅、商用物業及酒店。本集團的物業投資項目包括出租住宅物業及停車場，位於三亞、海口和儋州等旅遊城市，銷售對象為全國在海南省度假的中高收入人士。

本集團根植國際旅遊島海南，專注開發旅遊地區高端物業。本集團秉承四大核心價值觀——「規範、創新、共贏、卓越」，致力成為打造美好人居的綜合開發運營商。同時，本集團確認對環境及社區以負責任方式營運的重要性。我們透過將環境及社會因素融入管理考慮因素之中，從而致力於達致可負擔資本及長期競爭力的可持續發展。可持續發展戰略以遵守我們運營所在地法例規定及持份者意見為依據。本集團已成立及製定多項政策，以管理及監察與環境、僱傭、營運常規及社區有關的風險。本報告闡述於不同範疇達致可持續發展管理方式詳情。

持份者參與及重要性評估

本集團深明，本集團的業務成功取決於(a)已投資或將投資於本集團；(b)有能力影響本集團的事宜；及(c)於本集團的業務、產品、服務及關係中佔有利益又或受其影響或潛在影響的主要持份者的支持。主要持份者的支持有助本集團了解風險及機遇。本集團將繼續確保與各主要持份者保持有效溝通及維持良好關係。

Environmental, Social and Governance Report

環境、社會及管治報告

Stakeholders are prioritised from time to time in view of the Group's roles and duties, strategic plan and business initiatives. The Group engages with its stakeholders to develop mutually beneficial relationships and to seek their views on its business proposals and initiatives as well as to promote sustainability in the marketplace, workplace, community and environment.

The Group acknowledges the importance of intelligence gained from the stakeholders' insights, inquiries and continuous interest in the Group's business activities. The Group has identified key stakeholders that are important to our business and established various channels for communication. The following table provides an overview of the Group's key stakeholders, and various platforms and methods of communication are used to reach, listen and respond.

本集團不時因應其角色及職責、戰略規劃及業務計劃對持份者進行重要性排序。本集團冀透過持份者的參與與發展與持份者互惠互利的關係、諮詢彼等對本集團業務建議及工作計劃的意見，以及推動市場、工作場所、社區及環境的可持續發展。

本集團相信了解持份者對本集團業務活動的見解、查詢及持續關注議題尤為重要。本集團已確定對我們的業務而言屬重要的主要持份者，並已建立多重溝通渠道。下表概述本集團的主要持份者及各種接觸、聆聽和回應的平台及溝通方式。

Stakeholders 持份者	Expectations 期望	Engagement channels 參與渠道
Government 政府	<ul style="list-style-type: none"> — Compliance with the law and regulations 遵守法律法規 — Proper tax payment 依法納稅 — Promote regional economic development and employment 推動區域經濟發展及就業 	<ul style="list-style-type: none"> — On-site inspections and checks 實地視察及檢查 — Research and discussion through work conferences, work reports preparation and submission for approval in the PRC 透過工作會議、工作報告編製及於中國提交審批開展研究及討論 — Annual and interim reports 年度及中期報告 — Company website 公司網站

Environmental, Social and Governance Report

環境、社會及管治報告

Stakeholders 持份者	Expectations 期望	Engagement channels 參與渠道
Shareholders and Investors 股東及投資者	<ul style="list-style-type: none"> — Low risk 低風險 — Return on the investment 投資回報 — Information disclosure and transparency 資訊披露及透明度 — Protection of interests and fair treatment of shareholders 保障股東權益及公平對待 	<ul style="list-style-type: none"> — Annual general meeting and other shareholder meetings 股東週年大會及其他股東大會 — Annual report and announcements 年度報告及公告 — Newsletter 新聞稿 — Meeting with investors 與投資者會面 — Company website and The Stock Exchange of Hong Kong Limited 公司網站及香港聯合交易所有限公司
Employees 僱員	<ul style="list-style-type: none"> — Safeguard the rights and interests of employees 保障僱員權利及權益 — Working environment 工作環境 — Career development opportunities 事業發展機會 — Self-actualisation 自我實現 — Occupational health and safety 職業健康與安全 	<ul style="list-style-type: none"> — Meetings and conferences 會議及座談會 — Training, seminars and briefing sessions 培訓、研討會及簡介會 — Entertainment 酬酢 — Intranet, emails, circulars and manuals 內聯網、電郵、通函及手冊

Environmental, Social and Governance Report

環境、社會及管治報告

Stakeholders 持份者	Expectations 期望	Engagement channels 參與渠道
Customers 客戶	<ul style="list-style-type: none"> — Safe and high-quality products 安全及優質產品 — Stable relationship 穩定關係 — Information transparency 資訊透明度 — Integrity 誠信 — Business ethics 商業道德 	<ul style="list-style-type: none"> — Company website, brochures and annual report 公司網站、宣傳冊及年度報告 — Email and customer service hotline 電郵及客戶服務熱線 — Feedback forms 反饋表格
Suppliers/Partners 供應商／合作夥伴	<ul style="list-style-type: none"> — Long-term partnership 長期夥伴關係 — Honest cooperation 坦誠合作 — Fair and open 公平公開 — Information resources sharing 資訊資源共享 — Risk reduction 降低風險 	<ul style="list-style-type: none"> — Business meetings, supplier conferences, phone calls and interviews 業務會議、供應商會議、電話及面訪 — Review and assessment 檢討及評估
Peers/Industry Associations 同業／行業協會	<ul style="list-style-type: none"> — Experience sharing 經驗分享 — Fair competition 公平競爭 	<ul style="list-style-type: none"> — Industry conference 行業會議 — Site visit 現場視察

Environmental, Social and Governance Report

環境、社會及管治報告

Stakeholders 持份者	Expectations 期望	Engagement channels 參與渠道
Financial Institutions 金融機構	<ul style="list-style-type: none"> — Compliance with the law and regulations 遵守法律法規 — Information disclosure 資訊披露 	<ul style="list-style-type: none"> — Consulting 諮詢 — Information disclosure 資訊披露 — Reports 報告 — Communication through relationship manager 透過客戶經理溝通
Media 媒體	<ul style="list-style-type: none"> — Transparent information 資訊透明 — Communication with media 與媒體溝通 	<ul style="list-style-type: none"> — Company website 公司網站 — Media conference 記者招待會
Public and Communities 公眾人士及社區	<ul style="list-style-type: none"> — Career opportunities 工作機會 — Community involvement 社區參與 — Environmental responsibilities 環境責任 — Social responsibilities 社會責任 	<ul style="list-style-type: none"> — Volunteering 義工 — Charity and social investment 慈善及社會投資 — Annual reports and announcements 年度報告及公告

Through general communication with stakeholders, the Group understands the expectations and concerns from stakeholders. The feedbacks obtained allow the Group to make more informed decisions, and to better assess and manage the resulting impact.

The Group have adopted the principle of materiality in the ESG reporting by understanding the key ESG issues that are important to the business of the Group. All the key ESG issues and key performance indicators (KPIs) are reported in the Report according to recommendations of the ESG Reporting Guide (Appendix 27 of the Listing Rules) and the GRI Guidelines.

透過與持份者的一般溝通，本集團了解持份者的期望及擔憂。獲得的反饋令本集團能夠作出更為明智的決策，並且更好地評估及管理由此產生的影響。

本集團了解對本集團的業務重要的關鍵環境、社會及管治問題後，已採納環境、社會及管治報告的重要性原則。根據環境、社會及管治報告指引(上市規則附錄27)及全球報告倡議組織標準的推薦建議，所有關鍵環境、社會及管治問題以及關鍵績效指標(KPI)於本報告中呈報。

Environmental, Social and Governance Report

環境、社會及管治報告

The Group have evaluated the materiality and importance in ESG aspects through the following steps:

Step 1: Identification – Industry Benchmarking

- Relevant ESG areas were identified through the review of relevant ESG reports of the local and international industry peers.
- The materiality of each ESG area was determined based on the importance of each ESG area to the Group through internal discussion of the management and the recommendation of ESG Reporting Guide (Appendix 27 of the Listing Rules).

Step 2: Prioritization – Stakeholder Engagement

- The Group discussed with key stakeholders on key ESG areas identified above to ensure all the key aspects were covered.

Step 3: Validation – Determining Material Issues

- Based on the discussion with key stakeholders and internal discussion among the management, the Group's management ensured that all the key and material ESG areas, which were important to the business development, were reported and in compliance with ESG Reporting Guide.

As a result of this process carried out in 2018, those important ESG areas to the Group were discussed in this Report.

本集團已通過下列步驟評估環境、社會及管治方面的重要性：

步驟1：識別 – 訂定行業基準

- 相關環境、社會及管治方面已通過審核當地及國際行業先驅的相關環境、社會及管治報告識別。
- 各環境、社會及管治方面的重要性乃根據管理層內部討論及環境、社會及管治報告指引(上市規則附錄27)建議的各環境、社會及管治方面對本集團的重要性釐定。

步驟2：排列次序 – 持份者參與

- 本集團與主要持份者就上述識別的關鍵環境、社會及管治方面進行討論，以確保涵蓋所有關鍵方面。

步驟3：評估 – 釐定重要議題

- 根據與主要持份者的討論及管理層之間的內部討論，本集團管理層確認已呈報對業務發展至關重要的所有關鍵且重要的環境、社會及管治領域，且符合環境、社會及管治報告指引。

由於該流程於二零一八年執行，本集團的該等重要環境、社會及管治領域已於本報告內討論。

Environmental, Social and Governance Report

環境、社會及管治報告

A. ENVIRONMENTAL ASPECTS

As one of the world's leading property developer, the Group recognizes that it has an obligation to reduce the impact of our operations on the environment and be accountable for the resources and materials that are used in our daily operations. Throughout the year, the Group fully complied with all of the relevant environmental laws and regulations in the PRC and Hong Kong, such as the Environmental Protection Law of the People's Republic of China in the PRC and the Air Pollution Control Ordinance (Cap. 311) in Hong Kong. Besides, no concluded case regarding environmental issues was brought against us or our employees. The Group also regularly updates itself with the latest development of the applicable laws and regulations on environmental protection.

Apart from complying with the environmental protection rules and standards, the Group emphasises environmental protection and seeks to enhance efficiency in the use of natural resources and reduce the environmental impact of its business operation. The Group takes the initiative to implement the Environmental Protection Management System since 2017. Upholding the principles of "prevention first, preventive control, comprehensive solution", the Group has formulated a series of management guidelines covering environmental monitoring, daily environmental management, specific project environmental management and environmental incident management. The Group also issues an environmental protection proposal to staff of the subsidiaries of the Group, suppliers and business partners so as to improve the environment as a team. We enhance employees' awareness of environmental protection by education and staff training.

To reduce the environment pressure caused by its operation, the Group fully switched to a solar power heating system, replacing diesel stove for supplying domestic hot water, and reduced the use of fuels in 2017. Moreover, the Group considers to take further steps in air emission management and adoption of renewable energy. To improve the quality of air, the Group fully complies with the environmental monitoring initiatives conducted by government departments. We strive for environmentally friendly operation through mitigating emissions, improving resources efficiency and reducing significant impacts on the environment.

A. 環境層面

作為全球領先的房地產發展商之一，本集團確認其有責任降低我們運營對環境的影響，並對用於我們日常營運的資源及材料負責。於整個年度，本集團悉數遵守中國及香港的一切相關環境法律及法規，例如中國的《中華人民共和國環保法》及香港的《空氣污染管制條例》(第311章)。此外，並無對本集團或本集團僱員提起有關環境問題的案例。本集團亦定期更新最近期制定的適用環保法律及法規。

除遵守環保規則及標準外，本集團亦重視環境保護，致力更有效地使用天然資源，並減少業務運作對環境造成的影響。本集團於2017年正式推行《環境保護管理制度》，以「預防為主、防治結合、綜合治理」為原則，制定了一系列管理指引，內容涵蓋環境監測工作、日常環境管理、針對建設項目的環境管理，以及環境污染事故管理。本集團亦向本集團附屬公司員工、供應商及合作夥伴發出環保倡議書，共同為改善環境質量作出努力。本集團透過教育及員工培訓提高僱員的環保意識。

為減低營運對環境造成的壓力，本集團於2017年全面轉用太陽能加熱系統，取代柴油爐供應生活熱水，減少使用燃料。此外，本集團正考慮未來進一步管理排放物及採用可再生能源。為協助改善空氣質素，本集團全面配合政府部門的環境監測工作。我們透過降低排放、提高資源效率及減少對環境的重大影響以致力於實現環保運營。

Environmental, Social and Governance Report

環境、社會及管治報告

A1. Emissions

As a property developer, the Group recognizes that it has ethical duties to reduce emissions. Given that all construction work is provided by external service providers, the Group's business bears low impact on air and carbon emissions. In the meantime, the Group fully complies with all of the relevant environmental laws and regulations in the PRC and Hong Kong where we operate. These include the Atmospheric Pollution Prevention and Control Law of the People's Republic of China (2015) in the PRC, the Motor Vehicle Idling (Fixed Penalty) Ordinance (Cap. 611) and the Road Traffic Ordinance (Cap. 374) in Hong Kong. Besides, no concluded case regarding emissions brought against the Group or its employees during the year.

Air Pollutants Emission

Air emission control is essential to mitigate environmental impacts and to protect employees' health. For our property development projects, the Group constantly encourages its contractors to adopt responsible construction practices to reduce air pollutants emission. For example, continuous sprinkling is adopted in construction sites to mitigate the spread of dust. Sealed containers are used for volatile gas to prevent the gas leakage.

As our property development projects are subcontracted to construction contractors, we do not have direct ownership or control on the construction projects. However, we have a construction department to closely monitor the construction process carried out by our subcontractors to mitigate the air pollutants emission.

A1. 排放物

作為房地產發展商，本集團深知我們有減少排放物的道德責任。鑒於所有建設工程均由外部服務供應商提供，本集團的業務對空氣及碳排放的影響較小。同時，本集團全面遵守我們營運所在地中國及香港的所有相關環保法律及法規。其中包括中國的《中華人民共和國大氣污染防治法》(2015年)、香港的《汽車引擎空轉(定額罰款)條例》(第611章)及《交通道路條例》(第374章)。此外，年內概無有關排放物而針對本集團或其僱員提起的審結案件。

空氣污染物排放

減控排放對減輕對環境影響及保護僱員健康至關重要。在物業開發項目中，本集團持續鼓勵承建商採用負責任的施工方法減少空氣污染物排放。例如，於建築地盤持續灑水以減少塵埃擴散。使用密封容器盛載揮發性氣體以防止氣體洩漏。

由於我們之物業發展項目已外判予建築承建商，故我們並無直接控制或擁有建築項目。然而，我們設有建築部門密切監察外判商之建築工程進度以減少空氣污染物排放。

Environmental, Social and Governance Report

環境、社會及管治報告

Greenhouse Gas (“GHG”) Emission

Climate change is gradually concerned by the community. The Group recognises that climate change poses a risk to its business and it is committed to mitigating the effects of climate change. GHG is considered as one of the major contributors of the climate change.

Regarding GHG emissions of the Group, scope 1 direct emissions and scope 2 indirect emissions are mainly resulted from combustion of fuels in mobile sources and purchased electricity respectively. Giving the majority of the GHG emissions of the Group come from energy consumption, the Group tackles the GHG emission by lowering the energy consumption in our business operations. Policies and procedures as described in the section “Use of Resources” to encourage energy saving have been incorporated throughout the operations in order to reduce the carbon footprint. The decrease in the total GHG emissions in 2018 was mainly attributable to the effective implementation of energy-saving measures in offices to reduce electricity consumption during the year. The GHG emission of the Group during the reporting period is as follows:

溫室氣體（「溫室氣體」）排放

社區日益關注氣候變化問題。本集團明白氣候變化對其業務構成風險，並致力緩解氣候變化的影響。溫室氣體被認為是氣候變化主要原因之一。

關於本集團的溫室氣體排放，範圍一直接排放及範圍二間接排放分別主要來自移動源燃料燃燒及外購電力。本集團大部分溫室氣體排放來自能源消耗，本集團透過降低業務營運中的能源消耗解決溫室氣體排放問題。於整個營運過程中製定政策及程序（誠如「資源利用」一節所述）鼓勵節約能源，以減少碳排放。於2018年溫室氣體排放總量減少乃主要由於辦公室有效實施節能措施，以減少年內的用電量。報告期內本集團的溫室氣體排放如下：

GHG Emission 溫室氣體排放	Unit 單位	2018 2018年	2017 2017年
Scope 2 ¹ 範圍二 ¹	tonnes of CO ₂ -e 噸二氧化碳當量	49.75	71.55
Scope 3 ² 範圍三 ²	tonnes of CO ₂ -e 噸二氧化碳當量	0.88	1.51
Total GHG emission 溫室氣體排放總量	tonnes of CO ₂ -e 噸二氧化碳當量	50.63	73.06 ³
GHG emission intensity 溫室氣體排放密度	tonnes of CO ₂ -e/m ² 噸二氧化碳當量/平方米	0.03	0.20 ³

¹ Scope 2: Indirect emissions from the purchased electricity consumed by the Group.
範圍二：來自本集團外購電力之間接排放。

² Scope 3: Indirect emissions from business travel by employees.
範圍三：僱員商務旅行之間接排放。

³ The amounts reported for the previous year 2017 have been restated in this report.
以往年度2017年呈報的數額已於本報告中重列。

Environmental, Social and Governance Report

環境、社會及管治報告

Waste Management

The Group recognises the importance of waste reduction. Waste management measures have been introduced to minimise the amount of waste generated and reduce impact of our operation on the environment. Due to our business operation nature, no hazardous waste was generated during the reporting period.

Due to the nature of office operation, the non-hazardous waste mainly consists of domestic waste and paper waste which are collected by the property management company for landfill or incineration. In the future, the Group plans to implement waste sorting, promote recycling in the office and provide clearer sorting guidance for staff as well as encourage them to reduce waste at source. Besides, the Group takes initiative to reduce the paper waste amount by encouraging its employees to use double-sided printing.

For the property development projects, the Group has implemented “paperless policy” and has published the Notice on the Regulation of Waste Discharge of Construction Projects, requiring all business units to strictly comply with the relevant laws and regulations of China in terms of waste discharge, drainage design and construction. The director, who is responsible for the design and engineering, assesses the design and construction plans and monitors the entire construction process according to the project management policies and guidelines of the Group. Therefore, we can avoid deviation from waste discharge standard due to design failures or delay in construction. The Group also requires its contractors to sort, classify and recycle (if applicable) the construction and demolition waste produced. Construction and demolition waste that cannot be recycled is delivered to landfills by qualified wastes management companies and recyclable waste is processed by recycling companies.

廢棄物管理

本集團明白減少廢棄物之重要性。本集團已頒佈減少廢棄物措施以減少所產生廢棄物及減輕我們之營運對環境所構成影響。基於我們之業務營運性質，於報告期間並無產生任何有害廢棄物。

由於辦公室之營運性質，無害廢棄物主要為生活垃圾及廢紙，並由物業管理公司統一收集送往堆填或焚燒。本集團計劃未來嘗試實行廢棄物分類，於辦公室推廣回收，並為員工提供更清晰的分類指引，鼓勵員工從源頭減廢。此外，本集團採取措施，透過鼓勵僱員使用雙面印刷以減少廢紙數量。

對於物業發展項目，本集團實行「無紙化政策」，並發佈《關於規範公司各建設項目環保排污問題的通知》，要求各業務單位在排污、排水設計和施工方面，嚴格遵守中國有關廢棄物排放的法律法規。負責設計及工程的總監評審設計方案及施工方案，並根據本集團的項目管理政策及指引來監控整個施工過程。因此，我們可以避免因設計缺失或施工延誤偏離排污標準。本集團亦要求其承建商分類及循環再用（如適用）建築及拆卸所產生廢棄物。無法循環再用之建築及拆卸廢棄物將交由合資格廢棄物管理公司送往堆填區，可循環再用之廢棄物則由回收公司進行加工。

Environmental, Social and Governance Report

環境、社會及管治報告

In 2018, daily office operation is the source of commercial waste. During the year, the decrease in amount of non-hazardous wastes was mainly attributable to the Group's effort on implementing waste-free initiatives in reducing wastes. The waste generated by the Group during the reporting period is as follows:

於2018年，日常辦公室運營乃商業廢棄物的來源。本年度內，無害廢棄物數量減少乃主要由於本集團致力於實行減少廢棄物的零廢棄物措施。本集團於報告期內產生的廢棄物如下：

Wastes 廢棄物	Unit 單位	2018 2018年	2017 2017年
Non-hazardous waste generated 所產生無害廢物	tonnes 噸	0.12	3.61
Non-hazardous waste generated intensity 所產生無害廢棄物密度	tonnes/m ² 噸/平方米	0.0001	0.0100

A2. Use of Resources

The Group considers environmental protection as an essential component of a sustainable and responsible business. The Group has an in-depth understanding of the importance of safeguarding sustainable development of the environment and this to attach importance to efficient utilization of resources by introducing various measures in daily business operations. It understands that staff participation is the key to achieve such goals. The Group strives to build up a working environment that emphasizes the "Green office" and "Low Carbon" policy such as a set of guidelines to improve the efficient use of resources for long-term sustainability. The Group has also adopted policies such as "Energy Resource Control Procedure" to improve the efficient use of energy, water and other materials.

A2. 資源使用

本集團視環境保護為可持續及負責任企業的重要組成部分。本集團對保障環境可持續發展的重要性有深入理解，因此於日常業務運營過程中引入若干措施，重視資源的有效利用。其認為員工參與對實現該目標而言至關重要。本集團致力於制定強調「綠色辦公室」及「低碳」政策的工作環境，如提高資源有效利用以實現長期可持續發展的一套指引。本集團亦已採納「能源資源控制程序」等政策，以提高能源、水及其他物料的使用效率。

Environmental, Social and Governance Report

環境、社會及管治報告

Energy

The Group promotes the concept of energy saving and emission reduction into the entire process of its development and operation. In the meantime, the Group puts effort to promote energy saving awareness among its staff by posting related reminders or messages through emails, recommending them to switch off all the lights, computers and printers by the end of the work day. The Group encourages all of its employees to set their computers to sleep-mode automatically when left idle for a certain period of time. Printers and copiers are also set to sleep-mode automatically for the computers.

In order to keep pace with the market trends, the Group regularly upgrades its existing facilities such as replacing outdated computers, phones and other electrical appliances to meet the needs of our customers and enhance operational efficiency. The Group adheres to environmental protection and waste reduction principles for its upgrading processes, and reuses existing facilities and materials wherever possible, so as to reduce waste. Meanwhile, it also actively uses eco-friendly equipment for any replacement. With these measures, not only can the energy consumption be saved, but also the GHG emission can be reduced.

能源

本集團倡導節能減排理念並將其運用於發展及營運的整個過程。同時本集團在電子郵件中發佈相關提醒或信息藉此努力提升員工的節能意識，提醒員工在下班時注意關閉所有的燈、電腦和打印機。本集團鼓勵所有員工在電腦閒置時設置為自動睡眠模式。打印機及複印機亦設置為電腦的自動睡眠模式。

為了跟上市場趨勢，本集團定期升級現有設施，例如更換過時的電腦、手機和其他電器，以滿足客戶的需求並且提高運營效率。在升級過程中本集團堅持環境保護和減少廢物原則，盡可能地重複使用現有的設備和材料，以減少浪費。與此同時，還積極更換及使用環保設備。透過該等措施，不僅可節省能源消耗，亦可減少溫室氣體排放。

Environmental, Social and Governance Report

環境、社會及管治報告

In relation to office operation, the Group's lighting system has fully adopted LED energy-saving light tubes to increase energy efficiency. Office daily operation involves a significant number of documents. Through the information management system, the Group aims at creating a paperless environment. Staff could reduce paper consumption by conducting internal document approval and downloading training materials through the system. The decrease in total energy consumption in 2018 is mainly attributable to the effective implementation of office energy saving measures, which led to the reduction in purchased electricity consumption. The energy consumption of the Group during the reporting period is as follows:

關於辦公室營運，本集團的照明系統已全部使用LED節能燈管，提升能源效益。辦公室日常營運涉及大量文件往來。本集團透過資訊管理系統，致力建立無紙環境。員工可以透過該系統進行內部文件審批，亦可以下載培訓資訊，減少紙張使用。於2018年總能耗減少乃主要由於辦公室節能措施的有效落實，導致外購電力消耗減少。於報告期內本集團的能源消耗如下：

Energy 能源	Unit 單位	2018 2018年	2017 2017年
Purchased electricity 外購電力	MWh 兆瓦時	92.03	135.75
Total energy consumption 總能源消耗	MWh 兆瓦時	92.03	135.75 ⁴
Energy consumption intensity 能源消耗密度	MWh/m ² 兆瓦時／平方米	0.061	0.010 ⁴

Water

Water is an important natural resource. For water consumption in Hong Kong office, the water supply is solely controlled and centrally managed by the property management company of the building, it is not feasible for the Group to provide water consumption data as there is no separate meter for each individual office unit on water usage record. However, we still actively seek ways to mitigate water consumption. For example, the Group encourages water recycling by connecting the washbasin outlet pipe to a water storage tank to use wastewater for toilet flushing. Besides, the Group conducts regular inspection of each operation stage to minimize leakage and wastage as well as posts posters in office to encourage employees to save water.

水

水是重要天然資源。就香港辦公室之用水而言，供水乃由大廈物業管理公司均獨自控制及中央管理。由於每個辦公室單位均無獨立儀表記錄用水量，故本集團無法提供用水數據。然而，我們仍會積極尋求方法減少用水，例如，本集團透過將洗手盆出水管連接儲水罐，廢水用作沖廁用途，以提倡循環用水。此外，本集團透過定期檢查每一個經營環節，務求減少滴漏現象，減少浪費，並於辦公室張貼海報，以鼓勵僱員節約用水。

⁴ The amounts reported for the previous year 2017 have been restated in this report.
以往年度2017年呈報的數額已於本報告中重列。

Environmental, Social and Governance Report

環境、社會及管治報告

The decrease in water consumption in 2018 was mainly attributable to higher levels of environmental awareness and effective implementation of water-saving campaign during the year. During the reporting period, the water consumption is as follows:

於2018年的用水量減少，此乃主要由於本年度環保意識提高及有效推行節水活動。於報告期間，用水量如下：

Water 水	Unit 單位	2018 Total 2018年總計	2017 Total 2017年總計
Water consumption 用水量	m ³ 立方米	1,322	1,481
Water intensity 水密度	m ³ /m ² 立方米/平方米	0.88	3.48

A3. The Environment and Natural Resources

The Group understands that implementing environmental protection can reduce operational risk and increase business opportunities. To protect the environment and minimize the impacts associated with our property development projects, the Group has commissioned an independent third-party environmental consultant to conduct environmental impact assessments for all completed and under construction projects to identify the potential impact of the projects and look for alternative solutions or measures to reduce pollution. The Group also reviews its air pollutants and GHG emissions and use of resources policies to make improvement whenever necessary.

A3. 環境及天然資源

本集團明白推行環保措施可減低營運風險並增加商機。為保護環境並盡量減少物業發展項目相關影響，本集團已聘請獨立第三方環境顧問為所有已落成建設項目及發展中項目進行環境影響評估，以確定工程項目的潛在影響及尋找其他可行方案或消滅污染的措施。本集團亦會於有需要時審視空氣污染物及溫室氣體排放以及資源使用政策以作出改善。

Environmental, Social and Governance Report

環境、社會及管治報告

In order to enhance management of environmental incident and environmental risks, the Group formulates the relevant management requirements. In case of pollution incidents, the relevant departments must immediately adopt emergency response measures and begin investigation to prevent and control the hazard concerned. When signing construction contracts with external contractors, the Group makes sure that both parties understand the environmental requirements and standards of the project. The construction units responsible for environmental complementary facilities must hold relevant identification documents to prove their relevant qualifications and prevent pollution in the process of construction. During the year, there was no internal reported case or case of non-compliance in relation to emissions and the environment within the Group.

B. Social Aspects

The Group recognizes that maintenance of strong, healthy and friendly business relations with employees, supply chains, and a business is connected or expected to have a connection, whether internal or external, is the foundation for the Group's success and development. The Group highly considers employees as important assets and is committed to earning respect from employees, maintaining work-life balance, and making them to grow together with us. With supporting business sustainable development, the Group works closely with suppliers to manage social risks. Also, with a goal of understand the needs and interests of communities where the issuer operates, the Group takes its own initiatives to actively contribute to the society in various ways.

為加強對環境事件和環境風險的管理，本集團制定相關管理要求。一旦發生污染事故，相關部門必須立即採取應急處理措施，並對事故開展調查工作，以預防和控制事故危害。與外來承包商簽訂工程合同時，本集團確保雙方了解項目的環境要求和標準。承攬環境設施施工的單位須持有相關證件，確保符合相關資格，避免在施工過程中產生污染。本年度，本集團並無發現與排放物及環境相關的內部舉報個案或違規個案。

B. 社會層面

本集團認為，與僱員、供應鏈及有關連或預期有關連的企業維持牢固、穩健及友好的業務關係(不論內部或外部)是本集團取得成功與發展的基石。本集團珍視僱員為寶貴資產，並致力於贏得僱員的尊重、維持工作生活平衡及讓彼等與我們一道成長。在業務可持續發展的支持下，本集團與供應商在管理社會風險方面展開緊密合作。此外，了解發行人經營所在社區的需求及利益，本集團主動以多種方式為社會作出貢獻。

Environmental, Social and Governance Report

環境、社會及管治報告

EMPLOYMENT AND LABOUR PRACTICES

B1. Employment

The Group values staff and the contribution that they make. It has a set of human resources management policies and procedures in place with the aim to provide a good working environment to employees where they can have a safe and healthy workplace to engage and perform to the satisfaction of the Group.

The Group is committed to creating a diverse, inclusive and respectful working environment. This is in line with the corporate value of the Group and helps improve the Company's competitiveness and staff productivity. The Group prescribes employment terms related to remuneration, recruitment, dismissal, work hours, equal opportunities, anti-discrimination and related human resources management issues in the Staff Handbook.

To attract and retain quality talents, the Group offers comprehensive staff welfare benefits, including elderly pension, medical insurance, unemployment insurance, work injury insurance and birth insurance as well as body checks, festive expense, meal subsidies, car purchasing rewards and travel rewards, on top of what is prescribed by laws and regulations.

The Group is concerned with the career development of staff and encourages them to formulate their own career development plan. The Group has in place an internal recruitment procedure and encourages staff to apply for our vacancies. High performing staff can receive opportunities of promotion and development. Besides, the Group conducts staff performance review on monthly, quarterly, half-yearly and yearly basis. Furthermore, the Group uses the performance assessment results as a basis for distributing bonuses. Feedback in the performance review helps staff improve their performance continuously.

僱傭及勞工常規

B1. 僱傭

本集團重視員工並珍視彼等作出的貢獻。本集團已建立人力資源管理政策及程序，旨在為僱員提供良好工作環境，使僱員能夠擁有安全和健康的工作場所投入及執行工作以達致本集團滿意程度。

本集團致力創造多元共融、互相尊重的工作環境。這符合本集團一貫的企業價值，亦有助提升公司競爭力和員工生產力。本集團於《員工手冊》載列有關薪酬、招聘、解僱、工作時數、平等機會和反歧視等僱用條款，以及相關的人事管理事宜。

為吸引並留任優秀人才，本集團為員工提供法規定明以外的全面員工福利，包括養老保險、醫療保險、失業保險、工傷保險和生育保險，以及身體檢查、過節費、員工就餐補貼、購車獎勵和旅遊獎勵等。

本集團關注員工的職業發展，鼓勵員工制定個人的職業發展計劃。本集團設有內部招聘程序，鼓勵員工申請本集團的空缺職位。表現良好的員工可獲得晉升和發展的機會。此外，本集團按月度、季度、半年度、年度對員工進行績效考核。此外，本集團以考核結果作為獎金發放的主要依據。績效考核的意見反饋有助員工持續改善表現。

Environmental, Social and Governance Report

環境、社會及管治報告

The Group strives to promote diversity and inclusiveness in the workplace to ensure equal opportunity of employment and promotion. Staff do not receive differential treatment due to factors such as lineage, birth or marital status, race, religion, age, nationality, social or ethnic groups, sexual orientation, gender, political view or disabilities. The Group has formulated the board diversity policy. In the future, the Group will review the current policy and evaluate on how to refine the Employment Guideline in relation to equal opportunities, diversity and anti-discrimination.

The Group encourages staff to maintain two-way communication with their seniors. They can discuss any difficulties at work with their seniors through various channels such as email, interview or the Group's information dissemination channels. The Group has established the "Staff Home" platform. Apart from providing various information about the Company such as news and announcement, internal periodicals, new government policies and staff activity updates, it also provides an online exchange platform for staff to save personal files and express their opinion in forums, knowledge centers and personal blogs.

In case of any personal interest violation, the staff could lodge a verbal or written complaint to the division management or the general manager. Upon receiving the complaint, the Group will conduct an investigation about the staff concerned and decide on the method of handling the matter based on the results of investigation. Exit interviews will be arranged between the resigning staff and the human resources department or his/her supervisor to gather feedback from staff.

本集團致力促進工作場所中的多元化與共融，確保員工享有平等就業和晉升能力，絕不會因血統、生育、婚姻狀況、種族、宗教、年齡、國籍、社會或民族團體、性別傾向、性別、政見或身體殘疾等因素而差別對待員工。本集團現制定董事會多元化政策；未來，本集團將審視現行政策，檢討如何進一步細化有關平等機會、多元化及反歧視的僱傭指引。

本集團鼓勵員工與上級保持雙向溝通。員工可透過不同的溝通途徑，例如電子郵件、工作面談和集團的資訊發佈管道，與上級討論在工作中遇到的任何障礙。本集團設立「員工之家」，除了向員工提供各類公司的資訊，如本集團的新聞和公告、內部期刊、政府新政策和員工活動動態外，亦為員工提供網上交流平台，讓員工在討論區、知識中心和個人博客儲存個人文檔，以及發表意見。

如員工認為個人利益受到損害，可以面談或書面形式直接向分管領導或總經理申訴。接到申訴後，本集團將調查事件涉及的人員，並根據調查結果決定處理方法。在員工離職前，本集團會安排人力資源部或該員工上司進行離職面談，聽取員工意見。

Environmental, Social and Governance Report

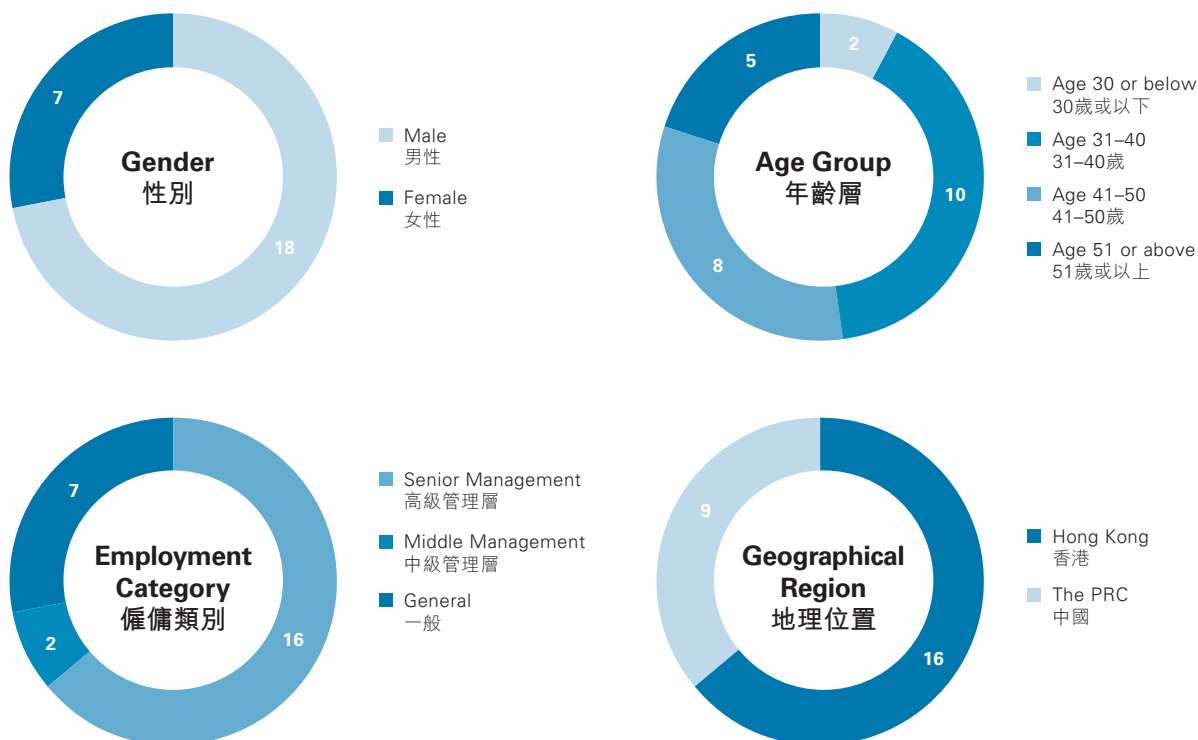
環境、社會及管治報告

The Group strictly complies with the national laws and the system of the Group, and to refuse violation of business ethics. Throughout the year, the Group fully complied with all of the relevant laws and regulations in the countries and regions, such as the Employment Ordinance (Cap. 57), the Minimum Wage Ordinance (Cap. 608), the Labour Law of the People's Republic of China, and other relevant regulations where we operated without violating the relevant rules and regulations including the workers' wages and overtime payments. Related benefits are made with reference to the local minimum wage standard. Holidays and statutory paid leaves are in compliant with the requirements in the PRC and Hong Kong. In this year, there were no cases of non-compliance related to labour and employment practices nor complaints in relation to discrimination within the Group.

At the end of the reporting period, the Group had 25 employees in the PRC and Hong Kong. The employee breakdown by gender, age group, employment category and geographical region is as follow:

本集團嚴格遵守國家法律及本集團制度，嚴拒違反商業道德。於年內，本集團充分遵守有關國家及地區的相關法律及法規，如第57章僱傭條例、第608章最低工資條例及《中華人民共和國勞動法》以及我們經營所在地的其他相關法規，且並無違反工人工資及加班工資等方面的相關規則及法規。相關福利乃參考當地最低工資釐定，假期及法定帶薪假期乃根據中國及香港之規定釐定。於本年度，本集團並無發現與僱傭及勞工常規相關的違規個案或任何有關歧視的申訴個案。

於報告期末，本集團於中國及香港擁有25名僱員。按性別、年齡層、僱傭類別及地理區域劃分的僱員明細如下：



Environmental, Social and Governance Report

環境、社會及管治報告

The employee turnover rates by gender, age group and geographical region during the reporting period are as follows:

於報告期內，按性別、年齡層及地理區域劃分的僱員流失率如下：

Employee turnover	僱員流失率	Unit 單位	2018 2018年
By gender	按性別劃分		
Male	男性	%	38
Female	女性	%	50
By age group	按年齡層劃分		
31–40 years old	31–40 歲	%	21
41–50 years old	41–50 歲	%	100
51 years old and above	51 歲及以上	%	18
By geographical region	按地理位置劃分		
The PRC	中國	%	21
Hong Kong	香港	%	56
Overall	整體	%	41

B2. Health and Safety

The Group regards occupational health and safety as its most important aspect of corporate risk management. The Group strictly complies with Occupational Safety and Health Ordinance and Law of the PRC on the Prevention and Treatment of Occupational Diseases. In this year there were no cases of non-compliance in relation to health and safety or work-related injury within the Group.

B2. 健康與安全

本集團把職業健康與安全視為企業風險管理最重要的環節。本集團嚴格遵守職業安全及健康條例以及中國職業病防治法。於本年度，本集團並無發現與健康及安全相關的違規個案或任何工傷個案。

Environmental, Social and Governance Report

環境、社會及管治報告

The Group not only strictly implements relevant laws and regulations but also proactively formulates internal policies and standards related to specific business departments of the Group. The Group's Staff Handbook emphasises safety disciplines including the execution of safety system, the 5s management (organization, rectification, clearing, cleaning and personal qualities) of workplace, protection and operation standards of construction safety, etc. Staff should abide by the Production Safety Law and the Group's safety management regulations and follows the relevant requirements of safety system certifications. The Group arranges health checks for staff with over one year of service annually to ensure they have good physical health. The Group also provides them with a Work Safety Handbook to enhance their safety awareness.

The Group has established an internal policy on safety management and has assigned different safety compliance duties to different teams in order to reduce potential risk with clear division of labour. For construction sites, the engineering management department of the Group is responsible for security management and prevention of construction site accidents while the safety management team is in charge of the monitoring of the entire construction process of the project to protect safety of staff.

B3. Development and Training

The Group is committed to providing continuous training and learning opportunities to employees to develop their talents and to expand the Group's business. The Group has provided numerous development opportunities throughout the year to employees at all levels. These include induction training, firm-wide training and department-specific training. All employees have equal access to training and development opportunities. We have established an employee self-education subsidy programme with the aim to encourage employee to continue self-development. We also operate a new staff mentoring scheme, aiming to equip new members of the staff with necessary knowledge and skills to help them adjust to their new positions.

本集團不僅嚴格執行相關法律法規，而且積極制訂與本集團的特定業務部門相關的內部政策和規範。本集團的《員工手冊》強調安全紀律，包括對安全體系的執行，辦公場所的5s管理（整理、整頓、清掃、清潔和素養），施工安全的防護及操作規範等。員工須遵守安全生產法及本集團的安全管理規定，以及遵照安全體系認證的有關要求。本集團每年為服務滿一年以上的員工組織一次健康檢查，確保員工的身體健康。集團亦向員工提供工作安全手冊，以加強他們的安全意識。

本集團已設立有關安全管理的內部政策，將不同的安全合規職責分配予不同團隊，以清晰的分工降低潛在風險。在建築地盤方面，本集團的工程管理部門負責保安管理及預防地盤意外，而安全管理團隊則負責監督整個項目的建築過程，保障員工的安全。

B3. 發展及培訓

本集團致力為僱員提供培訓及學習的機會以發展其技能及擴大本集團業務。本年度，本集團已向所有職級的僱員提供多個發展機會，包括引入培訓、全員培訓及部門特定培訓。所有僱員均有公平的培訓及發展機會。我們成立了僱員自主學習資助計劃，旨在鼓勵僱員持續自主發展。我們亦實施新員工導師計劃，旨在令新員工掌握必要的知識及技能，協助他們適應新職位。

Environmental, Social and Governance Report

環境、社會及管治報告

In future, the Group will continue to provide a wider range of job-related training programmes to our employees. Besides, we will consider to enhance employee self-education subsidy programme to encourage more employees to participate in the training programmes. We will also consider and establish a staff training profile to identify the training need of each employee.

