



朗詩綠色地產有限公司

Landsea Green Properties Co., Ltd.

(formerly known as Landsea Green Group Co., Ltd.) (前稱為朗詩綠色集團有限公司)

(Incorporated in Bermuda with limited liability) (於百慕達註冊成立之有限公司)

Stock Code 股份代號: 106

Annual Report 2019 年報

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CONTENTS 目錄

Corporate Information	公司資料	4
Major Events and Accolades of Landsea Green Properties in 2019	朗詩綠色地產2019年大事記與榮譽	6
Chairman's Statement	主席報告	18
Biographical Details of Directors and Senior Management	董事及高級管理人員簡介	26
Management Discussion and Analysis	管理層討論及分析	35
Corporate Governance Report	企業管治報告	69
Directors' Report	董事局報告	96
Independent Auditor's Report	獨立核數師報告	125
Consolidated Statement of Comprehensive Income	綜合全面收益表	135
Consolidated Balance Sheet	綜合資產負債表	138
Consolidated Statement of Changes in Equity	綜合權益變動表	141
Consolidated Statement of Cash Flows	綜合現金流量表	143
Notes to the Consolidated Financial Statements	綜合財務報表附註	145
Financial Summary	財務摘要	362
Particulars of Investment Properties	投資性物業詳情	363



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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. Tian Ming (*Chairman*)
Mr. Huang Zheng (*Chief Executive Officer*)
Ms. Shen Leying (*Co-Chief Executive Officer*)
Mr. Jiang Chao (*Executive Vice President*)
Ms. Zhou Qin (*Vice President*)
Mr. Xie Yuanjian (*Vice President*)

NON-EXECUTIVE DIRECTOR

Mr. Zhou Yimin

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Xu Xiaonian
Mr. Lee Kwan Hung, Eddie
Mr. Chen Tai-yuan
Mr. Rui Meng

AUDIT COMMITTEE

Mr. Rui Meng (*Committee Chairman*)
Mr. Lee Kwan Hung, Eddie
Mr. Zhou Yimin
Mr. Chen Tai-yuan

REMUNERATION COMMITTEE

Mr. Chen Tai-yuan (*Committee Chairman*)
Mr. Xu Xiaonian
Ms. Zhou Qin
Mr. Rui Meng

NOMINATION COMMITTEE

Mr. Xu Xiaonian (*Committee Chairman*)
Mr. Lee Kwan Hung, Eddie
Mr. Rui Meng
Mr. Chen Tai-yuan

COMPANY SECRETARY

Ms. Chan Yuen Ying, Stella

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor

董事局

執行董事

田明先生(主席)
黃征先生(總裁)
申樂瑩女士(聯席總裁)
蔣超先生(常務副總裁)
周勤女士(副總裁)
謝遠建先生(副總裁)

非執行董事

鄒益民先生

獨立非執行董事

許小年先生
李均雄先生
陳泰元先生
芮萌先生

審核委員會

芮萌先生(委員會主席)
李均雄先生
鄒益民先生
陳泰元先生

薪酬委員會

陳泰元先生(委員會主席)
許小年先生
周勤女士
芮萌先生

提名委員會

許小年先生(委員會主席)
李均雄先生
芮萌先生
陳泰元先生

公司秘書

陳婉縈女士

核數師

羅兵咸永道會計師事務所
執業會計師
註冊公眾利益實體核數師

PRINCIPAL REGISTRAR

MUFG Fund Services (Bermuda) Limited
4th floor North Cedar House
41 Cedar Avenue
Hamilton HM 12
Bermuda

BRANCH REGISTRAR

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

PRINCIPAL BANKERS

Hang Seng Bank Limited
The Hong Kong and Shanghai Banking Corporation Limited

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton, HM11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 5103, 51/F., The Center
99 Queen's Road Central
Hong Kong

STOCK CODE

Hong Kong Stock Exchange: 106

WEBSITE

<http://www.landsea.hk>

主要過戶處

MUFG Fund Services (Bermuda) Limited
4th floor North Cedar House
41 Cedar Avenue
Hamilton HM 12
Bermuda

過戶分處

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

主要往來銀行

恒生銀行有限公司
香港上海滙豐銀行有限公司

註冊辦事處

Clarendon House
2 Church Street
Hamilton, HM11
Bermuda

香港總辦事處及主要營業地址

香港
中環皇后大道中99號
中環中心51樓5103室

股份代號

香港聯合交易所：106

網址

<http://www.landsea.hk>

MAJOR EVENTS AND ACCOLADES OF LANDSEA GREEN PROPERTIES IN 2019

朗詩綠色地產2019年大事記與榮譽



CORPORATE'S ACCOLADES OR AWARDS IN 2019

- On 6 January, Landsea won four awards in Celebration of the 40th Anniversary of Reform and Opening-up and the 20th Anniversary of CIHAF. Landsea Green Group was awarded as "2018 Top 10 Green Development Competitive Enterprises". Tian Ming, Chairman of Landsea Green Group, was honored as the "Top 10 Persons in China Real Estate Industry for the Year", while Xie Yuanjian, CTO of Landsea Green Group, was named among the "Top 100 Chief Technology Officers of Real Estate Enterprise". Landsea Xihua Mansion gained the honor of "CIHAF's Top 10 Green Projects for 2018".
- On 20 March, Landsea was named among the "2019 Best 100 China Real Estate Developers" and "2019 Top 10 China Real Estate Developers in terms of Operating Results" at the 2019 Top 500 China Real Estate Developers Assessment Results Release and Summit.
- In April, The Vale Project of Landsea's holding company in US won the Bay Area Community of the Year Award from the Builders Association.

2019年公司的榮譽或獎項：

- 1月6日，致敬改革開放40周年暨CIHAF中國住交會20周年紀念活動中，朗詩一舉斬獲四獎。朗詩綠色集團榮獲2018年度綠色開發競爭力10強企業，朗詩綠色集團董事長田明獲得CIHAF 2018中國房地產年度十大風雲人物稱號，朗詩綠色集團CTO謝遠建獲頒百強房企首席研發官，朗詩熙華府榮膺CIHAF 2018年度十大綠色項目。
- 3月20日，2019中國房地產開發企業500強測評成果發佈會暨500強峰會中，朗詩斬獲「2019中國房地產開發企業100強」及「2019中國房地產開發企業經營績效10強」雙項殊榮。
- 4月，朗詩美國控股公司旗下The Vale項目獲得建商行業協會灣區年度社區獎。



- On 26 April, Landsea Green Group was honored with the “City Renewal Team of the Year Award” and Landsea’s Hangzhou Le Mansion project was awarded as the “Residential Property of the Year” at the “RICS Awards China 2019” ceremony held by the Royal Institution of Chartered Surveyors (RICS).
- On 23 May, Landsea Green Group ranked among the “China’s Top 100 Most Competitive Listed Real Estate Developers in 2019” and “China’s Top 5 Fastest Growing Listed Real Estate Developers in 2019” at the 2019 Press Conference for Evaluation of China’s Listed Property Developers.
- On 18 July, Landsea Green Properties ranked among the “Top 10 Chinese Green Property Developers for 2019” and gained the honors of “2019 TOP 10 Model of Green Property Operation in China” and “2019 TOP 10 Full Renovation Enterprise in China” at the 5th China Green Smart Real Estate Forum.
- 4月26日，英國皇家特許測量師學會(RICS)舉辦的「RICS Awards China 2019」頒獎典禮上，朗詩綠色集團獲評「年度城市更新團隊優秀獎」，朗詩杭州樂府項目獲評「年度住宅優秀獎」。
- 5月23日，2019中國房地產上市公司測評成果發佈會中，朗詩綠色集團榮獲「2019中國房地產上市公司綜合實力100強」以及「2019中國房地產上市公司發展速度五強」榮譽。
- 7月18日，第五屆中國綠色智慧地產論壇中，朗詩綠色地產躋身2019中國綠色地產指數前十，同時榮獲「2019中國綠色地產運行典範TOP 10」以及「2019中國全裝修企業TOP 10」雙料大獎。

MAJOR EVENTS AND ACCOLADES OF LANDSEA GREEN PROPERTIES IN 2019

朗詩綠色地產2019年大事記與榮譽



- In August, Landsea Green Group was selected as “TOP 10 China’s Influential Green Real Estate Enterprises of the Year 2019” and Landsea Green Fir Investment was named as “TOP 30 China’s Influential Real Estate Fund Brand of the Year 2019” at the 2019 Boao Real Estate Forum.
- In September, Iron Ridge Community in Lake Forest of Landsea’s holding company in US earned the title of “Best Builders in Southern California of 2019” and “Best New Communities of 2019”.
- On 10 September, Landsea Green Fir Investment was named as the “2019 Outstanding Brand Enterprise of China Real Estate Fund” and ranked among the top five institutions in real estate funds at the 2019 China Real Estate Brand Value Research Result Release Conference and the 16th China Real Estate Brand Development Summit.
- On 20 September, Landsea Green Properties won the honor of “Top 30 Influential Real Estate Enterprise Brand” at the 2019 Yangtze River Delta Integration Development Summit and Top 100 Real Estate Conference.
- 8月，2019年博鰲房地產論壇上，朗詩綠色集團入選「2019中國年度影響力綠色地產企業TOP 10」，朗詩青杉資本被評為「2019中國年度影響力房地產基金品牌TOP 30」。
- 9月，朗詩美國控股公司旗下森林湖Iron Ridge社區分別榮獲「2019年度南加州最佳建商」和「2019年度最佳新社區」兩大殊榮。
- 9月10日，2019中國房地產品牌價值研究成果發佈會暨第十六屆中國房地產品牌發展高峰論壇上，朗詩青杉資本斬獲「2019中國房地產基金優秀品牌企業」，並躋身地產基金前五大機構。
- 9月20日，2019長三角一體化發展峰會暨房地產百強發佈會上，朗詩綠色地產獲得「房地產企業品牌影響力30強」榮譽。



- On 25 September, Landsea Green Fir Investment was honored with the “Excellent Fund Manager Award” at the 2018-2019 Jiefu Award Ceremony.
- In October, Lido Villas Project of Landsea’s holding company in US won four awards at the annual awards ceremony held by the Sales and Marketing Committee of the Building Industry Association of Southern California, namely Best Innovation and Technology Application Award, Best Townhouse Interior Promotion Award, Best Coastal Townhouse Architectural Design Award, and Best Collective Residential Building Design Award.
- On 24 October, in the 2019 CITI Evaluation of Green Supply Chain issued by the Public Environmental Research Center (IPE), Landsea Group was named as TOP 1 in the real estate sector for three consecutive years, and ranked TOP 26 among the whole industry ranking as the only real estate company for three consecutive years.
- On 20 November, the UK Building Research Establishment’s Environmental Assessment Methodology (BREEAM) announced 12 awards for Greater China in 2019, and Landsea Green Centre in Shanghai was granted the double certification pioneer project award.
- 9月25日，2018-2019年度介甫獎頒獎典禮上，朗詩青杉資本榮獲「優秀基金管理人」獎。
- 10月，朗詩美國控股公司旗下Lido Villas項目在南加州建築工業協會銷售及市場委員會舉辦的年度獎項中榮獲四項大獎，分別為最佳創新科技應用、最佳聯排房屋內裝推廣、最佳濱海聯排房屋建築設計以及最佳集合住宅建築設計獎。
- 10月24日，公眾環境研究中心(IPE)發佈的2019年度綠色供應鏈CITI評價中，朗詩集團連續三年蟬聯房地產領域TOP 1，並作為唯一房地產企業連續三年獲得全行業排名TOP 26。
- 11月20日，英國綠色建築評估標準(BREEAM)揭曉2019年度大中華區的12項大獎，上海朗詩綠色中心斬獲雙認證先鋒項目獎。

MAJOR EVENTS AND ACCOLADES OF LANDSEA GREEN PROPERTIES IN 2019

朗詩綠色地產2019年大事記與榮譽



- On 4 December, Landsea won four awards at the 2019 China Green Building Industry Chain Summit and Dean's Forum of China Architectural Design Institute, and was honored with "Top 10 Green Development Competitive Enterprises of the Year 2019" and "CIHAF's 2019 China Real Estate Green Procurement Gold Partner Award". Both Landsea New Mansion and Landsea Green Centre in Shanghai were selected as the "CIHAF's 2019 TOP 10 Green Project in China".
- On 5 December, Landsea won the "Sustainability and Social Responsibility Reporting Awards" at the "20th Best Corporate Governance Award" hosted by the Hong Kong Institute of Certified Public Accountants.
- On 9 December, Landsea Group gained the "Green Chain Enterprise Excellence Award" at the 16th Elite Habitat Award Ceremony.
- On 18 December, Landsea's real estate company in Hangzhou ranked among Top 20 in Hangzhou "2019 City Promoting Force" Real Estate Media Awards.
- 12月4日，朗詩在2019中國綠色建築產業鏈峰會暨中國建築設計院院長論壇上一舉斬獲四獎，被授予「2019年度綠色開發競爭力10強企業」、「CIHAF 2019中國房地產綠色採購金夥伴獎」，朗詩新西郊和上海朗詩綠色中心雙雙入選「CIHAF 2019中國綠色項目TOP 10」。
- 12月5日，由香港會計師公會主辦的第20屆「最佳企業管治大獎」中，朗詩榮獲「可持續發展及企業社會責任報告獎」。
- 12月9日，第十六屆精瑞人居獎頒獎典禮上，朗詩集團被授予「綠鏈企業優秀獎」。
- 12月18日，朗詩杭州地產公司榮獲杭州「2019城市推動力」地產傳媒大獎20強。



MAJOR EVENT IN 2019:

- On 1 March, Landsea Green Group formally entered into a strategic cooperation agreement with Dezhou Group.
- On 20 March, an expert panel meeting organised by Landsea Green Group in respect of the technical solution for passive ultra-low energy building of Zhongfu Project taken place in Sino-Singapore Tianjin Eco-city of Binhai New Area, Tianjin was held in Tianjin.
- On 22 March, 2019 (The First) Healthy Building Conference was held in Beijing, in which Landsea New Mansion Project was granted one of the first "Healthy Building Demonstration" (健康建築示範基地) in PRC, exemplifying a model project for healthy architecture in the PRC and abroad.

2019 年大事記：

- 3月1日，朗詩綠色集團與德洲集團正式簽署戰略合作協定。
- 3月20日，朗詩綠色集團·天津濱海新區中新生態城中福項目被動式超低能耗建築技術方案專家論證會在天津召開。
- 3月22日，第一屆健康建築大會在天津召開，朗詩新西郊項目被授予中國第一批「健康建築示範基地」，成為國內外健康建築的典範項目。

MAJOR EVENTS AND ACCOLADES OF LANDSEA GREEN PROPERTIES IN 2019

朗詩綠色地產2019年大事記與榮譽



- From 3 to 4 April, Landsea Group participated “The 15th International Conference on Green and Energy-Efficient Building and New Technologies and Projects Expo” and co-organized a forum tilted “Technology Changes Green Life Better” with Landleaf, its strategic partner.
- 4月3-4日，朗詩集團參加「第十五屆國際綠色建築與建築節能大會暨新技術與產品博覽會」，攜手戰略合作夥伴朗綠科技舉辦「科技升級綠色生活」分論壇。
- On 17 April, Shenzhen Landsea Dezhou Green Investment Co., Ltd. and Zhongshan Lianxing Real Estate Development Co., Ltd held a signing ceremony for the acquisition of Zhongshan Nanlang Town Project, which marked the official entry of Landsea, together with Dezhou, into the Greater Bay Area of Guangdong, Hong Kong and Macau, and the first step towards achieving the strategic layout of South China.
- 4月17日，深圳朗詩德洲綠色投資有限公司與中山市聯興房地產開發有限公司就收購中山南朗鎮項目舉行簽約儀式，標誌朗詩攜手德洲正式進入大灣區，實現華南戰略佈局。



- On 24 May, Landsea Group formally entered into a comprehensive strategic partnerships with Bank of Jiangsu.
- On 30 May, Landsea Group entered into a strategic partnerships with JIC Trust Co., Ltd.
- In July, Landsea's holding company in US acquired Pinnacle West Home, a Phoenix-based company, to develop 15 communities in 4 metropolitan areas in Arizona, amounted to over 1,150 plots.
- On 19 August, Chinese Society For Urban Studies organized an assessment meeting for the first batch of projects qualified for "Assessment Standard for Green Building", in which Landsea Green Center in Shanghai and Zhongshan Green County of Landsea in Nanjing awarded as 3-star public buildings and 2-star residential buildings respectively.
- 5月24日，朗詩集團與江蘇銀行正式簽署全面戰略合作協定。
- 5月30日，朗詩集團與中建投信託股份有限公司簽署戰略合作協定。
- 7月，朗詩美國控股公司收購位於鳳凰城的Pinnacle West Home公司，開發分佈於亞利桑那州四大城市區域的15個社區，總計超過1150個地塊。
- 8月19日，中國城市科學研究會召開第一批2019版《綠色建築評價標準》項目評價會議，上海朗詩綠色中心獲公共建築3星，南京朗詩鐘山綠郡花園獲住宅2星。

MAJOR EVENTS AND ACCOLADES OF LANDSEA GREEN PROPERTIES IN 2019

朗詩綠色地產2019年大事記與榮譽



- On 5 September, Landsea Group, as the co-initiator and the key participant of “Real Estate Industry Green Supply Chain Action”, took part in the “2019 CURA Suppliers’ Conference and the Third Anniversary Conference of Real Estate Industry Green Supply Chain Action”.
- On 19 September, Landsea Green Property Xi’an Company (朗詩綠色地產西安公司) held a signing ceremony for the joint development of the project taken place in Diwu Avenue, Kaifeng New District (開封新區第五大街) with Kaifeng New District Infrastructure Construction Investment Co., Ltd. (開封新區基礎設施建設投資有限公司).
- On 25 September, Landsea Group held a signing ceremony for the intention on cooperation in respect of its Orient Lucky City (東方馬城) with Orient Lucky Horse (東方神馬), a leading horse-racing enterprise in PRC.
- 9月5日，朗詩集團作為房地產綠色供應鏈行動的聯合發起企業及重要實踐者參與2019中城聯盟供應商大會暨房地產行業綠色供應鏈行動三周年大會。
- 9月19日，朗詩綠色地產西安公司與開封新區基礎設施建設投資有限公司就位於開封新區第五大街項目的開發合作舉行簽約儀式。
- 9月25日，朗詩集團與中國賽馬龍頭企業東方神馬舉行簽約儀式，就其旗下東方馬城項目達成合作意向。



- On 5 October, Landsea Group's Company in USA joined CEIBS Silicon Valley Innovation Forum and shared its experience about Landsea's expansion into the US market and internationalized operation from a perspective of internationalization.
- 10月5日，朗詩美國參加中歐矽谷再創新峰會，以國際化視野分享朗詩在美國市場的落地成果及國際化運營經驗。
- In October, Contemporary Amperex Technology Thuringia GmbH (CATT) of CATL has commenced construction of a production plant of new energy battery in Arnstadt, Thuringia, for which Landsea Europe Construction Technology Company (朗詩歐洲建築技術公司) has provided assistance during the process of setting-up.
- 10月，由朗詩歐洲建築技術公司協助落地的新能源電池工廠——寧德時代(CATL)德國時代新能源科技(圖林根)有限公司(CATT)位於德國圖林根州阿恩斯塔特的電池工廠建設正式啟動。

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CHAIRMAN'S STATEMENT

主席報告



I am pleased to present the business review for the year ended 31 December 2019 and the prospects for 2020 of Landsea Green Properties Co., Ltd. (“**Landsea**” or the “**Company**”) and its subsidiaries (collectively, the “**Group**”).

2019 IN REVIEW OPERATING RESULTS

During the period under review, the Group's profit for the year amounted to RMB1.5 billion, representing an increase of 4.0% as compared to last year; the net core profit amounted to RMB1.41 billion, representing an increase of 11.4% as compared with the corresponding period of last year; the development management service fee income from independent third parties or cooperative partners amounted to approximately RMB1.05 billion, and the profit after tax for development services was approximately RMB360 million, which is basically the same as last year. In addition, for the year ended 31 December 2019, Landsea Group recorded contracted sales of approximately RMB40.5 billion, with contracted gross floor areas of approximately 2.34 million square meters. In 2019, the Group acquired a total of 33 projects, including 24 projects in the PRC and 9 projects in US.

本人欣然向各位股東提呈朗詩綠色地產有限公司（「朗詩」或「本公司」）連同其附屬公司（統稱「本集團」）截至二零一九年十二月三十一日止年度業務回顧與二零二零年展望。

二零一九年回顧 經營業績

回顧期內，本集團年度利潤約為人民幣15億元，同比增長約4.0%；核心淨利潤為人民幣14.1億元，比去年同期上升11.4%；向獨立第三方或合作方收取的項目開發服務費收入約為人民幣10.5億元，實現開發服務稅後利潤約為人民幣3.6億元，與去年基本持平。此外，朗詩集團截至二零一九年十二月三十一日止年度合同簽約銷售額約為人民幣405億元，合同簽約建築面積約為234萬平方米。二零一九年，本集團共獲取33個項目，其中中國24個，美國9個。



FOCUSING ON GREEN TECHNOLOGY AND PROPERTY BUSINESS

In first half of the year, the Group adjusted its strategies and tactics, segregating the loss-making business of long-term rental apartments as well as non-property development-related businesses, with a view to focusing on development and management of green technology and property to become a green property expert with a clear business line.

聚焦綠色科技地產業務

上半年，本集團調整了戰略佈局，將處於目標虧損期的長租公寓業務以及非地產開發業務進行剝離，意在使本集團專注於綠色科技地產的開發和管理，成為一家業務清晰和純粹的專業化綠色地產公司。

CHAIRMAN'S STATEMENT

主席報告

CONTINUOUS TRANSFORMATION AND UPGRADE WITH PRUDENT BUSINESS STRATEGY

2019 is the fifth year of Landsea's strategic transformation as well as its 18th birthday. In the 18 years since its establishment, Landsea has always maintained its strategic determination and careful analysis of the internal and external environment despite the ups and downs of the market. We remain calm when the market is frantic, and maintain reasonable debts and ample cash, without the burden of "land king (地王)". We continued to firmly implement our strategy of "product-differentiation, asset-light transformation and revenue-diversification" for transformation and upgrade. The Company experienced the year of operational efficiency in 2019 with continuous improvement in its operational efficiency. Our research and development capabilities of green building products have continued to upgrade, and the research and development mechanism has become increasingly perfect, which further strengthened the leading advantages of green building products. The operation of new development models such as projects focusing on minority interests, cooperative development and entrusted construction is becoming more and more proficient. Different ways of profit generation such as return on investment, development services, product integration, brand output, and performance rewards have been reflected in the Company's financial statements.

REAL ESTATE DEVELOPMENT SERVICES BUSINESS IN CHINA

Objectively speaking, subject to internal and external factors, the Company's real estate performance in China has lingered. In the first half of 2019, the land market was heating up, and the inventory market was also rising accordingly. With various administrative control measures such as ceiling prices, sales restrictions, purchase restrictions, and contract restrictions, it is difficult for us to obtain good projects and therefore resulting in insufficient expansion. At the same time, diversified cooperative projects with long development cycles, difficult development and relatively slow turnover also posed challenges to operational capabilities. However, we believe that slowing down is a smart choice when the market and policies are unfavorable.

Nonetheless, the Company is making steady progress. In 2019, the Company obtained 21 projects in Beijing, Hangzhou, Chengdu, Chongqing, Wuhan, Xi'an, Kaifeng, Zhongshan, Suzhou, Wuxi, Changshu and other cities, with a total output value of 47.3 billion and a saleable area of 2.54 million square meters.

持續轉型升級，保持戰略定力

2019年是朗詩戰略轉型的第5年，這一年朗詩迎來了18歲生日。成立18年來，朗詩經歷了市場的跌宕起伏，但始終保持戰略定力，審慎分析內外部環境，市場瘋狂時我們不追高，公司負債合理，現金充裕，沒有「地王」負擔。我們繼續堅定執行「產品差異化、資產輕型化、收益多樣化」的轉型升級戰略。2019年是公司的運營效率年，我們持續提升運營效率。我們的綠建產品研發持續升級，研發機制日趨完善，綠建產品領先優勢進一步強化。小股操盤、合作開發、委託代建等新型開發模式，操作日趨熟練。投資回報、開發服務、產品整合、品牌輸出、超業績獎勵等多種盈利方式已經體現在公司的財務報表上。

中國地產開發服務業務

客觀講，受制於內外部因素，公司在中國的地產業績出現了徘徊。2019年上半年，土地市場升溫，存量市場也隨之水漲船高，加上限價、限售、限購、限簽等各種行政調控措施，我們很難獲得好項目，拓展量不足；同時多樣化的合作項目開發周期長，開發難度大，周轉速度相對較慢，這給運營能力也帶來挑戰。但是我們認為，當市場和政策不利的時候，放慢節奏是明智之選。

儘管如此，公司依然穩步前進。2019年公司在北京、杭州、成都、重慶、武漢、西安、開封、中山、蘇州、無錫、常熟等城市，共獲取21個項目，出品貨值473億，可售面積254萬平方米。

During the period, Landsea went deep into the national layout and settled in Zhongshan in April to formally enter the Greater Bay Area, setting a solid pace for the strategic layout of South China. Kaifeng was unlocked in September and officially landed in the Central Plains region to further realize the strategic layout of the Midwest.

In March 2019, Landsea out performed its peers of substantial strengths across the nation as one of the top 10 performers, and ranked among the top 100 in terms of operating results for nine consecutive years. In May, Landsea once again ranked top five of fastest-growing enterprises among Real Estate Listed Companies (房地產上市公司發展速度五強) by leveraging on its business model and development strategies.

The long-standing insistence on green living and the market demand-oriented iterative upgrade contribute to Landsea's unique advantage in "Product differentiation". Further to the achievement of global winner of Health & Comfort Prize in the Green Solutions Awards last year, Landsea New Mansion Project was granted the pioneer "Healthy Building Demonstration (健康建築示範基地)" in the PRC in March 2019 and has become a model project for healthy architecture in PRC and abroad. In April, Hangzhou Le Mansion of Landsea was honored the "Residential Property of the Year (年度住宅優秀獎)" by Royal Institution of Chartered Surveyors (RICS), a well-known international professional organisation.

The Group's real estate fund platform focuses on the investment in inventory assets and asset management in the core cities and has integrated the entire workflow of "financing, investment, management, exiting" of real estate funds, allowing it to carry out various innovative exploration and secure projects through different means including acquisition and merger of assets and equity and distressed assets package. As at 31 December 2019, our real estate fund platform managed assets of approximately RMB11.6 billion, firmly supporting the development of the Group's core business.

期內朗詩深入全國化佈局，4月落子中山，正式挺進大灣區，為實現華南戰略佈局邁開堅實的步伐。9月解鎖開封，正式登陸中原地區，進一步實現中西部戰略佈局。

2019年3月，朗詩在強強林立的全國同行中，連續九年蟬聯百強，經營績效位居十強。5月，朗詩憑藉自身的商業模式和發展戰略，再次成功蟬聯「房地產上市公司發展速度五強」。

長期對綠色的堅持，並以市場需求為導向迭代升級，成就了今天朗詩獨特的「產品差異化」優勢。繼去年榮獲健康建築解決方案獎全球第一名的好成績後，朗詩新西郊項目於2019年3月被授予中國第一批「健康建築示範基地」，成為國內外健康建築的典範項目。4月朗詩杭州樂府項目榮獲國際知名專業權威機構英國皇家特許測量師學會(RICS)授予的「年度住宅優秀獎」。

此外，集團旗下的地產基金平台專注於核心城市存量資產的投資與資產管理，已打通地產基金「融、投、管、退」全流程，並在此基礎上進行豐富多樣的創新與探索，採用資產、股權收併購、困境資產包等方式獲取各類型項目。截至二零一九年十二月三十一日，地產基金平台管理資產規模約為人民幣116億，有力支持了集團核心業務發展。

CHAIRMAN'S STATEMENT

主席報告

PROPERTY DEVELOPMENT BUSINESS IN THE UNITED STATES

Since entering into the US market in 2013, Landsea has always implemented the localization strategy clearly from the four dimensions of local market, local resources, local customers and local teams. The Company has successively tapped into the Greater New York area, Boston area, Los Angeles area, San Francisco area, and Arizona area to explore the mid-to-high-end residential market. At the same time, the Company has also reviewed the situation and set its sights on markets with better growth and rigid demand.

During the period, the Group acquired Pinnacle West Home in Phoenix, and developed 15 communities in four major urban areas in Arizona, with a total of more than 1,150 plots. Through this acquisition, Landsea completed the strategic layout of the five major US metropolitan areas, not only optimizing the product portfolio in the US market, but also expanding the territory of the US business with a strong attitude, which is beneficial to its performance in the US market.

During the period, the Company secured 9 projects in cities including Phoenix, with an additional saleable area of 302,000 square meters and expected saleable value of approximately RMB4.01 billion. As at 31 December 2019, the Group realised income from sales of properties and land in the United States of approximately RMB4.35 billion, representing an increase of 72.2% as compared with last year. The recognised sales gross area was 194,000 square meters.

SOUND DEBT STRUCTURE AND DIVERSIFIED FINANCING

In 2019, Landsea, as it always does, has adhered to its strategies and maintained steady business operation, while actively diversifying its access to financing. In the first half of 2019, the Company successfully issued a total of USD200 million in green bonds, which was granted "E1", the highest in the rank, again in S & P's Green Evaluation. Major breakthroughs have also been made in asset securitization financing. Debt structure has also kept enhanced. Due to sound and prudent operating strategies taken, the Company can enjoy sufficient cash flow and a low debt ratio, which has put the Company in a sound position to capture development opportunities in the future.

美國地產開發業務

朗詩自2013年進入美國市場以來，從本土市場、本土資源、本土客戶和本土團隊四個維度，始終清晰貫徹本土化戰略。先後進入大紐約地區、波士頓地區、洛杉磯地區、舊金山地區和亞利桑那地區，開拓中高端住宅市場，同時公司亦審時度勢，將目光投向增長性更好、更為穩健的剛需市場。

期內本集團收購位於鳳凰城的Pinnacle West Home公司，開發分佈於亞利桑那州四大城市區域的15個社區，總計超過1,150個地塊。通過此次收購，朗詩完成了美國五大主要都會區的戰略佈局，不僅優化了在美國市場的產品組合，更以強有力的姿態開拓了美國業務的版圖，為集團在美國市場的業績發展再添助力。

期內，公司在鳳凰城等城市共獲取9個項目，新增可售面積30.2萬平方米，預計可售貨值約為人民幣40.1億元。截至二零一九年十二月三十一日，美國實現物業及土地銷售收入約人民幣43.5億元，較去年上升72.2%，確認銷售總面積19.4萬平方米。

債務結構穩健，多元化融資方式並舉

2019年朗詩一如既往地保持戰略定力，穩健經營，積極拓展多元化的融資方式。公司於二零一九年上半年成功發行總額2億美元的綠色債券，本次綠色債券仍由標普進行綠色評級並授予E1級最高綠色評價。資產證券化融資也取得重大突破，債務結構持續優化，審慎穩健的經營策略，使得公司現金流頗為充裕，負債率較低，為捕捉未來發展機會奠定堅實基礎。

CORPORATE SOCIAL RESPONSIBILITIES AND SUSTAINABLE DEVELOPMENT

Landsea has attached importance to the balance of environment, social and governance in order to substantiate the concept of sustainable development. The Company has continued to encourage other domestic property development enterprises to participate in “China’s Real Estate Industry Green Supply Chain Action” and practice “green procurement only” measures, with an aim to pursue a green value chain as well as a better environment and more efficient use in resources. 2019 marked as the third anniversary of “Green Supply Chain Action”. In these three years, Landsea has been socially responsible and put its idea of “green procurement only” into full effect, either in various processes in internal procurement of the Group and the plotting of green procurement standards, which gives strong support to the idea of socially sustainable development in addition to contributing a greener real estate industry.

With the outstanding performance in “Green Supply Chain Action”, the Group was awarded Award of Excellence under the category of “Green Supply Chain Enterprise” with 5 individuals of the Group awarded Award of Excellence (individual) (優秀(個人)獎) under same category at the 16th Elite Habit Award Awarding Ceremony. On the other hand, Landsea, alongside Apple, Dell and other internationally renowned companies, was listed as one of the TOP30 in the “Green Supply Chain CITI Index” released by The Institute of Public and Environmental Affairs in 2019, with ranked TOP1 for three consecutive years under the real estate industry category.

During the period, Landsea publicized 2018 ESG Report by way of promotion and realization of the idea of corporate social responsibility. Prior to the publication of updated ESG guidelines in December, Landsea has been effectively incorporating social responsibilities into its performance evaluation. Landsea has communication channels and management in place for the indicator formulation, data collocation and performance enhancement of ESG and has contributed to a more optimized ESG management by taking the concerns of stakeholders into account during daily operation of the Company.

企業社會責任與可持續發展工作

朗詩持續關注環境、社會、公司治理三方面的平衡，積極踐行可持續發展理念。公司持續推動和倡導國內房地產企業加入「中國房地產行業綠色供應鏈行動」，實行「無綠色，不採購」，堅持綠色採購，綠化產業鏈，提高環境效益和資源利用效率。2019年是綠鏈行動三周年，三年來朗詩始終秉持高度的社會責任感，在集團內部採購的各環節及綠色採購標準的制定方面，均嚴格貫徹「無綠色，不採購」原則，有力推動房地產行業綠色轉變的同時，亦為社會的可持續發展注入強勁動力。

第十六屆精瑞人居獎頒獎典禮上，集團憑藉在綠鏈行動中的突出表現，被授予「綠鏈企業優秀獎」，並同時有5人獲得綠鏈企業優秀(個人)獎。2019年公眾環境研究中心發佈的「綠色供應鏈CITI指數」排名中，朗詩與蘋果、戴爾等國際知名企業同時進入榜單的TOP30，並連續三年位列地產企業綠鏈指數TOP1。

期內朗詩發佈了2018年度企業社會責任報告，積極倡導和踐行企業社會責任。在12月新版ESG指引發佈之前，朗詩就已經將社會責任理念落實到績效管理工作的實處。在ESG指標制定、ESG數據收集和ESG績效提升等各方面，朗詩通過建立相應的溝通和管理機制，將利益相關方關注的議題納入公司的日常經營管理中，並最終實現ESG管理的閉環。

CHAIRMAN'S STATEMENT

主席報告

During the Period, the Company was awarded “Sustainability and Social Responsibility Reporting Awards” in the 20th “Best Corporate Governance Awards” by Hong Kong Institute of Certified Public Accountants, which shows that the capitalist market has recognized Landsea's disclosure in respect of sustainability and social responsibility.

OUTLOOK FOR 2020 DEVELOPMENT ANALYSIS

In the second half of 2019, especially in the fourth quarter, there was an adjustment in the market as expected. We see this as a tip of long term trend that the real estate industry in China has shifted into phrase of quality-oriented development after years of quantity-driven development. Capital and venturing rule in the era of quantity-driven development while product quality and innovation are the key to success when it comes to the era of quality-oriented development. Landsea has not worried the imminent quality-oriented era as Landsea has always been glad to embrace a bearish and intensively competitive market, in which Landsea will find its way to grow. As the market becomes more rational, Landsea would enjoy more and better opportunities by making the most of its differentiated products and development philosophy.

Landsea has been continuously improving the research and development and innovation capabilities of green differentiated products. A new residential product series with healthy, comfort and green as its core values will be launched in 2020. Such leading series featuring humanization, intelligence and independent intellectual property rights will be promoted and applied in more than ten projects across the country this year to further strengthen the product's competitive advantage. In the wake of the outbreak of COVID-19 taken place at the beginning of this year, consumers have become more concerned about the relationship between health and architecture and more meticulous in respect of the said aspect. Adhering to its “excellency-oriented” product philosophy, Landsea strives for “excelling” in differentiated products in addition to its already “excellent” main-stream products and accordingly provides a living experience that is “healthy, enjoyable, energy saving, environmentally friendly, smart and human-oriented”.

期內公司在由香港會計師公會主辦的第20屆「最佳企業管治大獎」中，榮獲「可持續發展及企業社會責任報告獎」。此次獲獎充分印證了朗詩在可持續發展及社會責任的相關披露受到資本市場的廣泛認可。

二零二零年展望 形勢分析判斷

2019年下半年尤其是四季度，市場出現了預期的回調，我們認為這是一個長期的趨勢，中國房地產高歌猛進的增量時代將轉入平穩發展的存量時代。增量時代靠資本和膽量，存量時代靠產品和創新，我們無需擔憂存量時代的來臨，朗詩從來都喜歡熊市，喜歡充分競爭的市場，朗詩為熊市、為存量時代而生。隨著市場回歸理性，擁有差異化產品和開發模式的朗詩將會有更多更好的機會。

一直以來，朗詩不斷提升綠色差異化產品研發及創新能力，於2020年將推出以健康、舒適、綠色為核心價值，更人性化更智能，擁有自主知識產權並領先於以往產品的全新住宅產品系列，今年將在全國各地十餘個項目中進行推廣和應用，從而進一步強化產品競爭優勢。尤其是受到年初新冠肺炎疫情的影響，用戶對建築的「健康」更為關注，也提出了更高的要求。朗詩一貫堅持「好上加好」的產品理念，在把常規項做「好」的基礎上，打造差異化的「好」，為用戶提供「健康、舒適、節能、環保、智能、人文」的人居體驗。

ACKNOWLEDGEMENT

The continuous support from stakeholders and valuable contribution from the dedicated staff at all levels are essential to the strong development of the Group. On behalf of the Board, I would like to take this opportunity to extend our heartfelt gratitude to our staff, investors and business associates for their support. We will continuously create value for our customers, staff, shareholders, cooperative partners and other stakeholders.

Having tiding over challenges for 18 years, Landsea today has become well-established company with healthy corporate culture and go-getting strategies, which would make Landsea soon become a widely-recognized enterprise. We believe Landsea will become an environmentally friendly and vertically-integrated group whose business spans across the shores of the Pacific and laid a solid foundation of becoming a time-honored and respected green enterprise after the assiduous work made in third decade in 21th Century.

Landsea is a long-termist who pursues continuous innovation and stable operation. Our vision is to become a company that makes positive and lasting contributions to the industry as well as the society.

Tian Ming

Chairman

Hong Kong, 27 March 2020

致謝

本集團的持續穩健發展離不開社會各界的鼎力支持及全體員工的寶貴奉獻，我謹代表董事局向我們的全體員工、投資者及合作夥伴致以衷心的感謝。我們將持續為客戶、員工、股東、合作方及其他利益相關者創造價值。

歷經18年艱苦奮鬥，今日之朗詩，已經具備成為一家偉大公司的基礎條件：文化健康、戰略清晰、產權穩固。我們有理由期待，經過21世紀第三個10年的奮鬥，朗詩將成為房地產行業裏跨太平洋兩岸、縱向一體的綠色集團公司，為成為一家受人尊敬的百年綠公司打下堅實的基礎。

朗詩是長期主義者，持續創新，穩健經營，我們的願景是成為對行業和社會有積極持久貢獻的公司。

田明

主席

香港，二零二零年三月二十七日

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員簡介

EXECUTIVE DIRECTORS

MR. TIAN MING (“MR. TIAN”)

Aged 59, was appointed as the Chairman of the Board and an executive Director on 31 July 2013. He is the chairman of the sustainable development supervision committee of the Company. He obtained an Executive Master of Business Administration from China Europe International Business School. Mr. Tian founded Landsea Group Co. Ltd. (朗詩集團股份有限公司) (“Landsea”) in 2001. He is now the largest shareholder and also the Chairman and President of Landsea and its subsidiaries (“Landsea Group”). Mr. Tian has 18 years’ extensive experience in the fields of competitive strategy, operation management and property investment and development. Committed to “green development” and “sustainability”, Mr. Tian is an advocator of environmental protection and pioneer of green technology and property in the industry.

Mr. Tian initiated the “Green Supply Chain Act of Real Estate Industry”, which aims to mitigate the negative effect of the industrial supply chain on the environment by promoting green procurement and facilitating the emission reduction of upstream suppliers.

MR. HUANG ZHENG (“MR. HUANG”)

Aged 37, was appointed as an executive Director and Chief Executive Officer of the Company on 27 March 2020. He graduated from Wuhan University in 2004, where he obtained a bachelor degree of law in Sociology. He also received a master degree in Sociology from the Law School of Tsinghua University in 2007. Mr. Huang had worked for Huarun (Dalian) Co., Ltd., CITIC Real Estate Co., Ltd. and Hailiang Group Co., Ltd. as the sales manager and general manager respectively. He has extensive experience in sales and marketing and operation management in real estate industry. Mr. Huang joined the Company in 2019 and served as the vice president.

執行董事

田明先生(「田先生」)

現年59歲，於二零一三年七月三十一日獲委任為董事局主席兼執行董事。彼亦為本公司可持續發展督導委員會之主席。田先生獲得中歐國際工商學院EMBA碩士學位。彼於二零零一年創辦朗詩集團股份有限公司(「朗詩」)，現為朗詩及其附屬公司(「朗詩集團」)第一大股東，亦是董事長兼總裁。田先生在競爭戰略、經營管理、房地產投資和開發方面具有十八年的豐富經驗。田先生篤信「綠色」和「可持續性」，是業界的「綠色佈道者」，是綠色科技地產行業的先鋒。

田先生主導發起「房地產行業綠色供應鏈行動」，旨在推動綠色採購，撬動上游供應商減少排放降低行業整體供應鏈對環境負面的影響。

黃征先生(「黃先生」)

現年37歲，於二零二零年三月二十七日獲委任為本公司執行董事及總裁。彼於二零零四年畢業於武漢大學，取得社會學法學學士學位，彼及後於二零零七年取得清華大學社會學法學碩士學位。黃先生曾就職於華潤(大連)有限公司、中信房地產股份有限公司及海亮集團有限公司等企業，分別擔任營銷經理及總經理等職。他在房地產行業的營銷及營運管理方面擁有豐富經驗。黃先生於二零一九年加入本公司，並出任副總裁一職。

MS. SHEN LEYING (“MS. SHEN”)

Aged 42, was appointed as an executive Director of the Company on 31 July 2013. She is also the Co-Chief Executive Officer and the Chief Financial Officer of the Company. Ms. Shen oversees the Group’s financial management, investment and financing management as well as capital management functions, and also serves as the person-in-charge of Green Fir Investment of the Company. Ms. Shen joined Landsea Group in 2011 and served as the general manager of Marketing and Sales Center, general manager of Nanjing property regional company, the vice president in Landsea Group and other positions. Before joining Landsea Group, Ms. Shen had been working in Gallup Consulting for nine years and served in the positions such as research and consulting director, member of the Management Committee of Shanghai Office. Ms. Shen has extensive experience in various areas including property development management, investment and financing management, asset management, management consulting, market and customer strategy, etc. She obtained a Master’s degree of Media Communication from Shanghai University and is studying at the Executive Master of Business Administration degree from China Europe International Business School.

MR. JIANG CHAO (“MR. JIANG”)

Aged 41, was appointed as an executive Director and Executive Vice President of the Company on 27 March 2020. He graduated from Shenyang Jianzhu University with specialisation in Real Estate Management. He has joined several enterprises including Longfor Group Holdings Limited and China Vanke Co., Ltd., and served as the person-in-charge of the investment center and manager of the development department for regional projects of the group. He has extensive experience in real estate industry, land acquisition as well as project acquisitions and mergers. Mr. Jiang was appointed as assistant to president and Chief Investment Officer of Landsea Group on 12 January 2017, and was also in charge of the strategic expansion center. He was also appointed as the Vice President of the Company on 23 November 2018.

申樂瑩女士

現年42歲，於二零一三年七月三十一日獲委任為本公司執行董事，同時為本公司聯席總裁及首席財務官。申女士負責監管本集團之財務管理、投融資管理及資金管理職能，並兼任本公司青杉資本負責人。申女士於二零一一年加入朗詩集團，曾任市場行銷中心總經理、南京地產區域公司總經理、集團副總裁等職務。加入朗詩集團之前，申女士於蓋洛普(Gallup)諮詢公司服務九年，擔任研究諮詢總監、上海公司管理委員會委員等職務。申女士在房地產開發管理、投融資管理、資產管理、財務管理及資金管理、管理諮詢、市場與客戶策略等多個不同領域擁有豐富經驗。彼為上海大學媒體傳播學碩士，並於中歐國際工商學院EMBA在讀。

蔣超先生(「蔣先生」)

現年41歲，於二零二零年三月二十七日獲委任為本公司執行董事及常務副總裁。彼畢業於瀋陽建築大學房地產經營管理專業。彼曾就職於龍湖集團控股有限公司、萬科企業股份有限公司等企業，歷任集團投資中心負責人和區域項目發展部經理等職。彼在地產行業、土地獲取及項目收併購方面擁有豐富的工作經驗。蔣先生於二零一七年一月二十日獲委任為朗詩集團總裁助理，兼任首席投資官，分管戰略發展中心，及後於二零一八年十一月二十三日獲委任為本公司副總裁。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員簡介

MS. ZHOU QIN (“MS. ZHOU”)

Aged 46, was appointed as a non-executive Director on 5 January 2015 and was re-designated as an executive Director on 15 August 2016. She is also a member of the remuneration committee of the Company. Ms. Zhou is also the Chief International Business Officer of the Group. Ms. Zhou earned her Executive Master of Business Administration degree from China Europe International Business School and MBA degree from Nanjing University. Ms. Zhou has nearly 24 years' experience in business development, investment and operation management in real estate. She joined Landsea Group in 2002 and served as the regional general manager in multiple locations, such as Nanjing, Suzhou and Shanghai. After that Ms. Zhou led Landsea Group's global strategic deployment while serving as the assistant to Chairman, general manager of Shanghai Landsea Architecture Technology Co., Ltd., and general manager of Landsea Architecture Design Institute.

Currently, Ms. Zhou is the vice president of Landsea Group and responsible for overseas business exploration. She played the fundamental role to facilitate Landsea Group's US business development and investment. Since 1 December 2014, she served on the board of directors in a Landsea Group's company in U.S.A. and also the chairman of its investment committee.

MR. XIE YUANJIAN (“MR. XIE”)

Aged 55, was appointed as an executive Director on 31 July 2013. He is also the Vice President and the Chief Technology Officer of the Company. He is a member of the sustainable development supervision committee of the Company. He has a Bachelor of Architecture from Logistical Engineering University of PLA, Executive Master of Business Administration in China Europe International Business School, and is a national first class registered architect and senior engineer. Mr. Xie joined Landsea Group in 2003 and served as the general manager of research and development and design institute, general manager of product center, and vice president of products in Landsea Group, where he had been in charge of the work related to green architectural products and technology for a long time. Mr. Xie has more than 22 years' working experience in the fields of architectural design and technology research and development.

周勤女士 (「周女士」)

現年46歲，於二零一五年一月五日獲委任為非執行董事及於二零一六年八月十五日調任為執行董事。彼亦為本公司薪酬委員會成員。周女士亦為本公司首席國際業務官。周女士畢業於中歐國際工商學院，並榮獲EMBA碩士學位。她也擁有南京大學MBA碩士學位。周女士在房地產業務開發、投資和運營管理方面擁有近24年的經驗。於二零零二年，彼加入朗詩集團，曾在南京、蘇州和上海等區域公司擔任總經理。隨後，周女士出任董事長助理，負責朗詩集團海外業務發展，期間曾兼任朗詩上海科技公司，設計院總經理等職務。

目前，周女士擔任朗詩集團副總裁，主要負責跨境業務拓展。她全程參與並領導了朗詩集團美國業務的開發和投資。自二零一四年十二月一日起，她出任朗詩美國公司董事並擔任董事會投資委員會主席。

謝遠建先生 (「謝先生」)

現年55歲，於二零一三年七月三十一日獲委任為執行董事。彼現時亦為本公司之副總裁及首席技術官。彼為本公司可持續發展督導委員會之成員。彼為解放軍後勤工程學院建築學學士、中歐國際工商學院EMBA碩士、國家一級註冊建築師及高級工程師。謝先生於二零零三年加入朗詩集團，曾任研發設計院總經理、產品中心總經理及集團產品副總裁，長期負責綠色建築產品技術相關工作。謝先生在建築設計、技術研發方面擁有超過二十二年的工作經驗。

NON-EXECUTIVE DIRECTOR

MR. ZHOU YIMIN (“MR. ZHOU”)

Aged 61, was appointed as a non-executive Director on 17 November 2015. He is a member of the audit committee of the Company. He is the chairman and chief executive officer of Ping An Real Estate Company Limited. Mr. Zhou joined Ping An Insurance (Group) Company of China, Ltd. in early 2010 after spending more than 12 years in Sun Hung Kai Properties Limited, one of the largest global real estate developers headquartered in Hong Kong. During his time at Sun Hung Kai Properties Limited, Mr. Zhou was the chairman of Sun Hung Kai Real Estate (Shanghai) Limited, overseeing its real estate business in the China market and the significant growth in its land bank and investment portfolio. Prior to his term at Sun Hung Kai Properties Limited, Mr. Zhou was the vice chairman of Chu Kong Shipping Enterprises (Group) Co., Ltd. (formerly known as ‘Chu Kong Shipping Development Co., Ltd.’), which was successfully listed on the Stock Exchange in 1997. Mr. Zhou has been a non-executive director of CIFI Holdings (Group) Co. Ltd. (Stock Code: 884) from December 2017 to November 2018, whose shares are listed on the Stock Exchange. Mr. Zhou graduated from Fudan University with a doctorate degree.

INDEPENDENT NON-EXECUTIVE DIRECTORS

MR. XU XIAONIAN (“MR. XU”)

Aged 66, was appointed as an independent non-executive Director on 31 July 2013. He is the chairman of the nomination committee and a member of the remuneration committee and the sustainable development supervision committee of the Company. He obtained a PHD of Economics from University of California Davis in 1991. He was the managing director and head of research department in China International Capital Corporation Limited, and senior economist of Merrill Lynch (Asia Pacific) and consultant of World Bank. Currently, Mr. Xu serves as the professor of Economics and Finance in China Europe International Business School and his research areas include macroeconomics, finance, financial institutions and markets, transition economics and China's economic reforms. Mr. Xu is a famous Chinese economist and was granted the highest award of economics study in China, the “Sun Yefang Economic Science Award”. Mr. Xu has more than 34 years' experience in economics analysis.

非執行董事

鄒益民先生(「鄒先生」)

現年61歲，於二零一五年十一月十七日獲委任為非執行董事，亦為本公司審核委員會成員。彼為平安不動產有限公司之董事長及行政總裁。鄒先生於二零一零年初加入中國平安保險(集團)股份有限公司，此前，其曾於全球最大地產開發商之一，總部位於香港的新鴻基地產發展有限公司任職超過十二年。鄒先生於新鴻基地產發展有限公司任職期間，擔任新鴻基房地產(上海)有限公司之董事長，負責管理中國市場之房地產業務及土地儲備及投資組合之顯著增長。於新鴻基地產發展有限公司任職之前，鄒先生為珠江船務企業(股份)有限公司(前稱「珠江船務發展有限公司」)副主席，該公司於一九九七年成功於聯交所上市。鄒先生曾於二零一七年十二月至二零一八年十一月擔任在聯交所上市的旭輝控股(集團)有限公司(股票代碼：884)的非執行董事。鄒先生畢業於復旦大學，擁有博士學位。

獨立非執行董事

許小年先生(「許先生」)

現年66歲，於二零一三年七月三十一日獲委任為獨立非執行董事。彼為本公司提名委員會主席及薪酬委員會及可持續發展督導委員會成員。彼於一九九一年獲得美國加州大學戴維斯分校經濟學博士學位。曾任中國國際金融有限公司董事總經理兼研究部主管、美林證券亞太高級經濟學家和世界銀行諮詢師。現任中歐國際工商學院經濟學和金融學教授，研究領域包括：宏觀經濟學、金融學、金融機構與金融市場、過渡經濟及中國經濟改革。許小年先生是中國著名經濟學家，曾獲中國經濟學界最高獎「孫冶方經濟科學獎」，累積逾三十年的經濟學研究經驗。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員簡介

MR. LEE KWAN HUNG, EDDIE (“MR. LEE”)

Aged 54, was appointed as an independent non-executive Director on 31 July 2013. He is a member of each of the audit committee and the nomination committee of the Company. He received his Bachelor of Laws (Honors) and Postgraduate Certificate in Laws from the University of Hong Kong in 1988 and 1989 respectively. He was then admitted as a solicitor in Hong Kong in 1991 and in England and Wales in 1997, and is currently a practicing lawyer. Mr. Lee is currently a consultant of Howse Williams. He was a senior manager of the Listing Division of the Stock Exchange from 1993 to 1994. Mr. Lee is experienced in IPOs and corporate financing, including assisting the listing of Country Garden Holdings Company Limited in Hong Kong. Mr. Lee is currently an independent non-executive director of each of Embry Holdings Limited, NetDragon Websoft Holdings Limited, Newton Resources Limited, Tenfu (Cayman) Holdings Company Limited, China BlueChemical Ltd., Glory Sun Financial Group Limited (formerly known as China Goldjoy Group Limited), FSE Service Group Limited (formerly known as “FSE Engineering Holdings Limited), Red Star Macalline Group Corporation Ltd. and Ten Pao Group Holdings Limited, the shares of these companies are currently listed on the Stock Exchange. He was an independent non-executive director of Futong Technology Development Holdings Limited, until his resignation on 18 November 2017, the shares of this company are listed on the Stock Exchange.

李均雄先生(「李先生」)

現年54歲，於二零一三年七月三十一日獲委任為獨立非執行董事。彼分別為本公司審核委員會及提名委員會成員。彼分別於一九八八年及一九八九年獲得香港大學的法學士(榮譽)學位及法律專業證書，其後於一九九一年取得香港執業律師資格，並於一九九七年取得英格蘭和威爾士執業律師資格，現為執業律師。李先生現為何韋律師行之顧問律師。彼曾於一九九三至一九九四年在聯交所上市科高級經理，李先生對股票上市、公司融資擁有豐富經驗，包括協助碧桂園控股有限公司來港上市之經驗。李先生目前為安莉芳控股有限公司、網龍網絡有限公司、新礦資源有限公司、天福(開曼)控股有限公司、中海石油化學股份有限公司、寶新金融集團有限公司(前稱中國金洋集團有限公司)、豐盛服務集團有限公司(前稱豐盛機電控股有限公司)、紅星美凱龍家居集團股份有限公司及天寶集團控股有限公司之獨立非執行董事，該等公司之股份於聯交所上市。彼曾任富通科技發展控股有限公司的獨立非執行董事(該公司的股份於聯交所上市)，直至其於二零一七年十一月十八日辭任為止。

MR. CHEN TAI-YUAN (“MR. CHEN”)

Aged 44, was appointed as an independent non-executive Director on 22 March 2019. He is also the chairman of the remuneration committee and a member of each of the audit committee and the nomination committee of the Company. He is a tenured Full Professor of Accounting, and Associate Dean and the Director of MBA programs at the School of Business and Management at Hong Kong University of Science and Technology. He earned his Bachelor of Business Administration from National Cheng-Chi University (Taiwan), Master of Science from University of Illinois at Urbana Champaign, and P.H.D. in Accounting from University of Texas. His research interests are corporate governance, auditing, and earnings quality. His research has been published in top tier journals including The Accounting Review, Journal of Accounting and Economics, Journal of Financial Economics, Journal of Financial and Quantitative Analysis, and Accounting Organizations and Society. His article in Journal of Accounting and Economics (2007) (“JAE”) is one of the most cited JAE articles in the year. His research has been featured in CFO.com, Accounting Today, Thomson Reuters and American Accounting Association’s monthly newsletter. Mr. Chen has more than 10 years of experience of teaching financial and managerial accounting to MBA and EMBA students and in Executive Education programs. He has won numerous teaching awards including the Franklin Teaching Prize, the Best 10 Lecturers, and Faculty of the Year by EMBA students.

陳泰元先生(「陳先生」)

現年44歲，於二零一九年三月二十二日獲委任為獨立非執行董事，彼亦為本公司薪酬委員會主席，審核委員會及提名委員會之成員。彼現為香港科技大學商學院會計學系終身正教授，商學院副院長及工商管理碩士中心主任。彼於台灣國立政治大學獲得工商管理學士學位、於美國伊利諾伊大學厄巴納－香檳分校獲得理學碩士學位及於德克薩斯州大學獲得會計學博士學位。其研究興趣主要為企業管治、審計及盈餘質量。其研究成果曾發表於the Accounting Review《會計研究》、Journal of Accounting and Economics《會計與經濟學雜誌》、Journal of Financial Economics《金融經濟學雜誌》、Journal of Financial and Quantitative Analysis《金融與定量分析雜誌》及Accounting organizations and Society《會計、組織與社會》等國外頂級學術期刊。彼於二零零七年發表於Journal of Accounting and Economics《會計與經濟學雜誌》(「該刊」)的論文為該刊當年引用率最高的論文之一。其研究成果亦曾於CFO.com(首席財務官雜誌官網)、Accounting today(今日會計)、Thomson Reuters(湯森路透)以及American Accounting Association(美國會計學會)的每月簡報中多次報導。陳先生擁有超過十年教授財務管理會計予工商管理碩士及高級管理人員工商管理碩士的經驗，以及高級管理人員教育的經驗。彼亦多次獲得教學獎項，其中包括「富蘭克林教學獎」、「十大傑出教師」及被高級管理人員工商管理碩士之學生評選為「年度最佳教授」。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員簡介

MR. RUI MENG (“MR. RUI”)

Aged 52, was appointed as an independent non-executive Director on 27 May 2019. He is the chairman of the audit committee and a member of each of the remuneration committee and the nomination committee of the Company. Mr. Rui graduated from University of International Relations (國際關係學院) in the PRC in July 1990, where he obtained a bachelor degree in international economics. He also received a master of science in economics from Oklahoma State University in the United States as well as a master of business administration and a doctor of philosophy in business administration from the University of Houston in the United States in May 1993, December 1996 and August 1997 respectively. Mr. Rui has been a Professor of Finance and Accounting at China Europe International Business School (中歐國際工商學院) (“CEIBS”) since January 2012, and has held the title of Zhongkun Group Chair in Finance at CEIBS from October 2015 to May 2019 and Parkland Chair in Finance at CEIBS from May 2019. Mr. Rui has been professionally designated as a Certified Financial Analyst by the Association for Investment Management and Research since September 2000 and a Financial Risk Manager by the Global Association of Risk Professionals since April 2010. Mr. Rui currently serves as an independent non-executive director and a member of the audit committee of COSCO Shipping Energy Transportation Co., Ltd. (stock code: 1138 and stock code: 600026; a company listed on both the Main Board of the Stock Exchange and the Shanghai Stock Exchange respectively), an independent non-executive director and the chairman of the audit committee of Shanghai Winner Information Technology Co., Inc. (上海匯納信息科技股份有限公司) (stock code: 300609; a company listed on the Shenzhen Stock Exchange), an independent non-executive director of Shang Gong Group Co., Ltd. (上工申貝(集團)股份有限公司) (stock code: 600843; a company listed on the Shanghai Stock Exchange) and an independent non-executive director and the chairman of the audit committee of China Education Group Holdings Limited (stock code: 839; a company listed on the Main Board of the Stock Exchange) and he has been appointed as an independent non-executive director, chairman of the audit committee and a member of nomination committee of Country Garden Services Holdings Company Limited (stock code: 6098; a company listed on the Main Board of the Stock Exchange) since May 2018. Mr. Rui has been an independent non-executive director and the chairman of the audit committee of Midea Group (美的集團股份有限公司) (stock code: 000333; a company listed on the Shenzhen Stock Exchange) from September 2015 to September 2018.

芮萌先生(「芮先生」)

現年52歲，於二零一九年五月二十七日獲委任為獨立非執行董事，亦為本公司審核委員會主席，薪酬委員會及提名委員會之成員。彼於一九九零年七月畢業於中國國際關係學院，取得國際經濟學學士學位。彼亦分別於一九九三年五月、一九九六年十二月及一九九七年八月從美國俄克拉荷馬州立大學取得經濟學理學碩士，以及從美國休斯頓大學取得工商管理碩士及工商管理哲學博士。芮先生自二零一二年一月起擔任中歐國際工商學院(「中歐國際工商學院」)金融與會計學教授，以及自二零一五年十月起至二零一九年五月擔任中歐國際工商學院中坤集團金融學教席教授，自二零一九年五月起擔任中歐國際工商學院鵬瑞金融學教席教授。芮先生自二零零九年九月起獲投資管理研究協會專業認證為註冊金融分析師，以及自二零一零年四月起獲全球風險管理協會專業認證為金融風險管理師。芮先生現時為中遠海運能源運輸股份有限公司(股份代號：1138及股份代號：600026；一間分別於聯交所主版上市及上海聯交所上市之公司)之獨立非執行董事及審核委員會成員，上海匯納信息科技股份有限公司(股份代號：300609；一間於深圳聯交所上市之公司)之獨立非執行董事及審核委員會之主席，上工申貝(集團)股份有限公司(股份代號：600843；一間於上海聯交所上市之公司)之獨立非執行董事及中國教育集團控股有限公司(股份代號：839；一間於聯交所主版上市之公司)之獨立非執行董事及審核委員會之主席及自二零一八年五月起獲碧桂園服務控股有限公司(股份代號：6098；一間於聯交所主版上市之公司)委任為獨立非執行董事、審核委員會之主席及提名委員會之成員。芮先生於二零一五年九月至二零一八年九月擔任美的集團股份有限公司(股份代號：000333；一間於深圳聯交所上市之公司)之獨立非執行董事及審核委員會之主席。

SENIOR MANAGEMENT

MR. JOHN HO (“MR. HO”)

Aged 38, was appointed as the Vice President of the Company and the Chief Executive Officer of the Group in the United States on 18 March 2016. Mr. Ho graduated from USC Marshall School of Business and obtained bachelor degree in Business Administration. He worked in various international renowned real estate investment management and advisory firms including Colliers International, Jones Lang LaSalle. Mr. Ho served as a director, a vice president and the head of PRC business division in Jones Lang LaSalle, and was responsible for the provision of a wide range of services, such as acquisition, consultation, leasing and comprehensive investment management of real estate, to the PRC enterprises focusing on the expansion into the international market.

COMPANY SECRETARY

MS. CHAN YUEN YING, STELLA

Ms. Chan was appointed as company secretary and authorized representative of the Company on 1 November 2006. Ms. Chan is a fellow member of The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) and a fellow member of The Hong Kong Institute of Company Secretaries. She is also a member of the Hong Kong Institute of Directors. Ms. Chan has over 20 years' experience in handling listed company secretarial matters.

高級管理人員

JOHN HO 先生 (「HO 先生」)

現年38歲，於二零一六年三月十八日獲委任為本公司副總裁兼本集團美國公司首席執行官。Ho先生畢業於美國南加州大學馬歇爾商學院工商管理學院，工商管理學士。先後就職於高力國際、仲量聯行等國際知名房地產投資管理及諮詢公司。Ho先生在仲量聯行期間歷任總監、副總裁等職務，作為中國事業部負責人，負責為中國企業走出國門提供房地產收購、諮詢、租賃等全方位投資管理服務。

公司秘書

陳婉瑩女士

陳女士於二零零六年十一月一日獲委任為本公司之公司秘書及授權代表。陳女士為英國The Chartered Governance Institute(前稱特許秘書及行政人員公會)及香港特許秘書公會之資深會士。彼亦為香港董事學會之會員。陳女士擁有超過二十年處理上市公司秘書實務經驗。

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MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS OVERALL PERFORMANCE

In 2019, the Group segregated its non-property business, with a view to focusing on development and management of green technology and property to become a green property expert with a clear business line. The Group upheld the development strategy of “Product-differentiation, Asset-light transformation and Revenue-diversification” and leveraged its resource endowments to further achieve capability of green property products differentiation. Meanwhile, with the advantages of products diversification, the Group actively expanded various projects focusing on minority interests, and vigorously developed project development and management service business to achieve revenue diversification.

During the period under review, the Group's overall profitability continued to improve. In 2019, the Group realized a net core profit (i.e. net profit excluding exchange gain/loss and change of fair value on investment property) for the year amounted to approximately RMB1.41 billion (2018: approximately RMB1.27 billion), representing an increase of approximately 11.4% as compared with last year; net core profit margin was approximately 16.5% (2018: approximately 17.1%); net core profit margin after equity[#] remained stable at 12.1% (2018: approximately 11.6%); net profit attributable to the shareholders of the Company was RMB1.17 billion (2018: approximately RMB1.11 billion), representing an increase of 5.3% as compared with last year.

The Group maintains a prudent financial strategy and upheld “Cash Flow Oriented (現金流為綱)” as guidance principle for its operation, as well as paid keen attention to liability risk and cash safety. At the end of 2019, the Group's net debt ratio was 40.2% (31 December 2018: 34.0%), which remained low in the real estate industry. The Group had sufficient cash and its cash-to-short-term borrowing ratio amounted to 2.0 times. The Company successfully issued US\$200 million public offering bonds in overseas market in January 2020 to replace the US\$200 million debt due in April. After such replacement, short-term borrowing ratio dropped to 13.6% and the cash-to-short-term borrowing ratio improved to 5.0 times, reflecting healthy liquidity.

[#] net core profit margin after equity = net core profit margin/(consolidated revenue from subsidiaries + share of revenue from associates)

管理層討論及分析 整體表現

二零一九年，本集團剝離了非地產業務，專注於綠色科技地產的開發和管理，意在成為一家業務清晰和純粹的專業化綠色地產公司。本集團堅持「產品差異化、資產輕型化、收益多樣化」的發展戰略，運用自身資源稟賦，進一步打造綠色地產產品差異化能力。同時，充分利用差異化的產品優勢，積極拓展以小股操盤為主的各類項目，大力輸出項目開發管理服務業務，從而實現收益多樣性。

回顧期內，本集團整體盈利能力持續提升。二零一九年，本集團實現年度核心淨利潤（不包括匯兌損益及投資性物業公允價值變動的淨利潤）約為人民幣14.1億元（二零一八年：約為人民幣12.7億元），比去年上升約11.4%，核心淨利潤率約16.5%（二零一八年：約17.1%），權益後核心淨利率[#]為12.1%（二零一八年：約11.6%），保持穩定。歸屬本公司股東之淨利潤11.7億元（二零一八年：約為人民幣11.1億元），較去年上升5.3%。

本集團秉持一貫的審慎穩健財務策略，以「現金流為綱」作為經營的指導原則，時刻關注負債風險和現金安全。二零一九年末，本集團淨負債率40.2%（二零一八年十二月三十一日：34.0%），淨負債率在房地產行業內維持在較低水準。現金充裕，現金短債比2.0倍，公司已於2020年1月在境外市場成功發行了2億美元公募債用以置換4月到期的2億美元債，完成置換後，短期債務佔比下降至13.6%，現金短債比提升至5.0倍，擁有良好的流動性。

[#] 權益後核心淨利率 = 核心淨利潤 / (並表子公司收入 + 應佔合聯營項目收入)

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

In 2019, the revenue recognised from the subsidiaries of the Group for the year amounted to approximately RMB8.56 billion (2018: approximately RMB7.44 billion), while revenue recognised from joint ventures and associates amounted to RMB3.09 billion (2018: approximately RMB3.54 billion), with an aggregate sales revenue recognised amounted to RMB11.65 billion (2018: approximately RMB10.97 billion), representing an increase of approximately 6.2% as compared to the corresponding period of last year. Among which, the revenue recognised from the provision of development and management services amounted to approximately RMB1.05 billion (2018: approximately RMB1.00 billion), representing an increase of approximately 5.0% as compared with last year.

In 2019, “Landsea Products” recorded contracted sales of approximately RMB40.49 billion (including approximately RMB38.10 billion from the Group and a small amount of remaining projects entrusted by Landsea Group) (2018: approximately RMB38.15 billion), with contracted gross floor area (GFA) of 2,340,931 square meters (sq. m.) (including 2,231,846 sq.m. from the Group and a small amount of remaining projects entrusted by Landsea Group) (2018: 1,964,658 sq.m.), representing an increase of 19.2% as compared with 2018.

BUSINESS DEVELOPMENT

In 2019, the Group secured a total of 33 projects, of which 24 were in the PRC and 9 were in the United States, which are located in Beijing, Hangzhou, Chengdu, Xi'an, Chongqing, Suzhou, Wuxi and Zhongshan in the PRC as well as second tier cities in the United States such as Phoenix and Ontario. Among which, 30 projects were under development for sale (including 17 projects in which the Group held equity interests and 13 development management projects by entrusted independent third parties) and 3 projects were held for generating income.

二零一九年度，本集團附屬公司實現年度收入總額約為人民幣85.6億元（二零一八年：約為人民幣74.4億元），應佔合營及聯營公司權益已確認收入人民幣30.9億元（二零一八年：約為人民幣35.4億元），合計確認銷售收入人民幣116.5億元，較去年同期上升約6.2%（二零一八年：約為人民幣109.7億元）；其中，開發管理服務收入約為人民幣10.5億元（二零一八年：約為人民幣10.0億元），比去年上升約5.0%。

二零一九年度，「朗詩出品」簽約銷售額約為人民幣404.9億元（包括本集團約為人民幣381.0億元及少量朗詩集團委託管理之尾盤項目）（二零一八年：約為人民幣381.5億元）。簽約建築面積為2,340,931平方米（包括本集團2,231,846平方米及少量朗詩集團委託管理之尾盤項目）（二零一八年：1,964,658平方米），較二零一八年上漲19.2%。

業務發展

於二零一九年度，本集團共獲取了33個項目，其中中國境內24個，美國9個，分別位於中國北京、杭州、成都、西安、重慶、蘇州、無錫、中山及美國鳳凰城、安大略等美國二線城市；當中開發銷售型物業30個（其中本集團錄得權益項目17個，獨立第三方委託開發管理項目13個）及收益性物業3個。

In 2019, the Group recorded an increase in the new project saleable area of 2,837,999 sq.m. and expected new project saleable value of approximately RMB51.34 billion, in which new project GFA of 1,357,492 sq.m. (new project saleable area of 1,077,455 sq.m.) and expected new project saleable value of approximately RMB21.32 billion are recorded from the new project the Group held interest respectively. According to the Company's attributable equity interest in the new project, the Group recorded a new project GFA of 918,757 sq.m. (new project saleable area of 756,259 sq.m.) as well as expected new project saleable value of approximately RMB13.95 billion. During the year, the Group obtained new entrusted development management projects with GFA of 2,321,645 sq.m. (saleable area of 1,760,544 sq.m.) and expected saleable value of approximately RMB30.02 billion. By adhering to a consistently stable and prudent investment strategy, the Group's costs for acquiring land and asset have significant advantage in resisting the market risk in the future.

As at 31 December 2019, the Group had project reserves with saleable area of 6,859,605 sq.m. and expected saleable value of approximately RMB131.43 billion, in which total GFA of 11,031,433 sq.m. (saleable area of 3,201,088 sq.m.) and expected saleable value of approximately RMB62.50 billion secured for the equity-held projects, with saleable area of 1,478,252 sq.m. and expected saleable value of approximately RMB31.64 billion attributable to the Group. The Group had also acquired a total of 41 development management projects by entrusted independent third parties, with saleable area of 3,658,517 sq.m. and expected saleable value of approximately RMB68.93 billion. The Group held the leased properties with total GFA of 174,250 sq.m. and the equity-held projects with GFA of 105,747 sq.m..

於二零一九年度，本集團新增開發銷售型物業可售面積為2,837,999平方米，預計可售貨值約為人民幣513.4億元，其中本集團錄得權益項目新增建築面積為1,357,492平方米，可售面積為1,077,455平方米，預計可售貨值約為人民幣213.2億元。本集團應佔權益部分新增建築面積為918,757平方米，可售面積為756,259平方米，預計可售貨值約為人民幣139.5億元。於本年度本集團新增委託開發管理項目建築面積為2,321,645平方米，可售面積為1,760,544平方米，預計可售貨值約為人民幣300.2億元。本集團秉持一貫穩健審慎的投資策略，土地及資產獲取成本具有顯著優勢，有助於抵禦未來市場風險。

於二零一九年十二月三十一日，本集團擁有項目儲備可售面積為6,859,605平方米及預計可售貨值約為人民幣1,314.3億元，取得權益項目總建築面積為11,031,433平方米、可售面積為3,201,088平方米及預計可售貨值約為人民幣625.0億元。本集團應佔權益部分可售面積為1,478,252平方米及預計可售貨值約為人民幣316.4億元。本集團之獨立第三方委託開發管理項目共41個，可售面積3,658,517平方米，預計可售貨值約為人民幣689.3億元。本集團持有出租型物業總建築面積為174,250平方米，應佔權益部分建築面積為105,747平方米。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

For expansion of real estate development in the PRC, Landsea continued to take a prudent and pragmatic approach. During the period, the Group secured a total of 21 projects in cities such as Beijing, Hangzhou, Chengdu, Xi'an, Chongqing, Suzhou, Wuxi and Zhongshan, with an additional saleable area of 2.54 million sq.m. and saleable value of approximately RMB47.3 billion. Meanwhile, the Group had entered into projects in relation to property development and management services with independent third parties, with contract sum of approximately RMB1.80 billion (2018: RMB1.19 billion), representing an increase of 52.2% compared with last year. In April, Landsea commenced Zhongshan Nanlang Project to tap into the Greater Bay Area and officially set its foothold in Southern China, marking the completion of Landsea's fundamental nationwide coverage. As Southern China is characterized by high temperature and humidity all year round, Landsea's green architecture products with "health, comfort, environmental protection, energy saving" features can adapt to local climate and satisfy customers' need.

The Group's property development business covers both the PRC and the United States. Currently, Landsea Homes ranks top 40 among real estate developers in the United States. Since entering into the US market in 2013, Landsea has been implementing the localization strategy clearly from the four dimensions of local market, local resources, local customers and local team, and successively expanding the mid to high-end residential market in Greater New York, Boston, Los Angeles, San Francisco and Arizona. At the same time, the Company also reviewed the situation and set its sights on a more robust and stable market with rigid demand. As at 31 December 2019, assets of United States business accounted for 24.0% of the Group's assets. During the period, the total contracted sales of the United States projects amounted to approximately RMB4.00 billion. During the period, Landsea Homes acquired Pinnacle West Home, a company in Phoenix, for developing over 1,150 plots in 15 communities within four major urban areas of Arizona. Through this acquisition, Landsea not only optimised the product portfolio in the US market, but also further improved the business structure for developing the US business with an uncompromising attitude and ascending into the top 15 real estate developers in Arizona, which enhances the Group's performance in the US. In the future, Landsea Homes will continue to adhere to the localization strategy by deepening the first-line portal market, expanding the layout of high-growth markets, launching targeted green differentiated products for different markets, so as to continuously enhance the competitiveness of Landsea in the international real estate market.

在中國地產開發業務拓展方面，朗詩繼續保持審慎務實的風格。期內，本集團分別於北京、杭州、成都、西安、重慶、蘇州、無錫、中山等城市共獲取21個項目，新增可售面積254萬平方米，可售貨值約為人民幣473億元。與此同時，本集團簽訂來自獨立第三方的項目開發管理服務合同額約為人民幣18.0億（二零一八年：人民幣11.9億元），比去年上升約52.2%。四月，朗詩落子中山南朗項目，挺進大灣區，正式佈局華南，標誌著朗詩已經基本完成全國佈局。華南地區常年高溫高濕，朗詩「健康、舒適、環保、節能」的綠建產品，能更好地適應當地氣候條件，滿足客戶需求。

本集團地產開發業務佈局中美兩地，朗詩美國目前已在全美房地產建築商中位列前40。朗詩自2013年進入美國市場以來，從本土市場、本土資源、本土客戶和本土團隊四個維度，始終清晰貫徹本土化戰略。先後進入大紐約地區、波士頓地區、洛杉磯地區、三藩市地區和亞利桑那地區，開拓中高端住宅市場，同時公司亦審時度勢，將目光投向增長性更好、更為穩健的剛需市場。截至二零一九年十二月三十一日，美國業務的資產配置約佔本集團24.0%。期內，美國項目錄得簽約銷售總計約為人民幣40.0億元。期內，朗詩美國收購了位於鳳凰城的Pinnacle West Home公司，開發分佈於亞利桑那州四大城市區域的15個社區，總計超過1,150個地塊。通過此次收購，朗詩不僅優化了在美國市場的產品組合，進一步完善業務結構，更以強有力的姿態開拓了美國業務的版圖，一舉躋身為亞利桑那州前15的房屋建築商，為集團在美國市場的業績發展再添助力。未來，朗詩美國將繼續堅持本土化策略，深耕一線門戶市場及擴大高成長性市場的佈局，針對不同市場投放有針對性的綠色差異化產品，不斷提升朗詩自身在國際房地產市場上的競爭力。

OPERATION INCOME AND GROSS PROFIT

For the year ended 31 December 2019, the Group's revenue was mainly derived from development and management services income of approximately RMB1.05 billion (2018: approximately RMB1.00 billion), income from sale of properties of approximately RMB7.48 billion (2018: approximately RMB6.41 billion) and rental and property management fee income of approximately RMB32 million (2018: approximately RMB29 million), which in aggregate was approximately RMB8.56 billion (2018: approximately RMB7.44 billion), representing an increase of approximately 15.1% as compared with 2018. During the year ended 31 December 2019, the recognised sales of joint ventures and associates attributable to the Group were approximately RMB3.09 billion (2018: approximately RMB3.54 billion). The sum of on-balance sheet operating income and off-balance sheet recognised sales of joint ventures and associates attributable to the Group was RMB11.65 billion (2018: approximately RMB10.97 billion), representing an increase of approximately 6.2% as compared with 2018.

For the year ended 31 December 2019, the gross profit of the Group was approximately RMB2.42 billion (2018: approximately RMB2.25 billion), representing an increase of approximately 7.6% as compared with 2018. The overall gross profit margin of the Group was approximately 28.3% (2018: approximately 30.2%), which remained basically stable. The gross profit margin of joint ventures and associates was approximately 29.9% (2018: approximately 24.5%), representing an increase of 5.4 percentage points as compared with last year.

PROFIT ATTRIBUTABLE TO THE SHAREHOLDERS OF THE COMPANY

For the year ended 31 December 2019, the profit attributable to the shareholders of the Company was approximately RMB1.17 billion (2018: approximately RMB1.11 billion), representing an increase of 5.3% as compared with 2018. The net core profit attributable to the shareholders of the Company after deducting unrealized foreign exchange gains arising from foreign currency loans and current accounts between the subsidiaries of the Group during this year, as well as the gain on fair value changes, amounted to approximately RMB1.09 billion (2018: approximately RMB941 million), representing an increase of approximately 15.5% as compared with 2018.

經營收入及毛利

截至二零一九年十二月三十一日止年度，本集團之營業收入主要來自於開發及管理服務收入約為人民幣10.5億元(二零一八年：約為人民幣10.0億元)、物業銷售收入約為人民幣74.8億元(二零一八年：約為人民幣64.1億元)、以及租金及物業管理費收入約為人民幣0.32億元(二零一八年：約為人民幣0.29億元)，合計共約為人民幣85.6億元(二零一八年：約為人民幣74.4億元)，較二零一八年上升約15.1%。截至二零一九年十二月三十一日止年度，本集團應佔權益下合營及聯營公司已確認銷售收入約為人民幣30.9億元(二零一八年：約為人民幣35.4億元)。本集團表內經營收入與表外應佔權益下合營及聯營公司銷售收入之和為人民幣116.5億元(二零一八年：約為人民幣109.7億元)，較二零一八年上升約6.2%。

截至二零一九年十二月三十一日止年度，本集團之毛利約為人民幣24.2億元(二零一八年：約為人民幣22.5億元)，較二零一八年上升約7.6%，本集團之整體毛利率約為28.3%(二零一八年：約30.2%)，基本保持穩定。合營及聯營項目毛利率約29.9%(二零一八年：約24.5%)，較上年增加5.4個百分點。

歸屬本公司股東的利潤

截至二零一九年十二月三十一日止年度，歸屬本公司股東的利潤約為人民幣11.7億元(二零一八年：約為人民幣11.1億元)，較二零一八年增加5.3%。扣除本年度本集團內部附屬公司之間外幣借款與外幣往來形成的未實現匯兌收益，公允價值變動收益後，歸屬本公司股東的核心淨利潤約為人民幣10.9億元(二零一八年：約為人民幣9.41億元)，較二零一八年上升約15.5%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTED SALES AND PROPERTIES SOLD BUT NOT RECOGNISED

In 2019, “Landsea Products” recorded contracted sales of approximately RMB40.49 billion (including the contracted sales of approximately RMB38.10 billion from the Group and a small amount of remaining projects entrusted by Landsea Group) (2018: RMB38.15 billion). The contracted GFA of 2,340,931 sq.m. (including 2,231,846 sq.m. from the Group and a small amount of remaining projects entrusted by Landsea Group) (2018: 1,964,658 sq.m.), among which the total contracted sales of the property projects in which the Group held equity interests amounted to approximately RMB25.47 billion with contracted sales area of 1,400,039 sq.m., i.e. an average selling price of RMB18,196 per sq.m.. The contracted sales were mainly from the on-sale projects in Hangzhou, Nanjing, Chengdu, Suzhou, Wuxi, Changzhou, Chongqing, etc. in the PRC and first tier and second tier gateway cities in the United States. As at 31 December 2019, the Group’s accumulated areas of properties sold but not recognized were 2,402,004 sq.m. (31 December 2018: 1,655,467 sq.m.), amounting to approximately RMB39.78 billion (31 December 2018: approximately RMB29.66 billion), in which areas of properties sold but not recognised attributable to the Group were 902,868 sq.m. (31 December 2018: 656,458 sq.m.), amounting to approximately RMB15.28 billion (31 December 2018: approximately RMB12.26 billion).

簽約銷售及已售未入帳物業

二零一九年度，「朗詩出品」簽約銷售額約為人民幣404.9億元（包括本集團約為人民幣381.0億元簽約銷售額及少量朗詩集團委託管理之尾盤項目）（二零一八年：人民幣381.5億元）。簽約建築面積為2,340,931平方米（包括本集團2,231,846平方米及少量朗詩集團委託管理之尾盤項目）（二零一八年：1,964,658平方米）。其中，本集團錄得物業銷售權益項目的簽約銷售總計約為人民幣254.7億元，簽約銷售面積為1,400,039平方米，均價為每平方米人民幣18,196元。合同銷售主要是來自中國杭州、南京、成都、蘇州、無錫、常州、重慶等城市以及美國一、二線門戶城市的在售項目。於二零一九年十二月三十一日，本集團累計已售未入帳物業面積為2,402,004平方米（二零一八年十二月三十一日：1,655,467平方米），金額約為人民幣397.8億元（二零一八年十二月三十一日：約人民幣296.6億元），其中，本集團應佔權益下的已售未入帳物業面積為902,868平方米（二零一八年十二月三十一日：656,458平方米），金額約為人民幣152.8億元（二零一八年十二月三十一日：約人民幣122.6億元）。

2019 EXTERNAL CONTRACTS

2019 年對外簽約

Number	Projects	Equity Holding	Contracted Sales Amounts	Contracted Sales GFA [#]	Average Contracted Sales Selling Price
序號	項目	權益比例	合同銷售金額 (RMB'000) (人民幣千元)	合同銷售建築面積 [#] (sq.m.) (平方米)	合同銷售平均售價 (RMB) (人民幣元)
1	Nanjing Youth Block 南京青春街區	100.0%	66,604	852	78,200
2	Nanjing Future Home 南京未來家	50.1%	928	164	5,669
3	Nanjing Poly Landsea Weilan 南京保利朗詩蔚藍	29.9%	39,376	—	—
4	Nanjing Xihua Mansion 南京熙華府	19.0%	42,978	261	164,949
5	Nanjing Zixi Mansion 南京紫熙府	20.0%	134,149	8,782	15,276
6	Suqian Weilan Elegant Yard 宿遷蔚藍雅苑	51.0%	405,922	37,503	10,824
7	Suqian Weilan Court 宿遷蔚藍溪苑	51.0%	1,195,847	123,995	9,644
8	Hefei Wanxin's Hi-tech Court 合肥皖新高新麓院	49.0%	611,929	26,219	23,339
9	Hefei Feidong Jade Garden 合肥肥東翡翠莊園	10.0%	147,217	8,584	17,150
10	Shangshi Landsea Future Block 上海朗詩未來街區	100.0%	29,108	250	116,594
11	Shanghai The Course of The Future 上海里程	100.0%	4,516	231	19,549
12	Shanghai New Mansion 上海新西郊	100.0%	339,198	3,924	86,449
13	Kunshan Future Block 崑山未來街區	51.0%	650,963	26,336	24,717
14	Kunshan Zhoushi Project 崑山週市項目	51.0%	610,692	26,495	23,050
15	Wuxi Tiancui 無錫天萃	100.0%	2,313	112	20,687

[#] Contracted Sales GFA does not include parking space

[#] 合同銷售建築面積不包括車位面積

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Number	Projects	Equity Holding	Contracted Sales Amounts	Contracted Sales GFA [#]	Average Contracted Sales Selling Price
序號	項目	權益比例	合同銷售金額 (RMB'000) (人民幣千元)	合同銷售建築面積 [#] (sq.m.) (平方米)	合同銷售平均售價 (RMB) (人民幣元)
16	Suzhou Green County of Taihu 蘇州太湖綠郡	55.0%	244,050	11,182	21,826
17	Wuxi Luka Small Town 無錫綠卡小鎮	100.0%	250	–	–
18	Suzhou 8 Renmin Road 蘇州人民路8號	100.0%	270,062	10,404	25,957
19	Yixin Xindu Mansion 宜興新都府	26.0%	1,057,755	113,663	9,306
20	Suzhou Blue Square 蘇州蔚藍廣場	51.0%	717,920	41,924	17,124
21	Suzhou Cheng Garden 蘇州澄園	0.1%	251,005	6,821	36,801
22	Suzhou Hengtong Project 蘇州亨通項目	15.0%	1,019,600	30,152	33,815
23	Wuxi Xihua Mansion 無錫熙華府	45.0%	1,907,929	68,828	27,720
24	Hangzhou Mer De Fleus 杭州花漫裡	100.0%	1,291	–	–
25	Hangzhou Xihua Mansion 杭州熙華府	49.0%	110,650	2,222	49,793
26	Hangzhou Le Mansion 杭州樂府	50.0%	23,221	344	67,572
27	Hangzhou Light of City 杭州城市之光	40.0%	18,969	164	115,477
28	Ningbo Crystal Apartment 寧波清澄寓	40.0%	932,260	58,807	15,853
29	Hangzhou Maple Union 杭州楓蓆	50.0%	327,382	19,448	16,833
30	Hangzhou Weilan Block 杭州蔚藍街區	20.0%	221,164	13,934	15,872
31	Chengdu Southern Gate Green 成都南門綠郡	25.0%	258,410	5,933	43,552

[#] Contracted Sales GFA does not include parking space

[#] 合同銷售建築面積不包括車位面積

Number	Projects	Equity Holding	Contracted Sales Amounts	Contracted Sales GFA [#]	Average Contracted Sales Selling Price
序號	項目	權益比例	合同銷售金額 (RMB'000) (人民幣千元)	合同銷售建築面積 [#] (sq.m.) (平方米)	合同銷售平均售價 (RMB) (人民幣元)
32	Chengdu Landsea Qingyang District Project 成都朗詩青羊區項目	9.9%	3,519,866	117,393	29,983
33	Chengdu Future Home 成都未來家	100.0%	212,236	11,107	19,107
34	Chengdu Xihua Mansion 成都熙華府	33.0%	291,237	3,344	87,101
35	Chongqing Yue Mansion 重慶樂府	30.0%	1,731,350	117,069	14,789
36	Chengdu Landsea Cuiyue 成都朗詩萃樾	50.0%	91,378	7,186	12,717
37	Chengdu Shanglin Xihua Mansion 成都上林熙華府	33.3%	1,308,298	79,328	16,492
38	Chengdu Golden Mansion Future Block 成都金堂未來街區	51.0%	944,682	143,150	6,599
39	Tianjin Emerald Lan Wan 天津翡翠瀾灣	75.0%	90,319	5,456	16,555
40	Tianjin Cuiweilan Pavilion 天津翠微瀾閣	35.0%	586,061	42,137	13,908
41	Shijiazhuang Future Block 石家莊未來街區	25.5%	476,954	49,654	9,606
42	Xi'an Future Block 西安未來街區	30.0%	581,083	45,697	12,716
43	Iron Ridge	100.0%	778,991	27,249	28,587
44	Lido Villas	100.0%	386,559	4,057	95,278
45	Westerly	100.0%	242,459	10,091	24,027
46	Abigail Place	100.0%	11,493	286	40,164
47	Sanctuary	100.0%	449,921	13,376	33,636
48	Catalina	100.0%	82,389	1,775	46,426
49	Siena	100.0%	189,018	4,594	41,142
50	Stoney Ridge	100.0%	43,418	934	46,507

[#] Contracted Sales GFA does not include parking space

[#] 合同銷售建築面積不包括車位面積

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Number	Projects	Equity Holding	Contracted Sales Amounts	Contracted Sales GFA [#]	Average Contracted Sales Selling Price
序號	項目	權益比例	合同銷售金額 (RMB'000) (人民幣千元)	合同銷售建築面積 [#] (sq.m.) (平方米)	合同銷售平均售價 (RMB) (人民幣元)
51	The Vale	70.0%	814,310	16,373	49,735
52	Eastmark	100.0%	115,773	9,728	11,901
53	Encanta	100.0%	117,155	11,797	9,931
54	Estrella	100.0%	79,870	8,670	9,211
55	Verrado	100.0%	143,466	14,078	10,190
56	Avora	51.0%	381,481	6,532	58,395
57	Pierce Boston	25.0%	161,498	1,444	111,760
Equity-held projects entered into by HK106			25,474,923	1,400,039	18,196
HK106 權益項目簽約					

RECOGNISED SALES OF PROPERTIES OF SUBSIDIARIES

For the year ended 31 December 2019, the Group recognised revenue of approximately RMB8.56 billion (2018: approximately RMB7.44 billion), representing an increase of approximately 15.1%. In particular, the consolidated subsidiaries of the Group recognised revenue from sales of properties and total sales area of approximately RMB7.48 billion (2018: approximately RMB6.41 billion) and 284,450 sq.m. respectively, mainly attributable to Nanjing Youth Block, Chengdu Landsea Future Home, Suzhou Renmin Road and Suzhou Green County in the PRC, and the Vale Project, IronRidge Project and Siena Project, etc in the United States. The average selling price in the PRC was RMB10,663 per sq.m., while the average selling price in the United States was RMB33,470 per sq.m..

