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**CHINA SANDI HOLDINGS LIMITED**

**中國三迪控股有限公司**

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 910)**

**AUDITED ANNUAL RESULTS ANNOUNCEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

Reference is made to the announcement of China Sandi Holdings Limited (the “Company”) dated 30 March 2020 in relation to the unaudited annual results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2019 (the “2019 Preliminary Results Announcement”).

As stated in the 2019 Preliminary Results Announcement, the unaudited annual results of the Group for the year ended 31 December 2019 contained therein have not been agreed with the Company’s auditor, Messrs. Deloitte Touche Tohmatsu (the “Auditor”), as required under Rule 13.49(2) of the Listing Rules.

The board of directors (the “Board”) of the Company is pleased to announce that the auditing process for the annual results of the Group for the year ended 31 December 2019 has been completed on 17 April 2020 and that the audited consolidated financial results of the Group for the year ended 31 December 2019, together with the comparative audited figures for the nine months ended 31 December 2018 are as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**  
*FOR THE YEAR ENDED 31 DECEMBER 2019*

	<i>NOTES</i>	<b>Year ended 31 December 2019 RMB'000</b>	Nine months ended 31 December 2018 RMB'000 (Restated)
Revenue			
Goods and services	5	1,825,886	265,705
Rental of investment properties	5	115,679	99,343
Total revenue		1,941,565	365,048
Cost of sales and services		(1,322,124)	(216,671)
Gross profit		619,441	148,377
Other income	7	14,709	23,844
Other gains and losses	8	125,490	(45,491)
Change in fair value of investment properties		19,747	63,690
Change in fair value upon transfer from inventories of properties to investment properties		382,058	–
Change in fair value of financial assets at fair value through profit or loss (“FVTPL”)		(30,364)	(49,157)
Change in fair value of derivative component of convertible bond		(9,334)	–
Selling and distribution expenses		(104,508)	(81,032)
Administrative expenses		(143,549)	(102,449)
Finance costs	9	(139,388)	(37,255)
Share of results of an associate		(11,643)	(632)
Profit (loss) before tax	10	722,659	(80,105)
Income tax expense	11	(255,477)	(44,002)
Profit (loss) for the year/period		467,182	(124,107)
<b>Other comprehensive (expense) income</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(1,524)	11,546
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Increase in fair value of property, plant and equipment, right-of-use assets and properties under development upon transfer to investment properties		943,369	–
Deferred tax arising on fair value change of property, plant and equipment, right-of-use assets and properties under development upon transfer to investment properties		(235,842)	–
Total comprehensive income (expense) for the year/period		1,173,185	(112,561)

	<b>Year ended 31 December 2019</b>	Nine months ended 31 December 2018
<i>NOTE</i>	<i>RMB'000</i>	<i>RMB'000</i> (Restated)
Profit (loss) for the year/period attributable to:		
– Owners of the Company	<b>482,165</b>	(114,580)
– Non-controlling interests	<b>(14,983)</b>	(9,527)
	<b>467,182</b>	(124,107)
Total comprehensive income (expense) attributable to:		
– Owners of the Company	<b>1,188,168</b>	(103,034)
– Non-controlling interests	<b>(14,983)</b>	(9,527)
	<b>1,173,185</b>	(112,561)
<b>EARNINGS (LOSS) PER SHARE</b>		
Basic (RMB cents)	<b>9.70</b>	(2.57)
Diluted (RMB cents)	<b>8.89</b>	(2.57)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AT 31 DECEMBER 2019**

		At 31 December 2019 <i>RMB'000</i>	At 31 December 2018 <i>RMB'000</i> (Restated)	At 1 April 2018 <i>RMB'000</i> (Restated)
<b>Non-current assets</b>				
Property, plant and equipment		42,261	94,385	91,682
Right-of-use assets		1,011,054	–	–
Investment properties		7,451,740	4,693,149	4,623,040
Properties under development		279,860	351,253	219,993
Prepaid lease payments		–	1,150,516	1,198,239
Interest in an associate		–	256,406	–
Deposits paid for properties under development		–	50,000	63,224
Loan receivables		–	127,790	17,790
Deferred tax assets		62,122	39,039	22,222
		<u>8,847,037</u>	<u>6,762,538</u>	<u>6,236,190</u>
<b>Current assets</b>				
Inventories of properties		8,849,683	7,677,875	4,893,832
Contract costs		111,150	77,429	12,907
Trade receivables, other receivables and prepayments	14	1,039,976	1,758,983	2,867,401
Prepaid lease payments – due within one year		–	27,271	27,271
Loan receivables		–	–	127,218
Prepaid income tax		119,582	124,749	78,437
Financial assets at FVTPL	15	24,889	60,611	100,701
Amounts due from related companies		491,784	1,083,582	753,048
Amounts due from non-controlling shareholders of subsidiaries		20,595	–	–
Restricted bank deposits		62,840	90,344	31,767
Bank balances and cash		707,276	409,498	245,856
		<u>11,427,775</u>	<u>11,310,342</u>	<u>9,138,438</u>
<b>Current liabilities</b>				
Trade and other payables and accruals	16	2,303,680	2,082,545	2,673,158
Lease liabilities		2,500	–	–
Contract liabilities		6,553,298	4,721,726	2,229,658
Income tax payable		153,547	128,187	187,952
Amounts due to related companies		642,927	1,480,448	549,752
Amounts due to non-controlling shareholders of subsidiaries		–	278,372	167,690
Amount due to a director		99,626	385,826	286,200
Bank and other borrowings – due within one year	17	619,493	2,675,715	1,351,249
Bonds payable – due within one year		–	9,404	–
		<u>10,375,071</u>	<u>11,762,223</u>	<u>7,445,659</u>

