

LANDSEA 朗詩
綠色地產

— 綠色創新未來 —

朗詩綠色地產有限公司
Landsea Green Properties Co., Ltd.

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

Stock Code 股份代號 : 106

Building for People 為人造房

Annual Report 2016 年報







Contents

目錄

4	Corporate Information	公司資料
6	Chairman's Accolades and Awards and Events regarding to Landsea Group's 2016 Events on Green Properties	主席的榮譽及獎項及與朗詩集團下綠色地產2016事記
12	Chairman's Statement	主席報告
21	Biographical Details of Directors and Senior Management	董事及高級管理人員簡介
29	Management Discussion and Analysis	管理層討論及分析
51	Corporate Governance Report	企業管治報告
74	Directors' Report	董事局報告
96	Independent Auditor's Report	獨立核數師報告
103	Consolidated Statement of Comprehensive Income	綜合全面收益表
105	Consolidated Balance Sheet	綜合資產負債表
108	Consolidated Statement of Changes in Equity	綜合權益變動表
110	Consolidated Statement of Cash Flows	綜合現金流量表
113	Notes to the Financial Statements	財務報表附註
243	Financial Summary	財務摘要
244	Particulars of Investment Property	投資性物業詳情

Product- diversification 產品差異化





CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS EXECUTIVE DIRECTORS

Mr. Tian Ming (*Chairman*)
Mr. Xiang Jiong (*Chief Executive Officer*)
Ms. Shen Leying (*Co-Chief Executive Officer*)
Mr. Xie Yuanjian
Ms. Zhou Qin

NON-EXECUTIVE DIRECTOR

Mr. Zhou Yimin

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Xu Xiaonian
Mr. Ding Yuan
Mr. Lee Kwan Hung

AUDIT COMMITTEE

Mr. Ding Yuan (*Committee Chairman*)
Mr. Xu Xiaonian
Mr. Lee Kwan Hung
Mr. Zhou Yimin

REMUNERATION COMMITTEE

Mr. Lee Kwan Hung (*Committee Chairman*)
Mr. Tian Ming
Mr. Xu Xiaonian
Mr. Ding Yuan
Ms. Zhou Qin

NOMINATION COMMITTEE

Mr. Tian Ming (*Committee Chairman*)
Mr. Xu Xiaonian
Mr. Ding Yuan
Mr. Lee Kwan Hung
Mr. Zhou Yimin

COMPANY SECRETARY

Ms. Chan Yuen Ying, Stella

AUDITOR

PricewaterhouseCoopers

董事局 執行董事

田明先生(主席)
向炯先生(總裁)
申樂瑩女士(聯席總裁)
謝遠建先生
周勤女士

非執行董事

鄒益民先生

獨立非執行董事

許小年先生
丁遠先生
李均雄先生

審核委員會

丁遠先生(委員會主席)
許小年先生
李均雄先生
鄒益民先生

薪酬委員會

李均雄先生(委員會主席)
田明先生
許小年先生
丁遠先生
周勤女士

提名委員會

田明先生(委員會主席)
許小年先生
丁遠先生
李均雄先生
鄒益民先生

公司秘書

陳婉縈女士

核數師

羅兵咸永道會計師事務所

PRINCIPAL REGISTRAR

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

BRANCH REGISTRAR

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

PRINCIPAL BANKERS

Bank of China Limited
China Merchant Bank Co. Ltd.
Hang Seng Bank Limited
Standard Chartered Bank (Hong Kong) Limited
Wing Lung Bank Limited

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton, HM11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

STOCK CODE

Hong Kong Stock Exchange: 106

WEBSITE

<http://www.landsea.hk>

主要過戶處

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

過戶分處

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

主要往來銀行

中國銀行股份有限公司
招商銀行股份有限公司
恒生銀行有限公司
渣打銀行(香港)有限公司
永隆銀行有限公司

註冊辦事處

Clarendon House
2 Church Street
Hamilton, HM11
Bermuda

香港總辦事處及主要營業地址

香港
中環皇后大道中99號
中環中心51樓5103室

股份代號

香港聯合交易所：106

網址

<http://www.landsea.hk>

CHAIRMAN'S ACCOLADES AND AWARDS AND EVENTS REGARDING TO LANDSEA GROUP'S 2016 EVENTS ON GREEN PROPERTIES

主席的榮譽及獎項及與朗詩集團下綠色地產2016事記



CHAIRMAN'S ACCOLADES OR AWARDS IN 2016

1. On 15 February 2016, Nanjing Landsea Property was awarded the National First-grade Property Management Qualification.
2. On 22 March 2016, Landsea ranked 52nd in the 2016 China's Top 500 Real Estate Developers, and ranked fourth among the Top 10 Operation Performance.
3. On 24 March 2016, Landsea Green Property was on the list of Top 100 China Real Estate Enterprises for the sixth consecutive year, and gained the Outstanding Enterprise for Asset-light Operation Award as well as Outstanding Enterprise for Operation Efficiency Award.
4. On 30 and 31 March 2016, Landsea Bruck passive house gained the China's first EDGE Certification granted by the World Bank as well as the China's first Platinum Certification by DGNB.

2016主席的榮譽或獎項

1. 2016年2月15日，南京朗詩物業成功獲取了國家壹級物業管理資質。
2. 2016年3月22日，2016中國房地產500強測評發佈朗詩位列第52名，同時獲得「運營績效10強」第四名。
3. 2016年3月24日，朗詩綠色地產連續六年入圍中國房地產企業百強名單，並榮膺「輕資產運營優秀企業獎」和「運營效率優秀企業」獎。
4. 2016年3月30日－31日，朗詩布魯克被動房獲世界銀行頒發中國首個EDGE認證及德國可持續建築委員會(DGNB)頒發的中國首個鉑金認證。



- | | |
|--|---|
| <p>5. On 9 June 2016, Landsea's design institutes gained the 2016 Ashden International Award.</p> <p>6. On 22 June 2016, Landsea Green Property entered the 2016 Top 10 Professional Feature Community Service Providers in China.</p> <p>7. On 29 June 2016, Landsea entered the 2016 Value List of Listed Real Estate Corporation Equity Investment, and was assessed as No.1 in terms of growth potential.</p> <p>8. On 29 July 2016, Landsea gained the honors of 2016 Top 10 Green Real Estate Enterprises (Residence) in China and 2016 Model of Green Property Operation in China.</p> <p>9. On 9 December 2016, Landsea's design institutes received another two awards.</p> <p>10. On 28 December 2016, Landsea was awarded the 2016 Steady Real Estate Enterprise of the Year.</p> | <p>5. 2016年6月9日，朗詩設計院榮獲2016國際艾希頓獎。</p> <p>6. 2016年6月22日，朗詩綠色物業榮獲2016中國社區服務商·專業特色榜10強。</p> <p>7. 2016年6月29日，朗詩榮登《2016上市房企股權投資價值榜》，獲評成長能力第一名。</p> <p>8. 2016年7月29日，朗詩榮獲2016中國綠房企（住宅）10強、2016中國綠色地產運行典範兩項榮譽。</p> <p>9. 2016年12月9日，朗詩設計院再獲二項殊榮。</p> <p>10. 2016年12月28日，朗詩榮獲2016年「年度穩健地產企業」。</p> |
|--|---|

CHAIRMAN'S ACCOLADES AND AWARDS AND EVENTS REGARDING TO LANDSEA GROUP'S 2016 EVENTS ON GREEN PROPERTIES 主席的榮譽及獎項及與朗詩集團下綠色地產2016事記



LANDSEA GROUP'S 2016 EVENTS ON GREEN PROPERTIES

1. On 22 February 2016, Landsea US completed delivery of the Sunnyvale project at Silicon Valley, fulfilling layout in the central region of Silicon Valley, California, the US.
2. On 30 and 31 March 2016, Landsea, together with Longlv, attended the Green Building Conference, where Landsea took the lead to explore the path for the Marketization of Green Residence.
3. On 26 April 2016, the National Twelfth Five-Year Project — “Research and Demonstration of the Control over Interior Healthy Environment and Key Techniques for Improvement”, in which Landsea participated, passed the acceptance conducted by the panel.
4. On 28 April 2016, Shanghai Green Fir Investment completed acquisition of the business property at Shanghai Changfeng Ecological Business District.

朗詩集團綠色地產2016事記

1. 2016年2月22日，朗詩美國成功完成矽谷森尼維爾項目的交割，佈局美國加州矽谷腹地。
2. 2016年3月30日及31日，朗詩聯手朗綠亮相綠建大會，朗詩領銜探討綠色住宅市場化之路。
3. 2016年4月26日，朗詩參與的國家十二五項目「建築室內健康環境控制與改善關鍵技術研究與示範」正式通過專家組驗收。
4. 2016年4月28日，朗詩青杉投資成功收購上海長風生態商務區商業辦公物業。



5. On 20 May 2016, Landsea Green Property hosted the 2016 Supplier's Conference featuring "Win-win Cooperation, Shape the Future", in which approximately 300 suppliers were present.
 6. On 5 June 2016, Landsea, Vanke, SEE Foundation, CURA and CRECC initiated the "Green Supply Chain Act of Real Estate Industry" in a joint effort, leading a green transformation in the industry.
 7. On 11 July 2016, Landsea Nanjing Charity Fund Club established the Landsea Education Fund in collaboration with Southeast University Education Foundation.
 8. On 8 September 2016, the AVORA Project in New York, the US, was launched globally.
 9. On 8 September 2016, the signing ceremony of the Urban Renewal Strategic Cooperation between CITIC Capital and Landsea was held in Shanghai.
5. 2016年5月20日，朗詩綠色地產以「合作共贏•共創未來」為主題舉辦了2016年度供應商大會，約300多位供應商到場參會。
 6. 2016年6月5日，朗詩、萬科、阿拉善SEE基金會、中城聯盟、全聯房地產商會聯合發起「房地產行業綠色供應鏈行動」，引領行業綠色轉型。
 7. 2016年7月11日，朗詩公益基金攜手東南大學教育基金設立「朗詩教育基金」。
 8. 2016年9月8日，美國紐約AVORA項目全球發售。
 9. 2016年9月8日，中信資本與朗詩就城市更新戰略合作簽約儀式在上海舉行。

CHAIRMAN'S ACCOLADES AND AWARDS AND EVENTS REGARDING TO LANDSEA GROUP'S 2016 EVENTS ON GREEN PROPERTIES

主席的榮譽及獎項及與朗詩集團下綠色地產2016事記



- | | |
|---|---|
| <p>10. On 19 September 2016, Landsea reached the peak of the Four Maiden's Mountain once again.</p> <p>11. On 3 November 2016, Landsea released Anti-Corruption Announcement, upholding the principal of honesty and integrity and stepping up anti-corruption actions.</p> <p>12. On 16 November 2016, SEE's entrepreneur delegation joined in UNFCCC to show the resolution for emission cut.</p> <p>13. On 22 November 2016, Landsea Green Bud Act was launched.</p> <p>14. On 20 December 2016, Landsea Green Property introduced the first project to its Urban Renewal Property Investment and Management Platform, which was a major step forward in the real estate financial sector.</p> | <p>10. 2016年9月19日，朗詩再次登頂四姑娘山。</p> <p>11. 2016年11月3日，朗詩發佈反腐公告，奉行陽光法則，繼續加大反腐敗力量。</p> <p>12. 2016年11月16日，阿拉善SEE企業家代表團走進聯合國氣候大會，顯示減排決心。</p> <p>13. 2016年11月22日，「朗詩綠色蓓蕾行動」正式啟動。</p> <p>14. 2016年12月20日，朗詩綠色地產向旗下城市更新物業投資管理平台注入首個項目，邁出地產金融領域關鍵一步。</p> |
|---|---|



- | | |
|--|--|
| <p>15. On 23 December 2016, Landsea was granted a credit extension of RMB6.0 billion by China Minsheng Bank, representing a strong-strong cooperation between the real estate sector and the financial sector.</p> <p>16. On 30 December 2016, Landsea planned on offering free upgrade to the haze elimination system in delivered communities.</p> | <p>15. 2016年12月23日，朗詩獲民生銀行授信人民幣60億元，地產與金融強強聯合。</p> <p>16. 2016年12月30日，朗詩計劃免費升級已交付樓盤除霾系統。</p> |
|--|--|

CHAIRMAN'S STATEMENT

主席報告



TIAN MING 田明
Chairman 主席

Dear Shareholders,

I am pleased to present the review of annual results for the year ended 31 December 2016 and the prospects for 2017 of Landsea Green Properties Co., Ltd. ("Landsea" or the "Company") and its subsidiaries (collectively, the "Group").

REVIEW OF 2016

From the beginning of the year to early October, the market was extraordinarily bullish. Both the property and land prices continued to surge to new highs. The market was then heavily impacted by the aggressive control measures imposed by the central government to regulate the market. In response to these situations, Landsea continued its strategy of business reform and explored the new business model 2.0. Not only achieving operating results, the Group also made remarkable progresses and breakthroughs in project development, product research and development, financial innovation, environmental protection and public welfare as well as community building.

各位股東

本人欣然向各位股東提呈朗詩綠色地產有限公司（「朗詩」或「本公司」），連同其附屬公司（統稱「本集團」）截至二零一六年十二月三十一日止年度業績回顧與二零一七年展望。

二零一六年回顧

二零一六年年初到十月長假期間，市場異常火熱，房價攀升、地王頻出；之後中央政府持續出台重磅調控措施，下調力度也超出市場的普遍預期。在此宏觀形勢下，朗詩繼續堅定執行轉型戰略、探索2.0版商業模式，不僅經營業績達成，並且在項目拓展、產品研發、金融創新、環保公益、組織建設等方面都取得了諸多進步與突破。



OPERATING RESULTS

During the period under review, revenue of the Group amounted to RMB4,845 million, representing an increase of 170.2% as compared to the corresponding period of last year. The income from property development and management services was approximately RMB623 million, including income from independent third parties or cooperative partners of approximately RMB549 million. The profit of the Company for the year was approximately RMB607 million, representing a year-on-year increase of approximately 26.5% (restated). Moreover, the Group recorded contracted sales under “Products of Landsea” (products using the brand of the Group and project operated by the Group) of approximately RMB28,349 million with contracted gross floor areas of approximately 1,646,000 square meters for the year ended 31 December 2016.

經營業績

回顧期內，本集團營業額達人民幣48.45億元，較去年同期上升170.2%。項目開發管理服務收入約為人民幣6.23億元，該項收入中向獨立第三方或合作方收取的項目開發管理費約為人民幣5.49億元，本公司年度利潤約為人民幣6.07億元，同比增長約26.5%（經重列）。此外，本集團截至二零一六年十二月三十一日止年度「朗詩出品」（指品牌、項目操作等均由本集團負責）之合同簽約銷售額約為人民幣283.49億元，合同簽約建築面積約為164.6萬平方米。

CHAIRMAN'S STATEMENT

主席報告

DEVELOPMENT STRATEGY

Stepping into the second year of the full execution of Landsea's new strategy, the Group continued the development strategy of "product-diversification, asset-light transformation and market-internationalization" and further explored the new business model 2.0 and project development.

Product-diversification

The technology of green construction has been the core value and the foundation of the strategy of Landsea. Based on market and customer research, Landsea differentiated its products from competitors by providing conventional properties with additional values of health, comfort, energy-saving and environmental protection. Meanwhile, Landsea developed green products under the principle of "construction first and equipment later". Landsea maintained its leading position in green construction through upholding diversification development strategy in green technology property. Different products of the Group are developed for different regions, climates, cities, customers and market conditions to facilitate asset-light transformation.

Asset-light transformation

Asset-light transformation is a business cooperation and profit and risk sharing model. Leveraging on its competence, expertise, brand value and distinctive products in green construction, Landsea cooperated with financial institutions and developers and other enterprises to have complement in terms of resources in property development under various arrangement, such as minority interest cooperation, joint development and entrusted development.

Market-internationalization

The Group took the chance to enter into the United States market in 2013. During the period, the Company established the U.S. branch of Landsea, which further improved the sales performance and facilitated the international expansion strategy of the Company. Entry into the U.S. market was a well-planned strategic move of Landsea as the market has a stable political and business environment and the market is highly-regulated. It is the intention of Landsea to stay in the market for long term development as one of the major developers in the United States. Currently, the Group has seven development projects in first-tier cities of the United States (including greater New York, Boston, San Francisco and Los Angeles) which cover urban high-end apartments and suburban villas with total GFA of approximately 310,000 square meters.

發展戰略布局

二零一六年是朗詩新戰略全面鋪開的第二年。本集團繼續實施「產品差異化、資產輕型化、市場國際化」的發展戰略，並進一步探索2.0版商業模式及項目拓展。

產品差異化

綠色建築一直是朗詩的核心能力，也是朗詩整體戰略立足的根本。朗詩通過市場及客戶需求研究，在實現建築常規價值的基礎上，打造「健康、舒適、節能、環保」的差異化產品價值，做到「好上加好」；並堅持「先上建築、再上設備」的原則，打造綠色產品。朗詩始終堅持綠色科技地產的差異化發展戰略，保持在綠色建築領域的領先地位，本集團的產品應用範圍將根據不同區域、氣候、城市、客群、及業態不斷推陳出新，借此推動輕資產化轉型。

資產輕型化

朗詩的資產輕型化是指利用朗詩在綠色建築領域積累的能力、經驗、品牌以及差異化產品的競爭優勢，與金融機構、開發商等各類型企業合作，資源互補，大力開展小股操盤，合作開發，委託開發等不同類型的業務模式，實現風險共擔，收益共享。

市場國際化

朗詩集團在二零一三年搶得先機，進入美國房地產市場。本公司於期內完成注入朗詩集團的美國事業部，增加本公司的銷售業績，踐行市場國際化戰略。朗詩進入美國並非權宜之計，而是看中美國穩定的政治商業環境，規範的房地產市場，並致力於在美國市場長期發展，進入美國本土主流開發商的行列。至今，本集團在美國一線門戶城市如大紐約地區、波士頓、舊金山和洛杉磯已有七個開發項目，涵蓋城市高端公寓和近郊別墅等類型開發，總建築面積約為31.0萬平方米。

As at the end of 2016, the investment assets of the U.S projects accounted for 23.9% of the Group's total assets. The Group will continue to increase investment in the property development projects in the United States. In 2016, the total recognised sales of projects in the United States amounted to approximately RMB287 million, with recognized sales areas of 10,199 square meters. The internationalization of the Group has achieved initial success.

Project expansion

The Group continued its strategy of “put the mainstream aside and take up the alternative”. Property and land price surged rapidly last year in general. Landsea avoided to invest in projects of high risks by refraining from buying king of land and acquiring and merging land reserve in private market. As at the end of 2016, the Group had acquired a total of 25 projects. The Group has invested and developed a total of 38 projects with total GFA of approximately 6,796,000 square meters. Calculated according to equity interests, the gross floor areas of the land reserve of the Group was approximately 2,854,000 square meters. As at the end of 2016, the Company had entered into a development management and technology master contract with a value of approximately RMB1,200 million together with a possible share of revenue in excess of sales target.

Product innovation

In addition to development of new projects, Landsea attached importance to product innovation. By further improving green construction and upholding the ideology of harmonious balance between human and nature, Landsea applied the passive house standards in projects in Tianjin in Northern China, Hangzhou and other cities along Yangtze River and developed a new product application system suitable for the local climate. In addition to Shanghai New Mansion and Nanjing Landsea Xihua Mansion, the Group applied Landsea Screen to Hangzhou Xihua Mansion Project. Temperature, humidity, PM2.5, formaldehyde, VOC and CO₂ indices can be shown on the screen. Landsea Screen can also display outdoor climate, property information, and function as a video intercom and smart control and will be an icon of green construction of Landsea.

During the year, the Group completed the preparation of “Airtight Standards of Landsea Products” (朗詩產品氣密性保障體系), the Standard Manual of Products and the Manual of PM2.5 Control System. In addition, the Company continued to conclude the concepts and application of products through the study of the process of product diversification for product upgrade and innovation using local and overseas advanced green construction.

截至二零一六年年末，美國項目投資資產已佔本集團總資產的23.9%，本集團並將持續加大在美國房地產的投資。二零一六年全年美國項目已錄得確認銷售收入約為人民幣2.87億元，確認銷售面積為10,199平方米，本集團市場國際化的戰略佈局已初見成效。

項目拓展

本集團採取「讓開大道、佔領兩廂」的策略。去年大部分市場房價和地價普遍快速上漲，朗詩避開了高風險投資，堅持不做地王，轉而在非公開市場進行存量項目的收購及併購。截至二零一六年年末，本集團一共新獲取了25個項目，由本集團投資及開發項目數量累計已達38個，項目總建築面積約679.6萬平方米，按權益計算本集團土地儲備總建築面積為約285.4萬平方米。另外截至二零一六年年末，本公司簽訂了金額約人民幣12億的開發管理及整合服務合同，如銷售目標實現後還可能享有超額收益分成。

產品創新

朗詩在拓展新項目的同時重視產品創新，遵循天人合一、和諧共生的理念，進一步提升完善綠色建築科技。期內將被動式建築運用於北方的天津、長江流域的杭州等城市，與當地獨特的氣候特點相互結合，研發出新的產品應用設計體系。另外，繼在上海新西郊項目及南京熙華府項目，本集團期內並實現杭州熙華府等一系列項目上朗詩屏的應用。朗詩屏可將溫度、濕度、PM2.5、甲醛、VOC、CO₂等指標實時顯示在屏幕上，該顯示屏還將室外氣候指標、物業信息、可視對講、智能化控制等功能集於一身，朗詩屏今後將成為朗詩綠色建築的產品標配。

與此同時，本集團年內並完成朗詩產品氣密性保障體系的制定、編製了產品系標準化手冊、PM2.5控制體系手冊，同時繼續總結探討產品在差異化歷程中形成的產品理念和產品應用經驗，進一步結合國內外先進的綠色科技建築，實現產品升級與創新。

CHAIRMAN'S STATEMENT

主席報告

Finance innovation

The Group optimized and adjusted its debt structure to reduce its financing cost of debts and maximise the profitability of its projects. The development of projects was therefore promoted. In addition, the Group established long-term and stable partnerships with a number of large domestic and overseas financial institutions, in order to develop diversified real estate financial products and create a win-win situation, laying a solid foundation for the long-term and stable development of the Company.

In 2015, Landsea was exploring opportunities to develop old properties revitalization and upgrade in the heart of Shanghai. We aimed to enhance the value of products by applying the diversified products in order to demand higher prices. In the first and second-tier cities in China, there are many old buildings requiring redevelopment. For buildings allowed to be redeveloped into residential buildings, hotels, office buildings, hospitals and house for the elderly, the Group can apply its green construction. Based on the successful cases and the market research, during the year, the Group entered into a cooperation agreement for urban redevelopment with a leading financial institution in China. It is the objective of the Group to become a vertically integrated real estate developer by enhancing its capability in investment and financing, development, property management and the sustainability of its operation.

Environmental protection and public welfare

On the World Environment Day in 2016, Landsea and four other entities jointly initiated the “Green Supply Chain of Real Estate Campaign” (“中國房地產行業綠色供應鏈行動”) (the “Green Supply Chain”). The “White Paper on Procurement of Green Supply Chain in Real Estate Industry in China” introduced by the Green Supply Chain regulates the tender and procurement contract of real estate industry, and requires the adoption of green procurement standards in tender and selection of suppliers based on their performance on environmental protection.

As at the end of December 2016, 71 real estate enterprises have joined the Green Supply Chain. In 2015, the sales of these enterprises amounted to approximately RMB1.3 trillion, accounting for approximately 15% of the total sales of real estate industry in China and 30% of that of the top 100 enterprises, and involving over 2,000 enterprises relating to the industry chain.