附屬公司已確認物業銷售

截至二零一九年十二月三十一日止年度，本集團已確認收入約為人民幣85.6億元（二零一八年：約為人民幣74.4億元）上升約15.1%。其中，本集團合併範圍內附屬公司確認物業銷售收入及總銷售面積分別約為人民幣74.8億元（二零一八年：約為人民幣64.1億元）及284,450平方米，主要是來自中國地區的南京青春街區、成都朗詩未來家、蘇州人民路、蘇州吳江太湖綠郡和美國地區Vale、IronRidge、Siena等項目。其中中國地區平均銷售價格為每平方米人民幣10,663元，美地區平均銷售價格為每平方米人民幣33,470元。

[#] Contracted Sales GFA does not include parking space

[#] 合同銷售建築面積不包括車位面積

RECOGNISED SALE OF PROPERTIES OF JOINT VENTURES AND ASSOCIATES

For the year ended 31 December 2019, the recognised sales of joint ventures and associates attributable to the Group was approximately RMB3.09 billion (2018: approximately RMB3.54 billion), with 136,144 sq.m. in gross floor areas attributable to the Group. Sales attributable to the Group is mainly generated from Nanjing Poly Landsea Weilan and Chengdu Xihua Mansion in the PRC, and Pierce Boston Project and Avora Project in the United States. The average selling price in the PRC was approximately RMB21,605 per sq.m. and the average selling price in the United States was approximately RMB64,161 per sq.m..

INCOME FROM PROPERTY DEVELOPMENT AND MANAGEMENT SERVICES

Benefiting from the full commencement of “asset-light” strategy of the Group, the Group recorded property development and management services income of approximately RMB1.05 billion (2018: approximately RMB1.00 billion) for the year ended 31 December 2019. Gross profit margin of property development and management services income was maintained at 59%. Meanwhile, the Group had entered into projects in relation to property development and management services with independent third parties, with contract sum of approximately RMB1.80 billion (2018: RMB1.19 billion), representing an increase of 52.2% compared with last year.

INCOME FROM RENTAL AND MANAGEMENT FEE

As at 31 December 2019, the Group recognised rental and management fee income of approximately RMB32.0 million (2018: approximately RMB29.0 million), representing an increase of approximately 9.5% as compared with 2018.

FAIR VALUE GAIN ON INVESTMENT PROPERTIES

The Group's investment properties included Landsea Tower in Shenzhen, Huafei Apartment in Nanjing, Neighbourhood Union in Wuxi located in the PRC. Leveraging prime location and quality property management services of investment properties, they maintained a high occupancy rate during the period. For the year ended 31 December 2019, the Group's fair value gain on the investment properties was approximately RMB3.9 million (2018: RMB7.4 million). The fair value of investment properties was determined by a competent independent valuer based on the property's current business model adopted by the Group and its expected income to be generated.

應佔合營及聯營公司已確認物業銷售

截至二零一九年十二月三十一日止年度，本集團應佔權益下合營及聯營公司已確認銷售收入約為人民幣30.9億元（二零一八年：約為人民幣35.4億元），權益銷售總面積為136,144平方米。應佔權益銷售主要來自中國地區的南京保利朗詩蔚藍、成都熙華府和美國地區Pierce Boston項目和Avora項目。其中中國地區平均銷售價格約為每平方米人民幣21,605元，美國地區平均銷售價格約為每平方米人民幣64,161元。

項目開發及管理服務收入

得益於「資產輕型化」經營戰略的全面實施，截至二零一九年十二月三十一日止年度，本集團之項目開發及管理服務收入約為人民幣10.5億元（二零一八年：約為人民幣10.0億元）。項目開發及管理服務毛利率維持在59%。與此同時，本集團簽訂來自獨立第三方的項目開發管理服務合同額約為人民幣18.0億（二零一八年：人民幣11.9億元），比去年上升約52.2%。

租金及管理費收入

截至二零一九年十二月三十一日，本集團確認租金及管理費收入人民幣0.32億元（二零一八年：約為人民幣0.29億元），較二零一八年增加約9.5%。

投資性物業公允價值利得

本集團的投資性物業為位於中國深圳市的朗詩大廈、南京市的華飛公寓及無錫鄰裡薈。鑒於投資性物業之位置優勝及物業管理質素良好，於本期間出租率一直維持於高水準。截至二零一九年十二月三十一日止年度，本集團錄得投資性物業的公允價值利得約為人民幣3.9百萬元（二零一八年：人民幣7.4百萬元）。物業公允價值由合資格獨立評估師按現時本集團投資物業的業務模式及預期收入作出評估。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

SELLING EXPENSES

For the year ended 31 December 2019, the Group recorded selling expenses of approximately RMB249 million (2018: approximately RMB244 million), which is basically the same as 2018.

ADMINISTRATIVE EXPENSES

For the year ended 31 December 2019, the Group recorded administrative expenses of approximately RMB634 million (2018: approximately RMB569 million), representing an increase of approximately 11.4% as compared with 2018. The increase in administrative expenses was mainly attributable to the Company's increased R&D investment in green differentiated products during the period, and the increase in expenses was within budgetary control.

IMPAIRMENT (LOSS)/GAIN UNDER EXPECTED CREDIT LOSS MODEL

For the year ended 31 December 2019, the Group's impairment loss under expected credit loss model was approximately RMB84.6 million (2018: impairment gain under expected credit loss model was approximately RMB0.7 million). The Company's impairment (loss)/gain under expected credit loss model was provided using the expected credit loss rate for financial assets such as trade and other receivables in accordance with the financial instruments standards under HKFRS 9. The increase in the current period was mainly due to the increase in the balance of financial assets as a result of the Company's expansion of investment in associates and joint ventures during the period.

OTHER GAINS

For the year ended 31 December 2019, the Group recorded other gains of approximately RMB137 million (2018: approximately RMB374 million). The decrease was mainly attributable to unrealized foreign exchange gains of approximately RMB68 million (2018: foreign exchange gains of approximately RMB185 million) arising from foreign currency loans and current accounts between the subsidiaries of the Group during the year.

銷售費用

截至二零一九年十二月三十一日止年度，本集團的銷售費用約為人民幣2.49億元(二零一八年：約為人民幣2.44億元)，與二零一八年基本持平。

行政費用

截至二零一九年十二月三十一日止年度，本集團的行政費用約為人民幣6.34億元(二零一八年：約為人民幣5.69億元)，較二零一八年上升約11.4%，行政費用的增加主要是本期公司加大對綠色差異化產品的研發投入，該費用的增加均在預算控制範圍之內。

預期信用損失模型下的減值(損失)/收益

截至二零一九年十二月三十一日止年度，本集團的預期信用損失模型下的減值損失約為人民幣84.6百萬元(二零一八年：預期信用損失模型下的減值收益約為人民幣0.7百萬元)。公司的預期信用損失模型下的減值(損失)/收益是基于香港財務報告準則9號金融工具準則要求，對應收賬款及其他應收款等金融資產採用預期信用虧損率計提，本期增加主要是由於公司本期擴大投資，對合聯營公司增加投入所形成的金融資產餘額增加所致。

其他利得

截至二零一九年十二月三十一日止年度，本集團的其他利得約為人民幣1.37億元(二零一八年：約為人民幣3.74億元)，其他利得的減少主要是由於本年度本集團內部附屬公司之間外幣借款與外幣往來形成的未實現匯兌收益人民幣0.68億元(二零一八年：匯兌收益約為人民幣1.85億元)減少導致。

FINANCE COSTS

For the year ended 31 December 2019, the Group recorded interest expense (excluding the finance cost of RMB182 million recognized for advanced receipts) of approximately RMB715 million (2018: approximately RMB514 million). The capitalization rate of interest expenses was 45.1% in 2019 (2018: 37.9%). For the year ended 31 December 2019, the expensed finance costs of the Group were approximately RMB392 million (2018: approximately RMB319 million). For the year ended 31 December 2019, the interest income of the Group was approximately RMB185 million. Net finance costs were approximately RMB207 million (2018: approximately RMB159 million). As at 31 December 2019, the on-balance sheet weighted average finance cost was approximately 7.6% (31 December 2018: 7.4%). The off-balance sheet weighted average finance cost was approximately 7.1% (mainly borrowings for property development) (31 December 2018: approximately 6.3%).

TAXATION

As of 31 December 2019, the Group recorded taxation charge of approximately RMB598 million (2018: approximately RMB869 million). The decrease was mainly due to the decrease of profit before tax (after excluding the investment gains exempted from enterprise income tax) during the period as compared with corresponding period of last year.

EARNINGS PER SHARE

For the year ended 31 December 2019, the basic and diluted earnings per share attributable to the shareholders of the Company were RMB0.252 and RMB0.252 respectively (31 December 2018: RMB0.272 and RMB0.244). The basic core earnings per share was RMB0.234 (31 December 2018: approximately RMB0.229).

PROJECT RESERVES

As at 31 December 2019, the Group had project reserves with total GFA of 18,444,953 sq.m., saleable area of 6,859,605 sq.m. and expected saleable value of approximately RMB131.43 billion. In terms of equity interests, the total GFA of the project reserves attributable to the Group were 5,008,172 sq.m., saleable area of 1,478,252 sq.m. and expected saleable value of approximately RMB31.64 billion. The Group had also acquired a total of 41 development management projects by entrusted independent third parties, with saleable area of approximately 3,658,517 sq.m. and expected saleable value of RMB68.93 billion.

財務成本

截至二零一九年十二月三十一日止年度，本集團利息費用（不包括對預收賬款確認的融資費用1.82億元）約為人民幣7.15億元（二零一八年：約為人民幣5.14億元）。二零一九年利息費用的資本化比例為45.1%（二零一八年：37.9%），截至二零一九年十二月三十一日止年度，本集團費用化的財務成本約為人民幣3.92億元（二零一八年：約為人民幣3.19億元）。截至二零一九年十二月三十一日止年度，本集團的利息收入約為人民幣1.85億元，淨財務成本約為人民幣2.07億元（二零一八年：約為人民幣1.59億元）。截至二零一九年十二月三十一日，表內加權平均財務成本約為7.6%（二零一八年十二月三十一日：7.4%）；表外加權平均融資成本約為7.1%（主要為項目開發貸款）（二零一八年十二月三十一日：約為6.3%）。

稅項

截至二零一九年十二月三十一日，本集團的稅項支出約為人民幣5.98億元（二零一八年：約為人民幣8.69億元），其減少原因主要由於本期剔除免徵企業所得稅的投資收益後的稅前利潤較上年同期減少所致。

每股收益

截至二零一九年十二月三十一日止年度，本公司股東應佔每股基本收益及每股稀釋收益為人民幣0.252元及人民幣0.252元（二零一八年十二月三十一日：人民幣0.272元及人民幣0.244元），每股核心基本收益為人民幣0.234元（二零一八年十二月三十一日：約為人民幣0.229元）。

項目儲備

於二零一九年十二月三十一日，本集團擁有的項目儲備總建築面積18,444,953平方米及可售面積6,859,605平方米及預計可售貨值約為人民幣1,314.3億元，按權益計算，本集團應佔項目儲備總建築面積5,008,172平方米及可售面積1,478,252平方米及預計可售貨值約為人民幣316.4億元，本集團之獨立第三方委託開發管理項目共41個，可售面積約為3,658,517平方米，預計可售貨值為人民幣689.3億元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

ACCUMULATED LAND RESERVE AT THE END OF 2019 2019年末累計土儲

Number	Projects	Equity Holding	Total GFA	Developed GFA	Developing GFA	GFA for		GFA Sold	Saleable Value	Saleable GFA
						Future Development	Value Sold			
序號	項目	權益比例	總建築面積 (sq.m.) (平方米)	已竣工物業面積 (sq.m.) (平方米)	發展中物業面積 (sq.m.) (平方米)	未來發展物業面積 (sq.m.) (平方米)	已售貨值 (RMB'000) (人民幣千元)	已售面積 (sq.m.) (平方米)	可售貨值 (RMB'000) (人民幣千元)	可售面積 (sq.m.) (平方米)
1	Shanghai Future Block 上海未來街區	100.0%	233,791	233,791	–	–	2,114,403	111,142	1,021,565	38,445
2	Shanghai The Course of The Future 上海里程	100.0%	106,622	106,622	–	–	1,318,552	79,731	38,496	1,242
3	Nanjing Youth Block 南京青春街區	100.0%	314,894	314,894	–	–	2,924,820	245,414	32,728	–
4	Nanjing Future Home 南京未來家	50.1%	133,530	133,530	–	–	960,246	109,579	8,804	–
5	Suzhou 8 Renmin Road 蘇州人民路8號	100.0%	85,983	85,983	–	–	1,986,446	64,556	2,143	–
6	Suzhou Green County of Taihu 蘇州太湖綠郡	55.0%	432,732	325,192	107,540	–	5,636,091	326,397	11,290	885
7	Wuxi Tiancui 無錫天萃	100.0%	48,772	48,772	–	–	496,385	34,793	9,253	200
8	Wuxi Luka Small Town 無錫綠卡小鎮	100.0%	139,689	133,919	–	5,770	691,759	93,451	23,150	5,863
9	Nanjing Poly Landsea Weilan 南京保利朗詩蔚藍	29.9%	250,567	250,567	–	–	5,593,547	195,384	75,909	2,142
10	Nanjing Xihua Mansion 南京熙華府	19.0%	201,116	201,116	–	–	5,545,738	149,556	62,492	2,917
11	Chengdu Southern Gate Green 成都南門綠郡	25.0%	235,149	151,020	84,129	–	2,765,085	155,761	33,911	–
12	Hangzhou Xihua Mansion 杭州熙華府	49.0%	139,152	–	139,152	–	4,269,889	88,311	115,832	449
13	Hangzhou Le Mansion 杭州樂府	50.0%	80,602	80,602	–	–	2,579,533	53,682	104,947	1,156
14	Chengdu Landsea Qingyang District Project 成都朗詩青羊區項目	9.9%	685,684	–	685,684	–	5,305,150	309,773	1,837,890	47,958
15	Tianjin Emerald Lan Wan 天津翡翠瀾灣	75.0%	142,156	–	142,156	–	1,525,054	106,846	20,668	1,414
16	Tianjin Cuiweilan Pavilion (B) 天津翠微瀾閣(B)	35.0%	59,332	–	59,332	–	539,373	38,559	86,581	4,073
17	Tianjin Cuiweilan Pavilion (CD) 天津翠微瀾閣(CD)	35.0%	82,708	–	82,708	–	532,458	39,301	524,807	30,031
18	Shanghai Changfenghui Silver Premier 上海長風匯銀銘尊	100.0%	18,875	18,875	–	–	889,575	16,877	67,227	1,529
19	Suzhou Blue Square 蘇州蔚藍廣場	51.0%	91,349	–	91,349	–	717,920	41,924	169,267	21,707

Number	Projects	Equity Holding	Total GFA	Developed GFA	Developing GFA	GFA for Future Development	Value Sold	GFA Sold	Saleable Value	Saleable GFA
序號	項目	權益比例	總建築面積 (sq.m.) (平方米)	已竣工物業面積 (sq.m.) (平方米)	發展中物業面積 (sq.m.) (平方米)	未來發展物業面積 (sq.m.) (平方米)	已售貨值 (RMB'000) (人民幣千元)	已售面積 (sq.m.) (平方米)	可售貨值 (RMB'000) (人民幣千元)	可售面積 (sq.m.) (平方米)
20	Wuhan Xihua Mansion 武漢熙華府	30.0%	140,270	–	140,270	–	–	–	4,345,883	99,972
21	Chengdu Muhua Road Project 成都牧華路項目	4.9%	1,022,400	–	–	1,022,400	2,660,570	128,091	5,599,190	596,086
22	Wuhan Landsea Yue Mansion 武漢朗詩悅府	5.0%	235,316	–	235,316	–	2,842,304	162,618	–	–
23	Changsha Lu Island Project 長沙麓島項目	1.0%	245,540	25,803	127,003	92,734	599,922	103,998	342,985	58,646
24	Chengdu Xihua Mansion 成都熙華府	33.0%	367,753	234,902	132,851	–	4,200,224	230,225	611,842	25,186
25	Hangzhou Maple Union 杭州楓蔭	50.0%	48,574	–	48,574	–	623,702	37,330	17,854	–
26	Hefei Wanxin's Hi-tech Court 合肥皖新高新麓院	49.0%	129,919	–	129,919	–	611,929	26,219	1,458,561	64,805
27	Hangzhou Light of City 杭州城市之光	40.0%	94,095	94,095	–	–	1,429,581	72,791	40,153	–
28	Ningbo Crystal Apartment 寧波清澄寓	40.0%	94,282	–	94,282	–	1,132,692	72,810	–	–
29	Chengdu Future Home 成都未來家	100.0%	146,733	146,733	–	–	859,883	107,822	11,991	–
30	Chengdu Landsea Cuiyue 成都朗詩萃樾	50.0%	30,316	–	30,316	–	114,766	8,875	81,686	2,358
31	Hefei Feidong Jade Garden 合肥肥東翡翠莊園	10.0%	57,398	–	57,398	–	147,217	8,584	365,937	31,838
32	Yixing Xindu Mansion 宜興新都府	26.0%	220,045	–	220,045	–	1,563,425	163,019	69,413	500
33	Suqian Weilan Court 宿遷蔚藍溪苑	51.0%	224,621	–	224,621	–	1,195,847	123,995	465,986	36,788
34	Suqian Weilan Elegant Court 宿遷蔚藍雅苑	51.0%	200,548	–	200,548	–	783,837	74,959	689,303	63,847
35	Chongqing Le Mansion 重慶樂府	30.0%	400,856	–	216,981	183,875	2,264,249	131,207	2,609,415	138,731
36	Hangzhou Weilan Block 杭州蔚藍街區	20.0%	108,993	–	108,993	–	573,522	42,006	–	–
37	Nanjing Lishui G06 Project 南京溧水G06項目	20.0%	209,516	–	209,516	–	134,149	8,782	3,040,203	142,371
38	Suzhou Cheng Garden 蘇州澄園	0.1%	12,485	–	12,485	–	246,924	6,821	49,298	354
39	Hangzhou Linglongyue 杭州玲瓏樾	30.0%	153,746	–	–	153,746	–	–	1,990,000	127,214

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Number	Projects	Equity Holding	Total GFA	Developed GFA	Developing GFA	GFA for		GFA Sold	Saleable Value	Saleable GFA
						Future Development	Value Sold			
序號	項目	權益比例	總建築面積 (sq.m.) (平方米)	已竣工物業面積 (sq.m.) (平方米)	發展中物業面積 (sq.m.) (平方米)	未來發展物業面積 (sq.m.) (平方米)	已售貨值 (RMB'000) (人民幣千元)	已售面積 (sq.m.) (平方米)	可售貨值 (RMB'000) (人民幣千元)	可售面積 (sq.m.) (平方米)
40	Chengdu Golden Mansion Future Block 成都金堂未來街區	51.0%	384,307	–	306,236	78,071	944,682	143,150	1,513,487	144,399
41	Chengdu Shanglin Xihua Mansion 成都上林熙華府	33.3%	265,576	–	205,995	59,581	1,591,722	107,761	2,430,009	84,585
42	Suzhou Hengtong Project 蘇州亨通項目	15.0%	129,571	–	129,571	–	1,019,600	30,152	1,673,400	57,451
43	Kunshan Future Block 崑山未來街區	51.0%	43,362	–	43,362	–	650,963	26,336	136,477	–
44	Kunshan Zhoushi Project 崑山週市項目	51.0%	43,278	–	43,278	–	610,692	26,495	186,928	1,150
45	Shijiazhuang Future Block 石家莊未來街區	25.5%	162,479	–	68,273	94,206	889,924	103,614	335,916	21,261
46	Nanjing Wangjiawan Project 南京王家灣項目	60.0%	144,677	–	–	144,677	–	–	1,873,557	72,483
47	Xi'an Future Block 西安未來街區	30.0%	85,111	–	85,111	–	581,083	45,697	239,226	11,392
48	Chengdu Kaidi Century Project 成都凱迪世紀項目	50.0%	213,587	–	–	213,587	–	–	2,038,460	190,510
49	Wuxi Xihua Mansion 無錫熙華府	45.0%	208,429	–	170,770	37,659	1,907,929	68,828	2,040,871	72,572
50	Xi'an Mingjing Project 西安名京項目	100.0%	71,744	–	71,744	–	–	–	983,384	57,735
51	Zhongshan Nanlang Project 中山南朗項目	80.0%	79,204	–	8,503	70,701	–	–	1,258,000	57,508
52	Chengdu Erxianqiao Project 成都二仙橋項目	51.0%	124,114	–	124,114	–	–	–	2,425,030	84,329
53	Chengdu Tianfu New District Project 成都天府新區項目	50.0%	183,328	–	183,328	–	–	–	3,860,000	123,940
54	Changshu Yuanhe Project 常熟元和項目	51.0%	48,048	–	–	48,048	–	–	874,130	32,282
55	Zhangjiagang Baiqiao Road Project 張家港百橋路項目	80.0%	127,422	–	–	127,422	–	–	1,927,000	87,943
56	Wuhan Dongxi Lake Jinnan First Road Project 武漢東西湖金南一路項目	0.0%	595,139	–	–	595,139	–	–	9,850,000	406,260
57	Chongqing Sheshan Project 重慶璧山項目	0.0%	188,899	–	–	188,899	–	–	1,250,000	125,699
58	Xi'an Langshiyuan Nanqi 西安朗詩雁南樓	0.0%	68,441	–	68,441	–	482,158	28,974	219,473	12,453

Number	Projects	Equity Holding	Total GFA	Developed GFA	Developing GFA	GFA for Future Development	Value Sold	GFA Sold	Saleable Value	Saleable GFA
序號	項目	權益比例	總建築面積 (sq.m.) (平方米)	已竣工物業面積 (sq.m.) (平方米)	發展中物業面積 (sq.m.) (平方米)	未來發展物業面積 (sq.m.) (平方米)	已售貨值 (RMB'000) (人民幣千元)	已售面積 (sq.m.) (平方米)	可售貨值 (RMB'000) (人民幣千元)	可售面積 (sq.m.) (平方米)
59	Nanjing Haiyue Metropol 南京海玥名都	0.0%	278,748	278,748	–	–	9,610,126	205,952	25,465	–
60	Nanjing Landsea Golden Elephant Mangrove 南京朗詩金像紅樹林	0.0%	307,241	258,095	49,146	–	4,955,296	176,281	1,152,068	41,532
61	Nanjing Jiulonghu Plot C 南京九龍湖C地塊	0.0%	75,425	–	38,361	37,064	–	–	1,135,350	40,959
62	Nanjing Jiulonghu Plot A/B 南京九龍湖A/B地塊	0.0%	115,000	115,000	–	–	2,120,833	88,771	21,987	–
63	Hefei Wanxin's Green County 合肥皖新朗詩綠郡	0.0%	148,441	148,441	–	–	1,332,040	102,268	10,405	655
64	Wuxi Landsea New County (1A1B2B) 無錫朗詩新郡(1A1B2B)	0.0%	348,962	243,000	105,962	–	3,461,248	144,823	7,650	–
65	Wuxi Landsea New County (2A3) 無錫朗詩新郡(2A3)	0.0%	297,134	–	–	297,134	–	–	4,051,873	191,128
66	Suzhou Wuzhong Hongzhuang Project 蘇州吳中紅莊項目	0.0%	130,001	–	130,001	–	1,088,028	42,105	–	–
67	Chengdu Landsea Yue Future Block 成都朗詩悅未來	0.0%	51,934	–	51,934	–	542,090	35,560	–	–
68	Century Landsea Green County in Yancheng Dongtai 鹽城東台朗詩世紀綠郡	0.0%	200,269	–	177,785	22,484	564,607	57,047	1,013,657	98,039
69	Nanjing Project G68 南京G68項目	0.0%	191,800	–	191,800	–	–	–	10,500,000	150,000
70	Jiangyin Lingang Project 江陰臨港項目	0.0%	131,098	–	131,098	–	795,020	106,049	–	–
71	Beijing Kangzeyuan Project 北京康澤園項目	0.0%	45,860	–	–	45,860	–	–	1,013,000	33,998
72	Ma'anshan Xihua Mansion 馬鞍山熙華府	0.0%	330,339	34,814	197,670	97,855	1,389,912	166,241	737,706	76,812
73	Jurong Wandu Linglongyue 句容萬都玲瓏樾	0.0%	192,905	99,095	93,810	–	1,303,716	84,396	488,216	31,217
74	Beijing Zhangjiakou Project 北京張家口項目	0.0%	128,446	–	128,446	–	20,260	1,610	946,424	83,983
75	Tangshan Yutian Project 唐山玉田項目	0.0%	134,625	–	–	134,625	–	–	774,146	124,046
76	Nanjing Jiangning Project G45 南京江寧G45項目	0.0%	142,633	–	142,633	–	–	–	2,300,000	105,000
77	Wuhan West Coast 武漢西海岸	0.0%	171,838	43,779	128,059	–	1,088,299	98,521	189,519	11,432

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Number	Projects	Equity Holding	Total GFA	Developed GFA	Developing GFA	GFA for		GFA Sold	Saleable Value	Saleable GFA
						Future Development	Value Sold			
序號	項目	權益比例	總建築面積 (sq.m.) (平方米)	已竣工物業面積 (sq.m.) (平方米)	發展中物業面積 (sq.m.) (平方米)	未來發展物業面積 (sq.m.) (平方米)	已售貨值 (RMB'000) (人民幣千元)	已售面積 (sq.m.) (平方米)	可售貨值 (RMB'000) (人民幣千元)	可售面積 (sq.m.) (平方米)
78	Jinan Zhangqiu Casting Centre 濟南章丘鑄鍛中心	0.0%	354,093	–	–	354,093	–	–	4,300,000	243,600
79	Rugao Landsea Golden City 如皋朗詩金鼎名城	0.0%	287,134	–	186,437	100,697	342,341	26,467	2,979,909	223,619
80	Wujiang Shangyi Motor City Phase II 吳江上億汽車城二期	0.0%	199,904	–	–	199,904	–	–	1,484,850	97,950
81	Changzhou Xihua Mansion 常州熙華府	0.0%	142,161	–	142,161	–	1,920,968	82,658	508,312	18,643
82	Chengdu Xindu Xintian Road Project 成都新都信田路項目	0.0%	188,641	–	188,641	–	–	–	807,550	106,727
83	Chengdu Xindu Sanmu Road Project 成都新都三木路項目	0.0%	191,853	–	191,853	–	–	–	1,024,010	108,310
84	Wuxi Xiangbin Street 無錫香濱街	0.0%	58,294	–	–	58,294	–	–	845,290	42,400
85	Xi'an Zhongyu 西安中譽	0.0%	30,118	–	–	30,118	–	–	385,830	20,018
86	Beijing Jianguo Apartment Project 北京建國公寓項目	0.0%	22,483	–	22,483	–	–	–	1,110,000	12,885
87	Beijing Zengguang Road Project 北京增光路項目	0.0%	14,729	–	–	14,729	–	–	1,000,000	9,109
88	Henan Kaifeng Fifth Avenue Project 河南開封第五大街項目	0.0%	272,236	–	–	272,236	–	–	2,792,300	213,122
89	Xi'an Daming Palace Dongcheng International Project 西安大明宮東城國際項目	0.0%	127,361	–	–	127,361	–	–	1,040,000	99,526
90	Xi'an Mira Apartment 西安米拉公寓	0.0%	88,980	–	–	88,980	–	–	1,470,000	88,980
91	Chengdu Shigao Project 成都視高項目	0.0%	263,093	–	–	263,093	–	–	1,710,640	206,312
92	Hangzhou Wensan Road Qiuzhi Apartment Project 杭州文三路求智公寓項目	0.0%	12,613	–	–	12,613	–	–	540,000	8,775
93	Suzhou Louyu Project 蘇州婁葑項目	0.0%	182,695	–	–	182,695	–	–	4,465,050	130,878
94	Xianyang Oriental Pearl City Project 咸陽東方明珠城項目	0.0%	465,005	–	–	465,005	–	–	3,559,822	396,580
95	Shangfang Project G22 in Nanjing Jiangning 南京江寧上坊G22項目	0.0%	102,316	–	102,316	–	–	–	2,546,455	75,324
96	Nanjing Landsea Linglongjun 南京朗詩玲瓏郡	0.0%	134,633	–	134,633	–	1,967,000	78,508	672,630	22,546

Number	Projects	Equity Holding	Total GFA	Developed GFA	Developing GFA	GFA for		GFA Sold	Saleable Value	Saleable GFA
						Future Development	Value Sold			
序號	項目	權益比例	總建築面積 (sq.m.) (平方米)	已竣工物業面積 (sq.m.) (平方米)	發展中物業面積 (sq.m.) (平方米)	未來發展物業面積 (sq.m.) (平方米)	已售貨值 (RMB'000) (人民幣千元)	已售面積 (sq.m.) (平方米)	可售貨值 (RMB'000) (人民幣千元)	可售面積 (sq.m.) (平方米)
97	Avora	51.0%	31,776	31,776	–	–	927,941	13,963	692,170	6,123
98	Westerly	100.0%	34,559	18,017	8,681	7,861	418,159	17,313	427,775	17,247
99	Pierce Boston	25.0%	39,202	39,202	–	–	2,789,587	34,043	–	–
100	Iron Ridge	100.0%	143,457	56,794	51,368	35,295	1,798,204	92,848	1,504,054	50,610
101	Stoney Ridge	100.0%	5,035	5,035	–	–	249,643	5,035	–	–
102	The Vale	70.0%	77,694	77,694	–	–	3,394,026	77,685	–	–
103	Sanctuary	100.0%	259,655	235,036	7,473	17,146	1,554,033	239,401	541,997	20,255
104	Siena	100.0%	12,076	12,076	–	–	500,122	12,076	–	–
105	Lido Villas	100.0%	4,404	4,404	–	–	387,099	4,057	30,821	347
106	Synagogue	90.0%	4,049	641	3,408	–	–	–	593,764	3,408
107	Abigail Place	100.0%	5,086	290	3,769	1,027	11,509	286	209,094	5,086
108	Catalina	100.0%	15,203	–	4,414	10,789	82,504	1,775	792,625	13,428
109	Sonora Crossing	100.0%	14,623	–	750	13,873	–	–	214,692	14,623
110	14th & 6th	95.0%	7,550	–	7,550	–	–	–	1,085,924	4,952
111	Tevelde	100.0%	108,825	–	–	108,825	–	–	1,929,554	108,825
112	Crestley	100.0%	15,650	–	–	15,650	–	–	453,336	15,650
113	Novato	100.0%	10,628	–	–	10,628	–	–	407,721	10,628
114	Harvest Queen Creek	100.0%	19,699	–	–	19,699	–	–	238,738	19,699
115	North Central Phoenix	100.0%	10,124	–	–	10,124	–	–	243,934	10,124
116	Alamar	100.0%	13,803	–	–	13,803	–	–	170,744	13,803
117	Centerra	100.0%	44,977	–	3,541	41,436	–	–	494,004	45,047
118	Eastmark	100.0%	34,283	7,884	617	25,782	45,837	3,864	313,492	29,569
119	Encanta	100.0%	14,142	7,370	2,988	3,784	57,402	6,423	76,662	7,726
120	Estrella	100.0%	35,754	4,705	–	31,049	19,898	1,948	355,003	36,124
121	Verrado	100.0%	81,760	9,453	9,684	62,623	94,771	7,913	904,443	72,493
122	Ontario Vander Eyk	100.0%	47,073	–	–	47,073	–	–	991,285	47,074
Total			18,444,953	4,317,765	7,729,366	6,397,822	121,888,069	6,368,083	131,433,954	6,859,605
合計										
Of Which: Subtotal of Equity-held										
Project			11,031,433	3,096,793	5,125,696	2,808,944	88,904,097	4,841,852	62,504,367	3,201,088
其中：擁有權益項目小計										
Subtotal of Entrusted Development and										
Management Project			7,413,520	1,220,972	2,603,670	3,588,878	32,983,972	1,526,231	68,929,587	3,658,517
委託開發管理項目小計										

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Projects 項目	Equity Holding 權益比例	Status 狀態	Usage 用途	GFA 建築面積 (sq.m.) (平方米)
Shanghai Huangxing Building 上海黃興大樓	100.0%	Under renovation 裝修改造	Partially leasing 部分出租中	11,427
Shanghai Senlan Apartment* 上海森蘭公寓 *	50.0%	Completed 竣工	Leasing 出租中	43,543
Nanjing Huafei Apartment 南京華飛宿舍	100.0%	Completed 竣工	Leasing 出租中	5,729
Shenzhen Landsea Tower 深圳朗詩大廈	100.0%	Completed 竣工	Leasing 出租中	23,736
Guangzhou Jiefang Tower* 廣州解放大廈 *	33.6%	Completed 竣工	Leasing 出租中	11,507
Wuxi Neighbourhood Union 無錫鄰里薈	100.0%	Completed 竣工	Leasing 出租中	10,667
Zhangjiang Landsea Center* 張江朗詩中心 *	30.0%	Under renovation 裝修改造	To be leased 擬出租	10,489
Danling Landsea Tower* 大寧朗詩大廈 *	50.0%	Under renovation 裝修改造	Leasing 出租中	19,390
Beijing Landsea Tower* 北京朗詩大廈 *	50.0%	Under renovation 裝修改造	To be leased 擬出租	21,906
Nanjing Tianlong Temple Project* 南京天隆寺項目 *	30.0%	Completed 竣工	Leasing 出租中	15,856
				174,250

LIQUIDITY AND FINANCIAL RESOURCES

Cash positions

As at 31 December 2019, the Group's cash and cash equivalents and restricted cash amounted to approximately RMB4.76 billion (As at 31 December 2018: approximately RMB5.95 billion). As at 31 December 2019, the Group's current ratio (current assets divided by current liabilities) was approximately 1.3 times (As at 31 December 2018: 1.5 times).

流動資金及財務資源

現金狀況

於二零一九年十二月三十一日，本集團現金及現金等價物以及受限制資金約為人民幣47.6億元（於二零一八年十二月三十一日：約為人民幣59.5億元）。於二零一九年十二月三十一日，本集團的流動資產比率（流動資產除以流動負債）約為1.3倍（於二零一八年十二月三十一日：1.5倍）。

* The Property is held by joint ventures of the Company

* 該項目由本公司之合營公司持有

INDEBTEDNESS

As at 31 December 2019, the total indebtedness of the Group amounted to approximately RMB6.96 billion (As at 31 December 2018: approximately RMB7.02 billion). The Group's indebtedness mainly included shareholder's loans, secured bank loans, senior notes and EB-5 financing. As at 31 December 2019, total net debts[#] were approximately RMB2.46 billion (As at 31 December 2018: approximately RMB1.62 billion). As at 31 December 2019, the proportion of short-term debts was 33.7% (As at 31 December 2018: 9.7%) and long-term debts was 66.3% (As at 31 December 2018: 90.3%). Meanwhile, the Company successfully issued US\$200 million public offering bonds in overseas market in January 2020 to replace the US\$200 million debt due in April. After such replacement, the proportion of short-term debts further reduced to 13.6%. Long-term debts and short-term debts were still properly structured.

Analysis of Indebtedness:

債務

於二零一九年十二月三十一日，本集團債務總計約為人民幣69.6億元（於二零一八年十二月三十一日：約為人民幣70.2億元）。本集團的債務主要包括股東貸款、有抵押銀行借款、優先債券及EB-5融資。於二零一九年十二月三十一日，淨負債[#]總計約為人民幣2.46億元（於二零一八年十二月三十一日：約為人民幣1.62億元）。於二零一九年十二月三十一日，短期債務比例為33.7%（於二零一八年十二月三十一日：9.7%），長期債務比例為66.3%（於二零一八年十二月三十一日：90.3%），同時公司已於2020年1月在境外市場成功發行了2億美元公募債用以置換4月到期的2億美元債，完成置換後，短期債務比例進一步降低至13.6%，長短期債務持續保持合理結構。

債務分析：

		31 December 2019 二零一九年十二月三十一日		31 December 2018 二零一八年十二月三十一日	
		RMB'000 人民幣千元	Percentage 佔百分比	RMB'000 人民幣千元	Percentage 佔百分比
Analysis of total indebtedness 總債務以結算貨幣分析：					
by currency:					
Denominated in RMB	以人民幣結算	2,239,283	32.17%	3,508,890	49.95%
Denominated in USD	以美元結算	4,488,949	64.49%	3,169,781	45.12%
Denominated in HK\$	以港元結算	232,908	3.34%	345,924	4.93%
		6,961,140	100.00%	7,024,595	100.00%

Analysis of total indebtedness 總債務以到期日分析：

by maturity:					
Within one year	第一年內	2,344,439	33.68%	683,580	9.73%
Between one and two years	第一年至兩年	1,913,374	27.49%	4,441,395	63.23%
Between two and five years	第二年至五年	1,812,805	26.04%	1,899,620	27.04%
Over five years	五年以上	890,522	12.79%	—	—
		6,961,140	100.00%	7,024,595	100.00%

[#] net debts = total debts less cash and cash equivalents (excluding restricted cash)

[#] 淨負債 = 債務總額減現金及現金等價物（不含受限資金）

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OFF-BALANCE SHEET EQUITY DATA

With the implementation of the asset-light strategy, the reserves of new projects of the Group primarily relates to joint ventures and associates accounted for using the equity method, the balance sheet information of which has not yet been included to the consolidated financial statements of the Group. As at 31 December 2019, cash and bank balance attributable to the Group in proportion to the equity in joint ventures and associates was approximately RMB1.48 billion (As at 31 December 2018: approximately RMB1.91 billion), while the balance of interest-bearing liabilities attributable to the Group in proportion to the equity in joint ventures and associates was approximately RMB2.87 billion (As at 31 December 2018: approximately RMB2.19 billion), and the net debt balance attributable to the Group in proportion to the equity in joint ventures and associates was RMB1.39 billion (As at 31 December 2018: net debt balance attributed approximately RMB273 million).

GEARING RATIOS

The Group has been working hard on optimizing its capital and debt structure. As at 31 December 2019, the on-balance sheet net debts to equity ratio[#] of the Group was approximately 40.2% (As at 31 December 2018: 34.0%), representing an increase of 6.2 percentage points as compared with 31 December 2018, which remains low in the industry. The off-balance sheet net debts as at 31 December 2019 were RMB1.39 billion. The aggregate on-balance sheet and off-balance sheet net debts were RMB3.84 billion. The aggregate on-balance sheet and off-balance sheet net debts to equity ratio was approximately 62.9% as at 31 December 2019 (As at 31 December 2018: 39.8%), representing an increase of 23.1 percentage points as compared with 31 December 2018. The Group's debt to total assets ratio (total borrowings divided by total assets) was approximately 26.9% as at 31 December 2019 (As at 31 December 2018: 26.2%). In addition, the debt to assets ratio of the Group as at 31 December 2019 was 76.4% (As at 31 December 2018: 82.2%), which slightly decreased as compared with 31 December 2018. The management will continue to monitor the Group's capital and debt structure from time to time with aim of controlling short-term debt ratio and mitigating its exposure to the risk of gearing.

表外權益下數據

在資產輕型化戰略下，本集團新增項目儲備主要為權益法核算的合營及聯營公司項目，其資產負債信息未納入本集團綜合財務報表中。截至二零一九年十二月三十一日，本集團於合營及聯營公司按照權益比例應佔貨幣資金餘額約為人民幣14.8億元（於二零一八年十二月三十一日：約為人民幣19.1億元），於合營及聯營公司按照權益比例應佔有息負債餘額約為人民幣28.7億元（於二零一八年十二月三十一日：人民幣21.9億元），於合營及聯營公司按照權益比例應佔淨負債餘額約為人民幣13.9億元（於二零一八年十二月三十一日：應佔淨負債餘額約為人民幣2.73億元）。

負債比率

本集團一直努力優化資本及負債結構，於二零一九年十二月三十一日的表內淨負債與股本權益比率[#]約為40.2%（於二零一八年十二月三十一日：34.0%），與二零一八年十二月三十一日相比上升6.2個百分點，維持行業內較低水準；表外項目於二零一九年十二月三十一日的淨負債為人民幣13.9億元，表內和表外淨負債合計人民幣38.4億元，表內外淨負債合計值與股本權益比率約為62.9%（於二零一八年十二月三十一日：39.8%），與二零一八年十二月三十一日相比上升23.1個百分點。本集團負債資產比率（債務總額除以總資產）於二零一九年十二月三十一日約為26.9%（於二零一八年十二月三十一日：26.2%），另外，本集團之資產負債率於二零一九年十二月三十一日為76.4%（於二零一八年十二月三十一日：82.2%），與二零一八年十二月三十一日相比略有下降。管理層會經常性監控本集團資本及負債結構，控制短期負債比率，降低所承受的債務風險。

PLEDGE OF ASSETS OF THE GROUP

As at 31 December 2019, the bank loans of the Group were secured by one or a combination of the following items: investment properties, leasehold land payments, properties under development, properties held for sale, restricted cash, equity interest of certain subsidiaries of the Group and guarantees provided by controlling shareholders. Senior notes were guaranteed by certain subsidiaries of the Company. EB-5 loans were guaranteed by a subsidiary.

FOREIGN EXCHANGE AND CURRENCY RISK

As at 31 December 2019, the Group's cash and cash equivalents and restricted cash were mainly denominated in Renminbi, Hong Kong dollar and United States dollar. The functional currency of the Group's subsidiaries in the United States is United States dollar while that of the Hong Kong subsidiaries is Hong Kong dollar, and that of the domestic subsidiaries is Renminbi. As at 31 December 2019, the borrowing of RMB917.6 million to the Group's subsidiary in the United States from the ultimate controlling shareholder was the long-term financial support to the Group. The amounts of RMB2.17 billion of the Group's Hong Kong subsidiary due to its PRC subsidiary were the internal funds transfer of the Group. The exchange rate changes in the said amounts resulted in exchange gains recorded by the Group of RMB68 million (2018: exchange gains of RMB185 million). As at 31 December 2019, the Group's assets denominated in USD were USD889 million (equivalent to RMB6.20 billion), representing 24% of the total assets, and the liabilities denominated in USD were USD710 million (equivalent to RMB4.95 billion), representing 25% of the total liabilities. As foreign currency assets are in line with the foreign currency liabilities, no financial instrument is required for hedging purposes.

INTEREST RATE RISK

As at 31 December 2019, the debts payable borne with fixed interest rate accounted for approximately 65.1% (As at 31 December 2018: 69.3%) of the total debts of the Group. In this regard, the exposure to interest rate risk was minimal. The Group will continue to monitor the trend of interest rates in the market closely and seek to adopt appropriate risk management measures for mitigating the exposure to the interest rate risk.

本集團資產抵押

於二零一九年十二月三十一日，本集團的銀行貸款由以下一種或幾種組合擔保：投資物業、租賃土地付款、開發中物業、持作銷售物業、受限制現金、本集團若干附屬公司的股權及控股股東提供的擔保。優先票據由本公司之若干附屬公司擔保。EB-5貸款由一間附屬公司擔保。

外匯及外幣風險

於二零一九年十二月三十一日，本集團之現金及現金等價物及受限制現金以人民幣、港元及美元為主要幣值。本集團美國附屬公司記帳本位幣為美元，香港附屬公司記帳本位幣為港幣，境內附屬公司記帳本位幣為人民幣。截至二零一九年十二月三十一日，本集團美國附屬公司來自最終控股股東917.6百萬元人民幣借款，是控股股東對本集團之長期資金支持，本集團香港附屬公司應付境內附屬公司之款項21.7億元人民幣，是本集團內部資金往來，相應的匯率變動形成了本集團賬面匯兌收益人民幣0.68億元（二零一八年：匯兌收益人民幣1.85億元）。截至二零一九年十二月三十一日，本集團美元資產為8.89億美元（人民幣：62.0億元），佔總資產的24%；美元負債為7.10億美元（人民幣：49.5億元），佔總負債的25%，外幣資產與外幣負債相匹配。故本集團未採用任何金融工具作對沖用途。

利率風險

於二零一九年十二月三十一日，本集團固定利率的應付債務佔總借款約65.1%（於二零一八年十二月三十一日：69.3%），面對的利率波動風險較低。本集團將會密切監察市場利息趨向及會尋求合適的風險管理措施，以減低利率風險。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITION AND DISPOSAL

On 15 February 2019, 西安朗詩銘房地產開發有限公司 (Xi'an Langshiming Real Estate Development Co., Ltd.*) ("Xi'an Langshiming"), a wholly-owned subsidiary of the Company, entered into the cooperation agreement with Bridge Trust Co., Ltd. ("Bridge Trust"), pursuant to which Xi'an Langshiming and Bridge Trust agreed to cooperate in the development of the land located at 中國西安市未央區北二環以南，文景路以東，國有土地使用權證編號為「西未國用(2013出)第161號」及「西未國用(2013出)第163號」(the land parcel no. Xiweiguoyong (2013) 161 and Xiweiguoyong (2013) 163 under the Certificate for the Use of State-owned Land, located to the south of North Second Ring and east of Wenjing Road*) (the "Target Land") held by 西安名京房地產開發有限公司 (Xi'an Mingjing Real Estate Development Co., Ltd.*) ("Xi'an Mingjing"). Xi'an Mingjing established a company to develop the project of the Target Land and transferred 100% equity interest of that company to 西安朗詩意企業管理諮詢有限公司 (Xi'an Langshiyi Enterprise Management Consulting Co., Ltd.*) ("Xi'an Langshiyi"). Upon fulfilling the agreed conditions, Xi'an Langshiming agreed to buy back the 49% equity interest acquired by Bridge Trust in Xi'an Langshiyi which was held by Xi'an Langshiming and the loans (the "Trust Loan") obtained by Bridge Trust using the trust fund in the form of loans and transfer of loans to Xi'an Langshiyi and special purpose vehicle company pursuant to the agreed terms for a maximum amount of RMB600,000,000. The bought back under the cooperation agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange. On 14 October 2019, Xi'an Langshiming received a notice from Bridge Trust requesting Xi'an Langshiming to buy back the 49% equity interest in Xi'an Langshiyi and the Trust Loan pursuant to the agreed conditions of the cooperation agreement at a consideration of RMB42,657,171.51, and completion of the buy-back took place on 14 November 2019. For details of the transaction, please refer to the announcements of the Company dated 15 February 2019 and 14 November 2019.

重大投資、重大收購及出售事項

於二零一九年二月十五日，本公司全資附屬公司西安朗詩銘房地產開發有限公司(「西安朗詩銘」)與百瑞信託有限責任公司(「百瑞信託」)訂立合作協議，據此，西安朗詩銘與百瑞信託同意合作開發西安名京房地產開發有限公司(「西安名京」)持有的地塊(「目標地塊」，位於中國西安市未央區北二環以南，文景路以東，國有土地使用權證編號為「西未國用(2013出)第161號」及「西未國用(2013出)第163號」)。西安名京成立一間公司以開發目標地塊項目，並將該公司100%股權轉讓予西安朗詩意企業管理諮詢有限公司(「西安朗詩意」)。於滿足約定條件的情況下，西安朗詩銘同意回購百瑞信託所收購由西安朗詩銘持有的西安朗詩意49%股權以及百瑞信託根據協定條款向西安朗詩意和特殊項目公司以貸款、受讓債權等形式運用信託資金所取得的多項貸款(「信託貸款」)，最高金額為人民幣600,000,000元。根據合作協議進行的回購構成聯交所證券上市規則(「上市規則」)第14章項下本公司的須予披露交易。於二零一九年十月十四日，西安朗詩銘接獲百瑞信託的通知，要求西安朗詩銘根據合作協議的約定條件以代價人民幣42,657,171.51元回購西安朗詩意49%股權及信託貸款，有關回購已於二零一九年十一月十四日完成。有關交易的詳情，請參閱本公司日期為二零一九年二月十五日及二零一九年十一月十四日的公告。

On 21 February 2019, Nanjing Langming, Xi'an Langshiming and Xi'an Jiapeng, wholly-owned subsidiaries of the Company, entered into the cooperation framework agreement with 南京洛德德寧房地產投資合夥企業 (Nanjing Luode Dening Real Estate Investment Partnership (Limited Partnership)*) ("Dening Fund"), pursuant to which Dening Fund agreed to invest in the property development project on 陝西省西安市未央區西戶鐵路以東、昆明路以北，宗地編號 FD2-14-32 (land parcel No. FD2-14-32 located in the east of the Xihu Railway and the north of Kunming Road in Weiyang District, Xi'an City, Shaanxi Province*) held by Xi'an Jiapeng through the acquisition of 70% equity interest in Xi'an Jiapeng at the consideration of RMB14,000,000. In addition, Dening Fund agreed to enter into the shareholder's loan agreement on the same day with Xi'an Jiapeng, whereby Dening Fund conditionally agreed to provide shareholder's loan of not exceeding RMB126,000,000 ("Dening Fund Shareholder's Loan") to Xi'an Jiapeng. Upon fulfilling the agreed conditions, Xi'an Langshiming agreed to buy back the said 70% equity interest and Dening Fund Shareholder's Loan for a maximum amount of RMB280,000,000. Upon completion of the disposal on 28 February 2019, Xi'an Jiapeng ceased to be a subsidiary of the Company which was held as to 30% by the Group and 70% by Dening Fund, and was accounted as a joint venture of the Company. The disposal of the equity interest under the cooperation framework agreement did not constitute any notifiable transaction of the Company. However, the buy back under the cooperation framework agreement constituted a discloseable transaction under Chapter 14 of the Listing Rules. For further details, please refer to the announcement of the Company dated 21 February 2019.

於二零一九年二月二十一日，本公司全資附屬公司南京朗銘、西安朗詩銘及西安嘉鵬與南京洛德德寧房地產投資合夥企業（「德寧基金」）訂立合作框架協議，據此，德寧基金同意透過收購西安嘉鵬70%股權投資於西安嘉鵬所持陝西省西安市未央區西戶鐵路以東、昆明路以北，宗地編號FD2-14-32的房地產開發項目，代價為人民幣14,000,000元。此外，德寧基金於同日同意與西安嘉鵬訂立股東貸款協議，據此，德寧基金有條件同意向西安嘉鵬提供不超過人民幣126,000,000元的股東貸款（「德寧基金股東貸款」）。於滿足約定條件的情況下，西安朗詩銘同意回購上述70%股權及德寧基金股東貸款，最高金額為人民幣280,000,000元。於二零一九年二月二十八日完成出售事項後，西安嘉鵬不再為本公司附屬公司，並將由本集團及德寧基金分別持有30%及70%權益，故入賬列作本公司合營公司。根據合作框架協議出售股權並不構成本公司的須予公佈交易。然而，根據合作框架協議進行回購構成上市規則第14章項下的須予披露交易。有關進一步詳情，請參閱本公司日期為二零一九年二月二十一日的公告。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

On 4 April 2019, Nanjing Langming and 南京朗詩投資管理有限公司 Nanjing Langshi Investment Management Co., Ltd.*) (“Nanjing Langshi”), wholly-owned subsidiaries of the Company, entered into the share transfer agreement with (i) 上海修宸投資管理中心 (Shanghai Xiu Chen Investment Management Center*) (“Xiu Chen Investment”); (ii) 上海蒼宸投資管理中心 (Shanghai Cang Chen Investment Management Center*) (“Cang Chen Investment”); and (iii) 蘇州朗宏置業有限公司 (Suzhou Langwang Properties Co., Ltd.*) (“Suzhou Langwang Properties”), pursuant to which Xiu Chen Investment and Cang Chen Investment conditionally agreed to sell the respective 48% and 1% equity interest in Suzhou Langwang Properties, and Nanjing Langming conditionally agreed to assign Nanjing Langshi to buy back the 49% equity interest in Suzhou Langwang Properties at a total consideration of RMB173,090,000. Upon completion of the buy back on 9 May 2019, Suzhou Langwang Properties became a wholly-owned subsidiary of the Company. The buy back of the 49% equity interest in Suzhou Langwang Properties thereunder constituted a discloseable transaction of the Company under Chapter 14 of the Listing Rules. For further details, please refer to the announcement of the Company dated 21 February 2019.

於二零一九年四月四日，本公司全資附屬公司南京朗銘及南京朗詩投資管理有限公司(「南京朗詩」)與(i)上海修宸投資管理中心(「修宸投資」)；(ii)上海蒼宸投資管理中心(「蒼宸投資」)；及(iii)蘇州朗宏置業有限公司(「蘇州朗宏置業」)訂立股份轉讓協議，據此，修宸投資及蒼宸投資分別有條件同意出售蘇州朗宏置業的48%及1%股權，而南京朗銘有條件同意委派南京朗詩回購蘇州朗宏置業49%股權，總代價為人民幣173,090,000元。於二零一九年五月九日完成回購後，蘇州朗宏置業成為本公司全資附屬公司。回購蘇州朗宏置業49%股權構成上市規則第14章項下本公司的須予披露交易。有關進一步詳情，請參閱本公司日期為二零一九年二月二十一日的公告。

On 10 May 2019, the Company entered into agreements to segregate its non-property development-related business, including the business of long-term rental apartments, property management and design, to Landsea Group, the controlling shareholder of the Company.

- a. Shanghai Langyu Commercial Management Limited* (上海朗毓商業管理有限公司) (“Shanghai Langyu”), Nanjing Langming and Shanghai Landsea Investment Management Limited* (上海朗詩投資管理有限公司) (“Shanghai Landsea Investment”), each being an indirect wholly-owned subsidiary of the Company, Landsea Group and Shanghai Landsea Apartment Industry Development Co., Ltd.* (上海朗詩寓實業發展有限公司) (the “First Target”) entered into the agreement in relation to the disposal of the entire equity interests of the First Target (the “First Sale Shares”) and the outstanding loans due from the First Target to Shanghai Langyu, Nanjing Langming and Shanghai Landsea Investment as at completion (the “First Sale Debts”) (the “First Agreement”), pursuant to which (i) Shanghai Langyu conditionally agreed to sell, and Landsea Group conditionally agreed to purchase, the First Sale Shares for a consideration of RMB271,000,000 and (ii) Shanghai Langyu, Nanjing Langming and Shanghai Landsea Investment conditionally agreed to sell, and Landsea Group conditionally agreed to purchase, the First Sale Debts at their face value as at completion, subject to a cap of RMB628,406,889. The First Sale Debts amounted to RMB628,406,889 as at the date of the First Agreement. The total consideration payable under the First Agreement amounts to not more than RMB899,406,889. Upon completion on 26 June 2019, the Group ceased to have any equity interest in the First Target or any of its subsidiaries.
- b. Shanghai Landsea Investment and Nanjing Langming, each being an indirect wholly-owned subsidiary of the Company, Shanghai Landsea Construction Technological Co., Ltd.* (上海朗詩建築科技有限公司) (the “Second Purchaser”), a wholly-owned subsidiary of Landsea Group, and Shanghai Landsea Planning and Architectural Design Co., Ltd.* (上海朗詩規劃建築設計有限公司) (the “Second Target”) entered into the agreement in relation to the disposal of the entire equity interests of the Second Target (the “Second Sale Shares”) (the “Second Agreement”), pursuant to which Shanghai Landsea Investment and Nanjing Langming conditionally agreed to sell, and the Second Purchaser conditionally agreed to purchase, the Second Sale Shares for a consideration of RMB26,770,000. Upon the completion on 26 June 2019, the Group ceased to have any equity interest in the Second Target or any of its subsidiaries.

於二零一九年五月十日，本公司訂立多份協議以將其非地產開發相關業務（包括長租公寓、物業管理及設計業務）剝離至本公司控股股東朗詩集團。

- a. 上海朗毓商業管理有限公司（「上海朗毓」）、南京朗銘及上海朗詩投資管理有限公司（「上海朗詩投資」）（均為本公司間接全資附屬公司）與朗詩集團及上海朗詩寓實業發展有限公司（「第一目標公司」）就出售第一目標公司全部股權（「第一銷售股份」）及第一目標公司於完成時結欠上海朗毓、南京朗銘及上海朗詩投資的未償還貸款（「第一銷售債務」）訂立協議（「第一協議」），據此，(i) 上海朗毓有條件同意出售而朗詩集團有條件同意購買第一銷售股份，代價為人民幣271,000,000元；及(ii) 上海朗毓、南京朗銘及上海朗詩投資有條件同意按第一銷售債務於完成時的面值出售而朗詩集團有條件同意購買第一銷售債務，上限為人民幣628,406,889元。於第一協議日期，第一銷售債務為人民幣628,406,889元。根據第一協議應付總代價為不多於人民幣899,406,889元。於二零一九年六月二十六日完成後，本集團不再於第一目標公司或其任何附屬公司擁有任何股權。
- b. 上海朗詩投資及南京朗銘（均為本公司間接全資附屬公司）與上海朗詩建築科技有限公司（「第二買方」，為朗詩集團全資附屬公司）及上海朗詩規劃建築設計有限公司（「第二目標公司」）就出售第二目標公司全部股權（「第二銷售股份」）訂立協議（「第二協議」），據此，上海朗詩投資及南京朗銘有條件同意出售而第二買方有條件同意購買第二銷售股份，代價為人民幣26,770,000元。於二零一九年六月二十六日完成後，本集團不再於第二目標公司或其任何附屬公司擁有任何股權。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

- c. Shanghai Landsea Investment, Nanjing Landsea Property Management Limited* (南京朗詩物業管理有限公司) (the “Third Purchaser”), a wholly-owned subsidiary of Landsea Group, and Nanjing Landsea Shenlu Property Management Limited* (南京朗詩深綠物業管理有限公司) (the “Third Target”) entered into the agreement in relation to the disposal the entire equity interests of the Third Target (the “Third Sale Shares”), pursuant to which Shanghai Landsea Investment conditionally agreed to sell, and the Third Purchaser conditionally agreed to purchase, the Third Sale Shares for a consideration of RMB42,540,000. Upon completion on 26 June 2019, the Group ceased to have any equity interest in the Third Target or any of its subsidiaries.
- d. Shanghai Langkun Business Management Co., Ltd.* (上海朗昆企業管理有限公司) (“Shanghai Langkun”) and Nanjing Langming, each being an indirect wholly-owned subsidiary of the Company, Nanjing Landsea Shenlu E-Commerce Limited* (南京朗詩深綠電子商務有限公司) (the “Fourth Purchaser”), a wholly-owned subsidiary of Landsea Group, and Shanghai Buzhi Commercial Management Limited* (上海不紙商業管理有限公司) (the “Fourth Target”) entered into the agreement in relation to the disposal of the entire equity interests of the Fourth Target (the “Fourth Agreement”), pursuant to which (i) Shanghai Langkun conditionally agreed to sell, and the Fourth Purchaser conditionally agreed to purchase, the Fourth Sale Shares for a consideration of RMB1, and (ii) Nanjing Langming conditionally agreed to sell, and the Fourth Purchaser conditionally agreed to purchase, the outstanding loans due from the Fourth Target to Nanjing Langming as at the date of the Fourth Agreement at its face value as at the date of the Fourth Agreement, amounting to RMB5,730,000. The total consideration payable under the Fourth Agreement amounts to RMB5,730,001. Upon completion on 26 June 2019, the Group ceased to have any equity interest in the Fourth Target or any of its subsidiaries.
- c. 上海朗詩投資、南京朗詩物業管理有限公司(「第三買方」，為朗詩集團全資附屬公司)及南京朗詩深綠物業管理有限公司(「第三目標公司」)就出售第三目標公司全部股權(「第三銷售股份」)訂立協議，據此，上海朗詩投資有條件同意出售而第三買方有條件同意購買第三銷售股份，代價為人民幣42,540,000元。於二零一九年六月二十六日完成後，本集團不再於第三目標公司或其任何附屬公司擁有任何股權。
- d. 上海朗昆企業管理有限公司(「上海朗昆」)及南京朗銘(均為本公司間接全資附屬公司)與南京朗詩深綠電子商務有限公司(「第四買方」，為朗詩集團全資附屬公司)及上海不紙商業管理有限公司(「第四目標公司」)就出售第四目標公司全部股權訂立協議(「第四協議」)，據此，(i) 上海朗昆有條件同意出售而第四買方有條件同意購買第四銷售股份，代價為人民幣1元；及(ii) 南京朗銘有條件同意按第四目標公司於第四協議日期結欠南京朗銘的未償還貸款截至第四協議日期的面值人民幣5,730,000元出售而第四買方有條件同意購買有關貸款。根據第四協議應付的總代價為人民幣5,730,001元。於二零一九年六月二十六日完成後，本集團不再於第四目標公司或其任何附屬公司擁有任何股權。

e. Shanghai Langmao Investment Management Limited* (上海朗茂投資管理有限公司) (“Shanghai Langmao”) and Nanjing Langming, each being an indirect wholly-owned subsidiary of the Company, the Nanjing Landsea Ecological Agriculture Limited* (南京朗詩生態農業有限公司) (the “Fifth Purchaser”), a wholly-owned subsidiary of Landsea Group, and Nanjing Landsea Landscape Limited* (南京朗詩園林景觀有限公司) (the “Fifth Target”) entered into the agreement in relation to the disposal of the entire equity interests of the Fifth Target (the “Fifth Sale Shares”) and the outstanding loans due from the Fifth Target to Nanjing Langming (the “Fifth Sale Debts”) (the “Fifth Agreement”), pursuant to which (i) Shanghai Langmao conditionally agreed to sell, and the Fifth Purchaser conditionally agreed to purchase, the Fifth Sale Shares for a consideration of RMB1, and (ii) Nanjing Langming conditionally agreed to sell, and the Fifth Purchaser conditionally agreed to purchase, the Fifth Sale Debts at its face value as at the date of the Fifth Agreement, amounting to RMB6,690,000. The total consideration payable under the Fifth Agreement amounts to RMB6,690,001. Upon completion on 26 June 2019, the Group ceased to have any equity interest in the Fifth Target or any of its subsidiaries.

The transactions contemplated under the First Agreement to the Fifth Agreement, on an aggregate basis, constituted a major and connected transaction of the Company under Chapters 14 and 14A of the Listing Rules. The transactions have been approved by the independent shareholders at the special general meeting of the Company held on 26 June 2019. For further details, please refer to the announcement of the Company dated 13 May 2019 and the circular of the Company dated 11 June 2019.

e. 上海朗茂投資管理有限公司(「上海朗茂」)及南京朗銘(均為本公司間接全資附屬公司)與南京朗詩生態農業有限公司(「第五買方」, 為朗詩集團全資附屬公司)及南京朗詩園林景觀有限公司(「第五目標公司」)就出售第五目標公司全部股權(「第五銷售股份」)及第五目標公司結欠南京朗銘的未償還貸款(「第五銷售債務」)訂立協議(「第五協議」), 據此, (i) 上海朗茂有條件同意出售而第五買方有條件同意購買第五銷售股份, 代價為人民幣1元; 及(ii) 南京朗銘有條件同意按第五銷售債務於第五協議日期的面值人民幣6,690,000元出售而第五買方有條件同意購買第五銷售債務。根據第五協議應付的總代價為人民幣6,690,001元。於二零一九年六月二十六日完成後, 本集團不再於第五目標公司或其任何附屬公司擁有任何股權。

第一協議至第五協議項下擬進行交易(按合併基準)構成上市規則第14及14A章項下本公司的主要及關連交易。有關交易已於二零一九年六月二十六日舉行的本公司股東特別大會上獲獨立股東批准。有關進一步詳情, 請參閱本公司日期為二零一九年五月十三日的公告及本公司日期為二零一九年六月十一日的通函。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

On 14 May 2019, Shanghai Langkun and (i) 北京融匯嘉智投資管理中心(有限合夥)(Beijing Ronghui Jiazhi Investment Management Center (Limited Partnership*)) (“Beijing Ronghui”); (ii) 陽光融匯資本投資管理有限公司(Sunshine Ronghui Capital Investment Management Co., Ltd.*) (“Sunshine Ronghui”); and (iii) 上海融懋商業管理有限公司(Shanghai Rongmao Commercial Management Co., Ltd.*) (“Shanghai Rongmao”) entered into the cooperation agreement. Shanghai Langkun and Beijing Ronghui agreed to cooperate in operating 北京船舶大廈項目(Beijing Shipbuilding Industry Building Project) owned by 船舶重工大廈有限公司(Shipbuilding Industry Building Co., Ltd.*) (“Shipbuilding Industry”) to develop the hotel property which is located at 中國北京市朝陽區十里河東三環南路100號(No. 100, South Third Ring Road, Shilihe East, Chaoyang District, Beijing, China*) and is for commercial use. Beijing Ronghui and Sunshine Ronghui, each conditionally agreed to sell the 49% equity interest in Shanghai Rongmao and the 1% equity interest in Shanghai Rongmao respectively, and Shanghai Langkun has conditionally agreed to acquire the aggregate 50% equity interest in Shanghai Rongmao for a total consideration of RMB2 and Shanghai Langkun conditionally agreed to provide a shareholder loan of RMB200,000,000 to Shanghai Rongmao and/or Shipbuilding Industry to assist Shanghai Rongmao in the transfer price and all other related expenses required to acquire the entire equity interest in Shipbuilding Industry. Upon completion of the acquisition on 31 May 2019, Shanghai Rongmao is owned as to 50% by the Group and its results would not be consolidated into the financial statements of the Group. The transactions contemplated under the agreement constituted a discloseable transaction of the Company under Chapter 14 of the Listing Rules. For further details, please refer to the announcement of the Company dated 14 May 2019.

於二零一九年五月十四日，上海朗昆與(i)北京融匯嘉智投資管理中心(有限合夥)(「北京融匯」)；(ii)陽光融匯資本投資管理有限公司(「陽光融匯」)；及(iii)上海融懋商業管理有限公司(「上海融懋」)訂立合作協議。上海朗昆及北京融匯同意合作經營由船舶重工大廈有限公司(「船舶重工」)擁有的北京船舶大廈項目，以發展位於中國北京市朝陽區十里河東三環南路100號的酒店物業作商業用途。北京融匯及陽光融匯各自有條件同意分別出售上海融懋的49%股權及上海融懋的1%股權，而上海朗昆有條件同意收購上海融懋合共50%股權，總代價為人民幣2元。上海朗昆亦有條件同意向上海融懋及／或船舶重工提供股東貸款人民幣200,000,000元，以就收購船舶重工全部股權所需轉讓價及所有其他相關開支向上海融懋提供資助。於二零一九年五月三十一日完成收購事項後，上海融懋由本集團擁有50%股權，而其業績不會合併計入本集團財務報表。該協議項下擬進行交易構成上市規則第14章項下本公司的須予披露交易。有關進一步詳情，請參閱本公司日期為二零一九年五月十四日的公告。

On 11 July 2019, Nanjing Langming and 南京旭博輝企業管理有限公司 (Nanjing Xubohui Corporate Consulting Management Company Limited*) (“Nanjing Xubohui”), each being an indirect wholly-owned subsidiary of the Company, entered into an agreement with 上海中城乾念投資中心 (有限合夥) (Shanghai Zhongcheng Qiannian Investment Centre (Limited Partnership*)) (“Zhongcheng Fund”), pursuant to which Zhongcheng Fund shall withdraw from the investment in 合肥皖新朗詩文化投資有限公司 (Hefei Wanxin Landsea Cultural Investment Company Limited*) (“Hefei Wanxin”) and conditionally agreed to sell the 48% equity interest in the Hefei Wanxin held by Zhongcheng Fund (the “Subject Equity”) and the loan from the Hefei Wanxin held by Zhongcheng Fund with a principal amount of RMB629,320,000 and the interest of RMB86,070,286.03 (the “Subject Loan”), and Nanjing Xubohui conditionally agreed to acquire the Subject Equity and the Subject Loan. The consideration for the acquisition of the Subject Equity was RMB28,248,000 and the consideration for the acquisition of the Subject Loan was RMB715,390,286.03. The total consideration was RMB743,638,286.03. Upon completion of the acquisition of the Subject Equity, Hefei Wanxin is owned as to 49% and 51% by Nanjing Xubohui and 皖新文化產業投資 (集團) 有限公司 (Wanxin Cultural Industry Investment Group Limited*) respectively. Hefei Wanxin did not become a subsidiary of the Company and the results of which will not be consolidated into the financial statements of the Group. The transaction contemplated thereunder constituted a discloseable transaction of the Company under Chapter 14 of the Listing Rules. For further details, please refer to the announcement of the Company dated 11 July 2019.

於二零一九年七月十一日，南京朗銘及南京旭博輝企業管理有限公司(「南京旭博輝」)(均為本公司間接全資附屬公司)與上海中城乾念投資中心(有限合夥)(「中城基金」)訂立協議，據此，中城基金將退出對合肥皖新朗詩文化投資有限公司(「合肥皖新」)的投資，並有條件同意出售中城基金所持合肥皖新48%股權(「標的股權」)及中城基金所持合肥皖新本金額為人民幣629,320,000元連同利息人民幣86,070,286.03元的貸款(「標的貸款」)，而南京旭博輝有條件同意收購標的股權及標的貸款。收購標的股權的代價為人民幣28,248,000元，而收購標的貸款的代價則為人民幣715,390,286.03元。總代價為人民幣743,638,286.03元。完成收購標的股權後，合肥皖新分別由南京旭博輝及皖新文化產業投資(集團)有限公司擁有49%及51%股權。合肥皖新並無成為本公司附屬公司，故其業績不會合併計入本集團財務報表。該協議項下擬進行交易構成上市規則第14章項下本公司的須予披露交易。有關進一步詳情，請參閱本公司日期為二零一九年七月十一日的公告。

* For identification purposes only

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

On 26 August 2019, Nanjing Langming entered into the Jiaxing Langjian Equity Investment Fund Partnership (Limited Partnership) Partnership Agreement (the “Partnership Agreement”) with 天津朗信投資管理有限公司 (Tianjin Langxin Investment Management Co., Ltd.)* (“Tianjin Langxin”) and 信達投資有限公司 (Xinda Investment Co., Ltd.) (“Xinda Investment”), pursuant to which, through the subscription for the 66.58% limited partnership interest in 嘉興朗建股權投資基金合夥企業 (有限合夥) (Jiaxing Langjian Equity Investment Fund Partnership (Limited Partnership)*) (“Jiaxing Langjian”) (“Subject LP Equity”) by Xinda Investment (the “Capital Increase”), Nanjing Langming conditionally agreed to sell the Subject LP Equity indirectly, and Xinda Investment conditionally agreed to acquire of and make capital contribution to the Subject LP Equity to jointly invest in 成都海興冷業貿易股份有限公司 (Chengdu Haixing Cold Industry Trading Co., Ltd.) held by Jiaxing Langjian for joint development of the land parcel of property certificate number “Chuan (2018) Chengdu Immovable Property No. 0302087”, “Chuan (2018) Chengdu Immovable Property No. 0302094” and “Chuan (2018) Chengdu Immovable Property No. 0302082” which is located at No. 12, Section 3, Fuqing Road, Chenghua District, Chengdu, the PRC. The consideration for the Capital Increase was RMB500,000,000. Since the loan provided by Nanjing Langming to Jiaxing Langjian was RMB1,030,000,000 (“Nanjing Langming Loan”) as at 14 August 2019, Jiaxing Langjian repaid the Nanjing Langming Loan of approximately RMB700,000,000 and the outstanding Nanjing Langming Loan of approximately RMB330,000,000 was subject to an interest rate of 12% per annum. Upon completion of the Capital Increase on 28 August 2019, Jiaxing Langjian will be owned as to 33.29% and 66.58% limited partnership interest by Nanjing Langming and Xinda Investment respectively, and will be owned as to 0.13% general partnership interest by Tianjin Langxin. Jiaxing Langjian is no longer a subsidiary of the Company. The Capital Increase and the provision of Nanjing Langming Loan, individually, under the Partnership Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. For further details, please refer to the announcement of the Company dated 26 August 2019.

於二零一九年八月二十六日，南京朗銘與天津朗信投資管理有限公司(「天津朗信」)及信達投資有限公司(「信達投資」)訂立嘉興朗建股權投資基金合夥企業(有限合夥)合夥協議(「合夥協議」)，據此，透過由信達投資認購嘉興朗建股權投資基金合夥企業(有限合夥)(「嘉興朗建」)的66.58%有限合夥權益(「標的有限合夥權益」)(「增資」)，南京朗銘有條件同意間接出售標的有限合夥權益而信達投資有條件同意收購及出資認繳標的有限合夥權益，以共同投資嘉興朗建所持成都海興冷業貿易股份有限公司並合作發展位於中國成都市成華區府青路三段12號的地塊，不動產權證書編號為「川(2018)成都市不動產權第0302087號」、「川(2018)成都市不動產權第0302094號」及「川(2018)成都市不動產權第0302082號」。增資的代價為人民幣500,000,000元。於二零一九年八月十四日，南京朗銘向嘉興朗建提供貸款人民幣1,030,000,000元(「南京朗銘貸款」)，嘉興朗建已償還南京朗銘貸款其中約人民幣700,000,000元，未償還南京朗銘貸款約人民幣330,000,000元按年利率12%計息。於二零一九年八月二十八日完成增資後，嘉興朗建將分別由南京朗銘及信達投資分別擁有33.29%及66.58%有限合夥權益，而天津朗信則擁有0.13%普通合夥權益。嘉興朗建不再為本公司附屬公司。根據合夥協議進行增資及提供南京朗銘貸款分別構成上市規則第14章項下本公司的須予披露交易。有關進一步詳情，請參閱本公司日期為二零一九年八月二十六日的公告。

* For identification purposes only

GUARANTEE

The Group cooperates with various financial institutions to arrange mortgage loan facilities for the purchasers of its properties and provides guarantees to secure such purchasers' obligations of repayment. As at 31 December 2019, the outstanding guarantees amounted to approximately RMB1.34 billion (As at 31 December 2018: approximately RMB2.11 billion). Such guarantees will be discharged upon the earlier of (i) the issuance of the real estate ownership certificate; and (ii) the satisfaction of relevant mortgage loan by purchasers. In addition, the Group provided guarantees to LS-NJ Port Imperial LLC, a 51% joint venture of the Group, for its EB-5 loans as at 31 December 2019 amounted to RMB75 million. Such guarantee provided to LS-NJ Port Imperial LLC shall be discharged pursuant to the counter-indemnity provided by Landsea Group. The Group provided guarantee for the rent of 上海朗詩現所企業管理有限公司 (Shanghai Landsea Xiansuo Enterprise Management Co., Ltd.*) (the Group holds 51% equity interest), the amount as of 31 December 2019 was RMB344.0 million.

As at 31 December 2019, there were certain corporate guarantees provided by the subsidiaries of the Group for each other in respect of their borrowings. The management considered that the subsidiaries had sufficient financial resources to fulfill their obligations.

Save as disclosed above, the Group had no material contingent liabilities as at 31 December 2019.

SEGREGATING NON-PROPERTIES DEVELOPMENT-RELATED BUSINESS

With unanimous approval of all Directors, the Company segregated its non-properties development-related business, such as long-term rental apartments, property management and design, to its holding group in June 2019. Upon such segregation, the Company, through streamlining its business, has been focusing on the core industry of green technology property and unleash the potential for profit margin of product differentiation, with a view to maximizing returns for shareholders.

擔保

本集團與多家金融機構合作，為其物業買家安排按揭貸款融資並就該等買家之還款責任提供擔保。於二零一九年十二月三十一日，未了結擔保約人民幣13.4億元（二零一八年十二月三十一日：約人民幣21.1億元），擔保將於(i)發出房地產權證；及(ii)買家償還相關按揭貸款（以較早者為準）後解除。另外，本集團為LS-NJ Port Imperial LLC（本集團持有51%股權）之EB-5貸款提供擔保，於二零一九年十二月三十一日的金額為人民幣0.75億元。對LS-NJ Port Imperial LLC的保證責任將根據朗詩集團的對應賠償保證解除。本集團為上海朗詩現所企業管理有限公司（本集團持有51%股權）之租金提供擔保，於二零一九年十二月三十一日的金額為人民幣3.44億元。

於二零一九年十二月三十一日，本集團附屬公司就借款相互提供若干企業擔保。管理層認為附屬公司有足夠財務資源償付其債務。

除上述者外，於二零一九年十二月三十一日，本集團並沒有重大或然負債。

剝離非地產開發相關業務

經全體董事一致同意，本公司已於二零一九年六月份將非地產開發相關業務剝離至控股集團，非地產開發相關業務包括長租公寓、物業管理、設計等，剝離之後，本公司成為一個業務清晰的專業化綠色地產公司，聚焦綠色科技地產核心主業，釋放差異化產品核心能力的溢價空間，提升股東回報。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2019, the Group had 1,390 employees (as at 31 December 2018: 2,662) who were responsible for the managerial, administrative, technical and general functions in Hong Kong, the United States and the PRC. The decrease in headcounts is mainly due to the fact that the corresponding personnel relationship was transferred from the listed company to the holding group after segregating its non-properties development-related business, such as long-term rental apartments, property management and design, to its holding group. The increment levels of the employees' emolument, promotion and remuneration were determined with reference to their duties, performance and professional experience. Other employee benefits included mandatory provident fund scheme, insurance and medical coverage. According to the terms of the Share Option Scheme adopted on 25 April 2012 and the Share Award Scheme adopted on 2 July 2014, the Company will grant share options or awarded shares to the Group's management and staff based on their individual performance.

EVENTS AFTER THE REPORTING PERIOD

On 8 January 2020, Landsea Homes of Arizona, LLC (the "Purchaser") and Landsea Homes Incorporated ("Landsea Homes"), wholly-owned subsidiaries of the Company, Longhorn Wyoming, LLC, ZKL, LLC and GGW Funding, LLC (collectively the "Sellers"), Jacob S. Walker, Jeffrey M. Garrett and F. Michael Geddes and GWH Holdings, LLC ("GWH") entered into the membership interest purchase agreement, pursuant to which the Purchaser conditionally agreed to purchase, and the Sellers conditionally agreed to sell all of the issued and outstanding membership interests of GWH. Upon completion of the acquisition on 15 January 2020, GWH and its subsidiaries became wholly-owned subsidiaries of the Company. The acquisition constituted a discloseable transaction of the Company under Chapter 14 of the Listing Rules. For further details, please refer to the announcement of the Company dated 8 January 2020.

On 15 January 2020, the Company issued the US\$200 million 10.75% green senior notes due 2022 in accordance to the purchase agreement dated 15 January 2020 and the Company used the net proceeds for refinancing the Company's existing medium to long-term offshore indebtedness which would become due within one year and in accordance with the Company's green bond framework.

僱員及薪酬政策

於二零一九年十二月三十一日，本集團於香港、美國及國內共聘用1,390名管理、行政、技術及一般員工（二零一八年十二月三十一日：2,662名），員工人員的減少主要是由於長租公寓、物業管理、設計院等板塊剝離至控股集團後，相應的人員關係由上市公司轉移至控股集團所致。本集團根據員工之職責、工作表現及專業經驗釐定僱員之酬金、晉升及薪酬調整幅度。其他員工福利包括供款的公積金、保險、醫療保障。根據於二零一二年四月二十五日採納的購股權計劃及於二零一四年七月二日採納的股份獎勵計劃的條款，本公司可根據本集團的個別管理層成員及員工的表現，授出購股權或獎勵性股份。

報告期後事項

於二零二零年一月八日，Landsea Homes of Arizona, LLC（「買方」）及Landsea Homes Incorporated（「Landsea Homes」）（均為本公司全資附屬公司）與Longhorn Wyoming, LLC、ZKL, LLC及GGW Funding, LLC（統稱「賣方」）、Jacob S. Walker、Jeffrey M. Garrett及F. Michael Geddes以及GWH Holdings, LLC（「GWH」）訂立股東權益購買協議，據此，買方有條件同意購買而賣方有條件同意出售GWH全部已發行及發行在外的股東權益。於二零二零年一月十五日完成收購後，GWH及其附屬公司成為本公司全資附屬公司。收購事項構成上市規則第14章項下本公司的須予披露交易。有關進一步詳情，請參閱本公司日期為二零二零年一月八日的公告。

於二零二零年一月十五日，本公司根據日期為二零二零年一月十五日的購買協議發行於二零二二年到期的200,000,000美元10.75厘綠色優先票據。本公司按照其綠色債券框架將所得款項淨額用作將本公司於一年內到期的現有中長期離岸債務再融資。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Company is committed to maintain corporate governance of high standards and quality procedures. The Company has put in place governance practices with emphasis on the integrity to shareholders and quality of disclosure, transparency and accountability to shareholders for the sake of maximizing returns to shareholders.

CORPORATE GOVERNANCE PRACTICE

The Company has adopted the code provisions set out in the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) as its own code of corporate governance.

Under CG code provision A.2.1 the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. Mr. Tian Ming, the Chairman of the Board and an executive Director, is also the Chief Executive Officer, and together with the Co-Chief Executive Officers, namely Ms. Shen Leying, they jointly shared the roles of the chief executive officer. The Board believes that the aforesaid arrangement will not impair the balance of power and authority. The aforesaid deviation from CG Code provision A.2.1 is rectified on 27 March 2020 upon the appointment of Mr. Huang Zheng as an executive Director and chief executive officer with effect from 27 March 2020, and Mr. Tian Ming simultaneously ceased to be the chief executive officer and remained as the chairman of the Board. Since then, the role of chairman and chief executive officer is separated and performed by different individuals.

Save for the deviation as mentioned above, in the opinion of the Directors, the Company was in compliance with all the relevant code provisions under the CG Code during the year.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transactions.

The Company confirms that, having made specific enquiry of all Directors, all Directors have complied with the required standards as set out in the Model Code for the year ended 31 December 2019.

