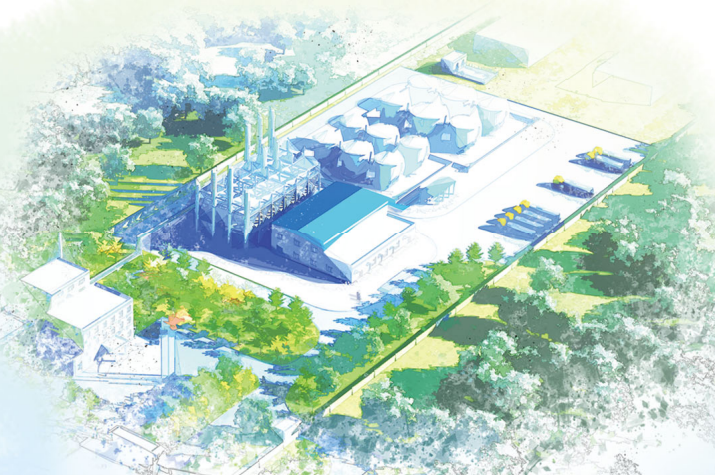




雅居樂集團控股有限公司  
**AGILE GROUP HOLDINGS LIMITED**  
(Incorporated in the Cayman Islands with limited liability) Stock Code: 3383



Develop our  
future with  
**vision and  
enthusiasm**  
**2016** ANNUAL REPORT



# Corporate Profile

Agile (stock code: 3383), as a renowned brand in China, is principally engaged in the development of large-scale comprehensive property projects, with extensive presence in the businesses of hotel operations, property investment, property management and environmental protection. The Group currently owns a diversified portfolio in over 40 cities and districts. As at 31 December 2016, the Group has a land bank with a total planned GFA of 32.60 million sq.m. (including both lands with titles and contractual interests).

The shares of Agile have been listed on the Main Board of Hong Kong Stock Exchange since 2005 and are constituent stocks of Hang Seng Composite Index, Hang Seng Global Composite Index, Hang Seng Stock Connect Hong Kong Index Series and Lippo Select HK & Mainland Property Index.

## Contents

<b>1</b>	Business Structure	<b>67</b>	Directors' Profile
<b>2</b>	Financial Highlights	<b>72</b>	Senior Management's Profile
<b>4</b>	Milestones 2016	<b>73</b>	Corporate Governance Report
<b>5</b>	Major Honours and Awards	<b>88</b>	Report of the Directors
<b>6</b>	Chairman's Statement	<b>100</b>	Independent Auditor's Report
<b>12</b>	Management Discussion and Analysis	<b>104</b>	Consolidated Balance Sheet
<b>18</b>	Property Development	<b>106</b>	Consolidated Income Statement
<b>20</b>	Business Overview	<b>107</b>	Consolidated Statement of Comprehensive Income
<b>24</b>	Project Overview	<b>108</b>	Consolidated Statement of Changes in Equity
<b>26</b>	Land Bank Table	<b>110</b>	Consolidated Statement of Cash Flows
<b>32</b>	Flagship Projects at a Glance	<b>111</b>	Notes to the Consolidated Financial Statements
<b>54</b>	Hotel Operations and Property Investment	<b>188</b>	Five-year Financial Summary
<b>59</b>	Property Management	<b>190</b>	Corporate Information
<b>62</b>	Environmental Protection	<b>194</b>	Glossary
<b>64</b>	Investor Relations		



# Business Structure

Agile will continue to adopt the strategy of diversified development for promoting the stable development of each of its business segments.



page

18

## Property Development

A land bank with a total planned GFA of 32.60 million sq.m. in 46 cities and districts



page

54

## Hotel Operations and Property Investment

Properties including hotels, shopping malls and office buildings



page

59

## Property Management

Total contracted GFA managed being 57.56 million sq.m.



page

62

## Environmental Protection

Three major environmental protection businesses including solid waste treatment, environmental restoration and water affairs are developing in different regions

# Financial Highlights

## Income Statement Highlights

	For the year ended 31 December		
	2016	2015	Change
Revenue (RMB million)	<b>46,679</b>	43,004	+8.5%
Gross profit (RMB million)	<b>12,366</b>	10,813	+14.4%
Gross profit margin	<b>26.5%</b>	25.1%	+1.4 percentage points
Net Profit (RMB million)	<b>3,050</b>	2,302	+32.5%
Net profit margin	<b>6.5%</b>	5.4%	+1.1 percentage points
Profit attributable to shareholders of the Company (RMB million)	<b>2,284</b>	1,390	+64.3%
Core profit attributable to shareholders of the Company* (RMB million)	<b>2,744</b>	2,429	+13.0%
Basic earnings per share (RMB)	<b>0.588</b>	0.358	+64.2%
Distributed interim dividend per ordinary share (HK cents)	–	–	N/A
Proposed final dividend per ordinary share (HK cents)	<b>20.0</b>	14.5	+37.9%
Full year dividend per ordinary share (HK cents)	<b>20.0</b>	14.5	+37.9%
Proposed special dividend per ordinary share (HK cents)	<b>25.0</b>	25.0	–

## Balance Sheet Highlights

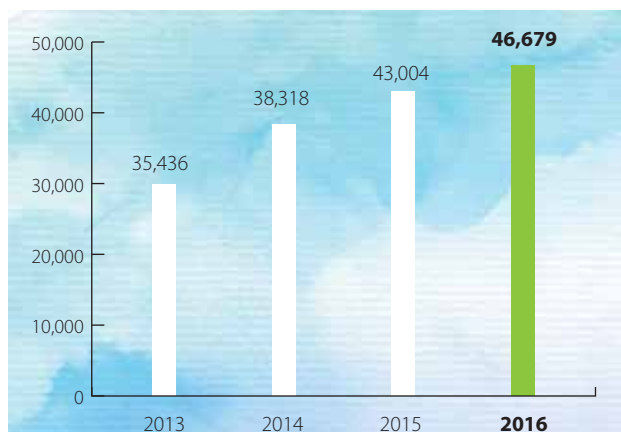
	As at 31 December		
	2016	2015	Change
Total assets (RMB million)	<b>131,725</b>	117,313	+12.3%
Cash and cash equivalents (RMB million)	<b>12,432</b>	7,407	+67.8%
Restricted cash (RMB million)	<b>9,879</b>	5,730	+72.4%
Short-term borrowings (RMB million)	<b>12,815</b>	16,487	-22.3%
Long-term borrowings (RMB million)	<b>31,181</b>	23,543	+32.4%
Shareholders' equity (RMB million)	<b>35,310</b>	34,308	+2.9%
Return on equity (ROE)	<b>6.5%</b>	4.1%	+2.4 percentage points
Total debt/total assets	<b>33.4%</b>	34.1%	-0.7 percentage points
Net debt/total equity	<b>49.1%</b>	64.0%	-14.9 percentage points

\* Profit attributable to shareholders of the Company excluding (i) fair value gains on revaluation of investment properties and the related tax effect; (ii) foreign exchange loss/gain and (iii) gains in fair value of derivative financial instruments.

## Financial Highlights (Continued)

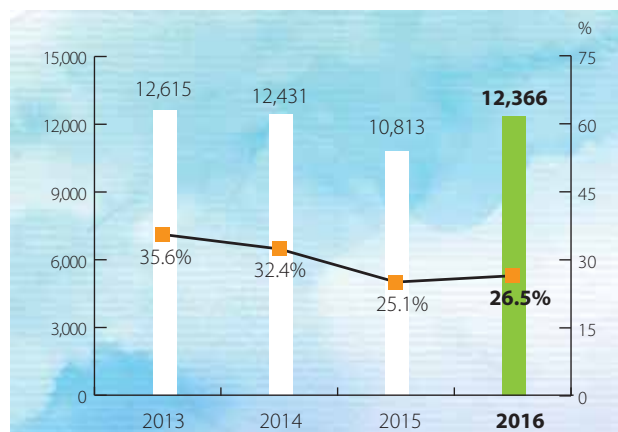
### Revenue

(RMB million)



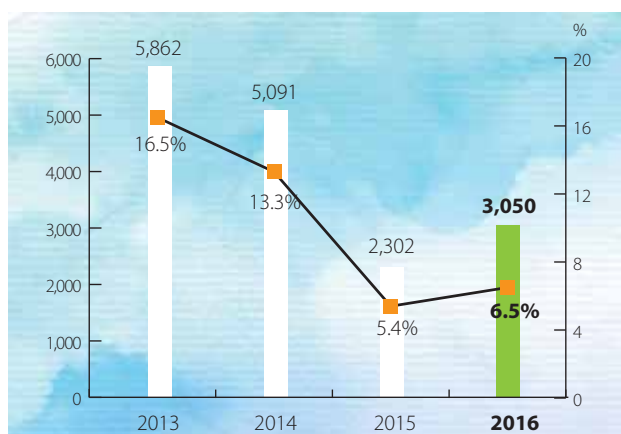
### Gross profit and gross profit margin

(RMB million/%)



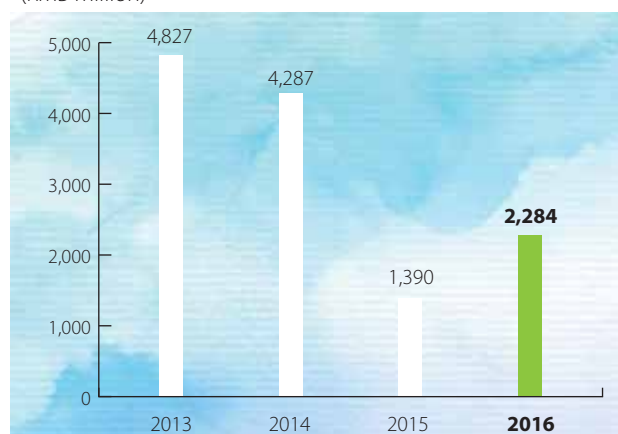
### Net profit and net profit margin

(RMB million/%)



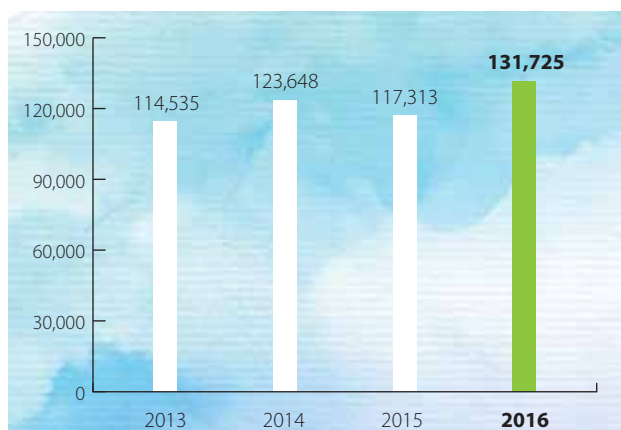
### Profit attributable to shareholders of the Company

(RMB million)



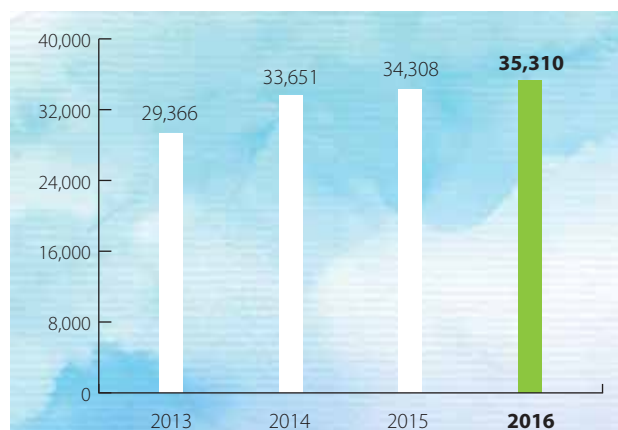
### Total assets

(RMB million)



### Shareholders' equity

(RMB million)



# Milestones 2016

## January

- The Group issued RMB1,600 million 4.7% domestic corporate bonds due 2021.



## March

- The Group acquired a site in Zhengzhou City, Henan Province.

## April

- The Group issued RMB1,200 million 5.8% domestic non-public corporate bonds due 2020.

## May

- The Company obtained a HKD6,707 million 3-year syndicated loan.
- The Group acquired a site in Suzhou City, Jiangsu Province.
- The Group acquired 51% equity interest of a project in Beijing City and 100% equity interest of a project in Zhongshan City, Guangdong Province.
- The Group launched "A-Steward" mobile application.

## June

- The Group acquired a site in Zhengzhou City, Henan Province.
- The Company's English name has changed from "Agile Property Holdings Limited" to "Agile Group Holdings Limited", and the dual foreign name in Chinese has changed from "雅居樂地產控股有限公司" to "雅居樂集團控股有限公司".

## July

- The Company issued RMB3,000 million 4.98% domestic non-public corporate bonds due 2020.
- Commencement of construction of Agile Elegance Haizhu Guangzhou (Formerly known as Guangzhou Haizhu District Project).



## August

- The Group acquired sites in Huizhou City, Guangzhou City, Foshan City and Zhuhai City of Guangdong Province.
- The Group acquired 100% equity interest of a project and 50% equity interest of three projects in Zhongshan City, Guangdong Province and 10% equity interest of a project in South San Francisco of the US.

## September

- The Group acquired 60% equity interest of a project in Zhongshan City, Guangdong Province.

## October

- The Company issued RMB1,800 million 4.6% domestic non-public corporate bonds due 2021 and RMB1,200 million 5.7% domestic non-public corporate bonds due 2023.
- The Group acquired 100% equity interest of a project in Changzhou City, Jiangsu Province.

## November

- The Group acquired 50% equity interest of a project in Wuhan City, Hubei Province.

## December

- Commencement of construction of Suzhou Xiangcheng Development Zone Project.



# Major Honours and Awards



## Corporate Social Responsibility

### Caring Company

*The Hong Kong Council of Social Service*

### Corporate Social Responsibility Award 2016

*Capital magazine*

### 2015 Silver Cup of Guangdong Poverty Relief Hongmian Cup

*Guangdong Leadership Group of Poverty Alleviation*

## Corporate Brand

### 2015 Ranking of China's 100 Best Real Estate Enterprises

### 2015 Top 30 Listed China's Real Estate Enterprises

*Guandian Real Estate New Media*

### The Fifteenth (2016) Guangdong Real Estate Enterprises of High Credit Ratings Top 20

*Industrial and Commercial Bank of China Limited*

*(Guangdong Branch)*

*Agricultural Bank of China Limited (Guangdong Branch)*

*Bank of China Limited (Guangdong Branch)*

*China Construction Bank Corporation (Guangdong Branch)*

*People's Daily Online*

### 2016 China Top 500 Private Enterprises

### 2016 China Top 100 Private Service Enterprises

*All-China Federation of Industry & Commerce*

### China Property Award of Supreme Excellence 2016

*Organising Committee of China Property Award of Supreme Excellence*

### Metro Awards for Service Excellence 2016

*Metro Daily*

*Metro Prosperity magazine*

# Chairman's Statement





## Chairman's Statement (Continued)

**Upholding the philosophy of prudent development, the Group will continue to maintain its inherent strength, enhance its comprehensive corporate management capability and refine its business and financial management.**

**CHEN Zhuo Lin**  
*Chairman and President*

### Dear shareholders,

I am pleased to report the audited consolidated results of Agile Group Holdings Limited ("Agile" or the "Company") and its subsidiaries (collectively, the "Group") for the year ended 31 December 2016 as follows:

### Results and dividends

During the year, the revenue and gross profit of the Group were RMB46,679 million and RMB12,366 million, representing an increase of 8.5% and 14.4% respectively when compared with last year. Net profit amounted to RMB3,050 million, representing an increase of 32.5%. Overall gross profit margin and net profit margin were 26.5% and 6.5%, representing an increase of 1.4 percentage points and 1.1 percentage points respectively when compared with last year.

During the year, the Group's total recognised sales of property development was RMB44,752 million, representing an increase of 8.0% when compared with last year. Revenue from property management and property investment also increased by 31.4% and 95.5%. Revenue from hotel operations was comparable with last year.

Taking into account the Group's business development needs and shareholders' investment returns, the board of directors of the Company (the "Board") has proposed the declaration and payment of a final dividend of HK20.0 cents per ordinary share for the year ended 31 December 2016. To celebrate the 25th anniversary of the Group and to appreciate the long-term support of the shareholders, the Board has also proposed the declaration and payment of a special dividend of HK25.0 cents per ordinary share.

### Business review

During the year, the Group achieved objectives set at the beginning of the year and honoured its commitments on business results after the reform, with breakthroughs in a number of areas. Both the pre-sales and the cash collection in the property development business hit a record high. Financial position was substantially improved, with strong cash flows. Onshore financing channels were more flexible, while gearing ratio was further reduced. Meanwhile, the selling and marketing costs and administrative expenses were properly managed, giving a strong boost to development in future years. Such good results were achieved not only due to favourable factors in the market, but also due to the Group's improved management.

## Chairman's Statement (Continued)

In respect of the property development business, during the year, property market of China showed signs of recovery with a strong demand of first time home buyers, contributing to the increase of selling price in many cities. The Group capitalised on market opportunities by launching projects in a timely manner at reasonable prices. Flexible marketing strategies to clear the inventories continued to be effective, with satisfactory performance in terms of both sales and cash collection. During the year, the Group's pre-sales in the property development business was RMB52,820 million, representing an increase of 19% over last year. The GFA pre-sold was 5.30 million sq.m., with a corresponding average selling price of RMB9,962 per sq.m., representing an increase of 5% and 14% respectively when compared with last year.

The Group maintained its leading position in different markets. In Zhongshan District and Guangzhou and Foshan District, the Group had reached remarkable pre-sales of over RMB10,000 million and RMB8,000 million respectively, while the average selling price had increased by 41.3% and 35.7% respectively; Hainan Clearwater Bay continued to be one of the most popular tourism property projects in China and achieved nearly RMB9,000 million pre-sales with good profit margin; the Group achieved steady growth of pre-sales in Eastern China Region with over RMB11,000 million; and other regions were showing stable pre-sales performance. During the year, total recognised sales from property development of the Group was RMB44,752 million, representing an increase of 8.0% when compared with last year, reaching a record high.

In respect of other businesses, with more properties delivered and the vigorous expansion of third-party businesses during the year, the Group's revenue from property management increased by 31.4%, together with good performance in broadening sources of income and reducing operating expenses. Revenue from property investment business increased by 95.5% when compared with last year, of which, Guangzhou Agile Centre recorded an occupancy rate of over 90%. Revenue from hotel operations was comparable with last year.

### Strengthening management for better profits

During the year, the Group further strengthened its management. With a view to maintaining reasonable profitability, the Group adopted a multi-pronged strategy in promoting project development efficiency and lowered inventory level through sales-based production and dynamic adjustments, resulted in a significant rise in the gross profit margin during the second half of the year, which was 32.5%, when compared with that of the first half, which was 20.0%, with the annual overall gross profit margin being 26.5%. During the year, the core profit attributable to shareholders of the Company was RMB2,744 million, representing an increase of 13.0% when compared with last year.

The Group believes that timely introduction of products tailored to market demand is particularly important to ensure stable growth of the property development business. During the year, the Group continued to optimise its product mix by focusing on products catering for end-users' and upgraders' demands, supplemented by quality tourism property products of health care, retirement and holiday purposes, as well as high-end products tailored to market demands. In addition, the Group continued to enhance its product quality. During the year, the Group developed dozens of new flat types and a number of new facades. It also endeavoured to optimise the interior design and details and to improve the landscaping of its projects, so as to maintain its leading position in the industry and to provide residents with a comfortable environment.

### Seeking opportunities actively to promote diversified business development

During the year, the Group made intensive efforts to expand its existing businesses and to explore other business opportunities, laying a solid foundation for its long-term development.

In line with its development, the Group strategically procured premium land parcels of 2.32 million sq.m. in total planned attributable GFA in Beijing, Changzhou, Foshan, Guangzhou, Hainan, Huizhou, Suzhou, Wuhan, Zhengzhou, Zhongshan, Zhuhai and South San Francisco of US. Total consideration attributable by the Group was RMB19,200 million. As at 31 December 2016, the Group had a premium land bank with an estimated GFA of about 32.60 million sq.m. in 46 cities and districts, laying a solid cornerstone for its property development business.

## Chairman's Statement (Continued)

In respect of property management, the Group continued to expand the "A-Living" business and to improve services of the "A-Steward" online platform. It also cooperated with partners in various areas, with a view to providing residents and tenants with more diversified services. As at 31 December 2016, the Group's contracted GFA under management was 57.56 million sq.m.. In respect of hotel operations, the Group continued to optimise its services, expand marketing channels, broaden sources of income and reduce operating expenses. In respect of the new environmental protection business, the Group continued to optimise the technologies and management of existing projects and further expanded the business.

### Substantially improved financial position and diversified financing channels

Sound financial position has been the pillar supporting the Group's business development. Therefore, the Group made active efforts to enhance its cash flow management during the year and endeavoured to further accelerate the sales turnover. It also strengthened capital and budget management and optimised cost and expenditure control. Meanwhile, the Group consolidated and optimised its debt structure through a number of financing channels onshore and offshore. On the onshore front, the Group issued RMB1,600 million corporate bonds due 2021 with a coupon rate of 4.7%, RMB1,200 million non-public corporate bonds due 2020 with a coupon rate of 5.8%, RMB3,000 million non-public corporate bonds due 2020 with a coupon rate of 4.98%, RMB1,800 million non-public corporate bonds due 2021 with a coupon rate of 4.6%, RMB1,200 million non-public corporate bonds due 2023 with a coupon rate of 5.7% and RMB1 billion 5% to 6% asset-backed securities backed by property management fee receivable due 2021. It also obtained a HKD6,707 million 3-year syndicated loan and a HKD780 million 3-year bank loan. In addition, the Company redeemed in full the USD650 million 8.875% senior notes due 2017.

During the year, the Group's overall cash collection recorded a significant improvement. The Group had strong cash flows and successfully lowered its gearing ratio. As at 31 December 2016, the Group's total cash and bank deposits amounted to RMB22,311 million and its undrawn borrowing facilities stood at RMB2,400 million. As at 31 December 2016, the net debt to total equity ratio of the Group was 49.1%, representing a significant decrease of 14.9 percentage points when compared with 31 December 2015.

Furthermore, the Group's cost of borrowings was reduced when compared with last year. During the year, the total cost of borrowings of the Group was RMB3,275 million, representing a decrease of RMB146 million when compared with RMB3,421 million last year. The decrease was mainly attributable to lower borrowing rate during the year compared to last year. Taking into consideration of exchange differences arising from foreign currencies borrowings, the Group's effective borrowing rate for the year was 7.6%. Furthermore, the weighted average funding cost of 2016 new borrowings was around 6.1%.

In order to reduce risks arising from exchange rate movements in USD-and HKD-denominated debts, the Group reduced the percentage of foreign currency borrowings during the year and concluded capped forward contracts of USD1,605 million and HKD4,450 million respectively. And the Group recorded fair value gains in derivatives financial instruments of RMB562 million arising from the said contracts as a deduction of finance costs during the year. As at 31 December 2016, the notional amount of the capped forward contracts entered into by the Group has covered about 80% of the Group USD-and HKD-denominated indebtedness.

## Chairman's Statement (Continued)

### Good corporate governance and multi-channel communications

The Group upholds the concept of "mutual communication for a win-win situation". Subject to the requirements of the Listing Rules and laws, the Group maintains effective mutual communication and builds long-standing, stable relationships with commercial banks, investment banks, rating agencies, investors and analysts, thereby improving its corporate transparency.

### A responsible corporate citizen in pursuit of sustainable development

Upholding the belief of "benefiting from society, giving back to society", the Group is committed to fulfilling its corporate social responsibilities. During the year, RMB81 million charitable donations were made. The Group firmly believes that environmental protection is a key part in its sustainable development, and strives to contribute to environmental protection from project planning to completion and sale, as well as property management and hotel operations. Furthermore, the Group actively promotes environmental education and encourages the staff to practise low carbon living.

### Prospects and strategy

Looking ahead, the overall economy of China is expected to maintain steady growth in 2017. The Group will continue to uphold the philosophy of prudent development, adopt a strategy of diversified development and drive the steady growth of all its business segments. Apart from expanding property development and promoting steady profit growth, the Group will also accelerate its development and enhance its competitiveness in business segments such as property management, hotel operations, property investment and environmental protection. More profit centres will be created. At the same time, the quality of the Group's products and services should be further optimised with a customer-oriented approach.

While steadily expanding its businesses, the Group will strive to maintain robust cash flows and a reasonable profit margin. By means of accelerating sales turnover, enhancing financing ability, reducing financing costs, allocating resources in an orderly manner and reducing operating expenses, the Group is strive to continue the profit growth trend in the second half of 2016 and to achieve sustainable development. The Group has engaged professional advisers to review and advise on the feasibility, structure and timing of the potential spin-off listing of its property management business, in order to realise value of the business and enhance shareholders' return.

A premium land bank is the cornerstone of the property development business. The Group will adopt an active but prudent strategy in land acquisition, with priority given to opportunities in cities where existing projects with a competitive edge are located, as well as first – and second – tier cities with substantial growth potential. With thorough analysis and planning, the Group will strategically acquire premium land parcels when opportunity arises. It will continue to improve its geographic diversification and optimise its product structure. Meanwhile, the Group will continue to control costs effectively through product standardisation, and will implement strict construction management to ensure effective management of resources for sale.

The Group will continue to enhance its overall management and execution capability, with a view to laying a solid foundation for healthy development in the long term, by further streamlining the decision-making process, with ongoing control on administrative expenses and enhancement of efficiency.

The Group is confident that, with the above measures and the efforts of all staff, it will be able to drive its overall business growth steadily and further increase the brand awareness of Agile across the nation and maintain its position in the competitive market. Meanwhile, the Group will also continue its promise of undertaking corporate social responsibilities and contributing to society by taking part in charity affairs.

## Chairman's Statement (Continued)

### Acknowledgement

On behalf of the Board, I would like to extend my heartfelt gratitude to the enormous support from our shareholders and customers, as well as the dedicated efforts of all our staff members, which enable Agile to grow and to achieve good results.

### **CHEN Zhuo Lin**

*Chairman and President*

Hong Kong, 15 March 2017

# Management Discussion and Analysis

## Overall performance

During the year, the Group's revenue was RMB46,679 million (2015: RMB43,004 million), representing an increase of 8.5% over 2015. The operating profit was RMB8,601 million (2015: RMB7,636 million), representing an increase of 12.6% over last year. Profit attributable to shareholders was RMB2,284 million (2015: RMB1,390 million), representing an increase of 64.3% over last year. Core profit attributable to shareholders of the Company was RMB2,744 million (2015: RMB2,429 million), representing an increase of 13.0% over last year. Basic earnings per share was RMB0.588 (2015: RMB0.358).

## Land bank

In line with the Group's long-term development strategy, the Group continued to adopt its strategic land replenishment plan while optimising the existing land bank in accordance with the development needs and market conditions. As at 31 December 2016, the Group had a land bank with a total planned GFA of 32.60 million sq.m. in 46 cities and districts, located in Southern

China Region, Eastern China Region, Western China Region, Central China Region, Hainan and Yunnan Region, Northeast China Region, Northern China Region, Kuala Lumpur of Malaysia and South San Francisco of US. The average land cost was RMB1,501 per sq.m., which was competitive.

During the year, the Group adopted a more active yet prudent land acquisition strategy and increased its land bank by acquiring a total planned attributable GFA of 2.32 million sq.m. in cities including Beijing, Changzhou, Foshan, Guangzhou, Hainan, Huizhou, Suzhou, Wuhan, Zhengzhou, Zhongshan, Zhuhai and South San Francisco of US by way of tender, auction, listing-for-sale and equity acquisition. Total consideration attributable by the Group was RMB19,200 million. Among which, Beijing, Suzhou, Wuhan, Zhuhai and South San Francisco of US were the newly explored markets of the Group.

The following table sets forth the details of the newly acquired land parcels:

Land parcel name	City/District	Attributable Interest (%)	Total Planned GFA (sq.m.)
<b>Southern China Region</b>			
Site in Liwan District, Guangzhou	Guangzhou	100	61,716
Site in Haotousha, Zhongshan	Zhongshan	100	166,966
Site in Qingxi Road, Zhongshan	Zhongshan	100	41,802
Site in Mountain City, Zhongshan	Zhongshan	50	454,167
Site in Nanlong Tianlu, Zhongshan	Zhongshan	50	98,664
Site in Dongcheng Lufeng, Zhongshan	Zhongshan	50	347,086
Site in Junhui, Zhongshan	Zhongshan	60	395,588
Site in Science and Technology Park, Zhuhai	Zhuhai	100	206,494
Site in Southwest Street, Sanshui, Foshan	Sanshui, Foshan	50	113,048
Site in Huicheng District, Huizhou	Huizhou	100	66,420
<b>Eastern China Region</b>			
Site in Sanjin River, Changzhou	Changzhou	100	54,468
Site in Xiangcheng Development Zone, Suzhou	Suzhou	62.5	101,503
<b>Central China Region</b>			
Site in Zhongmou District, Zhengzhou	Zhengzhou	100	195,821
Site in Zhengdong New District, Zhengzhou	Zhengzhou	100	74,227
Site in Jiangxia District, Wuhan	Wuhan	50	800,000
<b>Northern China Region</b>			
Site in Yanqing District, Beijing	Beijing	51	65,000
<b>Hainan and Yunnan Region</b>			
Site in Agile Pure Moon Bay, Hainan	Hainan	100	33,225
Site in Hainan Clearwater Bay, Hainan	Hainan	100	30,158
<b>Overseas</b>			
Site in Oyster Point, South San Francisco, US	South San Francisco, US	10	209,032

## Management Discussion and Analysis (Continued)

### Property development and sales

During the year, total recognised sales from property development of the Group was RMB44,752 million, representing an increase of 8.0% when compared with RMB41,421 million in 2015. The total recognised GFA sold was 5.08 million sq.m., representing an increase of 6.0% when compared with last year. The recognised average selling price increased by 1.9% to RMB8,808 per sq.m. in 2016 from RMB8,642 per sq.m. in 2015.

### Property management

During the year, revenue from property management of the Group was RMB1,069 million, representing an increase of 31.4% when compared with RMB813 million in 2015, which was mainly attributable to an increase in the total contracted GFA under management to 57.56 million sq.m. (2015: 47.79 million sq.m.).

### Hotel operations

During the year, revenue from hotel operations of the Group was RMB670 million, which was comparable with RMB674 million in 2015. It was primarily attributable to the revenue generated from Shanghai Marriott Hotel City Centre, Raffles Hainan, Sheraton Bailuhu Resort Huizhou Hotel and Howard Johnson Agile Plaza Chengdu.

### Property investment

During the year, revenue from property investment of the Group was RMB189 million, representing an increase of 95.5% when compared with RMB96 million in 2015. The increase was mainly due to the increase in the unit rental rate and occupancy rate for the year.

### Cost of sales

During the year, cost of sales of the Group was RMB34,313 million, representing an increase of 6.6% when compared with RMB32,191 million in 2015. The increase was mainly due to the increase of the total recognised area during the year.

### Gross profit

During the year, gross profit of the Group was RMB12,366 million, representing an increase of 14.4% when compared with RMB10,813 million in 2015. During the year, gross profit margin of the Group was 26.5%, representing an increase of 1.4 percentage points when compared with 25.1% in 2015. The increase in gross profit margin was mainly attributable to the increased weightings by projects with relatively higher gross profit margin.

### Fair value gains on investment properties

During the year, fair value gains on investment properties of the Group was RMB43 million. After deducting RMB11 million for the deferred income tax on fair value gains, the net amount of the fair value gains on investment properties was RMB32 million.

### Other losses, net

During the year, the other losses of the Group was RMB335 million, representing an increase of 140.1% when compared with RMB139 million in 2015. It was mainly attributable to the reversal of gain on disposal of property, plant and equipment and the net exchange loss of translation of financial assets and liabilities except for borrowings, which are denominated in foreign currency into Renminbi at the prevailing period-end exchange rate.

### Other income

During the year, other income of the Group was RMB279 million, representing an increase of 31.3% when compared with RMB212 million in 2015, which was mainly due to the increase of interest income of bank deposits and forfeited deposits from customers.

### Selling and marketing costs

During the year, selling and marketing costs of the Group recorded was RMB2,098 million, representing an increase of 17.5% when compared with RMB1,786 million in 2015. The selling and marketing costs as a percentage of revenue increased to 4.5% in 2016 from 4.2% in 2015, which was mainly attributable to the increase in sales agency fee to third party agents.

## Management Discussion and Analysis (Continued)

### Administrative expenses

During the year, administrative expenses of the Group was RMB1,458 million, which was comparable with RMB1,444 million in 2015. The administrative expenses as a percentage of revenue decreased to 3.1% in 2016 from 3.4% in 2015, it was mainly attributable to the Group's the effective control of administrative costs continuously.

### Other expenses

During the year, other expenses of the Group was RMB196 million, representing an increase of 137.6% when compared with RMB82 million in 2015. Meanwhile, charitable donations of the Group was RMB81 million in 2016 (2015: RMB34 million).

### Finance costs, net

During the year, the net finance cost of the Group was RMB1,125 million, representing a decrease of 15.1% when compared with RMB1,325 million in 2015, which was mainly due to decrease of interest expenses by RMB146 million, the gain in fair value of derivative financial instruments by RMB562 million recorded as a deduction of finance costs, offset by the increased interest expenses not eligible for capitalisation related to completed construction properties of RMB220 million.

### Share of post-tax losses of associates

During the year, the share of post-tax losses in Guangzhou Li He Property Development Company Limited ("Li He", an associate in which the Group holds 20% equity interest) and Oyster Point Development LLC (an associate in which the Group holds 10% equity interest) was RMB3 million (2015: RMB27 million).

### Share of post-tax gains/(losses) of joint ventures

During the year, share of post-tax gains of joint ventures of the Group was RMB10 million, representing an increase of RMB97 million when compared with share of post-tax losses of RMB87 million in 2015.

### Profit attributable to shareholders

During the year, profit attributable to shareholders of the Group was RMB2,284 million, representing an increase of 64.3% when compared with RMB1,390 million in 2015. After excluding fair value gains on revaluation of investment properties and the related tax effect, foreign exchange loss/gain and fair value gains in derivative financial instruments, the core profit attributable to shareholders of the Company in 2016 was RMB2,744 million, representing an increase of 13.0% when compared with RMB2,429 million in 2015.

### Liquidity, financial and capital resources

#### Cash position and fund available

As at 31 December 2016, the total cash and bank balances of the Group were RMB22,311 million (31 December 2015: RMB13,137 million), comprising cash and cash equivalents of RMB12,432 million (31 December 2015: RMB7,407 million) and restricted cash of RMB9,879 million (31 December 2015: RMB5,730 million).

Some of the Group's project companies are required to place a certain amount of pre-sale proceeds in designated bank accounts as guarantee deposits for construction of the relevant properties.

As at 31 December 2016, the Group's undrawn borrowing facilities were RMB2,400 million (31 December 2015: RMB2,603 million).



## Management Discussion and Analysis (Continued)

### Borrowings

As at 31 December 2016, the Group's total borrowings amounted to RMB43,996 million, of which bank borrowings, senior notes and PRC corporate bonds, asset-backed securities ("ABS") and other borrowings amounted to RMB18,421 million, RMB13,675 million and RMB11,900 million respectively.

Repayment schedule	As at 31 December 2016 (RMB million)	As at 31 December 2015 (RMB million)
<b>Bank borrowings</b>		
Within 1 year	5,013	10,043
Over 1 year and within 2 years	4,945	1,672
Over 2 years and within 5 years	3,768	3,588
Over 5 years	4,695	521
<b>Subtotal</b>	<b>18,421</b>	15,824
<b>Senior notes</b>		
Within 1 year	6,832	–
Over 1 year and within 2 years	–	10,672
Over 2 years and within 5 years	6,843	6,376
<b>Subtotal</b>	<b>13,675</b>	17,048
<b>PRC corporate bonds, ABS and other borrowings</b>		
Within 1 year	970	6,444
Over 1 year and within 2 years	5,921	449
Over 2 years and within 5 years	5,009	265
<b>Subtotal</b>	<b>11,900</b>	7,158
<b>Total</b>	<b>43,996</b>	40,030

## Management Discussion and Analysis (Continued)

As at 31 December 2016, the Group's bank borrowings (including syndicated loans) of RMB9,335 million (31 December 2015: RMB12,073 million) and other borrowings of RMB2,365 million (31 December 2015: RMB4,786 million) were secured by its land use rights, self-used properties, properties held for sale, properties under development, investment properties and the shares of subsidiaries. The senior notes were guaranteed by certain subsidiaries of the Group and were secured by the pledges of their shares. The net assets of these subsidiaries were RMB2,708 million as at 31 December 2016 (31 December 2015: RMB4,579 million).

The gearing ratio is the ratio of net borrowings (total borrowings less total cash and cash equivalents and restricted cash) to total equity. As at 31 December 2016, the gearing ratio was 49.1%, representing a decrease of 14.9 percentage points when compared with 64.0% in 2015.

### Currency risk

The Group conducts its business primarily in Renminbi. Certain bank deposits and bank loans were denominated in Hong Kong dollars, United States dollars and Malaysian Ringgit, and the Group's certain senior notes and bank borrowings were mainly denominated in United States dollars and Hong Kong dollars. During the year, the Group had entered into capped forward contracts to mitigate certain of its foreign currency exposure in United States dollars and Hong Kong dollars denominated indebtedness and achieve better management over foreign exchange risk. The objective of the arrangement is to minimise the volatility of the RMB cost of highly probable forecast repayments of debts. Other than those disclosed, the Group does not have any material exposures to foreign exchange fluctuations.

In order to reduce risks arising from exchange rate movements in USD-and HKD-denominated debts, the Group reduced the percentage of foreign currency borrowings during the year and concluded capped forward contracts of USD1,605 million and HKD4,450 million respectively. As at 31 December 2016, the Group recorded RMB562 million (2015: nil) as fair value gains in derivative financial instruments as a deduction of finance costs relating to the said contracts.

### Cost of borrowings

In 2016, the total cost of borrowings of the Group was RMB3,275 million, representing a decrease of RMB146 million when compared with RMB3,421 million in 2015. The decrease was mainly attributable to lower borrowing rate in 2016 compared to 2015. Taking into consideration of exchange differences arising from foreign currencies borrowings, the Group's effective borrowing rate for the year was 7.6% (2015: 8.5%).

### Financial guarantee

The Group is in cooperation with certain financial institutions for the provision of mortgage loan facility for its purchasers of property and has provided guarantees to secure repayment obligations by such purchasers. As at 31 December 2016, the outstanding guarantees were RMB33,294 million (31 December 2015: RMB22,449 million). Such guarantees shall terminate upon the earlier of (i) issuance of the real estate ownership certificate which will generally be available within one year after taking over of the possession of the relevant property by the purchasers; or (ii) the satisfaction of relevant mortgage loans by the purchasers.

The Group's proportionate interest in financial guarantee of mortgage facilities for certain purchasers relating to the associate and joint ventures as at 31 December 2016 was RMB359 million (2015: RMB440 million) and RMB524 million (2015: RMB208 million) respectively.

Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with any accrued interests and penalties owed by the defaulted purchasers to the banks, and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee starts from the dates the mortgagees grant the mortgage loans. No provision has been made for the guarantees as the management is of the view that the net realisable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interests and penalties in case of default in payments.

The Company and the other four PRC real estate developers have evenly provided certain guarantees, in proportion of their shareholding in Li He, in respect of loan facilities of Li He amounting to RMB5,080 million (2015: RMB8,910 million), the Group's share of the guarantee amounted to RMB1,016 million (2015: RMB1,782 million).

## Management Discussion and Analysis (Continued)

Several subsidiaries of the Group and joint venture parties have provided certain guarantees in proportion to their shareholdings in certain joint ventures in respect of loan facilities amounting to RMB4,810 million (2015: RMB2,404 million). The Group's share of the guarantees amounted to RMB1,280 million (2015: RMB651 million).

### Commitments

As at 31 December 2016, the commitments of the Group in connection with the property development activities were RMB21,013 million (31 December 2015: RMB16,303 million). The Group has also committed to pay outstanding land premium resulting from land acquisitions in the amount of RMB762 million (31 December 2015: RMB93 million).

### Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures, and Future Plans for Material Investments or Capital Assets

As per announcement of the Company dated 9 November 2016, on 9 November 2016, Nanjing Agile Real Estate Development Co., Ltd. (南京雅居樂房地產開發有限公司), an indirect wholly-owned subsidiary of the Company, entered into a joint venture agreement with Zhongying Changjiang International New Energy Investments Company Limited (中盈長江國際新能源投資有限公司) ("Zhongying"), Wuhan Changkai Property Development Company Limited (武漢長凱物業發展有限公司) ("Changkai") and Yangguang Kaidi New Energy Investments Company Limited (陽光凱迪新能源集團有限公司) ("Yangguang Kaidi"), independent third parties, pursuant to which Nanjing Agile agreed, amongst other things, (i) to inject RMB300 million into Changkai as its new registered capital and thereby to own 50% of its equity interests; and (ii) to provide a loan of RMB3,000 million to Changkai, which will then be lent by Changkai to Zhongying for repayment of third party loans of Zhongying and Yangguang Kaidi as approved by Nanjing Agile and Changkai. Changkai is the registered owner of a piece of land which is situated at Wuhanshi Jiangxiaqu Miaoshan Banshichu Wushu Village (武漢市江夏區廟山辦事處鄔樹村) with a site area of approximately 406,582.82 square metres and a permitted plot ratio between 1.0 and 1.97 registered under land use rights certificate E (2016) Wuhanshi Jiangxia Property Certificate No.0000388 (鄂(2016) 武漢市江夏不動產權 第0000388號).

The acquisition has been completed, the Group now holds 50% of the equity interest in Changkai, which is a joint venture of the Company.

Save as disclosed in this announcement, there were no other significant investments held, no material acquisitions or disposals of subsidiaries, associates and joint ventures during the year, nor was there any plan authorised by the Board for other material investments or additions of capital assets at the date of this announcement.

### Employees and remuneration policy

As at 31 December 2016, the Group had a total of 12,468 employees, among which 114 were senior management and 464 were middle management. By geographical locations, there were 12,374 employees in mainland China and 94 employees in Hong Kong, Macau and Malaysia. For the year ended 31 December 2016, the total remuneration costs, including directors' remuneration, were RMB1,835 million (2015: RMB1,792 million).

The Group remunerates its employees based on their performance, working experience and the prevailing market wage level. The total remuneration of the employees consisted of basic salary, cash bonus and Share Award Scheme.

### Outlook

Looking forward, in order to maintain a prominent position in the intensively competitive market and secure growth in revenue and profit, the Group will continue to provide more-value-for-money products and comprehensive services with innovative and humanised planning and design, in addition to the market-leading internet-based property management platform. Furthermore, the Group will continue to expand the property management business in order to broaden the source of income.

Meanwhile, in order to improve the cash flow, the Group will implement flexible sales strategy, with improvement on sell-through rate and inventory clearance. Furthermore, the Group will further optimise the finance structure by implementing flexible financing strategy and fully utilising the financing channels onshore and offshore, with a view to controlling risk and lowering the financing cost effectively. Meanwhile, enhancement of internal management and effective cost control will continue.

In order to cope with the future development, the Group will enhance its land bank by acquiring premium land parcels with prudent manner and at reasonable price.



# Property Development

In order to support the long-term stable growth of the property development business, the Group continues to focus on enhancing its competitiveness and maintain a strong brand recognition in the face of vigorous market competition, by improving the products' planning and design and offering excellent sales and aftersales services.