金融創新

本集團進行了債務結構優化與調整，降低債務的融資成本，提高了項目的盈利能力，促進了項目的規模發展。同時，本集團與諸多國內外大型金融機構建立了長期穩定的合作關係，共同打造靈活多樣的房地產金融產品，實現了雙方共贏的局面，這也為公司長期穩定的發展奠定了堅實的基礎。

在二零一五年，朗詩嘗試通過使用差異化的產品在上海核心地段進行舊有物業改造升級，實現產品價值提升，獲得更高的產品溢價收益。我們相信在中國一二線城市舊樓改造的市場前景廣闊，業態不限於住宅物業、酒店、寫字樓、醫院、養老公寓等領域，非常適合應用朗詩綠色建築。借此成功案例及市場調研，於年內，本集團與國內大型金融機構聯手簽署城市更新戰略合作協議。本集團希望通過提升投融資、開發、物業經營管理、持續發展等能力，成為縱向一體化的綜合性房地產開發服務商。

環保公益

二零一六年的世界環境日當天，朗詩聯合其他4家機構／企業發起「中國房地產行業綠色供應鏈行動」（簡稱「綠鏈行動」）。綠鏈行動組織制定的《中國房地產行業綠色供應鏈採購標準白皮書》中，規定了房地產企業修訂相關的招標、採購合同，將綠色採購標準納入供應商的招標和評估等環節，將供應商的環境表現作為篩選標準之一。

截至二零一六年十二月底，已有71家房地產企業加入該綠鏈行動，這些企業在二零一五年銷售額近人民幣1.3萬億元，約佔中國房地產行業總規模15%左右，房地產百強企業佔比30%，涉及到產業鏈的相關企業達2千家以上。

In the future, the Green Supply Chain will focus on industry cooperation through information sharing on a green supply chain information platform. Environment management tools will be developed and managed by third parties to regularly disclose carbon emission and relevant environmental information, information about substandard suppliers and recommend suppliers, and formulate and issue “whitelist” of green purchase. In addition, it will turn environmental risks into opportunities and reduce environmental risks of real estate developers and suppliers. More enterprises will be invited to join the Green Supply Chain to achieve higher environmental benefits.

In November 2016, Landsea participated in the 22nd session of the Conference of the Parties of the United Nations Framework Convention on Climate Change held in Marrakech, a city in southern Morocco. At the conference, the Company addressed the keynote which emphasized the responsibilities and obligations of human for environmental protection and sustainable development of the earth.

Human resources construction

Career development of employees is the prerequisite of the development of Landsea. Adhering to its people-oriented philosophy, the development of the Company always focuses on the interest of its employees. By providing fair opportunities for the growth and development of employees, the Company strives to serve as a platform for the display of their talents. Through developing its corporate culture and setting up protection system and incentive mechanism, Landsea has become the homeland of its employees. As the real estate business model 2.0 further developed, the number of asset-light projects increased rapidly. Financial resources are no longer a single factor hindering the growth of Landsea. However, human resources and team building have become the major factors for the business development of Landsea. During the year, we prepared the Cultural Strategic Manual for the transformation and upgraded strategy of “product-diversification, asset-light transformation and market-internationalization”. All staff of the Group are required to learn and pass an examination. We also set up officer training teams, namely (the Chief Force) 虎賁營, (the Director Force) 龍驤營, (the Sales Team) 營銷營 and (Construction Force) 魯班營; Such teams aimed at developing expertise in project development and operation and services, in order to ensure effective supply of human resources for the rapid development of the Company.

綠鏈行動的未來行動方向，將更側重行業合作，實現信息共享，建立綠色供應鏈信息平台，開發環境管理工具由第三方管理，定期披露供應商碳排放及相關環境信息，共享不達標供應商和推薦供應商信息，並定期形成和發佈綠色採購「白名單」，同時化環境風險為機遇，降低房地產商和供應商環境風險，吸引更多企業加入，實現更大規模環境效益。

二零一六年十一月，朗詩參加了在摩洛哥南部城市馬拉喀什召開的《聯合國氣候變化框架公約》第22次締約方大會。在會上，本公司做了主旨發言，強調人類為地球環境保護和可持續發展所秉承的責任和使命。

人力資源建設

員工成長是朗詩發展的前提，本公司一直秉持以人為本的價值理念，企業的行為以人為出發點和回歸點，為員工的成長和發展提供公平的機會，努力為更多優秀人才提供搭建施展才華的舞臺。通過文化引導、制度保障、機制激勵，努力使朗詩成為奮鬥者的「家園」。隨著房地產2.0版商業模式逐漸成熟，本集團輕資產項目不斷快速擴張，資金將不再是制約朗詩發展的單一因素，人力資源和團隊建設將成為促進朗詩發展的核心因素。年內，我們圍繞「產品差異化、資產輕型化、市場國際化」的轉型升級戰略編制了文化戰略手冊，並在集團範圍內開展全員學習、考評。公司成立了幹部教導團，下設虎賁營、龍驤營、營銷營和魯班營，重點培養項目開發、運營服務等核心人才，確保本公司在快速發展下人力資源的有效供給。

CHAIRMAN'S STATEMENT

主席報告

OUTLOOK FOR 2017 MACRO ECONOMY

In 2016, the global economy remained stagnant and it was still far from recovery. In particular, with the uncertainties added by the change of government in the United States together with the uncertainties on the elections in European countries, the recovery of the global economy will have greater challenges.

In 2017, the economic policy and strategy of China are to maintain its stable economic growth so as to curb speculation and to stabilize the market. It is expected that the Chinese government will take measures to prevent devaluation of Renminbi and capital outflow, to speed up the reduction of production capacity and inventories, to encourage private investment as well as to curb the fall in exports since March 2016.

It is expected that property investment will be affected by the stricter risk prevention measures in the real estate market. Measures will be taken to prevent overheat in the market in a timely manner and supportive policies will be provided to support the market in unfavorable circumstances. As such, the real estate market in China is characterized by frequent but short-term cyclical fluctuations. In general, the real estate industry is exposed to increasing risks.

In respect of local investment, construction of infrastructure remains an important strategy for the government to support economic growth. It is expected that property investment will suffer from the stricter risk prevention measures in the real estate market. In respect of consumption, demand of services will increase as household income is on the rise and consumption pattern is changing. Consumption will have greater contribution to economic growth. However, the import and export activities will be affected by various negative factors such as trade protectionism and weak demand.

We expect that the prices and sales volume of properties in most of the first and second tier cities will maintain steady growth while the recovery in the third tier cities remains uncertain. In the long run, the housing demands in the first and second tier cities in China will remain strong. As the real estate industry remains one of the pillar industries of China, it is reasonable that the government will support the industry through regulatory measures. Measures will be taken to prevent overheat in the market and supportive policies will be provided to support the market in unfavorable circumstances. As such, the real estate market in China is characterized by frequent but short-term cyclical fluctuations. In general, China will continue its supply-side structural reform in 2017 in order to facilitate the change from old to new economy. Risk prevention measures will be adopted while the government works to maintain economic growth. It is expected that the annual GDP growth rate will slow down but will remain at above 6.5%.

二零一七年展望 宏觀經濟形勢

二零一六年全球經濟處於停滯狀態，均仍不足以帶動全球復蘇。特別在美國新政府輪替後對經濟影響增加不確定性、及歐洲等國進入等不確定因素、使得全球經濟復蘇態勢即將面臨更大的挑戰。

二零一七年政策面「穩」字當頭，穩增長、穩預期、穩市場將是中國經濟政策的重點。預計中國政府將防範人民幣貶值和資本外流風險，加快去產能和去庫存步伐，增加民間投資積極性，並加大力度來防止外貿出口繼二零一六年三月後持續性下滑。

樓市風險防範日益加強的背景下，預計房地產投資將相對受到一定的影響。當行業過熱時政府會及時調控，而行業遇冷影響經濟時則會加大扶持力度。因此，中國房地產市場會經常呈現短週期波動的特徵。整體而言，房地產行業風險愈益嚴重。

對內投資方面，基礎設施建設投資依舊是政府穩定經濟增長的重要策略，而在樓市風險防範日益加強的背景下，預計房地產投資相對將受到一定的不利影響；消費方面，隨著我國居民收入水平的不斷提高以及消費結構的不斷改善，服務性消費需求將不斷釋放，將進一步提升消費對經濟的拉動作用；但貿易保護主義抬頭，進出口方面將存在外需疲弱等諸多不利因素。

我們預期大部分的一二線城市價量仍然平穩增長，但三線城市的復甦則難以確定。長遠而言，中國一二線城市的住房需求依然旺盛。房地產現時仍然將是中國的支柱產業，政府政策有保有控是常態。行業過熱時調控，行業遇冷而影響經濟則會扶持。因此，中國房地產市場會經常呈現短週期波動的特徵。總體來看，2017年中國將繼續推進供給側結構性改革，促進新舊動能的轉換，在著力穩增長的同時注重風險防範，全年GDP估計增速或有所下降，但預計仍將保持在6.5%以上。

LANDSEA'S APPROACH

In view of the grim external environment, the Group will fully employ its strengths in internal resources and social resources to facilitate an efficient corporate development. In the pursuit of the development strategy of “product-diversification, asset-light transformation and market-internationalization”, Landsea will actively explore and implement new business model to create a win-win situation with our partners. 2017 marks the endeavours of the Group in cooperation and partnership. Landsea needs to reform and upgrade instead of changing our profession. Our reform and upgrade are to enhance our professionalism and financialization in order to build a new business model of version 2.0.

In respect of business expansion, the Group will vigorously develop various businesses such as projects with minority interests, joint development, entrusted development and acquisition and merger, with a view to raising asset values and enhancing its capability of merger and acquisition. The second hand market in major cities in China has been growing and there are high housing stocks. Landsea will strive to explore new businesses along with its reforms. The Group has established an asset operation department to operate office buildings, commercial properties and property leasing businesses. Through reform of traditional property development and innovation of new businesses, Landsea seeks to enhance its vertically-integrated expansion in property development to remain competitive in the market and achieve a leading and all-time new business model of version 2.0.

In respect of product development, the Group will position itself as a resources integrator to integrate external resources such as designers, supervisors and contractors with a view to building a four-in-one project management and control system covering “quality, construction period, cost and safety”. The Company will also strengthen the control of projects under our management. The kick-off meeting, positioning meeting, planning and drafting meeting and quality control meeting of a project will be strictly examined and reviewed in accordance with existing standards.

朗詩的應對之道

在面臨嚴峻的外部環境時，本集團將充分發揮自身的資源稟賦，並結合社會資源，促進企業的高效運轉。在繼續推行「產品差異化、資產輕型化、市場國際化」發展戰略的同時，朗詩將積極探索、實施新的商業模式，與合作者共贏。二零一七年是本集團的「合作夥伴年」。朗詩需要轉型升級，但轉型不等於轉行。轉型升級是要在房地產行業裡提升專業化、金融化程度，打造2.0版商業模式。

在拓展體系建設方面，大力開展小股操盤、合作開發、委託開發、收購併購等各種業務類型，提升發現資產價值和收購併購的能力。同時，中國主要核心城市已經迎來二手房和存量房時代，朗詩在變革中積極開展新業務，找尋新的增長點。本集團成立了資產運營事業部，培養寫字樓、商業、租賃型物業的運營能力。朗詩希望通過在傳統地產開發以及新業務方向的轉型和創新，打造房地產開發縱向一體化的能力，在市場競爭中贏得一席之地，實現2.0版商業模式下的領先及超越。

在產品體系建設方面，以資源整合者的定位，整合設計師、監理單位和總包單位等外部資源，打造「質量、工期、成本、安全」四位一體的项目管理控制體系。加強操盤項目管控，項目獲取後嚴格執行項目啟動會、定位會、規草會、水平會，依據既定成功標尺對項目進行嚴格考核。

CHAIRMAN'S STATEMENT

主席報告

In respect of marketing and sales system, the Group upholds its philosophy of “products for fast sales” to strengthen the construction of organization. A professional sales agency platform will be established.

The Group will implement a “banyan tree scheme” which is a structure comprising investment, finance, development, operation and sustainable development of our real estate business. The scheme will build up sub-brand systems covering design, decoration, property, property financing services as well as elderly care services. As such, the Group will become a leading enterprise having different promising businesses organized as a “banyan tree forest” in an ecosystem.

ACKNOWLEDGEMENT

2016 is the fifteenth anniversary of Landsea Group. It has grown into a big tree since its inception in 2001. Landsea exerted great efforts in becoming an international real estate development services company with capability for developing green products as well as expertise of vertical integration, hoping everyone will witness its transformation. The continuous support from the society and valuable contribution from the dedicated staff at all levels are essential to the strong and sustainable development of the Group. On behalf of the Board, I would like to take this opportunity to extend our heartfelt gratitude to our staff, shareholders, investors and business associates for their support. We will continuously strive to create value for our customers, staff, shareholders and other stakeholders.

We draw to your attention that the Group will issue its environmental, social and governance (ESG) report in June in accordance with applicable rules.

Tian Ming

Chairman of the Board

Hong Kong, 24 March 2017

在營銷體系方面樹立「產品即營銷」的理念。同時，加強組織體系建設，成立專業的銷售代理公司。

實施「榕樹林計劃」，在地產形成投資、融資、開發、運營及可持續發展等縱向一體化組織架構的支撐，打造設計、裝飾、物業、地產金融、養老服務等子品牌體系，各項業務都力爭成為各自細分市場的領頭羊，使之形成「榕樹林」般枝繁葉茂、繁衍共生的生態格局。

致謝

朗詩集團已經度過十五周年生日，二零零一年誕生的小樹苗如今已成長成樹。朗詩致力於成為擁有綠色環保產品能力、具有縱向一體化專業能力的國際化的房地產開發服務企業，希望大家共同來見證。本集團的持續穩健發展離不開社會各界的鼎力支持及全體員工的寶貴奉獻，我謹代表董事局向我們的全體員工、股東、投資者及合作夥伴的支持致以衷心的感謝。我們將不懈努力，持續奮鬥，為客戶、員工、股東及其他利益相關者創造價值。

本集團將於六月份依照規定公開發佈環境、社會及管治(ESG)報告，敬請垂注。

田明

董事局主席

香港，二零一七年三月二十四日

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員簡介

EXECUTIVE DIRECTORS

Mr. Tian Ming

Aged 56, was appointed as the Chairman of the Board and an executive Director on 31 July 2013. He is the chairman of the nomination committee and the sustainable development supervision committee, and a member of the remuneration committee of the Company. He has a Master of Business Administration from China Europe International Business School. Mr. Tian founded Landsea Group Co. Ltd. (朗詩集團股份有限公司) (“Landsea”) in 2001. He is now the largest shareholder and also the Chairman and President of Landsea and its subsidiaries (“Landsea Group”). Mr. Tian has 16 years’ extensive experience in the fields of competitive strategy, operation management and property investment and development. Committed to “green development” and “sustainability”, Mr. Tian is an advocator of environmental protection and pioneer of green technology and property in the industry.

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

Mr. Xiang Jiong

Aged 46, was appointed as an executive Director on 18 November 2013 and the Chief Executive Officer of the Company on 23 February 2014. Mr. Xiang is responsible for the overall operating management of the Group. He holds a Bachelor’s degree of Engineering from Huaqiao University and a Master’s degree of Business Administration from China Europe International Business School. Mr. Xiang joined Landsea Group in 2003, has been the marketing manager, executive marketing director, general manager of Zhejiang region and executive vice president of Landsea Group. Mr. Xiang has over 20 years of working experiences in real estate marketing and operations management.

執行董事

田明先生

現年56歲，於二零一三年七月三十一日獲委任為董事局主席兼執行董事。彼分別為本公司提名委員會及可持續發展督導委員會之主席，及薪酬委員會之成員。田先生持有中歐國際工商學院工商管理碩士學位。彼於二零零一年創辦朗詩集團股份有限公司（「朗詩」），現為朗詩及其附屬公司（「朗詩集團」）第一大股東，亦是董事長兼總裁。田先生在競爭戰略、經營管理、房地產投資和開發方面具有十六年的豐富經驗。田先生篤信「綠色」和「可持續性」，是業界的「綠色佈道者」，是綠色科技地產行業的先鋒。

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

向炯先生

現年46歲，於二零一三年十一月十八日獲委任為執行董事及於二零一四年二月二十三日獲委任為本公司之總裁。向先生全面負責本集團之經營管理。彼為國立華僑大學工學學士，及中歐國際工商學院管理碩士。向先生於二零零三年加入朗詩集團，曾任營銷部經理、執行營銷總監、浙江區域公司總經理及朗詩集團常務副總裁。向先生在房地產營銷及運營管理方面擁有超過二十年的工作經驗。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員簡介

Ms. Shen Leying

Aged 39, was appointed as an executive Director on 31 July 2013 and was re-designated as the Co-Chief Executive Officer of the Company on 23 February 2014. Ms. Shen oversees the Group's investment, financing business, financial management and took the role of the general manager of Qingshan Investment. She has a Master's degree of Media Communication from Shanghai University. Ms. Shen had been working in Gallup Consulting from 2002 to 2011 and had served in the positions such as research and consulting director, member of the Management Committee of Shanghai Office. She led a team to provide management consulting services to over 60 global and mainland well-known enterprises and had provided management consulting services to Landsea Group during 2009 to 2011.

Ms. Shen joined Landsea Group in 2011 and served as the GM of Marketing and Sales Center, GM of Nanjing property regional company, VP-investment and financing, finance management, and legal in Landsea Group. Ms. Shen has more than 15 years' experience in various areas including management consulting, corporate management, market and customer strategy, property development management, investment and financing, financial strategy, etc.

Mr. Xie Yuanjian

Aged 52, was appointed as an executive Director and the Chief Technology Officer of the Company on 31 July 2013. He is a member of the sustainable development supervision committee of the Company. He has a Bachelor of Architecture from Logistical Engineering University of PLA, Masters of Business Administration in China Europe International Business School, and is a national first class registered architect and senior engineer. Mr. Xie joined Landsea Group in 2003 and served as the general manager of R&D and design institute, general manager of product center, and vice president of products in Landsea Group, where he had been in charge of the work related to green architectural products and technology for a long time. Mr. Xie has more than 20 years' working experience in the fields of architectural design and technology R&D.

申樂瑩女士

現年39歲，於二零一三年七月三十一日獲委任為執行董事及於二零一四年二月二十三日調任本公司之聯席總裁。申女士目前負責監管本集團投融資業務及分管財務管理兼任青杉投資總經理。彼為上海大學媒體傳播學碩士。申女士於二零零二年至二零一一年期間任職於蓋洛普(美國)諮詢公司(Gallup Consulting)，並擔任研究諮詢總監、上海公司管理委員會委員等職務，帶領團隊為超過60家全球及大陸知名企業提供管理諮詢服務，並於二零零九年至二零一一年間為朗詩集團提供管理諮詢服務。

申女士於二零一一年加入朗詩集團，曾任朗詩集團市場行銷中心總經理、南京地產區域公司總經理、投融資／財務／法務分管副總裁等職務。申女士在管理諮詢、企業管理、市場與客戶策略、房地產開發管理、房地產投融資及財務管理等多個不同領域擁有超過十五年經驗。

謝遠建先生

現年52歲，於二零一三年七月三十一日獲委任為執行董事及本公司之首席技術官。彼為本公司可持續發展督導委員會之成員。彼為解放軍後勤工程學院建築學學士、中歐國際工商學院工商管理碩士、國家一級註冊建築師及高級工程師。謝先生於二零零三年加入朗詩集團，曾任研發設計院總經理、產品中心總經理及集團產品副總裁，長期負責綠色建築產品技術相關工作。謝先生在建築設計、技術研發方面擁有超過二十年的工作經驗。

Ms. Zhou Qin

Aged 43, was appointed as a non-executive Director on 5 January 2015 and was re-designated as an executive Director on 15 August 2016. She is also a member of the remuneration committee of the Company. Ms. Zhou is also the Chief Human Resource Officer of the Group. Ms. Zhou earned her Executive Master of Business Administration degree from China Europe International Business School in 2001 and MBA degree from Nanjing University. Ms. Zhou has nearly 21 years' experience business development, investment and operation management in real estate. She joined Landsea Group in 2002 and served as the regional general manager in multiple locations, such as Nanjing, Suzhou and Shanghai. After that Ms. Zhou led Landsea Group's global strategic deployment while serving as the assistant to Chairman, general manager of Shanghai Landsea Architecture Technology Co., Ltd., and general manager of Landsea Architecture Design Institute.

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

NON-EXECUTIVE DIRECTOR

Mr. Zhou Yimin

Aged 58, was appointed as a non-executive Director on 17 November 2015. He is a member of each of the audit committee and nomination committee of the Company. He is the chairman and chief executive officer of Ping An Real Estate Company Limited. Mr. Zhou joined Ping An Insurance (Group) Company Of China, Ltd. in early 2010 after spending more than 12 years in Sun Hung Kai Properties Limited, one of the largest global real estate developers headquartered in Hong Kong. During his time at Sun Hung Kai Properties Limited, Mr. Zhou was the director and general manager of Sun Hung Kai Real Estate Development (China) Limited, overseeing its real estate business in the China market and the significant growth in its land bank and investment portfolio. Prior to his term at Sun Hung Kai Properties Limited, Mr. Zhou was the vice chairman of Chu Kong Shipping Enterprises (Group) Co., Ltd. (formerly known as 'Chu Kong Shipping Development Co., Ltd'), which was successfully listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") in 1997. Mr. Zhou graduated from Fudan University with a doctorate degree.

周勤女士

現年43歲，於二零一五年一月五日獲委任為非執行董事及於二零一六年八月十五日調任為執行董事。彼亦為本公司薪酬委員會成員。周女士亦為集團首席人力資源官。周女士於二零零一年畢業於中歐國際工商學院，並榮獲EMBA碩士學位。彼亦擁有南京大學MBA碩士學位。周女士在房地產業務開發、投資和運營管理方面擁有近21年的經驗。於二零零二年，彼加入朗詩集團，曾在南京、蘇州和上海等區域公司擔任總經理。隨後，周女士出任董事長助理，負責朗詩集團海外業務發展，期間曾兼任朗詩上海科技公司，設計院總經理等職務。

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

非執行董事

鄒益民先生

現年58歲，於二零一五年十一月十七日獲委任為非執行董事。彼分別為本公司審核委員會及提名委員會成員。彼為平安不動產資本有限公司之主席及行政總裁。鄒先生於二零一零年初加入平安集團，此前，其曾於全球最大地產開發商之一，總部位於香港的新鴻基地產發展有限公司任職超過十二年。鄒先生於新鴻基地產發展有限公司任職期間，擔任新鴻基地產發展(中國)有限公司之董事及總經理，負責管理中國市場之房地產業務及土地儲備及投資組合之顯著增長。於新鴻基地產發展有限公司任職之前，鄒先生為珠江船務企業(股份)有限公司(前稱「珠江船務發展有限公司」)副主席，該公司於一九九七年成功於香港聯合交易所有限公司(「聯交所」)上市。鄒先生畢業於復旦大學，擁有博士學位。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員簡介

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Xu Xiaonian

Aged 63, was appointed as an independent non-executive Director on 31 July 2013. He is a member of each of the audit committee, the remuneration committee, the nomination committee and the sustainable development supervision committee of the Company. He obtained a PHD of Economics from University of California Davis in 1991. He was the managing director and head of research department in China International Capital Corporation Limited, and senior economist of Merrill Lynch (Asia Pacific) and consultant of World Bank. Currently, Mr. Xu serves as the professor of Economics and Finance in China Europe International Business School and his research areas include macroeconomics, finance, financial institutions and markets, transition economics and China's economic reforms. Mr. Xu is a famous Chinese economist and was granted the highest award of economics study in China, the "Sun Yefang Economic Science Award". Mr. Xu has more than 31 years' experience in economics analysis.

Mr. Ding Yuan

Aged 47, was appointed as an independent non-executive Director on 31 July 2013. He is the chairman of the audit committee of the Company and a member of each of the nomination committee and the remuneration committee of the Company. He has a PHD of Management Science from College of Business Administration, Bordeaux IV University in France. Mr. Ding used to serve as a tenured professor of Accounting and Management Control in HEC School of Management in France. Currently, he is the Vice President and Dean, Cathay Capital Chair in Accounting in CEIBS and the associate editor of European Accounting Review. Mr. Ding is an independent non-executive director of Red Star Macalline Group Corporation Ltd and Man Wah Holdings Limited, the shares the companies are listed on the main board of the Stock Exchange, and has been an independent director of TCL Corporation (TCL 集團股份有限公司), an A-share listed company from June 2008 to August 2014 as well as an independent director of MagIndustries Corp., a TSX listed company in Canada from July 2011 to June 2015. Mr. Ding has more than 11 years' experience in teaching and studying financial accounting, financial statement analysis, corporate governance and M&As.