		At 31 December 2019 <i>RMB'000</i>	At 31 December 2018 <i>RMB'000</i> (Restated)	At 1 April 2018 <i>RMB'000</i> (Restated)
<b>Net current assets (liabilities)</b>		<b>1,052,704</b>	(451,881)	1,692,779
<b>Total assets less current liabilities</b>		<b>9,899,741</b>	6,310,657	7,928,969
<b>Capital and reserves</b>				
Share capital	18	42,881	37,468	37,468
Reserves		3,902,682	3,944,889	3,516,011
Equity attributable to owners of the Company		3,945,563	3,982,357	3,553,479
Non-controlling interests		53,969	78,637	58,364
<b>Total equity</b>		<b>3,999,532</b>	4,060,994	3,611,843
<b>Non-current liabilities</b>				
Lease liabilities		607	–	–
Debt component of convertible bond		322,972	–	–
Derivative component of convertible bond		293,981	–	–
Promissory note		446,249	–	–
Bonds payable		–	–	8,280
Deferred tax liabilities		1,225,965	857,881	821,795
Bank borrowings – due after one year		3,610,435	1,391,782	3,487,051
		<b>5,900,209</b>	2,249,663	4,317,126
		<b>9,899,741</b>	6,310,657	7,928,969

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### *FOR THE YEAR ENDED 31 DECEMBER 2019*

#### **1. GENERAL**

China Sandi Holdings Limited (the “Company”) is a public limited company incorporated in the Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Its parent and ultimate parent is United Century International Limited (incorporated in the British Virgin Islands (“BVI”). The ultimate controlling party is Mr. Guo Jiadi. The address of registered office and principal place of business of the Company are located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and Room 3405, 34th Floor, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong respectively.

The consolidated financial statements are presented in Renminbi (“RMB”), which is the functional currency of the Company.

#### **Change of presentation currency**

The presentation currency of the consolidated financial statements in prior financial periods was Hong Kong Dollars (“HK\$”). In current year, the Group has changed its presentation currency for the preparation of its consolidated financial statements from HK\$ to RMB in order to allow for greater transparency of the underlying performance of the Group as the principal operations of the Group are now conducted in the People’s Republic of China (“the PRC”) with substantially all of its transactions denominated and settled in RMB. The directors of the Company consider that it is more appropriate to use RMB as the presentation currency in presenting the operating results and financial positions of the Group. Comparative financial information was represented in RMB accordingly.

#### **Change of functional currency**

During the current year, the functional currency of the Company was changed from HK\$ to RMB upon the completion of an acquisition of All Excel Industries Limited (“All Excel”) as detailed in note 2. Subsequent to the acquisition, the Company mainly holds subsidiaries whose underlying operations are primarily in the PRC with RMB being the currency that mainly influences the Group’s underlying transactions, events and conditions. The directors of the Company have determined that RMB better reflects the economic substance of the Company and its business activity as an investment holding company primarily holding interest in subsidiaries with primary economic environment in the PRC. Accordingly, the functional currency of the Company was changed prospectively from the date of acquisition.

#### **2. MERGER ACCOUNTING FOR A BUSINESS COMBINATION INVOLVING ENTITIES UNDER COMMON CONTROL**

The Group accounts for all its business combinations involving entities under common control using the principles of merger accounting in accordance with Accounting Guideline 5 “Merger Accounting for Common Control Combinations” (“AG 5”) issued by the Hong Kong Institute of Certified Public Accountants.

## **2. MERGER ACCOUNTING FOR A BUSINESS COMBINATION INVOLVING ENTITIES UNDER COMMON CONTROL – Continued**

### **Acquisition of All Excel**

Pursuant to the sale and purchase agreement (“S&P Agreement 1”) with Primary Partner International Limited (the “Vendor”) dated 21 September 2018, the Group, through a subsidiary namely Grand Supreme Limited (“Grand Supreme”), acquired 100% equity interest in All Excel (together with its subsidiaries collectively referred to as “All Excel Group”), from the Vendor, a company beneficially owned by Mr. Guo Jiadi. Pursuant to the S&P Agreement 1, the total consideration of the acquisition was HK\$1,500,000,000, which is satisfied by i) cash of HK\$200,000,000; ii) issue of interest bearing promissory notes with principal amount of HK\$600,000,000; iii) issue of 485,436,893 ordinary shares of the Company (“Consideration Shares”) to the Vendor at HK\$0.412 per Consideration Share (equivalent to HK\$200,000,000; and iv) issue of convertible bond in the principal amount of HK\$500,000,000 and is convertible into shares of the Company at conversion price of HK\$0.412 per conversion share. The maturity date of the convertible bond is 5 years from the date of issue. All Excel was established in the BVI and its subsidiaries are principally engaged in property development, property investment and hotel operation business in the PRC. The acquisition was completed on 30 January 2019.

### **Acquisition of Power Success Development Incorporated**

Pursuant to the sale and purchase agreement (“S&P Agreement 2”) with Top Trendy Holdings Limited (“Top Trendy”), the Group, through Grand Supreme acquire 100% equity interests in Power Success Development Incorporated (“Power Success”) and its subsidiaries (together referred to as “Power Success Group”), from Top Trendy, a company beneficially owned by Mr. Guo Jiadi. Pursuant to the S&P Agreement 2, the consideration is RMB243,670,000 which is satisfied by cash. Power Success was established in the BVI and its subsidiaries are principally engaged in property development business in the PRC. The acquisition was completed on 28 November 2019.

In applying AG 5 to the acquisition of All Excel Group and Power Success Group, the consolidated statement of financial position of the Group as at 1 April 2018 and 31 December 2018 have been restated to include the assets and liabilities of All Excel Group and Power Success Group as if they were within the Group on these respective dates (see below for the financial impact). The consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the nine months ended 31 December 2018 have also been restated to include the financial performance, changes in equity and cash flows of All Excel Group and Power Success Group as if they were within the Group throughout the period (also see below for financial impact).

