



萬城
MILLION CITIES

萬城控股有限公司 Million Cities Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock code 股份代號: 2892

2020

INTERIM REPORT

中期報告





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Corporate Information

公司資料

BOARD OF DIRECTORS

Non-executive Director

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

Executive Directors

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

Mr. Cheng Kwan Kuen (*General Manager, appointed with effect from 30 March 2020*)

Mr. Wong Ka Lun (*Chief Operating Officer (resigned with effect from 18 May 2020)*)

Ms. Lau Pui Kwan, *HKICPA, ACS, ACIS (resigned with effect from 25 August 2020)*

Independent non-executive Directors

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

Mr. Li Yinquan

Dr. Wu Wing Kuen, *BBS*

BOARD COMMITTEES

Audit Committee

Mr. Li Yinquan (*Chairman*)

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

Dr. Wu Wing Kuen, *BBS*

Remuneration Committee

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

Mr. Wong Ting Chung, *BBS, JP*

Mr. Li Yinquan

Nomination Committee

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

Mr. Wong Ting Chung, *BBS, JP*

Dr. Wu Wing Kuen, *BBS*

Executive Committee

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

Mr. Cheng Kwan Kuen (*General Manager, appointed with effect from 30 March 2020*)

Mr. Wong Ka Lun (*resigned with effect from 18 May 2020*)

Ms. Lau Pui Kwan, *HKICPA, ACS, ACIS (resigned with effect from 25 August 2020)*

COMPANY SECRETARY

Ms. Lau Pui Kwan, *HKICPA, ACS, ACIS (resigned with effect from 25 August 2020)*

Mr. Li Wa Tat Benedict *ACCA, HKICPA, ACS, ACIS (appointed with effect from 25 August 2020)*

AUTHORISED REPRESENTATIVES

Mr. Lau Ka Keung, *MH, JP*

Ms. Lau Pui Kwan, *HKICPA, ACS, ACIS (resigned with effect from 25 August 2020)*

Mr. Li Wa Tat Benedict *ACCA, HKICPA, ACS, ACIS (appointed with effect from 25 August 2020)*

董事會

非執行董事

王庭聰先生 · *BBS, JP (主席)*

執行董事

樓家強先生 · *MH, JP (行政總裁)*

鄭君權先生 (總經理 ·

於2020年3月30日獲委任)

黃家倫先生 (首席營運總監)

(於2020年5月18日辭任)

劉佩君女士 · *HKICPA, ACS, ACIS*

(於2020年8月25日辭任)

獨立非執行董事

葉澍堃先生 · *GBS, JP*

李引泉先生

胡永權博士 · *BBS*

董事委員會

審核委員會

李引泉先生 (主席)

葉澍堃先生 · *GBS, JP*

胡永權博士 · *BBS*

薪酬委員會

胡永權博士 · *BBS (主席)*

王庭聰先生 · *BBS, JP*

李引泉先生

提名委員會

葉澍堃先生 · *GBS, JP (主席)*

王庭聰先生 · *BBS, JP*

胡永權博士 · *BBS*

執行委員會

樓家強先生 · *MH, JP (主席)*

鄭君權先生 (總經理 ·

於2020年3月30日獲委任)

黃家倫先生 (於2020年5月18日辭任)

劉佩君女士 · *HKICPA, ACS, ACIS*

(於2020年8月25日辭任)

公司秘書

劉佩君女士 · *HKICPA, ACS, ACIS (於2020年8月25日辭任)*

李華達先生 · *ACCA, HKICPA, ACS, ACIS (於2020年8月25日獲委任)*

授權代表

樓家強先生 · *MH, JP*

劉佩君女士 · *HKICPA, ACS, ACIS (於2020年8月25日辭任)*

李華達先生 · *ACCA, HKICPA, ACS, ACIS (於2020年8月25日獲委任)*

REGISTERED OFFICE IN THE CAYMAN ISLANDS

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

HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
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HONG KONG SHARE REGISTRAR

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

AUDITOR

KPMG
Public Interest Entity Auditor registered in accordance with
the Financial Reporting Council Ordinance
8/F, Prince's Building
10 Chater Road
Central, Hong Kong

LEGAL ADVISER

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

PRINCIPAL BANKERS

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

STOCK CODE

2892

WEBSITE OF THE COMPANY

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

開曼群島註冊辦事處

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

香港總部及主要營業地點

香港
新界大埔汀角路57號
太平工業中心第一座21樓D室

開曼群島主要股份過戶登記處

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
PO Box 2681, Grand Cayman
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香港證券登記處

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

核數師

畢馬威會計師事務所
於《財務匯報局條例》下的註冊公眾利益實體
核數師
香港中環
遮打道10號
太子大廈8樓

法律顧問

趙不渝 馬國強律師事務所
香港
康樂廣場1號
怡和大廈40樓

主要往來銀行

恒生銀行有限公司
東亞銀行有限公司
中國建設銀行(亞洲)股份有限公司

股份代號

2892

本公司網站

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

Chairman's Statement

主席報告

On behalf of the Board, I hereby present the interim report of the Group for the six months ended 30 June 2020.

MARKET REVIEW

Believe most of us will consider 2020 as an unprecedented tough and difficult year because of the outbreak of the COVID-19 pandemic. Fortunately the situation in mainland China is being stabilised attributable to the decisive efforts of the government in preventing and controlling the outbreak of virus, resulting that the GDP resumed to a growth rate at approximately 3.2% in the second quarter from a contraction in the first quarter of this year. However, the outbreak of COVID-19 outside China is still intensifying which overcasts shadow of uncertainty on the global economy recovery. Furthermore, the tension between China and United States is escalating from trade to political discrepancies, adding further pressure to the already challenging market environment.

The impact of the pandemic affects all sectors tangibly but relatively more psychologically on the real estate industry. In the first six months of this year, total area of property sold in China has dropped by approximately 8.4% with value of property being sold reduced by approximately 5.4%, as compared with the same period of last year, according to the data released by the National Bureau of Statistics of China. Nevertheless, the Central Government reiterated its persistence to maintain no change in its real estate policy on “houses for living is not for speculation” and the implementation of “city-specific policies” ensuring stable price expectations for promoting stable and healthy development of the property sector.

BUSINESS REVIEW

The social and market difficulties have not hindered the Group's dedicated efforts in fostering its core business in property development, particularly in the residential market which is backed up by solid customer demand. Furthermore, the Group continues to leverage its established strength in the property development projects in alignment with the Central Government's policy in the development of the Greater Bay Area.

本人謹代表董事會呈報本集團截至2020年6月30日止六個月的中期報告。

市場回顧

2020年，COVID-19大流行爆發，相信很多人都會認為這一年面對前所未見的挑戰與困難。幸好中國政府實施果斷防控病毒擴散的措施，中國內地的情況漸趨穩定，GDP在本年度第一季經歷收縮後，第二季已恢復增長率約3.2%。然而，中國境外的COVID-19疫情爆發仍在加劇，導致全球經濟步伐充滿不確定性。此外，中國與美國的緊張局勢亦由貿易層面提升至政治分歧，使早已面對重重挑戰的市場環境雪上加霜。

疫症大流行對各行各業均有實質影響，惟對於房地產業的影響更傾向心理層面。根據國家統計局公佈的數據，本年度首六個月與去年同期相比，在中國已售物業總面積下跌約8.4%，已售物業價值減少約5.4%。儘管如此，中央政府重申房地產業會堅持「房住不炒」、「因城施策」，有效引導價格期望，推動物業市場穩定健康發展。

業務回顧

縱使面對社會及市場困難，本集團仍致力加強物業開發的核心業務，特別是有強大客戶需求支持的住宅市場。此外，本集團亦繼續在物業開發項目發揮既有優勢，配合中央政府發展大灣區的政策。

Since the outbreak of the COVID-19, the Group has been implementing effective measures to protect the health and safety of its customers and employees so as to resume and maintain its operation in order to minimise the impact of COVID-19 on project schedules as much as possible. Million Cities Legend Phase 2 was able to complete for delivery during this first half year, contributing greatly to boost the Group's financial results. Hence, the Group's revenue increased to approximately RMB661.6 million with profit for the period of approximately RMB135.7 million, as compared with the revenue of approximately RMB59.4 million and a loss for the period of approximately RMB14.0 million in the same period of last year. Besides, the Group has achieved an aggregated contracted sales value of about RMB560.3 million with a total GFA of approximately 81,000 sq.m. in Huizhou, Tianjin and Henan province during the six months ended 30 June 2020.

BUSINESS OUTLOOK

The outbreak of COVID-19 is believed to be gradually contained in China under the effective control measures of the government. However, it is still uncertain whether there would be a bounce-back followed with a market recovery. Nevertheless, the Group should be on the right track by focusing on the residential property market with rigid housing demand and in the regions with promising government policy support. Hence, the Group will continue to adopt growth strategies in the Greater Bay Area as well as in other provinces with development potential.

It is believed that China's economy is able to demonstrate great resilience and maintain a relatively stable growth with focus shifting to strengthening internal consumption cycle. In order to capture the future opportunities and to create higher value for the shareholders, the Group will adhere to its strategy in acquiring quality land bank at favourable price; controlling strictly the project schedule in converting land reserves into saleable products as well as providing high-quality property products to meet the increasing expectation of real estate customers.

Wong Ting Chung

Chairman

24 August 2020

面對COVID-19疫情爆發，本集團一直實施有效措施保護客戶與僱員的健康及安全，以恢復並維持營運，盡可能將COVID-19疫情對項目進度的影響減至最低。萬城名座二期於上半年完工並開始交付，大大提升本集團的財務業績。因此，本集團的收入增至約人民幣661.6百萬元，期間溢利約為人民幣135.7百萬元，而去年同期的收入及期間虧損分別為約人民幣59.4百萬元及約人民幣14.0百萬元。此外，截至2020年6月30日止六個月，本集團在惠州、天津及河南省已錄得合同銷售總值約人民幣560.3百萬元，已預售的總建築面積約81,000平方米。

未來前景

相信在政府有效的控制措施下，中國的COVID-19疫情將逐漸受控。然而市場復甦後會否出現反彈仍屬未知之數。無論如何，本集團一直專注於有剛性房屋需求的住宅物業市場以及投放在獲得政府政策支持的地區，發展方向正確。未來，本集團的增長策略將繼續專注發展大灣區以及其他有發展潛力的省份。

相信中國的經濟可展示強大而靈活的應變能力，透過加強發展內需系統，藉以維持穩定的增長。為把握未來商機，並為股東創造更大價值，本集團將堅守策略，以有利價格收購優質土地儲備，嚴格控制將土地儲備轉化為可售資產的進度，並提供優質物業產品，以滿足房地產客戶愈來愈高的期望。

王庭聰

主席

2020年8月24日

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW

財務回顧

		Six months ended 30/06/2020 截至2020年 6月30日 止六個月 RMB'000 人民幣千元	Six months ended 30/06/2019 截至2019年 6月30日 止六個月 RMB'000 人民幣千元	Increase/(Decrease) 增加/(減少) RMB'000 人民幣千元		%
Revenue	收入	661,597	59,416	602,181	1,013.5	
Cost of sales	銷售成本	(371,994)	(33,045)	338,949	1,025.7	
Gross profit	毛利	289,603	26,371	263,232	998.2	
Valuation gains on investment properties	投資物業估值收益	—	580	-580	-100.0	
Other net income	其他收入淨額	4,271	7,759	-3,488	-45.0	
Selling expenses	銷售開支	(4,658)	(2,046)	2,612	127.7	
Administrative expenses	行政開支	(27,088)	(29,651)	-2,563	-8.6	
Other expenses	其他開支	(1,559)	(1,770)	-211	-11.9	
Profit from operations	經營溢利	260,569	1,243	259,326	20,862.9	
Finance costs	融資成本	(4,530)	(5,775)	-1,245	-21.6	
Share of profits less losses of associates	應佔聯營公司溢利減虧損	(45)	(38)	7	18.4	
Share of profits less losses of joint ventures	應佔合營公司溢利減虧損	919	(1,844)	2,763	149.8	
Profit/(loss) before taxation	除稅前溢利/(虧損)	256,913	(6,414)	263,327	4,105.5	
Income tax	所得稅	(121,242)	(7,563)	113,679	1,503.1	
Profit/(loss) for the period	期內溢利/(虧損)	135,671	(13,977)	149,648	1,070.7	
Profit/(loss) for the period attributable to equity shareholders of the Company	本公司權益股東應佔期內溢利/(虧損)	69,000	(12,305)	81,305	660.7	
Basic and diluted earnings/(loss) per share (RMB cents)	每股基本及攤薄盈利/(虧損) (人民幣分)	9.20	(1.64)	10.84	661.0	

Revenue

The Group's revenue mainly represented income from sale of properties and gross rentals from properties earned during the six months ended 30 June 2020, net of sales related taxes and discounts allowed.