獨立非執行董事

許小年先生

現年63歲，於二零一三年七月三十一日獲委任為獨立非執行董事。彼為本公司審核委員會、薪酬委員會、提名委員會及可持續發展督導委員會成員。彼於一九九一年獲得美國加州大學戴維斯分校經濟學博士學位。曾任中國國際金融有限公司董事總經理兼研究部主管、美林證券亞太高級經濟學家和世界銀行諮詢師。現任中歐國際工商學院經濟學和金融學教授，研究領域包括：宏觀經濟學、金融學、金融機構與金融市場、過渡經濟及中國經濟改革。許小年先生是中國著名經濟學家，曾獲中國經濟學界最高獎「孫冶方經濟科學獎」，累積逾三十年的經濟學研究經驗。

丁遠先生

現年47歲，於二零一三年七月三十一日獲委任為獨立非執行董事。彼為本公司審核委員會主席及分別為本公司提名委員會及薪酬委員會成員。彼持有法國波爾多第四大學企業管理學院管理科學博士。丁先生曾任法國HEC管理學院會計與管理控制專業終身教授。彼現任中歐國際工商學院副院長兼教務長，法國凱輝會計學教席教授，是《歐洲會計評論》副主編。丁先生在聯交所主板上市的紅星美凱龍家居集團股份有限公司及敏華控股有限公司擔任獨立非執行董事，並曾在二零零八年六月至二零一四年八月間出任A股上市公司TCL集團股份有限公司獨立董事，在二零一一年七月至二零一五年六月期間在加拿大TSX上市公司MagIndustries Corp.，擔任獨立董事。丁先生在財務會計、財務報表分析、公司管治、並購等方面累積超過十一年的教學研究經驗。

Mr. Lee Kwan Hung

Aged 51, was appointed as an independent non-executive Director on 31 July 2013. He is a member of each of the audit committee and the nomination committee of the Company, and the chairman of the remuneration committee of the Company. He received his Bachelor of Laws (Honors) and Postgraduate Certificate in Laws from the University of Hong Kong in 1988 and 1989 respectively. He was then admitted as a solicitor in Hong Kong in 1991 and in England and Wales in 1997, and is currently a practicing lawyer. Mr. Lee is currently a consultant of Howse Williams Bowers. He was a senior manager of the Listing Division of the Stock Exchange from 1993 to 1994. Mr. Lee is experienced in IPOs and corporate financing, including assisting the listing of Country Garden Holdings Company Limited in Hong Kong. Mr. Lee is currently an independent non-executive director of Embry Holdings Limited, NetDragon Websoft Holdings Limited, Asia Cassava Resources Holdings Limited, Futong Technology Development Holdings Limited, Newton Resources Limited, Tenfu (Cayman) Holdings Company Limited, China BlueChemical Ltd., China Goldjoy Group Limited, FSE Engineering Holdings Limited, Red Star Macalline Group Corporation Ltd., and Ten Pao Group Holdings Limited, the shares of which are currently listed on the Stock Exchange. He was an independent non-executive director of Far East Holdings International Limited and Walker Group Holdings Limited until his resignation on 12 November 2014 and 1 April 2016 respectively, the shares of which are listed on the Stock Exchange. He was also an independent non-executive director of Yuexiu REIT Asset Management Limited (the manager of Yuexiu Real Estate Investment Trust) until his resignation on 7 October 2014, the units of the said trust are listed on the Stock Exchange.

李均雄先生

現年51歲，於二零一三年七月三十一日獲委任為獨立非執行董事。彼分別為本公司審核委員會及提名委員會成員，及本公司薪酬委員會主席。彼分別於一九八八年及一九八九年獲得香港大學的法學士（榮譽）學位及法律專業證書，其後於一九九一年取得香港執業律師資格，並於一九九七年取得英格蘭和威爾士執業律師資格，現為執業律師。李先生現為何韋鮑律師行之顧問律師。彼曾於一九九三至一九九四年在聯交所上市科高級經理，李先生對股票上市、公司融資擁有豐富經驗，包括協助碧桂園控股有限公司來港上市之經驗。李先生目前為安莉芳控股有限公司、網龍網絡控股有限公司、亞洲木薯資源控股有限公司、富通科技發展控股有限公司、新礦資源有限公司、天福（開曼）控股有限公司、中海石油化學股份有限公司、中國金洋集團有限公司、豐盛機電控股有限公司、紅星美凱龍家居集團股份有限公司及天寶集團控股有限公司之獨立非執行董事，該等公司之股份於聯交所上市。彼曾任遠東控股國際有限公司及盈進集團控股有限公司的獨立非執行董事（該公司的股份於聯交所上市），直至其於二零一四年十一月十二日及二零一六年四月一日辭任為止。彼亦曾為越秀房托資產管理有限公司（為越秀房地產投資信託基金之管理人）的獨立非執行董事，直至其於二零一四年十月七日辭任該職務為止，上述信託之單位於聯交所上市。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員簡介

SENIOR MANAGEMENT

Mr. Kang Jiadong

Aged 43, was appointed as the Chief Operating Officer of the Company on 17 November 2015. He obtained an MBA degree in Fudan University. Mr. Kang served as marketing officer, general manager of business development department in companies such as Gemdale Corporation, China Vanke Co., Ltd. and Yin Hai Capital – Jiaxing Baorui Properties Limited. He is experienced in resources integration and practical operating in areas like marketing, operation, finance and investment in real estate industry.

Mr. Lu Baoxiang

Aged 42, was appointed as Vice President of the Company and general manager of the Group's property development company in Nanjing on 17 November 2015. He graduated from the Philosophy Department of Nanjing University specialising in Management and Decision. Mr. Lu joined Landsea Group in 2004. He served as director of real estate marketing of Landsea, deputy general manager of Nanjing Real Estate Company, general manager of market customer service center, general manager of property company, general manager of human resource and administrative center, vice president of Landsea Group. Mr. Lu has over 15 years of working experiences in marketing of real estate, human resource management, property management, operation, development and management of real estate.

Mr. Wang Lei

Aged 39, was appointed as the Vice President and general manager of Shanghai district properties company of the Group on 17 November 2015. He graduated from Architectural Engineering Department of Tongji University. He has worked for Country Garden Holdings Company Limited, Jingrui Properties (Group) Limited, China Overseas Land & Investment Limited as regional president, general manager and project manager. He has extensive experience in real estate industry, construction management, corporate governance and project operational management.

高級管理人員

康家東先生

現年43歲，於二零一五年十一月十七日獲委任為本公司首席運營官。彼擁有復旦大學工商管理碩士學位。康先生曾就職於金地(集團)股份有限公司、萬科企業股份有限公司、銀海資本—嘉興寶瑞置業有限公司等企業，歷任行銷負責人、事業部總經理等職，在地產行銷、運營、金融及投資等領域具備豐富的資源整合及實戰運營經驗。

蘆寶翔先生

現年42歲，於二零一五年十一月十七日獲委任為本公司副總裁及本集團於南京物業開發公司之總經理。彼畢業於南京大學哲學系管理與決策專業。彼於二零零四年加入朗詩集團，曾任朗詩地產行銷總監、南京地產公司常務副總經理、市場客服中心總經理、物業公司總經理、人力行政中心總經理、朗詩集團副總裁。蘆先生在地產行銷、人力資源管理、物業管理、房地產經營開發管理等方面擁有超過十五年工作經驗。

王磊先生

現年39歲，於二零一五年十一月十七日獲委任為本公司副總裁及本集團上海地區地產公司之總經理。彼畢業於同濟大學建築工程系。彼曾就職於碧桂園控股有限公司、景瑞地產(集團)股份有限公司、中國海外發展有限公司等企業，歷任區域總裁、總經理、項目經理等職。彼在地產行業、工程管理、企業綜合治理及項目運營管理方面擁有豐富經驗。

Mr. Liu Bin

Aged 47, was appointed as the Chief Financial Officer of the Company on 18 March 2016. He is a graduate of International Trading in Liaoning University and master graduate from Accountancy of Macquarie University in Australia. He is now taking his doctorate degree of International Financing in Xiamen University. He is also a member of Australian Society of Certified Practising Accountants. He had been employed under an accounting firm in Sydney and corporates including, ZTE Corporation, Innotek Technology (China) Limited, as accountant, minister of finance and chief operating officer, etc. With over 15 years of working experiences in the industry, Mr. Liu is equipped with comprehensive knowledge of financing, merger and acquisition, as well as sales strategies locally and globally, and good at cultural exchange.

Mr. Ding Feng

Aged 38, was appointed as the general manager of the project development center of the Company on 17 November 2015. He is a graduate of Civil Engineering Studies from Southeast University and is now studying the EMBA in Nanjing University. Mr. Ding joined Landsea Group in 2006 and was the manager of land project investment department of Landsea Group, the general manager of Landsea Chengdu Property Company and the deputy general manager of the operation center of the Landsea Group, responsible for land investment activities of the Landsea Group. Mr. Ding has extensive working experience in land investment and M&As as well as property development, operation and management.

Mr. John Ho

Aged 35, was appointed as the Vice President and the Chief Executive Officer of the Group in the United States on 18 March 2016. He graduated from USC Marshall School of Business and obtained bachelor degree in Business Administration. He worked in various international renowned real estate investment management and advisory firms including Colliers International, Jones Lang LaSalle. He served as a director, a vice president and the head of PRC business division in Jones Lang LaSalle, and was responsible for the provision of a wide range of services, such as acquisition, consultation, leasing and comprehensive investment management of real estate, to the PRC enterprises focusing on the expansion into the international market.

劉斌先生

現年47歲，於二零一六年三月十八日獲委任為本公司首席財務官。彼於遼寧大學國際貿易本科畢業及於澳大利亞麥格裡大學會計學碩士畢業。目前，彼於廈門大學攻讀國際金融學博士學位。彼亦為澳大利亞註冊會計師協會會員。曾就職於悉尼當地會計師事務所、中興通訊股份有限公司、智慧城市(中國)有限公司等企業，歷任財務會計、融資部長、首席運營官等職務。憑藉超過十五年行內工作經驗，劉先生具備豐富的國際和國內融資併購和營銷策略方面的知識，並擅長文化交流。

丁鋒先生

現年38歲，於二零一五年十一月十七日獲委任為本公司項目拓展中心之總經理。彼於東南大學土木工程專業畢業，現於南京大學攻讀EMBA。丁先生於二零零六年加入朗詩集團，曾任朗詩集團土地項目投資部經理、朗詩成都地產公司總經理、朗詩集團運營中心副總經理，分管朗詩集團土地投資工作。丁先生在土地投資和併購、房地產開發經營管理等方面有豐富的工作經驗。

John Ho 先生

現年35歲，於二零一六年三月十八日獲委任為副總裁兼本集團美國公司首席執行官。彼畢業於美國南加州大學馬歇爾商學院工商管理學院，工商管理學士。先後就職於高力國際、仲量聯行等國際知名房地產投資管理及諮詢公司。在仲量聯行期間歷任總監、副總裁等職務，作為中國事業部負責人，負責為中國企業走出國門提供房地產收購、諮詢、租賃等全方位投資管理服務。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員簡介

Mr. Zhou Qing

Aged 51, was appointed as the Vice President and the general manager of the Beijing company of the Group. He graduated from China Europe International Business School and obtained master degree in Business Administration. Mr. Zhou has served as the Secretary of the General Office of the Ministry of Construction, senior management of Pan-China Group, the chairman of Beijing Pan-China Gauging Project Consultant Co., Ltd. (北京泛華國金工程諮詢有限公司), an independent director of China Zhonghua Geotechnical Engineering Co., Ltd. (中化岩土工程股份有限公司). Mr. Zhou currently serves in various non-government organizations such as a vice president of Beijing Zhongguancun Bairehui Angel Investments Alliance* (北京中關村百人會天使投資聯盟), a deputy director of China District Energy Association of China Association of Building Energy Efficiency* (中國建築節能協會區域能源專業委員會), and is familiar with the real estate industry policies.

COMPANY SECRETARY

Ms. Chan Yuen Ying, Stella

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

周青先生

現年51歲，於二零一六年三月十八日獲委任為副總裁兼本集團北京公司總經理。彼畢業於中歐國際工商學院，工商管理碩士。周先生曾任職國家建設部辦公廳部長秘書、泛華集團高管、北京泛華國金工程諮詢有限公司董事長、中化岩土工程股份有限公司獨立董事等職務。周先生目前仍擔任北京中關村百人會天使投資聯盟副理事長、中國建築節能協會區域能源專業委員會常務副主任等社會職務，熟悉房地產行業政策。

公司秘書

陳婉縈女士

陳女士於二零零六年十一月一日獲委任為本公司之公司秘書及授權代表。陳女士為英國特許秘書公會及香港特許秘書公會的資深會士。彼亦為香港董事學會之會員。陳女士擁有超過二十年處理上市公司秘書實務經驗。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析



Market-
internationalization
市場國際化

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OVERALL PERFORMANCE

The Group continued to enhance the transformation and upgraded strategy of “product-diversification, asset-light transformation and market-internationalization” in 2016. By developing various property projects, the Group achieved satisfactory results in development and sales. For the twelve months ended 31 December 2016, “Products of Landsea” recorded contracted sales amounts of approximately RMB28,348.9 million with contracted gross floor areas of approximately 1,646,470 square meters, representing an increase of 101.4% and 45.8% respectively as compared with the previous year. During the year, contracted sales amount of approximately RMB3,984.1 million and RMB9,366.3 million was derived from the entrusted development management projects with Landsea Group and independent third parties, respectively. The income of the Group for the year amounted to approximately RMB4,845.0 million, representing a significant increase in sales revenue of approximately 170.2% (restated) as compared with the previous year. The profit of the Group for the year amounted to approximately RMB606.8 million, representing an increase of 26.5% (restated) as compared with the previous year.

整體表現

本集團於二零一六年繼續深化「產品差異化、資產輕型化、市場國際化」的轉型升級戰略，積極拓展各種類型的房地產項目，在開發與銷售等方面均取得令人滿意的業績。截至二零一六年十二月三十一日止十二個月，「朗詩出品」實現合約銷售人民幣28,348.9百萬元，簽約建築面積約為1,646,470平方米，合約銷售及簽約建築面積比去年分別上升101.4%及45.8%。於本年內向朗詩集團及獨立第三方提供委託開發管理服務項目之簽約銷售額約分別約為人民幣3,984.1百萬元及人民幣9,366.3百萬元。本集團實現年度收入約為人民幣4,845.0百萬元，較去年大幅上升約170.2%（經重列），實現年度利潤約為人民幣606.8百萬元，比去年增加26.5%（經重列）。

The Group fully implemented the strategy of “product-diversification, asset-light transformation and market-internationalization” in 2016. Satisfactory progress was made for the development management services. Moreover, the property development and management agreement which the Company and Landsea Group entered into in 2014 provided Landsea Group with project development and management services. The project was basically completed after two years. Hence, revenue derived from the property development and management services to Landsea Group significantly decreased by 86.0% for the twelve months ended 31 December 2016. However, after two years of the implementation of the strategy, the Group substantially enhanced its development and management services. The number of entrusted development management contracts entered into with independent third parties increased significantly. The Group obtained development and management service contracts of approximately RMB1,200.0 million in aggregate form which, the Group can gain from extra profit-sharing arrangement after the sales or profit reached the target. Moreover, the revenue derived from the provision of development and management services to independent third parties and cooperating parties increased significantly by 102.6% as compared with the previous year. In 2016, the Group made a good profit of approximately RMB273.0 million arising from the asset-light services projects with independent third parties and with cooperating parties.

The Group has transformed and upgraded into an advanced asset-light enterprise engaging in the provision of development, management and real estate financing services from an asset-heavy real estate developer under the leadership of Landsea Group for over two years. The management considers that the Group is undergoing critical self-development and is highly confident with the existing business strategies. The Group will continue to implement the transformation and upgrade strategy of “product-diversification, asset-light transformation and market-internationalization”. Efforts will be made to facilitate the 2.0 business mode for property development and expand various new projects instead of coveting the land parcels of prime locations in the red-hot market. Capitalizing on its reasonable market layout and existing project portfolio under development, the Group expects satisfactory results in its future business development.

本集團於二零一六年全面實施「產品差異化、資產輕型化、市場國際化」戰略，開發管理服務業務進展順利。其中，本公司與朗詩集團在二零一四年訂立的物業開發管理服務協議，為朗詩集團提供了項目開發及管理服務，經過了兩年的時間，該等項目已基本完成開發，因此截至二零一六年十二月三十一日止十二個月提供予朗詩集團的項目開發管理服務費收入顯著減少86.0%，但同時經過兩年的培育，本集團提供開發管理服務能力得到顯著提升，與獨立第三方訂立之委託開發管理合同數量亦顯著增加，共獲取了約人民幣1,200.0百萬元的開發管理服務合約，銷售或盈利達標後還可以實現超額分成收入。同時，來自獨立第三方及合作方的開發管理服務收入亦比去年顯著上升102.6%，於二零一六年本集團實現了來自於獨立第三方項目及合作方輕資產服務利潤約為人民幣273.0百萬元的不俗成績。

本集團在朗詩集團兩年多的培育下，已從傳統重資產之地產開發商逐漸轉型升級為一家提供開發管理及地產金融服務之資產輕型化的新型企業。管理層認為本集團正處自我發展的關鍵時期，我們對目前的業務策略充滿信心。本集團於今後一段時期將繼續按照「產品差異化、資產輕型化、市場國際化」轉型升級戰略，加大力度，推進地產2.0商業模式，積極拓展各種類型新項目，不會在火爆的市場中爭搶地王。憑藉合理的市場佈局和現有的在開發項目組合，本集團預計業務發展將在未來取得豐厚成果。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS DEVELOPMENT

During the year, the Group acquired a total of 25 projects in Nanjing, Shanghai, Suzhou, Hangzhou, Wuhan, Chengdu, Changsha, Hefei, Tianjin and the US. 18 projects in the PRC (including 12 projects in which the Group held equity interest, 6 development management projects by entrusted independent third parties); 7 projects in the US (including 1 new project and 6 existing projects in the US which were injected into the Group as of January 2016). The Group recorded gross floor areas of approximately 3,777,420 square meters with an increase of approximately 3,208,094 square meters in gross floor areas of projects in which the Group held equity interest and 1,051,265 square meters in gross floor areas attributable to the Group. As at 31 December 2016, the Group had total land reserves with total gross floor areas of approximately 6,796,449 square meters and gross floor areas of approximately 2,854,037 square meters attributable to the Group.

In 2015, the Group participated in the business of old building rehabilitation for the first time. The Group acquired a new project in the western suburb of Shanghai Hongqiao District, which was officially available for sale at the end of 2016 with satisfactory market response. In March 2016, the Group acquired another project of old building rehabilitation in Shanghai Putuo District with total gross floor areas of approximately 18,406 square meters. The project was the first project completed under the investment and management platform for urban renewal properties jointly established by “Green Fir Investment”, the platform of the Group for real estate financing, and CITIC Capital Holdings Limited (“CITIC”) in December 2016. Green Fir Investment and CITIC jointly managed and operated the project as executive partners, and will be entitled to the agreed excess revenue, marking the breakthrough of the Group in the real estate financing sector. Moreover, leveraging on distinctive products together with its capital funds, the Group has developed a business model for rehabilitation of existing buildings and quickly expanded the old building rehabilitation business that has a prosperous market.

業務發展

本集團本年分別於南京、上海、蘇州、杭州、武漢、成都、長沙、合肥、天津及美國共獲取了25個項目，其中中國境內18個（包括本集團錄得權益項目12個，獨立第三方委託開發管理項目6個）；美國項目7個（包括二零一六年新增項目1個及因美國二零一六年一月注入本集團時已有的6個項目）。總建築面積約為3,777,420平方米，其中本集團錄得權益項目新增建築面積約為3,208,094平方米，應佔權益部分建築面積1,051,265平方米。於二零一六年十二月三十一日，本集團擁有土地儲備的總建築面積約為6,796,449平方米，應佔權益部分建築面積約為2,854,037平方米。

本集團二零一五年首次涉足舊樓改造業務，於上海虹橋片區獲取了新西郊項目，該項目已於二零一六年年年底正式開售，市場反應理想。二零一六年三月，本集團成功於上海普陀區獲取另外一個舊樓改造項目，總建築面積約為18,406平方米。於二零一六年十二月，該項目還成為本集團旗下地產金融平台「青杉投資」與中信資本控股有限公司（「中信」）建立之城市更新物業投資管理平台之首個落地項目，青杉投資與中信聯合作為執行事務合夥人共同管理和運營該項目，並將獲得約定的超額收益，標誌著本集團在地產金融領域跨出了實質性的一步。同時，憑藉產品差異化的優勢，並且通過與資本的結合，探索既有建築改造的商業模式，迅速進入舊樓改造這一前景廣闊的市場。

In addition, the Group established a real estate company in Beijing at the end of last year, and acquired two projects with aggregated gross floor areas of approximately 287,489 square meters in Tianjin in January 2016. The real estate company in Beijing was engaged in the business development and operation in North China such as Beijing, Tianjin, Hebei and Shanxi. This indicated that Landsea started to penetrate into the markets in North China from its base along the Yangtze River and was essential to Landsea's expansion of coverage across China.

Furthermore, during the year, the business sector and architectural design companies in the United States were injected into the Group. Its ancillary businesses related to green properties were strategically consolidated, aiming at developing a listed platform with vertically-integrated business focusing on green property development and green services to drive the growth of the Group's sales revenue in the global market. In particular, as at 31 December 2016, the assets of the US business accounted for 23.9% of the Group's assets after the injection of such business. For the twelve months ended 31 December 2016, the total contracted sales of the projects in the US amounted to approximately RMB756,127,000, with sales areas of approximately 16,293 square meters. The income from sale of properties of approximately RMB287,008,000 was recognized during the year, representing a significant increase of approximately 340.7% as compared with 2015. The total recognized sales areas were approximately 10,199 square meters. The strategic business expansion of the Group into the international market was successful.

另外，本集團北京地產公司於去年末正式成立，並於二零一六年一月於天津獲取了兩個項目，總建築面積約為287,489平方米。北京地產公司負責北京、天津、河北及山西等華北市場的業務拓展與經營，這意味著深耕長江流域的朗詩正式跨江北上，也標誌著朗詩的全國化佈局邁出了至關重要的一步。

另外，本集團已於本年內完成注入美國業務板塊及建築設計公司，並對綠色地產配套業務進行戰略整合，打造以綠色開發及綠色服務為核心的縱向一體化的上市平台，為公司的銷售業績注入市場全球化的增長動力。其中，注入美國業務後，該業務於二零一六年十二月三十一日的資產配置約佔本集團的23.9%。截至二零一六年十二月三十一日止十二個月，美國之項目已錄得合同銷售總計約為人民幣756,127,000元，銷售面積約為16,293平方米，並且於本年確認物業銷售收入約人民幣287,008,000元，較二零一五年大幅上升約340.7%，確認銷售總面積約為10,199平方米，本集團市場國際化的戰略佈局初見成效。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OPERATION INCOME AND GROSS PROFIT

For the twelve months ended 31 December 2016, the Group's revenue was mainly derived from property development and management services income of approximately RMB623,171,000, income from sale of properties of approximately RMB4,195,374,000, and rental and management fee income of approximately RMB26,463,000. The total revenue was approximately RMB4,845,008,000, representing a significant increase of approximately 170.2% (restated) over the total revenue in 2015. The increase in revenue was mainly due to a substantial increase of approximately 334.7% in income from sale of properties. Despite a decrease of approximately 22.3% (restated) in total property development and management services income, the income from property development and management services from independent third parties or cooperating parties increased by 102.6% to approximately RMB549,126,000. The decrease in total property development and management services income was mainly due to the decreased property development and management services income to approximately RMB74,045,000 from Landsea Group. As a result of the completion of most of the projects for which property development and management services had been provided to Landsea Group for more than two years, the Group recorded a significant decrease of 86.0% (restated) in such income. Under the operation strategy of "asset-light", the number of entrusted development management contracts entered into with independent third parties also increased significantly, and the recognized income significantly increased by 124.8% (restated) as compared with the previous year. The increase reflected that the Group was recognized by the market after the leadership of Landsea Group for over two years. It has become an international development service provider committed to environmental protection and vertical business integration.

