



Friedrich Lung 龙甫钧

Chief Financial Officer - Mainland China
集团中国首席财务总监

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Friedrich Lung: Financial prudence behind mainland business strategy 龙甫钧：配合集团内地业务策略 稳健财务发挥优势

A focus on stable growth defines the Group's mainland business strategy, which is built on a solid financial foundation. Chief Financial Officer – Mainland China Friedrich Lung oversees the Group's financial management in the fast-growing mainland market to ensure proper support for business development.

Financial prudence in line with corporate strategy

Friedrich, a corporate finance and investment management veteran, says a company's financial management should always follow the overall business development strategy, but it's important to stay alert to market trends and make timely adjustments. He says the Group is prudent about capital management: "Our mainland business is still at a stage of development and there is a high demand for operating capital. So even though our completed investment properties generate recurrent cash flows, the objective of treasury management is not capital appreciation. Rather it focuses on capital preservation so that free cash flow can be readily available for projects under development." He added that the Group

keeps monitoring changes in policies and the market closely in order to respond quickly and mitigate any financial risks.

Low cost-of-capital pivotal to building a long-term portfolio of investment properties

Domestic real estate companies on the mainland are expanding very quickly amid a burgeoning market and they have many comparative advantages, resulting in vigorous competition. The Group, however, leverages its strengths, and its high-end residential projects and integrated commercial developments have earned an excellent reputation for quality. Large-scale complexes require huge capital and have long payback periods, so they need detailed financial planning and cost control.

Friedrich said: "A project that has high funding costs may not produce the desired income and cash flow when it's complete, even if rents meet expectations." Prudent financial policies coupled with a good reputation in Hong Kong and on the mainland have helped the Group build strong relationships with many domestic and foreign banks, which ensure favourable terms for funding.

Issuing bonds, in addition to getting loans from banks, is a relatively new way of funding that is encouraged by mainland authorities. Although bonds are gaining popularity, Friedrich is cautious and said the Group will continue to treat bank borrowing as the main source of external finance for the time being because of uncertainties with government



Friedrich works to understand his team and has developed a keen sense for collaboration
龙甫钧用心了解同事的特质，并对团队精神有独特见解

policies for the bond market. “The regulatory authorities are promoting development of the onshore RMB bond market,” said Friedrich, “But Hong Kong companies are still on the learning curve on the mainland. The Group has done considerable research to build a solid foundation for diversifying our funding sources in the future.”

Friedrich goes to the mainland often and part of his job is interacting with local banks and financial institutions. He says mainland creditors have different standards of assessing a company’s financial strength. They tend to focus on asset size and sales, but pay lesser attention to criteria like asset quality, financial positions and corporate governance that are essential to a comprehensive evaluation. He said: “We define corporate creditworthiness differently, so part of my work is explaining our financial policy to external parties and getting them to appreciate our healthy finances and credit quality.”

Friedrich previously lived and worked in Shanghai for over ten years and he attributes the Group’s progress in the city to its similar market environment to Hong Kong. He went on to explain the different conditions in some other parts of the mainland: “In Beijing, both state-owned and private enterprises are keen to maintain a presence – after all it’s the capital – so competition is fierce. The challenge in Shenzhen is significant barriers

to non-local companies entering the market.” The mainland’s vast size means that there are geographical disparities, therefore posing different challenges to investors. Friedrich thinks Hong Kong companies can only capitalize on the opportunities offered by the vast Chinese market if they understand their own comparative advantages well.

Defining the ethos of teamwork

Every manager has a philosophy. Friedrich believes in knowing his team and putting people’s strengths to good use. Comparing young people on the mainland and in Hong Kong offices, Friedrich thinks the main difference is that Hong Kong colleagues show more respect for professionalism and procedure, while on the mainland they are more creative and efficient in execution, but not always playing by the rules. His verdict: “There are always pros and cons with different personalities, but the key to management is exerting just enough control, as too much can cramp initiative.” Friedrich believes that instead of trying to change how staff think, managers can do more about improving the work environment to facilitate job performance. He said: “We may not be able to change a person’s character, but we can work on the combination of collaborators and their skill sets, removing obstacles that impede performance and adjusting the way efficacy is assessed to enhance motivation. Communication is also vital – everyone has to know what the others

think and needs to act in harmony for better performance.”

Friedrich explains his understanding of teamwork with reference to the shape of the Chinese character for ‘integrate’ (合). He says: “The ‘A’ at the top is like a curve on a graph with the ends representing the initial positions of people working together. The ideal is when both parties are collaborating; moving closer towards each other during the process to finally reach the point of optimal performance. If one party dominates, the other will have compromised too much, such that the result is determined by how well the weaker or disadvantaged party performs. These are represented by the lower points along both sides of the ‘A’. Mutual accommodation brings compromise to an optimum and is therefore at the heart of team spirit.”

Running out of the box

Friedrich loves to run in his spare time as a major change from the dense figures that fill his work. Running shoes are always part of his packing for business trips as he finds running a great way to let his brain unwind. He said: “I like jogging; ideally in the day when you can see how things change along the route. It gives your mind visual stimulation and nudges it. Over half of my solutions to work problems came to me when I was running.”