## 2. MERGER ACCOUNTING FOR A BUSINESS COMBINATION INVOLVING ENTITIES UNDER COMMON CONTROL – Continued

The effects of acquisition of All Excel Group and Power Success Group using merger accounting on the consolidated statement of profit or loss and other comprehensive income for the nine months ended 31 December 2018 are as follows:

	Audited and restated RMB'000	Business combination of entities under common control RMB'000	Audited and restated after adjustment RMB'000
Revenue			
Goods and services	47,502	218,203	265,705
Rental of investment properties	80,377	18,966	99,343
	<u>127,879</u>	<u>237,169</u>	<u>365,048</u>
Total revenue			
Cost of sales and services	(28,348)	(188,323)	(216,671)
	<u>99,531</u>	<u>48,846</u>	<u>148,377</u>
Gross profit			
Other income	19,828	4,016	23,844
Other gains and losses	(22,470)	(23,021)	(45,491)
Change in fair value of investment properties	(900)	64,590	63,690
Change in fair value of financial assets at FVTPL	(49,157)	–	(49,157)
Selling and distribution expenses	(32,062)	(48,970)	(81,032)
Administrative expenses	(36,082)	(66,367)	(102,449)
Finance costs	(29,550)	(7,705)	(37,255)
Share of results of an associate	(632)	–	(632)
	<u>(51,494)</u>	<u>(28,611)</u>	<u>(80,105)</u>
Loss before tax			
Income tax expense	(21,002)	(23,000)	(44,002)
	<u>(72,496)</u>	<u>(51,611)</u>	<u>(124,107)</u>
<b>Loss for the period</b>			
	<u>(72,496)</u>	<u>(51,611)</u>	<u>(124,107)</u>
<b>Other comprehensive income</b>			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Exchange differences arising on translation of foreign operations	11,546	–	11,546
	<u>11,546</u>	<u>–</u>	<u>11,546</u>
Total comprehensive expense for the period	<u>(60,950)</u>	<u>(51,611)</u>	<u>(112,561)</u>



## 2. MERGER ACCOUNTING FOR A BUSINESS COMBINATION INVOLVING ENTITIES UNDER COMMON CONTROL – Continued

	Audited and restated <i>RMB'000</i>	Business combination of entities under common control <i>RMB'000</i>	Audited and restated after adjustment <i>RMB'000</i>
Loss for the period attributable to			
– Owners of the Company	(69,102)	(45,478)	(114,580)
– Non-controlling interests	(3,394)	(6,133)	(9,527)
	<u>(72,496)</u>	<u>(51,611)</u>	<u>(124,107)</u>
Total comprehensive expense for the period attributable to:			
– Owners of the Company	(57,556)	(45,478)	(103,034)
– Non-controlling interests	(3,394)	(6,133)	(9,527)
	<u>(60,950)</u>	<u>(51,611)</u>	<u>(112,561)</u>
<b>LOSS PER SHARE</b>			
– Basic (RMB cents)	<u>(1.55)</u>	<u>(1.02)</u>	<u>(2.57)</u>
– Diluted (RMB cents)	<u>(1.55)</u>	<u>(1.02)</u>	<u>(2.57)</u>

The effects of the adoption of merger accounting on the consolidated statement of financial position as at 31 December 2018 and 1 April 2018 are as follows:

	31.12.2018 (Audited and restated) <i>RMB'000</i>	Business combination of entities under common control <i>RMB'000</i> (Note)	31.12.2018 (Audited and restated after adjustment) <i>RMB'000</i>	1.4.2018 (Audited and restated) <i>RMB'000</i>	Business combination of entities under common control <i>RMB'000</i> (Note)	1.4.2018 (Audited and restated after adjustment) <i>RMB'000</i>
<b>Non-current assets</b>						
Property, plant and equipment	7,720	86,665	94,385	4,265	87,417	91,682
Investment properties	3,163,600	1,529,549	4,693,149	3,164,500	1,458,540	4,623,040
Properties under development	172,099	179,154	351,253	144,322	75,671	219,993
Prepaid lease payments	142,420	1,008,096	1,150,516	142,420	1,055,819	1,198,239
Interests in an associate	256,406	–	256,406	–	–	–
Deposits paid for properties under development	50,000	–	50,000	63,224	–	63,224
Loan receivables	110,000	17,790	127,790	–	17,790	17,790
Deferred tax assets	11,503	27,536	39,039	11,814	10,408	22,222
	<u>3,913,748</u>	<u>2,848,790</u>	<u>6,762,538</u>	<u>3,530,545</u>	<u>2,705,645</u>	<u>6,236,190</u>

## 2. MERGER ACCOUNTING FOR A BUSINESS COMBINATION INVOLVING ENTITIES UNDER COMMON CONTROL – Continued

The effects of the adoption of merger accounting on the consolidated statement of financial position as at 31 December 2018 and 1 April 2018 are as follows: – Continued

	31.12.2018 (Audited and restated) RMB'000	Business combination of entities under common control RMB'000 (Note)	31.12.2018 (Audited and restated after adjustment) RMB'000	1.4.2018 (Audited and restated) RMB'000	Business combination of entities under common control RMB'000 (Note)	1.4.2018 (Audited and restated after adjustment) RMB'000
<b>Current assets</b>						
Inventories of properties	2,387,869	5,290,006	7,677,875	1,007,086	3,886,746	4,893,832
Contract costs	38,797	38,632	77,429	11,009	1,898	12,907
Trade receivables, other receivables and prepayments	242,565	1,516,418	1,758,983	880,811	1,986,590	2,867,401
Prepaid lease payments – due within one year	–	27,271	27,271	–	27,271	27,271
Loan receivables	–	–	–	127,218	–	127,218
Prepaid income tax	14,647	110,102	124,749	8,300	70,137	78,437
Financial assets at FVTPL	60,611	–	60,611	100,701	–	100,701
Amounts due from related companies	13	1,083,569	1,083,582	111	752,937	753,048
Restricted bank deposits	505	89,839	90,344	504	31,263	31,767
Bank balances and cash	130,923	278,575	409,498	161,423	84,433	245,856
	<u>2,875,930</u>	<u>8,434,412</u>	<u>11,310,342</u>	<u>2,297,163</u>	<u>6,841,275</u>	<u>9,138,438</u>
<b>Current liabilities</b>						
Trade and other payables and accruals	363,175	1,719,370	2,082,545	188,778	2,484,380	2,673,158
Contract liabilities	2,127,229	2,594,497	4,721,726	1,091,646	1,138,012	2,229,658
Income tax payable	37,107	91,080	128,187	45,990	141,962	187,952
Amounts due to related companies	19,889	1,460,559	1,480,448	39,294	510,458	549,752
Amounts due to non-controlling shareholders of subsidiaries	198,990	79,382	278,372	123,190	44,500	167,690
Amount due to a director	–	385,826	385,826	–	286,200	286,200
Bank and other borrowings – due within one year	119,750	2,555,965	2,675,715	147,797	1,203,452	1,351,249
Bonds payable – due within one year	9,404	–	9,404	–	–	–
	<u>2,875,544</u>	<u>8,886,679</u>	<u>11,762,223</u>	<u>1,636,695</u>	<u>5,808,964</u>	<u>7,445,659</u>
<b>Net current assets (liabilities)</b>	<u>386</u>	<u>(452,267)</u>	<u>(451,881)</u>	<u>660,468</u>	<u>1,032,311</u>	<u>1,692,779</u>
<b>Total assets less current liabilities</b>	<u>3,914,134</u>	<u>2,396,523</u>	<u>6,310,657</u>	<u>4,191,013</u>	<u>3,737,956</u>	<u>7,928,969</u>