經營收入及毛利

截至二零一六年十二月三十一日止十二個月，本集團之營業收入主要來自於項目開發及管理服務收入約人民幣623,171,000元、物業銷售收入約人民幣4,195,374,000元、以及租金及管理費收入約人民幣26,463,000元，合共約人民幣4,845,008,000元，較二零一五年營業收入大幅上升約170.2%（經重列），營業收入增加主要由於物業銷售收入較去年大幅上升約334.7%，雖然項目開發及管理服務收入總額下跌約22.3%（經重列），但向獨立第三方項目或合作方收取之項目開發及管理費收入約為人民幣549,126,000元，同比增長102.6%。總額的下跌主要由於向朗詩集團收取之項目開發及管理費收入約為人民幣74,045,000元減少所致。由於本公司提供予朗詩集團之開發管理服務，經過了兩年多的時間，大部份項目已完成開發，因而導致該收入大幅減少86.0%（經重列）。在本集團「資產輕型化」經營戰略的全面實施下，與獨立第三方訂立之委託開發管理合同數量亦顯著增加，而確認之收入亦比去年大幅上升124.8%（經重列），可見本集團在經過朗詩集團兩年多的培育下，已逐步獲得市場的認可，成長為一家具有綠色環保，縱向一體化專業能力的國際性開發服務商。

For the twelve months ended 31 December 2016, the gross profit of the Group was approximately 758,714,000, representing an increase of approximately 0.01% (restated) as compared to the gross profit in 2015. The gross profit margin of the Group was approximately 15.7%. Income from sale of properties accounted for 86.6% in 2016, representing a significant increase of 334.7% (restated) as compared with the corresponding period of the previous year. Income from development and management services accounted for 12.9% (2015: approximately 44.7% (restated)). As the average gross profit margin of income from traditional property sales is significantly lower than that from development and management services in general, the overall gross profit margin decreased during the year due to the changes in the proportion of income from sales.

PROFIT ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

For the twelve months ended 31 December 2016, the profit attributable to the owners of the Company was approximately RMB595,439,000, representing an increase of approximately 22.8% (restated) as compared to 2015. Such increase was mainly due to the increased income from sale of properties and property development and management services provided to independent third parties or cooperating parties.

截至二零一六年十二月三十一日止十二個月，本集團之毛利約為人民幣758,714,000元，較二零一五年毛利上升約0.01%（經重列），本集團之整體毛利率約為15.7%。二零一六年物業銷售收入的佔比為86.6%，較去年同期大幅增加334.7%（經重列），開發管理服務收入的佔比為12.9%（二零一五年：約44.7%（經重列））。由於傳統房地產銷售收入的平均毛利率通常而言顯著低於開發管理服務類收入的平均毛利率，本年銷售收入結構的顯著變化導致整體毛利率下降。

歸屬本公司所有者的利潤

截至二零一六年十二月三十一日止十二個月，歸屬本公司所有者的利潤約為人民幣595,439,000元，較二零一五年上升約22.8%（經重列）。利潤上升乃主要由於物業銷售收入及向獨立第三方項目或合作方收取之項目開發及管理費收入增加所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTRACTED SALES AND PROPERTIES SOLD BUT NOT RECOGNISED

For the twelve months ended 31 December 2016, “Products of Landsea” recorded contracted sales amounts of approximately RMB28,348,875,000 with contracted gross floor areas of approximately 1,646,470 square meters, representing an increase of 101.4% and 45.8% respectively as compared with the previous year, among which the total contracted sales of the projects in which the Group held equity interest amounted to approximately RMB14,998,496,000 with sales areas of approximately 807,920 square meters and an average selling price of RMB18,564 per square meter, representing an increase of 95.9% in contracted sales and an increase of 35.8% in sales areas as compared to 2015. During the year, contracted sales amount of approximately RMB3,984,112,000 and RMB9,366,267,000 with the corresponding contracted gross floor areas of approximately 340,771 square meters and 497,778 square meters was derived from the entrusted development management projects with Landsea Group and independent third parties, respectively. The contracted sales were mainly derived from the on-sale projects in Nanjing, Shanghai, Suzhou, Wuxi, Hangzhou, Chengdu, Boston and New Jersey in the US and Dublin. As at 31 December 2016, the Group’s accumulated areas of properties sold but not recognised were approximately 958,350 square meters, amounting to approximately RMB17,927,004,000.

合同銷售及已售未入賬物業

截至二零一六年十二月三十一日止十二個月，「朗詩出品」實現合約銷售人民幣28,348,875,000元，簽約建築面積約為1,646,470平方米，合約銷售及簽約建築面積比去年分別上升101.4%及45.8%，其中，本集團錄得權益項目的合同銷售總計約為人民幣14,998,496,000元，銷售面積約為807,920平方米，均價為每平方米人民幣18,564元，較二零一五年的合同銷售額及銷售面積，分別增加95.9%及35.8%。同時，於本年內向朗詩集團及獨立第三方提供委託開發管理服務項目之簽約銷售額約分別約為人民幣3,984,112,000元及人民幣9,366,267,000元，對應簽約建築面積約分別約為340,771平方米及497,778平方米。合同銷售主要是來自南京、上海、蘇州、無錫、杭州、成都、美國波士頓、新澤西及都柏林等城市的在售項目。於二零一六年十二月三十一日，本集團累計已售未入賬物業面積約為958,350平方米，金額約為人民幣17,927,004,000元。

Projects	項目	Equity Holding 權益比例	Contracted Sales Amounts 合同銷售金額 (RMB'000) (人民幣千元)	Contracted Sales GFA 合同銷售建築面積 (Square Meters) (平方米)	Average Contracted Sales Selling Price per Square Meter 每平方米合同銷售平均售價 (RMB) (人民幣元)	
1.	Nanjing Youth Block	南京青春街區	100%	1,287,962	110,880	11,616
2.	Nanjing Future Home	南京未來家	50.1%	250,306	26,576	9,419
3.	Nanjing Poly Landsea Weilan	南京保利朗詩蔚藍	29.94%	2,722,952	100,280	27,153
4.	Nanjing Landsea Xihua Mansion	南京朗詩熙華府	12.97%	2,451,696	70,560	34,746
5.	Shanghai Future Block	上海未來街區	100%	880,070	42,938	20,496
6.	Shanghai The Course of The Future	上海里程	100%	980,436	57,324	17,103
7.	Shanghai New Mansion	上海新西郊	38.46%	51,441	458	112,317
8.	Suzhou Green County of Landsea	蘇州太湖綠郡	55%	1,565,134	79,265	19,746
9.	Suzhou Landsea Lvzhou	蘇州朗詩綠州	20%	269,534	12,815	21,033
10.	Suzhou 8 Renmin Road	蘇州人民路 8 號	51%	596,970	16,355	36,501
11.	Wuxi Tiancui	無錫天萃	100%	16,806	944	17,803
12.	Wuxi Luka Small Town	無錫綠卡小鎮	100%	490,849	61,522	7,978
13.	Hangzhou Mer De Fleus	杭州花漫里	100%	417,148	33,869	12,317
14.	Chengdu Southern Gate Green County of Landsea	成都朗詩南門綠郡	25%	960,878	72,304	13,289
15.	Chengdu Golden Sand City	成都朗詩金沙城	9.91%	1,300,187	105,537	12,320
16.	Pierce Boston	Pierce Boston	25%	305,278	2,926	104,333
17.	Avora	奧羅拉	100%	128,667	1,946	66,119
18.	Kingswood	凱撒莊園	100%	322,182	11,421	28,210
Total	合計			14,998,496	807,920	18,564

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

RECOGNISED SALES

For the twelve months ended 31 December 2016, the Group recorded recognised sales revenue of approximately RMB4,195,374,000 (2015: RMB965,088,000 (restated)). The total recognised sales areas were approximately 330,753 square meters, mainly attributable to the Nanjing Youth Block, Suzhou Green County of Landsea, Wuxi Luka Small Town, Wuxi Tiancui, Shanghai Future Block, Shanghai The Course of The Future, Hangzhou Mer De Fleus and Kingswood in the US. The average selling price of recognised sales was approximately RMB12,684 per square meter.

PROPERTY DEVELOPMENT AND MANAGEMENT SERVICES

For the twelve months ended 31 December 2016, the Group recorded property development and management services income of approximately RMB623,171,000 (2015: RMB801,558,000 (restated)), representing an overall decrease of approximately 22.3% (restated). However, the income from property development and management services provided to independent third parties or cooperating parties increased by 102.6% to approximately RMB549,126,000 (2015: RMB271,030,000 (restated)) as compared with the previous year. The overall decrease was mainly due to the decreased property development and management services income of approximately RMB74,045,000 (2015: RMB530,528,000 (restated)) received from Landsea Group. The Company and Landsea Group entered into a property development and management services agreement in 2014 to provide property development and management services to Landsea Group. After two years, the development of these projects was completed, resulting in a significant decrease of 86.0% (restated) in property development and management service fee income from Landsea Group for the twelve months ended 31 December 2016. Therefore, benefiting from the implementation and enhancement of the operation strategy of “asset-light” of the Group, the income from provision of property development and management services received from independent third parties or cooperating parties increased significantly.

已確認銷售

截至二零一六年十二月三十一日止十二個月，本集團已確認銷售收入約為人民幣4,195,374,000元（二零一五年：人民幣965,088,000元（經重列））。確認銷售總面積約為330,753平方米，主要是來自南京青春街區、蘇州太湖綠郡、無錫綠卡小鎮、無錫天萃、上海未來街區、上海里程、杭州花漫里及美國凱撒莊園項目，平均銷售價格約為每平方米人民幣12,684元。

項目開發及管理服務

截至二零一六年十二月三十一日止十二個月，本集團之項目開發及管理服務收入約人民幣623,171,000元（二零一五年：人民幣801,558,000元（經重列）），雖然整體減少約22.3%（經重列），但向獨立第三方項目或合作方收取之項目開發及管理費收入約人民幣549,126,000元（二零一五年：人民幣271,030,000元（經重列）），較去年上升了102.6%，整體收入的下落，主要由於本集團向朗詩集團收取之項目開發及管理費收入約為人民幣74,045,000元（二零一五年：人民幣530,528,000元（經重列））減少所致。本公司與朗詩集團於二零一四年訂立的項目開發管理服務協議為朗詩集團提供項目開發管理服務，經過兩年的時間，該等項目已完成開發，因此導致於截至二零一六年十二月三十日止十二個月提供予朗詩集團的項目開發管理服務費收入顯著減少86.0%（經重列）。可見，得益於「資產輕型化」經營戰略的全面實施和強化執行，本集團提供予獨立第三方項目或合作方的項目開發管理服務費收入的顯著增加。

PROPERTY INVESTMENT

The Group's investment property, namely Dawning Tower, is located in Shenzhen, the PRC. For the twelve months ended 31 December 2016, the Group recognised income of approximately RMB26,463,000 (2015: RMB26,145,000), representing an increase of approximately 1.2% as compared to 2015. Leveraging its prime location and quality property management services, Dawning Tower maintained the occupancy rate at 100% during the year. In addition, under the effective cost control, stable net operation income from this building was guaranteed.

For the twelve months ended 31 December 2016, the Group's fair value gain on an investment property was approximately RMB41,750,000. The fair value of Dawning Tower was determined by a competent independent valuer based on the property's current business model adopted by the Group and its expected income to be generated.

SELLING EXPENSES

For the twelve months ended 31 December 2016, the Group recorded selling expenses of approximately RMB90,115,000 (2015: RMB73,418,000 (restated)), representing an increase of approximately 22.7% (restated) as compared to 2015. The increase was mainly due to the fact that the number of on-sale projects in 2016 (18 projects) increased significantly as compared to 2015 (13 projects) such that the selling expenses and expenses related to the pre-sale promotional activities launched for projects increased accordingly.

ADMINISTRATIVE EXPENSES

The Group has started to implement budget control since 2016. For the twelve months ended 31 December 2016, the Group recorded administrative expenses of approximately RMB288,754,000 (2015: 109,698,000 (restated)), representing an increase of approximately 163.2% (restated) as compared to 2015. The increase was within the budget control and was mainly due to the Group's significant expansion of business scale as compared to last year and significant increase in staff number. At the same time, in January 2016, the US business as a whole was injected into the Group. Since the US business has been in the rapid expansion of the scale, with seven projects under development as of 31 December 2016 (2015: three projects under development on average (restated)) and improved deployment of personnel, the administrative expenses increased accordingly.

投資性物業

本集團的投資性物業為位於中國深圳市的曙光大廈，截至二零一六年十二月三十一日止十二個月，本集團確認收入約為人民幣26,463,000元(二零一五年：人民幣26,145,000元)，較二零一五年增加約1.2%。鑒於曙光大廈之位置優勝及物業管理質素良好，於年內，出租率一直維持於100%的水平，加上其有效的成本控制，保障了來自該大廈的經營淨收益。

截至二零一六年十二月三十一日止十二個月，本集團投資性物業的公允價值利得約人民幣41,750,000元。物業公允價值由合資格獨立評估師按現時本集團對曙光大廈的業務模式及預期收入作出評估。

銷售費用

截至二零一六年十二月三十一日止十二個月，本集團的銷售費用約人民幣90,115,000元(二零一五年：人民幣73,418,000元(經重列))，較二零一五年上升約22.7%(經重列)，增加原因主要由於二零一六年在售項目數量(18個)多於二零一五年在售項目數量(13個)，因此相關銷售費用及項目前期推廣費用也相應增加。

行政費用

本集團二零一六年繼續實施預算管理，截至二零一六年十二月三十一日止十二個月，本集團的行政費用約人民幣288,754,000元(二零一五年：人民幣109,698,000元(經重列))，較二零一五上升約163.2%(經重列)，均在預算控制範圍內，增加原因主要由於本集團經營規模跟去年相比明顯擴大，員工人數顯著增加。同時，於二零一六年一月，美國業務整體注入本集團。由於美國業務處於規模的迅速擴張期，於二零一六年十二月三十一日已有7個在建項目(二零一五年平均在建項目個數3個(經重列))，人員配置完備，故行政費用相應增加。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCE COSTS

For the twelve months ended 31 December 2016, finance costs of the Group were approximately RMB194,085,000 (2015: RMB49,913,000 (restated)), representing a significant increase of approximately 288.8% (restated) as compared to 2015. Under the asset-light strategy, new projects of the Group mainly included non-consolidated projects of joint ventures and associates. As a result, the interests payable could no longer be capitalized and were entirely charged to finance costs for the year. In addition, the interest income on shareholders' borrowings received from joint ventures and associates were credited to other income for the year. Therefore, it is more reasonable to consider finance costs and interest income credited to other cost of the Group on an aggregate basis. For the twelve months ended 31 December 2016, net finance costs of the Group were approximately RMB62,204,000 (2015: RMB25,585,000 (restated)) in aggregate. During the year, average borrowings and its finance costs increased, attributable to the fund requirement for project development during the Group's rapid growth.

TAXATION

For the twelve months ended 31 December 2016, the Group recorded taxation charge of approximately RMB225,631,000 (2015: RMB184,261,000 (restated)), representing an increase of 22.5% (restated) as compared to 2015. The increase was mainly due to the increase in assessable profit of the Group and a higher tax rate in the US.

EARNINGS PER SHARE

For the year ended 31 December 2016, the basic and diluted earnings per share attributable to the owners of the Company were RMB0.147 and RMB0.131 respectively (2015: RMB0.133 and RMB0.118 (restated) respectively), representing increases of approximately 10.5% and 11.0% (restated) respectively as compared with that of 2015.

財務成本

截至二零一六年十二月三十一日止十二個月，本集團的財務成本約人民幣194,085,000元(二零一五年：人民幣49,913,000元(經重列))，較二零一五年同年大幅增加約288.8%(經重列)。在資產輕型化戰略下，本集團新增項目主要為非併表的合營及聯營公司項目，故對外支付的利息不再能資本化，全部計入本年的財務費用中，同時，本集團向合營及聯營公司收取股東借款對應的利息收入，計入本年其他收益中，故合併考慮本集團的財務成本與計入其他收益的利息收入更為合理。截至二零一六年十二月三十一日止十二個月，本集團的淨財務成本約為人民幣62,204,000元(二零一五年：人民幣25,585,000元(經重列))。由於本集團正處於高增長階段，為配合項目開發進度，年內平均借款金額及其財務費用因而有所上升。

稅項

截至二零一六年十二月三十一日止十二個月，本集團的稅項支出約人民幣225,631,000元(二零一五年：人民幣184,261,000元(經重列))，較二零一五年上升22.5%(經重列)，其增加原因主要由於本集團的應課稅溢利上升及美國較高的稅率所致。

每股收益

截至二零一六年十二月三十一日止年度，本公司所有者應佔每股基本收益及每股稀釋收益為人民幣0.147元及人民幣0.131元(二零一五年：人民幣0.133元及人民幣0.118元(經重列))，較二零一五年分別上升約10.5%及11.0%(經重列)。

LAND RESERVES

As at 31 December 2016, the Group had land reserves with total gross floor areas of 6,796,449 square meters. Calculated according to equity interests, the total gross floor areas of the land reserves attributable to the Group were 2,854,037 square meters.

土地儲備

於二零一六年十二月三十一日，本集團擁有的土地儲備總建築面積6,796,449平方米，按權益計算，本集團應佔土地儲備總建築面積2,854,037平方米。

Projects	項目	Equity Holding 權益比例	GFA 總建築面積 (Square Meters) (平方米)	Developed GFA 已竣工物業面積 (Square Meters) (平方米)	Developing GFA 發展中物業面積 (Square Meters) (平方米)	GFA for Future Development 未來發展物業面積 (Square Meters) (平方米)	
1.	Shanghai Future Block	上海未來街區	100%	233,791	124,068	109,723	-
2.	Shanghai The Course of The Future	上海里程	100%	108,264	30,324	77,940	-
3.	Nanjing Youth Block	南京青春街區	100%	303,941	55,577	199,319	49,045
4.	Nanjing Future Home	南京未來家	50.1%	133,530	44,928	88,602	-
5.	Nanjing China Merchants Evian County	南京招商依雲郡	30%	161,925	72,693	89,232	-
6.	Nanjing Landsea Xihua Mansion	南京朗詩熙華府	12.97%	202,487	-	202,487	-
7.	Nanjing Poly Landsea Weilan	南京保利朗詩蔚藍	29.94%	250,567	-	250,567	-
8.	Hangzhou Mer De Fleus	杭州花漫里	100%	180,473	180,473	-	-
9.	Hangzhou Liangzhu Wanke Future Life	杭州良渚萬科未來城	34%	192,536	192,536	-	-
10.	Suzhou 8 Renmin Road	蘇州人民路8號	51%	85,231	-	85,231	-
11.	Suzhou Green County of Landsea	蘇州太湖綠郡	55%	444,819	82,124	239,750	122,945
12.	Suzhou Landsea Lvzhou	蘇州朗詩綠州	20%	99,952	-	99,952	-
13.	Wuxi Tiancui	無錫天萃	100%	48,772	48,772	-	-
14.	Wuxi Luka Small Town	無錫綠卡小鎮	100%	140,468	40,495	99,973	-
15.	Chengdu Southern Gate Green County of Landsea	成都朗詩南門綠郡	25%	235,149	-	235,149	-
16.	Shanghai New Mansion	上海新西郊	38.46%	15,787	-	15,787	-
17.	Hangzhou Landsea Xihua Mansion	杭州朗詩熙華府	49%	90,321	-	90,321	-
18.	Hangzhou Le Mansion	杭州樂府	50%	55,468	-	-	55,468
19.	Chengdu Golden Sand City	成都朗詩金沙城	9.91%	684,572	-	246,473	438,099
20.	Nanjing Qixia District, Huadian Road Project	南京棲霞區華電路項目	100%	5,729	-	-	5,729
21.	Tianjin Zhong Xin Eco-City Project	天津中新生態城項目	75%	174,700	-	55,469	119,231
22.	Tianjin Huoli Gang Project	天津活力港項目	35%	112,789	-	-	112,789

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Projects	項目	Equity Holding 權益比例	GFA 總建築 面積 (Square Meters) (平方米)	Developed GFA 已竣工物業 面積 (Square Meters) (平方米)	Developing GFA 發展中物業 面積 (Square Meters) (平方米)	GFA for Future Development 未來發展 物業面積 (Square Meters) (平方米)
23.	Shanghai Putuo Changfeng, Project	23%	18,406	–	18,406	–
24.	Suzhou High-Speed Rail New Town Project	30%	68,390	–	–	68,390
25.	Wuhan Xudong Project	20%	135,238	–	–	135,238
26.	Chengdu Muhua Road Project	4.86%	1,022,400	–	–	1,022,400
27.	Wuhan Sanjintan Project	5%	486,382	–	230,000	256,382
28.	Changsha Jurong Shuixi Project	1%	266,216	19,000	19,426	227,790
29.	Chengdu Landsea Xihua Mansion	100%	359,098	–	–	359,098
30.	Hangzhou Yuhang North Upper Loop Bridge Project	100%	37,699	–	–	37,699
31.	Hefei Wanxin Hi-tech District Project*	49%	131,445	–	–	131,445
32.	Kingswood	100%	19,350	13,486	4,788	1,076
33.	Avora	100%	23,832	–	23,832	–
34.	The Westerly	100%	34,678	–	–	34,678
35.	Pierce Boston	25%	11,772	–	11,772	–
36.	Stoney Ridge & Stoney Hill	100%	5,017	–	497	4,520
37.	Portola Center South	100%	137,545	–	–	137,545
38.	The Vale	70%	77,710	–	–	77,710
Total			6,796,449	904,476	2,494,696	3,397,277

* As of 31 December 2016, the transaction was still in progress.

* 於二零一六年十二月三十一日，交易尚在進行中。

LIQUIDITY AND FINANCIAL RESOURCES

CASH POSITION

As at 31 December 2016, the Group's cash and cash equivalents and restricted cash amounted to approximately RMB2,976,852,000 (2015: RMB1,389,123,000 (restated)), representing an increase of 114.3% as compared to 2015 (restated). As at 31 December 2016, the Group's current ratio (current assets divided by current liabilities) was approximately 2.0 times (2015: 1.7 times (restated)).

流動資金及財務資源

現金狀況

於二零一六年十二月三十一日，本集團現金及現金等價物以及受限制現金約為人民幣2,976,852,000元（二零一五年：人民幣1,389,123,000元（經重列）），較二零一五年上升114.3%（經重列）。於二零一六年十二月三十一日，本集團的流動資產比率（流動資產除以流動負債）約為2.0倍（二零一五年：1.7倍（經重列））。

INDEBTEDNESS

As at 31 December 2016, the total indebtedness of the Group amounted to approximately RMB6,083,341,000 (2015: RMB6,886,356,000 (restated)), which mainly comprised shareholder's loans, secured bank loans, senior private notes, junior private notes and EB5 financing. As at 31 December 2016, the proportion of short-term debts was 20.8% and long-term debts was 79.2%.

Analysis of Indebtedness:

債務

於二零一六年十二月三十一日，本集團債務總計約為人民幣6,083,341,000元(二零一五年：人民幣6,886,356,000元(經重列))，主要是包括股東貸款、有抵押銀行借款、優先私募債券、次級私募債券及EB5融資。於二零一六年十二月三十一日，短期債務比例為20.8%，長期債務比例為79.2%。

債務分析：

		31 December 2016 二零一六年 十二月三十一日		31 December 2015 (restated) 二零一五年 十二月三十一日(經重列)	
		RMB'000 人民幣千元	Percentage 佔百分比	RMB'000 人民幣千元	Percentage 佔百分比
Analysis of indebtedness by currency:		總債務以結算貨幣分析：			
Denominated in RMB	以人民幣結算	4,514,862	74.2%	5,004,523	72.7%
Denominated in USD	以美元結算	1,359,567	22.4%	1,687,112	24.5%
Denominated in HK\$	以港元結算	208,912	3.4%	194,721	2.8%
		6,083,341	100.0%	6,886,356	100.0%
Analysis of indebtedness by maturity:		總債務以到期日分析：			
Within one year	第一年內	1,267,990	20.8%	1,111,117	16.1%
Between one and two years	第一年至兩年	2,022,747	33.3%	3,138,401	45.6%
Over two years	兩年以上	2,792,604	45.9%	2,636,838	38.3%
		6,083,341	100.0%	6,886,356	100.0%

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

GEARING RATIOS

The Group has been working hard on optimizing its capital and debt structure. As at 31 December 2016, the net debts to equity ratio[#] of the Group was approximately 101.8% (2015: 280.7% (restated)), representing a significant decrease of 178.9 percentage-point as compared to 31 December 2015. The Group's debt to total assets ratio (total borrowings divided by total assets) was approximately 33.8% as at 31 December 2016 (2015: 48.7% (restated)), representing a decrease of 14.9 percentage-point as compared to 31 December 2015. In addition, the debt to assets ratio of the Group was 83.0% (2015: 86.2% (restated)), representing a decrease of 3.2 percentage-point as compared to that as of 31 December 2015, or 55.7% (2015: 65.1% (restated)) if advanced proceeds received from customers were excluded, representing a significant decrease of 9.4 percentage-point as compared to that as of 31 December 2015. The management will continue to monitor the Group's capital and debt structure from time to time with an aim to mitigating its exposure to the risk of gearing.