The detailed breakdown of the percentage of employees trained and the average training hours completed per employee by gender and employee category is as follows:

Training	培訓	Average training hours (hours/employee) 平均受訓時數 (小時/僱員)	Percentage of employee trained (%) 僱員受訓百分比 (%)
By gender	按性別劃分		
— Male	— 男性	6.8	56
— Female	— 女性	5.2	86
By employment category	按僱員類別劃分		
— Senior management	— 高級管理層	3.8	50
— General	— 一般僱員	10.0	86

日後，本集團將繼續向僱員提供更廣泛的工作相關培訓計劃。此外，我們將考慮改善僱員自主學習資助計劃，鼓勵更多員工參與培訓計劃。我們亦會考慮並制定員工培訓概要，以找出各僱員的培訓需要。

按性別及僱員類別劃分的僱員受訓百分比及每名僱員平均受訓時數的詳盡明細如下：

B4. Labour Standards

The Group is committed to protecting human rights in workplace and has zero tolerance to the use of child or forced labour during our operation. The Group understands that child labour and forced labour violate fundamental human rights and international labour conventions and may constitute threat to the social and economic sustainability. According to the Staff Handbook, the Group strictly complies with the law in its recruitment process to prohibit the hiring of individuals aged under 16 and any form of forced labour or involuntary labour. The Group will review the actual age of new hires by checking their identity documents and making detailed records. Under the overtime work management system of the Group, staff can receive rest periods or overtime subsidy based on the nature of overtime work to avoid involuntary overtime work. The Group respects staff's right of association and collective bargaining via legal and peaceful means.

B4. 勞工準則

本集團致力保障工作場所的人權，絕不容忍於營運中使用童工和強制勞工。本集團明白童工和強制勞工違反基本人權及國際勞工公約，並對可持續的社會和經濟發展構成威脅。根據《員工手冊》，本集團在招聘過程中嚴格遵守法律規定，禁止僱用未滿十六週歲的人士，以及任何強迫性或非自願勞工。本集團會審查入職者的實際年齡，包括檢查身份證明文件及作出詳細紀錄。在本集團的加班管理制度下，員工可按加班性質獲安排調休或發放加班補貼，避免非自願加班的情況。本集團尊重員工以合法且和平的方式進行結社、組織集體談判的權利。

Environmental, Social and Governance Report

環境、社會及管治報告

The Group strictly complies with the Provisions on the Prohibition of Using Child Labor issued by the State Council of the People's Republic of China. According to the "Prohibition of Child Labour Control Procedure" of the Group, person under aged 16 is not allowed to work in the Group. The Group respects the right and freedom of employees as stipulated in "Prohibition of forced labour control procedure". During the reporting period, the Group did not have any cases related to child labour or forced labour.

本集團嚴格遵守中華人民共和國規頒佈的《禁止使用童工規定》。根據本集團的「禁止童工管理程序」，不滿16歲的人士不得在本集團工作。本集團尊重「禁止強迫勞動控制程序」中規定僱員的權利及自由。於報告期間，本集團並無任何有關童工或強迫勞動案件。

OPERATING PRACTICES

B5. Supply Chain Management

As a property developer, the Group actively cooperates with contractors for property construction services. The Group recognises contractors and other suppliers as valuable stakeholders within the supply chain. Their responsible business behaviours are crucial in contributing to quality excellence of the property, operational efficiency and good reputation of the Group. In pursuit of this goal, the Group has formulated the Supplier Management Practice Guide to regulate management of construction projects and suppliers of services. The Guide defines the main duties of relevant departments of the Group and provides clear guidance with regard to procedures such as the ranking and categorisation management of suppliers, qualifications management, selection and assessment, relationship maintenance and conflict management and handling of noncompliance.

The Group encourages contractors and subcontractors to use more environmentally friendly equipment and facilities and to adopt more environmentally friendly new technologies. When contracts are signed with external subcontractors, the Group will make sure that both parties understand the environmental requirements and regulations. Construction units responsible for environmental facilities must hold relevant certificates from their seniors or government departmental heads. Construction units must avoid pollution at all costs during their work. In case of vegetation damage, the construction units must adopt recovery measures to reduce the negative impact on the environment.

營運慣例

B5. 供應鍊管理

作為物業發展商，本集團就物業建築服務積極與承包單位合作。本集團認同承包單位及其他供應商供應鍊內有價值的持份者。其負責的商業行為對本集團物業卓越的質素、經營效率及良好的聲譽至為重要。在此目標下，本集團制定了《供應商管理作業指引》，規範對項目工程及服務供應商的管理。指引界定本集團相關部門的主要職責，並且對供應商的分級分類管理、資格管理、選擇與評審、關係維繫及衝突管理，以及違規處理等工作程序給予清晰指引。

本集團鼓勵承包商和分包商使用更環保的設備及設施，以及採用或開發更環保的新技術。外來施工的承包商在簽訂工程合約時，本集團會確保雙方明白項目的環保要求和規定。承攬環保設施的建築施工單位亦必須持有上級或政府主管部門的相關證件。在施工階段，施工單位須竭力防止產生污染，如出現植物被損壞，施工單位須採取恢復措施，減低對環境的影響。

Environmental, Social and Governance Report

環境、社會及管治報告

The Group equally values the social performance of its supply chain. In this year, the Group issued an open letter to remind all business partner units to refrain from offering gifts or benefits of any kind to staff of the Group. Company name will be removed from the Group's directory of partners for non-compliance. The Group encourages business partners to lodge complaints against or report on staff who request for benefits. Both the Group and its business partners have to sign the Anti-Corruption Agreement and abide by laws and regulations of the PRC and the Group in relation to anti-corruption. At the same time, the Group also requires construction contractors to assume responsibility for protecting its workers' safety on the construction sites and purchase insurance for them. During the year, we had 33 suppliers in the PRC.

B6. Product Responsibility

The Group recognises that achieving high quality standard of property development projects and delivering quality product and services to our customers are crucial to sustainable growth of the Group. Hence, the Group has stringent control of property development projects and data protection policy to protect the interest of our customers. The Group is in strict compliance with the applicable laws and regulations related to product responsibility, including Product Quality Law of the PRC and Personal Data (Privacy) Ordinance. During the reporting period, the Group was not aware of any material non-compliance on product responsibility issues.

The Group has also formulated a quality control procedure to conduct regular monitoring through the internal team and an independent monitoring company to ensure that all projects comply with relevant regulations and the standards of the Group in every stage so that quality and safe buildings can be provided for the public. Before delivering the property to the buyer, the customer service management department and the quality monitoring company conduct a final check to ensure the quality of the property meets the prescribed standard.

本集團同樣重視供應鏈的社會表現，本集團於本年度發表公開信，提醒各業務合作單位切勿向本集團任何員工贈送禮物或提供任何形式的利益。違反規定的公司將被本集團從合作單位名冊中除名。本集團鼓勵業務合作單位對要求收受利益的員工作出投訴與舉報。本集團和業務合作單位均須簽署《廉潔協議書》，自覺遵守中國及本集團有關反貪污的法律和規定。同時，本集團亦要求建築承包商負責保障其工人在建築地盤上的安全，並為工人購置意外保險。本年度，我們於中國33名供應商。

B6. 產品責任

本集團認同物業發展項目達致高質素標準，以及向客戶交付優質的產品及服務對本集團的可持續發展至為重要。因此，本集團對物業發展項目有嚴格控制，並設有資料保障政策，保障客戶權益。本集團嚴格遵守產品責任相關的適用法律及法規，包括《中國產品質量法》及《個人資料(私隱)條例》。於報告期間，本集團並不知悉有關產品責任問題的任何重大不合規事宜。

本集團已制定質量監控程序，透過內部團隊和獨立監察公司進行定期監控，確保項目的每一個階段均符合相關規例和本集團標準，為大眾提供優質安全的建築。向買家交付物業前，客戶服務管理部門會連同質量監督公司作最後檢查，以確保物業質量達到指定標準。

Environmental, Social and Governance Report

環境、社會及管治報告

In addition, the Group complies with laws and regulations related to advertising and labelling by stating in detail the maintenance period, definition of maintenance liability and maintenance boundary in the commodity property sales contract, the residential building user guide and residential property quality warranties. In case of any construction problems, clients can reach the Group by visiting the property centre, making a phone appointment or complaining in the WeChat group. Then, the Group will schedule repair work accordingly.

Apart from formulating quality control and building maintenance procedures, the real estate advertisement of the Group complies with the law and refrain from disseminating any misleading information. To protect clients' information, the Group has included related confidentiality requirements in the Staff Handbook. To protect clients' interest, staff must keep the Group's confidential documents and internal information safe; these include contracts, agreements, statement of intention, feasibility report and all demand and supply information and client profiles.

B7. Anti-Corruption

The Group is committed to operating with a high standard of integrity and accountability. The Group strives to prevent illegal behaviour such as corruption, bribery, extortion, fraud and money laundering. The Staff Handbook of the Group regulates the code of conduct and work ethics of staff. Staff cannot request or accept remuneration from related business contacts. In case gifts or commissions are received in external business dealings, it should be handed in to the Group according to the Gift Management System. The staff should not use company resources to obtain personal benefits. The Group has formulated the Hailan Holdings Whistleblowing System to encourage clients, staff, shareholders and business partners to report fraudulent behaviour. The Group will keep the identity of the whistleblower strictly confidential. The whistle-blower can report to the audit and legal departments anonymously. The Group will also award staff who report non-compliance or offer hints. In this year, there were no reported cases, litigation nor cases of non-compliance related to corruption within the Group.

此外，本集團遵守有關廣告和標籤法例法規的要求，於商品房買賣合同、住宅使用說明書及住宅質量保證書中詳細說明保修期、保修責任方界定以及保修範圍。客戶可透過親身到訪物業中心、電話預約、或於微信群投訴以報修工程問題。其後，本集團將安排工程師上門維修。

除了制定質量監控和樓宇保修程序外，本集團的房地產廣告亦根據法例要求，絕不宣傳誤導公眾的資訊。為保護客戶的資料，本集團將資料保密的相關要求載入員工手冊。員工必須妥善保管本集團的機密文件和內部資料，包括合同、協定、意向書和可行性報告，以及一切供銷情報和客戶檔案，保障客戶利益。

B7. 反貪污

本集團致力以高標準的誠信及問責性營運。本集團盡力避免違法行為，如貪污、賄賂、敲詐、欺詐及洗黑錢。本集團的《員工手冊》規範了員工的職業道德行為。員工不可索取或收受相關業務往來單位的酬金，若在對外業務往來中接受禮品或佣金，應按禮品管理制度上繳本集團。員工亦不可利用公司資源謀取個人利益。本集團制定《海藍控股集團舉報制度》，鼓勵客戶、員工、股東和合作者舉報舞弊行為。本集團嚴格保密舉報人的資料，舉報人可以實名或匿名的方式，向審計法務部舉報。本集團亦會對檢舉違法行為或提供線索的內外部人員予以獎勵。本年度，本集團並無發現與貪污相關的舉報個案、訴訟案件及違規個案。

Environmental, Social and Governance Report

環境、社會及管治報告

COMMUNITY

B8. Community Investment

The real estate business is closely connected to community building. The Group endeavours to understand the needs of the community where it operates. The Group has formulated the Corporate Social Responsibility Work Management Mechanism to include social responsibility efforts in the daily management work planning. When selecting business partners, the Group will give priority to suppliers located in Hainan in order to strengthen the relationship between the Group and the local community.

By helping our society to build a healthy and energetic community, the Group contributes to sustainable development in the community. Between April and September every year, the Group will organise a large-scale community campaign in Sanya Phoenix Water City. To promote community interaction, the Group has initiated diverse community networking activities which include interest groups, health activities and cultural and festival activities. Besides, residents can use a sports mobile app to accumulate personal mileage in exchange for gifts. Residents can also choose to donate their mileages on complementary facilities in the city.

Apart from developing community networking activities, the Group liaised with charitable organizations around the area to conduct fund raising activities through an online platform. The Group organised the “Read for the Blind” campaign by utilizing the WeChat platform to allow users donate their voice. Each participating resident can donate one minute of reading through their cell phones for the blind.

社區

B8. 社區投資

房地產業務與社區建設息息相關，本集團一直致力了解營運所在社區的需要。本集團制定《企業社會責任工作管理機制》，把社會責任工作納入日常管理工作規劃。在挑選業務夥伴時，本集團會優先考慮位於海南的供應商，以強化本集團與當地社區的關係。

透過協助建立健康和充滿活力的社區，本集團為社區的可持續發展作出貢獻。每年的4月至9月，本集團均在三亞鳳凰水城組織一次大型社區活動。為了促進社區互動，本集團開展多元化的社區聯誼活動，活動內容涵蓋各樣興趣小組、健康活動，以及文化和節日活動。此外，居民可利用運動流動應用程式累積個人里程以換領獎品。居民亦可選擇捐贈里程，用於城中的配套建設。

除了開展社區聯誼活動外，本集團聯繫周邊公益機構，通過網路平台進行愛心捐助。本集團舉辦「為失明人士讀書」活動，利用微信平台捐贈聲音，每個參與活動的居民捐獻一分鐘，用手機為失明人士朗讀。

Environmental, Social and Governance Report

環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING INDEX

環境、社會及管治報告索引

Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs) 主體範圍、範疇、一般披露及關鍵績效指標(關鍵績效指標)		Section 章節	Page 頁次
A. Environmental A. 環境			
A1: Emissions A1: 排放物			
General Disclosure 一般披露		"Emissions" [排放物]	92–93
KPI A1.1 關鍵績效指標 A1.1	The types of emissions and respective emissions data 排放物種類及相關排放數據	"Emissions — Air Pollutants Emission" [排放物 — 空氣污染排放物]	93
KPI A1.2 關鍵績效指標 A1.2	Greenhouse gas emissions in total and, where appropriate, intensity 溫室氣體總排放量及(如適用)及密度	"Emissions — Greenhouse Gas Emission" [排放物 — 溫室氣體排放物]	94
KPI A1.3 關鍵績效指標 A1.3	Total hazardous waste produced and, where appropriate, intensity 所產生有害廢棄物總量及(如適用)及密度	Not applicable to the Group's business. 不適用於本集團的業務	N/A 不適用
KPI A1.4 關鍵績效指標 A1.4	Total non-hazardous waste produced and, where appropriate, intensity 所產生無害廢棄物總量及(如適用)及密度	"Emissions — Waste Management" [排放物 — 廢物管理]	95–96
KPI A1.5 關鍵績效指標 A1.5	Description of measures to mitigate emissions and results achieved 描述減低排放量的措施及所得成果	"Emissions — Greenhouse Gas Emission" [排放物 — 溫室氣體排放物]	94
KPI A1.6 關鍵績效指標 A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved 描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果	"Emissions — Waste Management" [排放物 — 廢物管理]	95–96

Environmental, Social and Governance Report

環境、社會及管治報告

Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs) 主體範圍、範疇、一般披露及關鍵績效指標 (關鍵績效指標)		Section 章節	Page 頁次
A2: Use of Resources A2：資源使用			
General Disclosure 一般披露		"Use of Resources" 「資源使用」	96
KPI A2.1 關鍵績效指標 A2.1	Direct and/or indirect energy consumption by type in total and intensity 按類型劃分的直接及／或間接能源及密度	"Use of Resources — Energy" 「資源使用 — 能源」	97–98
KPI A2.2 關鍵績效指標 A2.2	Water consumption in total and intensity 總耗水量及密度	"Use of Resources — Water" 「資源使用 — 水」	98–99
KPI A2.3 關鍵績效指標 A2.3	Description of energy use efficiency initiatives and results achieved 描述能源使用效益計劃及所得成果	"Use of Resources — Energy" 「資源使用 — 能源」	97–98
KPI A2.4 關鍵績效指標 A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved 描述求取適用水源可有任何問題，以及提升用水效益計劃及所得成果	"Use of Resources — Water" 「資源使用 — 水」	98–99
KPI A2.5 關鍵績效指標 A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced 參考每生產單位估量的製成品所用包裝材料的總量(如適用)	Not applicable to the Group's business. 不適用於本集團的業務。	N/A 不適用
A3: The Environment and Natural Resources A3：環境及天然資源			
General Disclosure 一般披露		"The Environment and Natural Resources" 「環境及天然資源」	99–100
KPI A3.1 關鍵績效指標 A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them 描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動	"The Environment and Natural Resources" 「環境及天然資源」	99–100

Environmental, Social and Governance Report

環境、社會及管治報告

Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs) 主體範圍、範疇、一般披露及關鍵績效指標(關鍵績效指標)		Section 章節	Page 頁次
B. Social B. 社會			
Employment and Labour Practices 僱傭及勞工常規			
B1: Employment B1: 僱傭			
General Disclosure 一般披露		"Employment" 「僱傭」	100–104
KPI B1.1 關鍵績效指標 B1.1	Total workforce by gender, employment type, age group and geographical region 按性別、僱傭類型、年齡組別及地區劃分的僱員總數	"Employment" 「僱傭」	100–104
KPI B1.2 關鍵績效指標 B1.2	Employee turnover rate by gender, age group and geographical region 按性別、年齡組別及地區劃分的僱員流失比率	"Employment" 「僱傭」	100–104
B2: Health and safety B2: 健康與安全			
General Disclosure 一般披露		"Health and Safety" 「健康與安全」	104–105
KPI B2.1 關鍵績效指標 B2.1	Number and rate of work-related fatalities 因工作關係而死亡的人數及比率	"Health and Safety" 「健康與安全」	104–105
KPI B2.2 關鍵績效指標 B2.2	Lost days due to work injury 因工傷損失工作日數	"Health and Safety" 「健康與安全」	104–105
KPI B2.3 關鍵績效指標 B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored 描述所採納的職業健康與安全措施，以及相關執行及監察方法	"Health and Safety" 「健康與安全」	104–105
B3: Development and Training B3: 發展及培訓			
General Disclosure 一般披露		"Development and Training" 「發展及培訓」	105–106
KPI B3.1 關鍵績效指標 B3.1	The percentage of employee trained and employee category 受訓僱員百分比及僱員類別	"Development and Training" 「發展及培訓」	105–106
KPI B3.2 關鍵績效指標 B3.2	The average training hours completed per employee by gender and employee category 按性別及僱員類別劃分，每名僱員完成受訓的平均時數	"Development and Training" 「發展及培訓」	105–106

Environmental, Social and Governance Report

環境、社會及管治報告

Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs) 主體範圍、範疇、一般披露及關鍵績效指標 (關鍵績效指標)		Section 章節	Page 頁次
B4: Labour Standards B4 : 勞工準則			
General Disclosure 一般披露		"Labour Standards" 「勞工準則」	106-107
KPI B4.1 關鍵績效指標 B4.1	Description of measures to review employment practices to avoid child and forced labour 描述檢討招聘慣例的措施以避免童工及強制勞工	"Labour Standards" 「勞工準則」	106-107
KPI B4.2 關鍵績效指標 B4.2	Description of steps taken to eliminate such practices when discovered 描述在發現違規情況時消除有關情況所採取的步驟	-	-
Operating Practices 營運慣例			
B5: Supply Chain Management B5 : 供應鏈管理			
General Disclosure 一般披露		"Supply Chain Management" 「供應鏈管理」	107-108
KPI B5.1 關鍵績效指標 B5.1	Number of suppliers by geographical region 按地區劃分的供應商數目	"Supply Chain Management" 「供應鏈管理」	107-108
KPI B5.2 關鍵績效指標 B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored 描述有關聘用供應商的慣例，向其執行有關慣例的供應商數目、以及有關慣例的執行及監察方法	"Supply Chain Management" 「供應鏈管理」	107-108

Environmental, Social and Governance Report

環境、社會及管治報告

Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs) 主體範圍、範疇、一般披露及關鍵績效指標(關鍵績效指標)		Section 章節	Page 頁次
B6: Product Responsibility B6：產品責任			
General Disclosure 一般披露		"Product Responsibility" [產品責任]	108-109
KPI B6.1 關鍵績效指標 B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons 已售或已運送產品總數中因安全與健康理由而須回收的百分比	-	-
KPI B6.2 關鍵績效指標 B6.2	Number of products and service related complaints received and how they are dealt with 接獲關於產品及服務的投訴數目以及應對方法	"Product Responsibility" [產品責任]	108-109
KPI B6.3 關鍵績效指標 B6.3	Description and practices relating to observing and protecting intellectual property rights 描述與監察及保障知識產權有關的慣例	-	-
KPI B6.4 關鍵績效指標 B6.4	Description of quality assurance process and recall procedures 描述質量檢定過程及產品回收程序	"Product Responsibility" [產品責任]	108-109
KPI B6.5 關鍵績效指標 B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored 描述消費者資料保障及私隱政策，以及相關執行及監察方法	"Product Responsibility" [產品責任]	108-109
B7: Anti-corruption B7：反貪污			
General Disclosure 一般披露		"Anti-corruption" [反貪污]	109
KPI B7.1 關鍵績效指標 B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the case 於匯報期內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果	"Anti-corruption" [反貪污]	109
KPI B7.2 關鍵績效指標 B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored 描述防範措施及舉報程序，以及相關執行及監察方法	"Anti-corruption" [反貪污]	109

Environmental, Social and Governance Report

環境、社會及管治報告

Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs) 主體範圍、範疇、一般披露及關鍵績效指標(關鍵績效指標)		Section 章節	Page 頁次
Community 社區			
B8: Community Investment B8 : 社區投資			
General Disclosure 一般披露		"Community Investment" 「社區投資」	110
KPI B8.1 關鍵績效指標 B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport) 專注貢獻範疇(如教育、環境事宜、勞工需求、健康、 文化、體育)	"Community Investment" 「社區投資」	110
KPI B8.2 關鍵績效指標 B8.2	Resources contributed (e.g. money or time) to the focus area 在專注範疇所動用資源(如金錢或時間)	"Community Investment" 「社區投資」	110

Independent Auditor's Report

獨立核數師報告



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To the shareholders of Hailan Holdings Limited

(incorporated in the Cayman Islands with limited liability)

致海藍控股有限公司之股東

(於開曼群島註冊成立的有限公司)

OPINION

意見

We have audited the consolidated financial statements of Hailan Holdings Limited (the “**Company**”) and its subsidiaries (together the “**Group**”) set out on pages 129 to 283, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

我們已審計列載於第129至283頁的海藍控股有限公司(「**貴公司**」)及其附屬公司(統稱「**貴集團**」)的綜合財務報表，該等綜合財務報表包括於2018年12月31日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

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

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

BASIS FOR OPINION

意見的基礎

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

我們已根據香港會計師公會頒佈的香港審計準則(「**香港審計準則**」)進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」一節中作進一步闡述。根據香港會計師公會頒佈的專業會計師道德守則(「**守則**」)，我們獨立於 貴集團，並根據守則履行其他道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的意見提供基礎。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS

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

關鍵審計事項

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

Valuation of properties under development and completed properties held for sale 發展中物業及持作銷售已落成物業的估值	
<i>Refer to Notes 15 and 16 to the consolidated financial statements</i> 請參閱綜合財務報表附註 15 及 16	
The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 我們的審計如何處理該事項
<p>At 31 December 2018, the Group's properties under development and completed properties held for sale were stated at RMB2,429 million and RMB486 million respectively. As disclosed in Note 2.4 to the consolidated financial statements, the properties under development and completed properties held for sale are stated at the lower of cost and net realisable value ("NRV").</p> <p>於2018年12月31日，貴集團發展中物業及持作銷售已落成物業分別呈列為人民幣2,429百萬元及人民幣486百萬元。誠如綜合財務報表附註2.4披露，發展中物業及持作銷售已落成物業按成本及可變現淨值（「可變現淨值」）的較低者呈列。</p> <p>NRV is determined by reference to the estimated selling prices of properties sold in the ordinary course of business less selling expenses and estimated costs of completion and costs to be incurred in selling the properties. The cost of residential properties and car parks of the Group may not be recoverable if their selling prices have declined, or if their estimated costs of completion or the estimated costs to be incurred to make the sale have increased.</p> <p>可變現淨值乃參考於日常業務過程中已出售物業的估計售價，減銷售開支及落成的估計成本及出售物業產生的成本釐定。倘售價下跌，或倘落成的估計成本或銷售所產生的估計成本增加，則貴集團住宅物業及停車位的成本不一定可收回。</p>	<p>Our key audit procedures to assess the NRV of the Group's properties under development and completed properties held for sale included the following:</p> <p>我們就貴集團發展中物業及持作銷售已落成物業的可變現淨值的審計程序包括以下關鍵程序：</p> <ul style="list-style-type: none"> conducting site visits to property development sites and discussing with management the progress and development budgets reflected in the NRV calculations and the latest forecasts for each property development project; 對物業發展項目進行現場視察，並與管理層討論反映於可變現淨值計算的項目進度及發展成本預算以及各物業發展項目的最新預測； obtaining and inspecting the NRV calculations prepared by management and assessing the qualifications and experience of those individuals who prepared the calculations; 取得及檢查由管理層編製的可變現淨值計算表，並評估相關編製計算表的人士的資格及經驗；

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (Continued)

關鍵審計事項(續)

Valuation of properties under development and completed properties held for sale (Continued) 發展中物業及持作銷售已落成物業的估值(續)	
Refer to Notes 15 and 16 to the consolidated financial statements (Continued) 請參閱綜合財務報表附註 15 及 16 (續)	
The Key Audit Matter (Continued) 關鍵審計事項(續)	How the matter was addressed in our audit (Continued) 我們的審計如何處理該事項(續)
<p>The calculation of the NRV of each property development project at the financial reporting date is performed by the Group's management. The estimation of NRV of properties under development and completed properties held for sale involves significant management judgement and estimation in preparing and updating project feasibility studies and estimations of the costs to complete each property development project as well as in assessing the expected future selling prices for each property and the estimated future selling costs.</p> <p>各項物業發展項目於財務報告日期的可變現淨值的計算由 貴集團管理層進行。發展中物業及持作銷售已落成物業可變現淨值的估計涉及管理層於編製及更新項目可行性研究和完成各物業發展項目成本的估算以及評估預期未來各項物業的售價及估計未來銷售成本方面作出的重大判斷和估計。</p> <p>The management assessed the NRV of land under development by reference to the valuations carried out by an independent qualified professional valuer (the "Valuer").</p> <p>管理層參考獨立合資格專業估值師(「估值師」)進行的估值評估發展中土地的可變現淨值。</p>	<ul style="list-style-type: none"> assessing the appropriateness of the estimated selling prices of the properties for sale used by the management with reference to the latest market prices achieved in the same projects or by comparable properties, including an evaluation of the appropriateness of the comparable properties used by the management of the Group based on our knowledge of the Group's business and the PRC real estate industry; 參考同一項目或可資比較物業記錄的最新市價，根據我們對 貴集團業務及中國房地產行業的認識，評估管理層所使用的持作銷售物業的估計售價是否合理，包括評估 貴集團管理層所使用的可資比較物業是否合理； evaluating management's budgets, by reconciling the significant cost elements to signed construction contracts, benchmarking the percentage of cost component, and evaluating the reasonableness of the estimated cost to completion of the properties under development and completed properties held for sale, on a sample basis, by comparing the cost to actual development cost of similar completed properties and comparing the adjustments made by the management to current market data and assessing if they are updated on a timely basis to reflect any changes in implementation of management's plans; 通過將重大成本項目與已簽署建造合同進行核對以評估管理層預算、評估成本組成部分的百分比水平及抽樣比較成本與類似落成物業的實際發展成本，以及比較管理層對與現時市場資料作出的判斷，以評估發展中物業及持作銷售已落成物業的落成估計成本是否合理及評估管理層預算是否適時更新以反映管理層計劃施行過程中的任何變動；

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (Continued)

關鍵審計事項 (續)

Valuation of properties under development and completed properties held for sale (Continued) 發展中物業及持作銷售已落成物業的估值(續)	
Refer to Notes 15 and 16 to the consolidated financial statements (Continued) 請參閱綜合財務報表附註 15 及 16 (續)	
The Key Audit Matter (Continued) 關鍵審計事項(續)	How the matter was addressed in our audit (Continued) 我們的審計如何處理該事項(續)
<p>We identified the assessment of NRV of the Group's properties under development and completed properties held for sale as a key audit matter because of the inherent risks involved in estimating the costs to complete each property development project and the future selling prices for each property development project, particularly in light of the current economic circumstances in the People's Republic of China (the "PRC").</p> <p>我們已識別 貴集團發展中物業及持作銷售已落成物業的可變現淨值評估為關鍵審計事項，原因是估計完成各物業發展項目的成本及各物業發展項目的未來售價所涉及的固有風險，特別是鑒於中華人民共和國(「中國」)目前的經濟狀況。</p>	<ul style="list-style-type: none"> • re-performing the calculations made by management in arriving at the year end assessments of NRV on a sample basis; • 對於管理層編製的年末可變現淨值評估按抽樣方法進行重新計算； • reviewing the valuation from the Valuer and discussing with management and the Valuer to understand the valuation basis and methodology used, and underlying assumptions; • 審議估值師的估值並與管理層及估值師討論，以了解所使用的估值基準及方法，以及相關假設； • evaluating the objectivity, independence and competency of the Valuer; and • 評估估值師的客觀性、獨立性及能力；及 • performing sensitivity analyses to determine the extent of changes in those estimates and assumptions which, either individually or collectively, would be required for the properties under development and completed properties held for sale to be materially misstated and considering the likelihood of such a movement in those key estimates arising. • 進行敏感度分析，以釐定導致發展中物業及持作銷售已落成物業出現重大誤報所需的該等估算及假設(不論是個別或整體)的變動程度，並考慮該等主要估算出現有關變動的可能性。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (Continued)

關鍵審計事項(續)

Assessing the recoverability of deferred tax assets 評估遞延稅項資產的可收回性	
Refer to Note 24(b) to the consolidated financial statements 請參閱綜合財務報表附註24(b)	
The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 我們的審計如何處理該事項
<p>As at 31 December 2018, the Group had recognised deferred tax assets of RMB198 million, mainly in respect of the accrued expenses and future benefit of accumulated tax losses considered to be recoverable within a certain period before the tax losses expire.</p> <p>於2018年12月31日，貴集團已確認遞延稅項資產人民幣198百萬元，主要涉及視為可於稅項虧損到期前一段期間內收回的應計開支及累計稅項虧損的未來利益。</p> <p>The estimate of future taxable profits requires management's judgement and interpretation of tax laws as well as management's estimate of future taxable profits.</p> <p>未來應課稅溢利的估計需要管理層的判斷和對稅法的詮釋以及管理層對未來應課稅溢利的估計。</p> <p>The estimate of future taxable profits includes the consideration of timetable of the development of the vacant land held by the Group, progress of the construction and sale of properties.</p> <p>未來應課稅溢利的估計包括考慮在貴集團持有的空置土地的發展、物業建設及銷售進度時間表。</p>	<p>Our key audit procedures to assess the recoverability of deferred tax assets included the following:</p> <p>我們就評估遞延稅項資產可收回性的關鍵審計程序包括以下關鍵程序：</p> <ul style="list-style-type: none"> obtaining and inspecting the development plans and forecast of taxable profits prepared by management and comparing the estimate of future taxable profits with the accumulated tax losses; 取得及檢查由管理層編製的發展計劃及應課稅溢利預測，並將未來應課稅溢利的估計與累計稅項虧損進行比較； assessing the principles of the model used to forecast taxable profits by comparing the key assumptions (including unit selling prices, budget unit costs and administration and other costs) with the Group's development plans; 透過將主要假設(包括單位售價、預算單位成本及行政管理和其他成本)與貴集團的發展計劃進行比較，評估用以預測應課稅溢利的模型的原則； considering the historical accuracy of such development plans by comparing key data with internal and external documents (including approval certificates and milestone documentation) and challenging management as to whether the development plans needed to be adjusted for any delays identified in the Group's property development projects; 透過將主要數據與內部和外部文件(包括批准文件及項目節點文件)進行比較，考慮有關發展計劃的過往準確性，以及就發展計劃是否需要就於貴集團物業發展項目中所識別的任何延誤作出調整向管理層提出質疑；

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (Continued)

關鍵審計事項 (續)

Assessing the recoverability of deferred tax assets (Continued) 評估遞延稅項資產的可收回性 (續)	
Refer to Note 24(b) to the consolidated financial statements (Continued) 請參閱綜合財務報表附註24(b) (續)	
The Key Audit Matter (Continued) 關鍵審計事項 (續)	How the matter was addressed in our audit (Continued) 我們的審計如何處理該事項 (續)
<p>The recoverability of recognised deferred tax assets could vary significantly if different assumptions are applied in estimating future taxable profits and the ability to utilise the accumulated tax losses. Given the inherent uncertainties in these estimations by management there is a risk that the deferred tax assets recognised in the Group's consolidated statement of financial position may be over-estimated or under-estimated and any adjustment would directly affect the Group's profit and the effective tax rate for the period.</p> <p>倘於估計未來應課稅溢利及利用累計稅項虧損的能力時應用不同的假設，已確認遞延稅項資產的可收回性可能出現重大變化。鑒於該等由管理層作出的估計存在固有不确定性，於 貴集團綜合財務狀況表中的已確認遞延稅項資產存在高估或低估風險，而任何調整將直接影響 貴集團於該期間的溢利及實際稅率。</p> <p>We identified the recoverability of deferred tax assets as a key audit matter because of the inherent risk of error associated with management's estimate of future taxable profits.</p> <p>我們因與管理層估計未來應課稅溢利有關的固有錯誤風險而將遞延稅項資產的可收回性識別為關鍵審計事項。</p>	<ul style="list-style-type: none"> comparing the key estimates and assumptions adopted in the sales budget plans prepared by the directors, including those relating to average net future selling prices, with market available data; 將董事編製的銷售預算計劃中採用的主要估算及假設 (包括與未來平均淨售價有關者) 與市場可得數據進行比較； re-performing calculations made by management in determining the forecast taxable profits and performing sensitivity analyses to determine the extent of changes in those estimates that management used in the calculation which, either individually or collectively, would have a significant adverse impact on the forecast taxable profits; 對於管理層就釐定預測應課稅溢利作出的計算重新進行計算，並進行敏感度分析以釐定管理層於計算中所用的該等估算 (不論是個別或整體) 將對預測應課稅溢利造成重大不利影響的變動程度； assessing the appropriateness of the application of tax laws, the appropriateness of tax deductions and the ability to offset forecast taxable profits against the accumulated tax losses with the assistance of our internal tax specialists; and 在我們的內部稅務專家協助下，評估應用稅法的合適性、減免稅項的合適性及以累計稅項虧損抵銷預測應課稅溢利的能力；及 assessing whether the related disclosures in the Group's consolidated financial statements were consistent with the requirements of the prevailing accounting standards. 評估於 貴集團的綜合財務報表中的相關披露資料是否符合現行會計準則的規定。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (Continued)

關鍵審計事項(續)

Assessing the ownership risk of land use right 評估土地使用權的所有權風險	
Refer to Note 29(b) to the consolidated financial statements 請參閱綜合財務報表附註29(b)	
The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 我們的審計如何處理該事項
<p>On 17 January 2018, a subsidiary of the Company, Hainan Nanhai Xiang Long Properties Development Limited (“Hainan Nanhai Xiang Long”) received a decision from Haikou People’s Government in relation to its confiscating a parcel of land (the “Haikou Land”) for the reason that the Haikou Land has not been developed according to the timeline as stipulated in the land use right contract (the “Haikou Decision”). At the end of the reporting period, the carrying amount of the Haikou Land was amounted to RMB132 million.</p> <p>於2018年1月17日，貴公司附屬公司海南南海翔龍房地產開發有限公司(「海南南海翔龍」)收到海口市人民政府有關沒收一塊土地(「海口土地」)的決定書，原因為海口土地未按土地使用權合約的時間開發(「海口決定書」)。於報告期末，海口土地的賬面值為人民幣132百萬元。</p> <p>The latest development of the litigation is detailed in Note 29(b) to the consolidated financial statements. The final decision of Higher People’s Court of Hainan Province is pending.</p> <p>訴訟的最新發展於綜合財務報表附註29(b)詳述。海南省高級人民法院尚未頒佈最終決定。</p>	<p>Our key audit procedures to assess the ownership risk of land use right included the following: 我們就評估土地使用權的所有權風險的關鍵審計程序包括以下關鍵程序：</p> <ul style="list-style-type: none"> obtaining and inspecting the documentation relating to the Haikou Land, including land use right contract, land use right certificate, correspondences between local government and Hainan Nanhai Xiang Long, and comparing this information to that mentioned in the Haikou Decision; 取得及檢查與海口土地有關的文件(包括土地使用權合約、土地使用權證、當地政府與海南南海翔龍之間的來往函件)及將有關資料與海口決定書所述資料進行比較； discussing the status and potential exposures in respect of the litigation with management and the Group’s external legal counsels and obtaining their opinions on the likely outcome of the litigation based on current facts and circumstances and available information; and 與管理層及貴集團的外部法律顧問討論有關訴訟的狀況及潛在風險，並取得彼等基於目前的事實及情況及所得資料對訴訟可能產生之結果的意見；及

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (Continued)

關鍵審計事項 (續)

Assessing the ownership risk of land use right (Continued) 評估土地使用權的所有權風險 (續)	
Refer to Note 29(b) to the consolidated financial statements (Continued) 請參閱綜合財務報表附註29(b) (續)	
The Key Audit Matter (Continued) 關鍵審計事項 (續)	How the matter was addressed in our audit (Continued) 我們的審計如何處理該事項 (續)
<p>As of the approval date of these consolidated financial statements, the directors, after seeking legal opinion, consider that the Group has reasonable grounds to challenge the Haikou Decision and the administrative judgment is valid and that therefore, taking account of all available evidence, it is not more likely than not that a present obligation to surrender the land without compensation exists at the end of the reporting period. No provision has therefore been made in respect of the Haikou Decision.</p> <p>截至該等綜合財務報表批准日期，董事經尋求法律意見後認為，貴集團有合理理由對海口決定書提起上訴，而行政判決有效，因而，經考慮所有現有證據後，不大可能在報告期末存在無償交出土地的現有義務。因此，概無就海口決定書作出撥備。</p> <p>We identified the assessment of the ownership risk of the Haikou Land as a key audit matter because it involves a significant degree of management judgement due to uncertainties in relation to the outcome of the litigation and may be subject to management bias.</p> <p>我們將評估海口土地的所有權風險識別為關鍵審計事項，因為訴訟結果存在不確定性，故涉及很大程度的管理層判斷，而管理層或存在偏見。</p>	<ul style="list-style-type: none"> challenging the assumptions and critical judgement made by management which impacted the assessment of the outcome of the litigation by inspecting the underlying contract and relevant underlying documentation, comparing with market available information and assessing whether there were any indicators of management bias. 通過檢查相關合約及相關有關文件、比較市場可用的資料及評估管理層是否存在任何偏見跡象，質疑管理層所作影響訴訟結果評估的假設及重大判斷。

Independent Auditor's Report

獨立核數師報告

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all the information included in the 2018 annual report of the Company but does not include the consolidated financial statements and our auditor's report thereon.