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

Property development

(i) Contracted sales

During the six months ended 30 June 2020, the Group continued to sell its remaining inventories of Dragon Palace Phase 1 (聚瓏灣一期), which was launched last year. In addition, the Group launched partial pre-sale of Dragon Terrace Phase 2 (玖龍台二期) and Legend Plaza Phase 2 (名座廣場二期) in the second quarter of 2020. Total contracted sales (based on GFA of sales consent), including sales of properties by an associate and a joint venture of the Group, amounted to approximately RMB560.3 million, representing a GFA of approximately 81,000 sq.m. sold during the six months ended 30 June 2020. The Group will continue to focus on the Greater Bay Area, with diversification to other areas in the PRC with potential growth.

(ii) Land bank

As at 30 June 2020, the total GFA of the Group's land bank was about 2,334,000 sq.m., out of which (i) about 166,000 sq.m. GFA was unsold or undelivered completed properties projects; (ii) about 1,045,000 sq.m. GFA was under construction; and (iii) about 1,123,000 sq.m. GFA was reserved for future development.

收入

本集團的收入主要指於截至2020年6月30日止六個月期間取得的物業銷售收入及物業租金總額，已扣除銷售相關稅項及所給予折扣。

銷售物業所得收入一向及預計會繼續佔本集團總收入的重大部分。

物業發展

(i) 合約銷售

截至2020年6月30日止六個月，本集團繼續銷售去年推出的聚瓏灣一期餘下存貨。此外，本集團於2020第二季推出玖龍台二期及名座廣場二期部分預售項目。截至2020年6月30日止六個月，合約銷售總額（按銷售認購書的建築面積計，包括本集團聯營公司及合營公司物業銷售額）約為人民幣560.3百萬元，已售建築面積約81,000平方米。本集團將繼續專注大灣區，同時在中國具有發展潛力的其他地區實現多元化發展。

(ii) 土地儲備

2020年6月30日，本集團土地儲備總建築面積約為2,334,000平方米，其中(i)已竣工物業項目的未售或未交付建築面積約為166,000平方米；(ii)在建的建築面積約為1,045,000平方米；及(iii)留作未來發展的建築面積約為1,123,000平方米。

(iii) **Revenue**

During the six months ended 30 June 2020, the Group recorded revenue from sale of properties amounted to approximately RMB660.4 million, representing an increase of approximately RMB602.2 million or 1,034.7% as compared to the same period for the six months ended 30 June 2019. The increase in revenue was mainly due to an increase in overall GFA recognised from approximately 5,800 sq.m. for the six months ended 30 June 2019 to approximately 53,000 sq.m. for the six months ended 30 June 2020. The delivery of Million Cities Legend Phase 2 commenced during the six months ended 30 June 2020.

Rental income

Gross rental income from investment properties and inventories has remained virtually the same at RMB1.2 million for the six months ended 30 June 2019 and 30 June 2020.

Cost of sales

Cost of sales increased from approximately RMB33.0 million for the six months ended 30 June 2019 to approximately RMB372.0 million for the six months ended 30 June 2020, representing an increase of approximately RMB339.0 million or 1,025.7%. The increase in cost of sales was mainly due to the increase in GFA recognised for the six months ended 30 June 2020.

Gross profit and gross profit margin

Gross profit increased from approximately RMB26.4 million for the six months ended 30 June 2019 to approximately RMB289.6 million for the same period in 2020, representing an increase of approximately RMB263.2 million or 998.2%. Gross profit margin decreased by approximately 0.6 percentage points from approximately 44.4% to approximately 43.8% comparing the two periods in 2019 and 2020. Increase in gross profit was in line with the increase in revenue. On the other hand, decrease in gross profit margin was a result of an increase of sales of car parks which is of lower gross profit margin.

(iii) **收入**

截至2020年6月30日止六個月，本集團銷售物業所得收入約人民幣660.4百萬元，較截至2019年6月30日止六個月同期上升約人民幣602.2百萬元或1,034.7%，主要是由於整體已確認建築面積由截至2019年6月30日止六個月約5,800平方米增至截至2020年6月30日止六個月約53,000平方米。萬城名座二期於截至2020年6月30日止六個月期間開始交付。

租金收入

投資物業及存貨的租金收入總額基本維持不變，截至2019年6月30日及2020年6月30日止六個月為人民幣1.2百萬元。

銷售成本

銷售成本由截至2019年6月30日止六個月的約人民幣33.0百萬元增加約人民幣339.0百萬元或1,025.7%至截至2020年6月30日止六個月的約人民幣372.0百萬元，主要是由於截至2020年6月30日止六個月所確認的建築面積增加。

毛利及毛利率

毛利由截至2019年6月30日止六個月的約人民幣26.4百萬元增加約人民幣263.2百萬元或998.2%至2020年同期的約人民幣289.6百萬元。毛利率由2019年期間的約44.4%減少約0.6個百分點至截至2020年期間的約43.8%。毛利增加與收入上升一致。另一方面，毛利率減少是由於毛利率較低的停車位銷售增加。

Other net income

Other net income for the six months ended 30 June 2020 mainly comprised interest income, which amounted to approximately RMB3.8 million. As a result of a lower bank balance from sales proceeds received during the year 2019 and the six months ended 30 June 2020, the Group recorded a decrease in interest income, which in turn resulted in a decrease in other net income by approximately RMB3.5 million or 45.0%.

Selling expenses

Selling expenses increased by approximately RMB2.7 million or 127.7% from approximately RMB2.0 million for the six months ended 30 June 2019 to approximately RMB4.7 million for the six months ended 30 June 2020. Since more revenue was recognised during the current period, more sales commission was recognised.

Administrative expenses

Administrative expenses decreased by approximately RMB2.6 million or 8.6%, which is caused by a decrease in entertainment and travelling activities during the period.

Finance costs

Finance costs decreased by approximately RMB1.3 million or 21.6% from approximately RMB5.8 million for the six months ended 30 June 2019 to approximately RMB4.5 million for the six months ended 30 June 2020, due to the decrease of bank loan balance during the six months ended 30 June 2020.

Income tax

For the six months ended 30 June 2020, as a result of more revenue recognised, both land appreciation tax and corporate income tax increased, leading to an increment of approximately 1,503.1% in income tax.

其他收入淨額

截至2020年6月30日止六個月的其他收入淨額主要包括約人民幣3.8百萬元的利息收入。由於2019年度及截至2020年6月30日止六個月所收取的銷售所得款項令致銀行結餘減少，本集團的利息收入減少，使其他收入淨額減少約人民幣3.5百萬元或45.0%。

銷售開支

銷售開支由截至2019年6月30日止六個月的約人民幣2.0百萬元增加約人民幣2.7百萬元或127.7%至截至2020年6月30日止六個月的約人民幣4.7百萬元。由於本期確認的收入增加，故確認銷售佣金亦增加。

行政開支

行政開支減少約人民幣2.6百萬元或8.6%乃由於期內應酬及差旅活動開支減少。

融資成本

融資成本由截至2019年6月30日止六個月的約人民幣5.8百萬元減少約人民幣1.3百萬元或21.6%至截至2020年6月30日止六個月的約人民幣4.5百萬元，此乃由於截至2020年6月30日止六個月期間銀行貸款餘額減少。

所得稅

截至2020年6月30日止六個月，所得稅增加約1,503.1%，乃由於確認的收入增加導致土地增值稅及企業所得稅增加。

OTHER FINANCIAL INFORMATION

Liquidity and financial resources

For the six months ended 30 June 2020, the Group's cash and cash equivalents were used for developing the Group's development projects, to service the Group's indebtedness and to fund the Group's working capital. The Group finances its funding requirements mainly through a combination of cash generated from operating activities and borrowings. The Group's gearing ratio, calculated at the interest bearing bank loans divided by equity, decreased from approximately 33.9% as at 31 December 2019 to approximately 24.1% as at 30 June 2020, due to repayment of a construction loan.

As at 30 June 2020, the Group had cash and cash equivalents amounting to approximately RMB436.9 million, which were denominated in HK\$ (18.8%) and RMB (81.2%). As at 30 June 2020, the Group had bank loans balance of approximately RMB254.9 million. The Group had a net cash position of approximately RMB182.0 million.

As at 30 June 2020, the Group's total borrowings were due for repayment as follows:

其他財務資料

流動資金及資金來源

截至2020年6月30日止六個月，本集團的現金及現金等價物用於發展本集團發展項目、償還債務及作為營運資金。本集團主要通過經營活動所得現金及借款應付資金需求。本集團的負債比率基於計息銀行貸款除以權益計算，由2019年12月31日的約33.9%下降至2020年6月30日的約24.1%，由於償還建設貸款所致。

於2020年6月30日，本集團的現金及現金等價物約人民幣436.9百萬元，以港元(18.8%)及人民幣(81.2%)計值。於2020年6月30日，本集團的銀行貸款餘額為約人民幣254.9百萬元。本集團的淨現金為約人民幣182.0百萬元。

於2020年6月30日，本集團的總借款的到期償還情況如下：

		At 30 June 2020 2020年 6月30日 RMB'000 人民幣千元	At 31 December 2019 2019年 12月31日 RMB'000 人民幣千元
Within one year	一年內	212,113	168,462
After one year but within two years	一年後但兩年內	42,750	123,377
After two years but within five years	兩年後但五年內	—	21,263
		254,863	313,102

Notes:

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

附註：

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

- (b) As at 30 June 2020, the Group's borrowings were denominated in RMB. The bank loans are interest-bearing at one-year Loan Prime Rate published by People's Bank of China ("LPR") plus 1.2% to 2.125% per annum. (31 December 2019: 110% and 130% of RMB Loan Benchmark Rate or at one-year LPR plus 1.2% per annum).
- (c) As at 30 June 2020, the Group's certain borrowings were secured by inventories with a total carrying amount of approximately RMB893.9 million (31 December 2019: RMB917.4 million).
- (b) 於2020年6月30日，本集團的借款以人民幣計值。銀行貸款按中國人民銀行公佈的一年期貸款市場報價利率（「貸款市場報價利率」）加年息1.2%至2.125%計算（2019年12月31日：人民幣貸款基準利率110%及130%或按一年期貸款市場報價利率加年息1.2%計算）。
- (c) 於2020年6月30日，本集團若干借款由總賬面值約人民幣893.9百萬元的存貨作抵押（2019年12月31日：人民幣917.4百萬元）。

Financial risk management objectives and policies

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

Foreign currency risk

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

Interest rate risk

The Group's interest rate risk arises primarily from borrowings and cash at bank. Borrowings and cash at bank issued at variable rates expose the Group to cash flow interest rate risk and borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group did not enter into any financial instruments to hedge against interest rate risk for the six months ended 30 June 2020 but the Board will continue to closely monitor the Group's loan portfolio in order to manage the Group's interest rate risk exposure.