## 2. MERGER ACCOUNTING FOR A BUSINESS COMBINATION INVOLVING ENTITIES UNDER COMMON CONTROL – Continued

The effects of the adoption of merger accounting on the consolidated statement of financial position as at 31 December 2018 and 1 April 2018 are as follows: – Continued

	31.12.2018 (Audited and restated) RMB'000	Business combination of entities under common control RMB'000 (Note)	31.12.2018 (Audited and restated after adjustment) RMB'000	1.4.2018 (Audited and restated) RMB'000	Business combination of entities under common control RMB'000 (Note)	1.4.2018 (Audited and restated after adjustment) RMB'000
<b>Capital and reserves</b>						
Share capital	37,468	–	37,468	37,468	–	37,468
Reserves	2,674,885	1,270,004	3,944,889	2,699,399	816,612	3,516,011
Equity attributable to owners of the Company	2,712,353	1,270,004	3,982,357	2,736,867	816,612	3,553,479
Non-controlling interests	49,935	28,702	78,637	(71)	58,435	58,364
<b>Total equity</b>	<u>2,762,288</u>	<u>1,298,706</u>	<u>4,060,994</u>	<u>2,736,796</u>	<u>875,047</u>	<u>3,611,843</u>
<b>Non-current liabilities</b>						
Bonds payable	–	–	–	8,280	–	8,280
Deferred tax liabilities	624,626	233,255	857,881	609,024	212,771	821,795
Bank and other borrowings – due after one year	527,220	864,562	1,391,782	836,913	2,650,138	3,487,051
	<u>1,151,846</u>	<u>1,097,817</u>	<u>2,249,663</u>	<u>1,454,217</u>	<u>2,862,909</u>	<u>4,317,126</u>
	<u>3,914,134</u>	<u>2,396,523</u>	<u>6,310,657</u>	<u>4,191,013</u>	<u>3,737,956</u>	<u>7,928,969</u>

*Note:* These adjustments are to include the assets and liabilities of All Excel Group and Power Success Group as at 31 December 2018 and 1 April 2018 into the Group's consolidated financial statements.

### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

Starting from the annual consolidated financial statements for the nine-month period ended 31 December 2018, the financial year end date of the Company was changed from 31 March to 31 December to align with the financial year end date of the Company's principal operating subsidiaries established in the PRC for which their accounts are statutorily required to be prepared with a financial year end date of 31 December. Accordingly, the consolidated financial statements for the current year covers the twelve-month period from 1 January 2019 to 31 December 2019. The corresponding comparative figures shown for the consolidated profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and related notes cover the nine-month period from 1 April 2018 to 31 December 2018 and therefore may not be comparable with amounts shown for the current year.

### 4. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

The Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants for the first time in the current year:

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

Except as described below, the application of the new and amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

#### **HKFRS 16 "Leases"**

The Group has applied HKFRS 16 for the first time in the current year. HKFRS 16 superseded HKAS 17 Leases ("HKAS 17"), and the related interpretations.

#### *Definition of a lease*

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 January 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

#### 4. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – Continued

##### HKFRS 16 “Leases” – Continued

As a lessee

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 January 2019.

As at 1 January 2019, the Group recognised additional lease liabilities and right-of-use assets at amounts equal to the related lease liabilities by applying HKFRS 16.C8 (b) (ii) transition. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated.

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

- i. elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application;
- ii. excluded initial direct costs from measuring the right-of-use assets at the date of initial application;

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average incremental borrowing rate applied is ranged from 5.13% to 6.18% per annum.

	<b>At 1 January 2019</b> <i>RMB'000</i>
Operating lease commitments disclosed as at 31 December 2018	1,118
Lease liabilities discounted at relevant incremental borrowing rates	1,060
Less: Recognition exemption – short-term leases	(231)
Lease liabilities relating to operating leases recognised upon application of HKFRS 16 as at 1 January 2019	829
Analysed as	
Current	344
Non-current	485
	829

#### 4. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – Continued

##### HKFRS 16 “Leases” – Continued

##### As a lessee – Continued

The carrying amount of right-of-use assets for own use as at 1 January 2019 comprises the following:

	<i>Note</i>	<b>Right-of-use assets RMB’000</b>
Right-of-use assets relating to operating leases recognised upon application of HKFRS 16		829
Reclassified from prepaid lease payments	(a)	1,177,787
		<u>1,178,616</u>
By class:		
Leasehold lands		1,177,787
Leased properties		829
		<u>1,178,616</u>

- (a) Upfront payments for leasehold lands in the PRC were classified as prepaid lease payments as at 31 December 2018. Upon application of HKFRS 16, the current and non-current portion of prepaid lease payments amounting to approximately RMB27,271,000 and RMB1,150,516,000 respectively were reclassified to right-of-use assets.

Effective from 1 January 2019, leasehold lands which were classified as properties under development are measured under HKFRS 16 at cost less any accumulated depreciation and any impairment losses.

##### *As a lessor*

In accordance with the transitional provisions in HKFRS 16, the Group is not required to make any adjustment on transition for leases in which the Group is a lessor but account for these leases in accordance with HKFRS 16 from the date of initial application and comparative information has not been restated.