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

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

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

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

其他信息

貴公司董事需對其他信息負責。其他信息包括刊載於 貴公司2018年年報內的全部信息，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

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

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事及管治層就綜合財務報表須承擔的責任

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

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

審核委員會協助 貴公司董事履行監督 貴集團的財務報告過程的責任。

Independent Auditor's Report

獨立核數師報告

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

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

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

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

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

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向全體股東報告。除此以外，我們的報告不可用作其他用途。我們概不就本報告的內容對任何其他人士負責或承擔法律責任。

合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

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

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

Independent Auditor's Report

獨立核數師報告

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

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

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

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

核數師就審計綜合財務報表承擔的責任(續)

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

除其他事項外，我們與審核委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

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

Independent Auditor's Report

獨立核數師報告

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

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

Mazars CPA Limited

Certified Public Accountants

Hong Kong, 18 September 2019

The engagement director on the audit resulting in this independent auditor's report is:

Chan Chi Wai

Practising Certificate number: P05708

核數師就審計綜合財務報表承擔的責任(續)

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

中審眾環(香港)會計師事務所有限公司

執業會計師

香港，2019年9月18日

出具本獨立核數師報告的審計項目董事為：

陳志偉

執業證書編號：P05708

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

For the year ended 31 December 2018 截至2018年12月31日止年度

			2018	2017
		Notes	2018年	2017年
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
Revenue	收益	4	1,410,474	2,005,308
Cost of sales	銷售成本		(747,314)	(1,114,934)
Gross profit	毛利		663,160	890,374
Other income	其他收入	5	5,029	453
Changes in fair value of investment properties	投資物業公平值變動	12	(21,407)	–
Changes in fair value of financial assets at FVPL	按公平值計入損益的金融資產的公平值變動		6,694	–
Realised gain arising from financial assets at FVPL, net	按公平值計入損益的金融資產的已變現收益淨額		36,694	–
Selling and distribution expenses	銷售及分銷開支		(55,778)	(53,111)
Credit loss allowance on other receivables	其他應收款項信貸虧損撥備	17	(13,676)	–
Allowance on advance payments to contractors	向承包商支付的預付款撥備	17	(12,895)	–
Administrative expenses	行政開支		(68,576)	(48,480)
Other operating expenses	其他經營開支	5	–	(140)
Operating profit	經營溢利		539,245	789,096
Finance income	財務收入		4,757	8,967
Finance costs	財務成本		–	(17,231)
Finance income (costs), net	財務收入(成本)淨額	6	4,757	(8,264)
Profit before taxation	除稅前溢利		544,002	780,832
Income tax expenses	所得稅開支	7	(362,923)	(521,320)
Profit for the year	年內溢利	8	181,079	259,512

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

For the year ended 31 December 2018 截至2018年12月31日止年度

		2018	2017
		2018年	2017年
	Notes	RMB'000	RMB'000
	附註	人民幣千元	人民幣千元
Other comprehensive income (loss):	其他全面收入(虧損):		
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>或會於其後重新分類至損益的項目:</i>		
Changes in fair value of available-for-sale financial assets, net of tax	可供出售金融資產公平值變動，扣除稅項	-	1,749
<i>Items that will not be reclassified subsequently to profit or loss:</i>	<i>將不會於其後重新分類至損益的項目:</i>		
Exchange differences on translation of financial statements to presentation currency	換算財務報表為呈列貨幣的匯兌差額	8,670	(15,232)
Other comprehensive income (loss) for the year, net of tax	除稅後年內其他全面收入(虧損)	8,670	(13,483)
Total comprehensive income for the year	年內全面收入總額	189,749	246,029
Profit for the year attributable to:	以下各項應佔年內溢利:		
Owners of the Company	本公司擁有人	179,538	251,181
Non-controlling interests	非控股權益	1,541	8,331
		181,079	259,512
Total comprehensive income attributable to:	以下各項應佔全面收入總額:		
Owners of the Company	本公司擁有人	188,208	237,698
Non-controlling interests	非控股權益	1,541	8,331
		189,749	246,029
Earnings per share attributable to owners of the Company (expressed in RMB per share)	本公司擁有人應佔之每股盈利(以每股人民幣列示)		
— Basic and diluted	— 基本及攤薄	0.60	0.84

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2018 於2018年12月31日

			2018	2017
			2018年	2017年
		Notes	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	11	42,058	45,587
Investment properties	投資物業	12	130,058	48,788
Intangible assets	無形資產	13	504	660
Trade and other receivables	貿易及其他應收款項	17	22,717	13,995
Financial assets at fair value through profit or loss	按公平值計入損益的金融資產	25	1,726	–
Deferred tax assets	遞延稅項資產	24	198,484	140,935
			395,547	249,965
Current assets	流動資產			
Properties under development	發展中物業	15	2,428,600	2,328,981
Completed properties held for sale	持作銷售已落成物業	16	485,562	1,177,299
Contract costs	合約成本	19	14,117	–
Trade and other receivables	貿易及其他應收款項	17	105,224	162,979
Deposits paid for acquisition of land	收購土地支付的訂金	14	13,760	–
Current tax assets	即期稅項資產	24	27,127	127,516
Available-for-sale financial assets	可供出售金融資產	18	–	209,830
Financial assets at fair value through profit or loss	按公平值計入損益的金融資產	25	806,694	–
Restricted cash	受限制現金	20(a)	83,412	41,235
Cash and cash equivalents	現金及現金等價物	20(b)	683,197	896,833
			4,647,693	4,944,673
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	22	1,205,485	1,991,832
Contract liabilities	合約負債	21	345,146	–
Current tax liabilities	即期稅項負債	24	820,245	740,102
			2,370,876	2,731,934
Net current assets	流動資產淨值		2,276,817	2,212,739
Total assets less current liabilities	總資產減流動負債		2,672,364	2,462,704

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2018 於2018年12月31日

		Notes 附註	2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債	24	522,940	527,183
NET ASSETS	資產淨值		2,149,424	1,935,521
Capital and reserves	資本及儲備			
Share capital	股本	26	2,585	2,585
Reserves	儲備	26	1,808,672	1,603,986
Equity attributable to owners of the Company	本公司擁有人應佔權益		1,811,257	1,606,571
Non-controlling interests	非控股權益		338,167	328,950
TOTAL EQUITY	總權益		2,149,424	1,935,521

These consolidated financial statements on pages 129 to 283 were approved and authorised for issue by the Board of Directors on 18 September 2019 and signed on its behalf by

第129頁至第283頁的該等綜合財務報表於2019年9月18日經董事會批准及授權刊發，並由以下人士代表簽署：

Zhou Li
周莉
Director
董事

Fan Wenyi
范文燦
Director
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2018 截至2018年12月31日止年度

		Attributable to owners of the Company 本公司擁有人應佔										
		Share capital	Share premium	Other reserve	Statutory surplus reserve	Changes in fair value of available-for-sale financial assets reserve	Accumulated losses	Exchange reserve	Total reserves	Sub-total	Non-controlling interests	Total equity
		股本 RMB'000 人民幣千元 (附註26(b))	股份溢價 RMB'000 人民幣千元 (附註26(c)(i))	其他儲備 RMB'000 人民幣千元 (附註26(c)(ii))	法定盈餘儲備 RMB'000 人民幣千元 (附註26(c)(iii))	可供出售金融資產公平價值變動儲備 RMB'000 人民幣千元 (附註26(c)(iii))	累計虧損 RMB'000 人民幣千元	匯兌儲備 RMB'000 人民幣千元 (附註26(c)(iv))	總儲備 RMB'000 人民幣千元	小計 RMB'000 人民幣千元	非控股權益 RMB'000 人民幣千元	總權益 RMB'000 人民幣千元
Balance as at 1 January 2017	於2017年1月1日的結餘	2,585	236,791	1,391,582	114,728	-	(385,388)	8,575	1,366,288	1,368,873	319,641	1,688,514
Profit for the year	年內溢利	-	-	-	-	-	251,181	-	251,181	251,181	8,331	259,512
Other comprehensive loss for the year:	年內其他全面虧損:											
Changes in fair value of available-for-sale financial assets	可供出售金融資產公平價值變動	-	-	-	-	1,749	-	-	1,749	1,749	-	1,749
Exchange differences on translation of financial statements to presentation currency	換算財務報表為呈列貨幣的匯兌差額	-	-	-	-	-	-	(15,232)	(15,232)	(15,232)	-	(15,232)
		-	-	-	-	1,749	-	(15,232)	(13,483)	(13,483)	-	(13,483)
Total comprehensive income for the year	年內全面收入總額	-	-	-	-	1,749	251,181	(15,232)	237,698	237,698	8,331	246,029
Transactions with owners: Contributions and distributions	與擁有人進行的交易: 出資及分派											
Share-based payment	以股份為基礎的付款	-	-	-	-	-	-	-	-	-	978	978
Appropriation to statutory reserves	轉撥至法定儲備	-	-	-	47,667	-	(47,667)	-	-	-	-	-
		-	-	-	47,667	-	(47,667)	-	-	-	978	978
Balance as at 31 December 2017 and 1 January 2018	於2017年12月31日及2018年1月1日的結餘	2,585	236,791	1,391,582	162,395	1,749	(181,874)	(6,657)	1,603,986	1,606,571	328,950	1,935,521
Impact of initial application of HKFRS 9	首次應用香港財務報告準則第9號的影響	-	-	-	-	(1,749)	1,749	-	-	-	-	-
Impact of initial application of HKFRS 15	首次應用香港財務報告準則第15號的影響	-	-	-	-	-	16,478	-	16,478	16,478	510	16,988
Adjusted balance at 1 January 2018	於2018年1月1日的經調整結餘	2,585	236,791	1,391,582	162,395	-	(163,647)	(6,657)	1,620,464	1,623,049	329,460	1,952,509
Profit for the year	年內溢利	-	-	-	-	-	179,538	-	179,538	179,538	1,541	181,079
Other comprehensive income for the year:	年內其他全面收入:											
Exchange differences on translation of financial statements to presentation currency	換算財務報表為呈列貨幣的匯兌差額	-	-	-	-	-	-	8,670	8,670	8,670	-	8,670
Total comprehensive income for the year	年內全面收入總額	-	-	-	-	-	179,538	8,670	188,208	188,208	1,541	189,749
Transactions with owners: Changes in ownership interests	與擁有人進行的交易: 擁有權益變動											
Contributions from non-controlling interests	非控股權益的出資	-	-	-	-	-	-	-	-	-	7,166	7,166
Appropriation to statutory reserve	轉撥至法定儲備	-	-	-	20,591	-	(20,591)	-	-	-	-	-
		-	-	-	20,591	-	(20,591)	-	-	-	7,166	7,166
Balance as at 31 December 2018	於2018年12月31日的結餘	2,585	236,791	1,391,582	182,986	-	(4,700)	2,013	1,808,672	1,811,257	338,167	2,149,424

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2018 截至2018年12月31日止年度

		Note	2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
		附註		
Cash flows from operating activities	經營活動產生的現金流			
Cash generated from operations	營運產生的現金	31	572,689	1,817,861
Income tax paid	已付所得稅		(249,845)	(136,115)
<i>Net cash from operating activities</i>	<i>經營活動產生的現金淨額</i>		322,844	1,681,746
Cash flow from investing activities	投資活動產生的現金流			
Purchase of property, plant and equipment	購買物業、廠房及設備		(69)	(39)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項		85	74
Purchase of available-for-sale financial assets	購買可供出售金融資產		–	(208,081)
Purchase of financial assets at fair value through profit or loss	購買按公平值計入損益的金融資產		(7,856,206)	–
Proceeds from sale of financial assets at fair value through profit or loss	銷售按公平值計入損益的金融資產所得款項		7,316,065	–
Proceeds from sale of available-for-sale financial assets	銷售可供出售金融資產所得款項		–	100,255
Interest received	已收利息		4,757	8,712
<i>Net cash used in investing activities</i>	<i>投資活動所用的現金淨額</i>		(535,368)	(99,079)
Cash flow from financing activities	融資活動產生的現金流			
Repayment of bank loans	償還銀行貸款	31	–	(980,000)
Repayment of loan interests	償還貸款利息	31	–	(14,207)
Decrease in restricted cash pledged for bank loans	銀行貸款抵押的受限制現金減少		–	12,463
Capital contributions from non-controlling interests	非控股權益的出資		7,166	–
Repayment of loan from a non-controlling shareholder	非控股股東的貸款還款	31	(1,854)	(140,040)
<i>Net cash from (used in) financing activities</i>	<i>融資活動產生(所用)的現金淨額</i>		5,312	(1,121,784)

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2018 截至2018年12月31日止年度

		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Net (decrease) increase in cash and cash equivalents	現金及現金等價物 (減少)增加淨額	(207,212)	460,883
Cash and cash equivalents at beginning of the year	於年初的現金及現金等價物	896,833	451,182
Effect of foreign exchange rate changes	外匯率變動影響	(6,424)	(15,232)
Cash and cash equivalents at end of the year, represented by cash and bank balances	於年末相等於現金及 銀行結餘之現金及 現金等價物	683,197	896,833

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

1. GENERAL INFORMATION

Hailan Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 31 August 2015 as an exempted company with limited liability under the Company Law Chapter 22, (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of registered office of the Company is PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, the Cayman Islands. The principal place of business of the Company in the People’s Republic of China (the “**PRC**”) and Hong Kong are 2/F, No. 1 Building Hampton by Hilton, No. 169 Yu Lin Road, Tianya District, Sanya, the Hainan Province, the PRC and Room 2212, 22/F, The Center, 99 Queen’s Road Central, Central, Hong Kong respectively.

The Company is an investment holding company. Its subsidiaries are principally engaged in investment holding, properties development, sale and rental of developed properties. The Company and its subsidiaries are collectively referred to as the “**Group**”.

2.1. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”), which include all HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The measurement basis used in the preparation of these consolidated financial statements is historical cost convention, except for investment properties and financial assets at fair value through profit or loss (“**FVPL**”) which have been measured at fair value as explained in the accounting policies set out below.

1. 一般資料

海藍控股有限公司(「**本公司**」)根據開曼群島公司法第22章(1961年第3號法律，經合併及修訂)於2015年8月31日在開曼群島註冊成立為一間豁免有限公司。本公司股份在香港聯合交易所有限公司(「**聯交所**」)主板上市。本公司的註冊辦事處地址為PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, the Cayman Islands。本公司於中華人民共和國(「**中國**」)及香港的主要營業地點分別為中國海南省三亞市天涯區育林路169號希爾頓歡朋酒店旁1號樓二層及香港中環皇后大道中99號中環中心22樓2212室。

本公司為投資控股公司。其附屬公司主要從事投資控股、物業開發、出售及出租已開發物業。本公司及其附屬公司統稱為「**本集團**」。

2.1. 編製基準

該等綜合財務報表乃按照香港會計師公會(「**香港會計師公會**」)頒佈之香港財務報告準則(「**香港財務報告準則**」)，包括所有香港財務報告準則、香港會計準則(「**香港會計準則**」)及詮釋、香港公認會計原則及香港公司條例之披露規定編製。該等綜合財務報表亦遵守聯交所證券上市規則(「**上市規則**」)規定之適用披露條文。

除投資物業及按公平值計入損益(「**按公平值計入損益**」)的金融資產(誠如下文載列的會計政策所詮釋，按公平值計量)外，編製該等綜合財務報表所使用的計量基準為歷史成本慣例。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.1. BASIS OF PREPARATION (Continued)

These consolidated financial statements are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand except when otherwise indicated.

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2017 consolidated financial statements except for the adoption of the new/revised HKFRSs that are relevant to the Group and effective from the current year as detailed in Note 2.2 to the consolidated financial statements. A summary of the principal amounting policies adopted by the Group is set out in Note 2.4 to the consolidated financial statements.

2.2. CHANGES IN ACCOUNTING POLICIES

The Group has applied, for the first time, the following new/revised HKFRSs that are relevant to the Group:

Amendments to HKAS 40	Transfers of Investment Property
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration
HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers

2.1. 編製基準(續)

該等綜合財務報表乃以人民幣(「人民幣」)呈列，除另有指明者外，所有數值均湊整至人民幣千元。

除採納綜合財務報表附註2.2所詳述與本集團相關並由本年度起生效的新訂／經修訂香港財務報告準則外，該等綜合財務報表已按2017年綜合財務報表所採納的會計政策一致的基準編製。本集團採納的主要會計政策概要載於綜合財務報表附註2.4。

2.2. 會計政策變動

本集團已首次應用以下與本集團相關的新訂／經修訂香港財務報告準則：

香港會計準則第40號(修訂本)	轉讓投資物業
香港財務報告準則第2號(修訂本)	以股份支付交易之分類及計量
香港(國際財務報告詮釋委員會)－詮釋第22號	外幣交易與預付代價
香港財務報告準則第9號	金融工具
香港財務報告準則第15號	客戶合約收入

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.2. CHANGES IN ACCOUNTING POLICIES (Continued)

Amendments to HKAS 40: Transfers of Investment Property

The amendments clarify that, to transfer to or from, investment properties, there must be a change in use. A change in use would involve (a) an assessment of whether a property meets, or has ceased to meet, the definition of investment property; and (b) supporting evidence that a change in use has occurred.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to HKFRS 2: Classification and Measurement of Share-based Payment Transactions

The amendments provide requirements on the accounting for: (i) the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; (ii) share-based payment transactions with a net settlement feature for withholding tax obligations; and (iii) a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

HK (IFRIC)-Int 22: Foreign Currency Transactions and Advance Consideration

The interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognised the non-monetary asset or non-monetary liability arising from the advance consideration.

The adoption of the interpretation does not have any significant impact on the consolidated financial statements.

2.2. 會計政策變動(續)

香港會計準則第40號(修訂本): 轉讓投資物業

修訂本澄清, 投資物業的轉入或轉出都必須存在用途變更。用途變更將涉及(a) 評估物業是否符合或不再符合投資物業之定義; 及(b) 用途已變更的支持證據。

採納修訂本並無對綜合財務報表造成任何重大影響。

香港財務報告準則第2號(修訂本): 以股份支付交易之分類及計量

修訂本訂明(i) 歸屬及非歸屬條件對現金結算以股份為基礎之付款計量的影響; (ii) 因預扣稅責任具有淨額結算特徵的以股份為基礎之付款交易; 及(iii) 使交易類別由現金結算變更為以股本結算之以股份為基礎之付款條款及條件的修訂的會計處理規定。

採納修訂本並無對綜合財務報表造成任何重大影響。

香港(國際財務報告詮釋委員會) – 詮釋第22號: 外幣交易與預付代價

該詮釋澄清, 用於確定終止確認與預付代價有關的非貨幣性資產或非貨幣性負債, 並初始確認相關資產、費用或收入(或其中一部分)時的即期匯率的交易日為實體初始確認由預付代價產生的非貨幣性資產或非貨幣性負債之日期。

採納詮釋並無對綜合財務報表造成任何重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.2. CHANGES IN ACCOUNTING POLICIES (Continued)

HKFRS 9: Financial Instruments

The following terms are used in these consolidated financial statements:

- FVPL: fair value through profit or loss.
- FVOCI: fair value through other comprehensive income.
- Designated FVOCI: equity instruments measured at FVOCI.
- Mandatory FVOCI: debt instruments measured at FVOCI.

HKFRS 9 replaces HKAS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018. It introduces new requirements for the classification and measurement of financial assets and financial liabilities, impairment for financial assets and hedge accounting.

2.2. 會計政策變動(續)

香港財務報告準則第9號：金融工具

以下詞彙用於該等綜合財務報表：

- 按公平值計入損益：按公平值計入損益。
- 按公平值計入其他全面收益：按公平值計入其他全面收益。
- 指定按公平值計入其他全面收益：按公平值計入其他全面收益計量的股本工具。
- 強制按公平值計入其他全面收益：按公平值計入其他全面收益計量的債務工具。

香港財務報告準則第9號於2018年1月1日或之後開始的年度期間取代香港會計準則第39號金融工具：確認及計量。其引入金融資產及金融負債分類及計量、金融資產減值及對沖會計的新規定。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.2. CHANGES IN ACCOUNTING POLICIES (Continued)

HKFRS 9: Financial Instruments (Continued)

In accordance with the transitional provisions in HKFRS 9, comparative information has not been restated and the Group has applied HKFRS 9 retrospectively to financial instruments that existed at 1 January 2018 (i.e. the date of initial application), except as described below:

- (a) The following assessments are made on the basis of facts and circumstances that existed at the date of initial application:
- (i) the determination of the business model within which a financial asset is held;
 - (ii) the designation of financial assets or financial liabilities at FVPL or, in case of financial assets, at Designated FVOCI; and
 - (iii) the de-designation of financial assets or financial liabilities at FVPL.

The above resulting classification shall be applied retrospectively.

- (b) If, at the date of initial application, determining whether there has been a significant increase in credit risk since initial recognition would require undue cost or effort, a loss allowance is recognised at an amount equal to lifetime expected credit losses at each reporting date until the financial instrument is derecognised unless that financial instrument has low credit risk at a reporting date.
- (c) For investments in equity instruments that were measured at cost under HKAS 39, the instruments are measured at fair value at the date of initial application.

2.2. 會計政策變動(續)

香港財務報告準則第9號：金融工具 (續)

根據香港財務報告準則第9號的過渡性條文，比較資料尚未重列，而本集團已追溯應用香港財務報告準則第9號至2018年1月1日(即初始應用日期)存在的金融工具，惟下文所述者除外：

- (a) 以下評估乃根據於初始應用日期存在之事實及情況作出：
- (i) 釐定持有金融資產之業務模式；
 - (ii) 指定按公平值計入損益之金融資產或金融負債，或指定按公平值計入其他全面收益之金融資產；及
 - (iii) 取消指定按公平值計入損益之金融資產或金融負債。

上述因而產生之分類應追溯應用。

- (b) 倘於初始應用日期釐定信貸風險自初始確認起有否大幅增加需耗費龐大人力物力，則按相等於於各報告日期直至終止確認金融工具之期限內全期預期信貸虧損之金額確認虧損撥備，惟該金融工具於報告日期具有低信貸風險則除外。
- (c) 就根據香港會計準則第39號按成本計量之股本工具投資而言，工具於初始應用日期按公平值計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.2. CHANGES IN ACCOUNTING POLICIES (Continued)

HKFRS 9: Financial Instruments (Continued)

Differences between the previous balances of reserves and accumulated losses under HKAS 39 and the current carrying amounts upon adoption of HKFRS 9 are recognised directly in components of equity at 1 January 2018 as summarised below:

2.2. 會計政策變動(續)

香港財務報告準則第9號：金融工具 (續)

根據香港會計準則第39號過往之儲備結餘及累計虧損與採納香港財務報告準則第9號後現行之賬面值之間的差異直接於2018年1月1日之權益部份確認，概述如下：

		Changes in fair value of available-for- sale financial assets reserve 可供出售 金融資產 公平值 變動儲備 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元
At 1 January 2018	於2018年1月1日		
Reclassification	重新分類	(1,749)	1,749
Decrease	減少	(1,749)	1,749

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.2. CHANGES IN ACCOUNTING POLICIES (Continued)

HKFRS 9: Financial Instruments (Continued)

(i) Classification and measurement of financial assets and financial liabilities

The adoption of HKFRS 9 has no significant effect on the classification and measurement of the Group's financial liabilities.

The following table reconciles the original measurement categories and carrying amounts under HKAS 39 to the new measurement categories and carrying amounts under HKFRS 9 for each class of the Group's financial assets as at 1 January 2018:

As at 1 January 2018

Measurement category under HKAS 39	根據香港會計準則第39號的計量類別	Carrying amount under HKAS 39 根據香港會計準則第39號的賬面值 RMB'000 人民幣千元	Measurement category and carrying amount under HKFRS 9	
			Amortised cost 攤銷成本 RMB'000 人民幣千元	FVPL 按公平值計入損益 RMB'000 人民幣千元
Available-for-sale financial assets	可供出售金融資產			
Wealth management products (note a)	理財產品(附註a)	209,830	–	209,830
Loans and receivables (note b)	貸款及應收款項(附註b)			
Trade and other receivables	貿易及其他應收款項	70,497	70,497	–
Restricted cash	受限制現金	41,235	41,235	–
Cash and cash equivalents	現金及現金等價物	896,833	896,833	–
		1,218,395	1,008,565	209,830

2.2. 會計政策變動(續)

香港財務報告準則第9號：金融工具(續)

(i) 金融資產及金融負債之分類及計量

採納香港財務報告準則第9號對本集團金融負債的分類及計量並無重大影響。

下表載列根據香港會計準則第39號的原有計量類別及賬面值與2018年1月1日根據香港財務報告準則第9號本集團各類金融資產的新計量類別及賬面值對賬：

於2018年1月1日

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.2. CHANGES IN ACCOUNTING POLICIES (Continued)

HKFRS 9: Financial Instruments (Continued)

(i) Classification and measurement of financial assets and financial liabilities (Continued)

(note a) At the date of initial application, the wealth management products that were previously classified as available-for-sale financial assets at fair value is now reclassified to financial assets at FVPL. It does not meet the criteria to be classified as financial assets at amortised cost or Mandatory FVOCI in accordance with HKFRS 9, because its cash flows do not represent solely payment of principal and interest and it is not equity investment. The related fair value gain of RMB1,749,000 as at 1 January 2018 were transferred from changes in fair value of available-for-sale financial assets reserve to accumulated losses on 1 January 2018.

(note b) These items continue to be measured at amortised cost because, at the date of initial application, the Group's business model is to hold these investments to collect the contractual cash flows and the cash flows represent solely payments of principal and interest on the principal amount outstanding. Impairment based on expected credit loss model on these financial assets has no significant financial impacts.

(ii) Credit losses

HKFRS 9 replaces the "incurred loss" model in HKAS 39 with the "expected credit loss" ("ECL") model. The ECL model requires an ongoing measurement of credit risk associated with a financial asset and therefore recognises ECLs earlier than under the "incurred loss" accounting model in HKAS 39.

The Group applies the new ECL model to financial assets measured at amortised cost (including restricted cash, cash and cash equivalents and trade and other receivables).

Further details on the accounting policy for credit losses have been set out in Note 2.4 to the consolidated financial statements.

2.2. 會計政策變動(續)

香港財務報告準則第9號：金融工具 (續)

(i) 金融資產及金融負債之分類及計量 (續)

(附註a) 於初始應用日期，先前分類為按公平值計量的可供出售金融資產的理財產品現時重新分類為按公平值計入損益的金融資產。由於現金流並非僅為本金及利息的付款，且並非股權投資，因此根據香港財務報告準則第9號並不符合分類為按攤銷成本計量的金融資產或強制按公平值計入其他全面收益的標準。於2018年1月1日的相關公平值收益人民幣1,749,000元由可供出售金融資產公平值變動儲備轉撥至2018年1月1日的累計虧損。

(附註b) 該等項目繼續按攤銷成本計量，乃由於在初始應用日期，本集團的業務模式為持有該等投資以收取合約現金流，而現金流僅為本金及未償還本金金額利息的付款。按該等金融資產的預期信貸虧損模式計量的減值並無任何重大財務影響。

(ii) 信貸虧損

香港財務報告準則第9號以「預期信貸虧損」(「預期信貸虧損」)模式取代香港會計準則第39號的「已產生虧損」模式。預期信貸虧損模式要求持續計量金融資產的相關信貸風險，故確認預期信貸虧損的時間早於香港會計準則第39號的「已產生虧損」會計模式。

本集團對按攤銷成本計量的金融資產(包括受限制現金、現金及現金等價物及貿易及其他應收款項)應用新的預期信貸虧損模式。

信貸虧損會計政策的進一步詳情載於綜合財務報表附註2.4。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.2. CHANGES IN ACCOUNTING POLICIES (Continued)

HKFRS 15: Revenue from Contracts with Customers

HKFRS 15 replaces, among others, HKAS 18 and HKAS 11 which specified the revenue recognition arising from sale of goods and rendering of services and the accounting for construction contracts respectively. The standard establishes a comprehensive framework for revenue recognition and certain costs from contracts with customers within its scope. It also introduces a cohesive set of disclosure requirements that would result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Group has elected to apply the cumulative effect transition method and recognised the cumulative effect of initial adoption as an adjustment to the opening balance of components of equity at 1 January 2018 (i.e. the date of initial application). Therefore, the comparative information has not been restated for the effect of HKFRS 15.

In addition, the Group has applied HKFRS 15 retrospectively only to contracts that were not completed at 1 January 2018 in accordance with the transitional provisions therein.

The effects of transition to HKFRS 15 on the components of equity at 1 January 2018 are summarised below:

2.2. 會計政策變動(續)

香港財務報告準則第15號：客戶合約收入

香港財務報告準則第15號取代(其中包括)香港會計準則第18號及香港會計準則第11號，該等準則分別訂明銷售貨品及提供服務所產生收益的確認及建築合約的入賬方法。該準則就收益確認及其範圍內的客戶合約的若干成本訂出全面的框架。該準則亦引入一系列緊密相關的披露規定，會導致實體需要向財務報表使用者提供關於其客戶合約所產生之收益及現金流量的性質、金額、時間及不確定性的全面資料。

本集團已選擇採用累積效應過渡法，並於2018年1月1日(即首次應用日期)確認首次採納的累積影響作為權益部分期初結餘的調整。因此，未有就香港財務報告準則第15號的影響重列比較資料。

此外，本集團僅追溯應用香港財務報告準則第15號至於2018年1月1日根據其過渡性條文尚未完成之合約。

於2018年1月1日過渡至香港財務報告準則第15號對權益部分的影響概述如下：

		At 1 January 2018 於2018年1月1日		
		Accumulated losses	Non- controlling interests	Total
		累計虧損	非控股權益	總計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
Capitalisation of sales commissions	銷售佣金資本化	21,970	680	22,650
Tax impact (current and deferred)	稅務影響(即期及遞延)	(5,492)	(170)	(5,662)
Net changes	變動淨額	16,478	510	16,988

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.2. CHANGES IN ACCOUNTING POLICIES (Continued)

HKFRS 15: Revenue from Contracts with Customers (Continued)

The following tables show how the amounts for the year ended 31 December 2018 reported under HKFRS 15 would be affected if HKFRS 15 were not adopted:

Year ended 31 December 2018	截至2018年12月31日止年度	Amounts reported if HKFRS 15 were not adopted 倘未有採納香港財務報告準則第15號的呈報金額 RMB'000 人民幣千元	Effect on adoption of HKFRS 15 採納香港財務報告準則第15號的影響 RMB'000 人民幣千元	Amounts reported under HKFRS 15 根據香港財務報告準則第15號呈報的金額 RMB'000 人民幣千元
Selling and distribution expenses	銷售及分銷開支	69,895	(14,117)	55,778
Income tax expenses	所得稅開支	366,452	(3,529)	362,923
At 31 December 2018	於2018年12月31日			
Contract costs	合約成本	–	14,117	14,117
Current tax liabilities	即期稅項負債	823,774	(3,529)	820,245
Non-controlling interests	非控股權益	338,156	11	338,167

Before the adoption of HKFRS 15, the Group recognised sales commissions paid or payable as a result of obtaining sales contracts for the Group when incurred. However, under HKFRS 15, the Group is required to capitalise such commissions as costs of obtaining contracts when they are incremental and recoverable, except when the practical expedient in paragraph 94 of HKFRS 15 is applied. The capitalised commissions are charged to profit or loss over the term of the specific existing and anticipated contracts to which the costs relate and are included in “selling and distribution expenses”.

2.2. 會計政策變動(續)

香港財務報告準則第15號：客戶合約收入(續)

下表顯示倘未有採納香港財務報告準則第15號對截至2018年12月31日止年度根據香港財務報告準則第15號呈報的金額的影響：

Amounts reported if HKFRS 15 were not adopted 倘未有採納香港財務報告準則第15號的呈報金額 RMB'000 人民幣千元	Effect on adoption of HKFRS 15 採納香港財務報告準則第15號的影響 RMB'000 人民幣千元	Amounts reported under HKFRS 15 根據香港財務報告準則第15號呈報的金額 RMB'000 人民幣千元
69,895	(14,117)	55,778
366,452	(3,529)	362,923
–	14,117	14,117
823,774	(3,529)	820,245
338,156	11	338,167

於採納香港財務報告準則第15號前，就本集團取得的銷售合約而產生的已付或應付銷售佣金而言，本集團於其產生時確認。然而，根據香港財務報告準則第15號，當有關佣金增加及可收回時，本集團須資本化有關佣金為取得合約的成本，惟應用香港財務報告準則第15號第94段的可行權宜方法時除外。已資本化的佣金於成本相關的特定現有及預計合約期於損益支銷，並計入「銷售及分銷開支」。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.2. CHANGES IN ACCOUNTING POLICIES (Continued)

2.2. 會計政策變動(續)

Effect of initial adoption of new/revised HKFRSs

首次採納新訂／經修訂香港財務報告準則的影響

The tables below summarise the impact as a result of the initial adoption of all the above new/revised HKFRSs as at 1 January 2018.

下表概述於2018年1月1日因首次採納上述所有新訂／經修訂香港財務報告準則的影響。

		As previously reported	Effect of adoption of HKFRS 9	Effect of adoption of HKFRS 15	As restated
		先前呈報金額	採納香港財務報告準則第9號的影響	採納香港財務報告準則第15號的影響	經重列金額
At 1 January 2018	於2018年1月1日	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
Deferred tax assets	遞延稅項資產	140,935	-	(5,662)	135,273
Contract costs	合約成本	-	-	22,650	22,650
Available-for-sale financial assets	可供出售金融資產	209,830	(209,830)	-	-
Financial assets at fair value through profit or loss	按公平值計入損益的金融資產	-	209,830	-	209,830
Contract liabilities	合約負債	-	-	649,193	649,193
Trade and other payables	貿易及其他應付款項	1,991,832	-	(649,193)	1,342,639
Reserves	儲備	1,785,860	(1,749)	-	1,784,111
Accumulated losses	累計虧損	(181,874)	1,749	16,478	(163,647)
Total equity attributable to owners of the Company	本公司擁有人應佔權益總額	1,606,571	-	16,478	1,623,049
Non-controlling interests	非控股權益	328,950	-	510	329,460

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.3. ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

At the date of authorisation of these consolidated financial statements, the HKICPA has issued the following new/ revised HKFRSs that are not yet effective for the current year, which the Group has not early adopted.

Annual Improvements to HKFRSs	2015–2017 Cycle ⁽¹⁾
HKFRS 16	Leases ⁽¹⁾
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments ⁽¹⁾
Amendments to HKAS 19	Employee benefits ⁽¹⁾
Amendments to HKAS 28	Investments in Associates and Joint Ventures ⁽¹⁾
Amendments to HKFRS 9	Prepayment Features with Negative Compensation ⁽¹⁾
Amendments to HKASs 1 and 8	Definition of Material ⁽²⁾
Amendments to HKFRS 3	Definition of a Business ⁽³⁾
HKFRS 17	Insurance Contracts ⁽⁴⁾
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁽⁵⁾

⁽¹⁾ Effective for annual periods beginning on or after 1 January 2019

⁽²⁾ Effective for annual periods beginning on or after 1 January 2020

⁽³⁾ Effective for acquisitions that occur on or after the beginning of the first annual period beginning on or after 1 January 2020

⁽⁴⁾ Effective for annual periods beginning on or after 1 January 2021

⁽⁵⁾ The effective date to be determined

Except as described below, the directors of the Company anticipate that the application of these new standards and amendments will have no material impact on the Group's financial information in the future.

2.3. 已頒佈但尚未生效的香港財務報告準則

於批准該等綜合財務報表之日，本集團並無提早採用香港會計師公會已頒佈但於本年度尚未生效之下列新訂／經修訂香港財務報告準則。

香港財務報告準則	2015年至2017年週期 ⁽¹⁾
年度改進	
香港財務報告準則	租賃 ⁽¹⁾
第16號	
香港(國際財務報告	所得稅處理的
詮釋委員會)	不確定性 ⁽¹⁾
—詮釋第23號	
香港會計準則第19號	僱員福利 ⁽¹⁾
(修訂本)	
香港會計準則第28號	於聯營公司及合營企業
(修訂本)	的投資 ⁽¹⁾
香港財務報告準則	具有負補償的預付款項
第9號(修訂本)	特性 ⁽¹⁾
香港會計準則第1號	重大的定義 ⁽²⁾
及第8號(修訂本)	
香港財務報告準則	業務的定義 ⁽³⁾
第3號	
香港財務報告準則	保險合約 ⁽⁴⁾
第17號	
香港財務報告準則	投資者與其聯營公司或
第10號及香港會計	合營企業之間的資產
準則第28號	出售或投入 ⁽⁵⁾
(修訂本)	

⁽¹⁾ 於2019年1月1日或之後開始的年度期間生效

⁽²⁾ 於2020年1月1日或之後開始的年度期間生效

⁽³⁾ 對2020年1月1日或之後開始之首個年度期間開始時或之後發生之收購生效

⁽⁴⁾ 於2021年1月1日或之後開始的年度期間生效

⁽⁵⁾ 生效日期待定

除下文所述者外，本公司董事預期應用該等新訂準則及修訂本不會對本集團於未來的財務資料造成重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.3. ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

HKFRS 16 “Leases”

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 “Leases” and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets. The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. Upon application of HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing and operating cash flows respectively by the Group.

The application of HKFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

In contrast to lessee accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

2.3. 已頒佈但尚未生效的香港財務報告準則(續)

香港財務報告準則第16號「租賃」

香港財務報告準則第16號就識別租賃安排及出租人和承租人兩者的會計處理引入全面模式。香港財務報告準則第16號生效後，將取代香港會計準則第17號「租賃」及相關詮釋。

香港財務報告準則第16號基於已識別的資產是否由客戶控制區分租賃與服務合約。經營租賃與融資租賃的區分在承租人會計處理移除，以承租人須就所有租賃(不包括短期租賃及低價值資產租賃)確認使用權資產及相應負債的模式取代。使用權資產初步按成本計量及其後按成本(若干例外情況除外)減累計折舊及減值虧損計量，並就租賃負債的任何重新計量作調整。租賃負債初步按該日未支付的租賃付款的現值計量。其後，租賃負債乃就利息及租賃付款，以及租賃修改的影響等作調整。於應用香港財務報告準則第16號後，有關租賃負債的租賃付款將分配為本金及利息部份，其將由本集團分別以融資及經營現金流量呈列。

應用香港財務報告準則第16號可能導致該等資產分類的潛在變動，視乎本集團將使用權資產分開呈列或在相應有關資產(倘擁有的)同一項目內呈列。

相較承租人會計法而言，香港財務報告準則第16號實質上沿用香港會計準則第17號的出租人會計規定，及繼續要求出租人將租賃分類為經營租賃或融資租賃。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis for consolidation

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

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

Non-controlling interests are presented, separately from owners of the Company, in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position. The non-controlling interests in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in event of liquidation, are measured initially either at fair value or at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This choice of measurement basis is made on an acquisition-by-acquisition basis. Other types of non-controlling interests are initially measured at fair value, unless another measurement basis is required by HKFRSs.

2.4. 主要會計政策概要

綜合基準

綜合財務報表包括本公司及其附屬公司的財務報表。附屬公司之財務報表乃就與本公司相同的報告年度採納一致的會計政策編製。附屬公司的業績由本集團取得控制權當日起合併計算，並會繼續合併，直至該等控制權終止。

即使會導致非控股權益出現虧蝕結餘，損益及其他全面收入之各個組成部分仍會歸屬於母公司擁有人及非控股權益。所有集團內公司間資產及負債、權益、收益、開支以及與本集團成員公司間交易有關之現金流，將於綜合時悉數撇銷。

非控股權益獨立並與本公司擁有人應佔權益分開呈列於綜合損益及其他全面收益表內及於綜合財務狀況表之權益內。於被收購方屬於現時擁有權權益並賦予其持有人於清盤時按比例分佔被收購方資產淨值的非控股權益乃初步以公平值或現時的擁有權工具應佔被收購方可識別資產淨值中已確認款額的比例計量。按逐項收購基準選擇計量基準。其他類別的非控股權益初步按公平值計量，惟香港財務報告準則規定的其他計量基準除外。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis for consolidation (Continued)

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described below. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, and (ii) the carrying amount of any non-controlling interest and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained earnings, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities. Any investment retained in the former subsidiary and any amounts owed by or to the former subsidiary are accounted for as a financial asset, associate, joint venture or others as appropriate from the date when control is lost.

Subsidiaries

A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e. existing rights that give the Group the current ability to direct the relevant activities of the investee).

2.4. 主要會計政策概要(續)

綜合基準(續)

倘事實及情況顯示下文所述的三項關於控制權之元素中有一項或以上元素發生變動，則本集團將重新評估其是否仍控制該被投資方。於附屬公司擁有權益之變動(並無喪失控制權)於入賬時列作權益交易。控股及非控股權益之賬面值乃經調整以反映其於附屬公司相關權益之變動。非控股權益的經調整金額與已付或已收代價公平值的任何差額直接於權益確認，並歸屬於本公司擁有人。

倘本集團失去附屬公司之控制權，則會終止確認(i)該附屬公司之資產(包括商譽)及負債；及(ii)任何非控股權益之賬面值；並確認(i)已收代價之公平值；(ii)任何獲保留投資之公平值；及(iii)其因而產生計入損益之任何盈餘或虧蝕。先前已於其他全面收入確認之本集團應佔部分，乃按照本集團直接出售相關資產或負債時所規定之相同基準，在適當情況下重新分類至損益或保留盈利。自控制權失去當日起，於前附屬公司保留的任何投資及欠收或欠付前附屬公司的任何金額入賬為金融資產、聯營公司、合營公司或其他公司(如適用)。

附屬公司

附屬公司為本公司直接或間接控制之實體，當本集團承受或享有參與被投資方業務所得之可變回報，且能透過對被投資方之權力(即賦予本集團有能力主導被投資方相關活動之既有權利)影響該等回報時，即取得控制權。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsidiaries (Continued)

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

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

In the Company's statement of financial position which is presented within these notes, an investment in subsidiary is stated at cost less impairment losses. The carrying amount of the investment is reduced to its recoverable amount on an individual basis, if it is higher than the recoverable amount. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Fair value measurement

The Group measures its investment properties and financial assets at FVPL at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

2.4. 主要會計政策概要 (續)

附屬公司 (續)

倘本公司直接或間接擁有少於被投資方大多數之投票或類似權利，則本集團於評估其是否擁有對被投資方之權力時，會考慮一切相關事實及情況，包括：

- (a) 與被投資方其他投票持有人之合約安排；
- (b) 其他合約安排所產生之權利；及
- (c) 本集團之投票權及潛在投票權。

於附屬公司之投資在本公司財務狀況表（於該等附註呈列）中按成本值扣除減值虧損列賬。倘各項投資之賬面值高於可收回款項，則個別削減至其可收回數額。至於附屬公司之業績，本公司按已收及應收股息入賬。

公平值計量

本集團於各報告期末按公平值計入損益計量其投資物業及金融資產。公平值為市場參與者於計量日期在有序交易中出售資產所收取或轉讓負債所支付之價格。公平值計量乃假設出售資產或轉讓負債之交易於資產或負債主要市場或（在無主要市場情況下）最具優勢市場進行。主要或最具優勢市場須為本集團可進入之市場。資產或負債之公平值乃基於市場參與者為資產或負債定價時所用之假設計量（假設市場參與者依照彼等之最佳經濟利益行事）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair value measurement (Continued)

Fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.4. 主要會計政策概要(續)

公平值計量(續)

非金融資產之公平值計量須計及市場參與者通過使用該資產之最高及最佳用途或將該資產出售予將使用其最高及最佳用途之另一市場參與者而產生經濟效益之能力。

本集團採納適用於不同情況且具備充分數據以供計量公平值之估值方法，以盡量使用相關可觀察輸入數據及盡量減少使用不可觀察輸入數據。

所有公平值於綜合財務報表計量或披露之資產及負債乃基於對公平值計量整體而言屬重大之最低層輸入數據按以下公平值等級分類：

第一級 — 基於相同資產或負債於活躍市場之報價(未經調整)

第二級 — 基於對公平值計量而言屬重大之可觀察(直接或間接)最低層輸入數據之估值方法

第三級 — 基於對公平值計量而言屬重大之不可觀察最低層輸入數據之估值方法

就按經常性基準於綜合財務報表確認之資產及負債而言，本集團透過於各報告期末重新評估分類(基於對公平值計量整體而言屬重大之最低層輸入數據)釐定是否發生不同等級轉移。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Vehicles	25%
Electronic devices	33.33%
Machines, furniture, office equipment and others	20%
Buildings	5%

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

2.4. 主要會計政策概要 (續)

物業、廠房及設備

物業、廠房及設備按成本減累計折舊及任何減值虧損列賬。物業、廠房及設備項目之成本包括其購買價，及促使有關資產達致其營運狀況及地點作擬定用途所產生之任何直接應佔成本。

物業、廠房及設備項目投產後所產生之開支(例如維修及保養)通常於產生期間計入損益。在符合確認準則之情況下，主要檢查之支出會作為重置並於資產賬面值中資本化。倘物業、廠房及設備之主要部分須不時重置，則本集團會將有關部分確認為個別資產，具有指定之可使用年期及據此折舊。

折舊乃按其估計可使用年期以直線法撇銷各物業、廠房及設備項目之成本至其剩餘價值。就此所使用之主要年折舊率如下：

汽車	25%
電子設備	33.33%
機械、傢俬、辦公設備及其他	20%
樓宇	5%

物業、廠房及設備項目(包括初始確認之任何重大部分)於出售或預期不會從其使用或出售獲取未來經濟利益時終止確認。於終止確認資產之年度在損益確認之任何出售或報廢損益，為有關資產出售所得款項淨額與賬面值之差額。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment properties

Investment properties are interests in land and buildings held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period. The fair value is based on market value, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties have each acted knowledgeably, prudently and without compulsion.

Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of the retirement or disposal.

Completed properties held for sale and properties under development would be transferred to investment properties when, and only when, there is a change in use, evidenced by the following criteria: (a) the properties meet the definition of investment properties; (b) the Group has prepared a business plan that reflects the future rental income generated by the property and this is supported with evidence that there is demand for rental space; (c) the Group can demonstrate that it has the resources, including the necessary financing or capital, to hold and manage the investment property; (d) the change in use is legally permissible; (e) if the property must be further developed for the change in use, the development has commenced and (f) change in use is approved by the board of directors.