金融風險管理目標及政策

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

外匯風險

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

利率風險

本集團的利率風險主要源於借款及銀行現金。按浮動利率授出的借款及銀行現金，使本集團承受現金流利率風險；按固定利率授出的借款，使本集團承受公平值利率風險。截至2020年6月30日止六個月，本集團並無使用金融工具對沖利率風險，惟董事會將繼續密切監察本集團的貸款組合以管理本集團的利率風險。

Credit risk

As of 30 June 2020, no trade debtors of the Group were past due. The Group normally receives full payment from buyers before the delivery of the property. For mortgage sales without full settlement, the Group would not deliver the property to the customers unless it obtains confirmation from the banks providing mortgage that the respective mortgages have been approved. In addition, the Group would not transfer titles of the properties to customers until full amount of sales proceeds are received. Accordingly, the Group is of the view that the expected irrecoverable trade debtors were immaterial. Thus, no bad debt provision for trade debtors was recognised during the six months ended 30 June 2020.

As at 30 June 2020, all the Group's bank balances and deposits were held with major financial institutions in Hong Kong and the PRC which the Directors believe are of high credit quality. The Directors do not expect any losses arising from the non-performance by these financial institutions.

Liquidity risk

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

Capital expenditures

The Group incurred capital expenditures of approximately RMB94.1 million for the six months ended 30 June 2020 (six months ended 30 June 2019: RMB1.8 million), which mainly related to the addition of furniture, equipment and interest in associates. These capital expenditures were fully financed by internal resources.

信貸風險

於2020年6月30日，本集團並無應收賬款逾期。本集團一般於移交物業前向買方收取全數款項。就尚未悉數結付的按揭銷售而言，除非收到來自提供按揭之銀行的確認書，確認有關按揭已獲批准，否則本集團將不會交付物業予客戶。此外，本集團僅於收到全數銷售所得款項後，方會將物業業權移交客戶。因此，本集團認為預計無法收回應收賬款的機會很低，而截至2020年6月30日止六個月並無就應收賬款確認壞賬撥備。

於2020年6月30日，本集團的所有銀行結餘及存款均存置於董事認為具有高信貸質素的香港及中國主要金融機構。董事預期不會因此等金融機構不履約而產生任何損失。

流動資金風險

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

資本開支

截至2020年6月30日止六個月，本集團資本開支約人民幣94.1百萬元（截至2019年6月30日止六個月：人民幣1.8百萬元），主要用於添置傢俱、設備及於聯營公司的權益，全數由內部資源撥付。

Capital commitments

The Group's capital commitments as at 30 June 2020 amounted to approximately RMB677.2 million (31 December 2019: RMB617.9 million) which were mainly related to development costs for the Group's properties under development and equity acquisition.

Charge on assets

As at 30 June 2020, the Group's inventories with a total carrying amount of approximately RMB893.9 million (31 December 2019: RMB917.4 million) were pledged to banks to secure certain banking facilities granted to the Group.

Contingent liabilities

During the six months ended 30 June 2020, the Group has issued guarantees to banks to secure the mortgage arrangements of certain property buyers. The outstanding guarantees to the banks, amounted to approximately RMB482.7 million as at 30 June 2020 (31 December 2019: RMB765.9 million), will be terminated upon completion of transferring the legal title of the properties to the property buyers. The Directors consider loss arising from these guarantees as a result of default payment by customers to be insignificant, as the banks have the rights to sell the properties and recover the outstanding loan balance from sale proceeds.

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

During the six months ended 30 June 2020, the Group provided guarantee to secure the loan borrowed by a joint venture of the Group. The total banking facility secured by this guarantee was approximately RMB1.45 billion (31 December 2019: RMB1.45 billion) and the outstanding loan balance was RMB779.8 million as at 30 June 2020 (31 December 2019: RMB779.9 million). The bank loan is also jointly guaranteed by another shareholder of the joint venture and secured by the inventories of the joint venture.

資本承擔

於2020年6月30日，本集團的資本承擔約為人民幣677.2百萬元(2019年12月31日：人民幣617.9百萬元)，主要與本集團在建物業的開發成本及股權收購有關。

資產抵押

於2020年6月30日，本集團總賬面值約人民幣893.9百萬元(2019年12月31日：人民幣917.4百萬元)的存貨已就本集團獲授的若干銀行融資而抵押予銀行。

或然負債

截至2020年6月30日止六個月，本集團就若干買家按揭貸款購置物業向銀行提供擔保。於2020年6月30日，未了結銀行擔保約為人民幣482.7百萬元(2019年12月31日：人民幣765.9百萬元)，有關擔保將於物業法定業權轉讓予買家後終止。董事認為，本集團不會因買家拖欠款項而蒙受重大損失，原因是銀行有權出售物業，以出售所得款項抵償未償還貸款結餘。

本集團尚未就該等擔保確認任何遞延收入，因為其公平值並不重大。

截至2020年6月30日止六個月，本集團就合營公司借貸提供擔保。於2020年6月30日，該擔保下的銀行融資總額約為人民幣14.5億元(2019年12月31日：人民幣14.5億元)，未償還貸款結餘為人民幣779.8百萬元(2019年12月31日：人民幣779.9百萬元)。銀行貸款亦由合營公司的另一股東共同擔保，以合營公司的存貨作抵押。

Deferred income of approximately RMB6.0 million was recognised in respect of this financial guarantee as at 30 June 2020 (31 December 2019: RMB8.9 million).

Operating segment information

The Group's revenue and results for the six months ended 30 June 2020 were mainly derived from property development. Performance assessment is based on the results of the Group as a whole. Therefore, management considers there is only one operating segment.

Events after balance sheet date

The Group had no significant events after balance sheet date.

HUMAN RESOURCES

Human resources and emolument policy

As at 30 June 2020, the Group had a total of 144 (31 December 2019: 163) full-time employees in the PRC and Hong Kong. For the six months ended 30 June 2020, the total staff costs, including the directors' emoluments, amounted to approximately RMB16.7 million (six months ended 30 June 2019: RMB19.7 million), of which approximately RMB2.8 million (six months ended 30 June 2019: RMB5.0 million) were capitalised into inventories.

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

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

於2020年6月30日，已就該財務擔保確認遞延收入約人民幣6.0百萬元(2019年12月31日：人民幣8.9百萬元)。

經營分部資料

本集團截至2020年6月30日止六個月的收入及業績主要來自物業開發。績效評估乃基於本集團整體業績。因此，管理層認為僅有一個經營分部。

結算日後事項

結算日後本集團並無重大事項。

人力資源

人力資源及薪酬政策

於2020年6月30日，本集團於中國及香港僱用合共144名全職僱員(2019年12月31日：163名)。截至2020年6月30日止六個月，員工成本總額(包括董事酬金)約為人民幣16.7百萬元(截至2019年6月30日止六個月：人民幣19.7百萬元)，其中約人民幣2.8百萬元已資本化為存貨(截至2019年6月30日止六個月：人民幣5.0百萬元)。

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

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

Remuneration policy

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

薪酬政策

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

Other Information

其他資料

INTERIM DIVIDEND

The Directors do not recommend any payment of interim dividend for the six months ended 30 June 2020 (six months ended 30 June 2019: Nil).

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

For the six months ended 30 June 2020, neither the Company nor any of its subsidiaries, has purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE CODE

As the Company believes that good corporate governance can create value for its shareholders, the Board is committed to maintain a high standard of corporate governance practices by placing strong emphasis on a quality Board, sound internal controls and effective accountability to the shareholders as a whole. The Company has adopted the code provisions in CG Code as set out in Appendix 14 to the Listing Rules as its own code of corporate governance. In the opinion of the Directors, the Company has complied with all the mandatory code provisions set out in the CG Code for the six months ended 30 June 2020.

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

All Directors have confirmed, following specific enquiries made by the Company, that they have fully complied with the required standards set out in the Model Code and the Company's code of conduct for the six months ended 30 June 2020.

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

中期股息

董事不建議就截至2020年6月30日止六個月派付任何中期股息(截至2019年6月30日止六個月：零)。

購買、出售或贖回本公司上市證券

截至2020年6月30日止六個月，本公司及其附屬公司概無購買、出售或贖回本公司任何上市證券。

企業管治守則

本公司相信良好的企業管治可為本公司股東創造價值，董事會通過著重董事會質素、良好內部監控及有效問責，致力為全體股東維持高標準的企業管治常規。本公司已採納上市規則附錄十四所載企業管治守則的守則條文，作為本身的企業管治守則。董事認為，本公司截至2020年6月30日止六個月一直遵守企業管治守則所載全部法定守則條文。

董事會將繼續加強企業管治常規，以確保遵守企業管治守則及配合最新之發展。

董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載標準守則，作為本公司董事進行證券交易的守則。

經本公司作出特定查詢後，全體董事確認，截至2020年6月30日止六個月，彼等完全遵守標準守則及本公司的行為守則所規定標準。

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

No incident of non-compliance with these guidelines by the relevant employees has been notified to the Company for the six months ended 30 June 2020.

AUDIT COMMITTEE

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

The principal duties of the audit committee include review and supervision of the Group's financial reporting process and internal control system. The audit committee has reviewed with the external auditor the interim financial report of the Group for the six months ended 30 June 2020.

截至2020年6月30日止六個月，本公司並無獲悉相關僱員未有遵守此等指引的情況。

審核委員會

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

審核委員會主要職責包括審閱及監督本集團財務申報過程及內部控制系統。審核委員會已與外部核數師共同審閱本集團截至2020年6月30日止六個月的中期財務報告。

CHANGE IN INFORMATION Change in Information of Directors

Changes in Directors' other major offices during the six months ended 30 June 2020 which are required to be disclosed under Rule 13.51B(1) of the Listing Rules are set out below.

資料變更 董事資料變更

根據上市規則第13.51B(1)條須披露之截至2020年6月30日止六個月董事其他主要職務變更載列如下：

	Appointment (Effective) 委任 (生效日期)	Cessation (Effective) 離任 (生效日期)
Mr. Cheng Kwan Kuen 鄭君權先生		
• The Company — executive Director	30 March 2020	
• 本公司 — 執行董事	2020年3月30日	
• The Company — a member of the Executive Committee	30 March 2020	
• 本公司 — 執行委員會委員	2020年3月30日	
Mr. Wong Ka Lun 黃家倫先生		
• The Company — executive Director		18 May 2020
• 本公司 — 執行董事		2020年5月18日
• The Company — a member of the Executive Committee		18 May 2020
• 本公司 — 執行委員會委員		2020年5月18日
Mr. Li Yinquan 李引泉先生		
• China Everbright Bank Company Limited — independent non-executive director, a member of the audit committee, nomination committee and remuneration committee and the chairman of the related party transactions control committee	11 June 2020	
• 中國光大銀行股份有限公司 — 獨立非執行董事、審核委員會、提名委員會及薪酬委員會成員兼關聯方交易控制委員會主席	2020年6月11日	

Note:

On 25 August 2020, Ms. Lau Pui Kwan resigned as an executive Director, a member of the Executive Committee, the company secretary and the authorised representative of the Company.