本公司致力維持高水準及具質素之企業管治程序。本公司已推行管治常規，特別注重對股東之誠信、資料披露質素、透明度及問責性，務求為股東帶來最大回報。

企業管治常規

本公司已採納香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載的企業管治守則（「企業管治守則」）的守則條文，作為其本身的企業管治守則。

根據企業管治守則條文第A.2.1條，董事局主席與行政總裁之角色應有區分，並不應由一人同時兼任。董事局主席兼執行董事田明先生亦出任總裁，聯同聯席總裁申樂瑩女士共同承擔行政總裁職務。董事局相信上述安排不會損害權力及職權平衡。上述偏離企業管治守則條文第A.2.1條的情況於二零二零年三月二十七日得到修正，原因為黃征先生於當日獲委任為執行董事及總裁（自二零二零年三月二十七日起生效）而田明先生則不再擔任總裁但留任董事局主席。自此，主席與行政總裁之角色有所區分，並由不同人士擔任。

除上述偏離事項外，董事認為年內本公司一直遵守企業管治守則所有相關守則條文。

董事進行證券交易

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」），作為本公司有關董事進行證券交易的操守準則。

本公司向全體董事作出具體查詢後確認，全體董事於截至二零一九年十二月三十一日止年度一直遵守標準守則所載規定標準。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS

The Board is responsible for the leadership and control of the Company, and is responsible for setting up the overall strategy as well as reviewing the operation and financial performance of the Group. The Board reserved for its decision or consideration matters covering overall Group strategy, major acquisitions and disposals, annual budgets, annual and interim results, recommendations on Directors' appointment or re-appointment, approval of major capital transactions and other significant operational and financial matters. The management was delegated the authority and responsibility by the Board for the daily management of the Group. In addition, the Board has also delegated various responsibilities to the Board committees.

Further details of these committees are set out in this report.

The Board conducts at least four regular Board meetings a year at approximately quarterly intervals in addition to other Board meetings that are required for significant and important issues, and for statutory purposes. Appropriate and sufficient information is provided to Board members in a timely manner to keep them abreast of the Group's latest developments and thus can assist them in discharging their duties.

The Company Secretary is responsible for taking minutes of the Board meetings and drafts of which will be circulated to all Directors for their review, comments and approval after the meetings. The minutes books are kept by the Company Secretary and will be open for inspection by the Directors upon request. All Directors have access to the advice and service of the Company Secretary who is responsible to the Board for ensuring that the procedures are followed and that all applicable laws and regulations are complied with.

董事局

董事局負責領導及監控本公司，並負責制訂整體策略及檢討本集團之營運及財務表現。經董事局決定或考慮之事宜包括整體集團策略、重大收購及出售、年度預算、全年及中期業績、就董事委任或重新委任事宜提出建議、批准重大資本交易以及其他重大營運及財務事宜。董事局向管理層轉授權力及責任，以管理本集團之日常事務。此外，董事局亦將各種職責分派予董事委員會。

有關該等委員會之進一步詳情載於本報告內。

除就重大及重要事務以及法定目的舉行之其他董事局會議外，董事局每年至少舉行四次常規董事局會議，大約每季度舉行一次。董事局成員將適時獲發適當及充足資料，以便了解本集團最新發展，從而協助彼等履行職責。

公司秘書負責為董事局會議作記錄，並於會後將記錄稿件送交全體董事閱覽、修改及批准。會議記錄由公司秘書保存，可於董事要求下開放查閱。全體董事均可獲取公司秘書之意見及服務，而公司秘書須向董事局負責，以確保依循程序及遵守所有適用法律及規例。

COMPOSITION OF THE BOARD

The Board currently consists of six executive Directors, one non-executive Director and four independent non-executive Directors:

EXECUTIVE DIRECTORS:

Mr. Tian Ming (*Chairman*)
Mr. Huang Zheng (appointed on 27 March 2020)
Ms. Shen Leying
Mr. Jiang Chao (appointed on 27 March 2020)
Mr. Wang Lei (resigned on 30 August 2019)
Ms. Zhou Qin
Mr. Xie Yuanjian

NON-EXECUTIVE DIRECTOR:

Mr. Zhou Yimin

INDEPENDENT NON-EXECUTIVE DIRECTORS:

Mr. Xu Xiaonian
Mr. Ding Yuan (retired on 27 May 2019)
Mr. Lee Kwan Hung
Mr. Chen Tai-yuan (appointed on 22 March 2019)
Mr. Rui Meng (appointed on 27 May 2019)

To the best knowledge of the Company, there is no financial, business and family relationship among members of the Board. The biographies of the Directors are set out on pages 26 to 32 under the section headed "Biographical Details of Directors and Senior Management".

DIRECTORS' TRAINING

According to the code provision A.6.5 of the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant.

All Directors have participated in continuous professional development by attending seminars or in-house briefing relating to their role as director of the Company/taking part in business-related training/acting as speaker for seminars and refreshed their knowledge and skills and provided to the Company a record of training they received for the financial year ended 31 December 2019.

董事局之組成

董事局現由六名執行董事、一名非執行董事及四名獨立非執行董事組成：

執行董事：

田明先生(主席)
黃征先生(於二零二零年三月二十七日獲委任)
申樂瑩女士
蔣超先生(於二零二零年三月二十七日獲委任)
王磊先生(於二零一九年八月三十日辭任)
周勤女士
謝遠建先生

非執行董事：

鄒益民先生

獨立非執行董事：

許小年先生
丁遠先生(於二零一九年五月二十七日退任)
李均雄先生
陳泰元先生(於二零一九年三月二十二日獲委任)
芮萌先生(於二零一九年五月二十七日獲委任)

據本公司所深知，各董事局成員之間概無任何財務、商業及家族關係。董事履歷載於第26至32頁「董事及高級管理人員簡介」一節。

董事培訓

根據企業管治守則之守則條文第A.6.5條，全體董事應參與持續專業發展以增進及重溫知識與技能，確保在具備全面資訊及切合所需之情況下對董事局作出貢獻。

截至二零一九年十二月三十一日止財政年度，全體董事透過出席彼等作為本公司董事之職務之相關研討會或內部簡報／參加業務相關培訓／擔任研討會之演講者參與持續專業發展以增進及重溫知識與技能，並已向本公司提供所接受之培訓記錄。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Company has also continuously updated Directors on the latest developments regarding the Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices.

本公司亦持續向董事提供有關上市規則及其他適用監管規定之最新發展資訊，以確保彼等遵從及關注良好企業管治常規。

The individual training record of each Director received for the year ended 31 December 2019 is summarized below:

截至二零一九年十二月三十一日止年度，各董事所接受之個人培訓記錄概述如下：

Name of Directors	Attending or participating in seminars/in-house briefing relevant to the business, regulatory updates and director's duties	董事姓名	出席或參與有關業務、最新監管情況及董事職責之研討會／內部簡報
<i>Executive Directors:</i>		<i>執行董事：</i>	
Mr. Tian Ming	✓	田明先生	✓
Ms. Shen Leying	✓	申樂瑩女士	✓
Mr. Wang Lei (resigned on 30 August 2019)	✓	王磊先生(於二零一九年八月三十日辭任)	✓
Ms. Zhou Qin	✓	周勤女士	✓
Mr. Xie Yuanjian	✓	謝遠建先生	✓
<i>Non-executive Director:</i>		<i>非執行董事：</i>	
Mr. Zhou Yimin	✓	鄒益民先生	✓
<i>Independent Non-executive Directors:</i>		<i>獨立非執行董事：</i>	
Mr. Xu Xiaonian	✓	許小年先生	✓
Mr. Ding Yuan (retired on 27 May 2019)	N/A	丁遠先生(於二零一九年五月二十七日退任)	不適用
Mr. Lee Kwan Hung, Eddie	✓	李均雄先生	✓
Mr. Chen Tai-yuan (appointed on 22 March 2019)	✓	陳泰元先生(於二零一九年三月二十二日獲委任)	✓
Mr. Rui Meng (appointed on 27 May 2019)	✓	芮萌先生(於二零一九年五月二十七日獲委任)	✓

All the Directors also understand the importance of continuous professional development and are committed to participating in suitable training to develop and refresh their knowledge and skills.

全體董事亦深明持續專業發展之重要性，並積極參與合適培訓課程，以增進及重溫知識與技能。

CHAIRMAN AND CHIEF EXECUTIVE

Under CG code provision A.2.1 the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. Mr. Tian Ming, the Chairman of the Board and an executive Director currently acts as Chief Executive Officer, and together with the Co-Chief Executive Officer, namely Ms. Shen Leying, they jointly shared the roles of the chief executive officer. The Board believes that the aforesaid arrangement will not impair the balance of power and authority, and the division of responsibilities is clearly established. The aforesaid deviation from CG Code provision A.2.1 is rectified on 27 March 2020 upon the appointment of Mr. Huang Zheng as an executive Director and chief executive officer with effect from 27 March 2020, and Mr. Tian Ming simultaneously ceased to be the chief executive officer and remained as the chairman of the Board. Since then, the role of chairman and chief executive officer is separated and performed by different individuals.

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

The non-executive Directors of the Company are appointed for a specific term and they are also subject to the retirement by rotation at least once every three years in accordance with the Bye-Laws.

The Company has established the Nomination Committee with specific terms of reference, which is responsible for, among others, identifying suitable individuals to become Board members and reviewing the structure, size and diversity of the Board to complement the Company's corporate strategy.

INDEPENDENT NON-EXECUTIVE DIRECTORS

As required under Rules 3.10(1) and 3.10(2) of the Listing Rules, the Company has appointed sufficient number of independent non-executive Directors.

Mr. Xu Xiaonian is a famous Chinese economist and was granted the highest award of economics study in China, the "Sun Yefang Economic Science Award". Mr. Xu has more than 30 years' experience in economics analysis.

Mr. Lee Kwan Hung, Eddie is currently a practicing lawyer in Hong Kong. He was a senior manager of the Listing Division of the Stock Exchange from 1993 to 1994. Mr. Lee is experienced in IPOs and corporate financing.

主席及總裁

根據企業管治守則條文第A.2.1條，董事局主席與行政總裁之角色應有區分，並不應由一人同時兼任。董事局主席兼執行董事田明先生現時出任總裁，聯同聯席總裁申樂瑩女士共同承擔行政總裁職務。董事局相信上述安排不會損害權力及職權平衡，且職責已清晰劃分。上述偏離企業管治守則條文第A.2.1條的情況於二零二零年三月二十七日得到修正，原因為黃征先生於當日獲委任為執行董事及總裁（自二零二零年三月二十七日起生效）而田明先生則不再擔任總裁但留任董事局主席。自此，主席與行政總裁之角色有所區分，並由不同人士擔任。

委任、重選及罷免董事

本公司按指定任期委任非執行董事，並規定彼等須根據細則至少每三年輪值退任一次。

本公司已成立提名委員會，並訂明具體職權範圍，負責（其中包括）物色合適人選加入董事局，以及配合本公司企業策略檢討董事局之架構、人數及成員多元化。

獨立非執行董事

根據上市規則第3.10(1)及3.10(2)條之規定，本公司已委任足夠數目之獨立非執行董事。

許小年先生為中國著名經濟學家，曾獲中國經濟學界最高殊榮「孫冶方經濟科學獎」，累積逾三十年經濟學研究經驗。

李均雄先生現為香港執業律師，曾於一九九三年至一九九四年出任聯交所上市科高級經理，具備首次公開發售及企業融資經驗。

CORPORATE GOVERNANCE REPORT

企業管治報告

Mr. Chen Tai-yuan is a tenured Full Professor of Accounting, and Associate Dean and the Director of MBA programs at the School of Business and Management at Hong Kong University of Science and Technology. He has more than 10 years of experiences of teaching financial and managerial accounting to MBA and EMBA students, and in Executive Education programs.

Mr. Rui Meng is professionally designated as a Certified Financial Analyst by the Association for Investment Management and Research since September 2000 and a Financial Risk Manager by the Global Association of Risk Professionals since April 2010. He currently acts as independent non-executive directors for several listed companies.

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

BOARD DIVERSITY POLICY

The Board has adopted a Board Diversity Policy on 30 August 2013 (the "Board Diversity Policy") which sets out the approach to achieve diversity on the Board. The Company recognises that increasing diversity at the Board level will support the attainment of the Company's strategic objectives and sustainable development. The Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The Company will also take into consideration its own business model and specific needs from time to time in determining the optimum composition of the Board.

The Board delegated certain duties under the Board Diversity Policy to the Nomination Committee. The Nomination Committee will discuss and review the necessities to set measurable objectives for implementing the Board Diversity Policy from time to time to ensure their appropriateness and the progress made towards achieving those objectives will be ascertained.

The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its continued effectiveness from time to time.

陳泰元先生現為香港科技大學商學院會計學系終身正教授，商學院副院長及工商管理碩士中心主任。彼擁有超過十年教授財務管理會計予工商管理碩士及高級管理人員工商管理碩士之經驗，亦具備高級管理人員教育經驗。

芮萌先生自二零零零年九月起獲投資管理研究協會專業認證為註冊金融分析師，並自二零一零年四月起獲全球風險管理協會專業認證為金融風險管理師。彼目前擔任多家上市公司之獨立非執行董事。

本公司已接獲各獨立非執行董事根據上市規則第3.13條發出之年度獨立性確認書。本公司認為，全體獨立非執行董事均為獨立人士。

董事局成員多元化政策

董事局於二零一三年八月三十日採納董事局成員多元化政策（「董事局成員多元化政策」），該政策載列達致董事局成員多元化的方法。本公司知悉董事局層面日益多元化將為達成本公司策略目標及可持續發展提供支持。本公司藉考慮多項因素，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期，務求達致董事局成員多元化。本公司決定董事局最佳成員組合時，亦將不時考慮其本身業務模式及具體需要。

董事局根據董事局成員多元化政策向提名委員會授予若干職權。提名委員會將不時討論及檢討為執行董事局成員多元化政策制定可計量目標的必要性，確保達成該等目標的合適性及進度。

提名委員會將（視適用情況而定）審閱董事局成員多元化政策，確保其不時持續有效。

ATTENDANCE RECORD AT BOARD MEETINGS

During the year ended 31 December 2019, 4 Board meetings were held. All Directors are given an opportunity to include any matter in the agenda for regular Board meetings and are given sufficient time to review the documents and information to be discussed in Board meetings in advance.

Name of Directors	Number of meetings attended
<i>Executive Directors:</i>	
Mr. Tian Ming (Chairman)	4/4
Mr. Huang Zheng (Note 1)	N/A
Ms. Shen Leying	4/4
Mr. Jiang Chao (Note 1)	N/A
Mr. Wang Lei (Note 2)	4/4
Ms. Zhou Qin	4/4
Mr. Xie Yuanjian	4/4
<i>Non-executive Director:</i>	
Mr. Zhou Yimin	4/4
<i>Independent Non-executive Directors:</i>	
Mr. Xu Xiaonian	4/4
Mr. Ding Yuan (Note 3)	1/1
Mr. Lee Kwan Hung, Eddie	4/4
Mr. Chen Tai-yuan (Note 4)	3/3
Mr. Rui Meng (Note 5)	1/1

Notes:

- Mr. Huang Zheng and Mr. Jiang Chao were appointed on 27 March 2020.
- Mr. Wang Lei resigned on 30 August 2019, and 4 Board meetings were held before his resignation.
- Mr. Ding Yuan retired upon conclusion of the annual general meeting held on 27 May 2019, and 1 Board meeting was held before his retirement.
- Mr. Chen Tai-yuan was appointed on 22 March 2019, and 3 Board meetings were held after his appointment.
- Mr. Rui Meng was appointed on 27 May 2019, and 1 Board meeting was held after his appointment.

董事局會議出席記錄

截至二零一九年十二月三十一日止年度，董事局曾舉行4次會議。全體董事均有機會於董事局常規會議議程中加入任何擬議事宜，並獲提供充裕時間於董事局會議舉行前審閱將予討論之文件及資料。

董事姓名	出席會議次數
<i>執行董事：</i>	
田明先生(主席)	4/4
黃征先生(附註1)	不適用
申樂瑩女士	4/4
蔣超先生(附註1)	不適用
王磊先生(附註2)	4/4
周勤女士	4/4
謝遠建先生	4/4
<i>非執行董事：</i>	
鄒益民先生	4/4
<i>獨立非執行董事：</i>	
許小年先生	4/4
丁遠先生(附註3)	1/1
李均雄先生	4/4
陳泰元先生(附註4)	3/3
芮萌先生(附註5)	1/1

附註：

- 黃征先生及蔣超先生於二零二零年三月二十七日獲委任。
- 王磊先生於二零一九年八月三十日辭任，彼辭任前曾舉行4次董事局會議。
- 丁遠先生於二零一九年五月二十七日舉行之股東週年大會結束時退任，彼退任前曾舉行1次董事局會議。
- 陳泰元先生於二零一九年三月二十二日獲委任，彼獲委任後曾舉行3次董事局會議。
- 芮萌先生於二零一九年五月二十七日獲委任，彼獲委任後曾舉行1次董事局會議。

CORPORATE GOVERNANCE REPORT

企業管治報告

ATTENDANCE RECORD AT GENERAL MEETINGS

During the financial year ended 31 December 2019, 3 general meetings of the Company were held, being the annual general meeting held on 27 May 2019 ("2019 AGM") and the special general meetings held on 26 June 2019 and 8 October 2019 respectively.

股東大會出席記錄

截至二零一九年十二月三十一日止財政年度，本公司曾舉行3次股東大會，即於二零一九年五月二十七日舉行之股東週年大會（「二零一九年股東週年大會」）以及先後於二零一九年六月二十六日及二零一九年十月八日舉行之股東特別大會。

Name of Directors	Number of meeting attended	董事姓名	出席會議次數
<i>Executive Directors:</i>		<i>執行董事：</i>	
Mr. Tian Ming (Chairman)	3/3	田明先生(主席)	3/3
Mr. Huang Zheng (Note 1)	N/A	黃征先生(附註1)	不適用
Ms. Shen Leying	3/3	申樂瑩女士	3/3
Mr. Jiang Chao (Note 1)	N/A	蔣超先生(附註1)	不適用
Mr. Wang Lei (Note 2)	2/2	王磊先生(附註2)	2/2
Ms. Zhou Qin	3/3	周勤女士	3/3
Mr. Xie Yuanjian	3/3	謝遠建先生	3/3
<i>Non-executive Director:</i>		<i>非執行董事：</i>	
Mr. Zhou Yimin	3/3	鄒益民先生	3/3
<i>Independent Non-executive Directors:</i>		<i>獨立非執行董事：</i>	
Mr. Xu Xiaonian	3/3	許小年先生	3/3
Mr. Ding Yuan (Note 3)	0/1	丁遠先生(附註3)	0/1
Mr. Lee Kwan Hung, Eddie	3/3	李均雄先生	3/3
Mr. Chen Tai-yuan (appointed on 22 March 2019) (Note 4)	3/3	陳泰元先生(於二零一九年三月二十二日獲委任) (附註4)	3/3
Mr. Rui Meng (appointed on 27 May 2019) (Note 5)	2/2	芮萌先生(於二零一九年五月二十七日獲委任) (附註5)	2/2
<i>Notes:</i>		<i>附註：</i>	
1. Mr. Huang Zheng and Mr. Jiang Chao were appointed on 27 March 2020.		1. 黃征先生及蔣超先生於二零二零年三月二十七日獲委任。	
2. Mr. Wang Lei resigned on 30 August 2019, and 2 general meetings were held before his resignation.		2. 王磊先生於二零一九年八月三十日辭任，彼辭任前曾舉行2次股東大會。	
3. Mr. Ding Yuan retired upon conclusion of the annual general meeting held on 27 May 2019, and 1 general meeting was held before his retirement.		3. 丁遠先生於二零一九年五月二十七日舉行之股東週年大會結束時退任，彼退任前曾舉行1次股東大會。	
4. Mr. Chen Tai-yuan was appointed on 22 March 2019, and 3 general meetings were held after his appointment.		4. 陳泰元先生於二零一九年三月二十二日獲委任，彼獲委任後曾舉行3次股東大會。	
5. Mr. Rui Meng was appointed on 27 May 2019 and 2 general meetings were held after his appointment.		5. 芮萌先生於二零一九年五月二十七日獲委任，彼獲委任後曾舉行2次股東大會。	

The Board is responsible for maintaining an on-going dialogue with shareholders and in particular, uses annual general meetings or other general meetings to communicate with them and encourage their participation. The Chairman of the Board, the chairmen of the Audit Committee, the Nomination Committee and the Remuneration Committee attended the abovementioned three general meetings to answer questions and collect views of shareholders.

BOARD COMMITTEES

The Board has established various committees under the Board, namely Audit Committee, Remuneration Committee, Nomination Committee, Executive Committee and the sustainable development supervision committee, to oversee different aspects of the Group's affairs and to assist in the execution of the Board's responsibilities.

AUDIT COMMITTEE

The Company formulated written terms of reference for the Audit Committee in accordance with the requirements of the Stock Exchange and are aligned with the code provisions set out in the CG Code. The Audit Committee currently comprises one non-executive Director, Mr. Zhou Yimin, and three independent non-executive Directors, namely Mr. Rui Meng (as chairman), Mr. Lee Kwan Hung, Eddie and Mr. Chen Tai-yuan. The terms of reference of the Audit Committee are currently made available on the websites of the Stock Exchange and the Company.

The Audit Committee is mainly responsible for making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal of such auditor; reviewing the interim and annual reports and financial statements of the Group; and overseeing the Company's financial reporting system including the adequacy of resources, qualifications and experience of staff in charge of the Company's financial reporting function and their training arrangement and budget, and to review the risk management and internal control systems.

The Audit Committee meets the external auditor regularly to discuss any area of concern during the audit. The Audit Committee reviews the interim and annual reports before submission to the Board. The Audit Committee focuses not only on the impact of the changes in accounting policies and practices but also on the compliance with reporting and accounting standards, the Listing Rules and the legal requirements in the review of the Company's interim and annual report.

董事局負責與股東持續保持對話，尤其藉股東週年大會或其他股東大會與股東溝通，並鼓勵股東參加。董事局主席以及審核委員會、提名委員會及薪酬委員會主席均已出席上述三次股東大會，解答股東疑問並收集股東意見。

董事委員會

董事局已成立多個董事局轄下委員會，包括審核委員會、薪酬委員會、提名委員會、執行委員會及可持續發展督導委員會，以監察本集團不同範疇之事務及協助董事局執行其職責。

審核委員會

本公司根據聯交所之規定，遵照企業管治守則所載守則條文制訂審核委員會之書面職權範圍。審核委員會目前由一名非執行董事鄒益民先生以及三名獨立非執行董事芮萌先生(主席)、李均雄先生及陳泰元先生組成。審核委員會之職權範圍現已刊載於聯交所及本公司網站。

審核委員會主要負責就委任、續聘及罷免外聘核數師、批准外聘核數師之酬金及委聘條款以及有關核數師辭任或罷免之任何問題向董事局提出建議；審閱本集團之中期報告、年報及財務報表；及監察本公司之財務匯報系統，包括資源充足性、負責本公司財務匯報之員工資格及經驗以及彼等之培訓安排及預算，以及檢討風險管理及內部監控系統。

審核委員會定期與外聘核數師會面，以討論審核過程中任何關注事宜。審核委員會向董事局提呈中期報告及年報前會先行審閱。審核委員會不僅關注會計政策及慣例變動之影響，於審閱本公司之中期報告及年報時亦著重是否已遵守申報及會計準則、上市規則及法例規定。

CORPORATE GOVERNANCE REPORT

企業管治報告

During the year ended 31 December 2019, the Audit Committee held 2 meetings. Each committee meeting has supplied with the necessary financial information of the Group for members to consider, review and access significant issues arising from the work conducted.

截至二零一九年十二月三十一日止年度，審核委員會曾舉行2次會議。每次委員會會議均提供必要之本集團財務資料，以供委員會成員考慮、審閱及評估所進行工作產生之重大事宜。

Name of Members	Number of meetings attended	成員姓名	出席會議次數
Mr. Ding Yuan (<i>Committee Chairman</i>) (Note 1)	1/1	丁遠先生(委員會主席)(附註1)	1/1
Mr. Rui Meng (<i>Committee Chairman</i>) (Note 2)	1/1	芮萌先生(委員會主席)(附註2)	1/1
Mr. Xu Xiaonian (Note 3)	1/1	許小年先生(附註3)	1/1
Mr. Lee Kwan Hung, Eddie	2/2	李均雄先生	2/2
Mr. Zhou Yimin	2/2	鄒益民先生	2/2
Mr. Chen Tai-yuan (Note 4)	1/1	陳泰元先生(附註4)	1/1

Notes:

1. Mr. Ding Yuan ceased to be the chairman and a member of the Audit Committee following his retirement as independent non-executive Director upon the conclusion of the annual general meeting held on 27 May 2019, and 1 Audit Committee meeting was held before his retirement.
2. Mr. Rui Meng was appointed as the chairman of the Audit Committee on 27 May 2019, and 1 Audit Committee meeting was held after his appointment.
3. Mr. Xu Xiaonian ceased to be a member of the Audit Committee with effect from 27 May 2019, 1 Audit Committee meeting was held before his cessation.
4. Mr. Chen Tai-yuan was appointed as a member of the Audit Committee with effect from 27 May 2019, and 1 Audit Committee meeting was held after his appointment.

附註：

1. 丁遠先生於二零一九年五月二十七日舉行之股東週年大會結束時退任獨立非執行董事後不再擔任審核委員會主席及成員，彼退任前曾舉行1次審核委員會會議。
2. 芮萌先生於二零一九年五月二十七日獲委任為審核委員會主席，彼獲委任後曾舉行1次審核委員會會議。
3. 許小年先生自二零一九年五月二十七日起不再擔任審核委員會成員，彼離任前曾舉行1次審核委員會會議。
4. 陳泰元先生於二零一九年五月二十七日獲委任為審核委員會成員，彼獲委任後曾舉行1次審核委員會會議。

During the year under review, the Audit Committee had performed the following work:

於回顧年內，審核委員會之工作如下：

- reviewed the annual results for the year ended 31 December 2018 and the interim results for the six months ended 30 June 2019;
 - discussed with the management of the Company over the completeness, fairness and adequacy of reporting and accounting standards and policies of the Group in the preparation of the 2019 interim and annual financial statements;
 - reviewed and discussed with the external auditor over the financial reporting of the Company;
 - recommended to the Board, for the approval by shareholders, of the re-appointment of the auditor;
 - reviewed the continuing connected transactions of the Group and relevant reports from external auditor; and
 - reviewed the risk management and internal control systems of the Group.
- 審閱截至二零一八年十二月三十一日止年度之全年業績及截至二零一九年六月三十日止六個月之中期業績；
 - 於編製二零一九年中期及全年財務報表時，與本公司管理層討論本集團之報告及會計準則及政策是否完整、公平及足夠；
 - 審閱本公司之財務報告事宜及與外聘核數師就有關事宜進行討論；
 - 就重新委聘核數師向董事局提出建議，以待股東批准；
 - 審閱本集團的持續關連交易及外聘核數師的相關報告；及
 - 檢討本集團之風險管理及內部監控系統。

CORPORATE GOVERNANCE REPORT

企業管治報告

REMUNERATION COMMITTEE

The Company formulated written terms of reference for the Remuneration Committee in accordance with requirements of the Stock Exchange and are aligned with the code provisions set out in the CG Code. The Remuneration Committee shall comprise at least three members with majority of independent non-executive Directors, and an independent non-executive Director should take up the role of chairman of the Remuneration Committee. The Remuneration Committee currently comprises one executive Director, Ms. Zhou Qin, and three independent non-executive Directors, namely, Mr. Chen Taiyuan (as chairman), Mr. Xu Xiaonian and Mr. Rui Meng. The terms of reference of the Remuneration Committee are currently made available on the websites of the Stock Exchange and the Company.

The functions of the Remuneration Committee are to make recommendations to the Board on the Company's policy and structure on the remuneration packages for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy, to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives, to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management, and to make recommendations to the Board on the remuneration of non-executive Directors.

薪酬委員會

本公司根據聯交所之規定，遵照企業管治守則所載守則條文制訂薪酬委員會之書面職權範圍。薪酬委員會至少須由三名成員組成，而當中大多數為獨立非執行董事，並由一名獨立非執行董事擔任薪酬委員會主席。薪酬委員會目前由一名執行董事周勤女士以及三名獨立非執行董事陳泰元先生(主席)、許小年先生及芮萌先生組成。薪酬委員會之職權範圍現已刊載於聯交所及本公司網站。

薪酬委員會之職能為就全體董事及高級管理人員之薪酬政策及薪酬待遇架構以及制訂薪酬政策建立一套正式及透明程序向董事局提出建議；參考董事局之公司目標與宗旨以檢討及批准管理層薪酬建議；就個別執行董事及高級管理人員之薪酬待遇向董事局提出建議；及就非執行董事之薪酬向董事局提出建議。

During the year ended 31 December 2019, the Remuneration Committee held 2 meetings for reviewing the remuneration policies and structure of the Directors and senior management and recommended to the Board the proposed remuneration of the Directors and senior management; and consideration share award plan for the year 2019.

截至二零一九年十二月三十一日止年度，薪酬委員會曾舉行2次會議，以檢討董事及高級管理人員之薪酬政策及架構及就董事及高級管理人員之建議薪酬向董事局提出建議，並審議二零一九年度之股份獎勵計劃。

Name of Members	Number of meeting attended	成員姓名	出席會議次數
Mr. Lee Kwan Hung, Eddie (Committee Chairman) (Note 1)	2/2	李均雄先生 (委員會主席) (附註1)	2/2
Mr. Chen Tai-yuan (Committee Chairman) (Note 2)	N/A	陳泰元先生 (委員會主席) (附註2)	不適用
Mr. Tian Ming (Note 3)	2/2	田明先生 (附註3)	2/2
Mr. Xu Xiaonian	2/2	許小年先生	2/2
Mr. Ding Yuan (Note 4)	1/1	丁遠先生 (附註4)	1/1
Ms. Zhou Qin	2/2	周勤女士	2/2
Notes:		附註：	
1. Mr. Lee Kwan Hung, Eddie ceased to be the chairman of the Remuneration Committee with effect from 27 May 2019.		1. 李均雄先生自二零一九年五月二十七日起不再擔任薪酬委員會主席。	
2. Mr. Chen Tai-yuan was appointed as the chairman of the Remuneration Committee with effect from 27 May 2019, and no meeting was held after his appointment.		2. 陳泰元先生自二零一九年五月二十七日起獲委任為薪酬委員會主席，彼獲委任後不曾舉行會議。	
3. Mr. Tian Ming ceased to be a member of the Remuneration Committee with effect from 27 May 2019, and 2 meetings were held after his cessation.		3. 田明先生自二零一九年五月二十七日起不再擔任薪酬委員會成員，彼離任後曾舉行2次會議。	
4. Mr. Ding Yuan ceased to be a member of the Remuneration Committee following his retirement upon conclusion of the annual general meeting held on 27 May 2019, and no meeting was held before his cessation.		4. 丁遠先生於二零一九年五月二十七日舉行之股東週年大會結束時退任後不再擔任薪酬委員會成員，彼離任前不曾舉行會議。	

The emolument payable to Directors and senior management will depend on their respective contractual terms under the employment agreements, if any, and is fixed by the Board with reference to the recommendation of the Remuneration Committee, the performance of the Group, their duties and responsibilities, remuneration benchmark in the industry and the prevailing market conditions. Details of the remuneration of the Directors and senior management are set out in note 15 and note 16 to the consolidated financial statements.

應付董事及高級管理人員之酬金將視乎彼等各自之僱員協議(如有)所載合約條款，並由董事局經參考薪酬委員會之建議、本集團之表現、彼等之職責及責任、行業薪酬標準及當前市況而釐定。有關董事及高級管理人員之酬金詳情載於綜合財務報表附註15及附註16。

CORPORATE GOVERNANCE REPORT

企業管治報告

NOMINATION COMMITTEE

The Company formulated written terms of reference for the Nomination Committee in accordance with requirements of the Stock Exchange and are aligned with the code provisions set out in the CG Code. The Nomination Committee shall comprise at least three members with a majority of independent non-executive Directors, and the Chairman of the Board or an independent non-executive Director should take up the role of chairman of the Nomination Committee.

The Nomination Committee currently consists of four independent non-executive Directors, namely, Mr. Xu Xiaonian (as chairman), Mr. Lee Kwan Hung, Eddie, Mr. Rui Meng and Mr. Chen Tai-yuan. The terms of reference of the Nomination Committee are currently made available on the websites of the Stock Exchange and the Company.

The functions of the Nomination Committee are to review and monitor the structure, size and diversity of the Board and make recommendations on any proposed changes to the Board to complement the Group's strategy; to identify qualified individuals to become members of the Board; to assess the independence of independent non-executive Directors; and to make recommendations to the Board on the appointment or re-election of Directors and succession planning for Directors, in particular the Chairman and the Chief Executive Officer.

To ensure changes to the Board composition can be managed without undue disruption, there should be a formal, considered and transparent procedure for selection, appointment and re-appointment of Directors, as well as plans in place for orderly succession (if considered necessary), including periodical review of such plans. The appointment of a new Director (to be an additional Director or fill a casual vacancy as and when it arises) or any re-appointment of Directors is a matter for decision by the Board upon the recommendation of the proposed candidate by the Nomination Committee.

提名委員會

本公司根據聯交所之規定，遵照企業管治守則所載守則條文制訂提名委員會之書面職權範圍。提名委員會至少須由三名成員組成，而當中大多數為獨立非執行董事，並由董事局主席或一名獨立非執行董事擔任提名委員會主席。

提名委員會目前由四名獨立非執行董事許小年先生（主席）、李均雄先生、芮萌先生及陳泰元先生組成。提名委員會之職權範圍現已刊載於聯交所及本公司網站。

提名委員會之職能為檢討及監察董事局之架構、規模及組成；向董事局提出任何更改建議以配合本集團策略；物色合資格人選出任董事局成員；評估獨立非執行董事之獨立身份；及就委任或重選董事及董事（特別是主席及總裁）之繼任計劃向董事局提供建議。

為確保董事局的變更能夠在不受干擾的情況下進行，甄選、委任及重選董事的過程應為正式且審慎和具透明度，及有序地計劃繼承（如果認為有必要），當中包括定期審查該計劃。任命新董事（額外董事或填補臨時空缺）或重新委任董事，均由董事局根據提名委員會對建議候選人的推薦意見作出決定。

The criteria to be applied in considering whether a candidate is qualified shall be his or her ability to devote sufficient time and attention to the affairs of the Company and contribute to the diversity of the Board as well as the effective carrying out by the Board of the responsibilities which, in particular, are set out as follows:

- (a) participating in Board meetings to bring an independent judgment on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conducts;
- (b) taking the lead where potential conflicts of interests arise;
- (c) serving on the Audit Committee, and the Remuneration Committee and the Nomination Committee (in the case of candidate for non-executive Director) and other relevant Board committees, if invited;
- (d) bringing a range of business and financial experience to the Board, giving the Board and any committees on which he or she serves the benefit of his or her skills, expertise, and varied backgrounds and qualifications and diversity through attendance and participation in the Board/committee meetings;
- (e) scrutinising the Company's performance in achieving agreed corporate goals and objectives, and monitoring the reporting of performance;
- (f) ensuring the committees on which he or she serves to perform their powers and functions conferred on them by the Board; and
- (g) conforming to any requirement, direction and regulation that may from time to time be prescribed by the Board or contained in the constitutional documents of the Company or imposed by legislation or the Listing Rules, where appropriate.

考慮候選人是否符合資格建基於彼能否付出足夠時間和精力處理公司的事務，並有助於董事局的多元化以及有效執行董事局職責，尤其是以下責任：

- (a) 參加董事局會議並就公司策略、政策、績效、問責制、資源、主要任命和行為守則等問題作出獨立判斷；
- (b) 出現潛在利益衝突時發揮領導作用；
- (c) 如為非執行董事候選人，倘受邀時，須在審核委員會，薪酬委員會和提名委員會和其他相關董事局委員會任職；
- (d) 通過定期出席和參與董事局及其擔任成員的委員會會議並以其技能、專業知識、不同背景及資歷與多元化為董事局或任何委員會帶來一系列的商業和財務經驗；
- (e) 審核公司達成其協定的企業目標及宗旨的表現，並監督績效報告；
- (f) 確保所服務的委員會履行董事局賦予他們的權力和職能；及
- (g) 須遵守董事局不時訂明或載於本公司的組織章程，或法例規定，或根據上市規則（如適用）之任何規定、指引及規例。

CORPORATE GOVERNANCE REPORT

企業管治報告

If the candidate is proposed to be appointed as an independent non-executive Director, his or her independence shall be assessed in accordance with, among other things, the factors as set out in Rule 3.13 of the Listing Rules, subject to any amendments as may be made by the Stock Exchange from time to time. Where applicable, the totality of the candidate's education, qualifications and experience shall also be evaluated to consider whether he or she has the appropriate professional qualifications or accounting or related financial management expertise for filling the office of an independent non-executive Director with such qualifications or expertise as required under Rule 3.10(2) of the Listing Rules.

During the year ended 31 December 2019, the Nomination Committee held 2 meetings for reviewing the structure, size and diversity (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of services) of the Board; to assess the independence of the independent non-executive Directors; and to consider the re-election of Directors before putting forth for discussion and approval by the Board.

如候選人建議委任為獨立非執行董事，其獨立性須按照(其中包括)上市規則第3.13條所列因素進行評估，惟受限於聯交所將不時作出的修訂。在適用的情況下，根據上市規則第3.10(2)條，須評估候選人的教育程度、資格和經驗以考慮彼是否備有適當的專業資格或與會計相關的財務管理專業知識，以填補獨立非執行董事的職位。

截至二零一九年十二月三十一日止年度，提名委員會曾舉行2次會議，以於提交董事局討論及批准前，檢討董事局之架構、人數及成員多元化(包括(但不限於)性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期方面)；評估獨立非執行董事之獨立身份；及考慮董事重選事宜。

Name of Members	Number of meeting attended	成員姓名	出席會議次數
Mr. Tian Ming (Committee Chairman) (Note 1)	2/2	田明先生(委員會主席) (附註1)	2/2
Mr. Zhou Yimin (Note 2)	2/2	鄒益民先生(附註2)	2/2
Mr. Xu Xiaonian (Committee Chairman) (Note 3)	N/A	許小年先生(委員會主席) (附註3)	不適用
Mr. Ding Yuan (Note 4)	1/1	丁遠先生(附註4)	1/1
Mr. Lee Kwan Hung, Eddie	2/2	李均雄先生	2/2
Mr. Rui Meng (Note 5)	N/A	芮萌先生(附註5)	不適用
Mr. Chen Tai-yuan (Note 6)	1/1	陳泰元先生(附註6)	1/1

Notes:

1. Mr. Tian Ming ceased to be the chairman and a member of the Nomination Committee with effect from 27 May 2019, and 2 Nomination Committee meetings were held after his cessation.
2. Mr. Zhou Yimin ceased to be a member of the Nomination Committee with effect from 27 May 2019, and 2 Nomination Committee meetings were held after his cessation.
3. Mr. Xu Xiaonian was appointed as the chairman of the Nomination Committee on 27 May 2019, and no meeting was held after his appointment.
4. Mr. Ding Yuan ceased to be a member of the Nomination Committee following his retirement upon conclusion of the annual general meeting held on 27 May 2019, and 1 meeting was held before his retirement.
5. Mr. Rui Meng was appointed as a member of the Nomination Committee on 27 May 2019, and no meeting was held after his appointment.
6. Mr. Chen Tai-yuan was appointed as a member of the Nomination Committee on 27 May 2019, and 1 meeting was held after his appointment.

附註：

1. 田明先生自二零一九年五月二十七日起不再擔任提名委員會主席及成員，彼離任後曾舉行2次提名委員會會議。
2. 鄧益民先生自二零一九年五月二十七日起不再擔任提名委員會成員，彼離任後曾舉行2次提名委員會會議。
3. 許小年先生於二零一九年五月二十七日獲委任為提名委員會主席，彼獲委任後不曾舉行會議。
4. 丁遠先生於二零一九年五月二十七日舉行之股東週年大會結束時退任後不再擔任提名委員會成員，彼退任前曾舉行1次會議。
5. 芮萌先生於二零一九年五月二十七日獲委任為提名委員會成員，彼獲委任後不曾舉行會議。
6. 陳泰元先生於二零一九年五月二十七日獲委任為提名委員會成員，彼獲委任後曾舉行1次會議。

CORPORATE GOVERNANCE FUNCTIONS

The corporate governance functions were performed by the Board.

The corporate governance functions are to develop and review the Company's policies and practices on corporate governance to comply with the CG Code and other legal or regulatory requirements and make recommendations to the Board, to oversee the Company's orientation program for new Director, to review and monitor the training and continuous professional development of Directors and senior management, to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors, and to review the Company's disclosure in the Corporate Governance Report.

During the financial year ended 31 December 2019, the Board has reviewed the training and continuous professional development of Directors and senior management and reviewed the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

企業管治職能

企業管治職能由董事局執行。

企業管治職能為制訂及檢討本公司企業管治政策及常規，以符合企業管治守則及其他法律或監管規定，並向董事局作出建議、監督本公司之新董事入職指引計劃、檢討及監督董事及高級管理人員之培訓及持續專業發展、制訂、檢討及監督僱員及董事適用之行為守則及遵例守則(如有)、以及檢討本公司於企業管治報告中之披露。

截至二零一九年十二月三十一日止財政年度，董事局已審閱董事及高級管理人員之培訓及持續專業發展，以及審閱本公司遵守企業管治守則之情況及於企業管治報告中之披露。

CORPORATE GOVERNANCE REPORT

企業管治報告

EXECUTIVE COMMITTEE

The executive Committee (formerly named as “Operational Committee”) of the Company was established on 18 March 2005, was reformed and renamed to “Executive Committee” with all of the executive Directors as its members and a new set of terms of reference was adopted on 31 July 2013, which has been subsequently amended to reflect the powers, authorities and discretions delegated by the Board from time to time.

The Executive Committee meets on ad hoc basis in accordance with its written terms of reference.

DIRECTORS’ RESPONSIBILITY FOR THE PREPARATION OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for the preparation of the financial statements of the Group and ensure that the financial statements are prepared in accordance with statutory requirements and applicable accounting standards. The Directors also ensure the timely publication of the financial statements of the Group.

The responsibility statement of external auditor of the Company, PricewaterhouseCoopers, about their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditor’s Report on pages 125 to 134.

The Directors confirm that, to the best of their knowledge, information and belief, having made all reasonable enquiries, they are not aware of any matters uncertainly relating to events or conditions that may cast significant doubt upon the Company’s ability to continue as a going concern.

執行委員會

本公司之執行委員會於二零零五年三月十八日成立並已重組，由全體執行董事出任成員，且於二零一三年七月三十一日採納新訂職權範圍，隨後經修訂以反映不時獲董事局授予之權力、職責及酌情權。

執行委員會根據其書面職權範圍按突發性需要召開會議。

董事編製財務報表之責任

董事確認彼等編製本集團財務報表之責任，並確保財務報表乃根據法例規定及適用之會計準則編製。董事亦確保準時刊發本集團之財務報表。

本公司之外聘核數師羅兵咸永道會計師事務所就本集團財務報表進行報告之責任聲明載於第125至134頁之獨立核數師報告內。

董事經作出一切合理查詢後確認，就彼等所深知、全悉及確信，彼等並不知悉任何可能對本公司持續經營能力造成重大疑慮之事宜或情況之不確定因素。

AUDITOR'S REMUNERATION

For the year ended 31 December 2019, the remuneration paid/payable to the Company's auditor, PricewaterhouseCoopers is set out below:

核數師酬金

截至二零一九年十二月三十一日止年度，已付／應付本公司核數師羅兵咸永道會計師事務所之酬金如下：

RMB'000
人民幣千元

Services rendered by PricewaterhouseCoopers		羅兵咸永道會計師事務所提供之服務
Audit services	核數服務	1,800
Non-audit services (Note)	非核數服務(附註)	1,480
		<u>3,280</u>

Note: non-audit services include services for reviewing the interim results of the Group for the six months ended 30 June 2019 and other non-audit services.

附註：非核數服務包括審閱本集團截至二零一九年六月三十日止六個月之中期業績之服務及其他非核數服務。

COMPANY SECRETARY

The Company engages an external professional company secretarial services provider, Uni-1 Corporate Services Limited ("Uni-1"), to provide compliance and full range of company secretarial services to the Group in order to assist the Group to cope with the changing regulatory environment and to suit difference commercial needs.

Ms. Chan Yuen Ying, Stella ("Ms. Chan"), the representative of Uni-1, is the named Company Secretary of the Company. The biographical details of Ms. Chan are set out under the section headed "Biographical Details of Directors and Senior Management".

Mr. Chan Chun Kit, the financial controller is the primary point of contact at the Company for the Company Secretary.

According to the requirements of Rule 3.29 of the Listing Rules, Ms. Chan has taken no less than 15 hours of relevant professional training for the financial year ended 31 December 2019.

公司秘書

本公司委聘外聘專業公司秘書服務供應商統一企業服務有限公司(「統一企業」)為本集團提供合規及全面之公司秘書服務，以協助本集團應付不斷轉變之監管環境及迎合不同商業需求。

統一企業代表陳婉縈小姐(「陳小姐」)為本公司之署名公司秘書。陳小姐之履歷詳情載於「董事及高級管理人員簡介」一節。

本公司財務總監陳鎮傑先生為公司秘書於本公司之主要聯絡人。

根據上市規則第3.29條之規定，陳小姐於截至二零一九年十二月三十一日止財政年度已參與不少於十五小時之相關專業培訓。

CORPORATE GOVERNANCE REPORT

企業管治報告

DIVIDEND POLICY

The amount of any dividends that the Company may declare and pay in the future will be subject to the discretion of the Board and will be based upon the Group's overall results of operation, financial condition, working capital requirements, capital expenditure requirements, liquidity position, future expansion plans, amount of retained earnings, distributable reserves and any other conditions that the Directors consider relevant. Any declaration and payment of dividends may also be limited by restrictions under the laws of Bermuda, the Company's constitutional documents, the Listing Rules and any other applicable laws and regulations. The amounts of dividend distributions that the Group has declared and made in the past are not indicative of the dividends that the Company may pay in the future.

The Directors may recommend a payment of dividends after taking into account the general economic conditions, business cycle of the Group's business and any other internal and external factors that may affect the business and financial performance and position of the Group in addition to the above mentioned criteria. Any future declaration of dividends may or may not reflect the historical declarations of dividends and will be at the absolute discretion of the Directors.

The Board will review the Dividend Policy on a regular basis and reserves the right in its sole and absolute discretion to update, amend and/or modify the Dividend Policy from time to time. The Dividend Policy shall in no way constitute a legally binding commitment by the Company.

SHAREHOLDERS' RIGHTS

The general meetings of the Company provide an opportunity for communications between the shareholders and the Board. An annual general meeting of the Company shall be held in each year and at the place as may be determined by the Board. Each general meeting, other than an annual general meeting, shall be called a special general meeting.

股息政策

本公司日後可能宣派及派付的任何股息金額將由董事局酌情決定，並將基於本集團的整體經營業績、財務狀況、營運資金需求、資本開支要求、流動資金狀況、未來擴展計劃、留存收益、可分派儲備以及董事視為相關的任何其他條件得出。宣派及派付股息須遵守百慕達法例、本公司之憲章文件、上市規則及任何適用法律及規例之限制。本集團過往已宣派及作出的股息分派金額並不代表本公司日後可能支付的股息。

除上述準則外，董事在建議股息派發時將考慮一系列因素，包括整體經濟狀況，本集團業務的業務週期及可能影響本集團業務及財務表現及狀況的任何其他內部及外部因素。未來任何股息宣派可能會或可能不會反映過往的股息，並將由董事全權酌情決定。

董事局將定期檢討股息政策，並保留全權酌情決定權不時更新、修訂及／或修改該股息政策。股息政策並不屬於對本公司具法律約束力之承諾。

股東權利

本公司股東大會為股東及董事局提供溝通之機會。本公司股東週年大會須每年舉行一次，地點可由董事局釐定。股東週年大會以外之各股東大會均稱為股東特別大會。

SHAREHOLDERS TO CONVENE A SPECIAL GENERAL MEETING

Shareholders may convene a special general meeting of the Company according to the provisions as set out in the Bye-Laws and the Companies Act of Bermuda. The procedures shareholders can use to convene a special general meeting are set out in the document entitled “Procedures for a Shareholder to Propose a Person for Election as a Director”, which is currently available on the Company’s website.

PUTTING ENQUIRIES BY SHAREHOLDERS TO THE BOARD

To ensure effective communications between the Board and the shareholders and the investment community at large, the Company has adopted a set of shareholders communication policy (the “Policy”) on 12 March 2012. Under the Policy, the Company’s information shall be communicated to the shareholders and the investment community mainly through the Company’s financial reports (interim reports and annual reports), and its corporate communications and other corporate publications on the Company’s website and the Stock Exchange’s website. Shareholders and the investment community may at any time make a request for the Company’s information to the extent such information is publicly available. Any such questions shall be first directed to the Company Secretary at the Company’s principal place of business in Hong Kong.

股東召開股東特別大會

根據細則及百慕達公司法所載條文，股東可召開本公司股東特別大會。股東召開股東特別大會之程序現載於本公司網站內標題為「股東提名候選董事的程序」之文件內。

股東向董事局提問

為確保董事局與股東及整體投資社群有效溝通，本公司已於二零一二年三月十二日採納一套股東溝通政策（「政策」）。根據政策，本公司之資料應主要透過本公司財務報告（中期報告及年報）以及其公司通訊及發佈於本公司及聯交所網站上之其他公司刊物傳遞予股東及投資社群。股東及投資社群可隨時要求索閱本公司可予公開之資料。任何該等疑問應首先呈遞予公司秘書，地點為本公司香港主要營業地點。

CORPORATE GOVERNANCE REPORT

企業管治報告

PROCEDURES FOR PUTTING FORWARD PROPOSALS BY SHAREHOLDERS AT SHAREHOLDERS' MEETING

The number of members necessary for a requisition for putting forward a proposal at a general meeting shall be:

- (a) any number of members holding not less than one-twentieth (5%) of the paid-up capital of the Company as at the date of the requisition carrying the right of voting at general meetings of the Company; or
- (b) not less than one hundred members.

A copy or copies of requisition signed by all requisitionists shall be deposited, with a sum reasonably sufficient to meet the Company's expenses in giving notice of the proposed resolution or circulating any necessary statement, at the Company's principal place of business in Hong Kong in the case of:

- (i) a requisition requiring notice of a resolution, not less than six weeks before the meeting; and
- (ii) any other requisition, not less than one week before the meeting.

The Company will verify the requisition and upon confirming that the requisition is proper and in order, the Board will proceed with the necessary procedures.

CONSTITUTIONAL DOCUMENTS

There is no change in the Company's constitutional documents during the year.

股東於股東大會上提呈決議案之程序

於股東大會上提呈決議案所需股東人數須為：

- (a) 於請求書日期持有賦予權利可於本公司股東大會投票之本公司繳足股本不少於二十分之一 (5%) 之任何股東人數；或
- (b) 不少於一百名股東。

所有請求人簽署之請求書副本或多份副本，連同合理足以支付本公司發出有關建議決議案之通告或傳閱任何必要聲明所需費用之款項，應於下列時間內遞交至本公司之香港主要營業地點：

- (i) 倘屬需發出決議案通告之請求書，須於有關會議舉行前不少於六個星期；及
- (ii) 倘屬任何其他請求書，須於有關會議舉行前不少於一個星期。

本公司將核實有關請求書，於確認有關請求屬合適及妥當後，董事局將繼續進行必要之程序。

憲章文件

於本年度，本公司之憲章文件並無變動。

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Board recognizes the importance of good communications with all shareholders. The Company's annual general meeting is a valuable forum for the Board to communicate directly with the shareholders. The Chairman of the Board as well as the chairman of each of the Audit Committee, the Nomination Committee and the Remuneration Committee together with the external auditor are present to answer shareholders' questions. The annual report together with annual general meeting circular is distributed to all the shareholders at least 20 clear business days before the annual general meeting.

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As such, all the resolutions set out in the notice of the 2020 annual general meeting will be voted by poll.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for the development and maintenance of risk management and internal control of the Company and evaluation of their effectiveness. The Company adopts a comprehensive risk management and internal control structure to handle and manage its risks. The Company has set up strict procedures to ensure that no assets would be subject to unauthorized use or disposal and appropriate accounting records are kept for the preparation of reliable financial reports in compliance with applicable laws and regulations.

與股東及投資者之溝通

董事局深明與全體股東維持良好溝通之重要性，本公司之股東週年大會提供寶貴機會讓董事局直接與股東溝通。董事局主席以及審核委員會、提名委員會及薪酬委員會主席，連同外聘核數師均會出席股東週年大會，解答股東提問。年報連同有關股東週年大會之通函於股東週年大會舉行前至少二十個工作天寄交全體股東。

以投票方式表決

根據上市規則第13.39(4)條，除主席以誠實信用原則決定容許純粹有關程序或行政事宜之決議案以舉手方式表決外，於股東大會上，股東所作任何表決必須以投票方式進行。因此，於二零二零年股東週年大會通告所載全部決議案將以投票方式表決。

風險管理及內部監控

董事局確認對本公司風險管理和內部監控之建立、維護，及審查其有效性負責。本公司採取全面的風險管理及內部監控架構以積極應對和管理風險。本公司設有嚴格的程序以保證資產在不會未經授權下使用或處置，存備適當的會計記錄為刊發可靠的財務報告，並遵守適用的法律法規。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Audit Committee is responsible for reviewing the risk management, internal control and financial control systems. It discusses with the management regarding the risk management and internal control systems to ensure they have performed their duties to establish effective risk management and internal control systems. The Audit Committee is also responsible for ensuring that the internal review function is adequately resourced and has appropriate stand within the Company, and reviewing the adequacy of qualifications and experience, training programs and relevant budgets of staff in charge of accounting, financial reporting and internal audit of the Company.

Based on the information and confirmation of the management and internal audit department, the internal control system of the Group covers all of its activities and transactions, and the management shall conduct regular risk assessment (at least annually) and monitor and report the progress of actions taken to cope with significant risks from time to time. The Audit Committee considers that, for the year ended 31 December 2019, the risk management and internal control systems of the Company were comprehensive and effective. The Company has set up a supervisory and audit office which carries out audit and supervisory work independently under the guidance and supervision of the Board, and directly reports to the Chairman of the Board and the Audit Committee. The accounting, financial reporting and internal audit personnel have sufficient qualifications and experience and have received adequate training within the review period.

IMPROVING INTERNAL CONTROL MECHANISM

The Group has formulated the Manual of System Development Procedures of Landsea Green Properties (《朗詩綠色地產開發體系流程制度手冊》) (V3 version), which covers all important aspects including the project positioning, design management, cost management, project management, sales management, customer management, brand management, financial management, operation management and human resources, to optimize the internal control system and safeguard a stable operation and management. The Group has also formulated systems for specific business procedures based on the business lines, including the Management Measures on Project Design and Quality (《工程設計品質管制辦法》), to further improve the management of business risks and regulate the management of business processes.

審核委員會負責檢討風險管理、內部監控及財務監控系統。其與管理層討論風險管理及內部監控系統，確保管理層已履行職責，建立有效的風險管理及內部監控制度。審核委員會亦負責確保內部審閱功能在本公司內部有足夠資源運作，並且有適當的地位；審閱包括本公司在會計、財務報告及內部審核等職能方面員工資歷及經驗是否足夠，以及員工所接受的培訓課程及有關預算是否充足。

根據管理層及內部審核部門資料及確認，本集團內部監控制度涵蓋各項目活動及交易，在框架內管理層定期（惟不少於每年一次）進行風險評估及持續監控及呈報對重大風險採取行動的進展情況。審核委員會認為截至二零一九年十二月三十一日止年度，本公司的風險管理及內部監控制度全面有效。本公司設有監察審計室，在董事局的指導監督下，獨立開展審計監察工作，直接向董事局主席和審核委員會匯報。會計、財務報告及內部審核人員擁有足夠的資歷及經驗，在檢討期內獲得足夠的培訓。

完善內部監控機制

本集團制定了《朗詩綠色地產開發體系流程制度手冊》V3版，涵蓋了項目定位、設計管理、成本管理、工程管理、銷售管理、客戶管理、品牌管理、財務管理、運營管理、人力資源等所有重要方面，健全了內控管理體系，保障經營管理穩健運行；按業務條線，制定《工程設計品質管制辦法》等專業公司流程制度，進一步完善業務風險管理機制，規範業務流程管理。

OPTIMIZING INTERNAL CONTROL MEASURES

Based on the characteristics of different risks and business segments, the Company adopts various specific measures in respect of market risk, financial risk, product risk, operational risk and information system security in order to enhance the internal control standards. The Company has also formulated the Cultural Strategy Handbook (《文化戰略手冊》), the Landsea Brand Handbook (《朗詩品牌手冊》) and the Staff Handbook to strengthen the behavioral management and regulatory guidance of staff.

CLEARLY DEFINING AUTHORITY OF MANAGEMENT

Through a series of systemized and standardized measures including the revision of Handbook of Authorities and Responsibilities (《權責手冊》), the Company has strengthened the daily authorization management and the authorization system, which has laid the foundation of the existing authorization management system of the Company.

HIGHLY EMPHASIZING PREVENTION AND CONTROL OF SIGNIFICANT RISKS

The Company attaches high importance in the prevention, control and investigation of significant risks. Pursuant to the principle of “Full Coverage and Comprehensive Investigation to Control Risk”, the Company conducts investigation with focuses on major areas including tender and procurement, housing maintenance and marketing, and implements rectification measures against each of the problems identified for effective prevention and solution.

STRENGTHENING INTERNAL AUDIT AND RECTIFICATION

The internal audit department of the Company has conducted audit on the financial and internal control of the Company and its subsidiaries, including the financial management, budget management, cost management, procurement management and expense management, and provide advice on rectification and risk prevention aiming to improve systems, standardize procedures and optimize mechanisms. Improvement has been made in response to the rectifying opinions for the year.

健全內部監控措施

本公司就不同類型的風險特徵和業務領域，有針對性地在市場風險、財務風險、產品風險、運營風險、資訊系統安全等方面多措並舉，有的放矢地提升了內部控制水準；本公司還制定了《文化戰略手冊》、《朗詩品牌手冊》與《員工手冊》，加強員工行為管理和規範引導。

深入推進授權管理工作

本公司通過修訂、完善《權責手冊》等一系列制度化、規範化的措施，加強了日常授權管理，強化了授權體系建設，奠定本公司現行授權管理的制度基礎。

重視高風險領域防控

本公司高度重視高風險領域防控和排查工作，依據「全面覆蓋，逐一排查，控制風險」的原則開展排查，並圍繞招採、房修、營銷業務等重點領域，對發現的問題逐條落實整改，有效防範和化解問題的發生。

加強內部審核和問題整改

本公司內部審計部門對本公司及其附屬公司實施財務管理、預算管理、成本管理、採購管理、費用管理等財務及內控進行審計，從健全制度、規範流程、完善機制、優化系統等方面，提出整改和風險防範意見，本年度提出的整改意見均已改進。

CORPORATE GOVERNANCE REPORT

企業管治報告

IMPROVING ANTI-CORRUPTION MECHANISM AND STRENGTHENING CASE MANAGEMENT

With strict legal compliance adhering to the core value of “people-oriented, positive and green”, all of the Company’s employees ought to develop sound legal awareness and act in compliance with laws and regulations. The Company has established the Code of Anti-corruption and set up the Work Ethics Committee as the highest executive function for the Group’s anti-corruption work, with duties mainly including promotion of anti-corruption measures, coordination of anti-corruption work and handling and making decisions in relation to relevant issues. The Work Ethics Committee is chaired by Mr. Tian Ming, the Chairman of the Board, with members comprising all executive Directors, senior management and staff representatives. The Company’s monitoring department is a dedicated function operating under the Work Ethics Committee to carry out investigation in corruption-related matters and reports directly to the Chairman of the Company. Cases will be filed, investigated and handled in an independent, objective and just manner. The Company has set up reporting email, reporting hotline and WeChat reporting platform, and announcements are made to the relevant internal and external units and personnel. The Company encourages autonym whistleblowing, and all such cases will be filed and investigated, while the whistleblowers will be informed of the result under various measures that safeguard their legal rights. The Company has zero tolerance towards corruption. Therefore, in the event of any corruption, the Company will impose penalty in accordance with the Code of Anti-corruption, including dismissal and reporting to judicial authority.

In addition, the Group regulates the handling and announcement of inside information as set out in the corporate responsibility policy and all subsidiary procedures in order to ensure that the inside information shall be kept confidential until disclosure with proper approval and the relevant information shall be announced in an effective and consistent manner.

健全反腐機制、強化案件處理

本公司秉承「人本、陽光、綠色」的核心價值觀，依法經營，公司所有員工應當樹立良好的法治意識，遵紀守法，本公司制定《反腐敗條例》，設有職業道德委員會作為本集團反腐敗工作的最高決策機構。職業道德委員會主要職能是推進本集團反腐敗制度建設、牽頭協調本集團反腐敗工作及對有關事項作出處理決定或進行裁決。職業道德委員會由董事局主席田明先生擔任主席，成員由全體執行董事、高級管理人員及員工代表組成。公司監察部門是職業道德委員會的工作機構，是開展反腐敗調查的專職部門，反腐敗工作直接向公司董事長彙報，舉報受理、調查和處置工作具有獨立性、客觀性和公正性。本公司設有舉報郵箱、舉報電話、微信舉報平台，並對內部和外部相關單位、人員進行公佈。本公司鼓勵實名舉報，所有實名舉報都會開展調查並以安全方式將調查意見回饋給舉報人，並採取多重措施保障實名舉報人的合法權益不受侵犯。本公司對腐敗始終堅持零容忍原則，對任何腐敗事件，一經發現，根據《反腐敗條例》進行處罰，包括辭退及移送司法機關處理。

此外，本集團對公司責任政策及各附屬程序所載的內幕消息的處理和發佈進行規範，以確保內幕消息在獲適當批准披露前一直保密，並確保有效及一致地發佈有關消息。

Appropriate policy and supervision have been designed and put in place to safeguard assets against unauthorized use or disposal, ensure compliance with relevant rules and regulations, maintain reliable financial and accounting records pursuant to applicable accounting standards and regulatory requirement on reporting and properly identify and manage the major risks which may affect the performance of the Group. The relevant system and internal control can only provide reasonable, but not absolute, assurance against material misstatement or loss as they are designed to manage rather than eliminate the risk of failure to achieve business targets.

The internal audit department of the Group carries out auditing work aiming to control risks. Its annual working plan covers all major works and procedures of the operational, business and service units of the Group and special review will be conducted in accordance with the requirement of the management. The results of audit shall be submitted to the Audit Committee. The internal audit department will review and follow up on issues raised during the audit to ensure effective implementation and regularly report the progress to the Audit Committee.

The internal audit department of the Group shall independently confirm to each of the Board, the Audit Committee and the administrative management of the Group that the internal control of the Group is sufficient and effective. The head of the internal audit department of the Group shall directly report to the chairman of the Audit Committee, the Chief Executive Officer and the Chief Financial Officer of the Group.

The management is responsible for the design, implementation and supervision of risk management and internal control system, and shall regularly report to the Board and/or the Audit Committee regarding the effectiveness of the relevant system.

For the year ended 31 December 2019, the internal control system of the Company was comprehensive and effective, and was neither subject to any significant or major internal control deficiency nor material issues which may affect the financial control, operational control, compliance control and risk management function of the Company.

適當的政策及監控經已訂立及制定，以確保資產不會在未經許可下使用或處置，依從及遵守相關規則及規例，根據適用會計標準及監管申報規定保存可靠的財務及會計記錄，以及適當地識別及管理可能影響本集團表現的主要風險。有關系統及內部監控只合理而非絕對保證可防範重大失實陳述或損失，因為其目的均旨在管理，而非消除未能達成業務目標的風險。

本集團內部審計部門採納以風險控制為本的審核方法。集團內部審計部門的全年工作計劃，涵蓋本集團營運、業務及服務單位各項主要工作及程序，並按照管理層的要求進行特別檢討，而審核結果會交予審核委員會。內部審計部門會查察審核事務，並於其後跟進，力求妥善實行，並會定期向審核委員會匯報其進展。

本集團內部審計部門獨立向董事局、審核委員會及本集團行政管理人員保證本集團的內部監控充足並有效。本集團內部審計主管向本集團的審核委員會主席、總裁及首席財務官直接匯報。

管理層負責風險管理及內部監控系統的設計、執行及監察，並負責定期向董事局及／或審核委員會匯報有關系統的成效。

截至二零一九年十二月三十一日止年度，本公司內部監控制度完善有效，無重大或重要內部監控缺陷，亦無任何可能影響公司財務監控、運作監控、合規監控以及風險管理職能的重要事項。

DIRECTORS' REPORT

董事局報告

The Directors present their annual report and the audited financial statements for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of the Company's principal subsidiaries are set out in note 43 to the financial statements respectively.

RESULTS

The results of the Group for the year ended 31 December 2019 are set out in the consolidated statement of comprehensive income on pages 135 to 137.

The Directors recommended to the shareholders of the Company at the forthcoming annual general meeting of the Company to be held on Friday, 19 June 2020 ("AGM") the distribution of a final dividend of HK cents 8.20 (equivalent to RMB7.4 cents) per share out of contributed surplus of the Company for the year ended 31 December 2019.

There is no arrangement that a shareholder of the Company has waived or agreed to waive any dividend.

SHARE CAPITAL

Details of movements in the share capital for the year ended 31 December 2019 are set out in note 33 to the financial statements.

SHARES ISSUED

The Company did not issue any shares during the year ended 31 December 2019.

董事謹提呈截至二零一九年十二月三十一日止年度之年報連同經審核財務報表。

主要業務

本公司為投資控股公司。本公司主要附屬公司之主要業務刊載於財務報表附註43。

業績

本集團截至二零一九年十二月三十一日止年度之業績刊載於第135至137頁之綜合全面收益表。

董事將於二零二零年六月十九日(星期五)舉行之應屆本公司股東週年大會(「股東週年大會」)上向本公司股東建議自本公司實繳盈餘分派截至二零一九年十二月三十一日止年度末期股息每股8.20港仙(相當於人民幣7.4分)。

概無任何有關本公司股東豁免或同意豁免任何股息之安排。

股本

截至二零一九年十二月三十一日止年度之股本變動詳情載於財務報表附註33。

已發行股份

本公司於截至二零一九年十二月三十一日止年度並無發行股份。

DEBENTURES ISSUED

On 17 June 2019, the Company issued the US\$200 million 10.5% green senior notes due 2022 in accordance to the purchase agreement dated 17 June 2019.

BUSINESS REVIEW

Particulars of a discussion and analysis on the activities specified in Schedule 5 to the Companies Ordinance (Chapter 622, Laws of Hong Kong) (“Companies Ordinance”), including a fair review of the Group’s business, a discussion on the principal risks and uncertainties facing the Group, future development in the Company’s business and analysis using financial key performance indicators, are set out in the sections headed “CHAIRMAN’S STATEMENT”, “MANAGEMENT DISCUSSION AND ANALYSIS” and “CORPORATE GOVERNANCE REPORT” in this annual report. The above sections form an integral part of this directors’ report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The environmental policies and performance of the Company for the year ended 31 December 2019 are contained the information required under Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”) will be published on the Stock Exchange’s website and the Company’s website within three months after publication of the Company’s 2019 annual report.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

The Company was incorporated in Bermuda and therefore the Company is subject to relevant laws and regulations in Bermuda. In addition, the Company is registered as a non-Hong Kong company under Part 16 of the Companies Ordinance and therefore is subject to the relevant provisions under the Companies Ordinance.

The Company is listed on the Stock Exchange and therefore the Company is subject to the governance of the Listing Rules including the disclosure requirements and corporate governance provisions therein.

已發行債券

於二零一九年六月十七日，本公司根據日期為二零一九年六月十七日之購買協議發行於二零二二年到期之200,000,000美元10.5厘綠色優先票據。

業務回顧

就香港法例第622章公司條例（「公司條例」）附表5指定活動而進行之討論及分析之詳情，包括對本集團業務之中肯審視、對本集團所面對主要風險及不明朗因素之討論、本公司業務之未來發展以及利用財務主要表現指標進行之分析，已載於本年報之「主席報告」、「管理層討論及分析」及「企業管治報告」三節。上述章節構成本董事局報告之一部分。

環境政策及表現

本公司截至二零一九年十二月三十一日止年度之環境政策及表現載於香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄二十七規定之資料內，將於本公司二零一九年年報刊發後三個月內刊載於聯交所網站和本公司網站。

遵守相關法例及法規

本公司於百慕達註冊成立，故本公司須受百慕達相關法例及法規所規限。此外，本公司根據公司條例第16部註冊為非香港公司，故須受公司條例的相關條文所規限。

本公司於聯交所上市，故本公司須受上市規則（包括當中的披露規定及企業管治條文）所監管。

DIRECTORS' REPORT

董事局報告

Under the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the "SFO"), the Company is required to maintain a register of interests in shares and short positions and a register of directors' and chief executives' interests and short positions and is obliged to disclose price sensitive or inside information.

The Group is principally engaged in properties development in the PRC and the United States and therefore is subject to the relevant laws and regulations in the PRC and the United States.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Company recognised that employees are our valuable assets. Thus, the Group provides competitive remuneration package to attract and motivate the employees. The Group regularly reviews the remuneration package of employees and makes necessary adjustments to conform to the market standard. The Group also understands that it is important to maintain good relationship with business partners and bank enterprises to achieve its long-term goals. Accordingly, the management have kept good communication, promptly exchanged ideas and shared business update with them when appropriate. During the year under review, there was no material and significant dispute between the Group and its business partners or bank enterprises.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the identity of the shareholders entitled to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 15 June 2020 to Friday, 19 June 2020, both dates inclusive, during which period no transfer of shares will be effected. All transfer of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 12 June 2020.

根據香港法例第571章證券及期貨條例(「證券及期貨條例」)，本公司須存置股份權益及淡倉登記冊以及董事及主要行政人員的權益及淡倉登記冊，並須披露股價敏感資料或內幕消息。

本集團主要於中國及美國從事房地產開發，故須受中國及美國相關法例及法規所規限。

與僱員、客戶及供應商的重要關係

本公司明白，僱員是我們的寶貴資產。因此，本集團提供具有競爭力的薪酬待遇吸引和激勵僱員。本集團定期檢討僱員的薪酬待遇，並作出必要的調整以符合市場標準。本集團亦明白，為達致長期目標，須與商業夥伴和銀行企業維持良好的關係。因此，管理層與彼等保持良好溝通、及時交流意見並適時分享最新業務情況。於回顧年內，本集團與商業夥伴和銀行企業間概無任何重大糾紛。

暫停辦理過戶登記手續

為釐定有權出席股東週年大會並於會上投票的股東身份，本公司將於二零二零年六月十五日(星期一)至二零二零年六月十九日(星期五)(包括首尾兩日)暫停辦理過戶登記手續，期間不會進行股份過戶。所有股份過戶文件連同有關股票須於二零二零年六月十二日(星期五)下午四時三十分前送交本公司的香港股份過戶登記分處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖，以辦理登記手續。

For determining the entitlement of the shareholders to the proposed distribution, the register of members of the Company will be closed from Monday, 29 June 2020 to Tuesday, 30 June 2020, both dates inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited for registration not later than 4:30 p.m. on Friday, 26 June 2020.

INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

The Group revalued all of its investment properties at the year-end date. The net increase in fair value of RMB3,870,000 has been credited directly to the consolidated statement of comprehensive income.

Details of the movements in the investment properties and property, plant and equipment of the Group during the year are set out in notes 19 and 20 to the financial statements respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2019, the amount standing to the credit of the Company's share premium account in the amount of RMB824,366,000 may be distributable in the form of fully paid bonus shares. Under the laws of Bermuda, the Company's contributed surplus account may be distributed under certain circumstances, as at 31 December 2019, the balance of the account was RMB155,619,000.

為釐定股東收取建議分派的權利，本公司將於二零二零年六月二十九日(星期一)至二零二零年六月三十日(星期二)(包括首尾兩日)暫停辦理過戶登記手續，期間不會進行股份過戶。為符合資格獲享建議末期股息，所有股份過戶文件連同有關股票須於二零二零年六月二十六日(星期五)下午四時三十分前送交本公司的香港股份過戶登記分處香港中央證券登記有限公司，以辦理登記手續。

投資性物業以及不動產、工廠及設備

本集團於年結日重估其全部投資性物業。公允價值增加淨額人民幣3,870,000元已直接計入綜合全面收益表。

本集團之投資性物業以及不動產、工廠及設備於年內之變動詳情分別刊載於財務報表附註19及20。

可供分派之儲備

於二零一九年十二月三十一日，本公司股份溢價賬內為數人民幣824,366,000元之進賬或可以繳足紅股之方式派發。根據百慕達法例，本公司之實繳盈餘可於若干情況下分派，於二零一九年十二月三十一日，結餘為人民幣155,619,000元。

DIRECTORS' REPORT

董事局報告

DIRECTORS AND SERVICE CONTRACTS

The Directors of the Company during the year and up to the date of this report were:

EXECUTIVE DIRECTORS:

Mr. Tian Ming (*Chairman*)
Mr. Huang Zheng (*Chief Executive Officer*)
(appointed on 27 March 2020)
Ms. Shen Leying (*Co-Chief Executive Officer*)
Mr. Zhang Chao (*Executive Vice President*)
(appointed on 27 March 2020)
Mr. Wang Lei (*Co-Chief Executive Officer*)
(resigned on 30 August 2019)
Ms. Zhou Qin (*Vice President*)
Mr. Xie Yuanjian (*Vice President*)

NON-EXECUTIVE DIRECTOR:

Mr. Zhou Yimin

INDEPENDENT NON-EXECUTIVE DIRECTORS:

Mr. Xu Xiaonian
Mr. Ding Yuan (retired upon conclusion of the annual general meeting held on 27 May 2019)
Mr. Lee Kwan Hung, Eddie
Mr. Chen Tai-yuan (appointed on 22 March 2019)
Mr. Rui Meng (appointed on 27 May 2019)

In accordance with the Company's Bye-law 87(1), Ms. Zhou Qin, Mr. Xie Yuanjian, Mr. Xu Xiaonian and Mr. Lee Kwan Hung, Eddie will retire by rotation. Ms. Zhou confirmed that she would like to spend more time on the business of Landsea Group, and Mr. Lee confirmed that he would like to spend more time pursuing his own business, therefore, they will not offer themselves for re-election at the AGM. Mr. Xu Xiaonian, being eligible, offer himself for re-election at the AGM.

Mr. Xie Yuanjian would like to spend more time on the business of Landsea Group, he will also retire at the AGM.

In accordance with Bye-law 86(2), Mr. Huang Zheng and Mr. Jiang Chao shall retire at the AGM and, being eligible, offer themselves for re-election.

董事及服務合約

於本年度及截至本報告日期，本公司之董事如下：

執行董事：

田明先生(主席)
黃征先生(總裁)
(於二零二零年三月二十七日獲委任)
申樂瑩女士(聯席總裁)
蔣超先生(常務副總裁)
(於二零二零年三月二十七日獲委任)
王磊先生(聯席總裁)
(於二零一九年八月三十日辭任)
周勤女士(副總裁)
謝遠建先生(副總裁)

非執行董事：

鄒益民先生

獨立非執行董事：

許小年先生
丁遠先生(於二零一九年五月二十七日舉行之股東週年大會結束時退任)
李均雄先生
陳泰元先生(於二零一九年三月二十二日獲委任)
芮萌先生(於二零一九年五月二十七日獲委任)

依據本公司之細則第87(1)條，周勤女士、謝遠建先生、許小年先生及李均雄先生將輪值告退。周女士確認有意投放更多時間處理朗詩集團旗下業務，而李先生確認有意投放更多時間追求本身事業，因此，彼等不會於股東週年大會上膺選連任。許小年先生符合資格並願意於大會上膺選連任。

謝遠建先生有意投放更多時間處理朗詩集團旗下業務，故亦會於股東週年大會上退任。

依據細則第86(2)條，黃征先生及蔣超先生須於股東週年大會上退任，惟彼等均符合資格並願意膺選連任。

The Company entered into a service contract with (1) each of Mr. Tian Ming and Ms. Shen Leying, the executive Directors, on 27 March 2020 for a term of three years commencing each from 1 August 2019; (2) Mr. Xie Yuanjian, an executive Director, on 11 November 2016 for a term of three years commencing from 1 August 2016; and (3) Ms. Zhou Qin, an executive Director, on 11 November 2016 for a term of three years commencing from 15 August 2016.

The Company entered into service contract with each of Mr. Huang and Mr. Jiang, both are executive Directors on 27 March 2020 for a term of three years commencing from 27 March 2020.

The Company entered into an appointment letter with (1) Mr. Xu Xiaonian, an independent non-executive Director, on 27 March 2020 for a term of three years commencing from 1 August 2019; (2) Mr. Lee Kwan Hung, Eddie, an independent non-executive Director, on 11 November 2016 for a term of three years commencing from 1 August 2016; (3) Mr. Chen Tai-yuan, an independent non-executive Director, on 22 March 2019 for a term of three years commencing from 22 March 2019; and (4) Mr. Rui Meng, an independent non-executive Director, on 27 May 2019 for a term of three years commencing from 27 May 2019.

The Company also entered into an appointment letter with Mr. Zhou Yimin, a non-executive Director, on 17 November 2018 for a term of three years commencing from 17 November 2018.

None of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

本公司(1)於二零二零年三月二十七日分別與執行董事田明先生及申樂瑩女士簽訂服務合約，自二零一九年八月一日起為期三年；(2)於二零一六年十一月十一日與執行董事謝遠建先生簽訂服務合約，自二零一六年八月一日起為期三年；及(3)於二零一六年十一月十一日與執行董事周勤女士簽訂服務合約，自二零一六年八月十五日起為期三年。

本公司於二零二零年三月二十七日分別與執行董事黃先生及蔣先生簽訂服務合約，自二零二零年三月二十七日起為期三年。

本公司(1)於二零二零年三月二十七日與獨立非執行董事許小年先生簽訂委任函，自二零一九年八月一日起為期三年；(2)於二零一六年十一月十一日與獨立非執行董事李均雄先生簽訂委任函，自二零一六年八月一日起為期三年；(3)於二零一九年三月二十二日與獨立非執行董事陳泰元先生簽訂委任函，自二零一九年三月二十二日起為期三年；及(4)於二零一九年五月二十七日與獨立非執行董事芮萌先生簽訂委任函，自二零一九年五月二十七日起為期三年。

本公司亦於二零一八年十一月十七日與非執行董事鄒益民先生簽訂委任函，自二零一八年十一月十七日起為期三年。

概無董事與本公司或其任何附屬公司訂有本集團不可於一年內免付賠償(法定賠償除外)而終止之服務合約。

DIRECTORS' REPORT

董事局報告

DIRECTOR'S AND CHIEF EXECUTIVES' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2019, the interests and short positions of the Directors or chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or were required pursuant to Section 352 of the SFO to be entered in the register referred to therein; or as otherwise 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:

LONG POSITION IN ORDINARY SHARES OF HK\$0.01 EACH OF THE COMPANY

董事及主要行政人員於股份、相關股份及債券之權益

於二零一九年十二月三十一日，董事或本公司主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中，擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益及淡倉；或根據證券及期貨條例第352條須記錄於該條例所述登記冊內之權益及淡倉；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」）須另行知會本公司及聯交所之權益及淡倉如下：

於本公司每股面值0.01港元普通股之好倉

Name of Director 董事姓名	Capacity 身份	Number of Shares held/Approximate percentage in total number of issued Shares 所持股份數目／佔已發行股份總數的概約百分比		
		Number of ordinary Shares 普通股數目	Number of derivative Shares 衍生股份數目	Total number of Shares 股份總數
Mr. Tian Ming ("Mr. Tian") 田明先生（「田先生」）	Interest of controlled corporation 受控制法團權益	2,727,369,866 (57.75%) (Notes 1 and 2) (附註1及2)	—	2,727,369,866 (57.75%)
	Beneficial owner 實益擁有人	8,901,500 (0.19%)	—	8,901,500 (0.19%)
Ms. Shen Leying 申樂瑩女士	Beneficial owner 實益擁有人	2,214,500 (0.04%)	—	2,214,500 (0.04%)
Ms. Zhou Qin 周勤女士	Beneficial owner 實益擁有人	2,511,163 (0.05%)	—	2,511,163 (0.05%)
Mr. Xie Yuanjian 謝遠建先生	Beneficial owner 實益擁有人	2,037,500 (0.04%)	—	2,037,500 (0.04%)

Notes:

- (1) These include (i) 1,997,961,187 ordinary shares held through Greensheid Corporation ("Greensheid"); (ii) 361,493,785 ordinary shares held through Easycorps Group Limited ("Easycorps"); and (iii) 367,914,894 ordinary shares held through Landsea International Holdings Limited ("Landsea International").
- (2) Greensheid is wholly-owned by Landsea International, which is in turn wholly-owned by Landsea Group. Mr. Tian is the controlling shareholder of Landsea Group. Easycorps is a company wholly and beneficially owned by Mr. Tian.

Save as disclosed, as at 31 December 2019, none of the Directors and the chief executives of the Company and their respective associates had any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are deemed or taken 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 pursuant to the Model Code to be notified to the Company and the Stock Exchange.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Other than those disclosed in the sections headed "Connected Transactions and Continuing Connected Transactions" below and "Related Party Transactions" in note 40 to the financial statements for the year ended 31 December 2019, no contracts of significance to which the Company or its subsidiaries were a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

Each of the directors has confirmed that none of them is engaged in, or interested in any business which, directly or indirectly, competes or is likely to compete with the business of the Group.

附註：

- (1) 包括(i) 1,997,961,187股透過Greensheid Corporation (「Greensheid」)持有之普通股；(ii) 361,493,785股透過Easycorps Group Limited(「Easycorps」)持有之普通股；及(iii) 367,914,894股透過Landsea International Holdings Limited (「Landsea International」)持有之普通股。
- (2) Greensheid由Landsea International全資擁有，而Landsea International則由朗詩集團全資擁有。田先生為朗詩集團之控股股東。Easycorps為田先生全資實益擁有之公司。

除上文所披露者外，於二零一九年十二月三十一日，董事及本公司主要行政人員以及彼等各自之聯繫人概無於本公司及其相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中，擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益或淡倉（包括根據證券及期貨條例有關條文而被當作擁有或被視為擁有之權益及淡倉）；或根據證券及期貨條例第352條須記錄於該條例所述登記冊內之權益或淡倉；或根據標準守則須知會本公司及聯交所之權益或淡倉。

董事於重大合約之權益

除下文「關連交易及持續關連交易」及刊載於截至二零一九年十二月三十一日止年度之財務報表附註40「關聯方交易」兩節所披露者外，於本年度結束時或年內任何時間，本公司各董事概無在本公司或其附屬公司訂立之任何重大合約中直接或間接擁有任何重大權益。

董事於競爭業務中的權益

各董事確認，彼等概無從事任何與本集團業務直接或間接競爭或可能構成競爭的業務或於其中擁有權益。

DIRECTORS' REPORT

董事局報告

CONTROLLING SHAREHOLDER'S INTERESTS IN SIGNIFICANT CONTRACTS

Other than those disclosed in the sections headed "Connected Transactions and Continuing Connected Transactions" below and "Related Party Transactions" in note 40 to the financial statements for the year ended 31 December 2019, at no time during the year had the Company or any of its subsidiaries, and the controlling shareholder or any of its subsidiaries entered into any contract of significance or any contract of significance for the provision of services by the controlling shareholders or any of its subsidiaries to the Company or any of its subsidiaries.

CHARITABLE DONATIONS

During the year, the Group had charitable donation of RMB1,057,000 (2018: RMB523,000).

EQUITY-LINKED AGREEMENTS

Save for the share option scheme and the restricted share award scheme of the Company as set out below in this report and also note 34 to the financial statements, there was no equity-linked agreement entered into by the Group during the year or subsisting at the end of the year.

MANAGEMENT CONTRACTS

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

控股股東於重大合約之權益

除下文「關連交易及持續關連交易」及刊載於截至二零一九年十二月三十一日止年度之財務報表附註40「關聯方交易」兩節所披露者外，本公司或其任何附屬公司於年內概無與控股股東或其任何附屬公司訂立任何重大合約，或有關控股股東或其任何附屬公司就向本公司或本公司之任何附屬公司提供服務訂立任何重大合約。

慈善捐款

於本年度，本集團之慈善捐款為人民幣1,057,000元（二零一八年：人民幣523,000元）。

股票掛鈎協議

除本報告下文及財務報表附註34所載本公司的股份期權計劃及限制性股份獎勵計劃外，本集團並無於年內訂立或於年末續存的其他股票掛鈎協議。

管理合約

於本年度，概無訂立或存有有關本公司全部或任何重大業務的管理及行政的合約。

RESTRICTED SHARE AWARD SCHEME

On 2 July 2014, the Board adopted a restricted share award scheme ("Share Award Scheme") as an incentive to recognise the contributions by employees and to give incentives to retain them for the continuing operation and development of the Group, as well as attract suitable personnel for further development of the Group. The Directors strongly believe that the continued success of the Group is closely tied with the commitment and efforts of the employees of the Group. The shares subject to restrictions ("Restricted Shares") can serve as an incentive to motivate them to further contribute to the Group. The Restricted Shares to be awarded will be with reference to the performance, operating and financial targets and other criteria determined by the Board from time to time. The Share Award Scheme is effective for a term of 10 years commencing on the date of adoption subject to any early termination as may be determined by the Board.