随着内地经济发展迅速，集团在内地投资亦紧随发展步伐，并坚持稳中求进的策略。集团中国首席财务总监龙甫钧负责集团在内地发展的财务监管及策划的工作，为业务长远发展提供稳固基础。

稳健财务管理配合企业发展策略

龙甫钧拥有丰富企业财务及投资管理的经验，他认为一家企业的财务管理，必须配合公司整体的业务发展，同时认清市场趋势，适时调整管理策略。他表示，集团目前的财务政策以稳健管理为主。“公司在内地的业务发展仍处于投资期，对营运资金的需求殷切，因此即使公司内地已落成的投资物业已能产生经常性现金流，在现阶段也不应作出进取的资本增值投资，而是做好现金管理工作，让资金能随时投放至其他在建项目的发展中。”他补充说明，集团亦会时刻留意市场及政策的变化，迅速作出调整，以减低集团的财务风险。

发展投资性物业业务有赖低融资成本

近年内地的房地产市道发展蓬勃，内资房地产企业增长迅速，并在销售物业市场上占有不少优势，市场竞争非常激烈。然而，集团充分利用既有优势，在高端住宅物业和综合商业项目等领域取得佳绩，并在市场上建立了优质品牌。然而发展大型综合项目的回本周期长，资金需求庞大，需要在财务管理及融资成本上有更详细的测算和控制方法。“事实上，若果融资成本过高，即使物业落成后的租金表现符合市场预期，该项目也不一定能产生理想的收益和现金流。”凭借审慎财务政策，加之在中港两地已建立的优良商誉，集团与内地的中、外资银行皆保持良好合作关系，令集团得以理想的条件进行融资。

除通过银行借贷外，近期国内也开始鼓励企业发行债券融资。龙甫钧坦言，尽管内地债券市场增长迅速，但政策依然存在众多不确定性，所以现阶段集团的融资渠道仍然以银行贷款为主。“监管机构近年积极推动债券市场发展，但港资企业在内地发债仍处于起步阶段。然而，集团已做了不少研究工作，为将来利用多元化的融资渠道打好基础。”

龙甫钧经常往返内地工作，并不时与当地银行和金融机构接触。他坦言内地债权人对企业实力的判断标准与我们的标准很不一样，一般的国内机构会较重视企业的资产和销售规模，而非从资产品质、财务状况和企业管治等多方面

“ Mainland creditors define corporate creditworthiness differently, so my work is getting external parties to appreciate the Group's healthy finances and credit quality.

两地衡量企业信用的标准不同，我的工作便是要让内地市场认识集团的稳健财务状况和企业信誉价值。

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Friedrich and colleagues on executive training at Harvard
龙甫钧与同事赴哈佛大学修读行政人员课程

综合评估。“由于两地衡量企业信用的标准有所不同，我其中一项工作，便是要宣传集团的企业财务政策，让内地市场认识我们的稳健财务状况和企业信誉价值。”

曾在上海生活和工作逾十年的龙甫钧，表示上海的市场环境跟香港较为接近，而集团在上海的发展也较为成熟。至于内地其他省份或地区，市场环境各有差异：“例如北京为首都城市，无论国企还是民企都积极在当地寻找投资机会，所以竞争十分激烈；至于深圳，非本地企业的进入门槛颇高，进入其市场有一定难度。”他直言内地幅员广阔，地区差异大，面对的挑战亦有不同。龙甫钧更认为，港资企业在内地发展，必须认清自身的优势，才能把握国内庞大的市场发展机遇。

建立团队 诠释合作精神

每个资深管理人员都有一套管理哲学，龙甫钧也不例外，他认为要建立一支成功的团队，关键在于“知人善用”这四个字。他笑言在中港生活多年，觉得两地的年轻人确实有不同的特质。他指出，香港的同事较为专业和重视规则，而内地的同事比较有创意和执行能力较强，但有时会忽略一些规条。“他们各有优点和缺点，管理的关键就是松紧适宜，因为工作上太多掣肘，只会磨蚀他们对工作的积极性。”龙甫钧笑言，做管理层不要期望可以改变下属的思维，相反应该要创造一个能帮助同事发挥的工作环境：“我们不一定可以改变人的性格，却可以改变团队成员的组合、或利用某些制约条件和绩效评估方法等，提

升他们工作的主动性。另外，与同事沟通亦十分重要，当大家也清楚知道各成员的想法和要求，自然更易于配合，令工作更畅顺。”

对于团队精神，龙甫钧亦有一番见解，“合作中的‘合’字，顶部就像一个中式建筑的屋顶（或‘倒V’型）走势，左右两极代表两个合作者的起始点，双方合作办事便需要互相配合并愿意往对方的方向靠拢，才能到达中间的最高点，令合作取得最好效果。然而，若其中一方太强势，便会逼使另外一方过分迁就才能勉强完成工作，合作的绩效水平便会大打折扣，移至顶部两旁较低的位置，因为合作的成果，往往并不是合作双方工作绩效的平均数，而是由相对

弱势一方的绩效所决定。故合作双方强弱差异愈少，愿意互相迁就和妥协的机会成本便愈低，这才是合作精神的根本。”

“跑”出思考框框

日常的工作经常与金钱和数字挂勾，龙甫钧笑言公余时喜欢跑步，出差时更必定带一双跑鞋。可能是因为平日工作太绷紧，跑步令脑袋可以稍稍放松。“我喜欢缓步跑，最理想是日间在路上跑，集中注视不同景物的变化，给视觉神经带来新鲜刺激，思维状态便会发生质的变化。我在工作上碰到的难题，有超过一半的解决方法，是在跑步时间突然想出来的。”



An outdoor run gives Friedrich the ideal time to think
龙甫钧认为在户外跑步是思考问题的黄金时间