附註：

2020年8月25日，劉佩君女士辭任本公司執行董事、執行委員會委員、公司秘書及授權代表。

DISCLOSURE OF INTERESTS

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

The interests and/or short positions of Directors and chief executive of the Company, in the shares and underlying shares of the Company (within the meaning of Part XV of the SFO) as at 30 June 2020 as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the SFC under the Model Code, are set out below:

Long position in the ordinary shares of the Company

權益披露

董事及主要行政人員於股份、相關股份及債權證的權益及淡倉

於2020年6月30日，本公司董事及主要行政人員於本公司的股份及相關股份(定義見證券及期貨條例第XV部)中擁有須記錄於證券及期貨條例第352條規定存置的登記冊的權益及／或淡倉或根據標準守則須知會本公司及證監會的權益及／或淡倉如下：

本公司普通股的好倉

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

- | | | | |
|---------|---|------|--|
| Note 1: | Mr. Wong Ting Chung is the settlor, the protector and one of the beneficiaries of the Happy Family Trust and therefore he is deemed to be interested in the shares held by the Happy Family Trust under the SFO. | 附註1: | 王庭聰先生為庭槐信託的授予人、保護人及受益人之一，故根據證券及期貨條例視為於庭槐信託所持股份中擁有權益。 |
| Note 2: | Mr. Lau Ka Keung is the spouse of Ms. Wong Wai Ling, who is one of the beneficiaries of the Happy Family Trust and therefore he is deemed to be interested in the shares held by the Happy Family Trust under the SFO. | 附註2: | 樓家強先生為王惠玲女士(庭槐信託的受益人之一)配偶，故根據證券及期貨條例視為於庭槐信託所持股份中擁有權益。 |
| Note 3: | Each of Mr. Wong Ting Chung and Mr. Lau Ka Keung has a beneficial interest in the share options granted to each of them on 29 March 2019 under the Share Option Scheme and which, if exercised in full, would result in the issuance of 3,000,000 shares to each of them. | 附註3: | 王庭聰先生及樓家強先生各自於2019年3月29日根據購股權計劃獲授的購股權中擁有實益權益。倘悉數行使該等購股權，則會向彼等分別發行3,000,000股股份。 |
| Note 4: | Each of Ms. Lau Pui Kwan, Mr. Ip Shu Kwan, Stephen, Mr. Li Yinquan and Dr. Wu Wing Kuen, has a beneficial interest in the share options granted to each of them on 29 March 2019 under the Share Option Scheme and which, if exercised in full, would result in the issuance of 1,500,000 shares to each of them. | 附註4: | 劉佩君女士、葉澍堃先生、李引泉先生及胡永權博士各自於2019年3月29日根據購股權計劃獲授的購股權中擁有實益權益。倘悉數行使該等購股權，則會向彼等分別發行1,500,000股股份。 |
| Note 5: | The calculation is based on the total number of issued ordinary shares of 750,000,000 shares as at 30 June 2020. | 附註5: | 按2020年6月30日已發行普通股總數750,000,000股計算。 |

Save as disclosed above, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as at 30 June 2020 as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the SFC under the Model Code.

Other than the Share Option Scheme, at no time during the six months ended 30 June 2020 was the Company or any of its subsidiaries, holding companies, or any of the subsidiary undertakings (within the meaning of the Companies (Directors' Report) Regulation) of such holding companies a party to any arrangements whose objects are, or one of whose objects is, to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate. Save as disclosed above, none of the Directors and chief executive of the Company (including their spouses and children under the age of 18) had any interests in or was granted any right to subscribe for the securities of the Company or its associated corporations (within the meaning of Part XV of the SFO), or had exercised any such rights.

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

Save as disclosed below, so far as known to the Directors and chief executive of the Company, as at 30 June 2020, the following persons or corporations (other than the Directors and chief executive of the Company) who had interest and/or short positions in the shares or underlying shares of the Company which would be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under Section 336 of the SFO were as follows:

除上文所披露者外，於2020年6月30日，概無本公司董事或主要行政人員於本公司或其相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債權證中擁有須記錄於證券及期貨條例第352條規定存置的登記冊的任何權益或淡倉或根據標準守則須知會本公司及證監會的權益或淡倉。

除購股權計劃外，本公司或其任何附屬公司、控股公司或該等控股公司的任何附屬企業(定義見公司(董事報告)規例)於截至2020年6月30日止六個月內任何時間概無訂立目標或目標之一為致使董事可透過購買本公司或任何其他法人團體的股份或債權證以獲得利益的任何安排。除上文所披露者外，概無董事及本公司主要行政人員(包括彼等的配偶及未滿18歲的子女)於本公司或其相聯法團(定義見證券及期貨條例第XV部)的證券中擁有任何權益或獲授予可認購該等證券的任何權利，或已行使任何有關權利。

主要股東及其他人士於股份及相關股份中的權益及淡倉

除下文所披露者外，據董事及本公司主要行政人員所知，於2020年6月30日，下列人士或法團(董事及本公司主要行政人員除外)於本公司的股份或相關股份中擁有根據證券及期貨條例第XV部第2及第3分部的條文須向本公司披露的權益及/或淡倉，或須記錄於證券及期貨條例第336條規定存置的登記冊的權益及/或淡倉：

Long position in the ordinary shares of the Company

本公司普通股的好倉

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

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

Notes:

附註：

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

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

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

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

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

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

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

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

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

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

- (5) Mr. Wong Ting Chun, brother of Mr. Wong Ting Chung, is one of the beneficiaries of the Happy Family Trust and therefore he is deemed to be interested in the shares held by the Happy Family Trust under the SFO.
- (6) Mr. Wong Wai Wing, Raymond, brother of Mr. Wong Ting Chung, is one of the beneficiaries of the Happy Family Trust and therefore he is deemed to be interested in the shares held by the Happy Family Trust under the SFO.
- (7) Ms. Chan Ka Wai is the spouse of Mr. Wong Ting Kau and is therefore deemed to be interested in the shares held, directly or indirectly, by Mr. Wong Ting Kau under the SFO.
- (8) Ms. Tsoi Suet Ngai is the spouse of Mr. Wong Ting Chun and is therefore deemed to be interested in the shares held, directly or indirectly, by Mr. Wong Ting Chun under the SFO.
- (9) Ms. Kwan Ying Tsi, Catherine is the spouse of Mr. Wong Wai Wing, Raymond and is therefore deemed to be interested in the shares held, directly or indirectly, by Mr. Wong Wai Wing, Raymond under the SFO.
- (10) The calculation is based on the total number of issued ordinary shares of 750,000,000 shares as at 30 June 2020.
- (5) 王庭真先生(王庭聰先生的胞兄弟)為庭槐信託的受益人之一，故根據證券及期貨條例視為於庭槐信託所持股份中擁有權益。
- (6) 王惠榮先生(王庭聰先生的胞兄弟)為庭槐信託的受益人之一，故根據證券及期貨條例視為於庭槐信託所持股份中擁有權益。
- (7) Chan Ka Wai女士為王庭交先生的配偶，故根據證券及期貨條例視為於王庭交先生直接或間接持有的股份中擁有權益。
- (8) Tsoi Suet Ngai女士為王庭真先生的配偶，故根據證券及期貨條例視為於王庭真先生直接或間接持有的股份中擁有權益。
- (9) Kwan Ying Tsi, Catherine女士為王惠榮先生的配偶，故根據證券及期貨條例視為於王惠榮先生直接或間接持有的股份中擁有權益。
- (10) 按2020年6月30日已發行普通股總數750,000,000股計算。

SHARE OPTION SCHEME

The Company has approved and adopted the Share Option Scheme on 26 November 2018. Under the Share Option Scheme, the eligible participants may be granted share options pursuant to the Share Option Scheme. Details of the Share Option Scheme have been disclosed in the 2019 annual report of the Company.

購股權計劃

本公司已於2018年11月26日批准及採納購股權計劃。根據購股權計劃，合資格參與者可根據購股權計劃獲授購股權。購股權計劃詳情已於本公司2019年年報中披露。

Details of the movements of the share options granted under the Share Option Scheme during the six months ended 30 June 2020 are as follows:

截至2020年6月30日止六個月，根據購股權計劃授出的購股權變動詳情如下：

Name of grantees	Date of grant	Exercise price ⁽¹⁾ (HK\$)	Exercise period ⁽²⁾	Balance as at 1 January 2020 於2020年1月1日的結餘	Number of share options during the six months ended 30 June 2020 截至2020年6月30日止六個月購股權數目				Balance as at 30 June 2020 於2020年6月30日的結餘
					Granted	Exercised	Cancelled	Lapsed	
承授人姓名	授出日期	行使價 ⁽¹⁾ (港元)	行使期 ⁽²⁾		授出	行使	註銷	失效	
Mr. Wong Ting Chung 王庭聰先生	29 March 2019 2019年3月29日	1.362	29 March 2020 to 28 March 2029 2020年3月29日至2029年3月28日	3,000,000	—	—	—	—	3,000,000
Mr. Lau Ka Keung 樓家強先生	29 March 2019 2019年3月29日	1.362	29 March 2020 to 28 March 2029 2020年3月29日至2029年3月28日	3,000,000	—	—	—	—	3,000,000
Mr. Wong Ka Lun 黃家倫先生	29 March 2019 2019年3月29日	1.362	29 March 2020 to 28 March 2029 2020年3月29日至2029年3月28日	1,500,000	—	—	(1,500,000)	—	—
Ms. Lau Pui Kwan 劉佩君女士	29 March 2019 2019年3月29日	1.362	29 March 2020 to 28 March 2029 2020年3月29日至2029年3月28日	1,500,000	—	—	—	—	1,500,000
Mr. Ip Shu Kwan, Stephen 葉樹堃先生	29 March 2019 2019年3月29日	1.362	29 March 2020 to 28 March 2029 2020年3月29日至2029年3月28日	1,500,000	—	—	—	—	1,500,000
Mr. Li Yinquan 李引泉先生	29 March 2019 2019年3月29日	1.362	29 March 2020 to 28 March 2029 2020年3月29日至2029年3月28日	1,500,000	—	—	—	—	1,500,000
Dr. Wu Wing Kuen 胡永權博士	29 March 2019 2019年3月29日	1.362	29 March 2020 to 28 March 2029 2020年3月29日至2029年3月28日	1,500,000	—	—	—	—	1,500,000
Other employees of the Group 本集團其他僱員	29 March 2019 2019年3月29日	1.362	29 March 2020 to 28 March 2029 2020年3月29日至2029年3月28日	8,700,000	—	—	(900,000)	—	7,800,000
Total 總計				22,200,000	—	—	(2,400,000)	—	19,800,000

Notes:

1. Exercise price of share options granted of HK\$1.362 per share represents the highest of:
 - (i) the closing price of HK\$1.330 on the date of grant, i.e. 29 March 2019;
 - (ii) the average closing price of HK\$1.362 for five business days immediately preceding the date of grant; and
 - (iii) the nominal value of the share of HK\$0.01 each.
2. The share options granted to the above Directors and other employees of the Group shall be vested in three equal tranches. The vesting periods of the share options are between the date of grant and the dates of commencement of exercise periods. The vesting periods and exercise periods of the share options are as follows:

附註：

1. 已授出購股權之行使價每股1.362港元為下列之最高者：
 - (i) 於授出日期(即2019年3月29日)股份之收市價1.330港元；
 - (ii) 於緊接授出日期前五個營業日股份之平均收市價1.362港元；及
 - (iii) 股份面值每股0.01港元。
2. 向上述董事及本集團其他僱員授出的購股權須分三期等額歸屬。購股權的歸屬期為授出日期至行使期開始日期期間。購股權的歸屬期及行使期如下：

Share options granted on 29 March 2019

於2019年3月29日授出的購股權

Vesting period

歸屬期

Exercise period

行使期

One-third of the share options (rounded to the nearest number of share options which represents an integral multiples of one board lot) 三分之一的購股權(四捨五入至最接近一手整數倍數的購股權數目)	29 March 2019 to 28 March 2020 2019年3月29日至 2020年3月28日	29 March 2020 to 28 March 2029 2020年3月29日至 2029年3月28日
One-third of the share options (rounded to the nearest number of share options which represents an integral multiples of one board lot) 三分之一的購股權(四捨五入至最接近一手整數倍數的購股權數目)	29 March 2019 to 28 March 2021 2019年3月29日至 2021年3月28日	29 March 2021 to 28 March 2029 2021年3月29日至 2029年3月28日
The remaining share options 餘下購股權	29 March 2019 to 28 March 2022 2019年3月29日至 2022年3月28日	29 March 2022 to 28 March 2029 2022年3月29日至 2029年3月28日

3. Mr. Wong Ka Lun resigned as an executive Director with effect from 18 May 2020. The share options granted to Mr. Wong Ka Lun were cancelled upon his resignation.