- (a) Upon application of HKFRS 16, new lease contracts entered into but commence after the date of initial application relating to the same underlying assets under existing lease contracts are accounted as if the existing leases are modified as at 1 January 2019. The application has had no impact on the Group’s consolidated statement of financial position at 1 January 2019. However, effective 1 January 2019, lease payments relating to the revised lease term after modification are recognised as income on straight-line basis over the extended lease term.
- (b) Before application of HKFRS 16, refundable rental deposits received were considered as rights and obligations under leases to which HKAS 17 applied. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right-of-use assets and were adjusted to reflect the discounting effect at transition. The adjustment has had no material financial impact on the consolidated financial statements for the current year.
- (c) Effective on 1 January 2019, the Group has applied HKFRS 15 “Revenue from Contracts with Customers” (“HKFRS 15”) to allocate consideration in the contract to each lease and non-lease components. The change in allocation basis has had no material impact on the consolidated financial statements of the Group for the current year.

#### 4. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – Continued

##### HKFRS 16 “Leases” – Continued

##### As a lessor – Continued

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 January 2019. Line items that were not affected by the changes have not been included.

	Carrying amounts as at 31 December 2018 <i>RMB'000</i> (restated)	Adjustments <i>RMB'000</i>	Carrying amounts under HKFRS 16 at 1 January 2019 <i>RMB'000</i> (restated)
<b>Non-current assets</b>			
Right-of-use assets	–	1,178,616	1,178,616
Prepaid lease payments	1,150,516	(1,150,516)	–
<b>Current assets</b>			
Prepaid lease payments	27,271	(27,271)	–
<b>Current liabilities</b>			
Lease liabilities	–	344	344
<b>Non-current liabilities</b>			
Lease liabilities	–	485	485

##### New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts <sup>1</sup>
Amendments to HKFRS 3	Definition of a Business <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKAS 1 and HKAS 8	Definition of Material <sup>4</sup>
Amendments to HKFRS 9 HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2021.

<sup>2</sup> Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2020.

## 5. REVENUE FROM GOODS AND SERVICES

### Disaggregation of revenue

Segments	For the year ended 31 December 2019			
	Property development	Property investment	Hotel operation	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Types of goods or service</b>				
Sales of properties	1,787,352	–	–	1,787,352
Hotel operation income				
– Hotel accommodation	–	–	13,122	13,122
– Catering service and other hotel income	–	–	15,822	15,822
Property management and related fee income	–	9,590	–	9,590
Revenue from contracts with customers	1,787,352	9,590	28,944	1,825,886
Rental income	–	115,679	–	115,679
	<u>1,787,352</u>	<u>125,269</u>	<u>28,944</u>	<u>1,941,565</u>
<b>Geographical market</b>				
Mainland China	<u>1,787,352</u>	<u>125,269</u>	<u>28,944</u>	<u>1,941,565</u>
<b>Timing of revenue recognition</b>				
At a point in time	1,787,352	–	15,822	1,803,174
Over time	–	9,590	13,122	22,712
	<u>1,787,352</u>	<u>9,590</u>	<u>28,944</u>	<u>1,825,886</u>

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

Segments	For the year ended 31 December 2019			
	Property development	Property investment	Hotel operation	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Revenue disclosed in segment information</b>				
External customer	1,787,352	125,269	28,944	1,941,565
Inter-segment	–	–	–	–
	<u>1,787,352</u>	<u>125,269</u>	<u>28,944</u>	<u>1,941,565</u>
Less: rental income	–	(115,679)	–	(115,679)
Revenue from contracts with customers	<u>1,787,352</u>	<u>9,590</u>	<u>28,944</u>	<u>1,825,886</u>



## 5. REVENUE FROM GOODS AND SERVICES – Continued

### Disaggregation of revenue – Continued

Segments	For the nine months ended 31 December 2018 (Restated)			
	Property development <i>RMB'000</i>	Property investment <i>RMB'000</i>	Hotel operation <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Types of goods or service</b>				
Sales of properties	238,008	–	–	238,008
Hotel operation income				
– Hotel accommodation	–	–	9,650	9,650
– Catering service and other hotel income	–	–	9,461	9,461
Property management and related fee income	–	8,586	–	8,586
Revenue from contracts with customers	238,008	8,586	19,111	265,705
Rental income	–	99,343	–	99,343
	<u>238,008</u>	<u>107,929</u>	<u>19,111</u>	<u>365,048</u>
<b>Geographical market</b>				
Mainland China	<u>238,008</u>	<u>107,929</u>	<u>19,111</u>	<u>365,048</u>
<b>Timing of revenue recognition</b>				
At a point in time	238,008	–	9,461	247,469
Over time	–	8,586	9,650	18,236
	<u>238,008</u>	<u>8,586</u>	<u>19,111</u>	<u>265,705</u>

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

Segments	For the nine months ended 31 December 2018 (Restated)			
	Property development <i>RMB'000</i>	Property investment <i>RMB'000</i>	Hotel operation <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Revenue disclosed in segment information</b>				
External customer	238,008	107,929	19,111	365,048
Inter-segment	–	–	–	–
	<u>238,008</u>	<u>107,929</u>	<u>19,111</u>	<u>365,048</u>
Less: rental income	–	(99,343)	–	(99,343)
Revenue from contracts with customers	<u>238,008</u>	<u>8,586</u>	<u>19,111</u>	<u>265,705</u>

## 6. SEGMENT INFORMATION

Information regularly reported to the Group’s chief executive officer (the chief operating decision maker (“CODM”)) for the purposes of resource allocation and assessment of performance focuses on the type of goods and services delivered or provided. During the year, the Group commenced the business in hotel operation along with the acquisition of All Excel Group (as detailed in note 2) and it is considered as a new operating and reportable segment by the CODM. Prior period segment information has been represented to conform with the current year’s presentation. Upon entering into the lease contracts dated 31 December 2019, the Group ceased the business of hotel operation as the relevant hotel properties would be leased out and operated by independent third parties. As at 31 December 2019, the hotel segment assets and liabilities have been aggregated in property investment segment accordingly. The Group’s reportable and operating segments under HKFRS 8 “Operating Segments” are as follows:

Property development – development and sale of properties

Property investment – lease of investment properties and provision of property management service

Hotel operation – provision of hotel accommodation and catering service.