The summary of the principal terms and conditions of Share Award Scheme were set out in the Company's announcement dated 2 July 2014. As at 31 December 2019, an aggregate of 35,262,500 Restricted Shares were granted to reward the eligible awardees, details of movement of the Restricted Shares during the year are set out as below:

限制性股份獎勵計劃

於二零一四年七月二日，董事局採納限制性股份獎勵計劃（「股份獎勵計劃」）以嘉許僱員之貢獻，激勵他們為本集團之持續經營和發展做出努力，並為本集團進一步發展吸引適合人才。董事確信，本集團之持續成功與本集團僱員之承擔及努力緊密相連。受限制股份（「限制性股份」）可以作為一種激勵以促使他們進一步對本集團作出貢獻。將予授出之限制性股份將參考表現、本集團經營及財務指標以及由董事局於任何時間確定之其他標準釐定。股份獎勵計劃由採納日期起生效，為期十年，除非經董事局決定提早終止。

股份獎勵計劃之主要條款及條件概要載列於本公司日期為二零一四年七月二日之公告內。於二零一九年十二月三十一日，已授出合共35,262,500股限制性股份以獎勵合資格獲獎勵人士，於年內限制性股份之變動詳情載列如下：

Awardees	Date of grant of Restricted Shares	Number of Restricted Shares Granted	Outstanding at 1 January 2019 於二零一九年一月一日之結餘	Distributed and cancelled during the year 年內分配及註銷	Outstanding at 31 December 2019 於二零一九年十二月三十一日之結餘	Vesting conditions
獲獎勵人士	授予限制性股份日期	已授出 限制性股份數目				歸屬條件
Directors						(1) Subject to fulfillment of the year's preset performance, operation and financial targets at the discretion of the Board
董事						須符合董事局按其酌情權決定之年度預設表現、營運及財務目標
Mr. Tian Ming 田明先生	19 November 2014 二零一四年十一月十九日	1,596,000	-	-	-	(1) Subject to fulfillment of the year's preset performance, operation and financial targets at the discretion of the Board 須符合董事局按其酌情權決定之年度預設表現、營運及財務目標
	8 April 2016 二零一六年四月八日	1,681,500	1,681,500	1,681,500	-	
Ms. Shen Leying 申樂瑩女士	19 November 2014 二零一四年十一月十九日	1,064,000	-	-	-	(2) After satisfying condition (1), a vesting period of two years is required. 在滿足第(1)個條件後，須經過兩年之歸屬期。
	8 April 2016 二零一六年四月八日	1,150,500	1,150,500	1,150,500	-	

DIRECTORS' REPORT

董事局報告

Awardees	Date of grant of Restricted Shares	Number of Restricted Shares Granted	Outstanding at 1 January 2019 於二零一九年一月一日之結餘	Distributed and cancelled during the year 年內分配及註銷	Outstanding at 31 December 2019 於二零一九年十二月三十一日之結餘	Vesting conditions
獲獎勵人士	授予限制性股份日期	已授出 限制性股份數目				歸屬條件
Mr. Xie Yuanjian 謝遠建先生	19 November 2014 二零一四年十一月十九日	1,064,000	-	-	-	
	8 April 2016 二零一六年四月八日	973,500	973,500	973,500	-	
Ms. Zhou Qin 周勤女士	19 November 2014 二零一四年十一月十九日	620,000	-	-	-	
	8 April 2016 二零一六年四月八日	885,000	885,000	885,000	-	
Sub-total 小計		9,034,500	4,690,500	4,690,500	-	
Other Employees (including former Director) 其他僱員 (包括前董事)	19 November 2014 二零一四年十一月十九日	13,484,000	1,516,000	536,000	980,000	
	8 April 2016 二零一六年四月八日	12,744,000	12,744,000	12,434,250	309,750	
Sub-total 小計			14,260,000	12,970,250	1,289,750	
Total 總計		35,262,500	18,950,500	17,660,750	1,289,750	

SPECIFIC PERFORMANCE OBLIGATION OF CONTROLLING SHAREHOLDER UNDER RULE 13.18 OF THE LISTING RULES

As at 31 December 2019, the Company did not have any disclosure obligations under Rule 13.18 of the Listing Rules.

SHARE OPTIONS

The share option scheme (the “Scheme”) was adopted and became effective upon passing relevant ordinary resolution at the annual general meeting of the Company held on 25 April 2012. Summary of the principal terms of the Scheme were set out in the circular to the Company’s shareholders on 22 March 2012. No share option was granted under the Scheme since its adoption.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in the sections headed “Share Options” and “Restricted Share Award Scheme” above, at no time during the year was the Company or any of its subsidiaries, a party to any arrangements to enable the Company’s Directors or chief executives to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2019, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of certain Directors and chief executives, the following shareholders had notified the Company of relevant interests in the issued share capital of the Company:

控股股東根據上市規則第13.18條之特定履約責任

根據上市規則第13.18條，截至二零一九年十二月三十一日，本公司並無任何披露責任。

股份期權

根據在二零一二年四月二十五日舉行之本公司股東週年大會上通過有關普通決議，股份期權計劃（「該計劃」）獲採納並且已經生效。該計劃之主要條款概要載列於二零一二年三月二十二日致本公司股東之通函內。於採納後，並沒有根據該計劃授出股份期權。

購買股份或債券之安排

除上文「股份期權」及「限制性股份獎勵計劃」兩節所披露者外，本公司或其任何附屬公司於年內概無參與任何安排，致使本公司董事或主要行政人員可藉購買本公司或任何其他法團之股份或債券而獲益。

主要股東

於二零一九年十二月三十一日，本公司根據證券及期貨條例第336條存置之主要股東登記冊顯示，除上文所披露有關若干董事及主要行政人員之權益外，以下股東已知會本公司其擁有本公司已發行股本之有關權益：

DIRECTORS' REPORT

董事局報告

ORDINARY SHARES OF HK\$0.01 EACH OF THE COMPANY

本公司每股面值0.01港元的普通股

Name of Shareholder		Long position/ Short position	Number of ordinary Shares held	Percentage in total number of issued shares 佔已發行股份 總數百分比
股東姓名／名稱		好倉／淡倉	所持普通股數目	總數百分比
Landsea Group Co., Ltd. (Note 1)	朗詩集團股份有限公司(附註1)	Long position 好倉	2,365,876,081	50.10%
Landsea International (Note 1)	Landsea International (附註1)	Long position 好倉	2,365,876,081	50.10%
Nanjing Ding Chong Investment Management Consultants Ltd. (Note 1)	南京鼎重投資管理顧問有限公司(附註1)	Long position 好倉	2,365,876,081	50.10%
Greensheid (Note 1)	Greensheid (附註1)	Long position 好倉	1,997,961,187	42.31%
Easycorps (Note 2)	Easycorps (附註2)	Long position 好倉	361,493,785	7.66%
Ping An Insurance (Group) Company of China, Ltd. (Note 3)	中國平安保險(集團)股份有限公司(附註3)	Long position 好倉	327,002,604	6.92%
		Short position 淡倉	327,002,604	6.92%
Ping An Life Insurance Company of China Ltd. (Note 3)	中國平安人壽保險股份有限公司(附註3)	Long position 好倉	327,002,604	6.92%
		Short position 淡倉	327,002,604	6.92%
Ping An Property & Casualty Insurance Company of China, Ltd. (Note 3)	中國平安財產保險股份有限公司(附註3)	Long position 好倉	327,002,604	6.92%
		Short position 淡倉	327,002,604	6.92%
Ping An Real Estate Company Ltd. (Note 3)	平安不動產有限公司(附註3)	Long position 好倉	327,002,604	6.92%
		Short position 淡倉	327,002,604	6.92%

Name of Shareholder		Long position/ Short position	Number of ordinary Shares held	Percentage in total number of issued shares
股東姓名／名稱		好倉／淡倉	所持普通股數目	佔已發行股份 總數百分比
Pingan Real Estate Capital Ltd. (Note 3)	平安不動產資本有限公司(附註3)	Long position 好倉	327,002,604	6.92%
		Short position 淡倉	327,002,604	6.92%
Fuji Investment Management Limited (Note 3)	富吉投資管理有限公司(附註3)	Long position 好倉	327,002,604	6.92%
		Short position 淡倉	327,002,604	6.92%
Ting Wang (Note 4)	丁宏(附註4)	Long position 好倉	322,620,970	6.83%
State-owned Assets Supervision And Administration Commission of Nanjing Municipal Government (Note 5)	南京市人民政府國有資產監督 管理委員會(附註5)	Long position 好倉	314,507,927	6.66%
Nanjing Urban Construction Investment Holding (Group) Co., Ltd. (Note 5)	南京市城市建設投資控股(集團) 有限責任公司(附註5)	Long position 好倉	314,507,927	6.66%
Nanjing State-Owned Assets Investment & Management Holding (Group) Co., Ltd. (Note 5)	南京市國有資產投資管理控股(集團) 有限責任公司(附註5)	Long position 好倉	314,507,927	6.66%
Nanjing Tourism Group Co., Ltd. (Note 5)	南京旅遊集團有限責任公司(附註5)	Long position 好倉	314,507,927	6.66%
Nanjing Textiles Import & Export Corp., Ltd. (Note 5)	南京紡織品進出口股份有限公司(附註5)	Long position 好倉	314,507,927	6.66%
Hong Kong Newdawn International Co., Limited (Note 5)	Hong Kong Newdawn International Co., Limited (附註5)	Long position 好倉	314,507,927	6.66%

DIRECTORS' REPORT

董事局報告

Notes:

- (1) These include (i) 1,997,961,187 ordinary shares held through Greensheid; and (ii) 367,914,894 ordinary shares held through Landsea International.

Greensheid is wholly-owned by Landsea International, which is in turn wholly-owned by Landsea Group. Landsea Group is owned as to 34.15% by Nanjing Ding Chong Investment Management Consultants Ltd. ("Nanjing Ding Chong"). Nanjing Ding Chong is a company wholly and beneficially owned by Mr. Tian. Therefore, Landsea International is deemed to be interested in the shares held by Greensheid, and Landsea Group is deemed to be interested in the shares held by Landsea International and Greensheid, as well as Nanjing Ding Chong is deemed to be interested in the shares held by Greensheid and Landsea International pursuant to the SFO.

- (2) Easycorps is a company wholly and beneficially owned by Mr. Tian.

- (3) These include (i) 327,002,604 ordinary shares held by Fuji Investment Management Limited. Fuji Investment Management Limited is wholly-owned by Pingan Real Estate Capital Limited which in turn is wholly-owned by Ping An Real Estate Company Limited. Ping An Real Estate Company Limited is owned as to 49.5% by Ping An Life Insurance Company of China Ltd. and 35% by Ping An Property & Casualty Insurance Company of China, Ltd. Each of Ping An Life Insurance Company of China Ltd. and Ping An Property & Casualty Insurance Company of China, Ltd is owned as to 99.51% by Ping An Insurance (Group) Company of China, Ltd. Therefore, each of Ping An Insurance (Group) Company of China, Ltd., Ping An Life Insurance Company of China Ltd., Ping An Property & Casualty Insurance Company of China, Ltd., Ping An Real Estate Company Ltd. and Pingan Real Estate Capital Ltd. is deemed to be interested in the shares held by Fuji Investment Management Limited pursuant to the SFO.

- (4) These include 283,697,362 ordinary shares beneficially owned by Mr. Ting Wang ("Mr. Ting") and 38,923,608 ordinary shares held through Ding Capital Management Limited ("Ding Capital"). Ding Capital is wholly-owned by Mr. Ting.

- (5) Hong Kong Newdawn International Co., Limited is wholly-owned by Nanjing Textiles Import & Export Corp., Ltd. Nanjing Textiles Import & Export Corp., Ltd. is owned as to 34.99% by Nanjing Tourism Group Co., Ltd. Nanjing Tourism Group Co., Ltd. is owned as to 60% by Nanjing Urban Construction Investment Holding (Group) Co., Ltd. and 40% by Nanjing State-Owned Assets Investment & Management Holding (Group) Co., Ltd. Nanjing State-Owned Assets Investment & Management Holding (Group) Co., Ltd. and Nanjing Urban Construction Investment Holding (Group) Co., Ltd. are both wholly-owned by State-owned Assets Supervision And Administration Commission of Nanjing Municipal Government. Therefore, each of State-owned Assets Supervision And Administration Commission of Nanjing Municipal Government, Nanjing State-Owned Assets Investment & Management Holding (Group) Co., Ltd., Nanjing Urban Construction Investment Holding (Group) Co., Ltd., Nanjing Tourism Group Co., Ltd. Nanjing Textiles Import & Export Corp., Ltd. is deemed to be interested in the shares held by Hong Kong Newdawn International Co., Limited pursuant to the SFO.

Save as disclosed above, the Company has not been notified of any other relevant interests or short positions in the shares and underlying shares of the Company as at 31 December 2019.

附註：

- (1) 包括(i)1,997,961,187股透過Greensheid持有之普通股；及(ii)367,914,894股透過Landsea International持有之普通股。

Greensheid由Landsea International全資擁有，而Landsea International則由朗詩集團全資擁有。朗詩集團由南京鼎重投資管理顧問有限公司（「南京鼎重」）擁有34.15%權益。南京鼎重為田先生全資實益擁有的公司。因此，根據證券及期貨條例，Landsea International被視為為Greensheid所持有之股份中擁有權益，而朗詩集團被視為為Landsea International及Greensheid所持有之股份中擁有權益以及南京鼎重被視為為Greensheid及Landsea International所持有之股份中擁有權益。

- (2) Easycorps為田先生全資實益擁有之公司。

- (3) 包括(i)327,002,604股由富吉投資管理有限公司持有之普通股。富吉投資管理有限公司由平安不動產資本有限公司全資擁有，而平安不動產資本有限公司則由平安不動產有限公司全資擁有。平安不動產有限公司分別由中國平安人壽保險股份有限公司及中國平安財產保險股份有限公司擁有49.5%及35%權益，而中國平安人壽保險股份有限公司及中國平安財產保險股份有限公司則由中國平安保險（集團）股份有限公司擁有99.51%權益。因此，根據證券及期貨條例，中國平安保險（集團）股份有限公司、中國平安人壽保險股份有限公司、中國平安財產保險股份有限公司、平安不動產有限公司及平安不動產資本有限公司各自被視為為富吉投資管理有限公司所持有之股份中擁有權益。

- (4) 包括由丁宏先生（「丁先生」）實益擁有的283,697,362股普通股及透過Ding Capital Management Limited（「Ding Capital」）持有的38,923,608股普通股。Ding Capital由丁先生全資擁有。

- (5) Hong Kong Newdawn International Co., Limited由南京紡織品進出口股份有限公司全資擁有。南京紡織品進出口股份有限公司由南京旅遊集團有限責任公司擁有34.99%權益，而南京旅遊集團有限責任公司分別由南京市城市建設投資控股（集團）有限責任公司及南京市國有資產投資管理控股（集團）有限責任公司擁有60%及40%權益。南京市國有資產投資管理控股（集團）有限責任公司及南京市城市建設投資控股（集團）有限責任公司均由南京市人民政府國有資產監督管理委員會全資擁有。因此，根據證券及期貨條例，南京市人民政府國有資產監督管理委員會、南京市國有資產投資管理控股（集團）有限責任公司、南京市城市建設投資控股（集團）有限責任公司、南京旅遊集團有限責任公司及南京紡織品進出口股份有限公司各自被視為為Hong Kong Newdawn International Co., Limited所持有之股份中擁有權益。

除上文所披露者外，於二零一九年十二月三十一日，本公司概無獲知會於本公司股份及相關股份之其他有關權益或淡倉。

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

Details of the Group's related party transactions for the year ended 31 December 2019 are set out in Note 40 to the consolidated financial statements. Some of those transactions constituted connected transactions or continuing connected transactions and have complied with the relevant disclosure requirements under Chapter 14A of the Listing Rules.

CONNECTED TRANSACTIONS

For the year ended 31 December 2019, the Group has the following connected transactions:

- (1) On 31 December 2015, the Company entered into the shareholder loan framework agreement ("Framework Agreement") with Landsea Group, pursuant to which Landsea Group agreed to grant shareholder loan(s) in an aggregate principal amount of not exceeding RMB4,000,000,000 (or Hong Kong Dollar equivalent) to the Company and/or its subsidiaries during the two-year period up to 31 December 2017 at an interest rate of 5.5% per annum and the amounts are interest free since 1 January 2018. As at 31 December 2019, Landsea International, a wholly-owned subsidiary of Landsea Group has granted an aggregate of RMB8,138,000 to the Company which remains outstanding.
- (2) Apart from the grant of shareholder's loan under the Framework Agreement above, Landsea Group has also granted to Landsea Holdings Corporation, an indirect wholly-owned subsidiary of the Company, certain loans in an aggregate principal amount of RMB1,665,000,000 with interest rate ranging from 5.294% to 6.6345% per annum repayable in 5 years from the respective date of drawdown. As at 31 December 2019, an aggregate of RMB917,577,000 remain outstanding.

關連交易及持續關連交易

本集團截至二零一九年十二月三十一日止年度的關聯方交易詳情載於綜合財務報表附註40。若干該等交易構成關連交易或持續關連交易，並已遵守上市規則第14A章的相關披露規定。

關連交易

截至二零一九年十二月三十一日止年度，本集團有以下關連交易：

- (1) 於二零一五年十二月三十一日，本公司與朗詩集團簽訂股東貸款框架協議（「框架協議」），朗詩集團同意在二零一七年十二月三十一日之前的兩年內向本公司及／或其附屬公司授出合共本金額不超過人民幣4,000,000,000元（或等值港元）之股東貸款，按年利率5.5%計息及自二零一八年一月一日起不計息。於二零一九年十二月三十一日，朗詩集團全資附屬公司Landsea International向本公司授出的合共人民幣8,138,000元仍未償還。
- (2) 除根據上述框架協議授出股東貸款外，朗詩集團亦向本公司間接全資附屬公司Landsea Holdings Corporation授出本金總額為人民幣1,665,000,000元的若干貸款，年利率介乎5.294%至6.6345%，須於各自支取日期起計5年內償還。於二零一九年十二月三十一日，總額人民幣917,577,000元仍未償還。

DIRECTORS' REPORT

董事局報告

(3) On 21 December 2018, 蘇州朗坤置業有限公司 (Suzhou Langkun Property Limited*) ("Suzhou Langkun") entered into the supplemental agreements to the (i) two loan agreements (the "Loan Agreements I") with 江蘇國泰華鼎投資有限公司 (Jiangsu Guotai Huading Investment Company Limited*) ("Jiangsu Huading"), being a 22.5% owner of Suzhou Langkun, in relation to the provision of a loan of RMB285,750,000 to Jiangsu Huading; and (ii) two loan agreements (the "Loan Agreements II") with 江蘇國泰紫金科技發展有限公司 (Jiangsu Guotai Zijin Technology Development Company Limited*) ("Jiangsu Zijin"), being a 22.5% owner of Suzhou Langkun, in relation to the provision of loan of RMB285,750,000 to Jiangsu Zijin. Pursuant to the supplemental agreements Suzhou Langkun agreed to adjust certain terms under the Loan Agreements I and Loan Agreements II. Including the loan principal of the loans under each of Loan Agreements I and Loan Agreements II was adjusted to up to RMB327,270,000 for a term extended from 31 December 2018 to 31 December 2021 at an interest rate of 4.35% per annum.

Suzhou Langkun is owned as to 55% by the Group, and 22.5% each by Jiangsu Huading and Jiangsu Zijin, therefore, Jiangsu Huading and Jiang Zijin are regarded as connected persons at subsidiary level. The transactions contemplated under the (i) Loan Agreements I and the Loan Agreements II, and (ii) the respective supplemental agreement to the Loan Agreements I and the Loan Agreements II constituted connected transactions for the Company at subsidiary level under Chapter 14A of the Listing Rules and are subject to notification and announcement requirements but exempt from the circular, independent financial advice and shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

(4) On 10 May 2019, the Company entered into agreements to segregate its non-property development-related business, including the business of long-term rental apartments, property management and design, to Landsea Group.

(3) 於二零一八年十二月二十一日，蘇州朗坤置業有限公司（「蘇州朗坤」）就以下各項訂立補充協議：(i) 與江蘇國泰華鼎投資有限公司（「江蘇華鼎」，其於蘇州朗坤擁有22.5%權益）所訂立有關向江蘇華鼎提供貸款人民幣285,750,000元的兩份貸款協議（「貸款協議I」）；及(ii) 與江蘇國泰紫金科技發展有限公司（「江蘇紫金」，其於蘇州朗坤擁有22.5%權益）所訂立有關向江蘇紫金提供貸款人民幣285,750,000元的兩份貸款協議（「貸款協議II」）。根據補充協議，蘇州朗坤同意調整貸款協議I及貸款協議II的若干條款，包括將貸款協議I及貸款協議II項下貸款的貸款本金額分別調整為最高人民幣327,270,000元，年期由二零一八年十二月三十一日延長至二零二一年十二月三十一日，年利率為4.35%。

蘇州朗坤由本集團擁有55%權益，而江蘇華鼎及江蘇紫金則分別擁有22.5%權益。因此，江蘇華鼎及江蘇紫金被視為附屬公司層面的關連人士。根據上市規則第14A章，(i) 貸款協議I與貸款協議II；及(ii) 貸款協議I與貸款協議II各自補充協議項下擬進行的交易構成本公司在附屬公司層面的關連交易並須遵守通知及公告的規定，惟可豁免根據上市規則第14A.101條的通函、獨立財務顧問及股東批准的規定。

(4) 於二零一九年五月十日，本公司訂立多份協議以將其非地產開發相關業務（包括長租公寓、物業管理及設計業務）剝離至朗詩集團。

- (a) Shanghai Langyu Commercial Management Limited* (上海朗毓商業管理有限公司) (“Shanghai Langyu”), Nanjing Langming and Shanghai Landsea Investment Management Limited* (上海朗詩投資管理有限公司) (“Shanghai Landsea Investment”), each being an indirect wholly-owned subsidiary of the Company, Landsea Group and Shanghai Landsea Apartment Industry Development Co., Ltd.* (上海朗詩寓實業發展有限公司) (the “First Target”) entered into the agreement in relation to the disposal of the entire equity interests of the First Target (the “First Sale Shares”) and the outstanding loans due from the First Target to Shanghai Langyu, Nanjing Langming and Shanghai Landsea Investment as at completion (the “First Sale Debts”) (the “First Agreement”), pursuant to which (i) Shanghai Langyu conditionally agreed to sell, and Landsea Group conditionally agreed to purchase, the First Sale Shares for a consideration of RMB271,000,000 and (ii) Shanghai Langyu, Nanjing Langming and Shanghai Landsea Investment conditionally agreed to sell, and Landsea Group conditionally agreed to purchase, the First Sale Debts at their face value as at completion, subject to a cap of RMB628,406,889. The First Sale Debts amounted to RMB628,406,889 as at the date of the First Agreement. The total consideration payable under the First Agreement amounted to not more than RMB899,406,889. The First Agreement was completed on 26 June 2019.
- (b) Shanghai Landsea Investment and Nanjing Langming, each being an indirect wholly-owned subsidiary of the Company, Shanghai Landsea Construction Technological Co., Ltd.* (上海朗詩建築科技有限公司) (the “Second Purchaser”), a wholly owned subsidiary of Landsea Group, and Shanghai Landsea Planning and Architectural Design Co., Ltd.* (上海朗詩規劃建築設計有限公司) (the “Second Target”) entered into the agreement in relation to the disposal of the entire equity interests of the Second Target (the “Second Sale Shares”) (the “Second Agreement”), pursuant to which Shanghai Landsea Investment and Nanjing Langming conditionally agreed to sell, and the Second Purchaser conditionally agreed to purchase, the Second Sale Shares for a consideration of RMB26,770,000. The Second Agreement was completed on 26 June 2019.

- (a) 上海朗毓商業管理有限公司(「上海朗毓」)、南京朗銘及上海朗詩投資管理有限公司(「上海朗詩投資」)(均為本公司間接全資附屬公司)與朗詩集團及上海朗詩寓實業發展有限公司(「第一目標公司」)就出售第一目標公司全部股權(「第一銷售股份」)及第一目標公司於完成時結欠上海朗毓、南京朗銘及上海朗詩投資之未償還貸款(「第一銷售債務」)訂立協議(「第一協議」)，據此，(i)上海朗毓有條件同意出售而朗詩集團有條件同意購買第一銷售股份，代價為人民幣271,000,000元；及(ii)上海朗毓、南京朗銘及上海朗詩投資有條件同意按第一銷售債務於完成時之面值出售而朗詩集團有條件同意購買第一銷售債務，上限為人民幣628,406,889元。於第一協議日期，第一銷售債務為人民幣628,406,889元。根據第一協議應付總代價為不多於人民幣899,406,889元。第一協議於二零一九年六月二十六日完成。
- (b) 上海朗詩投資及南京朗銘(均為本公司間接全資附屬公司)與上海朗詩建築科技有限公司(「第二買方」，為朗詩集團全資附屬公司)及上海朗詩規劃建築設計有限公司(「第二目標公司」)就出售第二目標公司全部股權(「第二銷售股份」)訂立協議(「第二協議」)，據此，上海朗詩投資及南京朗銘有條件同意出售而第二買方有條件同意購買第二銷售股份，代價為人民幣26,770,000元。第二協議於二零一九年六月二十六日完成。

DIRECTORS' REPORT

董事局報告

- (c) Shanghai Landsea Investment, Nanjing Landsea Property Management Limited* (南京朗詩物業管理有限公司) (the “Third Purchaser”), a wholly-owned subsidiary of Landsea Group, and Nanjing Landsea Shenlu Property Management Limited* (南京朗詩深綠物業管理有限公司) (the “Third Target”) entered into the agreement in relation to the disposal the entire equity interests of the Third Target (the “Third Sale Shares”), pursuant to which Shanghai Landsea Investment conditionally agreed to sell, and the Third Purchaser conditionally agreed to purchase, the Third Sale Shares for a consideration of RMB42,540,000. The Third Agreement was completed on 26 June 2019.
- (d) Shanghai Langkun Business Management Co., Ltd.* (上海朗昆企業管理有限公司) (“Shanghai Langkun”) and Nanjing Langming, each being an indirect wholly-owned subsidiary of the Company, Nanjing Landsea Shenlu E-Commerce Limited* (南京朗詩深綠電子商務有限公司) (the “Fourth Purchaser”), a wholly-owned subsidiary of Landsea Group, and Shanghai Buzhi Commercial Management Limited* (上海不紙商業管理有限公司) (the “Fourth Target”) entered into the agreement in relation to the disposal of the entire equity interests of the Fourth Target (the “Fourth Agreement”), pursuant to which (i) Shanghai Langkun conditionally agreed to sell, and the Fourth Purchaser conditionally agreed to purchase, the Fourth Sale Shares for a consideration of RMB1, and (ii) Nanjing Langming conditionally agreed to sell, and the Fourth Purchaser conditionally agreed to purchase, the outstanding loans due from the Fourth Target to Nanjing Langming as at the date of the Fourth Agreement at its face value as at the date of the Fourth Agreement, amounting to RMB5,730,000. The total consideration payable under the Fourth Agreement amounts to RMB5,730,001. The Fourth Agreement was completed on 26 June 2019.
- (c) 上海朗詩投資、南京朗詩物業管理有限公司(「第三買方」，為朗詩集團全資附屬公司)及南京朗詩深綠物業管理有限公司(「第三目標公司」)就出售第三目標公司全部股權(「第三銷售股份」)訂立協議，據此，上海朗詩投資有條件同意出售而第三買方有條件同意購買第三銷售股份，代價為人民幣42,540,000元。第三協議於二零一九年六月二十六日完成。
- (d) 上海朗昆企業管理有限公司(「上海朗昆」)及南京朗銘(均為本公司間接全資附屬公司)與南京朗詩深綠電子商務有限公司(「第四買方」，為朗詩集團全資附屬公司)及上海不紙商業管理有限公司(「第四目標公司」)就出售第四目標公司全部股權訂立協議(「第四協議」)，據此，(i)上海朗昆有條件同意出售而第四買方有條件同意購買第四銷售股份，代價為人民幣1元；及(ii)南京朗銘有條件同意按第四目標公司於第四協議日期結欠南京朗銘之未償還貸款截至第四協議日期之面值人民幣5,730,000元出售而第四買方有條件同意購買有關貸款。根據第四協議應付的總代價為人民幣5,730,001元。第四協議於二零一九年六月二十六日完成。

- (e) Shanghai Langmao Investment Management Limited* (上海朗茂投資管理有限公司) (“Shanghai Langmao”) and Nanjing Langming, each being an indirect wholly-owned subsidiary of the Company, the Nanjing Landsea Ecological Agriculture Limited* (南京朗詩生態農業有限公司) (the “Fifth Purchaser”), a wholly-owned subsidiary of Landsea Group, and Nanjing Landsea Landscape Limited* (南京朗詩園林景觀有限公司) (the “Fifth Target”) entered into the agreement in relation to the disposal of the entire equity interests of the Fifth Target (the “Fifth Sale Shares”) and the outstanding loans due from the Fifth Target to Nanjing Langming (the “Fifth Sale Debts”) (the “Fifth Agreement”), pursuant to which (i) Shanghai Langmao conditionally agreed to sell, and the Fifth Purchaser conditionally agreed to purchase, the Fifth Sale Shares for a consideration of RMB1, and (ii) Nanjing Langming conditionally agreed to sell, and the Fifth Purchaser conditionally agreed to purchase, the Fifth Sale Debts at its face value as at the date of the Fifth Agreement, amounting to RMB6,690,000. The total consideration payable under the Fifth Agreement amounts to RMB6,690,001. The Fifth Agreement was completed on 26 June 2019.

The transactions contemplated under the First Agreement to the Fifth Agreement, on an aggregate basis, constituted a major and connected transaction of the Company under Chapters 14 and 14A of the Listing Rules and are subject to the reporting, announcement, circular and Independent Shareholders’ approval requirements. A special general meeting of the Company was convened and held on 26 June 2019, and the above agreements were approved by the independent shareholders.

- (e) 上海朗茂投資管理有限公司(「上海朗茂」)及南京朗銘(均為本公司間接全資附屬公司)與南京朗詩生態農業有限公司(「第五買方」, 為朗詩集團全資附屬公司)及南京朗詩園林景觀有限公司(「第五目標公司」)就出售第五目標公司全部股權(「第五銷售股份」)及第五目標公司結欠南京朗銘之未償還貸款(「第五銷售債務」)訂立協議(「第五協議」), 據此, (i) 上海朗茂有條件同意出售而第五買方有條件同意購買第五銷售股份, 代價為人民幣1元; 及(ii)南京朗銘有條件同意按第五銷售債務於第五協議日期之面值人民幣6,690,000元出售而第五買方有條件同意購買第五銷售債務。根據第五協議應付的總代價為人民幣6,690,001元。第五協議於二零一九年六月二十六日完成。

第一協議至第五協議項下擬進行之交易(按合併基準)構成上市規則第14及14A章項下本公司的主要及關連交易, 並須遵守申報、公告、通函及獨立股東批准規定。本公司已就此於二零一九年六月二十六日召開及舉行股東特別大會, 上述協議已獲獨立股東批准。

DIRECTORS' REPORT

董事局報告

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

For the year ended 31 December 2019, the Group has the following non-exempt continuing connected transactions under Chapter 14A of the Listing Rules:

1. Upon completion of the Second Agreement on 26 June 2019, the Second Target became a wholly-owned subsidiary of Landsea Group, The Second Target therefore became a connected person of the Company by virtue of being an associate of Landsea Group. On 10 May 2019, the Company and the Second Target entered into the Framework Construction Design Service Agreement to govern the provision of construction design services by the Second Target to the Group for a fixed term from the date of completion of the Second Agreement (i.e. 26 June 2019) to 31 December 2021.

The annual caps for the construction design services and construction design consulting services under the Framework Construction Design Service Agreement for the period from the date of completion of the Second Agreement to 31 December 2021 are RMB9 million, RMB9 million and RMB3.5 million respectively.

The actual transaction amount under the Framework Construction Design Service Agreement for the period from 26 June 2019 to 31 December 2019 is approximately RMB6,523,000.

非豁免持續關連交易

截至二零一九年十二月三十一日止年度，本集團曾進行以下上市規則第14A章界定的非豁免持續關連交易：

1. 於二零一九年六月二十六日完成第二份協議後，第二目標公司成為朗詩集團的全資附屬公司。因此，第二目標公司因作為朗詩集團的聯繫人而成為本公司的關連人士。於二零一九年五月十日，本公司與第二目標公司訂立框架建築設計服務協議，以規管第二目標公司於第二協議完成日期（即二零一九年六月二十六日）至二零二一年十二月三十一日之固定年期向本集團提供之建築設計服務。

框架建築設計服務協議項下建築設計服務及建築設計諮詢服務於第二協議完成日期至二零二一年十二月三十一日期間之年度上限分別為人民幣9百萬元、人民幣9百萬元及人民幣3.5百萬元。

在二零一九年六月二十六日至二零一九年十二月三十一日期間，框架建築設計服務協議項下的實際交易金額約為人民幣6,523,000元。

2. Upon completion of the Third Agreement on 26 June 2019, the Third Target became a wholly-owned subsidiary of Landsea Group, and therefore became a connected person of the Company by virtue of being an associate of Landsea Group. On 10 May 2019, the Company and Landsea Group entered into the Framework Property Management Service Agreement pursuant to which Landsea Group and its subsidiaries shall provide property management services and property consulting services to the Group for a fixed term from the date of completion of the Third Agreement to 31 December 2021.

The annual caps for the property services and property consulting services under the Framework Property Management Service Agreement for the period from the date of completion of the Third Agreement to 31 December 2021 are RMB50 million per year respectively.

The actual transaction amount under the Framework Property Management Service Agreement for the period from the date of completion of the Third Agreement (i.e. 26 June 2019) to 31 December 2019 is approximately RMB21,551,000.

3. Nanjing Xinbeisheng Investment Management Limited (南京鑫貝盛投資管理有限公司) ("Xinbeisheng"), a wholly-owned subsidiary of the Company, as landlord and Nanjing Landsea Apartment Commercial Management Limited (南京朗詩寓商業管理有限公司) ("Nanjing Landsea Apartment"), a wholly-owned subsidiary of the First Target, as tenant, entered into the rental agreement (the "Rental Agreement") on 1 February 2017, pursuant to which Xinbeisheng agreed to lease the property at the 11 buildings at Chang Ying Cun, Mai Gao Qiao to Nanjing Landsea Apartment for a term of 15 years from 1 February 2017 to 30 January 2031.

2. 於二零一九年六月二十六日完成第三份協議後，第三目標公司成為朗詩集團的全資附屬公司，並因作為朗詩集團的聯繫人而成為本公司的關連人士。於二零一九年五月十日，本公司與朗詩集團訂立框架物業管理服務協議，據此，朗詩集團及其附屬公司將於第三協議完成日期起至二零二一年十二月三十一日之固定年期向本集團提供物業管理服務及物業諮詢服務。

框架物業管理服務協議項下物業服務及物業諮詢服務於第三協議完成日期至二零二一年十二月三十一日期間之年度上限為每年人民幣50百萬元。

在第三協議完成日期(即二零一九年六月二十六日)至二零一九年十二月三十一日期間，框架物業管理服務協議項下的實際交易金額約為人民幣21,551,000元。

3. 於二零一七年二月一日，本公司的全資附屬公司南京鑫貝盛投資管理有限公司(「鑫貝盛」，作為業主)與第一目標公司的全資附屬公司南京朗詩寓商業管理有限公司(「南京朗詩寓」，作為承租人)訂立租賃協議(「租賃協議」)，據此，鑫貝盛同意向南京朗詩寓出租位於邁皋橋長營村之11幢樓宇，自二零一七年二月一日起至二零三一年一月三十日止為期15年。

DIRECTORS' REPORT

董事局報告

Upon completion of the First Agreement, the First Target and its subsidiaries, including Nanjing Landsea Apartment, became wholly-owned subsidiaries of Landsea Group. Nanjing Landsea Apartment therefore became a connected person of the Company by virtue of being an associate of Landsea Group.

The monthly rental paid/payable to Nanjing Landsea Apartment under the Tenancy Agreement was RMB217,698.20 (tax-inclusive).

The transactions contemplated under constituted continuing connected transactions of the Company under Chapters 14A of the Listing Rules and are subject to the reporting, announcement, but exempt from the independent shareholders' approval requirement.

4. On 25 December 2017, the Company entered into the framework agreement in relation to the development and constructed management services and sales agency services ("Project Management Services Agreement") with Landsea Group, pursuant to which the Group shall provide development and construction management services and sales agency services to Landsea Group and its subsidiaries for term of three years commencing from 25 December 2017 to 24 December 2020 at an annual cap of RMB120 million per year.

The actual transaction amount under the Project Management Services Agreement for the year ended 31 December 2019 is approximately RMB43,531,000.

於第一協議完成後，第一目標公司及其附屬公司(包括南京朗詩寓)成為朗詩集團之全資附屬公司。因此，南京朗詩寓因作為朗詩集團的聯繫人而成為本公司的關連人士。

根據租賃協議已付／應付南京朗詩寓的每月租金為人民幣217,698.20元(含稅)。

根據上市規則第14A章，項下所擬進行的交易構成本公司的持續關連交易，並須遵守申報及公告規定、但獲豁免遵守獨立股東批准規定。

4. 於二零一七年十二月二十五日，本公司與朗詩集團訂立有關開發建設管理服務及銷售代理服務的框架協議(「項目管理服務協議」)，據此，本集團須於二零一七年十二月二十五日至二零二零年十二月二十四日的三年期間，為朗詩集團提供開發建設管理服務及銷售代理服務，年度上限為每年人民幣120百萬元。

截至二零一九年十二月三十一日止年度，項目管理服務協議項下的實際交易金額約為人民幣43,531,000元。

5. On 25 December 2017, the Company entered into the framework agreement in relation to the properties services and properties consulting services ("Properties Services and Consulting Agreement") with Landsea Group, pursuant to which Landsea Group or its subsidiaries shall provide to the Group properties services and properties consulting services for a fixed term of three years commencing from 1 January 2018 to 31 December 2020 at the respective annual caps at RMB7 million, RMB4 million and RMB4 million.

The Property Services and Consulting Agreement was superseded and replaced by the Framework Property Management Service Agreement with effect from the date of completion (i.e. 26 June 2019) of the Third Agreement.

The actual transaction amount under the Properties Services and Consulting Agreement for the period from 1 January 2019 to 26 June 2019, being the completion date of the Third Agreement, is approximately RMB2,530,000.

6. On 13 February 2018, the Company entered into the green architecture technological services agreement with 上海朗綠建築科技股份有限公司 (Shanghai Landleaf Architecture Technology Co., Ltd.*) ("Landleaf Architecture Technology") ("Architecture Technological Services Agreement"), pursuant to which Landleaf Architecture Technology shall provide green architecture technological services to the Group for a term of three years commencing from 13 February 2018 to 31 December 2020 at the respective annual caps of RMB70 million, RMB50 million and RMB50 million.

The actual transaction amount under the Architecture Technological Services Agreement for the year ended 31 December 2019 is approximately RMB20,507,000.

5. 於二零一七年十二月二十五日，本公司與朗詩集團訂立有關物業服務及物業諮詢服務之框架協議（「物業服務及諮詢協議」），據此，朗詩集團或其附屬公司須於二零一八年一月一日至二零二零年十二月三十一日的三年固定期間，為本集團提供物業服務及物業諮詢服務，年度上限分別為人民幣7百萬元、人民幣4百萬元及人民幣4百萬元。

物業服務及諮詢協議已為框架物業管理服務協議所取代及代替，自第三協議完成日期（即二零一九年六月二十六日）起生效。

在二零一九年一月一日至二零一九年六月二十六日（即第三協議完成日期）期間，物業服務及諮詢協議項下的實際交易金額約為人民幣2,530,000元。

6. 於二零一八年二月十三日，本公司與上海朗綠建築科技股份有限公司（「朗綠建築科技」）訂立綠建技術服務協議（「綠建技術服務協議」），據此，朗綠建築科技將向本集團提供綠建技術服務，自二零一八年二月十三日起至二零二零年十二月三十一日止為期三年，年度上限分別為人民幣70百萬元、人民幣50百萬元及人民幣50百萬元。

截至二零一九年十二月三十一日止年度綠建技術服務協議項下的實際交易金額約為人民幣20,507,000元。

DIRECTORS' REPORT

董事局報告

7. On 13 February 2018, the Company also entered into the decoration services agreement with Landsea Group ("Decoration Services Agreement"), pursuant to which the Group will entrust Landsea Group or its subsidiaries for the provision of decoration services during the development and construction process or operation process of the properties development projects of the Group for a term of three years commencing from 13 February 2018 to 31 December 2020 at the respective annual caps of RMB20 million, RMB20 million and RMB20 million.

The actual transaction amount under the Decoration Services Agreement for the year ended 31 December 2019 is approximately RMB5,630,000.

8. On 2 November 2018, the Company entered into the services framework agreement ("Services Framework Agreement") with Landsea Group, pursuant to which the Group shall entrust Landsea Group or its subsidiaries to provide venues, facilities and equipment rental for application testing of green residential products and promotional display services for a term of three years from 1 January 2019 to 31 December 2021 at the respective annual caps of RMB12 million, RMB14 million and RMB16 million.

For the year ended 31 December 2019, there were no transactions under the Services Framework Agreement.

Landsea Group is interested in approximately 50.10% of the issued share capital of the Company, Landsea Group is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Framework Construction Design Service Agreement, the Framework Property Management Service Agreement, the Rental Agreement, the Project Management Services Agreement, the Properties Services and Consulting Agreement and Decoration Services Agreement constitute continuing connected transactions of the Company and are subject to the reporting, announcement and annual review requirements but exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

7. 於二零一八年二月十三日，本公司亦與朗詩集團訂立裝飾裝修服務協議（「裝飾裝修服務協議」），據此，本集團將委託朗詩集團或其附屬公司就本集團的物業發展項目在開發建設或營運過程中提供裝飾裝修服務，自二零一八年二月十三日起至二零二零年十二月三十一日止為期三年，年度上限分別為人民幣20百萬元、人民幣20百萬元及人民幣20百萬元。

截至二零一九年十二月三十一日止年度，裝飾裝修服務協議項下的實際交易金額約為人民幣5,630,000元。

8. 於二零一八年十一月二日，本公司與朗詩集團訂立服務框架協議（「服務框架協議」），據此，本集團將委託朗詩集團或其附屬公司提供場地、設施及設備租賃進行綠色住宅產品的應用測試及宣傳展示服務，自二零一九年一月一日起至二零二一年十二月三十一日止為期三年，年度上限分別為人民幣12百萬元、人民幣14百萬元及人民幣16百萬元。

截至二零一九年十二月三十一日止年度，服務框架協議項下並無任何交易。

朗詩集團擁有本公司已發行股本約50.10%，根據上市規則第14A章，朗詩集團屬本公司的關連人士。因此，框架建築設計服務協議、框架物業管理服務協議、租賃協議、項目管理服務協議、物業服務及諮詢協議及裝飾裝修服務協議項下擬進行的交易構成本公司之持續關連交易，須遵守上市規則第14A章的申報、公告及年度審閱規定，但獲豁免遵守獨立股東批准規定。

Mr. Tian Ming, Chairman and an executive Director of the Company, who is interested and deemed to be interests in approximately 57.94% of the issued share capital of the Company, is the ultimate controller of Landleaf Architecture Technology, and therefore, Landleaf Architect Technology is regarded as a connected person of the Company. The Architecture Technological Services Agreement constitutes continuing connected transaction of the Company and is subject to the reporting announcement and annual review requirements but exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Company has engaged the auditor of the Company to report the continuing connected transactions of the Group in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unmodified letter containing its findings and conclusions in respect of the continuing connected transactions disclosed by the Group in this report in accordance with Rule 14A.56 of the Listing Rules.

The independent non-executive Directors of the Company have reviewed the above continuing connected transactions and based on the unmodified letter issued by the auditor of the Company noted above, confirmed that the transactions have been entered into:

- (i) in the ordinary course and usual course of business of the Company;
- (ii) either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Company than terms available to or from (as appropriate) independent third parties; and
- (iii) in accordance with the relevant agreements governing such transactions on terms that are fair and reasonable and in the interest of the shareholders of the Company as a whole.

本公司主席兼執行董事田明先生擁有及被視為擁有本公司已發行股本約57.94%，田明先生為朗綠建築科技的最終控制人，故此朗綠建築科技被視為本公司關連人士。綠建技術服務協議構成本公司之持續關連交易，須遵守上市規則第14A章的申報、公告及年度審閱規定，但獲豁免遵守獨立股東批准規定。

本公司已聘用本公司之核數師根據香港會計師公會頒佈的香港核證委聘準則第3000號（經修訂）「審核或審閱過往財務資料以外的核證工作」，並參考實務說明第740號「關於香港《上市規則》所述持續關連交易的核數師函件」，就本集團之持續關連交易作出匯報。核數師已根據上市規則第14A.56條就本集團於本報告內所披露的持續關連交易的審查結果及結論，發出無保留意見的函件。

本公司獨立非執行董事已審閱上述持續關連交易，並且基於上文所述由本公司核數師發出的無保留意見函件確認該等交易：

- (i) 於本公司日常及一般業務過程中訂立；
- (ii) 按一般商業條款訂立，或如沒有足夠的可比較的交易以確定該等交易是否按一般商業條款進行時，則優惠條件不遜於提供給獨立第三方或（如適用）由獨立第三方提供的條款；及
- (iii) 按監管該等交易的相關協議訂立，條款屬公平合理，並符合本公司股東之整體利益。

DIRECTORS' REPORT

董事局報告

The Board would like to confirm that the connected transactions and the continuing connected transactions carried out during the year ended 31 December 2019 and as disclosed in this report have complied with the requirements in Chapter 14A of the Listing Rules.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the Group's purchased from the five largest suppliers accounted for approximately 9.1% of the Group's total purchases and purchased from the largest supplier included therein accounted for approximately 2.4% of the Group's total purchases.

During the year, the Group's revenue from the five largest customers accounted for approximately 15.5% of the Group's total revenue and revenue from the largest customer included therein accounted for approximately 9.2% of the Group's total revenue.

Save as disclosed above, none of the Directors of the Company, their associates, nor any shareholder which to the best knowledge of the Directors owns more than 5% of the Company's issued share capital, had any beneficial interest in the Group's five largest customers and suppliers.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2019, other than those purchased by the trustee for the Share Award Scheme.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-Laws, or the laws of Bermuda which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

董事局謹此確認截至二零一九年十二月三十一日止年度所進行的關連交易及持續關連交易以及本報告所披露者已遵守上市規則第14A章所載規定。

主要客戶及供應商

於本年度，本集團向五大供應商之採購佔本集團總採購額約9.1%，當中包括向最大供應商之採購，佔本集團總採購額約2.4%。

於本年度，本集團來自五大客戶之收入佔本集團總收入約15.5%，當中包括來自最大客戶之收入，佔本集團總收入約9.2%。

除上文所披露者外，本公司董事、彼等之聯繫人或據董事所深知擁有本公司已發行股本超過5%之股東，概無於本集團五大客戶及供應商當中擁有任何實益權益。

購入、出售或贖回本公司上市證券

截至二零一九年十二月三十一日止年度，除受託人就股份獎勵計劃購入的本公司上市證券外，本公司或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。

優先購買權

本公司之細則或百慕達法例概無有關優先購買權之規定，故本公司毋須按比例向現有股東發售新股。

PERMITTED INDEMNITY PROVISION

The Company has arranged for appropriate insurance cover for Director's and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities. The permitted indemnity provision is in force for the benefit of the Directors as required by section 470 of the Companies Ordinance (Chapter 622, Laws of Hong Kong) when the Report of the Board of the Directors prepared by the Directors is approved in accordance with section 391(1)(a) of the Companies Ordinance (Chapter 622, Laws of Hong Kong).

SUFFICIENT OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this report, the Company has maintained a sufficient public float throughout the year ended 31 December 2019.

TAX RELIEF

The Company is not aware of any relief from taxation available to the Shareholders by reason of their holding of the Shares. Intending holders and investors of the Company's shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications (including tax relief) of subscribing for, purchasing, holding, disposing of or dealing in shares. It is emphasized that none of the Company or its Directors or officers will accept any responsibility for any tax effect on, or liabilities of, holders of shares in the Company resulting from their subscription for, purchase, holding, disposal of or dealing in such shares.

獲准許彌償條文

本公司已就其董事及高級管理層可能面對進行企業活動所產生之法律訴訟，為董事及行政人員之職責作適當之投保安排。基於董事利益之獲准許彌償條文乃根據公司條例（香港法例第622章）第470條規定於董事編製之董事局報告根據公司條例（香港法例第622章）第391(1)(a)條獲通過時生效。

足夠公眾持股量

根據本公司可供公眾查閱資料及就董事於本報告日期所知悉，截至二零一九年十二月三十一日止年度，本公司一直維持足夠公眾持股量。

稅務寬免

本公司並不知悉股東因其所持股份而獲得任何稅務寬免。本公司股份之準持有人及投資者如對認購、購買、持有、出售或買賣股份之稅務影響（包括稅務寬免）有任何疑問，務請諮詢其專業顧問。謹此強調，本公司或其董事或高級人員將一概不會就本公司股份持有人因認購、購買、持有、出售或買賣本公司股份而產生之稅務影響或承擔之責任向彼等負責。

DIRECTORS' REPORT

董事局報告

AUDITOR

The Company has not changed its external auditor during the past three years.

A resolution will be submitted to the AGM to re-appoint PricewaterhouseCoopers as auditor of the Company.

On behalf of the Board

Landsea Green Properties Co., Ltd.

Shen Leying

Director

Hong Kong, 27 March 2020

核數師

本公司於過往三年概無更換外部核數師。

於股東週年大會上將會提呈決議案續聘羅兵咸永道會計師事務所為本公司核數師。

代表董事局

朗詩綠色地產有限公司

申樂瑩

董事

香港，二零二零年三月二十七日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

To the Shareholders of Landsea Green Properties Co., Ltd.

(formerly known as "Landsea Green Group Co., Ltd.")

(incorporated in Bermuda with limited liability)

OPINION

WHAT WE HAVE AUDITED

The consolidated financial statements of Landsea Green Properties Co., Ltd. (formerly known as "Landsea Green Group Co., Ltd.", hereinafter the "Company") and its subsidiaries (the "Group") set out on pages 135 to 361, which comprise:

- the consolidated balance sheet as at 31 December 2019;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

OUR OPINION

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

致朗詩綠色地產有限公司股東

(前稱「朗詩綠色集團有限公司」)

(於百慕達註冊成立之有限公司)

意見

我們已審計的內容

朗詩綠色地產有限公司(前稱「朗詩綠色集團有限公司」, 以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第135至361頁的綜合財務報表, 包括:

- 於二零一九年十二月三十一日的綜合資產負債表;
- 截至該日止年度的綜合全面收益表;
- 截至該日止年度的綜合權益變動表;
- 截至該日止年度的綜合現金流量表; 及
- 綜合財務報表附註, 包括主要會計政策概要。

我們的意見

我們認為, 該等綜合財務報表已根據香港會計師公會頒佈的《香港財務報告準則》真實而中肯地反映了貴集團於二零一九年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量, 並已遵照香港《公司條例》的披露規定妥為擬備。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

BASIS FOR OPINION

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

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

INDEPENDENCE

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

KEY AUDIT MATTERS

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

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

- Classification of Subsidiary, Joint Venture and Associate;
- Revenue recognition for development management service.

意見的基礎

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

我們相信，我們所獲得的審計憑證能充足及適當地為我們的意見提供基礎。

獨立性

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

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本年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。

從我們的審計中識別出的關鍵審計事項概述如下：

- 附屬公司、合營企業及聯營公司的分類；
- 開發管理服務收入確認。

Key Audit Matter

關鍵審計事項

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

Classification of Subsidiary, Joint Venture and Associate

附屬公司、合營企業及聯營公司的分類

Refer to note 4(a) (Classification of subsidiary, joint venture and associate), note 17 (Interests in associates), note 18 (Interests in joint ventures) and note 39 (Disposal of subsidiaries) of the consolidated financial statements.

請參閱綜合財務報表附註4(a)（附屬公司、合營企業及聯營公司的分類）、附註17（於聯營公司的權益）、附註18（於合營企業的權益）及附註39（出售附屬公司）。

The Group invests in certain properties projects with various other parties under various arrangements. According to the terms of these arrangements, the Group classifies the investments into subsidiary, joint venture or associate. As of 31 December 2019, the Group had investments in joint ventures and associates with carrying amount of RMB2,329.03 million and RMB1,858.41 million, respectively. At the same time, the Group has non-wholly owned subsidiaries with total non-controlling interest of RMB805.53 million.

貴集團根據各項安排與不同其他各方投資若干物業項目。根據該等安排的條款，貴集團將該等投資分類為附屬公司、合營企業或聯營公司。於二零一九年十二月三十一日，貴集團擁有合營企業及聯營公司投資，賬面值分別為人民幣2,329.03百萬元及人民幣1,858.41百萬元。同時，貴集團擁有非全資附屬公司，其非控制性權益總額為人民幣805.53百萬元。

We understood, evaluated and tested the relevant control over the Group's classification of subsidiary, joint venture and associate.

我們了解、評估及檢驗 貴集團附屬公司、合營企業及聯營公司的分類所用相關控制因素。

For material investments, individually or in aggregate, we challenged management's assessment and performed the following audit procedures:

就重大投資（個別或合計）而言，我們質疑管理層的評估，並進行以下審計程序：

We examined the legal documents associated with the investments that the Group made during the period, to determine the key terms, including rights of the investors, terms of shareholders' agreements, dispute resolution provisions, termination provisions, governance structures and profit-sharing arrangements, and assessed these key terms against the classification criteria.

我們審查與 貴集團期內所作投資有關的法律文件，以釐定關鍵條款，包括投資者的權利、股東協議的條款、爭議解決條文、終止條文、管治架構及利潤分成安排，然後基於分類準則評估該等條款。

When there have been subsequent changes to the shareholders' existing agreements or governance structures, we assessed whether these changes would impact the initial assessments by management.

在股東現有協議或管治結構出現後續變動時，我們評估該等變動是否影響了管理層的初步評估。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key Audit Matter

關鍵審計事項

The classification and change of classification of the Group's investment involves significant judgement in determining the levels of control and influence based on a number of criteria. The classification has significant impact on the Group's consolidated statements of comprehensive income and consolidated balance sheet due to their effect on consolidation scope.

貴集團投資以按多項準則釐定不同層次的控制權及影響力進行分類及分類變動涉及重要判斷。分類因其在綜合範圍的影響使然，其對貴集團的綜合全面收益表及綜合資產負債表有重大影響。

We, therefore, consider classification of subsidiary, joint venture and associate a Key Audit Matter.

因此，我們認為附屬公司、合營企業及聯營公司的分類屬關鍵審計事項。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

We sought for written confirmations or communicated verbally with the contract parties, on a sample basis, to confirm the contract clauses and completeness of contracts and agreements we obtained and whether there are any subsequent supplementary contracts and agreements or amendments.

我們通過隨機書面確認或與訂約方口頭溝通，尋求確認我們取得的合約及協議的條款及完整性，以及是否有後續補充合約及協議或修訂。

We assessed whether the considerations paid for acquisitions or received from disposals of investments represent the fair market value in an arm's length transactions when there was acquisition or disposal.

我們評估了於收購投資時支付或出售投資時收取的代價是否代表於收購或投資的公平交易中的公平市價。

We evaluated the adequacy of the Group's disclosures in respect of the classification and carrying values of subsidiary, joint venture, and associate against the accounting standards adopted by the Group.

我們評估了貴集團對附屬公司、合營企業及聯營公司的分類及其賬面值的披露依據以及貴集團採納的會計準則是否充分。

Based on our audit procedures performed, we consider the judgements made by management regarding the classification of subsidiary, joint venture and associate were supported by evidences we gathered.

基於我們執行的審計程序，我們認為管理層對附屬公司、合營企業及聯營公司的分類的判斷得到我們所收集憑證的支持。

Key Audit Matter

關鍵審計事項

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

Revenue recognition for development management services recognized over period

於期內確認的開發管理服務收入確認

Refer to note 2.29 (a) (ii) (Accounting policy for revenue recognition of management services), note 4 (h) (Critical accounting estimates and judgements for revenue recognition for management services recognized over period) and note 5 (Revenue) of the consolidated financial statements.

請參閱綜合財務報表附註2.29(a)(ii)（管理服務收入確認的會計政策）、附註4(h)（於期內確認的管理服務費收入確認的關鍵會計估計及判斷）及附註5（收入）。

For the year ended 31 December 2019, the Group recorded revenue from development management services recognized over period amounted to RMB355.63 million (note 5), representing approximately 4.1% of the Group's total revenue. 截至二零一九年十二月三十一日止年度，貴集團於期內確認的開發管理服務收入為人民幣355.63百萬元（附註5），相當於貴集團總收入約4.1%。

The Group provides development management services for fixed amount or variable amount and recognizes revenue from services over period of time. Significant accounting estimate is involved in the determination of progress towards complete satisfaction of performance, the cost budget and the projected sales and there is significant audit effort on revenue.

貴集團按固定及浮動金額提供開發管理服務，並於期內確認服務收入。釐定完工履約進度時涉及重大會計估計，包括成本預算及估計銷售額，該等收入相關審計工作量非常重大。

We, therefore, consider the revenue recognition for development management services recognized over period a Key Audit Matter.

因此，我們認為於期內確認的開發管理服務收入確認為關鍵審計事項。

We understood, evaluated and tested the controls over revenue recognition for development management services recognized over period.

我們了解、評估及檢驗於期內確認的開發管理服務收入確認所用控制因素。

We assessed if the estimate on progress towards complete satisfaction of performance obligation based on the Group's inputs is reasonable and consistently applied. In respect of cost incurred and cost to completion, we tested actual costs incurred to supporting evidence, performed site visit to project, and agreed cost to completion to approved budgets on a sample basis. We compared, with hindsight, the actual costs incurred with the budget of previous years to assess the reliability of the budget.

我們評估根據本集團的輸入資料計算的達成完工履約責任的進度估計是否合理且貫徹應用。關於已產生成本及竣工成本，我們檢查實際產生成本至支持性憑證，進行項目實地考察，並隨機檢查竣工成本是否與獲批預算相符。我們以實際產生成本與過往年度的預算作事後比較，從而評估該預算的可靠性。

We assessed the reasonableness and sensitivity of management estimation for cost to completion with comparison to similar projects of the Group and actual costs variance to budget by stage.

我們通過比較貴集團的類似項目、各階段實際成本與預算之間的差異評估管理層對竣工成本之估計的合理性及敏感性。

For estimation in respect of projected sales, we compared, on a sample basis, projected sales volume and price to similar projects and available market data including registered selling prices for transaction, and also offer prices of properties nearby with similar characteristics.

預計銷售估計方面，我們隨機比較類似項目的預計銷售額及價格和交易所定售價及特徵相若的鄰近物業報價等現有市場數據。

We considered the accounting estimates used in revenue recognition for development management services recognized over period were supported by the evidences we gathered.

我們認為我們所收集憑證能夠支持於期內確認的開發管理服務收入確認所採用的會計估計。

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 the information included in the chairman's statement and management discussion and analysis (but not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the corporate information, major events and accolades of Landsea Green Properties in 2019, biographical details of directors and senior management, corporate governance report, directors' report, financial summary and particulars of investment properties which are expected to be made available to us after that date.

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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the corporate information, financial summary/financial review, financial highlights, breakdown of major properties, directors and senior management, report of the directors and corporate governance report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Audit Committee and take appropriate action considering our legal rights and obligations.

其他信息

貴公司董事須對其他信息負責。其他信息包括我們於本核數師報告日期前取得的主席報告及管理層討論及分析所載信息(但不包括綜合財務報表及我們的核數師報告)，以及我們預期於該日後始獲提供的公司資料、朗詩綠色地產二零一九年大事記與榮譽、董事及高級管理人員簡介、企業管治報告、董事局報告、財務摘要及投資性物業詳情。

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，我們的責任是閱讀上文所識別的其他信息，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。

基於我們就本核數師報告日期前取得的其他信息所執行的工作，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。

當我們閱讀公司資料、財務概要／財務回顧、財務摘要、主要物業詳情、董事及高級管理層、董事局報告及企業管治報告時，倘我們認為當中有重大錯誤陳述，我們須與審核委員會就該等事宜溝通，並應我們的法律權利及責任採取適當行動。

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

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

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

董事及審核委員會就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及香港《公司條例》的披露規定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。

審核委員會須負責監督 貴集團的財務報告過程。

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. We report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

核數師就審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。我們僅按照百慕達一九八一年《公司法》第90條向閣下（作為整體）報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負責或承擔任何法律責任。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滙總起來可能影響綜合財務報表使用者依賴綜合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。

- 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.
- 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。

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

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。

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Esmond S. C. Kwan.

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，則我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是關瑞翔。

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 27 March 2020

羅兵咸永道會計師事務所
執業會計師

香港，二零二零年三月二十七日

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

			For the year ended 截至十二月三十一日止年度	
			31 December 2019 二零一九年 RMB'000 人民幣千元	31 December 2018* 二零一八年* RMB'000 人民幣千元
	Note 附註			
Continuing operations		持續經營業務		
Revenue	5	收入	8,558,735	7,435,076
Cost of sales and services	9	銷售及服務成本	(6,140,072)	(5,186,776)
Gross profit		毛利	2,418,663	2,248,300
Other income	7	其他收益	234,963	171,562
Selling expenses	9	銷售費用	(248,922)	(207,335)
Administrative expenses	9	行政費用	(634,017)	(509,454)
Impairment (loss)/gain under expected credit loss model		預期信用損失模型下的減值(損失)/收益	(84,625)	714
Fair value gain on investment properties	19	投資性物業的公允價值利得	3,870	7,363
Other gains — net	8	其他利得淨額	137,100	373,874
Operating profit		經營利潤	1,827,032	2,085,024
Finance income	10	財務收入	16,208	23,699
Finance costs	10	財務費用	(392,489)	(319,419)
Finance costs — net	10	財務費用淨額	(376,281)	(295,720)
Share of net profit of associates	17	應佔聯營公司淨利潤	651,501	408,854
Share of net (loss)/profit of joint ventures	18	應佔合營企業淨(虧損)/利潤	(20,414)	257,991
Profit before income tax		除所得稅前利潤	2,081,838	2,456,149
Income tax expenses	11	所得稅費用	(597,984)	(869,429)
Profit from continuing operations		持續經營業務利潤	1,483,854	1,586,720
Profit/(loss) from discontinued operation	12	已終止業務利潤/(虧損)	14,280	(146,150)
Profit for the year		年度利潤	1,498,134	1,440,570

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

		For the year ended 截至十二月三十一日止年度	
	Note 附註	31 December 2019 二零一九年 RMB'000 人民幣千元	31 December 2018* 二零一八年* RMB'000 人民幣千元
Other comprehensive loss			
<i>Items that may be reclassified to profit or loss:</i>			
— Exchange difference on translation of foreign operations		(53,068)	(126,796)
<i>Items that will not be reclassified to profit or loss:</i>			
— Revaluation gain on the property transferring from property, plant and equipment to investment properties	19	1,383	14,515
Other comprehensive loss for the year, net of tax		(51,685)	(112,281)
Total comprehensive income for the year		1,446,449	1,328,289
Profit for the year attributable to:			
— The shareholders of the Company		1,171,943	1,112,774
— Non-controlling interests		326,191	327,796
		1,498,134	1,440,570
Profit/(loss) for the year attributable to the shareholders of the Company arises from:			
— Continuing operations		1,157,663	1,258,924
— Discontinued operation		14,280	(146,150)
		1,171,943	1,112,774

		For the year ended 截至十二月三十一日止年度	
	Note 附註	31 December 2019 二零一九年 RMB'000 人民幣千元	31 December 2018* 二零一八年* RMB'000 人民幣千元
Total comprehensive income for the year attributable to:	年度全面收益總額歸屬於：		
— The shareholders of the Company	— 本公司股東	1,117,345	998,260
— Non-controlling interests	— 非控制性權益	329,104	330,029
		1,446,449	1,328,289
Total comprehensive income/(loss) for the year attributable to the shareholders of the Company arises from:	歸屬於本公司股東的年度全面收益／(虧損)總額來自：		
— Continuing operations	— 持續經營業務	1,103,065	1,144,410
— Discontinued operation	— 已終止業務	14,280	(146,150)
		1,117,345	998,260
Earnings per share for profit from continuing operations attributable to the shareholders of the Company for the year (expressed in RMB per share)	歸屬於本公司股東的持續經營業務利潤年度每股收益 (以每股人民幣列示)		
Basic earnings per share	每股基本收益	RMB人民幣元 0.249	RMB人民幣元 0.309
Diluted earnings per share	每股稀釋收益	RMB人民幣元 0.249	RMB人民幣元 0.276
Earnings per share attributable to the shareholders of the Company for the year (expressed in RMB per share)	歸屬於本公司股東的年度每股收益 (以每股人民幣列示)		
Basic earnings per share	每股基本收益	RMB人民幣元 0.252	RMB人民幣元 0.272
Diluted earnings per share	每股稀釋收益	RMB人民幣元 0.252	RMB人民幣元 0.244

* The comparative figures were re-presented due to the disposal of discontinued operation. Please refer to note 12 for details.

* 由於出售已終止業務，比較資料已予重列。詳情請參閱附註12。

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

上述綜合全面收益表應與隨附附註一併閱讀。

CONSOLIDATED BALANCE SHEET

綜合資產負債表

As at 31 December 2019 於二零一九年十二月三十一日

			31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
	Note 附註			
ASSETS		資產		
Non-current assets		非流動資產		
Investment properties	19	投資性物業	852,500	505,630
Property, plant and equipment	20	不動產、工廠及設備	254,242	1,234,573
Right-of-use assets	21	使用權資產	57,469	—
Intangible assets	22	無形資產	—	2,279
Interests in associates	17	於聯營公司的權益	1,858,413	1,315,706
Interests in joint ventures	18	於合營企業的權益	2,329,032	2,596,047
Trade and other receivables, prepayments and deposits	27	應收賬款及其他應收款、 預付款及按金	2,178,006	2,168,445
Deferred income tax assets	32	遞延所得稅資產	507,984	352,469
Goodwill	22	商譽	37,078	9,460
			8,074,724	8,184,609
Current assets		流動資產		
Properties held for sale	23	持作銷售物業	1,167,926	876,881
Properties under development for sale	25	開發中銷售型物業	6,590,927	8,688,579
Inventories	24	庫存	55,324	116,561
Contract assets	5.2	合約資產	154,106	107,941
Trade and other receivables, prepayments and deposits	27	應收賬款及其他應收款、 預付款及按金	5,039,037	2,676,639
Financial assets at fair value through profit or loss	26	按公允價值計入損益的 金融資產	—	176,809
Restricted cash	29	受限制現金	255,771	542,299
Cash and cash equivalents	29	現金及現金等價物	4,504,393	5,404,956
			17,767,484	18,590,665
Total assets		總資產	25,842,208	26,775,274

		Note	31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Trade and other payables	應付賬款及其他應付款	30	1,495,431	2,829,643
Advance from lessees	來自承租人的墊款	40(e)	28,393	—
Lease liabilities	租賃負債	21	38,860	—
Borrowings	借款	31	4,616,701	6,341,015
Deferred income tax liabilities	遞延所得稅負債	32	169,120	122,556
			6,348,505	9,293,214
Current liabilities	流動負債			
Trade and other payables	應付賬款及其他應付款	30	7,191,726	6,912,769
Advance from lessees	來自承租人的墊款	40(e)	2,692	13,869
Contract liabilities	合約負債	5.2	3,046,969	4,510,186
Lease liabilities	租賃負債	21	23,520	—
Borrowings	借款	31	2,344,439	683,580
Current income tax liabilities	即期所得稅負債		780,126	600,761
			13,389,472	12,721,165
Total liabilities	總負債		19,737,977	22,014,379

CONSOLIDATED BALANCE SHEET

綜合資產負債表

As at 31 December 2019 於二零一九年十二月三十一日

		Note 附註	31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
EQUITY	權益			
Capital and reserves attributable to the shareholders of the Company	歸屬於本公司股東的資本及儲備			
Share capital	股本	33	38,702	38,702
Reserves	儲備	35	5,259,996	4,344,853
			5,298,698	4,383,555
Non-controlling interests	非控制性權益	36	805,533	377,340
Total equity	總權益		6,104,231	4,760,895
Total liabilities and equity	總負債及權益		25,842,208	26,775,274

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

上述綜合資產負債表應與隨附附註一併閱讀。

The financial statements on pages 135 to 361 were approved by the Board of Directors on 27 March 2020 and were signed on its behalf.

第135至361頁所載的財務報表已於二零二零年三月二十七日經董事局批准，並由以下人士代表簽署。

Zhou Qin

周勤

Director

董事

Shen Leying

申樂瑩

Director

董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

		Attributable to the shareholders of the Company 歸屬於本公司股東						Non-controlling interests 非控制性權益 (note 36) (附註 36)	Total equity 總權益 (note 36) (附註 36)
		Share Capital 股本 (note 33) (附註 33)	Convertible Perpetual securities 可換股永久證券 (note 35) (附註 35)	Reserves 儲備 (note 35) (附註 35)	Total 總計				
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元			RMB'000 人民幣千元	RMB'000 人民幣千元
Notes 附註									
At 1 January 2018	於二零一八年一月一日	31,800	495,425	2,920,045	3,447,270		205,116		3,652,386
Profit for the year	年度利潤	–	–	1,112,774	1,112,774		327,796		1,440,570
Other comprehensive loss	其他全面虧損								
Exchange differences on translation of foreign operations	換算海外業務產生的匯兌差額	–	–	(129,029)	(129,029)		2,233		(126,796)
Revaluation gain on the property transferring from property, plant and equipment to investment properties	自不動產、工廠及設備轉移至投資性物業的物業重估利得	19	–	14,515	14,515		–		14,515
Total comprehensive income for the year	年度全面收益總額	–	–	998,260	998,260		330,029		1,328,289
Issue of ordinary shares as capitalisation of shareholder loans	就股東貸款資本化發行普通股		3,000	251,997	254,997		–		254,997
Shares held for share award scheme	就股份獎勵計劃而持有的股份	34	–	(17,486)	(17,486)		–		(17,486)
Contribution from non-controlling interests	非控制性權益注資	36	–	–	–		13,498		13,498
Acquisition of subsidiaries	收購附屬公司	38	–	–	–		17,247		17,247
Distribution to non-controlling interests	向非控制性權益分派	44	–	–	–		(188,550)		(188,550)
Accrued distribution to holders of convertible perpetual securities	可換股永久證券持有人應計分派		–	29,599	(29,599)		–		–
Distributions to holders of convertible perpetual securities	向可換股永久證券持有人分派		–	(51,648)	(51,648)		–		(51,648)
Conversion of convertible perpetual securities to ordinary shares	將可換股永久證券兌換為普通股		3,902	(364,220)	360,318		–		–
Redemption of convertible perpetual securities	贖回可換股永久證券		–	(109,156)	(109,156)		–		(109,156)
Dividend	股息	14	–	(138,682)	(138,682)		–		(138,682)
Subtotal of transactions with shareholders	與股東交易小計		6,902	(495,425)	426,548		(157,805)		(219,780)
At 31 December 2018	於二零一八年十二月三十一日		38,702	–	4,344,853		377,340		4,760,895

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

	Notes 附註	Attributable to the shareholders of the Company 歸屬於本公司股東				
		Share Capital	Reserves	Total	Non- controlling interests	Total equity
		股本 (note 33) (附註 33) RMB'000 人民幣千元	儲備 (note 35) (附註 35) RMB'000 人民幣千元	總計 RMB'000 人民幣千元	非控制性 權益 (note 36) (附註 36) RMB'000 人民幣千元	總權益 RMB'000 人民幣千元
At 1 January 2019 as originally presented	於二零一九年一月一日， 按原先呈列	38,702	4,344,853	4,383,555	377,340	4,760,895
Changes in accounting policies	會計政策變動 2.2.1	-	7,816	7,816	-	7,816
Restated balance at 1 January 2019	於二零一九年一月一日 的經重列結餘	38,702	4,352,669	4,391,371	377,340	4,768,711
Profit for the year	年度利潤	-	1,171,943	1,171,943	326,191	1,498,134
Other comprehensive loss	其他全面虧損					
Revaluation gain on the property transferring from property, plant and equipment to investment properties	自不動產、工廠及設備轉移至投資性物業的物業重估利得 19	-	1,383	1,383	-	1,383
Exchange differences on translation of foreign operations	換算海外業務產生的匯兌差額	-	(55,981)	(55,981)	2,913	(53,068)
Total comprehensive income for the year	年度全面收益總額	-	1,117,345	1,117,345	329,104	1,446,449
Shares held for share award scheme	就股份獎勵計劃而持有的股份 34	-	(29,154)	(29,154)	-	(29,154)
Contribution from non-controlling interests	非控制性權益注資	-	-	-	2,424	2,424
Acquisition of subsidiaries	收購附屬公司 38	-	-	-	104,153	104,153
Disposal of subsidiaries	出售附屬公司 39	-	-	-	(2,693)	(2,693)
Transaction with non-controlling interests	與非控制性權益交易	-	-	-	(4,795)	(4,795)
Dividend	股息 14	-	(180,864)	(180,864)	-	(180,864)
Subtotal of transactions with shareholders	與股東交易小計	-	(210,018)	(210,018)	99,089	(110,929)
At 31 December 2019	於二零一九年 十二月三十一日	38,702	5,259,996	5,298,698	805,533	6,104,231

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes. 上述綜合權益變動表應與隨附附註一併閱讀。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

		For the year ended 截至十二月三十一日止年度	
	Note 附註	31 December 2019 二零一九年 RMB'000 人民幣千元	31 December 2018 二零一八年 RMB'000 人民幣千元
Cash flows from operating activities	經營活動的現金流量		
Cash generated from operations	經營所得現金 37	703,496	2,526,325
Taxes paid	已付稅項	(471,875)	(675,417)
Interest paid	已付利息	(906,696)	(524,154)
<i>Net cash (used in)/generated from operating activities</i>	<i>經營活動(所用)/所得現金淨額</i>	(675,075)	1,326,754
Cash flows from investing activities	投資活動的現金流量		
Interest received	已收利息	33,338	94,489
Capital injection to joint ventures	於合營企業注資 18	(533,825)	(669,792)
Collection of investment in joint ventures	收回於合營企業的投資 18	383,396	–
Capital injection to associates	於聯營公司注資 17	(10,200)	(400)
Collection of investment in associates	收回於聯營公司的投資 17	401	–
Dividend from joint ventures	來自合營企業的股息 18	58,037	239,724
Dividend from associates	來自聯營公司的股息 17	94,719	33,200
Proceeds from disposal of subsidiaries, net of cash and cash equivalents	出售附屬公司所得款項，扣除現金及現金等價物 39	(25,062)	134,268
Payment for acquisition of subsidiaries, net of cash and cash equivalents	就收購附屬公司付款，扣除現金及現金等價物 38	(91,382)	(184,368)
Proceeds from disposal of joint ventures	出售合營企業所得款項 18	–	24,000
Purchases of property, plant and equipment	購買不動產、工廠及設備	(62,292)	(668,727)
Leasehold long-term rental apartment renovation expenditure	出租長租公寓裝修支出	(145,715)	–
Proceeds from disposal of property, plant and equipment	出售不動產、工廠及設備所得款項	11	1
Development expenditure for internally generated software	內部開發軟件開發成本 22	(1,434)	(2,279)
Funding to related parties	向關聯方出資 40 (g)	(1,788,961)	(1,872,775)
Collection of funding to related parties	收回向關聯方提供的資金 40 (g)	1,888,147	1,892,797
Advance to non-controlling interests	向非控制性權益墊款	(156,900)	(49,550)
Collection of advance to non-controlling interests	收回向非控制性權益墊款	–	112,091
Collection of lending to third parties	收回向第三方作出的借款	–	19,802
Acquisition of financial assets at fair value through profit or loss	收購按公允價值計入損益的金融資產	–	(174,134)
Disposal of financial assets at fair value through profit or loss	出售按公允價值計入損益的金融資產	178,924	–
Payment for investing related restricted cash	支付投資相關受限制現金	40,000	–
Collection of investing related restricted cash	收回投資相關受限制現金 29	(20,063)	(30,000)
<i>Net cash used in investing activities</i>	<i>投資活動所用現金淨額</i>	(158,861)	(1,101,653)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

		For the year ended 截至十二月三十一日止年度		
		31 December 2019 二零一九年 RMB'000 人民幣千元	31 December 2018 二零一八年 RMB'000 人民幣千元	
	Note 附註			
Cash flows from financing activities	融資活動的現金流量			
Proceeds from borrowings	借款所得款項	37	4,538,511	6,248,362
Repayment of borrowings	償還借款	37	(4,115,078)	(4,789,111)
Proceeds from related parties	來自關聯方的所得款項	37	328,608	2,320,053
Repayment to related parties	向關聯方還款	37	(619,745)	(1,374,887)
Funding from non-controlling interests	來自非控制性權益的資金		–	3,373
Repayment of funding from non-controlling interests	向非控制性權益還款	37	(178,000)	(14,167)
Contribution from non-controlling interests	非控制性權益注資	36	2,424	13,498
Distribution to non-controlling interests	向非控制性權益分派	36	–	(188,550)
Dividends to shareholders of the Company	已付本公司股東的股息	14	(149,007)	(136,537)
Distributions to holders of convertible perpetual securities	向可換股永久證券持有人分派		–	(51,648)
Redemption of convertible perpetual securities	贖回可換股永久證券		–	(109,156)
Principal elements of lease payments	租賃付款本金部分	37	(111,210)	–
Share buy back for employee share trust	就僱員股份信託購回股份	34	(32,017)	–
Acquisition of additional interest in a subsidiary	收購一間附屬公司的額外權益	36	(4,795)	–
Payment for financing related restricted cash	支付融資相關受限制現金		(14,338)	(216,575)
Collection of financing related restricted cash	收回融資相關受限制現金		221,964	–
Net cash (used in)/generated from financing activities	融資活動(所用)/所得現金淨額		(132,683)	1,704,655
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨額		(966,619)	1,929,756
Cash and cash equivalents at 1 January	於一月一日的現金及現金等價物		5,404,956	3,341,835
Effect of foreign exchange rate changes	外幣匯率變動影響		66,056	133,365
Cash and cash equivalents at 31 December	於十二月三十一日的現金及現金等價物	29	4,504,393	5,404,956

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes. 上述綜合現金流量表應與隨附附註一併閱讀。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

1 GENERAL INFORMATION

Landsea Green Properties Co., Ltd. (formerly known as “Landsea Green Group Co., Ltd.”, the “Company”) was incorporated in Bermuda as an exempted company with limited liability. On 8 October 2019, the name of the Company was changed from “Landsea Green Group Co., Ltd.” to “Landsea Green Properties Co., Ltd.” pursuant to a special resolution passed by the Shareholders. The addresses of its registered office and principal place of business are Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda and Unit 5103, 51/F., The Center, 99 Queen’s Road Central, Hong Kong. The Company’s shares are listed on The Stock Exchange of Hong Kong Limited (“SEHK”).

The Company is an investment holding company. Details of the activities of its principal subsidiaries are set out in note 42 to the consolidated financial statements. The Company and its subsidiaries are referred to as the “Group” hereinafter. The Group is principally engaged in development and sales of properties, provision of management services and leasing of properties.

The immediate holding company and the ultimate controlling company of the Company are Greensheid Corporation, a company established in the British Virgin Islands (the “BVI”) and 朗詩集團股份有限公司 (Landsea Group Co., Ltd. (“Landsea Group”)), a company established in the People’s Republic of China (the “PRC”), respectively. The ultimate controlling shareholder of the Company is 田明 (“Mr. Tian”), a director of the Company.

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

The financial statements were approved for issue by the board of directors on 27 March 2020.

1 一般資料

朗詩綠色地產有限公司(前稱「朗詩綠色集團有限公司」,「本公司」)為於百慕達註冊成立的獲豁免有限公司。於二零一九年十月八日,根據股東通過的特別決議案,本公司名稱由「Landsea Green Group Co., Ltd.(朗詩綠色集團有限公司)」更改為「Landsea Green Properties Co., Ltd.(朗詩綠色地產有限公司)」,註冊辦事處地址及主要業務地點分別為Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda以及香港中環皇后大道中99號中環中心51樓5103室。本公司股份於香港聯合交易所有限公司(「香港聯交所」)上市。

本公司為投資控股公司。主要附屬公司的業務詳情載於綜合財務報表附註42。本公司及其附屬公司於下文統稱為「本集團」。本集團主要從事房地產開發與銷售、提供管理服務及出租物業業務。

本公司的直系控股公司及最終控股公司分別為Greensheid Corporation(於英屬維爾京群島(「英屬維爾京群島」)成立的公司)及朗詩集團股份有限公司(「朗詩集團」,於中華人民共和國(「中國」)成立的公司)。本公司的最終控股股東為本公司董事田明(「田先生」)。

除非另有所指,否則本財務報表以人民幣千元(「人民幣千元」)呈報。

本財務報表經由董事局於二零二零年三月二十七日批准刊發。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of the Company and its subsidiaries.

2.1 BASIS OF PREPARATION

(a) Compliance with HKFRS and HKCO

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

(b) Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention, except for certain financial assets and investment properties measured at fair value.

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

2 主要會計政策摘要

編製本綜合財務報表所應用的主要會計政策載於下文。除另有說明外，此等政策已於所列報的全部年度貫徹應用。本集團的財務報表包括本公司及其附屬公司。

2.1 編製基準

(a) 遵守香港財務報告準則及香港公司條例

本集團的綜合財務報表已按照香港財務報告準則（「香港財務報告準則」）及香港公司條例的披露條文編製。

(b) 歷史成本慣例

綜合財務報表已根據歷史成本慣例編製，惟若干金融資產及投資性物業按公允價值計量除外。

編製符合香港財務報告準則的財務報表須使用若干關鍵會計估計。管理層亦須在應用本集團會計政策過程中作出判斷。涉及高度判斷或高度複雜性的範疇，或涉及對綜合財務報表作出重大假設及估計的範疇於附註4披露。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 BASIS OF PREPARATION (Continued)

(c) New and amended standards adopted by the Group

A number of new or revised standards, amendments and interpretations to existing standards are mandatory for the financial year beginning on 1 January 2019:

- HKFRS 16 — Leases (“HKFRS 16”)
- Amendments to HKFRS 9 — Prepayment Features with Negative Compensation
- Amendments to HKAS 28 — Long-term Interests in Associates and Joint Ventures
- Annual Improvements to HKFRS Standards 2015–2017 Cycle
- Amendments to HKAS 19 — Plan Amendment, Curtailment or Settlement, and
- HK (IFRIC) 23 Uncertainty over Income Tax Treatments.

The Group also elected to early adopt the following amendments which is mandatory for annual periods beginning on or after 1 January 2020:

- Amendments to HKFRS 3 — Definition of a Business.

The effects of the adoption of HKFRS 16 and Amendments to HKFRS 3 are disclosed in note 2.2. The other standards, amendments and interpretations described above are either currently not relevant to the Group or had no material impact on the Group’s financial performance and position.

2 主要會計政策摘要(續)

2.1 編製基準(續)

(c) 本集團採納的新訂及經修訂準則

多項新訂或經修訂準則、現有準則的修改及詮釋於二零一九年一月一日開始的財政年度強制生效：

- 香港財務報告準則第16號 — 租賃(「香港財務報告準則第16號」)
- 香港財務報告準則第9號(修改) — 提早還款特性及負補償
- 香港會計準則第28號(修改) — 於聯營公司及合營企業的長期權益
- 香港財務報告準則二零一五年至二零一七年週期的年度改進
- 香港會計準則第19號(修改) — 計劃修訂、縮減或結算，及
- 香港(國際財務報告詮釋委員會) — 詮釋第23號具有不確定性的所得稅處理。

本集團亦選擇提前採納下列於二零二零年一月一日或之後開始的年度期間強制生效的修改：

- 香港財務報告準則第3號(修改) — 業務的定義。

採納香港財務報告準則第16號及香港財務報告準則第3號(修改)的影響於附註2.2披露。上文所述其他準則、修改及詮釋目前與本集團無關或對本集團的財務表現及狀況並無重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 BASIS OF PREPARATION (Continued)

(d) New standards and interpretations not yet adopted

Certain new accounting standards, amendments and interpretations to existing standards have been published that are not mandatory for the financial year beginning 1 January 2019 and relevant to the Group and have not been early adopted by the Group.

Standards, amendments and interpretations		Effective for annual periods beginning on or after 於以下日期或之後開始的年度期間生效
準則、修改及詮釋		
HKFRS 17	Insurance contracts	1 January 2021 (likely to be extended to 1 January 2022)
香港財務報告準則第17號	保險合約	二零二一年一月一日 (有可能延後至二零二二年一月一日)
Amendments to HKAS 1 and HKAS 8	Definition of material	1 January 2020
香港會計準則第1號及香港會計準則第8號(修改)	重大的定義	二零二零年一月一日
Revised Conceptual Framework for Financial Reporting	Conceptual Framework	1 January 2020
經修訂財務報告概念框架	概念框架	二零二零年一月一日
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined
香港財務報告準則第10號及香港會計準則第28號(修改)	投資者與其聯營公司或合營企業之間的資產出售或出資	待定

The standards, amendments and interpretations described above are either currently not relevant to the Group or had no material impact on the Group's financial performance and position.

2 主要會計政策摘要(續)

2.1 編製基準(續)

(d) 尚未採納的新訂準則及詮釋

若干已頒佈但尚未於二零一九年一月一日開始的財政年度強制生效並與本集團有關且本集團並無提前採納的新會計準則、現有準則的修改及詮釋。

上文所述準則、修改及詮釋目前與本集團無關或對本集團的財務表現及狀況並無重大影響。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 CHANGES IN ACCOUNTING POLICIES

This note explains the impact of the adoption of HKFRS 16 and Amendments to HKFRS 3 on the Group's consolidated financial statements.

2.2.1 HKFRS 16 – Impact of adoption

As indicated in note 2.1 above, the Group has adopted HKFRS 16 Leases retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognized in the opening balance sheet on 1 January 2019. The new accounting policies are disclosed in note 2.34.

(a) Practical expedients applied

In applying HKFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review — there were no onerous contracts as at 1 January 2019;
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases;

2 主要會計政策摘要(續)

2.2 會計政策變更

本附註解釋採納香港財務報告準則第16號及香港財務報告準則第3號(修改)對本集團綜合財務報表造成的影響。

2.2.1 香港財務報告準則第16號－採納的影響

誠如上文附註2.1所載，本集團自二零一九年一月一日起追溯採納香港財務報告準則第16號租賃，惟於該準則的具體過渡條文所准許下未有重列二零一八年報告期間的比較數字。因此，新租賃規則所產生的重新分類及調整於二零一九年一月一日的期初資產負債表確認。新會計準則於附註2.34披露。

(a) 所應用實際權宜方法

於首次應用香港財務報告準則第16號時，本集團已採用該準則所准許的實際權宜方法如下：

- 對具有合理相似特徵的租賃組合使用單一貼現率；
- 依賴先前釐定租賃是否繁重的評估以代替進行減值評估－於二零一九年一月一日並無繁重合約；
- 將於二零一九年一月一日餘下租期少於12個月的經營租賃入賬列作短期租賃；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 CHANGES IN ACCOUNTING POLICIES

(Continued)

2.2.1 HKFRS 16 – Impact of adoption (Continued)

(a) *Practical expedients applied (Continued)*

- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and;
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying HKAS 17 and HK(IFRIC) 4 Determining whether an Arrangement contains a Lease.