[#] net debts to equity ratio = total debts less cash and cash equivalents and restricted cash divided by total equity

PLEDGE OF ASSETS OF THE GROUP

As at 31 December 2016, the bank loans of the Group were secured by one or a combination of the following securities: investment property, land under development, projects under development, standby letter of credit, restricted cash and guarantees provided by controlling shareholders. Senior private notes were guaranteed by shares of subsidiaries of the Company.

FOREIGN EXCHANGE AND CURRENCY RISK

As income and direct costs, payments of purchase of equipment, salaries and debts payable were mainly denominated in Renminbi, United States dollars and Hong Kong dollars, it was not necessary to use any financial instruments for hedging purpose, and the Group's exposure to the fluctuation of exchange rates was minimal. During the reporting period, the Group was not engaged in any hedging activities. As at 31 December 2016, the Group's cash and cash equivalents and restricted cash were mainly denominated in Renminbi, Hong Kong dollars and United States dollars.

負債比率

本集團一直努力優化資本及負債結構，於二零一六年十二月三十一日的淨負債與股本權益比率[#]約為101.8%（二零一五年：280.7%（經重列）），與二零一五年十二月三十一日相比大幅下降178.9個百分點，本集團負債資產比率（債務總額除以總資產）於二零一六年十二月三十一日約為33.8%（二零一五年：48.7%（經重列）），與二零一五年十二月三十一日相比下降14.9個百分點。另外，本集團之資產負債率為83.0%（二零一五年：86.2%（經重列）），與二零一五年十二月三十一日相比下降3.2個百分點，如扣除向客戶收取的預付款項，該比率為55.7%（二零一五年：65.1%（經重列）），與二零一五年十二月三十一日相比大幅下降9.4個百分點。管理層會經常性監控本集團資本及負債結構，以減低所承受的債務風險。

[#] 淨負債與股本比率 = 債務總額減現金及現金等價物及受限制現金除以股本權益總額

本集團資產抵押

於二零一六年十二月三十一日，本集團的銀行貸款由以下一種或幾種組合擔保：投資物業、在開發土地、在建工程、備用信用證、受限制現金及控股股東提供的擔保。優先私募債券由本公司之附屬公司股份擔保。

外匯及外幣風險

由於所得之收入以及直接成本、購買設備之付款、薪金以及應付債務大部份以人民幣、美元及港元結算，故毋須採用任何金融工具作對沖用途，而本集團之匯率變動風險亦較低。於報告期內，本集團並無參與任何對沖活動。於二零一六年十二月三十一日，本集團之現金及現金等價物及受限制現金以人民幣、港元及美元為主要幣值。

INTEREST RATE RISK

As at 31 December 2016, the debts payable borne with fixed rate interest accounted for approximately 62.5% of the total debts of the Group and the exposure to interest rate risk is minimal. The Group will continue to monitor the trend of interest rates in the market closely and seek to adopt appropriate risk management measures for mitigating the exposure to the interest rate risk.

MATERIAL ACQUISITION AND DISPOSAL

On 2 December 2015, the Group entered into the sale and purchase agreements to acquire (i) the entire equity interest of and shareholder's loan in Epic China Limited (the "Epic China Acquisition"); and (ii) the entire registered capital of Shanghai Landsea Planning and Architectural Design Co., Ltd.* (上海朗詩規劃建築設計有限公司) (the "Landsea Design Acquisition"). The consideration for the Epic China Acquisition was HK\$871,140,364, of which HK\$438,453,355 has been settled by way of issuance of 610,659,269 consideration shares at HK\$0.7180 each, and as to HK\$432,687,009 has been settled by way of issuance of consideration securities in an aggregate principal amount of HK\$432,687,009 which are convertible into shares of the Company at the initial conversion price of HK\$0.9334 per share (subject to adjustment); and the consideration for the Landsea Design Acquisition was RMB19,500,000 in cash. The Epic China Acquisition and the Landsea Design Acquisition constituted major and connected transactions of the Company and were subject to the approval of independent shareholders. At the special general meeting of the Company held on 26 January 2016, the Epic China Acquisition and the Landsea Design Acquisition were approved by the independent shareholders and the transactions were completed on 29 January 2016 (Please refer to the announcement of the Company dated 2 December 2015 and the circular of the Company dated 31 December 2015 for details).

On 18 February 2016, the Company and Landsea Holdings Corporation ("LHC"), a wholly-owned subsidiary of the Company, entered into an agreement with Talent Set Global Limited ("Talent Set") pursuant to which it was agreed that LHC and Talent Set would make contribution for the development of certain land parcels in the City of Sunnyvale, County of Santa Clara, State of California, the United States of America held by the project company ("Sunnyvale Project"). Pursuant to the agreement, the Sunnyvale Project, through investment vehicle(s) to be set up by the parties, will be effectively held as to 70% by LHC and as to 30% by Talent Set.

利率風險

於二零一六年十二月三十一日，本集團固定利息的應付債務佔總借款約62.5%，面對的利率波動風險較低。本集團將會密切監察市場利息趨向及會尋求合適的風險管理措施，以減低利率風險。

重大收購及出售事項

於二零一五年十二月二日，本集團就收購(i) Epic China Limited之全部股權及股東貸款(「Epic China收購事項」)；及(ii)上海朗詩規劃建築設計有限公司之全部註冊資本(「朗詩設計收購事項」)訂立買賣協議。Epic China收購事項之代價為871,140,364港元，其中438,453,355港元以按每股0.7180港元發行610,659,269股代價股份之方式償付，而432,687,009港元則以發行本金總額為432,687,009港元之代價證券之方式償付，有關代價證券可按初步兌換價每股0.9334港元(可予以調整)兌換為本公司股份；朗詩設計收購事項之代價為人民幣19,500,000港元，以現金償付。Epic China收購事項及朗詩設計收購事項構成本公司之主要及關連交易，並須遵守獨立股東批准規定。於二零一六年一月二十六日舉行之本公司股東特別大會上，Epic China收購事項及朗詩設計收購事項獲獨立股東批准，而該等交易已於二零一六年一月二十九日完成。(詳情請參閱本公司日期為二零一五年十二月二日之公告及本公司日期為二零一五年十二月三十一日之通函)。

於二零一六年二月十八日，本公司和本公司之全資附屬公司Landsea Holdings Corporation(「朗詩美國」)與智建環球有限公司(「智建」)訂立一份協議，據此，朗詩美國與智建同意向由項目公司持有若干位於美國加利福尼亞州聖塔克拉拉郡森尼維爾市地塊的開發注資(「森尼維爾項目」)。根據該協議，森尼維爾項目將通過由雙方建立的投資公司，分別由朗詩美國和智建有效持有70%和30%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The total capital contribution made by the parties in the Sunnyvale Project was USD191,028,492. LHC's contribution was USD133,719,944, representing 70% of the total capital contribution of the Sunnyvale Project, and Talent Set's contribution was USD57,308,548, representing 30% of the total capital contribution of the Sunnyvale Project. The transactions were completed on 13 April 2016. (Please refer to the announcements of the Company dated 18 February 2016 and 13 April 2016 for details).

On 29 March 2016, Shanghai Langyu Properties Development Limited* (上海朗域房地產發展有限公司) ("Shanghai Langyu"), a wholly-owned subsidiary of the Company, entered into an equity transfer agreement with Mr. Lin Daojie and Mr. Zhang Hongwei (the "Vendors") pursuant to which Shanghai Langyu has conditionally agreed to purchase and the Vendors have conditionally agreed to sell the entire equity interest of and shareholder's loan in Shanghai Kunhong Enterprise Company Limited* (上海昆宏實業有限公司). The total consideration was RMB134,000,000. (Please refer to the announcement of the Company dated 29 March 2016 for details).

On 15 July 2016, Hangzhou Langan Investment Management Company Limited* (杭州朗瀚投資管理有限公司), a wholly-owned subsidiary of the Company, and Shanghai Puliang Investment Management Centre (Limited Partnership)* (上海浦樑投資管理中心(有限合夥)) ("Puliang Investment Management") entered into a cooperation agreement for the property development project in Hangzhou, the PRC through a project company. Upon completion of the transactions contemplated under the cooperation agreement, the project company will be held as to 50% by the Group and as to 50% by Puliang Investment Management. The project company is accounted for as joint venture of the Company. (Please refer to the announcement of the Company dated 15 July 2016 for details.)

森尼維爾項目中雙方的總資本投入將為191,028,492美元。朗詩美國將投入133,719,944美元，相當於森尼維爾項目總資本投入的70%，而智建將投入57,308,548美元，相當於森尼維爾項目總資本投入的30%。而該等交易已於二零一六年四月十三日完成。(詳情請參閱本公司日期為二零一六年二月十八日及二零一六年四月十三日之公告)。

於二零一六年三月二十九日，本公司之全資附屬公司上海朗域房地產發展有限公司(「上海朗域」)與林道傑先生及張宏偉先生(「該等賣方」)訂立股權轉讓協議，據此，上海朗域有條件同意收購及該等賣方有條件同意出售上海昆宏實業有限公司的全部股權和股東債權，總轉讓價為人民幣134,000,000元。(詳情請參閱本公司日期為二零一六年三月二十九日之公告)。

於二零一六年七月十五日，本公司之全資附屬公司杭州朗瀚投資管理有限公司與上海浦樑投資管理中心(有限合夥)(「浦樑投資管理」)訂立合作協議，透過項目公司合作開發於中國杭州的物業發展項目。於完成合作協議項下之交易後，項目公司由本集團持有50%及浦樑投資管理持有50%，項目公司被視作本公司之合營企業(詳情請參閱本公司日期為二零一六年七月十五日之公告)。

On 12 December 2016, Hangzhou Langhui Investment Management Company Limited* (杭州朗輝投資管理有限公司) (“Hangzhou Langhui”), Nanjing Langming Properties Development Company Limited* (南京朗銘房地產發展有限公司) (“Nanjing Langming”) and Hangzhou Langdong Investment Limited* (杭州朗動投資有限公司) (“Hangzhou Langdong”), the wholly-owned subsidiaries of the Company, and Shanghai Weiyong Investment Management Center (Limited Partnership)* (上海衛贏投資管理中心(有限合夥)) (“Shanghai Weiyong”) entered into an equity transfer and advance assignment agreement under which (1) Hangzhou Langhui conditionally agreed to sell/assign, and Shanghai Weiyong conditionally agreed to purchase/accept the assignment of the entire equity interest in Hangzhou Langdong and the advance of Hangzhou Langhui respectively; and (2) Nanjing Langming conditionally agreed to assign, and Shanghai Weiyong conditionally agreed to accept the assignment of, the advance of Nanjing Langming, at the total consideration of RMB293,293,700. (Please refer to the announcement of the Company dated 12 December 2016 for details.)

On 19 December 2016, Shanghai Langzhi Properties Company Limited* (上海朗智置業有限公司) (“Shanghai Langzhi”), a wholly-owned subsidiary of the Company, Shenzhen Langxin Cooperation Investment Center (Limited Partnership)* (深圳朗信合投資中心(有限合夥)) (“Shenzhen Langxin Limited Partnership”), and certain other parties entered into an agreement pursuant to which Shanghai Langzhi agreed to sell, and Shenzhen Langxin Limited Partnership agreed to purchase 99.8% equity interest in Shanghai Langyu Properties Development Limited (上海朗域房地產開發有限公司)* (“Shanghai Langyu”), a wholly-owned subsidiary of the Company, and the shareholder loan owed by Shanghai Langyu to Shanghai Langzhi for a total consideration of RMB201,375,932. (Please refer to the announcement of the Company dated 19 December 2016 for details.)

Save as disclosed above, the Group was not involved in any material acquisition or disposal during the twelve months ended 31 December 2016.

於二零一六年十二月十二日，本公司之全資附屬公司杭州朗輝投資管理有限公司(「杭州朗輝」)、南京朗銘房地產發展有限公司(「南京朗銘」)、杭州朗動投資有限公司(「杭州朗動」)及上海衛贏投資管理中心(有限合夥)(「上海衛贏」)訂立股權債權轉讓協議，據此，(1)杭州朗輝有條件同意出售／轉讓及上海衛贏有條件同意收購／受讓杭州朗動的全部股權和杭州朗輝債權；及(2)南京朗銘有條件同意轉讓及上海衛贏有條件同意受讓南京朗銘債權，總轉讓代價為人民幣293,293,700元。(詳情請參閱本公司日期為二零一六年十二月十二日之公告)。

於二零一六年十二月十九日，本公司之全資附屬公司上海朗智置業有限公司(「上海朗智」)、深圳朗信合投資中心(有限合夥)(「深圳朗信有限合夥」)及若干其他訂約方訂立一份協議，據此，上海朗智同意出售，及深圳朗信有限合夥同意收購本公司全資附屬公司上海朗域房地產開發有限公司(「上海朗域」)99.8%之股權及上海朗域結欠上海朗智的股東貸款，總代價為人民幣201,375,932元。(詳情請參閱本公司日期為二零一六年十二月十九日之公告)。

除上述者外，截至二零一六年十二月三十一日止十二個月，本集團並沒有參與任何重大收購或出售事項。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTINGENT LIABILITIES

The Group cooperates with various financial institutions to arrange mortgage loan facility for the purchasers of its properties and provides guarantees to secure such purchasers' obligations of repayment. As at 31 December 2016, the outstanding guarantees amounted to approximately RMB2,648,983,000 (31 December 2015: approximately RMB1,349,957,000). Such guarantees will be discharged upon the earlier of (i) issuance of the real estate ownership certificate; and (ii) the satisfaction of relevant mortgage loan by purchasers. In addition, as at 31 December 2016, the Group provided a guarantee of RMB141,558,000 to Fenway Ventures Point Properties LLC, a 50% joint venture of LS-Boston Point LLC, for its bank borrowings. Obligations under such guarantee shall be discharged pursuant to the counter-indemnity provided by Landsea Group Co., Ltd.

As at 31 December 2016, there were certain corporate guarantees provided by the subsidiaries of the Group for each other in respect of their borrowings. The management considered that the subsidiaries had sufficient financial resources to fulfill their obligations.

Save as disclosed above, the Group had no material contingent liabilities as at 31 December 2016.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2016, the Group had 1,612 employees (31 December 2015: 1,000 (restated)) who were responsible for the managerial, administrative, technical and general functions in Hong Kong, the United States and the PRC. The increment levels of the employees' emolument, promotion and remuneration were determined with reference to their duties, performance and professional experience. Other employee benefits included mandatory provident fund scheme, insurance and medical coverage. According to the terms of the existing Share Option Scheme adopted on 25 April 2012 and the Share Award Scheme adopted on 2 July 2014, the Company will grant awarded shares or share options to the Group's management and staff based on their individual performance.

或然負債

本集團與多家金融機構合作，為其物業買家安排按揭貸款融資並就該等買家之還款責任提供擔保。於二零一六年十二月三十一日，未了結擔保約人民幣2,648,983,000元(二零一五年十二月三十一日：約人民幣1,349,957,000元)，擔保將於(i)發出房地產權證；及(ii)買家償還相關按揭貸款(以較早者為準)後解除。另外，本集團為Fenway Ventures Point Properties LLC(LS-Boston Point LLC擁有50%權益之合營企業)之銀行借款提供擔保，於二零一六年十二月三十一日的金額為人民幣141,558,000元。該保證責任將根據朗詩集團股份有限公司的對應賠償保證解除。

於二零一六年十二月三十一日，本集團附屬公司就借款相互提供若干企業擔保。管理層認為附屬公司有足夠財務資源償付其債務。

除上述者外，於二零一六年十二月三十一日，本集團並沒有重大或然負債。

僱員及薪酬政策

於二零一六年十二月三十一日，本集團於香港、美國及國內共聘用1,612名管理、行政、技術及一般員工(二零一五年十二月三十一日：1,000名(經重列))。本集團根據員工之職責、工作表現及專業經驗釐定僱員之酬金、晉升及薪酬調整幅度。其他員工福利包括供款的公積金、保險、醫療保障。根據於二零一二年四月二十五日採納的現有購股權計劃及於二零一四年七月二日採納的股份獎勵計劃的條款，本公司可根據本集團的個別管理層成員及員工的表現，授出獎勵性股份或購股權。

SUBSEQUENT EVENTS

On 3 January 2017, Hangzhou Langhui, a wholly-owned subsidiary of the Company, and Ningbo Jinwo Real Estate Development Company Limited* (寧波金沃房地產開發有限公司) (“Ningbo Jinwo”) entered into an acquisition agreement pursuant to which Hangzhou Langhui conditionally agreed to acquire, and Ningbo Jinwo conditionally agreed to sell, the entire equity interest in Ningbo Jinwo Commercial Investment Company Limited* (寧波金沃商業投資有限公司) at the consideration of not more than RMB270,000,000. (Please refer to the announcement of the Company dated 3 January 2017 for details.)

On 3 January 2017, Hangzhou Langhui, a wholly-owned subsidiary of the Company, entered into an acquisition agreement with Hangzhou Hongbao Electric Fuel Company Limited* (杭州紅寶電力燃料有限公司) (“Hangzhou Hongbao Electric Fuel”), pursuant to which Hangzhou Langhui has conditionally agreed to purchase and Hangzhou Hongbao Electric Fuel has conditionally agreed to sell the entire equity interest in Zhejiang Tianyuan Properties Development Company Limited* (浙江天元房地產開發有限公司) (“Zhejiang Tianyuan”), and Hangzhou Langhui has conditionally agreed to provide the shareholder’s loan to Zhejiang Tianyuan. The total consideration is RMB286,910,039. (Please refer to the two announcements of the Company both dated 3 January 2017 for details.)

On 10 February 2017, Chengdu Langhui Corporate Management Consulting Company Limited* (成都朗輝企業管理諮詢有限公司) (“Chengdu Langhui”), a wholly-owned subsidiary of the Company, entered into a share transfer agreement with Masque Enterprises Limited (“MASQUE”), pursuant to which Chengdu Langhui has conditionally agreed to purchase and MASQUE has conditionally agreed to sell the entire equity interest in Chengdu Hanfei Properties Development Company Limited* (成都漢飛房地產開發有限公司) at the consideration of RMB186,000,000. (Please refer to the announcements of the Company dated 10 February 2017 and 13 February 2017 for details.)

報告期後事項

於二零一七年一月三日，本公司全資附屬公司杭州朗輝與寧波金沃房地產開發有限公司(「寧波金沃」)訂立收購協議，據此，杭州朗輝有條件同意收購及寧波金沃有條件同意出售寧波金沃商業投資有限公司的全部股權，代價為不超過人民幣270,000,000元。(詳情請參閱本公司日期為二零一七年一月三日之公告)。

於二零一七年一月三日，本公司之全資附屬公司杭州朗輝及杭州紅寶電力燃料有限公司(「杭州紅寶電力燃料」)訂立收購協議，據此，杭州朗輝有條件同意收購，及杭州紅寶電力燃料有條件同意出售浙江天元房地產開發有限公司(「浙江天元」)的全部股權，以及杭州朗輝有條件同意向浙江天元提供股東貸款，總代價為人民幣286,910,039元。(詳情請參閱本公司日期為二零一七年一月三日之兩份公告)。

於二零一七年二月十日，本公司之全資附屬公司成都朗輝企業管理諮詢有限公司(「成都朗輝」)與Masque Enterprises Limited(「MASQUE」)訂立股權轉讓協議，據此，成都朗輝有條件同意收購，及MASQUE有條件同意出售成都漢飛房地產開發有限公司之全部股權，代價為人民幣186,000,000元。(詳情請參閱本公司日期為二零一七年二月十日及二零一七年二月十三日之公告)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

On 24 February 2017, Shanghai Langsong Enterprises Company Limited* (上海朗松實業有限公司) (“Shanghai Langsong”), a wholly-owned subsidiary of the Company, has successfully won the bid for the office building located at No.18, Huangxing Road, Shanghai, the PRC (“the Property”) held by China Pacific Life Insurance Co., Ltd. (“China Pacific Life Insurance”) at the public auction held by Shanghai United Assets and Equity Exchange and has entered into the Shanghai property right transfer agreement, pursuant to which Shanghai Langsong has agreed to acquire, and China Pacific Life Insurance agreed to sell the Property, at the consideration of RMB312,000,000. (Please refer to the announcement of the Company dated 24 February 2017 for details.)

於二零一七年二月二十四日，本公司之全資附屬公司上海朗松實業有限公司（「上海朗松」）成功經上海聯合產權交易所的公開掛牌出讓投得中國太平洋人壽保險股份有限公司（「中國太平洋人壽保險」）持有的位於中國上海市黃興路18號辦公樓（「該物業」）並訂立上海市產權交易協議，據此，上海朗松同意收購，及中國太平洋人壽保險同意出售該物業，代價為人民幣312,000,000元。（詳情請參閱本公司日期為二零一七年二月二十四日之公告）。

CORPORATE GOVERNANCE REPORT

企業管治報告

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

CORPORATE GOVERNANCE PRACTICE

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

During the year ended 31 December 2016, the Company was in compliance with all the relevant code provisions under the CG Code.

DIRECTORS’ SECURITIES TRANSACTIONS

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

The Company confirms that, having made specific enquiry of all Directors, all Directors have complied with the required standards as set out in the Model Code for the year ended 31 December 2016.

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

企業管治常規

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

截至二零一六年十二月三十一日止年度，本公司一直遵守企業管治守則所有守則條文。

董事進行證券交易

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則(「標準守則」)，作為本公司有關董事進行證券交易的操守準則。

本公司向全體董事作出具體查詢後確認，全體董事於截至二零一六年十二月三十一日止年度一直遵守標準守則所載規定標準。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS

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

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

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

董事局

董事局負責領導及監控本公司，並負責制訂整體策略及檢討本集團之營運及財務表現。經董事局決定或考慮之事宜包括整體集團策略、重大收購及出售、年度預算、全年及中期業績、就董事委任或重新委任事宜提出建議、批准重大資本交易以及其他重大營運及財務事宜。董事局向管理層轉授權力及責任，以管理本集團之日常事務。此外，董事局亦將各種職責分派予董事委員會。有關該等委員會之進一步詳情載於本報告內。

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

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

COMPOSITION OF THE BOARD

The Board currently consists of five executive Directors, one non-executive Director and three independent non-executive Directors:

EXECUTIVE DIRECTORS

Mr. Tian Ming
Mr. Xiang Jiong
Ms. Shen Leying
Mr. Xie Yuanjian
Ms. Zhou Qin

NON-EXECUTIVE DIRECTOR

Mr. Zhou Yimin

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Xu Xiaonian
Mr. Ding Yuan
Mr. Lee Kwan Hung

To the best knowledge of the Company, there is no financial, business and family relationship among members of the Board. The biographies of the Directors are set out on pages 21 to 28 under the section headed "Biographical Details of Directors and Senior Management".

DIRECTORS' TRAINING

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

All Directors have participated in continuous professional development by attending seminars or in-house briefing relating to their role as director of the Company/taking part in business-related training/acting as speaker for seminars and refreshed their knowledge and skills and provided to the Company a record of training they received for the financial year ended 31 December 2016.