The following is an analysis of the Group’s revenue and results by reportable and operating segments:

### For the year ended 31 December 2019

Segments	Property development <i>RMB'000</i>	Property investment <i>RMB'000</i>	Hotel operation <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Segment revenue</b>				
External sales	1,787,352	125,269	28,944	1,941,565
Inter-segment sales	–	–	–	–
	<u>1,787,352</u>	<u>125,269</u>	<u>28,944</u>	<u>1,941,565</u>
<b>Segment profit (loss)</b>	<u>415,165</u>	<u>449,677</u>	<u>(5,833)</u>	859,009
Other income				9,692
Other gains and losses				(25,890)
Change in fair value on financial assets at FVTPL				(30,364)
Change in fair value of derivative component of convertible bond				(9,334)
Unallocated corporate expenses				(17,177)
Finance costs				<u>(63,277)</u>
Profit before tax				<u>722,659</u>

## 6. SEGMENT INFORMATION – Continued

For the nine months ended 31 December 2018 (Restated)

Segments	Property development <i>RMB'000</i>	Property investment <i>RMB'000</i>	Hotel operation <i>RMB'000</i>	Total <i>RMB'000</i>
<b>Segment revenue</b>				
External sales	238,008	107,929	19,111	365,048
Inter-segment sales	–	–	–	–
	<u>238,008</u>	<u>107,929</u>	<u>19,111</u>	<u>365,048</u>
Segment (loss) profit	<u>(106,101)</u>	<u>123,068</u>	<u>1,043</u>	18,010
Other income				18,063
Other gains and losses				(45,491)
Change in fair value on financial assets at FVTPL				(49,157)
Unallocated corporate expenses				(20,721)
Finance costs				<u>(809)</u>
Loss before tax				<u>(80,105)</u>

The accounting policies of the reportable and operating segments are the same as the Group's accounting policies. Segment results represent the profit generated or loss incurred by each segment without allocation of change in fair value on financial assets at FVTPL, part of other gains and losses, change in fair value of derivative component of convertible bond, part of other income, corporate expenses and part of finance costs. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

### Segment assets

	At 31 December 2019 <i>RMB'000</i>	At 31 December 2018 <i>RMB'000</i> (Restated)
Property development	12,317,840	12,965,267
Property investment	7,569,139	4,743,446
Hotel operation	–	104,784
Total segment assets	<u>19,886,979</u>	17,813,497
Unallocated assets:		
Financial asset at FVTPL	24,889	60,611
Loan receivables	–	127,790
Bank balances and cash	342,474	6,093
Unallocated corporate assets	<u>20,470</u>	<u>64,889</u>
Consolidated assets	<u>20,274,812</u>	<u>18,072,880</u>

## 6. SEGMENT INFORMATION – Continued

### Segment liabilities

	<b>At 31 December 2019 RMB'000</b>	At 31 December 2018 RMB'000 (Restated)
Property development	<b>12,533,919</b>	10,790,040
Property investment	<b>2,266,362</b>	1,460,446
Hotel operation	–	26,922
	<hr/>	<hr/>
Total segment liabilities	<b>14,800,281</b>	12,277,408
Unallocated liabilities:		
Bonds payable	–	9,404
Debt component of convertible bond	<b>322,972</b>	–
Derivative component of convertible bond	<b>293,981</b>	–
Promissory note	<b>446,249</b>	–
Provisional consideration payable	–	50,382
Amount due to a related company	<b>222,292</b>	854,776
Unallocated corporate liabilities	<b>189,505</b>	819,916
	<hr/>	<hr/>
Consolidated liabilities	<b>16,275,280</b>	14,011,886
	<hr/> <hr/>	<hr/> <hr/>

For the purposes monitoring segment performances and allocating resources among segments:

- all assets are allocated to reportable and operating segments other than financial assets at FVTPL, loan receivables, certain bank balances and cash and unallocated corporate assets not attributable to respective segment.
- all liabilities are allocated to reportable and operating segments other than bonds payable, debt component of convertible bond, derivative component of convertible bond, promissory note, provisional consideration payable, amount due to a related company and unallocated corporate liabilities not attributable to respective segment.

## 6. SEGMENT INFORMATION – Continued

### Geographical information

The following tables set out information about the Group's revenue from external customers by cities in the PRC, based on the location at which the properties are sold, properties are invested and services are provided. Information about its non-current assets is analysed by geographical location of assets.

#### Revenue from external customers:

	<b>Year ended 31 December 2019 RMB'000</b>	Nine months ended 31 December 2018 RMB'000 (Restated)
Baoji	1,228,072	158,005
Xi'an	580,516	20,771
Fuzhou	125,406	160,017
Jilin	7,333	26,255
Shanghai	238	–
	<u>1,941,565</u>	<u>365,048</u>

#### Non-current assets:

	<b>Year ended 31 December 2019 RMB'000</b>	Nine months ended 31 December 2018 RMB'000 (Restated)
Fuzhou	4,555,940	3,749,205
Shanghai	2,653,649	1,324,171
Baoji	1,528,418	1,231,544
Xi'an	30,043	283,902
Nanping	7,063	5,424
Jilin	4,360	73
Hong Kong	2,375	349
Others	3,067	1,041
	<u>8,784,915</u>	<u>6,595,709</u>

*Note:* Non-current assets excluded loan receivables and deferred tax assets.

#### Information about major customers

There is no individual customer who contributed over 10% of the total revenue of the Group during the year ended 31 December 2019 and nine months ended 31 December 2018.