Southern  
China  
Region

Eastern  
China  
Region

Western  
China  
Region

Central  
China  
Region

Hainan  
and Yunnan  
Region

Northeast  
China  
Region

Northern  
China  
Region

Overseas



# Property Development



## Business overview

During the year, in order to support the long-term stable growth of the property development business, the Group continued to focus on enhancing its competitiveness and maintaining a strong brand recognition in the face of vigorous market competition, by improving the products' planning and design and offering excellent sales and aftersales services.

Furthermore, in light of the strong end-users' and upgraders' demand, the Group continued to optimise its product mix by focusing on products catering for such demand, supplemented by high-end products tailored to market needs. Meanwhile, as there has been strong demand for quality tourism property for such purposes including health keeping, retirement and holiday, some of the Group's projects will continue to develop products catering for such needs.

## Steady sales growth and continuously enhanced product quality

During the year, property market of China showed signs of recovery with a strong demand of end-user's products, contributing to the increase of selling price in many cities. The Group capitalised on market opportunities by launching projects

in a timely manner at reasonable prices. Flexible marketing strategies to clear the inventories continued to be effective, with satisfactory performance in terms of both sales and cash collection. During the year, the Group's pre-sales in the property development business was RMB52,820 million, representing an increase of 19% over last year. The GFA pre-sold was 5.30 million sq.m., with a corresponding average selling price of RMB9,962 per sq.m., representing an increase of 5% and 14% respectively when compared with last year.

The Group believes that timely introduction of products tailored to market demand is particularly important to ensure stable growth of the property development business. During the year, the Group continued to optimise its product mix by focusing on products catering for end-users' and upgraders' demands, supplemented by quality tourism property products of health keeping, retirement and holiday purposes, as well as high-end products tailored to market demands. In addition, the Group continued to enhance its product quality. During the year, the Group developed dozens of new flat types and a number of new facades. It also endeavoured to optimise the interior design and details and to improve the landscaping of its projects, so as to maintain its leading position in the industry and to provide residents with a comfortable environment.

## Property Development (Continued)

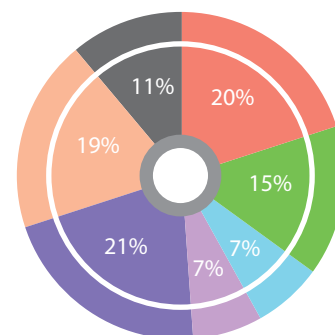


### Effective geographic diversification and leading market brand

During the year, the geographic diversification strategy of the Group achieved satisfactory progress. The Group maintained its leading position in Southern China Region and recorded outstanding results. With active penetration in the past few years, overall good sales performance was seen in Eastern China region, making contributions to the pre-sales performance. Tourism property business in Hainan and Yunnan Region also maintained its leading market position. During the year, pre-sales from Southern China Region, Eastern China Region, Hainan and Yunnan Region and Other Regions accounted for 49%, 21%, 19% and 11%.

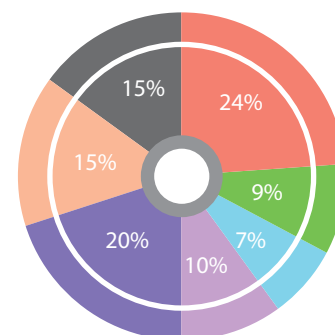
### Pre-sales amounted to RMB52,820 million

- Southern China Region (Zhongshan)
- Southern China Region (Guangzhou)
- Southern China Region (Foshan)
- Southern China Region (Eastern Guangdong and Guangxi)
- Eastern China Region
- Hainan and Yunnan Region
- Other Regions



### GFA Pre-sold was 5.30 million sq.m.

- Southern China Region (Zhongshan)
- Southern China Region (Guangzhou)
- Southern China Region (Foshan)
- Southern China Region (Eastern Guangdong and Guangxi)
- Eastern China Region
- Hainan and Yunnan Region
- Other Regions



## Property Development (Continued)



As the top 20 property developer in China in terms of pre-sales, Agile achieved remarkable sales in many markets with its high quality products, sound design and planning and considerate property management services. Sale performance of major projects during the year are summarised as follows:

In Zhongshan, the Group maintained its leading position and was the sales champion of the year with remarkable pre-sales of over RMB10,000 million which set a record high, while the average selling price had increased by 41.3% when compared with last year. Metro Agile Zhongshan, Agile Coastal Pearl Zhongshan and New Legend Zhongshan of the Group ranked top 3 in the local market in terms of number of units sold. In addition, Agile Cambridgeshire Zhongshan was well-received by the market, several new components were launched and were sold out.

In Guangzhou, the Group was one of the top 10 property developers in terms of pre-sales amount in the local market with over RMB5,000 million pre-sales. With its high quality products and mature ancillary facilities, Agile Mountain Guangzhou was the top 10 sellers in Guangzhou in terms of pre-sales amount. The last phase of Agile Flowing Garden Conghua was launched and was almost sold out during the year. Agile Central Point Plaza Huadu has also been the top 3 sellers in Huadu district in terms of online registration of pre-sales amount.

In Foshan, the Group achieved steady pre-sales performance during the year with over RMB3,000 million pre-sales. Agile British Manor Shunde and Agile Personage Nanhi ranked top sellers of the year in the local market. In Eastern Guangdong District, Agile Garden Huiyang and Agile Garden Heyuan were well-received by the market. New components were launched during the year and were quickly sold out, generating stable pre-sales for the Group.



## Property Development (Continued)



Meanwhile, the Group achieved steady growth of pre-sales in Eastern China Region with over RMB11,000 million. Agile International Garden Hangzhou ranked one of the top 5 sellers of the year in Hangzhou in terms of number of units sold with over 2,000 units sold during the year. Agile City Centre Villa Wuxi continued to be highly coveted during the year and was the top 5 sellers of the year in terms of GFA pre-sold in Wuxi. The Territory Nanjing achieved over RMB3,000 million pre-sales and was one of the top 5 sellers of the year in Jiangbei District. Agile & Star River Changzhou had also been one of the top 10 sellers of the year in Changzhou.

In Western China Region, new components of the Group's projects in Chengdu, Xi'an and Chongqing were launched with positive market responses. Agile Garden Chengdu had been one of the top 10 sellers of the year in Chengdu in terms of GFA pre-sold. Agile Chairman Xi'an and Agile Chairman Chongqing had achieved satisfactory result.

The tourism property business in Hainan and Yunnan Region continued to generate stable pre-sales, accounting for approximately 19% of the Group's total pre-sales. During the year, Hainan Clearwater Bay continued to be one of the most popular tourism property projects in China and achieved nearly RMB9,000 million pre-sales.

### Seeking opportunities actively and flexible development adjustment

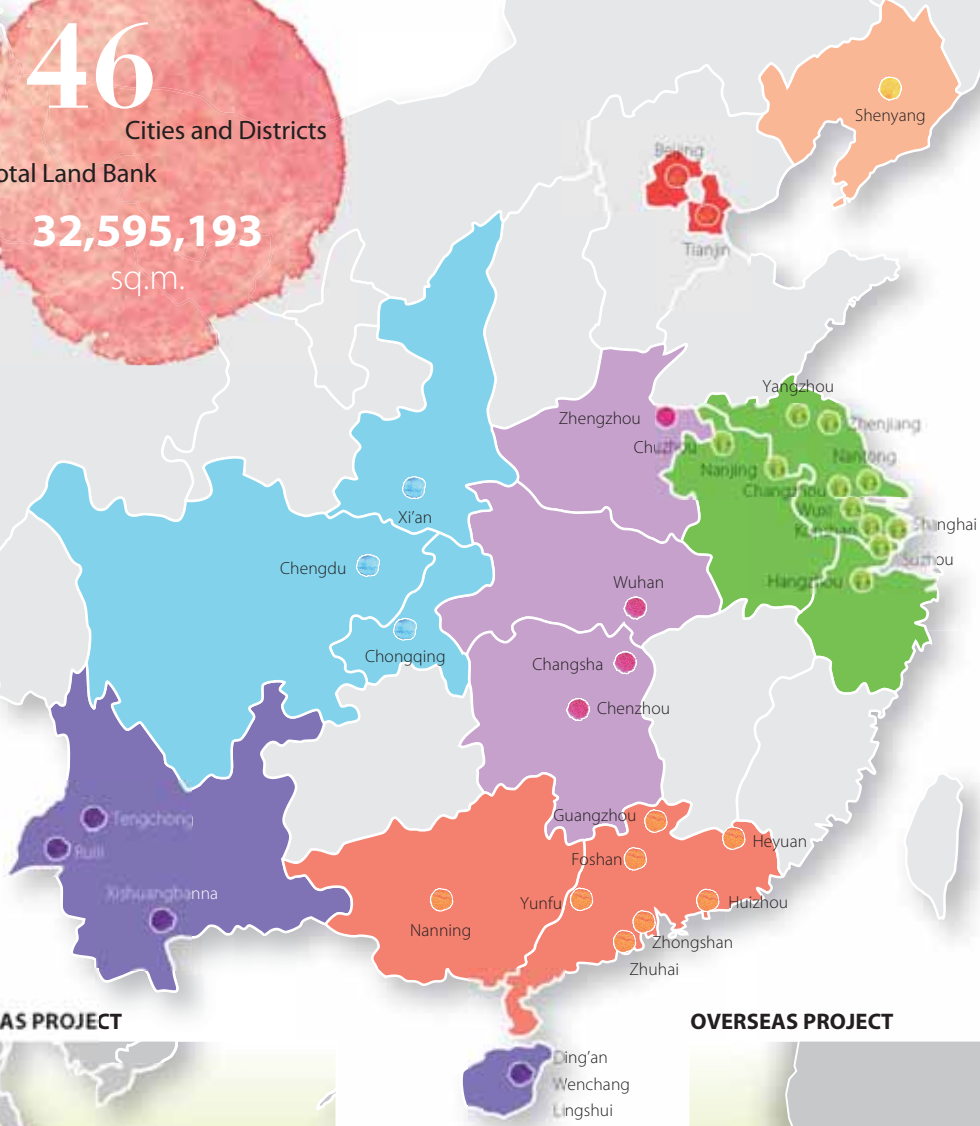
During the year, in line with its development, the Group strategically procured premium land parcels of 2.32 million sq.m. in total planned attributable GFA in Beijing, Changzhou, Foshan, Guangzhou, Hainan, Huizhou, Suzhou, Wuhan, Zhengzhou, Zhongshan and Zhuhai and South San Francisco of US. Total consideration attributable by the Group was RMB19,200 million. As at 31 December 2016, the Group had a premium land bank with an estimated GFA of about 32.60 million sq.m. in 46 cities and districts, laying a solid cornerstone for its property development business.

The Group makes flexible adjustments to the scope and schedule of developments according to the project sales and supply in order to balance and optimise the progress. During the year, the newly commenced GFA was 3.82 million sq.m. and completed GFA was 4.62 million sq.m.. As at 31 December 2016, the Group's completed GFA in the land bank was 1.95 million sq.m. and the GFA under development was 6.47 million sq.m..

# Property Development (Continued)

Project Overview (as at 31 December 2016)

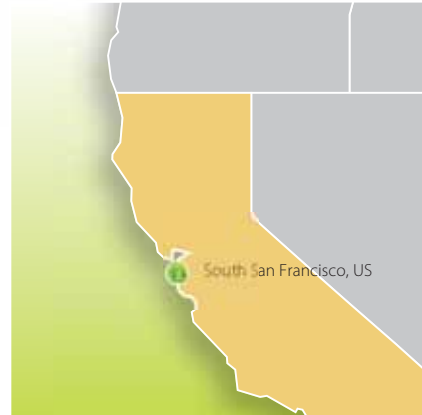
**46**  
 Cities and Districts  
 Total Land Bank  
**32,595,193**  
 sq.m.



## OVERSEAS PROJECT



## OVERSEAS PROJECT



## Property Development (Continued)

### Southern China Region

City	District	No. of Projects	Total Planned GFA of the Projects (sq. m.)	Land Bank (sq. m.)
Guangzhou	Panyu	3	7,163,281	651,328
	Luogang	1	613,624	155,408
	Huadu	3	1,106,336	156,931
	Zengcheng	1	111,680	364
	Conghua	1	434,023	61,117
	Haizhu	1	63,430	63,430
	Liwan	1	61,716	61,716
	Zhongshan		19	11,728,157
Zhuhai		1	206,494	206,494
Foshan	Nanhai	2	1,003,072	40,583
	Sanshui	3	704,049	240,292
	Shunde	4	1,220,069	195,350
Eastern Guangdong	Heyuan	1	2,729,481	868,708
	Huizhou	2	2,066,420	891,606
	Huiyang	1	2,995,658	2,812,935
Western Guangdong and Guangxi Zhuang Autonomous Region	Yunfu	1	345,989	345,989
	Nanning	1	432,860	216,430
<b>Total</b>		<b>46</b>	<b>32,986,339</b>	<b>11,025,387</b>

### Eastern China Region

City	No. of Projects	Total Planned GFA of the Projects (sq. m.)	Land Bank (sq. m.)
Nanjing	4	1,653,180	753,699
Changzhou	2	614,233	336,442
Yangzhou	1	436,858	277,133
Chuzhou	1	677,266	478,457
Wuxi	1	590,325	364,305
Kunshan	1	125,052	10,162
Zhenjiang	1	226,200	170,290
Nantong	1	510,000	396,961
Shanghai	2	581,285	433,577
Hangzhou	1	423,827	423,827
Suzhou	1	162,404	101,503
<b>Total</b>	<b>16</b>	<b>6,000,630</b>	<b>3,746,355</b>

### Western China Region

City	No. of Projects	Total Planned GFA of the Projects (sq. m.)	Land Bank (sq. m.)
Chengdu	1	1,606,752	574,115
Xi'an	3	1,279,667	684,503
Chongqing	2	812,015	119,656
<b>Total</b>	<b>6</b>	<b>3,698,434</b>	<b>1,378,274</b>

### Central China Region

City	No. of Projects	Total Planned GFA of the Projects (sq. m.)	Land Bank (sq. m.)
Changsha	3	1,521,878	983,122
Zhengzhou	3	466,682	272,127
Chenzhou	1	145,279	145,279
Wuhan	1	800,000	400,000
<b>Total</b>	<b>8</b>	<b>2,933,839</b>	<b>1,800,528</b>

### Hainan and Yunnan Region

City	No. of Projects	Total Planned GFA of the Projects (sq. m.)	Land Bank (sq. m.)
Lingshui	1	10,425,637	7,345,230
Ding'an	1	56,097	56,097
Wenchang	2	710,135	409,275
Ruili	1	731,852	631,303
Tengchong	1	4,004,836	3,900,996
Xishuangbanna	1	634,240	583,933
<b>Total</b>	<b>7</b>	<b>16,562,797</b>	<b>12,926,834</b>

### Northeast China Region

City	No. of Projects	Total Planned GFA of the Projects (sq. m.)	Land Bank (sq. m.)
Shenyang	1	1,110,834	821,442
<b>Total</b>	<b>1</b>	<b>1,110,834</b>	<b>821,442</b>

### Northern China Region

City	No. of Projects	Total Planned GFA of the Projects (sq. m.)	Land Bank (sq. m.)
Tianjin	1	3,010,901	491,409
Beijing	1	65,000	65,000
<b>Total</b>	<b>2</b>	<b>3,075,901</b>	<b>556,409</b>

### Overseas

City	No. of Projects	Total Planned GFA of the Projects (sq. m.)	Land Bank (sq. m.)
Kuala Lumpur, Malaysia	2	319,061	319,061
South San Francisco, US	1	209,032	20,903
<b>Total</b>	<b>3</b>	<b>528,093</b>	<b>339,964</b>
<b>Grand Total</b>	<b>89</b>	<b>66,896,867</b>	<b>32,595,193</b>

# Property Development (Continued)

Land Bank Table (as at 31 December 2016)

No.	Project Name	City/District	Interests Attributable to the Group	Total Site Area (sq.m.)	Address
<b>Southern China Region</b>					
1	Agile Garden Guangzhou	GZ/ Panyu	100%	1,518,417	Xingnan Road, Nancun Town, Panyu District, Guangzhou City
2	Agile Cambridgeshire Guangzhou	GZ/ Panyu	100%	624,701	Caotang Village, Nancun Town, Panyu District, Guangzhou City
3	Guangzhou Asian Games City Project (Note 2)	GZ/ Panyu	20%	2,640,000	Asian Games City, Panyu District, Guangzhou City
4	Agile Mountain Guangzhou	GZ/ Luogang	100%	306,812	Science City, North of Kaichuang Road, Luogang District, Guangzhou City
5	Urban Complex City Huadu	GZ/ Huadu	100%	274,384	Junction of Xinhua Sandong Avenue and Chabei Road, Huadu District, Guangzhou City
6	Agile Central Point Plaza Huadu	GZ/ Huadu	100%	87,482	Junction of Xinhua Sandong Avenue and Chabei Road, Huadu District, Guangzhou City
7	Keep Orange Huadu (Note 2)	GZ/ Huadu	50%	126,941	East of 106 National Road, Huashan Town, Huadu District, Guangzhou City
8	Agile Yubinfu Zengcheng	GZ/ Zengcheng	100%	44,672	306 Licheng Road, Zengcheng District, Guangzhou City
9	Flowing Garden Conghua	GZ/ Conghua	100%	442,866	Jiekou Town, Conghua District, Guangzhou City
10	Agile Elegance Haizhu Guangzhou (Formerly known as Guangzhou Haizhu District Project)	GZ/ Haizhu	100%	13,660	Shigang Road, Haizhu District, Guangzhou City
11	Guangzhou Liwan District Project	GZ/ Liwan	100%	21,908	12, Linghai Street, Liwan District, Guangzhou City
<b>Guangzhou Subtotal</b>				<b>6,101,843</b>	
12	La Cité Greenville Zhongshan	Zhongshan	100%	1,970,275	La Cité Greenville, Torch High-Tech Industrial Development Zone, Zhongshan City
13	New Legend Zhongshan	Zhongshan	100%	509,368	Shenchong Village, Torch High-Tech Industrial Development Zone, Zhongshan City
14	Metro Agile Zhongshan	Zhongshan	100%	1,476,285	Sanxiang Town, Zhongshan City
15	Majestic Garden Zhongshan	Zhongshan	100%	143,377	Junction of Bo'ai Road and Qiguan West Road, East District, Zhongshan City
16	Grand Garden Zhongshan	Zhongshan	100%	96,374	Junction of Bo'ai Road and Xingzhong Road, East District, Zhongshan City
17	Royal Residence Zhongshan	Zhongshan	100%	15,968	Junction of Bo'ai Road and Qiguan West Road, East District, Zhongshan City
18	Zhongshan Minzhong Town Project	Zhongshan	100%	63,450	Xinsheng Village, Minzhong Town, Zhongshan City
19	Agile Cambridgeshire Zhongshan	Zhongshan	100%	375,357	Junction of Bo'ai Road and Qiguan West Road, East District, Zhongshan City
20	Agile Royal Mount Zhongshan	Zhongshan	100%	563,253	Guinan Road, Wugui Mountain Town, Zhongshan City
21	Beautiful Lake Zhongshan (Note 2)	Zhongshan	50%	111,060	Changmingshui Village, Wugui Mountain Town, Zhongshan City
22	Zhongshan Kunlun Hotel Project	Zhongshan	100%	29,267	8 Nanqi North Road, Nanlang Town, Zhongshan City
23	Agile Coastal Pearl Zhongshan	Zhongshan	100%	338,892	Linguo Station, Cuiheng Village, Nanlang Town, Zhongshan City
24	Agile Gentfolk Zhongshan	Zhongshan	100%	71,462	Jiban Village, Shiqi District, Zhongshan City
25	Zhongshan Haotousha Project	Zhongshan	100%	83,483	Haotousha, Torch High-Tech Industrial Development Zone, Zhongshan City
26	Zhongshan Qingxi Road Project	Zhongshan	100%	27,868	138, Qingxi Road, Shiqi District, Zhongshan City
27	Zhongshan Mountain City Project (Note 2)	Zhongshan	50%	181,667	High Garden, Dabu Village, Sanxiang Town, Zhongshan City
28	Zhongshan Nanlong Tianlu Project (Note 2)	Zhongshan	50%	65,776	Carp Mouth, Nanlong, Sanxiang Town, Zhongshan City
29	Zhongshan Dongcheng Lufeng Project (Note 2)	Zhongshan	50%	162,795	Gonghua Village, Torch High-Tech Industrial Development Zone, Zhongshan City
30	Zhongshan Junhui Project (Note 2)	Zhongshan	60%	131,863	Dahuan Village, Jiangmeitou Village, Xiya Village, Torch High-Tech Industrial Development Zone, Zhongshan City
<b>Zhongshan Subtotal</b>				<b>6,417,840</b>	
31	Zhuai Science and Technology Park Project	Zhuhai	100%	83,997	West of Xingzhong Road, South of Dingxing Road, New Coast West Area, Zhuhai City
<b>Zhuhai Subtotal</b>				<b>83,997</b>	
32	Majestic Garden Nanhai	FS/ Nanhai	100%	601,230	Suiyan Road, Nanhai District, Foshan City
33	Agile Personage Nanhai	FS/ Nanhai	100%	44,786	Industrial District of Pan Village, Shuitou Village, Dali Town, Nanhai District, Foshan City
34	Agile Peninsula Sanshui	FS/ Sanshui	100%	140,261	Gaofeng Village, Xi'nan Street, Sanshui District, Foshan City
35	Agile Garden Sanshui	FS/ Sanshui	100%	44,709	Right side of Xi'nan Yong, Xi'nan Street, Sanshui District, Foshan City
36	Foshan Sanshui Southwest Street Project (Note 2)	FS/ Sanshui	50%	64,599	Right side of Xi'nan Yong, Xi'nan Street, Sanshui District, Foshan City
37	Agile Garden Shunde	FS/ Shunde	100%	212,410	Daliang Yannian Road, Shunde District, Foshan City
38	Agile Jardin Lecong	FS/ Shunde	100%	97,474	East 8 Road, South Zone, Lecong Town, Shunde District, Foshan City
39	Agile British Manor Shunde	FS/ Shunde	100%	93,353	West of Tianning Road, North of Huoju Road, New City District, Beijiao Town, Shunde District, Foshan City
40	Agile New City Bay Foshan	FS/ Shunde	100%	50,312	North of Meidi Road, East of Huayang Road, Shangliao Village, Beijiao Town, Shunde District, Foshan City
<b>Foshan Subtotal</b>				<b>1,349,134</b>	
41	Agile Garden Heyuan	Heyuan	100%	1,364,741	Huangsha Road Central, Heyuan City
42	Agile Egret Lake Huizhou	Huizhou	100%	2,000,000	1 Agile Road, Ruhu Town, Huizhou City
43	Huizhou Huicheng District Project	Huizhou	100%	30,192	North of Jinbang, Huicheng District, Huizhou City
44	Agile Garden Huiyang	Huiyang	100%	1,248,191	Yinkeng Road, Xinqiao Village, Danshui Street, Huiyang District, Huizhou City
<b>Eastern Guangdong Subtotal</b>				<b>4,643,124</b>	
45	Yunfu Xijiang New Town Project	Yunfu	100%	138,396	Yunfu High-Tech Industrial Development Zone, Duyang Town, Yuncheng District, Yunfu City
<b>Western Guangdong Subtotal</b>				<b>138,396</b>	
46	Agile International Centre Nanning (Note 2)	Nanning	50%	78,721	South of Yuning Road, Wuxiang New District, Nanning City
<b>Guangxi Subtotal</b>				<b>78,721</b>	
<b>Southern China Region Subtotal</b>				<b>18,813,055</b>	

# Property Development (Continued)

Land Bank Table (as at 31 December 2016)

	Total Planned GFA of the Project (sq.m.)	Land Bank (sq.m.) (Note 1)						
		Total Planned GFA (A)	Development Stage (B)			Planning Nature (C)		
			Completed (B1)	Under Development (B2)	Held for Future Development (B3)	Residential & Ancillary Facilities (C1)	Hotel (C2)	Commercial & Office (C3)
	1,655,026	77,530	1,750	75,780	-	77,530	-	-
	1,128,255	36,456	13,346	23,110	-	36,456	-	-
	4,380,000	537,342	35,343	65,865	436,134	495,822	-	41,520
	613,624	155,408	23,466	131,942	-	155,408	-	-
	652,102	148	148	-	-	148	-	-
	174,964	80,885	80,885	-	-	-	-	80,885
	279,270	75,898	1,562	74,336	-	75,898	-	-
	111,680	364	364	-	-	364	-	-
	434,023	61,117	-	61,117	-	61,117	-	-
	63,430	63,430	-	63,430	-	63,430	-	-
	61,716	61,716	-	-	61,716	61,716	-	-
	<b>9,554,090</b>	<b>1,150,294</b>	<b>156,864</b>	<b>495,580</b>	<b>497,850</b>	<b>1,027,889</b>	-	<b>122,405</b>
	1,889,961	10,034	10,034	-	-	10,034	-	-
	769,751	62,395	17,208	45,187	-	62,395	-	-
	3,519,253	1,401,089	61,265	651,462	688,362	1,401,089	-	-
	236,926	211	211	-	-	211	-	-
	150,357	713	713	-	-	713	-	-
	16,144	2,495	2,495	-	-	2,495	-	-
	95,175	95,175	-	-	95,175	95,175	-	-
	1,444,668	827,998	1,413	142,017	684,568	827,998	-	-
	1,126,505	277,434	30,633	212,268	34,533	277,434	-	-
	66,636	782	782	-	-	782	-	-
	87,801	87,801	-	-	87,801	-	21,854	65,947
	677,782	392,358	76,376	217,400	98,582	392,358	-	-
	142,924	2,142	2,142	-	-	2,142	-	-
	166,966	166,966	-	-	166,966	166,966	-	-
	41,802	41,802	-	-	41,802	41,802	-	-
	454,167	227,084	-	121,500	105,584	227,084	-	-
	98,664	49,332	-	-	49,332	49,332	-	-
	347,086	173,543	-	-	173,543	173,543	-	-
	395,588	237,353	-	-	237,353	237,353	-	-
	<b>11,728,157</b>	<b>4,056,706</b>	<b>203,271</b>	<b>1,389,834</b>	<b>2,463,601</b>	<b>3,968,905</b>	<b>21,854</b>	<b>65,947</b>
	206,494	206,494	-	-	206,494	206,494	-	-
	<b>206,494</b>	<b>206,494</b>	-	-	<b>206,494</b>	<b>206,494</b>	-	-
	859,757	14,335	14,335	-	-	14,335	-	-
	143,315	26,248	26,248	-	-	26,248	-	-
	370,653	121,173	195	120,978	-	121,173	-	-
	107,300	6,071	6,071	-	-	6,071	-	-
	226,096	113,048	-	-	113,048	113,048	-	-
	488,500	6,826	6,826	-	-	156	-	6,670
	292,422	1,964	1,964	-	-	1,964	-	-
	308,066	172,051	4,164	167,887	-	172,051	-	-
	131,081	14,509	14,509	-	-	14,509	-	-
	<b>2,927,190</b>	<b>476,224</b>	<b>74,311</b>	<b>288,865</b>	<b>113,048</b>	<b>469,554</b>	-	<b>6,670</b>
	2,729,481	868,708	23,247	345,328	500,133	765,921	65,000	37,787
	2,000,000	825,186	4,245	-	820,941	825,186	-	-
	66,420	66,420	-	-	66,420	66,420	-	-
	2,995,658	2,812,935	117,431	-	2,695,504	2,812,935	-	-
	<b>7,791,559</b>	<b>4,573,249</b>	<b>144,923</b>	<b>345,328</b>	<b>4,082,998</b>	<b>4,470,462</b>	<b>65,000</b>	<b>37,787</b>
	345,989	345,989	-	-	345,989	345,989	-	-
	<b>345,989</b>	<b>345,989</b>	-	-	<b>345,989</b>	<b>345,989</b>	-	-
	432,860	216,430	-	216,430	-	50,324	30,668	135,438
	<b>432,860</b>	<b>216,430</b>	-	<b>216,430</b>	-	<b>50,324</b>	<b>30,668</b>	<b>135,438</b>
	<b>32,986,339</b>	<b>11,025,387</b>	<b>579,370</b>	<b>2,736,037</b>	<b>7,709,980</b>	<b>10,539,618</b>	<b>117,522</b>	<b>368,247</b>

# Property Development (Continued)

Land Bank Table (as at 31 December 2016)

No.	Project Name	City/District	Interests Attributable to the Group	Total Site Area (sq.m.)	Address
<b>Eastern China Region</b>					
47	Agile Chang Le Du Nanjing	Nanjing	100%	59,900	Mendong Changledu, Qinhuai District, Nanjing City
48	The Luxury House Nanjing	Nanjing	100%	114,020	200 Qingshuiting West Road, Jiangning District, Nanjing City
49	The Territory Nanjing	Nanjing	100%	316,697	West of Linjiang Road and Qili River, Pukou District, Nanjing City
50	Agile Garden Gaochun	Nanjing	100%	222,641	West and South of Wutai Road, East of New Sports Stadium, North of Shuanggao Road, East of Zhoujia, Gaochun District, Nanjing City
51	Agile & Star River Changzhou	Changzhou	100%	223,906	West of Taishan Road, North of Longcheng Avenue, Xinbei District, Changzhou City
52	Changzhou Sanjing River Project	Changzhou	100%	45,390	East of Xinzaojiang River, West of Taishan Road, North of Sanjing River, Changzhou City
53	Agile International Yangzhou	Yangzhou	100%	110,597	North of Planned Road 2, West of Weiyang Road, South of Jiangyang Road, East of Hongda Road, Yangzhou City
54	Agile Silva Town Chuzhou	Chuzhou	100%	270,907	North of Xinchang Road, South of Xiangjiang Road, East of Changjiang Road, Chahe New City Development Zone, Chuzhou City
55	Agile City Centre Villa Wuxi	Wuxi	100%	214,664	Junction of Guanshan Road and Gong Lake Avenue, Taihu New City, Binhu District, Wuxi City
56	Agile YOWO Park Kunshan	Kunshan	100%	62,526	North of Qionghua Road 1, Qiandeng Town, Kunshan City
57	Agile Hillgrove Zhenjiang	Zhenjiang	100%	113,117	West to Tanshan Road, South to Bailongshan Road, Zhenjiang City
58	Agile Garden Nantong	Nantong	100%	187,437	Fuxing Road South, Lincui Road West, Nantong City
59	Agile Future Star Shanghai	Shanghai	100%	94,193	Planned Road 4 to the South, Planned Road 1 to the East, Shanghai Film Shooting Base to the North, Yingcheng Road to the West, Songjiang District, Shanghai City
60	Shanghai Pudong New District Project	Shanghai	100%	1,441,967	5333 East Dagong Road, Binhai Town, Pudong New District, Shanghai City
61	Agile International Garden Hangzhou	Hangzhou	100%	132,446	North of Yangqiao Road, Xianlin Road, Yuhang District, Hangzhou City
62	Suzhou Xiangcheng Development Zone Project (Note 2)	Suzhou	62.5%	81,202	West of Chengyun Road, South of Litang River Road, Xiangcheng Development Zone, Suzhou City
<b>Eastern China Region Subtotal</b>				<b>3,691,610</b>	
<b>Western China Region</b>					
63	Agile Garden Chengdu	Chengdu	100%	1,338,960	19 Second Section, Lushan Road, Shuangliu County, Chengdu City
64	Agile Montblanc Xi'an	Xi'an	100%	120,333	Maopo Village, Guodu Street, Chang'an District, Xi'an City
65	Agile Chairman Xi'an (Note 2)	Xi'an	70%	75,953	South of Qujiangchi South Road, West of Xinkaimen South Road, North of South Third Ring, Qujiang New District, Xi'an City
66	Agile Life Diary Xi'an	Xi'an	100%	277,519	West of Ziwu Avenue, South of Ju River, Guodu Street Office, Chang'an District, Xi'an City
67	Agile International Garden Chongqing	Chongqing	100%	321,073	Huilong Road, Nanping Jingkai District, Chongqing City
68	Agile Chairman Chongqing	Chongqing	100%	119,287	Shuangshan District, Dadukou District, Chongqing City
<b>Western China Region Subtotal</b>				<b>2,253,125</b>	
<b>Central China Region</b>					
69	Bund Mansion Changsha (Note 2)	Changsha	50%	197,406	Xiangjiang Avenue, Kaifu District, Changsha City
70	Agile Garden Changsha	Changsha	100%	40,000	Xiangjiang Avenue, Kaifu District, Changsha City
71	Agile Evian Town Changsha	Changsha	100%	410,911	Huitang Village, Huitang Town, Ningxiang County, Changsha City
72	Agile International Garden Zhengzhou (Note 2)	Zhengzhou	60%	83,681	Ruifeng Road and Kangzhuang Road, Baisha Town, Zhongmou County, Zhengzhou City
73	Zhengzhou Zhongmou District Project	Zhengzhou	100%	78,328	South of Rich Road 3, West of Peony Second Street, East of Ping Hua Road, North of Rich Road 4, Lubo Component, Zhongmou County, Zhengzhou City
74	Zhengzhou Zhongdong New District Project	Zhengzhou	100%	49,485	North of Chaoyang Road, East Ruyi Road, Longhu District, Zhengzhou City
75	Chenzhou Project	Chenzhou	100%	121,066	Zhudui Village, Matian Village, Heping Village, Suxian District, Chenzhou City
76	Wuhan Jiangxia District Project (Note 2)	Wuhan	50%	406,583	Wushu Village, Miaoshan Office, Jiangxia District, Wuhan City
<b>Central China Region Subtotal</b>				<b>1,387,460</b>	

## Property Development (Continued)

Land Bank Table (as at 31 December 2016)

	Total Planned GFA of the Project (sq.m.)	Land Bank (sq.m.) (Note 1)							
		Total Planned GFA (A)	Development Stage (B)			Planning Nature (C)			
			Completed (B1)	Under Development (B2)	Held for Future Development (B3)	Residential & Ancillary Facilities (C1)	Hotel (C2)	Commercial & Office (C3)	
	59,600	19,270	19,270	-	-	-	8,578	-	10,692
	228,040	263	263	-	-	-	263	-	-
	853,466	383,553	165,333	218,220	-	-	383,553	-	-
	512,074	350,612	18,813	13,135	318,664	-	350,612	-	-
	559,765	281,974	57,046	165,005	59,923	-	281,974	-	-
	54,468	54,468	-	-	54,468	-	54,468	-	-
	436,858	277,133	7,919	262,080	7,134	-	236,133	41,000	-
	677,266	478,457	1,123	24,491	452,843	-	478,457	-	-
	590,325	364,305	5,671	97,791	260,843	-	103,462	-	260,843
	125,052	10,162	10,162	-	-	-	10,162	-	-
	226,200	170,290	18,027	36,165	116,098	-	170,290	-	-
	510,000	396,961	6,436	258,387	132,138	-	396,961	-	-
	148,025	317	317	-	-	-	317	-	-
	433,260	433,260	-	-	433,260	-	200,992	-	232,268
	423,827	423,827	-	253,299	170,528	-	423,827	-	-
	162,404	101,503	-	66,495	35,007	-	101,503	-	-
	<b>6,000,630</b>	<b>3,746,355</b>	<b>310,381</b>	<b>1,395,068</b>	<b>2,040,906</b>		<b>3,201,552</b>	<b>41,000</b>	<b>503,803</b>
	1,606,752	574,115	188,557	154,777	230,781	-	574,115	-	-
	369,505	2,869	2,869	-	-	-	2,869	-	-
	215,092	68,650	10,728	57,922	-	-	68,650	-	-
	695,070	612,985	8,175	75,252	529,558	-	498,401	-	114,584
	463,843	266	266	-	-	-	266	-	-
	348,172	119,390	25,090	73,818	20,482	-	119,390	-	-
	<b>3,698,434</b>	<b>1,378,274</b>	<b>235,685</b>	<b>361,769</b>	<b>780,821</b>		<b>1,263,690</b>	-	<b>114,584</b>
	670,237	228,753	22,300	-	206,453	-	228,753	-	-
	112,000	55,708	2,771	-	52,937	-	55,708	-	-
	739,641	698,661	17,788	72,232	608,641	-	698,661	-	-
	196,634	2,079	2,079	-	-	-	2,079	-	-
	195,821	195,821	-	-	195,821	-	195,821	-	-
	74,227	74,227	-	-	74,227	-	74,227	-	-
	145,279	145,279	-	-	145,279	-	145,279	-	-
	800,000	400,000	-	-	400,000	-	400,000	-	-
	<b>2,933,839</b>	<b>1,800,528</b>	<b>44,938</b>	<b>72,232</b>	<b>1,683,358</b>		<b>1,800,528</b>	-	-

## Property Development (Continued)

Land Bank Table (as at 31 December 2016)

No.	Project Name	City/District	Interests Attributable to the Group	Total Site Area (sq.m.)	Address
<b>Hainan &amp; Yunnan Region</b>					
77(A)	Hainan Clearwater Bay Project A (Note 2)	Lingshui	70%	9,515,036	Clearwater Bay Avenue, Yingzhou Town, Lingshui Li Minority Autonomous County, Hainan Province
77(B)	Hainan Clearwater Bay Project B	Lingshui	100%	164,356	Clearwater Bay Avenue, Yingzhou Town, Lingshui Li Minority Autonomous County, Hainan Province
78	Hainan Ding'an Nanli Lake Project	Ding'an	100%	186,991	East of Nanli Lake, Ding'an County
79	Agile Pure Moon Bay Hainan	Wenchang	100%	447,764	Qibu District, Moon Bay, Changjiu Town, Wenchang City
80	Hainan Wenchang Tongguling Project	Wenchang	100%	110,098	North of Zuanshi Avenue, West of Baoling Middle Road, Tongguling, Longlou Town, Wenchang City
81	Agile International Garden Ruili	Ruili	100%	263,994	East of 40m Planning Road, North of Tuanjie Road, North of Maohan Road Long Line, South of Make Villager Group, Ruili City
82	Agile Eden Yunnan	Tengchong	100%	2,423,266	Qushi Community, Qushi Town, Tengchong County
83	Agile Quenya Yunnan	Xishuangbanna	100%	528,533	Manda Village, Gasa Town, Jinghong, Xishuangbanna
<b>Hainan &amp; Yunnan Region Subtotal</b>				<b>13,640,038</b>	
<b>Northeast China Region</b>					
84	Agile Garden Shenyang	Shenyang	100%	536,848	1 Punan Road, Daoyi South Street, Shenbei New District, Shenyang City
<b>Northeast China Region Subtotal</b>				<b>536,848</b>	
<b>Northern China Region</b>					
85	Tianjin Jinnan New City (Note 2)	Tianjin	25%	1,289,227	Southwest of Junction of Tianjin Avenue and Donggu Road, Jinan District, Tianjin City
86	Beijing Yanqing District Project (Note 2)	Beijing	51%	198,254	Xinbao Village, Banyan Town, Yanqing County, Beijing City
<b>Northern China Region Subtotal</b>				<b>1,487,481</b>	
<b>Overseas</b>					
87	Agile Mont Kiara Kuala Lumpur (Note 2)	Kuala Lumpur, Malaysia	70%	41,130	Mukim Batu, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan, Kuala Lumpur, Malaysia
88	Kuala Lumpur Bukit Bintang Project (Note 2)	Kuala Lumpur, Malaysia	70%	15,174	Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan, Kuala Lumpur, Malaysia
89	South San Francisco Oyster Point Project (Note 2)	South San Francisco, US	10%	169,968	360 and 375-389 Oyster Point Boulevard, and 401, 425 and 671 Marina Boulevard, South San Francisco, California, US
<b>Overseas Subtotal</b>				<b>226,272</b>	
<b>Grand Total (Note 3)</b>				<b>42,035,889</b>	

Notes:

- Land bank data includes only GFA that is calculated based on plot ratio and A=B=C. The data of completed GFA and GFA under development are as at 31 December 2016. Data are derived from the Group's internal record.
- Total site area and total planned GFA of Guangzhou Asian Games City Project, Keep Orange Huadu, Beautiful Lake Zhongshan, Zhongshan Mountain City Project, Zhongshan Nanlong Tianlu Project, Zhongshan Dongcheng Lufeng Project, Foshan Sanshui Southwest Street Project, Agile International Centre Nanning, Suzhou Xiangcheng Development Zone Project, Bund Mansion Changsha, Wuhan Jiangxia District Project, Tianjin Jinnan New City and South San Francisco Oyster Point Project are the total area of the overall projects; while the area set out in the column of land bank is the area proportional to the respective equity interests held by the Group. Since Zhongshan Junhui Project, Agile Chairman Xi'an, Agile International Garden Zhengzhou, Hainan Clearwater Bay Project A, Beijing Yanqing Project, Agile Mont Kiara Kuala Lumpur and Kuala Lumpur Bukit Bintang Project are held by the subsidiaries of the Group, their total site area, total planned GFA of the projects and land bank are shown in 100%.
- Besides the above information, the Group holds 70% equity interest in lands (including agricultural land and others) with site area of approximately 1.29 million sq. feet in the New Territories, Hong Kong and is intended to submit its application for amendment of plan to the relevant government department.