(b) *Measurement of lease liabilities*

On adoption of HKFRS 16, the Group recognized lease liabilities in relation to leases which had previously been classified as ‘operating leases’ under the principles of HKAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of 1 January 2019. The weighted average lessee’s incremental borrowing rate applied to the lease liabilities on 1 January 2019 were ranging from 6.0% to 8.5%.

2 主要會計政策摘要(續)

2.2 會計政策變更(續)

2.2.1 香港財務報告準則第16號－採納的影響(續)

(a) *所應用實際權宜方法(續)*

- 於首次應用日期撇除初始直接成本以計量使用權資產；及
- 倘合約包含延長或終止租約的選擇權，則可在確定租期時使用事後分析。

本集團亦已選擇不在首次應用日期重新評估合約是否屬於或包含租賃。相反，對於在過渡日期之前訂立的合約，本集團依賴其應用香港會計準則第17號及香港(國際財務報告詮釋委員會)－詮釋第4號釐定安排是否包含租賃作出的評估。

(b) *計量租賃負債*

於採納香港財務報告準則第16號時，本集團就先前根據香港會計準則第17號租賃原則分類為「經營租賃」的租賃確認租賃負債。該等負債按餘下租賃付款的現值計量，並按於二零一九年一月一日的承租人增量借款利率貼現。於二零一九年一月一日適用於租賃負債的加權平均承租人增量借款利率介乎6.0%至8.5%。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 CHANGES IN ACCOUNTING POLICIES

(Continued)

2.2.1 HKFRS 16 – Impact of adoption (Continued)

(b) Measurement of lease liabilities (Continued)

		RMB'000 人民幣千元
Operating lease commitments disclosed as at 31 December 2018 (note 42)	於二零一八年十二月三十一日披露的經營租賃承擔(附註42)	8,790,894
Discounted using the lessee's incremental borrowing rate of at the date of initial application	採用於首次應用日期的承租人增量借款利率貼現	5,345,721
Less: Short-term leases recognized on a straight-line basis as expense	減：以直線法確認為開支的短期租賃	(194)
Low – value leases recognized on a straight-line basis as expense	以直線法確認為開支的低價值租賃	(123)
Adjustments as a result of different treatment of termination options	就終止選擇權的不同處理而作出的調整	(251,702)
Lease liability recognized as at 1 January 2019	於二零一九年一月一日確認的租賃負債	5,093,702
Of which are:	其中為：	
Current lease liabilities	流動租賃負債	200,132
Non-current lease liabilities	非流動租賃負債	4,893,570
		5,093,702

2 主要會計政策摘要(續)

2.2 會計政策變更(續)

2.2.1 香港財務報告準則第16號－採納的影響(續)

(b) 計量租賃負債(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 CHANGES IN ACCOUNTING POLICIES

(Continued)

2.2.1 HKFRS 16 – Impact of adoption (Continued)

(c) *Measurement of right-of-use assets*

Right-of-use assets together with leasehold improvements leased out as long-term rental apartment were classified as investment properties and carried at fair value. Other right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet as at 31 December 2018. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

2 主要會計政策摘要(續)

2.2 會計政策變更(續)

2.2.1 香港財務報告準則第16號－採納的影響(續)

(c) *計量使用權資產*

使用權資產及長租公寓租賃樓宇裝修分類為投資性物業，並按公允價值入賬。其他使用權資產按相等於租賃負債的金額計量，並按與於二零一八年十二月三十一日資產負債表確認有關租賃的任何預付或應計租賃付款金額作出調整。概無須於首次應用日期對使用權資產作出調整的繁重租賃合約。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 CHANGES IN ACCOUNTING POLICIES

(Continued)

2.2.1 HKFRS 16 – Impact of adoption (Continued)

(c) Measurement of right-of-use assets (Continued)

2 主要會計政策摘要 (續)

2.2 會計政策變更 (續)

2.2.1 香港財務報告準則第16號 – 採納的影響 (續)

(c) 計量使用權資產 (續)

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	1 January 2019 二零一九年 一月一日 RMB'000 人民幣千元
Investment properties (note 19)	投資性物業 (附註 19)	–	5,960,000
Right-of-use assets (note 21)	使用權資產 (附註 21)		
– Office properties	– 辦公物業	38,817	57,497
– Furniture, fixtures and office equipment	– 傢俱、裝置及辦公設備	958	709
		39,775	6,018,206
Reconciliation with lease liability:	與租賃負債對賬：		
Lease liability recognized as at 1 January 2019	於二零一九年一月一日 確認的租賃負債		5,093,702
Adjusted by:	經以下各項調整：		
– Prepaid lease	– 預付租賃		307,937
– Accrued rental payable	– 應計應付租金		(64,284)
Add: Leasehold improvement reclassified from property, plant and equipment to investment properties	加：自不動產、工廠及設備 重新分類至投資性 物業的租賃 樓宇裝修		670,430
Fair value gain on investment properties	投資性物業的公允價值利得		10,421
Right-of-use assets recognized as at 1 January 2019	於二零一九年一月一日 確認的使用權資產		6,018,206

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 CHANGES IN ACCOUNTING POLICIES

(Continued)

2.2.1 HKFRS 16 – Impact of adoption (Continued)

- (d) Adjustments recognized in the balance sheet on 1 January 2019

The following tables show the adjustments recognized for each individual line item. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided.

2 主要會計政策摘要(續)

2.2 會計政策變更(續)

2.2.1 香港財務報告準則第16號－採納的影響(續)

- (d) 截至二零一九年一月一日於資產負債表確認的調整

下表顯示就各個別項目確認的調整，惟不包括不受變動影響的項目。因此，所披露的小計及總計不得按所列數字重新計算。

Consolidated balance sheet (extract)	綜合資產負債表 (摘錄)	As at 31 December 2018 於二零一八年十二月三十一日 RMB'000 人民幣千元	Effect of adoption of HKFRS 16 採納香港財務報告準則第16號的影響 RMB'000 人民幣千元	As at 1 January 2019 於二零一九年一月一日 RMB'000 人民幣千元
Non-current assets	非流動資產			
Investment properties	投資性物業	505,630	5,960,000	6,465,630
Property, plant and equipment	不動產、工廠及設備	1,234,573	(670,430)	564,143
Right-of-use assets	使用權資產	–	58,206	58,206
Deferred income tax assets	遞延所得稅資產	352,469	(2,605)	349,864
Current assets	流動資產			
Trade and other receivables, prepayments and deposits	應收賬款及其他應收款、預付款及按金	2,676,639	(307,937)	2,368,702
Total assets	資產總值	<u>26,775,274</u>	<u>5,037,234</u>	<u>31,812,508</u>
Non-current liabilities	非流動負債			
Lease liabilities	租賃負債	–	4,893,570	4,893,570
Current liabilities	流動負債			
Trade and other payables	應付賬款及其他應付款	6,912,769	(64,284)	6,848,485
Lease liabilities	租賃負債	–	200,132	200,132
Total liabilities	負債總額	<u>22,014,379</u>	<u>5,029,418</u>	<u>27,043,797</u>
Equity	權益			
Reserves	儲備	3,078,033	7,816	3,085,849
Total equity	權益總額	<u>4,760,895</u>	<u>7,816</u>	<u>4,768,711</u>

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 CHANGES IN ACCOUNTING POLICIES

(Continued)

2.2.1 HKFRS 16 – Impact of adoption (Continued)

- (e) *Lessor accounting*
Group did not need to make any adjustments to the accounting for assets held as lessor under operating leases as a result of the adoption of HKFRS 16.
- (f) *Accounting policies applied until 31 December 2018*
The Group leases certain properties. Leases of properties where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in finance lease liabilities. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

2 主要會計政策摘要(續)

2.2 會計政策變更(續)

2.2.1 香港財務報告準則第16號－採納的影響(續)

- (e) *出租人會計處理*
本集團毋須就採納香港財務報告準則第16號對經營租賃項下作為出租人持有的資產相關會計處理作出任何調整。
- (f) *直至二零一八年十二月三十一日止適用的會計政策*
本集團租賃若干物業。凡物業的擁有權所涉及的大部分風險及回報由本集團擁有的租賃，分類為融資租賃。融資租賃於租賃開始時按租賃物業的公允價值及最低租金付款的現值兩者中的較低者資本化。相應的租金責任(扣除融資費用)計入融資租賃負債。各租賃付款於負債及融資費用之間分配。融資費用於租賃期以固定利率將負債餘額自每個期間的損益表中扣除。倘未能合理確定本集團將於租期結束時取得擁有權，則根據融資租賃收購的不動產、工廠及設備於資產使用年期按資產使用年期與租期之間的較短者折舊。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 CHANGES IN ACCOUNTING POLICIES

(Continued)

2.2.1 HKFRS 16 – Impact of adoption (Continued)

- (f) *Accounting policies applied until 31 December 2018 (Continued)*

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Lease income from operating leases where the Group is a lessor is recognized in income on a straight-line basis over the lease term. The respective leased assets are included in the balance sheet based on their nature.

2.2.2 Adoption of amendments to HKFRS 3 – Definition of a Business

The Group elected to adopt the “Amendments to HKFRS 3 – Definition of a Business” from 1 January 2019.

- (a) *Definition of a Business applied from 1 January 2019*

The definition of a business was amended. To be considered a business, an acquisition would have to include an input and a substantive process that together significantly contribute to the ability to create outputs. The new guidance provides a framework to evaluate when an input and a substantive process are present. The new model also introduces an optional concentration test that, if met, eliminates the need for further assessment.

2 主要會計政策摘要(續)

2.2 會計政策變更(續)

2.2.1 香港財務報告準則第16號－採納的影響(續)

- (f) 直至二零一八年十二月三十一日止適用的會計政策(續)

凡擁有權所涉及大部分風險及回報由出租人保留的租賃，分類為經營租賃。根據經營租賃所付租金在扣除來自出租人的任何優惠後，在租期以直線法在損益扣除。

倘本集團為出租人，來自經營租賃的租賃收入於租期內按直線法確認收入。各出租資產根據其性質計入資產負債表。

2.2.2 採納香港財務報告準則第3號(修改)－業務的定義

本集團選擇自二零一九年一月一日起採納「香港財務報告準則第3號(修改)－業務的定義」。

- (a) 自二零一九年一月一日起適用的業務的定義

業務的定義已修改。如要被視為業務，收購必須包括一項投入及一項實質性流程，兩者共同對創造產出的能力有重大貢獻。新指引提供用於評估投入及實質性流程存在時間的框架。新模式亦引入選擇性集中測試，倘符合有關測試，則毋須進一步評估。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 CHANGES IN ACCOUNTING POLICIES

(Continued)

2.2.2 Adoption of amendments to HKFRS 3 –

Definition of a Business (Continued)

- (a) Definition of a Business applied from 1 January 2019 (Continued)

Concentration test

Under the concentration test, the Group considers whether substantially all of the fair value of the gross assets acquired is concentrated in a single asset (or a group of similar assets). If so, the assets acquired would not represent a business and no further analysis is required. Gross assets acquired exclude cash, deferred tax assets and any goodwill that results from the effects of deferred tax liabilities. The fair value of the gross assets acquired can usually be determined based on the consideration transferred (plus the fair value of any non-controlling interest and previously held interest, if any) plus the fair value of any liabilities assumed, other than deferred tax liabilities. In order to compare like with like, any items excluded from the “gross assets acquired” would also be excluded from the fair value of gross assets acquired calculation.

The Group carefully considers the specific facts and circumstances, including class of property and location when concluding whether assets purchased in a transaction are similar. A group of properties are not similar if they have significantly different risk characteristics.

2 主要會計政策摘要(續)

2.2 會計政策變更(續)

2.2.2 採納香港財務報告準則第3號(修改) – 業務的定義(續)

- (a) 自二零一九年一月一日起適用的業務的定義(續)

集中測試

根據集中測試，本集團會考慮所收購總資產的全部公允價值是否實質集中於單一資產(或一組類似資產)。倘屬實，所收購資產將不代表一項業務，且毋須進一步分析。所收購總資產不包括現金、遞延稅項資產以及因遞延稅項負債影響而產生的任何商譽。所收購總資產的公允價值通常可根據已轉移代價(另加任何非控制性權益及先前持有權益(如有)的公允價值)另加所承擔任何負債(遞延稅項負債除外)的公允價值確定。為比較類似情況，「所收購總資產」以外的任何項目亦不獲納入所收購總資產公允價值的計算中。

本集團於斷定交易所收購資產是否類似時仔細考慮具體事實及情況，包括房地產的級別及地點。倘其有明顯不同的風險特徵，則該組不動產並不類似。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 CHANGES IN ACCOUNTING POLICIES

(Continued)

2.2.2 Adoption of amendments to HKFRS 3 –

Definition of a Business (Continued)

(a) Definition of a Business applied from 1 January 2019 (Continued)

Amended definition of business

The amended HKFRS 3 requires a business to include, as a minimum, an input and a substantive process that together significantly contribute to the ability to create output. Outputs are defined as “the results of inputs and processes applied to those inputs that provide goods or services to customers, generate investment income (such as dividends or interest) or generate other income from ordinary activities”.

If there is no outputs, an acquired process is considered substantive where:

- the process is critical in converting an acquired input to an output;
- the inputs acquired include an organized workforce that has the necessary skills, knowledge and experience to perform that process; and
- other inputs are acquired that can be developed or converted into outputs by the organized workforce, for example, intellectual property, other economic resources that could be developed to create outputs, or rights to obtain materials or that enable future output to be created.

2 主要會計政策摘要(續)

2.2 會計政策變更(續)

2.2.2 採納香港財務報告準則第3號(修改) – 業務的定義(續)

(a) 自二零一九年一月一日起適用的業務的定義(續)

業務的經修訂定義

香港財務報告準則第3號(修改)規定業務至少須包括一項投入及一項實質性流程，兩者共同對創造產出的能力有重大貢獻。產出定義為「投入及流程的結果適用於向客戶提供商品或服務、產生投資收益(例如股息或利息)或日常活動所產生其他收入的投入」。

倘並無產出，收購流程在以下情況被認為具實質性：

- 流程對於所收購投入轉換至投入時至關重要；
- 所收購投入包括具備執行該流程所需技能、知識及經驗的有組織工作團隊；及
- 有組織工作團隊可將所收購的其他投入開發或轉換至投入，例如知識產權、可開發創造產出的其他經濟資源，或獲得有助創造未來產出的材料的權利。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 CHANGES IN ACCOUNTING POLICIES

(Continued)

2.2.2 Adoption of amendments to HKFRS 3 –

Definition of a Business (Continued)

(a) Definition of a Business applied from 1 January 2019 (Continued)

Amended definition of business (Continued)

If outputs exist, an acquired process is considered substantive where, either:

- the process is critical in continuing to produce outputs, and the input includes an organized workforce with the necessary skills, knowledge or experience to perform that process; or
- the process significantly contributes to the ability to continue to produce outputs and is unique or scarce or cannot be replaced without significant cost.

The early adoption of the amendments to HKFRS 3 does not have any impact on the Group's beginning retained earnings, nor is profit for the year ended 31 December 2019 affected. Nevertheless, it resulted in more acquisitions accounted for as asset acquisition.

2 主要會計政策摘要(續)

2.2 會計政策變更(續)

2.2.2 採納香港財務報告準則第3號(修改) – 業務的定義(續)

(a) 自二零一九年一月一日起適用的業務的定義(續)

業務的經修訂定義(續)

倘出現產出，收購流程在以下任何一個情況被認為具實質性：

- 流程對於持續產生產出至關重要，而投入包括具備執行該流程所需技能、知識及經驗的有組織工作團隊；或
- 流程對繼續產生產出的能力有重大貢獻，且屬獨特或稀有或須有大量成本方能取而代之。

提前採納香港財務報告準則第3號(修改)對本集團的期初留存收益並無任何影響，而截至二零一九年十二月三十一日止年度的利潤亦未受影響。然而，其導致更多的收購入賬為資產收購。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 CHANGES IN ACCOUNTING POLICIES

(Continued)

2.2.2 Adoption of amendments to HKFRS 3 –

Definition of a Business (Continued)

(b) Definition of a Business applied until 31 December 2018

A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs, or other economic benefits directly to investors or other owners, members, or participants.

A business consists of inputs and processes applied to those inputs that have the ability to create outputs. Although businesses usually have outputs, outputs are not required for an integrated set to qualify as a business. The three elements of a business are defined as follows:

- Input: any economic resource that creates, or has the ability to create, outputs when one or more processes are applied to it. Examples include non-current assets (including intangible assets or rights to use non-current assets), intellectual property, the ability to obtain access to necessary materials or rights, and employees.

2 主要會計政策摘要(續)

2.2 會計政策變更(續)

2.2.2 採納香港財務報告準則第3號(修改) – 業務的定義(續)

(b) 直至二零一八年十二月三十一日止適用的業務的定義

業務為直接向投資者或其他擁有人、成員或參與者提供股息、降低成本或其他經濟利益等形式的回報而進行或管理的一整套活動及資產。

業務由投入以及應用該等投入而有能力產生產出的流程組成。儘管業務通常包含產出，惟並無規定必須有產出方符合資格構成一整套業務。業務的三大要素定義如下：

- 投入：透過應用一個或多個流程而產生或有能力產生產出的任何經濟資源。例子包括非流動資產(包括無形資產或使用非流動資產的權利)、知識產權、獲取必要材料或權利的能力以及僱員。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 CHANGES IN ACCOUNTING POLICIES

(Continued)

2.2.2 Adoption of amendments to HKFRS 3 –

Definition of a Business (Continued)

(b) Definition of a Business applied until 31 December 2018 (Continued)

- Process: any system, standard, protocol, convention, or rule that when applied to an input, or inputs, creates or has the ability to create outputs. Examples include strategic management processes, operational processes, and resource management processes. These processes typically are documented, but an organized workforce having the necessary skills and experience following rules and conventions may provide the necessary processes that are capable of being applied to inputs to create outputs. Accounting, billing, payroll, and other administrative systems typically are not processes used to create outputs.
- Output: the result of inputs and processes applied to those inputs that provide or have the ability to provide a return in the form of dividends, lower costs, or other economic benefits directly to investors or other owners, members, or participants.

2 主要會計政策摘要(續)

2.2 會計政策變更(續)

2.2.2 採納香港財務報告準則第3號(修改) – 業務的定義(續)

(b) 直至二零一八年十二月三十一日止適用的業務的定義(續)

- 流程：應用於一項或多項投入時創造或具有創造產出能力的任何系統、標準、協議、慣例或規則。例子包括戰略管理流程、營運流程及資源管理流程。有關流程通常記錄在案，惟具備遵循規則及慣例所需技能及經驗的有組織工作團隊可提供能夠應用於投入以創造產出的必要流程。記賬、開票、支薪及其他管理系統通常並非用於創造產出的流程。
- 產出：投入及應用於該等投入的流程(直接向投資者或其他擁有人、成員或參與者提供或有能力提供股息、降低成本或其他經濟利益等形式的回報)的結果。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 CHANGES IN ACCOUNTING POLICIES

(Continued)

2.2.2 Adoption of amendments to HKFRS 3 –

Definition of a Business (Continued)

(b) Definition of a Business applied until 31 December 2018 (Continued)

To be capable of being conducted and managed for the purposes defined, an integrated set of activities and assets requires two essential elements – inputs and processes applied to those inputs, which together are or will be used to create outputs. However, a business need not include all of the inputs or processes that the seller used in operating that business if market participants are capable of acquiring the business and continuing to produce outputs, for example, by integrating the business with their own inputs and processes.

2.3 SUBSIDIARIES

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

The acquisition method of accounting is used to account for business combinations by the Group (refer to note 2.8).

2 主要會計政策摘要(續)

2.2 會計政策變更(續)

2.2.2 採納香港財務報告準則第3號(修改) – 業務的定義(續)

(b) 直至二零一八年十二月三十一日止適用的業務的定義(續)

為求能夠按界定目的進行及管理，一整套活動及資產需要兩個基本要素 – 投入及應用於該等投入的流程，共同用作或將用於創造產出。然而，若市場參與者有能力收購業務並繼續產生產出(例如透過將業務與其投入及流程加以整合)，則業務毋須包括賣方用於經營有關業務的所有投入或流程。

2.3 附屬公司

附屬公司指本集團對其擁有控制權的所有實體(包括特殊目的實體)。當本集團因參與該實體而承擔可變回報的風險或享有可變回報的權益，並有能力透過對該實體的權力影響該等回報時，本集團即控制該實體。附屬公司在控制權轉移至本集團當日起綜合入賬，並於控制權終止當日起不再綜合入賬。

本集團使用會計收購法為業務合併入賬(請參閱附註2.8)。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 SUBSIDIARIES (Continued)

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

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated balance sheet, consolidated statement of comprehensive income and consolidated statement of changes in equity respectively.

2.4 ASSOCIATES

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see note 2.6 below), after initially being recognized at cost.

2.5 JOINT ARRANGEMENTS

Joint arrangements are classified as either joint ventures or joint operations depending on the contracted rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures.

Interests in joint ventures are accounted for using the equity method (see note 2.6 below), after initially being recognized at cost in the consolidated balance sheet.

2 主要會計政策摘要(續)

2.3 附屬公司(續)

集團內公司間交易、結餘及集團公司間交易的未變現利得會予對銷。除非交易提供證據顯示所轉讓資產已減值，否則未變現虧損亦會對銷。附屬公司的會計政策已於必要時作出調整，確保與本集團所採納的政策一致。

附屬公司業績及權益內的非控制性權益分別於綜合資產負債表、綜合全面收益表及綜合權益變動表列示。

2.4 聯營公司

聯營公司指本集團對其有重大影響力但無控制權或共同控制權的所有實體，通常是本集團持有20%至50%之間的投票權。於聯營公司的投資於初始按成本確認後以權益會計法入賬(請參閱下文附註2.6)。

2.5 聯合安排

聯合安排分類為合營企業或合資營運，視各投資者的合約權利及義務而定。本集團已評估聯合安排的性質及釐定聯合安排為合營企業。

於聯合安排的投資於綜合資產負債表初始按成本確認後使用權益會計法入賬(請參閱下文附註2.6)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 EQUITY ACCOUNTING

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognized as a reduction in the carrying amount of the investment.

When the Group's share of net loss in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 2.15.

2 主要會計政策摘要(續)

2.6 權益會計法

根據權益會計法，投資初始按成本確認，隨後進行調整以確認本集團應佔該投資對象損益賬上的收購後損益，以及本集團應佔該投資對象於其他全面收益的其他全面收益變動。已收或應收聯營公司及合營企業的股息確認為削減投資的賬面值。

當本集團所佔以權益入賬投資的淨虧損相等於或超過其於該實體的權益(包括任何其他無抵押長期應收款)，本集團不會確認進一步虧損，除非其代表其他實體產生責任或作出付款則屬例外。

本集團與其聯營公司及合營企業交易的未變現利得會作出對銷，以本集團於該等實體的權益為限。除非有證據顯示交易中所轉讓資產出現減值，否則未變現虧損亦會對銷。以權益入賬的投資對象的會計政策已於必要時作出變動，確保與本集團所採納的政策一致。

以權益入賬投資的賬面值根據附註2.15所述政策進行減值測試。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 CHANGES IN OWNERSHIP INTERESTS

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity shareholders of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling interests and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized in a separate reserve within equity attributable to shareholders of the Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/ permitted by applicable HKFRSs.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropriate.

2 主要會計政策摘要(續)

2.7 擁有權權益的變動

本集團視與非控制性權益進行不導致失去控制權的交易為與本集團權益股東進行的交易。擁有權權益的變動導致於控制性權益或非控制性權益的賬面值作出調整，以反映彼等於附屬公司的相關權益。非控制性權益調整的款額與已付或已收任何代價之間的差額於本公司股東應佔權益確認為獨立儲備。

當本集團因失去控制權、共同控制權或重大影響而不再將投資綜合入賬或以權益入賬，於實體的保留權益按在損益中的賬面值變動重新計量公允價值。該公允價值就其後聯營公司、合營企業或金融資產的保留權益的入賬而言成為初始賬面值。此外，先前於其他全面收益確認與該實體有關的任何金額按猶如本集團已直接出售有關資產或負債的方式入賬。此舉意味先前在其他全面收益確認的金額按適用香港財務報告準則規定／許可重新分類至損益或轉撥至另一類權益。

倘於合營企業或聯營公司的擁有權權益減少但仍保留共同控制權或重大影響，則僅先前已於其他全面收益內確認的按比例應佔金額會於適當情況下重新分類至損益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 BUSINESS COMBINATIONS

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former shareholders of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

2 主要會計政策摘要(續)

2.8 業務合併

會計收購法用於入賬所有業務合併，而不論所收購者為權益工具或是其他資產。就收購附屬公司轉讓的代價為：

- 所轉讓資產的公允價值
- 所收購業務的前股東所招致的負債
- 本集團所發行的股本權益
- 或然代價安排產生的任何資產或負債的公允價值，及
- 附屬公司任何之前既有的股本權益的公允價值。

於業務合併所收購的可識別資產及所承擔的負債及或然負債，除於有限的例外情況外，初步以彼等於收購日期的公允價值計量，本集團按個別收購基準，按公允價值或按非控制性權益應佔被收購實體的可識別淨資產比例確認在被收購實體的任何非控制性權益。

收購相關成本在產生時支銷。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 BUSINESS COMBINATIONS (Continued)

The excess of the

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

Over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in profit or loss as a bargain purchase.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognized in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in profit or loss.

2 主要會計政策摘要(續)

2.8 業務合併(續)

以下超逾所收購可識別淨資產公允價值的部分

- 所轉讓的代價，
- 於所收購實體的任何非控制性權益款額，及
- 於所收購實體的任何過往股本權益的收購日期公允價值

入賬為商譽。倘該等款額低於所收購業務的可識別淨資產的公允價值，有關差額直接於損益確認為議價收購。

或然負債分類為權益或金融負債。分類為金融負債的款額其後按於損益確認的公允價值變動重新計量公允價值。

如業務合併分階段進行，收購方之前在被收購方持有股本權益於收購日期的賬面值，於收購日期重新計量公允價值。重新計量產生的任何盈虧在損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 SEPARATE FINANCIAL STATEMENTS

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.10 SEGMENT REPORTING

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major business and service lines.

2 主要會計政策摘要(續)

2.9 獨立財務報表

於附屬公司的投資按成本扣除減值入賬。成本包括投資的直接應佔成本。附屬公司的業績由本公司按已收及應收股息入賬。

倘收到附屬公司投資的股息時，所收股息超過附屬公司於宣派股息期間的全面收益總額，或倘該投資於單獨財務報表內的賬面值超過投資對象淨資產(包括商譽)於綜合財務報表內的賬面值時，則須對該投資進行減值測試。

2.10 分部報告

本集團根據定期向執行董事呈報的內部財務資料確定經營分部及編製分部資料，該等財務資料乃供執行董事決定分配資源至本集團各業務分部及檢討該等業務分部表現的基準。向執行董事呈報的內部財務資料的業務分部按本集團的主要業務及服務類別劃分。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 FOREIGN CURRENCY TRANSLATION

(a) *Functional and presentation currency*

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”), which is Hong Kong dollars (HK\$), Renminbi (RMB) and US dollars (US\$) respectively. The consolidated financial statements are presented in RMB.

(b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

All foreign exchange gains and losses are presented in the consolidated statement of comprehensive income within “other gains/(losses) — net”.

2 主要會計政策摘要(續)

2.11 外幣換算

(a) *功能及呈報貨幣*

綜合財務報表所列項目均以實體營運所在主要經濟環境的貨幣(「功能貨幣」)(即分別為港元、人民幣及美元)計量。綜合財務報表以人民幣呈報。

(b) *交易及結餘*

外幣交易採用交易日的現行匯率換算為功能貨幣。結算有關交易所產生的匯兌利得及虧損以及將外幣貨幣資產及負債以年終匯率換算所產生的匯兌利得及虧損一般於損益內確認。倘外幣交易與合資格現金流對沖及合資格投資淨額對沖有關或應佔外國業務淨資產的部分，則於權益列為遞延項目。

所有匯兌利得及虧損於綜合全面收益表的「其他利得／(虧損)淨額」呈列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 FOREIGN CURRENCY TRANSLATION

(Continued)

(c) Group companies

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

- assets and liabilities for each balance sheet are translated at the date of that balance sheet;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognized in other comprehensive income.

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

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the shareholders of the Company are reclassified to profit or loss.

2 主要會計政策摘要(續)

2.11 外幣換算(續)

(c) 集團公司

功能貨幣有別於呈報貨幣的海外業務(概無來自嚴重通貨膨脹經濟體的貨幣)的業績及財務狀況均按以下方式換算為呈報貨幣：

- 各資產負債表所呈列的資產與負債按該資產負債表日期換算；
- 各全面收益表的收益及費用按平均匯率換算，除非該平均匯率並非各交易日的現行匯率累積影響的合理約數，在此情況下，收益及費用按各交易日的匯率換算；及
- 所有由此產生的匯兌差額於其他全面收益內確認。

收購海外實體所產生的商譽及公允價值調整視作該海外實體的資產及負債，並按收市匯率換算。

於出售海外業務(即出售本集團於該海外業務的全部權益，或涉及失去包括海外業務的附屬公司的控制權的出售)時，就歸屬於本公司股東的業務於權益累計的所有匯兌差額重新分類至損益。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

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

Depreciation is provided to write off the cost of property, plant and equipment to their residual values using the straight-line method over their estimated useful lives:

Leasehold improvements	Over the lease terms
Furniture, fixtures and office equipment	3–10 years
Motor vehicles	5–10 years
Buildings	20 years

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.15).

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized as "other gains/(losses) — net" in the consolidated statement of comprehensive income.

2 主要會計政策摘要(續)

2.12 不動產、工廠及設備

不動產、工廠及設備按歷史成本減累計折舊及減值虧損列賬。資產成本包括購買價格及將資產達致運作狀況及地點以供擬定用途的任何直接應佔成本。

後續成本只有在該項目很可能為本集團帶來與之有關的未來經濟利益，且成本能可靠計量時，方會計入資產的賬面值或確認為一項單獨資產（倘適用）。所有其他成本（例如維修及保養費用）在產生的財政年度內於損益扣除。

不動產、工廠及設備的折舊採用以下估計可使用年期將成本按直線法分攤至剩餘價值計算：

租賃樓宇裝修	按租賃年期
傢俱、裝置及辦公設備	3至10年
汽車	5至10年
樓宇	20年

資產的剩餘價值及可使用年期在各報告期末進行檢討，並於適當時候作出調整。

倘資產的賬面值高於其估計可收回金額，則即時將資產的賬面值撇減至其可收回金額（附註2.15）。

出售的利得或虧損按比較所得款與資產賬面值釐定，並在綜合全面收益表內確認為「其他利得／（虧損）淨額」。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.13 INVESTMENT PROPERTIES

Investment properties, principally comprising leasehold land and buildings, are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the Group. It also include properties that are being constructed or developed for future use as investment properties.

Investment properties are initially measured at cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment properties are carried at fair value, representing open market value determined at each reporting date by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are recorded in the consolidated statement of comprehensive income in fair value gains or losses on investment properties.

If an item of owner-occupied property becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item as at the date of transfer is treated in the same way as a revaluation under HKAS 16. Any resulting increase in the carrying amount of the property is recognized in profit or loss to the extent that it reverses a previous impairment loss, with any remaining increase recognized in other comprehensive income and increased directly to equity in revaluation surplus within equity. Any resulting decrease in the carrying amount of the property is initially charged in other comprehensive income against any previously recognized revaluation surplus, with any remaining decrease charged to profit or loss.

2 主要會計政策摘要(續)

2.13 投資性物業

投資性物業(主要包括租賃土地及樓宇)為持作獲得長期租金收益或作資本升值或為上述兩者且並非由本集團佔用的物業。投資性物業亦包括為日後作投資性物業用途而興建或發展的物業。

投資性物業初始按成本(包括相關交易成本及(如適用)借款成本)計量。於初始確認後,投資性物業按公允價值(即外部估值師於各報告日期所釐定的公開市值)列賬。公允價值按活躍市價得出,當中已就特定資產的性質、地點或狀況的任何差異作出調整(如必要)。倘並無有關資料,則本集團會使用其他估值法,如活躍程度較低市場的近期價格或折現現金流量預測。公允價值變動於綜合全面收益表以投資性物業公允價值利得或虧損確認。

倘擁有人佔用物業項目因用途改變而成為投資性物業,則項目於轉讓日期的賬面值與公允價值的差額按與根據香港會計準則第16號進行重估的相同方式處理。由此產生之物業賬面值增加於撥回過往減值虧損時於損益確認,而剩餘增加則於其他綜合收益確認及與權益直接相關之增加則於權益內重估盈餘確認。由此產生之物業賬面值減少初始於之前確認的重估盈餘於其他綜合收益扣除,而任何剩餘減少則於損益扣除。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.14 INTANGIBLE ASSETS

(a) Goodwill

Goodwill is measured as described in note 2.8. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments (note 6).

2 主要會計政策摘要(續)

2.14 無形資產

(a) 商譽

商譽如附註2.8所述計量。於收購附屬公司時所產生的商譽計入無形資產。商譽不會攤銷，但會每年進行減值測試，或倘出現商譽可能減值的事宜或情況的變動，則更頻密進行測試，並以成本減累計減值虧損入賬。出售一間實體的盈虧包括有關出售實體的商譽賬面值。

就減值測試而言，商譽被分配至現金產生單位。有關分配乃對預期能從產生商譽的業務合併獲益的該等現金產生單位或每組現金產生單位作出。每個或每組單位被識別為該商譽就內部管理而被監察的最低層，即營運分部(附註6)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.14 INTANGIBLE ASSETS (Continued)

(b) Software

Costs associated with maintaining software programs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is ready for use.

2 主要會計政策摘要(續)

2.14 無形資產(續)

(b) 軟件

與維護軟件程式有關的成本於產生時確認為開支。當符合以下條件時，設計及測試由本集團控制的可識別及獨特軟件產品的直接應佔開發成本確認為無形資產：

- 完成該軟件以使其能使用，在技術上是可行的
- 管理層擬完成該軟件並將其使用或出售
- 有能力使用或出售該軟件
- 能顯示該軟件如何產生可能出現的未來經濟利益
- 有足夠的技術、財務及其他資源完成開發並可使用或出售該軟件，及
- 該軟件在開發期內的應佔開支能可靠地計量。

資本化為部分軟件的直接應佔成本包括僱員成本及相關經常性費用的合適部分。

已資本化的開發成本入賬為無形資產及由資產可供使用起攤銷。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.14 INTANGIBLE ASSETS (Continued)

(c) Research and development

Research expenditure and development expenditure that do not meet the criteria in (iii) above are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

(d) Amortisation methods and periods

The group amortizes intangible assets with a limited useful life using the straight-line method over 10 years.

Software	10 Years

2.15 IMPAIRMENT OF NON-FINANCIAL ASSETS

Goodwill is not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2 主要會計政策摘要(續)

2.14 無形資產(續)

(c) 研究及開發

不符合上述(iii)標準的研究開支及開發開支於產生時確認為開支。先前確認為開支的開發成本不會在後續期間確認為資產。

(d) 攤銷方法及年期

本集團使用直線法於有限可使用年期10年將無形資產攤銷。

軟件	10年

2.15 非金融資產的減值

商譽不會攤銷，但會每年進行減值測試，或倘出現商譽可能減值的事宜或情況的變動，則更頻密進行測試。其他資產在出現賬面值可能無法收回的事宜或情況的變動時進行減值測試。減值虧損按資產的賬面值超出可收回金額的差額確認。可收回金額以資產的公允價值減出售成本與使用價值兩者的較高者為準。就評估減值而言，資產按主要獨立於其他資產或各類資產的可分開識別現金流量的最低級別(現金產生單位)分組。已蒙受減值的非金融資產(商譽除外)在各報告期結束時均就減值是否撥回進行檢討。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16 PROPERTIES UNDER DEVELOPMENT OR HELD FOR SALE

Properties under development and held for sale are stated at the lower of cost and net realizable value. Development cost of properties comprises cost of leasehold or freehold land payments, construction costs and borrowing costs incurred during the construction period. Upon completion, the properties are transferred to completed properties held for sale.

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

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

All land in the Mainland China is stated-owned or collectively-owned and no individual ownership right exists. Land use rights are acquired by the Group for development of properties. Land use rights held for development for sale are inventories and measured at lower of cost and net realizable value, of which those within normal operating cycle are classified as current assets and included in properties under development or held for sale, while those out of the normal operating cycle are classified as non-current assets. Land use rights fall within investment properties are classified as investment properties (note 2.13).

2.17 INVENTORIES

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2 主要會計政策摘要(續)

2.16 開發中物業及持作銷售物業

開發中物業及持作銷售物業按成本及可變現淨值兩者的較低者列賬。物業發展成本包括於施工期間產生的租賃土地或永久業權土地付款成本、建築成本及借款成本。於竣工時，物業會轉撥至持作銷售已落成物業。

可變現淨值按預期最終將予變現的價格減適用的變動銷售費用及估計竣工成本計量。

除非預期相關房地產開發項目施工期於正常營運週期之後結束，否則開發中及持作銷售物業分類為流動資產。

中國內地的所有土地均為國有或集體所有，不存在個人所有權。本集團收購土地使用權以開發物業。持作開發以供出售的土地使用權為存貨，按成本與可變現淨值的較低者計量，其中正常營運週期內的土地使用權分類為流動資產，計入開發中物業或持作銷售物業，而於正常營運週期以外的土地使用權則分類為非流動資產。屬於投資性物業的土地使用權分類為投資性物業(附註2.13)。

2.17 庫存

庫存按成本及可變現淨值兩者的較低者列賬。成本以加權平均基準釐定。可變現淨值為在一般業務過程中的估計售價減適用的變動銷售費用。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 INVESTMENTS AND OTHER FINANCIAL ASSETS

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI)), or through profit or loss, and
- those to be measured at amortized cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at financial assets at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

2 主要會計政策摘要(續)

2.18 投資及其他金融資產

(a) 分類

本集團將其金融資產分類為以下計量類別：

- 其後按公允價值(透過其他全面收益或透過損益)計量的金融資產，及
- 按攤銷成本計量的金融資產。

分類取決於本集團管理金融資產的商業模式及現金流的合約條款而定。

就按公允價值計量的資產而言，其盈虧於損益或其他全面收入列賬。至於並非持作買賣的權益工具投資，則取決於本集團有否於初始確認時不可撤銷地選擇將股權投資金融資產按公允價值計入其他全面收入列賬。

當且僅當管理該等資產的業務模式有變時，本集團方重新分類債務投資。

(b) 確認及折舊

金融資產的日常買賣於交易日(即本集團承諾購買或出售資產當日)確認。當收取金融資產現金流的權利已屆滿或已轉讓及本集團已轉移擁有權的幾乎所有風險及回報，則金融資產終止確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 INVESTMENTS AND OTHER FINANCIAL ASSETS (Continued)

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at financial assets at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in "other gains/(losses) — net", together with foreign exchange gains and losses.

2 主要會計政策摘要(續)

2.18 投資及其他金融資產(續)

(c) 計量

初步確認時，本集團按公允價值加（倘屬並非按公允價值計入損益的金融資產）收購該金融資產的直接相關交易成本計量金融資產。按公允價值計入損益的金融資產的交易成本於損益支銷。

附帶嵌入衍生工具的金融資產於釐定其現金流量是否純粹為支付本金及利息時以整體作出考慮。

債務工具

其後計量債務工具視乎本集團管理資產及資產的現金流量特徵的業務模式。本集團將其債務工具分為三個計量類別：

- **攤銷成本：**持作收回合約現金流量的資產按攤銷成本計量，有關現金流量純粹指本金及利息付款。來自該等金融資產的利息收入按實際利率法計入其他收入。終止確認產生的收益或虧損於損益中直接確認，並連同外匯收益及虧損呈列於「其他利得／（虧損）淨額」。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 INVESTMENTS AND OTHER FINANCIAL

ASSETS (Continued)

(c) Measurement (Continued)

Debt instruments (Continued)

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in "other gains/(losses) — net". Interest income from these financial assets is included in "other income" using the effective interest rate method. Foreign exchange gains and losses are presented in "other gains/(losses) — net".
- FVPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized and presented net in profit or loss within "other gains/(losses) — net" in the period in which it arises.

2 主要會計政策摘要(續)

2.18 投資及其他金融資產(續)

(c) 計量(續)

債務工具(續)

- 按公允價值計入其他全面收益：持作收回合約現金流量及出售金融資產的資產，倘該等資產現金流量僅指支付本金及利息，則按公允價值計入其他全面收益計量。賬面值的變動乃計入其他全面收益，惟於損益確認的減值收益或虧損、利息收入及外匯收益及虧損的確認除外。金融資產終止確認時，先前於其他全面收益確認的累計收益或虧損由權益重新分類至損益，並於「其他利得／(虧損)淨額」內確認。該等金融資產的利息收入乃按實際利率法計入「其他收入」。外匯收益及虧損於「其他利得／(虧損)淨額」內呈列。
- 按公允價值計入損益：倘資產不符合按攤銷成本計量或按公允價值計入其他全面收益的標準，會按公允價值計入損益計量。其後按公允價值計入損益計量的債務投資的收益或虧損於其產生期間於損益中確認及呈列為「其他利得／(虧損)淨額」。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 INVESTMENTS AND OTHER FINANCIAL ASSETS (Continued)

(c) Measurement (Continued)

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investments. Dividends from such investments continue to be recognized in profit or loss as "other income" when the Group's right to receive payments is established.

Changes in the fair value of financial assets carried at FVPL are recognized in "other gains/(losses) — net" in profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(d) Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 3.1 (b) details how the Group determines whether there has been a significant increase in credit risk.

For contract assets and trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables, see note 3.1(b) for further details.

2 主要會計政策摘要(續)

2.18 投資及其他金融資產(續)

(c) 計量(續)

權益工具

本集團其後按公允價值計量所有股權投資。倘本集團管理層選擇於其他全面收益呈列股權投資的公允價值收益及虧損，則於終止確認有關投資後不會將公允價值收益及虧損後續重新分類至損益。當確立本集團收取有關投資股息的權利時，有關付款繼續於損益中確認為「其他收益」。

按公允價值計入損益的金融資產的公允價值變動於損益中確認為「其他利得／(虧損)淨額」(如適用)。按公允價值計入其他全面收益計量的股權投資的減值虧損(及減值虧損撥回)不會與公允價值其他變動分開呈報。

(d) 金融資產減值

本集團按前瞻性基準評估與按攤銷成本及按公允價值計入其他全面收益的債務工具有關的預期信用損失。應用的減值方法取決於信貸風險是否大幅增加。附註3.1 (b)詳述本集團如何釐定信貸風險是否大幅增加。

就合約資產及應收賬款而言，本集團應用香港財務報告準則第9號批准的簡化方法，其規定初始確認應收款時予以確認的預計可使用年期虧損，詳見附註3.1(b)。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount reported in consolidated balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

2.20 TRADE AND OTHER RECEIVABLES

Trade receivables are amounts due from customers arising from sales of properties or providing management services. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. See note 2.18 for further information about the Group's accounting for trade receivables and a description of the Group's impairment policies.

2.21 CASH AND CASH EQUIVALENTS

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Restricted cash is excluded from cash and cash equivalents.

2 主要會計政策摘要(續)

2.19 抵銷金融工具

當有合法可執行權利將已確認金額抵銷並有意按淨額基準結算或同時變現資產及結算負債時，金融資產及負債予以抵銷，並於綜合資產負債表以淨額報告。

2.20 應收賬款及其他應收款

應收賬款為銷售物業或提供管理服務而應收客戶的款項。倘應收賬款及其他應收款預期可於一年或以內(或倘時間更長，則在業務的正常營運週期)收款，則分類為流動資產。倘未能於一年或以內收款的，則呈列為非流動資產。

應收賬款及其他應收款初始按公允價值確認，其後則以實際利率法按攤銷成本計量，並須扣除減值撥備。有關本集團應收賬款的會計入賬及本集團減值政策的說明請參閱附註2.18。

2.21 現金及現金等價物

就現金流量表的呈列而言，現金及現金等價物包括手頭現金、銀行通知存款、其他原到期日為三個月或以內並可隨時轉換為已知金額的現金且不存在重大價值變動風險的短期高流通性投資。受限制現金不包括在現金及現金等價物內。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.22 SHARE CAPITAL

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued.

Any transaction costs associated with the issue of shares are deducted from share premium to the extent they are incremental costs directly attributable to the equity transaction.

2.23 TRADE AND OTHER PAYABLES

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within twelve months after the reporting period (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.24 BORROWINGS AND BORROWING COSTS

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

2 主要會計政策摘要(續)

2.22 股本

普通股分類為權益。股本按已發行股份的面值釐定。

任何與發行股份有關的交易成本自股份溢價中扣除，惟以可直接歸屬於股權交易的增量成本為限。

2.23 應付賬款及其他應付款

應付賬款及其他應付款為在日常業務過程中向供應商購買商品或服務而應支付的債務。倘應付賬款及其他應付款於報告期後12個月內(或於正常業務經營週期(如較長))到期，則分類為流動負債。否則，分類為非流動負債。

應付賬款及其他應付款初始按公允價值確認，其後則以實際利率法按攤銷成本計量。

2.24 借款及借款成本

借款初始按公允價值(扣除已產生的交易成本)確認。借款其後按攤銷成本計量；所得款項(扣除交易成本)與贖回價值兩者間的任何差額於借款期間以實際利率法在損益確認。設立貸款融資支付的費用，於可能提取部分或所有融資時確認為貸款的交易成本。在此情況下，該費用會遞延至提取融資為止。倘若並無任何證據顯示將會提取部分或所有融資，則有關費用將資本化作流動資金服務的預付款項，並在融資相關期間攤銷。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.24 BORROWINGS AND BORROWING COSTS

(Continued)

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognized in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get 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 eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

2 主要會計政策摘要(續)

2.24 借款及借款成本(續)

當合約中規定的責任解除、取消或屆滿時，借貸從資產負債表中剔除。已消除或轉讓給另一方的金融負債的賬面值與已支付代價(包括已轉讓的非現金資產或所承擔的負債)之間的差額，在損益中確認為財務費用。

如金融負債的條款重新商討，而實體向債權人發行股權工具，以消除全部或部分負債(權益與債務掉期)，該項金融負債賬面值與所發行權益工具公允價值的差額在損益表中確認為收益或虧損。

除非本集團擁有無條件權利可將償還負債的日期遞延至報告期結束後至少12個月，否則借款分類為流動負債。

收購、建造或生產合資格資產直接應佔的一般及特定借款成本於須完成及預備資產作其擬定用途或銷售的期間資本化。合資格資產為必須經過頗長時間籌備以作預定用途或出售的資產。

就特定借貸，因有待合資格資產的支出而臨時投資賺取的投資收入，應自合資格資本化的借貸成本中扣除。

其他借貸成本在產生期內支銷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.25 CURRENT AND DEFERRED INCOME TAX

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current income tax also includes Mainland China land appreciation tax which is levied on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including land cost, borrowing costs and all property development expenditures.

2 主要會計政策摘要(續)

2.25 即期及遞延所得稅

期內所得稅費用或抵免為本期間應課稅收入的應付稅項，乃基於按暫時性差額及未使用稅項虧損應佔的遞延稅項資產及負債變動而調整的各司法權區適用所得稅稅率計算。

即期及遞延稅項於損益中確認，惟其與於其他全面收益或直接於權益所確認項目有關者則除外。在此情況下，該稅項則於其他全面收益或直接於權益確認。

(a) 即期所得稅

即期所得稅費用按照本公司附屬公司及聯營公司經營及產生應課稅收入所在國家於結算日已頒佈或已大致頒佈的稅法計算。管理層就適用稅務法規有待詮釋的情況定期評估報稅狀況並於適當情況下基於預期向稅務機關支付的金額作出撥備。

即期所得稅亦包括中國土地增值稅（按土地價值的升幅徵收），即銷售物業所得款減可扣減開支，包括土地成本、借款成本及所有房地產開發支出。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.25 CURRENT AND DEFERRED INCOME TAX

(Continued)

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

The deferred tax liability in relation to investment properties that are measured at fair value is determined assuming the property will be recovered entirely through sale.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

2 主要會計政策摘要(續)

2.25 即期及遞延所得稅(續)

(b) 遞延所得稅

遞延所得稅利用負債法全數撥備資產和負債的稅基與資產和負債在綜合財務報表的賬面值的差額而產生的暫時性差額。然而，若遞延稅項負債來自對商譽的初始確認，則遞延稅項負債不予確認。倘遞延所得稅來自在交易(不包括業務合併)中對資產或負債的初始確認，而在交易時不影響會計損益或應課稅利潤或虧損，亦不予入賬。遞延所得稅採用在各報告期末已頒佈或實質上已頒佈，並在有關的遞延所得稅資產實現或遞延所得稅負債結算時預期將會適用的稅率(及法例)而釐定。

與投資性物業有關並以公允價值計量的遞延稅項負債乃假設物業將通過出售全數收回而釐定。

遞延所得稅資產於有未來應課稅利潤可用於該等暫時差額及虧損時方予確認。

遞延稅項負債及資產不會就海外業務投資的賬面值與稅基之間的暫時性差額確認，而本公司可控制撥回暫時性差額的時間及該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 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.25 CURRENT AND DEFERRED INCOME TAX

(Continued)

(b) Deferred income tax (Continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2.26 EMPLOYEE BENEFITS

(a) Employee leave entitlements

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by the employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognized until the time of leave.

(b) Pension obligations

The Group participates in defined contribution retirement benefit plans which are available to all relevant employees. These plans are generally funded through payments to schemes established by governments or trustee administered funds. A defined contribution plan is a pension plan under which the Group pays contributions on mandatory, contractual or voluntary basis into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee services in the current and prior periods. The Group's contributions to the defined contribution plans are expensed as incurred and, in most cases, are not reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions.

2 主要會計政策摘要(續)

2.25 即期及遞延所得稅(續)

(b) 遞延所得稅(續)

當有法定可執行權利將即期稅項資產與即期稅項負債抵銷，且遞延稅項結餘涉及相同稅務機關，則可將遞延所得稅資產與負債互相抵銷。當實體擁有法定可執行抵銷權且有意按淨值結算或同時變現資產及結清負債，則將即期稅項資產與即期稅項負債抵銷。

2.26 僱員福利

(a) 僱員應享假期

僱員獲享的年假在僱員可享有時確認。本集團會對僱員服務至結算日所累積的年假估算負債作出撥備。

僱員獲享的病假及產假直至僱員休假時方予確認。

(b) 退休金責任

本集團針對全體相關僱員參與界定供款退休福利計劃。該等計劃一般以向政府成立的計劃或信託管理基金支付款項的方式運作。界定供款計劃指本集團以強制、合約或自願基準向獨立實體作出供款的退休金計劃。倘基金並無足夠資產就目前及過往期間的僱員服務向所有僱員支付福利，本集團並無法定或推定責任作出進一步供款。本集團向界定供款計劃所作的供款於發生時支銷，在大部分情況下，不會以沒收於供款悉數歸屬前離開計劃的僱員的供款方式扣減。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.26 EMPLOYEE BENEFITS (Continued)

(c) Bonus entitlements

The expected cost of bonus payments is recognized as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities of bonus plan are expected to be settled within twelve months and are measured at the amounts expected to be paid when they are settled.

(d) Restricted share award scheme

The Group operates a restricted share award scheme to recognize the contributions by employees. The fair value of the employee services received in exchange for the grant of restricted share is recognized as employee benefit expense.

The total amount to be expensed over the vesting period is determined by reference to the value of the restricted shares granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

At each balance sheet date, the Group revises its estimates of the number of restricted share awards that are expected to be vested. It recognizes the impact of the revision of original estimates, if any, in profit or loss, with a corresponding adjustment to other reserves.

2 主要會計政策摘要(續)

2.26 僱員福利(續)

(c) 應享花紅

支付花紅的預計成本，於因僱員提供服務而使本集團產生現有法定或推定責任，並能夠可靠估計時確認為負債。花紅計劃的負債預期將於十二個月內償付，並按償付時預期須予支付的金額計算。

(d) 限制性股份獎勵計劃

本集團設有限制性股份獎勵計劃，以確認僱員的貢獻。僱員提供服務以獲授限制性股份的公允價值確認為僱員福利費用。

於歸屬期內將予支銷的總金額參考獲授限制性股份的價值釐定：

- 包括任何市場表現情況；
- 不包括任何服務及非市場表現歸屬條件的影響；及
- 包括任何非歸屬條件的影響。

總費用於歸屬期內確認，歸屬期指將符合所有特定歸屬條件的期間。

於各結算日，本集團修訂對將予歸屬限制性股份獎勵數目的估計。本集團於損益內確認對原來估計作出修訂的影響（如有），並在其他儲備內作出相應調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.26 EMPLOYEE BENEFITS (Continued)

(d) **Restricted share award scheme** (Continued)

Employee share trust is established, for the purposes of awarding shares to eligible employees under the restricted share award scheme.

The employee share trust is administered by an independent trustee and is funded by the Group's cash contributions and recorded as contributions to employee share trusts, an equity component. The administrator of the employee share trust buys the Company's shares in the open market for award to employees.

Upon vesting, the corresponding awards in the share-based compensation reserve will be transferred to the employee share trust for shares awarded to employees.

2.27 PROVISIONS

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

2 主要會計政策摘要(續)

2.26 僱員福利(續)

(d) **限制性股份獎勵計劃(續)**

僱員股份信託乃為根據限制性股份獎勵計劃向合資格僱員授出獎勵股份而設。

僱員股份信託由獨立信託人管理，並由本集團以現金撥付供款，於權益入賬作僱員股份信託供款。僱員股份信託管理人於公開市場購入本公司股份以向僱員作出獎勵。

於歸屬時，以股份為基礎補償儲備內的相應獎勵轉撥至僱員股份信託，以向僱員作出股份獎勵。

2.27 撥備

當本集團因過往事件承擔現有法律或推定責任，而解除責任很有可能導致資源流出，且金額能夠可靠計算的情況下，方會確認撥備。概不會就未來經營虧損確認撥備。

倘承擔若干類似責任，於釐定解除責任會否導致資源流出時，將考慮整體責任類別。即使同類責任當中任何一項導致資源流出可能性甚低，亦會確認撥備。

撥備採用稅前利率按照預期結算有關責任所需的開支現值計量，該利率反映當時市場對貨幣時間值和有關責任固有風險的評估。隨著時間過去而增加的撥備確認為利息費用。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.28 FINANCIAL GUARANTEE CONTRACTS

Financial guarantee contracts are recognized as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of

- the amount determined in accordance with the expected credit loss model under HKFRS 9, and
- the amount initially recognized less, where appropriate, the cumulative amount of income recognized in accordance with the principles of HKFRS 15.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognized as part of the cost of the investment.

2 主要會計政策摘要(續)

2.28 財務擔保合約

財務擔保合約於發出擔保時確認為金融負債。負債初步按公允價值計量，其後按以下兩者中的較高者計量

- 根據香港財務報告準則第9號之預期信用損失模型釐定的金額；與
- 初步確認金額減(如適用)根據香港財務報告準則第15號所確認累計收入金額。

財務擔保的公允價值釐定為債務工具所需合約付款與無擔保情況下所須付款的現金流量差額現值，或第三方承擔責任而應付第三方的估計金額。

倘聯營公司的貸款或其他應付款擔保為無償提供，相關公允價值作為注資入賬，確認為投資成本一部分。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.29 REVENUE RECOGNITION

(a) The Group develops and sells properties, and provides management services to its customers. Revenues are recognized when the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws and rules that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer; or
- creates and enhances an asset that the customer controls as the Group performs; or
- do not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognized over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognized at a point in time when the customer obtains control of the asset.

2 主要會計政策摘要(續)

2.29 收入確認

(a) 本集團開發及銷售物業，並向客戶提供管理服務。收入於資產控制權轉移至客戶時確認。視乎合約條款及適用於合約的法律及規例，資產控制權可經過一段時間或於某一時間點轉移。倘本集團在履約過程中滿足下列條件，資產控制權將經過一段時間轉移：

- 提供全部利益，而客戶亦同步收到並消耗有關利益；或
- 創建並提升本集團履約時客戶所控制的資產；或
- 並無創建對本集團而言有其他用途的資產，而本集團可強制執行其權利收回累計至今已完履約部分的款項。

倘資產控制權經過一段時間轉移，收入將於整個合約期間參考已完成履約責任的進度確認。否則，收入於客戶獲得資產控制權的時間點確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.29 REVENUE RECOGNITION (Continued)

(a) (Continued)

(i) *Property development and sales*

The Group develops and sells residential properties in Mainland China and US. Revenue is recognized at a point in time when the property is delivered to the customer, the customer has accepted the property in accordance with the sales contract, the acceptance provision have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. Otherwise, revenue is recognized over the development period by reference to the costs incurred up to the end of reporting period as a percentage of the total expected costs to complete the contract. Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by the Group.

2 主要會計政策摘要(續)

2.29 收入確認(續)

(a) (續)

(i) *物業發展及銷售*

本集團於中國內地及美國開發及銷售住宅物業。當物業交付予客戶時，客戶根據銷售合約接收物業，接收撥備已失效，或本集團有客觀證據證明所有接收條件已達成，則會將收入於某一時點確認。否則，收入會參照截至報告期末已產生成本佔預計完工總成本的百分比，於開發期間確認。倘情況有變，則會修訂收入、成本或完工進度的估計。估計收入或成本的增減會於本集團得悉導致修訂的情況發生期間於損益反映。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.29 REVENUE RECOGNITION (Continued)

(a) (Continued)

(ii) Management services

The Group provides management services to its customers at fixed or variable amount. If the consideration is variable, revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. The Group recognizes revenue from management services over period of time where the customer simultaneously receives and consumes the benefits provided by the Group or 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. Otherwise revenue was recognized at a point in time. For revenue recognized over period of time, the Group measures the progress towards complete satisfaction of performance obligation on the basis of the actual costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract or on basis of direct measurements of the value transferred to the customer. Where the outcome of a contract cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are eligible to be recovered. Provision is made for foreseeable losses as soon as they are anticipated by the Group.

2 主要會計政策摘要(續)

2.29 收入確認(續)

(a) (續)

(ii) 管理服務

本集團按固定及可變金額向客戶提供管理服務。倘代價可變，則只會在很大可能不會撥回重大金額的情況下確認收入。倘客戶同時收取並消耗本集團提供的利益或本集團履約並無產生對本集團具有替代用途的資產而本集團就迄今已完成的履約擁有可執行的支付權利，則本集團於一段時間確認管理服務收入，否則收入於某一時間點確認。就於一段期內確認的收入而言，本集團會計量截至報告期末完工履約責任進度產生的實際成本佔各合約估計成本總額的百分比或直接計量轉移至客戶的價值而評估特定交易的完成情況。倘無法可靠計量合約的結果，則僅在所產生費用合資格收回的情況下確認收入。本集團預期產生可預見虧損時作出撥備。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.29 REVENUE RECOGNITION (Continued)

- (b) **Contract costs — costs of obtaining a contract**
The costs of obtaining a contract with a customer are immaterial and are expensed when incurred.
- (c) **Financing component**
The Group adjusts the transaction price for the time value of money where the period between the transfer of the promised goods or services to the customer and payments by the customer exceeds one year considering it provides a potential significant benefit. The transaction price is adjusted by the discount rate that would be reflected in a separate financing transaction between the Group and its customer at contract inception.
- (d) **Multiple performance obligations**
Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin.
- (e) **Contract assets and contract liabilities**
As agreed in the contracts, the customer pays fixed or variable amount based on a payment schedule. If the services or goods rendered by the Group exceed the payment, a contract asset is recognized. If the payments exceed the services or goods rendered, a contract liability is recognized. Any unconditional rights to consideration are presented separately as receivables.

2 主要會計政策摘要(續)

2.29 收入確認(續)

- (b) **合約成本 — 獲取合約的成本**
獲得客戶合約的成本並不重大，並於產生時入賬。
- (c) **融資部分**
倘向客戶轉移承諾的產品或服務至客戶付款的期間超過一年，本集團會就金錢時間值對交易價格作出調整，皆因當中有重大利益。交易價格會使用本集團與客戶於合約開始時另行進行金融交易的貼現率調整。
- (d) **多項履約責任**
倘合約涉及多項履約責任，交易價格將基於獨立售價分配至各項履約責任。倘有關數據不可直接觀察獲得，則基於預期成本加利潤率估算。
- (e) **合約資產及合約負債**
如合約內所擬定，客戶根據付款時間表支付固定或浮動金額。倘本集團提供的服務或產品超過付款，則確認合約資產。倘付款超過所提供的服務或產品，則確認合約負債。任何收取代價的無條件權利均另行呈列為應收款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.30 INTEREST INCOME

Interest income from financial assets at FVPL is included in the net fair value gains/(losses) on these assets.

Interest income on financial assets at amortized cost and financial assets at FVOCI calculated using the effective interest method is recognized in profit or loss as part of "other income".

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes, see note 10 below.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the expected credit loss).

2.31 DIVIDEND INCOME

Dividends are received from financial assets measured at FVPL and at FVOCI. Dividends are recognized as "other income" in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of an investment. In this case, the dividend is recognized in OCI if it relates to an investment measured at FVOCI. However, the investment may need to be tested for impairment as a consequence.

2 主要會計政策摘要(續)

2.30 利息收益

以公允價值計量且其變動計入損益的金融資產的利息收入計入該等資產的公允價值淨利得／(損失)。

以攤攤成本計量的金融資產和按公允價值計入其他全面收益的金融資產的利息收入採用實際利率法計算，並計入損益內的「其他收益」。

出於現金管理目的而持有的金融資產的利息收入列示為財務收入，參見下文附註 10。

利息收入是用實際利率乘以金融資產賬面總額計算得出，後續已發生信用減值的金融資產除外。後續已發生信用減值的金融資產使用實際利率乘以金融資產（經扣除預期信用損失）的賬面淨值。

2.31 股息收益

股息來自按公允價值計入損益及按公允價值計入其他全面收益的金融資產。當確立收取付款的權利時會於損益將股息確認為「其他收益」。此做法亦適用於預先收購溢利的派付，除非清楚顯示股息是收回投資成本的一部分。在此情況下，倘股息有關按公允價值計入其他全面收益的投資，則於其他全面收益確認。然而，投資可能因此須接受減值測試。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.32 GOVERNMENT GRANTS

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognized in profit or loss over the period necessary to match them with the costs they are intended to compensate. Government grants that become receivable as compensation for expenses or losses already incurred are recognized as income of the period in which they become receivable.

2.33 EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to shareholders of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2 主要會計政策摘要(續)

2.32 政府補助

倘能合理保證可收到政府補助而本集團將遵循所有附帶條件時，則有關政府補助按公允價值確認。有關成本的政府補助遞延至政府補助與其擬補償的成本配對時，方於損益確認。就經已產生的開支或虧損而應收作為補償的政府補助在其成為應收的期間確認為收入。

2.33 每股收益

(a) 每股基本收益

每股基本收益乃：

- 歸屬於本公司股東的利潤(不包括除普通股以外的任何服務權益的成本)除以
- 財政年度已發行普通股的加權平均數(就年內已發行普通股的花紅部分作出調整及不包括庫存股份)。

(b) 每股稀釋收益

每股稀釋收益已就釐定每股基本收益使用的數字作出調整，當中包括：

- 與稀釋潛在普通股相關的稅後利息和其他融資成本，及
- 假設所有稀釋潛在普通股的轉換所額外發行普通股數量的加權平均數。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.34 LEASES

As explained in note 2.2.1 above, the Group has changed its accounting policy for leases where the Group is the lessee. The new policy is described below and the impact of the change in note 2.2.1.

From 1 January 2019, leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

2 主要會計政策摘要(續)

2.34 租賃

誠如上文附註2.2.1所闡述，本集團已變更本集團作為承租人的租賃的會計政策。下文闡述新政策及附註2.2.1所載變更的影響。

自二零一九年一月一日起，租賃確認為使用權資產，並在租賃資產可供本集團使用當日確認相應負債。

合約可能包含租賃及非租賃組成部分。本集團根據相對獨立價格將合約中的代價分配至租賃及非租賃組成部分。然而，就本集團作為承租人的房地產租賃而言，本集團選擇不區分租賃及非租賃組成部分，而是將其作為單獨租賃組成部分入賬。

租賃產生的資產及負債初步按現值計量。租賃負債包括以下租賃付款的淨現值：

- 固定付款(包括實質固定付款)減任何應收租賃優惠
- 基於指數或利率的可變租賃付款，於開始日期使用該指數或利率進行初始計量
- 本集團預期於餘值擔保下應付的款項
- 採購權的行使價(倘本集團合理地確定行使該選擇權)；及
- 終止租賃所支付的罰款(倘租期反映本集團行使該選擇權)。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.34 LEASES (Continued)

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

2 主要會計政策摘要(續)

2.34 租賃(續)

根據若干合理延期選擇權作出的租賃付款亦計入負債計量中。

租賃付款採用租賃所隱含利率予以貼現。倘無法釐定該利率(本集團的租賃通常屬於此情況)，則使用承租人的增量借款利率，即承租人在類似經濟環境中以類似條款、抵押及條件借入獲得類似價值資產所需資金而須支付的利率。

為釐定增量借款利率，本集團：

- 在可能情況下，使用個別承租人最近獲得的第三方融資為出發點作出調整以反映自獲得第三方融資以來融資條件的變動
- 使用累加法，首先就本集團所持有租賃的信貸風險(最近並無第三方融資)調整無風險利率；及
- 進行特定於租約的調整，例如期限、國家、貨幣及抵押。

本集團未來可能根據指數或利率增加可變租賃付款額，而有關指數或利率在生效前不會計入租賃負債。當根據指數或利率對租賃付款作出的調整生效時，租賃負債會根據使用權資產進行重新評估及調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.34 LEASES (Continued)

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets that meet the definition of investment property are measured at fair value applying the fair value model.

Other right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets which do not meet the definition of investment property are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets mainly comprise IT equipment.

2 主要會計政策摘要(續)

2.34 租賃(續)

租賃付款於本金及財務成本之間作出分配。財務成本在租期間於損益扣除，藉以令各期間的負債餘額的期間利率一致。

符合投資性物業定義的使用權資產應用公允價值模式計量公允價值。

其他使用權資產按成本計量，包括以下各項：

- 初始計量租賃負債的金額
- 在開始日期或之前作出的任何租賃付款減任何已收租賃優惠
- 任何初始直接成本；及
- 復原成本。

不符合投資性物業定義的使用權資產一般於資產的可使用年期與租期(以較短者為準)內按直線法予以折舊。倘本集團合理確定行使購買選擇權，則使用權資產於相關資產的可使用年期內予以折舊。

與短期設備及車輛租賃以及所有低價值資產租賃相關的付款按直線法於損益確認為費用。短期租賃指租期為12個月或以下的租賃。低價值資產主要包括信息技術設備。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.34 LEASES (Continued)

Lease income from operating leases where the group is a lessor is recognized in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognized as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

2.35 DIVIDEND DISTRIBUTION

Dividend distribution to the Shareholders of the Company is recognized as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Shareholders of the Company.

2 主要會計政策摘要 (續)

2.34 租賃 (續)

倘本集團為出租人，來自經營租賃的租賃收入於租期內按直線法確認收入。獲取經營租賃產生的初始直接成本會加入相關資產的賬面值，並於租期內以確認租賃收入的相同基準確認為開支。個別租賃資產按其性質計入資產負債表。採納新租賃準則後，本集團毋須對以出租人身份持有資產的會計處理作出任何調整。

2.35 股息分派

向本公司股東分派的股息於本公司股東批准股息的期間內，在本集團及本公司的財務報表內確認為負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.36 EQUITY INSTRUMENTS AND SHARES HELD FOR SHARE AWARD SCHEME

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs. Respective distributions if and when declared are treated as equity dividends.

Convertible perpetual securities issued by the Group that have the above characteristics are classified as equity instruments.

Where any group company purchases the Company's equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Shareholders of the Company as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Shareholders of the Company.

Shares held by the Company's Employee Share Trust are disclosed as treasury shares and deducted from equity attributable to the Shareholders of the Company.

2 主要會計政策摘要(續)

2.36 股本工具及為股份獎勵計劃持有之股份

股本工具為證明實體於扣減所有負債後的資產中擁有剩餘權益的任何合約。本集團所發行的股本工具按已收所得款項扣除直接發行成本確認。各自之分派於宣派時被視為權益股息。

本集團所發行的可換股永久證券具有上述特徵，故分類為股本工具。

倘任何集團公司購買本公司之權益工具（例如股份回購或以股份為基礎的支付），則所支付的對價（包括任何直接應佔的增加成本（扣除所得稅））乃從本公司股權持有人應佔權益中扣除，作為庫存股份，直至該等股份被註銷或重新發行為止。倘該等普通股其後被重新發行，則任何已收取的對價（扣除任何直接應佔的增加交易成本及相關所得稅影響）計入本公司股東應佔權益中。

本公司僱員股份信託持有之股份披露為庫存股份，於本公司股東應佔權益內扣除。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.37 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognized because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognized but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognized as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

Contingent assets are not recognized but are disclosed in the notes to the consolidated financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognized.

2 主要會計政策摘要(續)

2.37 或然負債及或然資產

或然負債指因過往事件可能引致的責任，其存在與否僅可透過日後會否發生一宗或多宗本集團不能完全控制的不明朗事件來確定。或然負債亦可能是過往事件所產生的現時責任，但由於可能無需消耗經濟資源或有關責任金額不能可靠計量而未有入賬。

或然負債不予確認，但會於綜合財務報表附註中披露。當消耗資源的可能性變動致使可能消耗資源，則會確認或然負債為撥備。

或然資產指因過往事件可能產生的資產，其存在與否僅可透過日後會否發生一宗或多宗本集團不能完全控制的不明朗事件來確定。

或然資產不予確認，但會於經濟利益可能流入時於綜合財務報表附註中披露。於基本確定流入時確認資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3 FINANCIAL RISK MANAGEMENT

3.1 FINANCIAL RISK FACTORS

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. According to the Group's risk management policies, the financial risks shall be assessed continuously by the management taking into account of the prevailing conditions of the financial market and other relevant variables to avoid excessive concentrations of risk. The Group has not used any derivatives or other instruments for hedging purpose. The most significant financial risks to which the Group is exposed to are described as below.

(a) Market risk

(i) Foreign currency risk

Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group mainly operates and invests in Mainland China, Hong Kong and US and with most of the transactions denominated and settled in RMB, HK\$ and US\$ respectively. Foreign exchange risk mainly arises from certain borrowings and other current liabilities of the Company (with functional currency of HK\$) and other subsidiaries located in US (with functional currency of US\$) which are denominated in RMB.

At 31 December 2019, if RMB had weakened/strengthened by 5% against HK\$ and US\$, respectively, with all other variables held constant, pre-tax profit for the year ended 31 December 2019 would have been approximately RMB214,235,000 (2018: RMB279,007,000) higher/lower, mainly as a result of foreign exchange differences on translation of RMB denominated borrowings.

3 財務風險管理

3.1 財務風險因素

本集團業務承受多種財務風險：市場風險（包括外匯風險及利率風險）、信貸風險及流動資金風險。根據本集團的風險管理政策，管理層應持續評估財務風險，透過考慮現行金融市況及其他相關變數以避免風險過度集中。本集團並無利用任何衍生或其他工具作對沖用途。本集團承受的最重大財務風險闡述如下。

(a) 市場風險

(i) 外匯風險

外幣風險指因外幣匯率變動而導致金融工具的公允價值或未來現金流量出現波動的風險。本集團主要在中國內地、香港及美國經營業務及投資，當中大部分交易分別以人民幣、港元及美元計值及結算。外匯風險主要因本公司（功能貨幣為港元）及位於美國的其他附屬公司（功能貨幣為美元）若干以人民幣計值的借款及其他流動負債而產生。

於二零一九年十二月三十一日，倘人民幣兌港元及美元的匯率分別貶值／升值5%，而所有其他變數維持不變，截至二零一九年十二月三十一日止年度除稅前利潤將增加／減少約人民幣214,235,000元（二零一八年：人民幣279,007,000元），主要因換算以人民幣計值的借款而產生的外匯差額所致。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 FINANCIAL RISK FACTORS (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk

The Group has no significant interest — bearing assets and liabilities other than bank deposits and borrowings. Bank balances and borrowings at floating rates expose the Group to cash flow interest rate risk. The Group's exposure to market risk for changes in interest rates relates primarily to bank balances which bear floating interest rates. Management monitors the interest rate risk and performs sensitivity analysis on a regular basis.

At 31 December 2019, if interest rates on bank balances and borrowings had been 50 basis points higher/lower with all other variables held constant, the Group's profit for the year would have been approximately RMB12,356,000 (2018: RMB10,779,000) lower/higher. The sensitivity analysis has been determined assuming that the change in interest rates had occurred at the balance sheet date.

(b) Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The credit risk of the Group mainly arises from cash and cash equivalents, restricted cash, contract assets, trade and other receivables and deposits. The carrying amounts of these balances represent the Group's maximum exposure to credit risk in relation to financial assets. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

(ii) 利率風險

除銀行存款及借款外，本集團並無重大計息資產及負債。以浮動利率計息的銀行結餘與借款令本集團承受現金流量利率風險。本集團就利率變動承受的市場風險主要涉及以浮動利率計息的銀行結餘。管理層監控利率風險並定期進行敏感性分析。

於二零一九年十二月三十一日，倘銀行結餘及借款的利率上升／減少50個基點，而所有其他變數維持不變，本集團年度利潤將減少／增加約人民幣12,356,000元（二零一八年：人民幣10,779,000元）。敏感性分析乃假設結算日發生利率變動而釐定。

(b) 信貸風險

信貸風險指金融工具的交易對手未能根據金融工具的條款履行責任，令本集團蒙受財務損失的風險。本集團的信貸風險主要因現金及現金等價物、受限制現金、合約資產、應收賬款及其他應收款及存款而產生。該等結餘的賬面值即本集團就金融資產所承受的最大信貸風險。管理層已制定信貸政策並持續監控此等信貸風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 FINANCIAL RISK FACTORS (Continued)

(b) Credit risk (Continued)

The credit risk on Group's cash and cash equivalents is limited because the counterparties are banks with high credit ratings. The credit risk on the Group's investments in debt instruments measured at FVPL is limited because the debt instruments are either bonds issued by policy bank or wealth management product managed by large multinational bank. In respect of contract assets, trade and other receivables and deposits, individual credit evaluations are performed on all debtors. These evaluations focus on the debtors' past history of making payments when due and current ability to pay, and take into account information specific to the debtors as well as pertaining to the economic environment in which the debtors operate. The Group has no significant concentrations of credit risk, with exposure spread over a large number of counterparties and customers. The Group does not obtain collateral from customers or counterparties in respect of certain receivables.

The Group typically provides guarantees to banks in connection with the customers' borrowing of mortgage loans to finance their purchase of properties for an amount up to 70% of the total purchase price of the property. If a purchaser defaults on the payment of its mortgage loan during the guarantee period, the bank holding the guarantee may demand the Group to repay the outstanding amount under the loan and any interest accrued thereon. Under such circumstances, the Group is able to retain the customer's deposit and re-sell the property to recover any amounts paid by the Group to the bank. In this regard, the directors consider that the Group's credit risk is significantly reduced. Detailed disclosure of these guarantees is made in note 40.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

本集團現金及現金等價物的信貸風險有限，原因為交易對手均為擁有較高信用評級的銀行。本集團按公允價值計入損益的債務工具投資的信貸風險有限，因為債務工具為政策銀行發出的債券或大型跨國銀行管理的資產管理產品。就合約資產、應收賬款及其他應收款及存款而言，須對所有債務人進行個別信貸評估。該等評估主要針對債務人過往到期還款記錄及當前支付能力，並考慮債務人運營所在經濟環境的特定資料。鑑於所承受風險與眾多交易對手及客戶有關，故本集團並無重大集中信貸風險。本集團並無就若干應收款收取客戶或交易對手任何抵押品。

本集團一般為借取按揭貸款以撥資購買物業的客戶向銀行提供擔保，最高以物業總購買價的70%為限。倘買家於擔保期內拖欠償還按揭貸款，承保銀行可能要求本集團償還貸款結欠金額連同任何應計利息。於該等情況下，本集團有權沒收客戶按金並重售物業，以收回本集團應付予銀行的任何金額。就此而言，董事認為本集團的信貸風險已大大減少。有關該等擔保的詳情於附註40披露。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 FINANCIAL RISK FACTORS (Continued)

(b) Credit risk (Continued)

The Group provides guarantees in respect of related parties' borrowings to banks jointly with other investors of the related parity. Typically, the related party guaranteed by the Group is a property development or property holding entity which could liquidate or sell some or all of its assets to repay the borrowings immediately. In this regard, the directors consider that the Group's credit risk is significantly reduced. Detailed disclosure of these guarantees is made in note 41.

The following credit risk modelling applies:

The Group has the following types of financial assets that are subject to expected credit loss model:

- Trade receivables
- Contract assets
- Amount due from related parties
- Amount due from non-controlling interests
- Other financial assets carried at amortized cost

While cash and cash equivalents are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

本集團就有關關聯方借款與關聯方的其他投資者共同向銀行提供擔保。一般而言，本集團擔保的關聯方為物業開發或物業持有實體，可即時清盤或出售其部分或全部資產償還借款。在此方面，董事認為本集團的信貸風險可大幅減少。該等擔保的詳情載於附註41。

應用以下信貸風險模式：

本集團有以下應用預期信用損失模式的金融資產種類：

- 應收賬款
- 合約資產
- 應收關聯方款項
- 應收非控制性權益款項
- 其他按攤銷成本計量的金融資產

現金及現金等價物亦遵守香港財務報告準則第9號的減值規定，已識別之減值虧損並不重大。

本集團於初步確認資產時考慮違約概率，以及各報告期內信貸風險是否持續大幅增加。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 FINANCIAL RISK FACTORS (Continued)

(b) Credit risk (Continued)

To assess whether there is a significant increase in credit risk, the Group compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information, which could include:

- internal credit rating
- external credit rating
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower
- significant increases in credit risk on other financial instruments of the same borrower
- significant changes in the expected performance and behavior of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

為評估信貸風險是否顯著增加，本集團將資產於報告日期發生的違約風險與初步確認日期的違約風險進行比較。其考慮所得合理且具支持性的前瞻資訊，包括：

- 內部信貸評級
- 外部信貸評級
- 預期導致借款人償還債務能力出現重大變動的商業、財務及經濟環境的實際或預期重大不利變動
- 借款人經營業績的實際或預期重大變動
- 同一借款人的其他金融工具的信貸風險顯著增加
- 借款人的預期業績及行為出現重大變動，包括借款人於本集團的付款狀況變動及借款人經營業績的變動。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 FINANCIAL RISK FACTORS (Continued)

(b) Credit risk (Continued)

(i) Contract assets and trade receivables

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of lifetime expected credit loss provision for contract assets and trade receivables. To measure the expected credit losses, contract assets and trade receivables were grouped based on shared credit risk characteristics and the days past due.

As at 31 December 2019, the expected credit loss provision was determined as follows. The expected credit loss provision below also incorporated forward-looking information.

31 December 2019	二零一九年 十二月三十一日	Third parties 第三方							Total 總計
		Related parties 關聯方	Less than 1 year 少於1年	1-2 years 1至2年	2-3 years 2至3年	3-4 years 3至4年	4-5 years 4至5年	More than 5 years 超過5年	
Expected credit loss rate	預期信用損失率	1%	3%-10%	10%-20%	20%-50%	50%-80%	80%-100%	100%	
Gross carrying amount	賬面總值								
– Contract assets	– 合約資產	92,361	64,463	–	174	–	–	–	156,998
– Trade receivables (note 27)	– 應收賬款(附註27)	274,028	566,168	46,879	56,973	–	–	–	944,048
		366,389	630,631	46,879	57,147	–	–	–	1,101,046
Expected credit loss provision	預期信用損失撥備								
– Contract assets	– 合約資產	(924)	(1,933)	–	(35)	–	–	–	(2,892)
– Trade receivables	– 應收賬款	(2,740)	(33,555)	(9,376)	(28,487)	–	–	–	(74,158)
		(3,664)	(35,488)	(9,376)	(28,522)	–	–	–	(77,050)
Total contract assets and trade receivables	合約資產及應收賬款總額	362,725	595,143	37,503	28,625	–	–	–	1,023,996

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(i) 合約資產及應收賬款

本集團根據香港財務報告準則第9號應用簡化方式就預期信用損失作出撥備，該準則允許就合約資產及應收賬款使用整個年期的預期信用損失撥備。為計量預期信用損失，合約資產及應收賬款根據共同信貸風險特徵及逾期日數分組。

於二零一九年十二月三十一日，預期信用損失撥備如下。以下預期信用損失撥備亦包括前瞻性資料。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 FINANCIAL RISK FACTORS (Continued)

(b) Credit risk (Continued)

(i) Contract assets and trade receivables (Continued)

As at 31 December 2018, the expected credit loss provision was determined as follows. The expected credit loss provision below also incorporated forward-looking information.

31 December 2018	二零一八年 十二月三十一日	Related parties 關聯方	Third parties 第三方						Total 總計
			Less than 1 year 少於1年	1-2 years 1至2年	2-3 years 2至3年	3-4 years 3至4年	4-5 years 4至5年	More than 5 years 超過5年	
Expected credit loss rate	預期信用損失率	1%	3%	10%	20%	50%	80%	100%	
Gross carrying amount	賬面總值								
– Contract assets	– 合約資產	–	–	119,934	–	–	–	–	119,934
– Trade receivables (note 27)	– 應收賬款 (附註27)	335,294	123,315	61,664	598	350	–	–	521,221
		335,294	123,315	181,598	598	350	–	–	641,155
Expected credit loss provision	預期信用損失撥備								
– Contract assets	– 合約資產	–	–	(11,993)	–	–	–	–	(11,993)
– Trade receivables	– 應收賬款	(3,353)	(3,699)	(6,166)	(120)	(175)	–	–	(13,513)
		(3,353)	(3,699)	(18,159)	(120)	(175)	–	–	(25,506)
Total contract assets and trade receivables	合約資產及 應收賬款總額	331,941	119,616	163,439	478	175	–	–	615,649

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險 (續)

(i) 合約資產及應收賬款 (續)

於二零一八年十二月三十一日，預期信用損失撥備如下。以下預期信用損失撥備亦包括前瞻性資料。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 FINANCIAL RISK FACTORS (Continued)

(b) Credit risk (Continued)

(i) Contract assets and trade receivables (Continued)

The expected credit loss provision for contract assets and trade receivables as at 31 December 2019 reconciles to the opening expected credit loss provision are as follows:

		Contract assets 合約資產 RMB'000 人民幣千元	Trade receivables 應收賬款 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Opening expected credit loss provision as at 1 January 2018	於二零一八年一月一 日期初預期信用損失 撥備	(6,758)	(14,001)	(20,759)
Additional provision	額外撥備	(5,235)	(1,374)	(6,609)
Recoveries	收回	—	1,862	1,862
Closing expected credit loss provision as at 31 December 2018	於二零一八年 十二月三十一日期 末預期信用損失撥備	(11,993)	(13,513)	(25,506)
Additional provision	額外撥備	—	(60,645)	(60,645)
Recoveries	收回	9,101	—	9,101
Closing expected credit loss provision as at 31 December 2019	於二零一九年 十二月三十一日期 末預期信用損失撥備	(2,892)	(74,158)	(77,050)

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險 (續)

(i) 合約資產及應收賬款 (續)

合約資產及應收賬款於二零一九年十二月三十一日的預期信用損失撥備與期初預期信用損失撥備的對賬如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 FINANCIAL RISK FACTORS (Continued)

(b) Credit risk (Continued)

- (ii) Amounts due from related parties, non-controlling interests and other financial assets at amortized cost

The Group uses three categories for other receivables which reflect their credit risk and how the expected credit loss provision is determined for each of those categories. The Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers both historical loss rates and forward-looking macroeconomic data. A summary of the assumptions underpinning the Group's expected credit loss model is as follows:

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

- (ii) 應收關聯方款項、非控制性權益及按攤銷成本計量的其他金融資產

本集團就其他應收款採用三個類別，以反映其信貸風險及如何就各類釐定預期信用損失撥備。本集團透過適時就預期信用損失作出適當撥備，以將其信貸風險入賬。在計算預期信用損失率時，本集團考慮歷史虧損率及前瞻宏觀經濟數據。本集團預期信用損失模型的假設概要如下：

Category 類別	Group definition of category 本集團就類別所下定義	Basis for recognition of expected credit loss provision 確認預期信用損失撥備的基準	Expected credit loss rate 預期信用損失率
Stage one	Customers have a low risk of default and a strong capacity to meet contractual cash flows	12 months expected credit losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime	1%–3%
第一階段	違約風險偏低及應付合約現金流量能力強勁的客戶	12個月預期信用損失。倘資產的預期年期少於12個月，則預期虧損按預期年期計量	
Stage two	Receivables for which there is a significant increase in credit risk since initial recognition	Lifetime expected credit losses	3%–10%
第二階段	自初步確認以來信貸風險大幅上升的應收款	年期預期信用損失	
Stage three	Receivables for which there is credit loss since initial recognition	Lifetime expected credit losses	10%–100%
第三階段	自初步確認以來錄得信貸虧損的應收款	年期預期信用損失	

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 FINANCIAL RISK FACTORS (Continued)

(b) Credit risk (Continued)

- (ii) Amounts due from related parties, non-controlling interests and other financial assets at amortized cost (Continued)

As at 31 December 2019, the Group provided for expected credit loss provision against other receivables as follows:

31 December 2019 二零一九年十二月三十一日	Category 類別	Expected credit loss rate 預期信用損失率	Estimated gross carrying amount at default 估計違約賬面總值 RMB'000 人民幣千元	Expected credit loss provision 預期信用損失撥備 RMB'000 人民幣千元	Carrying amount (net of impairment provision) 賬面值 (已扣減減值撥備) RMB'000 人民幣千元
Amounts due from related parties 應收關聯方款項	Stage one 第一階段	1%	4,190,626	(41,907)	4,148,719
Amounts due from related parties 應收關聯方款項	Stage three 第三階段	100%	13,249	(13,249)	-
Amounts due from non-controlling interests 應收非控制性權益款項	Stage one 第一階段	1%	819,568	(8,195)	811,373
Deposits for purchase of land 購買土地的按金	Stage one 第一階段	1%	171,831	(1,718)	170,113
Others 其他	Stage one 第一階段	1%-3%	712,632	(7,127)	705,505
			5,907,906	(72,196)	5,835,710

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險 (續)

- (ii) 應收關聯方款項、非控制性權益及按攤銷成本計量的其他金融資產 (續)

於二零一九年十二月三十一日，本集團就其他應收款計提預期信用損失撥備如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 FINANCIAL RISK FACTORS (Continued)

(b) Credit risk (Continued)

- (ii) Amounts due from related parties, non-controlling interests and other financial assets at amortized cost (Continued)

As at 31 December 2018, the Group provided for expected credit loss provision against other receivables as follows:

31 December 2018	Category	Expected credit loss rate	Estimated gross carrying amount at default 估計違約 賬面總值 RMB'000 人民幣千元	Expected credit loss provision 預期信用損失撥備 RMB'000 人民幣千元	Carrying amount (net of impairment provision) 賬面值 (已扣減減值撥備) RMB'000 人民幣千元
二零一八年十二月三十一日	類別	預期信用損失率			
Amounts due from related parties 應收關聯方款項	Stage one 第一階段	1%	2,377,306	(23,773)	2,353,533
Amounts due from non-controlling interests 應收非控制性權益款項	Stage one 第一階段	1%	519,390	(5,194)	514,196
Deposits for purchase of land 購買土地的按金	Stage one 第一階段	1%	242,689	(2,427)	240,262
Others 其他	Stage one 第一階段	1% – 3%	308,596	(7,721)	300,875
			3,447,981	(39,115)	3,408,866

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

- (ii) 應收關聯方款項、非控制性權益及按攤銷成本計量的其他金融資產(續)

於二零一八年十二月三十一日，本集團就其他應收款計提預期信用損失撥備如下：

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 FINANCIAL RISK FACTORS (Continued)

(b) Credit risk (Continued)

- (ii) Amounts due from related parties, non-controlling interests and other financial assets at amortized cost (Continued)

The expected credit loss provision for amounts due from related parties, non-controlling interests and other financial assets at amortized cost as at 31 December 2019 reconciles to the opening expected credit loss provision are as follows:

		Amounts due from related parties 應收 關聯方款項 RMB'000 人民幣千元	Amounts due from non- controlling interests 應收非控制性 權益款項 RMB'000 人民幣千元	Deposits for purchase of land 購買土地的按金 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Opening expected credit loss provision as at 1 January 2018	於二零一八年一月一日期初 預期信用損失撥備	(29,304)	(5,715)	(2,121)	(7,436)	(44,576)
Additional provision	額外撥備	(4,733)	–	(306)	(285)	(5,324)
Recoveries	收回	10,264	521	–	–	10,785
Closing expected credit loss provision at 31 December 2018	於二零一八年十二月三十一日 期末預期信用損失 撥備	(23,773)	(5,194)	(2,427)	(7,721)	(39,115)
Additional provision	額外撥備	(31,383)	(3,001)	–	–	(34,384)
Recoveries	收回	–	–	709	594	1,303
Closing expected credit loss provision at 31 December 2019	於二零一九年十二月三十一日 期末預期信用損失 撥備	(55,156)	(8,195)	(1,718)	(7,127)	(72,196)

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險 (續)

- (ii) 應收關聯方款項、非控制性權益及按攤銷成本計量的其他金融資產 (續)

應收關聯方款項、非控制性權益及按攤銷成本計量的其他金融資產於二零一九年十二月三十一日的預期信用損失撥備與期初預期信用損失撥備的對賬如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 FINANCIAL RISK FACTORS (Continued)

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed credit facilities.