2.4. 主要會計政策概要(續)

投資物業

投資物業為持作賺取租金收入及／或作資本增值而非用於生產或供應貨品或服務或行政目的，或在日常業務過程中出售之土地及樓宇之權益。該等物業初步按成本(包括交易成本)計量。初始確認後，投資物業按公平值列賬，反映報告期末之市況。公平值乃基於市值，即於估值日由自願買方與自願賣方在經過合理推銷，並在知情、謹慎且非強迫之情況雙方同意就物業作公平交易之估計金額計算。

投資物業公平值變動產生的收益或虧損列入產生年度的損益內。

報廢或出售投資物業之任何收益或虧損於報廢或出售年度於損益內確認。

於且僅於物業用途改變時，持作出售已落成物業及發展中物業將轉撥為投資物業，會以下列準則為依據：(a)物業符合投資物業之定義；(b)本集團已編製業務計劃反映由物業所產生之未來租金收入，並獲租賃空間需求之證據支持；(c)本集團能證實其具備持有及管理投資物業之資源(包括必要融資或資本)；(d)法律允許用途改變；(e)倘物業須就用途改變作進一步發展，而發展已開始；及(f)董事會批准改變用途。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Properties under development

Properties under development are stated at the lower of cost and net realisable value (“**NRV**”) and comprise land use rights, aggregate cost of development, materials and supplies, wages and other direct expenses, an appropriate proportion of overheads and borrowing cost. NRV represents the estimated selling price less estimated costs of completion and costs to be incurred in selling the property.

Properties under development are classified as current assets unless the construction period of the relevant property development project is expected to complete beyond the normal operating cycle. On completion, the properties are transferred to completed properties held for sale or investment properties if appropriate.

The land held for future development represents parcels of land owned by the Group for the purpose of development of properties for sale. The land is initially stated at lower of cost and NRV and is not depreciated.

Completed properties held for sale

Completed properties held for sale are stated at the lower of cost and NRV. Cost is determined by an apportionment of the total development costs for that development project, attributable to unsold properties. The NRV is determined by reference to the estimated selling prices of properties sold in the ordinary course of business less selling expenses.

2.4. 主要會計政策概要(續)

發展中物業

發展中物業按成本與可變現淨值(「**可變現淨值**」)之較低者列賬，成本包括土地使用權、總發展成本、材料及供應品、薪金及其他直接開支、適當比例的間接費用及借貸成本。可變現淨值為估計銷售價格減估計竣工成本，以及出售物業所產生的成本。

發展中物業分類為流動資產，除非預計完成相關物業開發項目之建築期超過正常營運週期。竣工後，物業轉撥至持作出售已落成物業或投資物業(如適用)。

持作日後發展之土地指本集團就持作出售物業發展而擁有之土地。土地初步按成本及可變現淨值的較低者列賬，並不予折舊。

持作出售已落成物業

持作出售已落成物業按成本與可變現淨值兩者之較低者列賬。成本按未售物業應佔該發展項目總開發成本之分攤比例釐定。可變現淨值乃參考於一般業務過程中已售物業之估計售價減銷售開支釐定。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible assets

Acquired intangible assets are recognised initially at cost. After initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on straight-line basis over their estimated useful lives. Amortisation commences when the intangible assets are available for use. The following useful lives are applied:

Software	10 years
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The amortisation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset, including property, plant and equipment and intangible assets, is required, the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset or a cash-generating units exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

2.4. 主要會計政策概要(續)

無形資產

所收購無形資產初步按成本確認。初步確認後，具有有限使用年期之無形資產按成本減累計攤銷及任何累計減值虧損入賬。具有有限使用年期之無形資產之攤銷於其估計可使用年期以直線法計提撥備。無形資產於可使用時開始攤銷。以下為所應用之可使用年期：

軟件	10年
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攤銷方法及可使用年期於各報告日期進行檢討並調整(倘適用)。

非金融資產減值

倘存在減值跡象，或須每年對資產(包括物業、廠房及設備及無形資產)作減值測試時，資產之可收回金額會予以估計。資產之可收回金額乃資產或現金產生單位之使用價值，以及其公平值減出售成本兩者之較高者，並就個別資產進行釐定，除非資產並不產生很大程度上獨立於其他資產或資產組別之現金流入，在此情況下，可收回金額則按資產所屬之現金產生單位予以釐定。

減值虧損僅於資產或現金產生單位之賬面值超過其可收回金額時確認。在評估使用價值時，估計日後現金流量按能反映當時市場對貨幣時間值及該項資產特定風險之評估之除稅前貼現率折算成現值。減值虧損自其於已減值資產功能一致的該等開支類別產生期間之損益表中扣除。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of non-financial assets (Continued)

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Financial instruments

Financial assets

Recognition and derecognition

Financial assets are recognised when and only when the Group becomes a party to the contractual provisions of the instruments and on a trade date basis.

A financial asset is derecognised when and only when (i) the Group's contractual rights to future cash flows from the financial asset expire or (ii) the Group transfers the financial asset and either (a) it transfers substantially all the risks and rewards of ownership of the financial asset, or (b) it neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but it does not retain control of the financial asset.

2.4. 主要會計政策概要 (續)

非金融資產減值 (續)

於各報告期末，將評估是否有跡象顯示之前確認之減值虧損或已不存在或可能已減少。倘存在該等跡象，可收回金額會予以估計。僅在用以釐定資產之可收回金額之估計出現變動時，方可撥回先前確認之資產減值虧損，惟該數額不得超過倘有關資產於過往年度並未有確認減值虧損而予以釐定之賬面值（扣除任何折舊／攤銷）。該減值虧損之撥回於產生期間計入損益表。

金融工具

金融資產

確認及終止確認

金融資產乃當且僅當本集團成為工具合約條文之訂約方時按交易日基準確認。

金融資產於且僅於(i)本集團對該項金融資產產生之未來現金流量之合約權利屆滿時；或(ii)本集團轉讓該項金融資產及(a)本集團已轉移該項金融資產擁有權之絕大部分風險及回報；或(b)本集團既無轉移亦無保留該項金融資產擁有權之絕大部分風險及回報，但並無保留該項金融資產之控制權時終止確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and measurement – applicable from 1 January 2018

Financial assets (except for trade receivables without a significant financing component) are initially recognised at their fair value plus, in the case of financial assets not carried at FVPL, transaction costs that are directly attributable to the acquisition of the financial assets. Such trade receivables are initially measured at their transaction price.

On initial recognition, a financial asset is classified as (i) measured at amortised cost; (ii) Mandatory FVOCI; (iii) Designated FVOCI; or (iv) measured at FVPL.

The classification of financial assets at initial recognition depends on the Group's business model for managing the financial assets and the financial asset's contractual cash flow characteristics. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing them, in which case all affected financial assets are reclassified on the first day of the first annual reporting period following the change in the business model.

Derivatives embedded in a hybrid contract in which a host is an asset within the scope of HKFRS 9 are not separated from the host. Instead, the entire hybrid contract is assessed for classification.

2.4. 主要會計政策概要(續)

金融工具(續)

金融資產(續)

分類及計量 – 自2018年1月1日起適用

金融資產(除並無重大融資部分的貿易應收款項外)初步按公平值確認，而倘金融資產並非按公平值計入損益，則另加收購金融資產直接應佔之交易成本。有關貿易應收款項初步按彼等的交易價計量。

初步確認時，金融資產分類為(i)按攤銷成本計量；(ii)強制按公平值計入其他全面收益；(iii)指定按公平值計入其他全面收益；或(iv)按公平值計入損益計量。

初步確認時的金融資產分類取決於本集團管理金融資產的業務模式及金融資產的合約現金流量特徵。金融資產在初始確認後不會重新分類，除非本集團改變管理金融資產的業務模式，在此情形下，所有受影響的相關金融資產在業務模式發生變更後的首個年報期間的第一日進行重新分類。

嵌入混合合約(其主要資產為香港財務報告準則第9號範圍內的資產)中的衍生工具不得與主要資產分別計量。相反，混合合約整項作分類評估。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and measurement — applicable from 1 January 2018 (Continued)

(1) *Financial assets measured at amortised cost*

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL:

- (i) it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate method and are subject to impairment. Gains and losses arising from impairment, derecognition or through the amortisation process are recognised in profit or loss.

The Group's financial assets at amortised cost include trade and other receivables, restricted cash and cash and cash equivalents.

2.4. 主要會計政策概要 (續)

金融工具 (續)

金融資產 (續)

分類及計量 — 自2018年1月1日起適用 (續)

(1) *按攤銷成本計量的金融資產*

於金融資產同時符合以下條件，且並無指定按公平值計入損益，則該金融資產按攤銷成本計量：

- (i) 該金融資產由一個旨在通過持有金融資產收取合約現金流量之業務模式所持有；及
- (ii) 合約條款於指定日期產生之現金流量純粹為支付本金及未償還本金之利息。

按攤銷成本列賬的金融資產隨後使用實際利率法計量並可能會出現減值。減值、終止確認或攤銷過程中產生的收益及虧損於損益中確認。

本集團按攤銷成本計量的金融資產包括貿易及其他應收款項、受限制現金及現金及現金等價物。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and measurement – applicable from 1 January 2018 (Continued)

(2) Financial assets at FVPL

These investments include financial assets that are not measured at amortised cost or FVOCI, including financial assets held for trading, financial assets designated upon initial recognition as at FVPL, financial assets resulting from a contingent consideration arrangement in a business combination to which HKFRS 3 applies and financial assets that are otherwise required to be measured at FVPL. They are carried at fair value, with any resultant gain and loss recognised in profit or loss, which does not include any dividend or interest earned on the financial assets. Dividend or interest income is presented separately from fair value gain or loss.

A financial asset is classified as held for trading if it is:

- (i) acquired principally for the purpose of selling it in the near term;
- (ii) part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking on initial recognition; or
- (iii) a derivative that is not a financial guarantee contract or not a designated and effective hedging instrument.

Financial assets are designated at initial recognition as at FVPL only if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains or losses on them on different bases.

The Group's financial assets measured at FVPL include equity securities and structured deposits.

2.4. 主要會計政策概要(續)

金融工具(續)

金融資產(續)

分類及計量 – 自2018年1月1日起適用(續)

(2) 按公平值計入損益的金融資產

該等投資包括並非按攤銷成本或公平值計入其他全面收益的金融資產，包括持作買賣的金融資產、於初始確認時指定為按公平值計入損益的金融資產、因香港財務報告準則第3號適用的業務合併中的或然代價安排而產生的金融資產以及另外須按公平值計入損益計量的金融資產。該等投資按公平值列賬，而任何因此產生的收益或虧損於損益確認，惟並不包括就金融資產賺取的任何股息或利息。股息或利息收入與公平值收益或虧損分開呈列。

金融資產如屬以下各項，則分類為持作買賣：

- (i) 收購目的主要為於短期內出售；
- (ii) 屬於受集中管理的已識別金融工具組合的一部分，且有跡象顯示其於初始確認時近期確實出現短期獲利模式；或
- (iii) 並非財務擔保合同或並非指定有效對沖工具的衍生工具。

金融資產僅在於初始確認時指定按公平值計入損益可消除或大大減少按不同基準計量資產或負債或確認其收益或虧損所產生的計量或確認不一致情況時，方可如此指定。

本集團按公平值計入損益計量的金融資產包括股本證券及結構性存款。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and measurement — applicable before 1 January 2018

Financial assets are initially recognised at their fair value plus, in the case of financial assets not carried at FVPL, transaction costs that are directly attributable to the acquisition of the financial assets.

The Group classified its financial assets into one of the following categories before 1 January 2018:

(1) *Other investments in debt and equity securities*

Investments in debt and equity securities are initially stated at fair value, which is their transaction price unless it is determined that the fair value at initial recognition differs from the transaction price and that fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable identical asset or liability or based on a valuation technique that uses only data from observable markets. Cost includes attributable transaction costs, except where indicated otherwise below. These investments are subsequently accounted for as follows, depending on their classification:

2.4. 主要會計政策概要 (續)

金融工具 (續)

金融資產 (續)

分類及計量 — 於2018年1月1日前適用

金融資產初步按公平值確認，而倘金融資產並非按公平值計入損益計值，則另加收購金融資產直接應佔之交易成本計量。

本集團於2018年1月1日前將其金融資產分類至下列類別之一：

(1) *其他債務及權益證券投資*

除非釐定初始確認之公平值有別於交易價格，而公平值以相同資產或負債在活躍市場之報價作依據，或根據估值技術僅採用可觀察市場之數據，否則債務及權益證券投資初始按公平值(即交易價格)入賬。成本包括應佔交易成本，惟下列另有列示者除外。該等投資其後視乎其分類按以下方式入賬：

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and measurement — applicable before 1 January 2018 (Continued)

(1) *Other investments in debt and equity securities (Continued)*

Investments in securities which are not held for trading or are not dated debt or the Group does not have the positive ability and intention to hold to maturity are classified as available-for-sale securities. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in other comprehensive income and accumulated separately in equity in the fair value reserve. As an exception to this, investments in equity securities that do not have a quoted price in an active market for an identical instrument and whose fair value cannot otherwise be reliably measured are recognised in the statement of financial position at cost less impairment losses.

Dividend income from equity securities and interest income from debt securities calculated using the effective interest method are recognised in profit or loss. Foreign exchange gains and losses resulting from changes in the amortised cost of debt securities are also recognised in profit or loss.

When the investments are derecognised or impaired, the cumulative gain or loss recognised in equity is reclassified to profit or loss. Investments are recognised/derecognised on the date the Group commits to purchase/sell the investments or they expire.

2.4. 主要會計政策概要(續)

金融工具(續)

金融資產(續)

分類及計量 — 於2018年1月1日前適用(續)

(1) *其他債務及權益證券投資(續)*

不持作買賣或有期債務或本集團不能且不願持有至到期的證券投資被歸為可供出售證券。於各報告期末，公平值被重新計量，任何因而產生的損益於其他全面收入確認，並於權益的公平值儲備中獨立累計。惟以下情況例外，當股本證券投資無法於指定工具的活躍市場中獲得報價且其公平值無法可靠地計量，乃按成本減減值虧損後於財務狀況表予以確認。

股本證券所得股息收入及採用實際利率法計算的債務證券所得利息收入於損益確認。債務證券攤銷成本變動所產生匯兌收益及虧損亦於損益確認。

倘該等投資終止確認或減值，於權益確認之累計收益或虧損會重新分類至損益。本集團在承諾購入／出售投資或投資到期當日確認／終止確認有關投資。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and measurement — applicable before 1 January 2018 (Continued)

(2) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment of doubtful debts, except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

Financial liabilities

Recognition and derecognition

Financial liabilities are recognised when and only when the Group becomes a party to the contractual provisions of the instruments.

A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the relevant contract is discharged, cancelled or expires.

2.4. 主要會計政策概要 (續)

金融工具 (續)

金融資產 (續)

分類及計量 — 於2018年1月1日前適用 (續)

(2) 貿易及其他應收款項

貿易及其他應收款項初始按公平值確認，其後則以實際利率法按攤銷成本減呆賬減值撥備列賬，惟倘應收款項為向關聯人士作出之免息貸款，而無任何固定還款期或折現之影響屬不重大則作別論。於有關情況下，應收款項會按成本減呆賬減值撥備列賬。

金融負債

確認及終止確認

金融負債乃當且僅當本集團成為工具合約條文之訂約方時確認。

當且僅當負債獲解除（即相關合約指明責任獲履行、註銷或屆滿），金融負債終止確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities (Continued)

Classification and measurement

Financial liabilities are initially recognised at their fair value plus, in the case of financial liabilities not carried at FVPL, transaction costs that are directly attributable to the issue of the financial liabilities.

The Group's financial liabilities include trade and other payables. All financial liabilities are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder of the contract for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

Applicable from 1 January 2018

Subsequently, the financial guarantee is measured at the higher of (i) the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with HKFRS 15 and (ii) the amount of the loss allowance determined in accordance with the ECL model under HKFRS 9, unless the financial guarantee is measured at FVPL or arises from a transfer of a financial asset.

2.4. 主要會計政策概要(續)

金融工具(續)

金融負債(續)

分類及計量

金融負債初步按公平值確認，而倘金融負債並非按公平值計入損益，則另加發行金融負債直接應佔之交易成本。

本集團之金融負債包括貿易及其他應付款項。所有金融負債初步按其公平值確認，並於其後採用實際利率法按攤銷成本計量，除非貼現影響並不重大，則按成本列賬。

財務擔保合約

本集團發出之財務擔保合約即規定須付款以償付持有人因特定債務人未能根據債務工具之條款償還到期款項而招致損失之合約。財務擔保合約初步按公平值確認為負債，並就發出擔保直接產生的交易成本作出調整。

自2018年1月1日起適用

其後，財務擔保按(i)初始確認的金額減(如適用)根據香港財務報告準則第15號確認的累計收入金額及(ii)根據香港財務報告準則第9號的預期信貸虧損模式釐定的虧損撥備金額中的較高者計量，惟財務擔保按公平值計入損益計量或自金融資產轉移中產生則作別論。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial guarantee contracts (Continued)

Applicable before 1 January 2018

Before the adoption of HKFRS 9, the financial guarantee is subsequently measured at the higher of (i) the amount initially recognised less, when appropriate, the cumulative amortisation recognised in accordance with HKAS 18, and (ii) the amount of the provision determined in accordance with HKAS 37, unless the financial guarantee is measured at FVPL or arises from a transfer of a financial asset.

Impairment of financial assets and other items under HKFRS 9

Applicable from 1 January 2018

The Group recognises loss allowances for ECL on financial assets that are measured at amortised cost issued to which the impairment requirements apply in accordance with HKFRS 9. Except for the specific treatments as detailed below, at each reporting date, the Group measures a loss allowance for a financial asset at an amount equal to the lifetime ECL if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Group measures the loss allowance for that financial asset at an amount equal to 12-month ECL.

2.4. 主要會計政策概要 (續)

金融工具 (續)

財務擔保合約 (續)

於2018年1月1日前適用

於採納香港財務報告準則第9號前，財務擔保隨後按(i)初始確認的金額減(如適用)根據香港會計準則第18號確認的累計攤銷及(ii)根據香港會計準則第37號釐定的撥備金額中的較高者計量，惟財務擔保按公平值計入損益計量或自金融資產轉移中產生則作別論。

根據香港財務報告準則第9號金融資產及其他項目減值

自2018年1月1日起適用

本集團就根據香港財務報告準則第9號適用減值規定之財務資產(按攤銷成本計量)之預期信貸虧損確認虧損撥備。除下文詳述特定處理方法外，於各報告日期，倘自初始確認以來金融資產的信貸風險顯著上升，則本集團計量金融資產虧損撥備，金額相等於全期預期信貸虧損。倘自初始確認以來金融資產的信貸風險未顯著上升，則本集團計量金融資產虧損撥備，金額相等於12個月預期信貸虧損。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets and other items under HKFRS 9 (Continued)

Applicable from 1 January 2018 (Continued)

Measurement of ECL

ECL is a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument.

For financial assets, a credit loss is the present value of the difference between the contractual cash flows that are due to an entity under the contract and the cash flows that the entity expects to receive.

For a financial guarantee contract, the entity is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, cash shortfalls are the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the entity expects to receive from the holder, the debtor or any other party. If the asset is fully guaranteed, the estimation of cash shortfalls for a financial guarantee contract would be consistent with the estimations of cash shortfalls for the asset subject to the guarantee.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument while 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

2.4. 主要會計政策概要(續)

金融工具(續)

根據香港財務報告準則第9號金融資產及其他項目減值(續)

自2018年1月1日起適用(續)

預期信貸虧損計量

預期信貸虧損為於金融工具的預期年期內按信貸虧損的概率加權估計(即所有現金差額的現值)。

就金融資產而言，信貸虧損為實體根據合約應收的合約現金流量與實體預計收取的現金流量之間的差異的現值。

就財務擔保合同而言，實體僅須在債務人違反所擔保工具條款的情況下付款。因此，現金差額乃補償持有人就所產生信貸虧損之預期款項，減任何實體預期從該持有人、債務人或任何其他方所收取之任何金額。倘資產獲悉數擔保，財務擔保合同現金差額之估計將與可擔保資產現金差額之估計一致。

全期預期信貸虧損指於金融工具之預計年期內所有可能之違約事件而產生的預期信貸虧損，而12個月預期信貸虧損指於報告日期後12個月內因可能發生的金融工具違約事件而預期產生的部分全期預期信貸虧損。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets and other items under HKFRS 9 (Continued)

Applicable from 1 January 2018 (Continued)

Measurement of ECL (Continued)

Where ECL is measured on a collective basis, the financial instruments are grouped based on the following one or more shared credit risk characteristics:

- (i) past due information
- (ii) nature of instrument
- (iii) nature of collateral
- (iv) industry of debtors
- (v) geographical location of debtors
- (vi) external credit risk ratings

Loss allowance is remeasured at each reporting date to reflect changes in the financial instrument's credit risk and loss since initial recognition. The resulting changes in the loss allowance are recognised as an impairment gain or loss in profit or loss with a corresponding adjustment to the carrying amount of the financial instrument, except in the case of Mandatory FVOCI, the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve (recycling).

2.4. 主要會計政策概要 (續)

金融工具 (續)

根據香港財務報告準則第9號金融資產及其他項目減值(續)

自2018年1月1日起適用(續)

預期信貸虧損計量(續)

倘預期信貸虧損按集體基準計量，金融工具基於以下一項或多項共同信貸風險特徵分類：

- (i) 過往逾期資料
- (ii) 工具性質
- (iii) 抵押品性質
- (iv) 債務人所處行業
- (v) 債務人所處地理位置
- (vi) 外部信貸風險評級

虧損撥備於各報告日期進行重新計量以反映金融工具自初步確認以來的信貸風險及虧損變動。虧損撥備產生的變動於損益中確認為減值收益或虧損，並相應調整金融工具的賬面值，惟強制按公平值計入其他全面收益除外，其中虧損撥備乃於其他全面收益中確認及於公平值儲備(回收)累計。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets and other items under HKFRS 9 (Continued)

Applicable from 1 January 2018 (Continued)

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that the Group may not receive the outstanding contractual amounts in full if the financial instrument that meets any of the following criteria.

- (i) information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group); or
- (ii) there is a breach of financial covenants by the counterparty.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Assessment of significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

2.4. 主要會計政策概要(續)

金融工具(續)

根據香港財務報告準則第9號金融資產及其他項目減值(續)

自2018年1月1日起適用(續)

違約之定義

本集團認為以下情況就內部信貸風險管理目的而言構成違約事件，原因為過往經驗表明符合以下任何一項條件的金融工具，本集團可能無法全數收回未償還合約金額。

- (i) 內部產生或獲取自外部來源的資料表明，債務人不太可能向債權人(包括本集團)全額還款(不考慮本集團持有的任何抵押品)；或
- (ii) 交易對手違反財務契諾。

不論上文分析，本集團認為當金融資產逾期超過90日時，即屬發生違約，除非本集團有合理及有理據的資料證明較寬鬆的違約標準更為適用則當別論。

評估信貸風險顯著上升

評估金融工具的信貸風險自初步確認後是否顯著上升時，本集團比較報告日期就金融工具產生的違約風險和於初步確認日期就金融工具產生的違約風險。作此評估時，本集團會考慮合理及有理據的定量及定性資料，包括歷史經驗及毋須花費不必要成本或精力即可獲得的前瞻性資料。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets and other items under HKFRS 9 (Continued)

Applicable from 1 January 2018 (Continued)

Assessment of significant increase in credit risk (Continued)

In particular, the following information is taken into account in the assessment:

- the debtor's failure to make payments of principal or interest on the due dates;
- an actual or expected significant deterioration in the financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- actual or expected changes in the technological, market, economic or legal environment that have or may have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial instrument has increased significantly since initial recognition when contractual payments are more than 30 days past due.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. For financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

Notwithstanding the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

2.4. 主要會計政策概要(續)

金融工具(續)

根據香港財務報告準則第9號金融資產及其他項目減值(續)

自2018年1月1日起適用(續)

評估信貸風險顯著上升(續)

具體而言，評估時將考慮以下資料：

- 債務人於到期日未能償還本金或利息；
- 金融工具外部或內部信貸評級的實際或預期顯著轉差(如有)；
- 債務人的實際或預期經營業績顯著轉差；及
- 技術、市場、經濟或法律環境之實際或預期變動，使債務人償還本集團債務的能力受到重大不利影響。

不論上述評估結果，本集團假定，當合約付款逾期超過30日，金融工具的信貸風險自初步確認以來已顯著上升。

就財務擔保合同而言，本集團不可撤回成為該承擔的相關方當日，被視為評估金融工具減值的初步確認日。就財務擔保合同而言，本集團會考慮特定債務人違約之風險變動。

儘管上文所述，本集團假設倘金融工具釐定為於報告日期具有低信貸風險，則金融工具的信貸風險自初步確認以來並無顯著增加。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets and other items under HKFRS 9 (Continued)

Applicable from 1 January 2018 (Continued)

Low credit risk

A financial instrument is determined to have low credit risk if:

- (i) it has a low risk of default;
- (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

As detailed in Note 27 to the consolidated financial statements, amounts due from related parties and non-controlling shareholder are determined to have low credit risk.

Simplified approach of ECL

For trade receivables without a significant financing components or otherwise for which the Group applies the practical expedient not to account for the significant financing components, the Group applies a simplified approach in calculating ECL. The Group recognises a loss allowance based on lifetime ECL at each reporting date and has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2.4. 主要會計政策概要(續)

金融工具(續)

根據香港財務報告準則第9號金融資產及其他項目減值(續)

自2018年1月1日起適用(續)

低信貸風險

金融工具於以下情況下將被釐定為具有低信貸風險：

- (i) 其違約風險較低；
- (ii) 借款人在短期內絕對有能力履行其合約現金流量之義務；及
- (iii) 經濟和商業環境長遠之不利變化，不一定會降低借款人履行合約現金流義務之能力。

誠如綜合財務報表附註27所詳述，應收關聯方及非控股股東款項乃釐定為具有低信貸風險。

預期信貸虧損之簡化方法

就無重大融資部分或其他本集團使用可行權宜方法認為無重大融資部分的貿易應收款項而言，本集團採用簡化方法計算預期信貸虧損。本集團於各報告日期基於全期預期信貸虧損確認虧損撥備，並已建立一個基於其歷史信貸虧損經驗的撥備矩陣，根據債務人和經濟環境特定的前瞻性因素進行調整。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets and other items under HKFRS 9 (Continued)

Applicable from 1 January 2018 (Continued)

Credit-impaired financial asset

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower.
- (b) a breach of contract, such as a default or past due event.
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider.
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.
- (e) the disappearance of an active market for that financial asset because of financial difficulties.
- (f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Write-off

The Group writes off a financial asset when the Group has no reasonable expectations of recovering the contractual cash flows on a financial asset in its entirety or a portion thereof. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities under the Group's procedures for recovery of amounts due, taking into account legal advice if appropriate. Any subsequent recovery is recognised in profit or loss.

2.4. 主要會計政策概要 (續)

金融工具 (續)

根據香港財務報告準則第9號金融資產及其他項目減值(續)

自2018年1月1日起適用(續)

信貸減值金融資產

當發生一項或多項對金融資產估計未來現金流量有不利影響之事件時，金融資產出現信貸減值。金融資產信貸減值之證據包括以下事件之可觀察數據：

- (a) 發行人或借款人陷入重大財務困難。
- (b) 違反合約，如違約或逾期事件。
- (c) 借款人之放款人因與借款人出現財務困難有關之經濟或合約理由而給予借款人在一般情況下放款人不予考慮之優惠條件。
- (d) 借款人有可能破產或進行其他財務重組。
- (e) 由於財務困難致使金融資產之活躍市場消失。
- (f) 以大幅折扣購買或源生一項金融資產，該折扣反映發生信貸虧損。

撇銷

當本集團並無合理預期收回全部或部份金融資產的合約現金流時，則會撇銷金融資產。本集團預期將不會收回大量的已撇銷金額。然而，在考慮適當法律意見後，已撇銷金融資產仍可能受到執行活動之影響，以遵守本集團收回應收金額之程序。其後任何收回金額於損益確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets and other items under HKFRS 9 (Continued)

Applicable before 1 January 2018

Investments in debt and equity securities and other current and non-current receivables that are stated at cost or amortised cost or are classified as available-for-sale securities are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and
- a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

2.4. 主要會計政策概要(續)

金融工具(續)

根據香港財務報告準則第9號金融資產及其他項目減值(續)

於2018年1月1日前適用

本集團於各報告期末審閱已按成本或攤銷成本入賬或已分類為可供出售證券之債務及權益證券投資以及其他即期及非即期應收款項，以確定是否有客觀減值證據。客觀減值證據包括本集團所知悉有關以下一項或多項虧損事項之可觀察數據：

- 債務人有重大財務困難；
- 違反合約，如拖欠或逾期償還利息或本金；
- 債務人可能破產或進行其他財務重組；
- 科技、市場、經濟或法律環境有重大改變以致對債務人造成不利影響；及
- 權益工具投資之公平值大幅下跌至低於其成本或長期低於其成本。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets and other items under HKFRS 9 (Continued)

Applicable before 1 January 2018 (Continued)

If any such evidence exists, any impairment loss is determined and recognised as follows:

- For trade and other current receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where these financial assets share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.
- If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

2.4. 主要會計政策概要 (續)

金融工具 (續)

根據香港財務報告準則第9號金融資產及其他項目減值 (續)

於2018年1月1日前適用 (續)

倘任何此等證據存在，任何減值虧損按以下方式釐定及確認：

- 就貿易及其他即期應收款項及以攤銷成本入賬的其他金融資產而言，減值虧損按資產賬面值與估計未來現金流量現值的差額計量，如折算影響屬重大，則按金融資產的原來實際利率（即初始確認該等資產時計算的實際利率）折算。如此等金融資產具類似的風險特徵，例如類似的逾期情況及未有單獨地被評估為減值，則會進行有關的評估。集體評估減值的金融資產的未來現金流量，會根據與匯集組別具類似信貸風險特徵的資產的過往損失經驗而折算。
- 倘減值虧損的金額其後減少，且該等減幅可客觀地與確認減值虧損後發生的事件聯繫，則會在損益中撥回減值虧損。減值虧損的撥回額不得使資產的賬面值超過若然該資產於以往年度未曾確認減值虧損下原應釐定的賬面值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Impairment of financial assets and other items under HKFRS 9 (Continued)

Applicable before 1 January 2018 (Continued)

- For available-for-sale securities, the cumulative loss that has been recognised in the fair value reserve is reclassified to profit or loss. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss in respect of available-for-sale equity securities are not reversed through profit or loss. Any subsequent increase in the fair value of such assets is recognised in other comprehensive income.

Impairment losses in respect of available-for-sale debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversals of impairment losses in such circumstances are recognised in profit or loss.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade debtors and bills receivable included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade debtors and bills receivable directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

2.4. 主要會計政策概要(續)

金融工具(續)

根據香港財務報告準則第9號金融資產及其他項目減值(續)

於2018年1月1日前適用(續)

- 就可供出售證券而言，已在公平值儲備中確認的累計虧損重新分類至損益。在損益中確認的累計虧損是收購成本(經扣除任何本金償還額及攤銷額)與現時公平值的差額，並減去該資產以往在損益中確認的任何減值虧損。

就可供出售股本證券而言在損益中確認的減值虧損不會在損益撥回。該資產後續增加的公平值於其他全面收益中確認。

就可供出售債務證券而言，倘其公平值其後上升，而上升可客觀地確定與減值虧損確認後發生之事件有關，則減值虧損予以撥回。在此情況下，撥回之減值虧損於損益中確認。

減值虧損從相應資產中直接撇銷，惟倘就可收回性被視為可疑而非極低且計入貿易及其他應收款項之應收賬款及應收票據已確認減值虧損則除外。在此情況下，呆賬之減值虧損以撥備賬記賬。倘本集團信納可收回性極低，則被視為無法收回之金額將從應收賬款及應收票據中直接撇銷，而於撥備賬中持有有關該債項之任何金額會被撥回。其後收回先前於撥備賬扣除之款項自撥備賬撥回。撥備賬之其他變動及其後收回先前直接撇銷之款項於損益確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. Expenditures for which a provision has been recognised are charged against the related provision in the year in which the expenditures are incurred. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

2.4. 主要會計政策概要(續)

現金及現金等價物

就綜合現金流量表而言，現金等價物可隨時轉換為已知數額現金及價值變動風險極微之短期高流動性投資，且扣減銀行透支。

撥備

如因過往事件導致現有義務(法定或推定)及日後可能需要有資源流出以償付債務，則確認撥備，但必須能可靠估計有關債務金額。已確認撥備之開支在支出產生年度於有關撥備扣除。撥備在各報告期末檢討並作出調整，以反映當前最佳估計。

如折現的影響重大，則確認之撥備金額為預期需用作償付義務之未來支出於報告期末之現值。因時間流逝而產生之折現現值增加，計入融資成本。

倘不可能需要流出經濟利益，或未能可靠估計有關金額，則有關責任會披露為或然負債，除非經濟利益流出之可能性極低則作別論。僅於發生或不發生一件或多件未來事件方能確認其存在與否之可能產生責任亦披露為或然負債，除非經濟利益流出之可能性極低則作別論。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2.4. 主要會計政策概要(續)

所得稅

所得稅包括即期及遞延稅項。與已於損益以外確認項目相關之所得稅於損益以外之其他全面收入或直接在權益確認。

即期稅項資產及負債，乃經考慮本集團經營所在國家當時之詮釋及常規後，根據於報告期末時已實施或實際上已實施之稅率(及稅法)，按預期自稅務當局退回或付予稅務當局之金額計算。

遞延稅項採用負債法就於報告期末資產及負債之稅基與兩者用作財務報告之賬面值之間之所有暫時差額計提撥備。

遞延稅項負債乃就所有應課稅暫時差額而確認，惟下列情況除外：

- 遞延稅項負債乃因在一項並非業務合併之交易中初始確認商譽或資產或負債而產生，且於交易時並不影響會計溢利或應課稅溢利或虧損；及
- 就與於附屬公司、聯營公司及合營企業之投資有關之應課稅暫時差額而言，暫時差額之撥回時間為可控制，且該等暫時差額於可見將來可能不會撥回。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income tax (Continued)

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.4. 主要會計政策概要 (續)

所得稅 (續)

遞延稅項資產乃就所有可扣稅暫時差額、未動用稅項抵免和任何未動用稅項虧損之結轉而確認。遞延稅項資產以將有應課稅溢利以動用可扣稅暫時差額、未動用稅項抵免和未動用稅項虧損之結轉以作對銷為限，惟下列情況除外：

- 與可扣稅暫時差額有關之遞延稅項資產乃因在一項並非業務合併之交易中初始確認資產或負債而產生，且於交易時並不影響會計溢利及應課稅溢利或虧損；及
- 就與於附屬公司之投資有關之可扣稅暫時差額而言，遞延稅項資產僅於暫時差額於可見將來有可能撥回以及將有應課稅溢利以動用暫時差額以作對銷之情況下，方予確認。

於各報告期末審閱遞延稅項資產之賬面值，並在不再可能有足夠應課稅溢利以動用全部或部分遞延稅項資產時，相應扣減該賬面值。未被確認之遞延稅項資產會於各報告期末重新評估，並在可能有足夠應課稅溢利以收回全部或部分遞延稅項資產時予以確認。

遞延稅項資產及負債乃按預期適用於變現資產或清還負債期間之稅率，根據於呈報期末已實施或實際上已實施之稅率（及稅法）計算。

遞延稅項資產可與遞延稅項負債對銷，但必須存在容許以即期稅項資產對銷即期稅項負債之可合法執行權利，且遞延稅項須與同一課稅實體及同一稅務當局有關。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition

Applicable from 1 January 2018

Rental income under operating leases is recognised when the properties are let out and on the straight-line basis over the lease term.

Dividend income from financial assets is recognised when the Group's rights to receive dividend is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Interest income from financial assets is recognised using the effective interest method. For financial assets measured at amortised cost or Mandatory FVOCI that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the assets while it is applied to the amortised cost (i.e. the gross carrying amount net of loss allowance) in case of credit-impaired financial assets.

Revenue from contracts with customers within HKFRS 15

Nature of goods or services

The nature of the goods provided by the Group is sales of properties.

2.4. 主要會計政策概要(續)

收益確認

自2018年1月1日起適用

經營租賃之租金收入於物業出租期間按租期以直線法確認。

當本集團收取股息的權利獲確立後，來自金融資產的股息收入乃被確認，即股息相關經濟利益很有可能流向本集團，且股息金額能被可靠計量。

金融資產利息收入以實際利率法確認。就按攤銷成本或強制按公平值計入其他全面收益計量而無信貸減值的金融資產而言，實際利率應用於資產的賬面毛額，如屬有信貸減值的金融資產則應用於攤銷成本(即賬面毛額減去虧損撥備)。

香港財務報告準則第15號內的客戶合約收入

貨品或服務的性質

本集團所提供貨品性質為物業銷售。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Applicable from 1 January 2018 (Continued)

Revenue from contracts with customers within HKFRS 15 (Continued)

Identification of performance obligations

At contract inception, the Group assesses the goods promised in a contract with a customer and identifies as a performance obligation each promise to transfer to the customer either:

- (a) a good (or a bundle of goods) that is distinct; or
- (b) a series of distinct goods that are substantially the same and that have the same pattern of transfer to the customer.

A good that is promised to a customer is distinct if both of the following criteria are met:

- (a) the customer can benefit from the good either on its own or together with other resources that are readily available to the customer (i.e. the good is capable of being distinct); and
- (b) the Group's promise to transfer the good to the customer is separately identifiable from other promises in the contract (i.e. the promise to transfer the good is distinct within the context of the contract).

2.4. 主要會計政策概要 (續)

收益確認 (續)

自2018年1月1日起適用 (續)

香港財務報告準則第15號內的客戶合約收入 (續)

識別履約責任

於合約開始時，本集團會評估與客戶所訂合約中承諾的貨品，並識別為各承諾轉移給客戶以下兩者之一的履約責任：

- (a) 明確的貨品(或一套貨品)；或
- (b) 連串明確的貨品，大致相同且轉移給客戶的模式相同。

如同時符合以下準則，則承諾給客戶的貨品謂之明確：

- (a) 客戶自身或連同其他可隨時利用的資源受惠於貨品(即貨品謂之明確)；及
- (b) 本集團轉移給客戶貨品的承諾可與合約中其他承諾分開識別(即轉移貨品就合約文本而言謂之明確)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Applicable from 1 January 2018 (Continued)

Revenue from contracts with customers within HKFRS 15 (Continued)

Timing of revenue recognition

Revenue is recognised when (or as) the Group satisfies a performance obligation by transferring a promised good (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- (a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- (b) the Group's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or
- (c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If a performance obligation is not satisfied over time, the Group satisfies the performance obligation at a point in time when the customer obtains control of the promised asset. In determining when the transfer of control occurs, the Group considers the concept of control and such indicators as legal title, physical possession, right to payment, significant risks and rewards of ownership of the asset, and customer acceptance.

Sale of properties is recognised at a point in time at which the customer obtains the control of the promised asset, which generally coincides with the time when the goods are delivered to customers and the title is passed.

2.4. 主要會計政策概要(續)

收益確認(續)

自2018年1月1日起適用(續)

香港財務報告準則第15號內的客戶合約收入(續)

收益確認的時間性

收益當(或如)本集團藉轉移所承諾貨品(即資產)給客戶而達致履約責任時確認。資產當(或如)客戶取得其控制權時謂之轉移。

如符合以下其中一項準則,本集團隨時間轉移貨品的控制權,故達致履約責任並隨時間確認收益:

- (a) 客戶於本集團履約時同時接受及使用本集團履約所提供的利益;
- (b) 本集團履約創造或提昇客戶於資產被創造或提昇時所控制的資產(如在建工程);或
- (c) 本集團履約時並無創造對本集團而言具替代用途的資產,且本集團對迄今完成的履約付款具有可強制執行權利。

如履約責任不隨時間達致,本集團於客戶取得所承諾資產的控制權時於某個時間點達致履約責任。釐定轉移何時發生時,本集團會考慮控制權概念及諸如法定業權、實質管有、付款權、資產所有權的重大風險與酬報及客戶認受等指標。

物業銷售於客戶取得所承諾資產的控制權時確認,一般與貨品交付予客戶及所有權轉移的時間一致。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Applicable from 1 January 2018 (Continued)

Revenue from contracts with customers within HKFRS 15 (Continued)

Transaction price: significant financing components

When the contract contains a significant financing component (i.e. the customer or the Group is provided with a significant benefit of financing the transfer of goods or services to the customer), in determining the transaction price, the Group adjusts the promised consideration for the effects of the time value of money. The effect of the significant financing component is recognised as an interest income or interest expense separately from revenue from contracts with customers in profit or loss.

The Group determines the interest rate that is commensurate with the rate that would be reflected in a separate financing transaction between the Group and its customer at contract inception by reference to, where appropriate, the interest rate implicit in the contract (i.e. the interest rate that discounts the cash selling price of the goods or services to the amount paid in advance or arrears), the prevailing market interest rates, the Group's borrowing rates and other relevant creditworthiness information of the customer of the Group.

The Group has applied the practical expedient in paragraph 63 of HKFRS 15 and does not adjust the consideration for the effect of the significant financing component if the period of financing is one year or less.

2.4. 主要會計政策概要 (續)

收益確認 (續)

自2018年1月1日起適用 (續)

香港財務報告準則第15號內的客戶合約收入 (續)

交易價格：重大融資部分

倘合約包括重大融資部分(即向客戶轉讓貨品或服務為客戶或本集團帶來重大利益)，本集團於釐定交易價格時就金額時間值之影響而調整已承諾之代價金額。重大融資部分之影響與來自客戶合約之收益分開於損益帳中確認為利息收入或利息開支。

本集團根據合約中隱含利率(即將貨品或服務之現金售價與預付或拖欠金額折扣之利率)、現行市場利率、本集團之借貸利率及本集團客戶之其他相關信譽資料(視適用者而定)於合約開始時釐定本集團與其客戶之獨立融資交易所反映比率相應之利率。

本集團已應用香港財務報告準則第15號63段所載之實際權宜方法，且並無調整對融資期為一年或以內之重大融資成分之影響之考慮。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Applicable before 1 January 2018

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

Revenue from sales of properties is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyers. The Group considers that the significant risks and rewards of ownership are transferred when the properties are completed and delivered to the buyers pursuant to the sale agreement. Revenue from sales of properties excludes business tax or other sales related taxes and is after deduction of any trade discounts. Deposits and instalments received on properties sold prior to the date of revenue recognition are included in the consolidated statement of financial position as receipts in advance.

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.

Interest income is recognised as it accrues using the effective interest method.