3. 黃家倫先生辭任執行董事，自2020年5月18日生效。授予黃家倫先生的購股權於其辭任後註銷。



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

(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 29 to 62 which comprises the consolidated statement of financial position of Million Cities Holdings Limited (the “Company”) as of 30 June 2020 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

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

致萬城控股有限公司董事會的審閱報告

(於開曼群島註冊成立的有限公司)

引言

我們已審閱列載於第29至62頁的萬城控股有限公司(「貴公司」)的中期財務報告，包括貴公司於2020年6月30日的綜合財務狀況表及截至該日止六個月期間的相關綜合損益表、綜合損益及其他全面收益表、綜合權益變動表及簡明綜合現金流量表與附註。香港聯合交易所有限公司證券上市規則要求根據其相關規定及香港會計師公會頒佈的《香港會計準則》第34號*中期財務報告*編製中期財務報告。董事須負責根據《香港會計準則》第34號編製及列報本中期財務報告。

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

SCOPE OF REVIEW

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

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2020 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*.

KPMG

Certified Public Accountants

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

24 August 2020

審閱範圍

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

結論

按照我們的審閱，我們並無發現任何事項，使我們相信於2020年6月30日的中期財務報告有重大內容並不按照《香港會計準則》第34號中期財務報告編製。

畢馬威會計師事務所

執業會計師

香港中環
遮打道十號
太子大廈八樓

2020年8月24日

Consolidated Statement of Profit or Loss

綜合損益表

(Expressed in Renminbi)
(以人民幣列示)

For the six months ended 30 June 2020 – unaudited
截至2020年6月30日止六個月 – 未經審計

		Six months ended 30 June 截至6月30日止六個月		
		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元	
	Note 附註			
Revenue	收入	3	661,597	59,416
Cost of sales	銷售成本		(371,994)	(33,045)
Gross profit	毛利		289,603	26,371
Valuation gains on investment properties	投資物業估值收益	10	—	580
Other net income	其他收入淨額	4	4,271	7,759
Selling expenses	銷售開支		(4,658)	(2,046)
Administrative expenses	行政開支		(27,088)	(29,651)
Other expenses	其他開支	5	(1,559)	(1,770)
Profit from operations	經營溢利		260,569	1,243
Finance costs	融資成本	6(a)	(4,530)	(5,775)
Share of profits less losses of associates	應佔聯營公司溢利減虧損		(45)	(38)
Share of profits less losses of joint ventures	應佔合營公司溢利減虧損		919	(1,844)
Profit/(loss) before taxation	除稅前溢利/(虧損)	6	256,913	(6,414)
Income tax	所得稅	7	(121,242)	(7,563)
Profit/(loss) for the period	期內溢利/(虧損)		135,671	(13,977)
Attributable to:	以下各方應佔：			
Equity shareholders of the Company	本公司權益股東		69,000	(12,305)
Non-controlling interests	非控股權益		66,671	(1,672)
Profit/(loss) for the period	期內溢利/(虧損)		135,671	(13,977)
Basic and diluted earnings/(loss) per share (RMB cents)	每股基本及攤薄盈利/(虧損)(人民幣分)	8	9.20	(1.64)

The notes on pages 36 to 62 form part of this interim financial report.

第36至62頁之附註為本中期財務報告的一部分。

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

For the six months ended 30 June 2020 — unaudited (Expressed in Renminbi)
 截至2020年6月30日止六個月 — 未經審計 (以人民幣列示)

		Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Profit/(loss) for the period	期內溢利／(虧損)	135,671	(13,977)
Other comprehensive income for the period (after reclassification adjustments):	期內其他全面收益 (經重新分類調整)：		
<i>Items that may be reclassified subsequently to profit or loss:</i>	其後可重新分類至損益的項目：		
Exchange differences on translation of financial statements of:	換算財務報表的匯兌差額：		
— the associates and joint ventures	— 聯營公司及合營公司	(1,405)	(275)
— the Hong Kong and overseas subsidiaries	— 香港及海外附屬公司	(1,645)	(389)
Other comprehensive income for the period, net of nil tax	期內其他全面收益， 已扣除零稅項	(3,050)	(664)
Total comprehensive income for the period	期內全面收益總額	132,621	(14,641)
Attributable to:	以下人士應佔：		
Equity shareholders of the Company	本公司權益股東	70,492	(12,086)
Non-controlling interests	非控股權益	62,129	(2,555)
Total comprehensive income for the period	期內全面收益總額	132,621	(14,641)

The notes on pages 36 to 62 form part of this interim financial report.

第36至62頁之附註為本中期財務報告的一部分。

Consolidated Statement of Financial Position

綜合財務狀況表

(Expressed in Renminbi)
(以人民幣列示)

At 30 June 2020 – unaudited
於2020年6月30日 – 未經審計

		Note	At 30 June 2020 2020年 6月30日 RMB'000 人民幣千元	At 31 December 2019 2019年 12月31日 RMB'000 人民幣千元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	9	56,725	57,905
Investment properties	投資物業	10	20,200	20,200
Interest in associates	於聯營公司的權益	11	196,994	104,141
Interest in joint ventures	於合營公司的權益		62,726	64,696
Deferred tax assets	遞延稅項資產		18,974	17,199
Other non-current assets	其他非流動資產		2,165	3,464
			357,784	267,605
Current assets	流動資產			
Inventories and other contract costs	存貨及其他合約成本	12	2,214,190	2,271,588
Trade and other receivables	貿易及其他應收款項	14	56,972	97,576
Prepaid tax	預付稅項		150,809	93,959
Pledged and restricted deposits	已抵押及受限制存款	15	125,792	402,964
Cash and cash equivalents	現金及現金等價物	16	436,902	731,909
			2,984,665	3,597,996
Total assets	總資產		3,342,449	3,865,601
Current liabilities	流動負債			
Bank loans	銀行貸款	17	254,863	313,102
Contract liabilities	合約負債	13	1,338,720	1,923,393
Trade and other payables	貿易及其他應付款項	18	577,587	544,161
Tax payable	應付稅項		104,541	55,432
			2,275,711	2,836,088
Net current assets	流動資產淨值		708,954	761,908
Total assets less current liabilities	總資產減流動負債		1,066,738	1,029,513

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

At 30 June 2020 — unaudited
於2020年6月30日 — 未經審計

(Expressed in Renminbi)
(以人民幣列示)

		Note 附註	At 30 June 2020 2020年 6月30日 RMB'000 人民幣千元	At 31 December 2019 2019年 12月31日 RMB'000 人民幣千元
Non-current liabilities	非流動負債			
Other payables	其他應付款項	18	198	73,741
Deferred tax liabilities	遞延稅項負債		7,489	30,889
			7,687	104,630
NET ASSETS	資產淨值		1,059,051	924,883
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本		6,605	6,605
Reserves	儲備		883,671	811,632
Total equity attributable to equity shareholders of the Company	本公司權益股東應佔權益總額		890,276	818,237
Non-controlling interests	非控股權益		168,775	106,646
TOTAL EQUITY	權益總額		1,059,051	924,883

Approved and authorised for issue by the board of directors on 24 August 2020.

於2020年8月24日經董事會批准及授權刊發。

Wong Ting Chung

王庭聰

Director

董事

Lau Ka Keung

樓家強

Director

董事

The notes on pages 36 to 62 form part of this interim financial report.

第36至62頁之附註為本中期財務報告的一部分。

Consolidated Statement of Changes in Equity

綜合權益變動表

(Expressed in Renminbi)
(以人民幣列示)

For the six months ended 30 June 2020 – unaudited
截至2020年6月30日止六個月 – 未經審計

		Attributable to equity shareholders of the Company							Non-controlling interests		Total equity
		本公司權益股東應佔							非控股權益		總權益
		Share capital	Share premium	Capital reserve	Statutory reserves	Exchange reserves	Retained profits	Total			
		股本	股份溢價	資本儲備	法定儲備	匯兌儲備	保留溢利	總計	權益	總權益	
Note		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
附註		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	
Balance at 1 January 2020	於2020年1月1日的結餘	6,605	660,653	4,087	29,919	(4,208)	121,181	818,237	106,646	924,883	
Changes in equity for the six months ended 30 June 2020:	截至2020年6月30日止六個月的權益變動:										
Profit for the period	期內溢利	–	–	–	–	–	69,000	69,000	66,671	135,671	
Other comprehensive income	其他全面收益	–	–	–	–	1,492	–	1,492	(4,542)	(3,050)	
Total comprehensive income	全面收益總額	–	–	–	–	1,492	69,000	70,492	62,129	132,621	
Equity settled share-based transactions	以權益結算以股份為基礎的交易	19(b)	–	1,547	–	–	–	1,547	–	1,547	
Balance at 30 June 2020	於2020年6月30日的結餘	6,605	660,653	5,634	29,919	(2,716)	190,181	890,276	168,775	1,059,051	
Balance at 1 January 2019	於2019年1月1日的結餘	6,605	660,653	–	20,060	(6,051)	113,086	794,353	111,946	906,299	
Changes in equity for the six months ended 30 June 2019:	截至2019年6月30日止六個月的權益變動:										
Loss for the period	期內虧損	–	–	–	–	–	(12,305)	(12,305)	(1,672)	(13,977)	
Other comprehensive income	其他全面收益	–	–	–	–	219	–	219	(883)	(664)	
Total comprehensive income	全面收益總額	–	–	–	–	219	(12,305)	(12,086)	(2,555)	(14,641)	
Equity settled share-based transactions	以權益結算以股份為基礎的交易	19(b)	–	1,346	–	–	–	1,346	–	1,346	
Balance at 30 June 2019	於2019年6月30日的結餘	6,605	660,653	1,346	20,060	(5,832)	100,781	783,613	109,391	893,004	

The notes on pages 36 to 62 form part of this interim financial report.