The Group's primary cash requirements have been for the payments of property development projects and operating expenses. The Group finances its working capital requirements mainly through internal resources and borrowings from shareholders, banks and other financial institutes. The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient cash and cash equivalents and adequate credit facilities to meet its liquidity requirements in the short and long term.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows based on the earliest date on which the Group can be required to pay as of 31 December 2019.

3 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動資金風險

審慎的流動資金風險管理指維持充足的現金及現金等價物，並透過充裕的信貸融資額度取得資金。

本集團的主要現金需求用於支付房地產開發項目及經營費用。本集團的營運資金需求主要透過內部資源及向股東、銀行及其他財務機構借款撥付。本集團的政策為定期監控當前及預期的流動資金需求，確保維持充足的現金及現金等價物及充裕的信貸額度，以滿足短期及長期的流動資金需求。

下表載列根據結算日至合約到期日的剩餘期限，按照相關到期組別劃分的本集團金融負債分析。表內披露的金額為於二零一九年十二月三十一日根據本集團可被要求的最早支付日期計算的合約未折現現金流量。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 FINANCIAL RISK FACTORS (Continued)

(c) Liquidity risk (Continued)

		Less than 1 year or repayable on demand 少於一年或 按要求償還 RMB'000 人民幣千元	Between 1 and 2 years 一至兩年 RMB'000 人民幣千元	Between 2 and 5 years 兩至五年 RMB'000 人民幣千元	Over 5 years 五年以上 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2019	於二零一九年十二月三十一日					
Trade and other payables	應付賬款及其他應付款	6,571,260	709,612	732,674	–	8,013,546
Borrowings and interest thereon	借款及相關利息	2,716,857	2,170,706	1,913,041	936,045	7,736,649
Guarantee in respect of mortgage facilities for certain purchasers	就若干買家之按揭融資提供擔保	1,342,505	–	–	–	1,342,505
Guarantee in respect of related parties' borrowings	就關聯方之借款提供擔保	–	74,715	–	–	74,715
Guarantee in respect of related parties' lease liabilities	就關聯方之租賃負債提供擔保	18,896	35,448	110,838	179,036	344,218
Lease liability	租賃負債	24,327	14,770	25,395	7,578	72,070
At 31 December 2018	於二零一八年十二月三十一日					
Trade and other payables	應付賬款及其他應付款	6,973,115	1,024,894	1,880,468	–	9,878,477
Borrowings and interest thereon	借款及相關利息	1,175,125	4,715,095	2,004,384	–	7,894,604
Guarantee in respect of mortgage facilities for certain purchasers	就若干買家之按揭融資提供擔保	591,253	1,453,048	66,132	–	2,110,433
Guarantee in respect of related parties' borrowings	就關聯方之借款提供擔保	61,770	–	122,508	–	184,278

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(c) 流動資金風險 (續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 FAIR VALUE ESTIMATION

The different levels of valuation method for financial instruments carried at fair value are as follows:

- (a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- (b) Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- (c) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

3 財務風險管理(續)

3.2 公允價值估計

下文載列利用估值法分析按公允價值入賬的金融工具之不同層級：

- (a) 相同資產或負債於活躍市場的報價(未經調整)(第1層)。
- (b) 除第1層所包括的報價外，就資產或負債可觀察的直接(即價格)或間接(即源自價格)輸入數據(第2層)。
- (c) 資產或負債並非依據可觀察市場數據的輸入數據(即不可觀察輸入數據)(第3層)。

			Level 1 第1層	Level 2 第2層	Level 3 第3層	Total 總計
		Note 附註	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Financial assets at fair value through profit or loss	按公允價值計入損益的金融資產					
At 31 December 2019	於二零一九年十二月三十一日	26	-	-	-	-
At 31 December 2018	於二零一八年十二月三十一日	26	125,669	-	51,140	176,809
Investment properties	投資性物業					
At 31 December 2019	於二零一九年十二月三十一日	18	-	-	852,500	852,500
At 31 December 2018	於二零一八年十二月三十一日	18	-	-	505,630	505,630

There were no transfers between level 1, level 2 and level 3 during the year ended 31 December 2019.

截至二零一九年十二月三十一日止年度內，第1層、第2層與第3層之間並無轉移。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 FAIR VALUE ESTIMATION (Continued)

The fair value of financial instruments traded in active markets is based on quoted market prices. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The remaining financial assets at fair value through profit or loss, and investment properties held by the Group are not traded in active markets nor does the fair value determined by using valuation techniques that use observable market data. Therefore, they are included in level 3.

3 財務風險管理(續)

3.2 公允價值估計(續)

在活躍市場買賣的金融工具的公允價值根據市場報價列賬。當報價可即時和定期從證券交易所、交易商、經紀、業內人士、定價服務或監管代理獲得，而該等報價代表按公平交易基準進行的實際和常規市場交易時，該市場被視為活躍。

並非於活躍市場買賣的金融工具(例如場外衍生工具)的公允價值以估值技術計算。該等估值技術充分利用可獲得的可觀察市場數據，從而盡量減少依賴實體的特有估計數據。若按公允價值計量的工具所需的所有重大輸入數據均可從觀察取得，則該項工具會納入第2層。

若一項或多項重大輸入數據並非根據可觀察市場數據釐定，則該項工具會納入第3層。

其餘按公允價值計入損益的金融工具及本集團持有的投資性物業並無於活躍市場買賣，亦無使用可觀察市場數據的估值技術釐定公允價值，因此分類為第3層。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 FAIR VALUE ESTIMATION (Continued)

The following table presents the changes in level 3 items for the year ended 31 December 2019 and 31 December 2018:

		Wealth management products 資產管理產品 RMB'000 人民幣千元
Opening balance as at 1 January 2018	於二零一八年一月一日期初結餘	–
Acquisitions	收購	51,140
Closing balance 31 December 2018	於二零一八年十二月三十一日期末結餘	51,140
Disposals	出售	(51,140)
Closing balance as at 31 December 2019	於二零一九年十二月三十一日期末結餘	–

See note 18 for disclosures of the investment properties that are measured at fair value.

The carrying amounts of the Group's other current financial assets and financial liabilities approximate their fair values due to their short maturities.

3 財務風險管理(續)

3.2 公允價值估計(續)

下表呈列截至二零一九年十二月三十一日及二零一八年十二月三十一日止年度第3層項目的變動：

按公允價值計量的投資性物業的披露載於附註18。

由於本集團的其他流動金融資產及金融負債期限短，故賬面值與公允價值相若。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 CAPITAL RISK MANAGEMENT

The Group's capital management objectives are:

- to ensure the Group's ability to continue as a going concern; and
- to provide an adequate return to shareholders.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or obtain borrowings.

The Group monitors its capital structure on a basis of gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents and restricted cash pledged for the Group's borrowing. Total capital is calculated as net debt plus total equity as shown in the consolidated balance sheet.

3 財務風險管理(續)

3.3 資本風險管理

本集團的資本管理目標為：

- 確保本集團持續經營的能力；及
- 為股東提供理想回報。

為維持或調整資本架構，本集團或會調整向股東派付的股息金額、向股東退還資本、發行新股或取得借款。

本集團根據資產負債比率監控資本架構。該比率以債務淨額除以資本總額計算。債務淨額以借款總額減現金及現金等價物及已就本集團借款抵押的受限制現金計算。資本總額以債務淨額加綜合資產負債表所示的總權益計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 CAPITAL RISK MANAGEMENT (Continued)

The gearing ratios as at 31 December 2019 and 2018 are as follows:

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Borrowings (note 31)	借款(附註31)	6,961,140	7,024,595
Less: Cash and cash equivalents (note 29)	減：現金及現金等價物(附註29)	(4,504,393)	(5,404,956)
Restricted cash (note 29)	受限制現金(附註29)	(61,240)	(268,866)
Net debt	債務淨額	2,395,507	1,350,773
Total equity	總權益	6,104,231	4,760,895
Total capital	資本總額	8,499,738	6,111,668
Gearing ratio	資產負債比率	28%	22%

Restricted cash with the amount of RMB61,240,000 was pledged as securities for borrowings of the Group and the Group considers that such restricted cash should be included in the calculation of net debt in order to reflect an appropriate gearing ratio of the Group.

3 財務風險管理(續)

3.3 資本風險管理(續)

於二零一九年及二零一八年十二月三十一日的資產負債比率如下：

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Borrowings (note 31)	借款(附註31)	6,961,140	7,024,595
Less: Cash and cash equivalents (note 29)	減：現金及現金等價物(附註29)	(4,504,393)	(5,404,956)
Restricted cash (note 29)	受限制現金(附註29)	(61,240)	(268,866)
Net debt	債務淨額	2,395,507	1,350,773
Total equity	總權益	6,104,231	4,760,895
Total capital	資本總額	8,499,738	6,111,668
Gearing ratio	資產負債比率	28%	22%

受限制現金人民幣61,240,000元已就本集團借款作抵押，本集團認為，有關受限制現金應納入債務淨額的計算中，以反映本集團合適的資產負債比率。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group makes judgements, estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(A) CLASSIFICATION OF SUBSIDIARY, JOINT VENTURE AND ASSOCIATE

In the normal course of business, the Group develops properties together with other developers or institutions, through entering into co-operation agreements with these parties. The rights and obligations of the Group and the other parties are stipulated by respective co-operation agreements, article of associations of the project companies and etc. Due to the complexity of the arrangements, significant judgement is needed in determining whether the project company is subsidiary, joint venture or associate to the Group. The Group makes judgement based on the substance of the arrangements and the definition of subsidiary, joint venture and associate as disclosed in notes 2.3, 2.4 and 2.5.

(B) ESTIMATES OF FAIR VALUE OF INVESTMENT PROPERTIES

The Group's investment properties are stated at fair value which is determined by independent professional valuers. Such valuation is made based on certain assumptions, which are subject to uncertainties and might materially differ from the actual results. In making the judgement, reasonable consideration has been given to the underlying assumptions that are mainly based on market conditions existing at the balance sheet date. These estimates are regularly compared to actual market data and actual transactions in the market.

4 關鍵會計估計及判斷

本集團作出有關未來情況的判斷、估計及假設，顧名思義，會計估計結果極少相等於有關實際結果。估計及假設很可能導致須對下一個財政年度的資產及負債賬面值作出重大調整，詳情如下：

(A) 附屬公司、合營企業及聯營公司的分類

於一般業務過程中，本集團與其他發展商或機構透過與該等合作方訂立合作協議，共同開發房地產。本集團與其他方的權利及責任由各自之合作協議、項目公司之組織章程細則等訂明。鑑於該等安排之複雜性，釐定項目公司是否屬本集團之附屬公司、合營企業或聯營公司需要重大判斷。本集團乃基於該等安排之實質性及附屬公司、合營企業及聯營公司之定義作出判斷，見附註2.3、2.4及2.5。

(B) 投資性物業的估計公允價值

本集團的投資性物業以獨立專業估值師所釐定的公允價值列賬。估值乃基於若干假設，其中涉及不確定因素，可能與實際結果相距甚遠。作出判斷時須主要根據結算日的市況對相關假設作出合理考慮。該等估計須定期與實際市場資料及實際交易情況作比較。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(C) NET REALIZABLE VALUE OF INVENTORY, PROPERTIES UNDER DEVELOPMENT AND HELD FOR SALE

The Group estimates the net realizable value of inventory, properties under development and held for sale based on the current market condition and the historical experience of selling properties and products of a similar nature. It could change significantly as a result of change in market conditions. Management reassesses these estimates at each balance sheet date.

(D) INCOME TAXES AND DEFERRED TAX

The Group is subject to income taxes in Mainland China, Hong Kong and US. Significant judgement is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain in the ordinary course of business. The Group recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the year when such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognized when the Group considers it is likely that future taxable profits will be available against which the temporary differences or tax losses can be utilized. When the expectations are different from the original estimates, such differences will impact the recognition of deferred income tax assets and income tax charges in the period in which such estimates are changed.

4 關鍵會計估計及判斷(續)

(C) 庫存、開發中物業及持作銷售物業的可變現淨值

本集團根據當時市況及銷售同類物業及產品的過往經驗，估計存貨、開發中物業及持作銷售物業的可變現淨值。市況可造成重大變動。管理層於各結算日重新評估該等估計。

(D) 所得稅及遞延稅項

本集團須繳納中國內地、香港及美國所得稅。釐定所得稅撥備時，須作出重大判斷。在日常業務中有若干未能確定最終稅項的交易及計算。本集團按照額外稅項是否將會到期之估計確認預計稅務事宜之負債。倘該等事宜的最終稅務結果有別於最初記錄的數額，則有關差額會影響釐定有關數額期間的所得稅及遞延稅項撥備。

與若干暫時差額及稅項虧損有關的遞延所得稅資產於管理層認為未來有可能出現應課稅利潤可用作抵銷該等暫時差額或稅項虧損時確認。當預期金額與原定估計有差異時，則該差異將於估計改變期間影響遞延所得稅資產的確認及所得稅費用。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

(E) MAINLAND CHINA LAND APPRECIATION TAXES

The Group is subject to land appreciation taxes ("LAT") in Mainland China. However, the implementation and settlement of LAT varies among various tax jurisdictions in cities of Mainland China, and the Group has not finalized its LAT calculation and payments with local tax authorities in Mainland China for most of its property development projects. Accordingly, significant judgement is required in determining the amount of land appreciation and its related taxes. The Group recognizes these liabilities based on its best estimates. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax expenses and provisions of LAT taxes in the period when such determination is made.

(F) IMPAIRMENT OF INTERESTS IN ASSOCIATES AND JOINT VENTURES

The Group follows the guidance of HKAS 36 to identify any impairment indicator for interests in associate and joint ventures. This determination requires significant judgement. In making this judgement, the Group evaluates the fair value of an investment by taking into account a market participant's ability in such interests in its highest and best use or by selling it to another market participant that would invest in interests in its highest and best use. The Group considers the financial health of and short-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

4 關鍵會計估計及判斷(續)

(E) 中國土地增值稅

本集團須繳納中國土地增值稅(「土地增值稅」)。然而，中國各城市不同稅收管轄區對土地增值稅的執行及結算不盡相同，而本集團尚未與中國地方稅務局落實大部分房地產開發項目土地增值稅的計算及付款方法。因此，釐定土地增值額及相關稅項時須作出重大判斷。本集團根據管理層作出的最佳估計確認該等負債。倘該等事宜的最終稅務結果有別於最初記錄的數額，則有關差額會影響釐定有關數額期間的所得稅費用及土地增值稅撥備。

(F) 於聯營公司及合營企業的權益減值

本集團根據香港會計準則第36號的指引識別聯營公司及合營企業權益中的任何減值跡象。有關釐定須作出重大判斷。於作出判斷時，本集團會評估投資的公允價值，當中計及市場參與者能自最大限度於該權益達致最佳用途，或將該權益出售予將最大限度投資該權益達致最佳用途的另一市場參與者。本集團考慮投資對象的財政是否穩健及短期業務展望，包括行業及分部表現、技術變動及經營和融資現金流量等因素。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(G) REVENUE RECOGNITION FOR PROPERTY DEVELOPMENT AND SALES

The Group develops and sells properties to its customers in different countries. Revenue from sales of properties is recognized over time when the Group's performance do not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. The Group may not change or substitute the property unit or redirect the property unit for another use due to the contractual restrictions with the customer and thus the property unit does not have an alternative use to the Group. However, whether there is an enforceable right to payment depends on the terms of sales contract and the interpretation of applicable laws that apply to the contract. To assess the enforceability of right to payment, the Group has reviewed the terms of its contracts, the relevant local laws, the local regulators' views and obtained legal advice, when necessary, and a significant judgement is required.

For property development and sales contracts for which the control of the property is transferred at a point in time, revenue is recognized when the buyer obtains the physical possession or legal title of the completed property and the consideration amount is collected. The Group seldom provides long credit or payment terms to its property buyer.

4 關鍵會計估計及判斷(續)

(G) 物業發展及銷售的收入確認

本集團為不同國家的客戶開發及銷售物業。當本集團的履約並無產生對本集團具有替代用途的資產且本集團就迄今已完成的履約擁有可執行的支付權利時，則確認銷售物業的收入。由於與客戶的合約限制，本集團不得更改或替換物業單位，或改變物業單位的用途，因此本集團並不能將該物業單位用於其他用途。然而，本集團是否擁有可執行的支付權利，取決於銷售合約的條款和適用於該合約的適用法例詮釋。為評估支付權利的可執行性，本集團已審閱其合約條款、相關當地法例、當地監管機關意見以及於必要時取得法律意見，並須作出重大判斷。

就於一個時間點轉移物業控制權的房地產開發銷售合約而言，當買房者都獲得已完成的物業的實物所有權或法定所有權並收回對價時，本集團對收入進行確認。本集團很少向其物業買家提供長期的信貸或付款方式。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

(H) REVENUE RECOGNITION FOR MANAGEMENT SERVICES RECOGNIZED OVER PERIOD

The Group provides management services to its customers at fixed and variable amounts. If the consideration is variable, the Group estimates the amount of consideration to which it will be entitled in exchange for the promised services. The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The Group recognizes revenue from management services associated with fixed and variable fees over time where the customer simultaneously receives and consumes the benefits, by reference to completion of the specific transaction assessed on the basis of the actual costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract or on the basis of direct measurements of the value transferred to the customer.

Where the outcome of a contract cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are eligible to be recovered.

(I) IMPAIRMENT OF FINANCIAL ASSETS

The provision for expected credit loss for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the note 3.1 (b).

4 關鍵會計估計及判斷 *(續)*

(H) 於一段時間確認的管理服務的收入確認

本集團按固定及可變金額向客戶提供管理服務。倘代價可變，本集團估計其有權收取的代價金額，以換取承諾服務。僅當可變代價的相關不確定因素其後得以解決，致使估計可變代價金額很大可能不會導致撥回已確認重大累計收入，則估計可變代價金額計入交易價格。

倘客戶同時收取並消耗利益，則本集團於一段時間內確認與固定及可變費用相關的管理服務收入，當中參考截至報告期末產生的實際成本佔各合約估計成本總額的百分比或直接計量轉移至客戶的價值而評估特定交易的完成情況。

倘無法可靠計量合約的結果，則僅在所產生費用合資格收回的情況下確認收入。

(I) 金融資產減值

金融資產預期信用損失撥備乃基於有關違約風險及預期虧損率的假設作出。於各報告期末，本集團根據其過往記錄、現時市況及前瞻性估計，通過判斷作出該等假設及選擇減值計算的輸入數據。有關主要假設及所用輸入數據的詳情於附註3.1 (b)披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

5 REVENUE

5.1 REVENUE FROM CONTRACTS WITH CUSTOMERS

5 收入

5.1 客戶合約收入

		For the year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 RMB'000 人民幣千元	For the year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 RMB'000 人民幣千元
Revenue recognized at a point in time	於某一時間點確認的收入		
Property development and sales	房地產開發及銷售		
— Mainland China	— 中國	3,126,730	3,879,123
— US	— 美國	3,922,561	2,323,310
Management services (a)	管理服務(a)		
— Mainland China	— 中國	404,104	580,273
— US	— 美國	13,333	25,144
		7,466,728	6,807,850
Revenue recognized over period	於一段期間內確認的收入		
Property development and sales	房地產開發及銷售		
— US	— 美國	428,533	204,118
Management services (a)	管理服務(a)		
— Mainland China	— 中國	631,909	394,282
		1,060,442	598,400
Rental income	租金收入		
— Office investment properties	— 辦公投資物業	31,565	28,826
		8,558,735	7,435,076

5 REVENUE (Continued)

5.1 REVENUE FROM CONTRACTS WITH CUSTOMERS (Continued)

- (a) Breakdown of the revenue from management services is as follows:

5 收入(續)

5.1 客戶合約收入(續)

- (a) 管理服務收入明細如下：

		For the year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 RMB'000 人民幣千元	For the year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 RMB'000 人民幣千元
Revenue from development management services	開發管理服務收入	368,963	419,426
Revenue from sales management services	銷售管理服務收入	404,103	383,513
Revenue from green product integration services	綠色產品整合服務收入	201,153	169,000
Revenue from brand authorisation services	品牌授權服務收入	75,127	27,760
		1,049,346	999,699

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

5 REVENUE (Continued)

5.2 ASSETS AND LIABILITIES RELATED TO CONTRACTS WITH CUSTOMERS

The Group has recognized the following assets and liabilities related to contracts with customers:

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Contract assets related to	與以下項目有關的合約資產		
— Property development and sales	— 房地產開發及銷售	174	119,934
— Management services	— 管理服務	156,824	—
Less: provision for bad debt (note 3.1 (b)(i))	減：壞賬撥備(附註3.1(b)(i))	(2,892)	(11,993)
		154,106	107,941
Contract liabilities related to	與以下項目有關的合約負債		
— Property development and sales	— 房地產開發及銷售	3,007,561	4,456,933
— Management services	— 管理服務	39,408	53,253
		3,046,969	4,510,186

(a) Significant changes in contract assets and liabilities

Contract assets consist of unbilled amount resulting from property development and sales in the US and development management services in Mainland China when revenue recognized over the development/service period by reference to the costs incurred up to the end of reporting period as a percentage of the total expected costs to complete the contract exceeds the amount billed to customers.

The Group receives payments from customers based on billing schedule as established in contracts.

5 收入(續)

5.2 與客戶合約有關的資產及負債

本集團已確認以下與客戶合約有關的資產及負債：

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Contract assets related to	與以下項目有關的合約資產		
— Property development and sales	— 房地產開發及銷售	174	119,934
— Management services	— 管理服務	156,824	—
Less: provision for bad debt (note 3.1 (b)(i))	減：壞賬撥備(附註3.1(b)(i))	(2,892)	(11,993)
		154,106	107,941
Contract liabilities related to	與以下項目有關的合約負債		
— Property development and sales	— 房地產開發及銷售	3,007,561	4,456,933
— Management services	— 管理服務	39,408	53,253
		3,046,969	4,510,186

(a) 合約資產及負債重大變動

當於開發／服務期間確認的收入(參照截至報告期末所產生成本佔合約完工預期總成本的百分比釐定)超過向客戶開單的金額，合約資產會包含美國房地產開發及銷售以及中國發展管理服務的未開單款項。

本集團根據與客戶於合約中訂立的收款時間表收取付款。

5 REVENUE (Continued)

5.2 ASSETS AND LIABILITIES RELATED TO CONTRACTS WITH CUSTOMERS (Continued)

(b) Revenue recognized in relation to contract liabilities

The following table shows how much of the revenue recognized in the current reporting period relates to carried-forward contract liabilities.

5 收入(續)

5.2 與客戶合約有關的資產及負債(續)

(b) 就合約負債確認的收入

下表顯示於本報告期間確認與結轉合約負債有關的收入。

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Revenue recognized that was included in the contract liabilities balance at the beginning of the year	年初計入合約負債結餘的已確認收入		
— Property development and sales	— 房地產開發及銷售	2,934,598	3,084,941
— Management services	— 管理服務	31,625	21,536
		2,966,223	3,106,477

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

5 REVENUE (Continued)

5.2 ASSETS AND LIABILITIES RELATED TO CONTRACTS WITH CUSTOMERS (Continued)

(c) Contracted amounts to be recognized in future

Expected to be recognized within one year	預期於一年內確認
— Property development and sales	— 房地產開發及銷售
— Management services	— 管理服務
Expected to be recognized after one year	預期於一年後確認
— Property development and sales	— 房地產開發及銷售
— Management services	— 管理服務

(d) Contract cost

Costs directly attributable to obtaining a contract such as stamp duty and sales commissions are immaterial and expensed when they were incurred.

5 收入(續)

5.2 與客戶合約有關的資產及負債(續)

(c) 將於未來確認的訂約金額

31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
2,077,755	1,998,099
39,408	—
929,806	2,458,834
—	—
3,046,969	4,456,933

(d) 合約成本

取得合約所直接產生的成本(如印花稅及銷售佣金)於產生時入賬列為支出，金額並不重大。

6 SEGMENT INFORMATION

Management determined the operating segments based on the reports reviewed by the executive directors that are used to make strategic decisions. As the property development and sales in the US has increased significantly and constitutes a large portion of the revenue for the Group, management has determined to separate the property development and sales in the US as an individual operating segment for the year ended 31 December 2019. As a result, the corresponding segment information for the year ended 31 December 2018 has been presented in the same way.

The executive directors consider the business from services perspective and have identified the following operating segments:

- Property development and sales in Mainland China;
- Property development and sales in the US;
- Management services; and
- Office property investment.

The executive directors assess the performance of operating segments based on a measure of segment revenue and segment profit.

Segment profit represents the profit earned by each segment without allocation of net finance costs and corporate expenses charged in the consolidated statement of comprehensive income. This is the measure reported to the management of the Group for the purposes of resource allocation and performance assessment.

6 分部資訊

管理層根據由經執行董事審閱及用作策略決定的報告釐定經營分部。由於美國房地產開發及銷售大幅增加並佔本集團的大部分收入，管理層決定於截至二零一九年十二月三十一日止年度將美國房地產開發及銷售分開作為個別經營分部。因此，截至二零一八年十二月三十一日止年度的相應分部資訊已按相同方式呈列。

執行董事從服務角度考慮業務，並確認以下經營分部：

- 中國房地產開發及銷售；
- 美國房地產開發及銷售；
- 管理服務；及
- 辦公物業投資。

執行董事根據分部收入及分部利潤計量評估經營分部的表現。

分部利潤指各分部所賺取的利潤，惟不包括計入綜合全面收益表的財務費用及公司費用。本集團管理層根據所報告的計量分配資源和評估表現。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

6 SEGMENT INFORMATION (Continued)

The segment information provided to the executive directors for the reportable segments for the year ended 31 December 2019 is as follows:

6 分部資訊(續)

截至二零一九年十二月三十一日止年度，向執行董事提供的報告分部資訊如下：

		For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度				
		Property development and sales 房地產開發及銷售		Management services 管理服務	Office property investment 辦公物業投資	Total 總計
		US 美國 RMB'000 人民幣千元	Mainland China 中國 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
Segment revenue (from external customers) (note 5)	分部收入(來自外部客戶)(附註5)					
— Revenue recognized at a point in time under HKFRS 15	— 根據香港財務報告準則第15號於某一時間點確認的收入	3,922,561	3,126,730	417,437	—	7,466,728
— Revenue recognized over period under HKFRS 15	— 根據香港財務報告準則第15號於一段期間內確認的收入	428,533	—	631,909	—	1,060,442
— Rental income	— 租金收入	—	—	—	31,565	31,565
		4,351,094	3,126,730	1,049,346	31,565	8,558,735
Depreciation of property, plant and equipment	不動產、工廠及設備折舊	(7,109)	(7,571)	(9,633)	(1,150)	(25,463)
Depreciation of right-of-use assets	使用權資產折舊	(11,061)	(1,473)	(8,278)	—	(20,812)
Fair value gain on investment properties (note 19)	投資性物業的公允價值利得(附註19)	—	—	—	3,870	3,870
Share of net profit of associates (note 17)	應佔聯營公司淨利潤(附註17)	—	651,501	—	—	651,501
Share of net (loss)/profit of joint ventures (notes 12, 18)	應佔合營企業淨(虧損)/利潤(附註12及18)	(71,910)	51,496	—	—	(20,414)
Segment profit	分部利潤	251,440	1,905,391	484,732	25,101	2,666,664
At 31 December 2019	於二零一九年十二月三十一日					
Segment assets	分部資產	6,198,010	17,454,591	1,276,283	913,324	25,842,208
Interests in associates (note 17)	於聯營公司的權益(附註17)	—	1,858,413	—	—	1,858,413
Interests in joint ventures (note 18)	於合營企業的權益(附註18)	282,231	2,046,801	—	—	2,329,032
Additions/(deductions) to non-current assets (excluding financial assets)	增加/(減少)非流動資產(不包括金融資產)	91,996	(337,103)	3,546	345,946	104,385
Segment liabilities	分部負債	3,278,595	15,624,265	555,464	279,653	19,737,977

6 SEGMENT INFORMATION (Continued)

The segment information provided to the executive directors for the reportable segments for the year ended 31 December 2018 is as follows:

6 分部資訊(續)

截至二零一八年十二月三十一日止年度，向執行董事提供的報告分部資訊如下：

		For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度				
		Property development and sales 房地產開發及銷售			Office property investment 辦公物業投資	Total 總計
		US 美國 RMB'000 人民幣千元	Mainland China 中國 RMB'000 人民幣千元	Management services 管理服務 RMB'000 人民幣千元		RMB'000 人民幣千元
Segment revenue (from external customers) (note 5)	分部收入(來自外部客戶)(附註5)					
— Revenue recognized at a point in time under HKFRS 15	— 根據香港財務報告準則第15號於某一時間點確認的收入	2,323,310	3,879,123	605,417	—	6,807,850
— Revenue recognized over period under HKFRS 15	— 根據香港財務報告準則第15號於一段期間內確認的收入	204,118	—	394,282	—	598,400
— Rental income	— 租金收入	—	—	—	28,826	28,826
		<u>2,527,428</u>	<u>3,879,123</u>	<u>999,699</u>	<u>28,826</u>	<u>7,435,076</u>
Depreciation of property, plant and equipment	不動產、工廠及設備折舊	(2,796)	(5,163)	(7,677)	(13)	(15,649)
Fair value gain on investment properties (note 19)	投資性物業的公允價值利得(附註19)	—	—	—	7,363	7,363
Share of net profit of associates (note 17)	應佔聯營公司淨利潤(附註17)	—	408,854	—	—	408,854
Share of net profit of joint ventures (note 18)	應佔合營企業淨利潤(附註18)	86,287	171,704	—	—	257,991
Segment profit	分部利潤	<u>421,402</u>	<u>2,043,953</u>	<u>456,816</u>	<u>26,116</u>	<u>2,948,287</u>
At 31 December 2018	於二零一八年十二月三十一日					
Segment assets	分部資產	6,058,371	15,569,861	3,424,012	515,642	25,567,886
Interests in associates (note 17)	於聯營公司的權益(附註17)	—	1,315,706	—	—	1,315,706
Interests in joint ventures (note 18)	於合營企業的權益(附註18)	419,446	2,176,601	—	—	2,596,047
Additions to non-current assets (excluding financial assets)	增加非流動資產(不包括金融資產)	13,635	61,543	6,831	190,352	272,361
Segment liabilities	分部負債	<u>4,350,626</u>	<u>15,146,185</u>	<u>2,081,024</u>	<u>73,569</u>	<u>21,651,404</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

6 SEGMENT INFORMATION (Continued)

The Group does not have any single customer which contributed to more than 10% of the Group's revenue. The Group's revenue from external customers and non-current assets are divided into the following geographical areas:

6 分部資訊(續)

本集團並無任何佔本集團收入10%以上的單一客戶。本集團來自外部客戶的收入及非流動資產乃按以下地理區域劃分：

		Revenue from external customers 外部客戶收入		Non-current assets 非流動資產	
		For the year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 RMB'000 人民幣千元	For the year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 RMB'000 人民幣千元	31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Mainland China	中國	4,194,308	4,882,504	7,631,616	7,721,296
US	美國	4,364,427	2,552,572	440,420	463,253
Hong Kong (domicile)	香港(註冊地)	—	—	2,688	60
		8,558,735	7,435,076	8,074,724	8,184,609

The revenue information above is based on the location of the customers. Non-current assets information above is based on the location of the assets.

以上收入資訊乃按客戶所在位置而作出。以上非流動資產資訊乃按資產所在地而作出。

6 SEGMENT INFORMATION (Continued)

Reconciliation of segment profit to profit before income tax from continuing operations is as follows:

		For the year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 RMB'000 人民幣千元	For the year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 RMB'000 人民幣千元
Segment profit	分部利潤	2,666,664	2,948,287
Finance costs, net (note 10)	財務費用淨額(附註10)	(376,281)	(295,720)
Unallocated corporate expenses	未分配公司費用	(208,545)	(196,418)
Profit before income tax	除所得稅前利潤	2,081,838	2,456,149

Reconciliations of segments' assets and liabilities to total assets and total liabilities are as follows:

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Segment assets	分部資產	25,842,208	25,567,886
Discontinued operation	已終止業務	—	1,207,388
Total assets	資產總值	25,842,208	26,775,274

6 分部資訊(續)

分部利潤與持續經營業務除所得稅前利潤的對賬如下：

分部資產及負債與總資產及總負債的對賬如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

6 SEGMENT INFORMATION (Continued)

6 分部資訊(續)

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Segment liabilities	分部負債	19,737,977	21,651,404
Unallocated liabilities	未分配負債	—	362,975
Total liabilities	負債總額	19,737,977	22,014,379

7 OTHER INCOME

7 其他收益

		For the year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 RMB'000 人民幣千元	For the year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 RMB'000 人民幣千元
Interest income from:	利息收益來自：		
— Amounts due from joint ventures and associates (note 40)	— 應收合營企業及聯營公司款項 (附註40)	134,377	105,735
— Amounts due from non-controlling interests	— 應收非控制性權益款項	27,010	22,338
— Loan to third parties	— 向第三方貸款	7,606	8,751
Government grants (a)	政府補助(a)	65,970	34,738
		234,963	171,562

(a) Government grants for the year ended 31 December 2019 was mainly tax rebate with amount of RMB51,269,000.

(a) 截至二零一九年十二月三十一日止年度的政府補助主要為退稅，金額為人民幣51,269,000元。

8 OTHER GAINS/(LOSSES) — NET

8 其他利得／(虧損)淨額

		For the year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 RMB'000 人民幣千元	For the year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 RMB'000 人民幣千元
Gain on disposal of subsidiaries (note 39)	出售附屬公司的利得(附註39)	26,037	166,822
Gain on re-measurement of existing interest in a joint venture upon conversion to a subsidiary (note 38)	於合營企業轉換為附屬公司後 重新計量現有權益的利得 (附註38)	43,000	19,653
Loss on disposal of property, plant and equipment	出售不動產、工廠及設備的虧損	(41)	(10)
Net exchange gains	匯兌利得淨額	68,489	185,188
Gain on FVPL (note 28(b))	按公允價值計入損益的利得 (附註28(b))	2,115	2,675
Others	其他	(2,500)	(454)
		137,100	373,874

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

9 EXPENSES BY NATURE

9 按性質分類的費用

		For the year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 RMB'000 人民幣千元	For the year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 RMB'000 人民幣千元
Employee benefit expenses	僱員福利費用		
Directors' remuneration (note 15)	董事薪酬(附註15)		
— Fees	— 袍金	1,134	900
— Salaries and allowances	— 薪金及津貼	18,147	17,350
— Retirement benefit scheme contributions	— 退休福利計劃供款	552	482
		19,833	18,732
Other staff costs	其他職工費用		
— Wages, salaries and allowances	— 工資、薪金及津貼	365,734	281,783
— Retirement benefit scheme contributions	— 退休福利計劃供款	18,057	32,072
— Other staff benefit	— 其他職工福利	14,227	30,626
		398,018	344,481
Cost of property development and sales	房地產開發及銷售成本		
— Mainland China (a)	— 中國(a)	1,998,196	2,612,402
— US	— 美國	3,662,746	2,042,662
Cost of management services	管理服務成本		
— Mainland China	— 中國	420,471	479,647
Rental and expense in respect of properties	物業租金及費用	25,077	49,921
Operating costs in respect of investment properties	投資性物業的營運費用	6,145	5,687
Other taxes	其他稅項	51,235	49,756
Advertising and promotion expenses	廣告及推廣費用	176,584	154,431
Legal and professional fees	法律及專業費用	84,861	47,951
Research and development	研發	22,592	—
Depreciation of property, plant and equipment	不動產、工廠及設備折舊	25,463	15,649
Depreciation of right-of-use assets (note 21)	使用權資產折舊(附註21)	22,689	—
Auditor's remuneration	核數師薪酬		
— Audit services	— 審核服務	1,800	1,446
— Non-audit services	— 非審核服務	1,480	953
Provision for decline in the value of properties under development and held for sale (notes 23, 24)	開發中及持作銷售物業價值下跌撥備(附註23、24)	21,737	5,873
Others (b)	其他(b)	84,084	73,974
		7,023,011	5,903,565

9 EXPENSES BY NATURE (Continued)

9 按性質分類的費用(續)

		For the year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 RMB'000 人民幣千元	For the year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 RMB'000 人民幣千元
Representing:	指：		
Cost of sales and services	銷售及服務成本	6,140,072	5,186,776
Administrative expenses	行政費用	634,017	509,454
Selling expenses	銷售費用	248,922	207,335
		7,023,011	5,903,565
(a) Cost of property development and sales includes decoration materials used of RMB159,505,000 (2018: RMB119,830,000).		(a) 房地產開發及銷售費用包括已用裝飾物料人民幣159,505,000元(二零一八年：人民幣119,830,000元)。	
(b) Others include subsidiaries' statutory and non-statutory audit fee of RMB3,250,000 to their respective auditors (2018: RMB4,059,000).		(b) 其他包括附屬公司向各核數師支付的法定及非法定審核費用人民幣3,250,000元(二零一八年：人民幣4,059,000元)。	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

10 FINANCE COSTS, NET

10 財務費用淨額

		For the year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 RMB'000 人民幣千元	For the year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 RMB'000 人民幣千元
Financial cost	財務費用		
— Bank borrowings	— 銀行借款	217,808	129,646
— Loans from the ultimate controlling company (note 40)	— 來自最終控股公司的貸款 (附註40)	72,845	95,483
— Senior private notes	— 優先私募票據	239,981	118,620
— EB-5 loans	— EB-5 貸款	30,011	20,327
— Loans from other financial institutions	— 來自其他融資機構的貸款	35,185	19,634
— Interest expense on amounts due to related parties (note 40)	— 應付關聯方款項的利息費用 (附註40)	40,788	61,954
— Sell and buy-back arrangement	— 出售及回購安排	38,178	45,538
— Discounted bank accepted notes	— 已貼現銀行承兌票據	3,017	15,529
— Loans from non-controlling interests	— 來自非控制性權益的貸款	11,708	7,368
— Financing component of contracts with customers	— 客戶合約的融資部分	181,907	154,509
— Lease liabilities	— 租賃負債	4,665	—
— Other finance charges	— 其他財務費用	20,960	—
		897,053	668,608
Less: interest capitalized	減：資本化利息	(504,564)	(349,189)
		392,489	319,419
Finance income	財務收益		
— Bank interest income	— 銀行利息收益	(16,208)	(23,699)
		376,281	295,720

The average interest rate of borrowing costs capitalized for the year ended 31 December 2019 was approximately 6.87% per annum (2018: 6.54%).

截至二零一九年十二月三十一日止年度，資本化借款費用的平均年利率約為6.87%（二零一八年：6.54%）。

11 INCOME TAX EXPENSE

11 所得稅費用

		For the year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 RMB'000 人民幣千元	For the year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 RMB'000 人民幣千元
Current income tax	即期所得稅		
— Hong Kong profit tax (a)	— 香港利得稅(a)		
Tax expense for the year	年度稅項費用	—	—
— Mainland China enterprise income tax (b)	— 中國企業所得稅(b)		
Tax expense for the year	年度稅項費用	460,140	497,342
— US profit tax (d)	— 美國利得稅(d)		
Tax expense for the year	年度稅項費用	75,351	76,194
		535,491	573,536
Mainland China land appreciation tax (b)	中國土地增值稅(b)	204,363	393,938
Deferred income tax (note 32)	遞延所得稅(附註32)	(141,870)	(98,045)
		597,984	869,429

(a) Hong Kong profit tax has been provided at 16.5% (2018: 16.5%) on the assessable profits arising in Hong Kong for the year.

(b) The Group's subsidiaries in Mainland China are subject to enterprise income tax at the rate of 25% (2018: 25%) for the year ended 31 December 2019.

Land appreciation tax in Mainland China 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. The tax is incurred upon transfer of property ownership.

As of 31 December 2019, the Group has unused tax losses RMB74,296,000 (2018: RMB30,689,000) available for offset against future profits for certain entities in Mainland China which have not been recognized due to the unpredictability of future profit streams. The tax losses would expire within five years.

(a) 香港利得稅乃以年度於香港產生的應課稅利潤按稅率 16.5% (二零一八年：16.5%) 作出撥備。

(b) 截至二零一九年十二月三十一日止年度，本集團的中國附屬公司須按 25% (二零一八年：25%) 的稅率繳交企業所得稅。

中國土地增值稅以銷售物業所得款項減去可扣減開支(包括土地使用權及所有物業開發開支)的土地增值按介乎 30% 至 60% 的累進稅率徵收。土地增值稅於物業所有權轉移時產生。

於二零一九年十二月三十一日，由於若干中國實體的不可預見未來利潤流，故本集團並無確認可用作抵銷未來利潤的未動用稅項虧損人民幣 74,296,000 元(二零一八年：人民幣 30,689,000 元)。稅項虧損將於五年內屆滿。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

11 INCOME TAX EXPENSE (Continued)

- (c) Under the Law of Mainland China on Enterprise Income Tax (the "EIT Law") and implementation regulations of the EIT Law, a withholding tax at 10% is imposed for dividends distributed by a Mainland China-resident enterprise to its immediate holding company outside Mainland China for earnings generated beginning 1 January 2008. A lower 5% withholding tax rate may be applied when the immediate holding company is established in Hong Kong according to the tax treaty arrangement between Mainland China and Hong Kong. The Group controls the dividend policies of subsidiaries in Mainland China. The directors of the Company confirmed that the remaining retained earnings of the Group's subsidiaries in Mainland China and the US as at 31 December 2019 will not be distributed to its immediate holding company in the foreseeable future. As at 31 December 2019, deferred income tax liability of RMB438,921,000 (2018: RMB354,702,000) on the remaining unremitted distributable profit generated by the Group's subsidiaries in Mainland China attributable to its immediate holding company with the amount of RMB4,389,214,000 (2018: RMB3,547,020,000) was not recognized.

Pursuant to the requirements of the US Department of the Treasury on Withholding of Tax on Nonresident Aliens and Foreign Entities, a withholding tax at 30% is imposed for dividends distributed by a US-resident enterprise to its immediate holding company outside the US. A reduced rate, including exemption, may apply if there is a tax treaty between the country of residence and the US. The Group controls the dividend policies of subsidiaries in the US. The directors of the Company confirmed that the remaining retained earnings of the Group's subsidiaries in the US as at 31 December 2019 will not be distributed to its immediate holding company in the foreseeable future. As at 31 December 2019, deferred income tax liability of RMB60,129,000 (2018: RMB25,475,000) on the remaining unremitted distributable profit generated by the Group's subsidiaries in the US attributable to its immediate holding company with the amount of RMB240,707,000 (2018: RMB101,980,000) was not recognized.

- (d) In accordance with US tax law, the statutory tax rate for both federal and state tax purposes was 27.95% (2018: 28.28%). This is then adjusted for items which are not assessable or deductible to arrive at an effective tax rate of 22.26% (2018: 26.68%).

11 所得稅費用(續)

- (c) 根據中國企業所得稅法(「企業所得稅法」)及其實施條例，中國居民企業就二零零八年一月一日起產生的收益向其中國境外的直接控股公司派發的股息須繳納10%的預扣稅。根據中國與香港訂立的稅收協定安排，若直接控股公司成立於香港，可應用較低的5%預扣稅稅率。本集團控制中國附屬公司的股息政策。本公司董事確定本集團中國及美國附屬公司於二零一九年十二月三十一日的留存收益餘額將不會於可見未來分派予其直系控股公司。於二零一九年十二月三十一日，本集團並未就本集團中國附屬公司產生的其直系控股公司應佔餘下未匯出可供分配利潤金額人民幣4,389,214,000元(二零一八年：人民幣3,547,020,000元)確認遞延所得稅負債人民幣438,921,000元(二零一八年：人民幣354,702,000元)。

根據美國財政部《預扣非居民外籍人士及外國實體之稅款》的要求，美國居民企業向其於美國境外的直接控股公司分派股息須繳納30%預扣稅。若居住國與美國之間有稅收協定，則可應用減免稅率(包括免稅額)。本集團控制美國附屬公司的股息政策。本公司董事確認，本集團旗下美國附屬公司不會於可見將來向其直接控股公司分派截至二零一九年十二月三十一日的剩餘留存收益。於二零一九年十二月三十一日，本集團旗下美國附屬公司所產生歸屬於其直接控股公司的剩餘未匯出可分派利潤人民幣240,707,000元(二零一八年：人民幣101,980,000元)的遞延所得稅負債人民幣60,129,000元(二零一八年：人民幣25,475,000元)未獲確認。

- (d) 根據美國稅務法律，有關聯邦稅及州稅的法定稅率為27.95%(二零一八年：28.28%)。該稅率其後會就毋須課稅或不可扣減項目調整至實際稅率22.26%(二零一八年：26.68%)。

11 INCOME TAX EXPENSE (Continued)

Taxes on profit assessable elsewhere have been calculated at the applicable rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislations, interpretations and practices in respect thereof.

Reconciliation between profit before income tax and income tax expense is as follows:

11 所得稅費用(續)

其他地區應課稅利潤的稅項按本集團經營業務所在司法權區的現行適用稅率計算，並根據該等司法權區的現行法例、詮釋及慣例作出。

除所得稅前利潤與所得稅費用的對賬如下：

		For the year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 RMB'000 人民幣千元	For the year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 RMB'000 人民幣千元
Profit before income tax	除所得稅前利潤	2,081,838	2,456,149
Mainland China land appreciation tax	中國土地增值稅	(204,363)	(393,938)
		1,877,475	2,062,211
Tax on profit before income tax, calculated at the rate of 25% (2018: 25%)	除所得稅前利潤的稅項，按稅率25% (二零一八年：25%)計算	469,369	515,553
Effect of different tax rates of the Group's subsidiaries operating in other jurisdictions	於其他司法權區經營的本集團 附屬公司不同稅率的影響	4,848	11,247
Tax effect of non-taxable income (i)	毋須課稅收益的稅務影響(i)	(153,606)	(129,124)
Tax effect of non-deductible expenses	不可扣減開支的稅務影響	20,547	22,235
Tax effect of unrecognized tax losses	未確認稅項虧損的稅務影響	73,787	53,804
Others (ii)	其他(ii)	(21,324)	1,776
		393,621	475,491
Mainland China land appreciation tax	中國土地增值稅	204,363	393,938
		597,984	869,429

(i) Non-taxable income are mainly share of net profit of associates and joint ventures.

(ii) Others mainly represent tax effect of realization of unrecognized temporary difference in prior periods.

(i) 毋須課稅收益主要為應佔聯營公司及合營企業淨利潤。

(ii) 其他主要指變現過往期間未確認暫時差額的稅務影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

12 DISCONTINUED OPERATION

(A) DESCRIPTION

On 10 June 2019, the Group announced its intention to dispose the long-term rental apartment business and sell its subsidiary, Shanghai Landsea Apartment Industry Development Co., Ltd. (上海朗詩寓實業發展有限公司) to Landsea Group. The disposal was completed on 26 June 2019. The long-term rental apartment business was reported in the consolidated statement of comprehensive income for the year ended 31 December 2019 as discontinued operation.

(B) FINANCIAL PERFORMANCE AND CASH FLOW INFORMATION

The financial performance and cash flow information presented reflects the operations for the period from 1 January 2019 to 26 June 2019.

12 已終止業務

(A) 描述

於二零一九年六月十日，本集團宣佈其有意出售長租公寓業務，並將其附屬公司上海朗詩寓實業發展有限公司出售予朗詩集團。出售於二零一九年六月二十六日完成。長租公寓業務於截至二零一九年十二月三十一日止年度的綜合全面收益表內呈報為已終止業務。

(B) 財務表現及現金流量資訊

所呈列的財務表現及現金流量資訊反映於二零一九年一月一日至二零一九年六月二十六日期間的營運。

		For the period from 1 January 2019 to 26 June 2019 自二零一九年一月一日至二零一九年六月二十六日止期間 RMB'000 人民幣千元	For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度 RMB'000 人民幣千元
Revenue	收入	154,158	125,450
Cost of sales and services	銷售及服務成本	(36,084)	(219,698)
Gross profit/(loss)	毛利／(損)	118,074	(94,248)
Selling expenses	銷售費用	(21,057)	(36,655)
Administrative expenses	行政費用	(29,368)	(60,195)
Fair value gain on investment properties	投資性物業的公允價值利得	24,285	—
Other gains/(losses) — net	其他利得／(虧損)淨額	2,278	236
Finance income	財務收入	49	51
Finance costs	財務費用	(201,209)	(3,599)

12 DISCONTINUED OPERATION (Continued)
(B) FINANCIAL PERFORMANCE AND CASH
FLOW INFORMATION (Continued)

12 已終止業務 (續)
(B) 財務表現及現金流量資訊 (續)

		For the period from 1 January 2019 to 26 June 2019 自二零一九年 一月一日至 二零一九年 六月二十六日 止期間 RMB'000 人民幣千元	For the year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 RMB'000 人民幣千元
Finance costs — net	財務費用淨額	(201,160)	(3,548)
Share of net profit of joint ventures	應佔合營企業淨利潤	18	—
Loss before income tax	除所得稅前虧損	(106,930)	(194,410)
Income tax expenses	所得稅費用	26,163	48,260
Loss after income tax of discontinued operation	已終止業務的除所得稅後虧損	(80,767)	(146,150)
Gain on sale of subsidiary after income tax	除所得稅後出售附屬公司的利得	95,047	—
Profit/(loss) from discontinued operation	已終止業務利潤／(虧損)	14,280	(146,150)
Net cash outflow from operating activities	經營活動的現金流出淨額	(188,357)	(466,239)
Net cash outflow from investing activities	投資活動的現金流出淨額	(147,976)	(335,470)
Net cash inflow from financing activities	融資活動的現金流入淨額	304,599	828,654
Net (decrease)/increase in cash generated by discontinued operation	已終止業務所產生現金 (減少)／增加淨額	(31,734)	26,945
Basic earnings/(loss) per share from discontinued operation (expressed in RMB per share)	已終止業務的每股基本 收益／(虧損) (以每股人民幣列示)	RMB0.003 人民幣0.003元	RMB(0.037) 人民幣(0.037)元
Diluted earnings/(loss) per share from discontinued operation (expressed in RMB per share)	已終止業務的每股稀釋 收益／(虧損) (以每股人民幣列示)	RMB0.003 人民幣0.003元	RMB(0.032) 人民幣(0.032)元

(C) Details of the disposal of the subsidiaries are set out in note 39.

(C) 有關出售附屬公司的詳情載於附註39。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

13 EARNINGS PER SHARE

(A) BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

13 每股收益

(A) 每股基本收益

每股基本收益乃按歸屬於本公司股東的利潤除以年度已發行普通股的加權平均數計算。

		For the year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 RMB'000 人民幣千元	For the year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 RMB'000 人民幣千元
Profit from continuing operations attributable to the shareholders of the Company	歸屬於本公司股東的持續經營業務利潤	1,157,663	1,258,924
Profit/(loss) from discontinued operation attributable to the shareholders of the Company	歸屬於本公司股東的已終止業務利潤／(虧損)	14,280	(146,150)
Accrued distribution of the convertible perpetual securities	可換股永久證券的應計分派	—	(29,599)
Profit used to determine basic earnings per share	用作釐定每股基本收益的利潤	1,171,943	1,083,175
Weighted average number of ordinary shares in issue (in thousands)	已發行普通股的加權平均數(千股)	4,640,314	3,981,529
Basic earnings/(loss) per share (expressed in RMB per share)	每股基本收益／(虧損)(以每股人民幣列示)		
From continuing operations attributable to the shareholders of the Company for the year	年內來自持續經營業務並歸屬於本公司股東	RMB0.249 人民幣0.249元	RMB0.309 人民幣0.309元
From discontinued operation	來自已終止業務	RMB0.003 人民幣0.003元	RMB(0.037) 人民幣(0.037)元
		RMB0.252 人民幣0.252元	RMB0.272 人民幣0.272元

13 EARNINGS PER SHARE (Continued)

(B) DILUTED EARNINGS PER SHARE

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: restricted share award scheme. The shares granted under the restricted share award scheme are assumed to have been transferred to the grantee.

13 每股收益(續)

(B) 每股稀釋收益

每股稀釋收益乃假設悉數轉換具稀釋影響的潛在普通股而調整已發行普通股的加權平均數計算。本公司有一類具稀釋影響的潛在普通股：限制性股份獎勵計劃。限制性股份獎勵計劃項下授出的股份假設為轉讓予承授人。

		For the year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 RMB'000 人民幣千元	For the year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 RMB'000 人民幣千元
Profit from continuing operations attributable to the shareholders of the Company	歸屬於本公司股東的持續經營業務利潤	1,157,663	1,258,924
Profit/(loss) from discontinued operation attributable to the shareholders of the Company	歸屬於本公司股東的已終止業務利潤／(虧損)	14,280	(146,150)
Weighted average number of ordinary shares in issue (in thousands)	已發行普通股的加權平均數(千股)	4,640,314	3,981,529
Adjustment for:	經以下各項調整：		
— Assumed conversion of convertible perpetual securities (in thousands)	— 假設轉換可換股永久證券(千股)	—	586,646
— Assumed distribution of shares under restricted share award scheme (in thousands)	— 假設根據限制性股份獎勵計劃分派股份(千股)	5,391	—
Adjusted weighted average number of ordinary shares for diluted earnings per share (in thousands)	用作釐定每股稀釋收益的普通股經調整加權平均數(千股)	4,645,705	4,568,175
Diluted earnings/(loss) per share (expressed in RMB per share)	每股稀釋收益／(虧損)(以每股人民幣列示)		
From continuing operations attributable to the shareholders of the Company for the year	年內來自持續經營業務並歸屬於本公司股東	RMB0.249 人民幣0.249元	RMB0.276 人民幣0.276元
From discontinued operation	來自已終止業務	RMB0.003 人民幣0.003元	RMB(0.032) 人民幣(0.032)元
		RMB0.252 人民幣0.252元	RMB0.244 人民幣0.244元

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

14 DIVIDEND

14 股息

		For the year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 RMB'000 人民幣千元	For the year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 RMB'000 人民幣千元
Final dividend for the year ended 31 December 2018 of RMB3.83 cents (2017: RMB3.54 cents) per fully paid share	截至二零一八年十二月三十一日 止年度末期股息每股繳足 股份人民幣3.83分 (二零一七年：人民幣3.54分)	180,864	138,682
Dividend of convertible perpetual securities	可換股永久證券股息	–	29,599
		For the year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 RMB'000 人民幣千元	For the year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 RMB'000 人民幣千元
Proposed distribution of final dividend out of contributed surplus account of HK\$ cents 8.20 (equivalent to RMB cents 7.40) (2018: HK\$ cents 4.50 (equivalent to RMB cents 3.83)) per ordinary share	建議自實繳盈餘賬派發末期股息 每股普通股8.20港仙 (相當於人民幣7.40分) (二零一八年：4.50港仙 (相當於人民幣3.83分))	351,583	180,864

14 DIVIDEND (Continued)

The final dividend relating to the year ended 31 December 2018 was amounted to RMB180,864,000, RMB151,870,000 of which had been paid by the end of 31 December 2019.

The Board proposed to make a distribution out of contributed surplus account of HK\$ cents 8.20 (equivalent to RMB cents 7.40) (2018: HK\$ cents 4.50 cents (equivalent to RMB cents 3.83)) per ordinary share amounting to a total of RMB351,583,000. The proposed distribution is based on 4,722,307,545 (2018: 4,722,307,545) shares issued as at 27 March 2020. The proposed final dividend is not reflected as a dividend payable as of 31 December 2019, but will be recorded as a distribution for the year ending 31 December 2019.

The proposed distribution out of contributed surplus account is subject to the passing of an ordinary resolution for approving the distribution of final dividend out by the shareholders at the annual general meeting of the Company to be held on 19 June 2020.

14 股息 (續)

截至二零一八年十二月三十一日止年度的末期股息為人民幣180,864,000元，其中人民幣151,870,000元已於二零一九年十二月三十一日前派發。

董事局建議自實繳盈餘賬作出每股普通股8.20港仙(相當於人民幣7.40分)(二零一八年：4.50港仙(相當於人民幣3.83分))的分派，總金額為人民幣351,583,000元。建議分派乃根據二零二零年三月二十七日的已發行股份4,722,307,545股(二零一八年：4,722,307,545股)釐定。擬派末期股息並不視為二零一九年十二月三十一日的應付股息，但將列作截至二零一九年十二月三十一日止年度作出的分派。

建議自實繳盈餘賬作出的分派須待股東於二零二零年六月十九日舉行的本公司股東週年大會通過批准派發末期股息的普通決議案後，方可作實。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

15 BENEFITS AND INTERESTS OF DIRECTORS

(A) DIRECTORS' EMOLUMENTS

The remuneration of each director is set out below:

For the year ended 31 December 2019:

15 董事福利及權益

(A) 董事酬金

各董事的酬金載列如下：

截至二零一九年十二月三十一日止年度：

		Fees	Salaries, allowances and bonus	Contribution to retirement and other benefits	Restricted share award	Total
		袍金	工資、津貼及花紅	退休供款及其他福利	限制性股份獎勵	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
For the year ended 31 December 2019	截至二零一九年十二月三十一日止年度					
Executive directors	執行董事					
Tian Ming	田明	-	5,554	173	-	5,727
Wang Lei (e)	王磊 (e)	-	2,400	82	-	2,482
Shen Leying	申樂瑩	-	3,588	87	-	3,675
Xie Yuanjian	謝遠建	-	2,593	99	-	2,692
Zhou Qin	周勤	-	4,012	111	-	4,123
Independent non-executive directors	獨立非執行董事					
Xu Xiaonian	許小年	300	-	-	-	300
Ding Yuan (f)	丁遠 (f)	122	-	-	-	122
Lee Kwan Hung	李均雄	300	-	-	-	300
Chen Tai-yuan (g)	陳泰元 (g)	233	-	-	-	233
Rui Meng (h)	芮萌 (h)	179	-	-	-	179
Non-executive director	非執行董事					
Zhou Yimin	鄒益民	-	-	-	-	-
		1,134	18,147	552	-	19,833

15 BENEFITS AND INTERESTS OF DIRECTORS 15 董事福利及權益 (續)

(Continued)

(A) DIRECTORS' EMOLUMENTS (Continued)

(A) 董事酬金 (續)

		Fees	Salaries, allowances and bonus	Contribution to retirement and other benefits	Restricted share award	Total
		袍金	工資、津貼及花紅	退休供款及其他福利	限制性股份獎勵	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
For the year ended	截至二零一八年					
31 December 2018	十二月三十一日止年度					
Executive directors	執行董事					
Tian Ming	田明	—	4,786	143	—	4,929
Wang Lei (i)	王磊 (i)	—	579	11	—	590
Shen Leying	申樂瑩	—	4,033	117	—	4,150
Xie Yuanjian	謝遠建	—	2,795	88	—	2,883
Zhou Qin	周勤	—	3,426	47	—	3,473
Xiang Jiong (j)	向炯 (j)	—	1,731	76	—	1,807
Independent non-executive directors	獨立非執行董事					
Xu Xiaonian	許小年	300	—	—	—	300
Ding Yuan	丁遠	300	—	—	—	300
Lee Kwan Hung	李均雄	300	—	—	—	300
Non-executive director	非執行董事					
Zhou Yimin	鄒益民	—	—	—	—	—
		900	17,350	482	—	18,732

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

15 BENEFITS AND INTERESTS OF DIRECTORS 15 董事福利及權益 (續)

(Continued)

(A) DIRECTORS' EMOLUMENTS (Continued)

(A) 董事酬金 (續)

Aggregate emoluments paid to or receivable by directors in respect of their services as directors, whether of the company or its subsidiary undertaking		Aggregate emoluments paid to or receivable by directors in respect of their other services in connection with the management of the affairs of the company or its subsidiary undertaking		Total	
已付予董事或董事應收董事在任酬金總額 (不論為公司或其附屬公司)		已付予董事或董事應收董事在任酬金總額 (有關管理公司或其附屬公司事宜)		總計	
2019	2018	2019	2018	2019	2018
二零一九年	二零一八年	二零一九年	二零一八年	二零一九年	二零一八年
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
19,833	18,732	-	4,805	19,833	23,537

(B) DIRECTORS' RETIREMENT BENEFITS AND TERMINATION BENEFITS

None of the directors received or will receive any retirement benefits or termination benefits during the year (2018: Ditto).

(B) 董事的退休福利及終止僱用福利

於本年度，概無董事已收取或將收取任何退休福利或終止僱用福利(二零一八年：相同)。

(C) CONSIDERATION PROVIDED TO THIRD PARTIES FOR MAKING AVAILABLE DIRECTORS' SERVICES

During the year ended 31 December 2019, the Company did not pay consideration to any third parties for making available directors' services (2018: Ditto).

(C) 就提供董事服務向第三方提供的代價

截至二零一九年十二月三十一日止年度，本公司概無就提供董事服務向任何第三方支付代價(二零一八年：相同)。

15 BENEFITS AND INTERESTS OF DIRECTORS

(Continued)

(D) INFORMATION ABOUT LOANS, QUASI-LOANS AND OTHER DEALINGS IN FAVOR OF DIRECTORS, CONTROLLED BODIES CORPORATE BY AND CONNECTED ENTITIES WITH SUCH DIRECTORS

There are no loans, quasi-loans and other dealing arrangements in favor of directors, controlled bodies corporate by and controlled entities with such directors (2018: Ditto).

(E) Resigned on 30 August 2019.

(F) Resigned on 27 May 2019.

(G) Appointed as an independent non-executive director 22 March 2019.

(H) Appointed as an independent non-executive director 27 May 2019.

(I) Appointed as an executive director on 23 November 2018.

(J) Resigned on 23 November 2018.

(K) DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Except for transactions with ultimate controlling shareholder and its fellow subsidiaries as disclosed in note 40, no significant transactions, arrangements and contracts in relation to the Group's business to which the Group was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2018: Nil).

15 董事福利及權益(續)

(D) 有關以董事、其受控法團及其關連實體為受益人的貸款、準貸款及其他交易的資料

概無以董事、其受控法團及其關連實體為受益人的貸款、準貸款及其他交易安排(二零一八年：相同)。

(E) 於二零一九年八月三十日辭任。

(F) 於二零一九年五月二十七日辭任。

(G) 於二零一九年三月二十二日獲委任為獨立非執行董事。

(H) 於二零一九年五月二十七日獲委任為獨立非執行董事。

(I) 於二零一八年十一月二十三日獲委任為執行董事。

(J) 於二零一八年十一月二十三日辭任。

(K) 董事於交易、安排或合約的重大權益

除附註40所披露與最終控股股東及其同系附屬公司進行之交易外，本集團概無訂立與本集團業務有關，而本公司董事直接或間接擁有重大權益且於年末或年內任何時間存在的重大交易、安排及合約(二零一八年：無)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

16 FIVE HIGHEST PAID INDIVIDUALS AND SENIOR MANAGEMENT'S EMOLUMENTS

The five individuals whose emoluments were the highest in the Group for the year included three existing (2018: Four) directors whose emoluments are reflected in the analysis presented in note 14.

The emoluments of the remaining two (2018: One) individual during the year ended 31 December 2019 and 2018 are as follows:

16 五名最高薪酬人士及高級管理層的薪酬

於本年度，本集團五名最高薪酬人士包括三名（二零一八年：四名）現任董事，其酬金於附註14的分析內反映。

截至二零一九年及二零一八年十二月三十一日止年度，餘下兩名（二零一八年：一名）人士的薪酬如下：

		For the year ended 31 December 2019 截至 二零一九年 十二月三十一日 止年度 RMB'000 人民幣千元	For the year ended 31 December 2018 截至 二零一八年 十二月三十一日 止年度 RMB'000 人民幣千元
Basic salaries, allowances and bonuses	基本工資、津貼及花紅	8,629	4,840
Contribution to retirement benefits schemes	退休福利計劃供款	267	97
Restricted share award	限制性股份獎勵	—	—
		8,896	4,937

16 FIVE HIGHEST PAID INDIVIDUALS AND SENIOR MANAGEMENT'S EMOLUMENTS

(Continued)

The number of above remaining employees whose remuneration fee within the following band is as follows:

		Numbers of individuals 2019 人數 二零一九年	Numbers of individuals 2018 人數 二零一八年
HKD3,000,000 to HKD3,499,999	3,000,000 港元至 3,499,999 港元	1	—
HKD3,500,000 to HKD4,999,999	3,500,000 港元至 4,999,999 港元	—	—
Over HKD5,000,000	5,000,000 港元以上	1	1

The senior management's emoluments(excluding the five highest paid individuals and directors) during the year ended 31 December 2019 and 2018 fell within the following bands:

		Numbers of individuals 2019 人數 二零一九年 RMB'000 人民幣千元	Numbers of individuals 2018 人數 二零一八年 RMB'000 人民幣千元
HKD0 to HKD999,999	0 港元至 999,999 港元	—	1
HKD1,000,000 to HKD1,999,999	1,000,000 港元至 1,999,999 港元	1	—
HKD2,000,000 to HKD2,999,999	2,000,000 港元至 2,999,999 港元	—	1
HKD3,000,000 to HKD3,999,999	3,000,000 港元至 3,999,999 港元	—	3

16 五名最高薪酬人士及高級管理層的薪酬(續)

其薪酬在下列組別範圍內的上述其餘僱員數目：

截至二零一九年及二零一八年十二月三十一日止年度，高級管理層的薪酬(五名最高薪酬人士及董事除外)在下列組別範圍內：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

17 INTERESTS IN ASSOCIATES

17 於聯營公司的權益

		For the year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 RMB'000 人民幣千元	For the year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 RMB'000 人民幣千元
At 1 January	於一月一日	1,315,706	983,077
Additions:	增加：		
— Additional investments in associates	— 於聯營公司的額外投資	10,200	400
— Subsidiaries becoming associates (note 39)	— 附屬公司成為聯營公司 (附註39)	50	—
Disposals:	出售：		
— Liquidation of an associate	— 一間聯營公司清算	(401)	—
Share of net profit of associates (note 6)	應佔聯營公司淨利潤(附註6)	651,501	408,854
Elimination of transactions with associates	對銷與聯營公司的交易	(19,428)	(46,418)
(Reversal of)/impairment on receivables from associates	應收聯營公司款項(撥回)/減值	(4,496)	2,993
Dividends from associates	來自聯營公司的股息	(94,719)	(33,200)
At 31 December	於十二月三十一日	1,858,413	1,315,706

Set out below are the associates of the Group as at 31 December 2019 which, in the opinion of the directors, are material to the Group. The entities listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

下文所載為本集團於二零一九年十二月三十一日的聯營公司，而董事局認為該等公司對本集團屬重大。下文所列實體擁有僅包含本集團直接持有普通股的股本。註冊成立或註冊國家亦為其主要營業地點，而擁有權益比例與持有投票權的比例相同。

17 INTERESTS IN ASSOCIATES (Continued)

17 於聯營公司的權益 (續)

		Place of business/ country of incorporation 營業地點/ 註冊成立國家	% of ownership interest		Measurement method	Carrying amount	
			擁有權益%		計算方法	賬面值	
			31 December 2019 二零一九年 十二月三十一日	31 December 2018 二零一八年 十二月三十一日		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Zhejiang Tianyuan Properties Development Company Limited. ("Zhejiang Tianyuan")	浙江天元房地產開發 有限公司 (「浙江天元」)	Mainland China 中國	40.00	40.00	Equity method 權益法	134,457	43,627
Nanjing Xueheng Properties Co., Ltd. ("Nanjing Xueheng")	南京學衡置業有限公司 (「南京學衡」)	Mainland China 中國	49.90	49.90	Equity method 權益法	903,510	476,221
Chengdu Chengfeng Enterprise Management and Consultant Limited ("Chengdu Chengfeng")	成都城峰企業管理諮詢 有限公司 (「成都城峰」)	Mainland China 中國	33.00	33.00	Equity method 權益法	208,275	198,784
Individually immaterial associates (c)	個別非重大聯營公司(c)					612,171	597,074
Total interests in associates	於聯營公司的總權益					1,858,413	1,315,706

None of the Group's associates has quoted price available.

本集團聯營公司並無可得報價。

During the year of 2019, Landsea Group acquired 67% equity interest of Chengdu Chengfeng at the consideration of RMB837,900,000 from the other shareholders of Chengdu Chengfeng. The Group continues to account for Chengdu Chengfeng as an associate.

於二零一九年，朗詩集團以代價人民幣837,900,000元向成都城峰其他股東收購成都城峰67%股權。本集團繼續將成都城峰入賬列作聯營公司。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

17 INTERESTS IN ASSOCIATES (Continued)

(A) COMMITMENTS AND CONTINGENT LIABILITIES IN RESPECT OF ASSOCIATES

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Commitments	承擔		
— Commitment to pay up the subscription capital	— 繳付認購資本的承擔	415,869	14,589

(B) SUMMARIZED FINANCIAL INFORMATION FOR MATERIAL ASSOCIATES

The tables below provide summarized financial information for those associates that are material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and not the Group's share of those amounts. They have been amended to reflect adjustments made when using the equity method, including fair value adjustments and modifications of differences in accounting policies adopted.

17 於聯營公司的權益 (續)

(A) 關於聯營公司的承擔及或然負債

(B) 重大聯營公司的財務資料概要

下表載列對本集團屬重大之聯營公司財務資料概要。所披露資料反映相關聯營公司的財務報表所呈列的數額，而非本集團所分佔有關數額。該等資料已修訂，從而反映使用權益法所作之調整，包括就採納的會計政策差異所作之公允價值調整及修改。

		Zhejiang Tianyuan 浙江天元		Nanjing Xueheng 南京學衡		Chengdu Chengfeng 成都城峰	
		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元	31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元	31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Current assets	流動資產						
Cash and cash equivalents	現金及現金等價物	52,873	445,176	599,778	1,030,688	4,900	1,196,231
Other current assets	其他流動資產	528,771	851,894	1,895,293	3,324,006	3,783,376	4,392,292
Total current assets	流動資產總值	581,644	1,297,070	2,495,071	4,354,694	3,788,276	5,588,523
Non-current assets	非流動資產	73	3,122	172	242	123,892	157,615
Current liabilities	流動負債						
Other current liabilities	其他流動負債	(260,218)	(1,289,147)	(684,601)	(3,375,274)	(3,220,342)	(5,056,977)

17 INTERESTS IN ASSOCIATES (Continued)
(B) SUMMARIZED FINANCIAL INFORMATION
FOR MATERIAL ASSOCIATES (Continued)

17 於聯營公司的權益 (續)
(B) 重大聯營公司的財務資料概要 (續)

		Zhejiang Tianyuan 浙江天元		Nanjing Xueheng 南京學衡		Chengdu Chengfeng 成都城峰	
		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元	31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元	31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Total current liabilities	流動負債總額	(260,218)	(1,289,147)	(684,601)	(3,375,274)	(3,220,342)	(5,056,977)
Non-current liabilities	非流動負債						
Financial liabilities (excluding trade payables)	金融負債 (不包括應付賬款)	-	-	-	-	-	-
Total non-current liabilities	非流動負債總額	-	-	-	-	-	-
Net assets	資產淨值	321,499	11,045	1,810,642	979,662	691,826	689,161
The Group's share in %	本集團應佔%	40.00%	40.00%	49.90%	49.90%	33.00%	33.00%
The Group's share	本集團應佔	128,600	4,418	903,510	488,851	228,302	227,423
Adjustments	調整	5,857	39,209	-	(12,630)	(20,027)	(28,639)
Carrying amount	賬面值	134,457	43,627	903,510	476,221	208,275	198,784
Revenue	收入	1,070,793	-	3,247,336	2,106,612	1,569,503	-
Gross margin	毛利額	493,976	-	1,413,007	480,183	585,448	-
Income tax expense	所得稅費用	(103,485)	2,381	(277,033)	(110,699)	(123,723)	11,024
Profit/(loss) for the year	年度溢利/(虧損)	310,454	(7,210)	830,980	332,096	182,771	(24,159)
Adjustment	調整	(31,971)	-	12,145	4,628	15,779	(7,633)
The Group's share	本集團應佔	92,211	(2,884)	426,804	170,344	76,093	(15,605)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

17 INTERESTS IN ASSOCIATES (Continued)

(C) INDIVIDUALLY IMMATERIAL ASSOCIATES

In addition to the interests in associates disclosed above, the Group also has interests in a number of individually immaterial associates that are accounted for using the equity method.

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Aggregate carrying amounts of individually immaterial associates	個別非重大聯營公司的賬面總值	612,171	597,074
Aggregate amounts of the Group's share of net profit of individually immaterial associates	本集團應佔個別非重大聯營 公司淨利潤總額	56,393	256,999

(D) UNRECOGNIZED SHARE OF NET LOSS OF ASSOCIATES

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Aggregate unrecognized share of net loss of associates	未確認應佔聯營公司淨虧損總額	9,211	31,388

17 於聯營公司的權益 (續)

(C) 個別非重大聯營公司

除上文披露的聯營公司權益外，本集團亦擁有若干個別非重大聯營公司的權益，以權益法入賬。

(D) 未確認應佔聯營公司淨虧損

18 INTERESTS IN JOINT VENTURES

18 於合營企業的權益

		For the year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 RMB'000 人民幣千元	For the year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 RMB'000 人民幣千元
At 1 January	於一月一日	2,596,047	1,885,271
Additions:	增加：		
— Additional investments in joint ventures	— 於合營企業的額外投資	533,825	669,792
— Subsidiaries becoming joint ventures (note 39)	— 附屬公司成為合營企業 (附註39)	7,220	303,877
Disposals:	出售：		
— Disposal of joint ventures in subsidiaries (note 39)	— 出售附屬公司的合營企業 (附註39)	(418)	(143,216)
— Partial disposal of shares of joint ventures	— 部分出售合營企業股份	(49,494)	(24,000)
— Liquidation of a joint venture	— 一間合營企業清算	(333,902)	—
— Joint ventures becoming subsidiaries (note 38)	— 合營企業成為附屬公司 (附註38)	(190,522)	—
Share of net (loss)/profit of joint ventures	應佔合營企業淨(虧損)/利潤	(20,396)	257,991
Elimination of transactions with joint ventures	對銷與合營企業的交易	(203,754)	(196,367)
Impairment on receivables from joint ventures	應收合營企業款項減值	42,995	64,048
Dividends from joint ventures	來自合營企業的股息	(58,037)	(239,724)
Exchange difference	匯兌差額	5,468	18,375
At 31 December	於十二月三十一日	2,329,032	2,596,047

Management considers that none of the joint ventures of the Group will have a significant impact to the financial position and performance of the Group individually.

管理層認為，概無個別合營企業將對本集團的財務狀況及表現造成重大影響。

None of the Group's joint ventures has quoted price available.

本集團合營企業並無可得報價。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

18 INTERESTS IN JOINT VENTURES (Continued)

(A) COMMITMENTS AND CONTINGENT LIABILITIES IN RESPECT OF JOINT VENTURES

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Commitments	承擔		
— Commitment to pay up the subscription capital	— 繳付認購資本的承擔	1,836,467	1,738,467

(B) UNRECOGNIZED COMMITMENTS TO ACQUIRE JOINT VENTURE PARTNERS' OWNERSHIP INTERESTS

As of 31 December 2019, the Group has commitments to acquire certain joint venture partners' ownership interests in joint ventures at market price in the future upon fulfilling predetermined conditions.

These unrecognized commitments are disclosed below and were not recognized by the Group due to uncertainties of one or more particular events in the future which are not controlled by the Group.

18 於合營企業的權益 (續)

(A) 關於合營企業的承擔及或然負債

(B) 收購合營夥伴擁有權益的未確認承擔

於二零一九年十二月三十一日，本集團承諾日後在達到若干預設條件後以市價收購若干合營企業的合營夥伴擁有權益。

該等未確認承擔於下文披露，尚未由本集團確認，原因為本集團無法控制的一項或多項未來特定事件構成不確定因素。

18 INTERESTS IN JOINT VENTURES (Continued)

(B) UNRECOGNIZED COMMITMENTS TO ACQUIRE JOINT VENTURE PARTNERS' OWNERSHIP INTERESTS (Continued)

	% of ownership interest held by the Group 本集團持有的擁有權益百分比	% of ownership interest committed to acquire 承諾收購的擁有權益百分比
南京朗潤房地產開發有限公司		
Nanjing Langrun Real Estate Development Co., Ltd.*	50.10%	49.90%
杭州朗平置業有限公司		
Hangzhou Langping Property Co., Ltd.*	50.00%	50.00%
成都尚高投資有限公司		
Chengdu Shanggao Investment Co., Limited*	50.00%	50.00%
重慶星德房地產開發有限公司		
Chongqing Xingde Real Estate Development Co. Ltd.*	30.00%	70.00%
西安嘉鵬房地產開發有限公司(「西安嘉鵬」)		
Xi'an Jiapeng Real Estate Development Co. Ltd.* ("Xi'an Jiapeng")	30.00%	70.00%

* English translations are for identification purpose only.

* 英文名稱僅供識別。

18 於合營企業的權益 (續)

(B) 收購合營夥伴擁有權益的未確認承擔 (續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

18 INTERESTS IN JOINT VENTURES (Continued)

(C) INTERESTS IN JOINT VENTURES PLEDGED AS SECURITY

Certain equity interest in joint ventures held by the Group are pledged or temporarily registered to financial institutions for joint ventures' borrowing arrangements.

18 於合營企業的權益 (續)

(C) 已質押作為抵押品的合營企業權益

本集團所持若干合營企業股權已質押或暫時登記予金融機構，以便進行合營企業的借貸安排。

	% of ownership interest held by the Group	% of ownership interest pledged or temporarily registered to financial institutions
	本集團持有的擁有權益百分比	已質押或暫時登記予金融機構的擁有權益百分比
成都德商榮達置業有限公司		
Chengdu Deshang Rongda Real Estate Co., Ltd.*	50.00%	50.00%
成都朗昱企業管理諮詢有限公司		
Chengdu Langyu Enterprise Management Consulting Co., Ltd.*	51.00%	51.00%
常熟朗燦置業有限公司		
Changshu Langshuo Real Estate Co., Ltd.*	51.00%	51.00%
上海朗居房地產開發有限公司		
Shanghai Langju Real Estate Development Co., Ltd.*	51.00%	51.00%
寧波金沃商業投資有限公司		
Ningbo Jinwo Business Investment Co., Ltd.*	40.00%	40.00%
無錫新坤朗敘置業有限公司		
Wuxi New Kunlangxu Real Estate Co., Ltd.*	45.00%	45.00%

* English translations are for identification purpose only.

* 英文名稱僅供識別。

18 INTERESTS IN JOINT VENTURES (Continued)

(D) INDIVIDUALLY IMMATERIAL JOINT VENTURES

The Group has interests in a number of individually immaterial joint ventures that are accounted for using the equity method.

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Aggregate carrying amounts of individually immaterial joint ventures	個別非重大合營企業的賬面總值	2,329,032	2,596,047
		For the year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 RMB'000 人民幣千元	For the year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 RMB'000 人民幣千元
Aggregate amounts of the Group's share of net (loss)/profit of individually immaterial joint ventures	本集團應佔個別非重大合營企業淨(虧損)/利潤總額	(20,396)	257,991

(E) UNRECOGNIZED SHARE OF NET LOSS OF JOINT VENTURES

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Aggregate unrecognized share of net loss of joint ventures	未確認應佔合營企業淨虧損總額	100,227	25,947

18 於合營企業的權益(續)

(D) 個別非重大合營企業

本集團擁有若干個別非重大合營企業的權益，以權益法入賬。

(E) 未確認應佔合營企業淨虧損

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

19 INVESTMENT PROPERTIES

As at 31 December 2019, the Group held certain properties located in Mainland China. Changes to the carrying amount of investment properties in the consolidated balance sheet are summarized as follows:

19 投資性物業

於二零一九年十二月三十一日，本集團持有位於中國的若干物業。於綜合資產負債表的投資性物業賬面值變動概述如下：

		For the year ended 截至十二月三十一日止年度	
		31 December 2019 二零一九年 RMB'000 人民幣千元	31 December 2018 二零一八年 RMB'000 人民幣千元
At 1 January, as previously stated	於一月一日，按原先呈列	505,630	319,830
Adjustment on adoption of HKFRS 16, net of tax (note 2.2.1)	就採納香港財務報告準則 第16號作出調整，扣除稅項 (附註2.2.1)	5,960,000	—
At 1 January, after the adoption of HKFRS 16	於一月一日，採納香港財務報告 準則第16號後	6,465,630	319,830
Transfer from property, plant and equipment (a)	(a) 轉移自不動產、工廠及設備	343,000	60,780
Transfer from properties held for sale (b)	(b) 轉移自持作銷售物業	—	117,657
Addition	增加	145,715	—
Fair value gain from continuing operations	來自持續經營業務的公允價值利得	3,870	7,363
Fair value gain from discontinued operation	來自已終止業務的公允價值利得	24,285	—
Disposal of discontinued operation (note 39)	出售已終止業務(附註39)	(6,130,000)	—
At 31 December	於十二月三十一日	852,500	505,630

19 INVESTMENT PROPERTIES (Continued)

For the year ended 31 December 2019, rental income and operating expense arising from leasing of investment properties are as follows:

		For the year ended	
		截至十二月三十一日止年度	
		31 December	31 December
		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Rental income	租金收入	31,565	31,662
Direct operating expense from properties that generate rental income	來自產生租金收入的物業的直接經營費用	6,145	10,977
Direct operating expense from properties that did not generate income	來自不產生收入的物業的直接經營費用	—	1,471

The Group's rights on investment properties at its carrying amount is analyzed as follows:

本集團於投資性物業的產權按其賬面值分析如下：

		31 December	31 December
		2019	2018
		二零一九年	二零一八年
		十二月三十一日	十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
In Mainland China, held on:	在中國持有：		
Lease of 40–70 years	40至70年期租賃	852,500	505,630

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

19 INVESTMENT PROPERTIES (Continued)

- (A) In July 2019, the Group commenced the leasing of an apartment building (Huangxing Building) located in Shanghai, Mainland China, which represents a change in use of the apartment building. Accordingly the Group reclassified the apartment building from property, plant and equipment to investment property. As at the transfer date, the carrying amount and the fair value of the property is RMB341,156,000 (note 20) and RMB343,000,000 respectively. The difference between the carrying amount and the fair value at the transfer date was credited to other comprehensive income.

In June 2018, the Group commenced the leasing of an apartment building (Nanjing Huafei Apartment) located in Nanjing, Jiangsu Province, Mainland China, which represents a change in use of the apartment building. Accordingly the Group reclassified the apartment building from property, plant and equipment to investment property. As at the transfer date, the carrying amount and the fair value of the property is RMB41,427,000 (note 20) and RMB60,780,000 respectively. The difference between the carrying amount and the fair value at the transfer date was credited to other comprehensive income.