董事局之組成

董事局現由五名執行董事、一名非執行董事及三名獨立非執行董事組成：

執行董事

田明先生
向炯先生
申樂瑩女士
謝遠建先生
周勤女士

非執行董事

鄒益民先生

獨立非執行董事

許小年先生
丁遠先生
李均雄先生

據本公司所深知，各董事局成員之間概無任何財務、商業及家族關係。董事履歷載於第21至28頁「董事及高級管理人員簡介」一節。

董事培訓

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

截至二零一六年十二月三十一日止財政年度，全體董事透過出席彼等作為本公司董事之職務之相關研討會或內部簡報／參加業務相關培訓／擔任研討會之演講者參與持續專業發展以增進及重溫知識與技能，並已向本公司提供所接受之培訓記錄。

CORPORATE GOVERNANCE REPORT

企業管治報告

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

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

The individual training record of each Director received for the year ended 31 December 2016 is summarized below:

截至二零一六年十二月三十一日止年度，各董事所接受之個人培訓記錄總結如下：

Name of Directors	Attending or participating in seminars/in-house briefing relevant to the business, regulatory updates and director's duties	董事姓名	出席或參與有關業務／最新監管情況及董事職責之研討會／內部簡報
<i>Executive Directors</i>		<i>執行董事</i>	
Mr. Tian Ming	✓	田明先生	✓
Mr. Xiang Jiong	✓	向炯先生	✓
Ms. Shen Leying	✓	申樂瑩女士	✓
Mr. Xie Yuanjian	✓	謝遠建先生	✓
Ms. Zhou Qin	✓	周勤女士	✓
<i>Non-executive Director</i>		<i>非執行董事</i>	
Mr. Zhou Yimin	✓	鄒益民先生	✓
<i>Independent Non-executive Directors</i>		<i>獨立非執行董事</i>	
Mr. Xu Xiaonian	✓	許小年先生	✓
Mr. Ding Yuan	✓	丁遠先生	✓
Mr. Lee Kwan Hung	✓	李均雄先生	✓

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

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

CHAIRMAN AND CHIEF EXECUTIVE

The Company has a separate chairman and chief executive officer currently. On 31 July 2013, Mr. Tian Ming was appointed as the Chairman and Ms. Shen Leying was appointed as the Chief Executive Officer of the Company. Subsequently on 23 February 2014, Mr. Xiang Jiong was appointed as the Chief Executive Officer and Ms. Shen Leying was re-designated as Co-Chief Executive Officer. The Company considered that the division of responsibilities between the chairman and chief executive officer is clearly established.

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

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

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

INDEPENDENT NON-EXECUTIVE DIRECTORS

As required under Rules 3.10(1) and 3.10(2) of the Listing Rules, the Company has appointed three independent non-executive Directors, of whom Mr. Xu Xiaonian, is a famous Chinese economist and was granted the highest award of economics study in China, the "Sun Yefang Economic Science Award". Mr. Xu has more than 30 years' experience in economics analysis.

Mr. Ding Yuan, is the Vice President and Dean, Cathay Capital Chair in Accounting in China Europe International Business School and the associate editor of European Accounting Review. He has more than 10 years' experience in teaching and studying financial accounting, financial statement analysis, corporate governance and M&As.

主席及總裁

本公司目前將主席及總裁職位分開。於二零一三年七月三十一日，田明先生獲委任為主席，而申樂瑩女士則獲委任為總裁。向炯先生其後於二零一四年二月二十三日獲委任為總裁，而申樂瑩女士則調任聯席總裁。本公司認為，主席及總裁之間已有明確職責分工。

委任、重選及罷免董事

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

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

獨立非執行董事

根據上市規則第3.10(1)及3.10(2)條之規定，本公司已委任三名獨立非執行董事，其中許小年先生為中國著名經濟學家，曾獲中國經濟學界最高殊榮「孫冶方經濟科學獎」，累積逾三十年經濟學研究經驗。

丁遠先生為中歐國際工商學院副院長兼教務長，法國凱輝會計學教席教授及《歐洲會計評論》副主編，於財務會計、財務報表分析、企業管治及併購方面累積逾十年教學研究經驗。

CORPORATE GOVERNANCE REPORT

企業管治報告

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

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

BOARD DIVERSITY POLICY

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

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

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

李均雄先生現為香港執業律師，曾於一九九三至一九九四年出任聯交所上市科高級經理，具備首次公開發售及企業融資經驗。

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

董事局成員多元化政策

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

董事局根據董事局成員多元化政策向提名委員會授予若干職權。提名委員會將就執行董事局成員多元化政策不時討論及檢討測量目標，以確保其合適及確定達成該等目標的進度。

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

ATTENDANCE RECORD AT BOARD MEETINGS

During the year ended 31 December 2016, 4 Board meetings were held. All Directors are given an opportunity to include any matter in the agenda for regular Board meetings and are given sufficient time to review the documents and information to be discussed in Board meetings in advance.

董事局會議出席記錄

截至二零一六年十二月三十一日止年度，董事局曾舉行四次會議。全體董事均有機會於董事局常規會議議程中加入任何擬議事宜，並獲提供充裕時間於董事局會議舉行前審閱將予討論之文件及資料。

Name of Directors	Number of meetings attended	董事姓名	出席會議次數
<i>Executive Directors</i>		<i>執行董事</i>	
Mr. Tian Ming (Chairman)	4/4	田明先生(主席)	4/4
Mr. Xiang Jiong	4/4	向炯先生	4/4
Ms. Shen Leying	4/4	申樂瑩女士	4/4
Mr. Xie Yuanjian	4/4	謝遠建先生	4/4
Ms. Zhou Qin	4/4	周勤女士	4/4
<i>Non-executive Director</i>		<i>非執行董事</i>	
Mr. Zhou Yimin	4/4	鄒益民先生	4/4
<i>Independent Non-executive Directors</i>		<i>獨立非執行董事</i>	
Mr. Xu Xiaonian	4/4	許小年先生	4/4
Mr. Ding Yuan	4/4	丁遠先生	4/4
Mr. Lee Kwan Hung	4/4	李均雄先生	4/4

CORPORATE GOVERNANCE REPORT

企業管治報告

ATTENDANCE RECORD AT GENERAL MEETINGS

During the financial year ended 31 December 2016, 2 general meetings of the Company were held, being the special general meeting held on 26 January 2016 and the annual general meeting held on 10 June 2016 ("2016 AGM").

Name of Directors	Number of meetings attended
<i>Executive Directors</i>	
Mr. Tian Ming (Chairman)	2/2
Mr. Xiang Jiong	2/2
Ms. Shen Leying	2/2
Mr. Xie Yuanjian	2/2
Ms. Zhou Qin	2/2
<i>Non-executive Director</i>	
Mr. Zhou Yimin	1/2
<i>Independent Non-executive Directors</i>	
Mr. Xu Xiaonian	1/2
Mr. Ding Yuan	2/2
Mr. Lee Kwan Hung	2/2

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

BOARD COMMITTEES

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

股東大會出席記錄

截至二零一六年十二月三十一日止財政年度，本公司曾舉行兩次股東大會，即二零一六年一月二十六日舉行之股東特別大會及二零一六年六月十日舉行之股東週年大會（「二零一六年股東週年大會」）。

董事姓名	出席大會次數
<i>執行董事</i>	
田明先生(主席)	2/2
向炯先生	2/2
申樂瑩女士	2/2
謝遠建先生	2/2
周勤女士	2/2
<i>非執行董事</i>	
鄒益民先生	1/2
<i>獨立非執行董事</i>	
許小年先生	1/2
丁遠先生	2/2
李均雄先生	2/2

董事局負責與股東持續保持對話，尤其藉股東週年大會或其他股東大會與股東溝通，並鼓勵股東參加。董事局主席以及審核委員會、提名委員會及薪酬委員會主席均已出席以上兩個股東大會，解答股東疑問並收集股東意見。

董事委員會

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

AUDIT COMMITTEE

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

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

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

During the year ended 31 December 2016, the Audit Committee held 2 meetings. Each committee meeting has supplied with the necessary financial information of the Group for members to consider, review and assess significant issues arising from the work conducted.

審核委員會

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

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

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

截至二零一六年十二月三十一日止年度，審核委員會曾舉行兩次會議。每次委員會會議均提供必要之本集團財務資料，以供委員會成員考慮、審閱及評估所進行工作產生之重大事宜。

CORPORATE GOVERNANCE REPORT

企業管治報告

Name of Members	Number of meetings attended	成員姓名	出席會議次數
Mr. Ding Yuan (<i>Committee Chairman</i>)	2/2	丁遠先生(委員會主席)	2/2
Mr. Xu Xiaonian	2/2	許小年先生	2/2
Mr. Lee Kwan Hung	2/2	李均雄先生	2/2
Mr. Zhou Yimin	2/2	鄒益民先生	2/2
Ms. Zhou Qin (Note)	1/1	周勤女士(附註)	1/1

Note: Ms. Zhou Qin ceased to be a member on 18 March 2016. 1 audit committee meeting was held before she ceased to be a member.

附註：周勤女士自二零一六年三月十八日起不再為委員會成員，於彼不再為委員會成員前曾舉行一次審核委員會會議。

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

於回顧年內，審核委員會之工作如下：

- reviewed the annual results for the year ended 31 December 2015 and the interim results for the six months ended 30 June 2016;
 - discussed with the management of the Company over the completeness, fairness and adequacy of reporting and accounting standards and policies of the Group in the preparation of the 2016 interim and annual financial statements;
 - reviewed and discussed with the external auditor over the financial reporting of the Company;
 - recommended to the Board, for the approval by shareholders, of the re-appointment of the auditor;
 - reviewed the continuing connected transactions of the Group and relevant reports from external auditor; and
 - reviewed the internal control procedures of the Group.
- 審閱截至二零一五年十二月三十一日止年度之全年業績及截至二零一六年六月三十日止六個月之中期業績；
 - 於編製二零一六年中期及全年財務報表時，與本公司管理層討論本集團之報告及會計準則及政策是否完整、公平及足夠；
 - 審閱本公司之財務報告事宜及與外聘核數師就有關事宜進行討論；
 - 就重新委聘核數師向董事局提出建議，以待股東批准；
 - 審閱本集團的持續關連交易及外聘核數師的相關報告；及
 - 檢討本集團之內部監控程序。

REMUNERATION COMMITTEE

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

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

薪酬委員會

本公司根據聯交所之規定，遵照企業管治守則所載守則條文制訂薪酬委員會之書面職權範圍。薪酬委員會至少須由三名成員組成，而當中大多數為獨立非執行董事，並由一名獨立非執行董事擔任薪酬委員會主席。薪酬委員會現由兩名執行董事田明先生及周勤女士，以及三名獨立非執行董事李均雄先生（主席）、丁遠先生及許小年先生組成。薪酬委員會之職權範圍現已刊載於聯交所及本公司網站。

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

CORPORATE GOVERNANCE REPORT

企業管治報告

During the year ended 31 December 2016, the Remuneration Committee held 3 meetings for reviewing the remuneration policies and structure of the Directors and senior management and recommended to the Board the proposed remuneration of the Directors and senior management; consideration the adjustment of remuneration of Directors; and consideration share award plan for the year 2016.

截至二零一六年十二月三十一日止年度，薪酬委員會曾舉行三次會議，以檢討本公司董事及高級管理人員之薪酬政策及架構、就董事及高級管理人員之建議薪酬提出建議、考慮調整董事薪酬及2016年股份獎勵計劃。

Name of Members	Number of meetings attended	成員姓名	出席會議次數
Mr. Lee Kwan Hung (<i>Committee Chairman</i>)	3/3	李均雄先生 (<i>委員會主席</i>)	3/3
Mr. Tian Ming	3/3	田明先生	3/3
Mr. Xu Xiaonian	3/3	許小年先生	3/3
Mr. Ding Yuan	3/3	丁遠先生	3/3
Mr. Zhou Yimin (Note 1)	1/1	鄒益民先生 (附註1)	1/1
Ms. Zhou Qin (Note 2)	2/2	周勤女士 (附註2)	2/2

Notes:

1. Mr. Zhou Yimin ceased to be a member on 18 March 2016. 1 remuneration committee meeting was held before he ceased to be a member .
2. Ms. Zhou Qin ceased to be a member on 22 January 2016 and was re-appointed as a member on 18 March 2016. 2 remuneration committee meetings were held during her tenure in office.

附註：

1. 鄒益民先生自二零一六年三月十八日起不再為委員會成員，於彼不再為委員會成員前曾舉行一次薪酬委員會會議。
2. 周勤女士自二零一六年一月二十二日起不再為委員會成員，於二零一六年三月十八日獲重新委任為成員，在彼在任期間舉行了兩次薪酬委員會會議。

During the year ended 31 December 2016, apart from the meeting held for the above, the Remuneration Committee by passing written resolutions made recommendation to the Board on the adjustment of remuneration of Directors.

截至二零一六年十二月三十一日止年度，除舉行上述會議外，薪酬委員會亦通過書面決議案的方式向董事局建議調整董事薪酬。

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

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

NOMINATION COMMITTEE

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

The Nomination Committee currently consists of one executive Director, Mr. Tian Ming (as chairman), one non-executive Director, Mr. Zhou Yimin, and three independent non-executive Directors, namely, Mr. Xu Xiaonian, Mr. Ding Yuan and Mr. Lee Kwan Hung. The terms of reference of the Nomination Committee are currently made available on the websites of the Stock Exchange and the Company.

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

提名委員會

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

提名委員會現由一名執行董事田明先生(主席)，一名非執行董事鄧益民先生以及三名獨立非執行董事許小年先生、丁遠先生及李均雄先生組成。提名委員會之職權範圍現已刊載於聯交所及本公司網站。

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

CORPORATE GOVERNANCE REPORT

企業管治報告

During the year ended 31 December 2016, the Nomination Committee held 2 meetings for reviewing the structure, size and diversity (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of services) of the Board; to assess the independence of the independent non-executive Directors; to consider the re-election of Directors before putting forth for discussion and approval by the Board; and also the re-designation of Director.

截至二零一六年十二月三十一日止年度，提名委員會曾舉行兩次會議，以於提交董事局討論及批准前，檢討董事局之架構、人數及成員多元化(包括(但不限於)性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期方面)；評估獨立非執行董事之獨立身分；考慮董事重選事宜；及調任董事。

Name of Members	Number of meetings attended
Mr. Tian Ming (<i>Committee Chairman</i>)	2/2
Mr. Xu Xiaonian	2/2
Mr. Ding Yuan	2/2
Mr. Lee Kwan Hung	2/2
Mr. Zhou Yimin (Note)	1/1

成員姓名	出席會議次數
田明先生(委員會主席)	2/2
許小年先生	2/2
丁遠先生	2/2
李均雄先生	2/2
鄒益民先生(附註)	1/1

Note: Mr. Zhou Yimin was appointed as a member of the Nomination Committee on 18 March 2016 and 1 meeting was held after his appointment.

附註：鄒益民先生於二零一六年三月十八日獲委任為提名委員會成員，在彼獲委任後舉行了一次會議。

CORPORATE GOVERNANCE FUNCTIONS

The corporate governance functions were performed by the Board.

企業管治職能

企業管治職能由董事局執行。

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

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

During the financial year ended 31 December 2016, the Board has reviewed the training and continuous professional development of Directors and senior management and reviewed the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

截至二零一六年十二月三十一日止財政年度，董事局已審閱董事及高級管理人員之培訓及持續專業發展，以及審閱本公司遵守企業管治守則之情況及於企業管治報告中之披露。

EXECUTIVE COMMITTEE

The executive Committee (formerly named as “Operational Committee”) of the Company was established on 18 March 2005, was reformed and renamed to “Executive Committee” with all of the executive Directors as its members and a new set of terms of reference was adopted on 31 July 2013.

The Executive Committee meets on ad hoc basis to exercise the powers, authorities and discretions of the Board in accordance with its written terms of reference.

DIRECTORS’ RESPONSIBILITY FOR THE PREPARATION OF FINANCIAL STATEMENTS

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

The responsibility statement of external auditor of the Company, PricewaterhouseCoopers, about their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditor’s Report on pages 96 and 102.

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

執行委員會

本公司之執行委員會於二零零五年三月十八日成立並已重組，由全體執行董事出任成員，且於二零一三年七月三十一日採納新訂職權範圍。

執行委員會根據其書面職權範圍按突發性需要召開會議，以行使董事局授予之權力、職責及酌情權。

董事編製財務報表之責任

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

本公司之外聘核數師羅兵咸永道會計師事務所就本集團財務報表進行報告之責任聲明載於第96至102頁之獨立核數師報告內。

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

CORPORATE GOVERNANCE REPORT

企業管治報告

AUDITOR'S REMUNERATION

For the year ended 31 December 2016, the remuneration paid/payable to the Company's auditor, PricewaterhouseCoopers is set out below:

核數師酬金

截至二零一六年十二月三十一日止年度，已付／應付本公司核數師羅兵咸永道會計師事務所之酬金如下：

		RMB'000 人民幣千元
Services rendered by PricewaterhouseCoopers	羅兵咸永道會計師事務所提供之服務	
Audit services	核數服務	985
Non-audit services (Note)	非核數服務(附註)	343
		<u>1,328</u>

Note: non-audit services include services for reviewing the interim results of the Group for the six months ended 30 June 2016 and other non-audit services.

附註：非核數服務包括審閱本集團截至二零一六年六月三十日止六個月之中期業績之服務及其他非核數服務。

COMPANY SECRETARY

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

公司秘書

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

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

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

Mr. Liu Bin, the Chief Financial Officer of the Company, is the primary point of contact at the Company for the Company Secretary.

本公司首席財務官劉斌先生為公司秘書於本公司之主要聯絡人。

According to the requirements of Rule 3.29 of the Listing Rules, Ms. Chan has taken no less than 15 hours of relevant professional training for the financial year ended 31 December 2016.

根據上市規則第3.29條之規定，陳小姐於截至二零一六年十二月三十一日止財政年度已參與不少於十五小時之相關專業培訓。

SHAREHOLDERS' RIGHTS

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

SHAREHOLDERS TO CONVENE A SPECIAL GENERAL MEETING

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

PUTTING ENQUIRIES BY SHAREHOLDERS TO THE BOARD

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

股東權利

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

股東召開股東特別大會

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

股東向董事局提問

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

CORPORATE GOVERNANCE REPORT

企業管治報告

PROCEDURES FOR PUTTING FORWARD PROPOSALS BY SHAREHOLDERS AT SHAREHOLDERS' MEETING

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

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

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

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

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

CONSTITUTIONAL DOCUMENTS

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

股東於股東大會上提呈決議案之程序

於股東大會上提呈決議案所需股東人數須為：

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

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

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

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

憲章文件

於本年度，本公司之憲章文件並無變動。

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

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

VOTING BY POLL

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

RISK MANAGEMENT AND INTERNAL CONTROLS

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

與股東及投資者之溝通

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

以投票方式表決

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

風險管理及內部監控

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

CORPORATE GOVERNANCE REPORT

企業管治報告

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

Based on the information and confirmation of the management and internal audit department, the internal control system of the Group covers all of its activities and transactions, and the management shall conduct regular risk assessment (at least annually) and monitor and report the progress of actions taken to cope with significant risks from time to time. The Audit Committee considers that, for the year ended 31 December 2016, the risk management and internal control systems of the Company were comprehensive and effective. The Company has set up a supervisory and audit office which carries out audit and supervisory work independently under the guidance and supervision of the Board, and directly reports to the Chairman of the Board and the Audit Committee. The accounting, financial reporting and internal audit personnel have sufficient qualifications and experience and have received adequate training within the review period.

IMPROVING INTERNAL CONTROL MECHANISM

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

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

根據管理層及內部審核部門資料及確認，本集團內部監控制度涵蓋各項目活動及交易，在框架內管理層定期（惟不少於每年一次）進行風險評估及持續監控及呈報對重大風險採取行動的進展情況。審核委員會認為於截至二零一六年十二月三十一日止年度，本公司風險管理及內部監控制度完善有效。本公司設有監察審計室，在董事局的指導監督下獨立開展審計監察工作，直接向董事局主席和審核委員會匯報。會計、財務報告及內部審核人員擁有足夠的資歷及經驗，在檢討期內獲得足夠的培訓。

完善內部監控機制

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

OPTIMIZING INTERNAL CONTROL MEASURES

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

CLEARLY DEFINING AUTHORITY OF MANAGEMENT

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

HIGHLY EMPHASIZING PREVENTION AND CONTROL OF SIGNIFICANT RISKS

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

STRENGTHENING INTERNAL AUDIT AND RECTIFICATION

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

健全內部監控措施

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

深入推進授權管理工作

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

重視高風險領域防控

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

加強內部審核和問題整改

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

CORPORATE GOVERNANCE REPORT

企業管治報告

IMPROVING ANTI-CORRUPTION MECHANISM AND STRENGTHENING CASE MANAGEMENT

The Company has set up an anti-corruption committee, which consists of Mr. Tian Ming, the Chairman of the Board, as the chairman, Mr. Xiang Jiong, the Chief Executive Officer, and Ms. Zhou Qin, the Chief Human Resource Officer as the vice chairman, and the supervisory and audit office, the legal department and the human resource centre as the working bodies. The Company has set up reporting email, reporting hotline and WeChat reporting platform, and announcements are made to the relevant internal and external units and personnel. If they have any concern or opinion on the Company's operation, they may reflect to the Company via email, phone or WeChat platform. The Group has zero tolerance towards corruption. Therefore, in the event of any corruption, the Group will immediately report to the police.

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

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

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

健全反腐機制、強化案件處理

本公司設有反腐敗委員會，由董事局主席田明先生擔任主任，總裁向炯先生和首席人力資源官周勤女士擔任副主任，公司監察審計室、法務部、人力資源中心為工作機構。本公司設有舉報郵箱、舉報電話、微信舉報平台，並對內部和外部相關單位、人員進行公佈，相關人員對公司營運有任何關注或意見，可以郵件、電話、微信平台直接向本公司反映。本集團對腐敗始終堅持零容忍原則，對任何腐敗事件，一經發現，即刻報案，絕不姑息。

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

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

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

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

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

For the year ended 31 December 2016, the internal control system of the Company was comprehensive and effective, and was neither subject to any significant or major internal control deficiency nor material issues which may affect the financial control, operational control, compliance control and risk management function of the Company.

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

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

截至二零一六年十二月三十一日止年度，本公司內部監控制度完善有效，無重大或重要內部監控缺陷，亦無任何可能影響公司財務監控、運作監控、合規監控以及風險管理職能的重要事項。

DIRECTORS' REPORT

董事局報告

The Directors present their annual report and the audited financial statements for the year ended 31 December 2016.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of the Company's principal subsidiaries are set out in note 41 to the financial statements respectively.

RESULTS

The results of the Group for the year ended 31 December 2016 are set out in the consolidated statement of comprehensive income on pages 103 to 104.

The Directors recommended to the shareholders of the Company at the forthcoming annual general meeting of the Company to be held on Friday, 26 May 2017 ("AGM"), the distribution of a final dividend out of contributed surplus account of RMB3.54 cents per share (equivalent to HK cents 4.00) for the year ended 31 December 2016 to be paid on Monday, 3 July 2017 to the shareholders whose names appear on the register of members of the Company on Wednesday, 7 June 2017.

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

SHARE CAPITAL

Details of movements in the share capital for the year ended 31 December 2016 are out in note 32 to the financial statements.

SHARES ISSUED

During the year, 610,659,269 Consideration Shares were allotted and issued on 29 January 2016 upon completion of the agreement in respect of Epic China Acquisition dated 2 December 2015.

DEBENTURES ISSUED

The Company did not issued any debenture during the year ended 31 December 2016.

董事謹提呈截至二零一六年十二月三十一日止年度之年報連同經審核財務報表。

主要業務

本公司為投資控股公司。本公司主要附屬公司之主要業務分別刊載於財務報表附註41。

業績

本集團截至二零一六年十二月三十一日止年度之業績刊載於第103至104頁之綜合全面收益表。

董事將於二零一七年五月二十六日(星期五)舉行之應屆本公司股東週年大會(「股東週年大會」)上向本公司股東建議自實繳盈餘賬派發截至二零一六年十二月三十一日止年度之末期股息每股人民幣3.54分(相等於4.00港仙)，該股息將於二零一七年七月三日(星期一)派付予於二零一七年六月七日(星期三)名列本公司股東名冊之股東。

概無任何有關本公司股東豁免或同意豁免任何股息之安排。

股本

截至二零一六年十二月三十一日止年度之股本變動詳情載於財務報表附註32。

已發行股份

於本年度，在日期為二零一五年十二月二日有關Epic China收購事項的協議完成後，本公司於二零一六年一月二十九日配發及發行610,659,269股代價股份。

已發行債券

截至二零一六年十二月三十一日止年度，本公司並無發行任何債券。

BUSINESS REVIEW

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

ENVIRONMENTAL POLICIES AND PERFORMANCE

The environment, social and governance report of the Company for the year ended 31 December 2016 contained the information required under Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”) will be published on the Stock Exchange’s website and the Company’s website within three months after the publication of the Company’s 2016 annual report.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

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

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

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

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

業務回顧

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

環境政策及表現

本公司截至二零一六年十二月三十一日止年度的環境、社會及管治報告載有香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄二十七規定的資料，將於本公司二零一六年年報公佈三個月內刊載於聯交所網站和本公司網站。

遵守相關法例及法規

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

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

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

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

DIRECTORS' REPORT

董事局報告

As far as the Board and management are aware, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the year, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

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

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the identity of the shareholders entitled to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 22 May 2017 to Friday, 26 May 2017, both dates inclusive, during which period no transfer of shares will be effected. All transfer documents of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 19 May 2017.