## Property Development (Continued)

Land Bank Table (as at 31 December 2016)

	Total Planned GFA of the Project (sq.m.)	Land Bank (sq.m.) (Note 1)						
		Total Planned GFA (A)	Development Stage (B)			Planning Nature (C)		
			Completed (B1)	Under Development (B2)	Held for Future Development (B3)	Residential & Ancillary Facilities (C1)	Hotel (C2)	Commercial & Office (C3)
	10,243,488	7,163,081	263,984	1,175,357	5,723,740	6,598,279	514,842	49,960
	182,149	182,149	-	-	182,149	182,149	-	-
	56,097	56,097	-	-	56,097	45,069	-	11,028
	379,841	78,981	60,635	18,346	-	78,981	-	-
	330,294	330,294	-	-	330,294	330,294	-	-
	731,852	631,303	80,636	158,755	391,912	571,317	59,986	-
	4,004,836	3,900,996	205,850	186,003	3,509,143	3,601,084	299,912	-
	634,240	583,933	121,382	17,357	445,194	583,933	-	-
	<b>16,562,797</b>	<b>12,926,834</b>	<b>732,487</b>	<b>1,555,818</b>	<b>10,638,529</b>	<b>11,991,106</b>	<b>874,740</b>	<b>60,988</b>
	1,110,834	821,442	32,652	173,641	615,149	821,442	-	-
	<b>1,110,834</b>	<b>821,442</b>	<b>32,652</b>	<b>173,641</b>	<b>615,149</b>	<b>821,442</b>	-	-
	3,010,901	491,409	10,715	78,333	402,362	491,409	-	-
	65,000	65,000	-	-	65,000	-	-	65,000
	<b>3,075,901</b>	<b>556,409</b>	<b>10,715</b>	<b>78,333</b>	<b>467,362</b>	<b>491,409</b>	-	<b>65,000</b>
	167,100	167,100	-	95,006	72,094	167,100	-	-
	151,961	151,961	-	-	151,961	151,961	-	-
	209,032	20,903	-	-	20,903	20,903	-	-
	<b>528,093</b>	<b>339,964</b>	-	<b>95,006</b>	<b>244,958</b>	<b>339,964</b>	-	-
	<b>66,896,867</b>	<b>32,595,193</b>	<b>1,946,227</b>	<b>6,467,903</b>	<b>24,181,062</b>	<b>30,449,310</b>	<b>1,033,262</b>	<b>1,112,622</b>

## Property Development (Continued)

Flagship Projects at a Glance

### Southern China Region

#### Agile Mountain Guangzhou



## Property Development (Continued)

Flagship Projects at a Glance

### Southern China Region

#### Agile Cambridgeshire Guangzhou



#### Agile Elegance Haizhu Guangzhou



## Property Development (Continued)

Flagship Projects at a Glance

### Southern China Region

#### New Legend Zhongshan



#### Metro Agile Zhongshan

## Property Development (Continued)

Flagship Projects at a Glance

### Southern China Region



Agile  
Cambridgeshire  
Zhongshan



Agile  
Coastal Pearl  
Zhongshan

## Property Development (Continued)

Flagship Projects at a Glance

### Southern China Region

#### Agile Royal Mount Zhongshan



#### Agile Peninsula Sanshui

# Property Development (Continued)

Flagship Projects at a Glance

## Southern China Region

### Agile British Manor Shunde



### Agile Personage Nanhai



## Property Development (Continued)

Flagship Projects at a Glance

### Southern China Region

#### Agile Garden Heyuan



#### Agile Egret Lake Huizhou





# Property Development (Continued)

Flagship Projects at a Glance

## Southern China Region



Agile Garden Huiyang



Agile International Centre Nanning



## Property Development (Continued)

Flagship Projects at a Glance

### Eastern China Region

Agile  
Chang Le Du  
Nanjing



## Property Development (Continued)

Flagship Projects at a Glance

### Eastern China Region

## The Territory Nanjing



## Property Development (Continued)

Flagship Projects at a Glance

### Eastern China Region



Agile &  
Star River  
Changzhou



Agile  
International  
Yangzhou



# Property Development (Continued)

Flagship Projects at a Glance

## Eastern China Region

### Agile City Centre Villa Wuxi



### Agile International Garden Hangzhou

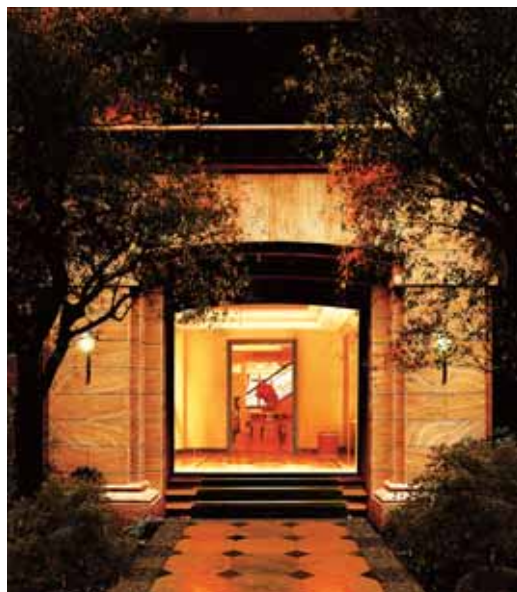


## Property Development (Continued)

Flagship Projects at a Glance

### Western China Region

## Agile Garden Chengdu



## Property Development (Continued)

Flagship Projects at a Glance

### Western China Region



### Agile Chairman Chongqing



## Property Development (Continued)

Flagship Projects at a Glance

### Western China Region



Agile  
Chairman  
Xi'an



Agile  
Life Diary  
Xi'an





# Property Development (Continued)

Flagship Projects at a Glance

## Central China Region

### Agile Evian Town Changsha



## Property Development (Continued)

Flagship Projects at a Glance

### Central China Region



## Agile Garden Changsha



## Agile International Garden Zhengzhou



# Property Development (Continued)

Flagship Projects at a Glance

## Hainan & Yunnan Region

### Hainan Clearwater Bay



## Property Development (Continued)

Flagship Projects at a Glance

### Hainan & Yunnan Region



### Agile Pure Moon Bay Hainan



# Property Development (Continued)

Flagship Projects at a Glance

## Hainan & Yunnan Region



Agile  
Eden  
Yunnan



## Property Development (Continued)

Flagship Projects at a Glance

### Hainan & Yunnan Region



Agile  
Quenya  
Yunnan



## Property Development (Continued)

Flagship Projects at a Glance

Overseas



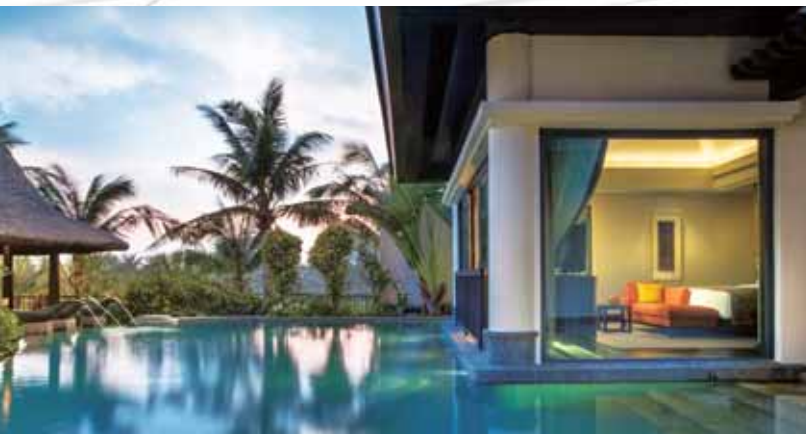
### Agile Mont Kiara Kuala Lumpur





# Hotel Operations and Property Investment

The Group believes that a diversified business portfolio can generate steady income, broaden income base and disperse operational risks. Furthermore, benefiting from the synergy arising from the hotels and commercial properties located within the Group's property development projects, the value of these projects has also been enhanced.







# Hotel Operations and Property Investment



## Business Overview

During the year, hotel operations and property investment businesses of the Group continued to grow, and generated continuous and steady income.

During the year, the Group had 9 hotels in operation, including Shanghai Marriott Hotel City Centre, Raffles Hainan, Sheraton Bailuhu Resort Huizhou, Howard Johnson Agile Plaza Chengdu, Holiday Inn Resort Hainan Clearwater Bay, Guangzhou Agile Hotel, Foshan Agile Hotel, Zhongshan Agile Hotel and Tengchong Agile Hotel, and the total revenue is flat when compared with last year.

During the year, Guangzhou Agile Center, Agile International Plaza Shanghai and Xiqiao Metropolis Plaza as the key property investments of the Group which maintained stable occupancy rate. The total revenue has increased by 95.5% when compared with last year.

## Major Hotels

### Shanghai Marriott Hotel City Centre

Shanghai Marriott Hotel City Centre is located at the central part of Huangpu District in Shanghai, and enjoys superior geographic advantage. The hotel features 720 superior rooms and suites, professional conference facilities of over 2,000 sq.m., 5 restaurants serving world class Japanese, Chinese and international cuisines, as well as a deluxe spa and health club, embodying the function of business, tourism, large-scale conference and exhibition. The hotel has been in operation since 2011.

### Raffles Hainan

Raffles Hainan is an elegantly designed hotel located at Hainan Clearwater Bay, and provides 299 sea view guest rooms and deluxe suites, 33 villas and Raffles Amrita Spa, a special spa centre of over 2,000 sq.m., and is adjacent to the ancillary facilities including golf courses. The hotel has been in operation since 2013.

## Hotel Operations and Property Investment (Continued)



### Sheraton Bailuhu Resort Huizhou

Sheraton Bailuhu Resort Huizhou is handsomely situated adjacent to the beautiful Egret Lake in the northeast part of Huizhou City, and provides 449 deluxe lake view guest rooms and suites. The hotel has been in operation since 2014.

### Howard Johnson Agile Plaza Chengdu

Howard Johnson Agile Plaza Chengdu is located in "Platinum Garden", the high-end component of Agile Garden Chengdu, providing 342 standard rooms and deluxe suites. The hotel has been in operation since 2014.

### Holiday Inn Resort Hainan Clearwater Bay

Holiday Inn Resort Hainan Clearwater Bay is located at Hainan Clearwater Bay and provides 275 guest rooms and suites with golf course view. The hotel has been in operation since 2014.



### Guangzhou Agile Hotel

Guangzhou Agile Hotel nestles along the graceful Yingyi Lake in Agile Garden Guangzhou, providing 126 standard rooms and deluxe suites in accordance with 5-star standard. The hotel has been in operation since 2007.

### Foshan Agile Hotel

Foshan Agile Hotel is located opposite to Majestic Garden Nanhai, providing 200 superior rooms in accordance with 4-star standard. The hotel has been in operation since 2008.

### Zhongshan Agile Hotel

Zhongshan Agile Hotel is located at the heart of Sanxiang Town of Zhongshan City, providing 66 deluxe rooms and executive business suites. The hotel has been in operation since 2001.

### Tengchong Agile Hotel

Tengchong Agile Hotel is located at Qushi Town, Tengchong City, and comprises 75 standard rooms. The hotel has been in operation since 2015.

## Hotel Operations and Property Investment (Continued)



### Major Investment Properties

#### Guangzhou Agile Centre

Located at the commercial core area of downtown Guangzhou City and enjoys good transportation network for its prime location adjacent to the “Zhujiang New Town Station” of Guangzhou Metro Line 3, Guangzhou Agile Center, is a 39-storey Grade A office building with a total GFA of approximately 88,000 sq.m.. The building is outfitted with ancillary facilities including bank, fitness centre and restaurant. The building has been put into operation since 2014 and its 33th to 39th floors have been made use of as the headquarters of the Group.

#### Agile International Plaza Shanghai

Located at the prosperous hub of tourism, retail and commercial centre of Huangpu District of Shanghai City, Agile International Plaza Shanghai, a 4-storey building with a total GFA of approximately 21,200 sq.m., is geographically well-located with excellent transportation network. The building has been put into operation since 2012.



#### Xiqiao Metropolis Plaza

Xiqiao Metropolis Plaza, located in Xiqiao Town, Nanhai of Foshan City, has a total GFA of approximately 58,000 sq.m., and is the first integrated one-stop shopping centre in Xiqiao Town with diversified services including shopping, dining, entertainment and leisure facilities. The building has been put into operation since 2011.

# Property Management



Agile Group redefines the concept of community services. Through A-Living Services Group Limited (“A-Living”) and based on the collective development model, it integrates the quality resources, forges comprehensive community services inclusive of high quality property management, online community network and total product offering with an aim to fully activate a new industrial chain for community services.

The operations of A-Living comprise four key business segments, namely the new property management, the community O2O, the traditional professional company and the asset-light development of tourism property resources, incorporating all of its businesses, including property, intelligent community, tourism, advertising, marketing and housing inspection. With solid experience in property development and management services over 20 years, A-Living provides all-rounded home life solutions to the customers.

## Property Management 4.0

Adhering to the “customer oriented” philosophy, the Group’s property management team has been dedicated to providing comprehensive and high quality services, and satisfying the diversified needs of its residents for over 20 years. This is also one of the major reasons for the high recognition of Agile’s brand.

As at 31 December 2016, the Group managed 144 projects in over 40 cities and districts across the country. The total contracted GFA of properties managed by the Group reached 57.56 million sq.m..



## Property Management (Continued)



The property management team provides all-rounded, professional and high quality property management and operation services to the residents and tenants, including maintenance of buildings and ancillary facilities, community security management, environmental hygiene, landscape maintenance, household services, clubhouse entertainment, recreation and catering and community cultural activities, in order to satisfy individual needs of the residents from all walks of life and create a leisure life experience and build an excellent commercial environment.

During the year, the Group's property management companies continued to improve internal management, strove to enhance the quality of services and integrated the operations of various innovative business models. Enquiries from owners and residents were properly taken care of via a "Nationwide Customer Services Hotline". As a result, the overall satisfaction of the Group's property management services was among the top of the industry.

With "Property Management 4.0", a new model of property management and community services, the professional services quality was enhanced with more diversification, while operation cost was reduced. Furthermore, the interests of owners and residents were safeguarded, as the transparency of operation and financial data was improved.

### Intelligent Communities

Leveraging on technologies like mobile internet and Internet of Things, A-Living keeps abreast of the trend of our times and combines online and offline quality resources of communities in an effort to build a brand new lifestyle for communities. "A-Steward", a versatile internet services platform, provides residents with comprehensive services covering e-commerce, financial services, social activities, health and elderly care, property management fee enquiry and payment, application for services and activities enrollment and online booking services, in addition to community information at a glance.

### Travel Management

By virtue of "A-Steward", "A-Living" integrates premium travel recourses and develops exclusive tour route as its core product, aiming at providing unique travel experience for owners of Agile communities, employees of the Group as well as the potential house buyers. The Group endeavours to build up a comprehensive service platform characterised by "Community+Property+Tourism" under the idea of "Friendly Neighborhood".

## Property Management (Continued)

### High End Property Management

The Group's high end property management has been providing property management services for high end residential projects and commercial properties to satisfy the increasing demand of residents and tenants for high end property services. Our professional team not only provides excellent management services for residents' demands, but also caters to individuals needs for customers with "pro-activeness, sincerity, modesty and politeness" to forge a distinguished residential and commercial operating environments.

Currently, the professional team of high end property management services providing property management services in various projects, including Guangzhou Agile Center, Agile Cambridgeshire Guangzhou, Agile Mountain Guangzhou, Agile Chang Le Du Nanjing and Agile International Plaza Shanghai.

### Honours and Recognition

During the year, the outstanding property management services of the Group won various awards by government departments at all levels. Furthermore, Agile was elected as the rotating president of Quality Residence Union under China Property Association, and ranked the fifteen place of "The 2016 100 Best Enterprises of China's Property Management Service". During the year, the Group's property management services received wide recognition from government departments of different levels, including the "National Model Residential Community of Property Management" granted by the Ministry of Housing and

Urban-Rural Development of the People's Republic of China. During the year, the Group's property management received integrated accreditations presented by The British Standards Institution, with 5 residential projects of the Group fulfilled the requirements of ISO9001 Quality Management System, ISO14001 Environmental Management System and OHSAS18001 Occupational Health and Safety Management System, which highly affirmed the Group's professional experience in property management, and its unswerving commitment to provide high-end, international-standard property management services to residents.

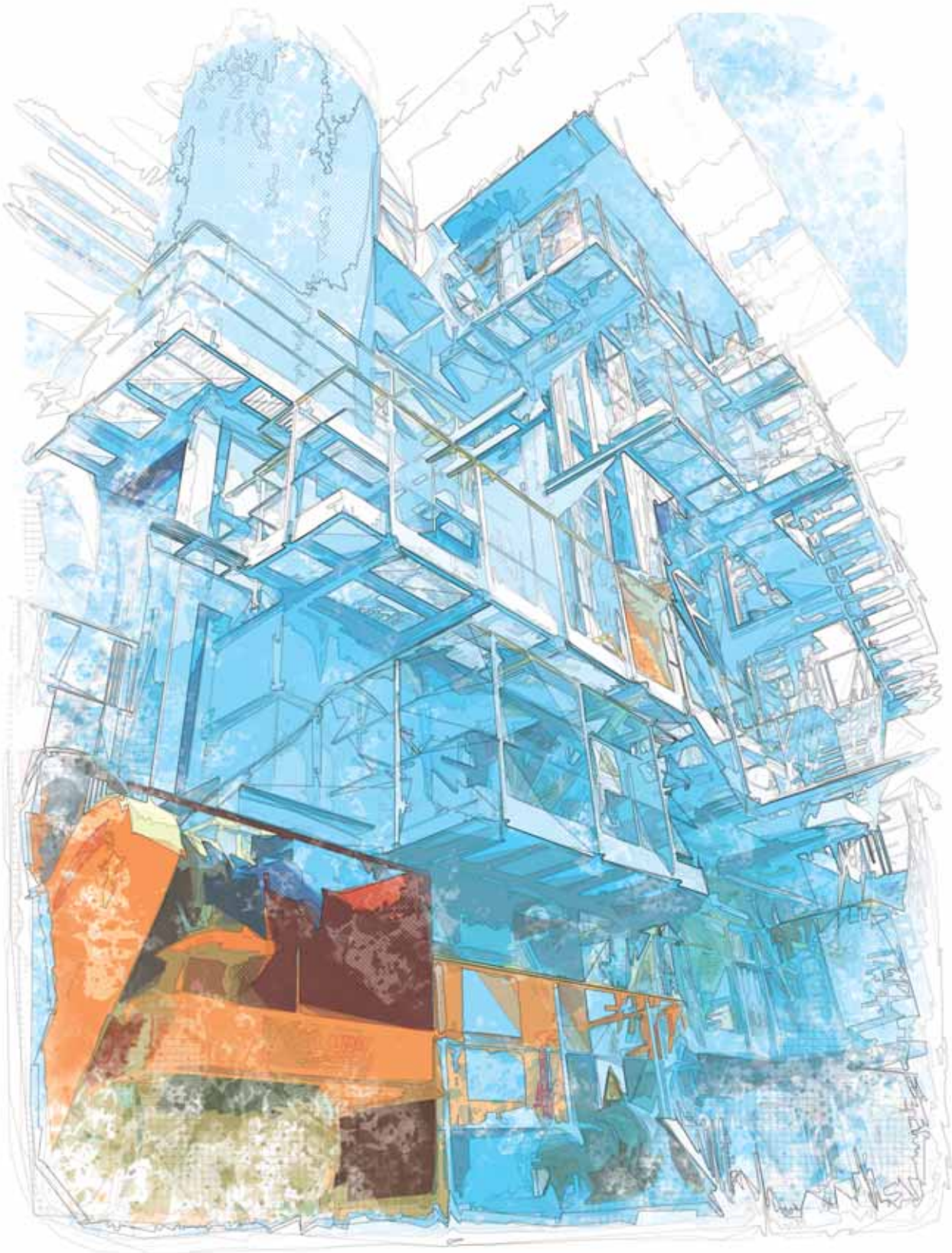
With the successive completion of newly-built residential and commercial properties in various regions in the country, the property management services will shoulder the responsibility to provide premium services and continues to pursue excellence in respect of service quality and operation efficiency to unswervingly cater to the higher services demand of residents and tenants.

### Harmonious Community

During the year, A-Living established the "A-Fun Neighbourhood" brand for a caring neighbourhood culture and created social well-being. The Group organised approximately 2,100 community cultural activities including sports day, neighbourhood carnival, family summer camp, care and love for the elderly and community spring festival gala for residents of Agile communities, attracting over 195,000 participants.



# Environmental Protection





# Environmental Protection



As the strategic arm of Agile for diversified development, Agile Environmental Protection is engaged in providing comprehensive services in three primary areas: solid waste treatment, environmental restoration and water affairs, including hazardous waste treatment, domestic garbage treatment, food waste treatment, mud treatment, soil quality restoration, water environment restoration, sewage treatment and water production.

## **Solid Waste Business**

Agile Environmental Protection has mature technique for solid waste treatment and has extensive project management experience. In addition to conventional treatment techniques such as burial and incineration, Agile Environmental Protection also conducts in-depth researches on subjects regarding plasma gasification, biological recycling and others through international cooperation in anticipation of realising far better harmless treatment and recycling practices than conventional techniques.

## **Environmental Restoration Business**

The environmental restoration business of Agile Environmental Protection focuses on soil quality restoration and water environment restoration. For water environment restoration solutions, Agile Environmental Protection has systematic solutions, including local sediment dredging and treatment, black and odorous water treatment, regional wetland landscape construction and the construction of the "Sponge City" at city level. For technical aspect, Agile Environmental Protection has aquatic microorganism activated technique and system, possessing incomparable advantages over the conventional water environment restoration technique.

## **Water Affairs Business**

The water affairs business of Agile Environmental Group includes industrial wastewater treatment, water plant and sewage treatment works. Agile Environmental Protection owns several water plants and sewage treatment works in places including Hainan, Zhongshan, and Foshan. At the same time, some of the properties owned by Agile are also equipped with sewage treatment works running by advanced technology, in a bid to provide health assurance to the quality life of property owners.

# Investor Relations



The Group has been upholding the management concept of “mutual communication for a win-win situation”. Subject to related Listing Rules, laws and regulations, the Group keeps close dialogues with the investment community through multi-channels and maintains a high level of transparency. The Group aims to enhance investors’ understanding of the Group’s business by informing the market about the operating results and latest development in a timely and precise manner. The Group also takes into account the valuable suggestions from investors when formulates strategies.

During the year, the Group’s management and investor relations team actively organised and participated in various investor relations activities, including investor briefings, non-deal roadshows, investor conferences organised by investment banks and securities companies, company visits, site visits and

so on. The Group values the opportunities to communicate with investors and has met over 1,000 investors during the year. The Group’s management responded proactively to investors queries on results, development strategies and so on. Management also had in-depth discussion with investors on the industry trend and has promoted better investor relations. Besides, the Company regularly disseminates the latest operation information through announcements, press releases and company website in a timely and proactive manner.

As of 31 December 2016, about 26 investment banks and securities research institutions have initiated research coverage on the securities of the Company, which bestowed the Company with one of the highest research coverage in the China Property sector. Currently, the Company has established contacts with over 3,500 investors and analysts.

## Investor Relations (Continued)

### Major investor relations activities of the Company in 2016

Month	Place	Activity
January	Hong Kong	Barclays China Property Corporate Day
	Hong Kong	BNP Paribas Asia Pacific Financials, Property & Logistics Conference
	Shanghai	UBS 16th Annual Greater China Conference
	Singapore	DBS Vickers The Pulse of Asia Conference Singapore
March	Hong Kong	2015 Annual Results Investor Presentation and Press Conference
	Hong Kong	2015 Annual Results Non-deal Roadshow co-organised with CIMB
	Hong Kong	2015 Annual Results Non-deal Roadshow co-organised with HSBC
	Singapore	2015 Annual Results Non-deal Roadshow co-organised with BNP Paribas
April	Hong Kong	DBS Vickers The Pulse of Asia Conference Hong Kong
	Hong Kong	HSBC 6th Annual Greater China Property Conference
	Hong Kong	UBS HK/China Property Conference 2016
	Singapore	2015 Annual Results Non-deal Roadshow co-organised with Standard Chartered Bank
	Tokyo	2015 Annual Results Non-deal Roadshow co-organised with Mizuho Securities
May	Hong Kong	CIMB HK/China Property Corporate Day
	Shenzhen	HSBC China Conference
June	Beijing	J.P. Morgan Global China Summit 2016
	Hong Kong	Citibank Asia-Pacific Property Conference 2016
	Hong Kong	Non-deal Roadshow co-organised with RHB Securities
	Kuala Lumpur	Non-deal Roadshow co-organised with RHB Securities
	London	Deutsche Bank 20th Annual European Leveraged Finance Conference
	London	HSBC 4th Annual Asia Investor Forum
July	Hong Kong	Deutsche Bank China Property Fixed Income Corporate Day
	Hong Kong	Haitong International China Property Corporate Day
August	Hong Kong	2016 Interim Results Investor Presentation and Press Conference
	Hong Kong	2016 Interim Results Non-deal Roadshow co-organised with CIMB
	Hong Kong	2016 Interim Results Non-deal Roadshow co-organised with Credit Suisse
	Hong Kong	2016 Interim Results Non-deal Roadshow co-organised with HSBC
	Singapore	2016 Interim Results Non-deal Roadshow co-organised with BNP Paribas

## Investor Relations (Continued)

Month	Place	Activity
September	Hong Kong	Non-deal Roadshow co-organised with Standard Chartered Bank
	London	Morgan Stanley China Corporate Day 2016
	London	2016 Interim Results Non-deal Roadshow co-organised with Morgan Stanley
	Singapore	2016 Interim Results Non-deal Roadshow co-organised with Standard Chartered Bank
October	Hong Kong	Jefferies 6th Annual Greater China Summit
November	Beijing	Bank of America Merrill Lynch 2016 China Conference
	Hong Kong	Nomura Asian High Yield Corporate Day 2016
	Macau	Citibank 11th China Investor Conference
	Shenzhen	Credit Suisse 7th Annual China Investment Conference
	Singapore	Morgan Stanley 15th Annual Asia Pacific Summit

### Prospects

Looking forward, the Company will make efforts to maintain highly efficient and professional investor relations. With an aim to improve referential and time value of the information, and to promote the long-term development of the Group, the Company will uphold a candid attitude, optimise investor relations work, keep mutual communication with the investment community and maintain a high level of corporate transparency.

# Directors' Profile

**CHEN Zhuo Lin (陳卓林)**, aged 55, is the Chairman of the Board and the President of the Company. He is also the Chairperson of the Risk Management Committee of the Board. Mr. Chen is the founder of the Group. He has been the Chairman of the Board and an executive Director since August 2005 and a President of the Company since March 2014. Mr. Chen has over 24 years of extensive experience in real estate development and management. He is mainly responsible for the formulation of development strategies, directions on the operations and management of overall business, decision-making on investment projects, setting the goal of the financial year for the Group and maintaining the relationship between the Group and the Shareholders. Mr. Chen received several honorary awards, including "World Outstanding Chinese Award", "Top 30 Chinese Philanthropists in 30 Years of Reform (改革開放30年·華人慈善30人)", "China Philanthropy Outstanding Contribution Individual Award (中華慈善突出貢獻人物獎)" and "Top 10 Persons of the Year for China Enterprise Management Excellence Award (中國企業十大卓越管理年度人物)". For the public services, Mr. Chen serves as an executive vice chairperson of China Overseas Chinese Entrepreneurs Association (中國僑商投資企業協會), honorary vice president of Chinese Language and Culture Education Foundation of China (中國華文教育基金會), the vice chairperson of Friends of Hong Kong Association Development Foundation, the vice chairman of Hong Kong New Home Association, vice chairperson of Zhongshan Association of Enterprise with Overseas Chinese Investment (中山市僑資企業商會), honorary vice chairperson of Sun Yat-sen Foundation and the vice chairperson of Guangdong Overseas Chinese Enterprises Association (廣東省僑商投資企業協會). Mr. Chen is the brother of Chan Cheuk Yin, Chan Cheuk Hung, Chan Cheuk Hei and Chan Cheuk Nam and also the spouse of Luk Sin Fong, Fion.

**CHAN Cheuk Yin (陳卓賢)**, aged 49, has been a Vice Chairperson of the Board and a non-executive Director since 25 March 2015. He had been an executive Director and Vice Chairperson of the Board and Co-president of the Company from August 2005 to 28 March 2014; a non-executive Director from 28 March 2014 to 10 October 2014; an executive Director and an Acting Co-chairperson of the Board and Acting Co-president of the Company from 10 October 2014 to 25 March 2015. He has over 24 years of extensive experience in real estate development and management. Mr. Chan is mainly responsible for the participation in Board meetings to provide advice on the development strategy and policy of the Group in achieving agreed corporate goals and objectives and for the scrutinization of the Group's performance. Mr. Chan has received several honorary awards, including "Guangdong Province Outstanding Entrepreneurs of Privately-owned Enterprises (廣東省優秀民營企業家)" in 2003, "2006-2007 The Most Respected Entrepreneurs in Guangzhou, PRC (2006-2007年中國廣州最受尊敬企業家)" in 2007 and "Top 10 Philanthropist in Guangdong (廣東十大慈善人物)" in 2008. For the public services, he is a member of Standing Committee of 11th Guangdong Provincial Committee of the Chinese People's Political Consultative Conference (政協第十一屆廣東省委員會) and the chairperson of Guangdong Chamber of Real Estate (廣東省地產商會) honorary chairperson of 3rd Council of Guangdong Provincial Qiaoxin Charity Foundation (廣東省僑心慈善基金會). In addition, he was a member of Standing Committee of the 10th Guangdong Provincial Committee of the Chinese People's Political Consultative Conference (政協第十屆廣東省委員會) and an honorary vice chairperson of China Charity Federation (中華慈善總會) in 2007. Mr. Chan is the brother of Chen Zhuo Lin, Chan Cheuk Hung, Chan Cheuk Hei and Chan Cheuk Nam.

## Directors' Profile (Continued)

**LUK Sin Fong, Fion (陸倩芳)**, aged 55, has been a Vice Chairperson of the Board and a non-executive Director since 25 March 2015. She had been an executive Director, Vice Chairperson of the Board and Co-president of the Company from August 2005 to 28 March 2014; a non-executive Director from 28 March 2014 to 10 October 2014; an executive Director, an Acting Co-chairperson of the Board and an Acting Co-president of the Company from 10 October 2014 to 25 March 2015. She is also a member of Remuneration Committee and Nomination Committee of the Board. Madam Luk has over 23 years of extensive experience in real estate development and management; in particular she has outstanding achievement in strategic marketing and marketing management. She is mainly responsible for the participation in Board meetings to provide advice on the development strategy and policy of the Group in achieving agreed corporate goals and objectives and for the scrutinization of the Group's performance. Madam Luk holds a Master's degree in Business Administration from Western Sydney University (formerly known as University of Western Sydney) in Australia. She has received several honorary awards including honorary resident in Foshan and Nanhai District in 2004 and Zhongshan in 2009, respectively, "Zhongshan Outstanding Entrepreneurs (中山優秀企業家)" in 2006 and "Top 10 Excellent CBO (中國十大卓越 CBO)" in 2008. For the public services, Madam Luk is currently the vice chairperson of Guangzhou Housing Society (廣州市房地產協會) and an honorary chairperson of Guangdong Provincial Qiaoxin Charity Foundation (廣東省僑心慈善基金會). She is the spouse of Chen Zhuo Lin.

**CHAN Cheuk Hung (陳卓雄)**, aged 59, has been an executive Director since August 2005. He is also a member of the Risk Management Committee of the Board and a Senior Vice President of the Company. Mr. Chan has over 24 years of extensive experience in real estate development and related business. He is mainly responsible for the quality, progress, cost control and management of contractors of the Group's construction projects, as well as the management of the operation of Zhongshan Fashion Decoration Co., Ltd. (中山市時興裝飾有限公司) and Guangzhou Zhenzhong Construction Co., Ltd. (廣州振中建設有限公司). Mr. Chan has received several honorary awards, including honorary resident in Foshan and "Community Construction Outstanding Contribution Award (小區建設突出貢獻獎)" in National Xiaokang Housing Demonstration Community Competition (國家小康住宅示範小區評比) hosted by Ministry of Construction (國家建設部) in 2000. For the public services, he was a standing committee member of Guangdong Province Real Estate Association (廣東省房地產業協會) in 2004. Mr. Chan is the brother of Chen Zhuo Lin, Chan Cheuk Yin, Chan Cheuk Hei and Chan Cheuk Nam.

**HUANG Fengchao (黃奉潮)**, aged 54, has been an executive Director since 28 March 2014. He is also a member of the Risk Management Committee of the Board and Vice President of the Company. Since joining the Group in 1999, Mr. Huang had been the Head of Real Estate Management Centre of the Group, General Manager of Huadu and Nanhu projects and Regional Head of Hainan and Yunnan region. Prior to joining the Group, he worked for ExxonMobil (China) Co. Ltd. (美國埃索(中國)有限公司) and France TOTAL (China) Ltd. (法國道達爾(中國)有限公司).

## Directors' Profile (Continued)

**CHEN Zhongqi (陳忠其)**, aged 49, has been an executive Director since 28 March 2014. He is also a member of the Risk Management Committee of the Board and Vice President of the Company. Since joining the Group in 1993, Mr. Chen had been a project controller and chief engineer, supervisor of the Project Engineering Department, deputy manager of Project Management Department and the deputy head of Real Estate Management Centre of the Group. He is mainly responsible for the management of the project development of the Group's real estate business, including monitoring the quality, progress, technology, contracts and quantity surveying of projects. Mr. Chen received his professional qualification in industrial and civil construction from Neijiang Normal University (內江師範學院) in 1991. He is also qualified as a budgeting engineer and a registered quantity surveyor.

**CHAN Cheuk Hei (陳卓喜)**, aged 58, has been a non-executive Director since 28 March 2014. He had been an executive Director and a Senior Vice President of the Company from August 2005 to 28 March 2014. Mr. Chan has over 24 years of extensive experience in real estate development and related business. He is mainly responsible for the participation in Board meetings to provide advice on the development strategy and policy of the Group in achieving agreed corporate goals and objectives and for the scrutinization of the Group's performance. Mr. Chan is the brother of Chen Zhuo Lin, Chan Cheuk Yin, Chan Cheuk Hung and Chan Cheuk Nam.

**CHAN Cheuk Nam (陳卓南)**, aged 53, has been a non-executive Director since 28 March 2014. He had been an executive Director and a Senior Vice President of the Company from August 2005 to 28 March 2014. Mr. Chan has over 23 years of extensive experience in real estate development and management. He is mainly responsible for the participation in Board meetings to provide advice on the development strategy and policy of the Group in achieving agreed corporate goals and objectives and for the scrutinization of the Group's performance. Mr. Chan is the brother of Chen Zhuo Lin, Chan Cheuk Yin, Chan Cheuk Hung and Chan Cheuk Hei.

**CHENG Hon Kwan (鄭漢鈞)**, *GBS, OBE, JP*, aged 89, has been an independent non-executive Director since October 2005. He is also the Chairperson of Remuneration Committee and a member of Audit Committee and Nomination Committee of the Board. Dr. Cheng is mainly responsible for providing independent advice to the Board. He holds a Bachelor of Science in Engineering degree from Tianjin University and a postgraduate diploma from The Imperial College London. Dr. Cheng was also awarded several honorary doctorate degrees by The Hong Kong University of Science and Technology, City University of Hong Kong, The Open University of Hong Kong and The Open University, United Kingdom, and is an honorary fellow of The Imperial College London and City and Guilds of London Institute. Dr. Cheng is a former president, honorary fellow and gold medallist of The Hong Kong Institution of Engineers; former vice president, fellow and gold medallist of The Institution of Structural Engineers; fellow of The Institution of Civil Engineers, United Kingdom and of American Society of Civil Engineers, and honorary fellow of The Institution of Engineers, Australia. He is also an honorary member of both Hong Kong Institute of Planners and Hong Kong Institute of Architects and obtained National Class 1 Registered Structural Engineer qualification. Dr. Cheng is an Authorised Person and a Registered Structural Engineer under the Buildings Ordinance (Chapter 123 of the laws of Hong Kong); and former chairperson of Hong Kong Housing Authority and Transport Advisory Committee. He is a former member of both Executive Council and Legislative Council and a former standing member of the Tianjin Committee Chinese People's Political Consultative Conference. Dr. Cheng is currently a permanent honorary chairperson of Hong Kong Tianjin Friendship Association. Dr. Cheng is currently an independent non-executive director of Tianjin Development Holdings Limited (stock code: 882). He resigned as an independent non-executive director of Wing Hang Bank Limited (delisted on Hong Kong Stock Exchange) in August 2014. He also retired as an independent non-executive director of Hang Lung Group Limited (stock code: 10) and resigned as an independent non-executive director of Hang Lung Properties Limited (stock code: 101) in April 2015.

## Directors' Profile (Continued)

**KWONG Che Keung, Gordon (鄺志強)**, aged 67, has been an independent non-executive Director since October 2005. He is also the Chairperson of Audit Committee and a member of Remuneration Committee and Nomination Committee of the Board. Mr. Kwong is mainly responsible for providing independent advice to the Board. He holds a Bachelor of Social Science degree from The University of Hong Kong and is a fellow member of both The Institute of Chartered Accountants in England and Wales and The Hong Kong Institute of Certified Public Accountants. Mr. Kwong is currently an independent non-executive director of a number of companies, including NWS Holdings Limited (stock code: 659), OP Financial Investments Limited (stock code: 1140), Global Digital Creations Holdings Limited (stock code: 8271), China Power International Development Limited (stock code: 2380), Henderson Land Development Company Limited (stock code: 12), Henderson Investment Limited (stock code: 97), CITIC Telecom International Holdings Limited (stock code: 1883), COSCO SHIPPING Holdings Co., Ltd. (formerly known as China COSCO Holdings Company Limited) (stock code: 1919), Chow Tai Fook Jewellery Group Limited (stock code: 1929), FSE Engineering Holdings Limited (stock code: 331) Shanghai Commercial Bank Limited and Piraeus Port Authority S.A. (a company listed in Athens, Greece). He resigned as an independent non-executive director of China Chengtong Development Group Limited (stock code: 217) and Zhonghai Trust Co., Ltd. in 2013. He also resigned as supervisor of Beijing Capital International Airport Company Limited (stock code: 694) in June 2014. Mr. Kwong was a partner of Pricewaterhouse from 1984 to 1998 and a council member of Hong Kong Stock Exchange from 1992 to 1997.

**CHEUNG Wing Yui, Edward (張永銳)**, *BBS*, aged 67, has been an independent non-executive Director since October 2005. He is also the Chairperson of Nomination Committee and a member of Audit Committee and Remuneration Committee of the Board. Mr. Cheung is mainly responsible for providing independent advice to the Board. He holds a Bachelor of Commerce degree in accountancy from The University of New South Wales in Australia. He was awarded an honorary degree of Doctor of Business Administration from the Open University of Hong Kong in 2016. Mr. Cheung is also a member of CPA Australia, a practising solicitor in Hong Kong, a solicitor in the United Kingdom and an advocate and solicitor in Singapore. Mr. Cheung was awarded the Bronze Bauhinia Star (*BBS*) in 2013. He is currently a consultant of Woo, Kwan, Lee & Lo, the director of The Community Chest of Hong Kong, honorary council member of The Hong Kong Institute of Directors Limited and a Court Member of The Open University of Hong Kong. He was the deputy chairman of The Open University of Hong Kong until June 2014. In addition, Mr. Cheung was a member of the Appeal Board established under the Accreditation of Academic and Vocational Qualifications Ordinance, a member of the Board of Review (Inland Revenue Ordinance), the deputy chairman of The Hong Kong Institute of Directors Limited, a director of Po Leung Kuk and the vice chairman of the Mainland Legal Affairs Committee of the Law Society of Hong Kong. Mr. Cheung is currently a non-executive director of a number of companies, including Tianjin Development Holdings Limited (stock code: 882), Sunevision Holdings Ltd. (stock code: 8008), Tai Sang Land Development Limited (stock code: 89) and SmarTone Telecommunications Holdings Limited (stock code: 315). He is also an independent non-executive director of Hop Hing Group Holdings Limited (stock code: 47). He resigned as a non-executive director of SRE Group Limited (stock code: 1207) in December 2015.



## Directors' Profile (Continued)

**HUI Chiu Chung, Stephen (許照中)**, JP, aged 69, has been an independent non-executive Director since 27 June 2014. He is also a member of Audit Committee, Nomination Committee and Remuneration Committee of the Board. Mr. Hui is mainly responsible for providing independent advice to the Board. He has over 40 years of experience in the securities and investment industry. He is a senior fellow member of Hong Kong Securities and Investment Institute and a fellow member of the Hong Kong Institute of Directors. He had been serving as a council member and vice chairman of the Hong Kong Stock Exchange, a member of the Advisory Committee of the Hong Kong Securities and Futures Commission ("SFC"), a director of the Hong Kong Securities Clearing Company Limited, a member of the Listing Committee of the Hong Kong Exchanges and Clearing Limited, an appointed member of the Securities and Futures Appeal Tribunal, a member of the Standing Committee on Company Law Reform and an appointed member of the Hong Kong Institute of Certified Public Accountants Investigation Panel A for years. He was also a member of the Committee on Real Estate Investment Trusts of the SFC. Mr. Hui is a member of Hengqin New Area Development Advisory Committee and Hong Kong and Macao Legal Issues Expert Group of The Administrative Committee of Hengqin New Area, Zhuhai. Mr. Hui was appointed by the Government of the Hong Kong as a Justice of the Peace in 2004 and is also an appointed member of Zhuhai Municipal Committee of the Chinese People's Political Consultative Conference from 2006 to 2017. Mr. Hui was the vice chairman of OSK Holdings Hong Kong Limited (now known as RHB Holdings Hong Kong Limited) in 2011. He is currently a non-executive director of Luk Fook Holdings (International) Limited (stock code: 590) and the chairman and chief executive officer of Luk Fook Financial Services Limited. He also serves as an independent non-executive director of China South City Holdings Limited (stock code: 1668), Gemdale Properties and Investment Corporation Limited (stock code: 535), Lifestyle International Holdings Limited (stock code: 1212), SINOPEC Engineering (Group) Co., Ltd. (stock code: 2386), Zhuhai Holdings Investment Group Limited (stock code: 908) and FSE Engineering Holdings Limited (stock code: 331). He resigned as an independent non-executive director of Chun Wo Development Holdings Limited (now known as Asian Allied Infrastructure Holdings Limited) (stock code: 711) in February 2015, and retired as an independent non-executive director of Hong Kong Exchanges and Clearing Limited (stock code: 388) in April 2015.

**WONG Shiu Hoi, Peter (黃紹開)**, aged 76, has been an independent non-executive Director since 27 June 2014. He is also a member of Nomination Committee, Remuneration Committee and Risk Management Committee of the Board. Mr. Wong is mainly responsible for providing independent advice to the Board. He holds a Master of Business Administration Degree from the University of Macau (formerly known as the University of East Asia, Macau). Mr. Wong possesses over 40 years of experience in the financial services industry. He is a former chairman of The Hong Kong Institute of Directors Limited and was an executive director, deputy chairman and chief executive of Haitong International Securities Group Limited. He is also a former member of Standing Committee of Company Law Reform, Listing Committee of the Hong Kong Stock Exchange, Financial Services Advisory Committee and Professional Services Advisory Committee of the Hong Kong Trade Development Council. He is currently a consultant of Halcyon Holdings Limited. He is a former overseas business advisor of Haitong Securities Company Limited. He is a former director of the Hong Kong Securities and Investment Institute. He is an independent non-executive director of High Fashion International Limited (stock code: 608), Tianjin Development Holdings Limited (stock code: 882) and Target Insurance (Holdings) Limited (stock code: 6161).

# Senior Management's Profile

**CHEUNG Sum Sam (張森)**, aged 52, is the Chief Financial Officer of the Group. He joined the Group in July 2013 and is mainly responsible for financial management, accounting, capital markets, corporate affairs and investor relations of the Group. Mr. Cheung holds a Bachelor of Science (Economics) degree in Accounting and Finance from the London School of Economics and Political Science, University of London. He is a fellow member of the Association of Chartered Certified Accountants in the United Kingdom and the Hong Kong Institute of Certified Public Accountants.

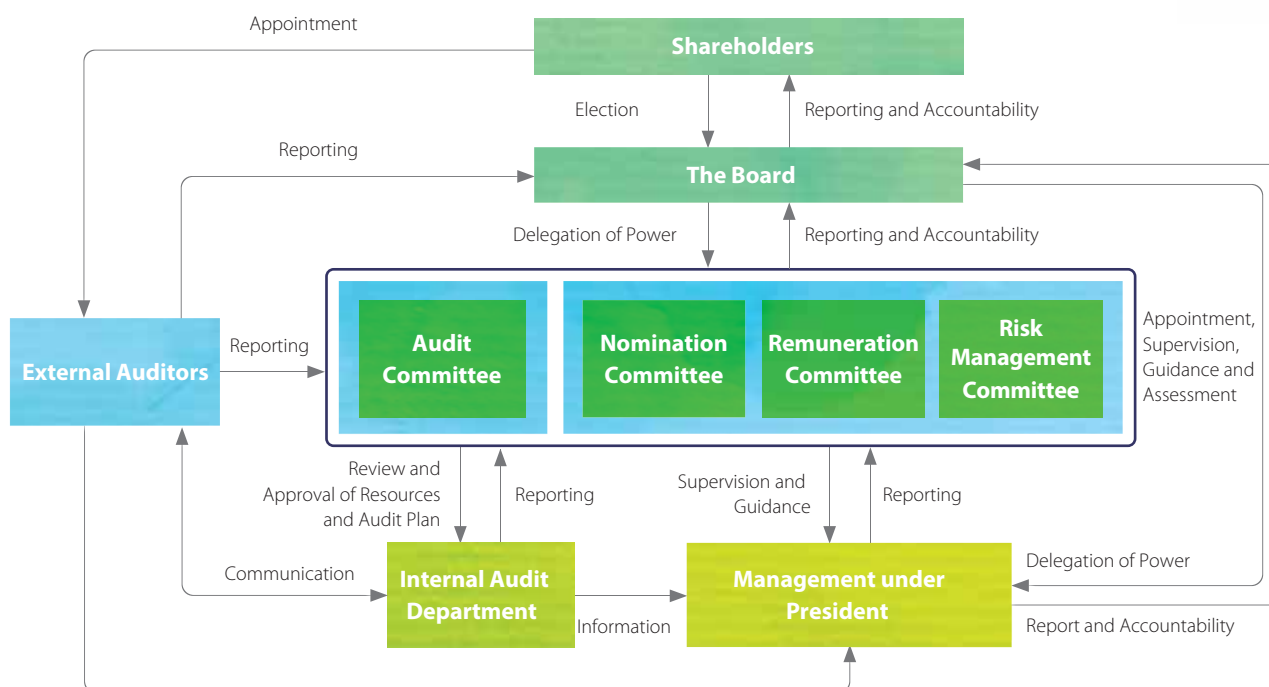
**YUE Yuan (岳元)**, aged 41, is a Vice President of the Company, the General Manager of Costing Centre of Property Group and an Assistant to Chairman. Since joining the Group in 2006, Ms. Yue had been the Head of Engineering Centre and the General Manager of Finance Centre. She is mainly responsible for the management of the Costing Centre, the Information Centre, the Hotel Management Centre, the Business Management Centre and the Golf Club Management Centre of the Group. Ms. Yue holds a Bachelor of Engineering degree from Lanzhou Jiaotong University (formerly known as Lanzhou Railway University) and a Master of Science degree in Construction Project Management from The University of Hong Kong. She is a Shanghai City registered bidding engineer, a PRC intermediate economist, a PRC registered budgeting engineer and a member of the Royal Institute of Chartered Surveyors.