## 7. OTHER INCOME

	<b>Year ended 31 December 2019 RMB'000</b>	Nine months ended 31 December 2018 RMB'000 (Restated)
Bank interest income	3,046	3,494
Interest income from loan receivables	8,657	17,376
Dividend income from financial assets at FVTPL	436	546
Others	2,570	2,428
	<u>14,709</u>	<u>23,844</u>

## 8. OTHER GAINS AND LOSSES

	<b>Year ended 31 December 2019 RMB'000</b>	Nine months ended 31 December 2018 RMB'000 (Restated)
Gain (loss) on disposal of property, plant and equipment	41	(2)
Loss on disposal of an investment property	(235)	–
Gain on disposal of an associate	151,380	–
Gain on disposal of financial assets at FVTPL	239	–
Exchange loss, net	(23,267)	(22,464)
Others	(2,668)	(23,025)
	<u>125,490</u>	<u>(45,491)</u>

## 9. FINANCE COSTS

	Year ended 31 December 2019 <i>RMB'000</i>	Nine months ended 31 December 2018 <i>RMB'000</i> (Restated)
Interests on bank and other borrowings	404,246	287,884
Interests on bonds payable	638	809
Effective interests on convertible bond	25,938	–
Effective interests on promissory note	36,583	–
Interests on contract liabilities	387,698	167,037
Interests on lease liabilities	179	–
	<hr/>	<hr/>
Total borrowing costs	855,282	455,730
Less: amounts capitalised to inventories of properties	(633,938)	(359,570)
amounts capitalised to properties under development	(60,707)	(44,824)
amounts capitalised to investment properties under construction	(21,249)	(14,081)
	<hr/>	<hr/>
	<b>139,388</b>	<b>37,255</b>
	<hr/> <hr/>	<hr/> <hr/>

Borrowing costs capitalised during the year/period arose on the bank and other borrowings pool and are calculated by applying a capitalisation rate of 8.52% (Nine months ended 31 December 2018: 7.44% (restated)) per annum to expenditure on qualifying assets.

## 10. PROFIT (LOSS) BEFORE TAX

	Year ended 31 December 2019 <i>RMB'000</i>	Nine months ended 31 December 2018 <i>RMB'000</i> (Restated)
Profit (loss) before tax has been arrived at after charging (crediting):		
Directors' emoluments	4,229	4,787
Other staff costs		
Staff salaries and allowances	82,708	50,315
Retirement benefit contributions	5,051	2,681
Share-based payments	1,909	5,250
	<hr/>	<hr/>
Total other staff costs	89,667	58,246
Less: amounts capitalised to inventories of properties	(13,728)	(7,867)
amounts capitalised to properties under development	(1,909)	(1,661)
amounts capitalised to investment properties under construction	(1,756)	(1,697)
	<hr/>	<hr/>
	72,274	47,021
	<hr/>	<hr/>
Cost of inventories recognised as an expense	1,284,722	198,419
Depreciation of property, plant and equipment	13,910	9,247
Depreciation of right-of-use assets	29,338	–
Release of prepaid lease payments	–	20,453
(Gain) loss on disposal of property, plant and equipment	(41)	2
Loss on disposal of an investment property	235	–
Write-down of inventories		
of properties (included in cost of sales and services)	–	605
Reversal on impairment loss on other receivables	–	(320)
Gross rental income from investment properties	(115,679)	(99,343)
Less: direct operating expenses from investment properties that generated rental income during the year/period	12,594	5,670
	<hr/>	<hr/>
	<b>(103,085)</b>	<b>(93,673)</b>
	<hr/> <hr/>	<hr/> <hr/>



## 11. INCOME TAX EXPENSE

	<b>Year ended 31 December 2019 RMB'000</b>	Nine months ended 31 December 2018 RMB'000 (Restated)
Current tax:		
Enterprise Income Tax ("EIT") in the PRC	<b>93,787</b>	19,349
Land appreciation tax ("LAT")	<b>48,050</b>	12,932
	<b>141,837</b>	32,281
Under (over) provision in prior years:		
EIT in the PRC	<b>4,481</b>	(7,548)
	<b>4,481</b>	(7,548)
Deferred tax:	<b>109,159</b>	19,269
	<b>255,477</b>	44,002

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the year/period. No provision for Hong Kong Profits Tax has been made as the income of the Group neither arises in, nor is derived from, Hong Kong for the year ended 31 December 2019 and nine months ended 31 December 2018.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for the year/period.

The provision of LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulation. LAT has been provided at ranges of progressive rate of the appreciation value, with certain allowable exemptions and deductions.

## 12. DIVIDENDS

No dividend was paid or proposed to ordinary shareholders of the Company during the year ended 31 December 2019, nor has any dividend been proposed since the end of the reporting period (Nine months ended 31 December 2018: Nil).

### 13. EARNINGS (LOSS) PER SHARE

The calculation of the basic and diluted earnings (loss) per share attributable to the owners of the Company is based on the following data:

Earnings (loss) figures are calculated as follows:

	<b>Year ended 31 December 2019 RMB'000</b>	Nine months ended 31 December 2018 RMB'000 (Restated)
Profit (loss) for the year/period attributable to owners of the Company	<b>482,165</b>	(114,580)
Effect of dilutive potential ordinary shares on convertible bond	<b>60,789</b>	–
Earnings (loss) for the purpose of diluted earnings (loss) per share	<b><u>542,954</u></b>	<b><u>(114,580)</u></b>

#### Number of shares

	<b>Year ended 31 December 2019 '000</b>	Nine months ended 31 December 2018 '000 (Restated)
Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share	<b>4,970,348</b>	4,458,901
Effect of dilutive potential ordinary shares:		
Convertible bond	<b>1,113,845</b>	–
Share options	<b>26,002</b>	–
Weighted average number of ordinary shares for the purpose of diluted earnings (loss) per share	<b><u>6,110,195</u></b>	<b><u>4,458,901</u></b>

#### Share options

For the nine months ended 31 December 2018, the computation of diluted loss per share does not assume the exercise of the share options because the assumed exercise will result in decrease in loss per share.