2.4. 主要會計政策概要(續)

收益確認(續)

於2018年1月1日前適用

收益按已收或應收代價的公平值計量。當經濟利益很可能會流向本公司且收益及成本(如適用)能夠可靠地計量時，收益將按以下方式於損益內確認：

銷售物業所得收益於已轉移所有權的主要風險及報酬予買家時，於損益內確認。本集團認為所有權的主要風險及報酬於物業完成及根據銷售協議交付給買家時作出轉移。銷售物業收入不包括營業稅或其他銷售相關稅項，並已扣除任何營業折扣。於確認收益日期前就已售物業所收之訂金及分期付款項會計入綜合財務狀況報表，作為預收款項。

經營租賃的應收租金收入於租賃期所涵蓋期間，按等額分期於損益內確認，但如有其他基準能更清楚地反映使用租賃資產所產生的收益模式時則除外。租賃獎勵於損益表中確認為應收租賃淨付款總額的組成部分。或然租金於其產生的會計期間內確認為收入。

非上市投資的股息收入乃當股東收取款項的權利確定時確認。

利息收入按實際利率法累計確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contract assets and contract liabilities

If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the contract is presented as a contract asset, excluding any amounts presented as a receivable. Conversely, if a customer pays consideration, or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the contract is presented as a contract liability when the payment is made or the payment is due (whichever is earlier). A receivable is the Group's right to consideration that is unconditional or only the passage of time is required before payment of that consideration is due.

For a single contract or a single set of related contracts, either a net contract asset or a net contract liability is presented. Contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

For the sale of properties, it is common for the Group to receive from the customer the whole or some of the contractual payments before the services are completed or when the goods are delivered (i.e. the timing of revenue recognition for such transactions). The Group recognises a contract liability until it is recognised as revenue. During that period, any significant financing components, if applicable, will be included in the contract liability and will be expensed as accrued unless the interest expense is eligible for capitalisation.

2.4. 主要會計政策概要(續)

合約資產及合約負債

倘本集團於客戶支付代價或付款到期前向客戶轉讓商品或服務，則該合約列賬為合約資產，列賬為應收款項之任何款項除外。相反，倘客戶於本集團向客戶轉讓商品或服務前支付代價或本集團擁有無條件收取代價之權利，則該合約於付款或款項到期時(以較早者為準)列賬為合約負債。應收款項指本集團有權無條件收取之代價或僅隨時間推移即會成為到期應付之代價。

就單一合約或一組相關合約而言，應按合約資產淨值或合約負債淨值呈列。不相關合約之合約資產及合約負債不以淨額呈列。

就銷售物業而言，本集團於服務完成前或貨品交付時(即有關交易的收益確認時間)自客戶收取全部或部分合約款項屬常見。直至合約負債確認為收益，本集團方確認合約負債。期內，倘利息開支合資格資本化，任何重大融資成分(如適用)將計入合約負債並按應計開支支銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contract costs

Contract costs are either incremental costs of obtaining or costs (other than those that are accounted for as inventories, property, plant and equipment, or intangible assets) to fulfil contracts with customers. Capitalised contract costs are stated at cost less accumulated amortisation and impairment losses.

The costs to obtain contracts are capitalised if they are incremental and recoverable. The capitalised costs are amortised over the term of the specific existing and anticipated contracts to which the costs relate. The Group applies the practical expedient in HKFRS 15 and recognises the incremental costs as an expense when incurred if the amortisation period of the asset that the Group otherwise would have recognised is within the same annual reporting period.

The costs to fulfil contracts are capitalised if the costs relate directly to an existing contract or to a specifically identifiable anticipated contract, generate or enhance resources that will be used to provide goods or services in the future, and are expected to be recovered. Other costs of fulfilling a contract, which are not capitalised as inventory, property, plant and equipment or intangible assets, are expensed as incurred. The costs are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services under the specific existing and anticipated contracts to which the costs relate.

An impairment loss is recognised in profit or loss to the extent that the carrying amount of the asset exceeds (a) the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates; less (b) the costs that relate directly to providing those goods or services and that have not been recognised as expenses. A reversal of impairment loss is recognised in profit or loss when the impairment conditions no longer exist or have improved provided the increased carrying amount of the asset shall not exceed the amount that would have been determined if no impairment loss had been recognised previously.

2.4. 主要會計政策概要(續)

合約成本

合約成本指從客戶獲得合約的增量成本或履行與客戶訂立的合約之成本(惟入賬列為存貨、物業、廠房及設備或無形資產者除外)。經資本化的合約成本按成本減累計攤銷及減值虧損列賬。

獲得合約的成本如屬增量及可收回成本則予以資本化。經資本化的成本在與該成本有關的特定現有及預期合約之年期內攤銷。倘本集團以其他方式確認的資產攤銷期為相同年度報告期內，則本集團採用香港財務報告準則第15號之可行權宜方法，並在產生增量成本時將該成本確認為開支。

倘履行合約的成本與現有合約或可特別確定的預期合約有關，產生或增強將用於未來提供貨品或服務的資源，且預期可以收回，則該成本予以資本化。未資本化為存貨、物業、廠房及設備或無形資產之履行合約的其他成本於產生時支銷。成本按與根據與成本相關的特定現有及預期合約向客戶轉讓貨品或服務一致的系統基準攤銷。

當資產賬面值超過(a)本集團預期因交換資產相關貨品或服務而將收取的代價餘額；減(b)直接與提供該等貨品或服務相關且尚未確認為開支的成本之差額時，確認減值虧損。當減值條件消失或有所改善時，於損益確認減值虧損撥回，惟資產的已增加賬面值不得超過假設此前並無確認減值虧損而本應釐定之金額。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share-based payment transactions

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contributes to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("**equity-settled transactions**").

The cost of equity-settled transactions with employees for grants is measured by reference to the fair value at the date at which they are granted. The fair value is determined by using a binomial lattice model.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in a capital reserve within equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

2.4. 主要會計政策概要(續)

以股份為基礎的付款的交易

本公司設立購股權計劃，旨在向對本集團業務成功作出貢獻之合資格參與者給予獎勵及報酬。本集團僱員(包括董事)以股份為基礎的付款之方式收取報酬，而僱員提供服務作為收取權益工具之代價(「以權益結算交易」)。

與僱員進行以權益結算交易之成本，乃參照授出當日之公平值計算。該公平值乃採用二項樹模式釐定。

以權益結算交易之成本在績效及／或服務條件獲得履行之期間內連同資本儲內權益相應增加部分，於僱員福利開支中確認。於各報告期末直至歸屬日期止已確認之以權益結算交易之累計開支，反映歸屬期已到期部分及本集團對最終將會歸屬之權益工具數目之最佳估計。在某一期間內於損益表內扣除或進賬，乃指累計開支於期初及期末確認時之變動。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other employee benefits

Defined contribution plans

The Group joins in a defined contribution retirement benefit scheme under the Mandatory Provident Fund Schemes Ordinance (the “MPF Scheme”) for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees’ basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group’s subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries are required to contribute certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Lease

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

As lessor

Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to profit or loss on the straight-line basis over the lease terms.

2.4. 主要會計政策概要(續)

其他僱員福利

界定供款計劃

本集團根據《強制性公積金計劃條例》為其所有位於香港之僱員參加一項界定供款強制性公積金退休福利計劃(「強積金計劃」)。根據強積金計劃規則，須按僱員基本薪金之某個百分比作出供款，並於供款成為應付時自損益扣除。強積金計劃之資產與本集團資產分開並由獨立管理基金持有。本集團所作僱主供款於向強積金計劃作出時全數歸屬予僱員。

本集團在中國經營的附屬公司的僱員須參與由地方市政府管理的中央退休金計劃。該等附屬公司須就中央退休金計劃作出供款，金額為其工資成本的一定百分比。根據中央退休金計劃的規則，供款於應付時於損益中扣除。

租賃

租賃條款將所有權的絕大部分風險及回報轉移予承租人的租賃分類為融資租賃。所有其他租賃分類為經營租賃。

作為出租人

倘本集團為出租人，本集團根據經營租賃而出租之資產計入非流動資產，而經營租賃之應收租金於租賃期間使用直線法計入損益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Lease (Continued)

As lessee

Assets held under finance leases are recognised as assets of the Group at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as finance lease obligation. Finance charges, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are charged to profit or loss over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.4. 主要會計政策概要 (續)

租賃 (續)

作為承租人

根據融資租賃持有之資產乃以租賃資產及最低租賃付款現值之公平值之較低者確認為本集團資產，而出租人承擔之相應負債則於財務狀況表列作融資租賃承擔。融資費用為租賃承擔總額與所購入資產之公平值之差額，乃於有關租賃期間內自損益中扣除，以便就各會計期間之剩餘承擔金額計算出一個定期支出比率。

經營租賃項下之應付租金於有關租賃期間按直線法於損益中扣除。

借貸成本

收購、建造或生產合資格資產(即需要較長時間以備作擬定用途或銷售之資產)直接應計之借貸成本均撥充有關資產成本一部分。當資產大致可作其擬定用途或銷售時，該等借貸成本不再撥充資本。特定借貸以備作合資格資產之暫時投資所賺取之投資收入自己資本化之借貸成本中扣除。所有其他借貸成本於產生期間支銷。借貸成本包括利息及實體因借入資金而產生之其他成本。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currency transaction

The Company's functional currency is Hong Kong Dollars ("HKD") and majority of its subsidiaries have RMB as their functional currency. The Company's consolidated financial statements are presented in RMB because management considers that a substantial majority of the group companies are in the PRC and the Group primarily generates and expends cash in RMB. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of certain overseas subsidiaries are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the weighted average exchange rates for the year.

2.4. 主要會計政策概要(續)

外幣交易

本公司的功能貨幣為港元(「港元」)，而其大部分附屬公司以人民幣為其功能貨幣。本公司之綜合財務報表以人民幣呈列，因為管理層認為，絕大部分集團成員公司位於中國，且本集團主要之收入及開支以人民幣計值。本集團內各實體自行釐定其各自之功能貨幣，而各實體之財務報表項目乃以該功能貨幣計量。本集團旗下實體記賬之外幣交易初步按該等實體各自於交易日通行之功能貨幣匯率入賬。以外幣計值之貨幣資產及負債，按有關功能貨幣於報告期末之適用匯率換算。因結算或換算貨幣項目而產生之差額於損益確認。

以外幣按歷史成本計量之非貨幣項目，採用初始交易日期之匯率換算。以外幣按公平值計量之非貨幣項目，採用計量公平值當日之匯率換算。因換算按公平值計量之非貨幣項目而產生之損益，亦按該項目公平值變動之損益確認(即於其他全面收益或損益中確認其公平值損益之項目之匯兌差額，亦分別於其他全面收益或損益中確認)。

若干海外附屬公司之功能貨幣為人民幣以外之貨幣。於報告期末，該等實體之資產與負債按報告期末通行之匯率換算為人民幣，其損益表則按年內之加權平均匯率換算為人民幣。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currency transaction (Continued)

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates prevailing at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's chief operating decision maker i.e. the Group's most senior executive management for the purpose of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individual material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

2.4. 主要會計政策概要 (續)

外幣交易 (續)

因此而產生之匯兌差額於其他全面收益內確認並累計至匯兌儲備。出售海外業務時，就該項海外業務在其他全面收益的部分會在損益表確認。

就綜合現金流量表而言，海外附屬公司之現金流量按現金流量日期之適用匯率換算為人民幣。海外附屬公司於整個年度產生之經常性現金流量則按年內之加權平均匯率換算為人民幣。

分部報告

綜合財務報表內所呈報經營分部及各分部項目之金額，與定期就本集團各業務線及地域之資源分配及表現評估而向本集團主要運營決策者（為本集團最高級行政管理人員）提供之財務資料一致。

就財務報告而言，個別重大經營分部不會匯集計算，惟擁有類似經濟特徵及在產品及服務性質、生產過程性質、客戶類別或種類、分銷產品或提供服務之方法以及監管環境性質方面類似之分部除外。個別不重大之經營分部倘具備大部分該等特質，亦可以彙集計算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related parties

A party is considered to be related to the Group when:

- (a) the party is a person or a close member of that person's family and that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group.
- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group.

2.4. 主要會計政策概要(續)

關聯方

當出現以下情況，一方被視為與本集團有關聯：

- (a) 該方為該名人士或該名人士之近親或直系親屬，而該名人士：
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團之主要管理人員的成員。
- (b) 該方為實體並符合下列任何一項條件：
 - (i) 該實體與本集團屬同一集團的成員公司；
 - (ii) 一間實體為另一實體（或另一實體的母公司、附屬公司或同系附屬公司）的聯營公司或合營企業；
 - (iii) 該實體及本集團均為同一第三方的合營企業；
 - (iv) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司；
 - (v) 該實體為離職後福利計劃，該計劃的受益人為本集團或與本集團有關的實體僱員；
 - (vi) 該實體由(a)項所述人士控制或共同控制；
 - (vii) 於(a)(i)項所述人士對該實體有重大影響或屬該實體（或該實體的母公司）的主要管理人員；或
 - (viii) 該實體、或其所屬集團之任何成員向本集團提供主要管理人員服務。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

2.4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related parties (Continued)

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (a) that person's children and spouse or domestic partner;
- (b) children of that person's spouse or domestic partner; and
- (c) dependants of that person or that person's spouse or domestic partner.

In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

2.4. 主要會計政策概要 (續)

關聯方 (續)

個人的近親家庭成員指預期可影響，或受該個人影響他們與該實體交易的家庭成員，並包括：

- (a) 該名人士之子女及配偶或家屬；
- (b) 該名人士之配偶或家屬之子女；及
- (c) 該名人士或該名人士之配偶或家屬之受養人。

關聯方之定義中指明，聯營公司包括聯營公司之附屬公司，而合營公司包括合營公司之附屬公司。

3. 重大會計估計及判斷

編製本集團之綜合財務報表時，管理層須作出判斷、估計及假設，而此等將影響收益、開支、資產及負債之呈報金額及相關披露以及或然負債之披露。該等假設及估計之不明朗因素可能導致需要對未來資產或負債之賬面值作出重大調整。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

3.1. Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

(i) Fair value of investment properties

The investment properties of the Group are measured at fair value, which were valued based on the appraised market value by an independent professional valuer or directors. The fair value of investment properties was arrived at by considering the capitalised income to be derived from the existing tenancies and the reversionary potential of the properties or, where appropriate, by reference to market evidence of transaction prices for similar properties in the surrounding areas.

The carrying amount of investment properties as at 31 December 2018 was RMB130,058,000 (2017: RMB48,788,000). Further details, including the key assumptions used for fair value measurement, are stated in Note 12 to the consolidated financial statements.

(ii) NRV of properties under development and completed properties held for sale

Properties under development and completed properties held for sale are stated at the lower of cost and NRV. Based on the Group's recent experience and the nature of the subject property, the Group makes estimates of the selling price, the costs of completion in case for properties under development, and the costs to be incurred in selling the properties.

3. 重大會計估計及判斷(續)

3.1. 估計不明朗因素

下文為於報告期末有關未來之主要假設及其他主要估計不明朗因素，其涉及導致下個財政年度對資產及負債賬面值作出重大調整之重大風險。

(i) 投資物業之公平值

本集團之投資物業按公平值計量，而公平值乃根據獨立專業估值師或董事進行之評估市值進行估值得出。投資物業之公平值乃經考慮來自現有租約之資本化收入及物業之復歸潛力或(如適用)經參考周邊地區類似物業之交易價後釐定。

於2018年12月31日，投資物業之賬面值為人民幣130,058,000元(2017年：人民幣48,788,000元)。有關詳情(包括用作公平值計量之主要假設)載於綜合財務報表附註12。

(ii) 發展中物業及持作出售已落成物業之可變現淨值

發展中物業及持作銷售已落成物業乃按成本與可變現淨值中的較低者列賬。基於本集團近期的經驗以及標的物業的性質，本集團估計售價、發展中物業的竣工成本以及出售物業將產生的成本。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

3.1. Estimation uncertainty (Continued)

(ii) NRV of properties under development and completed properties held for sale (Continued)

Total budgeted costs for properties under development comprise costs for land use rights, aggregate cost of development, materials and supplies, wages and other direct expenses, an appropriate proportion of overheads and borrowing cost. In estimating the total budgeted costs, management makes reference to information such as (i) current offers from contractors and suppliers; (ii) recent offers agreed with contractors and suppliers; and (iii) professional estimation on construction and material costs.

If there is an increase in costs to completion or a decrease in net sales value, provision for completed properties held for sale and properties under development may be resulted. Such provision requires the use of judgment and estimates. Where the expectation is different from the original estimate, the carrying value and provision for properties in the periods in which such estimate is made will be adjusted accordingly.

Given the volatility of the PRC property market and the distinctive nature of individual properties, the actual outcomes in terms of costs and revenue may be higher or lower than estimated at the end of the reporting period. Any increase or decrease in the provision would affect profit or loss in future years.

3. 重大會計估計及判斷(續)

3.1. 估計不確定性(續)

(ii) 發展中物業及持作出售已落成物業之可變現淨值(續)

發展中物業的總預算成本包括以下各項的成本：土地使用權、總發展成本、材料及供應品、薪金及其他直接開支、適當比例的間接費用及借貸成本。在估計總預算成本時，管理層參考(i)承包高及供應商的現行出價；(ii)近期與承包高及供應商協定的出價；(iii)建築及物料成本的專業估計等資料。

倘竣工成本增加或銷售淨值減少，則可能須對持作銷售已落成物業及發展中物業計提撥備，而計提撥備時須使用判斷及估計。倘預期有別於原估計，則有關物業於作出估計期間的賬面值及撥備將作相應調整。

鑒於中國物業市場波動不定而個別物業性質鮮明，以成本及收入計算的實際結果可能較報告期末所估計者有所增減。撥備的任何增減將影響未來年度的損益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

3.1. Estimation uncertainty (Continued)

(iii) PRC Land Appreciation Tax ("LAT")

LAT in the PRC is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from the sales of the properties less deductible expenditures including land cost, borrowing cost, other property development expenditures.

When calculating the LAT, the Group needs to estimate the deductible expenditures and makes judgement on the relevant tax rate on an individual property basis under the relevant applicable tax laws and regulations. Given the uncertainties of the calculative basis of LAT to be interpreted by the local tax bureau, the actual outcomes may be higher or lower than that estimated at the end of the reporting period. Where the final tax outcome of these matters is different from the balances at the end of each reporting period, such differences will impact the LAT expense and LAT provision in the period in which the differences are realised.

3. 重大會計估計及判斷(續)

3.1. 估計不確定性(續)

(iii) 中國土地增值稅(「土地增值稅」)

中國土地增值稅按土地增值(即出售物業所得款項減可扣減支出,包括土地成本、借貸成本及其他物業發展支出)以累進稅率30%至60%徵收。

於計算土地增值稅時,本集團需估計可扣減開支,並根據相關適用稅務法律法規根據個別物業基準之相關稅率作出判斷。鑒於當地稅務局詮釋之土地增值稅計算基準具不確定性,於呈報期末,實際結果可能高於或低於估計結果。倘該等事項之最終稅務結果與各報告期末的結餘不同,則有關差異將會影響實現差額期間之土地增值稅開支及土地增值稅撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

3.1. Estimation uncertainty (Continued)

(iv) Deferred tax assets

Deferred tax assets are recognised for certain temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of deferred tax assets relating to recognised tax losses at 31 December 2018 was RMB39,544,000 (2017: RMB48,134,000). The amount of unrecognised tax losses at 31 December 2018 was RMB35,307,000 (2017: RMB36,824,000). Further details are contained in Note 24 to the consolidated financial statements.

(v) Loss allowance for ECL

The Group's management estimates the loss allowance for trade and other receivables by using various inputs and assumptions including risk of a default and expected loss rate. The estimation involves high degree of uncertainty which is based on the Group's historical information, existing market conditions as well as forward-looking estimates at the end of each reporting period. Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade receivables and other receivables. Details of the key assumption and inputs used in estimating ECL are set out in Note 27 to the consolidated financial statements.

3. 重大會計估計及判斷(續)

3.1. 估計不確定性(續)

(iv) 遞延稅項資產

遞延稅項資產僅在有可能出現應課稅溢利可用以抵扣若干暫時性差異及未動用稅項虧損時，方會就該等虧損獲得確認。在釐定可確認的遞延稅項資產金額時，管理層須根據未來應課稅溢利可能的時間及水平連同未來稅項規劃策略，作出重要判斷。於2018年12月31日，與已確認稅務虧損相關的遞延稅項資產的賬面值為人民幣39,544,000元(2017年：人民幣48,134,000元)。於2018年12月31日，未確認稅務虧損為人民幣35,307,000元(2017年：人民幣36,824,000元)。進一步的詳情載於綜合財務報表附註24。

(v) 預期信貸虧損之虧損撥備

本集團管理層使用多項輸入數據及假設(包括違約風險及預期損失率)估計貿易及其他應收款項之虧損撥備。估計涉及高度不確定性，其乃基於本集團之過往資料、現有市場狀況及於各報告期末之前瞻性估計。預期與原有估計不同，有關差異將影響貿易及其他應收款項之賬面值。估計預期信貸虧損所用主要假設及輸入數據詳情載於綜合財務報表附註27。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

3.1. Estimation uncertainty (Continued)

(vi) Allocation of construction cost on properties under development

When developing properties, the Group typically divides the development projects into phases. Costs directly related to the development of a phase are recorded as the cost of such phase. Costs that are common to several phases are allocated to each phase based on the saleable floor area of each phase as a percentage of the total saleable floor area of the entire project.

3.2. Critical Accounting Judgements

(i) Classification of operating lease — Group as lessor

The Group has entered into commercial property leases for properties in its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties which are leased out as operating leases.

3. 重大會計估計及判斷(續)

3.1. 估計不確定性(續)

(vi) 發展中物業之建築成本分配

於發展物業時，本集團一般將發展項目分為數階段。直接與某階段發展相關之成本記錄為該階段之成本。涉及多個階段之共有成本根據各階段實用面積佔整個項目總實用面積之百分比分配至各階段。

3.2. 關鍵會計判斷

(i) 經營租賃的分類 — 本集團作為出租人

本集團就其投資物業訂立商用物業租約。本集團基於對有關安排條款及條件的評估，決定保留根據經營租約出租的相關物業之擁有權的所有重大風險及回報。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

3.2. Critical Accounting Judgements (Continued)

(ii) Classification between investment properties and properties held for sale

The Group develops properties held for sale and properties held to earn rentals and/or for capital appreciation. Judgement is made by management on determining whether a property is designated as an investment property or a property held for sale. The Group considers its intention for holding the properties at the early development stage of the related properties. During the course of construction, the related properties under construction are accounted for as properties under development included in current assets if the properties are intended for sale after completion, whereas, the properties are accounted for as investment properties under construction included in non-current assets if the properties are intended to be held to earn rentals and/or for capital appreciation. Upon completion of the properties, the properties held for sale are transferred to completed properties held for sale and are stated at the lower of cost and NRV, while the properties held to earn rentals and/or for capital appreciation are transferred to completed investment properties and are subject to revaluation at the end of each reporting period.

(iii) Deferred tax liabilities

Deferred tax liabilities have not been provided for the withholding tax that would be payable on the undistributed earnings of certain entities of the Group in the PRC as those earnings are not expected to be distributable in the foreseeable future. Details of deferred tax liabilities are disclosed in Note 24 to the consolidated financial statements.

3. 重大會計估計及判斷(續)

3.2. 關鍵會計判斷(續)

(ii) 投資物業及持作銷售物業之分類

本集團開發持作銷售物業及持作賺取租金及／或資本增值之物業。由管理層判斷一項物業是否指定為投資物業或持作銷售物業。本集團認為其於有關物業之早期開發階段對持有物業之意圖作出判斷。於興建過程中，倘該等物業擬於落成後出售，則在建之有關物業乃入賬列作流動資產項下之發展中物業。倘物業擬於落成後持作賺取租金及／或資本增值，則在建物業乃入賬計入非流動資產項下之投資物業。待物業落成後，持作銷售物業乃轉撥至持作銷售已落成物業，並按成本與可變現淨值之較低者列賬，而持作賺取租金及／或資本增值之物業則轉撥至已落成投資物業，並須於各呈報期末進行重估。

(iii) 遞延稅項負債

本集團基於在中國的若干實體的利潤並不會在可見將來中分配，故並未對這些未分配利潤作出預提稅之遞延稅項撥備。有關遞延稅項負債之詳情載於財務報表附註24。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

3.2. Critical Accounting Judgements (Continued)

(iv) Land use right — Haikou Phoenix Aqua City Phase II

The Group is currently in a legal proceedings in relation to the confiscation of the state-owned construction land use right of a parcel of land owned by a subsidiary of the Company, Hainan Nanhai Xiang Long Properties Development Limited (“**Hainan Nanhai Xiang Long**”) located to the north of Bin Hai Xi Lu, Haikou, with a total site area of approximately 88,209.07 square meters without compensation for the reason that the land parcel has not been developed and constructed on schedule.

At the end of the reporting period, no impairment has been made in respect to the investment cost on the abovementioned land use right. Details of this litigation are disclosed in Note 29(b) to the consolidated financial statements.

4. REVENUE AND SEGMENT INFORMATION

(a) Revenue

The principal activities of the Group are development, sales and lease of properties in the PRC.

Revenue mainly represented income from sales and rental of properties, net of business tax and other sales related taxes, and was after deduction of any trade discounts.

3. 重大會計估計及判斷(續)

3.2. 關鍵會計判斷(續)

(iv) 土地使用權 — 海口鳳凰水城二期

本集團現時正就無償沒收本公司附屬公司海南南海翔龍房地產開發有限公司(「**海南南海翔龍**」)擁有的位於海口市濱海西路北側，總面積約88,209.07平方米之土地的國有建設用地使用權(原因是該宗土地未有按時開發建設)提起法律訴訟。

於報告期末，概無就上述土地使用權的投資成本作出減值。此項訴訟的詳情於綜合財務報表附註29(b)披露。

4. 收益及分部資料

(a) 收益

本集團的主要業務是在中國發展、銷售及租賃物業。

收益主要指來自銷售及租賃物業，並扣除營業稅及其他銷售相關稅項和扣減任何貿易折扣後的收入。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

4. REVENUE AND SEGMENT INFORMATION (Continued)

4. 收益及分部資料(續)

(a) Revenue (Continued)

(a) 收益(續)

The amount of each significant category of revenue is as follows:

各主要收益類別金額如下：

		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Sales of properties:	物業銷售：		
— Development projects (excluding Danzhou Phase I)	— 發展項目(不包括儋州一期)	1,322,881	1,805,604
— Danzhou Phase I	— 儋州一期	59,782	158,346
Rental income from investment properties:	投資物業租賃收入：		
— Development projects (excluding Danzhou Phase I)	— 發展項目(不包括儋州一期)	20,111	4,959
— Danzhou Phase I	— 儋州一期	1,505	-
Gain (loss) on revaluation upon transfer of investment properties:	投資物業轉移時之重估收益 (虧損)：		
— Development projects (excluding Danzhou Phase I)	— 發展項目(不包括儋州一期)	6,040	36,399
— Danzhou Phase I	— 儋州一期	(12)	-
Consultancy income	顧問收入	167	-
		1,410,474	2,005,308

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

4. REVENUE AND SEGMENT INFORMATION (Continued)

(a) Revenue (Continued)

(i) Disaggregation of revenue

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Other sources of revenue:	其他收益來源：		
Rental income from investment properties	投資物業租賃收入	21,616	4,959
Gain on revaluation upon transfer of investment properties	投資物業轉移時之重估收益	6,028	36,399
Under the scope of HKFRS 15, Revenue from contracts with customers:	於香港財務報告準則第15號範圍內的客戶合約收益：		
Timing of revenue recognition	收益確認的時間		
— At a point in time	— 於某一時間點	1,382,663	1,963,950
— Over-time	— 於一段時間內	167	—
		1,410,474	2,005,308

The amount of revenue recognised for the year ended 31 December 2018 that was included in the contract liabilities at the beginning of the year is RMB645,094,000.

計入年初合約負債中之人民幣645,094,000元已於截至2018年12月31日止年度確認為收益。

4. 收益及分部資料(續)

(a) 收益(續)

(i) 收益分拆

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

4. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment reporting

Business segments

In accordance with the Group's internal financial reporting system, the Group has chosen business segment information as the reporting format for the purposes of these consolidated financial statements of the Group.

No geographical segment information is separately presented as the Group's business segments are mainly managed and operated in the Hainan Province of the PRC. The major market of the Group's business segments is the Hainan Province of the PRC.

For management purposes, the Group is organised into business units based on the line of reporting, and has two reportable operating segments as follows:

I. Development projects (excluded Danzhou Phase I but including Danzhou Phase II)

All the Group's development projects refer to the development and sales of residential property units conducted in Hainan Province.

II. Danzhou Phase I

Danzhou Phase I project ("Danzhou Phase I") refers to the development and sales of residential property units under Phase I developed by Danzhou Shuang Lian Property Development Company Limited ("Danzhou Shuang Lian") in Hainan Province (Note 33 to the consolidated financial statements).

The executive directors of the Company, being the chief operating decision maker, monitor the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

Income taxes are managed on a group basis and are not allocated to operating segments.

4. 收益及分部資料(續)

(b) 分部報告

業務分部

根據本集團的內部財務報告系統，本集團選擇業務分部資料作為本集團此等綜合財務報表的報告格式。

由於本集團的業務分部主要在中國海南省管理及營運，因此並無獨立呈列地區分部資料。本集團業務分部的主要市場為中國海南省。

就管理而言，本集團根據呈報項目組織成業務單位，並有以下兩個須予報告經營分部：

I. 發展項目(不包括儋州一期，但包括儋州二期)

本集團所有發展項目指在海南省進行的住宅物業單位的發展及銷售。

II. 儋州一期

儋州一期項目(「儋州一期」)指儋州雙聯房地產開發有限公司(「儋州雙聯」)在海南省開發的第一期住宅物業單位的發展及銷售(綜合財務報表附註33)。

本公司執行董事(即主要經營決策者)獨立監察各業務單位的經營業績，以就資源分配及表現評估作出決策。

所得稅按集體基準管理，並不分配至經營分部。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

4. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment reporting (Continued)

Segment results, assets and liabilities

Segment assets and liabilities include all assets and liabilities of the Group, which are managed directly by the segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit is “adjusted EBIT” i.e. “adjusted earnings before interest and taxes”, where “interest” is regarded as including investment income. To arrive at adjusted EBIT the Group’s earnings are further adjusted for items not specifically attributed to individual segments.

4. 收益及分部資料(續)

(b) 分部報告(續)

分部業績、資產及負債

分部資產及負債包括本集團由分部直接管理的所有資產及負債。

收益及開支乃參考該等分部所得銷售額及該等分部所產生之開支或另外因該等分部應佔資產之折舊或攤銷而產生之開支分配至須予報告分部。

用於報告分部溢利之計量為「經調整EBIT」，即「未計利息及稅項前經調整盈利」，其中「利息」視為包括投資收入。為達至經調整EBIT，本集團之盈利乃對並未指定屬於個別分部之項目作出進一步調整。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

4. REVENUE AND SEGMENT INFORMATION (Continued)

4. 收益及分部資料(續)

(b) Segment reporting (Continued)

(b) 分部報告(續)

Segment results, assets and liabilities (Continued)

分部業績、資產及負債(續)

Information regarding the Group's reportable segments for the years ended 31 December 2018 and 2017 is set out below.

截至2018年及2017年12月31日止年度有關本集團須予報告分部資料載列如下。

		Development Projects		Danzhou Phase I		Total	
		發展項目		儋州一期		總計	
		2018	2017	2018	2017	2018	2017
		2018年	2017年	2018年	2017年	2018年	2017年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
For the year ended 31 December							
截至12月31日止年度							
Revenue from external customers	外部客戶收益	1,349,199	1,846,962	61,275	158,346	1,410,474	2,005,308
Inter-segment revenue	分部間收益	-	-	-	-	-	-
Reportable segment revenue	須予報告分部收益	1,349,199	1,846,962	61,275	158,346	1,410,474	2,005,308
Reportable segment gross profit	須予報告分部毛利	652,607	869,350	10,553	21,024	663,160	890,374
Reportable segment profit (adjusted EBIT)	須予報告分部溢利(經調整EBIT)	482,188	778,423	8,640	10,360	490,828	788,783
As at 31 December							
於12月31日							
Reportable segment assets	須予報告分部資產	4,653,886	4,951,772	389,354	242,866	5,043,240	5,194,638
<i>Including:</i>							
Cash and cash equivalents	現金及現金等價物	682,750	895,015	447	1,818	683,197	896,833
Properties under development	發展中物業	2,428,600	2,328,981	-	-	2,428,600	2,328,981
Completed properties held for sale	持作銷售已落成物業	388,326	979,559	97,236	197,740	485,562	1,177,299
Reportable segment liabilities	須予報告分部負債	2,769,539	3,067,462	124,277	191,655	2,893,816	3,259,117
<i>Including:</i>							
Trade and other payables	貿易及其他應付款項	1,138,530	1,821,907	66,955	169,925	1,205,485	1,991,832
Contract liabilities	合約負債	345,146	-	-	-	345,146	-
Other segment information							
Depreciation and amortisation	折舊及攤銷	3,616	3,698	119	251	3,735	3,949
Income tax expenses	所得稅開支	372,265	511,877	(9,342)	9,443	362,923	521,320
Allowance on advance payments to contractors	向承包商支付的預付款撥備	12,895	-	-	-	12,895	-
Credit loss allowance on other receivables	其他應收款項信貸虧損撥備	4,459	-	9,217	-	13,676	-
Changes in fair value of investment properties	投資物業的公平值變動	21,407	-	-	-	21,407	-
Changes in fair value of financial assets at FVPL	按公平值計入損益的金融資產的公平值變動	(6,694)	-	-	-	(6,694)	-
Realised gain arising from financial assets at FVPL, net	按公平值計入損益的金融資產的已變現收益淨額	(36,694)	-	-	-	(36,694)	-
Additions to property, plant and equipment	添置物業、廠房及設備	63	39	6	-	69	39
Transfer to investment properties	轉至投資物業	98,585	42,188	4,092	-	102,677	42,188

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

4. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Segment reporting (Continued)

Segment results, assets and liabilities (Continued)

Information about major customers

There was no sale to a single customer which accounted for 10% or more of the Group's revenue for the years ended 31 December 2018 and 2017.

Reconciliation of reportable segment profit or loss

4. 收益及分部資料(續)

(b) 分部報告(續)

分部業績、資產及負債(續)

主要客戶的資料

截至2018年及2017年12月31日止年度，概無向佔本集團收益10%或以上的單一客戶作出的銷售。

須予報告分部損益對賬

		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Reportable segment profit (adjusted EBIT)	須予報告分部溢利(經調整EBIT)	490,828	788,783
Elimination of inter-segment profits	對銷分部間溢利	-	-
Reportable segment profits derived from the Group's external customers	產生自本集團外部客戶的須予報告分部溢利	490,828	788,783
Other income	其他收入	5,029	453
Changes in fair value of financial assets at FVPL	按公平值計入損益的金融資產的公平值變動	6,694	-
Realised gain arising from financial assets at FVPL, net	按公平值計入損益的金融資產產生的已變現收益淨額	36,694	-
Other operating expenses	其他經營開支	-	(140)
Finance income	財務收入	4,757	8,967
Finance costs	財務成本	-	(17,231)
Consolidated profit before taxation	除稅前綜合溢利	544,002	780,832

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

5. OTHER INCOME AND OTHER OPERATING EXPENSES

5. 其他收入及其他經營開支

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
OTHER INCOME	其他收入		
Exchange gain	匯兌收益	2,865	–
Forfeiture of customers' deposits received	沒收已收取的客戶按金	1,500	403
Forfeiture of sale agents' deposits received	沒收已收取的銷售代理按金	590	–
Others	其他	74	50
		5,029	453
OTHER OPERATING EXPENSES	其他經營開支		
Tax late payment charges	稅項滯納金	–	2
Others	其他	–	138
		–	140

6. FINANCE INCOME (COSTS), NET

6. 財務收入(成本)淨額

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Finance income	財務收入		
Bank interest income	銀行利息收入	4,757	8,967
Finance costs	財務成本		
Interest expenses on loans and borrowings	貸款及借款利息開支	–	(20,354)
Less: Capitalised interest expenses	減：資本化利息開支	–	3,123
		–	(17,231)
Finance income (costs), net	財務收入(成本)淨額	4,757	(8,264)

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

7. INCOME TAX EXPENSES

7. 所得稅開支

		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
PRC corporate income tax ("CIT")	中國企業所得稅(「企業所得稅」)	165,371	231,811
LAT	土地增值稅	265,006	350,179
Deferred income tax	遞延所得稅	(67,454)	(60,670)
		362,923	521,320

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Company Law of Cayman Islands and, accordingly, is exempted from payment of Cayman Islands income tax. The Group companies in the British Virgin Islands ("BVI") were incorporated under the International Business Companies Act of the British Virgin Islands and, accordingly, exempted from BVI income tax.

Hong Kong profits tax

No Hong Kong profits tax has been provided for the years ended 31 December 2018 and 2017 as the Group's entities had no assessable profits arising in or derived from Hong Kong for the years.

CIT

CIT has been provided on the estimated assessable profits of subsidiaries operating in the PRC at 25% (2017: 25%).

LAT

LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including cost of land use rights and all property development expenditures.

本公司根據開曼群島公司法在開曼群島註冊成立為豁免有限公司，因此獲豁免繳納開曼群島所得稅。在英屬處女群島的集團成員公司乃根據英屬處女群島(「英屬處女群島」)國際商業公司法註冊成立，因此獲豁免繳納英屬處女群島所得稅。

香港利得稅

由於本集團的實體於截至2018年及2017年12月31日止年度並無產生自或源於香港的應課稅溢利，故並無就該兩個年度的香港利得稅計提撥備。

企業所得稅

已就在中國營運的附屬公司的估計應課稅溢利按25% (2017年：25%)的稅率作出企業所得稅撥備。

土地增值稅

土地增值稅以土地增值(即物業銷售所得款項減可扣除開支(包括土地使用權成本及所有物業開發開支))按30%至60%的累進稅率徵收。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

7. INCOME TAX EXPENSES (Continued)

The income tax on the Group's profit before income tax differs from the theoretical amount that would arise using the enacted tax rate of the tax jurisdiction of the group entities as follows:

7. 所得稅開支(續)

本集團除所得稅前溢利的所得稅與使用集團實體原屬司法權區實施的稅率計算的理論金額差異載列如下：

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Profit before taxation	除稅前溢利	544,002	780,832
Calculated at CIT tax rate of 25% (2017: 25%)	按企業所得稅稅率25% (2017年：25%)計算的稅項	136,000	196,337
Tax effect of non-deductible expenses	不可扣稅開支的稅務影響	96	1,312
Tax effect of income not subject to tax	毋須課稅收入的稅務影響	(1,205)	-
Tax effect of non-deductible land cost adjustments	不可扣稅土地成本調整的 稅務影響	28,690	58,372
Tax effect of prior years' timing difference not recognised	過往年度未確認時間差異的 稅務影響	-	(75)
Tax effect of tax losses not recognised	未確認稅項虧損的稅務影響	588	573
Tax effect on LAT	土地增值稅的稅務影響	(66,252)	(85,378)
LAT	土地增值稅	265,006	350,179
Income tax expenses	所得稅開支	362,923	521,320

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

8. PROFIT FOR THE YEAR

Profit for the year is arrived at after charging (crediting):

8. 年內溢利

年內溢利已扣除(計入)下列各項：

		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Total staff costs (including directors' emoluments):	總員工成本(包括董事薪酬)：		
— Salaries, wages and other benefits	— 薪金、工資及其他福利	7,985	12,695
— Share-based payments expenses	— 以股份為基礎的付款開支	—	978
— Contribution to defined contribution retirement plan	— 界定供款退休計劃供款	528	296
		8,513	13,969
Depreciation of property, plant and equipment	物業、廠房及設備折舊	3,579	3,794
Amortisation of intangible assets (included in administrative expenses)	無形資產攤銷(計入行政開支)	156	155
Auditors' remuneration	核數師酬金	4,748	2,000
Cost of properties sold	出售物業成本	747,314	1,114,934
Credit loss allowance on other receivables	其他應收款項的信貨虧損撥備	13,676	—
Allowance on advance payments to contractors	向承包商支付的預付款撥備	12,895	—
Gain on disposal of property, plant and equipment	出售物業、廠房及設備的收益	(74)	(49)
Write-off of property, plant and equipment	撇銷物業、廠房及設備	8	—
Operating lease payments in respect of land and building	有關土地及樓宇的經營租賃付款	213	11

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

9. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to owners of the Company and the weighted average number of ordinary shares in issue during the year.

9. 每股盈利

每股基本盈利乃根據本公司擁有人應佔溢利及年內已發行普通股加權平均數計算。

		2018 2018年	2017 2017年
Profit attributable to owners of the Company (RMB)	本公司擁有人應佔溢利(人民幣)	179,538,000	251,181,000
Weighted average number of ordinary shares in issue	已發行普通股加權平均數	300,000,000	300,000,000
Basic earnings per share (RMB)	每股基本盈利(人民幣)	0.60	0.84

There were no dilutive potential ordinary shares during the years ended 31 December 2018 and 2017 and, therefore, the diluted earnings per share were the same as the basic earnings per share.