**LI Xuejun (李雪君)**, aged 36, is a Vice President of the Company, the General Manager of Operations Department of the Company and the President of Environmental Group. Mr. Li joined the Group in March 2008. He had been an Assistant to Vice President, an Assistant to Chairman and the General Manager of Operation Centre of Property Group. He is mainly responsible for the management of Operation Centre of the Company and the business operations of Environmental Group. Mr. Li holds a Bachelor of Water Supply and Drainage from Tongji University and a Master's degree in Business Administration from Tsinghua University.

**LAM Ping Yuk (林炳玉)**, aged 45, is the Company Secretary of the Company and Head of Capital Markets and Corporate Affairs Department of the Group. Mr. Lam joined the Group in January 2015 as Head of Capital Markets and Corporate Affairs Department. He is mainly responsible for capital markets, corporate affairs, investor relations and financial management of the Group. He was appointed as the Company Secretary of Company on 16 December 2016, and concurrently is responsible for the company secretarial, legal and compliance matters of the Group. Mr. Lam graduated from The University of Hong Kong with a Bachelor of Economics degree and a Master of Science in Electronic Commerce and Internet Computing. He is a fellow member of the Association of Chartered Certified Accounts in the United Kingdom and the Hong Kong Institute of Certified Public Accountants.

# Corporate Governance Report

## Corporate Governance Structure



The Board believes that good governance is essential for sustainable development and growth of the Company, enhancement of credibility as well as Shareholders' value. As such, the Board has adopted and reviewed corporate governance practices in light of the regulatory requirements and the needs of the Company. The Company is committed to maintaining a high level of corporate governance and adheres to the principles of integrity, transparency, accountability and independence.

The Board plays a major role in the supervision of corporate governance to ensure that the Company maintains a sound governance framework and the long-term sustainable Shareholders' value by way of, without limitation to, the:

- (a) formulation and review of the Company's policies and practices on corporate governance;
- (b) review of the training and continuous professional development of Directors and senior management;
- (c) review and monitoring of the Company's policies and practices in compliance with legal and regulatory requirements;
- (d) formulation, review and monitoring of the code of conduct and compliance applicable to employees and Directors;
- (e) review and monitoring of the risk management and internal control system of the Company to ensure their effectiveness; and
- (f) review of the Company's compliance with the CG Code and disclosure in this report.

The Company fully complied with the provisions of the CG Code as set out in Appendix 14 of the Listing Rules throughout the year ended 31 December 2016 except for certain deviations as specified with reasons below.

# Corporate Governance Report (Continued)

## The Board and Management

The Board takes Shareholders' interests as its priority in promoting and maintaining successful development of business so as to achieve consistent long-term financial returns, while taking due account of the interests of those with whom the Group does business and others. The Board is accountable for formulating the business and management directions of the Group and that they are managed in such a way as to achieve the objectives of the Company. The Board's responsibilities are to formulate corporate strategy and long-term business model of the Group and to monitor and control operating and financial performance in pursuit of strategic objectives of the Group.

The Board delegates day-to-day operations of the Group to the management of the Company. The Board and the management have clearly defined their authorities and responsibilities under various internal control and check and balance mechanisms. The Board does not delegate matters to the Board committee(s), executive Directors or management to an extent that would significantly hinder or reduce the ability of the Board as a whole to perform its functions.

## Board Composition

The Company is headed by the Board which comprises thirteen Directors, including four executive Directors (namely Chen Zhuo Lin (Chairman and President), Chan Cheuk Hung, Huang Fengchao and Chen Zhongqi), four NEDs (namely Chan Cheuk Yin (Vice Chairperson), Luk Sin Fong, Fion (Vice Chairperson), Chan Cheuk Hei and Chan Cheuk Nam) and five INEDs (namely Cheng Hon Kwan, Kwong Che Keung, Gordon, Cheung Wing Yui, Edward, Hui Chiu Chung, Stephen and Wong Shiu Hoi, Peter). The biographical details and relationship amongst them, if any, are set out on pages 67 to 71 of this annual report.

## Chairman and President

The Chairman provides leadership for the Board and ensures the effectiveness of the Board in fulfilling its roles and responsibilities and the establishment of sound corporate governance practices and procedures for the Company. The Chairman is also responsible for formulating the overall strategies and policies of the Company and monitoring their implementation. Meanwhile, the Chairman, as chief executive of the Company, shall be delegated the authority by the Board to lead the vice presidents and the senior management for the daily operation and business management of the Group in accordance with the objectives, directions, and risk management and internal control policies laid down by the Board.

The code provision A.2.1 of the CG Code requires that the roles of chairman and chief executive should be separate and should not be performed by the same individual. However, in view of the present composition of the Board, the in-depth knowledge of Chen Zhuo Lin of the operations of the Group and the industry, his extensive business network and connections in the sector and the scope of operations of the Group, the Board believes that Chen Zhuo Lin, in his dual capacity as the Chairman of the Board and President, will provide strong and consistent leadership for the development of the Group. The Board also believes that this structure is in the best interest of the Company and will not impair the balance of power and authority of the Board and such arrangement will be subject to review from time to time.

## Independent Non-executive Directors

INEDs play a significant role in the Board by virtue of their independent judgement and their views carry significant weight in the Board's decisions. They are experienced professionals in areas such as legal, accounting, financial management, structural and civil engineering, securities and investment industries. Their extensive experiences significantly contribute to enhancing the decision-making of the Board and achieving a sustainable and balanced development of the Group. In particular, they bring impartial views and opinions on issues of the Company's strategy, performance and control, and take the lead where potential conflicts of interests arise. The Board believes that its culture of openness and debate facilitates the effective contribution of Directors, INEDs in particular, to the Board and ensures constructive relationship among executive Directors, NEDs and INEDs.

## Corporate Governance Report (Continued)

During the year, the Company was in compliance with Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules, with INEDs representing more than one-third of the Board and with at least one of them possessing relevant professional qualifications or accounting or related financial management expertise.

Three of the INEDs, namely Cheng Hon Kwan, Kwong Che Keung, Gordon and Cheung Wing Yui, Edward, have served the Board for more than nine years. Notwithstanding their length of tenure, in view of their wide spectrum of knowledge, extensive business experience and familiarity with the Company's affairs, the Board is of the opinion that they possess the required character, integrity and experience to ensure their independence in order to objectively scrutinise the Company's performance.

An annual confirmation of independence was received from each of five INEDs pursuant to Rule 3.13 of the Listing Rules and the Company considers each of them to be independent.

### Appointment and Re-election of Directors

All executive Directors have entered into service agreements with the Company, while all NEDs (including INEDs) have entered into appointment letters with the Company setting out the terms and conditions of their appointment. Each Director is appointed for a specific term of 3 years, subject to the provisions on Directors' retirement as set out in the Articles. Any Director appointed by the Board either to fill a casual vacancy or as an addition to the existing Board shall hold office only until the next general meeting of the Company, and shall then be eligible for re-election. Every Director, including those appointed for a specific term, shall be subject to retirement by rotation. At each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire by rotation. The names of Directors who are eligible for re-election at general meetings will be disclosed in the notice of the relevant general meetings and their biographical details will be provided in the accompanying circulars. The re-election of each Director will be subject to vote of Shareholders by separate resolutions.

In accordance with the Articles, Chan Cheuk Yin, Chan Cheuk Hei, Kwong Che Keung, Gordon, Hui Chiu Chung, Stephen and Wong Shiu Hoi, Peter shall retire by rotation at the 2017 AGM to be held on Monday, 8 May 2017. All the said Directors, being eligible, will offer themselves for re-election at the 2017 AGM.

Each Director has disclosed to the Company about the names of and the titles and nature of office held in the public companies or organisations, prior to the acceptance of the appointment, and promised to inform the Company timely of any relevant change. The Company will also require Directors to submit written confirmation or update on their biographical details, if any, twice a year, and set out the updated biographical details of Directors, if any, in this annual report.

### Board and Board Committee Meetings

The Board meets at least four times each year or more as required. Directors may participate in meetings either in person or through electronic means of communication. The schedule of regular meetings for the next year will be presented to all Directors in the last Board meeting of the year so that they can arrange for the meetings. All Directors are given not less than fourteen days' notice for regular Board meetings. For other Board and Board committee meetings, reasonable notice will be given.

The Company Secretary assists the Chairman in preparing the agenda of regular Board meetings and circulates the draft Board meeting agenda to all Directors for their perusal and comment. Directors are invited to include any matters in the agenda which they think appropriate. The Board meeting agenda will be issued by the Company Secretary after incorporating all the comments of Directors (if any). Relevant meeting materials are provided to the Directors at least three days before the meetings to ensure that they are given sufficient review time and are adequately prepared for the meetings.

## Corporate Governance Report (Continued)

Each Director shall have access to the senior management and the Company Secretary and they may also seek independent professional advice at the expense of the Company. Any matter involving interest of substantial Shareholder(s) or Director(s) shall be subject to the consideration and approval by the Board at a physical Board meeting, or to be implemented and dealt with by the designated Board committee. Directors who have interest may attend the meeting, but shall not be counted towards quorum and shall abstain from voting on the relevant matter. All Directors may require the Company Secretary to provide advice and services on relevant aspects, including the follow-up of, or the provision of support to, any matters, ensuring that the Board procedures and all applicable rules and regulations are observed.

The management will submit relevant reports to the Directors for review as part of meeting materials for every regular Board meeting. After the briefing given to the Directors, the management will answer any enquiry made by the Directors. The Board may make informed assessment on the financial and other information submitted to them for their approval. Sufficient time will be allowed for the Directors to discuss.

The meeting minutes of the Board and its committees are drafted and kept by the Company Secretary. All meeting minutes will set out in detail the matters discussed and considered at the meetings, including, among others, any queries made or views expressed by the Directors. The Company Secretary will distribute the draft meeting minutes to all Directors for their comment and final version of the meeting minutes to all Directors for their record within reasonable time after the meetings is held.

During the year, the Board held a total of six meetings. Each Director's attendance record for the Board meetings, Board Committee meetings and general meetings is set out as follow:

	Number of attendance/meeting held in 2016					
	The Board	Audit Committee	Nomination Committee	Remuneration Committee	Risk Management Committee (Note)	General Meeting
Chen Zhuo Lin ( <i>Chairman and President</i> )	5/6	-	-	-	0/0	1/2
Chan Cheuk Yin ( <i>Vice Chairperson</i> )	4/6	-	-	-	-	0/2
Luk Sin Fong, Fion ( <i>Vice Chairperson</i> )	6/6	-	1/1	1/1	-	0/2
Chan Cheuk Hung	5/6	-	-	-	0/0	0/2
Huang Fengchao	5/6	-	-	-	0/0	1/2
Chen Zhongqi	6/6	-	-	-	0/0	1/2
Chan Cheuk Hei	6/6	-	-	-	-	0/2
Chan Cheuk Nam	4/6	-	-	-	-	0/2
Cheng Hon Kwan	6/6	2/2	1/1	1/1	-	2/2
Kwong Che Keung, Gordon	5/6	2/2	1/1	1/1	-	1/2
Cheung Wing Yui, Edward	5/6	2/2	1/1	1/1	-	2/2
Hui Chiu Chung, Stephen	5/6	2/2	1/1	1/1	-	1/2
Wong Shiu Hoi, Peter	6/6	-	1/1	1/1	0/0	1/2

Note: The risk management committee was established in August 2016. No meeting was held during the year. However, the risk management committee held one meeting on 9 March 2017.

All the executive Directors, NEDs and INEDs have allocated a reasonable amount of time to follow and deal with various affairs of the Company during the year. In addition to attending the meetings of the Board and its committees, each Director has allocated sufficient time on reviewing materials provided by the Company from time to time. Furthermore, each member of the Audit Committee also spent sufficient time on reviewing internal audit reports provided by the internal audit department. The Chairman met once with the NEDs and INEDs without the executive Directors present.

# Corporate Governance Report (Continued)

## Training and Support for Directors

The Company has established procedures for training and development of Directors. Newly appointed Director will be provided with comprehensive, formal and tailored induction on the first occasion of his/her appointment and, subsequently, necessary briefing and professional development so as to ensure the Directors have adequate understanding and strengthen their awareness of the business and operation of the Group, their responsibilities and obligations under the statutory and common laws, the Listing Rules, laws and other regulatory requirement and governance policies, enabling the Directors to discharge their duties properly. The Company Secretary maintains proper records of training attended by the Directors.

During the year, the summary of training received by the Directors is as follows:

Directors	Training Matters <sup>Note</sup>
<i>Executive Directors</i>	
Chen Zhuo Lin ( <i>Chairman and President</i> )	A, B
Chan Cheuk Hung	A, B
Huang Fengchao	A, B
Chen Zhongqi	A, B
<i>NEDs</i>	
Chan Cheuk Yin ( <i>Vice Chairperson</i> )	A, B
Luk Sin Fong, Fion ( <i>Vice Chairperson</i> )	A, B
Chan Cheuk Hei	A, B
Chan Cheuk Nam	A, B
<i>INEDs</i>	
Cheng Hon Kwan	A, B
Kwong Che Keung, Gordon	A, B
Cheung Wing Yui, Edward	A, B
Hui Chiu Chung, Stephen	A, B
Wong Shiu Hoi, Peter	A, B

Note: A. corporate governance  
B. regulatory

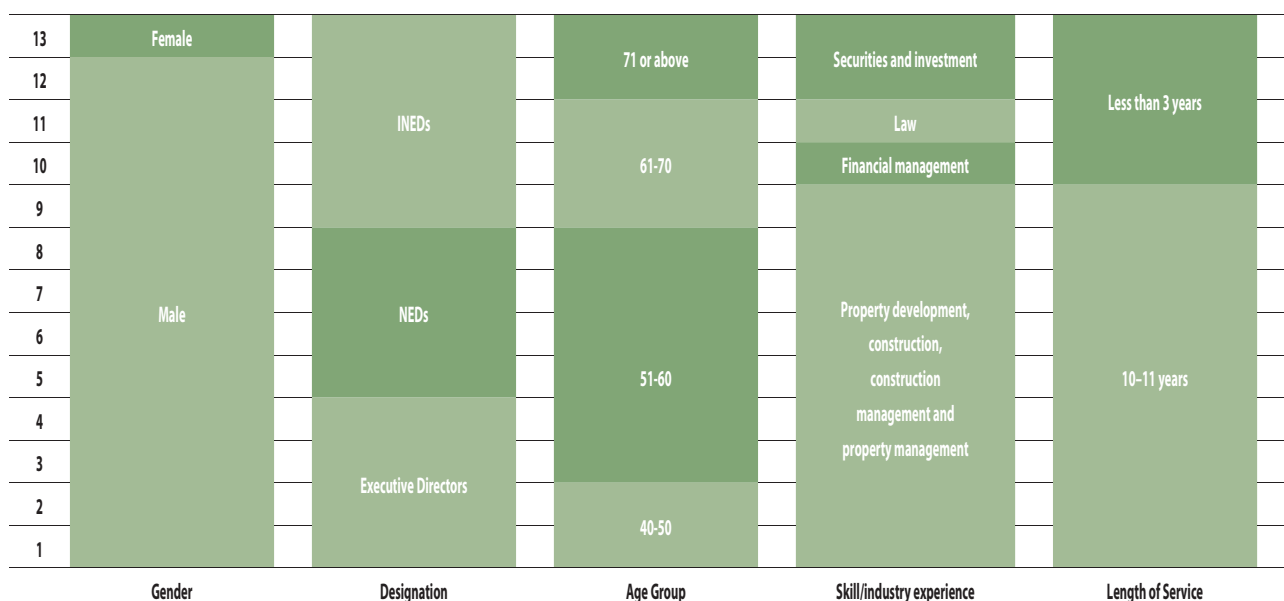
## Board Diversity

In order to achieve a diversity of perspectives among members of the Board, the Company has formulated a policy to consider a number of factors when deciding on appointments to the Board and the continuation of those appointments. Such factors include but are not limited to gender, age, cultural, educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

## Corporate Governance Report (Continued)

An analysis of the current Board composition is set out in the following chart:

### Number of Directors



The Board is highly diversified in terms of gender, position, age, professional experience, skills, knowledge and length of service. The nomination committee reviews and monitors the implementation of the Board diversity policy from time to time to ensure its effectiveness. The Board will set measurable objectives for achieving Board diversity as appropriate.

### Directors and Senior Management Liability Insurance

The Company has arranged appropriate insurance covering the potential legal actions against its Directors and senior management in connection with the discharge of their responsibilities.

### Board Committees

The Company has established 4 Board committees, namely the remuneration committee, nomination committee, audit committee and risk management committee. Terms of reference of each of the committees are available on Agile's website ([www.agile.com.cn](http://www.agile.com.cn)) and HKEX's website ([www.hkex.com.hk](http://www.hkex.com.hk)), and will be amended by the Board from time to time.

### Remuneration Committee

The remuneration committee has been established since November 2005 and comprises 5 INEDs and an NED. The members of the remuneration committee include Cheng Hon Kwan (as chairperson), Kwong Che Keung, Gordon, Cheung Wing Yui, Edward, Hui Chiu Chung, Stephen, Wong Shiu Hoi, Peter and Luk Sin Fong, Fion.



## Corporate Governance Report (Continued)

The major duties of the remuneration committee are to make recommendations to the Board on the remuneration packages of individual Directors (including executive Directors and NEDs) and senior management of the Group, formulate the policies and structure for remuneration of Directors and senior management of the Group and establish a formal and transparent procedure for developing remuneration policy. Remuneration packages include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of office or appointment. In determining remuneration of Directors and senior management, the Board will consider the remuneration level of comparable companies, the time commitment and responsibilities and employment conditions elsewhere in the Group, individual performance of respective Directors and the Company's performance. No Director shall be involved in deciding his/her own remuneration.

During the year, the remuneration committee held a meeting in March, the agenda of which is set out below:

- Discussing the recommendation on the remuneration adjustments of senior management for 2016;
- Confirming the remuneration of executive Directors, NEDs and INEDs for 2015; and
- Discussing and determining the recommendation on the remuneration adjustment of executive Directors, NEDs and INEDs for 2016.

### Nomination Committee

The nomination committee has been established since December 2006 and comprises 5 INEDs and an NED. The members of the nomination committee include Cheung Wing Yui, Edward (as chairperson), Cheng Hon Kwan, Kwong Che Keung, Gordon, Hui Chiu Chung, Stephen, Wong Shiu Hoi, Peter and Luk Sin Fong, Fion.

The major duties of nomination committee are to determine policy for the nomination of Directors, give advice to the Board on the appointment or re-appointment and succession plan of Directors (particularly the Chairman and executive Directors), review the structure, number of members and composition (including but not limited to gender, age, cultural, educational background, ethnicity, professional experience, skills, knowledge and length of service) of the Board and to assess the independence of INEDs.

The nomination committee is responsible for the development of selection procedures for candidates, and will consider different criteria including but not limited to gender, age, cultural, educational background, ethnicity, professional experience, skills, knowledge and length of service. The nomination committee, if necessary, may seek independent professional opinions when discharging their duties at the fees and expense of the Company.

During the year, the nomination committee held one meeting in March and the agenda was mainly (i) to consider the contribution to the Group by Chan Cheuk Hung, Huang Fengchao, Chen Zhongqi, Chan Cheuk Nam and Cheung Wing Yui, Edward, the retiring Directors, and advise the Board on the re-election of such retiring Directors at the 2016 AGM; (ii) to assess the independence of the INEDs; and (iii) to consider and review the structure, number of members and composition of the Board.

### Audit Committee

The audit committee has been established since November 2005 and comprises 4 INEDs. The members of the audit committee include Kwong Che Keung, Gordon (as chairperson), Cheng Hon Kwan, Cheung Wing Yui, Edward and Hui Chiu Chung, Stephen.

## Corporate Governance Report (Continued)

The major duties of the audit committee are to review accounting policy, to monitor the performance of the Company's external auditor and the internal audit department, to review financial information and to review the method and effectiveness of the financial reporting of the Company so as to ensure the compliance with the applicable accounting and reporting regulations and the requirements of law and provisions, to supervise the financial reporting system, and risk management and internal control policies, to consider and review the resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and to report the results to the Board. The audit committee, if necessary, may seek independent professional opinions when discharging their duties at the fees and expenses of Company.

During the year, the audit committee held 2 meetings in March and August respectively, the agenda of which is set out below:

- Reviewing annual results of 2015 and annual report of 2015, interim results of 2016 and interim report of 2016;
- Reviewing audit and review reports of the auditors, recommendation reports of internal control and management;
- Discussing and reviewing internal control management reports, audit monitoring plans and audit timetables of the internal audit department;
- Considering the re-appointment of external auditor of the Company;
- Reviewing the resources of accounting and financial reporting functions of the Group; and
- Reviewing staff malpractices monitoring reports.

The audit committee meets with the external auditor, at least once annually, in the absence of management, to discuss matters relating to its audit fees, any issue arising from the audit and any other matters the auditor may wish to raise. The audit committee and the Board have no disagreement in relation to the recommendation of the re-appointment of PricewaterhouseCoopers as the external auditor.

### External Auditor

At the 2016 AGM, the Shareholders approved the re-appointment of PricewaterhouseCoopers as the auditor of the Group. For the year ended 31 December 2016, remuneration paid and payable to PricewaterhouseCoopers in relation to audit and non-audit services is detailed as below:

	2016 RMB	2015 RMB
Fee for audit services (including Hong Kong Standard on Review Engagements 2410 review on interim results)	<b>7,000,000</b>	6,700,000
Fee for non-audit services:		
– Due diligence works with regard to project acquisitions	<b>2,098,000</b>	–
– Permitted service fees relating to corporate governance, issuance of corporate bonds and senior notes and others	<b>3,470,000</b>	950,000
	<b>12,568,000</b>	7,650,000

# Corporate Governance Report (Continued)

## Risk Management Committee

The risk management committee has been established since August 2016 and comprises 4 executive Directors and an INED. The members of the risk management committee include Chen Zhuo Lin (as chairperson), Chan Cheuk Hung, Huang Fengchao, Chen Zhongqi and Wong Shiu Hoi, Peter.

The major duties of the risk management committee are to consider and formulate risk management framework, to review and assess the effectiveness of the Group's risk management framework, to monitor the implementation of risk control and ensure it is effectively implemented.

## Responsibility in financial statements

Directors have acknowledged their responsibilities for preparing the accounts in this annual report, and PricewaterhouseCoopers, the external auditor of the Company has also stated their reporting responsibility in the auditor's report of financial statements.

The Board is not aware of any uncertainty of a material nature that would affect the Company's ability as to continue as a going concern.

## Risk Management and Internal Control

The Group considers that the effective risk management is of high importance for the Group to achieve sustainable development and long-term business success.

## Responsibilities of the Board and the management

The Board recognises its responsibilities to evaluate and determine the nature and level of risks to be exposed of for achieving the Group's strategic objectives, and to ensure that the Group establishes and maintains effective risk management and internal control systems, and oversee management in the design, implementation and monitoring of the risk management and internal control systems.

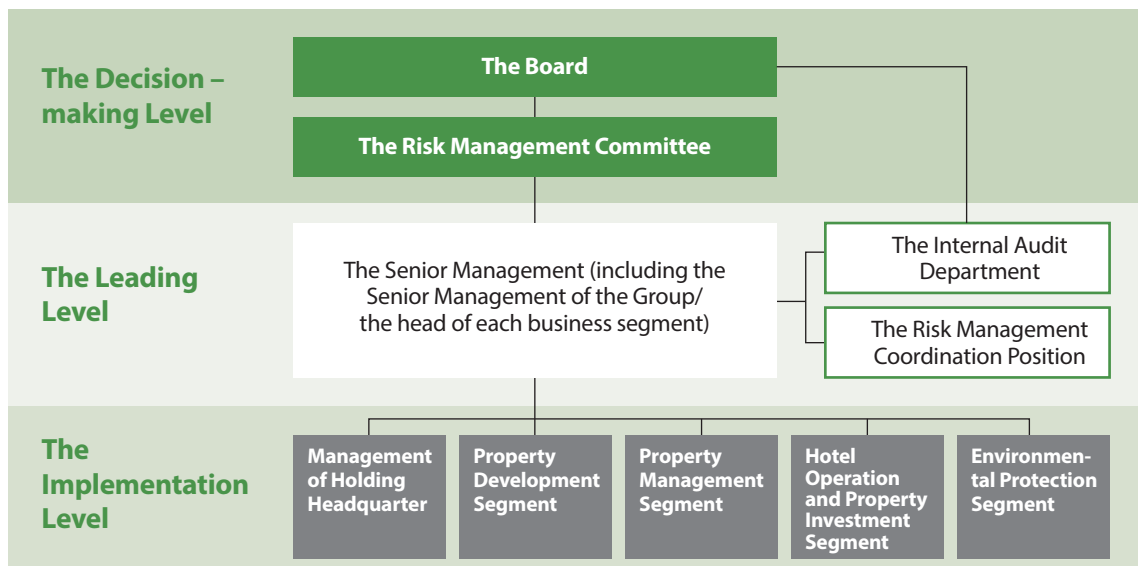
The management is responsible for designing, implementing and monitoring the risk management system and the internal control system, and provides the recognition of the effectiveness of risk management and internal control.

# Corporate Governance Report (Continued)

## Risk Management

### The design, implementation and maintenance of the risk management system

- 1) **Establishing the Risk Management Committee:** The Board has established the Risk Management Committee to oversee the design, implementation and maintenance of the risk management system of the Group and has issued the "Term of Reference for the Risk Management Committee":
  - Authorizing the Risk Management Committee and define its duties: the Risk Management Committee's duties regarding risk management and its authorisation have been recognised in the "Term of Reference for the Risk Management Committee";
  - Determining the organisation of the Risk Management Committee: providing the composition and quorum, requirements of the attendance at meetings, frequency of meetings and the manner of meetings; and
  - Determining the procedure of reporting to the Board: providing the procedure of reporting to the Board by the Risk Management Committee, including the minutes mechanism.
  
- 2) **Establishing the structure of the risk management organization:** It has built up the official risk management organisation structure from the level of the Group to its four business segments (see figure 1 below: risk management organisation chart), and confirmed the direct management obligation of risk management and the risk information reporting procedure and frequency, and clarified the responsibilities of risk management positions, including integrating the requirement of risk management into the function and description of each position. The main features of the risk management organisation structure comprised:
  - Clear levels and responsibilities: the levels of risk management organisation included the Board and the Risk Management Committee at the decision-making level, with the composition of leading level and implementation level and carrying out the division of the duties of risk management. It has confirmed the direct management obligation of risk management and the risk information reporting procedure and frequency;
  - The wide span of level: the structure of risk management organisation is from the senior management of the Group to its managements of each business segment;
  - Specific communication mechanism: it has confirmed that the managements of each level communicate with each other with regard to the responsibilities, reporting routine and reporting frequency of the risk management.



(Figure 1: risk management organisation chart)

## Corporate Governance Report (Continued)

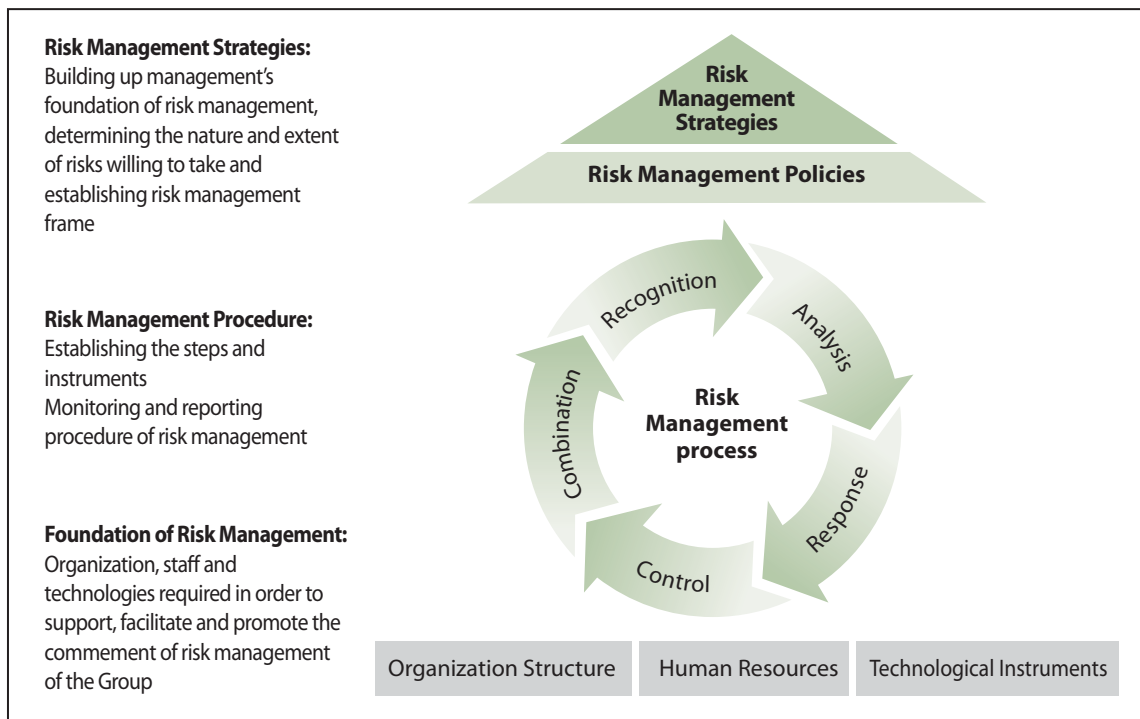
The roles have been played by each level in the risk management structure as shown below.

The roles in the risk management structure	Major responsibilities
The Board (decision-making organisation)	<ul style="list-style-type: none"> <li>• To evaluate and determine the nature and extent of the risks that the Group willing to take in achieving the strategic objectives</li> <li>• To ensure that the effective risk management and internal control systems are established and maintained</li> <li>• To oversee management in the design, implementation and monitoring of the risk management and internal control systems</li> </ul>
The Risk Management Committee (decision-making organisation)	<ul style="list-style-type: none"> <li>• To review and formulate the framework of risk management</li> <li>• To review and assess the effectiveness of the framework of the Group's risk management on a regular basis</li> <li>• To coordinate and assist the Group's senior management to promote risk management work</li> <li>• To oversee each business segment for setting up and implement risk response programme and risk treatment measures</li> <li>• To report any material risk management matters and recommend solutions to the Board</li> <li>• To monitor the frequency of major control failures or weak points, resulting in the extent of unforeseen consequences or emergencies which have caused, may have caused or will cause material impact on the financial performance or condition of the Company.</li> </ul>
The Group and the senior management of the business segments (leading organisation)	<ul style="list-style-type: none"> <li>• To make risk assessment from the Group's holistic perspective and each business segment, in order to formulate risk management measures</li> <li>• To design, implement and monitor the risk management and internal control systems</li> <li>• To confirm the effectiveness of risk management and internal control systems to the Board</li> </ul>
The Group and its management of the business segments (implementation organization)	<ul style="list-style-type: none"> <li>• To formulate and implement the relevant risk response programme of their business segment</li> <li>• To promote and implement specific risk management measures</li> <li>• To control different risks of their business and adjust risk management measures in time</li> </ul>
The risk management coordination position	<ul style="list-style-type: none"> <li>• To coordinate the commencement of risk recognition and assessment</li> <li>• To prepare periodic risk assessment report and propose the risk management work leading team</li> <li>• To organise and coordinate risk management training and guidance</li> </ul>
The Internal Audit Department	<ul style="list-style-type: none"> <li>• To be responsible for overseeing and evaluating risk management works done by the Group and its business segments for the risk management monitoring organisation</li> </ul>

## Corporate Governance Report (Continued)

3) The risk management system structure comprised the following main elements and features:

- Comprehensive framework of risk management: the mode of risk management framework has been established as the risk management system foundation (see figure 2 below for details: the mode of risk management) including the main elements such as risk management strategies, risk management process and risk management basic structure;
- Clear risk management procedure: the risk management procedure includes the procedure such as recognition, analysis, response, control and combining and reporting, which form a closed loop to control and manage the risks continuously; and
- Appropriate standard of risk assessment for the Group: under the industry nature and operation features, strategic objectives of the Group as well as the risk preference of management, it sets up the applicable dimension and standard of risk assessment to each business segment. By using assessment method and assessment standard from mutual confirmation, it makes assessment to the risks which are most likely to affect the achievement of corporate objectives in order to obtain the risk assessment result which is actually fitted with corporation.



(Figure 2: The model of risk management)

Through the above efforts, the Group has clarified direct management obligation of risk management and risk information reporting procedure and frequency, and established an official risk management framework which recognizes, analyzes, evaluates and determines procedure of corporate risks to integrate with and control risks systematically.

# Corporate Governance Report (Continued)

## The commencement of risk assessment for each business segment in 2016

On the basis of the above risk management system of the Group, with the assistance of external advisory body, for the year of 2016, the Group's management commenced a major risks recognition and assessment works for four main business segments levels, namely (1) property development; (2) property management; (3) hotel operation and property investment; and (4) environmental protection.

Managements of each business segment has adopted systematic evaluation to review the nature and extent of major risks and their level of change faced by each segment, recognised main risks which are faced by each business segment, streamlined the current condition of risk control and the next treatment measures and key risk management program, and reported to the Risk Management Committee with the assessment result.

The Risk Management Committee, on behalf of the Board, reviews and assesses the changes of nature and extent of major risks. It has finished the review of risk management system and considers the systems are effective and sufficient. Management will report major risks control situation formally to the Risk Management Committee on a half-yearly basis.

## The internal control

The Board is responsible for formulating proper internal control system for the Group to safeguard the assets of the Group and the interests of shareholders. The audit committee shall conduct regular review on the effectiveness of the internal control system to ensure that the system is adequate.

The internal audit department of the Group is accountable and reports directly to the audit committee. It is responsible for constantly monitoring the work flow and risk assessment of each department of the Group, to assist the Board and senior management of the Group in complying with the regulatory requirements and guidelines, so as to improve the efficiency of internal control system. Through continuous internal audit and reporting from time to time, the internal audit department shall ensure the effective operation of the internal control system.

During the year, the audit committee reviewed the effectiveness of internal control system in respect of finance, operation, compliance and business matters and reported the result to the Board. Should any material fault or any material weakness in monitoring is found, the internal audit department will report the same to the audit committee in timely manner.

The Group shall review the efficiency of the internal control system at least twice every year to ensure the efficiency and adequacy of the system.

## The review and summary of the effectiveness of the risk management and internal control systems

The Board has continued to oversee the management in the design, implementation and monitoring of the risk management and internal control systems, and conducted a comprehensive review of the risk management and internal control systems of the Company during the year, and continuously oversee major risks and regularly review the implementation of management and control measures covering the period of 2016 and considered that the systems are effective and sufficient.

In order to standardize information management works, the Board has formulated an information management system (the "System"). The System includes procedures and internal controls for the handling and dissemination of inside information. The System provides including but not limited to the procedures of the obligation and execution of the management and publication of inside information, confidentiality arrangement, collection and evaluation of information and the manner of publication to ensure timely reporting of inside information to the Board and communication with the Group's stakeholders.

## Review of Accounting, Financial Reporting and Internal Audit Functions

The audit committee reviewed and was satisfied with the adequacy of the resources, staff qualifications and experience, training programmes and budget of the Group's accounting, financial reporting and internal audit functions.

## Corporate Governance Report (Continued)

### Company Secretary

The Company Secretary is a full-time employee of the Company and familiar with the day-to-day affairs of the Company. The Company Secretary reports to the Chairman and is responsible for advising the Board on governance matters, new director's induction and professional development of Directors as well as ensuring good information flow between the Board members and the compliance of the policy and procedure of the Board. During the year, Kwang Chin Kheng resigned as the Company Secretary on 9 March 2016 and was succeeded by Cheung Sum Sam on the same date. Cheung Sum Sam was later resigned as the Company Secretary on 16 December 2016 and was succeeded by Lam Ping Yuk on the even date. Each of Kwang Chin Kheng, Cheung Sum Sam and Lam Ping Yuk has confirmed that he has received relevant professional trainings of no less than 15 hours to update his skills and knowledge.

### Relation between The Company and Shareholders

#### Shareholders' rights

Pursuant to Article 58 of the Articles, any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall have the right, by written requisition to the Board or the Company Secretary, to require an extraordinary general meeting to be called by the Board. The requisition must specify the objects of the meeting, be signed by the requisitionist(s), and be deposited to the registered office and principal place of business in Hong Kong of the Company.

If within 21 days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Shareholder(s) who wishes to propose a person (other than himself/herself) for election as a Director at the general meeting of the Company, should (i) deposit a written notice at the Company's principal place of business in Hong Kong for the attention of the Company Secretary; (ii) the notice must state the full name of the candidate, his/her biographical details as required by Rule 13.51(2) of the Listing Rules and be signed by the proposer; and (iii) a written consent signed by the candidate indicating his/her willingness to be elected as Director. The period for lodgment of the notice will commence no earlier than the day after the dispatch of the notice of general meeting and not later than 7 days prior to the date of general meeting. The relevant detailed procedures have been published on Agile's website ([www.agile.com.cn](http://www.agile.com.cn)).

Shareholders and the investors may make a request for the public information of the Company at any time. Such request shall be in writing and delivered by post to Capital Markets and Corporate Affairs Department of the Company at 18/F., Three Pacific Place, 1 Queen's Road East, Hong Kong.



## Corporate Governance Report (Continued)

### Communication with Shareholders

Both the Board and the management fully understand the importance of building up of a good communication with the Shareholders in order to assist the Shareholders and investors to have a better knowledge and understanding of the businesses of the Group. Therefore, the Company has been reporting the performance and latest development of the Group to Shareholders through various channels and platforms, as follows:

- Apart from publishing the annual reports, interim reports, announcements, and circulars to Shareholders on the Company's website ([www.agile.com.cn](http://www.agile.com.cn)) and HKEX's website ([www.hkex.com.hk](http://www.hkex.com.hk)), the Company has also posted onto its website the financial highlights, press release, and the terms of reference of the Board's committees, so that Shareholders can obtain more corporate information from the Company's website. Moreover, in order to enable Shareholders to have a better understanding of the latest movement and development of the Group, company news has also been released in the Company's website;
- The Company is committed to improve its relation with investors. During the year, senior management of the Company had conducted various meetings with institutional investors, fund managers and financial analysts. The report of meetings are presented to the Board for review in each quarterly Board meeting to ensure that views and recommendations of investors, fund managers and financial analysts can reach the Board;
- Members of the Board actively take part in the annual general meetings in order to have more contacts with the Shareholders. The Chairman of the Board, the chairpersons of each of the audit committee, remuneration committee and nomination committee, INED of Hui Chiu Chung, Stephen, annual retained legal advisor and the representative of external auditor had attended 2016 AGM. In the general meeting, there is a briefing on the business of the Company by the Chairman of the Board and a question and answer session as well as a discussion with Shareholders on the long-term development strategy of the Company. After the general meeting, poll results are posted on Agile's website ([www.agile.com.cn](http://www.agile.com.cn)), HKEX's website ([www.hkex.com.hk](http://www.hkex.com.hk)) and SGX's website ([www.sgx.com](http://www.sgx.com)); and
- The Company's notice of 2016 AGM had been dispatched to Shareholders in no less than 20 clear business days before the commencing date of the meeting. The circular of the Company dated 11 April 2016 set out that all resolutions proposed at the general meeting had been taken by way of poll pursuant to Rules 13.39(4) of the Listing Rules while the chairman of the meeting further announced that all resolutions had been taken by way of one vote per share. The Company Secretary had explained in detail, the relevant procedures of voting by poll to the attending Shareholders and made known by the Shareholders. For all other general meetings, at least 10 clear business days notice will be given.

### Compliance with Model Code for Securities Transactions by Directors and Relevant Employees

The Company has adopted Securities Dealing Code for Directors, which is on terms no less exacting than the required standard as set out in the Model Code. Having made specific enquiries, all Directors confirmed that they have complied with the standard set out in the Model Code during the year under review.

The Company has also adopted a securities transactions code by employees of the Group which is on no less exacting terms than the Model Code.

### Amendment of the Company's Constitutional Documents

There have been no changes made to the Company's constitutional documents during the year ended 31 December 2016.

# Report of the Directors

The Board is pleased to present their report for the year ended 31 December 2016.

## Principal Activities

The principal businesses of the Company is investment holding. Its major subsidiaries, joint ventures and associated companies are principally engaged in the businesses of property development, property management, hotel operations, property investment and environmental protection. An analysis of the Group's performance for the year by principal business segments is set out in note 5 to the consolidated financial statements.

## Results and Overall Performance

The Group's results for the year ended 31 December 2016 are set out on pages 106 to 107 of this annual report.

## Business Review

Business review for the year and future business development of the Group as well as the major risks and uncertainties of the Group are set out in "Management Discussion and Analysis" on pages 12 to 17 and the "Chairman's Statement" on pages 6 to 11 of this annual report. Analysis of the performance of the Group for the year based on key financial indicators is set out in "Five-Year Financial Summary" on pages 188 to 189 of this annual report. The Group has no significant events since the financial year under review.

The Group believes that sustainable development is crucial to the development of a corporate and actively implements the concept of sustainable development at every level of the operation so as to create a better future for the community and the Group. The Company will issue separately an Environmental, Social and Governance Report under Environmental, Social and Governance Reporting Guide as specified in Appendix 27 of the Listing Rules.

The Group is mainly engaged in the property development in China. As a property developer in China, the Group is required to comply with various national and local laws and regulations on environmental protection, including laws and regulations of air pollution, sound pollution, waste and sewage. The Group has complied with the laws and regulations which are significant to the operation of the Group.

The Group is of the view that our employees, customers and business partners are important to our sustainable development. The Group is committed to maintaining close relationship with our employees, providing quality services to customers and strengthening the cooperation with our business partners.

## Dividends

During the year, the Company did not declare any interim dividend (2015: nil). The Board has proposed the payment of a final dividend of HK20.0 cents (2015: HK14.5 cents) per Share and a special dividend of HK25.0 cents (to be distributed out of the Company's share premium account) (2015: HK25.0 cents) per Share to the Shareholders. Subject to the approval by the Shareholders at the 2017 AGM, the proposed final dividend and special dividend are expected to be paid on Thursday, 25 May 2017 to Shareholders whose names appear on the register of members of the Company on Wednesday, 17 May 2017.