#### 14. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

	At 31 December 2019 <i>RMB'000</i>	At 31 December 2018 <i>RMB'000</i> (Restated)
Trade receivables		
– goods and services	15,511	8,766
– rental income	14,849	9,725
Other receivables	211,745	1,114,177
Security deposit paid to financial institution for borrowing	–	122,500
Prepayment to constructors and suppliers	301,518	165,196
Deposits paid for acquisition of land use rights for property development for sale	99,000	36,933
Other refundable deposits	93,729	57,731
Other tax prepayments	303,697	244,028
Less: Allowance for impairment loss	(73)	(73)
	<u>1,039,976</u>	<u>1,758,983</u>

The following is an aged analysis of the Group's trade receivables, determined based on the date that the sales of properties and invoice date of rental income were recognised:

	At 31 December 2019 <i>RMB'000</i>	At 31 December 2018 <i>RMB'000</i> (Restated)
0 – 30 days	4,174	4,685
31 – 90 days	4,999	1,208
Over 90 days	21,187	12,598
	<u>30,360</u>	<u>18,491</u>

## 15. FINANCIAL ASSETS AT FVTPL

<b>At 31 December 2019 RMB'000</b>	At 31 December 2018 RMB'000 (Restated)
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Financial assets mandatorily measured at FVTPL:

Listed securities held for trading:

– Equities securities listed in Hong Kong

<b>24,889</b>	60,611
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## 16. TRADE AND OTHER PAYABLES AND ACCRUALS

<b>At 31 December 2019 RMB'000</b>	At 31 December 2018 RMB'000 (Restated)
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Trade payables ( <i>Note</i> )	<b>864,704</b>	591,958
Other payables and accruals	<b>402,591</b>	1,043,096
Provisional consideration payable	–	50,382
Deposits received from tenants	<b>25,484</b>	20,144
Other tax payables	<b>22,717</b>	33,500
Accrued construction cost	<b>988,184</b>	343,465
	<b>2,303,680</b>	2,082,545

*Note:* The following is an aging analysis of trade payables determined based on the invoice date:

<b>At 31 December 2019 RMB'000</b>	At 31 December 2018 RMB'000 (Restated)
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0 – 30 days	<b>85,420</b>	202,871
31 – 90 days	<b>66,572</b>	9,121
91 – 365 days	<b>319,961</b>	223,990
Over 1 year	<b>392,751</b>	155,976
	<b>864,704</b>	591,958

## 17. BANK AND OTHER BORROWINGS

	At 31 December 2019 RMB'000	At 31 December 2018 RMB'000 (Restated)
Secured bank borrowings	3,729,928	1,402,897
Secured other borrowings	500,000	2,664,600
	<u>4,229,928</u>	<u>4,067,497</u>

The carrying amounts of the above borrowings are repayable based on scheduled repayment dates set out in the loan agreements as follows:

	At 31 December 2019 RMB'000	At 31 December 2018 RMB'000 (Restated)
Within one year	619,493	2,675,715
More than one year, but not exceeding two years	813,400	727,837
More than two years, but not exceeding five years	1,938,035	473,525
More than five years	859,000	190,420
	<u>4,229,928</u>	4,067,497
Less: Amounts due within one year shown under current liabilities	<u>(619,493)</u>	<u>(2,675,715)</u>
Amounts shown under non-current liabilities	<u>3,610,435</u>	<u>1,391,782</u>

## 18. SHARE CAPITAL

	Number of shares		Share capital	
	At 31 December 2019 '000	At 31 December 2018 '000	At 31 December 2019 RMB'000	At 31 December 2018 RMB'000
<b>Authorised</b>				
Ordinary shares of HK\$0.01 each	200,000,000	200,000,000	1,979,280	1,979,280
Convertible preference shares	602,000	602,000	4,902	4,902
<b>Issued and fully paid</b>				
At the beginning of the year/period	4,458,901	4,458,901	37,468	37,468
Acquisition of entities under common control	485,437	–	4,158	–
Acquisition of additional interests in a subsidiary from non-controlling interests	135,870	–	1,195	–
Exercise of share options	7,000	–	60	–
At the end of the year/period	<u>5,087,208</u>	<u>4,458,901</u>	<u>42,881</u>	<u>37,468</u>

Please refer to pages 30 to 49 of the 2019 Preliminary Results Announcement for the section “MANAGEMENT DISCUSSION AND ANALYSIS”, which includes the information in relation to “OPERATING RESULTS AND FINANCIAL REVIEW”, “CAPITAL STRUCTURE”, etc.

## **UPDATE OF ANNUAL RESULTS**

The difference of the figures between the 2019 Preliminary Results Announcement and this announcement are mainly certain reclassification adjustments of certain items in the consolidated statement of financial position restated on 1 April 2018 and the note of profit or loss before tax and income tax expense. The figures were updated accordingly.

## **SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2019 as set out in this further announcement have been agreed by the Auditor, to the amounts set out in the Group’s audited consolidated financial statements for the year as approved by the Board of the Directors on 17 April 2020. The work performed by the Auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Auditor on this further announcement.

## **PUBLICATION OF ANNUAL REPORT**

As the auditing process for the 2019 Annual Results has been completed, the Company expects to publish its annual report for the year ended 31 December 2019 on or before 15 May 2020.

## **AUDIT COMMITTEE**

The Company has established an audit committee (the “Audit Committee”) for the purposes of reviewing and providing supervision over the Group’s financial reporting process and internal controls. It also reviews the effectiveness of the audit process and risk evaluation. The Audit Committee which comprised Mr. Chan Yee Ping, Michael, Ms. Ma Shujuan and Mr. Zheng Yurui, being all the independent non-executive Directors, has reviewed the accompanying financial statements prior to their publication.

The Audit Committee has reviewed the Group's audited consolidated financial statements for the year ended 31 December 2019, including the accounting principles and practices adopted by the Group, and recommended them to the Board for approval.

## **APPRECIATION**

On behalf of the Board, I would like to thank our valued customers, suppliers and business associates for their invaluable contributions and support. I also want to express my gratitude to our management team and all staff of the Group for their hard work during the year. Last but not least, I am most grateful to our shareholders for their continuous support and confidence.

By order of the Board  
**China Sandi Holdings Limited**  
**Guo Jiadi**  
*Chairman*

Hong Kong, 17 April 2020

*As at the date of this announcement, the Board comprises Mr. Guo Jiadi, Ms. Amika Lan E Guo and Mr. Wang Chao, being the executive Directors; Mr. Chan Yee Ping, Michael, Ms. Ma Shujuan and Mr. Zheng Yurui, being the independent non-executive Directors.*