於截至2018年及2017年12月31日止年度，並無潛在攤薄普通股，故每股攤薄盈利與每股基本盈利相同。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

10. REMUNERATION OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

(a) Directors' emoluments

The aggregate amounts of emoluments paid and payable to the directors of the Company by the Group during the year are as follows:

10. 董事及五名最高薪人士薪酬

(a) 董事酬金

於年內本集團已付或應付本公司董事的酬金總金額如下：

		Year ended 31 December 2018 截至2018年12月31日止年度				
		Salaries, allowances and benefits	Discretionary bonuses	Retirement benefit scheme contributions	Total	
		Fees in kinds				
		薪金、津貼及 董事袍金	實物利益 酌情花紅	退休福利 計劃供款	總計	
		RMB'000	RMB'000	RMB'000	RMB'000	
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	
<i>Executive Directors</i> 執行董事						
Zhou Li 周莉		-	998	207	71	1,276
Fan Wenyi 范文姝		-	353	145	55	553
Chen Xiang 陳祥		-	372	163	56	591
Chan Si Yu (note a) 陳詩諭(附註a)		-	92	-	3	95
Liu Bing (note b) 劉冰(附註b)		-	773	-	5	778
<i>Non-Executive Directors</i> 非執行董事						
Yao Yu (note c) 姚宇(附註c)		-	165	83	42	290
Wang Pei (note g) 王培(附註g)		-	56	-	9	65
<i>Independent Non-Executive Directors</i> 獨立非執行董事						
Li Yong 李勇		145	-	-	-	145
E Jun Yu 鄂俊宇		192	-	-	-	192
Chen Shi Min (note h) 陳世敏(附註h)		184	-	-	-	184
Zhao Guo Qing (note d) 趙國慶(附註d)		-	-	-	-	-
Total	總計	521	2,809	598	241	4,169

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

10. REMUNERATION OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

(a) Directors' emoluments (Continued)

		Year ended 31 December 2017 截至2017年12月31日止年度				
		Fees	Salaries, allowances and benefits in kinds	Discretionary bonuses	Retirement benefit scheme contributions	Total
		董事袍金 RMB'000 人民幣千元	薪金、津貼及 實物利益 RMB'000 人民幣千元	酌情花紅 RMB'000 人民幣千元	退休福利 計劃供款 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
<i>Executive Directors</i>	<i>執行董事</i>					
Zhou Li	周莉	–	300	400	–	700
Yeung Man (note e)	楊敏(附註e)	–	228	272	–	500
Huang An Nan (note f)	黃安南(附註f)	–	250	–	–	250
Fan Wenyi	范文燧	–	250	244	–	494
Chen Xiang	陳祥	–	225	225	–	450
<i>Non-Executive Director</i>	<i>非執行董事</i>					
Wang Pei (note g)	王培(附註g)	–	333	109	–	442
<i>Independent Non-Executive Directors</i>	<i>獨立非執行董事</i>					
Li Yong	李勇	44	–	–	–	44
E Jun Yu	鄂俊宇	200	–	–	–	200
Chen Shi Min (note h)	陳世敏(附註h)	200	–	–	–	200
Li Zhong (note i)	李忠(附註i)	150	–	–	–	150
Total	總計	594	1,586	1,250	–	3,430

10. 董事及五名最高薪人士薪酬(續)

(a) 董事酬金(續)

Year ended 31 December 2017
截至2017年12月31日止年度

Fees	Salaries, allowances and benefits in kinds	Discretionary bonuses	Retirement benefit scheme contributions	Total
董事袍金 RMB'000 人民幣千元	薪金、津貼及 實物利益 RMB'000 人民幣千元	酌情花紅 RMB'000 人民幣千元	退休福利 計劃供款 RMB'000 人民幣千元	總計 RMB'000 人民幣千元

<i>Executive Directors</i>	<i>執行董事</i>					
Zhou Li	周莉	–	300	400	–	700
Yeung Man (note e)	楊敏(附註e)	–	228	272	–	500
Huang An Nan (note f)	黃安南(附註f)	–	250	–	–	250
Fan Wenyi	范文燧	–	250	244	–	494
Chen Xiang	陳祥	–	225	225	–	450
<i>Non-Executive Director</i>	<i>非執行董事</i>					
Wang Pei (note g)	王培(附註g)	–	333	109	–	442
<i>Independent Non-Executive Directors</i>	<i>獨立非執行董事</i>					
Li Yong	李勇	44	–	–	–	44
E Jun Yu	鄂俊宇	200	–	–	–	200
Chen Shi Min (note h)	陳世敏(附註h)	200	–	–	–	200
Li Zhong (note i)	李忠(附註i)	150	–	–	–	150
Total	總計	594	1,586	1,250	–	3,430

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

10. REMUNERATION OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

(a) Directors' emoluments (Continued)

Notes:

- (a) Appointed on 1 November 2018.
- (b) Appointed on 4 June 2018 and resigned on 14 September 2018.
- (c) Appointed on 15 March 2018.
- (d) Appointed on 31 December 2018.
- (e) Disqualified on 18 December 2017 and appointed as a project development consultant on 15 March 2019.
- (f) Resigned on 29 March 2017.
- (g) Resigned on 15 March 2018.
- (h) Resigned on 31 December 2018.
- (i) Resigned on 29 September 2017.

During the years ended 31 December 2018 and 2017, no emoluments were paid by the Group to any directors as an inducement to join or upon joining the Group or as compensation for loss of office.

There were no arrangements under which a director waived or agreed to waive any remuneration during the year (2017: Nil).

10. 董事及五名最高薪人士薪酬(續)

(a) 董事酬金(續)

附註：

- (a) 於2018年11月1日獲委任。
- (b) 於2018年6月4日獲委任並於2018年9月14日辭任。
- (c) 於2018年3月15日獲委任。
- (d) 於2018年12月31日獲委任。
- (e) 於2017年12月18日取消資格並於2019年3月15日獲委任為項目發展顧問。
- (f) 於2017年3月29日辭任。
- (g) 於2018年3月15日辭任。
- (h) 於2018年12月31日辭任。
- (i) 於2017年9月29日辭任。

於2018年及2017年12月31日止年度，本集團概無向任何董事支付任何酬金作為加入本集團或加入本集團後的獎勵或作為離職補償。

年內，概無董事放棄或同意放棄任何酬金的安排(2017年：無)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

10. REMUNERATION OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year included 3 (2017: 3) directors whose emoluments are reflected in note (a) above. The emoluments for the remaining 2 (2017: 2) individuals are as follows:

		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Salaries and other emoluments	薪金及其他酬金	1,827	1,630
Retirement benefit scheme contributions	退休福利計劃供款	133	-
		1,960	1,630

The emoluments fell within the following bands:

		2018	2017
		2018年	2017年
		Number of employees	Number of employees
		僱員人數	僱員人數
HK\$Nil to HK\$1,000,000 (equivalent to RMBNil to RMB895,000)	零港元至1,000,000港元 (相等於人民幣零元至人民幣895,000元)	1	2
HK\$1,000,001 to HK\$1,500,000 (equivalent to RMB895,001 to RMB1,342,500)	1,000,001港元至1,500,000港元 (相等於人民幣895,001元至人民幣1,342,500元)	1	-
		2	2

During the years ended 31 December 2018 and 2017, none of the above individuals has received any emoluments from the Group as an inducement to join or leave the Group or compensation for loss of office; none of the above individuals has waived or has agreed to waive any emoluments.

10. 董事及五名最高薪人士薪酬(續)

(b) 五名最高薪人士

年內本集團五名最高薪人士中3名(2017年:3名)為董事,其酬金於上文附註(a)中反映。餘下2名(2017年:2名)個別人士的酬金如下:

		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Salaries and other emoluments	薪金及其他酬金	1,827	1,630
Retirement benefit scheme contributions	退休福利計劃供款	133	-
		1,960	1,630

酬金範圍如下:

		2018	2017
		2018年	2017年
		Number of employees	Number of employees
		僱員人數	僱員人數
HK\$Nil to HK\$1,000,000 (equivalent to RMBNil to RMB895,000)	零港元至1,000,000港元 (相等於人民幣零元至人民幣895,000元)	1	2
HK\$1,000,001 to HK\$1,500,000 (equivalent to RMB895,001 to RMB1,342,500)	1,000,001港元至1,500,000港元 (相等於人民幣895,001元至人民幣1,342,500元)	1	-
		2	2

截至2018年及2017年12月31日止年度,概無上述個別人士收取本集團任何酬金,作為加入或離開本集團的獎勵或作為離職補償;上述個別人士亦無放棄或同意放棄任何酬金。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

11. PROPERTY, PLANT AND EQUIPMENT

11. 物業、廠房及設備

		Vehicles	Electronic devices	Machines, furniture, office equipment and others	Buildings	Total
		汽車	電子設備	機器、傢俱、辦公設備及其他	樓宇	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Reconciliation of carrying amount 賬面值之對賬						
Year ended 31 December 2017 截至2017年12月31日止年度						
As at 1 January 2017	於2017年1月1日	815	337	1,454	46,761	49,367
Additions	添置	-	18	21	-	39
Disposals	出售	(25)	-	-	-	(25)
Depreciation	折舊	(278)	(47)	(727)	(2,742)	(3,794)
As at 31 December 2017	於2017年12月31日	512	308	748	44,019	45,587
Reconciliation of carrying amount 賬面值之對賬						
Year ended 31 December 2018 截至2018年12月31日止年度						
As at 1 January 2018	於2018年1月1日	512	308	748	44,019	45,587
Additions	添置	-	69	-	-	69
Disposals	出售	(11)	-	-	-	(11)
Depreciation	折舊	(116)	(21)	(700)	(2,742)	(3,579)
Written off	撇銷	(8)	-	-	-	(8)
As at 31 December 2018	於2018年12月31日	377	356	48	41,277	42,058
At 31 December 2018 於2018年12月31日						
Cost	成本	2,983	2,361	4,020	57,729	67,093
Accumulated depreciation	累計折舊	(2,606)	(2,005)	(3,972)	(16,452)	(25,035)
Net carrying amount	賬面淨值	377	356	48	41,277	42,058
At 31 December 2017 於2017年12月31日						
Cost	成本	3,621	2,292	4,020	57,729	67,662
Accumulated depreciation	累計折舊	(3,109)	(1,984)	(3,272)	(13,710)	(22,075)
Net carrying amount	賬面淨值	512	308	748	44,019	45,587

The buildings are situated on lands in the PRC with lease terms of 62 years.

樓宇位於租賃期為62年的中國土地。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

12. INVESTMENT PROPERTIES

12. 投資物業

Fair value	公平值	2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Carrying amount at 1 January	於1月1日的賬面值	48,788	172,600
Transferred from properties under development and completed properties held for sale	自發展中物業及持作銷售已落成物業轉撥	102,677	42,188
Changes in fair value of investment properties recognised in profit or loss	於損益確認的投資物業公平值變動	(21,407)	–
Transferred to properties held for sale	轉撥至持作銷售物業	–	(166,000)
At 31 December	於12月31日	130,058	48,788

The investment properties represent the car parks held by the Group for rental purpose.

During the year, the Group entered into car park lease agreements with customers. As a result of the actual change of use, the Group transferred certain properties under development and completed properties held for sale into investment properties with a total fair value of RMB102,677,000 (2017: RMB42,188,000). The total carrying amount of these car parks at the date of transfer was RMB96,649,000 (2017: RMB5,789,000). A gain on revaluation upon transfer of RMB6,028,000 (2017: RMB36,399,000) and the related deferred tax thereon of RMB1,507,000 (2017: RMB9,100,000) has been recognised in profit or loss during the year ended 31 December 2018.

投資物業為本集團持有作租賃用途之停車位。

年內，本集團與客戶訂立停車位租賃協議。由於實際用途改變，本集團按公平值合共人民幣102,677,000元(2017年：人民幣42,188,000元)將若干持作銷售物業轉撥至投資物業。該等停車位於轉撥日期的賬面總值為人民幣96,649,000元(2017年：人民幣5,789,000元)。於截至2018年12月31日止年度，轉撥後重估收益人民幣6,028,000元(2017年：人民幣36,399,000元)及相關遞延稅項人民幣1,507,000元(2017年：人民幣9,100,000元)於損益中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

12. INVESTMENT PROPERTIES (Continued)

Fair value measurement of investment properties

The following table shows the Group's investment properties measured at fair value in the consolidated statement of financial position on a recurring basis, categorised into three levels of a fair value hierarchy. The levels are based on the observability of significant inputs to the measurements, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

12. 投資物業(續)

投資物業的公平值計量

下表呈列本集團於綜合財務狀況表按經常性基準以公平值計量的投資物業(公平值層級歸類為三級),乃根據計量所採用重要輸入參數的可觀察性來釐定層級:

- 第一級:相同資產及負債於活躍市場的報價(未經調整)。
- 第二級:資產或負債的可觀察(直接或間接)輸入參數(第一級內包含的報價除外)。
- 第三級:資產或負債的無法觀察得到的輸入參數。

		As at 31 December 2018 於2018年12月31日			
		Level 1 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Investment properties	投資物業	-	-	130,058	130,058

		As at 31 December 2017 於2017年12月31日			
		Level 1 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Investment properties	投資物業	-	-	48,788	48,788

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

12. INVESTMENT PROPERTIES (Continued)

Fair value measurement of investment properties (Continued)

There were no transfers between Level 1 and Level 2 during the year ended 31 December 2018 (2017: Nil).

As at 31 December 2018, the investment properties were valued by Cushman & Wakefield Limited, independent professional valuer, and directors using income capitalisation approach.

Valuation techniques and inputs used in Level 3 fair value measurements

The fair value of the Group's investment properties is determined by using income capitalisation approach with reference to current market rents and capitalisation rates using market data.

Significant inputs used to determine fair value

Capitalisation rate	資本化率
Average monthly rental per each car park space	每個停車位平均月租

Capitalisation and discount rates are estimated by the valuer based on the risk profile of the properties being valued. The higher the rates and lower of average monthly rental, the lower the fair value.

The investment properties are situated on lands in the PRC with lease terms between 60 to 70 years.

12. 投資物業(續)

投資物業的公平值計量(續)

截至2018年12月31日止年度，第一級及第二級之間並無轉撥(2017年：無)。

於2018年12月31日，投資物業由獨立專業估值師戴德梁行有限公司及董事使用收入資本化法估值。

第三級公平值計量所用的估值技術及輸入數據

本集團投資物業的公平值乃參考目前市場租金及使用市場數據的資本化率後，採用收入資本化法而釐定。

釐定公平值的重大輸入參數

2018	2017
2018年	2017年
2.5%	3.0%
RMB552	RMB517
人民幣552元	人民幣517元

資本化及折扣率乃由估值師按估值物業的風險組合而作出估算。倘比率愈高且平均月租愈低，則公平值愈低。

投資物業位於租賃期為60至70年的中國土地。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

13. INTANGIBLE ASSETS

13. 無形資產

		Software 軟件 RMB'000 人民幣千元
Reconciliation of carrying amount		
Year ended 31 December 2017		
As at 1 January 2017	於2017年1月1日	815
Amortisation charge	攤銷費用	(155)
As at 31 December 2017	於2017年12月31日	660
Reconciliation of carrying amount		
Year ended 31 December 2018		
As at 1 January 2018	於2018年1月1日	660
Amortisation charge	攤銷費用	(156)
As at 31 December 2018	於2018年12月31日	504
At 31 December 2018		
Cost	成本	1,526
Accumulated amortisation	累計攤銷	(1,022)
Net carrying amount	賬面淨值	504
At 31 December 2017		
Cost	成本	1,526
Accumulated amortisation	累計攤銷	(866)
Net carrying amount	賬面淨值	660

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

14. DEPOSITS FOR ACQUISITION OF LAND

The amount represented the deposits paid for acquisitions of several pieces of land located in the United States of America (the “USA”) with consideration in aggregate of United States Dollars (“US\$”) 27 million (equivalent to RMB186 million) for further development as properties held for sales. The amount is expected to be recovered after 12 months.

14. 收購土地的訂金

該金額為就收購位於美利堅合眾國(「美國」)，進一步發展為持作銷售物業的數宗土地支付的訂金，總代價為27百萬美元(「美元」)(相等於人民幣186百萬元)。該金額預期於12個月後收回。

15. PROPERTIES UNDER DEVELOPMENT

15. 發展中物業

		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Expected to be recovered:	預期將收回：		
— Within 1 year	— 一年內	140,134	—
— More than 1 year	— 多於一年	2,288,466	2,328,981
		2,428,600	2,328,981

The properties under development, including land held for future development, were located in the PRC and are stated at lower of cost and NRV.

發展中物業(包括持作未來發展的土地)均位於中國，並按成本及可變淨值列賬。

16. COMPLETED PROPERTIES HELD FOR SALE

16. 持作銷售已落成物業

All completed properties held for sale are located in the PRC on leasehold land with lease term of 40 years or more. The directors of the Group estimate that the NRV of unsold properties based on estimation of future selling price less costs to be incurred in relation to the sale, with reference to the prevailing market data.

所有持作銷售已落成物業均位於中國的租賃土地，租期為40年或以上。經參考現行市場數據後，本集團董事根據對未來售價的估計減去銷售相關成本，估計未售出物業的可變現淨值。

		2018
		2018年
		RMB'000
		人民幣千元
Completed properties	已落成物業	485,562
Less: Expected to be sold after 12 months	減：預期於12個月後出售	(71,279)
Expected to be sold within 12 months	預期於12個月內出售	414,283

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

17. TRADE AND OTHER RECEIVABLES

17. 貿易及其他應收款項

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Trade receivables — third parties (note i)	貿易應收款項 — 第三方(附註i)		
— Non-current	— 非流動	22,717	13,995
— Current	— 流動	3,726	5,540
		26,443	19,535
Less: Loss allowance (note 17(a))	減：虧損撥備(附註17(a))	(19)	(19)
		26,424	19,516
Other receivables — third parties	其他應收款項 — 第三方	19,747	17,134
Less: Loss allowance (note 17(b))	減：虧損撥備(附註17(b))	(13,676)	—
		6,071	17,134
Amounts due from related parties (note ii)	應收關聯方款項(附註ii)	194	—
Amount due from a non-controlling shareholder (note iii)	應收非控股股東款項(附註iii)	1,413	21,258
Advance payments to contractors (note iv)	向承包商支付的預付款(附註iv)	4,746	27,877
Community facilities deposits	社區設施按金	9,242	7,764
Interest receivables on financial assets at FVPL/available-for-sale financial assets	按公平值計入損益的金融資產/ 可供出售金融資產應收利息	6,914	4,825
Expenditures incurred for construction of community facilities (note v)	建設社區設施所產生的開支 (附註v)	30,004	30,004
Prepaid utilities expenses	預付公用費用	3,479	7,798
Prepaid other taxes	預付其他稅項	39,454	40,798
		95,446	140,324
Total	總計	127,941	176,974
Classified as:	分類為：		
Non-current assets	非流動資產	22,717	13,995
Current assets	流動資產	105,224	162,979
		127,941	176,974

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

17. TRADE AND OTHER RECEIVABLES (Continued) 17. 貿易及其他應收款項(續)

Notes:

- (i) Trade receivables comprise receivables due from customers in relation to sales of properties and rental income. Proceeds from the sale of properties are made in lump-sum payments or paid by instalments in accordance with the terms of the corresponding sale and purchase agreements. Receivables to be recovered more than one year are reclassified to long-term receivables. The remaining balance of trade receivables are expected to be recovered within one year. The Group does not hold any collaterals over these balances. In respect of the sale of properties, no credit terms are granted to customers. The details on the Group's credit policy are set out in Note 27 to the consolidated financial statements.
- (ii) Amounts due from related parties are unsecured, interest-free and repayable on demand. The details are summarised in Note 30(d)(i) to the consolidated financial statements.
- (iii) Amount due from a non-controlling shareholder is unsecured, interest-free and repayable on demand. The amount is relating to Danzhou Phase I, whose operation is under the direction of the non-controlling shareholder, Nanjing San Long Cement Company Limited ("Nanjing San Long"). The details of Danzhou Phase I are set out in Note 33 to the consolidated financial statements.
- (iv) Advance payments to contractors are made in accordance with the payment terms as agreed in the construction contracts signed with building contractors. They are to be transferred to properties under development with regard to stage of completion for relevant construction. During the year, an allowance on advance payment to a contractor of RMB12,895,000 (2017: Nil) has been recognised because the contractor is under the process of liquidation and is unlikely to have financial capacity to repay the advance payment.
- (v) It represents the construction cost of community facilities which is deductible for the community facility funds charged by the local government or will be refunded to the Group when the construction of the property project is completed.

As at 31 December 2018 and 2017, the carrying amounts of trade and other receivables approximates their fair values.

附註：

- (i) 貿易應收款項包括就銷售物業應收客戶的應收款及租金收入。銷售物業的所得款項乃根據相關買賣協議的條款以一次性付款或分期付款的方式作出。逾一年收回的應收款項將重新分類為長期應收款項。貿易應收款項的餘下結餘預期於一年內收回。本集團並無就該等結餘持有任何抵押品。就物業銷售而言，概無向客戶授出信貸期。本集團信貸政策的詳情載於綜合財務報表附註27。
- (ii) 應收關聯方款項為無抵押、免息及須於要求時償還。詳情於綜合財務報表附註30(d)(i)概述。
- (iii) 應收非控股股東款項為無抵押、免息及須於要求時償還。該金額與儋州一期(根據非控股股東南京三龍水泥有限責任公司(「南京三龍」)的指示營運)相關。儋州一期的詳情載於綜合財務報表附註33。
- (iv) 向承包商支付的預付款乃根據與建築承包商簽署的工程合約協定的付款條款作出，並就相關工程的完工進度轉撥至發展中物業。年內，向承包商支付的預付款撥備人民幣12,895,000元(2017年：無)經已確認，因承包商正處於清盤程序，且具備財政能力償還預付款的機會不大。
- (v) 有關金額為社區設施的建設費用，當物業項目的建設完成時可作扣減當地政府收取的社區設施基金或退款予本集團。

於2018年及2017年12月31日，貿易及其他應收款項的賬面值與其公平值相若。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

17. TRADE AND OTHER RECEIVABLES (Continued) 17. 貿易及其他應收款項(續)

(a) Loss allowance on trade receivables

As of the end of the reporting period, the ageing analysis of gross trade receivables based on the invoice date that trade receivables were recognised, is as follows:

		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within 1 year	1年以內	23,719	18,989
Over 1 year but less than 2 years	1年以上但少於2年	2,178	4
Over 2 years but less than 3 years	2年以上但少於3年	4	169
Over 3 years	3年以上	542	373
		26,443	19,535

The ageing analysis of gross trade receivables as at 31 December 2018 and 2017 which were past due but not impaired was as follows:

		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within 1 year	1年以內	3,168	4,994
Over 1 year but less than 2 years	1年以上但少於2年	12	4
Over 2 years but less than 3 years	2年以上但少於3年	4	169
Over 3 years	3年以上	542	373
		3,726	5,540
Neither past due nor impaired	未逾期亦無減值	22,717	13,995
		26,443	19,535

(a) 貿易應收款項虧損撥備

於報告期末，貿易應收款項總額於其獲確認之發票日期的賬齡分析如下：

於2018年及2017年12月31日，已逾期但未減值的貿易應收款項總額的賬齡分析如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

17. TRADE AND OTHER RECEIVABLES (Continued) 17. 貿易及其他應收款項(續)

(a) Loss allowance on trade receivables (Continued)

The management considers the ECL of trade receivables to be insignificant so that no significant loss allowance was recognised during the year, except a loss allowance of RMB19,000 (2017: RMB19,000) was made on the balance due from a customer which the management considered as credit impaired. The Group does not hold any collateral over trade receivables as at 31 December 2018 (2017: Nil).

The movement in the loss allowance for trade receivables during the year is summarised below. The comparative amounts represent the loss allowance for impairment losses recognised under HKAS 39.

The movement in the ECL allowance of trade receivables is as follows:

(a) 貿易應收款項虧損撥備(續)

管理層認為貿易應收款項的預期信貸虧損並不重大，因此年內概無確認重大虧損撥備，惟就管理層認為屬已減值信貸的應收一名客戶結餘作出人民幣19,000元的虧損撥備(2017年：人民幣19,000元)除外。於2018年12月31日，本集團並無就貿易應收款項持有任何抵押品(2017年：無)。

年內貿易應收款項的虧損撥備變動於下文概述。比較金額為根據香港會計準則第39號確認的減值虧損的虧損撥備。

貿易應收款項的預期信貸虧損撥備變動如下：

		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
At 1 January and 31 December	於1月1日及12月31日	19	19

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

17. TRADE AND OTHER RECEIVABLES (Continued) 17. 貿易及其他應收款項(續)

(b) Loss allowance on other receivables

The movement in the ECL allowance on other receivables is as follows:

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
At 1 January	於1月1日	-	-
Loss allowance recognised during the year	年內已確認虧損撥備	13,676	-
At 31 December	於12月31日	13,676	-

The management considers the ECL of other receivables to be insignificant so that loss allowance was recognised during the year, except a loss allowance of RMB13,676,000 (2017: Nil) was made on the balances due from counterparties which the management considered as credit impaired. The Group does not hold any collateral over other receivables as at 31 December 2018 (2017: Nil).

(b) 其他應收款項虧損撥備

其他應收款項的預期信貸虧損撥備變動如下：

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
At 1 January	於1月1日	-	-
Loss allowance recognised during the year	年內已確認虧損撥備	13,676	-
At 31 December	於12月31日	13,676	-

管理層認為其他應收款項的預期信貸虧損並不重大，因此年內概無確認重大虧損撥備，惟就管理層認為屬已減值信貸的應對方結餘作出人民幣13,676,000元的虧損撥備(2017年：無)除外。於2018年12月31日，本集團並無就其他應收款項持有任何抵押品(2017年：無)。

18. AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets represented wealth management products purchased from banks. These investments were reclassified as financial assets at FVPL upon adoption of HKFRS 9 as disclosed in Note 2.2 to the consolidated financial statements. The investment in wealth management products were matured and fully redeemed in April 2018.

18. 可供出售金融資產

可供出售金融資產指從銀行購買的理財產品。誠如綜合財務報表附註2.2所披露，於採納香港財務報告準則第9號後，該等投資重新分類至按公平值計入損益的金融資產。於理財產品的投資已於2018年4月到期並悉數贖回。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

19. CONTRACT COSTS

As at 31 December 2018, capitalised contract costs represents the incremental sales commissions paid to intermediaries whose selling activities resulted in customers entering into sale and purchase agreements for the Group's properties which are still under construction at the end of the reporting date. Contract costs are recognised as selling and distribution expenses in profit or loss when revenue from the related property sales is recognised. The amount of amortisation and impairment loss recognised during the year is RMB57,412,000 and RMBNil respectively. During the year ended 31 December 2017, the sales commission of RMB42,151,000 has been recognised in selling and distribution expenses in profit or loss.

20. RESTRICTED CASH/CASH AND CASH EQUIVALENTS

(a) Restricted Cash

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Pledged for:	就下列各項抵押：		
Properties under development	發展中物業	45,750	-
Financial guarantee provided	獲提供的財務擔保	37,662	41,235
		83,412	41,235

In accordance with relevant policies issued by the PRC local State-owned Land and Resource Bureau applicable to all property developers, the Group is required to place certain of the proceeds received from the pre-sale of properties as guarantee deposits into a bank for the construction of the properties. The restriction will be released when the construction is completed.

In addition, the Group is required to place certain amounts of deposits in the banks to secure the provision of financing guarantee services to its customers in accordance with the financing guarantee agreements signed with the banks. The balances are refundable when the obligations of the financing guarantee agreements are released.

19. 合約成本

於2018年12月31日，經資本化合約成本指向中介機構支付的增量銷售佣金，其銷售活動令客戶就本集團於報告日期仍在建設的物業訂立買賣協議。當相關物業銷售的收益確認時，合約成本於損益確認為分銷開支。年內確認的攤銷及減值虧損金額分別為人民幣57,412,000元及人民幣零元。於截至2017年12月31日止年度，銷售佣金人民幣42,151,000元已於損益的銷售及分銷開支確認。

20. 受限制現金／現金及現金等價物

(a) 受限制現金

根據中國當地的國土資源局頒佈適用於所有物業發展商的相關政策，本集團須將若干物業預售收取的所得款項存放於銀行作為建設物業的保證金。建設完成時即解除限制。

此外，本集團須於銀行存放若干存款金額，以根據與銀行簽署的融資擔保協議向客戶提供融資擔保服務。融資擔保協議的責任解除時可退還有關款項。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

20. RESTRICTED CASH/CASH AND CASH EQUIVALENTS (Continued)

(a) Restricted Cash (Continued)

Included in the balances was RMB66,132,000 (2017: RMB24,663,000) bear interest at floating daily bank deposit rates.

(b) Cash and cash equivalents

20. 受限制現金／現金及現金等價物 (續)

(a) 受限制現金 (續)

計入結餘的金額為人民幣66,132,000元(2017年：人民幣24,663,000元)，按銀行存款利率每日浮動計息。

(b) 現金及現金等價物

		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Cash at bank and in hand	銀行存款及手頭現金		
Cash on hand	手頭現金	11	14
Cash at bank	銀行現金	683,186	896,819
		683,197	896,833

The bank balances denominated in RMB placed with banks in the PRC. RMB is not a freely convertible currency. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement and Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business. All cash at bank earns interest at floating daily bank deposit rates.

以人民幣計值的銀行結餘存放於中國的銀行中。人民幣並非可自由兌換的貨幣。根據中國的外匯管理條例和結算及銷售和支付外匯管理條例，本集團可通過獲授權從事外匯業務的銀行將人民幣兌換為外幣。所有銀行現金按每日銀行存款利率浮動計息。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

21. CONTRACT LIABILITIES

21. 合約負債

	2018	2017
	2018年	2017年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Contract liabilities arising from contracts with customers 客戶合約產生的合約負債	345,146	-

Upon the adoption of HKFRS 15, amounts previously included as "Receipt in advance" of RMB649,193,000 under "Trade and other payables" as disclosed in Note 22 to the consolidated financial statements were reclassified to contract liabilities as at 1 January 2018.

於採納香港財務報告準則第15號後，誠如綜合財務報表附註22所披露於「貿易及其他應付款項」下先前計入「預收款」的金額人民幣649,193,000元於2018年1月1日的重新分類至合約負債。

The movements (excluding those arising from increases and decreases both occurred within the same year) of contract liabilities from contracts with customers within HKFRS 15 during the year are as follows:

年內來自香港財務報告準則第15號內的合約的合約負債變動(不包括同年內發生的增加及減少所產生者)如下：

		2018
		2018年
		RMB'000
		人民幣千元
At the beginning of the reporting period 於報告期初		649,193
Recognised as revenue 確認為收益		(645,094)
Recognised as other income upon forfeiture 於沒收後確認為其他收入		(1,500)
Receipt of advance 預收款		342,547
At end of the reporting period 於報告期末		345,146

At 31 December 2018, the contract liabilities that are expected to be settled after more than 12 months are RMB81,003,000.

於2018年12月31日，預期多於12個後結清的合約負債約為人民幣81,003,000元。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

21. CONTRACT LIABILITIES (Continued)

The amount of transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) at 31 December 2018 (including the balance of contract liabilities as disclosed above) is as follows:

21. 合約負債(續)

於2018年12月31日尚未償付(或部分償付)並分配至表現責任的成交價金額(包括上文披露的合約負債結餘)如下:

		2018
		2018年
		RMB'000
		人民幣千元
<i>Expected timing of revenue recognition:</i>	<i>收益確認的預期時間:</i>	
Within 1 year	1年內	279,750
More than 1 year	1年以上	97,213
		376,963

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

22. TRADE AND OTHER PAYABLES

22. 貿易及其他應付款項

		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade payables (note i)	貿易應付款項(附註i)		
— Third parties	— 第三方	339,730	374,306
— Related parties	— 關聯方	241,581	254,944
		581,311	629,250
Amounts due to related parties	應付關聯方款項	13,131	—
Amount due to a non-controlling shareholder	應付非控股股東款項	11,181	23,112
Receipt in advance for rental income (note ii)	預收租賃收入(附註ii)	58,878	55,382
Receipts in advance	預收款	—	649,193
Accrued audit fees	應計審計費用	5,009	1,250
Accrued payroll	應計薪金	2,002	4,208
Other payables and accruals	其他應付款項及應計費用	25,511	16,962
Temporary receipts from customers (note iv)	暫收客戶款項(附註iv)	76,710	93,645
Tender deposits receipts from contractors	收取承包商投標按金	4,313	4,956
Other tax payables	其他應付稅項	12,941	21,871
Guarantee deposits (note iii)	保證按金(附註iii)	414,498	492,003
		624,174	1,362,582
		1,205,485	1,991,832

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

22. TRADE AND OTHER PAYABLES (Continued)

(i) Trade payables

Trade payables mainly represent amounts due to contractors. Payment to contractors is by instalments according to progress and agreed milestones. The Group normally retains 5% as retention payment.

As of the end of the reporting period, the ageing analysis of trade payables based on the date the trade payables were recognised, is as follows:

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Within 3 months	3個月內	220,852	222,070
Over 3 months but less than 6 months	3個月以上但少於6個月	4,436	25,475
Over 6 months but less than 12 months	6個月以上但少於12個月	98,925	281,275
Over 12 months	12個月以上	257,098	100,430
		581,311	629,250

(ii) Receipt in advance for rental income

Receipt in advance for rental income represented the lump sum payment received from the tenants for lease of car parks. The amounts are recognised to profit or loss as rental income over the lease terms. At 31 December 2018, the receipt in advance for rental income that are expected to be utilised after more than 12 months are RMB55,861,000 (2017: RMB46,573,000).

22. 貿易及其他應付款項(續)

(i) 貿易應付款項

貿易應付款項主要指應付承包商款項。向承包商作出的付款根據進度及協定里程碑分期支付。本集團一般保留5%作為保留金。

於報告期末，貿易應付款項於其獲確認之日的賬齡分析如下：

(ii) 預收租賃收入

預收租賃收入指收取租戶租賃停車場的一次性付款。該等金額於租賃期內按租賃收入於損益確認。於2018年12月31日，預期將於超過12個月後動用的預收租賃收入金額為人民幣55,861,000元(2017年：人民幣46,573,000元)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

22. TRADE AND OTHER PAYABLES (Continued)

(iii) Guarantee deposits

During the year ended 31 December 2018, the Group granted exclusive right to sales agencies for promoting certain completed properties for a period of time, and received the amount of RMB414,498,000 as guarantee deposits (2017: RMB492,003,000). The guarantee deposits are interest-free and will be returned to the sales agencies when the sale targets have been met as stipulated in the agencies' agreements or when the agencies' agreements ended. The amount is expected to be settled within 12 months.

(iv) Temporary receipts from customers

The amount represents the temporary receipts from the customers for processing a certificate of property ownership of the completed properties. The balances are interest-free and will be paid to the government authorities when the certificates are prepared.

23. EQUITY SETTLED SHARE-BASED TRANSACTIONS

On 5 January 2016, share options of purchasing 17.5% of the equity interest of Sanya Hui Xin Trading Co., Ltd. ("**Sanya Hui Xin**"), one of the subsidiaries of the Group, was granted for nil consideration to directors and employees of the Group under the Group's Pre-IPO Share Incentive Scheme. The options give the holders the right to acquire respective portion of the 17.5% equity interest of Sanya Hui Xin at nil consideration after three years and when certain performance targets set for the holders of the options are achieved. Sanya Hui Xin held 17.14% of the equity interest of Sanya Feng Huang Shui Yun Property Development Co., Ltd. ("**Sanya Fenghuang Shuiyun**") Limited. The options have no expiration date. Fair value of the options and assumptions are as follows:

22. 貿易及其他應付款項(續)

(iii) 保證按金

截至2018年12月31日止年度，本集團向銷售代理授予在某一期間內推銷若干已落成物業的專有權利，並已收取人民幣414,498,000元作為保證按金(2017年：人民幣492,003,000元)。保證按金為不計息，並根據代理協議所訂明將於達至銷售目標後或代理協議屆滿後退還予銷售代理。有關金額預期於12個月內結付。

(iv) 暫收客戶款項

有關金額指就已落成物業處理物業所有權憑證的暫收客戶款項。有關結餘為不計息，並將於該等憑證備妥後向有關政府部門支付。

23. 以股權結算股份為基礎的交易

於2016年1月5日，根據本集團的首次公開發售前股權激勵計劃，本集團董事及僱員獲無償授予購買本集團其中一間附屬公司三亞惠新貿易有限公司(「**三亞惠新**」)的17.5%股權的購股權。購股權賦予持有人權利，於三年後及達致就購股權持有人設定之若干表現目標時以零代價收購三亞惠新的17.5%股權的部分。三亞惠新持有三亞鳳凰水韻房地產開發有限公司(「**三亞鳳凰水韻**」)17.14%的股權。購股權並無屆滿日期。購股權的公平值及假設如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

23. EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

The fair value of services received in return for the options granted is based on the fair value of the options at grant date, measured using the binomial option pricing model, with following inputs:

Underlying equity value	RMB22,000,000
Exercise price	RMB0
Expected volatility	38.28%
Expected dividends	0%
Risk-free interest rate	2.70%

The underlying equity value was determined by discount cash flow method in which the financial forecast in respect of Sanya Hui Xin was provided by the management of the Company. The expected volatility was determined with reference to historical volatilities of comparable companies of Sanya Hui Xin, as extracted from Bloomberg Terminal. Expected dividends of the underlying share was determined by the Company. The risk free interest rate was determined with reference to the yield rate of the generic China government bonds with duration similar to the vesting period of the options, as extracted from Bloomberg Terminal

Share options were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share option grants. There were no new share options granted during the years ended 31 December 2017 and 2018.

At the end of the reporting period, the accumulated amount of share-based payment expense recognised was amounted to RMB7,815,000 (2017: RMB7,815,000).

The Company did not have any share option scheme for the purchase of ordinary shares in the Company as of 31 December 2018 (2017: Nil).

23. 以股權結算股份為基礎的交易 (續)

為獲授購股權而獲得服務之公平值乃按授出日期購股權之公平值使用二項式期權定價模型及以下輸入數據計量：

相關權益價值	人民幣22,000,000元
行使價	人民幣0元
預期波幅	38.28%
預期股息	0%
無風險利率	2.70%

相關權益價值乃使用折現現金流量法釐定，當中三亞惠新的財政預測由本公司管理層提供。預期波幅乃參考三亞惠新的可比較公司的過往波幅釐定，資料摘錄自彭博終端。相關股份的預期股息由本公司釐定。無風險利率乃參考一般中國政府債券(期限與購股權歸屬期相近)的孳息率釐定，資料摘錄自彭博終端。

購股權乃根據一項服務條件授予。該條件尚未被納入所接收服務於授出日期的公平值計量中。不存在與購股權授予有關的市場條件。截至2017年及2018年12月31日止年度內，概無授出新購股權。

於報告期末，已確認以股份為基礎的付款開支的累計金額為人民幣7,815,000元(2017年：人民幣7,815,000元)。

截至2018年12月31日，本公司並無購買普通股的任何購股權計劃(2017年：無)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

24. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

24. 綜合財務狀況表的所得稅

(a) Current tax assets (liabilities)

(a) 即期稅項資產(負債)

		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Prepaid CIT	預付企業所得稅	11,818	107,217
Prepaid LAT	預付土地增值稅	15,309	20,299
Current tax assets recognised in the consolidated statement of financial position	於綜合財務狀況表確認的即期稅項資產	27,127	127,516
Current CIT payable	應付即期企業所得稅	(240,553)	(339,652)
Current LAT payable	應付即期土地增值稅	(579,692)	(400,450)
Current tax liabilities recognised in the consolidated statement of financial position	於綜合財務狀況表確認的即期稅項負債	(820,245)	(740,102)

Provision for LAT has been made pursuant to applicable tax laws in the PRC. The Group considers the timing of settlement is dependent on the practice of local tax bureaus. As a result of the uncertainty of timing of payment of LAT, the provisions have been recorded as current liabilities as at 31 December 2018 and 2017.

土地增值稅撥備乃根據中國適用稅務法律作出。本集團認為結算時間取決於地方稅務局的實際情況。由於土地增值稅繳付時間的不確定性，於2018年及2017年12月31日，土地增值稅撥備已被記錄為流動負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

24. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

24. 綜合財務狀況表的所得稅(續)

(b) Deferred tax assets (liabilities) recognised

(b) 已確認遞延稅項資產(負債)

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Deferred tax assets recognised on the consolidated statement of financial position	於綜合財務狀況表確認的遞延稅項資產	198,484	140,935
Deferred tax liabilities recognised on the consolidated statement of financial position	於綜合財務狀況表確認的遞延稅項負債	(522,940)	(527,183)
		(324,456)	(386,248)

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

24. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

(b) Deferred tax assets (liabilities) recognised (Continued)

The components of deferred tax assets (liabilities) recognised in the consolidated statement of financial position and the movements during the year are as follows:

24. 綜合財務狀況表的所得稅(續)

(b) 已確認遞延稅項資產(負債)(續)

年內於綜合財務狀況表確認的遞延稅項資產(負債)組成部分及變動如下:

		Deferred tax assets 遞延稅項資產			Deferred tax liabilities 遞延稅項負債				
		Temporary differences arising from LAT provision 因土地增值稅撥備而產生的臨時差額 RMB'000 人民幣千元 (Note i) (附註i)	Other temporary differences 其他臨時差額 RMB'000 人民幣千元	Unused tax losses 未動用稅項虧損 RMB'000 人民幣千元 (Note ii) (附註ii)	Revaluation arising from business combination 因業務合併而產生的重估 RMB'000 人民幣千元 (Note iv) (附註iv)	Revaluation of investment property 土地增值稅撥備 RMB'000 人民幣千元 (Note iii) (附註iii)	Revaluation of financial assets at fair value through profit or loss 按公平值計入損益的金融資產的重估 RMB'000 人民幣千元	Net deferred tax liabilities 遞延稅項負債淨額 RMB'000 人民幣千元	
At 1 January 2017	於2017年1月1日	27,167	18,555	42,093	(264,066)	(267,989)	(2,678)	-	(446,918)
Credited (charged) to profit or loss	計入(扣除自)損益	68,945	(10,088)	6,041	3,886	986	(9,100)	-	60,670
At 31 December 2017	於2017年12月31日	96,112	8,467	48,134	(260,180)	(267,003)	(11,778)	-	(386,248)
Impact on adoption of HKFRS 15	採納香港財務報告準則第15號的影響	-	(5,662)	-	-	-	-	-	(5,662)
Credited (charged) to profit or loss	計入(扣除自)損益	48,100	11,923	(8,590)	9,607	4,245	3,841	(1,672)	67,454
At 31 December 2018	於2018年12月31日	144,212	14,728	39,544	(250,573)	(262,758)	(7,937)	(1,672)	(324,456)

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

24. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

(b) Deferred tax assets (liabilities) recognised (Continued)

Notes:

- (i) "Temporary differences arising from LAT provision" represents deferred tax assets recognised on the timing differences for the amount of LAT provision made for property projects.
- (ii) In recognising and measuring of deferred tax assets in respect of the Group's subsidiaries which suffered losses in current or preceding period, management considered the projected future taxable income of these subsidiaries. Accordingly, the Group has recognised deferred tax assets of RMB48,134,000 and RMB39,544,000 as at 31 December 2017 and 2018 respectively as the Group estimates that these subsidiaries have properties development projects which are probable to generate sufficient future taxable profits to support their utilisation.
- (iii) "LAT provision" in the deferred tax liability represents the amounts of LAT recognised as an identifiable liability from the acquisition of Sanya Feng Huang Xin Cheng Industrial Co., Ltd. ("Sanya Fenghuang Xincheng") in 2008.
- (iv) The amount represents the deferred tax liability arising revaluation of assets upon acquisition of Sanya Fenghuang Xincheng in 2008, after considered the effect of item (iii) above which are tax deductible for CIT purpose.

24. 綜合財務狀況表的所得稅(續)

(b) 已確認遞延稅項資產(負債)(續)

附註：

- (i) 「因土地增值稅撥備而產生的臨時差額」指就物業項目作出土地增值稅撥備款項的時間差異確認的遞延稅項資產。
- (ii) 於確認及計量本集團於本期間或上期間蒙受虧損的附屬公司的遞延稅項資產時，管理層考慮該等附屬公司的預測未來應課稅收入。因此，由於本集團估計該等附屬公司的房地產發展項目應可能錄得足夠的未來應課稅溢利以支持動用，本集團分別於2017年及2018年12月31日確認遞延稅項資產人民幣48,134,000元及人民幣39,544,000元。
- (iii) 遞延稅項負債內的「土地增值稅撥備」指2008年收購三亞鳳凰新城實業有限公司(「三亞鳳凰新城」)產生確認為可識別負債的土地增值稅金額。
- (iv) 金額指2008年收購三亞鳳凰新城後資產重估產生的遞延稅項負債(經考慮上文第(iii)項就企業所得稅而言屬可扣減稅項項目的影響)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

24. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

(c) Deferred tax assets not recognised

In accordance with the accounting policy set out in Note 2.4 to the consolidated financial statements, the Group has not recognised deferred tax assets in respect of unused tax losses of RMB35,307,000 and RMB36,824,000 as at 31 December 2018 and 2017 respectively. The directors consider it is not probable that future taxable profits against which the losses can be utilised will be available from these subsidiaries.