第36至62頁之附註為本中期財務報告的一部分。

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 June 2020 — unaudited | (Expressed in Renminbi)
截至2020年6月30日止六個月 — 未經審計 | (以人民幣列示)

		Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
		Note 附註	
Operating activities	經營活動		
Cash generated/(used in) from operations	經營活動所得/(所用)現金	16	(140,181)
Income tax paid	已付所得稅		(67,259)
Net cash outflow from operating activities	經營活動現金流出淨額		(207,440)
Investing activities	投資活動		
Capital loan to associates/joint ventures	聯營公司/合營公司的資本貸款		(44)
Proceeds from disposal of non-current assets held for sale	出售持作出售的非流動資產所得款項		4,125
Interest received	已收利息		7,088
Other cash flows arising from investing activities	投資活動產生的其他現金流量		(1,117)
Net cash (outflow)/inflow from investing activities	投資活動現金(流出)/流入淨額		10,052
Financing activities	融資活動		
Proceeds from bank loans	銀行貸款所得款項		10,000
Repayment of bank loans	償還銀行貸款		(89,603)
Interest paid on bank loans	已付銀行貸款利息		(14,401)
Advances from related parties	關聯方墊款		22,232
Payment of listing expenses	支付上市開支		(5,841)
Net cash outflow from financing activities	融資活動現金流出淨額		(77,613)

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

(Expressed in Renminbi)
(以人民幣列示)

For the six months ended 30 June 2020 – unaudited
截至2020年6月30日止六個月 – 未經審計

		Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
		Note 附註	
Decrease in cash and cash equivalents	現金及現金等價物減少		(296,687) (275,001)
Cash and cash equivalents at 1 January	於1月1日的現金及現金等價物		731,909 1,106,426
Effect of foreign exchanges rates changes	匯率變動的影響		1,680 51
Cash and cash equivalents at 30 June	於6月30日的現金及現金等價物	16	436,902 831,476

The notes on pages 36 to 62 form part of this interim financial report.

第36至62頁之附註為本中期財務報告的一部分。

Notes to the Unaudited Interim Financial Report

未經審計中期財務報告附註

(Expressed in Renminbi unless otherwise indicated)
(除另有訂明外，以人民幣列示)

1 BASIS OF PREPARATION

This interim financial report of Million Cities Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (HKAS) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (HKICPA). It was authorised for issue on 24 August 2020.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2019 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2020 annual financial statements. Details of any changes in accounting policies are set out in note 2.

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

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the group since the 2019 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

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

1 編製基準

萬城控股有限公司(「本公司」)及其附屬公司(統稱「本集團」)的本中期財務報告乃按照香港聯合交易所有限公司證券上市規則之適用披露條文編製，包括遵守香港會計師公會頒佈的《香港會計準則》第34號*中期財務報告*。本中期財務報告獲授權於2020年8月24日刊發。

本中期財務報告乃按照與2019年全年財務報表採納者相同的會計政策編製，惟預期於2020年全年財務報表反映的會計政策變動除外。任何會計政策的變動詳情載於附註2。

編製符合《香港會計準則》第34號的中期財務報告時，管理層須作出影響政策應用以及資產與負債、收入與開支本年度至今為止的呈報金額的判斷、估計及假設。實際結果可能有別於該等估計。

本中期財務報告載有簡明綜合財務報表及節選闡釋附註。該等附註包括對了解本集團財務狀況及表現自2019年全年財務報表刊發以來的變動而言乃屬重要的事件及交易的解釋。簡明綜合中期財務報表及其附註並不包括就按照《香港財務報告準則》編製的完整財務報表規定的全部資料。

本中期財務報告乃未經審計，但畢馬威會計師事務所已根據香港會計師公會頒佈之《香港審閱工作準則》第2410號*實體獨立核數師對中期財務資料的審閱*作出審閱。畢馬威會計師事務所致董事會之獨立審閱報告載於第27頁。

(Expressed in Renminbi unless otherwise indicated)
(除另有訂明外，以人民幣列示)

2 CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to HKFRSs issued by the HKICPA to this interim financial report for the current accounting period:

- Amendments to HKFRS 3, *Definition of a Business*
- Amendment to HKFRS 16, *Covid-19-Related Rent Concessions*

None of the amendments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial report. Other than the amendment to HKFRS 16, the Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

2 會計政策變動

本集團已就當前會計期間本中期財務報告採用以下由香港會計師公會頒佈的《香港財務報告準則》修訂：

- 《香港財務報告準則》第3號的修訂，*業務的定義*
- 《香港財務報告準則》第16號的修訂，*新型冠狀病毒相關租金寬免*

該等修訂對當前或過往期間本集團已編製或於本中期財務報告呈列的業績及財務狀況概無重大影響。除《香港財務報告準則》第16號的修訂外，本集團概無應用於當前會計期間尚未生效的任何新訂準則或詮釋。

(Expressed in Renminbi unless otherwise indicated)
(除另有訂明外，以人民幣列示)

3 REVENUE AND SEGMENT REPORTING

(a) Disaggregation of revenue

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

Disaggregation of revenue

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

3 收入及分部報告

(a) 收入細分

本集團的主要活動為在中國經營物業發展及銷售。

收入細分

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

		Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Revenue from contracts with customers within the scope of HKFRS 15	《香港財務報告準則》第15號 範圍內的客戶合約收入		
Sales of properties:	物業銷售：		
— Recognised at a point in time	— 於某個時點確認	606,546	17,933
— Recognised over time	— 於某段時間確認	53,841	40,256
		660,387	58,189
Revenue from other sources	其他來源的收入		
— Gross rentals from properties	— 物業租金總額	1,210	1,227
		661,597	59,416

(Expressed in Renminbi unless otherwise indicated)
(除另有訂明外，以人民幣列示)

3 REVENUE AND SEGMENT REPORTING (Continued)

(b) Operating segment

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

Geographic information

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

3 收入及分部報告 (續)

(b) 經營分部

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

地區資料

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

(Expressed in Renminbi unless otherwise indicated)
(除另有訂明外，以人民幣列示)

3 REVENUE AND SEGMENT REPORTING (Continued)

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

3 收入及分部報告(續)

(b) 經營分部(續) 地區資料(續)

		Revenue from external customers 來自外界客戶的收入		Specified non-current assets 指定非流動資產	
		Six months ended 30 June 截至6月30日止六個月		At	
		2020 2020年	2019 2019年	30 June 2020 6月30日	31 December 2019 12月31日
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Huizhou	惠州	643,492	38,820	109,322	112,734
Tianjin	天津	18,105	20,596	30,954	31,808
Zhumadian	駐馬店	—	—	104,158	104,141
Shenzhen	深圳	—	—	92,836	—
Others	其他	—	—	1,540	1,723
		661,597	59,416	338,810	250,406

(Expressed in Renminbi unless otherwise indicated)
(除另有訂明外，以人民幣列示)

4 OTHER NET INCOME

4 其他收入淨額

		Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Interest income	利息收入	3,831	7,088
Others	其他	440	671
		4,271	7,759

5 OTHER EXPENSES

5 其他開支

		Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Donations	捐贈	1,547	1,760
Other expenses	其他開支	12	10
		1,559	1,770

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未經審計中期財務報告附註(續)

(Expressed in Renminbi unless otherwise indicated)
(除另有訂明外，以人民幣列示)

6 PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging/
(crediting):

(a) Finance costs

6 除稅前溢利／(虧損)

除稅前溢利／(虧損)乃經扣除／(計入)
下列各項後達致：

(a) 融資成本

		Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Interest on bank loans	銀行借貸利息	9,538	13,468
Accrued interest on significant financing component of contract liabilities	合約負債的重大融資部分的應計利息	24,489	29,551
Others	其他	1,817	1,717
		35,844	44,736
Less: Interest expenses capitalised into inventories	減：資本化至存貨的利息開支	(31,314)	(38,961)
		4,530	5,775

(Expressed in Renminbi unless otherwise indicated)
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6 PROFIT/(LOSS) BEFORE TAXATION

(Continued)

(b) Staff costs

6 除稅前溢利／(虧損)(續)

(b) 員工成本

		Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Salaries, wages and other benefits	薪金、工資及其他福利	14,790	17,383
Contributions to defined contribution retirement plan	向界定供款退休計劃供款	325	979
Equity-settled share-based payment expenses (note 19(b))	以權益結算並以股份支付之開支(附註19(b))	1,547	1,346
Less: Staff costs capitalised into inventories	減：資本化至存貨的員工成本	(2,751)	(4,978)
		13,911	14,730

(c) Other items

(c) 其他項目

		Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Depreciation	折舊	3,571	2,065
Rentals receivable from investment properties	投資物業應收租金	(250)	(346)
Less: Direct outgoings	減：直接支出	—	3
		(250)	(343)

(Expressed in Renminbi unless otherwise indicated)
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7 INCOME TAX

7 所得稅

		Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Current tax	即期稅項		
Provision for Corporate Income Tax (“CIT”)	企業所得稅(「企業所得稅」)撥備	75,180	522
Provision for Land Appreciation Tax (“LAT”)	土地增值稅(「土地增值稅」)撥備	71,187	7,154
Withholding tax	預扣稅	50	—
		146,417	7,676
Deferred tax	遞延稅項		
Origination and reversal of temporary differences	產生及撥回暫時差額	(25,175)	(113)
		121,242	7,563

(i) CIT and Hong Kong Profits Tax

The provision for CIT is based on the estimated taxable income at the rates applicable to each subsidiary in the Group. The income tax rate applicable to the principal subsidiaries in the PRC is 25% during the six months ended 30 June 2020 (six months ended 30 June 2019: 25%).

No provision for Hong Kong Profits Tax was recognised for the six months ended 30 June 2020 (six months ended 30 June 2019: nil) as the subsidiaries in Hong Kong did not have any assessable profits for the period.

(i) 企業所得稅及香港利得稅

企業所得稅撥備基於估計應課稅收益按本集團各附屬公司適用的稅率計算。截至2020年6月30日止六個月中國主要附屬公司適用的所得稅率為25% (截至2019年6月30日止六個月：25%)。

截至2020年6月30日止六個月概無確認香港利得稅撥備(截至2019年6月30日止六個月：零)，因為香港附屬公司期內概無任何應課稅利潤。

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7 INCOME TAX (Continued)

(ii) LAT

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

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

8 EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the profit attributable to equity shareholders of the Company of RMB69,000,000 (six months ended 30 June 2019: loss attributable to equity shareholders of the Company of RMB12,305,000) and the weighted average number of 750,000,000 ordinary shares (six months ended 30 June 2019: 750,000,000 shares) in issue during the interim period.

(b) Diluted earnings/(loss) per share

Diluted earnings/(loss) per share for the six months ended 30 June 2020 and 2019 were the same as the basic earnings/(loss) per share.

At 30 June 2020, share options (see note 19(b)) were excluded from the diluted weighted average number of ordinary shares calculation because their effect would have been anti-dilutive. The average market value of the Company’s shares for the purpose of calculating the dilutive effect of share options was based on quoted market prices for the period during which the options were outstanding.

7 所得稅(續)

(ii) 土地增值稅

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

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

8 每股盈利/(虧損)

(a) 每股基本盈利/(虧損)

於中期期間，每股基本盈利/(虧損)乃根據本公司權益股東應佔溢利人民幣69,000,000元(截至2019年6月30日止六個月：本公司權益股東應佔虧損人民幣12,305,000元)及750,000,000股(截至2019年6月30日止六個月：750,000,000股)已發行普通股加權平均數計算。

(b) 每股攤薄盈利/(虧損)

截至2020年及2019年6月30日止六個月的每股攤薄盈利/(虧損)與每股基本盈利/(虧損)相同。

於2020年6月30日，由於購股權(見附註19(b))具有反攤薄效應，故計算普通股攤薄加權平均數目時並不包括該等購股權。用於計算購股權攤薄效應的本公司股份之平均市值乃基於在購股權發行流通期間的本公司股份市場報價。

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9 PROPERTY, PLANT AND EQUIPMENT

Acquisitions and disposals

During the six months ended 30 June 2020, the Group acquired items of property, plant and equipment with a cost of RMB1,060,000 (six months ended 30 June 2019: RMB1,829,000). Nil property, plant and equipment (six months ended 30 June 2019: with a net book value of RMB52,000) were disposed of.