For determining the entitlement of the shareholders to the proposed distribution of final dividend out of contributed surplus account, the register of members of the Company will be closed from Wednesday, 7 June 2017 to Thursday, 8 June 2017, both dates inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfer documents of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited for registration not later than 4:30 p.m. on Tuesday, 6 June 2017.

據董事局及管理層所知，本集團已於各重大方面遵守對本集團業務及營運有重大影響的相關法律及法規。於本年度，本集團並無重大違反或未有遵守適用法律及法規。

與僱員、客戶及供應商的重要關係

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

暫停辦理過戶登記手續

為釐定有權出席股東週年大會並於會上投票之股東之身份，本公司之股份過戶登記將於二零一七年五月二十二日(星期一)至二零一七年五月二十六日(星期五)(包括首尾兩日)期間暫停，期間將不會進行股份過戶。所有股份過戶文件連同有關股票須於二零一七年五月十九日(星期五)下午四時三十分前送交本公司之香港股份過戶登記分處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖。

為釐定股東獲享自實繳盈餘賬派發建議末期股息之權利，本公司之股份過戶登記將於二零一七年六月七日(星期三)至二零一七年六月八日(星期四)(包括首尾兩日)期間暫停，期間將不會進行股份過戶。為符合資格獲享擬派建議末期股息，所有股份過戶文件連同有關股票須於二零一七年六月六日(星期二)下午四時三十分前，送交本公司之香港股份過戶登記分處香港中央證券登記有限公司，以辦理登記手續。

INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

The Group revalued all of its investment properties at the year-end date. The net increase in fair value of RMB41,750,000 has been credited directly to the consolidated statement of comprehensive income.

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

DISTRIBUTABLE RESERVES

As at 31 December 2016, the amount standing to the credit of the Company's share premium account in the amount of RMB712,051,000 may be distributable in the form of fully paid bonus shares. Under the laws of Bermuda, the Company's contributed surplus account may be distributed under certain circumstances, as at 31 December 2016, the balance of the account was nil.

DIRECTORS AND SERVICE CONTRACTS

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

EXECUTIVE DIRECTORS

Mr. Tian Ming (*Chairman*)
Mr. Xiang Jiong (*Chief Executive Officer*)
Ms. Shen Leying (*Co-Chief Executive Officer*)
Mr. Xie Yuanjian (*Chief Technology Officer*)
Ms. Zhou Qin (re-designated as executive Director on 15 August 2016)

NON-EXECUTIVE DIRECTOR

Mr. Zhou Yimin

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Xu Xiaonian
Mr. Ding Yuan
Mr. Lee Kwan Hung

投資性物業以及不動產、工廠及設備

本集團於年結日重估其全部投資性物業。公允值增加淨額人民幣41,750,000元已直接計入綜合全面收益表。

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

可供分派之儲備

於二零一六年十二月三十一日，本公司股份溢價賬內為數人民幣712,051,000元之進賬或以繳足紅股之方式派發。根據百慕達法例，本公司之實繳盈餘賬為可於若干情況下分派，於二零一六年十二月三十一日，賬戶結餘為零。

董事及服務合約

於本年度及截至本報告日期，本公司之董事如下：

執行董事

田明先生(主席)
向炯先生(總裁)
申樂瑩女士(聯席總裁)
謝遠建先生(首席技術官)
周勤女士(於二零一六年八月十五日
調任為執行董事)

非執行董事

鄒益民先生

獨立非執行董事

許小年先生
丁遠先生
李均雄先生

DIRECTORS' REPORT

董事局報告

In accordance with the Company's Bye-law 87, Mr. Xiang Jiong, Ms. Zhou Qin and Mr. Xu Xiaonian will retire by rotation and, being eligible, offer themselves for re-election at the AGM.

The Company entered into a service contract with each of the executive Directors on 11 November 2016 for a term of three years commencing (1) from 1 August 2016 for Mr. Tian Ming, Ms. Shen Leying and Mr. Xie Yuanjian; (2) from 15 August 2016 for Ms. Zhou Qin; and (3) from 19 November 2016 for Mr. Xiang Jiong.

The Company entered into an appointment letter with each of Mr. Xu Xiaonian, Mr. Ding Yuan and Mr. Lee Kwan Hung, independent non-executive Directors, on 11 November 2016 for a term of three years commencing from 1 August 2016.

The Company also entered into an appointment letter with Mr. Zhou Yimin, a non-executive Director, on 17 November 2015 for a term of three years commencing from 17 November 2015.

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

CHANGES OF INFORMATION IN RESPECT OF DIRECTORS

Below are the changes in Directors' information required to be disclosed pursuant to Rule 13.51B (1) of the Listing Rules up to the date of this report.

1. The remuneration of Ms. Zhou Qin as executive Director has been adjusted to RMB1,230,000 per annum with retrospective effect from 15 August 2016;

依據本公司之細則第87條，向炯先生、周勤女士及許小年先生將於股東週年大會上輪值告退，惟符合資格並願意於大會上重選連任。

本公司於二零一六年十一月十一日與各執行董事簽訂服務合約，自(i)二零一六年八月一日(田明先生、申樂瑩女士及謝遠建先生)；(2)二零一六年八月十五日(周勤女士)；及(3)二零一六年十一月十九日(向炯先生)起為期三年。

本公司於二零一六年十一月十一日分別與獨立非執行董事許小年先生、丁遠先生及李均雄先生簽訂了委任函，自二零一六年八月一日起為期三年。

本公司與非執行董事鄒益民先生於二零一五年十一月十七日簽訂了委任函，年期為自二零一五年十一月十七日起計三年。

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

董事信息變更

以下載列截至本報告日期，根據上市規則第13.51B(1)條須披露的董事信息。

1. 周勤女士任執行董事的薪酬調整至年薪人民幣1,230,000元，追溯至自二零一六年八月十五日起生效；

2. With effect from 1 January 2017:
- (1) the remuneration of Mr. Tian Ming, Chairman and executive Director, has been adjusted to RMB1,680,000 per annum;
 - (2) the remuneration of Mr. Xiang Jiong, executive Director and chief executive officer, has been adjusted to RMB1,330,000 per annum;
 - (3) the remuneration of Ms. Shen Leying, executive Director and co-chief executive officer, has been adjusted to RMB1,260,000 per annum;
 - (4) the remuneration of Mr. Xie Yuanjian, executive Director, has been adjusted to RMB1,230,000 per annum; and
 - (5) the remuneration of each of Mr. Xu Xiaonian, Mr. Ding Yuan and Mr. Lee Kwan Hung, independent non-executive Directors, has been adjusted to RMB300,000 per annum.
3. Mr. Ding Yuan, independent non-executive Director, has been appointed as an independent non-executive director of Man Wah Holdings Limited, a company listed on the Main Board of the Stock Exchange with stock code 1999, on 31 December 2016.
2. 自二零一七年一月一日起生效：
- (1) 主席兼執行董事田明先生的薪酬調整至年薪人民幣1,680,000元；
 - (2) 執行董事兼總裁向炯先生的薪酬調整至年薪人民幣1,330,000元；
 - (3) 執行董事兼聯席總裁申樂瑩女士的薪酬調整至年薪人民幣1,260,000元；
 - (4) 執行董事謝遠建先生的薪酬調整至年薪人民幣1,230,000元；及
 - (5) 獨立非執行董事許小年先生、丁遠先生及李均雄先生的薪酬調整至年薪人民幣300,000元。
3. 獨立非執行董事丁遠先生於二零一六年十二月三十一日獲委任為聯交所主板上市公司敏華控股有限公司(股份代號：1999)的獨立非執行董事。

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

As at 31 December 2016, the interests and short positions of the Directors or chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the "SFO") which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or were required pursuant to Section 352 of the SFO to be entered in the register referred to therein; or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

董事及主要行政人員於股份、相關股份及債券之權益

於二零一六年十二月三十一日，董事或本公司主要行政人員於本公司或其任何相聯法團(定義見香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債券中，擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益及淡倉；或根據證券及期貨條例第352條須記錄於該條例所述登記冊內之權益及淡倉；或根據上市發行人董事進行證券交易的標準守則(「標準守則」)須另行知會本公司及聯交所之權益及淡倉如下：

DIRECTORS' REPORT

董事局報告

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

於本公司每股面值0.01港元普通股之好倉

Name of Director 董事姓名	Capacity 身份	Number of Shares held/Approximate percentage in total number of issued Shares 所持股份數目／佔已發行股份總數概約百分比		
		Number of ordinary Shares 普通股數目	Number of derivative Shares 衍生股份數目	Total number of Shares 股份總數
Mr. Tian Ming ("Mr. Tian") 田明先生 (「田先生」)	Interest of controlled corporation 受控制法團權益	2,820,651,092 (72.00%) (Notes 1 and 3) (附註 1 及 3)	463,560,113 (11.83%) (Notes 2 and 3) (附註 2 及 3)	3,284,211,205 (83.83%)
	Beneficial owner 實益擁有人	–	3,277,500 (0.08%) (Note 4) (附註 4)	3,277,500 (0.08%) (Note 4) (附註 4)
Mr. Xiang Jiong 向炯先生	Beneficial owner 實益擁有人	–	3,277,500 (0.08%) (Note 4) (附註 4)	3,277,500 (0.08%) (Note 4) (附註 4)
	Beneficial owner 實益擁有人	–	2,214,500 (0.06%) (Note 4) (附註 4)	2,214,500 (0.06%) (Note 4) (附註 4)
Ms. Shen Leying 申樂瑩女士	Beneficial owner 實益擁有人	–	2,037,500 (0.05%) (Note 4) (附註 4)	2,037,500 (0.05%) (Note 4) (附註 4)
	Beneficial owner 實益擁有人	–	1,505,000 (0.04%) (Note 4) (附註 4)	1,505,000 (0.04%) (Note 4) (附註 4)

Notes:

- (1) These include (i) 2,209,991,823 ordinary shares held through Greensheid Corporation (“Greensheid”) and (ii) 610,659,269 ordinary shares held through Landsea International Holdings Limited (“Landsea International”).
- (2) These 463,560,113 derivative shares are held through Landsea International which shall be issued by the Company upon exercise of the conversion rights attached to the convertible perpetual securities in an aggregate principal amount of HK\$432,687,009 issued by the Company on 29 January 2016 to Landsea International.
- (3) Greensheid is wholly-owned by Landsea International, which is in turn wholly-owned by Landsea Group Co., Ltd. (“Landsea Group”), a company which its issued shares are held as to approximately 14.49% by Mr. Tian and as to 15.75% by Nanjing Ding Chong Investment Management Consultants Ltd., a company which is in turn held as to approximately 92.5% by Mr. Tian and as to approximately 7.5% by eight individuals (accordingly the attributable interest of Mr. Tian in Landsea Group is approximately 29.06%).
- (4) These are restricted shares granted according to the restricted share award scheme adopted by the Board on 2 July 2014.

Save as disclosed, as at 31 December 2016, none of the Directors and the chief executives of the Company and their respective associates had any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are deemed or taken to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required pursuant to the Model Code to be notified to the Company and the Stock Exchange.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Other than those disclosed in the sections headed “Connected Transactions and Continuing Connected Transactions” below and “Related Party Transactions” in note 39 to the financial statements for the year ended 31 December 2016, no contracts of significance to which the Company or its subsidiaries were a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

附註：

- (1) 包括(i)2,209,991,823股透過Greensheid Corporation (「Greensheid」)所持有的普通股，及(ii)610,659,269股透過Landsea International Holdings Limited (「Landsea International」)所持有的普通股。
- (2) 本公司於二零一六年一月二十九日向Landsea International所發行本金額合共432,687,009港元之可換股永久證券所附兌換權利獲行使後將發行的463,560,113股透過Landsea International持有的衍生股份。
- (3) Greensheid由Landsea International全資擁有，而Landsea International由朗詩集團股份有限公司(「朗詩集團」)全資擁有，朗詩集團已發行股份由田先生持有約14.49%及由南京鼎重投資管理顧問有限公司(一間由田先生及八名人士分別持有約92.5%及約7.5%之公司)持有15.75%，因此，田先生於朗詩集團之應佔權益約為29.06%。
- (4) 根據於二零一四年七月二日由董事局採納之限制性股份獎勵計劃授出之限制性股份。

除上文所披露者外，於二零一六年十二月三十一日，董事及本公司主要行政人員以及彼等各自之聯繫人概無於本公司及其相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債券中，擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益或淡倉(包括根據證券及期貨條例有關條文而被當作擁有或被視為擁有之權益及淡倉)；或根據證券及期貨條例第352條須記錄於該條例所述登記冊內之權益或淡倉；或根據標準守則須知會本公司及聯交所之權益或淡倉。

董事於重大合約之權益

除下文「關連交易及持續關連交易」及刊載於截至二零一六年十二月三十一日止年度之財務報表附註39「關聯方交易」兩節所披露者外，於本年度結束時或年內任何時間，本公司各董事概無在本公司或其附屬公司訂立之任何重大合約中直接或間接擁有任何重大權益。

DIRECTORS' REPORT

董事局報告

CONTROLLING SHAREHOLDER'S INTERESTS IN SIGNIFICANT CONTRACTS

Other than those disclosed in the sections headed "Connected Transactions and Continuing Connected Transactions" below and "Related Party Transactions" in note 39 to the financial statements for the year ended 31 December 2016, at no time during the year had the Company or any of its subsidiaries, and the controlling shareholder or any of its subsidiaries entered into any contract of significance or any contract of significance for the provision of services by the controlling shareholders or any of its subsidiaries to the Company or any of its subsidiaries.

CHARITABLE DONATIONS

During the year, the Group had charitable donation of RMB1,110,000 (2015: RMB50,000).

EQUITY-LINKED AGREEMENTS

Save for the share option scheme and the restricted share award scheme of the Company as set out below in this report and also note 33 to the financial statements, other equity-linked agreement entered into by the Group during the year or subsisting at the end of the year are set out in the section headed "MANAGEMENT DISCUSSION AND ANALYSIS" and also note 34 to the financial statements.

MANAGEMENT CONTRACTS

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

控股股東於重大合約之權益

除下文「關連交易及持續關連交易」及刊載於截至二零一六年十二月三十一日止年度之財務報表附註39「關聯方交易」兩節所披露者外，本公司或其任何附屬公司於年內概無與控股股東或其任何附屬公司訂立任何重大合約，或有關控股股東或其任何附屬公司向本公司或本公司之任何附屬公司提供服務之任何重大合約。

慈善捐款

於本年度，本集團之慈善捐款為人民幣1,110,000元（二零一五年：人民幣50,000元）。

股票掛鈎協議

除本報告下文及財務報表附註33所載本公司的股份期權計劃及限制性股份獎勵計劃外，本集團於年內訂立或於年末續存的其他股票掛鈎協議載於「管理層討論及分析」一節及財務報表附註34。

管理合約

於本年度，概無訂立或存有有關本公司全部或任何重大業務的管理及行政的合約。

RESTRICTED SHARE AWARD SCHEME

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

The summary of the principal terms and conditions of Share Award Scheme were set out in the Company's announcements dated 2 July 2014 and 16 July 2014. As at 31 December 2016, an aggregate of 35,262,500 Restricted Shares were granted to reward the eligible awardees, details of which are set out as below:

限制性股份獎勵計劃

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

股份獎勵計劃之主要條款及條件概要載列於本公司日期為二零一四年七月二日及二零一四年七月十六日之公告內。於二零一六年十二月三十一日，已授出合共35,262,500股限制性股份獎勵合資格獲獎勵人士，詳情載列如下：

DIRECTORS' REPORT

董事局報告

Awardees	Date of grant of Restricted Shares	Number of Restricted Shares Granted	Outstanding at 1 January 2016 於二零一六年一月一日的結餘	Outstanding at 31 December 2016 於二零一六年十二月三十一日的結餘	Vesting conditions
獲獎勵人士	授予限制性股份日期	已授出限制性股份數目			歸屬條件
Directors 董事					(1) Subject to fulfillment of the year's preset performance, operation and financial targets at the discretion of the Board 須符合董事局按其酌情權決定之年度表現、營運及財務目標
Mr. Tian Ming 田明先生	19 November 2014 二零一四年十一月十九日	1,596,000	1,596,000	1,596,000	
	8 April 2016 二零一六年四月八日	1,681,500	-	1,681,500	
Mr. Xiang Jiong 向炯先生	19 November 2014 二零一四年十一月十九日	1,596,000	1,596,000	1,596,000	(2) After satisfying condition (1), a waiting period of two years is required. 在滿足第(1)個條件後，須經過兩年之預設等待期。
	8 April 2016 二零一六年四月八日	1,681,500	-	1,681,500	
Ms. Shen Leying 申樂瑩女士	19 November 2014 二零一四年十一月十九日	1,064,000	1,064,000	1,064,000	
	8 April 2016 二零一六年四月八日	1,150,500	-	1,150,500	
Mr. Xie Yuanjian 謝遠建先生	19 November 2014 二零一四年十一月十九日	1,064,000	1,064,000	1,064,000	
	8 April 2016 二零一六年四月八日	973,500	-	973,500	
Ms. Zhou Qin 周勤女士	19 November 2014 二零一四年十一月十九日	620,000	620,000	620,000	
	8 April 2016 二零一六年四月八日	885,000	-	885,000	
Sub-total 小計			5,940,000	12,312,000	
Other Employees 其他僱員					
	19 November 2014 二零一四年十一月十九日	11,888,000	11,888,000	11,888,000	
	8 April 2016 二零一六年四月八日	11,062,500	-	11,062,500	
Sub-total 小計			11,888,000	22,950,500	
Total 總計		35,262,500	17,828,000	35,262,500	

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

On 24 April 2015, the Company as issuer, Haitong International Securities Company Limited (“Haitong”) as subscriber, certain subsidiary guarantors and Landsea Group entered into the Subscription Agreement in relation to the issue to Haitong of 9.50% Senior Notes due 2018 with an aggregate principal amount of US\$100,000,000 (the “Senior Notes”). Completion of the subscription took place on 30 April 2015.

The Company, Landsea Group and the trustee entered into the Keepwell Deed on 30 April 2015 for the benefit of the Senior Notes. According to the Keepwell Deed, Landsea Group undertook that, among others, it shall (a) directly or indirectly own and hold at least 50% of the outstanding shares of and control the Company; (b) cause the Company to have the required consolidated net worth at all times; (c) cause the Company to have sufficient liquidity; (d) cause the Company to ensure that the repayment of principal or payment of interest in respect of any shareholders’ loan provided to the Company by Landsea Group should not be made when and if there is any overdue payment on the interest, principal or any other obligation under or in respect of the Senior Notes; and (e) cause the Company to remain solvent and a going concern at all times under the laws of their respective jurisdiction of incorporation or applicable accounting standards.

The Company, Landsea Group and the trustee entered into the Deed of Equity Interest Purchase Undertaking on 30 April 2015, pursuant to which Landsea Group shall agree to purchase certain equity interests upon the receipt of a written notice provided by the trustee following the occurrence of an event of default.

If Landsea Group ceases to own more than 50% of the Shares, holders of the Senior Notes will have the right, at such holder’s option, to require the Company to redeem all, but not some only, of that holder’s notes at 101% of their principal amount, together with accrued interest to the date of redemption.

As at 31 December 2016, the Senior Notes remained outstanding.

控股股東根據上市規則第13.18條之特定履約責任

於二零一五年四月二十四日，本公司（作為發行人）、海通國際證券有限公司（「海通」，作為認購人）、若干附屬公司擔保人及朗詩集團訂立認購協議，內容有關向海通發行本金額1億美元於二零一八年到期年息為9.50%之優先債券（「優先債券」）。認購事項已於二零一五年四月三十日落實完成。

於二零一五年四月三十日，本公司、朗詩集團及信託人就優先債券之利益訂立維好契據。根據維好契據，朗詩集團承諾（其中包括）其將(a)直接或間接擁有及持有本公司已發行股份及控制權最少50%；(b)促使本公司一直備有所需之綜合資產淨值；(c)促使本公司具備足夠流動資金；(d)倘有任何有關優先債券之逾期支付之利息、本金或任何其他責任時，促使本公司確保不應就朗詩集團向本公司提供之任何股東貸款償還本金或支付利息；及(e)促使本公司於任何時間維持償債能力以及根據其各自之註冊成立司法權區之法例或適用會計準則持續經營。

於二零一五年四月三十日，本公司、朗詩集團及信託人訂立股權購買承諾契據，據此，朗詩集團同意於發生違約事件後並在收訖信託人發出之書面通知時購入若干股權。

倘朗詩集團不再持有超過50%股份，優先債券持有人將有權在其選擇下要求本公司按債券本金額之101%連同直至贖回日期之應計利息贖回全部（而非部分）該等持有人之債券。

於二零一六年十二月三十一日，優先債券仍未贖回。

DIRECTORS' REPORT

董事局報告

The Company will continue to make relevant disclosure in its subsequent interim and annual reports of the Company pursuant to Rule 13.21 of the Listing Rules for as long as circumstances giving rise to the obligation under Rule 13.18 of the Listing Rules continue to exist.

Save as disclosed above, as at 31 December 2016, the Company did not have other disclosure obligations under Rule 13.18 of the Listing Rules.