Pursuant to the relevant laws and regulations in Hong Kong and the PRC, the unrecognised tax losses at the end of the reporting period would expire in the following years:

		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Tax losses without expiration	無屆滿期限的稅務虧損	159	23
Tax losses expiring in:	於下列年度屆滿的稅務虧損：		
2018	2018年	-	478
2019	2019年	865	865
2020	2020年	2,164	2,164
2021	2021年	995	1,499
2022	2022年	28,901	31,795
2023	2023年	2,223	-
		35,307	36,824

The tax losses for the Hong Kong subsidiaries do not expire under current Hong Kong tax legislation.

24. 綜合財務狀況表的所得稅(續)

(c) 未確認遞延稅項資產

根據綜合財務報表附註2.4所載的會計政策，於2018年及2017年12月31日，本集團尚未就未動用稅項虧損分別人民幣35,307,000元及人民幣36,824,000元確認遞延稅項資產。董事認為，應不大可能有未來應課稅溢利以抵銷該等附屬公司可供動用的虧損。

根據香港及中國的相關法律及法規，於報告期末的未確認稅項虧損將於下列年度屆滿：

香港附屬公司的稅項虧損根據現行香港稅務法例並未屆滿。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

24. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

(d) Deferred tax liabilities not recognised

According to the PRC CIT Law and its related regulations, the Group is subject to a withholding tax at 10%, unless reduced by tax treaties or arrangements, for dividends distributed by a PRC enterprise to its immediate holding company outside the PRC for earnings generated beginning on 1 January 2008. Undistributed earnings generated prior to 1 January 2008 are exempt from such withholding tax. According to the China-HK Tax Arrangement and its relevant regulations, a qualified Hong Kong tax resident which is the “beneficial owner” and holds 25% or more of a PRC enterprise is entitled to a reduced withholding rate of 5%.

Deferred tax liabilities of RMB49,540,000 (2017: RMB31,009,200) were not recognised in respect of the 10% PRC dividend withholding tax that would be payable on the distribution of retained profits of RMB495,400,000 as at 31 December 2018 (2017: RMB310,092,000) in respect of the Group’s subsidiaries in the PRC as the Company controls the dividend policy of these subsidiaries and it was determined that it was probable that these profits would not be distributed in the foreseeable future.

24. 綜合財務狀況表的所得稅(續)

(d) 未確認遞延稅項負債

根據中國《企業所得稅法》及其相關條例，就中國企業向其位於中國境外的直接控股公司就2008年1月1日開始產生的盈利所分派的股息而言，本集團須按10%的稅率繳納預扣稅，除非按稅收協定或安排予以減免，而於2008年1月1日前產生的未分派盈利則獲豁免繳納有關預扣稅。根據中國與香港的稅收安排及其相關法規，身為「實益擁有人」且持有一間中國企業25%或以上權益的合資格香港稅務居民享有5%的經減免預扣稅率。

於2018年12月31日，本集團因尚未就本集團在中國境內子公司未分配利潤人民幣49,540,000元(2017年：人民幣31,009,200元)應繳的10%稅率中國代扣稅金確認遞延稅項負債，未確認金額為人民幣495,400,000元(2017年：人民幣310,092,000元)。這是由於本公司控制著子公司的股利政策，並決定在於預見的將來不會對該利潤進行分配。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

25. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss include the following:

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Unlisted securities:	非上市證券：		
Equity securities — outside Hong Kong	股本證券 — 香港境外	1,726	—
Structured deposits — outside Hong Kong (note a)	結構性存款 — 香港境外 (附註a)	806,694	—
		808,420	—
Classified as:	分類為：		
Non-current assets	非流動資產	1,726	—
Current assets	流動資產	806,694	—
		808,420	—

Details of the fair value of the Group's investments in unlisted securities are set out in Note 27(f) to the consolidated financial statements.

Note a: The Group has principal-protected floating income structured deposits issued by banks in the PRC. As the directors of the Company evaluate the performance of the structured deposits on a fair value basis, the structured deposits are classified financial assets at FVPL on initial recognition because their cash flows do not represent solely payments of principal and interest. The fair value of the structured deposits was determined by reference to recent market transaction.

25. 按公平值計入損益的金融資產

按公平值計入損益的金融資產包括以下各項：

	2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Unlisted securities:		
Equity securities — outside Hong Kong	1,726	—
Structured deposits — outside Hong Kong (note a)	806,694	—
	808,420	—
Classified as:		
Non-current assets	1,726	—
Current assets	806,694	—
	808,420	—

本集團於非上市證券投資的公平值詳情載於綜合財務報表附註27(f)。

附註a: 本集團持有中國的銀行發行的保本浮息結構性存款。由於本公司董事按公平值基準評估結構性存款的表現，故結構性存款於首次確認時分類為按公平值計入損益的金融資產，因其現金流並非僅為本金及利息的付款。結構性存款的公平值參考近期市場交易釐定。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

26. SHARE CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

The board of directors does not recommend the distribution of a final dividend for the year ended 31 December 2018 (2017: Nil).

(b) Share capital

Issued and fully paid: 已發行及全數繳足；
At 1 January and 31 於1月1日及
December 12月31日

2018		2017	
2018年		2017年	
Number of shares	RMB'000	Number of shares	RMB'000
股份數目	人民幣千元	股份數目	人民幣千元
300,000,000	2,585	300,000,000	2,585

(c) Nature and purpose of reserves

(i) Share Premium

Share premium represents the difference between the total amount of the par value of shares issued and the amount of the net proceeds received from the public offering in 2016. Under the Companies Law of the Cayman Islands, the share premium account of the Company is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company would be in a position to pay off its debts as they fall due in the ordinary course of business.

26. 股本、儲備及股息

(a) 股息

董事會並不建議派發截至2018年12月31日止年度之末期股息(2017年：無)。

(b) 股本

(c) 儲備的性質及用途

(i) 股份溢價

股份溢價表示已發行股份面值總金額與於2016年的公開發售所得款項淨額之間的差額。根據開曼群島公司法，本公司的股份溢價賬可供分派予本公司股東，惟緊隨建議分派股息日期後，本公司須有能力償還其於日常業務過程中已到期之債務。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

26. SHARE CAPITAL, RESERVES AND DIVIDENDS (Continued)

(c) Nature and purpose of reserves (Continued)

(ii) Other reserve

Other reserve was created as a result of the transactions with the Ultimate Controlling Shareholder in his capacity as equity holder under a reorganisation to rationalise the Group structure in preparation for the initial listing of the Company's shares on the Stock Exchange in 2016.

(iii) Statutory surplus reserve

According to the PRC Company Law, the PRC subsidiaries of the Group (excluding foreign investment enterprises) are required to transfer 10% of their profit after taxation, as determined under the PRC Accounting Regulations, to the statutory surplus reserve until the reserve balance reaches 50% of their registered capital.

The transfer to this reserve must be made before distribution of a dividend to shareholders.

Statutory reserve fund can be used to cover previous years' losses, if any, and may be converted into share capital by the issue of new shares to shareholders in proportion to their existing shareholdings or by increasing the par value of the shares currently held by them, provided that the balance after such issue is not less than 25% of the registered capital.

26. 股本、儲備及股息(續)

(c) 儲備的性質及用途(續)

(ii) 其他儲備

因籌備本公司股份於2016年在聯交所首次上市，根據重組與最終控股股東(以其權益持有人身份)進行交易，以理順本集團架構，從而設立其他儲備。

(iii) 法定盈餘儲備

根據中國公司法，本集團的中國附屬公司(外國投資企業除外)須將其除稅後溢利的10%(由中國會計法規釐定)轉入法定盈餘儲備，直至該儲備餘額達至其註冊資本的50%。

對該儲備的轉入必須於向股東分派股息之前進行。

法定公積金可用作彌補以前年度的虧損(如有)，並可透過按股東現有的股權比例向其發行新股或增加其現時持有的股份面值轉化為股本，惟上述發行後的結餘不低於註冊資本的25%。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

26. SHARE CAPITAL, RESERVES AND DIVIDENDS (Continued)

(c) Nature and purpose of reserves (Continued)

(iv) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of the Company. The reserve is dealt with in accordance with the accounting policies set out in Note 2.4 to the consolidated financial statements.

(d) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to fund its property development projects, provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders returns that might be possible with higher levels of borrowings and the advantages and securities afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

There was no externally imposed capital requirements on the Group's subsidiaries in 2018 and 2017.

26. 股本、儲備及股息(續)

(c) 儲備的性質及用途(續)

(iv) 外匯儲備

外匯儲備包含本公司財務報表的換算引起的所有外匯差額。該儲備乃根據綜合財務報表附註2.4載列的會計政策處理。

(d) 資本管理

本集團管理資本的主要目的是維護本集團持續經營的能力，從而撥付其房地產發展項目所需、為股東提供回報及為其他持份者帶來利益，以及維持理想的資本架構以降低資本成本。

本集團積極定期檢討及管理其資本架構，以在維持較高借款水平可能帶來較高股東回報與穩健資本狀況所提供的優勢及保障兩者之間取得平衡，並因應經濟狀況轉變而調整資本架構。

於2018年及2017年，並無存在對本集團附屬公司外部施加的資本規定。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

27. FINANCIAL RISK MANAGEMENT AND FAIR VALUE

Exposure to credit, liquidity, interest rate, currency and other price risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

The carrying amount of financial assets on the consolidated statement of financial position represents the Group's maximum exposure to credit risk on these financial assets.

Trade receivables

The Group closely monitors the collection payments from customers in accordance with payment schedule agreed with customers and follow up action is taken to recover overdue debts, if any. The Group's trade receivables relate to a certain number of diversified customers, there is no significant concentration of credit risk.

The Group applies a simplified approach in calculating ECL for trade receivables and recognises a loss allowance based on lifetime ECL at each reporting date. In estimating the ECL, the Group has taken into account the historical actual credit loss experience over the past three years and available press information, adjusted for forward-looking factors that are specific to the debtors and general economic conditions of the industry in which the counterparties operate, in estimating the probability of default of these financial assets, as well as the loss upon default in each case. The directors of the Company considers the ECL of these financial assets to be insignificant after taking into account the credit quality and repayment history of the counterparties.

27. 財務風險管理及公平值

信貸、流動資金、利率、貨幣及其他價格風險乃於本集團一般業務過程中產生。本集團所面對的該等風險及本集團管理該等風險而採用之財務風險管理政策及常規列述如下。

(a) 信貸風險

綜合財務狀況表內金融資產的賬面值為本集團持有該等金融資產的最高信貸風險。

貿易應收款項

本集團根據與客戶協定之付款時間表密切監控收取客戶付款，倘有任何逾期債項，則會採取跟進行動以收回該債項。本集團的貿易應收款項與若干不同類型的客戶有關，並無重大集中信貸風險。

本集團應用簡化法計量貿易應收款項之預期信貸虧損，並根據於各報告日期之全期預期信貸虧損確認虧損撥備。估計預期信貸虧損時，本集團已計入過往三年之歷史實際信貸虧損經驗及可用報刊資料，並就債務人特定前瞻性因素及對手方經營所在行業之一般經濟狀況作出調整，估計該等金融資產的違約概率，以及各種情況下發生違約時產生之損失。經考慮對手方之信貸質素及還款紀錄後，本集團董事認為該等金融資產之預期信貸虧損並不重大。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

27. FINANCIAL RISK MANAGEMENT AND FAIR VALUE (Continued)

(a) Credit risk (Continued)

Trade receivables (Continued)

The carrying amount of financial assets recorded in the consolidated financial statements, represents the Group's exposure to credit risk. The management considers the ECL of trade receivable to be insignificant so that no significant loss allowance was recognised during the year.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in Note 17 to the consolidated financial statements.

Restricted cash and cash and cash equivalents

Substantially all of the Group's pledged bank deposits and bank balances and cash were deposited in creditworthy global banks and licensed financial institutions in the PRC, which management considers they are without significant credit risks.

Financial guarantee contracts issued

As at 31 December 2018, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to financial guarantees provided by the Group is arising from the amount of contingent liabilities in relation to financial guarantees issued by the Group as disclosed in Note 29(a) to the consolidated financial statements. The management considers the credit risk exposure to financial guarantees provided to property purchasers is limited because the facilities are secured by the properties and the market prices of the properties are higher than the guaranteed amounts.

27. 財務風險管理及公平值(續)

(a) 信貸風險(續)

貿易應收款項(續)

金融資產的賬面值記錄於綜合財務報表，代表本集團所承受的信貸風險。管理層認為貿易應收款項的預期信貸虧損為不重大，因此年內並無確認重大虧損撥備。

有關本集團所承受來自貿易應收款項的信貸風險之更多量化數據於綜合財務報表附註17披露。

受限制現金以及現金及現金等價物

本集團幾乎全部已抵押銀行存款及銀行結餘以及現金已存入信譽良好的國際銀行及中國的持牌金融機構，管理層認為該等銀行並無重大信貸風險。

已發出財務擔保合約

於2018年12月31日，本集團因提供財務擔保導致本集團蒙受財務虧損而須承受的最大信貸風險，乃產生自有關綜合財務報表附註29(a)所披露之本集團所發出財務擔保的或然負債金額。管理層認為，由於融資以物業作為抵押及物業市價高於擔保金額，因此提供予物業買方的財務擔保信貸風險有限。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

27. FINANCIAL RISK MANAGEMENT AND FAIR VALUE (Continued)

(a) Credit risk (Continued)

Other receivables – third parties

The management determines that certain other receivables from third parties are credit-impaired after taken into account the age of these balances and the past settlement history of these parties. An impairment loss in aggregate of RMB13,676,000 (2017: Nil) was made in respect of these balances as a result of the ECL assessment conducted by the management of the Company. The movements of accumulated impairment losses on these balances are detailed in Note 17 to the consolidated financial statements.

The Company considers that the remaining other receivable from third parties as at 31 December 2018 have low credit risk based on these parties' strong capacity to meet its contractual cash flow obligations in the near term and low risk of default. In estimating the ECL and whether these balances are credit-impaired, the Company has taken into account the historical actual credit loss experience over the past 3 years and the financial position of respective parties by reference to, among others, their management accounts, adjusted for forward-looking factors, in estimating the probability of default, as well as the loss upon default. The management of the Company considers the ECL of these balances to be insignificant so no loss allowance was recognised in this respect.

27. 財務風險管理及公平值(續)

(a) 信貸風險(續)

其他應收款項 – 第三方

管理層經計入來自第三方之若干其他應收款項結餘的賬齡及該等訂約方的過往還款歷史後，釐定有關其他應收款項為信貸減值。減值虧損總額人民幣13,676,000元(2017年：無)乃因本公司管理層進行之預期信貸虧損評估而就該等結餘作出。該等結餘之累計減值虧損變動詳述於綜合財務報表附註17。

基於第三方具充分能力可於近期償付合約現金流量負債及其違約風險低，本公司認為於2018年12月31日之其餘來自第三方之其他應收款項的信貸風險為低。估計預期信貸虧損及該等結餘是否有信貸減值時，本公司經參考(其中包括)各訂約方的管理賬戶(已就前瞻性因素作出調整，以估計違約風險以及違約的損失)，已計入各訂約方過去三年的歷史實際信貸虧損經驗及財務狀況。本公司管理層認為該等結餘的預期信貸虧損並不重大，因此並無就此確認虧損撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

27. FINANCIAL RISK MANAGEMENT AND FAIR VALUE (Continued)

(a) Credit risk (Continued)

Amounts due from related parties and a non-controlling shareholder

The Group considers that the amounts due from related parties and non-controlling shareholder have low credit risk based on the borrowers' strong capacity to meet its contractual cash flow obligations in the near term and low risk of default. Impairment on amounts due from related parties and a non-controlling shareholder is measured on 12-month ECL and reflects the short maturities of the exposures.

In estimating the ECL and in determining whether there is a significant increase in credit risk since initial recognition and whether the financial asset is credit-impaired, the Group has taken into account the historical actual credit loss experience over the past 3 years and the financial position of the counterparties by reference to, among others, their management or audited accounts and available press information, adjusted for forward-looking factors that are specific to the debtors and general economic conditions of the industry in which the counterparties operate, in estimating the probability of default of these financial assets, as well as the loss upon default in each case. The management of the Group considers the ECL of these financial assets to be insignificant after taking into account the financial position and credit quality of the counterparties.

There was no change in the estimation techniques or significant assumptions made during the year.

27. 財務風險管理及公平值(續)

(a) 信貸風險(續)

應收關聯方及非控股股東款項

基於借款人具充分能力可於近期償付合約現金流量負債及其違約風險低，本集團認為應收關聯方及非控股股東款項的信貸風險為低。應收關聯方及非控股股東款項的減值按12個月預期信貸虧損計量，並反映於短期內到期的風險。

估計預期信貸虧損及釐定自初次確認以來信貸風險有否顯著增加以及金融資產是否有信貸減值時，本集團經參考(其中包括)對手方的管理或經審核賬戶及可用報刊資料(已就債務人特定前瞻性因素及對手方經營所在行業之一般經濟狀況作出調整，以估計該等金融資產的違約概率以及各情況下違約的損失)，已計入對手方過去三年的歷史實際信貸虧損經驗及財務狀況。經考慮對手方的財務狀況及信貸質素，本集團管理層認為該等金融資產的預期信貸虧損並不重大。

年內估值技術或所作出之重大假設概無變動。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

27. FINANCIAL RISK MANAGEMENT AND FAIR VALUE (Continued)

(b) Liquidity risk

The Group's management reviews the liquidity position of the Group on an ongoing basis, including review of the expected cash inflows and outflows, sale/pre-sale results of respective property projects and the progress of the planned property development projects in order to monitor the Group's liquidity requirements in the short and longer terms.

Details of maturity analysis for financial liabilities are summarised as follows:

As at 31 December 2018

	Carrying amount 賬面值 RMB'000 人民幣千元	Contractual cash flow 合約現金流 RMB'000 人民幣千元	Within 1 year 一年以內 RMB'000 人民幣千元
Amounts due to related parties 應付關聯方款項	265,893	265,893	265,893
Trade and other payables 貿易及其他應付款項 (excluded receipts in advance) (不包括預收款)	867,773	867,773	867,773
As at 31 December 2018 於2018年12月31日	1,133,666	1,133,666	1,133,666

As at 31 December 2017

	Carrying amount 賬面值 RMB'000 人民幣千元	Contractual cash flow 合約現金流 RMB'000 人民幣千元	Within 1 year 一年以內 RMB'000 人民幣千元
Amounts due to related parties 應付關聯方款項	278,056	278,056	278,056
Trade and other payables 貿易及其他應付款項 (excluded receipts in advance) (不包括預收款)	987,330	987,330	987,330
As at 31 December 2017 於2017年12月31日	1,265,386	1,265,386	1,265,386

27. 財務風險管理及公平值(續)

(b) 流動資金風險

本集團管理層持續審閱本集團的流動資金狀況，包括審閱預期現金流入及流出、相關物業項目的銷售/預售情況及規劃房地產發展項目的進度，以監察本集團短期及長期的流動資金需要。

金融負債的到期日分析詳情概述如下：

於2018年12月31日

Carrying amount 賬面值 RMB'000 人民幣千元	Contractual cash flow 合約現金流 RMB'000 人民幣千元	Within 1 year 一年以內 RMB'000 人民幣千元
--	--	---

265,893	265,893	265,893
867,773	867,773	867,773

1,133,666	1,133,666	1,133,666
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於2017年12月31日

Carrying amount 賬面值 RMB'000 人民幣千元	Contractual cash flow 合約現金流 RMB'000 人民幣千元	Within 1 year 一年以內 RMB'000 人民幣千元
--	--	---

278,056	278,056	278,056
987,330	987,330	987,330

1,265,386	1,265,386	1,265,386
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Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

27. FINANCIAL RISK MANAGEMENT AND FAIR VALUE (Continued)

(b) Liquidity risk (Continued)

As at 31 December 2018, the Group provided guarantees in respect of mortgage facilities granted by certain banks in connection with the mortgage loans entered into by purchasers of the Group's properties of RMB375,468,000 (2017: RMB420,697,000) which is repayable on demand (Note 29(a) to the consolidated financial statements).

(c) Interest rate risk

The Group's interest rates risk arises primarily from restricted cash, and cash and cash equivalents.

The Group does not anticipate significant impact to restricted cash, and cash and cash equivalents because the interest rates of bank deposits are not expected to change significantly.

(d) Currency risk

The Group is exposed to currency risk primarily through transactions which give rise to payables that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. Almost all the Group's operating activities are carried out in the PRC with most of the transactions denominated in RMB. Exposures to currency exchange rates arise from certain of the Group's cash and cash equivalents, trade and other receivables and trade and other payables which are denominated in HKD. The Group does not use derivative financial instruments to hedge its foreign currency risk. The Group reviews its foreign currency exposures regularly and consider no significant exposure on its foreign exchange risk.

27. 財務風險管理及公平值(續)

(b) 流動資金風險(續)

於2018年12月31日，本集團就若干銀行授出有關本集團物業買家所訂立之按揭貸款的按揭融資提供擔保人民幣375,468,000元(2017年：人民幣420,697,000元)，須按要求償還(綜合財務報表附註29(a))。

(c) 利率風險

本集團的利率風險主要來自受限制現金、以及現金及現金等價物。

由於預期銀行存款利率不會大幅波動，本集團認為其對受限制現金、以及現金及現金等價物無重大影響。

(d) 貨幣風險

本集團承受的貨幣風險主要來自以外幣(即有關交易之貨幣為營運的功能貨幣以外之貨幣)計值的交易所產生的應付款項。本集團幾乎所有經營活動均於中國進行，大部分交易以人民幣計值。匯率風險來自本集團若干以港元計值的現金及現金等價物、貿易及其他應收款項以及貿易及其他應付款項。本集團並無利用衍生金融工具對沖其外幣風險。本集團定期檢討其外幣風險，並認為其外匯風險不大。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

27. FINANCIAL RISK MANAGEMENT AND FAIR VALUE (Continued)

(d) Currency risk (Continued)

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in RMB, translated using the spot rate at the year end date. Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency are excluded.

		2018	2017
		2018年	2017年
		RMB	RMB
		人民幣	人民幣
Expressed in RMB'000	金額單位為人民幣千元		
Trade and other payables	貿易及其他應付款項	(63,784)	(56,739)

Sensitivity analysis

The foreign currency sensitivity analysis is calculated based on the major net foreign currency exposure of the Group as at the balance sheet dates, assuming 5% shift of RMB against HKD.

Results from a 5% strengthening of the RMB against HKD would increase the Group's profit after tax and decrease in accumulated losses as at 31 December 2018 RMB by approximately RMB2,392,000 (2017: RMB2,127,000). A 5% weakening of the RMB against HKD as at the same dates would have had the equal but opposite effect.

27. 財務風險管理及公平值(續)

(d) 貨幣風險(續)

下表詳述本集團於報告期末所承受因以其相關實體功能貨幣之外的貨幣計值的已確認資產或負債引起的貨幣風險。為便於呈報，風險金額以人民幣列示，並使用年終結算日的即期匯率換算。因國外業務的財務報表換算成本集團呈列貨幣引起的差額不包括在內。

敏感度分析

假設人民幣兌港元波動5%，外幣敏感度分析乃根據本集團於結算日的主要外幣風險淨額計算。

於2018年12月31日，倘人民幣兌港元升值5%，本集團的除稅後溢利將增加及累計虧損將減少人民幣2,392,000元(2017年：人民幣2,127,000元)。於相同日期，倘人民幣兌港元貶值5%，則將產生同等的相反影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

27. FINANCIAL RISK MANAGEMENT AND FAIR VALUE (Continued)

(d) Currency risk (Continued)

Sensitivity analysis (Continued)

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis is performed on the same basis for 2017.

(e) Other price risk

The Group is exposed to price risks arising from investments held under financial asset at FVPL amounted to RMB808,420,000 (2017: Available-for-sales financial assets of RMB209,830,000). The Group does not actively trade these investments. The management manages this exposure by maintaining a portfolio of investments with different risks and different return profiles. No sensitivity analysis is prepared for the price risk as the directors of the Company considered that the Group is not subject to significant amount of risk for both years.

27. 財務風險管理及公平值(續)

(d) 貨幣風險(續)

敏感度分析(續)

該敏感度分析乃假設外匯匯率的變動應用作重新計量本集團所持的相關金融工具而令本集團於報告期末承受外匯風險，包括本集團內部以貸款人或借款人的功能貨幣以外貨幣計值的公司間應付款項及應收款項。該分析排除了因國外業務的財務報表換算成本集團呈列貨幣而引起的差額。2017年進行分析的基準相同。

(e) 其他價格風險

本集團承受按公平值計入損益之金融資產項下的投資所產生的價格風險人民幣808,420,000元(2017年：可供出售資產人民幣209,830,000元)。本集團並無積極買賣該等投資。管理層透過維持具不同風險及不同回報的投資組合管理該風險。由於本公司董事認為本集團於該兩個年度均無重大風險金額，故並無就價格風險編製敏感度分析。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

27. FINANCIAL RISK MANAGEMENT AND FAIR VALUE (Continued)

(f) Fair value measurement

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

27. 財務風險管理及公平值(續)

(f) 公平值計量

下表呈列根據香港財務報告準則第13號公平值計量，於報告期末定期計量本集團投資物業的公平值分為三個公平值層級。根據估值技術所使用輸入值是否可觀察及其重要性，對公平值計量作出以下分類：

- 第一級估值：以第一級輸入值計量的公平值，即以相同資產或負債而本集團可於計量日在活躍市場中取得的未經調整報價計量。
- 第二級估值：以第二級輸入值計量的公平值，即其可觀察輸入值未能符合第一級輸入值要求，及未使用重大不可觀察輸入值。不可觀察的輸入值為並無市場數據可作參考的輸入值。
- 第三級估值：使用重大不可觀察輸入值計量的公平值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

27. FINANCIAL RISK MANAGEMENT AND FAIR VALUE (Continued)

(f) Fair value measurement (Continued)

		Level 1 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at 31 December 2018	於2018年12月31日				
Financial assets at FVPL	按公平值計入損益的 金融資產				
Unlisted equity securities	非上市股本證券	-	1,726	-	1,726
Structured deposits	結構性存款	-	806,694	-	806,694
As at 31 December 2017	於2017年12月31日				
Available-for-sale	可供出售				
Wealth management product	理財產品	-	209,830	-	209,830

During the year ended 31 December 2018, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements.

於截至2018年12月31日止年度，公平值計量在第一級及第二級之間概無轉移，亦無公平值計量轉入第三級或自第三級轉出。

Description of the valuation techniques and inputs used in Level 2 fair value measurement

Unlisted equity securities

The fair value of the unlisted equity securities is evaluated by the directors with reference to latest financial statements of the investee.

Structured deposits

The fair value of the structured deposits is evaluated by the directors which determined by reference to recent market transactions.

Wealth management products

The unlisted wealth management products' represented investment in funds and the fair value is reported by the financial institutions and external fund manager. The fair value is calculated based on the quoted prices of bonds, equity and foreign currency instruments in which the wealth management products invested in.

第二級公平值計量採用之估值技術及輸入值概述

非上市股本證券

非上市股本證券之公平值由董事參考被投資方之最新財務報表而作評估。

結構性存款

結構性存款之公平值由董事參考近期市場交易而作評估。

理財產品

非上市理財產品指基金投資，而公平值由金融機構及外部基金經理呈報。公平值乃基於理財產品所投資債券、權益及外匯工具的報價計算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

28. COMMITMENTS

(a) Capital expenditure commitments

Capital commitments outstanding at 31 December 2018 not provided for in consolidated financial statements were as follows:

		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Contracted but not provided for	已訂約但未撥備	828,885	51,492

(b) Commitments under operating leases

At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases, which are payable as follows:

		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within one year	一年內	152	-

28. 承擔

(a) 資本開支承擔

綜合財務報表內於2018年12月31日尚未支付的資本承擔如下：

(b) 經營租賃承擔

於報告期末，本集團不可撤銷之經營租賃的未來最低租賃應付款項總額如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

29. CONTINGENT LIABILITIES/GUARANTEES ISSUED

(a) Guarantees in respect of mortgage facilities

The Group provided guarantees in respect of mortgage facilities granted by certain banks in connection with the mortgage loans entered into by purchasers of the Group's properties. Pursuant to the terms of the guarantees, if there is default of the mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage loans together with any accrued interest and penalty owned by the defaulted purchasers to the banks. The Group's guarantee period commences from the dates of grant of the relevant mortgage loans and ends upon the earlier of the bank receiving the required evidence of mortgage over the relevant property in favour of the bank and the full settlement of mortgage loans by the buyer.

The maximum amount of guarantees given to banks for mortgage facilities granted to the purchasers of the Group's properties at the end of the reporting period was as follows:

29. 或然負債／已發出擔保

(a) 按揭融資擔保

本集團為若干銀行就本集團物業買家訂立的按揭貸款授出的按揭融資提供擔保。根據擔保條款，倘該等買家拖欠按揭還款，則本集團有責任償還未償還按揭貸款，連同拖欠買家結欠銀行的任何應計利息及罰款。本集團的擔保期自授出相關按揭貸款之日起，至銀行收到相關物業按揭以銀行為受益人的所需證明或買家結清按揭貸款之日（以較早者為準）止。

於報告期末，本集團就授予本集團物業買家的按揭融資而給予銀行的最高擔保金額如下：

	2018	2017
	2018年	2017年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Guarantees given to banks for mortgage facilities granted to purchasers of the Group's properties	就授予本集團物業買家的按揭融資向銀行提供的擔保	
	189,840	252,130

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

29. CONTINGENT LIABILITIES/GUARANTEES ISSUED (Continued)

(a) Guarantees in respect of mortgage facilities (Continued)

The directors consider that it is not probable that the Group will sustain a loss under these guarantees as during the periods under guarantees, the Group can take over the ownerships of the related properties and sell the properties to recover any amounts paid by the Group to the banks. The directors also consider that the fair market value of the underlying properties is able to cover the outstanding mortgage loans guaranteed by the Group in the event the purchasers default payments to the banks. In addition, the Group has not encountered any incidents of default in payment of mortgage by the purchasers since 2017, the directors consider that the likelihood of default of payments by the purchasers is minimal and therefore the financial guarantee measured at fair value is immaterial.

The Group has not recognised any deferred income in respect of these guarantees as its fair value is considered to be minimal by the directors.

29. 或然負債／已發出擔保(續)

(a) 按揭融資擔保(續)

董事認為，本集團不可能因該等擔保而蒙受損失，因為本集團於擔保期間可接管有關物業的所有權並出售該等物業，藉以收回本集團向銀行支付的任何款項。董事亦認為，倘買家拖欠銀行還款，相關物業的公平市值足以彌補本集團所擔保的未償還按揭貸款。另外，本集團自2017年起並未遭遇任何有關買方按揭付款的違約事件，董事認為買方付款違約的可能性微乎其微，因此按公平值計量的財務擔保並不重大。

本集團尚未就該等擔保確認任何遞延收入，原因為董事認為其公平值甚低。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

29. CONTINGENT LIABILITIES/GUARANTEES ISSUED (Continued)

(b) Land use right

(i) Haikou Phoenix Aqua City Phase II

On 17 January 2018, a subsidiary of the Company, Hainan Nanhai Xiang Long received a decision from Haikou People's Government in relation to its confiscating of the state-owned construction land use right of a parcel of land owned by Hainan Nanhai Xiang Long located to the north of Bin Hai Xi Lu in Haikou, with a total site area of approximately 88,209.07 square meters (the land certificate number being Hai Kou Shi Guo Yong (2008) No. 001431) (Haikou Phoenix Aqua City Phase II (the "Phase II")) (the "Haikou Decision") for the reason that the land parcel has not been developed and constructed on schedule.

According to a notice issued by the Haikou Planning Bureau on 2 July 2013, the planned site area of Phase II was decreased from 88,209.07 square meters to 61,761.00 square meters, and the plot ratio was increased from 0.5 to 0.78, for which compensation was to be made to the Group for the land being expropriated, and the nature of land use right was changed to "tourism". The directors of the Company are of the view that the changes in governmental planning and coastline protection policies as well as the delay in updating the change of land use right certificate have objectively resulted in the impediment on the development of the Phase II, the consequence being that the land parcel was unable to be developed and constructed on schedule.

29. 或然負債／已發出擔保(續)

(b) 土地使用權

(i) 海口鳳凰水城二期

於2018年1月17日，本公司附屬公司海南南海翔龍收到海口市人民政府有關沒收海南南海翔龍擁有的位於海口市濱海西路北側，總地盤面積約88,209.07平方米之土地（土地證號為海口市國用(2008)第001431號）（海口鳳凰水城二期（「二期」））的國有建設用地使用權的決定書（「海口決定書」），因為該宗土地未有按時開發建設。

根據海口市規劃局於2013年7月2日發出的通知，二期的規劃地盤面積由88,209.07平方米減少至61,761.00平方米，地積比率由0.5增加至0.78，藉此就被徵用土地向本集團作出補償，而土地使用權用途改為「旅遊」。本公司董事認為，因為政府規劃變更、海岸線保護政策變化、延遲辦理土地使用證之用地性質變更等情況，客觀上造成二期開發受阻，導致該土地未能按時開發建設。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

29. CONTINGENT LIABILITIES/GUARANTEES ISSUED (Continued)

(b) Land use right (Continued)

(i) Haikou Phoenix Aqua City Phase II (Continued)

On 15 June 2018, the Group has formally instituted an application of administrative proceeding on the Haikou Decision to the Intermediate People's Court of Haikou City ("Haikou Court"). On 28 December 2018, Haikou Court issued its administrative judgment (the "Haikou Administrative Judgment") on the administrative proceeding in relation to Phase II. Haikou Court ruled that the Group succeeded in its administrative proceeding against Haikou People's Government and dismissed the Haikou Decision in relation to the recovery of the land use right of Haikou project without compensation by the Haikou People's Government for the reasons that Haikou Decision was made without sufficient evidence and was not applied with the applicable laws. On 13 February 2019, Hainan Nanhai Xiang Long received an appeal notice (the "Appeal Notice") from Higher People's Court of Hainan Province that the Haikou People's Government has made an application to appeal against the Haikou Administrative Judgment. On 4 March 2019, Hainan Nanhai Xiang Long filed a defence in respect of the Appeal Notice to the Haikou Court.

The directors of the Company consider that the Group, after consulted the Group's external counsels, has reasonable grounds to justify that the Haikou Administrative Judgment is still valid and has a view of that it is not more likely than not that a present obligation to surrender the land without compensation exists at the end of the reporting period. No impairment has been made in respect of the investment cost on the land use right of Phase II. The directors of the Company expect that the final decision from Higher People's Court of Hainan Province on this legitimation will be issued in the second half of 2019. Should the appeal from Haikou People's Government be succeeded, the Group may suffer a loss from the confiscation amounting to approximately RMB132.4 million being the carrying value of the land use right of Phase II recognised within the properties under development.

29. 或然負債／已發出擔保(續)

(b) 土地使用權(續)

(i) 海口鳳凰水城二期(續)

本集團已於2018年6月15日向海口市中级人民法院(「海口法院」)就海口決定書正式提出行政訴訟申請。於2018年12月28日,海口法院就有關二期之行政訴訟作出其行政判決(「海口行政判決」)。海口法院裁定,本集團在對海口市人民政府提出之行政訴訟中勝訴,並駁回有關海口市人民政府無償收回海口項目土地使用權之海口決定書,原因為海口決定書並無充足證據作出且不符合適用法律。於2019年2月13日,海南南海翔龍收到海南省高級人民法院的上訴通知(「上訴通知」),海口市人民政府已就海口行政判決提起上訴申請。於2019年3月4日,海南南海翔龍就上訴通知向海口法院提出抗辯。

本公司董事於諮詢本集團的外聘法律顧問後,認為本集團有合理理由證明海口行政判決仍然有效,且認為不大可能在報告期末存在無償交出土地的現有義務。概無就有關二期之土地使用權投資成本作出減值。本公司董事預期海南省高級人民法院就該訴訟的最終判決將於2019年下半年作出。倘海口市人民政府的上訴成功,本集團可能蒙受沒收損失約人民幣132.4百萬元,即於發展中物業確認的二期土地使用權賬面值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

29. CONTINGENT LIABILITIES/GUARANTEES ISSUED (Continued)

(b) Land use right (Continued)

(ii) Danzhou Phoenix Aqua City

A subsidiary of the Company, Danzhou Shuang Lian, received state-owned construction land use right decisions (the “**Danzhou Decisions**”) issued by the Danzhou People’s Government in May 2018, which state that on 30 December 2017, 13 February 2018 and 2 March 2018, total five land parcels in relation to a property development project of Danzhou Shuang Lian, namely Danzhou Phoenix Aqua City (“**Danzhou Phoenix Aqua City**”) located on the section of Binhai Avenue, Southern Area, Baimajing Town (the land certificate number being Dan Guo Yong (2010) Nos. 710, 711, 712, 713 and 714), with a total site area of approximately 385,395.83 square meters (the “**Lands**”) were confiscated without compensation for the reason that the Lands was unable to be developed and constructed on schedule.

The directors are of the view that the changes in governmental planning and the delay in processing relevant procedures have objectively resulted in the impediment to the development of the Danzhou Phoenix Aqua City, which cause the Group unable to further proceed with the development of Danzhou Phoenix Aqua City on schedule.

29. 或然負債／已發出擔保(續)

(b) 土地使用權(續)

(ii) 儋州鳳凰水城

本公司附屬公司儋州雙聯於2018年5月收到儋州市人民政府國有建設用地使用權決定書(「**儋州決定書**」)，該決定書顯示於2017年12月30日、2018年2月13日及2018年3月2日無償充公有關儋州雙聯物業發展項目儋州鳳凰水城(「**儋州鳳凰水城**」)位於白馬井鎮南片區濱海大道路段合共五宗土地(土地證號為儋國用(2010)第710、711、712、713及714號)，總地盤面積約385,395.83平方米(「**該等土地**」)，原因為該等土地未有按時開發建設。

董事會認為因為政府規劃調整原因及延遲辦理相關手續等情況，客觀上造成儋州鳳凰水城開發受阻，導致本集團無法按時進一步處理儋州鳳凰城的發展。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

29. CONTINGENT LIABILITIES/GUARANTEES ISSUED (Continued)

(b) Land use right (Continued)

(ii) Danzhou Phoenix Aqua City (Continued)

On 20 July 2018, the Group has formally instituted an application of administrative proceeding on the Danzhou Decisions to the Second Intermediate People's Court of Hainan Province (the "Danzhou Administrative Proceedings"). On 14 December 2018, Hainan Court issued its administrative judgments on the Danzhou Administrative Proceedings in relation to the Lands (the "Danzhou Administrative Judgments"). Hainan Court ruled that the Group succeeded in its Danzhou Administrative Proceedings against Danzhou People's Government and dismissed the Danzhou Decisions in relation to the three land parcels with a total site area of approximately 272,046.53 square metres for the reasons (among others) that the Danzhou Decisions were made without sufficient evidence and not fully consistent with the actual circumstances. However, Hainan Court ruled that the Danzhou People's Government succeeded in the Danzhou Administrative Proceedings regarding the remaining two land parcels with site area of approximately 113,349.30 square metres.

29. 或然負債／已發出擔保(續)

(b) 土地使用權(續)

(ii) 儋州鳳凰水城(續)

本集團已於2018年7月20日向海南省第二中級人民法院就儋州決定書正式提出行政訴訟申請(「儋州行政訴訟」)。於2018年12月14日，海南法院就該等土地之儋州行政訴訟作出其行政判決(「儋州行政判決」)。海南法院裁定，本集團在對儋州市人民政府提出之儋州行政訴訟中勝訴，並駁回有關總地盤面積約272,046.53平方米之三宗土地之儋州決定書，原因為(其中包括)儋州決定書之作出並無充足證據且與實際情況並不完全一致。然而，海南法院裁定，儋州市人民政府於有關地盤面積約113,349.30平方米之剩餘兩宗土地之儋州行政訴訟中勝訴。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

29. CONTINGENT LIABILITIES/GUARANTEES ISSUED (Continued)

(b) Land use right (Continued)

(ii) Danzhou Phoenix Aqua City (Continued)

On 25 December 2018, the Group lodged an appeal at the Hainan Court against the Danzhou Administrative Judgments in relation to two of the aforesaid five land parcels with a total site area of approximately 113,349.30 square metres. Also, the Group received summons dated 15 February 2019 from the Higher People's Court of Hainan Province that the Danzhou People's Government lodged appeals against the Danzhou Administrative Judgments in relation to the three land parcels with a total site area of approximately 272,046.53 square metres. On 22 April 2019, the Higher People's Court of Hainan Province issued its administrative judgments on the Danzhou Decisions and ruled that the appeals lodged by the Group against the Danzhou Administrative Judgments were succeeded and the appeals lodged by Danzhou People's Government against the Danzhou Administrative Judgments were not succeeded, and revoke the Danzhou Decisions issued by Danzhou People's Government in relation to the confiscation of the Lands. The administrative judgments issued by the Higher People's Court of Hainan Province were final.

The Group is undergoing a study on re-development of the project of Danzhou Phoenix Aqua City and negotiating with the local government for obtaining necessary licenses/certificates for the project of Danzhou Phoenix Aqua City.

29. 或然負債／已發出擔保(續)

(b) 土地使用權(續)

(ii) 儋州鳳凰水城(續)

於2018年12月25日，本集團對海南法院就總地盤面積約113,349.30平方米之上述五宗土地的兩宗土地之儋州行政判決提起上訴。此外，本集團自海南省高級人民法院收到日期為2019年2月15日之傳票，儋州市人民政府就總地盤面積約272,046.53平方米之三宗土地之儋州行政判決提起上訴。於2019年4月22日，海南省高級人民法院就儋州決定書出具行政判決，並裁定本集團在對儋州行政判決的上訴中勝訴，而儋州市人民政府在對儋州行政判決提出之上訴中敗訴，並撤銷儋州市人民政府就沒收該等土地出具的儋州決定書。海南省高級人民法院作出的行政判決為終審判決。

本集團正研究重新發展儋州鳳凰水城項目，並就儋州鳳凰水城項目取得必要的許可證／證書與當地政府磋商。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

30. MATERIAL RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

In addition to the related party information disclosed elsewhere in the consolidated financial statements of the Group, the Group entered into the following significant related party transactions during the year ended 31 December 2018.