- (B) In September 2018, the Group commenced the leasing of a commercial building (Landsea Neighborhood Union) located in Wuxi, Jiangsu Province, Mainland China, which represents a change in use of the commercial building. Accordingly the Group reclassified the commercial building from properties held for sale to investment property. As at the transfer date, the carrying amount and the fair value of the property is RMB117,657,000 (note 23) and RMB117,700,000 respectively. The difference between the carrying amount and the fair value at the transfer date was credited as fair value gain in the consolidated statement of comprehensive income.

19 投資性物業(續)

- (A) 於二零一九年七月，本集團變更其一幢位於中國上海的公寓樓宇(黃興大樓)的用途，並開始將其出租。因此，本集團將該公寓樓宇由不動產、工廠及設備重新分類至投資性物業。於轉移當日，該物業的賬面值及公允價值分別為人民幣341,156,000元(附註20)及人民幣343,000,000元。於轉移日期賬面值與公允價值之間的差額已計入其他全面收益。

於二零一八年六月，本集團變更其一幢位於中國江蘇省南京的公寓樓宇(南京華飛公寓)的用途，並開始將其出租。因此，本集團將該公寓樓宇由不動產、工廠及設備重新分類至投資性物業。於轉移當日，該物業的賬面值及公允價值分別為人民幣41,427,000元(附註20)及人民幣60,780,000元。於轉移日期賬面值與公允價值之間的差額已計入其他全面收益。

- (B) 於二零一八年九月，本集團變更其一幢位於中國江蘇省無錫的商業樓宇(朗詩鄰里薈)的用途，並開始將其出租。因此，本集團將該商業樓宇由持作銷售物業重新分類至投資性物業。於轉移當日，該物業的賬面值及公允價值分別為人民幣117,657,000元(附註23)及人民幣117,700,000元。於轉移日期賬面值與公允價值之間的差額已計入綜合全面收益表作為公允價值利得。

19 INVESTMENT PROPERTIES (Continued)

(C) Investment properties were valued at 31 December 2019 by an independent professionally qualified valuer, Jones Lang LaSalle Corporate Appraisal and Advisory Limited, who is a member of Hong Kong Institute of Surveyors and has appropriate qualifications and recent experiences in the valuation of similar properties.

(D) As at 31 December 2019, investment properties with carrying amount of RMB812,240,000 (2018: RMB401,210,000) was pledged as collateral for the Group's borrowings (note 31(a), 31(e)).

(E) FAIR VALUE HIERARCHY

Independent valuations of the Group's investment properties were performed by an independent and professionally qualified valuer to determine the fair value of investment properties as at 31 December 2019 and 2018.

As at 31 December 2019 and 2018, all of the Group's investment properties were within level 3 of the fair value hierarchy as valuations were arrived at by reference to certain significant unobservable inputs. There were no transfers between levels 1, 2 and 3 during the year.

Valuation processes of the Group

The Group's investment properties were valued at 31 December 2019 by an independent professionally qualified valuer who holds a recognized relevant professional qualification and has recent experiences in the locations and segments of the investment properties being valued. For all investment properties, their current use equates to the best use.

The Group's finance department includes a team that reviews the valuations performed by the independent valuer for financial reporting purposes. Discussions of valuation processes and results were held between the finance department and the valuer at least once every six months.

19 投資性物業 (續)

(C) 投資性物業由獨立專業合資格估值師仲量聯行企業評估及諮詢有限公司於二零一九年十二月三十一日進行估值，仲量聯行企業評估及諮詢有限公司乃香港測量師學會會員，並持有適當資格及擁有類似物業估值的近期經驗。

(D) 於二零一九年十二月三十一日，賬面值為人民幣812,240,000元(二零一八年：人民幣401,210,000元)的投資性物業已抵押作為本集團取得借款的抵押品(附註31(a), 31(e))。

(E) 公允價值層級

本集團的投資性物業已由獨立專業合資格估值師進行獨立估值，以釐定投資性物業於二零一九年及二零一八年十二月三十一日的公允價值。

因估值參考若干重大不可觀察輸入數據後得出，於二零一九年及二零一八年十二月三十一日，本集團所有投資性物業均屬公允價值層級的3層。年內第1層、第2層與第3層之間並無轉移。

本集團的估值流程

本集團的投資性物業於二零一九年十二月三十一日由獨立專業合資格估值師進行估值，該估值師具有相關認可專業資格，對所估值的投資性物業所處位置和所屬類別有近期估值經驗。目前所有投資性物業均已達致最佳用途。

本集團財務部門有團隊審閱獨立估值師的估值，以便作出財務申報。財務部門及估值師每六個月最少舉行一次會議，以討論估值流程及結果。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

19 INVESTMENT PROPERTIES (Continued)

(E) FAIR VALUE HIERARCHY (Continued)

Valuation processes of the Group (Continued)

At the end of each reporting period, finance department:

- Verifies all major inputs in the independent valuation report;
- Assesses property valuations movements when compared to the prior year valuation report;
- Holds discussions with the independent valuer.

Valuation techniques

In valuing the properties, income approach and discounted cash flow analysis ("DCF analysis") were adopted by the Group. When using income approach, the Group takes into account the net rental income of the properties derived from its existing leases and/or achievable in the existing market with due allowance for the reversionary income potential of the leases, which have been then capitalized to determine the fair value at an appropriate capitalization rate. DCF analysis involves discounting future cash flow of the property to its present value by using an appropriate discount rate with due allowance for the reversionary net income of the property, which is capitalized with a terminal capitalization rate. In the course of valuation, the Group assumed the property is available for lease. With regards to the existing market conditions, the incomes and expenses, stabilization period and rental growth for each component of the property are estimated to reflect the property performance in the market. Where appropriate, reference has also been made to the comparable sale transactions as available in the relevant market.

19 投資性物業(續)

(E) 公允價值層級(續)

本集團的估值流程(續)

財務部門於每個報告期末：

- 核實獨立估值報告的全部主要輸入數據；
- 評估物業估值相較上一年度估值報告的變動；
- 與獨立估值師進行討論。

估值方法

對物業進行估值時，本集團採用收入法及現金流折現法(「現金流折現法」)。採用收入法時，本集團會計及自現有租約所獲取及／或於現有市場中可取得的物業租金收入淨額，並已就租賃的復歸潛在收益作出適當撥備，再將該租金收益淨額按適當的資本化比率資本化以釐定公允價值。現金流折現法牽涉使用合適貼現率將物業未來現金流量貼現至其現值，並就物業的復歸潛收入淨額作出適當撥備，使用最終資本化率進行資本化。在估值過程中，本集團假設物業可供出租。另外亦會估計當前市場狀況、收支、穩定期及物業各部分的租金增長，以反映物業在市場上的表現。有需要時亦會參考相關市場上的可比銷售交易。

19 INVESTMENT PROPERTIES (Continued)

(E) FAIR VALUE HIERARCHY (Continued)

Information about fair value measurements using significant unobservable inputs (level 3) is as follows:

Description	Fair value at		Valuation technique(s)	Unobservable inputs	Unobservable inputs (probability-weighted average)		Relationship of unobservable inputs to fair value
描述	公允價值		估值方法	不可觀察輸入數據	不可觀察輸入數據 (加權平均概率)		不可觀察輸入數據對公允價值的關係
	31 Dec 2019 二零一九年 十二月三十一日 (RMB'000) (人民幣千元)	31 Dec 2018 二零一八年 十二月三十一日 (RMB'000) (人民幣千元)			2019 二零一九年	2018 二零一八年	
Landsea Tower-commercial building 朗詩大廈 — 商業樓宇	323,600	323,570	Term and reversionary method 年期及復歸法	Term yields	5.00%	5.00%	The higher the term yields, the lower the fair value
				年期收益率			年期收益率越高，公允價值越低
				Reversionary yields	5.50%	5.50%	The higher the reversion yields, the lower the fair value
				復歸收益率			復歸收益率越高，公允價值越低
				Vacancy rate	5.50%	5.00%	The higher the vacancy rate, the lower the fair value
				空置率			空置率越高，公允價值越低
Nanjing Huafei Apartment 南京華飛公寓	68,000	64,360	DCF analysis 現金流折現法	Average daily rental per square meter	2.87	2.89	The higher the average daily rental per square meter, the higher the fair value
				每平方米 平均日租			每平方米平均日租越高， 公允價值越高
				Discounted rate	6.00%	6.00%	The higher the term yields, the lower the fair value
				折現率			年期收益率越高，公允價值越低
				Vacancy rate	5.00%	10.00%	The higher the vacancy rate, the lower the fair value
				空置率			空置率越高，公允價值越低
				Average daily rental per square meter	3.57	3.47	The higher the average daily rental per square meter, the higher the fair value
				每平方米 平均日租			每平方米平均日租越高， 公允價值越高

19 投資性物業 (續)

(E) 公允價值層級 (續)

有關使用重大不可觀察輸入數據進行的公允價值計量(第3層)的資料如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

19 INVESTMENT PROPERTIES (Continued)

(E) FAIR VALUE HIERARCHY (Continued)

Information about fair value measurements using significant unobservable inputs (level 3) is as follows:

19 投資性物業(續)

(E) 公允價值層級(續)

有關使用重大不可觀察輸入數據進行的公允價值計量(第3層)的資料如下:

Description	Fair value at		Valuation technique(s)	Unobservable inputs	Unobservable inputs (probability-weighted average)		Relationship of unobservable inputs to fair value
描述	公允價值		估值方法	不可觀察輸入數據	不可觀察輸入數據 (加權平均概率)		不可觀察輸入數據對公允價值的關係
	31 Dec 2019 二零一九年 十二月三十一日 (RMB'000) (人民幣千元)	31 Dec 2018 二零一八年 十二月三十一日 (RMB'000) (人民幣千元)			2019 二零一九年	2018 二零一八年	
Landsea Neighbour-hood Union 朗詩鄰里薈	117,900	117,700	Term and reversionary method 年期及復歸法	Term yields 年期收益率	5.00%	5.00%	The higher the term yields, the lower the fair value 年期收益率越高，公允價值越低
				Reversionary yields 復歸收益率	5.50%	5.50%	The higher the reversion yields, the lower the fair value 復歸收益率越高，公允價值越低
				Vacancy rate 空置率	5.00%	5.00%	The higher the vacancy rate, the lower the fair value 空置率越高，公允價值越低
				Average daily rental per square meter 每平方米平均日租	1.80	1.45	The higher the average daily rental per square meter, the higher the fair value 每平方米平均日租越高，公允價值越高
Huangxing Building 黃興大樓	343,000	n/a 不適用	Term and reversionary method 年期及復歸法	Term yields 年期收益率	4.00%	n/a 不適用	The higher the term yields, the lower the fair value 年期收益率越高，公允價值越低
				Reversionary yields 復歸收益率	4.50%	n/a 不適用	The higher the reversion yields, the lower the fair value 復歸收益率越高，公允價值越低
				Vacancy rate 空置率	13.00%	n/a 不適用	The higher the vacancy rate, the lower the fair value 空置率越高，公允價值越低
				Average daily rental per square meter 每平方米平均日租	3.75	n/a 不適用	The higher the average daily rental per square meter, the higher the fair value 每平方米平均日租越高，公允價值越高

20 PROPERTY, PLANT AND EQUIPMENT

20 不動產、工廠及設備

		Buildings	Leasehold improvements	Furniture, fixtures and office equipment	Motor vehicles	Total
		樓宇	租賃樓宇裝修	傢俱、裝置及辦公設備	汽車	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2018	於二零一八年一月一日					
Cost	成本	449,074	188,180	46,919	3,386	687,559
Accumulated depreciation	累計折舊	—	(16,947)	(12,212)	(2,155)	(31,314)
Net carrying amount	賬面淨值	449,074	171,233	34,707	1,231	656,245
Year ended 31 December 2018	截至二零一八年十二月三十一日止年度					
Opening net carrying amount	年初賬面淨值	449,074	171,233	34,707	1,231	656,245
Acquisition of subsidiaries (note 38)	收購附屬公司(附註38)	325,881	—	—	—	325,881
Additions	增加	100,215	582,869	26,501	569	710,154
Depreciation	折舊	(1,791)	(44,556)	(9,667)	(1,059)	(57,073)
Disposals of subsidiaries (note 39)	出售附屬公司(附註39)	(325,880)	(34,045)	(146)	—	(360,071)
Disposals	出售	—	—	(11)	—	(11)
Transfer to investment properties (note 19)	轉移至投資性物業(附註19)	(41,427)	—	—	—	(41,427)
Exchange difference	匯兌差額	—	—	970	(95)	875
Closing net carrying amount	年末賬面淨值	506,072	675,501	52,354	646	1,234,573
At 31 December 2018	於二零一八年十二月三十一日					
Cost	成本	507,863	737,004	74,233	3,860	1,322,960
Accumulated depreciation	累計折舊	(1,791)	(61,503)	(21,879)	(3,214)	(88,387)
Net carrying amount	賬面淨值	506,072	675,501	52,354	646	1,234,573

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

20 PROPERTY, PLANT AND EQUIPMENT

(Continued)

20 不動產、工廠及設備(續)

		Buildings	Leasehold improvements	Furniture, fixtures and office equipment	Motor vehicles	Total
		樓宇	租賃樓宇裝修	傢俱、裝置及辦公設備	汽車	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
Year ended 31 December 2019	截至二零一九年十二月三十一日止年度					
Opening net carrying amount, as previously stated	年初賬面淨值，按原先呈列	506,072	675,501	52,354	646	1,234,573
Adjustment on adoption of HKFRS 16, net of tax (note 2.2.1)	就採納香港財務報告準則第16號作出調整，扣除稅項(附註2.2.1)	-	(670,430)	-	-	(670,430)
Opening net carrying amount, after the adoption of HKFRS 16	年初賬面淨值，採納香港財務報告準則第16號後	506,072	5,071	52,354	646	564,143
Acquisition of subsidiaries (note 38)	收購附屬公司(附註38)	-	-	109	-	109
Additions	增加	35,919	4,441	21,926	6	62,292
Depreciation	折舊	(9,080)	(713)	(15,532)	(245)	(25,570)
Disposals of subsidiaries (note 39)	出售附屬公司(附註39)	-	(561)	(5,084)	(163)	(5,808)
Disposals	出售	-	(52)	-	-	(52)
Transfer to investment properties (note 19)	轉移至投資性物業(附註19)	(341,156)	-	-	-	(341,156)
Exchange difference	匯兌差額	-	10	274	-	284
Closing net carrying amount	年末賬面淨值	191,755	8,196	54,047	244	254,242
At 31 December 2019	於二零一九年十二月三十一日					
Cost	成本	202,626	70,412	91,458	3,703	368,199
Accumulated depreciation	累計折舊	(10,871)	(62,216)	(37,411)	(3,459)	(113,957)
Net carrying amount	賬面淨值	191,755	8,196	54,047	244	254,242

(a) As at 31 December 2019, property, plant and equipment with carrying amount of RMB186,234,000 (2018: RMB502,576,000) was pledged as collateral for the Group's borrowings (note 31).

(a) 於二零一九年十二月三十一日，賬面值為人民幣186,234,000元(二零一八年：人民幣502,576,000元)的不動產、工廠及設備已抵押作為本集團取得借款的抵押品(附註31)。

21 LEASES

This note provides information for leases where the Group is a lessee.

(A) AMOUNTS RECOGNIZED IN THE BALANCE SHEET

The balance sheet shows the following amounts relating to leases:

21 租賃

本附註提供有關本集團作為承租人的租賃信息。

(A) 於資產負債表確認的金額

資產負債表顯示以下與租賃有關的金額：

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	1 January 2019* 二零一九年 一月一日* RMB'000 人民幣千元
Right-of-use assets	使用權資產		
— Office properties	— 辦公物業	56,622	57,497
— Furniture, fixtures and office equipment	— 傢俱、裝置及辦公設備	847	709
		57,469	58,206
Investment properties (note 19)	投資性物業(附註19)	—	5,960,000
		57,469	6,018,206
Lease liabilities	租賃負債		
Current	流動	23,520	200,132
Non-current	非流動	38,860	4,893,570
		62,380	5,093,702

* For adjustments recognized on adoption of HKFRS 16 on 1 January 2019, please refer to note 2.2.1.

* 有關於二零一九年一月一日採納香港財務報告準則第16號時確認的調整，請參閱附註2.2.1。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

21 LEASES (Continued)

(B) AMOUNTS RECOGNIZED IN THE STATEMENT OF PROFIT OR LOSS

The statement of profit or loss shows the following amounts relating to leases:

21 租賃(續)

(B) 於損益表確認的金額

損益表顯示以下與租賃有關的金額：

		For the year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 RMB'000 人民幣千元
Depreciation charge of right-of-use assets	使用權資產的折舊費用	
— Office properties	— 辦公物業	22,294
— Furniture, fixtures and office equipment	— 傢俱、裝置及辦公設備	395
		22,689
Interest expense	利息費用	195,472

During the year ended 31 December 2019, cash payments for the interest portion of the lease liability amounted to RMB93,714,000 and was included in the interest paid of operating activities in the consolidated statement of cash flows, while the principal element of lease payment was included in financing activities.

截至二零一九年十二月三十一日止年度，租賃負債利息部分的現金付款為人民幣93,714,000元，於綜合現金流量表計入經營活動的已付利息，而租賃付款的本金部分則計入融資活動。

22 INTANGIBLE ASSETS

22 無形資產

		Goodwill 商譽 RMB'000 人民幣千元	Computer software 電腦軟件 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日			
Cost	成本	9,460	–	9,460
Net carrying amount	賬面淨值	9,460	–	9,460
Year ended 31 December 2018	截至二零一八年十二月三十一日止年度			
Opening net carrying amount	年初賬面淨值	9,460	–	9,460
Additions	添置	–	2,279	2,279
Closing net carrying amount	年末賬面淨值	9,460	2,279	11,739
At 31 December 2018	於二零一八年十二月三十一日			
Cost	成本	9,460	2,279	11,739
Net carrying amount	賬面淨值	9,460	2,279	11,739
Year ended 31 December 2019	截至二零一九年十二月三十一日止年度			
Opening net carrying amount	年初賬面淨值	9,460	2,279	11,739
Additions	添置	–	1,434	1,434
Acquisition of subsidiaries (note 38)	收購附屬公司(附註38)	37,078	–	37,078
Disposals of subsidiaries (note 39)	出售附屬公司(附註39)	(9,460)	(3,713)	(13,173)
Closing net carrying amount	年末賬面淨值	37,078	–	37,078
At 31 December 2019	於二零一九年十二月三十一日			
Cost	成本	37,078	–	37,078
Accumulated amortization	累計攤銷	–	–	–
Net carrying amount	賬面淨值	37,078	–	37,078

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

22 INTANGIBLE ASSETS (Continued)

- (a) Goodwill was allocated to the following cash generating units:

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Pinnacle West Homes Holding Corp.	Pinnacle West Homes Holding Corp.	37,078	–
Shanghai Landsea Planning and Architectural Design Co., Ltd.	上海朗詩規劃建築設計有限公司	–	9,460
Total	總計	37,078	9,460

As at 31 December 2019, management performed impairment testing on goodwill based on cash flow forecasts. With reference to the recoverable amount assessed as at 31 December 2019, the directors of the Company determined that there was no provision for impairment of goodwill for the year ended 2019.

於二零一九年十二月三十一日，管理層根據現金流量預測對商譽進行減值測試。參考於二零一九年十二月三十一日評估的可收回金額，本公司董事認為截至二零一九年止年度並無商譽減值撥備。

23 PROPERTIES HELD FOR SALE

Analysis of properties held for sale is as follows:

23 持作銷售物業

持作銷售物業的分析如下：

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Properties held for sale:	持作銷售物業：		
— Mainland China	— 中國內地	1,195,705	882,923
		1,195,705	882,923
Less: provision for decline in the value of properties held for sale	減：持作銷售物業價值下跌撥備	(27,779)	(6,042)
		1,167,926	876,881

23 PROPERTIES HELD FOR SALE (Continued)

Movements of properties held for sale are as follows:

23 持作銷售物業 (續)

持作銷售物業的變動如下：

		For the year ended 截至十二月三十一日止年度	
		31 December 2019 二零一九年 RMB'000 人民幣千元	31 December 2018 二零一八年 RMB'000 人民幣千元
As at 1 January	於一月一日	882,923	851,020
Transfer from properties under development (note 25)	轉移自開發中物業 (附註25)	5,490,861	4,684,794
Transfer to investment properties (note 19)	轉移至投資性物業 (附註19)	—	(117,657)
Addition as results of acquisition of subsidiaries (note 38)	因收購附屬公司而添置 (附註38)	323,358	—
Cost of property development and sales (note 9)	房地產開發及銷售成本 (附註9)	(5,501,437)	(4,535,234)
As at 31 December	於十二月三十一日	1,195,705	882,923

All of the properties held for sale are within normal operating cycle and hence included under current assets. The amounts of properties held for sale expected to be recovered after more than one year is RMB54,139,000 (2018: RMB67,083,000).

所有持作銷售物業均於正常經營週期內持有，故列作流動資產。預期將於超過一年後收回的持作銷售物業數額為人民幣54,139,000元（二零一八年：人民幣67,083,000元）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

23 PROPERTIES HELD FOR SALE (Continued)

Movements of provision for decline in the value of properties held for sale are as follows:

		For the year ended	截至十二月三十一日止年度
		31 December	31 December
		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
As at 1 January	於一月一日	6,042	3,189
Provision during the year	年內撥備	21,737	2,853
As at 31 December	於十二月三十一日	27,779	6,042

For the year ended 31 December 2019, the Group recognized impairment losses of RMB21,737,000 (2018: RMB2,853,000) on properties held for sale (note 9).

As at 31 December 2019, no properties held for sale (2018: properties held for sale with carrying amount of RMB52,630,000) were mortgaged as collateral for the Group's borrowings (note 31).

23 持作銷售物業(續)

持作銷售物業價值下跌撥備變動如下：

		For the year ended	截至十二月三十一日止年度
		31 December	31 December
		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
As at 1 January	於一月一日	6,042	3,189
Provision during the year	年內撥備	21,737	2,853
As at 31 December	於十二月三十一日	27,779	6,042

截至二零一九年十二月三十一日止年度，本集團就持作銷售物業確認減值虧損人民幣21,737,000元(二零一八年：人民幣2,853,000元)(附註9)。

於二零一九年十二月三十一日，概無抵押持作銷售物業(二零一八年：賬面值為人民幣52,630,000元的持作銷售物業)作為本集團取得借款的抵押品(附註31)。

24 INVENTORIES

		31 December	31 December
		2019	2018
		二零一九年	二零一八年
		十二月三十一日	十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Decoration materials	裝飾物料	55,324	116,561

The cost of inventories included in cost of property development and sales amounted to RMB159,505,000 for the year ended 31 December 2019 (2018: RMB119,830,000) (note 9).

24 庫存

		31 December	31 December
		2019	2018
		二零一九年	二零一八年
		十二月三十一日	十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Decoration materials	裝飾物料	55,324	116,561

截至二零一九年十二月三十一日止年度，計入房地產開發及銷售成本的庫存費用為人民幣159,505,000元(二零一八年：人民幣119,830,000元)(附註9)。

25 PROPERTIES UNDER DEVELOPMENT

25 開發中物業

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Properties under development located in:	開發中物業位於：		
— Mainland China	— 中國	2,582,467	4,506,998
— US	— 美國	4,008,460	4,184,601
		6,590,927	8,691,599
Less: provision for decline in the value of properties under development	減：開發中物業價值下跌撥備	—	(3,020)
		6,590,927	8,688,579
Amount comprises:	款項包括：		
— Land payments	— 土地付款	3,443,112	4,824,473
Leasehold land, Mainland China	中國租賃土地	1,450,011	3,029,651
Freehold land, US	美國永久業權土地	1,993,101	1,794,822
— Development expenditures and improvements	— 開發支出及改進服務	2,411,609	3,071,764
— Interest capitalized	— 利息資本化	736,206	795,362
		6,590,927	8,691,599

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

25 PROPERTIES UNDER DEVELOPMENT

(Continued)

Movements of properties under development are as follows:

25 開發中物業(續)

開發中物業的變動如下：

		For the year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 RMB'000 人民幣千元	For the year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 RMB'000 人民幣千元
As at 1 January	於一月一日	8,691,599	6,658,882
Additions	增加	4,009,881	4,787,294
Acquisition of subsidiaries (note 38)	收購附屬公司(附註38)	1,316,193	2,692,768
Disposal of subsidiaries (note 39)	出售附屬公司(附註39)	(1,935,885)	(762,551)
Transfer to properties held for sale (note 23)	轉移至持作銷售物業(附註23)	(5,490,861)	(4,684,794)
As at 31 December	於十二月三十一日	6,590,927	8,691,599

All of the properties under development are within normal operating cycle and hence included under current assets. The amount of properties under development expected to be completed after more than one year is RMB2,088,438,000 (2018: RMB1,660,010,000). The remaining balance is expected to be completed within one year.

所有開發中物業均於正常經營週期內持有，故列作流動資產。預期將於超過一年後竣工的開發中物業數額為人民幣2,088,438,000元(二零一八年：人民幣1,660,010,000元)。餘額為預期一年內完成的款項。

25 PROPERTIES UNDER DEVELOPMENT

(Continued)

As at 31 December 2019, properties under development with carrying amount of RMB4,056,083,000 (2018: RMB3,033,882,000) were mortgaged as collateral for the Group's borrowings (note 31).

Certain subsidiary of the Group located in the US entered into sell and buy-back agreements with a third party, whereby properties under development were sold and the Group has the option to repurchase the properties under development on a predetermined schedule at a nominated value. Such properties under development are not derecognized, considering the borrowing substance of the arrangements. However, the asset was restricted under the agreement as the title of freehold land had been transferred to the third party. As at 31 December 2019, no properties was under this restriction (2018: properties under this restriction amounted to US\$66,254,000 (equivalent to RMB454,713,000)) (note 31).

25 開發中物業(續)

於二零一九年十二月三十一日，賬面值為人民幣4,056,083,000元(二零一八年：人民幣3,033,882,000元)的開發中物業按揭作為本集團借款的抵押品(附註31)。

本集團若干美國附屬公司與一名第三方訂立出售及回購協議，據此出售開發中物業而本集團有選擇權按名義價值在預訂時間表購回該開發中物業。有關開發中物業因安排的借款性質而沒有取消確認。然而，由於永久業權土地的業權已轉至該第三方，故資產須受該協議限制。於二零一九年十二月三十一日，概無物業受此限制(二零一八年：受此限制的物業價值66,254,000美元(相當於人民幣454,713,000元))(附註31)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

26 FINANCIAL INSTRUMENTS BY CATEGORY

The Group hold the following financial instruments as at the respective balance sheet date as follows:

26 按分類呈列的金融工具

本集團於以下各結算日持有下列金融工具：

			31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
	Note 附註			
Financial assets		金融資產		
Financial assets at amortised cost		按攤銷成本計量之金融資產		
Trade receivables	27	應收賬款	869,890	507,708
Amounts due from related parties	27	應收關聯方款項	4,148,719	2,353,533
Amounts due from non-controlling interests	27	應收非控制性權益款項	811,373	514,196
Other receivables	27	其他應收款	705,505	300,875
Deposits for purchase of land	27	收購土地按金	170,113	240,262
Restricted cash and cash and cash equivalents	29	受限制現金以及現金及現金等價物	4,760,164	5,947,255
			11,465,764	9,863,829
Financial assets at fair value through profit or loss	28	按公允價值計入損益之金融資產	—	176,809
Financial liabilities		金融負債		
Financial liabilities at amortised cost		按攤銷成本計量之金融負債		
Trade and other payables*	30	應付賬款及其他應付款*	7,968,109	9,283,959
Borrowings	31	借款	6,961,140	7,024,595
			14,929,249	16,308,554

* Excluding non-financial liabilities

* 不包括非金融負債

The Group's exposure to various risks associated with the financial instruments is disclosed in note 3. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

本集團承受有關金融工具的各種風險於附註3披露。報告期末承受的信貸風險上限為上述各類金融資產的賬面值。

27 TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

27 應收賬款及其他應收款、預付款及按金

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Included in non-current assets:	計入非流動資產：		
Prepayments	預付款		
— Prepayments for acquisition of subsidiaries	— 收購附屬公司的預付款	—	3,539
		—	3,539
Amounts due from related parties (note 40)	應收關聯方款項(附註40)	1,469,914	1,631,495
Less: provision for bad debt (note 3.1 (b)(ii))	減：壞賬撥備(附註3.1(b)(ii))	(14,699)	(16,315)
		1,455,215	1,615,180
Amounts due from non-controlling interests (e)	應收非控制性權益款項(e)	634,632	515,965
Less: provision for bad debt (note 3.1 (b)(ii))	減：壞賬撥備(附註3.1(b)(ii))	(6,346)	(5,160)
		628,286	510,805
Other receivables	其他應收款		
— Deposits for building construction	— 履約保證金	50,000	—
— Lendings to third parties (f)	— 向第三方借貸(f)	33,074	27,652
— Deposits for property maintenance (h)	— 物業維護按金(h)	12,386	12,385
		95,460	40,037
Less: provision for bad debt (note 3.1 (b)(ii))	減：壞賬撥備(附註3.1(b)(ii))	(955)	(1,116)
		94,505	38,921
		2,178,006	2,168,445

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

27 TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS (Continued)

27 應收賬款及其他應收款、預付款及按金(續)

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Included in current assets:	計入流動資產：		
Trade receivables (a)	應收賬款(a)		
— Related parties (note 40)	— 關聯方(附註40)	274,028	335,294
— Third parties	— 第三方	670,020	185,927
		944,048	521,221
Less: provision for bad debt	減：壞賬撥備		
— Related parties (note 3.1 (b)(i))	— 關聯方(附註3.1(b)(i))	(2,740)	(3,353)
— Third parties (note 3.1 (b)(i))	— 第三方(附註3.1(b)(i))	(71,418)	(10,160)
		(74,158)	(13,513)
		869,890	507,708
Prepayments	預付款		
— Prepaid taxes (b)	— 預付稅項(b)	89,124	177,738
— Prepaid value added tax ("VAT") and other surcharges (b)	— 預付增值稅(「增值稅」)及其他附加費(b)	112,496	208,947
— Prepayments for rental fee (c)	— 預付租金費用(c)	—	309,131
— Prepayments for land bidding (d)	— 預付土地競投費(d)	236,000	89,439
— Other prepayments	— 其他預付款	73,823	139,716
		511,443	924,971
Amounts due from related parties (note 40)	應收關聯方款項(附註40)	2,733,961	745,811
Less: provision for bad debt (note 3.1 (b)(ii))	減：壞賬撥備(附註3.1(b)(ii))	(40,457)	(7,458)
		2,693,504	738,353

27 TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS (Continued)

27 應收賬款及其他應收款、預付款及按金(續)

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Amounts due from non-controlling interests (e)	應收非控制性權益款項(e)	184,936	3,425
Less: provision for bad debt (note 3.1 (b)(iii))	減：壞賬撥備(附註3.1(b)(iii))	(1,849)	(34)
		183,087	3,391
Deposits for purchase of land (g)	購買土地的按金(g)	171,831	242,689
Less: provision for bad debt (note 3.1 (b)(iii))	減：壞賬撥備(附註3.1(b)(iii))	(1,718)	(2,427)
		170,113	240,262
Other receivables	其他應收款		
— Deposits for apartments rental	— 公寓租金按金	2,102	85,002
— Deposits for land bidding	— 土地競投按金	20,000	—
— Deposits for building construction	— 履約保證金	4,955	2,284
— Deposits in housing fund	— 住房公積金按金	19,572	16,874
— Lendings to third parties (f)	— 向第三方借貸(f)	471,319	104,894
— Others	— 其他	99,224	59,505
		617,172	268,559
Less: provision for bad debt (note 3.1 (b)(iii))	減：壞賬撥備(附註3.1(b)(iii))	(6,172)	(6,605)
		611,000	261,954
		5,039,037	2,676,639

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

27 TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS (Continued)

(A) TRADE RECEIVABLES

27 應收賬款及其他應收款、預付款及 按金(續)

(A) 應收賬款

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Trade receivables from property development and sales	房地產開發及銷售應收賬款	338,281	88,913
Trade receivables from management services	管理服務應收賬款	605,767	432,308
		944,048	521,221
Less: provision for bad debt (note 3.1 (b)(i))	減：壞賬撥備(附註3.1(b)(i))	(74,158)	(13,513)
		869,890	507,708

27 TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS (Continued)

(A) TRADE RECEIVABLES (Continued)

The aging analysis of the current trade receivables based on invoice date is as follows:

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Related parties	關聯方		
— Less than one year	— 少於一年	130,950	290,912
— One to two years	— 一至兩年	125,203	35,738
— Two to three years	— 兩至三年	17,875	8,644
		274,028	335,294
Third parties	第三方		
— Less than one year	— 少於一年	566,168	123,315
— One to two years	— 一至兩年	46,879	61,664
— Two to three years	— 兩至三年	56,973	598
— Three to four years	— 三至四年	—	350
		670,020	185,927
		944,048	521,221

The credit terms granted to customers of purchasing properties are generally ranging from 30 days to 60 days, while for the customers to whom the Group provides management services, decoration services and sales land, the credit terms are around one year.

Information about the impairment of trade receivables and the Group's exposure to credit risk can be found in note 3.1 (b)(i).

27 應收賬款及其他應收款、預付款及按金(續)

(A) 應收賬款(續)

根據賬單日期的即期應收賬款的賬齡分析如下：

授予客戶購買物業的信貸期一般介乎30日至60日，而本集團向客戶提供管理服務、裝飾服務及土地銷售方面授予客戶的信貸期約為一年。

有關應收賬款減值及本集團信貸風險的資料請參閱附註3.1(b)(i)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

27 TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS (Continued)

- (B) The Group's subsidiaries in Mainland China which develop properties for sale are subjected to prepayment of VAT at the rate of 3% on advance collected from customers. Such prepayments are recorded as "prepayments — prepaid VAT and other surcharges".

These subsidiaries are also subjected to prepayments of EIT and land appreciation tax on expected profit margin and land appreciation tax based on advance collected from customers together. Such prepayments are recorded as "prepayments — prepaid tax".

- (C) Prepayments for rental fee are mainly related to rental paid to landlord in advance for long-term rental apartments. The term of prepaid rents is usually less than one year.
- (D) At 31 December 2019, certain subsidiary of the Group won the bid for the land parcel in Zhangjiagang, Jiangsu Province with a price of approximately RMB794,310,000. As at 31 December 2019, the transaction has not been completed, and the payment of RMB236,000,000 is recorded as prepayments.
- (E) In January 2019, 中福頤養(天津)置業有限公司 (Zhongfuyiyang (Tianjin) Real Estate Co., Ltd.) ("Zhongfuyiyang"), an indirect non-wholly owned subsidiary of the Group signed an agreement with its owners, pursuant to which Zhongfuyiyang would advance loan to its owners on pro-rata basis according to their respective shareholding interest in Zhongfuyiyang. The loan is unsecured, repayable within two years and Zhongfuyiyang shall charge an annual interest rate ranging from 4.35% to 6.50% per annum on the actual amounts of drawdown. As at 31 December 2019, the outstanding amounts due from the non-controlling shareholders of Zhongfuyiyang amounted to RMB61,511,000.

27 應收賬款及其他應收款、預付款及按金(續)

- (B) 本集團開發銷售物業的中國附屬公司須就收取客戶的墊款預付3%的增值稅。該等款項入賬為「預付款 — 預付增值稅及其他附加費」。

該等附屬公司亦須就預期利潤及預繳企業所得稅及土地增值稅，及根據預收客戶的款項預繳土地增值稅。該等預付款入賬為「預付款 — 預付稅項」。

- (C) 預付租金主要涉及就待用作長租公寓支付予業主的預付租金。預付租金的年期一般少於一年。
- (D) 於二零一九年十二月三十一日，本集團若干附屬公司成功競投位於江蘇省張家港的地塊，作價約人民幣794,310,000元。於二零一九年十二月三十一日，該交易尚未完成，而款項人民幣236,000,000元記錄為預付款。
- (E) 於二零一九年一月，本集團間接非全資附屬公司中福頤養(天津)置業有限公司(「中福頤養」)與其擁有人簽訂協議，據此，中福頤養按擁有人各自於中福頤養的股權按比例向彼等提供貸款。貸款為無抵押，須於兩年內償還，而中福頤養須按4.35%至6.50%的年利率根據支取的實際金額計息。於二零一九年十二月三十一日，應收中福頤養非控股股東的未償還款項達人民幣61,511,000元。

27 TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS (Continued)

(E) (Continued)

In December 2018, 蘇州朗坤置業有限公司 (Suzhou Langkun Real Estate Co., Ltd.) ("Suzhou Langkun"), an indirect non-wholly owned subsidiary of the Company, entered into the supplemental agreement with its owners, pursuant to which Suzhou Langkun agreed to extend the loan term from 31 December 2019 to 31 December 2021. The loan is unsecured, repayable within three years, and Suzhou Langkun shall charge an annual interest rate of 4.35% per annum on the actual amounts of drawdown. As at 31 December 2019, the outstanding amounts due from the non-controlling shareholders of Suzhou Langkun amounted to RMB634,632,000.

The remaining amounts are interest-free and repayable on demand.

(F) The balances of lendings to third parties include RMB265,808,000 (2018: RMB132,546,000) which generating interest ranging from 2.10% to 14.00% per annum. Of the total lendings to third parties, RMB135,061,000 (2018: RMB66,443,000) was secured by the equity securities of two companies which hold properties in Mainland China.

(G) As at 31 December 2019, deposits for purchase of land are mainly related to acquisition of land use right upon successfully bidding at the land auctions. The relevant land use right certificates have not been obtained at 31 December 2019.

(H) Deposits for property maintenance are repayable within two to eight years from the end of the year.

27 應收賬款及其他應收款、預付款及按金(續)

(E) (續)

於二零一八年十二月，本公司間接非全資附屬公司蘇州朗坤置業有限公司(「蘇州朗坤」)與其擁有人訂立補充協議，據此蘇州朗坤同意將貸款限期由二零一九年十二月三十一日延長至二零二一年十二月三十一日。貸款為無抵押，須於三年內償還，而蘇州朗坤須按4.35%的年利率根據支取的實際金額計息。於二零一九年十二月三十一日，應收蘇州朗坤非控股股東的未償還款項達人民幣634,632,000元。

餘下款項免息及須於催繳時償還。

(F) 向第三方借貸的結餘包括人民幣265,808,000元(二零一八年：人民幣132,546,000元)，按年利率2.10%至14.00%計息。向第三方借貸的總額中，人民幣135,061,000元(二零一八年：人民幣66,443,000元)以兩間於中國持有物業的公司的股本證券作抵押。

(G) 於二零一九年十二月三十一日，購買土地的按金主要涉及土地拍賣成功競投後獲得土地使用權。於二零一九年十二月三十一日，尚未獲得相關土地使用權證明書。

(H) 物業維護按金須於年末起計兩年至八年內償還。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

27 TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS (Continued)

As at 31 December 2019, the carrying amounts of trade and other receivables, prepayments and deposits (netting off provision for bad debt) were denominated in below currencies:

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
RMB	人民幣	6,589,205	4,339,020
US\$	美元	613,906	492,507
HK\$	港元	13,932	13,557
		7,217,043	4,845,084

As at 31 December 2019 and 2018, the fair value of trade and other receivables approximate their carrying amounts.

27 應收賬款及其他應收款、預付款及按金(續)

於二零一九年十二月三十一日，應收賬款及其他應收款、預付款及按金(扣除壞賬撥備)的賬面值以下列貨幣計值：

	31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
	6,589,205	4,339,020
	613,906	492,507
	13,932	13,557
	7,217,043	4,845,084

於二零一九年及二零一八年十二月三十一日，應收賬款及其他應收款的公允價值與其賬面值相若。

28 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(A) CLASSIFICATION OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group classifies 1) debt investments that do not qualify for measurement at either amortized cost or fair value through other comprehensive income ("FVOCI"); 2) equity investments that are held for trading or for which the Group has not elected to recognize FVOCI as financial assets at fair value through profit or loss ("FVPL").

Financial assets measured at FVPL included following:

28 按公允價值計入損益的金融資產

(A) 按公允價值計入損益的金融資產之分類

本集團將以下金融工具按公允價值計入損益(「按公允價值計入損益」): 1) 不符合按攤銷成本計量或按公允價值計入其他全面收益(「按公允價值計入其他全面收益」)的債務投資; 2) 持作交易或本集團並未選擇確認按公允價值計入其他全面收益的權益投資。

按公允價值計入損益的金融資產包括:

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Current assets	流動資產		
Listed bonds	上市債券	-	125,669
Wealth management products	資產管理產品	-	51,140
		-	176,809

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

28 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

(B) AMOUNTS RECOGNIZED IN PROFIT OR LOSS

During the year, the following gain was recognized in profit or loss:

28 按公允價值計入損益的金融資產 (續)

(B) 於損益確認的金額

年內，以下利得於損益確認：

	For the year ended 31 December 2019 截至 二零一九年 十二月三十一日 止年度 RMB'000 人民幣千元	For the year ended 31 December 2018 截至 二零一八年 十二月三十一日 止年度 RMB'000 人民幣千元
Fair value gain on financial assets at fair value through profit or loss (note 8)	2,115	2,675
按公允價值計入損益的 金融資產的公允價值利得 (附註8)		

(C) RISK EXPOSURE AND FAIR VALUE MEASUREMENT

Information about the Group's exposure to risks associated with FVPL is provided in note 3.2. For information about methods and assumptions used in determining fair value, please refer to note 3.2.

(C) 風險及公允價值計量

本集團有關按公允價值計入損益的風險資料載於附註3.2。釐定公允價值所用的方法及假設之資料載於附註3.2。

29 RESTRICTED CASH AND CASH AND CASH EQUIVALENTS

29 受限制現金以及現金及現金等價物

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Restricted cash	受限制現金		
— Restricted for project developments	— 限制為項目發展	2,665	66,847
— Restricted under escrow account for investments	— 限制於託管賬戶下投資	20,063	40,000
— Deposits as security for property purchasers' Mortgage loans	— 物業買家按揭貸款的擔保存款	167,932	166,228
— Pledged for discounted bank accepted notes	— 作為已貼現銀行承兌票據的抵押	—	85,000
— Pledged for the Group's bank borrowings (note 31)	— 作為本集團銀行借款的抵押(附註31)	61,240	183,866
— Others	— 其他	3,871	358
		255,771	542,299
Cash and cash equivalents	現金及現金等價物	4,504,393	5,404,956

The carrying amounts of restricted cash and cash and cash equivalents approximate their fair values.

受限制現金以及現金及現金等價物的賬面值與其公允價值相若。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

29 RESTRICTED CASH AND CASH AND CASH EQUIVALENTS (Continued)

The carrying amounts of restricted cash and cash and cash equivalents were denominated in below currencies:

RMB	人民幣
US\$	美元
HK\$	港元

Cash and cash equivalents held in Mainland China are subject to exchange control regulations, which provide for restrictions on exporting capital out, other than through dividends. The cash balance included in the consolidated financial statements to which these restrictions apply is RMB3,356,969,000 (2018: RMB5,013,942,000).

Restricted cash which pledged as securities for borrowings of the Group was RMB61,240,000 (2018: RMB268,866,000).

29 受限制現金以及現金及現金等價物 (續)

受限制現金以及現金及現金等價物的賬面值按以下貨幣列值：

31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
3,375,829	5,008,955
1,376,840	920,273
7,495	18,027
4,760,164	5,947,255

於中國內地持有之現金及現金等價物受外匯管制規例所規管，當中規管資金出口的限制（不包括股息）。綜合財務報表內適用該等限制的現金結餘為人民幣3,356,969,000元（二零一八年：人民幣5,013,942,000元）。

作為本集團借款抵押的受限制現金為人民幣61,240,000元（二零一八年：人民幣268,866,000元）。

30 TRADE AND OTHER PAYABLES

30 應付賬款及其他應付款

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Included in non-current liabilities:	計入非流動負債：		
— Amounts due to related parties (note 40)	— 應付關聯方款項(附註40)	1,424,133	2,804,826
— Warranty accrual	— 應計保修費用	60,646	24,817
— Other payables	— 其他應付款	10,652	—
		1,495,431	2,829,643
Included in current liabilities:	計入流動負債：		
— Amounts due to related parties (note 40)	— 應付關聯方款項(附註40)	3,740,877	2,908,526
— Payables for construction materials and services	— 應付工程物料及服務款項	1,441,141	1,964,956
— Fundings from third parties (b)	— 來自第三方資金(b)	532,600	—
— VAT and other tax payables	— 增值稅及其他應付稅項	423,616	180,823
— Deposits received from rental and construction services	— 租賃及工程服務已收按金	251,642	348,045
— Accruals for staff costs	— 應計職工費用	234,786	252,813
— Interest payable	— 應付利息	219,137	348,592
— Amounts due to non-controlling interests (a)	— 應付非控制性權益款項(a)	215,611	410,045
— Consideration payables (c)	— 應付代價(c)	57,144	141,667
— Notes payables	— 應付票據	29,121	—
— Dividend payable (note 14)	— 應付股息(附註14)	28,994	—
— Amounts due to a joint venture partner (d)	— 應付合營夥伴款項(d)	—	320,000
— Other payables	— 其他應付款	17,057	37,302
		7,191,726	6,912,769

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

30 TRADE AND OTHER PAYABLES (Continued)

- (a) As of 31 December 2019, amounts due to non-controlling interests include RMB214,611,000 bearing interest at 4.65% per annum and the remaining amounts are interest-free.

As of 31 December 2018, amounts due to non-controlling interests include RMB388,859,000 bearing interest at 4.65% per annum and the remaining amounts are interest-free.

All amounts due to non-controlling interests are unsecured.

- (b) As of 31 December 2019, all fundings from third parties are interest free and unsecured. The amount of RMB400,000,000 was subsequently repaid in January 2020.
- (c) As of 31 December 2019, consideration payables are mainly related to payables for acquisition of investments, of which RMB52,144,000 was due to the former shareholder of 武漢朗泓置業有限公司 (Wuhan Langhong Real Estate Co., Ltd.). The remaining amount, RMB5,000,000 was due to the former shareholders of Xi'an Jiapeng.
- (d) As of 31 December 2018, the amounts due to joint venture partner include RMB120,000,000 with interest ranging from 6.00% to 8.00%. The remaining amounts are interest-free and were subsequently repaid on 2 January 2019.

As at 31 December 2019, the carrying amounts of trade and other payables approximate their fair values.

30 應付賬款及其他應付款(續)

- (a) 於二零一九年十二月三十一日，應付非控制性權益款項包括以年利率4.65%計息的人民幣214,611,000元，餘下款項則免息。

於二零一八年十二月三十一日，應付非控制性權益款項包括以年利率4.65%計息的人民幣388,859,000元，餘下款項則免息。

所有應付非控制性權益款項均為無抵押。

- (b) 於二零一九年十二月三十一日，來自第三方資金的所有款項均為免息及無抵押。其後已於二零二零年一月償還人民幣400,000,000元。
- (c) 於二零一九年十二月三十一日，應付代價主要涉及收購投資的應付款，當中人民幣52,144,000元應付武漢朗泓置業有限公司的前股東。餘額人民幣5,000,000元應付西安嘉鵬的前股東。
- (d) 於二零一八年十二月三十一日，應付合營夥伴款項包括以利率介乎6.00%至8.00%計息的人民幣120,000,000元。餘下款項則免息，其後已於二零一九年一月二日償還。

於二零一九年十二月三十一日，應付賬款及其他應付款的賬面值與其公允價值相若。

30 TRADE AND OTHER PAYABLES (Continued)

As at balance sheet date, the aging analysis of the payables for construction materials and services based on invoice date is as follows:

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Less than one year	少於一年	1,072,550	1,808,395
One to two years	一至兩年	315,666	145,160
Two to three years	兩至三年	49,179	11,401
Over three years	三年以上	3,746	—
		1,441,141	1,964,956

As at balance sheet date, the carrying amounts of trade and other payables were denominated in below currencies:

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
RMB	人民幣	8,099,846	8,974,693
US\$	美元	571,665	734,738
HK\$	港元	15,646	32,981
		8,687,157	9,742,412

30 應付賬款及其他應付款(續)

於結算日，根據發票日期的應付工程物料及服務款項的賬齡分析如下：

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Less than one year	少於一年	1,072,550	1,808,395
One to two years	一至兩年	315,666	145,160
Two to three years	兩至三年	49,179	11,401
Over three years	三年以上	3,746	—
		1,441,141	1,964,956

於結算日，應付賬款及其他應付款的賬面值以下列貨幣計值：

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
RMB	人民幣	8,099,846	8,974,693
US\$	美元	571,665	734,738
HK\$	港元	15,646	32,981
		8,687,157	9,742,412

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

31 BORROWINGS

31 借款

		31 December 2019 二零一九年十二月三十一日		31 December 2018 二零一八年十二月三十一日	
		Current 流動 RMB'000 人民幣千元	Non-current 非流動 RMB'000 人民幣千元	Current 流動 RMB'000 人民幣千元	Non-current 非流動 RMB'000 人民幣千元
Secured	有抵押				
— Bank borrowings (a)	— 銀行借款(a)	656,796	1,133,948	266,597	1,224,335
— Sell and buy-back arrangements (note 25)	— 出售及回購安排(附註25)	—	—	—	285,967
— Discounted bank accepted notes	— 已貼現銀行承兌票據	—	—	316,983	—
— Loans from other financial institutions (e)	— 來自其他金融機構的貸款(e)	231,806	289,000	—	310,306
Total secured borrowings	有抵押借款總額	888,602	1,422,948	583,580	1,820,608
Unsecured	無抵押				
— Bank borrowings (a)	— 銀行借款(a)	—	—	100,000	859,772
— Guaranteed senior notes 2018 (c)	— 二零一八年有擔保優先票據(c)	1,415,837	—	—	1,380,523
— Guaranteed senior notes 2019 (c)	— 二零一九年有擔保優先票據(c)	—	1,368,212	—	—
— Loans from the ultimate controlling company (b)	— 來自最終控股公司的貸款(b)	—	917,577	—	1,665,000
— EB-5 loans and contributions from EB-5 investors (d)	— EB-5貸款及EB-5投資人出資款(d)	—	907,964	—	575,112
— Loans from other financial institutions (e)	— 來自其他金融機構的貸款(e)	40,000	—	—	40,000
Total unsecured borrowings	無抵押借款總額	1,455,837	3,193,753	100,000	4,520,407
Total borrowings	借款總額	2,344,439	4,616,701	683,580	6,341,015

Borrowings carry interest ranging from 0.10% to 11.70% (2018: 3.19% to 13.50%) per annum.

借款按年利率介乎0.10%至11.70%(二零一八年: 3.19%至13.50%)計息。

31 BORROWINGS (Continued)

At end of reporting period, the carrying amounts of borrowings were denominated in the following currencies:

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
RMB	人民幣	2,239,283	3,508,890
US\$	美元	4,488,949	3,169,781
HK\$	港元	232,908	345,924
		6,961,140	7,024,595

The Group's borrowings are repayable as follows as at each balance sheet date:

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Within one year	一年內	2,344,439	683,580
Between one and two years	一至兩年	1,913,374	4,441,395
Between two and five years	兩至五年	1,812,805	1,899,620
Over five years	五年以上	890,522	—
		6,961,140	7,024,595

31 借款(續)

於報告期末，借款的賬面值按以下貨幣列值：

於各結算日，本集團借款應於下列時間償還：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

31 BORROWINGS (Continued)

(A) Bank borrowings are jointly secured by:

- (i) restricted cash with carrying amount of RMB61,240,000 (2018: RMB183,866,000) (note 29);
- (ii) properties under development with carrying amount of RMB3,689,987,000 (2018: RMB3,033,882,000) (note 25);
- (iii) investment properties of the Group with carrying amount of RMB734,600,000 (2018: RMB323,570,000) (note 19);
- (iv) guarantee provided by the ultimate controlling company;
- (v) equity interest of certain subsidiaries of the Group (note 43);
- (vi) property, plant and equipment with carrying amount of RMB186,234,000 (2018: RMB502,576,000) (note 20).

Bank borrowings carry interest ranging from 3.61% to 8.60% (2018: 3.19% to 8.60%) per annum.

(B) THE LOANS FROM THE ULTIMATE CONTROLLING COMPANY

The loan from the ultimate controlling company is unsecured and carry interest is 5.65% (2018: 5.30% to 5.65%) per annum.

31 借款(續)

(A) 銀行借款以下列各項作共同抵押：

- (i) 賬面值為人民幣61,240,000元(二零一八年：人民幣183,866,000元)的受限制現金(附註29)；
- (ii) 賬面值為人民幣3,689,987,000元(二零一八年：人民幣3,033,882,000元)的開發中物業(附註25)；
- (iii) 本集團賬面值為人民幣734,600,000元(二零一八年：人民幣323,570,000元)的投資性物業(附註19)；
- (iv) 最終控股公司所提供的擔保；
- (v) 本集團若干附屬公司的股權(附註43)；
- (vi) 賬面值為人民幣186,234,000元(二零一八年：人民幣502,576,000元)的不動產、工廠及設備(附註20)。

銀行借款按年利率介乎3.61%至8.60%(二零一八年：3.19%至8.60%)計息。

(B) 來自最終控股公司的貸款

來自最終控股公司的貸款為無抵押，並按年利率5.65%(二零一八年：5.30%至5.65%)計息。

31 BORROWINGS (Continued)

(C) GUARANTEED SENIOR NOTES

Guaranteed senior notes 2018 issued by the Company were listed on the Singapore Exchange Securities Trading Limited on 25 April 2018 and will mature on 25 April 2020, with 9.625% per annum paid semi-annually in arrears. Guaranteed senior notes 2019 issued by the Company were listed on the Singapore Exchange Securities Trading Limited on 20 June 2019 and will mature on 20 June 2022, with 10.50% per annum paid semi-annually in arrears. All of the guaranteed senior notes are subject to the fulfilment of covenants relating to certain of the Company's debt servicing financial indicators. The Company regularly monitors its compliance with these covenants. As at 31 December 2019, none of the covenants had been breached. All guaranteed senior notes are guaranteed by certain subsidiaries of the Company (note 43).

At any time, the Company will be entitled at its option to redeem the senior notes in whole but not in part, at a redemption price equal to 100% of the principal amount of the senior notes redeemed plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including), the redemption date.

At any time and from time to time the Company may redeem up to 35% of the aggregate principal amount of the senior notes with the proceeds from sales of certain kinds of capital stocks of the issuer at a redemption price of 110.5% of the principal amount of the senior notes redeemed, plus accrued and unpaid interest, if any, to (but not including) the redemption date, subject to certain conditions.

31 借款(續)

(C) 有擔保優先票據

本公司發行的二零一八年有擔保優先票據於二零一八年四月二十五日於新加坡證券交易所有限公司上市，並將於二零二零年四月二十五日到期，每半年按年利率9.625%支付利息。本公司發行的二零一九年有擔保優先票據於二零一九年六月二十日於新加坡證券交易所有限公司上市，並將於二零二二年六月二十日到期，每半年按年利率10.50%支付利息。全部有擔保優先票據均受達成本公司若干債務服務財務指標的契諾所限。本公司定期監察其遵守該等契諾的情況。於二零一九年十二月三十一日，並無違反該等契諾。所有有擔保優先票據均由本公司若干附屬公司作擔保(附註43)。

本公司將有權隨時選擇贖回全部(而非部分)優先票據，贖回價相等於優先票據本金額100%另加截至但不包括贖回日期的適用溢價以及應計及未付利息(如有)。

本公司可隨時及不時以銷售發行人若干種類股本的所得款項贖回優先票據本金總額最多35%，贖回價相等於所贖回優先票據本金額110.5%另加截至但不包括贖回日期的應計及未付利息(如有)，惟須受若干條件所規限。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

31 BORROWINGS (Continued)

(D) EB-5 LOANS AND CONTRIBUTIONS FROM EB-5 INVESTORS

EB-5 Loans of RMB17,442,000 represent loans from third parties and carry interest of 4.00% (2018: 4.00%) per annum and are guaranteed by Landsea Holdings Corporation, an indirect subsidiary of the Company. The balance is repayable on 29 June 2023 (2018: 24 July 2020 to 29 June 2023).

Contributions from EB-5 investors with the amount of RMB890,522,000 was accounted for as financial liability. The Group may, in its sole and absolute discretion, to avoid repayments to EB-5 investors until 25th anniversary from the fund establishment day. The financial liability bears effective interest ranging from 0.1% to 1.0% per annum.

(E) LOANS FROM OTHER FINANCIAL INSTITUTIONS

Loans from other financial institutions carry interest from 8.00% to 11.70% (2018: 8.00% to 11.50%) per annum. The balances are repayable from 28 September 2020 to 19 December 2021.

Loans from other financial institutions are jointly secured by:

- (i) properties under development with carrying amount of RMB366,096,000 (2018: Nil) (note 25);
- (ii) investment properties of the Group with carrying amount of RMB77,640,000 (2018: RMB77,640,000) (note 19);
- (iii) equity interest of certain subsidiary of the Group (note 43);

31 借款(續)

(D) EB-5 貸款及 EB-5 投資人出資款

金額為人民幣17,442,000元的EB-5貸款指來自第三方的貸款，年利率為4.00%（二零一八年：4.00%）並由Landsea Holdings Corporation（本公司間接附屬公司）擔保。結餘須於二零二三年六月二十九日（二零一八年：二零二零年七月二十四日至二零二三年六月二十九日）償還。

EB-5 投資人出資款人民幣890,522,000元入賬列作金融負債。本集團可全權酌情決定豁免還款予EB-5投資人，直至基金成立日期起計第25週年為止。金融負債按實際年利率介乎0.1%至1.0%計息。

(E) 來自其他金融機構的貸款

來自其他金融機構的貸款按年利率介乎8.00%至11.70%（二零一八年：8.00%至11.50%）計息。結餘須於二零二零年九月二十八日至二零二一年十二月十九日償還。

來自其他金融機構的貸款以下列各項作共同抵押：

- (i) 賬面值為人民幣366,096,000元（二零一八年：零）的開發中物業（附註25）；
- (ii) 本集團賬面值為人民幣77,640,000元（二零一八年：人民幣77,640,000元）的投資性物業（附註19）；
- (iii) 本集團若干附屬公司的股權（附註43）；

31 BORROWINGS (Continued)

(E) LOANS FROM OTHER FINANCIAL INSTITUTIONS (Continued)

- (iv) guarantee provided by the ultimate holding company;
- (v) guarantee provided by Nanjing Langming Properties Group Limited ("Nanjing Langming"), an indirect subsidiary of the Company.

(F) Fair values of the borrowings are not materially different to the carrying amounts, since either the interests on those borrowings are close to current market rates or borrowings are of a short term nature. The carrying amounts and fair values of the non-current borrowings are as follows:

31 借款(續)

(E) 來自其他金融機構的貸款(續)

- (iv) 最終控股公司所提供的擔保；
- (v) 本公司間接附屬公司南京朗銘地產集團有限公司(「南京朗銘」)所提供的擔保。

(F) 借款的公允價值與賬面值並無重大差別，原因為該等借款的利息與當前市場利率相近，或借款年期短。非流動借款的賬面值及公允價值如下：

		31 December 2019 二零一九年十二月三十一日		31 December 2018 二零一八年十二月三十一日	
		Carrying amounts	Fair values	Carrying amounts	Fair values
		賬面值	公允價值	賬面值	公允價值
		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
Bank borrowings (i)	銀行借款 (i)	1,133,948	1,133,948	2,084,107	2,084,107
Guaranteed senior notes (i)	有擔保優先票據 (i)	1,368,212	1,342,638	1,380,523	1,352,229
Sell and buy-back arrangements (note 25)	出售及回購安排 (附註 25)	-	-	285,967	285,967
Loans from the ultimate controlling shareholder (i)	來自最終控股股東的貸款 (i)	917,577	917,577	1,665,000	1,665,000
EB-5 loans (i)	EB-5 貸款 (i)	17,442	17,442	575,112	575,112
Loans from other financial institutions (i)	來自其他金融機構的 貸款 (i)	289,000	289,000	350,306	350,306

(i) Fair values of bank borrowings, guaranteed senior notes, loans from the ultimate controlling company, EB-5 loans and loans from other financial institutions are based on discounted cash flows and current borrowing rate and are categorized within Level 2 of the fair value hierarchy.

(i) 銀行借款、有擔保優先票據、來自最終控股公司的貸款、EB-5 貸款及來自其他金融機構的貸款的公允價值使用折現現金流量及流動借貸利率計算，並分類為公允價值層級內的第2層。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

32 DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The net amounts are as follows:

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Deferred income tax liabilities to be settled after one year	將於一年後結算的遞延所得稅負債	169,120	122,556
Deferred income tax assets:	遞延所得稅資產：		
— to be recovered within one year	— 將於一年內收回	161,867	103,183
— to be recovered after one year	— 將於一年後收回	346,117	249,286
		507,984	352,469
Deferred income tax assets, net	遞延所得稅資產淨額	338,864	229,913

As at 31 December 2019, deferred income tax assets were offset against deferred income tax liabilities with the amount of RMB94,709,000 (2018: RMB103,692,000).

32 遞延所得稅

當有合法可強制執行權利將現有稅項資產與現有稅項負債抵銷，且遞延所得稅涉及同一財政機關，則可將遞延所得稅資產與負債互相抵銷。淨值如下：

於二零一九年十二月三十一日，遞延所得稅資產抵銷遞延所得稅負債人民幣94,709,000元（二零一八年：人民幣103,692,000元）。

32 DEFERRED INCOME TAX (Continued)

The movements in deferred income tax, net are as follows:

32 遞延所得稅(續)

遞延所得稅淨額變動如下：

		For the year ended 31 December 2019 截至 二零一九年 十二月三十一日 止年度 RMB'000 人民幣千元	For the year ended 31 December 2018 截至 二零一八年 十二月三十一日 止年度 RMB'000 人民幣千元
At 1 January 2019 as originally present	於二零一九年一月一日，按原先呈列	229,913	162,198
Changes in accounting policies	會計政策變動	(2,605)	13,139
Restated balance at 1 January 2019	二零一九年一月一日經重列結餘	227,308	175,337
Credited to profit or loss (note 11)	在損益抵免(附註11)		
— Continuing operations	— 持續經營業務	141,870	98,045
Credited to profit or loss	在損益抵免		
— Discontinued operation	— 已終止業務	84,163	48,260
Charged to other comprehensive income	在其他全面收益支銷		
— Transfer from property, plant and equipment to investment properties	— 由不動產、工廠及設備轉移 至投資性物業	(461)	(4,838)
Disposal of subsidiaries (note 39)	出售附屬公司(附註39)	(103,065)	42,029
Acquisition of subsidiaries (note 38)	收購附屬公司(附註38)	(15,017)	(129,829)
Currency translation differences	貨幣換算差額	4,066	909
At 31 December	於十二月三十一日	338,864	229,913

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

32 DEFERRED INCOME TAX (Continued)

The movements in the deferred income tax liabilities, prior to offsetting, are as follows:

32 遞延所得稅(續)

抵銷前的遞延所得稅負債變動如下：

		Revaluation of investment properties	Difference in capitalized interests	Accelerated tax depreciation	Unrealized exchange gains	Re- measurement gain	Change in fair value of identified assets upon acquisition of subsidiaries 收購附屬公司 後所識別 資產的 公允價值變動	Unearned interest income	Others	Total
		投資性 物業重估 RMB'000 人民幣千元	資本化 利息差額 RMB'000 人民幣千元	加速 稅項折舊 RMB'000 人民幣千元	未變現 匯兌利得 RMB'000 人民幣千元	重新 計量利得 RMB'000 人民幣千元	資產的 公允價值變動 RMB'000 人民幣千元	未賺取利息 收益 RMB'000 人民幣千元	其他 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日	60,079	55,934	1,059	1,629	14,747	-	-	-	133,448
(Charged)/Credited to profit or loss (note 11)	在損益(支銷)/抵免 (附註11)	(1,746)	2,658	3,102	34,707	13,335	(34,765)	-	415	17,706
Credited to other comprehensive income	在其他全面收益抵免									
— Transfer from property, plant and equipment to investment property	— 由不動產、工廠及 設備轉移至投資性 物業	4,838	-	-	-	-	-	-	-	4,838
Acquisition of subsidiaries	收購附屬公司	-	-	-	-	-	133,747	-	-	133,747
Disposal of subsidiaries	出售附屬公司	-	-	-	-	-	(66,409)	-	-	(66,409)
Currency translation differences	貨幣換算差額	-	2,780	53	85	-	-	-	-	2,918
At 31 December 2018	於二零一八年 十二月三十一日	63,171	61,372	4,214	36,421	28,082	32,573	-	415	226,248
At 1 January 2019	於二零一九年一月一日	63,171	61,372	4,214	36,421	28,082	32,573	-	415	226,248
(Charged)/Credited to profit or loss (note 11)	在損益(支銷)/抵免 (附註11)	4,880	(4,261)	767	(15,753)	(12,311)	(46,233)	39,455	15,925	(17,531)
Credited to other comprehensive income	在其他全面收益抵免									
— Transfer from property, plant and equipment to investment property	— 由不動產、工廠及 設備轉移至投資性 物業	461	-	-	-	-	-	-	-	461
Acquisition of subsidiaries (note 38)	收購附屬公司(附註38)	-	-	-	-	-	55,364	-	-	55,364
Disposal of subsidiaries (note 39)	出售附屬公司(附註39)	-	-	-	-	-	-	-	-	-
Currency translation differences	貨幣換算差額	-	(710)	-	(3)	-	-	-	-	(713)
At 31 December 2019	於二零一九年 十二月三十一日	68,512	56,401	4,981	20,665	15,771	41,704	39,455	16,340	263,829

32 DEFERRED INCOME TAX (Continued)

The movements in the deferred income tax assets, prior to offsetting, are as follows:

32 遞延所得稅 (續)

抵銷前的遞延所得稅資產變動如下：

		Temporary difference on unrealized profit of intercompany transactions 公司間交易的 未變現利潤的 暫時差額 RMB'000 人民幣千元	Tax losses 稅項虧損 RMB'000 人民幣千元	Temporary difference on recognition of revenues and cost of sales 確認收入與 銷售費用 的暫時差額 RMB'000 人民幣千元	Provision for bad debt and accrued expenses 壞賬及應計 費用撥備 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日	108,336	67,913	35,592	96,944	-	308,785
Credited to profit or loss	在損益抵免						
Continuing operations (note 11)	持續經營業務(附註11)	22,331	(54,449)	37,656	57,696	2,732	65,966
Discontinuing operations	已終止業務	-	98,045	-	-	-	98,045
Disposal of subsidiaries	出售附屬公司	(17,030)	(7,350)	-	-	-	(24,380)
Acquisition of subsidiaries	收購附屬公司	-	-	-	3,918	-	3,918
Currency translation differences	貨幣換算差額	-	1,354	-	2,473	-	3,827
At 31 December 2018	於二零一八年十二月三十一日	113,637	105,513	73,248	161,031	2,732	456,161
At 1 January 2019	於二零一九年一月一日	113,637	105,513	73,248	161,031	2,732	456,161
Changes in accounting policies (note 2.2.1)	會計政策變動(附註2.2.1)	-	(2,605)	-	-	-	(2,605)
Restated balance at 1 January 2019	二零一九年一月一日經重列 結餘	113,637	102,908	73,248	161,031	2,732	453,556
Credited to profit or loss	在損益抵免						
Continuing operations (note 11)	持續經營業務(附註11)	9,922	77,061	23,137	15,232	(1,013)	124,339
Discontinuing operations	已終止業務	-	84,163	-	-	-	84,163
Disposal of subsidiaries (note 39)	出售附屬公司(附註39)	(6,602)	(96,314)	-	(22)	(127)	(103,065)
Acquisition of subsidiaries (note 38)	收購附屬公司(附註38)	-	-	40,171	27	149	40,347
Currency translation differences	貨幣換算差額	-	632	-	2,721	-	3,353
At 31 December 2019	於二零一九年十二月三十一日	116,957	168,450	136,556	178,989	1,741	602,693

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

33 SHARE CAPITAL AUTHORIZED SHARES

The Company has authorized shares of 6,000,000,000 shares of HK\$0.01 each as at 1 January 2018, 1 January 2019 and 31 December 2019.

Issued shares

33 股本 法定股份

本公司於二零一八年一月一日、二零一九年一月一日及二零一九年十二月三十一日有6,000,000,000股每股面值0.01港元的法定股份。

已發行股份

		Number of ordinary shares	Nominal value of ordinary shares	Equivalent nominal value of ordinary shares
		普通股數目	普通股 股面值	普通股 等額面值
		'000	HK\$'000	RMB'000
		千股	千港元	人民幣千元
Issued and fully paid:	已發行及繳足：			
Ordinary shares of HK\$0.01 each	每股面值0.01港元的普通股			
Opening balance as at	於二零一九年一月一日			
1 January 2019	的年初結餘	4,722,307	47,223	38,702
At 31 December 2019	於二零一九年 十二月三十一日	4,722,307	47,223	38,702

34 SHARE OPTIONS AND RESTRICTED SHARE AWARD SCHEME

(A) SHARE OPTIONS

Pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 25 April 2012, the current share option scheme (the “Scheme”) was adopted by the Company. Since the adoption of the Scheme, no further options can be granted under the old scheme.

The Company operates the Scheme for the purpose of providing incentives and reward to eligible participants who contribute to the success of the Group’s operations. Eligible participants of the Scheme include the directors (including executive and non-executive directors), other employees, suppliers, customers, person or entity providing research, development and other technical support, investee entity and any professional advisor and business consultant of the Group from time to time determined by the directors as having contributed or who may contribute to the development and growth of the Group. The Scheme is effective on 30 April 2012 and unless otherwise terminated, remains in force for 10 years from that date.

Unless approved by shareholders of the Company, shares which may be issued upon exercise of all options to be granted under the Scheme or any other share option scheme adopted by the Company must not in aggregate exceed 10% of the shares of the Company in issue on the date of adoption.

Unless approved by shareholders of the Company, total number of shares of the Company issued and to be issued upon the exercise of the options granted to each participant including both exercised and unexercised options under the Scheme or any other share option scheme adopted by the Company in any 12-month period must not exceed 1% of the shares of the Company in issue on the date of grant. Any further grant of share options in excess of this limit is subject to shareholder’s approval in a general meeting.

34 股份期權及限制性股份獎勵計劃

(A) 股份期權

根據於二零一二年四月二十五日舉行的本公司股東週年大會上通過的普通決議案，本公司採納目前的股份期權計劃（「該計劃」）。自採納該計劃以來，概無按舊計劃授出其他股份期權。

本公司設立該計劃，旨在嘉獎及酬謝推動本集團業務成功的合資格參與者。該計劃的合資格參與者包括董事（包括執行及非執行董事）、其他僱員、供應商、客戶、提供研發及其他技術支援的人士或實體、投資對象實體以及本集團不時的任何專業顧問及業務顧問（董事認為對本集團發展及增長曾經或可能作出貢獻者）。該計劃於二零一二年四月三十日生效，而除非以其他方式終止，否則將自該日起10年期間內有效。

除非獲本公司股東批准，否則因行使按該計劃或本公司採納的任何其他股份期權計劃將予授出的所有股份期權而可予發行的股份總數，不得超過本公司於採納日期已發行股份的10%。

除非獲本公司股東批准，於任何十二個月期間，各參與者按該計劃或本公司採納的任何其他股份期權計劃獲授的股份期權（包括已行使及尚未行使）行使時，已發行及將予發行的本公司股份總數，不得超過本公司於授出日期已發行股份的1%。如進一步授出的股份期權涉及的股份數目超逾此上限，須在股東大會上獲股東批准。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

34 SHARE OPTIONS AND RESTRICTED SHARE AWARD SCHEME (Continued)

(A) SHARE OPTIONS (Continued)

The limit on the number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other schemes of the Company must not exceed 30% of the shares in issue from time to time. No options may be granted under any share option schemes of the Company if this will result in the limit being exceeded.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors (excluding any independent non-executive director who is a proposed grantee of the share options). In addition, any share options granted to substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time and with an aggregate value (based on the official closing price of the Company's shares at the date of the grant) in excess of HK\$5,000,000, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 21 days from the date of offer, upon payment of nominal consideration of HK\$1 in total by the grantee. An option may be exercised in accordance with the terms of the Scheme and the terms of grant which shall not be more than 10 years from the date of grant.

34 股份期權及限制性股份獎勵計劃 (續)

(A) 股份期權 (續)

因行使按該計劃及本公司的任何其他計劃已授出但尚未行使的所有股份期權而可予發行的股份總數，不得超過不時已發行股份的30%。如授出股份期權將導致超逾此上限，則不得根據本公司任何股份期權計劃授出股份期權。

向本公司董事、行政總裁或主要股東或彼等任何聯繫人士授出股份期權，必須獲得獨立非執行董事（不包括任何屬股份期權建議承授人的獨立非執行董事）的事先批准。此外，倘在任何十二個月期間向本公司主要股東或獨立非執行董事或彼等任何聯繫人士授出的任何股份期權超過本公司任何時間已發行股份的0.1%，或總值（按本公司股份於授出日期的正式收市價計算）超過5,000,000港元，則必須經股東於股東大會上事先批准。

授出股份期權的要約由提呈要約當日起計21日內可供接納，惟承授人須支付合共1港元的名義代價。於授出日期起計不超過10年內，股份期權可按該計劃的條款及授出條款行使。

34 SHARE OPTIONS AND RESTRICTED SHARE AWARD SCHEME (Continued)

(A) SHARE OPTIONS (Continued)

The subscription price for the shares of the Company to be issued upon exercise of the options shall be no less than the higher of (i) the closing price of the shares of the Company as stated in the daily quotation sheet issued by the SEHK on the date of grant; (ii) the average closing price of the shares of the Company as stated in the daily quotation sheets issued by the SEHK for the five business days immediately preceding the date of grant; and (iii) the nominal value of a share of the Company on the date of grant. The subscription price will be determined by the board of directors at the time the option is offered to the participants.

The scheme limit under the Scheme is 198,660,605 shares, representing 10.0% of the issued share capital of the Company on 25 April 2012, being the adoption date of the Scheme and approximately 4.21% of the issued share capital of the Company on 22 March 2019, being the date of the annual general meeting.

The Scheme

There was no outstanding share option under the Scheme as at 31 December 2019 and 31 December 2018.

(B) RESTRICTED SHARE AWARD SCHEME

On 2 July 2014, the Group adopted a share award scheme (the "Share Award Scheme") as an incentive to recognize the contributions by employees and to give incentives in order to retain them for the continuing operation and development of the Group, as well as to attract suitable personnel for further development of the Group.

34 股份期權及限制性股份獎勵計劃 (續)

(A) 股份期權 (續)

因行使股份期權將予發行的本公司股份的認購價不得低於以下各項中的較高數值：(i) 本公司股份於授出日期在香港聯交所發出的每日報價表所示的收市價；(ii) 本公司股份於緊接授出日期前五個營業日在香港聯交所發出的每日報價表所示的收市價平均值；及(iii) 本公司股份於授出日期的面值。董事局將於向參與者提呈股份期權時釐定認購價。

根據該計劃，計劃上限為198,660,605股，相當於本公司於二零一二年四月二十五日（即該計劃獲採納日期）已發行股本的10.0%及本公司於二零一九年三月二十二日（即股東週年大會日期）已發行股本約4.21%。

該計劃

於二零一九年十二月三十一日及二零一八年十二月三十一日，該計劃下並無尚未行使的股份期權。

(B) 限制性股份獎勵計劃

於二零一四年七月二日，本集團採納股份獎勵計劃（「股份獎勵計劃」），作為獎勵以嘉許僱員所作出的貢獻，激勵並挽留彼等為本集團的持續經營及發展付出努力，並為本集團進一步發展吸引適合人才。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

34 SHARE OPTIONS AND RESTRICTED SHARE AWARD SCHEME (Continued)

(B) RESTRICTED SHARE AWARD SCHEME

(Continued)

Pursuant to the Share Award Scheme, existing shares of the Company will be purchased or new shares will be subscribed for restricted shares ("Restricted Shares") by a trustee appointed by the Company and be held on trust for the relevant grantees until such shares are vested with the relevant grantees in accordance with the rules of the Share Award Scheme. The Restricted Shares will be awarded with reference to the performance, operating and financial targets and other criteria determined by the Board from time to time.

- (i) The movements of shares held for Share Award Scheme by the trustee are as follows:

Restricted Shares	限制性股份	For the year ended 31 December 2019 截至二零一九年 十二月三十一日止年度		For the year ended 31 December 2018 截至二零一八年 十二月三十一日止年度	
		Number of shares 股份數目 '000 千股	Employee share trust reserve 僱員股份 信託儲備 RMB'000 人民幣千元	Number of shares 股份數目 '000 千股	Employee share trust reserve 僱員股份 信託儲備 RMB'000 人民幣千元
At 1 January	一月一日	73,396	42,970	66,296	35,450
Acquisition of shares	收購股份	37,679	32,017	23,412	19,631
Dividends received (a)	已收股息(a)	—	(2,863)	—	(2,145)
Transferred to employees	轉移至僱員	(14,121)	(9,973)	(16,312)	(9,966)
At 31 December	十二月三十一日	96,954	62,151	73,396	42,970

- (a) Dividends of granted Restricted Shares received by the trustee are payable when these shares are transferred to the relevant grantees. Other dividends received by the trustee become part of the trust fund. All these dividends received by the trustee are treated as a deduction of employee share trust reserve.

34 股份期權及限制性股份獎勵計劃 (續)

(B) 限制性股份獎勵計劃 (續)

根據股份獎勵計劃，本公司所委任的受託人將購買本公司現有股份或認購新股份作為限制性股份（「限制性股份」），並以信託方式代相關承授人持有，直至有關股份根據股份獎勵計劃的規則歸屬於相關承授人為止。限制性股份將參考董事局不時釐定的表現、經營及財務目標以及其他標準予以授出。

- (i) 受託人就股份獎勵計劃持有的股份變動如下：

- (a) 受託人收取已授出限制性股份的股息於該等股份轉移至相關承授人時應付。受託人收取的其他股息會成為信託基金的一部分。受託人收取的所有該等股息會視作扣減僱員股份信託儲備處理。

34 SHARE OPTIONS AND RESTRICTED SHARE AWARD SCHEME (Continued)

(B) RESTRICTED SHARE AWARD SCHEME

(Continued)

- (ii) Movement of share based compensation reserve is as follows:

		For the year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 RMB'000 人民幣千元	For the year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 RMB'000 人民幣千元
At 1 January	一月一日	9,834	19,800
Distribution to employees	分派予僱員	(9,109)	(9,966)
At 31 December	十二月三十一日	725	9,834

34 股份期權及限制性股份獎勵計劃 (續)

(B) 限制性股份獎勵計劃 (續)

- (ii) 股權報酬儲備變動如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

34 SHARE OPTIONS AND RESTRICTED SHARE AWARD SCHEME (Continued)

(B) RESTRICTED SHARE AWARD SCHEME

(Continued)

Details of the Restricted Shares granted by the Company are as follows:

Name of employees		Fair value per share (HK\$)	Outstanding at 1 January 2019	Granted during the year	Transferred during the year	Cancelled during the year	Outstanding at 31 December 2019
僱員姓名		每股 公允價值 (港元)	於二零一九年 一月一日 尚未行使	年內授出	年內轉移	年內註銷	於二零一九年 十二月三十一日 尚未行使
Directors	董事						
Tian Ming	田明	0.69	1,681,500	-	(1,681,500)	-	-
Wang Lei resigned on 30 August 2019	王磊於二零一九年 八月三十日辭任	0.69	796,500	-	(796,500)	-	-
Shen Leying	申樂瑩	0.69	1,150,500	-	(1,150,500)	-	-
Xie Yuanjian	謝遠建	0.69	973,500	-	(973,500)	-	-
Zhou Qin	周勤	0.69	885,000	-	(885,000)	-	-
			5,487,000	-	(5,487,000)	-	-
Other employees	其他僱員						
In aggregate	總計	0.69	13,463,500	-	(8,633,750)	(3,540,000)	1,289,750
			18,950,500	-	(14,120,750)	(3,540,000)	1,289,750

The outstanding Restricted Shares had been fully vested as of 31 December 2016.

No expenses (2018: nil) was recognized by the Group as there was no additional share based compensation during the year.

34 股份期權及限制性股份獎勵計劃 (續)

(B) 限制性股份獎勵計劃 (續)

本公司所授出限制性股份的詳情如下：

Name of employees		Fair value per share (HK\$)	Outstanding at 1 January 2019	Granted during the year	Transferred during the year	Cancelled during the year	Outstanding at 31 December 2019
僱員姓名		每股 公允價值 (港元)	於二零一九年 一月一日 尚未行使	年內授出	年內轉移	年內註銷	於二零一九年 十二月三十一日 尚未行使
Directors	董事						
Tian Ming	田明	0.69	1,681,500	-	(1,681,500)	-	-
Wang Lei resigned on 30 August 2019	王磊於二零一九年 八月三十日辭任	0.69	796,500	-	(796,500)	-	-
Shen Leying	申樂瑩	0.69	1,150,500	-	(1,150,500)	-	-
Xie Yuanjian	謝遠建	0.69	973,500	-	(973,500)	-	-
Zhou Qin	周勤	0.69	885,000	-	(885,000)	-	-
			5,487,000	-	(5,487,000)	-	-
Other employees	其他僱員						
In aggregate	總計	0.69	13,463,500	-	(8,633,750)	(3,540,000)	1,289,750
			18,950,500	-	(14,120,750)	(3,540,000)	1,289,750

於二零一六年十二月三十一日，尚未行使的受限制股份已全數歸屬。

年內本集團並無額外股權報酬，故概無確認任何支出(二零一八年：無)。

35 RESERVES

35 儲備

			Merger reserve	Share premium	Translation reserve	Share based compensation reserve	Employee share trust	Capital redemption reserve	Statutory reserve	Other reserve	Contributed surplus	Revaluation gain on the property transferring from property, plant and equipment to investment properties 自不動產、 工廠及設備 轉移至投資 性物業的 物業重估 利得	Retained earnings	Total
		Note	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日		(83,396)	212,051	(119,705)	19,800	(35,450)	23,185	215,064	24,426	476,029	-	2,232,712	2,964,716
Changes in accounting policies	會計政策變動	2.2	-	-	-	-	-	-	-	-	-	-	(44,671)	(44,671)
Restated balance at 1 January 2018	二零一八年一月一日 經重列結餘		(83,396)	212,051	(119,705)	19,800	(35,450)	23,185	215,064	24,426	476,029	-	2,188,041	2,920,045
Profit for the year	年度利潤		-	-	-	-	-	-	-	-	-	-	1,112,774	1,112,774
Other comprehensive income:	其他全面收益：													
Revaluation gain on the property transferring from property, plant and equipment to investment properties	自不動產、工廠及設備 轉移至投資性物業的 物業重估利得	19	-	-	-	-	-	-	-	-	-	14,515	-	14,515
Exchange difference arising from translation of foreign operations	換算海外業務產生的 匯兌差額		-	-	(129,029)	-	-	-	-	-	-	-	-	(129,029)
Total comprehensive income for the year	年度全面收益總額		-	-	(129,029)	-	-	-	-	-	-	14,515	1,112,774	998,260
Shares held for Share Award Scheme	就股份獎勵計劃持有的 股份	34 (b)	-	-	-	-	(17,486)	-	-	-	-	-	-	(17,486)
Employee share based compensation	僱員股權報酬	34 (b)	-	-	-	(9,966)	9,966	-	-	-	-	-	-	-
Issue of ordinary shares as capitalisation of shareholder loans	就股東貸款資本化發行 普通股		-	251,997	-	-	-	-	-	-	-	-	-	251,997
Conversion of convertible perpetual securities	兌換可換股永久證券		-	360,318	-	-	-	-	-	-	-	-	-	360,318
Accrued distribution of holders of convertible perpetual securities	可換股永久證券持有人 應計分派		-	-	-	-	-	-	-	-	-	-	(29,599)	(29,599)
Dividend declared to ordinary shareholder	向普通股股東宣派股息	14	-	-	-	-	-	-	-	-	(138,682)	-	-	(138,682)
Transfer to statutory reserve	轉撥至法定儲備	(a)	-	-	-	-	-	-	54,501	-	-	-	(54,501)	-
At 31 December 2018	於二零一八年 十二月三十一日		(83,396)	824,366	(248,734)	9,834	(42,970)	23,185	269,565	24,426	337,347	14,515	3,216,715	4,344,853

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

35 RESERVES (Continued)

35 儲備(續)

		Share based compensation reserve	Employee share trust	Capital redemption reserve	Statutory reserve	Other reserve	Contributed surplus	Revaluation gain on the property transferring from property, plant and equipment to investment properties	Retained earnings	Total			
		合併儲備	股份溢價	折算儲備	股權報酬儲備	僱員股份信託	資本贖回儲備	法定儲備	其他儲備	實繳盈餘	重估利得	留存收益	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2019	於二零一九年一月一日	(83,396)	824,366	(248,734)	9,834	(42,970)	23,185	269,565	24,426	337,347	14,515	3,216,715	4,344,853
Changes in accounting policies	會計政策變動	-	-	-	-	-	-	-	-	-	-	7,816	7,816
Restated balance at 1 January 2019	二零一九年一月一日經重列結餘	(83,396)	824,366	(248,734)	9,834	(42,970)	23,185	269,565	24,426	337,347	14,515	3,224,531	4,352,669
Profit for the year	年度利潤	-	-	-	-	-	-	-	-	-	-	1,171,943	1,171,943
Other comprehensive income:	其他全面收益：												
Revaluation gain on the property transferring from property, plant and equipment to investment properties	自不動產、工廠及設備轉移至投資性物業的物業重估利得	-	-	-	-	-	-	-	-	-	1,383	-	1,383
Exchange difference arising from translation of foreign operations	換算海外業務產生的匯兌差額	-	-	(55,981)	-	-	-	-	-	-	-	-	(55,981)
Total comprehensive income for the year	年度全面收益總額	-	-	(55,981)	-	-	-	-	-	-	1,383	1,171,943	1,117,345
Shares held for Share Award Scheme	就股份獎勵計劃持有的股份	-	-	-	-	(29,154)	-	-	-	-	-	-	(29,154)
Employee share based compensation	僱員股權報酬	-	-	-	(9,109)	9,973	-	-	-	(864)	-	-	-
Dividend declared to ordinary shareholder	向普通股股東宣派股息	-	-	-	-	-	-	-	-	(180,864)	-	-	(180,864)
Transfer to statutory reserve	轉撥至法定儲備	-	-	-	-	-	70,173	-	-	-	-	(70,173)	-
At 31 December 2019	於二零一九年十二月三十一日	(83,396)	824,366	(304,715)	725	(62,151)	23,185	339,738	24,426	155,619	15,898	4,326,301	5,259,996

35 RESERVES (Continued)

- (a) In accordance with the Laws of Mainland China on Enterprises Operated Exclusively with Foreign Capital and the Articles of Association of the Group's subsidiaries incorporated in Mainland China, an appropriation to statutory reserves has to be made prior to profit distribution to the owners. The appropriation to statutory reserve of these foreign investment enterprises shall be no less than 10% of the net profit until the accumulated appropriation exceeds 50% of the registered capital.