## Report of the Directors (Continued)

### Closure of Register of Members

To facilitate the processing of proxy voting for 2017 AGM to be held on Monday, 8 May 2017, the register of members of the Company will be closed from Tuesday, 2 May 2017 to Monday, 8 May 2017, both dates inclusive, during which no transfer of Shares will be registered. In order to be entitled to attend and vote at 2017 AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited for registration not later than 4:30 p.m. on Friday, 28 April 2017.

The register of members of the Company will be closed from Monday, 15 May 2017 to Wednesday, 17 May 2017, both dates inclusive, during which no transfer of Shares will be registered. In order to qualify for entitlement to the final dividend and special dividend, all properly completed transfer forms, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited for registration not later than 4:30 p.m. on Friday, 12 May 2017.

### Share Capital

Details of the movement in the share capital of the Company during the year are set out in note 21 to the consolidated financial statements.

### Reserves

Details of movement in the reserves of the Group during the year are set out in note 23 to the consolidated financial statements.

As at 31 December 2016, the distributable reserves of the Company were approximately RMB4.8 billion (2015: RMB6.2 billion).

### Senior Notes

Details of senior notes of the Company are set out in note 25 to the consolidated financial statements.

### Subordinated Perpetual Capital Securities

Details of subordinated perpetual capital securities of the Company are set out in note 24 to the consolidated financial statements.

### Property, Plant and Equipment

Details of movement in property, plant and equipment of the Group during the year are set out in note 6 to the consolidated financial statements.

### Intangible Assets

Details of movement in intangible assets of the Group during the year are set out in note 8 to the consolidated financial statements.

### Investment Properties

During the year, the fair value gains of the Group's investment properties amounted to RMB43 million and have been recognised directly in the consolidated financial statements.

Details of movement in investment properties of the Group during the year are set out in note 9 to the consolidated financial statements.

### Borrowings

Details of the Group's borrowings are set out in note 25 to the consolidated financial statements.

# Report of the Directors (Continued)

## Interest Capitalised

Interest and other borrowing costs capitalised of the Group during the year are set out in note 33 to the consolidated financial statements.

## Donations

The Group's charitable and other donations during the year amounted to RMB81 million (2015: RMB34 million).

## Retirement Benefit Scheme

Details of retirement benefit scheme of the Group are set out in note 32 to the consolidated financial statements.

## Group Financial Summary

A financial summary of the Group for the past five financial years is set out on pages 188 to 189 of this annual report.

## Directors

The Directors as at the date of this report are listed on page 190 of this annual report. All Directors served throughout 2016.

### Independence confirmation

The Company has received the confirmation from all INEDs listed on page 190 of this annual report regarding their independence pursuant to Rule 3.13 of the Listing Rules and considers all of them to be independent.

### Term of appointment

Article 87 of the Articles provides that one-third of Directors for the time being shall retire from office by rotation at the annual general meeting. In accordance therewith, Chan Cheuk Yin, Chan Cheuk Hei, Kwong Che Keung, Gordon, Hui Chiu Chung, Stephen and Wong Shiu Hoi, Peter will retire as Directors at 2017 AGM and, being eligible, offer themselves for re-election.

Each of the executive Directors, NEDs and INEDs has entered into a service agreement/appointment letter with the Company for a term of three years subject to retirement by rotation pursuant to Article 87 of the Articles. No Director has a service agreement/letter of appointment with the Company which is not terminable by the Company within one year without payment of compensation (other than statutory compensation).

## Share Award Scheme

The Company has adopted the Share Award Scheme on 10 December 2013, to recognise the contributions by certain employees. Subject to any early termination as may be determined by the Board, the Share Award Scheme shall be valid and effective for a term of 10 years commencing on the adoption date. The maximum number of Shares which may be awarded to a selected employee under the Share Award Scheme shall not exceed 1% of the issued share capital of the Company from time to time; the Board shall not make any further award of awarded shares which will result in the nominal value of the Shares awarded under the Share Award Scheme exceeding 10% of the issued share capital of the Company from time to time.

The Company issued and allotted a total of 34,470,000 awarded shares to Bank of Communications Trustee Limited as trustee on 10 February 2014 to hold on trust for such employee(s) selected by the Board ("Selected Employees") in accordance with the trust deed and rules of the scheme. These awarded shares will be transferred to such Selected Employees upon their satisfaction of relevant vesting conditions specified by the Board at the time of the grant. 32,750,000 out of 34,470,000 awarded shares ("Awarded Shares") were granted to certain Selected Employees. The first 30% Awarded Shares have lapsed effective from 26 August 2015. Following the confirmation that relevant vesting conditions have not been satisfied on 20 June 2016, the Board resolved in its meeting held on 23 August 2016 that the second 30% of the Awarded Shares to have lapsed effective from 23 August 2016.

## Report of the Directors (Continued)

### Model Code for Securities Transactions by Directors

The Company has adopted the Securities Dealing Code for Directors, which is on terms no less exacting than the required standard as set out in the Model Code. After enquiry, each of the Directors has confirmed to the Company that he or she had fully complied with the Securities Dealing Code for Directors during the year ended 31 December 2016.

### Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 31 December 2016, the interests or short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of SFO) which (i) were notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of SFO (including interests or short positions which they were taken or deemed to have under such provisions of SFO); or (ii) were recorded in the register required to be kept by the Company under Section 352 of SFO; or (iii) were required by Securities Dealing Code for Directors to be notified to the Company and the Hong Kong Stock Exchange, were as follows:

#### (1) Long positions in Shares of the Company

Name of Director	Shares held in the Company			Total number of Shares	Approximate percentage to issued share capital
	Capacity of interests held	Number of Shares	Note		
Chen Zhuo Lin	Beneficiary of a trust	2,453,096,250	1	2,467,372,500	62.99%
	Controlled corporation	14,276,250	2		
Chan Cheuk Yin	Beneficiary of a trust	2,453,096,250	1	2,468,283,750	63.01%
	Controlled corporation	15,187,500	3		
Luk Sin Fong, Fion	Beneficiary of a trust	2,453,096,250	1	2,467,372,500	62.99%
	Controlled corporation	14,276,250	2		
Chan Cheuk Hung	Beneficiary of a trust	2,453,096,250	1	2,453,096,250	62.63%
Chan Cheuk Hei	Beneficiary of a trust	2,453,096,250	1	2,460,971,250	62.83%
	Beneficial owner	7,875,000	4		
Chan Cheuk Nam	Beneficiary of a trust	2,453,096,250	1	2,459,877,750	62.80%
	Beneficial owner	6,781,500	5		
Chen Zhongqi	Spouse	187,000	6	807,000	0.02%
	Others	620,000	7		
Huang Fengchao	Beneficial owner	1,400,000		2,020,000	0.05%
	Others	620,000	7		

## Report of the Directors (Continued)

Notes:

1. Held by Full Choice as trustee through Top Coast.
2. Held by Brilliant Hero Capital Limited and Famous Tone Investments Limited, which are jointly controlled by Chen Zhuo Lin and Luk Sin Fong, Fion.
3. Held by Renowned Idea Investments Limited, which is wholly-owned by Chan Cheuk Yin.
4. Jointly held by Chan Cheuk Hei and his spouse Lu Yanping.
5. Jointly held by Chan Cheuk Nam and his spouse Chan Siu Na.
6. Held by Sun Hong, the spouse of Chen Zhongqi. By virtue of SFO, Chen Zhongqi is deemed to be interested in the Shares held by his spouse Sun Hong.
7. Each of Huang Fengchao and Chen Zhongqi is entitled to receive 620,000 Shares upon the satisfaction of relevant vesting conditions specified by the Board under the Share Award Scheme at the time of the grant. Those Shares are still held on trust by Bank of Communications Trustee Limited until the satisfaction of the vesting conditions.

### (2) Long positions in the debentures of the Company

Name of Director	Type	Personal interests	Approximate percentage to the debentures
Kwong Che Keung, Gordon	9% senior notes in an aggregate principal amount of US\$500 million due by 2020	US\$500,000	0.1%

### (3) Long positions in the shares of associated corporation of the Company

As at 31 December 2016, Chen Zhuo Lin and Chan Cheuk Yin, as Directors of the Company, were deemed to be interested in 2 ordinary shares, representing 100% of the then issued voting shares, in Top Coast, a company wholly-owned by Full Choice which in turn owned as to 50% by Chen Zhuo Lin and Chan Cheuk Yin respectively.

Save as disclosed above, as at 31 December 2016, none of the Directors and chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of SFO) which (i) were notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of SFO (including interests or short positions which they were taken or deemed to have under such provisions of SFO); or (ii) were recorded in the register required to be kept by the Company under Section 352 of SFO; or (iii) were required by Securities Dealing Code for Directors to be notified to the Company and the Hong Kong Stock Exchange.

## Report of the Directors (Continued)

### Substantial Shareholders' Interests and Short Positions

To the best knowledge of the Directors or chief executive of the Company, as at 31 December 2016, the interests or short positions of substantial Shareholders (other than Directors or the chief executive of the Company) in the Shares or underlying Shares which (i) have been disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of SFO or (ii) were recorded in the register required to be kept by the Company under Section 336 of SFO were as follows:

#### Long positions in Shares of the Company

Name of Shareholder	Capacity of interests held	Shares held in the Company			Approximate percentage to issued share capital
		Number of Shares	Note	Total number of Shares	
Full Choice	Trustee	2,453,096,250	1	2,453,096,250	62.63%
Top Coast	Beneficial owner	2,453,096,250	1	2,453,096,250	62.63%
Zheng Huiqiong	Spouse	2,468,283,750	2	2,468,283,750	63.01%
Lu Liqing	Spouse	2,453,096,250	3	2,453,096,250	62.63%
Lu Yanping	Beneficial owner	7,875,000	4	2,460,971,250	62.83%
	Spouse	2,453,096,250	5		
Chan Siu Na	Beneficial owner	6,781,500	6	2,459,877,750	62.80%
	Spouse	2,453,096,250	7		

Notes:

1. Full Choice holds, through Top Coast, the Shares as the trustee of the Chen's Family Trust. Beneficiaries of which are Chen Zhuo Lin, Chan Cheuk Yin, Luk Sin Fong, Fion, Chan Cheuk Hung, Chan Cheuk Hei and Chan Cheuk Nam.
2. By virtue of the SFO, Zheng Huiqiong is deemed to be interested in the Shares held by her spouse, Chan Cheuk Yin.
3. By virtue of the SFO, Lu Liqing is deemed to be interested in the Shares held by her spouse, Chan Cheuk Hung.
4. Jointly held by Lu Yanping and her spouse, Chan Cheuk Hei.
5. By virtue of the SFO, Lu Yanping is deemed to be interested in the Shares held by her spouse, Chan Cheuk Hei.
6. Jointly held by Chan Siu Na and her spouse, Chan Cheuk Nam.
7. By virtue of the SFO, Chan Siu Na is deemed to be interested in the Shares held by her spouse, Chan Cheuk Nam.

Save as disclosed above, as at 31 December 2016, none of the substantial Shareholders (other than Directors or chief executives of the Company) had informed the Company that they had any interests or short positions which (i) shall be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of SFO or (ii) shall be recorded in the register required to be kept by the Company under Section 336 of SFO.

# Report of the Directors (Continued)

## Interests of any other persons

Save as disclosed in the foregoing, as at 31 December 2016, none of any other persons had informed the Company that they had any interests and short positions in the Shares which (i) shall be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of SFO or (ii) shall be recorded in the register required to be kept by the Company under Section 336 of SFO.

## Remuneration Policy of the Group

As at 31 December 2016, the Group had a total of 12,468 employees. The related employees' costs for the year amounted to approximately RMB1,835 million. The compensation of the Group is determined with reference to the market levels, individual performance and contributions. Bonuses are also distributed based on the performance of employees. The Group also provides a comprehensive benefit package and career development opportunities, including retirement schemes, medical benefits, and both internal and external training appropriate to the employees' needs.

## Basis for Determining Emoluments to Directors

Apart from taking into account the advice from the remuneration committee of the Board and the market levels, the Company also considers the competency, contributions and the responsibilities towards the Company in determining the level of remuneration for each Director. Appropriate benefit schemes are in place for the Directors.

## Directors' Interests in Competing Business

During the year and up to the date of this annual report, Chen Zhuo Lin, Chan Cheuk Yin, Luk Sin Fong, Fion, Chan Cheuk Hung, Chan Cheuk Hei and Chan Cheuk Nam are having interests in Changjiang Hotel Company. Changjiang Hotel Company is principally engaged in hotel business under Zhongshan Agile Changjiang Hotel in Zhongshan, the PRC which business competes or is likely to compete, either directly or indirectly, with the business of the Group.

In accordance with the Articles and Statement of Policy for Corporate Governance, Directors shall abstain from voting on any resolution of Directors in respect of any contract, arrangement or proposal in which he or she or any of his or her associates has material interests.

As the Board is independent from the board of directors of Changjiang Hotel Company and the above Directors are unable to control the Board, the Directors are of the view that the Group is able to operate its hotel business fairly and independent of Changjiang Hotel Company.

## Directors' Material Interests in Transactions, Arrangements or Contracts

As at the end of or any time during the year, no contracts of significance in relation to the Group's business to which the Company or its subsidiaries was a party, and in which a Director and/or his or her related entities had a material interest in the transactions, arrangements or contracts, whether directly or indirectly.

## Changes of information of Directors

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Directors subsequent to the date of the interim report of 2016 of the Company are set out below:

- Chan Cheuk Yin was appointed as an honorary chairperson of 3rd Council of Guangdong Provincial Qiaoxin Charity Foundation in November 2016;
- Kwong Che Keung, Gordon, was appointed as an independent non-executive director of Piraeus Port Authority S.A. (a company listed in Athens, Greece) on 10 August 2016; and
- Cheung Wing Yui, Edward, was awarded an honorary degree of Doctor of Business Administration from The Open University of Hong Kong in 2016.



## Report of the Directors (Continued)

### Major Customers and Suppliers

During the year, sales to the largest customer of the Group accounted for approximately 0.7% of sales of the Group for the year and sales to the five largest customers of the Group accounted for less than 30% of sales of the Group for the year.

During the year, purchases from the largest supplier of the Group accounted for 5.56% of purchases of the Group for the year and purchases from the five largest suppliers of the Group accounted for less than 30% of purchases of the Group for the year.

None of the Directors, their respective associates nor any Shareholders (who are interested in more than 5% of the issued Shares to the knowledge of the Directors) had any interests in any of the five largest customers or suppliers of the Group.

### Connected Transactions

During the year, the Group did not have any connected transactions which is discloseble pursuant to Chapter 14A of the Listing Rules.

### Management Contracts

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

### Permitted Indemnity Provision

According to the Articles, every Director is entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto. The Company has arranged appropriate insurance covering the potential legal actions against its Directors and Senior Management in connection with the discharge of their responsibilities.

### Purchase, Sale or Redemption of Listed Securities

On 27 June 2016, the Company redeemed an aggregate principal amount of US\$650,000,000, representing all its outstanding 8.875% senior notes due 2017 at the redemption price equal to 100% of the principal amount plus accrued and unpaid interest.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during 2016.

On 28 February 2017, the Company redeemed an aggregate principal amount of RMB2,000 million, representing all its outstanding 6.5% senior notes due 2017 at the redemption price equal to 100% of the principal amount plus accrued and unpaid interest.

On 20 March 2017, the Company redeemed an aggregate principal amount of USD700 million, representing all its outstanding 9.875% senior notes due 2017 at the redemption price equal to 100% of the principal amount plus accrued and unpaid interest.

### Specific Performance by the Controlling Shareholders

1. As disclosed in the Company's announcement dated 16 May 2013 and 25 July 2013, the Company (as the borrower) entered into a facility agreement with HSBC, SCB, HSB, BEA, UBS AG, Singapore Branch and ICBC Asia (collectively, as the original lenders and mandated lead arrangers), HSB as the facility agent and SCB Hong Kong as the security agent pursuant to which a loan facility of HK\$3,978 million with a revised greenshoe option of HK\$1,650 million for a period of 36 months from 16 May 2013 ("2013 Syndicated Loans") was granted to the Company under the guarantee of its certain subsidiaries. The loan was fully repaid on 16 May 2016.
2. As disclosed in the Company's announcement dated 21 May 2013, Tianjin Jinnan Xincheng Real Estate Development Co., Ltd. (天津津南新城房地產開發有限公司), a joint venture in which the Group owns 25% equity interest, entered into a facility agreement with, among others, HSBC Bank (China) Company Limited (Tianjin branch), Standard Chartered Bank (China) Limited and The Bank of East Asia (China) Limited (Tianjin branch) (collectively, as mandated lead arrangers), HSBC Bank (China) Company Limited (Shanghai branch) as facility agent and security agent and certain financial institutions as specified therein (as initial lenders) pursuant to which a term loan of RMB1,000 million for a period of 36 months from 21 May 2013 ("2013 Tianjin RMB Facility") was granted to Tianjin Jinnan Xincheng Real Estate Development Co., Ltd.. The term of the facility was extended to 21 August 2016. The loan was fully repaid on 19 August 2016.

## Report of the Directors (Continued)

3. As disclosed in the Company's announcement dated 10 October 2013, Charm Talent Limited, a company which is wholly-owned by Accord Wing Limited, a joint venture in which the Group owns 25% equity interest, entered into a facility agreement with, among others, BEA, HSBC and SCB (collectively, as the original lenders and mandated lead arrangers), and HSBC as facility agent, security agent and account bank, pursuant to which a transferable term loan of HK\$2,700 million for a period of 36 months from 11 October 2013 ("2013 Tianjin HKD Facility") was granted to Charm Talent Limited. The facility was fully repaid on 19 August 2016.
4. As disclosed in the Company's announcement dated 25 June 2014, the Company entered into a facility agreement with HSB, HSBC, BNP Paribas Hong Kong Branch, SCB and China Construction Bank (Asia) Corporation Limited (collectively, as the mandated lead arrangers, joint co-ordinators and original lenders), and HSB as facility agent and security agent pursuant to which a term loan facility in the amount of HK\$2,665 million with a greenshoe option of HK\$3,000 million for a term of 36 months from 25 June 2014 (the "2014 Club Facility") was granted to the Company under the guarantee of its certain subsidiaries. The loan was fully repaid on 27 June 2016.
5. As disclosed in the Company's announcement dated 26 May 2016, the Company as borrower and certain of its subsidiaries as guarantors with HSBC, SCB, HSB, BEA, Industrial Bank Co., Ltd., Hong Kong Branch, China CITIC Bank International Limited, BNP Paribas, acting through its Hong Kong branch and China Guangfa Bank Co., Ltd., Macau Branch as arrangers and original lenders and HSB as facility agent and security agent entered into a facility agreement ("2016 Syndicated Loans"). Pursuant to which a term loan facility in the amount of HK\$6,707 million with a greenshoe option of HK\$2,000 million has been granted to the Company for a term of 36 months.
6. As disclosed in the Company's announcement dated 23 June 2016, the Company as borrower with Chong Hing Bank Limited as lender entered into a facility letter ("Chong Hing Facility"). Pursuant to which a term loan facility in the amount of HK\$780 million has been granted to the Company for a period of 36 months.

In connection with the aforesaid facilities, if (i) Chen Zhuo Lin, Chan Cheuk Yin, Luk Sin Fong, Fion, Chan Cheuk Hung, Chan Cheuk Hei and Chan Cheuk Nam (hereinafter collectively the "Controlling Shareholders") collectively, directly or indirectly, do not own more than 50% of the total issued share capital of the Company (only for 2013 Syndicated Loans, 2014 Club Facility, 2016 Syndicated Loans and Chong Hing Facility)/do not or cease to own at least 50% of the direct or indirect beneficial interests in the Company (only for 2013 Tianjin RMB Facility and 2013 Tianjin HKD Facility); and/or (ii) the Controlling Shareholders collectively do not or cease to be entitled to exercise management control of the Company; and/or (iii) Chen Zhuo Lin is not or ceases to be the chairman of the Board, and within 15 business days of him ceasing to act as chairman, he is not replaced by either: (1) Luk Sin Fong, Fion as chairperson of the Board; (2) Chan Cheuk Yin as chairman of the Board; or (3) Luk Sin Fong, Fion and Chan Cheuk Yin as co-chairpersons of the Board (only for 2013 Syndicated Loans and 2013 Tianjin HKD Facility); and/or (iv) Chen Zhuo Lin is not or ceases to be the chairman of the Board (only for 2014 Club Facility, 2016 Syndicated Loans and Chong Hing Facility) will cause the event of default. In case of an occurrence of an event of default, if directed by the majority lenders, the facility agent (only for 2013 Syndicated Loans, 2013 Tianjin RMB Facility, 2013 Tianjin HKD Facility and 2014 Club Facility)/the lender (only for Chong Hing Facility) may by notice to the Company (a) cancel the commitment; and/or (b) declare that all or part of the loans, together with accrued interest, and all other amounts accrued or outstanding under the finance documents be immediately due and payable; and/or (c) declare that all or part of the loans be payable on demand by the facility agent on the instructions of the majority lenders (only for 2013 Syndicated Loans, 2013 Tianjin RMB Facility, 2013 Tianjin HKD Facility and 2014 Club Facility)/payable on demand by the lender (only for Chong Hing Facility); and/or (d) to exercise or direct the security agent (only for 2013 Syndicated Loans, 2013 Tianjin RMB Facility, 2013 Tianjin HKD Facility and 2014 Club Facility) to exercise all or any of its rights, remedies, powers or discretions under the finance documents (subject to the terms of the intercreditor agreement).

### Pre-Emptive Rights

No provision has been made both in the memorandum of association of the Company and the Articles and under the laws of Cayman Islands in respect of pre-emptive rights, as such, the Company shall offer pro rata new Shares (if any) to the existing Shareholders.

### Equity Linked Agreement

During the year, the Company did not enter into any equity linked agreement except those under and "Share Award Scheme" and the disclosure in note 22 to the consolidated financial statements.

### Corporate Governance

The Company complied with all the provisions set out in the CG Code contained in Appendix 14 to the Listing Rules throughout the year except for certain deviations, details of which are set out in the Corporate Governance Report of this annual report.

### Sustainable Development

The Group believes that promoting sustainability is as important as achieving long-term business growth. It has therefore made continuous efforts to maintain a high degree of sustainability in its operations. Moreover, it values opportunities to learn more about the needs and expectations of the communities in which it operates, as well as those of other stakeholders. The Group is committed to strengthening its management's efforts to promote sustainability through good corporate governance, environmental protection, community investment and workplace practices.

To demonstrate its commitment to transparency and accountability to its stakeholders, the Company will issue separately an Environmental, Social and Governance Report under Environmental, Social and Governance Reporting Guide as specified in Appendix 27 of the Listing Rules. The report will present the Company's commitment to sustainable development during the year under review, and it will cover the significant economic, environmental and social achievements and impact arising from the activities of the Group and its joint ventures.

### Public Float

From information that is publicly available to the Company and within the knowledge of its Directors for the year ended 31 December 2016 and as at the date of this annual report, at least 25% of the Company's total issued share capital is being held by the public.

### Audit Committee

The audit committee of the Company had reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2016, and reviewed with the management of the Group regarding the accounting principles and practices adopted by the Group, and discussed with them the internal controls and financial reporting matters.

### Auditors

The consolidated financial statements of the Group for the year ended 31 December 2016 have been audited by PricewaterhouseCoopers, the auditor of the Company, which will retire and, being eligible, offer itself for re-appointment at the 2017 AGM. A resolution to re-appoint the auditor and to authorise the Directors to fix their remuneration will be proposed at the 2017 AGM.

On behalf of the Board


**Chen Zhuo Lin**

*Chairman and President*

Hong Kong, 15 March 2017

# Financial Section

---



---

<b>100</b>	Independent Auditor's Report
<b>104</b>	Consolidated Balance Sheet
<b>106</b>	Consolidated Income Statement
<b>107</b>	Consolidated Statement of Comprehensive Income
<b>108</b>	Consolidated Statement of Changes in Equity
<b>110</b>	Consolidated Statement of Cash Flows
<b>111</b>	Notes to the Consolidated Financial Statements
<b>188</b>	Five-year Financial Summary

# Independent Auditor's Report



羅兵咸永道

## To the Shareholders of Agile Group Holdings Limited (formerly known as "Agile Property Holdings Limited")

*(incorporated in the Cayman Islands with limited liability)*

### Opinion

#### What we have audited

The consolidated financial statements of Agile Group Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 104 to 187, which comprise:

- the consolidated balance sheet as at 31 December 2016;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

#### Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2016, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

#### Basis for Opinion

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

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

#### Independence

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

---

*PricewaterhouseCoopers, 22/F, Prince's Building, Central, Hong Kong  
T: +852 2289 8888, F: +852 2810 9888, [www.pwchk.com](http://www.pwchk.com)*

## Independent Auditor's Reports (Continued)

### Key Audit Matters

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

The key audit matter identified in our audit and our audit procedures performed to address this key audit matter are set out as below:

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b>Estimates for provision of properties under development and completed properties held for sale</b></p>	<p>We have performed the following procedures to address this key audit matter:</p>
<p>Refer to notes 4, 15 and 16 to the consolidated financial statements.</p>	<p>(i) We understood, evaluated and validated the internal control over the Group's process in determining the selling prices, variable selling expenses and costs to completion;</p>
<p>Properties under development and completed properties held for sale in aggregate amounted to approximately RMB60,193,475,000 as at 31 December 2016, accounting for approximately 46% of the Group's total assets. Properties under development and completed properties held for sale are stated at the lower of cost and net realisable value. The net realisable values were assessed taking into account of costs to completion of properties under development, variable selling expenses based on past experience and selling price based on prevailing market conditions.</p>	<p>(ii) We assessed the Company's estimates of the anticipated costs to completion for properties under development by reconciling the anticipated costs to completion to the approved budgets. We compared the major cost compositions contained in these budgets with the actual cost compositions of the similar type of properties in the comparable location. We performed analysis on management's material cost adjustments; and</p>
<p>Based on management's assessment, no provision for properties under development was considered necessary and a provision of RMB139,975,000 was made for completed properties held for sale as at 31 December 2016.</p>	<p>(iii) We challenged management's assumptions in determining the net sales value based on prevailing market conditions by:</p>
<p>We focused on this area because of the significant estimates and judgements involved in determining the selling prices, variable selling expenses and costs to completion.</p>	<ul style="list-style-type: none"> <li>• Researching the selling prices from public available resources and comparing the estimated selling price to the most recent selling price for the properties under presales or the prevailing market price of the similar type of properties in the comparable location;</li> <li>• Analysing the historical variable selling expenses to selling price ratio range, assessing whether management's estimated selling expenses were within such range.</li> </ul>

We found that management's estimates for provision of properties under development and completed properties held for sale were properly supported by the available evidences.

## Independent Auditor's Reports (Continued)

### Other Information

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

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

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

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

### Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



## Independent Auditor's Reports (Continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Yeung Chor Ho.

**PricewaterhouseCoopers**  
Certified Public Accountants

Hong Kong, 15 March 2017

# Consolidated Balance Sheet

(All amounts in RMB thousands unless otherwise stated)

	Note	As at 31 December	
		2016	2015
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	7,309,147	6,651,965
Land use rights	7	2,029,966	1,940,762
Intangible assets	8	55,357	54,400
Investment properties	9	6,326,943	6,369,011
Properties under development	15	9,510,651	6,798,703
Interests in associates	10	114,461	3,375
Interests in joint ventures	11	4,624,663	1,133,448
Available-for-sale financial assets	12	277,500	117,500
Derivative financial instruments	14	254,497	–
Receivables from the associates and joint ventures	18	4,383,129	3,554,716
Deferred income tax assets	26	699,275	570,208
		<b>35,585,589</b>	27,194,088
<b>Current assets</b>			
Properties under development	15	36,706,691	44,523,607
Completed properties held for sale	16	13,976,133	16,888,695
Prepayments for acquisition of land use rights	17	9,614,483	5,540,880
Trade and other receivables	18	11,462,643	8,383,115
Prepaid income taxes		1,760,871	1,645,454
Derivative financial instruments	14	307,870	–
Restricted cash	19	9,878,734	5,729,642
Cash and cash equivalents	20	12,431,884	7,407,450
		<b>96,139,309</b>	90,118,843
<b>Total assets</b>		<b>131,724,898</b>	117,312,931
<b>Equity</b>			
<b>Capital and reserves attributable to the shareholders of the Company</b>			
Share capital and premium	21	4,290,028	5,097,967
Shares held for Share Award Scheme	22	(156,588)	(156,588)
Other reserves	23	3,092,833	3,044,577
Retained earnings		28,083,330	26,322,308
		<b>35,309,603</b>	34,308,264
<b>Perpetual Capital Securities</b>	24	<b>5,597,503</b>	4,488,659
<b>Non-controlling interests</b>	43	<b>3,248,124</b>	3,198,064
<b>Total equity</b>		<b>44,155,230</b>	41,994,987

## Consolidated Balance Sheet (Continued)

(All amounts in RMB thousands unless otherwise stated)

	Note	As at 31 December	
		2016	2015
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	25	<b>31,180,908</b>	23,543,043
Deferred income tax liabilities	26	<b>1,137,167</b>	1,243,798
		<b>32,318,075</b>	24,786,841
<b>Current liabilities</b>			
Borrowings	25	<b>12,815,016</b>	16,487,415
Trade and other payables	27	<b>21,101,960</b>	15,620,891
Advanced proceeds received from customers		<b>10,617,432</b>	7,110,576
Current income tax liabilities		<b>10,717,185</b>	11,312,221
		<b>55,251,593</b>	50,531,103
<b>Total liabilities</b>		<b>87,569,668</b>	75,317,944
<b>Total equity and liabilities</b>		<b>131,724,898</b>	117,312,931

The notes on pages 111 to 187 form an integral part of these consolidated financial statements.

The consolidated financial statements on pages 104 to 187 were approved by the Board of Directors on 15 March 2017 and were signed on its behalf by:

**Chen Zhuo Lin**  
Director

**Chan Cheuk Hung**  
Director

# Consolidated Income Statement

(All amounts in RMB thousands unless otherwise stated)

	Note	Year ended 31 December	
		2016	2015
<b>Operation</b>			
Revenue	5	<b>46,678,865</b>	43,004,312
Cost of sales		<b>(34,313,168)</b>	(32,191,005)
<b>Gross profit</b>		<b>12,365,697</b>	10,813,307
Selling and marketing costs		<b>(2,097,973)</b>	(1,785,859)
Administrative expenses		<b>(1,458,191)</b>	(1,444,024)
Fair value gains on investment properties	9	<b>42,960</b>	62,523
Other losses, net	28	<b>(334,708)</b>	(139,387)
Other income	29	<b>278,662</b>	212,162
Other expenses	30	<b>(195,880)</b>	(82,439)
<b>Operating profit</b>		<b>8,600,567</b>	7,636,283
Finance costs, net	33	<b>(1,124,531)</b>	(1,325,206)
Share of post-tax losses of associates	10	<b>(3,375)</b>	(27,190)
Share of post-tax gains/(losses) of joint ventures	11	<b>10,453</b>	(87,400)
<b>Profit before income tax</b>		<b>7,483,114</b>	6,196,487
Income tax expenses	34	<b>(4,433,480)</b>	(3,894,950)
<b>Profit for the year</b>		<b>3,049,634</b>	2,301,537
<b>Profit attributable to:</b>			
Shareholders of the Company		<b>2,283,640</b>	1,390,343
Holder of Perpetual Capital Securities	24	<b>415,263</b>	358,565
Non-controlling interests		<b>350,731</b>	552,629
		<b>3,049,634</b>	2,301,537
<b>Earnings per share attributable to the shareholders of the Company for the year</b> (expressed in Renminbi per share)			
— Basic	35	<b>0.588</b>	0.358
— Diluted	35	<b>0.588</b>	0.358

The notes on pages 111 to 187 form an integral part of these consolidated financial statements.

# Consolidated Statement of Comprehensive Income

(All amounts in RMB thousands unless otherwise stated)

	Note	Year ended 31 December	
		2016	2015
<b>Profit for the year</b>		<b>3,049,634</b>	2,301,537
<b>Other comprehensive income:</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
— Revaluation gains arising from transfer of property, plant and equipment and land use rights to investment property, net of tax		—	21,337
— Share of other comprehensive income of investments accounted for using the equity method		—	—
<i>Items that may be reclassified to profit or loss</i>			
— Currency translation differences		<b>(8,226)</b>	16,736
Other comprehensive income for the year, net of tax		<b>(8,226)</b>	38,073
<b>Total comprehensive income for the year</b>		<b>3,041,408</b>	2,339,610
<b>Attributable to:</b>			
— Shareholders of the Company		<b>2,277,882</b>	1,423,395
— Holders of Perpetual Capital Securities		<b>415,263</b>	358,565
— Non-controlling interests		<b>348,263</b>	557,650
		<b>3,041,408</b>	2,339,610

The notes on pages 111 to 187 form an integral part of these consolidated financial statements.

# Consolidated Statement of Changes in Equity

(All amounts in RMB thousands unless otherwise stated)

	Attributable to shareholders of the Company							
	Share capital and premium (note 21)	Shares held for Award Scheme (note 22)	Other reserves (note 23)	Retained earnings	Total	Perpetual Capital Securities (note 24)	Non-controlling interests	Total equity
<b>Balance at 1 January 2016</b>	5,097,967	(156,588)	3,044,577	26,322,308	34,308,264	4,488,659	3,198,064	41,994,987
<b>Comprehensive income</b>								
Profit for the year	-	-	-	2,283,640	2,283,640	415,263	350,731	3,049,634
<b>Other comprehensive income</b>								
— Currency translation differences	-	-	(5,758)	-	(5,758)	-	(2,468)	(8,226)
<b>Total comprehensive income</b>	-	-	(5,758)	2,283,640	2,277,882	415,263	348,263	3,041,408
<b>Total transactions with shareholders, recognised directly in equity</b>								
Issuance of Perpetual Capital Securities (note 24)	-	-	-	-	-	1,093,716	-	1,093,716
Transfer to statutory reserve and enterprise expansion funds (note 23)	-	-	54,014	(54,014)	-	-	-	-
Distribution to holders of Perpetual Capital Securities (note 24)	-	-	-	-	-	(379,510)	-	(379,510)
Redemption of Perpetual Capital Securities (note 24)	-	-	-	-	-	(20,625)	-	(20,625)
Dividends (note 36)	(807,939)	-	-	(468,604)	(1,276,543)	-	-	(1,276,543)
Dividends distribution to non-controlling interests	-	-	-	-	-	-	(222,807)	(222,807)
Capital injection by non-controlling interests	-	-	-	-	-	-	63,204	63,204
Acquisition of additional interests of a subsidiary	-	-	-	-	-	-	(138,600)	(138,600)
Total transactions with shareholders, recognised directly in equity	(807,939)	-	54,014	(522,618)	(1,276,543)	693,581	(298,203)	(881,165)
<b>Balance at 31 December 2016</b>	4,290,028	(156,588)	3,092,833	28,083,330	35,309,603	5,597,503	3,248,124	44,155,230

## Consolidated Statement of Changes in Equity (Continued)

(All amounts in RMB thousands unless otherwise stated)

	Attributable to shareholders of the Company					Perpetual Capital Securities (note 24)	Non- controlling interests	Total equity
	Share capital and premium (note 21)	Shares held for Share Award Scheme (note 22)	Other reserves (note 23)	Retained earnings	Total			
<b>Balance at 1 January 2015</b>	5,097,967	(156,588)	2,453,809	26,255,811	33,650,999	4,483,409	2,960,884	41,095,292
<b>Comprehensive income</b>								
Profit for the year	-	-	-	1,390,343	1,390,343	358,565	552,629	2,301,537
<b>Other comprehensive income</b>								
— Currency translation differences	-	-	11,715	-	11,715	-	5,021	16,736
— Revaluation gains arising from transfer of property, plant and equipment and land use rights to investment property, net of tax (note 9)	-	-	21,337	-	21,337	-	-	21,337
<b>Total comprehensive income</b>	-	-	33,052	1,390,343	1,423,395	358,565	557,650	2,339,610
<b>Total transactions with shareholders, recognised directly in equity</b>								
Transfer to statutory reserve and enterprise expansion fund (note 23)	-	-	557,716	(557,716)	-	-	-	-
Distribution to holders of Perpetual Capital Securities (note 24)	-	-	-	-	-	(353,315)	-	(353,315)
Dividends (note 36)	-	-	-	(766,130)	(766,130)	-	-	(766,130)
Capital injection by non-controlling interests	-	-	-	-	-	-	118,317	118,317
Dividends distribution to non-controlling interests (note 43)	-	-	-	-	-	-	(438,787)	(438,787)
Total transactions with shareholders, recognised directly in equity	-	-	557,716	(1,323,846)	(766,130)	(353,315)	(320,470)	(1,439,915)
<b>Balance at 31 December 2015</b>	5,097,967	(156,588)	3,044,577	26,322,308	34,308,264	4,488,659	3,198,064	41,994,987

The notes on page 111 to 187 form an integral part of these consolidated financial statements.

# Consolidated Statement of Cash Flows

(All amounts in RMB thousands unless otherwise stated)

	Note	Year ended 31 December	
		2016	2015
<b>Cash flows from operating activities</b>			
Cash generated from operations	37	15,011,864	16,318,242
Interest paid		(2,745,647)	(3,160,953)
PRC Income tax paid		(5,379,631)	(6,020,805)
<b>Net cash generated from operating activities</b>		<b>6,886,586</b>	7,136,484
<b>Cash flows from investing activities</b>			
Payments of construction cost of investment properties		–	(210,886)
Prepayment of land use rights for development of own used properties		(141,984)	(8,361)
Investment in joint ventures and available-for-sale financial assets		(755,223)	–
Purchases of property, plant and equipment		(869,910)	(328,698)
Purchases of intangible assets		(12,442)	(4,752)
Proceeds received from disposal of investment properties and property, plant and equipment		72,754	301,080
Repayment of cash advances from joint ventures		1,552,905	111,501
Cash advances made to associates and joint ventures		(3,710,558)	(679,523)
Interest received		145,769	120,162
<b>Net cash used in investing activities</b>		<b>(3,718,689)</b>	(699,477)
<b>Cash flows from financing activities</b>			
Net proceeds from issuance of Perpetual Capital Securities		1,093,716	–
Redemption of Perpetual Capital Securities		(20,625)	–
Net proceeds from issuance of senior notes		–	2,998,104
Redemption of senior notes		(4,276,350)	–
Proceeds from borrowings		25,277,778	12,123,690
Repayments of borrowings		(27,956,443)	(18,631,411)
Net proceeds from issuance of corporate bonds		8,723,030	–
Net proceeds from issuance of asset-backed securities		975,200	–
Decrease/(increase) in guarantee deposit for borrowings		281,092	(31,092)
Cash advances from related parties		286,301	237,288
Repayments of cash advances to related parties		(556,236)	(138,980)
Capital injection by non-controlling interests		63,204	98,000
Repurchase of non-controlling interests		(138,600)	–
Distribution to holders of Perpetual Capital Securities		(379,510)	(353,315)
Dividends paid to shareholders of the Company		(1,276,443)	(766,105)
Dividends paid to non-controlling interests		(222,807)	(438,787)
<b>Net cash generated from/(used in) financing activities</b>		<b>1,873,307</b>	(4,902,608)
<b>Net increase in cash and cash equivalents</b>		<b>5,041,204</b>	1,534,399
Cash and cash equivalents at beginning of the year		7,407,450	6,067,802
Exchange losses on cash and cash equivalents		(16,770)	(194,751)
<b>Cash and cash equivalents at end of the year</b>	20	<b>12,431,884</b>	7,407,450

The notes on pages 111 to 187 form an integral part of these consolidated financial statements.



# Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

## 1 General information

Agile Group Holdings Limited (the "Company", formerly known as "Agile Property Holdings Limited") is a limited liability company incorporated in the Cayman Islands on 14 July 2005 and is principally engaged in investment holding. The address of its registered office is Cricket Square, Hutchins Drive, P. O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company and its subsidiaries (the "Group") are principally engaged in property development in the People's Republic of China (the "PRC").

The Company's shares were listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 15 December 2005.

These consolidated financial statements have been approved for issue by the Board of Directors of the Company on 15 March 2017.

## 2 Summary of significant accounting policies

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (the "HKFRS") and requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, derivative financial instruments and investment properties, which are carried at fair value.

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

#### (a) New and amended standards adopted by the Group

The following new and amended standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2016:

- HKFRS 14 "Regulatory deferral accounts"
- Amendments to HKFRS 11 "Accounting for acquisitions of interests in joint operations"
- Amendments to HKAS 16 and HKAS 38 "Clarification of acceptable methods of depreciation and amortisation"
- Amendment to HKAS 27 "Equity method in separate financial statements"
- Annual improvements 2014
- Amendments to HKFRS 10, HKFRS 12 and HKAS 28 "Investment entities: applying the consolidation exception"
- Amendments to HKAS 1 "Disclosure initiative"

The adoption of these new and amended standards did not have any impact on the current period or any prior period and is not likely to affect future periods.

# Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

## 2 Summary of significant accounting policies (Continued)

### 2.1 Basis of preparation (Continued)

(b) **The following new standards and amendments to standards have been issued but are not effective for the financial period beginning 1 January 2016 and have not been early adopted:**

	Effective for accounting periods beginning on or after
Amendments to HKAS 12 "Income Taxes"	1 January 2017
Amendments to HKAS 7 "Statement of Cash Flows"	1 January 2017
HKFRS15 "Revenue from Contracts with Customers"	1 January 2018
HKFRS 9 "Financial Instruments"	1 January 2018
HKFRS 16 "Leases"	1 January 2019
Amendments to HKFRS 10 and HKAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined

The Group has already commenced an assessment of the impact of these new or revised standards, interpretation and amendments, certain of which are relevant to the Group's operations.

The amendments to HKAS 7 introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The amendments to HKAS 12 on the recognition of deferred tax assets for unrealised losses clarify how to account for deferred tax assets related to debt instruments measured at fair value.

HKFRS 15 will replace HKAS 18 which covers contracts for goods and services and HKAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

Management is currently assessing the effects of applying the new standard on the Group's financial statements and has identified the following areas that are likely to be affected:

- revenue from service – the application of HKFRS 15 may result in the identification of separate performance obligations which could affect the timing of the recognition of revenue.
- accounting for certain costs incurred in fulfilling a contract – certain costs which are currently expensed may need to be recognised as an asset under HKFRS 15, and
- rights of return HKFRS 15 requires separate presentation on the balance sheet of the right to recover the goods from the customer and the refund obligation.

# Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

## 2 Summary of significant accounting policies (Continued)

### 2.1 Basis of preparation (Continued)

**(b) The following new standards and amendments to standards have been issued but are not effective for the financial period beginning 1 January 2016 and have not been early adopted: (Continued)**

At this stage, the Group is not able to estimate the impact of the new rules on the Group's financial statements. The Group will make more detailed assessments of the impact over the next twelve months.

HKFRS 15 is mandatory for financial years commencing on or after 1 January 2018. At this stage, the Group does not intend to adopt the standard before its effective date.

HKFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

While the Group has yet to undertake a detailed assessment of the classification and measurement of financial assets currently classified as available-for-sale (AFS) financial assets would appear to satisfy the conditions for classification as at fair value through other comprehensive income (FVOCI) and hence there will be no change to the accounting for these assets.

There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The derecognition rules have been transferred from HKAS 39 Financial Instruments: Recognition and Measurement and have not been changed.