As at 30 June 2020, the Group was in the process of applying for the certificates of ownership for certain properties with net book value of RMB30,634,000 (31 December 2019: RMB31,411,000).

10 INVESTMENT PROPERTIES

All of the Group's investment properties were revalued as at 30 June 2020. The valuations were carried out by an independent firm of surveyor, Vincorn Consulting and Appraisal Limited (formerly known as Unicorn Consulting and Appraisal Limited), using the same valuation techniques as were used by this valuer when carrying out the December 2019 valuations. The Group's management have discussion with the surveyors on the valuation assumptions and valuation results when the valuation is performed for financial reporting.

According to the revaluation, no gain/loss (six months ended 30 June 2019: net gain of RMB580,000) and no deferred tax (six months ended 30 June 2019: RMB145,000), have been recognised in profit or loss for the period in respect of investment properties.

9 物業、廠房及設備

收購及出售

截至2020年6月30日止六個月，本集團以人民幣1,060,000元(截至2019年6月30日止六個月：人民幣1,829,000元)購置物業、廠房及設備。概無出售物業、廠房及設備(截至2019年6月30日止六個月：出售賬面淨值為人民幣52,000元的物業、廠房及設備)。

於2020年6月30日，本集團正在申請部分物業的所有權證，該等物業的賬面淨值為人民幣30,634,000元(2019年12月31日：人民幣31,411,000元)。

10 投資物業

本集團所有投資物業於2020年6月30日重新評估。估值由獨立測量師泓亮諮詢及評估有限公司(前稱銳漢諮詢及評估有限公司)進行，所使用估值方法與其於2019年12月進行的估值相同。為編製財務報告進行估值時，本集團管理層已與測量師討論估值假設及估值結果。

根據重新估值，期內，我們並無就投資物業於損益確認收益／虧損(截至2019年6月30日止六個月：收益淨額人民幣580,000元)及遞延稅項(截至2019年6月30日止六個月：人民幣145,000元)。

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11 INTEREST IN ASSOCIATES

During the period ended 30 June 2020, the Group entered into an agreement with an independent third party (the “Partner”), pursuant to which, the Group and the Partner invested to 30% and 70% of the equity interest in an entity respectively. The entity is treated as an associate of the Group (the “Associate”). The Group has paid a capital loan of RMB93 million to the Associate during this interim period.

During the period ended 30 June 2020, the Associate entered into an agreement with an independent third party (the “Seller”), pursuant to which, the Associate will acquire 100% equity interest in Shenzhen Guoxin Electric Development Limited (深圳國鑫電子發展有限公司, “Shenzhen Guoxin”), a company incorporated in the PRC which owns four land parcels in Shenzhen, at a consideration of RMB560 million (the “Consideration”).

Up to 30 June 2020, the Associate has paid RMB310 million to the Seller, representing 70% equity interest in Shenzhen Guoxin.

The remaining consideration of RMB250 million, representing 30% equity interest in Shenzhen Guoxin, will be payable in 2 installments before the end of 2022. The 70% equity interest in Shenzhen Guoxin was charged to the Seller which will be released upon a full settlement of the Consideration and all contractual obligations have been fulfilled by the Associate.

11 於聯營公司的權益

截至2020年6月30日止期間，本集團與獨立第三方(「合作夥伴」)訂立協議，分別投資一家實體30%及70%的股權。該實體視為本集團的聯營公司(「聯營公司」)。本集團於本中期間間已向該聯營公司支付資金貸款人民幣93百萬元。

截至2020年6月30日止期間，聯營公司與獨立第三方(「賣方」)訂立協議。根據協議，聯營公司將以代價人民幣560百萬元(「代價」)收購深圳國鑫電子發展有限公司(「深圳國鑫」)(一間在中國註冊成立的公司，在深圳擁有四幅土地)的全部股權。

截至2020年6月30日，聯營公司已向賣方支付人民幣310百萬元，相當於深圳國鑫70%股權。

餘下代價人民幣250百萬元(相當於深圳國鑫30%股權)將於2022年底前分兩期支付。深圳國鑫70%股權已抵押予賣方，將於聯營公司結清代價並履行所有合約責任後解除。

(Expressed in Renminbi unless otherwise indicated)
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12 INVENTORIES AND OTHER CONTRACT COSTS

12 存貨及其他合約成本

		At 30 June 2020 2020年 6月30日 RMB'000 人民幣千元	At 31 December 2019 2019年 12月31日 RMB'000 人民幣千元
Inventories	存貨		
Properties held for development	持作發展物業	38,461	38,301
Properties under development	建設中物業	1,205,229	1,660,794
Completed properties for sale	待售已竣工物業	944,962	545,625
Others	其他	1,372	—
		2,190,024	2,244,720
Other contract costs	其他合約成本	24,166	26,868
		2,214,190	2,271,588

At 30 June 2020, certain inventories were pledged to secure bank loans (see note 17).

於2020年6月30日，若干存貨已就銀行貸款作出抵押(見附註17)。

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

確認為開支並計入損益的存貨金額分析如下：

		Six months ended June 截至6月30日止六個月	
		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Cost of inventories	存貨成本	371,325	32,685

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13 CONTRACT LIABILITIES

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

13 合約負債

下表列載有關客戶合約負債的資料：

	At 30 June 2020 2020年 6月30日 RMB'000 人民幣千元	At 31 December 2019 2019年 12月31日 RMB'000 人民幣千元
Contract liabilities — Receipt in advance from property sales	1,338,720	1,923,393

Contract liabilities represents payments received from customers on sale of properties. A financing component being the financing benefit from the receipt in advance is recognised in the contract liabilities. Contract liabilities are recognised in profit or loss when the related properties are delivered.

合約負債指客戶就物業銷售的付款。融資組成部分(即收取預收款的融資利益)於合約負債確認。合約負債於交付相關物業時於損益確認。

Movements in contract liabilities

合約負債變動

	2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Balance at 1 January	1,923,393	1,494,172
Decrease in contract liabilities as a result of recognising revenue during the period that was included in the contract liabilities at the beginning of the period	(649,428)	(17,914)
Increase in contract liabilities as a result of receipt in advance from property sales during the year in respect of properties still under construction as at 30 June	40,266	331,700
Increase in contract liabilities as a result of accruing interest expense on receipt in advance	24,489	29,551
Balance at 30 June	1,338,720	1,837,509

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14 TRADE AND OTHER RECEIVABLE

As of the end of the reporting period, the ageing analysis of trade debtors (which are included in trade and other receivables), the trade debtors recognised and net of allowance for doubtful debts, is as follows:

14 貿易及其他應收款項

報告期末，計入貿易及其他應收款項之應收賬款(已扣除呆賬準備)基於應收賬款確認日期的賬齡分析如下：

		At 30 June 2020 2020年 6月30日 RMB'000 人民幣千元	At 31 December 2019 2019年 12月31日 RMB'000 人民幣千元
Within 1 month	1個月內	44	62
1 to 3 months	1至3個月	90	90
3 to 6 months	3至6個月	135	135
Over 6 months	6個月以上	45	45
Trade debtors, net of loss allowance	應收賬款(扣除虧損撥備)	314	332
Other debtors	其他應收款項	5,038	1,890
Financial assets measured at amortised cost	按攤餘成本計量的金融資產	5,352	2,222
Deposits	按金	5,596	10,441
Prepayments	預付款項	46,024	84,913
		56,972	97,576

As of 30 June 2020, no trade debtors were past due (31 December 2019: nil). Based on experience, management believes that no impairment allowance is necessary in respect of the trade debtors as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

於2020年6月30日，概無應收賬款逾期(2019年12月31日：零)。由於信貸質量並無重大變動，且結餘仍視為可全數收回，故管理層基於經驗認為無須就應收賬款作出減值撥備。本集團並無就該等結餘持有任何抵押。

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(除另有訂明外，以人民幣列示)

15 PLEDGED AND RESTRICTED DEPOSITS

15 已抵押及受限制存款

		At 30 June 2020 2020年 6月30日 RMB'000 人民幣千元	At 31 December 2019 2019年 12月31日 RMB'000 人民幣千元
Pledged for mortgage arrangements of the property buyers	就物業買家按揭安排作抵押	34,256	35,270
Restricted deposits for the construction contracts	建築合約的受限制存款	82,813	358,675
Others	其他	8,723	9,019
		125,792	402,964

16 CASH AND CASH EQUIVALENTS

16 現金及現金等價物

		At 30 June 2020 2020年 6月30日 RMB'000 人民幣千元	At 31 December 2019 2019年 12月31日 RMB'000 人民幣千元
Cash on hand	手頭現金	20	81
Cash at bank	銀行現金	436,882	731,828
		436,902	731,909

(Expressed in Renminbi unless otherwise indicated)
(除另有訂明外，以人民幣列示)

16 CASH AND CASH EQUIVALENTS (Continued)

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

16 現金及現金等價物 (續)

除稅前溢利/(虧損)與經營所產生/(所用)現金的對賬如下：

		Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Profit/(loss) before taxation	除稅前溢利/(虧損)	256,913	(6,414)
Adjustments for non-operating items and non-cash transactions	非經營項目及非現金交易之調整	5,045	2,788
Operating cash flows before changes in working capital	營運資金變動前經營現金流量	261,958	(3,626)
Changes in working capital:	營運資金變動：		
Decrease/(increase) in trade and other receivables	貿易及其他應收款項減少/(增加)	40,604	(42,012)
(Decrease)/increase in contract liabilities	合約負債(減少)/增加	(609,162)	313,786
Decrease in trade and other payables	貿易及其他應付款項減少	(44,588)	(129,908)
Decrease/(increase) in inventories and other contract costs	存貨及其他合約成本減少/(增加)	88,714	(169,474)
Decrease/(increase) in restricted cash	受限制現金減少/(增加)	277,172	(108,947)
Cash generate from/(used in) operations	經營所產生/(所用)現金	14,698	(140,181)

(Expressed in Renminbi unless otherwise indicated)
(除另有訂明外，以人民幣列示)

17 BANK LOANS

17 銀行貸款

		At 30 June 2020 2020年 6月30日 RMB'000 人民幣千元	At 31 December 2019 2019年 12月31日 RMB'000 人民幣千元
— Secured	— 有抵押	210,088	288,152
— Unsecured	— 無抵押	44,775	24,950
		254,863	313,102

The secured bank loans are secured by assets below:

有抵押銀行貸款以下列資產作抵押：

		At 30 June 2020 2020年 6月30日 RMB'000 人民幣千元	At 31 December 2019 2019年 12月31日 RMB'000 人民幣千元
Inventories	存貨	893,942	917,390

At 30 June 2020, the secured bank loan of RMB94,539,000 (31 December 2019: RMB103,362,000) was guaranteed by related parties (see note 22(c)).

於2020年6月30日，有抵押銀行貸款人民幣94,539,000元（2019年12月31日：人民幣103,362,000元）由關聯方擔保（見附註22(c)）。

The Group's banking facilities are subject to the fulfilment of certain covenants which are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the drawn down facilities would become payable on demand. There was no breach of covenants as of 30 June 2020 (31 December 2019: nil).