(a) Name and relationship with related parties/connected parties

During the year ended 31 December 2018, transactions with the following parties were considered as related party transactions:

Name of party 關聯方名稱	Relationship with the Group 與本集團的關係
Yeung Man 楊敏	Ultimate Controlling Shareholder 最終控股股東
Nanjing Huizhi Construction Installation Engineering Co., Ltd. ("Nanjing Huizhi") 南京惠智建築安裝工程有限公司(「南京惠智」)	Entity controlled by the Ultimate Controlling Shareholder 最終控股股東控制的實體
Nanjing Zhonghui Construction Engineering Co., Ltd. ("Nanjing Zhonghui Construction") 南京中惠建築工程有限公司(「南京中惠建築」)	Entity controlled by the Ultimate Controlling Shareholder 最終控股股東控制的實體
Zhonghui (Nanjing) Property Development Co., Ltd. ("Zhong Hui Nanjing") 中惠(南京)房地產開發有限公司(「中惠南京」)	Entity controlled by the Ultimate Controlling Shareholder 最終控股股東控制的實體
Nanjing Diken Engineering Design Consultancy Co., Ltd. ("Nanjing Diken") 南京迪壘工程設計諮詢有限公司(「南京迪壘」)	Entity controlled by the Ultimate Controlling Shareholder 最終控股股東控制的實體
Nanjing Hengjida Engineering Design Consultancy Company Limited ("Nanjing Hengjida") 南京恒紀達工程設計諮詢有限公司(「南京恒紀達」)	Entity controlled by the Ultimate Controlling Shareholder 最終控股股東控制的實體
Lianyungang Hui Neng Foundation Construction Engineering Co., Ltd. ("Lianyungang Hui Neng") 連雲港惠能基礎建設工程有限公司(「連雲港惠能」)	Entity controlled by the Ultimate Controlling Shareholder 最終控股股東控制的實體

30. 重大關聯方交易及關連交易

除本集團綜合財務報表其他部分披露的關聯方資料外，本集團截至2018年12月31日止年度訂立以下重大關聯方交易。

(a) 關聯方／關連方名稱及與關聯方／關連方的關係

截至2018年12月31日止年度，與以下各方的交易被視為關聯方交易：

Name of party 關聯方名稱	Relationship with the Group 與本集團的關係
Yeung Man 楊敏	Ultimate Controlling Shareholder 最終控股股東
Nanjing Huizhi Construction Installation Engineering Co., Ltd. ("Nanjing Huizhi") 南京惠智建築安裝工程有限公司(「南京惠智」)	Entity controlled by the Ultimate Controlling Shareholder 最終控股股東控制的實體
Nanjing Zhonghui Construction Engineering Co., Ltd. ("Nanjing Zhonghui Construction") 南京中惠建築工程有限公司(「南京中惠建築」)	Entity controlled by the Ultimate Controlling Shareholder 最終控股股東控制的實體
Zhonghui (Nanjing) Property Development Co., Ltd. ("Zhong Hui Nanjing") 中惠(南京)房地產開發有限公司(「中惠南京」)	Entity controlled by the Ultimate Controlling Shareholder 最終控股股東控制的實體
Nanjing Diken Engineering Design Consultancy Co., Ltd. ("Nanjing Diken") 南京迪壘工程設計諮詢有限公司(「南京迪壘」)	Entity controlled by the Ultimate Controlling Shareholder 最終控股股東控制的實體
Nanjing Hengjida Engineering Design Consultancy Company Limited ("Nanjing Hengjida") 南京恒紀達工程設計諮詢有限公司(「南京恒紀達」)	Entity controlled by the Ultimate Controlling Shareholder 最終控股股東控制的實體
Lianyungang Hui Neng Foundation Construction Engineering Co., Ltd. ("Lianyungang Hui Neng") 連雲港惠能基礎建設工程有限公司(「連雲港惠能」)	Entity controlled by the Ultimate Controlling Shareholder 最終控股股東控制的實體

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

30. MATERIAL RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS (Continued)

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

Name of party 關聯方名稱
Nanjing Maoheng Engineering Design Consultancy Company Limited (“ Nanjing Maoheng ”) 南京茂恒工程設計諮詢有限公司(「南京茂恒」)
Hainan Zhonghuan Property Development Company Limited (“ Hainan Zhonghuan ”) 海南中寰房地產開發有限公司(「海南中寰」)
Nanjing Boken Corporate Planning Consultation Company Limited (“ Nanjing Boken ”) 南京博肯企業策劃諮詢有限公司(「南京博肯」)
Nanjing Huiyao Decoration Construction Co., Ltd. (“ Nanjing Huiyao ”) 南京惠耀裝飾公司(「南京惠耀」)
Leshan Huizhi Technology Development Co., Ltd. (“ Leshan Huizhi ”) 樂山惠智科技發展有限公司(「樂山惠智」)
Chung Wai (Jiangsu) Decoration Park Project Company Limited (“ Chung Wai (Jiangsu) ”) 中惠(江蘇)裝飾園林工程有限公司(「中惠(江蘇)」)
Nanjing Tianhui ATongda Corporate Planning Consultation Co., Ltd. (“ Nanjing Tianhui ”) 南京天惠通達企業策劃諮詢有限公司(「南京天惠」)
Nanjing San Long 南京三龍
Di Geng (Hong Kong) Investment Development Company Limited (“ Di Geng ”) 地耕(香港)投資發展有限公司(「地耕」)
Zhou Li 周莉

30. 重大關聯方交易及關連交易(續)

(a) 關聯方／關連方名稱及與關聯方／關連方的關係(續)

Relationship with the Group 與本集團的關係
Entity controlled by the Ultimate Controlling Shareholder 最終控股股東控制的實體
Entity controlled by the Ultimate Controlling Shareholder 最終控股股東控制的實體
Entity controlled by the Ultimate Controlling Shareholder 最終控股股東控制的實體
Associate of a group controlled by the Ultimate Controlling Shareholder 由最終控股股東控制的集團的聯營公司
Entity controlled by the Ultimate Controlling Shareholder 最終控股股東控制的實體
Entity controlled by the Ultimate Controlling Shareholder 最終控股股東控制的實體
Entity controlled by the Ultimate Controlling Shareholder 最終控股股東控制的實體
Non-controlling shareholder of a subsidiary 附屬公司的非控股股東
Entity controlled by the Ultimate Controlling Shareholder 最終控股股東控制的實體
Executive director and Chief executive office of the Group 本集團執行董事兼行政總裁

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

30. MATERIAL RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS (Continued)

(b) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors and certain of the highest paid employees as disclosed in Note 10 to the consolidated financial statements, is as follows:

		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Wages, salaries and other benefits	工資、薪金及其他福利	3,928	3,430
Retirement benefit scheme contributions	退休福利計劃供款	241	-
		4,169	3,430

The above remuneration to key management personnel is included in "staff costs" as disclosed in Note 8 to the consolidated financial statements.

(c) Transactions with related parties/connected parties

		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Construction and consultancy services (Note (i))	工程及顧問服務(附註(i))	53,296	285,207
Interest expense	利息開支	-	1,904
Decoration consultancy services (Note (ii))	裝修顧問服務(附註(ii))	(167)	-

30. 重大關聯方交易及關連交易(續)

(b) 主要管理人員薪酬

本集團主要管理人員薪酬(包括向綜合財務報表附註10披露的本公司董事及若干最高薪酬僱員支付的金額)如下:

	2018	2017
	2018年	2017年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Wages, salaries and other benefits	3,928	3,430
Retirement benefit scheme contributions	241	-
	4,169	3,430

上述支付予主要管理人員的酬金載於綜合財務報表附註8披露之「員工成本」。

(c) 與關聯方/關連方的交易

	2018	2017
	2018年	2017年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Construction and consultancy services (Note (i))	53,296	285,207
Interest expense	-	1,904
Decoration consultancy services (Note (ii))	(167)	-

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

30. MATERIAL RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS (Continued)

(c) Transactions with related parties/connected parties (Continued)

(i) Construction and consultancy services

During the year ended 31 December 2018, the Group received construction services from the following related party:

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Nanjing Huizhi	南京惠智	53,296	285,207

The above transactions between the Group and its related parties mainly comprised construction services in relation to earthmoving, scenery design and engineering on the Group's properties under development from construction companies, which are controlled by the Ultimate Controlling Shareholder.

(ii) Decoration consultancy services

During the year ended 31 December 2018, the Group received decoration consultancy services from the following related party:

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Di Geng	地耕	167	-

30. 重大關聯方交易及關連交易(續)

(c) 與關聯方／關連方的交易(續)

(i) 工程及顧問服務

截至2018年12月31日止年度，本集團自下列關聯方獲得工程服務：

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Nanjing Huizhi	南京惠智	53,296	285,207

以上本集團與其關聯方的交易主要包括建築公司就本集團發展中物業提供與土方工程、景觀設計及工程相關的工程服務，該等建築公司亦受最終控股股東所控制。

(ii) 裝修顧問服務

截至2018年12月31日止年度，本集團接獲以下關聯方的裝修顧問服務：

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Di Geng	地耕	167	-

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

30. MATERIAL RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS (Continued)

30. 重大關聯方交易及關連交易(續)

(d) Balances with related parties/connected parties/non-controlling shareholder

(d) 與關聯方／關連方／非控股股東的結餘

(i) Amounts due from related parties/non-controlling shareholder

(i) 應收關聯方／非控股股東款項

		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Non-trade related:	非貿易相關：		
Nanjing San Long	南京三龍	1,413	21,258
Nanjing Huizhi	南京惠智	20	-
Di Geng	地耕	174	-
		1,607	21,258

The amounts due are unsecured, interest-free and have no fixed terms of repayment.

到期金額為無抵押、免息及無固定償還期。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

30. MATERIAL RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS (Continued)

(d) Balances with related parties/connected parties/non-controlling shareholder (Continued)

(ii) Amounts due to related parties/non-controlling shareholder

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Trade related:	貿易相關：		
Nanjing Huizhi	南京惠智	157,459	232,011
Lianyungang Hui Neng	連雲港惠能	21,221	21,236
Chung Wai (Jiangsu)	中惠(江蘇)	1,426	1,426
Leshan Huizhi	樂山惠智	50	50
Nanjing Zhonghui Construction	南京中惠建築	54,167	-
Nanjing Hengjida	南京恒紀達	516	-
Nanjing Diken	南京迪墾	4,351	-
Nanjing Huiyao	南京惠耀	2,391	221
		241,581	254,944
Non-trade related:	非貿易相關：		
Other payables due to:	應付以下各方的其他		
	應付款項：		
Nanjing San Long	南京三龍	11,181	23,112
Chung Wai (Hong Kong) Property Company Limited	中惠(香港)置業有限公司	2	-
Zhong Jia (Hong Kong) Investment Limited	中嘉(香港)投資有限公司	166	-
中惠(中國)投資有限公司	中惠(中國)投資有限公司	5	-
Zhou Li	周莉	12,958	-
		24,312	23,112

The amounts due from related parties (non-trade) are unsecured, interest-free and have no fixed terms of repayment.

應收關聯方(非貿易)款項為無抵押、免息及無固定償還期。

30. 重大關聯方交易及關連交易(續)

(d) 與關聯方/關連方/非控股股東的結餘(續)

(ii) 應付關聯方/非控股股東款項

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

31. OTHER CASH FLOW INFORMATION

31. 其他現金流量資料

(a) Reconciliation of profit before taxation to cash generated from operations

(a) 除稅前溢利與經營業務產生的現金對賬

		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Operating activities	經營活動		
Profit before taxation	除稅前溢利	544,002	780,832
Adjustments for:	調整：		
Gain on sales of property, plant and equipment	出售物業、廠房及設備收益	(74)	(49)
Depreciation and amortisation	折舊及攤銷	3,735	3,949
Allowance on advance payment to contractors	向承建商支付預付款項撥備	12,895	-
Allowance for impairment loss made on other receivables	其他應收款項信貸虧損撥備	13,676	-
Finance costs	財務成本	-	17,231
Interest income	利息收入	(4,757)	(8,967)
Equity-settled share-based transactions	以權益結算並以股份為基礎的交易	-	978
Forfeiture of deposits	沒收按金	(2,090)	-
Realised gain on financial assets at fair value through profit or loss, net	按公平值計入損益之金融資產產生之已變現收益淨額	(36,694)	-
Write-off of property, plant and equipment	撇銷物業、廠房及設備	8	-
Change in fair value of investment properties	投資物業公平值變動	21,407	-
Change in fair value of financial assets at fair value through profit or loss	按公平值計入損益之金融資產公平值變動	(6,694)	-
Gain on revaluation upon transfer of investment properties	轉撥投資物業後重估收益	(6,028)	(36,399)

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

31. OTHER CASH FLOW INFORMATION (Continued)

(a) Reconciliation of profit before taxation to cash generated from operations (Continued)

31. 其他現金流量資料(續)

(a) 除稅前溢利與經營業務產生的現金對賬(續)

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Operating profit before changes in working capital	營運資金變動前之經營溢利	539,386	757,575
Changes in working capital	營運資金變動		
Increase in deposits for acquisition of land	收購土地之訂金增加	(13,760)	-
(Increase) Decrease in properties under development	發展中物業(增加)減少	(117,975)	168,339
Decrease in completed properties held for sale	持作銷售已落成物業減少	613,444	630,301
Decrease in contract cost	合約成本減少	8,533	-
Decrease (Increase) in trade and other receivables	貿易及其他應收款項減少(增加)	22,536	(2,340)
(Decrease) Increase in trade and other payables	貿易及其他應付款項(減少)增加	(79,369)	303,049
Decrease in receipt in advance/ contract liabilities	預收款/合約負債減少	(357,929)	-
Increase in restricted cash	受限制現金增加	(42,177)	(39,063)
Cash generated from operations	營運產生的現金	572,689	1,817,861

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

31. OTHER CASH FLOW INFORMATION (Continued)

(b) Reconciliation of liabilities from financing activities

31. 其他現金流量資料(續)

(b) 融資活動負債對賬

		Bank loans and other borrowings	Loan from a non-controlling shareholder (Note)	Total
		銀行貸款及其他借款 RMB'000 人民幣千元	向非控股股東貸款(附註) RMB'000 人民幣千元	總計 RMB'000 人民幣千元
At 1 January 2017	於2017年1月1日	973,853	141,894	1,115,747
Changes from financing cash flows:	融資現金流變動：			
Repayment of bank and non-bank loans	償還銀行及非銀行貸款	(980,000)	–	(980,000)
Repayment of loan interests	償還貸款利息	(14,207)	–	(14,207)
Repayment of loan from a non-controlling shareholder	償還非控股股東貸款	–	(140,040)	(140,040)
Total changes from financing cash flows	融資現金流變動總額	(994,207)	(140,040)	(1,134,247)
Other changes:	其他變動：			
Interest expenses (Note 6)	利息開支(附註6)	20,354	–	20,354
Total other charges	其他變動總計	20,354	–	20,354
At 31 December 2017 and 1 January 2018	於2017年12月31日及2018年1月1日	–	1,854	1,854
Changes from financing cash flows:	融資現金流變動：			
Repayment of loan from a non-controlling shareholder	償還非控股股東貸款	–	(1,854)	(1,854)
At 31 December 2018	於2018年12月31日	–	–	–

Note: The amounts are included in amount due to Nanjing San Long as disclosed in Note 30(d)(ii) to the consolidated financial statements.

附註：誠如綜合財務報表附註30(d)(ii)所披露，該金額計入應付南京三龍之款項。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

32. STATEMENT OF FINANCIAL POSITION OF THE COMPANY 32. 本公司的財務狀況表

		2018	2017
		2018年	2017年
	Note	RMB'000	RMB'000
	附註	人民幣千元	人民幣千元
Non-current assets	非流動資產		
Interests in subsidiaries	於附屬公司的權益	1,519,742	1,519,742
Financial assets at fair value through profit or loss	按公平值計入損益的金融資產	1,726	-
		1,521,468	1,519,742
Current assets	流動資產		
Trade and other receivables	貿易及其他應收款項	8,156	418
Available-for-sale financial assets	可供出售金融資產	-	209,830
Cash and cash equivalents	現金及現金等價物	221,605	18,893
		229,761	229,141
Current liabilities	流動負債		
Trade and other payables	貿易及其他應付款項	17,702	12,094
Net current assets	流動資產淨值	212,059	217,047
NET ASSETS	資產淨值	1,733,527	1,736,789
Capital and reserves	資本及儲備		
Share capital	股本	2,585	2,585
Reserves	儲備	1,760,007	1,751,624
Accumulated losses	累計虧損	(29,065)	(17,420)
TOTAL EQUITY	總權益	1,733,527	1,736,789

This statement of financial position was approved and authorised for issue by the Board of Directors on 18 September 2019 and signed on its behalf by:

此財務狀況表已於2019年9月18日獲董事會批准及授權刊發，並由以下董事代表簽署：

Zhou Li
周莉
Director
董事

Fan Wenyi
范文燧
Director
董事

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

32. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

32. 本公司的財務狀況表(續)

(a) Movements in components of equity

(a) 權益組成部分的變動

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

本集團綜合權益各組成部分之期初與期末結餘的對賬載列於綜合權益變動表。本公司年初至年末期間權益各組成部分的變動詳情如下：

		Share premium	Other reserve	Reserves 儲備 Changes in fair value of available-for-sale financial assets 可供出售金融資產 公平值變動儲備	Exchange reserve	Total reserves	Accumulated losses	Total
		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 1 January 2017	於2017年1月1日之結餘	236,791	1,416,700	-	111,617	1,765,108	(15,165)	1,749,943
Loss for the year	年內虧損	-	-	-	-	-	(2,255)	(2,255)
Other comprehensive loss for the year:	年內其他全面虧損：							
Changes in fair value of available-for-sale financial assets	可供出售金融資產公平值變動	-	-	1,749	-	1,749	-	1,749
Exchange differences on translation of financial statements to presentation currency	換算財務報表至呈列貨幣的匯兌差額	-	-	-	(15,233)	(15,233)	-	(15,233)
		-	-	1,749	(15,233)	(13,484)	-	(13,484)
Total comprehensive loss for the year	年內全面虧損總額	-	-	1,749	(15,233)	(13,484)	(2,255)	(15,739)
Balance at 31 December 2017 and 1 January 2018	於2017年12月31日及2018年1月1日的結餘	236,791	1,416,700	1,749	96,384	1,751,624	(17,420)	1,734,204
Impact on initial application of HKFRS 9	初次應用香港財務報告準則第9號的影響	-	-	(1,749)	-	(1,749)	1,749	-
Adjusted balance at 1 January 2018	於2018年1月1日的經調整結餘	236,791	1,416,700	-	96,384	1,749,875	(15,671)	1,734,204
Loss for the year	年內虧損	-	-	-	-	-	(13,394)	(13,394)
Other comprehensive income for the year:	年內其他全面收入總額：							
Exchange differences on translation of financial statements to presentation currency	換算財務報表至呈列貨幣的匯兌差額	-	-	-	10,132	10,132	-	10,132
Total comprehensive loss for the year	年內全面虧損總額	-	-	-	10,132	10,132	(13,394)	(3,262)
Balance at 31 December 2018	於2018年12月31日的結餘	236,791	1,416,700	-	106,516	1,760,007	(29,065)	1,730,942

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

33. INTERESTS IN SUBSIDIARIES

Particulars of the principal subsidiaries at 31 December 2018 and 2017 are as follows:

33. 於附屬公司的權益

於2018年及2017年12月31日之主要附屬公司詳情如下：

Name of company 公司名稱	Place of incorporation/ registration and business 註冊成立/ 註冊及經營地點	Particulars of issued and paid up capital 已發行及繳足 股本詳情	Percentage of attributable equity interest		Principal activities 主要活動
			2018 2018年	2017 2017年	
Zhong Jia (Hong Kong) Investment Construction Company Limited 中嘉(香港)投資建設有限公司	Hong Kong ("HK") 香港(「香港」)	HK\$10,000 10,000港元	100%	100%	Investment holding 投資控股
Peak Well Investment Development Limited 頂豐投資發展有限公司	BVI 英屬處女群島	US\$50,000 50,000美元	100%	100%	Investment holding 投資控股
Time Being Group Limited 正時集團有限公司	HK 香港	HK\$10,000 10,000港元	100%	100%	Investment holding and provision of decoration consultancy services 投資控股及提供裝修顧問 服務
Lianyungang Tai Sheng City Development Co., Ltd. 連雲港泰盛城市發展有限公司*	The PRC 中國	RMB10,000,000 人民幣 10,000,000元	100%	100%	Investment holding 投資控股
Lianyungang Long Ji Properties Co., Ltd. 連雲港隆基置業有限公司*	The PRC 中國	RMB10,000,000 人民幣 10,000,000元	100%	100%	Investment holding 投資控股
Nanjing Jia Pei Investment Management Consulting Co., Ltd. 南京嘉沛投資管理諮詢有限公司*	The PRC 中國	US\$500,000 500,000美元	100%	100%	Investment holding 投資控股

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

33. INTERESTS IN SUBSIDIARIES (Continued)

33. 於附屬公司的權益(續)

Name of company 公司名稱	Place of incorporation/ registration and business 註冊成立/ 註冊及經營地點	Particulars of issued and paid up capital 已發行及繳足 股本詳情	Percentage of attributable equity interest		Principal activities 主要活動
			2018 2018年	2017 2017年	
Sanya Fenghuang Xin Cheng 三亞鳳凰新城*	The PRC 中國	RMB400,000,000 人民幣 400,000,000元	100%	100%	Property development 物業發展
Sanya Fenghuang Shuiyun 三亞鳳凰水韻*	The PRC 中國	RMB280,000,000 人民幣 280,000,000元	100%	100%	Property development 物業發展
Hainan Nanhai Xiang Long 海南南海翔龍*	The PRC 中國	RMB300,000,000 人民幣 300,000,000元	100%	100%	Property development 物業發展
Sanya Hui Xin 三亞惠新*	The PRC 中國	RMB57,142,857 人民幣 57,142,857元	82.5%	82.5%	Investment holding 投資控股
Nanjing Bai Rui Ze Property Co., Ltd. 南京百瑞澤置業有限公司*	The PRC 中國	RMB210,000,000 人民幣 210,000,000元	100%	100%	Property development 物業發展
Zhong Ze (Hong Kong) Investment Limited 中澤(香港)投資有限公司	HK 香港	HK\$10,000 10,000港元	100%	100%	Investment holding 投資控股
Sanya Zhong Ze Kai Industrial Co., Ltd. 三亞中澤凱實業有限公司*	The PRC 中國	US\$4,800,000 4,800,000美元	100%	100%	Investment holding 投資控股

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

33. INTERESTS IN SUBSIDIARIES (Continued)

33. 於附屬公司的權益(續)

Name of company 公司名稱	Place of incorporation/ registration and business 註冊成立/ 註冊及經營地點	Particulars of issued and paid up capital 已發行及繳足 股本詳情	Percentage of attributable equity interest		Principal activities 主要活動
			2018 2018年	2017 2017年	
Danzhou Shuang Lian 儋州雙聯*	The PRC 中國	RMB412,500,000 人民幣 412,500,000元	60%	60%	Property development 物業發展
Sincere Graceful Holdings Limited 誠雅控股有限公司	BVI 英屬處女群島	US\$100 100美元	100%	-	Investment holding 投資控股
Grand Health (Hong Kong) Investment Co Ltd 永康生物(香港)投資有限公司	HK 香港	HK\$100 100港元	100%	-	Investment holding 投資控股
Hylan Investment Inc.	The USA 美國	-	100%	-	Investment holding 投資控股
Crossland Development Inc.	The USA 美國	US\$3,950,000 3,950,000美元	73%	-	Investment holding 投資控股
Whitney Drive Development, LLC	The USA 美國	-	73%	-	Property development 物業發展
Affix Innovation Capital, LLC	The USA 美國	-	100%	-	Dormant 暫無業務

* 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.

* 此等實體為中國有限責任公司。公司的英文譯名僅供參考，公司正式名稱為中文。

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

董事認為，上表所列本公司附屬公司乃主要影響年度業績或構成本集團資產淨值的重大部分的附屬公司。董事認為，提供其他附屬公司的詳情會導致篇幅過於冗長。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

33. INTERESTS IN SUBSIDIARIES (Continued)

The following table lists out the information relating to Danzhou Shuang Lian and Sanya Hui Xin, the subsidiaries of the Group which have a material non-controlling interests (“NCI”). The summarised financial information presented below represents the amounts before any inter-company elimination.

(i) Danzhou Shuang Lian

33. 於附屬公司的權益(續)

下表列示有關本集團擁有重大非控股權益(「非控股權益」)之附屬公司儋州雙聯及三亞惠新的資料。下文呈列之財務資產概要指任何公司間對銷前之款項。

(i) 儋州雙聯

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
NCI percentage	非控股權益百分比	40%	40%
Current assets	流動資產	620,772	731,009
Non-current assets	非流動資產	14,107	8,853
Current liabilities	流動負債	(96,103)	(190,273)
Non-current liabilities	非流動負債	(57,322)	(58,884)
Net assets	資產淨值	481,454	490,705
Carrying amount of NCI	非控股權益的賬面值	267,405	273,491
Revenue	收益	61,275	158,346
Loss and total comprehensive loss for the year	年內虧損及全面虧損總額	(9,251)	(4,754)
Loss attributable to NCI	非控股權益應佔虧損	(6,086)	(2,503)
Cash flows from operating activities	經營活動產生的現金流	341	139,110
Cash flows from investing activities	投資活動產生的現金流	85	(22)
Cash flows from financing activities	融資活動產生的現金流	(1,854)	(140,040)

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

33. INTERESTS IN SUBSIDIARIES (Continued)

(i) Danzhou Shuang Lian (Continued)

In year 2013 and 2014, the Group entered into a series of investment agreements with Nanjing San Long and Danzhou Shuang Lian, where the Group eventually acquired 60% of the equity interests of Danzhou Shuang Lian from Nanjing San Long in January 2014 (the "Acquisition"). The Danzhou Shuang Lian project is divided into Danzhou Phase I and Danzhou Phase II. At the time of the Acquisition, Danzhou Phase I with an area of approximately 89 mu was partially under development and was in the process of pre-sale, while Danzhou Phase II with an area of approximately 569 mu was a piece of undeveloped land. Pursuant to the relevant investment agreements, Nanjing San Long as the non-controlling shareholder continued to manage, develop and undertake fully the risk and reward of phase I until its completion and disposal; and separate ledgers and bank accounts were set up for phases I and II. Danzhou Phase I is an autonomous and operationally distinct business division that would remain under the direction of Nanjing San Long after the Acquisition.

The assets and liabilities as well as revenue, cost of sales and other items in the consolidated statement of profit or loss and other comprehensive income related to Danzhou Phase I have been included as part of the assets and liabilities as well as profit or loss and other comprehensive income items of Danzhou Shuang Lian as they are not legally separable from other assets and liabilities as well as profit or loss and other comprehensive income items related to Danzhou Phase II. Notwithstanding the fact that the nominal NCI percentage of Danzhou Shuang Lian is 40%, the economic interest of the non-controlling shareholder was calculated at 100% interest of the Danzhou Phase I and 40% interest of the Danzhou Phase II.

The net profit or loss, net assets or liabilities arising from Danzhou Phase I are wholly attributable to, and accordingly are deducted through the inclusion of such amounts in, the NCI in the Group's consolidated statement of profit or loss and other comprehensive income and the consolidated statement of changes in equity.

33. 於附屬公司的權益(續)

(i) 儋州雙聯(續)

於2013及2014年度，本集團與南京三龍及儋州雙聯訂立一系列投資協議，根據該等協議，本集團最終於2014年1月向南京三龍收購儋州雙聯60%的股權(「收購」)。儋州雙聯項目分為儋州一期及儋州二期。於收購之時，面積約為89畝的儋州一期其中部分正在開發並進行預售，而面積約為569畝的儋州二期為一幅未開發土地。根據相關投資協議，非控股股東南京三龍繼續管理、開發及全面承擔一期的風險及回報，直至其竣工及出售為止；同時就一期及二期設置獨立的分類賬及銀行賬戶。儋州一期是一個自主及營運獨立的業務分部，於收購後仍將由南京三龍指揮。

與儋州一期相關的資產及負債以及營業額、銷售成本及綜合損益及其他全面收益表內的其他項目已計入作為儋州雙聯資產及負債以及損益及其他全面收益項目的一部分，此乃由於上述各項在法律上不能與儋州二期相關的其他資產及負債以及損益及其他全面收益項目分割出來。儘管儋州雙聯的名義非控股權益百分比為40%，非控股股東的經濟權益按照儋州一期100%的權益及儋州二期40%的權益計算。

儋州一期所產生的損益淨額、淨資產或負債，全部計入(因此於該等計入金額內被扣除)本集團綜合損益及其他全面收益表以及綜合權益變動表內的非控股權益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

33. INTERESTS IN SUBSIDIARIES (Continued)

(ii) Sanya Hui Xin

33. 於附屬公司的權益(續)

(ii) 三亞惠新

		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
NCI percentage	非控股權益百分比	17.5%	17.5%
Current assets	流動資產	485,552	1,127,668
Non-current assets	非流動資產	43,421	26,971
Current liabilities	流動負債	(257,782)	(931,311)
Non-current liabilities	非流動負債	(1,154)	–
Net assets	總資產	270,037	223,328
Carrying amount of NCI	非控股權益的賬面值	63,581	55,459
Revenue	收益	204,529	311,090
Profit and total comprehensive income for the year	年內溢利及全面收益總額	29,720	56,502
Profit attributable to NCI	非控股權益應佔溢利	7,612	10,834
Cash flows from operating activities	經營活動產生的現金流	(526,720)	1,117,060
Cash flows from investing activities	投資活動產生的現金流	9,975	1,194
Cash flows from financing activities	融資活動產生的現金流	–	(616,429)

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

34. EVENTS AFTER THE REPORTING PERIOD

In addition to information disclosed elsewhere in the consolidated financial statements, the Group has the following events after 31 December 2018.

(i) Renewal of construction cooperation framework agreement

The framework construction services agreement dated 8 April 2016 (“**Construction Cooperation Framework Agreement**”) entered into among the Company, Sanya Fenghuang Xincheng, Sanya Fenghuang Shuiyun, Hainan Nanhai Xiang Long, Danzhou Shuang Lian and Nanjing Huizhi (collectively the “**Relevant Parties**”) as disclosed in the Prospectus has been expired on 31 December 2018.

On 25 January 2019, the Relevant Parties have agreed to continue with the arrangement under the Construction Cooperation Framework Agreement after the expiry of its term upon similar terms and/or covering similar scope of services as in the Construction Cooperation Framework Agreement by entering into of the new construction cooperation framework agreement entered into among the Relevant Parties (“**2019 Renewal Framework Agreement**”), of which it extends the Construction Cooperation Framework Agreement for three financial years commencing from 1 January 2019 to 31 December 2021. The details of the 2019 Renewal Framework Agreement are detailed in the Company’s announcements dated 25 January 2019, 20 February 2019 and 13 March 2019, respectively and the circular of the Company dated 26 March 2019. The 2019 Renewal Framework Agreement was approved in the extraordinary general meeting on 29 April 2019.

34. 報告期後事項

除綜合財務報表其他地方披露之資料外，於2018年12月31日後，本集團發生以下事件。

(i) 重續工程施工合作框架協議

招股章程所披露由本公司、三亞鳳凰新城、三亞鳳凰水韻、海南南海翔龍、儋州雙聯及南京惠智之間所訂立日期為2016年4月8日的框架工程施工服務協議(「**工程施工合作框架協議**」)已於2018年12月31日到期。

於2019年1月25日，相關訂約方同意於工程施工合作框架協議條款到期後，透過由相關訂約方訂立新的工程施工合作框架協議(「**2019年重續框架協議**」)，按照工程施工合作框架協議之類似條款及／或涵蓋類似服務範圍，繼續工程施工合作框架協議項下之安排，以延長工程施工合作框架協議至2019年1月1日起至2021年12月31日止三個財政年度。2019年重續框架協議的詳情詳述於本公司日期分別為2019年1月25日、2019年2月20日及2019年3月13日的公告，以及本公司日期為2019年3月26日之通函。2019年重續框架協議於2019年4月29日舉行之特別股東大會上獲批准。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

34. EVENTS AFTER THE REPORTING PERIOD (Continued)

(ii) Formation of subsidiaries

- (a) On 24 April 2019, Nanjing Hailan Estate Co., Ltd. (“**Nanjing Hailan**”), an indirect wholly-owned subsidiary of the Company incorporated in the PRC in 2019 entered into a cooperation agreement A (the “**Cooperation Agreement A**”) with Guangzhou Ruifeng Property Development Co., Ltd. (“**Guangzhou Ruifeng**”), pursuant to which the both parties agreed to establish a joint venture company (the “**Company A**”) in the PRC to principally engage in real estate development in the PRC.

Pursuant to the Cooperation Agreement A, Nanjing Hailan will advance up to RMB500 million to the Company A in 2019 in the form of shareholders’ loan with an annual interest rate of 12%, subject to capital needs of the Company A. The Company A shall principally engage in real estate investment, development and management in the PRC. Pursuant to the terms of the Cooperation Agreement A, the registered capital of the Company A is RMB50 million. Nanjing Hailan shall contribute RMB27,500,000, representing 55% of the registered capital of the Company A, whereas Guangzhou Ruifeng shall contribute RMB22,500,000, representing 45% of the registered capital of the Company A.

34. 報告期後事項(續)

(ii) 成立附屬公司

- (a) 於2019年4月24日，南京海藍置業有限公司(「**南京海藍**」)(本公司之間接全資附屬公司，於2019年在中國註冊成立)與廣州瑞豐房地產開發有限公司(「**廣州瑞豐**」)訂立合作協議A(「**合作協議A**」)，據此，雙方同意於中國成立合營公司(「**公司A**」)，主要於中國從事房地產開發。

根據合作協議A，南京海藍將於2019年以股東貸款形式向公司A墊付最多人民幣500萬元，年利率為12%(視乎公司A的資本需求而定)。公司A主要於中國從事房地產投資、開發及管理。根據合作協議A之條款，公司A之註冊資本為人民幣50,000,000元。南京海藍將出資人民幣27,500,000元，佔公司A註冊資本的55%，而廣州瑞豐將出資人民幣22,500,000元，佔公司A註冊資本的45%。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

34. EVENTS AFTER THE REPORTING PERIOD (Continued)

(ii) Formation of subsidiaries (Continued)

- (b) On 24 April 2019, Nanjing Hailan also entered into another cooperation agreement B (the “**Cooperation Agreement B**”) with Zhou Xiaojun (“**Mr. Zhou**”), pursuant to which both parties agreed to establish a joint venture company (the “**Company B**”) in the PRC to principally engage in real estate development in the PRC.

Pursuant to the Cooperation Agreement B, Nanjing Hailan will advance up to RMB500 million to the Company B in 2019 in the form of shareholders’ loan with an annual interest rate of 12%, subject to the capital needs of the Company B. The Company B shall principally engage in real estate investment, development and management in the PRC. Pursuant to the terms of the Cooperation Agreement B, the registered capital of the Company B is RMB50 million. Nanjing Hailan shall contribute RMB32,500,000, representing 65% of the registered capital of the Company B, whereas Mr. Zhou shall contribute RMB17,500,000, representing 35% of the registered capital of the Company B.

The arrangements of the Cooperation Agreement A and Cooperation Agreement B are detailed in the Company’s announcement dated 24 April 2019.

34. 報告期後事項(續)

(ii) 成立附屬公司(續)

- (b) 於2019年4月24日，南京海藍亦與周小俊先生(「**周先生**」)訂立合作協議B(「**合作協議B**」)，據此，雙方同意於中國成立合營公司(「**公司B**」)，主要於中國從事房地產開發。

根據合作協議B，南京海藍將於2019年以股東貸款形式向公司B墊付最多人民幣500百萬元，年利率為12%(視乎公司B的資本需求而定)。公司B主要於中國從事房地產投資、開發及管理。根據合作協議B之條款，合營公司B之註冊資本為人民幣50,000,000元。南京海藍將出資人民幣32,500,000元，佔公司B註冊資本的65%，而周先生將出資人民幣17,500,000元，佔公司B註冊資本的35%。

合作協議A及合作協議B的安排詳述於本公司日期為2019年4月24日之公告。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

34. EVENTS AFTER THE REPORTING PERIOD (Continued)

(iii) Acquisition of land use rights in Zhanjiang, the PRC

On 28 June 2019, Guangzhou Hailan Property Development Limited (“**Guangzhou Hailan**”) an indirect non wholly-owned subsidiary of the Company incorporated in the PRC in 2019, entered into a confirmation letter (the “**Confirmation Letter**”) with the Zhanjiang Public Resources Trading Centre to confirm that Guangzhou Hailan has successfully won the bid for the auction for the land use rights of the Land which is located at the southwest of Binhe New District Section, Yingbin Avenue, Suicheng Town, Suixi County, Zhanjiang City, Guangdong Province, the PRC at a consideration of RMB357,390,000.

As a result of successfully winning the bid for the auction, the State-owned Construction Land Use Rights Assignment Contract is entered into by Guangzhou Hailan and the Suixi County Natural Resources Bureau on 9 July 2019.

34. 報告期後事項(續)

(iii) 收購於中國湛江市之土地使用權

於2019年6月28日，廣州海藍房地產開發有限公司(「**廣州海藍**」)(本公司之間接非全資附屬公司，於2019年在中國註冊成立)與湛江市公共資源交易中心訂立確認書(「**確認書**」)，以確認廣州海藍已成功在拍賣上投得該土地(位於中國廣東省湛江市遂溪縣遂城鎮迎賓大道濱河新區路段西南側)的土地使用權，代價為人民幣357,390,000元。

由於在拍賣上成功中標，廣州海藍於2019年7月9日與遂溪縣自然資源局訂立國有建設用地使用權出讓合同。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

34. EVENTS AFTER THE REPORTING PERIOD (Continued)

(iv) Provision of shareholder loan to a joint venture company

On 15 July 2019, Nanjing Hailan entered into the shareholder loan agreement (the “**Shareholder Loan Agreement**”) with the Shenzhen Aolan Estate Co., Ltd. (“**Shenzhen Aolan**”), a company established in the PRC with limited liability, which is owned as to 51% by Aoyuan Group (Meizhou) Company Limited (“**Aoyuan Meizhou**”), a company established in the PRC with limited liability and 49% by Nanjing Hailan. Aoyuan Meizhou is an indirect wholly-owned subsidiary of China Aoyuan Group Limited, a company incorporated under the laws of the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 3883).

Shenzhen Aolan is solely engaged in the holding of 50% equity interest in Meizhou Aochuang Estate Co., Ltd., a company established in the PRC with limited liability which is solely engaged in development of a land parcel at Meijiang District, Meizhou City, Guangdong Province.

Pursuant to the Shareholder Loan Agreement Nanjing Hailan, as lender, agreed to provide a shareholder loan of up to RMB150.0 million (equivalent to approximately HK\$169.9 million) at an interest rate of 12% per annum to Shenzhen Aolan. The first drawdown in the principal amount of approximately RMB66.1 million (equivalent to approximately HK\$74.9 million) was made on 15 July 2019, and the amounts drawn and outstanding under the Shareholder Loan Agreement do not have a fixed term of repayment.

The details of the Shareholder Loan Agreement are detailed in the Company’s announcement dated 16 July 2019.

34. 報告期後事項(續)

(iv) 向合營公司提供股東貸款

於2019年7月15日，南京海藍與深圳奧藍置業有限公司(「深圳奧藍」)訂立股東貸款協議(「股東貸款協議」)，深圳奧藍為一家於中國成立的有限公司，由奧園集團(梅州)有限公司(「奧園梅州」)(一家於中國成立的有限公司)擁有51%權益，以及由南京海藍擁有49%權益。奧園梅州為中國奧園集團股份有限公司的間接全資附屬公司，後者為一家根據開曼群島法例註冊成立的有限公司，其股份於聯交所主板上市(股份代號：3883)。

深圳奧藍僅從事持有梅州市奧創置業有限公司(一間於中國成立的有限公司，僅從事開發一塊位於廣東省梅州市梅江區的地塊)的50%股權。

根據股東貸款協議，南京海藍(作為借款人)同意向深圳奧藍提供最多人民幣150,000,000元(相當於約169,900,000港元)股東貸款，年利率為12%。首次提款本金額約人民幣66,100,000元(相當於約74,900,000港元)於2019年7月15日作出，而根據股東貸款協議已提取但尚未償還的金額並無固定還款期。

股東貸款協議之詳情詳述於本公司日期為2019年7月16日之公告。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018 截至2018年12月31日止年度

34. EVENTS AFTER THE REPORTING PERIOD (Continued)

(v) Pledge of assets

On 5 June 2019, Sanya Fenghuang Xincheng pledged its certain properties under development to Hainan branch of Bank of Communications Co., Limited as to guarantee a secured term loan facility (the “**Facility**”) of RMB300,000,000. Hainan Nanhai Xiang Long is the guarantor of the Facility.

34. 報告期後事項(續)

(v) 資產抵押

於2019年6月5日，三亞鳳凰新城將其若干發展中物業抵押予交通銀行股份有限公司海南分行，以擔保有抵押定期貸款融資(「**融資**」)人民幣300,000,000元。海南南海翔龍為融資的擔保人。

Financial Summary

財務摘要

Results	業績	For the year ended 31 December				
		截至 12 月 31 日止年度				
		2014	2015	2016	2017	2018
		2014 年	2015 年	2016 年	2017 年	2018 年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Revenue	收益	790,369	1,556,962	1,400,827	2,005,308	1,410,474
Profit before taxation	除稅前溢利	275,684	342,141	231,410	780,832	544,002
Income tax expenses	所得稅開支	(164,937)	(157,988)	(183,366)	(521,320)	(362,923)
Profit for the year (from continuing operations)	年內溢利 (來自持續經營業務)	110,747	184,153	48,044	259,512	181,079
Post-tax profit of discontinued operations	已終止經營業務除稅後 溢利	924	1,210	-	-	-
Profit for the year	年內溢利	111,671	185,363	48,044	259,512	181,079
Attributable to:	下列人士應佔：					
Owners of the Company	本公司擁有人	128,182	191,812	65,012	251,181	179,538
Non-controlling interests	非控股權益	(16,511)	(6,449)	(16,968)	8,331	1,541
Profit for the year	年內溢利	111,671	185,363	48,044	259,512	181,079
Assets and Liabilities	資產及負債	As at 31 December				
		於 12 月 31 日				
		2014	2015	2016	2017	2018
		2014 年	2015 年	2016 年	2017 年	2018 年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Total assets	總資產	7,244,683	5,666,855	5,264,842	5,194,638	5,043,240
Total liabilities	總負債	5,542,970	4,281,173	3,576,328	3,259,117	2,893,816
Net assets	資產淨值	1,701,713	1,385,682	1,688,514	1,935,521	2,149,424
Equity attributable to the owners of the Company	本公司擁有人 應佔權益	1,400,608	1,091,026	1,368,873	1,606,571	1,811,257
Non-controlling interests	非控股權益	301,105	294,656	319,641	328,950	338,167



Hailan Holdings Limited
海藍控股有限公司