The new hedge accounting rules will align the accounting for hedging instruments more closely with the Group's risk management practices.

The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under HKAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at FVOCI, contract assets under HKFRS 15 Revenue from Contracts with Customers, lease receivables, loan commitments and certain financial guarantee contracts. While the Group has not yet undertaken a detailed assessment of how its impairment provisions would be affected by the new model, it may result in an earlier recognition of credit losses.

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

HKFRS 9 must be applied for financial years commencing on or after 1 January 2018. Based on the transitional provisions in the completed HKFRS 9, early adoption in phases was only permitted for annual reporting periods beginning before 1 February 2015. After that date, the new rules must be adopted in their entirety. The Group does not intend to adopt HKFRS 9 before its mandatory date.

# Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

## 2 Summary of significant accounting policies (Continued)

### 2.1 Basis of preparation (Continued)

#### (b) **The following new standards and amendments to standards have been issued but are not effective for the financial period beginning 1 January 2016 and have not been early adopted: (Continued)**

The amendments to HKFRS 10 and HKAS 28 address an inconsistency between HKFRS 10 and HKAS 28 in the sale and contribution of assets between an investor and its associate or joint venture. A full gain or loss is recognised when a transaction involves a business. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if those assets are in a subsidiary. The amendments were originally intended to be effective for annual periods beginning on or after 1 January 2016. The effective date has now been deferred/removed. Early application of the amendments continues to be permitted.

HKFRS 16 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for Group's operating leases. Management expects there will be no significant impact on the Group's financial statements when it becomes effective as the Group does not have material lease arrangements as lessee.

Some of the commitments may be covered by the exception for short-term and low value leases and some commitments may relate to arrangements that will not qualify as leases under HKFRS 16.

The new standard is mandatory for financial years commencing on or after 1 January 2019. At this stage, the Group does not intend to adopt the standard before its effective date.

### 2.2 Subsidiaries

#### 2.2.1 Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

#### (a) *Business combinations*

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

# Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

## 2 Summary of significant accounting policies (Continued)

### 2.2 Subsidiaries (Continued)

#### 2.2.1 Consolidation (Continued)

##### (a) *Business combinations (Continued)*

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKAS 39 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated income statement.

Intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

##### (b) *Changes in ownership interests in subsidiaries without change of control*

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions – that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

# Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

## 2 Summary of significant accounting policies (Continued)

### 2.2 Subsidiaries (Continued)

#### 2.2.1 Consolidation (Continued)

##### (c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

#### 2.2.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

### 2.3 Associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investments in associates include goodwill identified on acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the consolidated income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

# Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

## 2 Summary of significant accounting policies (Continued)

### 2.3 Associates (Continued)

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to “share of post-tax losses of associates” in the consolidated income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group’s financial statements only to the extent of unrelated investor’s interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gains or losses on dilution of equity interest in associates are recognised in the consolidated income statement.

### 2.4 Joint arrangements

The Group has applied HKFRS 11 to all joint arrangements. Under HKFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group’s share of the post-acquisition profits or losses and movements in other comprehensive income. The Group’s investments in joint ventures include goodwill identified on acquisition. Upon the acquisition of the ownership interest in a joint venture, any difference between the cost of the joint venture and the Group’s share of the net fair value of the joint venture’s identifiable assets and liabilities is accounted for as goodwill. When the Group’s share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group’s net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group’s interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

### 2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company that makes strategic decisions of the Group.

# Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

## 2 Summary of significant accounting policies (Continued)

### 2.6 Foreign currency translation

#### (a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Renminbi ("RMB"), which is the Company's functional and the Group's presentation currency.

#### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings denominated in foreign currencies are presented in the consolidated income statement within "finance costs, net". All other foreign exchange gains and losses are presented in the consolidated income statement within "other (losses)/gains, net".

Changes in the fair value of debt securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

#### (c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting currency translation differences are recognised in other comprehensive income.



# Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

## 2 Summary of significant accounting policies (Continued)

### 2.7 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation and any impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated income statement during the financial period in which they are incurred.

When there is a change of use from an investment property to an owner-occupied property, the property's deemed cost for subsequent accounting shall be its fair value at the date of change in use.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings	20-30 years
Hotel decorations	10 years
Office equipment	5-8 years
Transportation equipment	5-10 years
Machinery	5-10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.11).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "Other (losses)/gains, net" in the consolidated income statement.

### 2.8 Construction in progress

Construction in progress represents property under construction and is stated at cost less accumulated impairment loss, if any. Cost includes the costs of construction of buildings and interest charges arising from borrowings used to finance these assets during the period of construction, if any. No provision for depreciation is made on construction in progress until such times as the relevant assets are completed and are available for intended use. When the assets concerned are brought into use, the costs are transferred to property, plant and equipment and depreciated in accordance with the policy as stated in the preceding paragraphs.

# Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

## 2 Summary of significant accounting policies (Continued)

### 2.9 Investment property

Investment property, principally comprising land use rights and buildings, is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group. It also includes properties that are being constructed or developed for future use as investment properties. Land held under operating leases are accounted for as investment properties when the rest of the definition of an investment property is met. In such cases, the operating leases concerned are accounted for as if they were finance leases. Investment properties are initially measured at cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment properties are carried at fair value, representing open market value determined at each reporting date by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are recorded as "Fair value gains on investment properties" in the consolidated income statement.

When an owner-occupied property becomes an investment property carried at fair value, the Group applies HKAS 16 up to the date of change in use. The Group treats any difference at that date between the carrying amount of the property in accordance with HKAS 16 and its fair value in the same way as a revaluation in accordance with HKAS 16. In other words, any resulting increase in the carrying amount is treated as follows:

- (i) to the extent that the increase reverses a previous impairment loss for that property, the increase is recognised in profit or loss.
- (ii) any remaining part of the increase is recognised in other comprehensive income and increases the revaluation surplus within equity.

### 2.10 Intangible assets

#### **Computer software**

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (2 to 10 years).

### 2.11 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating unit). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

# Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

## 2 Summary of significant accounting policies (Continued)

### 2.12 Financial assets

#### 2.12.1 Classification

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, and available for sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

(b) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise "trade and other receivables" and "cash and cash equivalents" in the consolidated balance sheet (notes 2.16 and 2.17).

(c) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

#### 2.12.2 Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the consolidated income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Derivatives not designated for hedge are categorised as financial assets at fair value through profit or loss. Derivatives are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current. Derivatives financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The change of fair value is recognised immediately in profit or loss within "finance costs, net".

# Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

## 2 Summary of significant accounting policies (Continued)

### 2.12 Financial assets (Continued)

#### 2.12.2 Recognition and measurement (Continued)

When financial assets classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the consolidated income statement as “other losses, net”.

Dividends on available-for-sale equity instruments are recognised in the consolidated income statement as part of other income when the Group’s right to receive payments is established.

Changes in the fair value of monetary and non-monetary equity instruments classified as available for sale are recognised in other comprehensive income.

### 2.13 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

### 2.14 Impairment of financial assets

#### (a) Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a “loss event”) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset’s original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor’s credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

# Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

## 2 Summary of significant accounting policies (Continued)

### 2.14 Impairment of financial assets (Continued)

#### (b) Assets classified as available for sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For equity investments, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement.

### 2.15 Properties under development and held for sale

Properties under development and held for sale are stated at the lower of cost and net realisable value. Development cost of properties comprises cost of land use rights, construction costs and borrowing costs incurred during the construction period. Upon completion, the properties are transferred to completed properties held for sale.

Net realisable value takes into account the price ultimately expected to be realised, less applicable variable selling expenses and the anticipated costs to completion.

Properties under development and held for sale are classified as current assets unless the construction period of the relevant property development project is expected to complete beyond normal operating cycle.

### 2.16 Trade and other receivables

Trade receivables are amounts due from customers for properties sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

### 2.17 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

### 2.18 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### 2.19 Perpetual Capital Securities

Perpetual Capital Securities with no contracted obligation to repay its principal or to pay any distribution are classified as part of equity.

# Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

## 2 Summary of significant accounting policies (Continued)

### 2.20 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

### 2.21 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

### 2.22 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the consolidated income statement in the period in which they are incurred.

Borrowing costs include interest expense, and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. The exchange gains and losses that are an adjustment to interest costs include the interest rate differential between borrowing costs that would be incurred if the entity had borrowed funds in its functional currency, and the borrowing costs actually incurred on foreign currency borrowings. Such amounts are estimated based on forward currency rates at the inception of the borrowings.

When the construction of the qualifying assets takes more than one accounting period, the amount of foreign exchange differences eligible for capitalisation is determined for each annual period and are limited to the difference between the hypothetical interest amount for the functional currency borrowings and the actual interest incurred for foreign currency borrowings. Foreign exchange differences that did not meet the criteria for capitalisation in previous years should not be capitalised in subsequent years.

# Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

## 2 Summary of significant accounting policies (Continued)

### 2.23 Current and deferred income tax

The tax expense for the period comprises current and deferred income tax and land appreciation tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

#### (a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company, its subsidiaries, associates and joint ventures operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

#### (b) Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint ventures, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only when there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from the associate's undistributed profits is not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint ventures only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

#### (c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

# Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

## 2 Summary of significant accounting policies (Continued)

### 2.24 Employee benefits

#### (a) Pension obligations

The Group only operate defined contribution pension plans. In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries. The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees' payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the governments.

The Group also participates in a retirement benefit scheme under the rules and regulations of the Mandatory Provident Fund Scheme Ordinance ("MPF Scheme") for all employees in Hong Kong. The contributions to the MPF Scheme are based on minimum statutory contribution requirement of the lower of 5% of eligible employees' relevant aggregate income and HK\$1,500. The assets of this MPF Scheme are held separately from those of the Group in independently administered funds.

The Group's contributions to the defined contribution retirement scheme are expensed as incurred.

#### (b) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

#### (c) Equity-settled share-based payment transactions

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for shares of the Group. The fair value of the employee services received in exchange for the grant of the shares is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the shares granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or holding shares for a specified period of time).



# Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

## 2 Summary of significant accounting policies (Continued)

### 2.24 Employee benefits (Continued)

#### (c) Equity-settled share-based payment transactions (Continued)

At the end of each reporting period, the Group revises its estimates of the number of shares that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated income statement, if any, with a corresponding adjustment to equity.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

### 2.25 Provisions

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

### 2.26 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of properties and services in the ordinary course of the Group's activities. Revenue is shown net of discount and after eliminating revenue made with the Group companies.

The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates of returns on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

#### (a) Sales of properties

Revenue from sales of properties is recognised when a Group entity has delivered the relevant properties to the purchaser and collectability of related consideration is reasonably assured. Deposits and instalments received on properties sold prior to the date of revenue recognition are included in the consolidated balance sheets under current liabilities.

# Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

## 2 Summary of significant accounting policies (Continued)

### 2.26 Revenue recognition (Continued)

**(b) Property management**

Revenue arising from property management is recognised in the accounting period in which the services are rendered.

**(c) Hotel operations**

Hotel revenue from room rentals, food and beverage sales and other ancillary services are recognised when the goods are delivered or services are rendered.

**(d) Rental income**

Rental income from investment properties is recognised in the consolidated income statement on a straight-line basis over the term of lease.

**(e) Interest income**

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognised using the original effective interest rate.

**(f) Dividend income**

Dividend income is recognised when the right to receive payment is established.

### 2.27 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

**(i) The Group is the lessee other than operating lease of land use rights**

Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated income statement on a straight-line basis over the period of the lease.

**(ii) The Group is the lessee under operating lease of land use rights**

Land use rights under operating lease, which mainly comprise land use rights to be developed for hotel properties and own used buildings, are stated at cost and subsequently amortised in the consolidated income statement on a straight-line basis over the operating lease periods.

**(iii) The Group is the lessor**

Assets leased out under operating leases are included in investment properties in the consolidated balance sheet.

# Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

## 2 Summary of significant accounting policies (Continued)

### 2.28 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

### 2.29 Insurance contracts

An insurance contract is a contract under which one party (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. Insurance risk is a pre-existing risk transferred from the policyholder to the insurer, and is significant only if an insured event could cause an insurer to pay significant additional benefits in any scenario, excluding scenarios that lack commercial substance (i.e. have no discernible effect on the economics of the transaction).

The Group assesses at each reporting date whether its recognised insurance liabilities are adequate, using current estimates of future cash flows under its insurance contracts. If that assessment shows that the carrying amount of its insurance liabilities is inadequate in the light of the estimated future cash flows, the entire deficiency is recognised in the consolidated income statement.

The Group regards its financial guarantee contracts provided in respect of mortgage facilities for certain property purchasers as insurance contracts.

## 3 Financial risk management

### 3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The property industry is highly sensitive to the economic environment in the PRC. The Group finances its operations from shareholders' fund, sales of properties, issuance of senior notes, bank and other borrowings. The Group has alternative plans to monitor liquidity risk should there be significant adverse changes on the Group's cash flow projections.

#### (i) Currency risk

The Group's businesses are principally conducted in RMB, except that certain receipts of proceeds from sales of properties, fees of property management services, senior notes, bank borrowings and syndicated loans are in other currencies. As at 31 December 2016, major non-RMB assets and liabilities are cash and cash equivalents, senior notes, bank borrowings and syndicated loans denominated in HK dollar ("HK\$"), US dollar ("US\$") or Malaysia Ringgit ("MYR"). Fluctuation of the exchange rates of RMB against foreign currencies could affect the Group's results of operations. The Group has entered into certain forward exchange contracts to hedge its exposure to foreign exchange risk during the year ended 31 December 2016.

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 3 Financial risk management (Continued)

#### 3.1 Financial risk factors (Continued)

##### (i) Currency risk (Continued)

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the respective balance sheet dates are as follows:

	Group	
	2016	2015
Monetary assets		
— HK\$	559,580	365,830
— US\$	464,644	49,687
— MYR	134,971	188,621
	<b>1,159,195</b>	604,138
Monetary liabilities		
— HK\$	7,420,533	3,466,500
— US\$	13,131,007	18,698,219
— MYR	917,135	823,327
	<b>21,468,675</b>	22,988,046

The following table shows the sensitivity analysis of a 5% change in RMB against the relevant foreign currencies. The sensitivity analysis includes only foreign currency denominated monetary items and adjusts their translation at the year-end for a 5% change in foreign currency rates. If there is a 5% increase/decrease in RMB against the relevant currencies, the effect of increase/(decrease) in the profit for the year is as follows:

	Group	
	2016	2015
5% increase in RMB against HK\$	345,058	156,419
5% decrease in RMB against HK\$	(345,058)	(156,419)
5% increase in RMB against US\$	633,337	932,442
5% decrease in RMB against US\$	(633,337)	(932,442)
5% increase in RMB against MYR	39,108	31,725
5% decrease in RMB against MYR	(39,108)	(31,725)

##### (ii) Interest rate risk

The Group's exposure to changes in interest rates is mainly attributable to its borrowings. Senior notes, and other borrowings at fixed rate expose the Group to fair value interest rate risk. Borrowings at variable rates expose the Group to cash flow interest-rate risk. The Group closely monitors trend of interest rate and its impact on the Group's interest rate risk exposure. The Group currently has not used any interest rate swap arrangements but will consider hedging interest rate risk should the need arise.

As at 31 December 2016 and 2015, if interest rates on borrowings had been 100 basis points higher or lower with all other variables held constant, interest charges for the years ended 31 December 2016 and 2015 would increase or decrease by RMB184,207,000 and RMB150,243,000 respectively, mainly as a result of higher or lower interest expense on floating rate borrowings.

# Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

## 3 Financial risk management (Continued)

### 3.1 Financial risk factors (Continued)

#### (iii) Credit risk

The Group is exposed to credit risk in relation to its trade and other receivables and cash deposits with banks.

The carrying amounts of trade and other receivables, restricted cash, cash and cash equivalents represent the Group's maximum exposure to credit risk in relation to financial assets.

To manage this risk, deposits are mainly placed with licencing banks which are all high-credit-quality financial institutions.

For credit exposures to customers, generally, the Group requires full payment from customers before delivery of properties. Credit terms are granted to customers upon obtaining approval from the Company's senior management after assessing the credit history of those customers. The Group closely monitors the collection of progress payments from customers in accordance with payment schedule agreed with customers. The Group has policies in place to ensure that sales are made to purchasers with an appropriate financial strength and appropriate percentage of down payments.

Meanwhile, the Group has the right to cancel the contracts once repayment from the customers is in default; it also has monitoring procedures to ensure that follow-up actions are taken to recover overdue balances. In addition, the Group regularly reviews the recoverable amount of each individual trade receivables to ensure that adequate impairment provisions are made for irrecoverable amounts. The Group has no significant concentrations of credit risk, with exposure spread over a number of counterparties and customers.

The Group typically provides guarantees to banks in connection with the customers' borrowing of mortgage loans to finance their purchase of properties for an amount up to 80% of the total purchase price of the property. If a purchaser defaults on the payment of its mortgage loan during the guarantee period, the bank holding the guarantee may demand the Group to repay the outstanding amount under the loan and any interest accrued thereon. Under such circumstances, the Group is able to retain the customer's deposit and re-sell the property to recover any amounts paid by the Group to the bank. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced. Detailed disclosure of these guarantees is made in the note 38.

No significant credit limits were exceeded during the reporting period, and management does not expect any significant losses from non-performance by these counterparties.

# Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

## 3 Financial risk management (Continued)

### 3.1 Financial risk factors (Continued)

#### (iv) Liquidity risk

Management aims to maintain sufficient cash and cash equivalents or have available funding through an adequate amount of available financing, including proceeds from pre-sale of properties, committed credit facilities and short-term and long-term borrowings to meet its construction commitments.

The Group has a number of alternative plans to mitigate the potential impacts on anticipated cash flows should there be significant adverse changes in economic environment. These include control on investment in land bank, adjusting project development timetable to adapt the changing local real estate market environment, implementing cost control measures, promotion of sales of completed properties, accelerating sales with more flexible pricing etc. The Group will pursue such options basing on its assessment of relevant future costs and benefits.

The table below analyses the Group's financial liabilities maturity profile at the balance sheet date. The amounts disclosed thereon are the contractual undiscounted cash flows. Balances due within 12 months from the balance sheet date equal to their carrying amounts in the balance sheets, as the impact of discount should not be significant.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
<b>Group</b>					
<b>At 31 December 2016</b>					
Borrowings	14,368,750	14,039,630	18,235,333	5,006,567	51,650,280
Trade and other payables(*)	20,042,372	–	–	–	20,042,372
<b>At 31 December 2015</b>					
Borrowings	19,625,857	14,551,895	11,652,300	534,847	46,364,899
Trade and other payables(*)	14,960,548	–	–	–	14,960,548

\* Excluding staff welfare benefit payable and other taxes payable.

### 3.2 Capital risk management

The Group's objectives of capital management are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the unnecessary cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of any returns to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

# Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

## 3 Financial risk management (Continued)

### 3.2 Capital risk management (Continued)

The Group monitors its capital structure on a basis of gearing ratio. This ratio is calculated as net borrowings divided by total equity as shown in the consolidated balance sheet. Net borrowings are calculated as total borrowings (including current and non-current borrowings as shown in the consolidated balance sheet) less total of cash and cash equivalents and restricted cash.

	2016	2015
Total borrowings (note 25)	<b>43,995,924</b>	40,030,458
Less: cash and cash equivalents (note 20)	<b>(12,431,884)</b>	(7,407,450)
restricted cash (note 19)	<b>(9,878,734)</b>	(5,729,642)
Net Borrowings	<b>21,685,306</b>	26,893,366
Total equity	<b>44,155,230</b>	41,994,987
<b>Gearing ratio</b>	<b>49.1%</b>	64.0%

The decrease in the gearing ratio during the year ended 31 December 2016 was primarily resulted from the increase in cash and cash equivalents.

### 3.3 Fair value estimation

The Group is not holding any financial assets and financial liabilities carried at fair value except for financial assets at fair value through profit or loss and available-for-sale financial assets. The different levels of the financial instruments carried at fair value, by level of the inputs to valuation techniques used to measure fair value, have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

As at 31 December 2016, the derivative financial instruments were stated at fair value. The financial assets were included in level 2 as the assets have been fair valued using forward exchange rates that are quoted in an active market.

As at 31 December 2016 and 2015, the available-for-sale financial assets were stated at fair value. The financial assets and financial liabilities were included in level 3 as the quantitative information about fair value measurements were using significant unobservable inputs.

# Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

## 4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### 4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### (i) Provisions for impairment of properties under development, completed properties held for sale and long-term assets held for hotel operations

Provision is made when events or changes in circumstances indicate that the carrying amounts may not be recoverable. For the purpose of assessing provision for impairment, properties under development, completed properties held for sale and long-term assets held by hotel segment are grouped at the lowest levels for which there are separately identifiable cash flows. The recoverability of the carrying amounts of land use rights for property development, properties under development and completed properties held for sale was assessed according to their recoverable amount, taking into account for costs to completion based on past experience and net sales value based on prevailing market conditions. The recoverable amounts of long-term assets held for hotel operation have been determined based on value-in-use calculations, taking into account latest market information and past experience. The assessment requires the use of judgement and estimates.

As at 31 December 2016, except for provision for impairment of completed properties of RMB139,975,000 (2015: RMB123,647,000) recognised by the Group, no other impairment was provided for properties under development or long-term assets held for hotel operation.

#### (ii) Current and deferred income tax

The Group is subject to corporate income taxes in the PRC. Judgement is required in determining the amount of the provision for taxation and the timing of payment of the related taxations. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.



# Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

## 4 Critical accounting estimates and judgements (Continued)

### 4.1 Critical accounting estimates and assumptions (Continued)

#### (iii) Land appreciation taxes

PRC land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including land cost, borrowing costs and all property development expenditures.

The subsidiaries of the Group engaging in property development business in the PRC are subject to land appreciation taxes, which have been included in the income tax expenses. However, the implementation of these taxes varies amongst various PRC cities and the Group has not finalised its land appreciation tax returns with various tax authorities for certain projects. Accordingly, judgement is required in determining the amount of land appreciation and its related taxes payable. The Group recognises these liabilities based on management's best estimates. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax expenses and provisions of land appreciation taxes in the period in which such determination is made.

#### (iv) Fair value of investment properties

The fair value of investment properties is determined by using valuation technique. Details of the judgement and assumptions have been disclosed in note 9.

#### (v) Recoverability of trade receivables

The management assesses the recoverability of trade receivables individually with reference to the past repayment history as well as subsequent settlement status. Allowances are applied to these receivables where events or changes in circumstances indicate that the balances may not be collectible and require the use of estimates. Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade receivable and the impairment charge in the period in which such estimate has been changed.

As at 31 December 2016, no impairment was provided for trade receivables (2015: nil).

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 5 Segment information

The executive directors of the Company, which are the chief operating decision-makers of the Group, review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on reports reviewed by the executive directors of the Company that are used to make strategy decision.

The Group is organised into four business segments: property development, property management, hotel operations and property investment. Associates and joint ventures of the Group are principally engaged in property development and are included in the property development segment. As the executive directors of the Company consider most of the Group's consolidated revenue and results are attributable from the market in the PRC. Most of the non-current assets are located in the PRC, and less than 10% of the Group's consolidated assets are located outside the PRC, geographical segment information is not considered necessary.

The executive directors of the Company assess the performance of the operating segments based on a measure of segment results, being profit before income tax before deducting finance costs.

The Group has a large number of customers, none of whom contributed 5% or more of the Group's revenue.

Analysis of revenue by the category for the years ended 31 December 2016 and 2015 is as follows:

	2016	2015
Sales of developed properties	<b>44,751,782</b>	41,421,174
Property management services	<b>1,068,536</b>	812,940
Hotel operations	<b>669,983</b>	673,735
Rental income from investment properties	<b>188,564</b>	96,463
	<b>46,678,865</b>	43,004,312

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 5 Segment information (Continued)

Segment information provided to the executive directors of the Company for the reporting segments for the years ended 31 December 2016 and 2015 are as follows:

#### Year ended 31 December 2016

	Property development	Property management	Hotel operations	Property investment	Elimination	Group
Gross segment sales	44,751,782	1,453,157	669,983	188,564	-	47,063,486
Inter-segment sales	-	(384,621)	-	-	-	(384,621)
Sales to external customers	44,751,782	1,068,536	669,983	188,564	-	46,678,865
Fair value gains on investment properties (note 9)	-	-	-	42,960	-	42,960
Operating result	8,633,470	303,913	(223,930)	97,740	-	8,811,193
Share of post-tax losses of associates (note 10)	(3,375)	-	-	-	-	(3,375)
Share of post-tax gains of joint ventures (note 11)	10,453	-	-	-	-	10,453
Reversal of gains on disposal of hotel assets	-	-	(210,626)	-	-	(210,626)
Segment result	8,640,548	303,913	(434,556)	97,740	-	8,607,645
Finance costs, net (note 33)						(1,124,531)
Profit before income tax						7,483,114
Income tax expenses (note 34)						(4,433,480)
Profit for the year						3,049,634
Depreciation	218,528	4,824	240,731	-		464,083
Amortisation of land use rights and intangible assets	16,089	598	51,305	-		67,992
Write-down of completed properties held for sale (note 31)	16,328	-	-	-		16,328
<b>Segment assets</b>	<b>113,775,622</b>	<b>1,827,997</b>	<b>9,286,959</b>	<b>6,326,943</b>	<b>(2,515,136)</b>	<b>128,702,385</b>
Unallocated assets						3,022,513
<b>Total assets</b>						<b>131,724,898</b>
Segment assets include:						
Interests in associates (note 10)	114,461	-	-	-		114,461
Interests in joint ventures (note 11)	4,624,663	-	-	-		4,624,663
<b>Segment liabilities</b>	<b>29,282,533</b>	<b>689,941</b>	<b>4,210,087</b>	<b>51,967</b>	<b>(2,515,136)</b>	<b>31,719,392</b>
Unallocated liabilities						55,850,276
<b>Total liabilities</b>						<b>87,569,668</b>
Capital expenditure	849,135	4,485	230,036	-		1,083,656

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 5 Segment information (Continued)

Segment assets and liabilities are reconciled to total assets and liabilities as at 31 December 2016 as follows:

	Assets	Liabilities
Segment assets/liabilities	<b>128,702,385</b>	<b>31,719,392</b>
Unallocated:		
Deferred income taxes	<b>699,275</b>	<b>1,137,167</b>
Prepaid income taxes	<b>1,760,871</b>	–
Derivative financial instruments	<b>562,367</b>	–
Current income tax liabilities	–	<b>10,717,185</b>
Current borrowings	–	<b>12,815,016</b>
Non-current borrowings	–	<b>31,180,908</b>
Total	<b>131,724,898</b>	<b>87,569,668</b>

# Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

## 5 Segment information (Continued)

Year ended 31 December 2015

	Property development	Property management	Hotel operations	Property investment	Elimination	Group
Gross segment sales	41,421,174	1,118,097	673,735	96,463	–	43,309,469
Inter-segment sales	–	(305,157)	–	–	–	(305,157)
Sales to external customers	41,421,174	812,940	673,735	96,463	–	43,004,312
Fair value gains on investment properties (note 9)	–	–	–	62,523	–	62,523
Operating result	7,500,544	122,483	(291,425)	94,055	–	7,425,657
Share of post-tax loss of an associate (note 10)	(27,190)	–	–	–	–	(27,190)
Share of post-tax losses of joint ventures (note 11)	(87,400)	–	–	–	–	(87,400)
Gains on disposal of hotel assets	–	–	210,626	–	–	210,626
Segment result	7,385,954	122,483	(80,799)	94,055	–	7,521,693
Finance costs, net (note 33)						(1,325,206)
Profit before income tax						6,196,487
Income tax expenses (note 34)						(3,894,950)
Profit for the year						2,301,537
Depreciation	130,981	5,068	231,297	–		367,346
Amortisation of land use rights and intangible assets	23,610	533	56,816	–		80,959
Write-down of completed properties held for sale (note 31)	123,647	–	–	–		123,647
<b>Segment assets</b>	100,725,054	1,196,588	7,962,339	6,369,011	(1,155,723)	115,097,269
Unallocated assets						2,215,662
<b>Total assets</b>						117,312,931
Segment assets include:						
Interest in an associate (note 10)	3,375	–	–	–		3,375
Interests in joint ventures (note 11)	1,133,448	–	–	–		1,133,448
<b>Segment liabilities</b>	17,445,745	464,201	5,945,204	32,040	(1,155,723)	22,731,467
Unallocated liabilities						52,586,477
<b>Total liabilities</b>						75,317,944
Capital expenditure	130,419	3,505	219,805	210,886		564,615

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 5 Segment information (Continued)

Segment assets and liabilities are reconciled to total assets and liabilities as at 31 December 2015 as follows:

	Assets	Liabilities
Segment assets/liabilities	115,097,269	22,731,467
Unallocated:		
Deferred income taxes	570,208	1,243,798
Prepaid income taxes	1,645,454	–
Current income tax liabilities	–	11,312,221
Current borrowings	–	16,487,415
Non-current borrowings	–	23,543,043
<b>Total</b>	<b>117,312,931</b>	<b>75,317,944</b>

Inter-segment transfers or transactions are entered into at terms and conditions agreed upon by respective parties.

Eliminations comprise inter-segment trade and non-trade balances.

Pricing policy for inter-segment transactions is determined by reference to market price.

Segment assets consist primarily of property, plant and equipment, land use rights, properties under development, completed properties held for sale, investment properties, receivables and cash balances. Unallocated assets comprise deferred tax assets and prepaid income taxes and derivative financial instruments. Segment liabilities comprise operating liabilities. Unallocated liabilities comprise taxation and borrowings.

Capital expenditure comprises additions to property, plant and equipment, land use rights for self-owned properties, investment properties and intangible assets.

# Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

## 6 Property, plant and equipment

	Buildings	Transportation equipment	Office equipment	Machinery	Construction in progress	Total
<b>At 1 January 2015</b>						
Cost	5,931,153	219,828	147,951	174,676	2,115,538	8,589,146
Accumulated depreciation	(582,205)	(141,044)	(86,810)	(83,066)	–	(893,125)
<b>Net book amount</b>	<b>5,348,948</b>	<b>78,784</b>	<b>61,141</b>	<b>91,610</b>	<b>2,115,538</b>	<b>7,696,021</b>
<b>Year ended 31 December 2015</b>						
Opening net book amount	5,348,948	78,784	61,141	91,610	2,115,538	7,696,021
Additions	41,889	21,423	21,510	26,692	229,101	340,615
Transfer of completed construction projects	530,759	–	–	–	(530,759)	–
Transfer to investment properties (note 9(h))	(209,586)	–	–	–	–	(209,586)
Transfer to properties under development	(50,479)	–	–	–	(393,719)	(444,198)
Transfer from properties held for sales	43,728	–	–	–	–	43,728
Disposals	(46,467)	(7,836)	(4,808)	(4,827)	(343,331)	(407,269)
Depreciation	(285,131)	(23,538)	(30,351)	(28,326)	–	(367,346)
<b>Closing net book amount</b>	<b>5,373,661</b>	<b>68,833</b>	<b>47,492</b>	<b>85,149</b>	<b>1,076,830</b>	<b>6,651,965</b>
<b>At 31 December 2015</b>						
Cost	6,239,714	195,923	168,795	193,941	1,076,830	7,875,203
Accumulated depreciation	(866,053)	(127,090)	(121,303)	(108,792)	–	(1,223,238)
<b>Net book amount</b>	<b>5,373,661</b>	<b>68,833</b>	<b>47,492</b>	<b>85,149</b>	<b>1,076,830</b>	<b>6,651,965</b>
<b>Year ended 31 December 2016</b>						
Opening net book amount	<b>5,373,661</b>	<b>68,833</b>	<b>47,492</b>	<b>85,149</b>	<b>1,076,830</b>	<b>6,651,965</b>
Additions	<b>119,096</b>	<b>13,344</b>	<b>11,694</b>	<b>25,462</b>	<b>1,164,995</b>	<b>1,334,591</b>
Transfer of completed construction projects	<b>852,751</b>	–	–	–	<b>(852,751)</b>	–
Transfer from/(to) properties under development	<b>51,874</b>	–	–	–	<b>(22,861)</b>	<b>29,013</b>
Transfer to properties held for sales (note (d))	<b>(225,963)</b>	–	–	–	–	<b>(225,963)</b>
Disposals	<b>(8,021)</b>	<b>(4,072)</b>	<b>(2,740)</b>	<b>(1,543)</b>	–	<b>(16,376)</b>
Depreciation	<b>(382,548)</b>	<b>(29,122)</b>	<b>(34,170)</b>	<b>(18,243)</b>	–	<b>(464,083)</b>
<b>Closing net book amount</b>	<b>5,780,850</b>	<b>48,983</b>	<b>22,276</b>	<b>90,825</b>	<b>1,366,213</b>	<b>7,309,147</b>
<b>At 31 December 2016</b>						
Cost	<b>7,043,062</b>	<b>183,730</b>	<b>165,541</b>	<b>214,659</b>	<b>1,366,213</b>	<b>8,973,205</b>
Accumulated depreciation	<b>(1,262,212)</b>	<b>(134,747)</b>	<b>(143,265)</b>	<b>(123,834)</b>	–	<b>(1,664,058)</b>
<b>Net book amount</b>	<b>5,780,850</b>	<b>48,983</b>	<b>22,276</b>	<b>90,825</b>	<b>1,366,213</b>	<b>7,309,147</b>

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 6 Property, plant and equipment (Continued)

Depreciation expenses were charged to the following categories in the consolidated income statement:

	2016	2015
Cost of sales	<b>333,794</b>	244,366
Selling and marketing costs	<b>19,438</b>	8,912
Administrative expenses	<b>110,851</b>	114,068
	<b>464,083</b>	367,346

Notes:

- As at 31 December 2016, buildings of RMB2,182,158,000 (2015: RMB2,886,953,000) were pledged as collateral for the Group's borrowings (note 25).
- During the year ended 31 December 2016, the Group has capitalised borrowing costs amounting to RMB42,438,000 (2015: RMB15,436,000) on property, plant and equipment. Borrowing costs were capitalised at the weighted average rate of general borrowings of 7.64% (2015: 8.53%).
- Buildings mainly represent the office buildings and hotel buildings. Constructions in progress mainly represent construction costs and other costs incurred for the construction of hotels.
- During the year ended 31 December 2016, certain own used properties with a carrying value of RMB225,963,000 were reclassified to properties held for sale as a result of change in development plan.

### 7 Land use rights

	2016	2015
At 1 January	<b>1,940,762</b>	2,288,324
Additions	<b>141,984</b>	8,361
Transfer from/(to) properties under development (note (b))	<b>75,795</b>	(223,821)
Transfer to investment properties (note 9(h))	–	(45,609)
Transfer to properties held for sale	<b>(63,134)</b>	–
Disposal	<b>(8,934)</b>	(16,749)
Amortisation		
— Capitalised in construction in progress	<b>(3,922)</b>	(11,917)
— Recognised as cost of sales (note 31)	<b>(42,208)</b>	(42,156)
— Recognised as expenses (note 31)	<b>(10,377)</b>	(15,671)
At 31 December	<b>2,029,966</b>	1,940,762

Notes:

- Land use rights comprise cost of acquiring usage rights of certain land, which are located in the PRC, held on leases of over 40 years, and mainly for hotel properties or self-used buildings over fixed periods.
- During the year ended 31 December 2016, certain own used land use rights with carrying value of RMB75,795,000 were reclassified from properties under development as a result of change in development plan (2015: RMB223,821,000 were reclassified to properties under development).
- As at 31 December 2016, land use rights of RMB129,053,000 (2015: RMB1,404,050,000) were pledged as collateral for the Group's borrowings (note 25).



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 8 Intangible assets

	Construction licence	Computer software	Total
<b>At 1 January 2015</b>			
Cost	27,274	96,716	123,990
Accumulated amortisation	(27,274)	(35,853)	(63,127)
<b>Net book amount</b>	–	60,863	60,863
<b>Year ended 31 December 2015</b>			
Opening net book amount	–	60,863	60,863
Additions	–	4,752	4,752
Amortisation	–	(11,215)	(11,215)
<b>Closing net book amount</b>	–	54,400	54,400
<b>At 31 December 2015</b>			
Cost	27,274	101,468	128,742
Accumulated amortisation	(27,274)	(47,068)	(74,342)
<b>Net book amount</b>	–	54,400	54,400
<b>Year ended 31 December 2016</b>			
Opening net book amount	–	<b>54,400</b>	<b>54,400</b>
Additions	–	<b>12,442</b>	<b>12,442</b>
Amortisation	–	<b>(11,485)</b>	<b>(11,485)</b>
<b>Closing net book amount</b>	–	<b>55,357</b>	<b>55,357</b>
<b>At 31 December 2016</b>			
Cost	<b>27,274</b>	<b>113,910</b>	<b>141,184</b>
Accumulated amortisation	<b>(27,274)</b>	<b>(58,553)</b>	<b>(85,827)</b>
<b>Net book amount</b>	–	<b>55,357</b>	<b>55,357</b>

Amortisation of RMB11,485,000(2015: RMB11,215,000) is included in the “administrative expenses” of the consolidated income statement.

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 9 Investment properties

	2016	2015
Opening net book amount	<b>6,369,011</b>	5,846,317
Capitalised subsequent expenditure	–	210,886
Disposals	<b>(85,028)</b>	(34,359)
Transfer from property, plant and equipment (note (h))	–	209,586
Transfer from land use rights (note (h))	–	45,609
Revaluation gains recognised in consolidated income statement	<b>42,960</b>	62,523
Revaluation gains recognised as other comprehensive income (note (h))	–	28,449
Closing net book amount	<b>6,326,943</b>	6,369,011

Notes:

- (a) The investment properties are located in the PRC and are held on lease of between 30 to 70 years.
- (b) Amounts recognised in the consolidated income statement for investment properties:

	2016	2015
Rental income	<b>188,564</b>	96,463
Direct operating expenses of investment properties that generated rental income	<b>(105,470)</b>	(50,007)
Direct operating expenses of investment properties that did not generate rental income	<b>(28,314)</b>	(14,924)
	<b>54,780</b>	31,532

As at 31 December 2016, the Group had no unprovided contractual obligations for future repairs and maintenance (2015: nil).

(c) **Fair value hierarchy**

As at 31 December 2016 and 2015, all of the Group's investment properties were within level 3 of the fair value hierarchy as the valuation were arrived at by reference to certain significant unobservable inputs. There were no transfers between levels 1, 2 and 3 during the year.

# Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

## 9 Investment properties (Continued)

Notes: (Continued)

### (d) Valuation processes of the Group

The Group's investment properties were valued at 31 December 2016 by an independent professionally qualified valuer, Vigers Appraisal & Consulting Limited, who holds a recognised relevant professional qualification and has recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use.

The Group's finance department includes a team that reviews the valuations performed by the independent valuer for financial reporting purposes. This team reports directly to the executive directors. Discussion of valuation processes and results are held amongst the executive directors, the valuation team and the valuer at least once every six months, in line with the Group's interim and annual reporting dates.

At each financial year end, the finance department:

- Verifies all major inputs to the independent valuation report;
- Assesses property valuations movements when compared to the prior year valuation report; and
- Holds discussions with the independent valuer.

Changes in Level 2 and 3 fair values are analysed at each reporting date during the bi-annual valuation discussions between the executive directors and the valuation team. As part of this discussion, the team presents a report that explains the reasons for the fair value movements.

### (e) Valuation techniques

Fair values of completed commercial properties are generally derived using the income capitalisation method. This valuation method is based on the capitalisation of the net income and reversionary income potential by adopting appropriate capitalisation rates, which are derived from analysis of sale transactions and valuers' interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation have reference to valuers' view of recent lettings, within the subject properties and other comparable properties.

Fair values of car parks are evaluated by using direct comparison approach, which is adopted assuming sale of each of these properties in its existing state with the benefit of vacant possession. By making reference to sales transactions as available in the relevant market, comparable properties in close proximity have been selected and adjustments have been made to account for the difference in factors such as location and property size.

# Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

## 9 Investment properties (Continued)

Notes: (Continued)

### (e) Valuation techniques (Continued)

	Description	Location	Fair value as at 31 December 2016	Valuation techniques	Unobservable inputs	Range of unobservable inputs
Completed investment properties	Office and retail shop	PRC	6,090,203	Income capitalisation	Term yields	4%~7.25%
					Reversionary yields	4.5%~8%
					Market rents (RMB/square meter/ month)	35~1,000
	Car park	PRC	236,740	Direct comparison method	Market price (RMB/square meter)	3,161-7,987

	Description	Location	Fair value as at 31 December 2015	Valuation techniques	Unobservable inputs	Range of unobservable inputs
Completed investment properties	Office and retail shop	PRC	6,132,271	Income capitalisation	Term yields	5%~8%
					Reversionary yields	5.2%~8.5%
					Market rents (RMB/square meter/ month)	35~1,000
	Car park	PRC	236,740	Direct comparison method	Market price (RMB/square meter)	3,161-7,987

There are inter-relationships between unobservable inputs.

For office and retail, increase in term yields and revisionary yields may result in decrease of fair value. Increase in market rent may result in increase of fair value.

For car park, increase in market price may result in increase in fair value.

There are no changes to the valuation technique during the year ended 31 December 2016.

### (f) Investment properties pledged as security

As at 31 December 2016, investment properties of RMB4,722,483,000 (2015: RMB5,284,391,000) and certain rights of receiving rental income were pledged as collateral for the Group's bank borrowings (note 25).

### (g) Leasing arrangements

Certain investment properties are leased to tenants under long term operating leases with rentals payable monthly. Minimum lease payments receivable on leases of investment properties are disclosed in note 40.

The period of leases whereby the Group leases out its investment properties under operating leases ranged from 1 year to 20 years.

(h) During the year ended 31 December 2015, certain floor areas of an office building previously occupied by the Group as office were transferred from property, plant and equipment and land use rights to investment properties. Revaluation gains arising from the transfer of RMB28,449,000 were recognised as other comprehensive income.

# Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

## 10 Interests in associates

Amounts represent share of net assets in associates comprise of 1) Guangzhou Li He Property Development Company Limited (廣州利合房地產開發有限公司) ("Li He"), of which the Group and other four PRC real estate developers (the "Five Shareholders") evenly holds its 20% equity interests; 2) Oyster Point Development LLC., (牡蠣灣發展有限公司) ("Oyster Point"), of which the Group holds its 10% equity interests.

Li He is principally engaged in development of a real estate project in Guangzhou, the PRC, while Oyster Point is principally engaged in development of a real estate project in San Francisco, US.

Both of Li He and Oyster Point are private companies and there are no quoted market price available for their shares.

The movement of the interests in associates during the year is as follows:

	2016	2015
Balance as at 1 January	3,375	30,565
Addition	114,461	–
Share of post-tax losses of associates	(3,375)	(27,190)
Balance as at 31 December	114,461	3,375

The associates are accounted for using the equity method. The Directors consider there is no individually material associate. The aggregate amounts of the Group's shares of the associates are as follows:

	2016	2015
Loss from continuing operations	(3,375)	(27,190)
Total comprehensive income	(3,375)	(27,190)

The contingent liabilities relating to the Group's interests in associates are disclosed in note 38. There is no commitment relating to the Group's interests in the associates.

## 11 Interests in joint ventures

The movement of the interests in joint ventures is as follows:

	2016	2015
Balance as at 1 January	1,133,448	1,220,848
Additions	3,480,762	–
Share of post-tax gains/(losses) of joint ventures	10,453	(87,400)
Balance as at 31 December	4,624,663	1,133,448

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 11 Interests in joint ventures (Continued)

The joint ventures are accounted for using the equity method. The Directors consider there are no individually material joint ventures. The aggregate amounts of the Group's shares of the joint ventures are as follows:

	2016	2015
Gains/(losses) from continuing operations	10,453	(87,400)
Total comprehensive income	10,453	(87,400)

The contingent liabilities relating to the Group's interests in the joint ventures are disclosed in note 38. There is no commitment relating to the Group's interests in the joint ventures.