本集團的銀行融資須達成若干契諾方可作實，有關契諾於與金融機構的借貸安排中常見。倘本集團違反契諾，已提取融資將須按的要求償還。截至2020年6月30日，概無違反契諾（2019年12月31日：無）。

(Expressed in Renminbi unless otherwise indicated)
(除另有訂明外，以人民幣列示)

17 BANK LOANS (Continued)

At 30 June 2020, bank loans were repayable as follows according to the repayment schedules as set out in the loan agreements:

17 銀行貸款 (續)

於2020年6月30日，根據貸款協議所載還款時間表銀行貸款須按以下時間償還：

		At 30 June 2020 2020年 6月30日 RMB'000 人民幣千元	At 31 December 2019 2019年 12月31日 RMB'000 人民幣千元
Within 1 year	一年內	212,113	168,462
After 1 year but within 2 years	一年後但兩年內	42,750	123,377
After 2 years but within 5 years	兩年後但五年內	—	21,263
		254,863	313,102

Notwithstanding the specified repayment schedules as stated in the facilities letters which allow the loans to be repaid over a period of more than one year, all banking facilities granted to the Group include a clause that gives the bank an unconditional right to call the bank loans at any time ("repayment on demand clause"). Accordingly, all bank loans of the Group were classified as current liabilities in the consolidated statement of financial position.

儘管融資函件所述特定還款時間表容許貸款的還款期超過一年，惟本集團獲授的所有銀行融資有條款容許銀行可無條件隨時要求償還銀行貸款（「要求償還條款」）。因此，本集團所有銀行貸款均於綜合財務狀況表歸類為流動負債。

(Expressed in Renminbi unless otherwise indicated)
(除另有訂明外，以人民幣列示)

18 TRADE AND OTHER PAYABLES

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

18 貿易及其他應付款項

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

		At 30 June 2020 2020年 6月30日 RMB'000 人民幣千元	At 31 December 2019 2019年 12月31日 RMB'000 人民幣千元
Current portion:	流動部分：		
Within 3 months	3個月內	52,234	173,135
3 to 6 months	3至6個月	83	1,363
6 to 12 months	6至12個月	112,051	29
Over 12 months	12個月以上	12,164	13,687
Trade creditors	應付賬款	176,532	188,214
Interest payables	應付利息	889	1,190
Other payables and accruals	其他應付款項及應計費用	42,013	74,655
Amounts due to related parties (note)	應付關聯方款項(附註)	352,343	274,292
Financial liabilities measured at amortised cost	以攤餘成本計量的金融負債	571,777	538,351
Financial guarantee issued (note 21(ii))	已發出的財務擔保(附註21(ii))	5,810	5,810
		577,587	544,161
Non-current portion:	非流動部分：		
Amounts due to related parties	應付關聯方款項	—	70,653
Financial guarantee issued (note 21)	已發出的財務擔保(附註21)	198	3,088
		198	73,741
		577,785	617,902

Note: Amounts due to related parties are interest-free, unsecured and repayable on demand or expected to be repayable within one year.

附註：應付關聯方款項為免息、無抵押及要求時償還或預期須於一年內償還。

(Expressed in Renminbi unless otherwise indicated)
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19 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

No dividends have been declared or paid by the Company and its subsidiaries during the six months ended 30 June 2020 (six months ended 30 June 2019: nil).

(b) Equity settled share-based transactions

On 29 March 2019, 23,700,000 share options were granted for nil consideration to the directors and certain employees of the Group under the Company's employee share option scheme. Each option gives the holder the right to subscribe for one ordinary share of the Company. These share options will vest after one year to three years, and be exercisable until 28 March 2029. The exercise price is HKD1.362, being the weighted average closing price of the Company's ordinary shares for five business days immediately preceding the date of grant.

The Group recognised share-based payment expenses of RMB1,547,000 during the six months ended 30 June 2020 (six months ended 30 June 2019: RMB1,346,000).

19 資本、儲備及股息

(a) 股息

截至2020年6月30日止六個月，本公司及其附屬公司並無宣派或派付股息(截至2019年6月30日止六個月：零)。

(b) 以權益結算以股份為基礎的交易

2019年3月29日，23,700,000份購股權根據本公司僱員購股權計劃以零代價授予董事及本集團僱員。每份購股權可供持有人認購一股本公司普通股。該等購股權將於一年至三年後歸屬，直至2029年3月28日仍可行使。行使價為1.362港元，即緊接授出日期前五個營業日本公司普通股之加權平均收市價。

截至2020年6月30日止六個月，本集團確認股份支付開支人民幣1,547,000元(截至2019年6月30日止六個月：人民幣1,346,000元)。

(Expressed in Renminbi unless otherwise indicated)
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19 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(b) Equity settled share-based transactions (Continued)

2,400,000 options were forfeited during the six months ended 30 June 2020 (six months ended 30 June 2019: nil). No options were exercised during the six months ended 30 June 2020 (six months ended 30 June 2019: nil).

20 COMMITMENTS

Capital commitments outstanding at 30 June 2020 not provided for in the interim financial report

19 資本、儲備及股息 (續)

(b) 以權益結算以股份為基礎的交易 (續)

截至2020年6月30日止六個月，沒收2,400,000份購股權(截至2019年6月30日止六個月：零)。截至2020年6月30日止六個月並無行使任何購股權(截至2019年6月30日止六個月：零)。

20 承擔

未於中期財務報告撥備的2020年6月30 日尚未支付資本承擔如下：

		At 30 June 2020 2020年 6月30日 RMB'000 人民幣千元	At 31 December 2019 2019年 12月31日 RMB'000 人民幣千元
Contracted for:	已訂約：		
Construction and development contracts	建築及發展合約	602,245	617,903
Equity acquisition	股權收購	75,000	—
		677,245	617,903

(Expressed in Renminbi unless otherwise indicated)
(除另有訂明外，以人民幣列示)

21 CONTINGENT LIABILITIES

- (i) As at 30 June 2020, the Group has issued guarantees to banks to secure the mortgage arrangements of certain property buyers. The outstanding guarantees to the banks, amounted to RMB482,749,000 as at 30 June 2020 (31 December 2019: RMB765,881,000), will be terminated upon the completion of transferring the legal title of the properties to the property buyers. The directors consider loss arising from these guarantees as a result of default payment by customers to be insignificant, as the banks has the rights to sell the property and recover the outstanding loan balance from sale proceeds.

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

- (ii) As at 30 June 2020, the Group provided guarantee to secure the bank loan borrowed by a joint venture of the Group (see note 22(d)). The total banking facility secured by this guarantee was RMB1,450,000,000 (31 December 2019: RMB1,450,000,000) and the outstanding loan balance was RMB779,800,000 as at 30 June 2020 (31 December 2019: RMB779,900,000). The bank loan is also jointly guaranteed by another shareholder of the joint venture and secured by the inventories of the joint venture.

Deferred income in respect of the financial guarantee issued is disclosed in note 18.

21 或然負債

- (i) 於2020年6月30日，本集團就若干物業買家按揭安排向銀行提供擔保。於2020年6月30日，未了結銀行擔保為人民幣482,749,000元(2019年12月31日：人民幣765,881,000元)，有關擔保將於物業法定業權轉讓予物業買家後終止。董事認為，本集團不會因客戶拖欠款項而蒙受重大損失，原因是倘客戶拖欠款項，銀行有權出售物業，以出售所得款項抵償未償還貸款結餘。

本集團尚未就該等擔保確認任何遞延收入，因為董事認為其公平值並非重大。

- (ii) 於2020年6月30日，本集團就合營公司銀行借貸提供擔保(見附註22(d))。於2020年6月30日，該擔保下的銀行融資總額為人民幣1,450,000,000元(2019年12月31日：人民幣1,450,000,000元)，未償還貸款結餘為人民幣779,800,000元(2019年12月31日：人民幣779,900,000元)。銀行貸款亦由合營公司的另一股東共同擔保，以合營公司的存貨作抵押。

已提供的財務擔保的遞延收入於附註18披露。

(Expressed in Renminbi unless otherwise indicated)
(除另有訂明外，以人民幣列示)

22 MATERIAL RELATED PARTY TRANSACTIONS

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

(a) Transactions with key management personnel

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

22 重大關聯方交易

除其他章節所披露之關聯方資料外，本集團訂立以下重大關聯方交易。

(a) 與主要管理層人員的交易

本集團主要管理層人員的薪酬如下：

		Six months ended 30 June 截至6月30日止六個月	
		2020 2020年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元
Short-term employee benefits	短期僱員福利	3,299	4,064
Retirement scheme contributions	退休計劃供款	34	37
Share based payments	以股份為基礎的付款	1,195	865
		4,528	4,966

(Expressed in Renminbi unless otherwise indicated)
(除另有訂明外，以人民幣列示)

22 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(b) Balances with related parties

Balances with related parties as at 30 June 2020 are detailed as follows.

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

Non-trade in nature

	30 June 2020 2020年 6月30日 RMB'000 人民幣千元	31 December 2019 2019年 12月31日 RMB'000 人民幣千元
Amounts due from associates 應收聯營公司款項	202,197	108,768
Amounts due from joint ventures 應收合營公司款項	60,332	59,456
	262,529	168,224

22 重大關聯方交易(續)

(b) 與關聯方的結餘

於2020年6月30日與關聯方的結餘詳情如下。

記錄於其他應收款項及於聯營公司及合營公司之權益的應收關聯方款項：

非貿易性質

(Expressed in Renminbi unless otherwise indicated)
(除另有訂明外，以人民幣列示)

22 MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(b) Balances with related parties (Continued)

Amounts due to related parties recorded in other payables:

Non-trade in nature

	30 June 2020 2020年 6月30日 RMB'000 人民幣千元	31 December 2019 2019年 12月31日 RMB'000 人民幣千元
Amount due to non-controlling interests 應付非控股權益款項	314,626	308,093
Amount due to controlling shareholder 應付控股股東款項	37,685	36,739
Amount due to fellow subsidiaries 應付同系附屬公司款項	32	113
	352,343	344,945

(c) Bank loans guaranteed by related parties

As at 30 June 2020, the secured bank loan of RMB94,539,000 (31 December 2019: RMB103,362,000) was guaranteed by non-controlling interests.

(d) Guarantee issued to a related party

As at 30 June 2020, the Group provided guarantee to secure the loan borrowed by the Group's joint venture, Huizhou Well Kong. Details of the guarantee issued are set out in note 21.

22 重大關聯方交易(續)

(b) 與關聯方的結餘(續)

記錄於其他應付款項的應付關聯方款項：

非貿易性質

(c) 關聯方擔保的銀行貸款

於2020年6月30日，人民幣94,539,000元的有抵押銀行貸款由非控股權益擔保(2019年12月31日：人民幣103,362,000元)。

(d) 關聯方擔保

於2020年6月30日，本集團就合營公司惠州惠港的借貸提供擔保。所提供擔保的詳情載於附註21。

(Expressed in Renminbi unless otherwise indicated)
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23 IMPACTS OF COVID-19 PANDEMIC

The COVID-19 pandemic since early 2020 has brought about additional uncertainties in the Group's operating environment and has impacted the Group's operations and financial position.

The Group has been closely monitoring the impact of the developments on the Group's business and has put in place contingency measures. These contingency measures include: setting out guidelines about prevention of coronavirus outbreak on construction sites and sending them to all site managers; monitoring cash flows and negotiating with suppliers to postpone construction payments; negotiating with customers on delivery timetable. The Group will keep the contingency measures under review as the situation evolves.

23 COVID-19疫情的影響

2020年初爆發的COVID-19疫情已給本集團的經營環境帶來額外的不確定因素，且已影響本集團的經營及財務狀況。

本集團一直密切監察疫情發展趨勢對本集團業務的影響，且已採取應急措施。該等應急措施包括：制定預防建築地盤爆發冠狀病毒的指引並將指引提供給所有工地經理；監管現金流量並與供應商協商延遲工程付款；與客戶協商交付時間表等。本集團將根據情況變化隨時檢討應急措施。

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

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



萬城

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