35 儲備(續)

- (a) 根據中國內地外商獨資企業法及本集團於中國內地註冊成立的附屬公司的組織章程細則，向擁有人作出利潤分派前，須對法定儲備作出分配。該等外資企業分配至法定儲備的金額不得少於純利的10%，直至累計分配超過註冊資本的50%為止。

36 NON-CONTROLLING INTERESTS

36 非控制性權益

		For the year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 RMB'000 人民幣千元	For the year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 RMB'000 人民幣千元
At 1 January	於一月一日	377,340	205,116
Profit for the year	年度利潤	326,191	327,796
Acquisition of subsidiaries (note 38)	收購附屬公司(附註38)	104,153	17,247
Disposal of subsidiaries (note 39)	出售附屬公司(附註39)	(2,693)	—
Acquisition of non-controlling interests	收購非控制性權益	(4,795)	—
Contribution from non-controlling interests	非控制性權益注資	2,424	13,498
Distribution to non-controlling interests	向非控制性權益分派	—	(188,550)
Exchange differences	匯兌差額	2,913	2,233
At 31 December	於十二月三十一日	805,533	377,340

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

37 CASH FLOW INFORMATION

(A) CASH GENERATED FROM OPERATIONS

Reconciliation of profit before income tax to cash generated from operations is as follows:

37 現金流量資料

(A) 經營所得現金

除所得稅前利潤與經營所得現金的對賬如下：

		For the year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 RMB'000 人民幣千元	For the year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 RMB'000 人民幣千元
Profit before income tax from:	除所得稅前利潤來自：		
Continued operations	持續經營業務	2,081,838	2,456,149
Discontinued operation (note 12)	已終止業務(附註12)	(106,930)	(194,410)
Gain on disposal of the discontinued operations (note 39)	出售已終止業務的利得(附註39)	37,047	—
		2,011,955	2,261,739
Adjustments for:	調整：		
Interest income (note 7)	利息收益(附註7)	(168,993)	(160,574)
Depreciation of property, plant and equipment (note 20)	不動產、工廠及設備的折舊(附註20)	25,570	57,073
Amortisation of right-of-use assets (note 21)	使用權資產的攤銷(附註21)	22,689	—
Fair value gain on investment properties (note 19)	投資性物業的公允價值利得(附註19)	(28,155)	(7,363)
Interest expense	利息費用	593,698	323,018
Gain on disposal of subsidiaries (note 8, 39)	出售附屬公司的利得(附註8、39)	(63,084)	(166,822)
Share of net profit of associates (note 17)	應佔聯營公司淨利潤(附註17)	(651,501)	(408,854)
Elimination of transactions with associates (note 17)	與聯營公司對銷交易(附註17)	19,428	46,418
Share of net loss/(profit) of joint ventures (note 18)	應佔合營企業淨虧損/(利潤)(附註18)	20,396	(257,991)
Elimination of transactions with joint ventures (note 18)	與合營企業對銷交易(附註18)	203,754	196,367
Loss on disposal of property, plant and equipment (note 8)	出售不動產、工廠及設備的虧損(附註8)	41	10
Gain on re-measurement of existing interest in a joint venture upon conversion to a subsidiary (note 8)	於轉換至附屬公司時重新計量於合營企業現有權益的利得(附註8)	(43,000)	(19,653)
Provision for decline in the value of properties under development and held for sale (note 9)	開發中物業及持作銷售物業價值下跌撥備(附註9)	21,737	5,873
Gain on FVPL (note 8)	按公允價值計入損益的利得(附註8)	(2,115)	(2,675)
Provision for impairment of financial assets (note 9)	金融資產減值撥備(附註9)	84,625	(714)
Operating profit before movements in working capital	除營運資金變動前的經營利潤	2,047,045	1,865,852

37 CASH FLOW INFORMATION (Continued)

(A) CASH GENERATED FROM OPERATIONS

(Continued)

37 現金流量資料(續)

(A) 經營所得現金(續)

		For the year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 RMB'000 人民幣千元	For the year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 RMB'000 人民幣千元
Decrease/(increase) in properties held for sale	持作銷售物業減少／(增加)	7,556	(149,560)
Decrease in properties under development	開發中物業減少	1,985,544	326,246
Decrease/(increase) in inventories	庫存減少／(增加)	54,227	(64,492)
Increase in trade and other receivables, prepayments and deposits	應收賬款及其他應收款、預付款及按金增加	(932,342)	(680,232)
(Increase)/decrease in contract assets	合約資產(增加)／減少	(37,064)	105,333
Increase in trade and other payables	應付賬款及其他應付款增加	236,738	1,662,806
(Decrease)/increase in contract liabilities	合約負債(減少)／增加	(2,386,551)	27,963
(Decrease)/increase in advanced proceeds received from lessees	向承租人收取的預付所得款項(減少)／增加	(13,950)	13,869
Decrease/(increase) in restricted cash	受限制現金減少／(增加)	58,965	(13,772)
Increase in employee share trust	僱員股份信託增加	—	(19,631)
Operating profit after movements in working capital	除營運資金變動後的經營利潤	1,020,168	3,074,382
Acquisition of assets and liabilities through acquisition of subsidiary (note 38(b))	通過收購附屬公司收購資產及負債(附註38(b))	(316,672)	(548,057)
Net cash generated from operations	經營所得現金淨額	703,496	2,526,325

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

37 CASH FLOW INFORMATION (Continued)

(B) NET DEBT RECONCILIATION

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flow will be, classified in the Group's consolidated statements of cash flows as cash flows from financing activities.

37 現金流量資料(續)

(B) 淨負債的對賬

下表載列本集團自融資活動所產生負債的變動(包括現金及非現金變動)詳情。自融資活動所產生的負債為本集團於綜合現金流量表分類為融資活動所得現金流量的現金流量或未來現金流量。

		Borrowings	Lease liabilities	Amounts due to non-controlling interest	Amounts due to related parties	Total
		借款	租賃負債	應付非控制性權益款項	應付關聯方款項	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
As at 1 January 2018	於二零一八年一月一日	5,429,415	–	35,327	4,758,686	10,223,428
Cash flows	現金流量	1,459,251	–	(14,193)(ii)	1,136,474(i)	2,581,532
Acquisition of subsidiaries (note 38)	收購附屬公司(附註38)	296,198	–	384,365	–	680,563
Disposal of subsidiaries (note 39)	出售附屬公司(附註39)	(255,400)	–	–	–	(255,400)
Capitalization of shareholder loans	股東貸款資本化	–	–	–	(254,997)	(254,997)
Exchange difference arising from translation of foreign operations	換算海外業務所產生匯兌差額	95,131	–	–	–	95,131
Accrual of interest	應計利息	–	–	4,546	73,188	77,734
As at 31 December 2018	於二零一八年十二月三十一日	7,024,595	–	410,045	5,713,351	13,147,991
Adjustment on adoption of HKFRS 16 (note 2.2.1)	就採納香港財務報告準則第16號作出調整(附註2.2.1)	–	5,093,702	–	–	5,093,702

37 CASH FLOW INFORMATION (Continued)
(B) NET DEBT RECONCILIATION (Continued)

37 現金流量資料 (續)
(B) 淨負債的對賬 (續)

		Borrowings	Lease liabilities	Amounts due to non-controlling interest	Amounts due to related parties	Total
		借款	租賃負債	應付非控制性權益款項	應付關聯方款項	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
As at 1 January 2019, after the adoption of HKFRS 16	於二零一九年一月一日，採納香港財務報告準則第16號後	7,024,595	5,093,702	410,045	5,713,351	18,241,693
Cash flows	現金流量	423,433	(204,924) ⁽ⁱⁱⁱ⁾	(198,186) ⁽ⁱⁱⁱ⁾	707,538 ⁽ⁱⁱ⁾	727,861
Acquisition — leases	收購 — 租賃	—	32,387	—	—	32,387
Cancellation — leases	註銷 — 租賃	—	(1,413)	—	—	(1,413)
Increase from acquisition of subsidiaries (note 38)	因收購附屬公司而增加 (附註38)	1,312,086	—	—	—	1,312,086
Decrease from acquisition of subsidiaries	因收購附屬公司而減少	(659,858)	—	—	(739,987)	(1,399,845)
Increase from disposal of subsidiaries	因出售附屬公司而增加	—	—	—	105,599	105,599
Decrease from disposal of subsidiaries (note 39)	因出售附屬公司而減少 (附註39)	(1,222,799)	(5,053,990)	—	(662,280)	(6,939,069)
Exchange difference arising from translation of foreign operations	換算海外業務產生的匯兌差額	60,389	1,146	—	—	61,535
Accrual of interest	應計利息	23,294	195,472	3,752	40,789	263,307
As at 31 December 2019	於二零一九年十二月三十一日	6,961,140	62,380	215,611	5,165,010	12,404,141

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

37 CASH FLOW INFORMATION (Continued)

(C) NET DEBT RECONCILIATION (Continued)

- (i) The cash flows include financing cash outflow of RMB291,137,000 (2018: cash inflow of RMB945,166,000) and operating cash inflow of RMB1,029,153,000 (2018: RMB191,308,000).
- (ii) The cash flows include financing cash outflow of RMB178,000,000 (2018: RMB10,794,000) and operating cash outflow of RMB20,186,000 (2018: cash outflow of RMB3,399,000).
- (iii) During the year ended 31 December 2019, cash payments for the interest portion of the lease liability amounted to RMB93,714,000 and was included in the interest paid of operating activities in the consolidated statement of cash flows, while the principal element of lease payment amounted RMB111,210,000 to was included in financing activities.

38 ACQUISITION OF SUBSIDIARIES

(A) BUSINESS COMBINATIONS

On 20 June 2019, the Group acquired 100% equity interest in Pinnacle West Homes Holding Corp. ("PWH") from a third party at a cash consideration of US\$25,770,000 (equivalent to RMB177,161,019). After the acquisition, PWH became a wholly owned subsidiary of the Group.

On November 2019, the Group acquired 50% equity interest in 4 EB-5 Funds from the other joint venture partner at a consideration of nil. After the acquisition, these 4 EB-5 funds were converted from joint ventures to wholly owned subsidiaries of the Group. The carrying amount of 50% equity interest held by the Group before the acquisition was RMB117,000. Before the acquisition, the Group has borrowings with the amount of RMB659,858,000 due to the 4 EB-5 funds and such amount was eliminated when the 4 EB-5 funds were converted from joint ventures to subsidiaries.

37 現金流量資料(續)

(C) 淨負債的對賬(續)

- (i) 現金流量包括融資現金流出人民幣291,137,000元(二零一八年:現金流入人民幣945,166,000元)及經營現金流入人民幣1,029,153,000元(二零一八年:人民幣191,308,000元)。
- (ii) 現金流量包括融資現金流出人民幣178,000,000元(二零一八年:人民幣10,794,000元)及經營現金流出人民幣20,186,000元(二零一八年:現金流出人民幣3,399,000元)。
- (iii) 截至二零一九年十二月三十一日止年度,租賃負債利息部分的現金付款為人民幣93,714,000元,於綜合現金流量表計入經營活動的已付利息,而租賃付款的本金部分人民幣111,210,000元則計入融資活動。

38 收購附屬公司

(A) 業務合併

於二零一九年六月二十日,本集團以現金代價25,770,000美元(相當於人民幣177,161,019元)向第三方收購Pinnacle West Homes Holding Corp. (「PWH」)的100%股權。完成收購後,PWH成為本集團的全資附屬公司。

於二零一九年十一月,本集團以零代價向另一合營夥伴收購四項EB-5基金的50%股權。完成收購後,該四項EB-5基金從本集團合營企業轉換為全資附屬公司。本集團於收購前所持50%股權的賬面值為人民幣117,000元。於收購前,本集團因該四項EB-5基金而產生借款人民幣659,858,000元,有關款項於該四項EB-5基金由合營企業轉換為附屬公司時抵銷。

38 ACQUISITION OF SUBSIDIARIES (Continued)

(A) BUSINESS COMBINATIONS (Continued)

On 1 November 2019, the Group acquired 50% equity interest in Chengdu Langhui Enterprise Management Consulting Co., Ltd. (成都朗輝企業管理諮詢有限公司) ("Chengdu Langhui") from a third party at a consideration of RMB43,000,000. After the acquisition, Chengdu Langhui which the Group held 50% before the transaction became a wholly owned subsidiary of the Group. The carrying amount of 50% equity interest held by the Group before the acquisition was Nil.

38 收購附屬公司 (續)

(A) 業務合併 (續)

於二零一九年十一月一日，本集團以代價人民幣43,000,000元向第三方收購成都朗輝企業管理諮詢有限公司（「成都朗輝」）的50%股權。完成收購後，本集團於交易前持有其50%股權的成都朗輝成為本集團全資附屬公司。本集團於收購前所持50%股權的賬面值為零。

Purchase consideration 購買代價		Pinnacle West Homes	EB-5 Managers and Funds EB-5 管理人及 基金	Chengdu Langhui	Total 總計
		Pinnacle West Homes RMB'000 人民幣千元	EB-5 Managers and Funds RMB'000 人民幣千元	Chengdu Langhui RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
— Cash considerations	— 現金代價	177,161	—	—	177,161
— Considerations settled by receivable	— 以應收款支付的代價	—	—	43,000	43,000
— Gains on re-measurement of existing interest in a joint venture upon conversion to a subsidiary (note 8)	— 於合營企業轉換為 附屬公司後重新計 量現有權益的利得 (附註8)	—	—	43,000	43,000
— Interest in joint ventures	— 於合營企業的權益	—	117	—	117
Total consideration transferred	已轉移總代價	177,161	117	86,000	263,278

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

38 ACQUISITION OF SUBSIDIARIES (Continued)

(A) BUSINESS COMBINATIONS (Continued)

The assets and liabilities recognized as a result of these acquisitions are as follows:

38 收購附屬公司(續)

(A) 業務合併(續)

因收購而確認的資產及負債如下：

Purchase consideration		Pinnacle West Homes	EB-5 Managers and Funds	Chengdu Langhui	Total
購買代價		Pinnacle West Homes	EB-5 管理人及 基金	成都朗輝	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
Cash and cash equivalents	現金及現金等價物	15,180	70,201	398	85,779
Trade and other receivables, prepayments and deposits	應收賬款及其他應收款、 預付款及按金	414	839,447	166,565	1,006,426
Properties under development	開發中物業	271,588	–	705,597	977,185
Deferred income tax assets	遞延所得稅資產	–	–	23,862	23,862
Trade and other payables	應付賬款及其他應付款	(18,053)	(19,009)	(122,695)	(159,757)
Contract liabilities	合約負債	(13,888)	–	(652,440)	(666,328)
Borrowings	借款	(111,564)	(890,522)	–	(1,002,086)
Deferred income tax liabilities	遞延所得稅負債	(3,594)	–	(35,287)	(38,881)
Net identifiable assets acquired at fair value	按公允價值所收購的 可識別淨資產	140,083	117	86,000	226,200
Goodwill*	商譽*	37,078	–	–	37,078
Total acquired net assets at fair value	按公允價值所收購的 淨資產總值	177,161	117	86,000	263,278
Cash outflow/(inflow) on acquisitions	收購的現金流出/(流入)				
Total considerations settled by cash	以現金支付的總代價	177,161	–	–	177,161
Cash acquired in the subsidiaries acquired	收購所收購附屬公司的 現金	(15,180)	(70,201)	(398)	(85,779)
Cash outflow/(inflow) on acquisitions	收購的現金流出/(流入)	161,981	(70,201)	(398)	91,382

* The goodwill is attributable to the workforce and the high profitability of the acquired business. It is expected to be deductible for tax purposes over 15 years.

* 商譽源於所收購業務的勞動力及高盈利能力。預計可於15年內抵扣稅項。

38 ACQUISITION OF SUBSIDIARIES (Continued)

(A) BUSINESS COMBINATIONS (Continued)

The acquired business contributed revenues of RMB879,218,000 and profit of RMB99,172,000 to the Group for the period from date of acquisition to 31 December 2019.

If the acquisition had occurred on 1 January 2019, consolidated pro-forma revenue for the year ended 31 December 2019 would have been RMB220,062,000 higher and profit for the year ended 31 December 2019 would have RMB18,217,000 higher. These amounts have been calculated using the subsidiaries' results and adjusting them for:

- differences in the accounting policies between the Group and the subsidiaries', and
- additional cost of sales that would have been charged assuming the fair value adjustments to properties under development had applied from 1 January 2019, together with the consequential tax effects.

38 收購附屬公司 (續)

(A) 業務合併 (續)

自收購日期起至二零一九年十二月三十一日止期間，所收購業務為本集團貢獻收入人民幣879,218,000元及利潤人民幣99,172,000元。

倘收購於二零一九年一月一日已發生，截至二零一九年十二月三十一日止年度的綜合備考收入將增加人民幣220,062,000元，而截至二零一九年十二月三十一日止年度的利潤則增加人民幣18,217,000元。該等金額由經以下調整後的附屬公司業績計算得出：

- 本集團和附屬公司之間的會計政策差異，及
- 假設從二零一九年一月一日起對開發中物業進行公允價值調整，則可能增加的額外銷售成本，以及相應的稅收影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

38 ACQUISITION OF SUBSIDIARIES (Continued)

(B) ACQUISITION OF ASSETS AND LIABILITIES THROUGH ACQUISITION OF SUBSIDIARIES

On 22 March 2019, the Group acquired 99.80% equity interest in Shanghai Langyu Real Estate Development Co., Ltd. (上海朗域房地產開發有限公司) ("Shanghai Langyu") from a joint venture at a total consideration of RMB106,024,689. After the acquisition, Shanghai Langyu became a wholly owned subsidiary of the Group.

On April 2019, the Group acquired 60% equity interest in Zhongshan Lianxing Real Estate Development Co., Ltd. (中山市聯興房地產開發有限公司) ("Zhongshan Lianxing") from third parties at a total consideration of RMB156,228,900. After the acquisition, Zhongshan Lianxing became a partially owned subsidiary of the Group.

On 9 May 2019, the Group acquired 49% equity interest in Suzhou Langhong Real Estate Co., Ltd. (蘇州朗宏置業有限公司) ("Suzhou Langhong") from joint venture partners at a total consideration of RMB173,090,000. After the acquisition, Suzhou Langhong became a wholly owned subsidiary of the Group.

On 14 November 2019, the Group acquired 49% equity interest in Xi'an Langshiyi Enterprise Management Consulting Co., Ltd. (西安朗詩意企業管理諮詢有限公司) ("Xi'an Langshiyi") from joint venture partners at a total consideration of RMB42,657,171. After the acquisition, Xi'an Langshiyi became a wholly owned subsidiary of the Group.

38 收購附屬公司(續)

(B) 通過收購附屬公司收購資產及負債

於二零一九年三月二十二日，本集團以總代價人民幣106,024,689元向一間合營企業收購上海朗域房地產開發有限公司(「上海朗域」)的99.80%股權。完成收購後，上海朗域成為本集團全資附屬公司。

於二零一九年四月，本集團以總代價人民幣156,228,900元向第三方收購中山市聯興房地產開發有限公司(「中山聯興」)的60%股權。完成收購後，中山聯興成為本集團擁有部分權益的附屬公司。

於二零一九年五月九日，本集團以總代價人民幣173,090,000元向合營夥伴收購蘇州朗宏置業有限公司(「蘇州朗宏」)的49%股權。完成收購後，蘇州朗宏成為本集團全資附屬公司。

於二零一九年十一月十四日，本集團以總代價人民幣42,657,171元向合營夥伴收購西安朗詩意企業管理諮詢有限公司(「西安朗詩意」)的49%股權。完成收購後，西安朗詩意成為本集團全資附屬公司。

38 ACQUISITION OF SUBSIDIARIES (Continued)
(B) ACQUISITION OF ASSETS AND LIABILITIES THROUGH ACQUISITION OF SUBSIDIARIES
(Continued)

The assets and liabilities recognized as a result of these acquisitions are as follows:

38 收購附屬公司 (續)
(B) 通過收購附屬公司收購資產及負債
(續)

因收購而確認的資產及負債如下：

		Zhongshan	Shanghai	Suzhou	Xi'an	
		Lianxing	Langyu	Langhong	Langshiyi	Total
		中山聯興	上海朗域	蘇州朗宏	西安朗詩意	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
Cash and cash equivalents	現金及現金等價物	5	7,714	63,539	203	71,461
Trade and other receivables, prepayments and deposits	應收賬款及其他應收款、預付款及按金	1,011	102,709	662,612	83,356	849,688
Property, plant and equipment (note 20)	不動產、工廠及設備 (附註20)	–	–	109	–	109
Properties under development	開發中物業	339,008	–	–	–	339,008
Properties held for sale	持作銷售物業	–	70,066	253,292	–	323,358
Deferred income tax assets	遞延所得稅資產	–	20	16,465	–	16,485
Trade and other payables	應付賬款及其他應付款	(79,642)	(33,856)	(312,470)	–	(425,968)
Contract liabilities	合約負債	–	(24,145)	(50,954)	–	(75,099)
Borrowings	借款	–	–	(310,000)	–	(310,000)
Deferred income tax liabilities	遞延所得稅負債	–	(16,483)	–	–	(16,483)
Net identifiable assets acquired at fair value	按公允價值所收購的可識別淨資產	260,382	106,025	322,593	83,559	772,559
Less: non-controlling interests	減：非控制性權益	(104,153)	–	–	–	(104,153)
Total acquired net assets at fair value	按公允價值所收購的淨資產總值	156,229	106,025	322,593	83,559	668,406

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

38 ACQUISITION OF SUBSIDIARIES (Continued)

(B) ACQUISITION OF ASSETS AND LIABILITIES THROUGH ACQUISITION OF SUBSIDIARIES

(Continued)

		Zhongshan Lianxing 中山聯興 RMB'000 人民幣千元	Shanghai Langyu 上海朗域 RMB'000 人民幣千元	Suzhou Langhong 蘇州朗宏 RMB'000 人民幣千元	Xi'an Langshiyi 西安朗詩意 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Cash considerations	現金代價	156,229	16,157	173,090	42,657	388,133
Interest in joint ventures	於合營企業的權益	–	–	149,503	40,902	190,405
Considerations settled by receivable	以應收款支付的代價	–	89,868	–	–	89,868
Total consideration	總代價	156,229	106,025	322,593	83,559	668,406
Cash outflow on acquisitions	收購的現金流出					
Total considerations settled by cash	以現金支付的總代價	(156,229)	(16,157)	(173,090)	(42,657)	(388,133)
Cash acquired in the subsidiaries acquired	收購所收購附屬公司的現金	5	7,714	63,539	203	71,461
Cash outflow on acquisitions	收購的現金流出	(156,224)	(8,443)	(109,551)	(42,454)	(316,672)

In the opinion of the directors of the Company, acquisition of such subsidiaries does not constitute a business under the “Amendments to HKFRS 3 — Definition of a business”. Therefore, the transaction was determined by the directors of the Company to be acquisition of assets and liabilities through acquisition of subsidiary rather than a business combination as defined in HKFRS 3 (Revised) Business Combination.

本公司董事認為收購該等附屬公司並不構成「香港財務報告準則第3號(修改) — 業務的定義」所界定的業務。因此，本公司董事將交易界定為通過收購附屬公司收購資產及負債，而非香港財務報告準則第3號(經修訂)業務合併所界定的業務合併。

38 收購附屬公司(續)

(B) 通過收購附屬公司收購資產及負債(續)

39 DISPOSAL OF SUBSIDIARIES

MAJOR DISPOSAL

On 10 May 2019, the Group entered into agreements with the ultimate holding company and its subsidiaries, to dispose of the 100% equity interests of Nanjing Landsea Landscape Limited (南京朗詩園林景觀有限公司) (“Landsea Landscape”), Shanghai Landsea Apartment Industry Development Co., Ltd. (上海朗詩寓實業發展有限公司) (“Landsea Apartment”), Shanghai Landsea Planning and Architectural Design Co., Ltd. (上海朗詩規劃建築設計有限公司) (“Design Co”), Shanghai Buzhi Commercial Management Limited (上海不紙商業管理有限公司) (“Buzhi Life”), and Nanjing Landsea Shenlu Property Management Limited (南京朗詩深綠物業管理有限公司) (“Shenlu Property”) at a consideration of RMB1, RMB271,000,000, RMB26,770,000, RMB1 and RMB42,540,000 respectively.

The transactions were completed on 26 June 2019, when the agreements were passed by resolution at the special general meeting and the consideration was received in full.

OTHER DISPOSAL

On 28 February 2019, the Group disposed of a property development company Xi'an Jiapeng by reducing equity interests from 100% to 30% at a total consideration of RMB14,000,000, and retained Xi'an Jiapeng as a joint venture.

On 11 November 2019, the Group disposed of a property development project (“Project Su Zhou Liuyuan”) by reducing its shareholding interests from 100.0% to 0.1% at a total consideration of RMB49,950,000 to a private equity fund (“the Fund”) managed by the Group. As almost all shareholding return of Project Su Zhou Liuyuan is transferred to the investor of the Fund, the Group lost control of the project and remain significant influence over the project.

DEEMED DISPOSAL

On 28 August 2019, the Group lost control of a wholly owned subsidiary, namely, Jiaxing Langjian Equity Investment Fund Partnership (Limited Partnership) (“Jiaxing Langjian”), pursuant to capital injection by new investors and the Group at the amount of RMB500,000,000 and RMB250,000,000, respectively. After such capital injection, Jiaxing Langrong became a joint venture of the Group.

39 出售附屬公司

主要出售

於二零一九年五月十日，本集團與最終控股公司及其附屬公司訂立協議，以出售南京朗詩園林景觀有限公司(「朗詩園林」)、上海朗詩寓實業發展有限公司(「朗詩寓」)、上海朗詩規劃建築設計有限公司(「設計公司」)、上海不紙商業管理有限公司(「不紙商業」)及南京朗詩深綠物業管理有限公司(「深綠物業」)的100%股權，代價分別為人民幣1元、人民幣271,000,000元、人民幣26,770,000元、人民幣1元及人民幣42,540,000元。

該等交易已於二零一九年六月二十六日相關協議在股東特別大會以決議案方式通過時完成，並已悉數收訖代價。

其他出售

於二零一九年二月二十八日，本集團以總代價人民幣14,000,000元出售物業發展公司西安嘉鵬，藉此將其股權由100%減至30%，並保留西安嘉鵬為合營企業。

於二零一九年十一月十一日，本集團以總代價人民幣49,950,000元向本集團所管理私募基金(「基金」)出售一項物業發展項目(「Su Zhou Liuyuan項目」)，藉此將其股權由100.0%減至0.1%。由於Su Zhou Liuyuan項目絕大部分股權回報已轉移至基金投資者，故本集團失去該項目的控制權，惟對該項目仍然具有重大影響力。

視作出售

於二零一九年八月二十八日，根據新投資者及本集團所作注資分別人民幣500,000,000元及人民幣250,000,000元，本集團失去全資附屬公司嘉興朗建股權投資基金合夥企業(有限合夥)(「嘉興朗建」)的控制權。注資後，嘉興朗建成為本集團的合營企業。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

39 DISPOSAL OF SUBSIDIARIES (Continued)

Net assets disposed with reconciliation of disposal loss/(gain) and cash (outflow)/inflow are as follows:

39 出售附屬公司(續)

所出售淨資產與出售虧損/(利得)及現金(流出)/流入對賬如下:

		Disposal		Deemed disposal	Major disposal		Total
		出售	Project	視作出售	主要出售		
		Xi'an Jiapeng	Su Zhou Liuyuan Su Zhou	Jiaxing Langjian	Landsea Apartment	Others	
		西安嘉鵬	Liuyuan 項目	嘉興朗建	朗詩寓	其他	總計
		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
Net assets disposed of comprise:	所出售淨資產包括:						
— Properties under development	— 開發中物業	152,033	210,713	1,573,139	—	—	1,935,885
— Inventory	— 庫存	—	—	—	96	6,914	7,010
— Cash and cash equivalents	— 現金及現金等價物	46,507	59,824	319,670	1,921	1,400	429,322
— Trade and other receivables, prepayments and deposits	— 應收賬款及其他應 收款、預付款及 按金	4,028	112,044	18,022	267,439	58,106	459,639
— Interests in joint ventures (note 18)	— 於合營企業的權益 (附註18)	—	—	—	418	—	418
— Deferred income tax assets	— 遞延所得稅資產	78	1,336	8,455	88,433	4,763	103,065
— Investment properties (note 19)	— 投資性物業(附註19)	—	—	—	6,130,000	—	6,130,000
— Right-of-use assets	— 使用權資產	—	—	—	—	9,873	9,873
— Goodwill	— 商譽	—	—	—	—	9,460	9,460
— Intangible assets	— 無形資產	—	—	—	3,713	—	3,713
— Property, plant and equipment (note 20)	— 不動產、工廠及 設備(附註20)	—	49	41	962	4,756	5,808
— Trade and other payables	— 應付賬款及其他 應付款	(180,080)	(249,674)	(1,151,293)	(841,962)	(43,256)	(2,466,265)
— Borrowings	— 借款	—	(88,300)	(761,500)	(372,999)	—	(1,222,799)
— Lease liabilities	— 租賃負債	—	—	—	(5,044,068)	(9,922)	(5,053,990)
— Non-controlling interest	— 非控制性權益	—	—	(2,693)	—	—	(2,693)
Group's share of net assets disposed of	本集團應佔所出售淨資產	22,566	45,992	3,841	233,953	42,094	348,446

39 DISPOSAL OF SUBSIDIARIES (Continued)

39 出售附屬公司 (續)

		Disposal 出售	Deemed disposal 視作出售	Major disposal 主要出售		
		Project Xi'an Jiapeng	Su Zhou Liuyuan Su Zhou	Jiaxing Langjian	Landsea Apartment	Others
		西安嘉鵬	Liuyuan 項目	嘉興朗建	朗詩寓	其他
		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
						總計
						RMB'000
						人民幣千元
Recognition of interest in joint ventures	確認合營企業權益	(6,000)	–	(1,220)	–	–
Recognition of interest in an associate	確認聯營公司權益	–	(50)	–	–	–
Consideration from disposal	出售代價	(14,000)	(49,950)	–	(271,000)	(69,310)
		(20,000)	(50,000)	(1,220)	(271,000)	(69,310)
Loss/(gain) on disposal of subsidiaries	出售附屬公司的虧損／(利得)	2,566	(4,008)	2,621	(37,047)	(27,216)
Net cash (outflow)/inflow arising on the disposals:	出售產生的淨現金 (流出)／流入：					
Total consideration settled by cash	以現金支付的總代價	14,000	49,950	–	271,000	69,310
Less: Cash and cash equivalents in the disposed subsidiaries	減：所出售附屬公司的現金及現金等價物	(46,507)	(59,824)	(319,670)	(1,921)	(1,400)
Net cash (outflow)/inflow arising on the disposals:	出售產生的淨現金 (流出)／流入：	(32,507)	(9,874)	(319,670)	269,079	67,910

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

40 RELATED PARTY BALANCES AND TRANSACTIONS

In addition to those related party balances and transactions elsewhere disclosed in the consolidated financial statements, the Group had the following significant balances and transactions:

(A) AMOUNTS DUE FROM RELATED PARTIES

40 關聯方結餘及交易

除綜合財務報表其他部分所披露的關聯方結餘及交易外，本集團有以下重大結餘及交易：

(A) 應收關聯方款項

		31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 於二零一八年 十二月三十一日 RMB'000 人民幣千元
Included in non-current assets (note 27):	計入非流動資產(附註27)：		
— Associates (i)	— 聯營公司(i)	89,275	278,162
— Joint ventures (ii)	— 合營企業(ii)	1,380,639	1,353,333
		1,469,914	1,631,495
Included in current assets (note 27):	計入流動資產(附註27)：		
— Associates (i)	— 聯營公司(i)	830,913	89,209
— Joint ventures (ii)	— 合營企業(ii)	1,902,488	656,091
— Ultimate controlling company and its fellow subsidiaries	— 最終控股公司及其同系 附屬公司	560	511
		2,733,961	745,811

40 RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

(A) AMOUNTS DUE FROM RELATED PARTIES

(Continued)

- (i) As of 31 December 2019, non-current amounts due from associates generate interest at 14.00% per annum. Current amounts due from associates include RMB264,332,000 generating interest at 8.00% per annum and the remaining amounts are interest-free.

As of 31 December 2018, non-current amounts due from associates generate interest at 8.00% per annum. Current amounts due from associates include RMB83,541,000 generating interest at 14.00% per annum and the remaining amounts are interest-free.

- (ii) As of 31 December 2019, non-current amounts due from joint ventures include RMB1,188,512,000 bearing interest ranging from 5.00% to 14.00% per annum. Current amounts due from joint ventures include RMB857,416,000 generating interest ranging from 5.00% to 13.00% per annum and the remaining amounts are interest-free.

As of 31 December 2018, non-current amounts due from joint ventures generate interest ranging from 5.00% to 13.00% per annum. Current amounts due from joint ventures include RMB226,570,000 generating interest ranging from 6.5% to 12% per annum and the remaining amounts are interest-free.

All amounts due from related parties are unsecured.

The carrying amounts of amounts due from related parties approximate their fair values.

40 關聯方結餘及交易 (續)

(A) 應收關聯方款項 (續)

- (i) 截至二零一九年十二月三十一日，應收聯營公司非流動款項按年利率14.00%計息。應收聯營公司流動款項包括人民幣264,332,000元，按年利率8.00%計息，其餘免息。

截至二零一八年十二月三十一日，應收聯營公司非流動款項按年利率8.00%計息。應收聯營公司流動款項包括人民幣83,541,000元，按年利率14.00%計息，其餘免息。

- (ii) 截至二零一九年十二月三十一日，應收合營企業非流動款項包括人民幣1,188,512,000元，按利率介乎5.00%至14.00%計息。應收合營企業流動款項包括人民幣857,416,000元，按利率介乎5.00%至13.00%計息，其餘免息。

截至二零一八年十二月三十一日，應收合營企業非流動款項按利率介乎5.00%至13.00%計息。應收合營企業流動款項包括人民幣226,570,000元，按利率介乎6.5%至12%計息，其餘免息。

所有應收關聯方款項為無抵押。

應收關聯方款項的賬面值與其公允價值相若。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

40 RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

(B) AMOUNTS DUE TO RELATED PARTIES

40 關聯方結餘及交易 (續)

(B) 應付關聯方款項

		31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 於二零一八年 十二月三十一日 RMB'000 人民幣千元
Included in non-current liabilities (note 30):	計入非流動負債(附註30):		
— Associates (i)	— 聯營公司(i)	369,114	1,581,829
— Joint ventures (ii)	— 合營企業(ii)	1,055,019	1,222,997
		1,424,133	2,804,826
Included in current liabilities (note 30):	計入流動負債(附註30):		
— Associates (i)	— 聯營公司(i)	2,527,445	2,175,106
— Joint ventures (ii)	— 合營企業(ii)	970,403	676,754
— Ultimate controlling company and its fellow subsidiaries (iii)	— 最終控股公司及其同系附屬 公司(iii)	243,029	56,666
		3,740,877	2,908,526

(i) As of 31 December 2019, non-current amounts due to associates are interest-free. Current amounts due to associates include RMB661,279,000 bearing interest at 5.70% per annum and the remaining amounts are interest-free.

As of 31 December 2018, non-current amounts due to associates are interest-free. Current amounts due to associates include RMB736,360,000 bearing interest at 5.70% per annum and the remaining amounts are interest-free.

(ii) As of 31 December 2019, non-current amounts due to joint ventures include RMB140,110,000 bearing interest ranging from 5.00% to 7.50% per annum and the remaining amounts are interest-free. Current amounts due to joint ventures include RMB6,218,000 bearing interest at 12.00% per annum and the remaining amounts are interest-free.

As of 31 December 2018, both non-current and current amounts due to joint ventures are interest-free.

(i) 截至二零一九年十二月三十一日，應付聯營公司非流動款項為免息。應付聯營公司流動款項包括人民幣661,279,000元，按年利率5.70%計息，其餘免息。

截至二零一八年十二月三十一日，應付聯營公司非流動款項為免息。應付聯營公司流動款項包括人民幣736,360,000元，按年利率5.70%計息，其餘免息。

(ii) 截至二零一九年十二月三十一日，應付合營企業非流動款項包括人民幣140,110,000元，按年利率介乎5.00%至7.50%計息，其餘免息。應付合營企業流動款項包括人民幣6,218,000元，按年利率12.00%計息，其餘免息。

截至二零一八年十二月三十一日，應付合營企業非流動款項及流動款項均為免息。

40 RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

(B) AMOUNTS DUE TO RELATED PARTIES

(Continued)

- (iii) As of 31 December 2019, current amount due to ultimate controlling company and its fellow subsidiaries are interest-free. The amount of RMB214,590,000 was subsequently repaid during January 2020.

As of 31 December 2018, current amount due to ultimate controlling company and its fellow subsidiaries are interest-free.

All amounts due to related parties are unsecured.

(C) TRADE RECEIVABLES

40 關聯方結餘及交易 (續)

(B) 應付關聯方款項 (續)

- (iii) 截至二零一九年十二月三十一日，應付最終控股公司及其同系附屬公司流動款項為免息。人民幣214,590,000元其後於二零二零年一月償還。

截至二零一八年十二月三十一日，應付最終控股公司及其同系附屬公司流動款項為免息。

所有應付關聯方款項為無抵押。

(C) 應收賬款

		31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 於二零一八年 十二月三十一日 RMB'000 人民幣千元
Included in current assets (note 27)	計入流動資產 (附註27)		
— Joint ventures	— 合營企業	184,225	211,615
— Associates	— 聯營公司	84,885	108,867
— Ultimate controlling company and its fellow subsidiaries	— 最終控股公司及其同系 附屬公司	4,918	14,812
		274,028	335,294
Less: provision for bad debt (note 3.1(b)(i))	減：壞賬撥備 (附註3.1(b)(i))	(2,740)	(3,353)
		271,288	331,941

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

40 RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

(D) BORROWINGS

	31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 於二零一八年 十二月三十一日 RMB'000 人民幣千元
— Ultimate controlling company (note 31) — 最終控股公司(附註31)	917,577	1,665,000

(E) ADVANCE FROM LESSEES

	31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 於二零一八年 十二月三十一日 RMB'000 人民幣千元
— Ultimate controlling company — 最終控股公司	31,085	—

(F) GUARANTEE

	31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 於二零一八年 十二月三十一日 RMB'000 人民幣千元
— Guarantee in respect of related parties' borrowings (note 41) — 就關聯方借款提供擔保(附註41)	74,715	184,278
— Guarantee in respect of related parties' lease (note 41) — 就關聯方租賃提供擔保(附註41)	344,218	—

40 關聯方結餘及交易(續)

(D) 借款

(E) 來自承租人的墊款

(F) 擔保

40 RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

(G) RELATED PARTY TRANSACTIONS

(i) Funding with related parties

		For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度			
		Funding to related parties 向關聯方提供資金		Collection of funding to related parties 向關聯方收回資金	
		Operating 經營 RMB'000 人民幣千元	Investing 投資 RMB'000 人民幣千元	Operating 經營 RMB'000 人民幣千元	Investing 投資 RMB'000 人民幣千元
Associates	聯營公司	605,048	209	122,244	26,000
Joint ventures	合營企業	998,299	1,788,752	920,002	1,862,147
Ultimate controlling company and its fellow subsidiaries	最終控股公司及其同系 附屬公司	27,308	—	515	—
		1,630,655	1,788,961	1,042,761	1,888,147

		For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度			
		Proceeds from related parties 向關聯方收取資金		Repayment to related parties 向關聯方償還資金	
		Operating 經營 RMB'000 人民幣千元	Financing 融資 RMB'000 人民幣千元	Operating 經營 RMB'000 人民幣千元	Financing 融資 RMB'000 人民幣千元
Associates	聯營公司	686,468	—	1,139,177	522,225
Joint ventures	合營企業	2,154,953	328,608	1,521,233	97,520
Ultimate controlling company and its fellow subsidiaries	最終控股公司及其同系 附屬公司	3,332,599	—	2,484,457	—
		6,174,020	328,608	5,144,867	619,745

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

40 RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

(G) RELATED PARTY TRANSACTIONS (Continued)

(i) Funding with related parties (Continued)

40 關聯方結餘及交易 (續)

(G) 關聯方交易 (續)

(i) 與關聯方往來資金 (續)

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

		Funding to related parties 向關聯方提供資金		Collection of funding to related parties 向關聯方收回資金	
		Operating 經營	Investing 投資	Operating 經營	Investing 投資
		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
Associates	聯營公司	19	42,000	280,306	157,000
Joint ventures	合營企業	1,856,146	1,830,775	1,460,784	1,735,797
Ultimate controlling company and its fellow subsidiaries	最終控股公司及其同系附屬公司	511	—	—	—
		1,856,676	1,872,775	1,741,090	1,892,797

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

		Proceeds from related parties 向關聯方收取資金		Repayment to related parties 向關聯方償還資金	
		Operating 經營	Financing 融資	Operating 經營	Financing 融資
		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
Associates	聯營公司	1,369,803	438,080	86,600	32,000
Joint ventures	合營企業	2,117,434	674,000	1,481,847	200,000
Ultimate controlling company and its fellow subsidiaries	最終控股公司及其同系 附屬公司	5,866,725	1,207,973	7,530,540	1,142,887
		9,353,962	2,320,053	9,098,987	1,374,887

40 RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

(G) RELATED PARTY TRANSACTIONS (Continued)

(ii) Management services, other income and finance cost

40 關聯方結餘及交易 (續)

(G) 關聯方交易 (續)

(ii) 管理服務、其他收益及融資成本

		For the year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 RMB'000 人民幣千元	For the year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 RMB'000 人民幣千元
Management services income from associates and joint ventures (a)	來自聯營公司及合營企業之管理服務收益(a)	518,118	548,884
Management services income from fellow subsidiaries of the ultimate controlling company (b)	來自最終控股公司的同系附屬公司之管理服務收益(b)	43,531	23,238
Rent income from fellow subsidiaries of the ultimate controlling company (c)	來自最終控股公司的同系附屬公司之租金收益(c)	1,244	—
Construction Design Service fee paid to fellow subsidiaries of the ultimate controlling company (c)	向最終控股公司的同系附屬公司支付之建築設計服務費(c)	6,523	—
Property Management Service fee paid to fellow subsidiaries of the ultimate controlling company (c)	向最終控股公司的同系附屬公司支付之物業管理服務費(c)	21,551	—
Interest income on amounts due from associates (note 7)	應收聯營公司款項之利息(附註7)	14,419	36,085
Interest income on amounts due from joint ventures (note 7)	應收合營企業款項之利息(附註7)	119,958	69,650
Purchase from fellow subsidiaries of ultimate controlling shareholder (d)	從最終控股公司的同系附屬公司購買(d)	20,507	32,382
Decoration services fee paid to fellow subsidiaries of the ultimate controlling company (d)	向最終控股公司的同系附屬公司支付之裝修服務費(d)	5,630	—
Interest expense on loans from the ultimate controlling company (note 10) (e)	來自最終控股公司之貸款利息費用(附註10)(e)	72,845	95,483
Interest expense on loans from fellow subsidiaries of the ultimate controlling company (note 10)	來自最終控股公司的同系附屬公司之貸款利息費用(附註10)	—	27,963
Interest expense on loans from joint ventures (note 10)	來自合營企業之貸款利息費用(附註10)	1,602	15,448
Interest expense on loans from associates (note 10)	來自聯營公司之貸款利息費用(附註10)	39,186	18,543

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

40 RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

(G) RELATED PARTY TRANSACTIONS (Continued)

(ii) Management services, other income and finance cost (Continued)

- (a) During the year ended 31 December 2019, the Group continuously provided management services to its associates and joint ventures. The prices of these services are based on the prevailing market prices of similar services.
- (b) Pursuant to the management services agreement entered into between the Group and its ultimate controlling company, the Group provided certain development management services and sales management services to fellow subsidiaries of the ultimate controlling company during the year ended 31 December 2019. These transactions constitute continuing connected transactions of the Group under Chapter 14A of the Listing Rules and such transactions have complied with the relevant disclosure requirements under Chapter 14A of the Listing Rules.
- (c) Refer to note 39, at the date of disposal, Landsea Apartment, Design Co. and Shenlu Property had entered into rental agreement, construction design service agreements and property management service agreements with the subsidiaries of the Company. Upon completion of the disposal, these companies have become wholly-owned subsidiaries of the ultimate controlling company and connected persons of the Company. As such, the agreements and transactions contemplated thereunder constitute continuing connected transactions of the Company under the Listing Rules.

The prices of these services are based on the prevailing market prices of similar services provided by the Group to independent third parties.

- (d) During the year ended 31 December 2019, the Group purchased certain green architecture technological products and services, decoration services, property services and properties consulting services from fellow subsidiaries of the ultimate controlling shareholder. The prices of products and services were based on the prevailing market prices of similar products and services.
- (e) The ultimate holding company provided interest bearing loans to the Group during the year. The interest expense on loans is based on prevailing market interest rate and is exempted from the reporting and disclosure requirement pursuant to Rule 14A.90 of the Listing Rules.

40 關聯方結餘及交易 (續)

(G) 關聯方交易 (續)

(ii) 管理服務、其他收益及融資成本 (續)

- (a) 截至二零一九年十二月三十一日止年度，本集團持續向聯營公司及合營企業提供管理服務，該等服務以類似服務之現行市價為定價基準。
- (b) 根據本集團與最終控股公司訂立之項目管理服務協議，截至二零一九年十二月三十一日止年度本集團向最終控股公司的同系附屬公司提供若干項目開發管理、銷售管理服務。根據上市規則第14A章，該等交易屬於本集團之持續關連交易，而該等交易已遵守上市規則第14A章所載相關披露規定。
- (c) 誠如附註39所載，於出售日期，朗詩寓、設計公司及深綠物業已與本公司旗下附屬公司訂立租賃協議、建築設計服務協議及物業管理服務協議。於出售完成後，該等公司成為最終控股公司的全資附屬公司及本公司的關連人士。因此，據此擬進行的協議及交易構成上市規則項下本公司的持續關連交易。

該等服務以本集團向獨立第三方提供類似服務的現行市價為定價基準。

- (d) 截至二零一九年十二月三十一日止年度，本集團向最終控股公司的同系附屬公司購買若干綠色建築技術產品及服務、裝飾服務、物業服務與物業諮詢服務。該等產品及服務以類似產品及服務之現行市價為定價基準。
- (e) 年內，最終控股公司向本集團提供計息貸款。貸款利息費用乃按現行市場利率計算，並根據上市規則第14A.90條獲豁免遵守申報及披露規定。

40 RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

(H) Included in employee benefit expenses are key management personnel compensations which comprises the following categories:

40 關聯方結餘及交易 (續)

(H) 僱員福利費用包括涵蓋以下類別之主要管理人員補償：

		For the year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 RMB'000 人民幣千元	For the year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 RMB'000 人民幣千元
Short term employee benefits	短期僱員福利	29,117	37,681
Contributions to retirement benefits schemes	退休福利計劃供款	874	1,110
Restricted share award	限制性股份獎勵	—	—
		29,991	38,791

41 CONTINGENT LIABILITIES GUARANTEE

41 或然負債擔保

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Guarantee in respect of mortgage facilities for certain purchasers (a)	就若干買家之按揭融資提供擔保(a)	1,342,505	2,110,433
Guarantee in respect of related parties' borrowings (b)	就關聯方借款提供擔保(b)	74,715	184,278
Guarantee in respect of related parties' lease (c)	就關聯方租賃提供擔保(c)	344,218	—
		1,761,438	2,294,711

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

41 CONTINGENT LIABILITIES (Continued)

GUARANTEE (Continued)

- (a) The Group cooperated with various financial institutions to arrange mortgaged loan facilities for the purchasers of its properties and provided guarantees to secure such purchasers' obligation of repayments. Such guarantees will be released by banks upon earlier of the issuance of the real estate ownership certificate and the satisfaction of relevant mortgaged loan. In the opinion of directors of the Company, the fair value of the financial guarantee contracts is not significant.
- (b) As at 31 December 2019, the Group provided guarantee to LS-NJ Port Imperial LLC, a 51% joint venture of the Group, for its EB-5 loan with the amount of RMB74,715,000.
- (c) As at 31 December 2019, the Group provided guarantee to Shanghai Landsea Xiansuo Enterprise Management Co., Ltd., a 51% joint venture of the Group, for its lease payment with the amount of RMB344,218,000 and any other possible contingent liabilities within the lease arrangement.

42 COMMITMENTS

(A) OPERATING LEASE ARRANGEMENTS

The Group — As lessee

The Group leases various offices, equipment and vehicles under non-cancellable operating leases expiring within six months to three years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

From 1 January 2019, the group has recognized right-of-use assets for these leases, except for short-term and low-value leases, see note 3.1 for further information.

The Group — As lessor

The Group leases its investment properties under operating lease arrangements, with lease terms ranging from one to twenty years, and with an option to renew the lease terms at the expiry date or at the date as mutually agreed between the Group and respective tenants. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

41 或然負債(續)

擔保(續)

- (a) 本集團與多家金融機構合作，為其物業買家安排按揭貸款融資並就該等買家之還款責任提供擔保。有關擔保將於獲發房地產擁有權證或償還按揭貸款(以較早者為準)後由銀行解除。本公司董事認為，財務擔保合約之公允價值並不重大。
- (b) 於二零一九年十二月三十一日，本集團向其擁有51%權益的合營企業LS-NJ Port Imperial LLC的EB-5貸款提供擔保人民幣74,715,000元。
- (c) 於二零一九年十二月三十一日，本集團向其擁有51%權益的合營企業上海朗詩現所企業管理有限公司的租賃款項及租賃安排項下任何其他可能或然負債提供擔保人民幣344,218,000元。

42 承擔

(A) 經營租賃安排

本集團 — 作為承租人

本集團根據不可撤銷經營租賃租用若干辦公室、設備及汽車，租期於六個月至三年內屆滿。租賃訂有不同條款、加租條款及續租權利。續租時，租賃條款須重新磋商。

自二零一九年一月一日起，本集團就該等租賃確認使用權資產，惟短期及低價值租賃除外，進一步資料請參閱附註3.1。

本集團 — 作為出租人

本集團根據經營租賃安排出租其投資性物業，租期介乎一至二十年，可選擇於屆滿日期或本集團與各租戶互相協定之日期續租。此外，租賃條款一般規定租戶支付保證金及根據當時現行市況定期調整租金。

42 COMMITMENTS (Continued)

(A) OPERATING LEASE ARRANGEMENTS

(Continued)

The Group – As lessor (Continued)

At the reporting date, the Group has contracted with tenants for the following future minimum lease payments:

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Within one year	一年內	24,848	136,612
Later than one year but no later than five years	一年後但不超過五年	78,191	114,978
Over five years	超過五年	45,724	36,158
		148,763	287,748

(B) CAPITAL COMMITMENTS

As at 31 December 2019, the Group had the following capital commitments:

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Contracted but not provided for:	已訂約但未撥備：		
— Development expenditure	— 開發支出	310,284	567,194
— Purchase of freehold land	— 購買永久業權土地	528,930	863,122
— Renovation expenditure	— 裝修支出	—	316,795
		839,214	1,747,111

42 承擔 (續)

(A) 經營租賃安排 (續)

本集團 — 作為出租人 (續)

於報告日期，本集團有以下與租戶訂約之未來最低租賃付款：

(B) 資本承擔

於二零一九年十二月三十一日，本集團之資本承擔如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

43 PRINCIPAL SUBSIDIARIES

Particulars of the Company's principal subsidiaries are as follows:

43 主要附屬公司

本公司主要附屬公司詳情如下：

Name 名稱	Place of incorporation and kind of legal entity 註冊成立地點及法律實體類別	Particulars of issued share capital 已發行股本詳情	Ownership interests held by the Group 本集團持有的擁有權權益		Principal activities and place of operation 主要業務及經營地點
			31 December 2019 於二零一九年十二月三十一日 (%)	31 December 2018 於二零一八年十二月三十一日 (%)	
Cathay Holdings Limited 國泰集團有限公司 (c)	Hong Kong 香港	2 shares of HK\$1 each 2股，每股1港元	100	100	Investment holding 投資控股
China Information Industry Limited 中國資訊產業有限公司 (c)	Hong Kong 香港	2 shares of HK\$1 each 2股，每股1港元	100	100	Investment holding 投資控股
Dawning Information Industry (Shenzhen) Limited 曙光資訊產業(深圳)有限公司 (b)	Mainland China 中國內地	HK\$152,120,000 152,120,000港元	100	100	Property leasing and building management 房地產租賃及樓宇管理
GOI Limited (c)	Hong Kong 香港	2 shares of HK\$1 each 2股，每股1港元	100	100	Investment holding 投資控股
Green Future Holdings Limited 綠色未來控股有限公司	Hong Kong 香港	1 share of HK\$1 1股，每股1港元	100	100	Investment holding 投資控股
Green Homeland Limited 綠色家園有限公司(c)	Hong Kong 香港	1 share of HK\$1 each 1股，每股1港元	100	100	Investment holding 投資控股
Green Theme Limited (c)	Hong Kong 香港	1 share of HK\$1 each 1股，每股1港元	100	100	Investment holding 投資控股
New Phenomenon Technology Limited (c)	BVI 英屬維爾京群島	1 share of US\$1 1股，每股1美元	100	100	Investment holding 投資控股
Aqua Sky Limited (c)	Hong Kong 香港	1 share of HK\$1 each 1股，每股1港元	100	100	Investment holding 投資控股
Easy Shine Global Limited (c)	Hong Kong 香港	1 share of HK\$1 each 1股，每股1港元	100	100	Investment holding 投資控股
Green Era Limited (c)	BVI 英屬維爾京群島	1 share of US\$1 1股，每股1美元	100	100	Investment holding 投資控股
Power sky enterprises Limited (c)	Hong Kong 香港	1 share of HK\$1 each 1股，每股1港元	100	100	Investment holding 投資控股
Prosperous eagle Limited (c)	Hong Kong 香港	1 share of HK\$1 each 1股，每股1港元	100	100	Investment holding 投資控股
Landsky Investment Holdings Limited (c)	Hong Kong 香港	1 share of HK\$1 each 1股，每股1港元	100	100	Investment holding 投資控股
Landliving Investment Holdings Limited (c)	Hong Kong 香港	1 share of HK\$1 each 1股，每股1港元	100	100	Investment holding 投資控股
Hangzhou Langhong Property Limited 杭州朗宏置業有限公司**	Mainland China 中國內地	RMB100,000,000 人民幣100,000,000元	100	100	Property development 房地產開發

43 PRINCIPAL SUBSIDIARIES (Continued)

Particulars of the Company's principal subsidiaries are as follows:
(Continued)

43 主要附屬公司 (續)

本公司主要附屬公司詳情如下：(續)

Name 名稱	Place of incorporation and kind of legal entity 註冊成立地點 及法律實體類別	Particulars of issued share capital 已發行股本詳情	Ownership interests held by the Group 本集團持有的擁有權權益		Principal activities and place of operation 主要業務 及經營地點
			31 December 2019 於二零一九年 十二月三十一日 (%)	31 December 2018 於二零一八年 十二月三十一日 (%)	
Chengdu Langming Property Limited 成都朗銘置業有限公司**	Mainland China 中國內地	RMB8,000,000 人民幣8,000,000元	100	100	Property development 房地產開發
Shanghai Langming Property development Limited 上海朗銘房地產開發有限公司**	Mainland China 中國內地	RMB50,000,000 人民幣50,000,000元	100	100	Property development 房地產開發
Suzhou Langkun Property Limited 蘇州朗坤置業有限公司**	Mainland China 中國內地	RMB100,000,000 人民幣100,000,000元	55	55	Property development 房地產開發
Shanghai Langxin Properties Development Limited 上海朗信房地產開發有限公司**	Mainland China 中國內地	RMB50,000,000 人民幣50,000,000元	100	100	Property development 房地產開發
Wuxi Langhua Development Co., Ltd. 無錫朗華置業有限公司**	Mainland China 中國內地	RMB50,000,000 人民幣50,000,000元	100	100	Property development 房地產開發
Nanjing Landsea Investment Management Limited 南京朗詩投資管理有限公司**	Mainland China 中國內地	RMB200,000,000 人民幣200,000,000元	100	100	Investment holding 投資控股
Shanghai Landsea Investment Management Limited 上海朗詩投資管理有限公司**	Mainland China 中國內地	US\$5,000,000 5,000,000美元	100	100	Investment holding 投資控股
ASIA PACIFIC BUSINESS LINK LIMITED	Hong Kong 香港	2 shares of HK\$1 each 2股、每股1港元 9,670,000 shares of US\$1 each 9,670,000股 每股1美元	100	38	Property development 房地產開發
Nanjing Langming Properties Group Limited 南京朗銘地產集團有限公司**	Mainland China 中國內地	RMB1,250,000,000 人民幣1,250,000,000元	100	100	Investment holding 投資控股
Zhongfuyiyang (Tianjin) Real Estate Co., Ltd. 中福頤養(天津)置業有限公司**	Mainland China 中國內地	RMB100,000,000 人民幣100,000,000元	75	75	Property development 房地產開發
Nanjing Langqing Property Limited 南京朗慶置業有限公司**	Mainland China 中國內地	HK\$1,124,980,000 1,124,980,000港元	100	100	Property development 房地產開發
Nanjing Landsea Construction and Decoration Limited 南京朗詩建築裝飾有限公司**	Mainland China 中國內地	RMB50,000,000 人民幣50,000,000元	100	100	Decoration and design 裝飾及設計

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

43 PRINCIPAL SUBSIDIARIES (Continued)

Particulars of the Company's principal subsidiaries are as follows:
(Continued)

43 主要附屬公司 (續)

本公司主要附屬公司詳情如下：(續)

Name 名稱	Place of incorporation and kind of legal entity 註冊成立地點 及法律實體類別	Particulars of issued share capital 已發行股本詳情	Ownership interests held by the Group 本集團持有的擁有權益		Principal activities and place of operation 主要業務 及經營地點
			31 December 2019 於二零一九年 十二月三十一日 (%)	31 December 2018 於二零一八年 十二月三十一日 (%)	
Zhejiang Langyue Construction and Decoration Limited 浙江朗悅建築裝飾有限公司**	Mainland China 中國內地	RMB10,000,000 人民幣10,000,000元	100	100	Decoration and design 裝飾及設計
Wuxi Minglang Property Limited 無錫明朗置業有限公司**	Mainland China 中國內地	RMB50,000,000 人民幣50,000,000元	100	100	Property development 房地產開發
Shanghai Langqing Investment Management Limited 上海朗青投資管理有限公司**	Mainland China 中國內地	RMB17,183,252.53 人民幣17,183,252.53元	100	100	Investment holding 投資控股
Nanjing Xinbeisheng Investment Management Co., Ltd. 南京鑫貝盛投資管理有限公司**	Mainland China 中國內地	RMB0 人民幣0元	100	100	Property leasing and building management 房地產租賃及樓宇管理
Nanjing Bozhixin Investment Management Limited 南京博之鑫投資管理有限公司**	Mainland China 中國內地	RMB17,880,000 人民幣17,880,000元	100	100	Investment holding 投資控股
Nanjing Xinhuiheng Investment Management Limited 南京鑫輝盛投資管理有限公司**	Mainland China 中國內地	RMB8,000,000 人民幣8,000,000元	60	60	Investment holding 投資控股
Hangzhou Langhui Investment Management Limited 杭州朗輝投資管理有限公司**	Mainland China 中國內地	RMB5,000,000 人民幣5,000,000元	100	100	Investment holding 投資控股
Beijing Landsea Investment Limited 北京朗詩投資管理有限公司**	Mainland China 中國內地	RMB50,000,000 人民幣50,000,000元	100	100	Property development 房地產開發
Shanghai Langzhi Property Limited 上海朗智置業有限公司**	Mainland China 中國內地	RMB8,000,000 人民幣8,000,000元	100	100	Property development 房地產開發
Ningbo Landsea Enterprise Management Consulting Co., Ltd. 寧波朗詩企業管理諮詢有限公司**	Mainland China 中國內地	RMB0 人民幣0元	100	100	Investment holding 投資控股
Shanghai Shanglv Marketing Planning Co., Ltd. 上海尚綠市場營銷策劃有限公司**	Mainland China 中國內地	RMB10,000,000 人民幣10,000,000元	100	100	Marketing 營銷
Nanjing Wangjiawan Logistics Center Co., Ltd. 南京王家灣物流中心有限責任公司**	Mainland China 中國內地	RMB106,116,346 人民幣106,116,346元	60	60	Investment holding 投資控股

43 PRINCIPAL SUBSIDIARIES (Continued)

Particulars of the Company's principal subsidiaries are as follows:
(Continued)

43 主要附屬公司 (續)

本公司主要附屬公司詳情如下：(續)

Name 名稱	Place of incorporation and kind of legal entity 註冊成立地點 及法律實體類別	Particulars of issued share capital 已發行股本詳情	Ownership interests held by the Group 本集團持有的擁有權權益		Principal activities and place of operation 主要業務 及經營地點
			31 December 2019 於二零一九年 十二月三十一日 (%)	31 December 2018 於二零一八年 十二月三十一日 (%)	
Shanghai Langkun Business Management Co., Ltd. 上海朗昆企業管理有限公司**	Mainland China 中國內地	RMB0 人民幣0元	100	100	Investment holding 投資控股
Nantong Diding Business Management Co., Ltd. 南通帝鼎企業管理有限公司** (b)	Mainland China 中國內地	RMB300,000 人民幣300,000,000元	100	100	Property leasing and building management 房地產租賃及樓宇管理
Zhongshan Lianxing Real Estate Development Co., Ltd. 中山市聯興房地產開發有限公司** (d)	Mainland China 中國內地	RMB1,000,000 人民幣1,000,000元	60	N/A 不適用	Property development 房地產開發
Shanghai Langsong Industrial Co. LTD. 上海朗松實業有限公司 (b)	Mainland China 中國內地	RMB120,000,000 人民幣120,000,000元	100	100	Property leasing and building management 房地產租賃及樓宇管理
Landsea Holdings Corporation	US 美國	US\$ 158,873,331 158,873,331美元	100	100	Investment holding 投資控股
SF Vale LLC (a)	US 美國	US\$ 9,000,000 9,000,000美元	5	5	Investment holding 投資控股
LS-Jordan Ranch LLC	US 美國	US\$ 19,900,870 19,900,870美元	100	100	Real estate development and sales US 房地產開發及銷售－美國
LS-LA Simi LLC	US 美國	US\$ 21,786,756 21,786,756美元	100	100	Real estate development and sales US 房地產開發及銷售－美國
LS-OC Portola LLC	US 美國	US\$ 102,849,956 102,849,956美元	100	100	Real estate development and sales US 房地產開發及銷售－美國
LS-Walnut Creek LLC	US 美國	US\$ 12,945,233 12,945,233美元	100	100	Real estate development and sales US 房地產開發及銷售－美國

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

43 PRINCIPAL SUBSIDIARIES (Continued)

Particulars of the Company's principal subsidiaries are as follows:
(Continued)

Name	Place of incorporation and kind of legal entity 註冊成立地點及法律實體類別	Particulars of issued share capital 已發行股本詳情
LS-NJ Port Imperial LLC	US 美國	US\$96,335,191 96,335,191美元
LS-Sunnyvale LLC	US 美國	US\$ 133,269,944 133,269,944美元
Epic China Limited (c)	BVI 英屬維爾京群島	US\$ 50,000 50,000美元
Landsea Equity LLC	US 美國	US\$ 51,900,000 51,900,000美元

Limited liability company registered in Mainland China

* English translations are for identification purpose only

- (a) The Group is the only managing member of the Company.
- (b) The equity interests of these subsidiaries are pledged for bank borrowings of the Group. (note 31).
- (c) The guaranteed senior notes (note 31) are irrevocably, fully and unconditionally guaranteed on a senior basis by these subsidiaries (each and collectively).
- (d) The equity interests of the subsidiary is pledged for loans from other financial institutions of the Group (note 31).

43 主要附屬公司 (續)

本公司主要附屬公司詳情如下：(續)

Ownership interests held by the Group 本集團持有的擁有權權益	Principal activities and place of operation 主要業務及經營地點
31 December 2019 於二零一九年十二月三十一日 (%)	31 December 2018 於二零一八年十二月三十一日 (%)
100	100 Real estate development and sales — US 房地產開發及銷售 — 美國
71	71 Real estate development and sales — US 房地產開發及銷售 — 美國
100	100 Investment holding 投資控股
100	100 Investment holding 投資控股

於中國內地註冊之有限公司

* 英文名稱僅供識別

- (a) 本集團為該公司唯一管理成員。
- (b) 此等附屬公司的股權已作為本集團銀行借款的抵押(附註31)。
- (c) 有擔保優先票據(附註31)由此等附屬公司(個別及共同)不可撤回、悉數及無條件優先擔保。
- (d) 該附屬公司的股權已作為本集團其他金融機構貸款的抵押(附註31)。

44 SUMMARIZED FINANCIAL INFORMATION ON SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

The total non-controlling interests as at 31 December 2019 were approximately RMB805,533,000 (2018: RMB377,340,000), of which approximately were RMB291,777,000 (2018: RMB253,294,000) attributed as below for Suzhou Langkun Property Limited.

SUMMARIZED STATEMENTS OF BALANCE SHEET

44 具重大非控制性權益附屬公司的財務資料摘要

於二零一九年十二月三十一日的總非控制性權益約為人民幣805,533,000元(二零一八年：人民幣377,340,000元)，其中蘇州朗坤置業有限公司應佔約人民幣291,777,000元(二零一八年：人民幣253,294,000元)如下。

資產負債表摘要

		31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 於二零一八年 十二月三十一日 RMB'000 人民幣千元
Current	流動		
Assets	資產	3,023,336	3,196,179
Liabilities	負債	(1,971,932)	(2,180,341)
Total current net assets	流動淨資產總值	1,051,404	1,015,838
Non-current	非流動		
Assets	資產	55,383	7,037
Liabilities	負債	(458,394)	(460,000)
Total non-current net assets	非流動淨資產總值	(403,011)	(452,963)
Net assets	資產淨值	648,393	562,875
Accumulated non-controlling interest	累計非控制性權益	291,777	253,294

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

44 SUMMARIZED FINANCIAL INFORMATION ON SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (Continued)

SUMMARIZED STATEMENTS OF COMPREHENSIVE INCOME

44 具重大非控制性權益附屬公司的財務資料摘要(續)

全面收益表摘要

		31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 於二零一八年 十二月三十一日 RMB'000 人民幣千元
Revenue	收入	104,005	1,599,387
Profit before income tax	除所得稅前利潤	114,559	558,449
Income tax expense	所得稅費用	29,041	140,322
Total profit	利潤總額	85,518	418,127
Total comprehensive income for the year	年內全面收益總額	85,518	418,127
Total comprehensive income attributable to non-controlling interest	非控制性權益應佔全面收益總額	38,483	210,207
Distribution to non-controlling interests	向非控制性權益分派	—	188,550

**44 SUMMARIZED FINANCIAL INFORMATION
ON SUBSIDIARIES WITH MATERIAL NON-
CONTROLLING INTERESTS (Continued)**
SUMMARIZED STATEMENTS OF CASH FLOWS

**44 具重大非控制性權益附屬公司的財
務資料摘要(續)**

現金流量表摘要

		For the year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 RMB'000 人民幣千元	For the year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 RMB'000 人民幣千元
Net cash (used in)/generated from operating activities	經營活動(所用)/所得現金淨額	(508,660)	757,798
Net cash used in from investing activities	投資活動所用現金淨額	(47)	(24)
Net cash used in from financing activities	融資活動所用現金淨額	(38,798)	(20,723)
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加 淨額	(547,505)	737,051
Cash and cash equivalents at 1 January	於一月一日的現金及現金等價物	858,523	121,472
Effect of currency translation on cash and cash equivalents	現金及現金等價物貨幣換算的影響	—	—
Cash and cash equivalents at 31 December	於十二月三十一日的現金及 現金等價物	311,018	858,523

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

45 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

BALANCE SHEET OF THE COMPANY

45 本公司資產負債表及儲備變動

本公司資產負債表

		31 December 2019 於二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 於二零一八年 十二月三十一日 RMB'000 人民幣千元
Non-current assets	非流動資產		
Investments in subsidiaries	於附屬公司之投資	415,717	406,621
Current assets	流動資產		
Other receivables, prepayments and deposits	其他應收款、預付款及按金	5,579,063	4,709,898
Cash and cash equivalents	現金及現金等價物	48,892	28,485
		5,627,955	4,738,383
Total assets	資產總值	6,043,672	5,145,004
Current liabilities	流動負債		
Other payables	其他應付款	2,712,113	2,663,973
Borrowings	借款	1,648,744	142,297
		4,360,857	2,806,270
Non-current liabilities	非流動負債		
Borrowings	借款	1,368,211	1,584,149
Total liabilities	總負債	5,729,068	4,390,419
Equity	權益		
Share capital	股本	38,702	38,702
Reserves	儲備	275,902	715,883
		(a)	
Total equity	總權益	314,604	754,585
Total liabilities and equity	總負債及權益	6,043,672	5,145,004

The balance sheet of the Company was approved by the Board of Directors on 27 March 2020 and was signed on its behalf.

本公司資產負債表已於二零二零年三月二十七日經董事局批准，並由以下人士代表簽署。

Zhou Qin
周勤
Director
董事

Shen Leying
申樂瑩
Director
董事

45 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

(A) CONVERTIBLE PERPETUAL SECURITIES AND RESERVES MOVEMENT OF THE COMPANY

45 本公司資產負債表及儲備變動(續)

(A) 本公司可換股永久證券及儲備變動

		Convertible perpetual securities 可換股 永久證券 RMB'000 人民幣千元	Reserve 儲備 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日	495,425	381,976	877,401
Exchange difference arising from translation of foreign operation	換算海外業務所產生匯兌差額	—	21,838	21,838
Loss for the year	年度虧損	—	(114,479)	(114,479)
Total comprehensive loss for the year	年度全面虧損總額	—	(92,641)	(92,641)
Shares held for restricted share award scheme	為限制性股份獎勵計劃而持有之股份	—	(17,486)	(17,486)
Issue of ordinary shares as capitalisation of shareholder loans	就股東貸款資本化發行普通股	—	251,997	251,997
Accrued distribution to holders of convertible perpetual securities	可換股永久證券持有人應計分派	29,599	(29,599)	—
Distributions to holders of convertible perpetual securities	向可換股永久證券持有人分派	(51,648)	—	(51,648)
Conversion of convertible perpetual securities	轉換可換股永久證券	(364,220)	360,318	(3,902)
Redemption of convertible perpetual securities	贖回可換股永久證券	(109,156)	—	(109,156)
Dividend declared	已宣派股息	—	(138,682)	(138,682)
Subtotal of transaction with shareholders	與股東交易小計	(495,425)	426,548	(68,877)
At 31 December 2018	於二零一八年十二月三十一日	—	715,883	715,883

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

45 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

(A) CONVERTIBLE PERPETUAL SECURITIES AND RESERVES MOVEMENT OF THE COMPANY (Continued)

45 本公司資產負債表及儲備變動(續)

(A) 本公司可換股永久證券及儲備變動(續)

		Reserve 儲備 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2019	於二零一九年一月一日	715,883	877,401
Exchange difference arising from translation of foreign operation	換算海外業務所產生匯兌差額	2,890	2,890
Loss for the year	年度虧損	(232,853)	(232,853)
Total comprehensive loss for the year	年度全面虧損總額	(229,963)	(229,963)
Shares held for restricted share award scheme	為限制性股份獎勵計劃而持有之股份	(29,154)	(29,154)
Dividend declared	已宣派股息	(180,864)	(180,864)
Subtotal of transaction with shareholders	與股東交易小計	(210,018)	(210,018)
At 31 December 2019	於二零一九年十二月三十一日	275,902	275,902

45 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

(A) CONVERTIBLE PERPETUAL SECURITIES AND RESERVES MOVEMENT OF THE COMPANY (Continued)

45 本公司資產負債表及儲備變動(續)

(A) 本公司可換股永久證券及儲備變動(續)

		Share premium	Translation reserve	Share based compensation reserve	Employee share trust	Capital redemption reserve	Contributed surplus	Accumulated losses	Total
		股份溢價	折算儲備	股權報酬儲備	僱員股份信託	資本贖回儲備	實繳盈餘	累計虧損	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2018	於二零一八年一月一日	212,051	41,385	19,800	(35,450)	23,185	476,029	(355,024)	381,976
Exchange difference arising from translation of foreign operation	換算海外業務所產生匯兌差額	-	21,838	-	-	-	-	-	21,838
Loss for the year	年度虧損	-	-	-	-	-	-	(114,479)	(114,479)
Total comprehensive loss for the year	年度全面虧損總額	-	21,838	-	-	-	-	(114,479)	(92,641)
Issue of ordinary shares as consideration of shareholder loans	發行普通股作為股東貸款代價	251,997	-	-	-	-	-	-	251,997
Conversion of convertible perpetual securities	轉換可換股永久證券	360,318	-	-	-	-	-	-	360,318
Shares held for restricted share award scheme	為限制性股份獎勵計劃而持有之股份	-	-	-	(17,486)	-	-	-	(17,486)
Employee share based compensation	僱員股權報酬	-	-	(9,966)	9,966	-	-	-	-
Accrued distribution of holders of convertible perpetual securities	可換股永久證券持有人應計分派	-	-	-	-	-	-	(29,599)	(29,599)
Dividend	股息	-	-	-	-	-	(138,682)	-	(138,682)
Subtotal of transaction with shareholders	與股東交易小計	612,315	-	(9,966)	(7,520)	-	(138,682)	(29,599)	426,548
At 31 December 2018	於二零一八年十二月三十一日	824,366	63,223	9,834	(42,970)	23,185	337,347	(499,102)	715,883

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

45 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

(A) CONVERTIBLE PERPETUAL SECURITIES AND RESERVES MOVEMENT OF THE COMPANY (Continued)

45 本公司資產負債表及儲備變動(續)

(A) 本公司可換股永久證券及儲備變動(續)

		Share premium	Translation reserve	Share based compensation reserve	Employee share trust	Capital redemption reserve	Contributed surplus	Accumulated losses	Total
		股份溢價	折算儲備	股權報酬儲備	僱員股份信託	資本贖回儲備	實繳盈餘	累計虧損	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2019	於二零一九年一月一日	824,366	63,223	9,834	(42,970)	23,185	337,347	(499,102)	715,883
Exchange difference arising from translation of foreign operation	換算海外業務所產生匯兌差額	-	2,890	-	-	-	-	-	2,890
Loss for the year	年度虧損	-	-	-	-	-	-	(232,853)	(232,853)
Total comprehensive loss for the year	年度全面虧損總額	-	2,890	-	-	-	-	(232,853)	(229,963)
Shares held for restricted share award scheme	為限制性股份獎勵計劃而持有之股份	-	-	-	(29,154)	-	-	-	(29,154)
Employee share based compensation	僱員股權報酬	-	-	(9,109)	9,973	-	(864)	-	-
Dividend	股息	-	-	-	-	-	(180,864)	-	(180,864)
Subtotal of transaction with shareholders	與股東交易小計	-	-	(9,109)	(19,181)	-	(181,728)	-	(210,018)
At 31 December 2019	於二零一九年十二月三十一日	824,366	66,113	725	(62,151)	23,185	155,619	(731,955)	275,902

46 SUBSEQUENT EVENTS

- (i) On 15 January 2020, the Group acquired 100% of the equity interest of Garrett Walker Homes (“GWH”) at cash consideration of US\$49 million (equivalent to RMB330,082,000 approximately). GWH is a residential homebuilder located in Phoenix, Arizona, the US, focused on building entry-level, single-family detached homes in the Northwest Valley and Phoenix metropolitan areas. The total assets of GWH include approximately 20 projects and 1,750 lots in various stages of development. In connection with the acquisition of GWH, the Group entered into an additional unsecured line of credit with a bank as part of the transaction. On the date of acquisition, the Group drew down US\$70.0 million (equivalent to RMB488,334,000 approximately) from the line of credit. The line of credit has an interest rate of Prime plus 1% with a floor of 5.25% and matures in 2023.

The determination of the purchase accounting is in process as of the date the consolidated financial statements were available to be issued. The initial accounting for the above acquisition has been determined provisionally as the Group is awaiting the final result of an independent valuation in relation to properties under development and other net assets acquired in the transaction. The valuation has not been completed by the date of the approval of the consolidated financial statements. Accordingly, the amounts of identifiable net assets may be subsequently adjusted.

46 報告期後事項

- (i) 於二零二零年一月十五日，本集團以現金代價49,000,000美元（相當於約人民幣330,082,000元）收購Garrett Walker Homes（「GWH」）的100%股權。GWH為位於美國亞利桑那州鳳凰城的住宅建築商，專注於Northwest Valley及鳳凰城大都市區建造入門級單戶獨立屋。GWH的總資產包括約20個項目及1,750個地段，各自處於不同開發階段。本集團就收購GWH與銀行訂立額外無抵押信貸額度，作為交易其中一部分。於收購日期，本集團自信貸額度提取70,000,000美元（相當於約人民幣488,334,000元）。該信貸額度按最優惠利率加1%（下限為5.25%）計息，並於二零二三年到期。

截至綜合財務報表可供刊發當日為止，購買會計處理方法尚待釐定。由於本集團仍在等待開發中物業及交易所收購其他淨資產的最終獨立估值結果，上述收購的初步會計處理屬暫定性質。估值於綜合財務報表獲批准當日尚未完成。因此，可識別資產淨值隨後或須調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

46 SUBSEQUENT EVENTS (Continued)

(i) (Continued)

The assets and liabilities recognized as a result of these acquisitions are as follows:

46 報告期後事項(續)

(i) (續)

因收購而確認的資產及負債如下：

		GWH
		GWH
		RMB'000
		人民幣千元
Cash and cash equivalents	現金及現金等價物	16,872
Properties under development	開發中物業	753,006
Other assets	其他資產	172,553
Trade and other payables	應付賬款及其他應付款	(612,350)
Net identifiable assets acquired at fair value	按公允價值所收購的可識別淨資產	330,082
Total acquired net assets at fair value	按公允價值所收購的淨資產總值	330,082
Cash outflow on acquisitions	收購的現金流出	
Total considerations settled by cash	以現金支付的總代價	330,082
Cash acquired in the subsidiaries acquired	收購所收購附屬公司的現金	(16,872)
Cash outflow on acquisitions	收購的現金流出	313,210

46 SUBSEQUENT EVENTS (Continued)

- (ii) On 15 January 2020, the Company issued US\$200 million 10.75% green Senior Notes (the “2020 Notes”) at the price of 97.284%. The 2020 Notes bears interest from 21 January 2020 at 10.75% per annum payable semi-annually in arrear on 21 January and 21 July of each year, beginning 21 July 2020 except that the last payment of interest, to be made on 21 October 2022, will be in respect of the period from and including 21 July 2022 to but excluding 21 October 2022. The 2020 Notes falls mature on 21 October 2022.
- (iii) Following the outbreak of Coronavirus Disease 2019 (“the COVID-19 outbreak”) in early 2020, a series of precautionary and control measures have been and continued to be implemented across the country, including extension of the Chinese New Year holiday nationwide, postponement of work resumption after the Chinese New Year holiday in some regions, certain level of restrictions and controls over the travelling of people and traffic arrangements, quarantine of certain residents, heightening of hygiene and epidemic prevention requirements in factories and offices and encouraged social distancing, etc.

In light of the negative impact brought upon by the COVID-19 outbreak in short term, the Group postponed the resumption of construction in certain real estate projects after the Chinese New Year which may lead to increase of costs incurred by additional hygiene and epidemic prevention requirements and delay in delivery of residential properties. In addition, the Group provided property development management services to its customers, mainly small and medium-sized real estate companies, the impacts of the COVID-19 outbreak on the Group’s customers’ financial positions and the macro-economic conditions as a whole are still uncertain, the Group might experience longer accounts receivable turnover time and some overdue, which may led to an increase in the expected credit loss ratios on accounts receivables.

The Group is not yet able to quantify the aforesaid influence due to the COVID-19 outbreak. However, the Group will pay close attention to the development of the COVID-19 outbreak and its impact and will continue to perform relevant assessments and take proactive measures as appropriate.

46 報告期後事項(續)

- (ii) 於二零二零年一月十五日，本公司以97.284%的價格發行200,000,000美元10.75厘綠色優先票據(「二零二零年票據」)。二零二零年票據自二零二零年一月二十日起按年利率10.75%計息，自二零二零年七月二十一日起每半年(即每年一月二十一日及七月二十一日)支付一次，惟最終於二零二二年十月二十一日支付的利息涉及二零二二年七月二十一日(包括該日)至二零二二年十月二十一日(不包括該日)期間。二零二零年票據將於二零二二年十月二十一日到期。
- (iii) 隨著二零二零年初爆發二零一九年冠狀病毒疫症(「COVID-19疫情」)，全國已採取並持續實施一系列預防及控制措施，包括全國性延長農曆新年假期、部分地區於農曆新年假期後延遲復工、對國民出行及交通安排施加一定程度限制及控制、隔離部分居民、提高工廠及辦公室的衛生及防疫要求、鼓勵保持社會距離等。

在COVID-19疫情帶來的短暫負面影響下，本集團推遲農曆新年後部分房地產項目的復工安排，而此舉可能導致成本因額外的衛生及防疫要求而增加以及延遲交付住宅物業。此外，本集團為其客戶(主要是中小型房地產公司)提供房地產開發管理服務，而COVID-19疫情對本集團客戶的財務狀況及整體宏觀經濟狀況所構成影響仍屬未知之數，本集團或面臨更長的應收賬款周轉時間及若干逾期情況，有機會導致應收賬款的預期信用損失率上升。

本集團尚未能量化COVID-19疫情所帶來的上述影響。然而，本集團將密切關注COVID-19疫情的發展及其影響，並將繼續進行相關評估及適時採取積極措施。

FINANCIAL SUMMARY

財務摘要

Year ended 31st December 截至十二月三十一日止年度

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 (Restated) (經重列)
Results	業績					
Revenue*	收入*	8,712,893	7,560,526	6,213,931	4,845,008	1,792,791
Profit before income tax*	除所得稅前利潤*	2,011,955	2,261,739	1,127,411	832,467	663,990
Income tax expense*	所得稅費用*	(513,821)	(821,169)	(406,570)	(225,631)	(184,261)
Profit for the year	年度利潤	1,498,134	1,440,570	720,841	606,836	479,729
Attributable to:	歸屬於：					
The shareholder of the Company	本公司股東	1,171,943	1,112,774	580,523	595,439	485,079
Non-controlling interest	非控制性權益	326,191	327,796	140,318	11,397	(5,350)
		1,498,134	1,440,570	720,841	606,836	479,729

* Including continuing and discontinued operations

* 包括持續經營業務及已終止業務

At 31st December 於十二月三十一日

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 (Restated) (經重列)
Assets and liabilities	資產及負債					
Total assets	總資產	25,842,208	26,775,274	20,320,501	18,007,126	14,140,916
Total liabilities	總負債	(19,737,977)	(22,014,379)	(16,622,438)	(14,954,410)	(12,182,757)
		6,104,231	4,760,895	3,698,063	3,052,716	1,958,159
Attributable to:	歸屬於：					
The shareholder of the Company	本公司股東	5,298,698	4,383,555	3,491,941	2,900,656	1,917,949
Non-controlling interest	非控制性權益	805,533	377,340	206,122	152,060	40,210
		6,104,231	4,760,895	3,698,063	3,052,716	1,958,159

PARTICULARS OF INVESTMENT PROPERTIES

投資性物業詳情

INVESTMENT PROPERTIES HELD FOR RENTAL 持作租賃之投資性物業 PURPOSE

Location 地點	Approximately gross floor area 大約建築面積 (square meters) (平方米)	Nature of property 物業性質	Attributable interest of the Group 本集團應佔權益	Lease term 租約年期
Landsea Tower, Keji South 12 Road, Shenzhen High-Tech Park, Nanshan District, Shenzhen City, The PRC 中國 深圳市 南山區 深圳高新技術園區 科技南十二路朗詩大廈	23,736	Commercial 商業	100%	Medium-term lease 中期租約
Nanjing Huafei Apartment, Block 11 Zhangying Estate Huadian Road, Qixia District, Nanjing City, Jiangsu Province, The PRC 中國 江蘇省 南京市 棲霞區 華電路長營村11棟 南京華飛公寓	5,729	Apartment 公寓	100%	Medium-term lease 中期租約
Landsea Neighbourhood Union, Southwest side B of intersection of Yunhe West Road and Ningjia Road, New District, Wuxi City, Jiangsu Province, The PRC 中國 江蘇省 無錫市 新區 運河西路與寧嘉路交叉口 西南側B 朗詩鄰里薈	10,667	Commercial 商業	100%	Medium-term lease 中期租約

PARTICULARS OF INVESTMENT PROPERTIES

投資性物業詳情

Location 地點	Approximately gross floor area 大約建築面積 (square meters) (平方米)	Nature of property 物業性質	Attributable interest of the Group 本集團應佔權益	Lease term 租約年期
Huangxing Building, No.18 Huangxing Road, Yangpu District, Shanghai City, The PRC	11,427	Commercial and Apartment	100%	Medium-term lease
中國 上海市 楊浦區 黃興路18號 黃興大樓	11,427	商業及公寓	100%	中期租約



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