### 12 Available-for-sale financial assets

The amounts represent 2.5% equity interests in a non-listed real estate project company in the PRC and 2% equity interest in a non-listed network technology company in the PRC.

### 13 Financial instruments by category

Assets as per consolidated balance sheet

	2016	2015
<b>Loans and receivables</b>		
Trade and other receivables excluding prepaid business taxes and other taxes and prepayments	15,273,986	11,447,241
Restricted cash	9,878,734	5,729,642
Cash and cash equivalents	12,431,884	7,407,450
	37,584,604	24,584,333
<b>Available-for-sale financial assets</b>	277,500	117,500
<b>Assets at fair value through the profit &amp; loss</b>		
Derivative financial instruments	562,367	-
Total	38,424,471	24,701,833

Liabilities as per consolidated balance sheet

	2016	2015
<b>Other financial liabilities at amortised cost</b>		
Borrowings	43,995,924	40,030,458
Trade and other payables and accruals, excluding staff welfare benefit payable and other taxes payable	20,042,372	14,960,548
Total	64,038,296	54,991,006

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 14 Derivative financial instruments

As at 31 December 2016, the Group had the following derivative financial instruments:

	2016	2015
Non-current portion:		
— Forward foreign exchange contracts	254,497	—
Current portion:		
— Forward foreign exchange contracts	307,870	—

The notional principal amounts of the outstanding forward foreign exchange contracts as at 31 December 2016 were US\$1,605,000,000 and HK\$4,450,000,000, approximating to RMB15,114,455,000 in total (2015: nil).

During the year ended 31 December 2016, gains in fair value of derivative financial instruments of RMB562,367,000 have been recorded in "finance cost, net" in the consolidated income statement (note 33).

### 15 Properties under development

	2016	2015
Properties under development expected to be completed:		
— Within one operating cycle included under current assets	36,706,691	44,523,607
— Beyond one operating cycle included under non-current assets	9,510,651	6,798,703
	46,217,342	51,322,310
Properties under development comprise:		
— Construction costs and capitalised expenditures	14,873,096	21,370,750
— Capitalised interests	4,886,108	5,193,094
— Land use rights	26,458,138	24,758,466
	46,217,342	51,322,310

Most of the Group's properties under development are located in the PRC. The relevant land use rights in the PRC are on leases of 40 to 70 years.

The capitalisation rate of borrowings is 7.64% for the year ended 31 December 2016 (2015: 8.53%).

As at 31 December 2016, land use rights included in the properties under development with net book value of RMB6,690,696,000 (2015: RMB11,423,626,000) were pledged as collateral for the Group's borrowings (note 25).

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 16 Completed properties held for sale

All completed properties held for sale are located in the PRC. The relevant land use rights are on leases of 40 to 70 years.

As at 31 December 2016, a provision of RMB139,975,000 was made to write down the completed properties held for sale (31 December 2015: RMB123,647,000).

As at 31 December 2016, completed properties held for sale of approximately RMB323,608,000 (2015: RMB1,962,034,000) were pledged as collateral for the Group's bank borrowings (note 25).

### 17 Prepayments for acquisition of land use rights

Amounts represent up-front payments for acquiring land use rights for property development. The amounts will be transferred to properties under development in the balance sheet when the Group obtains contractual usage rights of the relevant lands.

### 18 Trade and other receivables

	2016	2015
Trade receivables (note (a))	3,601,167	3,847,636
Other receivables due from:		
— An associate (note 41(c))	3,210,646	2,439,716
— Joint ventures (note 41(c))	3,714,038	2,327,315
— Third parties	3,167,764	2,046,575
Prepaid business taxes and other taxes	274,432	188,998
Deposits for acquisition of land use rights	1,580,371	786,000
Prepayments	297,354	301,591
Total trade and other receivables	15,845,772	11,937,831
Less: other receivables due from an associate and joint ventures – non-current portion	(4,383,129)	(3,554,716)
<b>Trade and other receivables-current portion</b>	<b>11,462,643</b>	<b>8,383,115</b>

As at 31 December 2016, the fair value of trade and other receivables approximated their carrying amounts. All the balances were fully performing except the balances which were past due but not impaired as described below.



# Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

## 18 Trade and other receivables (Continued)

Notes:

- (a) Trade receivables mainly arose from sales of properties. Trade receivables in respect of sale of properties are settled in accordance with the terms stipulated in the sale and purchase agreements. As at 31 December 2016 and 2015, the ageing analysis of the trade receivables is as follows:

	2016	2015
Within 90 days	<b>2,906,859</b>	2,749,274
Over 90 days and within 365 days	<b>486,534</b>	712,419
Over 365 days and within 2 years	<b>88,665</b>	267,104
Over 2 years	<b>119,109</b>	118,839
	<b>3,601,167</b>	3,847,636

As at 31 December 2016, trade receivables of RMB289,765,000 (2015: RMB425,800,000) were past due but not impaired. As the Group normally holds collateral of the properties before collection of the outstanding balances and pass the titles to the purchasers, the Directors consider that the past due trade receivables would be recovered and no provision was made against past due receivables as at 31 December 2016 (2015: nil). The ageing analysis of these trade receivables is as follows:

	2016	2015
Within 90 days	<b>76,193</b>	108,937
Over 90 days and within 365 days	<b>79,141</b>	84,898
Over 365 days	<b>134,431</b>	231,965
	<b>289,765</b>	425,800

- (b) The carrying amounts of trade and other receivables are mainly denominated in RMB.

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 19 Restricted cash

As at 31 December 2016 and 2015, all of the Group's restricted cash were denominated in RMB. The conversion of the PRC Group entities' RMB denominated bank balances into foreign currencies and the remittance of such foreign currencies denominated bank balances and cash out of the PRC are subject to relevant rules and regulation of foreign exchange control promulgated by the PRC government.

As at 31 December 2016, restricted cash is mainly comprised of guarantee deposits for construction of pre-sold properties, and deposits for accident compensation.

### 20 Cash and cash equivalents

	2016	2015
Cash and cash equivalents comprise the following:		
Cash at bank and in hand	<b>12,411,884</b>	7,402,450
Short-term bank deposits	<b>20,000</b>	5,000
	<b>12,431,884</b>	7,407,450
Denominated in RMB(note (a))	<b>11,272,689</b>	6,990,988
Denominated in other currencies	<b>1,159,195</b>	416,462
	<b>12,431,884</b>	7,407,450

Note:

- (a) The conversion of the PRC Group entities' RMB denominated bank balances into foreign currencies and the remittance of such foreign currencies denominated bank balances and cash out of the PRC are subject to relevant rules and regulation of foreign exchange control promulgated by the PRC government.

# Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

## 21 Share capital and premium

	Number of ordinary shares	Nominal value of ordinary shares HK\$'000	Equivalent nominal value of ordinary shares RMB'000	Share premium RMB'000	Total RMB'000
<b>Authorised</b>					
<b>As at 31 December 2016 and 2015</b>	10,000,000,000	1,000,000			
<b>Movements of issued and fully paid share capital</b>					
<b>Year ended 31 December 2015</b>					
At 1 January 2015 and 31 December 2015	3,917,047,500	391,705	400,253	4,697,714	5,097,967
<b>Year ended 31 December 2016</b>					
At 1 January 2016	<b>3,917,047,500</b>	<b>391,705</b>	<b>400,253</b>	<b>4,697,714</b>	<b>5,097,967</b>
Dividends (note 36)	-	-	-	(807,939)	(807,939)
At 31 December 2016	<b>3,917,047,500</b>	<b>391,705</b>	<b>400,253</b>	<b>3,889,775</b>	<b>4,290,028</b>

## 22 Share Award Scheme

On 10 December 2013, the Board of Directors of the Company adopted a Share Award Scheme, under which shares may be awarded to employees of the Company in accordance with the terms and conditions of the Share Award Scheme.

Pursuant to the rules of the Share Award Scheme, the Group has set up a trust ("Employee Share Trust"), for the purposes of administering the Share Award Scheme and holding Awarded Shares before they vest. On 10 February 2014, the Company allotted and issued 34,470,000 new shares to the trustee to hold on trust. On 3 January 2014, 32,750,000 of which has been granted to the 116 selected employees, subject to, among others, the performance conditions of both the Group and the awardees can be fulfilled and the awardees remain employed by the Group.

The award of first 30% Awarded Shares lapsed on 26 August 2015. Following the confirmation that relevant vesting conditions have not been satisfied on 20 June 2016, the Board resolved in its meeting held on 23 August 2016 that the award of second 30% Awarded Shares lapsed effective from 23 August 2016. The deadline for the satisfaction of the vesting conditions for the remaining 40% of these Awarded Shares is 20 June 2017. As at 31 December 2016, the shares under the Share Award Scheme held by the Employee Share Trustee amounted to RMB156,588,000 (31 December 2015: RMB156,588,000), which was presented within equity in the consolidated balance sheet. For the year ended at 31 December 2016, no expenses in relation to the Share Award Scheme were recognised in the consolidated income statement as the performance condition were not fulfilled and no awarded shares have been vested (2015:nil).

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 23 Other reserves

	Merger reserve (note (a))	Statutory reserve and enterprise expansion fund (note (b))	Revaluation surplus	Translation reserve	Total
Balance at 1 January 2015	442,395	2,011,009	–	405	2,453,809
Transfer from retained earnings	–	557,716	–	–	557,716
Currency translation difference	–	–	–	11,715	11,715
Revaluation gains arising from transfer of property, plant and equipment and land use rights to investment property, net of tax	–	–	21,337	–	21,337
Balance at 31 December 2015	442,395	2,568,725	21,337	12,120	3,044,577
Balance at 1 January 2016	<b>442,395</b>	<b>2,568,725</b>	<b>21,337</b>	<b>12,120</b>	<b>3,044,577</b>
Transfer from retained earnings	–	54,014	–	–	54,014
Currency translation difference	–	–	–	(5,758)	(5,758)
Balance at 31 December 2016	<b>442,395</b>	<b>2,622,739</b>	<b>21,337</b>	<b>6,362</b>	<b>3,092,833</b>

Notes:

- (a) Merger reserve of the Group represents the difference between the share capital of subsidiaries acquired over the nominal value of the shares of the Company issued in exchange pursuant to the Group reorganisation undertaken for listing of Company on the Stock Exchange.
- (b) Pursuant to the relevant rules and regulation concerning foreign investment enterprise established in the PRC and the articles of association of certain PRC subsidiaries of the Group, those subsidiaries are required to transfer an amount of their profit after taxation to the statutory reserve fund, until the accumulated total of the fund reaches 50% of their registered capital. The statutory reserve fund may be distributed to equity holders in form of bonus issue.

The appropriation to the enterprise expansion fund is solely determined by the board of directors of the PRC subsidiaries.

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 24 Perpetual Capital Securities

On 18 January 2013, the Company issued subordinated perpetual capital securities (the "Perpetual Capital Securities I") with the aggregate principal amount of US\$700,000,000. Net proceeds after deducting the issuance cost amounted to US\$687,432,500 (equivalent to approximately RMB4,321,938,000). The Perpetual Capital Securities I do not have maturity date and the distribution payments can be deferred at the discretion of the Company. Therefore, the Perpetual Capital Securities I are classified as equity instruments and recorded in equity in the consolidated balance sheet. When the Company elects to declare dividends to its shareholders, the Company shall make distribution to the holders of Perpetual Capital Securities I at the distribution rate as defined in the subscription agreement.

On 27 July 2016, a subsidiary of the Company issued another PRC perpetual capital securities (the "Perpetual Capital Securities II") with the aggregate principal amount of RMB1,100,000,000. Net proceeds after deducting the issuance cost amounted to RMB1,093,716,000. The Perpetual Capital Securities II do not have maturity date and the distribution payments can be deferred at the discretion of the Company. Therefore, the Perpetual Capital Securities II are classified as equity instruments and recorded in equity in the consolidated balance sheet. When the Company elects to declare dividends to its shareholders, the subsidiary shall make distribution to the holders of Perpetual Capital Securities II at the distribution rate as defined in the subscription agreement.

Movement of the Perpetual Capital Securities is as follows:

	Principal	Distribution	Total
Balance as at 1 January 2015	4,321,938	161,471	4,483,409
Profit attributable to holders of Perpetual Capital Securities	–	358,565	358,565
Distribution made to holders of Perpetual Capital Securities	–	(353,315)	(353,315)
Balance as at 31 December 2015	4,321,938	166,721	4,488,659
Balance as at 1 January 2016	<b>4,321,938</b>	<b>166,721</b>	<b>4,488,659</b>
Issuance of perpetual capital securities	<b>1,093,716</b>	–	<b>1,093,716</b>
Profit attributable to holders of Perpetual Capital Securities	–	<b>415,263</b>	<b>415,263</b>
Distribution made to holders of Perpetual Capital Securities	–	<b>(379,510)</b>	<b>(379,510)</b>
Redemption of Perpetual Capital Securities	<b>(20,625)</b>	–	<b>(20,625)</b>
Balance as at 31 December 2016	<b>5,395,029</b>	<b>202,474</b>	<b>5,597,503</b>

Note:

- (a) On 26 October 2016, the Group has redeemed certain portion of the outstanding Perpetual Capital Securities II at a redemption price of RMB20,625,000. There is no redemption premium recognised in the consolidated income statement.

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 25 Borrowings

	2016	2015
<b>Borrowings included in non-current liabilities:</b>		
Senior notes (note (a))		
— Senior notes issued in 2010 (“2010 Senior Notes”) (note (a)(i))	–	4,188,008
— Senior notes issued in 2012 (“2012 Senior Notes”) (note (a)(ii))	<b>4,847,305</b>	4,511,774
— Senior notes issued in 2014 (“2014 Senior Notes I”) (note (a)(iii))	<b>3,420,468</b>	3,183,453
— Senior notes issued in 2014 (“2014 Senior Notes II”) (note (a)(iv))	<b>1,985,130</b>	1,972,254
— Senior notes issued in 2015 (“2015 Senior Notes”) (note (a)(v))	<b>3,422,665</b>	3,192,606
PRC corporate bonds (note (b))	<b>8,739,290</b>	–
Asset-backed securities (note (c))	<b>795,386</b>	–
Long-term syndicated loans		
— secured (note (d))	<b>2,275,000</b>	650,000
— unsecured (note (e))	<b>5,869,958</b>	3,204,342
Long-term bank borrowings		
— secured (note (d))	<b>7,060,388</b>	11,196,072
— unsecured (note (e))	<b>1,950,334</b>	546,633
Other borrowings		
— secured (note (d))	<b>2,365,000</b>	4,286,100
— unsecured (note (e))	–	287,140
Less: current portion of non-current borrowings	<b>(11,550,016)</b>	(13,675,339)
	<b>31,180,908</b>	23,543,043
<b>Borrowings included in current liabilities:</b>		
Short-term bank borrowings		
— secured (note (d))	–	227,276
— unsecured (note (e))	<b>1,265,000</b>	–
Short-term other borrowings		
— secured (note (d))	–	500,000
— unsecured (note (e))	–	2,084,800
Current portion of non-current borrowings	<b>11,550,016</b>	13,675,339
	<b>12,815,016</b>	16,487,415
Total borrowings	<b>43,995,924</b>	40,030,458

Notes:

**(a) Senior notes**

The senior notes are jointly guaranteed by certain subsidiaries of the Group and are secured by pledges of the shares of these subsidiaries. The net assets of these subsidiaries are approximately RMB2,708,048,000 as at 31 December 2016 (2015: RMB4,579,295,000).

# Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

## 25 Borrowings (Continued)

Notes: (Continued)

### (a) Senior notes (Continued)

#### (i) 2010 Senior Notes

On 28 April 2010, the Company issued 8.875% senior notes with an aggregated nominal value of US\$650,000,000 (equivalent to RMB4,436,965,000) at face value. The net proceeds, after deducting the issuance costs, amounted to US\$636,600,000 (equivalent to RMB4,343,810,000). The 2010 Senior Notes will mature in April 2017. The Company, at its option, can redeem all or a portion of the 2010 Senior Notes at any time prior to the maturity date at the redemption prices plus accrued and unpaid interest up to the redemption date.

On 27 June 2016 (the "Redemption Date"), the Company redeemed the outstanding 2010 Senior Notes in full at a redemption price equal to 100% of the principal amount of the 2010 Senior Notes and the accrued and unpaid interest as of the Redemption Date. There is no redemption premium recognised in the consolidated income statement.

#### (ii) 2012 Senior Notes

On 20 March 2012, the Company issued 9.875% senior notes with an aggregated nominal value of US\$700,000,000 (equivalent to RMB4,406,841,000) at face value. The net proceeds, after deducting the issuance costs, amounted to US\$686,993,000 (equivalent to RMB4,324,896,000). The 2012 Senior Notes will mature in March 2017. The Company, at its option, can redeem all or a portion of the 2012 Senior Notes at any time prior to the maturity date at the redemption prices plus accrued and unpaid interest up to the redemption date.

#### (iii) 2014 Senior Notes I

On 18 February 2014, the Company issued 8.375% senior notes with an aggregated nominal value of US\$500,000,000 (equivalent to RMB3,055,150,000) at 99.499% of face value. The net proceeds, after deducting the issuance costs, amounted to US\$487,500,000 (equivalent to RMB2,975,572,000). The 2014 Senior Notes I will mature on 18 February 2019. The Company, at its option, can redeem all or a portion of the 2014 Senior Notes I at any time prior to the maturity date at the redemption prices plus accrued and unpaid interest up to the redemption date.

#### (iv) 2014 Senior Notes II

On 28 February 2014, the Company issued 6.50% senior notes with an aggregated nominal value of RMB2,000,000,000 at 99.33% of the face value. The net proceeds, after deducting the issuance costs, amounted to RMB1,961,000,000. The 2014 Senior Notes II will mature on 28 February 2017. The Company, at its option, can redeem all or a portion of the 2014 Senior Notes II at any time prior to the maturity date at the redemption prices plus accrued and unpaid interest up to the redemption date.

#### (v) 2015 Senior Notes

On 21 May 2015, the Company issued 9% senior notes with an aggregated nominal value of US\$500,000,000 (equivalent to approximately RMB3,056,850,000) at 99.507% of the face value. The net proceeds, after deducting the issuance costs, amounted to US\$490,391,000 (equivalent to approximately RMB2,998,104,000). The 2015 Senior Notes will mature on 21 May 2020. The Company, at its option, can redeem all or a portion of the 2015 Senior Notes at any time prior to the maturity date at the redemption prices plus accrued and unpaid interest up to the redemption date.

### (b) PRC Corporate Bonds

On 11 January 2016, a PRC subsidiary (the "Issuer") of the Company issued 4.7% corporate bonds with an aggregate amount of RMB1,600,000,000. The net proceeds, after deducting the issuance costs, amounted to approximately RMB1,584,080,000. The bonds will mature on 11 January 2021. The Issuer shall be entitled to adjust the coupon rate at the end of third year whereas the investors shall be entitled to sell back in whole or in part the bonds.

On 29 April 2016, the Issuer issued 5.8% non-public corporate bonds with an aggregate amount of RMB1,200,000,000. The net proceeds, after deducting the issuance costs, amounted to approximately RMB1,189,200,000. The bonds will mature on 29 April 2020. The Issuer shall be entitled to adjust the coupon rate at the end of second year whereas the investors shall be entitled to sell back in whole or in part the bonds.

# Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

## 25 Borrowings (Continued)

Notes: (Continued)

### (b) PRC Corporate Bonds (Continued)

On 29 July 2016, the Company issued 4.98% corporate bonds (the "Panda Bonds") with an aggregate amount of RMB3,000,000,000. The net proceeds, after deducting the issuance costs, amounted to approximately RMB2,970,000,000. The bonds will mature on 29 July 2020. The Company shall be entitled to adjust the coupon rate at the end of second year whereas the investors shall be entitled to sell back in whole or in part the bonds.

On 11 October 2016, the Company issued 4.6% and 5.7% corporate bonds with an aggregate amount of RMB1,800,000,000 and RMB1,200,000,000 respectively. The net proceeds, after deducting the issuance costs, amounted to approximately RMB1,787,250,000 and RMB1,192,500,000 respectively. The bonds will mature on 11 October 2021 and 11 October 2023 respectively. The Company shall be entitled to adjust the coupon rate at the end of the third and the fifth year respectively whereas the investors shall be entitled to sell back in whole or in part the bonds.

### (c) Asset-backed securities

A PRC subsidiary of the Company engaged in property management entered into asset-backed securities ("ABS") arrangement with an assets management company by pledging of the future 5 years' right of receiving management fee for certain properties under its management. On 26 February 2016, the ABS was formally established with an aggregate nominal value of RMB1,100,000,000, with a 5-year maturity, amongst which RMB100,000,000 was subordinate securities purchased by the PRC subsidiary as original equity holder. The net proceeds from the ABS, after deducting the issuance costs and the subordinate securities purchased by the PRC subsidiary, amounted to approximately RMB975,200,000.

(d) As at 31 December 2016, the Group's borrowings were secured by its land use rights, self-used properties, properties held for sale, properties under development, investment properties and the shares of subsidiaries.

(e) As at 31 December 2016, the unsecured borrowings were guaranteed by certain subsidiaries of the Group.

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at the end of the year are as follows:

	2016	2015
6 months or less	<b>12,540,711</b>	6,086,297
6-12 months	<b>5,879,971</b>	8,246,496
1-5 years	<b>25,575,242</b>	25,697,665
	<b>43,995,924</b>	40,030,458

The carrying amounts of the borrowings with the respective effective interest rates:

	2016		2015	
	RMB'000	Effective interest rate	RMB'000	Effective interest rate
Senior notes	<b>13,675,568</b>	<b>10.91%</b>	17,048,095	10.02%
Bank borrowings, syndicated loans, other borrowings and others	<b>30,320,356</b>	<b>6.41%</b>	22,982,363	7.69%
	<b>43,995,924</b>		40,030,458	



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 25 Borrowings (Continued)

The carrying amounts and fair value of the non-current borrowings are as follows:

	2016		2015	
	Carrying amount	Fair value	Carrying amount	Fair value
Senior notes (note(i))	<b>6,843,133</b>	<b>7,331,715</b>	17,048,095	17,013,908
PRC public corporate bond (note(ii))	<b>1,588,972</b>	<b>1,590,370</b>	–	–
Bank borrowings, syndicated loans, other borrowings and others (note (iii))	<b>22,748,803</b>	<b>22,748,803</b>	6,494,948	6,494,948
	<b>31,180,908</b>	<b>31,670,888</b>	23,543,043	23,508,856

Notes:

- (i) The fair value of senior notes is determined directly by references to the price quotations published by the Singapore Exchange Limited and The Stock Exchange of Hong Kong Limited on 31 December 2016, the last dealing date of 2016 and is within level 1 of the fair value hierarchy.
- (ii) The fair value of RMB1,600,000,000 PRC corporate bond is determined directly by references to the price quotations published by the China Securities Index Co., Ltd on 31 December 2016, the last dealing date of 2016 and is within level 1 of the fair value hierarchy.
- (iii) The fair values of non-current bank borrowings, syndicated loans, other borrowings and others approximate their carrying amount as the impact of discounting is not significant. The fair values are based on cash flows discounted at the average borrowing rate of 6.1% (2015: 6.2%), and are within level 2 of the fair value hierarchy.

At 31 December 2016, the Group's borrowings were repayable as follows:

	2016	2015
Bank borrowings, syndicated loans, other borrowings, senior notes and others:		
Within 1 year	<b>12,815,016</b>	16,487,415
Between 1 and 2 years	<b>10,865,904</b>	12,793,274
Between 2 and 5 years	<b>15,620,004</b>	10,228,782
Over 5 years	<b>4,695,000</b>	520,987
	<b>43,995,924</b>	40,030,458

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	2016	2015
US dollar	<b>11,690,438</b>	15,303,117
HK dollar	<b>7,228,543</b>	3,204,342
Renminbi	<b>24,482,885</b>	20,951,468
MYR	<b>594,058</b>	571,531
	<b>43,995,924</b>	40,030,458

The Group has the following undrawn borrowing facilities:

	2016	2015
Floating rate:		
— Expiring beyond one year	<b>2,399,921</b>	2,602,771

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 26 Deferred income tax

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

	2016	2015
Deferred income tax assets to be recovered after more than 12 months	601,639	487,814
Deferred income tax assets to be recovered within 12 months	97,636	82,394
	699,275	570,208
Deferred tax income liabilities to be settled after more than 12 months	(1,137,167)	(1,243,798)
<b>Deferred income tax liabilities, net</b>	<b>(437,892)</b>	<b>(673,590)</b>

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Deferred tax assets – tax losses	Deferred tax assets – write-down of completed properties held for sale	Deferred tax assets – unrealised profit on intra-Group transactions	Deferred tax liabilities – excess of carrying amount of investment properties and property, plant and equipment over the tax bases	Deferred tax liabilities – excess of carrying amount of land use right over the tax bases	Net
At 1 January 2015	378,074	25,077	98,639	(1,052,481)	(263,377)	(814,068)
Charged to other comprehensive income	-	-	-	(7,112)	-	(7,112)
Credited/(charged) to the consolidated income statement	184,050	5,835	(47,156)	(2,687)	7,548	147,590
At 31 December 2015	562,124	30,912	51,483	(1,062,280)	(255,829)	(673,590)
Credited/(charged) to the consolidated income statement	214,480	4,082	11,159	(1,592)	7,569	235,698
At 31 December 2016	776,604	34,994	62,642	(1,063,872)	(248,260)	(437,892)

Deferred income tax assets are recognised for tax losses carry-forwards to the extent that the realisation of the related benefit through the future taxable profits is probable. The Group did not recognise deferred tax assets of RMB193,337,000 (2015: RMB111,819,000) in respect of tax losses amounting to RMB773,348,000 (2015: RMB447,276,000) that can be carried forward against future taxable income. Tax losses of approximately RMB67,376,000, RMB42,256,000, RMB137,856,000 and RMB525,860,000 will expire in 2018, 2019, 2020 and 2021 respectively.

Deferred income tax liabilities of RMB1,287,315,000 (2015: RMB1,974,546,000) have not been recognised for the withholding tax that would be payable on the unremitted earnings amounted to RMB25,746,300,000 (2015: RMB21,400,509,000) of certain subsidiaries. Such earnings are expected to be retained by the PRC subsidiaries for reinvestment purposes and would not be remitted to the overseas intermediate holding companies in the foreseeable future based on management's estimation of overseas funding requirements.

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 27 Trade and other payables

	2016	2015
Trade payables (note (a))	<b>12,473,834</b>	11,625,492
Other payables due to:		
— Related parties (note 41 (c))	<b>3,086,633</b>	656,568
— Third parties (note (b))	<b>3,208,254</b>	1,885,014
Staff welfare benefit payable	<b>279,262</b>	45,114
Accruals	<b>1,273,651</b>	793,474
Other taxes payable	<b>780,326</b>	615,229
	<b>21,101,960</b>	15,620,891

Notes:

- (a) The ageing analysis of the trade payables of the Group as at 31 December 2016 and 2015 is as follows:

	2016	2015
Within 90 days	<b>10,732,805</b>	9,951,225
Over 90 days and within 180 days	<b>1,402,486</b>	1,150,087
Over 180 days and within 365 days	<b>250,759</b>	415,797
Over 365 days	<b>87,784</b>	108,383
	<b>12,473,834</b>	11,625,492

- (b) The balances are cash advances and equity payables, which are unsecured, interest-free and repayable on demand.

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 28 Other losses, net

	2016	2015
(Reversal of gains)/gains on disposal of property, plant and equipment	<b>(317,938)</b>	141,428
Exchange losses, net (note (a))	<b>(16,770)</b>	(194,751)
Others	-	(86,064)
	<b>(334,708)</b>	(139,387)

Note:

- (a) Amount mainly represents the gain or loss of translation of financial assets and liabilities, which are denominated in foreign currency into RMB at the prevailing period-end exchange rate. It does not include the exchange gain or loss related to borrowings which are included in the finance costs, net (note 33).

### 29 Other income

	2016	2015
Interest income	<b>145,769</b>	120,162
Forfeited deposits from customers	<b>41,968</b>	30,244
Miscellaneous	<b>90,925</b>	61,756
	<b>278,662</b>	212,162

### 30 Other expenses

	2016	2015
Charitable donations	<b>81,064</b>	34,076
Miscellaneous	<b>114,816</b>	48,363
	<b>195,880</b>	82,439

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 31 Expenses by nature

	2016	2015
Employee benefit expenses — including directors' emoluments (note 32)	<b>1,834,550</b>	1,792,370
— property development	<b>921,756</b>	978,425
— property management	<b>684,651</b>	574,107
— hotel operations	<b>228,143</b>	239,838
Auditors' remuneration	<b>12,568</b>	7,650
— Audit services	<b>7,000</b>	6,700
— Non-audit services	<b>5,568</b>	950
Advertising costs	<b>887,687</b>	1,136,822
Depreciation (note 6)	<b>464,083</b>	367,346
Amortisation of intangible assets (note 8)	<b>11,485</b>	11,215
Amortisation of land use rights (note 7)	<b>52,585</b>	57,827
— recognised as cost of sales	<b>42,208</b>	42,156
— recognised as expenses	<b>10,377</b>	15,671
Cost of properties sold — including construction cost, land cost and capitalised interests	<b>31,143,528</b>	27,766,712
Business taxes and other levies on sales of properties (note (a))	<b>1,068,609</b>	2,346,946
Cost of property management	<b>517,057</b>	334,414
Cost of hotel operations	<b>458,266</b>	500,506
Write-down of completed properties held for sale	<b>16,328</b>	123,647
Commission fee	<b>900,521</b>	419,134
Others	<b>502,065</b>	556,299
<b>Total cost of sales, selling and marketing costs and administrative expenses</b>	<b>37,869,332</b>	35,420,888

Note:

- (a) The Group was subject to business taxes of 5% and other levies on their revenues from sales of properties in the PRC by 30 April 2016. Effective from 1 May 2016, the proceeds arising from sales of properties in PRC are subject to value added taxes and other levies.

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 32 Employee benefit expense

	2016	2015
Wages and salaries	<b>1,580,285</b>	1,505,633
Pension costs — statutory pension (note (a))	<b>99,138</b>	106,210
Staff welfare	<b>33,247</b>	33,598
Medical benefits	<b>27,094</b>	28,522
Other allowances and benefits	<b>94,786</b>	118,407
	<b>1,834,550</b>	1,792,370

Notes:

- (a) Employees in the Group's PRC subsidiaries are required to participate in a defined contribution retirement scheme administrated and operated by the local municipal government. The Group's PRC subsidiaries contribute funds which are calculated on certain percentage of the average employee salary as agreed by local municipal government to the scheme to fund the retirement benefits of the employees.
- (b) Five highest paid individuals  
The five individuals whose emoluments were the highest in the Group for the year include two (2015: three) directors whose emoluments are reflected in the analysis shown in note 45. The emoluments payable to the remaining three (2015: two) individuals during the year are as follows:

	2016	2015
Salaries and bonuses	<b>15,724</b>	9,339

The emoluments fell within the following bands:

	Number of individuals	
	2016	2015
Emolument bands (in HK dollar)		
HK\$3,500,001 – HK\$4,000,000	<b>1</b>	–
HK\$5,000,001 – HK\$5,500,000	<b>–</b>	1
HK\$5,500,001 – HK\$6,000,000	<b>1</b>	1
HK\$9,000,001 – HK\$9,500,000	<b>1</b>	–

- (c) During the years ended 31 December 2016 and 2015, no emolument was paid by the Group to any of the directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of offices.

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 33 Finance costs, net

	2016	2015
Interest expenses:		
— Bank borrowings, syndicated loans and other borrowings	(1,551,116)	(2,006,481)
— Senior notes	(1,440,313)	(1,414,452)
— PRC Corporate Bonds and ABS	(283,905)	—
Less: interests capitalised	2,638,341	3,003,801
Exchange losses from borrowings	(1,200,461)	(1,132,380)
Less: exchange losses capitalised	150,556	224,306
Gains in fair value of derivative financial instruments (note 14)	562,367	—
	<b>(1,124,531)</b>	(1,325,206)

### 34 Income tax expenses

	2016	2015
Current income tax:		
— PRC corporate income tax	2,207,745	1,697,456
— PRC land appreciation tax	2,609,851	2,172,129
— PRC withholding income tax	(148,418)	172,955
Deferred income tax (note 26)		
— PRC corporate income tax	(235,698)	(147,590)
	<b>4,433,480</b>	3,894,950

The income tax on the Group's profit before tax differs from the theoretical amount that would arise using the enacted tax rate of the home countries or regions of the group entities as follows:

	2016	2015
Profit before income tax	7,483,114	6,196,487
Tax calculated at tax rates applicable to profits in the respective entities of the Group	1,870,779	1,549,122
Tax effects of:		
— Associates' results reported net of tax	844	6,798
— Joint ventures' results reported net of tax	(2,613)	21,850
— Income not subject to income tax (note (a))	(144,729)	(21,653)
— Expenses not deductible for income tax (note (b))	768,764	502,317
— PRC land appreciation tax deductible for calculation of income tax purposes	(652,463)	(543,032)
— Tax losses for which no deferred income tax asset was recognised	131,465	34,464
PRC corporate income tax	1,972,047	1,549,866
PRC withholding income tax	(148,418)	172,955
PRC land appreciation tax	2,609,851	2,172,129
	<b>4,433,480</b>	3,894,950

# Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

## 34 Income tax expenses (Continued)

Notes:

- (a) Income not subject to income tax for the years ended 31 December 2016 mainly comprise the interest income of bank deposits of the Company and fair value gains of derivative financial instrument (2015: interest income of bank deposits).
- (b) Expenses not deductible for income tax for the years ended 31 December 2016 mainly comprise administrative expense of domestic companies over deduction limits, donations made to non-official public welfare institutions, exchange loss and expenses of the Group entities in Hong Kong and Malaysia (2015: same).

### PRC land appreciation tax

PRC land appreciation tax is levied at progressive rate ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including land use rights and expenditures directly related to property development activities.

### PRC corporate income tax

The income tax provision of the Group in respect of operations in Mainland China has been calculated at the applicable tax rate on the estimated assessable profits for the year, based on the existing legislation, interpretations and practices in respect thereof.

The corporate income tax rate applicable to the Group entities located in Mainland China is 25% according to the Corporate Income Tax Law of the People's Republic of China (the "CIT Law") effective on 1 January 2008.

### PRC withholding income tax

According to the CIT Law, starting from 1 January 2008, a withholding tax of 10% will be levied on the immediate holding companies outside the PRC when their PRC subsidiaries declare dividend out of profits earned after 1 January 2008. A lower of 5% withholding tax rate may be applied when the immediate holding companies of the PRC subsidiaries are established in Hong Kong and fulfil requirements under the tax treaty arrangements between the PRC and Hong Kong.

During the year ended 31 December 2016, certain immediate holding companies of the PRC subsidiaries of the Group became qualified as Hong Kong resident enterprises and fulfil the requirements under the tax treaty arrangements between the PRC and Hong Kong. Therefore 5% withholding tax rate has been applied.

### Overseas income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap 22 of Cayman Islands and accordingly, is exempted from Cayman Islands income tax. Group entities in the British Virgin Islands were incorporated either under the BVI Business Companies Act or were automatically re-registered under the same act on 1 January 2007 and, accordingly, are exempted from British Virgin Islands income tax.

### Hong Kong profits tax

No provision for Hong Kong profits tax has been made in the consolidated financial statements as the Company and the Group did not have assessable profit in Hong Kong for the year. The profit of the Group entities in Hong Kong is mainly derived from dividend income and interest income of bank deposits, which are not subject to Hong Kong profits tax.



# Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

## 35 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year less shares held for Share Award Scheme.

	2016	2015
Profit attributable to shareholders of the Company	<b>2,283,640</b>	1,390,343
Weighted average number of ordinary shares in issue less shares held for Share Award Scheme (thousands)	<b>3,882,578</b>	3,882,578
Basic earnings per share (RMB per share)	<b>0.588</b>	0.358

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. During the years ended 31 December 2016 and 2015, there was no diluted potential ordinary share, diluted earnings per share equally to basic earnings per share.

## 36 Dividends

	2016	2015
Proposed final dividend of HK\$0.20 (2015: HK\$0.145) per ordinary share (note (b))	<b>697,313</b>	472,876
Proposed special dividend of HK\$0.25 (2015: HK\$0.25) per ordinary share (note (b))	<b>871,641</b>	815,304
Less: Dividend for shares held for Share Award Scheme	<b>(13,807)</b>	(11,637)
	<b>1,555,147</b>	1,276,543

Notes:

- (a) No interim dividend in respect of the six months ended 30 June 2016 was declared by the Board of Directors of the Company (2015: nil).
- (b) A final dividend in respect of 2015 of HK\$0.145 per ordinary share and a special dividend of HK\$0.25 per ordinary share, totalling HK\$1,547,234,000 (equivalent to RMB1,288,180,000) were declared at the Annual General Meeting of the Company on 13 May 2016, of which HK\$13,616,000 (equivalent to RMB11,637,000) was declared for shares held by Share Award Scheme. The final dividend has been distributed out of the Company's retained earnings and the special dividend has been distributed out of the Company's share premium.

A final dividend in respect of 2016 of HK\$0.20 per ordinary share and a special dividend of HK\$0.25 per ordinary share have been proposed by the Board of Directors of the Company and are subject to the approval of the shareholders at the Annual General Meeting to be held on 8 May 2017. The final dividend will be distributed out of the Company's retained earnings and the special dividend will be distributed out of the Company's share premium. These consolidated financial statements have not reflected these dividends payable.

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 37 Cash generated from operations

	2016	2015
Profit for the year	<b>3,049,634</b>	2,301,537
Adjustments for:		
Taxation	<b>4,433,480</b>	3,894,950
Interest income (note 29)	<b>(145,769)</b>	(120,162)
Depreciation (note 6)	<b>464,083</b>	367,346
Amortisation of intangible assets (note 8)	<b>11,485</b>	11,215
Amortisation of land use rights (note 7)	<b>52,585</b>	57,827
Write-down of completed properties held for sale	<b>16,328</b>	123,647
Gains on disposal of investment properties and property, plant and equipment	<b>(17,557)</b>	(141,428)
Reverse of disposal gain of property, plant and equipment	<b>335,495</b>	–
Net exchange losses	<b>16,770</b>	194,751
Fair value gains on investment properties	<b>(42,960)</b>	(62,523)
Share of post-tax losses of associates	<b>3,375</b>	27,190
Share of post-tax (gains)/losses of joint ventures	<b>(10,453)</b>	87,400
Finance costs, net (note 33)	<b>1,124,531</b>	1,325,206
Changes in working capital:		
Property under development and completed properties held for sale	<b>9,032,755</b>	10,194,877
Prepayments for acquisition of land use rights	<b>(4,073,603)</b>	(3,473,821)
Restricted cash	<b>(4,430,184)</b>	(336,470)
Trade and other receivables	<b>(2,148,548)</b>	2,647,660
Trade and other payables and accruals	<b>3,833,561</b>	1,324,070
Advance proceeds received from customers	<b>3,506,856</b>	(2,105,030)
<b>Cash generated from operations</b>	<b>15,011,864</b>	16,318,242

# Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

## 38 Financial guarantee

	2016	2015
Guarantee in respect of mortgage facilities for certain purchasers (note (a))	<b>33,293,628</b>	22,449,001
Guarantee in respect of borrowings of an associate (note (b) and note 41(b))	<b>1,015,920</b>	1,781,900
Guarantee in respect of borrowings of joint ventures (note (c) and note 41(b))	<b>1,280,000</b>	650,947
	<b>35,589,548</b>	24,881,848

Notes:

- (a) The Group has cooperated with certain financial institutions to arrange mortgage loan facilities for its purchasers of properties and provide guarantees to secure obligations of such purchasers for repayments. As at 31 December 2016, the outstanding guarantees amounted to RMB33,293,628,000 (2015: RMB22,449,001,000). Such guarantees will be discharged upon the earlier of (i) issuance of the real estate ownership certificate which will generally be available within one year after the purchasers take possession of the relevant property; and (ii) the satisfaction of relevant mortgage loan by purchasers.

The Group's proportionate interest in financial guarantee of mortgage facilities for certain purchasers relating to the associate was RMB359,404,000 as at 31 December 2016 (2015: RMB439,886,000).

The Group's proportionate interest in financial guarantee of mortgage facilities for certain purchasers relating to the joint ventures was RMB523,884,000 as at 31 December 2016 (2015: RMB207,766,000).

Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with any accrued interests and penalties owed by the defaulted purchasers to the financial institutions, and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee starts from the dates the mortgagees grant the mortgage loans. No provision has been made for the guarantees as the management is of the view that the net realisable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interests and penalties in case of any default in payments.

- (b) The Company and the other four PRC real estate developers have evenly provided certain guarantees, in proportion of their shareholding in Li He (note 10), in respect of loan facilities of Li He amounting to RMB5,079,600,000 (2015: RMB8,909,500,000), the Group's share of the guarantee amounted to RMB1,015,920,000 (2015: RMB1,781,900,000).
- (c) Several subsidiaries of the Group and joint venture counter parties have provided certain guarantees in proportion of their shareholding in certain joint ventures in respect of loan facilities amounting to RMB4,810,000,000 (2015: RMB2,404,089,000). The Group's share of the guarantees amounted to RMB1,280,000,000 (2015: RMB650,947,000).

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 39 Commitments

#### (a) Operating lease commitments

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2016	2015
Property, plant and equipment:		
— Not later than one year	<b>34,998</b>	37,334
— Later than one year and not later than five years	<b>121,915</b>	61,110
	<b>156,913</b>	98,444

	2016	2015
Lease of areas adjacent to the property development projects:		
— Not later than one year	<b>750</b>	700
— Later than one year and not later than five years	<b>3,500</b>	3,300
— Later than five years	<b>31,000</b>	31,950
	<b>35,250</b>	35,950

	2016	2015
Lease of the land use right for ancillary facilities:		
— Not later than one year	<b>1,937</b>	3,430
— Later than one year and not later than five years	<b>8,452</b>	8,337
— Later than five years	<b>26,224</b>	28,337
	<b>36,613</b>	40,104

#### (b) Other commitments

	2016	2015
Contracted but not provided for		
— Property development activities	<b>21,013,061</b>	16,303,494
— Acquisition of land use rights	<b>762,214</b>	92,833
	<b>21,775,275</b>	16,396,327

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 40 Future minimum rental payments receivable

The Group had future aggregate minimum lease rental receivables under non-cancellable operating leases as follows:

	2016	2015
Not later than one year	170,295	161,011
Later than one year and not later than five years	541,436	642,404
Over five years	305,826	365,621
	<b>1,017,557</b>	1,169,036

### 41 Related party transactions

(a) Name and relationship with related parties

Name	Relationship
Top Coast Investment Limited	The ultimate holding Company of the Group
The Founding Shareholders, including Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Ms. Luk Sin Fong, Fion, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei, and Mr. Chan Cheuk Nam (the "Founding Shareholders")	The Founding Shareholders are also the directors of the Company
Zhongshan Changjiang Golf Course (note (i)) 中山長江高爾夫球場	Controlled by the Founding Shareholders
Zhongshan Agile Changjiang Hotel Co., Ltd. (note (i)) 中山市雅居樂長江酒店有限公司	Controlled by the Founding Shareholders
Li He	Associate of the Group
Tianjin Jinnan Xincheng Real Estate Development Company Limited ("Tianjin Jinnan") (note (i)) 天津津南新城房地產開發有限公司	Joint venture of the Group
Zhongshan Yahong Real Estate Development Co., Ltd. ("Zhongshan Yahong") (note (i)) 中山市雅鴻房地產開發有限公司	Joint venture of the Group
Guangzhou Huadu Yazhan Realty Development Co., Ltd. ("Huadu Yazhan") (note (i)) 廣州花都雅展房地產開發有限公司	Joint venture of the Group
Changsha Shangcheng Land Co., Ltd. ("Changsha Shangcheng") (note (i)) 長沙上城置業有限公司	Joint venture of the Group

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 41 Related party transactions (Continued)

#### (a) Name and relationship with related parties (Continued)

Name	Relationship
Guangxi Fuya Investments Ltd. ("Guangxi Fuya") (note (i)) 廣西富雅投資有限公司	Joint venture of the Group
Charm Talent Limited ("Charm Talent") 煌迪有限公司	Joint venture of the Group
Zhongshan Shiguang Chuangjian Real Estate Development Co., Ltd. ("Shiguang Zhiye") (note (i)) 中山市世光創建置業有限公司	Joint venture of the Group
Zhongshan Haide Real Estate Development Co., Ltd. ("Zhongshan Haide") (note (i)) 中山市海德房地產開發有限公司	Joint venture of the Group
Zhongshan Dongcheng Development Co., Ltd ("Zhongshan Dongcheng") (note (i)) 中山市東城實業發展有限公司	Joint venture of the Group
Zhongshan Mingtai Real Estate Development Co., Ltd. ("Zhongshan Mingtai") (note (i)) 中山市名泰房地產開發有限公司	Joint venture of the Group
Suzhou Agile Property Development Co., Ltd ("Suzhou Agile") (note (i)) 蘇州雅居樂置業有限公司	Joint venture of the Group
Foshan Yazhan Real Estate Development Co., Ltd ("Foshan Yazhan") (note (i)) 佛山雅展房地產開發有限公司	Joint venture of the Group
Wuhan Changkai Property Development Co., Ltd ("Wuhan Changkai") (note (i)) 武漢長凱物業發展有限公司	Joint venture of the Group
Beijing Ruri Jiahe Real Estate Development Co., Ltd ("Ruri Jiahe") (note (i)) 北京如日嘉和房地產開發有限公司	Joint venture of the Group

Note:

- (i) The names of the companies represent management's best efforts at translating the Chinese names of these companies as no English names have been registered or available.

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 41 Related party transactions (Continued)

#### (b) Transactions with related parties

During the years ended 31 December 2016 and 2015, the Group had the following transactions with related parties, which are carried out in the normal course of the Group's business:

	2016	2015
Restaurant and hotel service fees charged by Zhongshan Agile Changjiang Hotel Co., Ltd.	2,151	3,178
Providing guarantee for borrowings of related parties		
— Li He (note 38(b))	1,015,920	1,781,900
— Tianjin Jinnan (note 38(c))	1,125,000	551,097
— Guangxi Fuya (note 38(c))	120,000	49,900
— Changsha Shangcheng (note 38(c))	35,000	49,950
	<b>2,295,920</b>	<b>2,432,847</b>

#### Key management compensation

Key management includes executive directors and heads of major operational departments. The compensation paid or payable to key management for employee services is shown below:

	2016	2015
— Salaries and other short-term employee benefits	36,057	32,513
— Retirement scheme contributions	134	171
	<b>36,191</b>	<b>32,684</b>

# Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

## 41 Related party transactions (Continued)

### (c) Balances with related parties

As at 31 December 2016 and 2015, the Group had the following significant non-trade balances with related parties:

	2016	2015
Due from related parties		
— Li He (note (i))	<b>3,210,646</b>	2,439,716
— Zhongshan Yahong (note (ii))	<b>22,118</b>	214,523
— Tianjin Jinnan (note (ii))	—	1,115,000
— Changsha Shangcheng (note (ii))	<b>500,310</b>	685,310
— Huadu Yazhan (note (ii))	<b>251,982</b>	312,482
— Guangxi Fuya (note (ii))	<b>10,000</b>	—
— Shiguang Zhiye (note (iii))	<b>468,247</b>	—
— Zhongshan Haide (note (iii))	<b>644,172</b>	—
— Zhongshan Dongcheng (note (iii))	<b>28,176</b>	—
— Zhongshan Mingtai (note (iii))	<b>31,888</b>	—
— Suzhou Agile (note (ii))	<b>977,630</b>	—
— Foshan Yazhan (note (ii))	<b>240,336</b>	—
— Ruri Jiahe (note (ii))	<b>458,696</b>	—
— Charm Talent (note (ii))	<b>80,483</b>	—
	<b>6,924,684</b>	4,767,031
Due to related parties		
— Top Coast Investment Limited (note (iv))	<b>7,719</b>	7,480
— Founding shareholders (note (v))	<b>92,820</b>	92,820
— Wuhan Changkai (note (ii))	<b>2,700,000</b>	—
— Zhongshan Changjiang Golf Course (note (ii))	<b>34</b>	32
— Zhongshan Yahong (note (ii))	—	267,587
— Charm Talent (note (ii))	—	288,649
— Tianjin Jinnan (note (ii))	<b>91,825</b>	—
— Foshan Yazhan (note (ii))	<b>9,500</b>	—
— Huadu Yazhan (note (ii))	<b>184,735</b>	—
	<b>3,086,633</b>	656,568

Notes:

- (i) As at 31 December 2016, the balances due from Li He are cash advance in nature, which are unsecured, interest-free and expected to be received after 1 year.
- (ii) The balances are cash advances in nature, which are unsecured, interest-free and repayable on demand.
- (iii) The balances are loan receivables from joint ventures, which are unsecured, interest bearing and repayable after 1 year.
- (iv) Amounts due to Top Coast Investment Limited are cash advances in nature, which are unsecured, interest-free and repayable on demand.
- (v) Amounts due to Founding Shareholders represent the consideration payable for acquisition of a hotel building.



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 42 Ultimate holding company

The directors of the Company consider Top Coast Investment Limited, a company incorporated in the British Virgin Islands, to be the ultimate holding company of the Group.

### 43 Subsidiaries

(a) Particulars of principal subsidiaries of the Group at 31 December 2016 are set out below:

Name	Place of incorporation and legal status	Principal activities/ place of operation	Proportion of ordinary shares directly held by parent (%)	Proportion of ordinary shares held by the Group (%)	Proportion of ordinary shares held by non-controlling interests (%)
<b>Directly held by the Company</b>					
Eastern Supreme Group Holdings Limited (formerly named Eastern Supreme Group Limited)	British Virgin Islands (the "BVI")/limited liability Company	Investment holding/ Hong Kong	100%	100%	-
<b>Indirectly held by the Company</b>					
雅居樂地產置業有限公司 (前稱中山市雅居樂地產置業有限公司) Agile Property Land Co., Ltd. (formerly named Zhongshan Agile Property Land Co., Ltd)	PRC/wholly foreign owned enterprise	Management consultant/ Mainland China	-	100%	-
中山雅居樂雍景園房地產有限公司 Zhongshan Agile Majestic Garden Real Estate Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	Property development/ Mainland China	-	100%	-
廣州番禺雅居樂房地產開發有限公司 Guangzhou Panyu Agile Realty Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	Property development/ Mainland China	-	100%	-
廣州花都雅居樂房地產開發有限公司 Guangzhou Huadu Agile Realty Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	Property development/ Mainland China	-	100%	-
佛山市南海區雅居樂房地產有限公司 Foshan Nanhai Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	Property development/ Mainland China	-	100%	-

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 43 Subsidiaries (Continued)

(a) Particulars of principal subsidiaries of the Group at 31 December 2016 are set out below: (Continued)

Name	Place of incorporation and legal status	Principal activities/ place of operation	Proportion of ordinary shares directly held by parent (%)	Proportion of ordinary shares held by the Group (%)	Proportion of ordinary shares held by non-controlling interests (%)
中山市凱茵豪園房地產開發有限公司 Zhongshan Greenville Realty Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	Property development/ Mainland China	-	100%	-
中山市雅建房地產發展有限公司 Zhongshan Ever Creator Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	Property development/ Mainland China	-	100%	-
廣州雅居樂房地產開發有限公司 Guangzhou Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	Property development/ Mainland China	-	100%	-
佛山市雅居樂房地產有限公司 Foshan Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	Property development/ Mainland China	-	100%	-
雅居樂物業管理服務有限公司 (前稱中山市雅居樂物業管理服務有限公司) Agile Property Management Services Co., Ltd. (note (i)) (formerly named Zhongshan Agile Property Management Services Co., Ltd.)	PRC/wholly foreign owned enterprise	Property management/ Mainland China	-	100%	-
南京雅居樂房地產開發有限公司 Nanjing Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	Property development/ Mainland China	-	100%	-
河源市雅居樂房地產開發有限公司 Heyuan Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	Property development/ Mainland China	-	100%	-
冠金投資有限公司 Crown Golden Investments Limited (note (b))	BVI/Limited liability company	Investment holding/BVI	-	70%	30%

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 43 Subsidiaries (Continued)

(a) Particulars of principal subsidiaries of the Group at 31 December 2016 are set out below: (Continued)

Name	Place of incorporation and legal status	Principal activities/ place of operation	Proportion of ordinary shares directly held by parent (%)	Proportion of ordinary shares held by the Group (%)	Proportion of ordinary shares held by non-controlling interests (%)
海南雅居樂房地產開發有限公司 Hainan Agile Real Estate Development Co., Ltd. ("Hainan Agile") (note (i)) (note (b))	PRC/foreign invested enterprise	Property development/ Mainland China	–	70%	30%
海南雅恒房地產開發有限公司 Hainan Yaheng Real Estate Development Co., Ltd. ("Hainan Yaheng")(note (i)) (note (b))	PRC/foreign invested enterprise	Property development/ Mainland China	–	70%	30%
廣州從化雅居樂房地產開發有限公司 Guangzhou Conghua Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	Property development/ Mainland China	–	100%	–
四川雅居樂房地產開發有限公司 Sichuan Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	Property development/ Mainland China	–	100%	–
佛山市三水雅居樂房地產有限公司 Foshan Sanshui Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	Property development/ Mainland China	–	100%	–
惠州白鷺湖旅遊實業開發有限公司 Huizhou Bailuhu Tour Enterprise Development Co., Ltd. (note (i))	PRC/foreign invested enterprise	Property development/ Mainland China	–	100%	–
陝西昊瑞房地產開發有限責任公司 Shanxi Haorui Real Estate Development Co., Ltd. (note (i))	PRC/limited liability Company	Property development/ Mainland China	–	100%	–
上海靜安城投重慶置業有限公司 Shanghai Jing'an Chengtou Chongqing Land Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	Property development/ Mainland China	–	100%	–

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 43 Subsidiaries (Continued)

(a) Particulars of principal subsidiaries of the Group at 31 December 2016 are set out below: (Continued)

Name	Place of incorporation and legal status	Principal activities/ place of operation	Proportion of ordinary shares directly held by parent (%)	Proportion of ordinary shares held by the Group (%)	Proportion of ordinary shares held by non-controlling interests (%)
上海雅恒房地產開發有限公司 (前稱上海金昌房地產開發有限公司) Shanghai Yaheng Real Estate Development Co., Ltd. (formerly named Shanghai Jinchang Real Estate Development Co., Ltd.) (note (i))	PRC/wholly foreign owned enterprise	Property development/ Mainland China	–	100%	–
廣州雅居樂酒店有限公司 Guangzhou Agile Hotel Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	Hotel operation/Mainland China	–	100%	–
佛山雅居樂酒店有限公司 Foshan Agile Hotel Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	Hotel operation/Mainland China	–	100%	–
廣州雅恒房地產開發有限公司 Guangzhou Yaheng Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	Property development/ Mainland China	–	100%	–
中山市雅信房地產開發有限公司 Zhongshan Yaxin Real Estate Development Co., Ltd. (note (i))	PRC/limited liability Company	Property development/ Mainland China	–	100%	–
中山市雅創房地產開發有限公司 Zhongshan Yachuang Real Estate Development Co., Ltd. (note (i))	PRC/limited liability Company	Property development/ Mainland China	–	100%	–
廣州雅生房地產開發有限公司 Guangzhou Yasheng Real Estate Development Co., Ltd. (note (i))	PRC/limited liability Company	Property development/ Mainland China	–	100%	–
中山市雅景房地產開發有限公司 Zhongshan Yajing Real Estate Development Co., Ltd. (note (i))	PRC/limited liability Company	Property development/ Mainland China	–	100%	–

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 43 Subsidiaries (Continued)

(a) Particulars of principal subsidiaries of the Group at 31 December 2016 are set out below: (Continued)

Name	Place of incorporation and legal status	Principal activities/ place of operation	Proportion of ordinary shares directly held by parent (%)	Proportion of ordinary shares held by the Group (%)	Proportion of ordinary shares held by non-controlling interests (%)
廣州雅粵房地產開發有限公司 Guangzhou Yayue Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	Property development/ Mainland China	-	100%	-
廣州雅騰房地產開發有限公司 Guangzhou Yateng Real Estate Development Co., Ltd. (note (i))	PRC/limited liability Company	Property development/ Mainland China	-	100%	-
佛山市三水雅居樂雍景園房地產有限公司 Foshan Sanshui Agile Majestic Garden Real Estate Co., Ltd. (note (i))	PRC/limited liability Company	Property development/ Mainland China	-	100%	-
廣東西樵商貿廣場有限公司 Guangdong Xiqiao Commerce Plaza Co., Ltd. (note (i))	PRC/limited liability Company	Property development/ Mainland China	-	100%	-
南京江寧雅居樂房地產開發有限公司 Nanjing Jiangning Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	Property development/ Mainland China	-	100%	-
遼寧雅居樂房地產開發有限公司 Liaoning Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	Property development/ Mainland China	-	100%	-
西安雅居樂物業投資管理有限公司 Xi'an Agile Property Investment Management Co., Ltd. (note (i))	PRC/limited liability Company	Property development/ Mainland China	-	100%	-
佛山市順德區雅居樂房地產有限公司 Foshan Shunde Agile Real Estate Development Co., Ltd. (note (i))	PRC/limited liability Company	Property development/ Mainland China	-	100%	-

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 43 Subsidiaries (Continued)

(a) Particulars of principal subsidiaries of the Group at 31 December 2016 are set out below: (Continued)

Name	Place of incorporation and legal status	Principal activities/ place of operation	Proportion of ordinary shares directly held by parent (%)	Proportion of ordinary shares held by the Group (%)	Proportion of ordinary shares held by non-controlling interests (%)
南京雅建置業有限公司 Nanjing Yajian Land Co., Ltd. (note (i))	PRC/limited liability Company	Property development/ Mainland China	-	100%	-
常州雅居樂房地產開發有限公司 Changzhou Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	Property development/ Mainland China	-	100%	-
騰冲雅居樂旅遊置業有限公司 Tengchong Agile Resort Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	Property development/ Mainland China	-	100%	-
海南雅航旅遊置業有限公司 Hainan Yahang Travel Property Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	Property development/ Mainland China	-	100%	-
惠州市惠陽雅居樂房地產開發有限公司 Huizhou Huiyang Agile Real Estate Development Co., Ltd (note (i))	PRC/limited liability Company	Property development/ Mainland China	-	100%	-
西雙版納雅居樂旅遊置業有限公司 (前稱：西雙版納雅居樂旅遊發展有限公司) Xishuangbanna Agile Resort Co., Ltd. (formerly named: Xishuangbanna Agile Resort Development Co., Ltd.) (note (i))	PRC/wholly foreign owned enterprise	Property development/ Mainland China	-	100%	-
瑞麗雅居樂旅遊置業有限公司 Ruili Agile Resort Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	Property development/ Mainland China	-	100%	-
西安曲江雅居樂房地產開發有限公司 Xi'an Qujiang Agile Real Estate Development Co., Ltd. (note (i))	PRC/limited liability Company	Property development/ Mainland China	-	70%	30%

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 43 Subsidiaries (Continued)

(a) Particulars of principal subsidiaries of the Group at 31 December 2016 are set out below: (Continued)

Name	Place of incorporation and legal status	Principal activities/ place of operation	Proportion of ordinary shares directly held by parent (%)	Proportion of ordinary shares held by the Group (%)	Proportion of ordinary shares held by non-controlling interests (%)
佛山市順德區雅新房地產開發有限公司 Foshan Shunde Yaxin Real Estate Development Co., Ltd. (note (i))	PRC/limited liability Company	Property development/ Mainland China	-	100%	-
揚州雅居樂房地產開發有限公司 Yangzhou Agile Real Estate Development Co., Ltd. (note (i))	PRC/foreign invested enterprise	Property development/ Mainland China	-	100%	-
來安雅居樂房地產開發有限公司 Lai'an Agile Real Estate Development Co., Ltd. (note (i))	PRC/limited liability Company	Property development/ Mainland China	-	100%	-
無錫雅居樂房地產開發有限公司 Wuxi Agile Real Estate Development Co., Ltd. (note (i))	PRC/limited liability Company	Property development/ Mainland China	-	100%	-
上海松江雅居樂房地產開發有限公司 Shanghai Songjiang Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	Property development/ Mainland China	-	100%	-
昆山市富恒房地產開發有限公司 Kunshan Fuheng Real Estate Development Co., Ltd. (note (i))	PRC/limited liability Company	Property development/ Mainland China	-	100%	-
中山市雅尚房地產開發有限公司 Zhongshan Yashang Real Estate Development Co., Ltd. (note (i))	PRC/limited liability Company	Property development/ Mainland China	-	100%	-
杭州余杭雅居樂房地產開發有限公司 Hangzhou Yuhang Agile Real Estate Development Co., Ltd. (note (i))	PRC/limited liability Company	Property development/ Mainland China	-	100%	-

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 43 Subsidiaries (Continued)

(a) Particulars of principal subsidiaries of the Group at 31 December 2016 are set out below: (Continued)

Name	Place of incorporation and legal status	Principal activities/ place of operation	Proportion of ordinary shares directly held by parent (%)	Proportion of ordinary shares held by the Group (%)	Proportion of ordinary shares held by non-controlling interests (%)
南京濱江雅居樂房地產開發有限公司 Nanjing Binjiang Agile Real Estate Development Co., Ltd. (note (i))	PRC/limited liability Company	Property development/ Mainland China	-	100%	-
鄭州雅居樂房地產開發有限公司 Zhengzhou Agile Real Estate Development Co., Ltd. (note (i))	PRC/limited liability Company	Property development/ Mainland China	-	60%	40%
佛山市南海區雅恒房地產開發有限公司 Foshan Nanhai Yaheng Real Estate Development Co., Ltd. (note (i))	PRC/limited liability Company	Property development/ Mainland China	-	51%	49%

Structured entity	Principal activities
The Company's Employee Share Trust	Purchases, administers and holds the Company's shares in respect of the Share Award Scheme set up for the benefit of eligible employees

As the Company's Employee Share Trust is set up solely for the purpose of purchasing, administering and holding the Company's shares in respect of the Share Award Scheme, the Company has the rights to variable returns from its involvement with the Employee Share Trust and has the ability to affect those returns through its power over the trust. The assets and liabilities of the Employee Share Trust are included in the Group's consolidated financial statements and the shares held by the Employee Share Trust are presented as a deduction in equity as "Shares held for Share Award Scheme".

The above table lists the principal subsidiaries of the Group which, in the opinion of the directors, principally affect the results and net assets of the Group. To give full details of subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Note:

- (i) The names of the companies represent management's best efforts at translating the Chinese names of these companies as no English names have been registered or available.



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 43 Subsidiaries (Continued)

#### (b) Material non-controlling interests

Crown Golden Investment Limited ("Crown Golden") is incorporated in the British Virgin Islands, the principle activity is investment holding. The subsidiaries of Crown Golden are certain project development companies in the PRC. As at 31 December 2016, the total non-controlling interests amounted to RMB3,248,124,000 (2015: RMB3,198,064,000), of which RMB2,310,237,000(2015: RMB2,042,193,000) is for 30% non-controlling interests in Crown Golden. The remaining non-controlling interests are not individually material.

#### Summarised financial information on subsidiaries with material non-controlling interests

	2016	2015
Current		
— Assets	<b>16,296,306</b>	18,875,357
— Liabilities	<b>(13,385,313)</b>	(15,122,548)
Total current net assets	<b>2,910,993</b>	3,752,809
Non-current		
— Assets	<b>4,517,643</b>	4,375,499
— Liabilities	<b>(552,020)</b>	(1,320,999)
Total non-current net assets	<b>3,965,623</b>	3,054,500
Net assets	<b>6,876,616</b>	6,807,309

	2016	2015
Revenue	<b>8,211,458</b>	6,960,619
Post-tax profit from operations	<b>578,178</b>	1,244,150
Total comprehensive income	<b>578,178</b>	1,244,150
Total comprehensive income allocated to non-controlling interests	<b>173,453</b>	373,245
Dividends paid to non-controlling interests	<b>152,663</b>	438,787

	2016	2015
Net cash generated from/(used in) operating activities	<b>1,380,941</b>	(530,726)
Net cash (used in)/generated from investing activities	<b>(105,760)</b>	287,442
Net cash (used in)/generated from financing activities	<b>(866,767)</b>	474,434
Exchange gains/(losses) on cash and cash equivalents	<b>15,924</b>	(32,025)
Net increase in cash and cash equivalents	<b>424,338</b>	199,125

\* The amounts above are before inter-company eliminations.

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 44 Balance sheet and reserve movement of the Company

#### Balance sheet of the Company

	As at 31 December	
	2016	2015
<b>Assets</b>		
<b>Non-current assets</b>		
Investments in subsidiaries	448,520	448,520
Investments in an associate	114,461	–
Derivative financial instruments	254,497	–
Total non-current asset	817,478	448,520
<b>Current assets</b>		
Amounts due from subsidiaries	43,466,968	34,481,196
Other receivables and prepayments	104,943	16,374
Derivative financial instruments	307,870	–
Restricted cash	–	255,576
Cash and cash equivalents	834,340	243,918
Total current asset	44,714,121	34,997,064
<b>Total assets</b>	<b>45,531,599</b>	<b>35,445,584</b>
<b>Equity</b>		
<b>Equity attributable to shareholders of the Company</b>		
Share capital and premium	4,290,028	5,097,967
Shares held for Share Award Scheme	(156,588)	(156,588)
Other reserves (note (a))	427,512	427,512
Retained earnings (note (a))	909,104	1,092,304
	5,470,056	6,461,195
<b>Perpetual Capital Securities</b>	<b>4,491,190</b>	<b>4,488,659</b>
<b>Total equity</b>	<b>9,961,246</b>	<b>10,949,854</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Borrowings	19,362,083	17,679,822
<b>Current liabilities</b>		
Borrowings	8,097,435	2,799,891
Amounts due to subsidiaries	7,607,089	3,342,822
Other payables and accruals	503,746	673,195
Total current liabilities	16,208,270	6,815,908
<b>Total liabilities</b>	<b>35,570,353</b>	<b>24,495,730</b>
<b>Total equity and liabilities</b>	<b>45,531,599</b>	<b>35,445,584</b>

The balance sheet of the Company was approved by the Board of Directors on 15 March 2017 and was signed on its behalf by:

**Chen Zhuo Lin**  
Director

**Chan Cheuk Hung**  
Director

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 44 Balance sheet and reserve movement of the Company (Continued)

Note (a): Reserve movement of the Company

	Other reserves	Retained earnings
At 1 January 2015	427,512	1,402,684
Profit for the year	–	455,750
Dividends declared relating to 2014	–	(766,130)
At 31 December 2015	427,512	1,092,304
At 1 January 2016	<b>427,512</b>	<b>1,092,304</b>
Profit for the year	–	<b>285,404</b>
Dividends declared relating to 2015	–	<b>(468,604)</b>
At 31 December 2016	<b>427,512</b>	<b>909,104</b>

### 45 Benefits and interests of directors

#### (a) Directors' and chief executive's emoluments

The remuneration of every director and the chief executive is set out below:

For the year ended 31 December 2016:

Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiaries undertaking:

	Housing allowance and contribution to a retirement benefit scheme			Total
	Fees	Salary		
Mr. Chen Zhuo Lin	–	<b>3,580</b>	<b>15</b>	<b>3,595</b>
Mr. Chan Cheuk Hung	–	<b>2,557</b>	<b>15</b>	<b>2,572</b>
Mr. Huang Fengchao	–	<b>7,147</b>	<b>136</b>	<b>7,283</b>
Mr. Chen Zhongqi	–	<b>6,963</b>	<b>53</b>	<b>7,016</b>
Mr. Chan Cheuk Yin	<b>335</b>	–	–	<b>335</b>
Ms. Luk Sin Fong, Fion	<b>335</b>	–	–	<b>335</b>
Mr. Chan Cheuk Hei	<b>335</b>	–	–	<b>335</b>
Mr. Chan Cheuk Nam	<b>335</b>	–	–	<b>335</b>
Dr. Cheng Hon Kwan (note(ii))	<b>335</b>	–	–	<b>335</b>
Mr. Kwong Che Keung, Gordon (note(ii))	<b>335</b>	–	–	<b>335</b>
Mr. Cheung Wing Yui, Edward (note(ii))	<b>335</b>	–	–	<b>335</b>
Mr. Hui Chiu Chung, Stephen (note(ii))	<b>335</b>	–	–	<b>335</b>
Mr. Wong Shiu Hoi, Peter (note(ii))	<b>335</b>	–	–	<b>335</b>
	<b>3,015</b>	<b>20,247</b>	<b>219</b>	<b>23,481</b>

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 45 Benefits and interests of directors (Continued)

#### (a) Directors' and chief executive's emoluments (Continued)

For the year ended 31 December 2015:

Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiaries undertaking

	Fees	Salary	Housing allowance and contribution to a retirement benefit scheme	Total
Mr. Chen Zhuo Lin	–	3,364	14	3,378
Mr. Chan Cheuk Hung	–	2,403	14	2,417
Mr. Huang Fengchao	–	6,271	29	6,300
Mr. Liang Zhengjian (note(i))	–	9,374	33	9,407
Mr. Chen Zhongqi	–	8,266	81	8,347
Mr. Chan Cheuk Yin	315	–	–	315
Ms. Luk Sin Fong, Fion	315	–	–	315
Mr. Chan Cheuk Hei	315	–	–	315
Mr. Chan Cheuk Nam	315	–	–	315
Dr. Cheng Hon Kwan (note(ii))	315	–	–	315
Mr. Kwong Che Keung, Gordon (note(ii))	315	–	–	315
Mr. Cheung Wing Yui, Edward (note(ii))	315	–	–	315
Mr. Hui Chiu Chung, Stephen (note(ii))	315	–	–	315
Mr. Wong Shiu Hoi, Peter (note(ii))	315	–	–	315
	2,835	29,678	171	32,684

Note (i): Mr. Liang Zhengjian resigned on 1 December 2015.

Note (ii): Independent non-executive directors of the Company.

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 45 Benefits and interests of directors (Continued)

(b) Directors' retirement benefits

During the year ended 31 December 2016, there were no additional retirement benefit received by the directors except for the attribution to a retirement benefit scheme as disclosed in note(a) above (2015: same).

(c) Directors' termination benefits

During the year ended 31 December 2016, there were no termination benefits received by the directors (2015: same).

(d) Consideration provided to third parties for making available directors' services

During the year ended 31 December 2016, no consideration was paid for making available the services of the directors of the Company (2015: same).

(e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

During the year ended 31 December 2016, there were no loans, quasi-loans and other dealings entered into by the Company or subsidiaries undertaking of the Company, where applicable, in favour of directors.

(f) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

# Five-year Financial Summary

## Consolidated Assets, Equity and Liabilities

	31 December 2016 RMB'000	31 December 2015 RMB'000	31 December 2014 RMB'000	31 December 2013 RMB'000	31 December 2012 RMB'000 (Restated)
<b>ASSETS</b>					
Non-current assets	<b>35,585,589</b>	27,194,088	29,464,955	32,550,203	29,906,755
Current assets	<b>96,139,309</b>	90,118,843	94,183,201	81,985,003	60,942,756
<b>Total assets</b>	<b>131,724,898</b>	117,312,931	123,648,156	114,535,206	90,849,511
<b>EQUITY AND LIABILITIES</b>					
<b>Total equity</b>	<b>44,155,230</b>	41,994,987	41,095,292	36,567,296	27,911,807
Non-current liabilities	<b>32,318,075</b>	24,786,841	27,166,852	29,152,128	23,236,236
Current liabilities	<b>55,251,593</b>	50,531,103	55,386,012	48,815,782	39,701,468
<b>Total liabilities</b>	<b>87,569,668</b>	75,317,944	82,552,864	77,967,910	62,937,704
<b>Total equity and liabilities</b>	<b>131,724,898</b>	117,312,931	123,648,156	114,535,206	90,849,511

\* In 2013, the Group changed its accounting policies for interests in joint ventures, comparative figures in 2012 were restated accordingly.

## Five-year Financial Summary (Continued)

### Consolidated Income Statements

	2016 RMB'000	2015 RMB'000	2014 RMB'000	2013 RMB'000	2012 RMB'000 (Restated)
<b>Operation</b>					
Revenue	<b>46,678,865</b>	43,004,312	38,317,599	35,436,404	29,891,751
Cost of sales	<b>(34,313,168)</b>	(32,191,005)	(25,886,775)	(22,821,680)	(17,456,231)
<b>Gross profit</b>	<b>12,365,697</b>	10,813,307	12,430,824	12,614,724	12,435,520
Selling and marketing costs	<b>(2,097,973)</b>	(1,785,859)	(1,784,164)	(1,522,821)	(974,519)
Administrative expenses	<b>(1,458,191)</b>	(1,444,024)	(1,437,438)	(1,284,575)	(1,124,629)
Fair value gains on investment properties	<b>42,960</b>	62,523	469,625	174,277	178,428
Other (losses)/gains, net	<b>(334,708)</b>	(139,387)	146,034	(93,687)	32,800
Other income	<b>278,662</b>	212,162	979,166	224,851	132,057
Other expenses	<b>(195,880)</b>	(82,439)	(312,950)	(131,743)	(212,552)
<b>Operating profit</b>	<b>8,600,567</b>	7,636,283	10,491,097	9,981,026	10,467,105
Fair value gains on embedded financial derivatives	<b>–</b>	–	–	295,748	199,769
Finance (costs)/income, net	<b>(1,124,531)</b>	(1,325,206)	(292,573)	488,214	(46,294)
Share of post-tax losses of associates	<b>(3,375)</b>	(27,190)	(27,636)	(59,537)	(87,024)
Share of post-tax profits/(losses) of joint ventures	<b>10,453</b>	(87,400)	(44,997)	7,124	(1,950)
<b>Profit before income tax</b>	<b>7,483,114</b>	6,196,487	10,125,891	10,712,575	10,531,606
Income tax expenses	<b>(4,433,480)</b>	(3,894,950)	(5,034,790)	(4,850,220)	(5,384,955)
<b>Profit for the year</b>	<b>3,049,634</b>	2,301,537	5,091,101	5,862,355	5,146,651
<b>Profit attributable to:</b>					
Shareholders of the Company	<b>2,283,640</b>	1,390,343	4,287,245	4,826,907	5,000,482
Holders of Perpetual Capital Securities	<b>415,263</b>	358,565	354,782	342,497	–
Non-controlling interests	<b>350,731</b>	552,629	449,074	692,951	146,169
	<b>3,049,634</b>	2,301,537	5,091,101	5,862,355	5,146,651
<b>Earnings per share attributable to shareholders of the Company for the year</b> (expressed in RMB per share)					
— Basic	<b>0.588</b>	0.358	1.222	1.400	1.450
— Diluted	<b>0.588</b>	0.358	1.203	1.210	1.305

\* In 2013, the Group changed its accounting policies for interests in joint ventures, comparative figures in 2012 were restated accordingly.

# Corporate Information

## Board of Directors

Mr. Chen Zhuo Lin\* (*Chairman and President*)  
Mr. Chan Cheuk Yin\*\* (*Vice Chairperson*)  
Madam Luk Sin Fong, Fion\*\* (*Vice Chairperson*)  
Mr. Chan Cheuk Hung\*  
Mr. Huang Fengchao\*  
Mr. Chen Zhongqi\*  
Mr. Chan Cheuk Hei\*\*  
Mr. Chan Cheuk Nam\*\*  
Dr. Cheng Hon Kwan<sup>#</sup> *GBS, OBE, JP*  
Mr. Kwong Che Keung, Gordon<sup>#</sup>  
Mr. Cheung Wing Yui, Edward<sup>#</sup> *BBS*  
Mr. Hui Chiu Chung, Stephen<sup>#</sup> *JP*  
Mr. Wong Shiu Hoi, Peter<sup>#</sup>

\* Executive Directors

\*\* Non-executive Directors

<sup>#</sup> Independent Non-executive Directors

## Board Committees

### Audit Committee

Mr. Kwong Che Keung, Gordon (*Committee Chairperson*)  
Dr. Cheng Hon Kwan *GBS, OBE, JP*  
Mr. Cheung Wing Yui, Edward *BBS*  
Mr. Hui Chiu Chung, Stephen *JP*

### Remuneration Committee

Dr. Cheng Hon Kwan *GBS, OBE, JP* (*Committee Chairperson*)  
Mr. Kwong Che Keung, Gordon  
Mr. Cheung Wing Yui, Edward *BBS*  
Mr. Hui Chiu Chung, Stephen *JP*  
Mr. Wong Shiu Hoi, Peter  
Madam Luk Sin Fong, Fion

### Nomination Committee

Mr. Cheung Wing Yui, Edward *BBS* (*Committee Chairperson*)  
Dr. Cheng Hon Kwan *GBS, OBE, JP*  
Mr. Kwong Che Keung, Gordon  
Mr. Hui Chiu Chung, Stephen *JP*  
Mr. Wong Shiu Hoi, Peter  
Madam Luk Sin Fong, Fion

### Risk Management Committee

Mr. Chen Zhuo Lin (*Committee Chairperson*)  
Mr. Chan Cheuk Hung  
Mr. Huang Fengchao  
Mr. Chen Zhongqi  
Mr. Wong Shiu Hoi, Peter

## Company Secretary

Mr. Kwang Chin Kheng (resigned on 9 March 2016)  
Mr. Cheung Sum Sam (appointed on 9 March 2016 and  
resigned on 16 December 2016)  
Mr. Lam Ping Yuk (appointed on 16 December 2016)

## Authorised Representatives

Mr. Chen Zhuo Lin  
Mr. Kwang Chin Kheng (resigned on 9 March 2016)  
Mr. Cheung Sum Sam (appointed on 9 March 2016 and  
resigned on 16 December 2016)  
Mr. Lam Ping Yuk (appointed on 16 December 2016)

## Auditor

PricewaterhouseCoopers

## Legal Advisors

as to Hong Kong law:

Sidley Austin LLP  
Iu, Lai & Li Solicitors & Notaries

as to PRC law:

Jingtian & Gongcheng

as to BVI and Cayman Islands laws:

Conyers Dill & Pearman

as to US and English laws:

Sidley Austin LLP

## Principal Bankers

Bank of China Limited  
Industrial and Commercial Bank of China Limited  
China Construction Bank Corporation  
Agricultural Bank of China Limited  
The Bank of East Asia, Limited  
The Hongkong and Shanghai Banking Corporation Limited  
Hang Seng Bank Limited  
Standard Chartered Bank (Hong Kong) Limited

## Registered Office

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands



## Corporate Information (Continued)

### Principal Place of Office in the PRC

33rd Floor, Agile Centre  
26 Huaxia Road  
Zhujiang New Town  
Tianhe District, Guangzhou  
Guangdong Province  
PRC  
Postal Code: 510623

### Principal Place of Business in Hong Kong

18th Floor  
Three Pacific Place  
1 Queen's Road East  
Hong Kong

### Principal Share Registrar and Transfer Office

Royal Bank of Canada Trust Company (Cayman) Limited  
4th Floor, Royal Bank House  
24 Shedden Road, George Town  
Grand Cayman KY1-1110  
Cayman Islands

### Branch Share Registrar and Transfer Office in Hong Kong

Tricor Investor Services Limited  
Level 22, Hopewell Centre  
183 Queen's Road East  
Hong Kong  
Telephone : (852) 2980 1333  
Facsimile : (852) 2861 1465

### Investor Relations

Capital Markets and Corporate Affairs Department  
E-mail : [ir@agile.com.cn](mailto:ir@agile.com.cn)  
Telephone : (852) 2847 3383  
Facsimile : (852) 2780 8822

### Website

[www.agile.com.cn](http://www.agile.com.cn)

## Corporate Information (Continued)

### Listing Information

#### A Equity Securities

The Company's ordinary shares (stock code: 3383) are listed on the Main Board of Hong Kong Stock Exchange.

#### B Debt Securities

- (1) The Company's debt securities listed on the Main Board of Hong Kong Stock Exchange:
  - (i) 8.375% senior notes in an aggregate principal amount of US\$500 million due 2019 (stock code: 6026)
  - (ii) 9% senior notes in an aggregate principal amount of US\$500 million due 2020 (stock code: 5517)
  
- (2) The Company's debt securities listed on the Shanghai Stock Exchange:
  - (i) domestic non-public corporate bonds in an aggregate principal amount of RMB3,000 million due 2020 with a coupon rate of 4.98 (corporate bond code: 135690)
  - (ii) domestic non-public corporate bonds in an aggregate principal amount of RMB1,800 million due 2021 with a coupon rate of 4.60 (corporate bond code: 135882)
  - (iii) domestic non-public corporate bonds in an aggregate principal amount of RMB1,200 million due 2022 with a coupon rate of 5.70 (corporate bond code: 135883)
  
- (3) The debt securities of Guangzhou Panyu Agile Realty Development Co., Ltd. (a wholly-owned subsidiary of the Company incorporated in China) listed on the Shanghai Stock Exchange:
  - (i) domestic corporate bonds in an aggregate principal amount of RMB1,600 million due 2021 with a coupon rate of 4.7% (corporate bond code: 136134)
  - (ii) domestic corporate bonds in an aggregate principal amount of RMB1,200 million due 2020 with a coupon rate of 5.8% (corporate bond code: 136417)

#### C Capital Securities

The Company's subordinated perpetual capital securities in an aggregate principal amount of US\$700 million (stock code: 4593) are listed on the Main Board of Hong Kong Stock Exchange.

### Financial Calendar

Interim results announcement	23 August 2016
Annual results announcement	15 March 2017
2017 AGM	8 May 2017
Payment of final dividend and special dividend	25 May 2017

### Closure of Register of Members and other Key Dates

The Company's register of members will be closed during the following periods:

#### To determine the identity of Shareholders who are entitled to attend and vote at the 2017 AGM

Latest time for lodging transfer documents of shares	:	4:30 p.m. on Friday, 28 April 2017
Period of closure of register of members	:	Tuesday, 2 May 2017 to Monday, 8 May 2017 (both dates inclusive)

#### To determine the Shareholders' entitlement to the final dividend and special dividend

Ex-entitlement date for final dividend and special dividend	:	Thursday, 11 May 2017
Latest time for lodging transfer documents of shares	:	4:30 p.m. on Friday, 12 May 2017
Period of closure of register of members	:	Monday, 15 May 2017 to Wednesday, 17 May 2017 (both dates inclusive)
Record date	:	Wednesday, 17 May 2017

To qualify for attending and voting at the 2017 AGM and/or entitlement to the final dividend and special dividend, all properly completed transfer forms accompanied by the share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than the corresponding latest time for lodging transfer document of shares.

The proposed final dividend and special dividend will be paid on Thursday, 25 May 2017 to Shareholders whose names appear on the register of members of the Company on Wednesday, 17 May 2017 upon approval by the Shareholders in the 2017 AGM.

### Annual General Meeting

2017 AGM will be held on Monday, 8 May 2017. Notice of 2017 AGM will be set out in the Company's circular dated 30 March 2017 and will be despatched together with this annual report to the Shareholders. Notice of 2017 AGM and the proxy form will also be published on the Agile's website ([www.agile.com.cn](http://www.agile.com.cn)) and HKEX's website ([www.hkex.com.hk](http://www.hkex.com.hk)).

### Dividends

Interim dividend	Nil
Proposed final dividend	HK20.0 cents per Share
Proposed special dividend	HK25.0 cents per Share

### Despatch of Corporate Communications

This annual report is available in both Chinese and English versions. Printed copies in either or both languages will be delivered to Shareholders in accordance with their indicated preference. This annual report is also published on Agile's website ([www.agile.com.cn](http://www.agile.com.cn)) and HKEX's website ([www.hkex.com.hk](http://www.hkex.com.hk)). Registered Shareholders may at any time choose to change their choice of language or means of receipt of the Company's corporate communications free of charge by filling the specified forms and send to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited. For Shareholders whose Shares are being held through brokers or custodians, they should inform their respective brokers or custodians to effect the change.

For environment protection reasons, the Company encourages Shareholders to view this annual report posted on the aforesaid websites.

# Glossary

Agile or Company	Agile Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Hong Kong Stock Exchange
Articles	the Articles of Association of the Company
2016 AGM	annual general meeting of the Company held on 13 May 2016
2017 AGM	annual general meeting of the Company to be held on 8 May 2017
BBS	Bronze Bauhinia Star
BEA	The Bank of East Asia, Limited
Board	board of Directors of the Company
BVI	British Virgin Islands
Changjiang Hotel Company	Zhongshan Agile Changjiang Hotel Co., Ltd.
Chen's Family Trust	a family trust established by Top Coast (which retired on 16 December 2016 and appointed Full Choice as the new trustee) as trustee and the beneficiaries of which are the Founding Shareholders
China or PRC	The People's Republic of China. For the purpose of this annual report, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan region
CG Code	Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules
Directors	directors of the Company
Employee Share Trustee	Bank of Communications Trustee Limited
Founding Shareholders	Chen Zhuo Lin, Chan Cheuk Yin, Luk Sin Fong, Fion, Chan Cheuk Hung, Chan Cheuk Hei and Chan Cheuk Nam

Full Choice	Full Choice Investments Limited, a company incorporated in Hong Kong with limited liability on 8 August 2016, being the new trustee of Chen's Family Trust appointed on 16 December 2016
GBS	Gold Bauhinia Star
GFA	gross floor area
Group	the Company and its subsidiaries
HK\$/HKD	Hong Kong dollar(s), the lawful currency of Hong Kong
HKAS	Hong Kong Accounting Standards
HKEX	Hong Kong Exchanges and Clearing Limited
Hong Kong	Hong Kong Special Administrative Region of PRC
Hong Kong Companies Ordinance	Companies Ordinance (Chapter 622 of the laws of Hong Kong)
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
HSB	Hang Seng Bank Limited
HSBC	The Hongkong and Shanghai Banking Corporation Limited
ICBC Asia	Industrial and Commercial Bank of China (Asia) Limited
INED(s)	Independent Non-executive Director(s) of the Company
JP	Justice of the Peace
Listing Rules	The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules

## Glossary (Continued)

NED(s)	Non-executive Director(s) of the Company
OBE	Officer of British Empire
RMB	Renminbi, the lawful currency of PRC
SCB	Standard Chartered Bank (Hong Kong) Limited
Securities Dealing Code for Directors	A code for securities transactions by Directors adopted by the Company
SFO	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
Share(s)	ordinary share(s) of HK\$0.10 each in the share capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time)
Share Award Scheme	a share award scheme adopted by the Company on 10 December 2013
Shareholder(s)	holder(s) of Shares
SGX	Singapore Exchange Limited
Top Coast	Top Coast Investment Limited, a company incorporated in BVI with limited liability on 17 May 2005, being the former trustee of Chen's Family Trust who retired on 16 December 2016
US	United States of America
US\$/USD	United States dollar(s), the lawful currency of US
%	per cent

[www.agile.com.cn](http://www.agile.com.cn)