SHARE OPTIONS

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

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

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

根據上市規則第13.21條，倘持續出現須遵守上市規則第13.18條所述責任之情況，則本公司將於其後之中期及年度報告中繼續作出相關披露。

除上文所披露者外，根據上市規則第13.18條，截至二零一六年十二月三十一日，本公司並無任何其他披露責任。

股份期權

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

購買股份或債券之安排

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

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2016, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of certain Directors and chief executives, the following shareholders had notified the Company of relevant interests in the issued share capital of the Company:

ORDINARY SHARES OF HK\$0.01 EACH OF THE COMPANY

主要股東

於二零一六年十二月三十一日，本公司根據證券及期貨條例第336條存置之主要股東登記冊顯示，除上文所披露有關若干董事及主要行政人員之權益外，以下股東已知會本公司其擁有本公司已發行股本之有關權益：

本公司每股面值0.01港元的普通股

Name of Shareholder 股東姓名／名稱	Long position/ Short position 好倉／淡倉	Number of Shares held/Percentage in total number of issued Shares 所持股份數目／佔已發行股份總數百分比		Total 總額	
		Number of ordinary Shares 普通股數目	Number of derivative Shares 衍生股份數目		
Landsea Group Co., Ltd. (Note 1)	朗詩集團股份有限公司(附註1)	Long position 好倉	2,820,651,092 (72.00%)	463,560,113 (11.83%)	3,284,211,205 (83.83%)
Landsea International (Note 1)	Landsea International(附註1)	Long position 好倉	2,820,651,092 (72.00%)	463,560,113 (11.83%)	3,284,211,205 (83.83%)
Greensheid (Note 1)	Greensheid(附註1)	Long position 好倉	2,209,991,823 (56.41%)	-	2,209,991,823 (56.41%)
Ping An Insurance (Group) Company of China, Ltd. (Note 2)	中國平安保險(集團)股份有限公司 (附註2)	Long position 好倉	327,002,604 (8.35%)	184,397,163 (4.71%)	511,399,769 (13.05%)
		Short position 淡倉	327,002,604 (8.35%)	184,397,163 (4.71%)	511,399,769 (13.05%)
Ping An Life Insurance Company of China Ltd. (Note 2)	中國平安人壽保險股份有限公司 (附註2)	Long position 好倉	327,002,604 (8.35%)	184,397,163 (4.71%)	511,399,769 (13.05%)
		Short position 淡倉	327,002,604 (8.35%)	184,397,163 (4.71%)	511,399,769 (13.05%)
Ping An Real Estate Company Ltd. (Note 2)	平安不動產有限公司(附註2)	Long position 好倉	327,002,604 (8.35%)	184,397,163 (4.71%)	511,399,769 (13.05%)
		Short position 淡倉	327,002,604 (8.35%)	184,397,163 (4.71%)	511,399,769 (13.05%)

DIRECTORS' REPORT

董事局報告

Name of Shareholder 股東姓名/名稱		Long position/ Short position 好倉/淡倉	Number of Shares held/Percentage in total number of issued Shares 所持股份數目/佔已發行股份總數百分比		Total 總額
			Number of ordinary Shares 普通股數目	Number of derivative Shares 衍生股份數目	
Pingan Real Estate Capital Ltd. (Note 2)	平安不動產資本有限公司(附註2)	Long position 好倉	327,002,604 (8.35%)	184,397,163 (4.71%)	511,399,769 (13.05%)
		Short position 淡倉	327,002,604 (8.35%)	184,397,163 (4.71%)	511,399,769 (13.05%)
Fuji Investment Management Limited (Note 2)	富吉投資管理有限公司(附註2)	Long position 好倉	327,002,604 (8.35%)	184,397,163 (4.71%)	511,399,769 (13.05%)
		Short position 淡倉	327,002,604 (8.35%)	184,397,163 (4.71%)	511,399,769 (13.05%)
Mr. Wong Chung Tak, Richard (Note 3)	王聰德先生(附註3)	Long position 好倉	205,472,623 (5.24%)	–	205,472,623 (5.24%)
Ms. Ng Ka Fong, Jenny (Note 3)	吳嘉芳女士(附註3)	Long position 好倉	205,472,623 (5.24%)	–	205,472,623 (5.24%)
Thing On Group Limited (Note 3)	Thing On Group Limited(附註3)	Long position 好倉	205,472,623 (5.24%)	–	205,472,623 (5.24%)

Notes:

- (1) These include (i) 2,209,991,823 ordinary shares held through Greensheid, (ii) 610,659,269 ordinary shares held through Landsea International and (iii) 463,560,113 derivative shares held through Landsea International which shall be issued by the Company upon exercise of the conversion rights attached to the convertible perpetual securities in an aggregate principal amount of HK\$432,687,009 issued by the Company on 29 January 2016 to Landsea International.

Greensheid is wholly-owned by Landsea International, which is in turn wholly-owned by Landsea Group, a company which its issued shares are held as to approximately 14.49% by Mr. Tian and as to 15.75% by Nanjing Ding Chong Investment Management Consultants Ltd., a company which is in turn held as to approximately 92.5% by Mr. Tian and as to approximately 7.5% by eight individuals (accordingly the attributable interest of Mr. Tian in Landsea Group is approximately 29.06%). Therefore, Landsea International is deemed to be interested in the shares held by Greensheid, and Landsea Group is deemed to be interested in the shares held by Landsea International and Greensheid pursuant to the SFO.

- (2) These include (i) 327,002,604 ordinary shares, and (ii) 184,397,163 derivative shares (as adjusted upon the payment of the final dividend for the year ended 31 December 2015) held by Fuji Investment Management Limited to be issued by the Company upon exercise of the conversion rights attached to the convertible perpetual securities in an aggregate principle amount of HK\$130,000,000 issued by the Company. Fuji Investment Management Limited is wholly-owned by Pingan Real Estate Capital Limited which in turn is wholly-owned by Ping An Real Estate Company Limited. Ping An Real Estate Company Limited is owned as to 49% by Ping An Life Insurance Company of China Ltd., which in turn is owned as to 99.5% by Ping An Insurance (Group) Company of China, Ltd. Therefore, each of Ping An Insurance (Group) Company of China, Ltd., Ping An Life Insurance Company of China Ltd., Ping An Real Estate Company Ltd. and Pingan Real Estate Capital Ltd. is deemed to be interested in the shares held by Fuji Investment Management Limited pursuant to the SFO.
- (3) The entire issued share capital of Thing On Group Limited ("Thing On") is beneficially owned by Mr. Wong Chung Tak, Richard ("Mr. Wong"). Ms. Ng Ka Fong, Jenny ("Ms. Ng") is the spouse of Mr. Wong. Therefore, Mr. Wong and Ms. Ng are deemed to be interested in the 205,472,623 ordinary shares held through Thing On.

Save as disclosed above, the Company has not been notified of any other relevant interests or short positions in the shares and underlying shares of the Company as at 31 December 2016.

附註：

- (1) 包括(i)2,209,991,823股透過Greensheid所持有的普通股，(ii)610,659,269股透過Landsea International所持有的普通股及(iii)本公司於二零一六年一月二十九日向Landsea International所發行本金額合共432,687,009港元之可換股永久證券所附兌換權利獲行使後將發行的463,560,113股透過Landsea International持有的衍生股份。

Greensheid由Landsea International全資擁有，而Landsea International由朗詩集團全資擁有，朗詩集團已發行股份由田先生持有約14.49%及由南京鼎重投資管理顧問有限公司（一間由田先生及八名人士分別持有約92.5%及約7.5%之公司）持有15.75%，因此，田先生於朗詩集團之應佔權益約為29.06%。因此，根據證券及期貨條例，Landsea International被視為於Greensheid持有之股份中擁有權益，而朗詩集團被視為於Landsea International及Greensheid持有之股份中擁有權益。

- (2) 包括(i)327,002,604股普通股，及(ii)184,397,163股（於支付截至二零一五年十二月三十一日止年度的末期股息後作出調整）由富吉投資管理有限公司所持有將由本公司於本公司所發行本金額合共130,000,000港元之可換股永久證券所附兌換權利獲行使後發行之衍生股份。富吉投資管理有限公司由平安不動產資本有限公司全資擁有，而平安不動產資本有限公司由平安不動產有限公司全資擁有。平安不動產有限公司由中國平安人壽保險股份有限公司擁有49%，而中國平安人壽保險股份有限公司由中國平安保險（集團）股份有限公司擁有99.5%。因此，根據證券及期貨條例，中國平安保險（集團）股份有限公司，中國平安人壽保險股份有限公司、平安不動產有限公司及平安不動產資本有限公司各自被視為於富吉投資管理有限公司持有之股份中擁有權益。
- (3) Thing On Group Limited（「Thing On」）之全部已發行股本由王聰德先生（「王先生」）實益擁有，而吳嘉芳女士（「吳女士」）為王先生之配偶。因此，王先生及吳女士被視為於透過Thing On持有之205,472,623股普通股中擁有權益。

除上文所披露者外，於二零一六年十二月三十一日，本公司概無獲知會於本公司股份及相關股份之其他有關權益或淡倉。

DIRECTORS' REPORT

董事局報告

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

CONNECTED TRANSACTIONS

For the year ended 31 December 2016, the Group has the following connected transaction:

- (1) On 2 December 2015, the Group entered into the sale and purchase agreements to acquire (i) the entire equity interest of and shareholder's loan in Epic China Limited (the "Epic China Acquisition"); and (ii) the entire registered capital of Shanghai Landsea Planning and Architectural Design Co., Ltd.* (上海朗詩規劃建築設計有限公司) (the "Landsea Design Acquisition"). The consideration for the Epic Chi.0na Acquisition was HK\$871,140,364, of which HK\$438,453,355 has been settled by way of issuance of 610,659,269 consideration shares at HK\$0.7180 each, and as to HK\$432,687,009 has been settled by way of issuance of consideration securities in an aggregate principal amount of HK\$432,687,009 which are convertible into shares of the Company at the initial conversion price of HK\$0.9334 per share (subject to adjustment); and the consideration for the Landsea Design Acquisition was RMB19,500,000 in cash. The Epic China Acquisition and the Landsea Design Acquisition constituted major and connected transactions of the Company and were subject to the approval of independent shareholders. At the special general meeting of the Company held on 26 January 2016, the Epic China Acquisition and the Landsea Design Acquisition were approved by the independent shareholders and the transactions were completed on 29 January 2016;
- (2) On 31 December 2015, the Company entered into the shareholder loan framework agreement ("Framework Agreement") with Landsea Group, pursuant to which Landsea Group agreed to grant shareholder loan(s) in an aggregate principal amount of not exceeding RMB4,000,000,000 (or Hong Kong Dollar equivalent) to the Company and/or its subsidiaries during the two-year period up to 31 December 2017 at an interest rate of 5.5% per annum. As at 31 December 2016, Landsea International Holdings Limited, the wholly owned subsidiary of Landsea Group has granted an aggregate of RMB15,000,000 and USD13,000,000 to the Company which remains outstanding.

關連交易及持續關連交易

關連交易

截至二零一六年十二月三十一日止年度，本集團有以下關連交易：

- (1) 於二零一五年十二月二日，本集團就收購(i) Epic China Limited之全部股權及股東貸款(「Epic China收購事項」)；及(ii)上海朗詩規劃建築設計有限公司之全部註冊資本(「朗詩設計收購事項」)訂立買賣協議。Epic China收購事項之代價為871,140,364港元，其中438,453,355港元以按每股0.7180港元發行610,659,269股代價股份之方式償付，而432,687,009港元則以發行本金總額為432,687,009港元之代價證券之方式償付，有關代價證券可按初步兌換價每股0.9334港元(可予以調整)兌換為本公司股份；朗詩設計收購事項之代價為人民幣19,500,000港元，以現金償付。Epic China收購事項及朗詩設計收購事項構成本公司之主要及關連交易，並須遵守獨立股東批准規定。於二零一六年一月二十六日舉行之本公司股東特別大會上，Epic China收購事項及朗詩設計收購事項獲獨立股東批准，而該等交易已於二零一六年一月二十九日完成。
- (2) 於二零一五年十二月三十一日，本公司與朗詩集團簽訂股東貸款框架協議(「框架協議」)，朗詩集團同意在二零一七年十二月三十一日之前的兩年內向本公司及／或其附屬公司授出合共本金額不超過人民幣4,000,000,000元(或等值港元)之股東貸款，按年利率5.5%計息。於二零一六年十二月三十一日，朗詩集團全資附屬公司Landsea International Holdings Limited向本公司授出合共人民幣15,000,000元及13,000,000美元之貸款，目前仍未償還。

- (3) Apart from the grant of shareholder's loan under the Framework Agreement above, Landsea Group has also granted to Landsea Holdings Corporation, an indirect wholly-owned subsidiary of the Company, certain loans in an aggregate principal amount of RMB1,662,177,000 with interest rate ranging from 5.3% to 6.6% per annum repayable in 5 years from the respective date of drawdown. As at 31 December 2016, an aggregate of RMB1,662,177,000 remain outstanding.
- (4) On 31 December 2016, 蘇州朗坤置業有限公司 (Suzhou Langkun Property Limited) ("Suzhou Langkun"), an indirect non wholly-owned subsidiary of the Company, entered into a loan agreement with its shareholders, pursuant to which Suzhou Langkun would advance loan to its shareholders on pro-rata basis according to their respective shareholding interest in Suzhou Langkun. The loan is repayable on 31 December 2017, and Suzhou Langkun shall charge an annual interest rate of 4.35% per annum on the actual amount of drawdown. The provision of loan to each of the non-controlling shareholders of Suzhou Langkun constituted discloseable transaction for the Company under Rule 14.06 of the Listing Rules, and connected transaction for the Company with connected persons at subsidiary level under Rule 14A.101 under the Listing Rules. As at 31 December 2016, the outstanding amount due from the non-controlling shareholders of Suzhou Langkun amounted to RMB558,000,000.
- (3) 除根據上述框架協議授出股東貸款外，朗詩集團亦向於本公司間接全資附屬公司Landsea Holdings Corporation授出本金額合共人民幣1,662,177,000元之若干貸款，年利率介乎5.3%至6.6%，須於各自支取日期起計5年內償還。於二零一六年十二月三十一日，合共人民幣1,662,177,000元仍未償還。
- (4) 於二零一六年十二月三十一日，本公司間接非全資附屬公司蘇州朗坤置業有限公司（「蘇州朗坤」）與其股東簽訂貸款協議，蘇州朗坤按股東各自於蘇州朗坤的股權按比例向股東提供貸款。貸款須於二零一七年十二月三十一日償還，而蘇州朗坤將按4.35%的年利率根據支取的實際金額收取利息。向蘇州朗坤各非控股股東提供貸款屬於本公司根據上市規則第14.06條須予披露的交易及本公司根據上市規則第14A.101條與附屬公司層面的關連人士進行之關連交易。於二零一六年十二月三十一日，應收蘇州朗坤非控股股東的未償還款項達人民幣558,000,000元。

DIRECTORS' REPORT

董事局報告

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

For the year ended 31 December 2016, the Group has the following non-exempt continuing connected transaction under Chapter 14A of the Listing Rules:

On 23 February 2014, the Company and Landsea Group entered into an agreement (“Property Development and Management Services Agreement”), pursuant to which the Group provides property development and management services to Landsea Group. The property development and management services comprise (i) preliminary project stage management services, including customers survey, positioning of the project, planning design management, and preliminary stage administration; (ii) sales management, including agency services, sales and planning management, and customer services administration; (iii) construction and delivery management, including procurement management, cost management, engineering and construction management, completion inspection and delivery administration, customer services and maintenance services; (iv) other management services, which comprise administration and human resources management, drawings and file management and financial management, and (v) financing advisory services. The Property Development and Management Services Agreement has a fixed term of three financial years ending 31 December 2016. During the year, the Group received from Landsea Group a property development and management income in an amount of approximately RMB74,045,000.

The annual cap for the financial year ended 31 December 2016 in respect of The Property Development and Management Services Agreement is RMB510,000,000.

Under the Listing Rules, the transaction contemplated under the Property Development and Management Services Agreement constitute continuing connected transaction of the Company. Such transaction was approved by the independent shareholders of the Company at the special general meeting held on 31 March 2014.

非豁免持續關連交易

截至二零一六年十二月三十一日止年度，本集團進行了以下上市規則第14A章界定的非豁免持續關連交易：

於二零一四年二月二十三日，本公司與朗詩集團訂立一份協議（「項目開發管理服務協議」），據此，本集團將向朗詩集團提供項目開發管理服務。項目開發管理服務包括(i)項目前期管理服務，包括客戶調查、項目定位、規劃設計管理及項目前期管理；(ii)銷售管理，包括代理服務、銷售及策劃管理以及客戶服務管理；(iii)建設及交付管理，包括採購管理、成本管理、工程及建設管理、竣工、驗收及交付管理、客戶服務以及維修服務；(iv)其他管理服務，包括行政及人力資源管理、圖紙檔案管理以及財務管理；及(v)融資顧問服務。項目開發管理服務協議之固定年期為截至二零一六年十二月三十一日止三個財政年度。於本年度，本集團收取朗詩集團項目開發管理服務收入約人民幣74,045,000元。

項目開發管理服務協議截至二零一六年十二月三十一日止財政年度之年度上限為人民幣510,000,000元。

根據上市規則，項目開發管理服務協議的交易構成本公司之持續關連交易。該等交易於二零一四年三月三十一日舉行之股東特別大會獲得本公司之獨立股東批准。

The independent non-executive Directors have reviewed the above continuing connected transactions and confirmed that the transactions have been entered into:

1. in the ordinary and usual course of the Group's business;
2. on normal commercial terms; and
3. have been carried out in accordance with the terms of the agreements governing such transactions that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

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

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the Group's purchased from the five largest suppliers accounted for approximately 31.5% of the Group's total purchases and purchased from the largest supplier included therein accounted for approximately 13.1% of the Group's total purchases.

During the year, the Group's revenue from the five largest customers accounted for approximately 6.2% of the Group's total revenue and revenue from Landsea Group, being the largest customer included therein accounted for approximately 1.7% of the Group's total revenue.

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

獨立非執行董事已審閱上述持續關連交易，並確認該等交易：

1. 於本集團之一般日常業務中訂立；
2. 按一般商業條款訂立；及
3. 按規管該等交易之協議條款而進行，屬公平合理，且符合本公司股東整體利益。

本公司已委聘核數師遵照香港會計師公會所頒佈之香港核證聘用準則第3000號「非審核或審閱過往財務資料的核證工作」及參照實務說明第740號「關於香港上市規則所述持續關連交易的核數師函件」，就上述持續關連交易作出匯報。核數師已根據上市規則第14A.56條就上述持續關連交易之審查結果及結論發出無保留意見函件。

主要客戶及供應商

於本年度，本集團向五大供應商之採購佔本集團總採購額約31.5%，當中包括向最大供應商之採購，佔本集團總採購額約13.1%。

於本年度，本集團來自五大客戶之收入佔本集團總收入約6.2%，來自朗詩集團（最大客戶）之收入佔本集團總收入約1.7%。

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

DIRECTORS' REPORT

董事局報告

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2016, other than those purchased by the trustee for the Share Award Scheme.

PRE-EMPTIVE RIGHTS

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

PERMITTED INDEMNITY PROVISION

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

SUFFICIENT OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 December 2016.

TAX RELIEF

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

購入、出售或贖回本公司上市證券

截至二零一六年十二月三十一日止年度，除受託人就股份獎勵計劃購入的本公司上市證券外，本公司或其任何附屬公司概無購入、出售或贖回本公司任何上市證券。

優先購買權

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

獲准許彌償條文

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

足夠公眾持股量

截至二零一六年十二月三十一日止年度，本公司一直維持足夠之公眾持股量。

稅務寬免

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

AUDITOR

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

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

On behalf of the Board

Landsea Green Properties Co., Ltd.

Shen Leying

Director

Hong Kong, 24 March 2017

核數師

本公司於過往三年概無更換外部核數師。

於股東週年大會上將會提呈決議案續聘羅兵咸永道為本公司核數師。

代表董事局

朗詩綠色地產有限公司

申樂瑩

董事

香港，二零一七年三月二十四日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



羅兵咸永道

To the shareholders of Landsea Green Properties Co., Ltd.
(incorporated in Bermuda with limited liability)

致朗詩綠色地產有限公司股東
(於百慕達註冊成立之有限公司)

OPINION WHAT WE HAVE AUDITED

The consolidated financial statements of Landsea Green Properties Co., Ltd. (the "Company") and its subsidiaries (the "Group") set out on pages 103 to 242, which comprise:

意見 我們已審計的內容

朗詩綠色地產有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第103至242頁的綜合財務報表，包括：

- the consolidated balance sheet as at 31 December 2016;
 - 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.
- 於二零一六年十二月三十一日的綜合資產負債表；
 - 截至該日止年度的綜合全面收益表；
 - 截至該日止年度的綜合權益變動表；
 - 截至該日止年度的綜合現金流量表；及
 - 綜合財務報表附註，包括主要會計政策概要。

22/F Prince's Building, Central, Hong Kong
Tel: +852 2289 8888 Fax: +852 2810 9888

香港中環太子大廈廿二樓
電話: +852 2289 8888 傳真: +852 2810 9888

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 (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

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

INDEPENDENCE

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

KEY AUDIT MATTERS

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

我們的意見

我們認為，該等綜合財務報表已根據香港會計師公會頒佈的《香港財務報告準則》真實而中肯地反映了貴集團於二零一六年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

意見的基礎

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

我們相信，我們所獲得的審計憑證能充足及適當地為我們的意見提供基礎。

獨立性

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

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本年綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key Audit Matter

關鍵審計事項

Revenue recognition for management service

管理服務收入確認

Refer to note 3.21 (Accounting policy for revenue recognition), note 5 (vi) (Critical accounting estimates and judgement for revenue recognition for property development management services fees) and note 6 (Revenue) of consolidation financial statements.

請參閱綜合財務報表附註3.21(收入確認的會計政策)、附註5(vi)(項目開發管理服務費收入確認的關鍵會計估計及判斷)及附註6(收入)。

For the year ended 31 December 2016, the Group recorded revenue from management service amounted to RMB269 million, representing approximately 6% of the Group's total revenue.

截至二零一六年十二月三十一日止年度，貴集團的管理服務收入為人民幣269百萬元，相當於貴集團總收入約6%。

The Group provides management service contracts for both floating and fixed fees and revenue is recognised by using the percentage of completion method. Significant accounting estimate is involved in the determination of percentage of completion, in both the cost budget and the projected sales and there is significant audit effort on revenue.

貴集團就浮動及固定收費訂立管理服務合約，採用完成百分比法確認收入。釐定完成百分比時涉及重大會計估計，包括成本預算及估計銷售額，該等收入相關審計工作量非常重大。

We therefore consider the revenue recognition for management service is a Key Audit Matter.

因此，我們認為管理服務收入確認為關鍵審計事項。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

We understood, evaluated and tested the key controls over revenue recognition for management service.

我們了解、評估及檢驗管理服務收入確認所用主要控制因素。

We assessed if the percentage of completion used is reasonable and consistently applied. In respect of cost incurred and cost to completion, we tested actual costs incurred to supporting evidence, performed site visit to project, and agreed the cost budget to contracts on a sample basis.

我們評估所用完成百分比是否合理且貫徹應用。關於已產生成本及竣工成本，我們抽樣檢查實際產生成本至支持性證據，進行項目實地考察，及檢查實際成本與合約協定總成本是否相符。

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

我們通過比較本集團的類似項目、各階段實際成本與預算之間的差異和現有外界資料及證據評估管理層對竣工成本之估計的合理性及敏感性。

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

預計銷售估計方面，我們比較類似項目的預計銷售額及價格和交易所定價及特徵相若的鄰近項目報價等現有市場數據。

We considered the accounting estimations used in revenue recognition for management services were supported by available evidence.

我們認為現有證據能夠支持管理服務收入確認所採用的會計估計。

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 THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

其他信息

貴公司董事須對其他信息負責。其他信息包括年報內的所有信息，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事及審計委員會就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及香港《公司條例》的披露規定擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在擬備綜合財務報表時，董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

審計委員會須負責監督貴集團的財務報告過程。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅按照百慕達一九八一年《公司法》第90條向閣下（作為整體）報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

除其他事項外，我們與審計委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

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

我們還向審計委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

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

從與審計委員會溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是關瑞翔。

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 24 March 2017

羅兵咸永道會計師事務所

執業會計師

香港，二零一七年三月二十四日

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

		Note 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
				(Restated) (經重列)
Revenue	收入	6	4,845,008	1,792,791
Cost of sales and services	銷售及服務成本	10	(4,086,294)	(1,034,158)
Gross profit	毛利		758,714	758,633
Other income	其他收益	8	142,681	34,410
Selling expenses	銷售費用	10	(90,115)	(73,418)
Administrative expenses	行政費用	10	(288,754)	(109,698)
Fair value gain on an investment property	投資性物業的公允價值利得	19	41,750	44,047
Other gains, net	其他利得淨額	9	392,258	81,459
Operating profit	經營利潤		956,534	735,433
Finance costs	財務費用	11	(194,085)	(49,913)
Share of gains/(losses) of associates	應佔聯營公司利得/(虧損)		45,088	(11,085)
Share of gains/(losses) of joint ventures	應佔合營企業利得/(虧損)		24,930	(10,445)
Profit before income tax	除所得稅前利潤		832,467	663,990
Income tax expense	所得稅費用	12	(225,631)	(184,261)
Profit for the year	年度利潤		606,836	479,729
Other comprehensive income	其他全面收益			
Translation differences which may be subsequently recycled to the profit or loss	其後可能計入損益的 匯兌差額		(122,282)	(142,446)
Other comprehensive income for the year, net of tax	年度其他全面收益，扣除 稅項		(122,282)	(142,446)
Total comprehensive income for the year	年度全面收益總額		484,554	337,283

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

	Note 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 (Restated) (經重列)
Profit for the year attributable to:			
The owners of the Company	年度利潤歸屬於： 本公司所有者	595,439	485,079
Non-controlling interests	非控制性權益	11,397	(5,350)
		606,836	479,729
Total comprehensive income for the year attributable to:	年度全面收益總額歸屬於：		
The owners of the Company	本公司所有者	454,413	342,633
Non-controlling interests	非控制性權益	30,141	(5,350)
		484,554	337,283
Earnings per share attributable to owners of the Company for the year (expressed in RMB per share)	歸屬於本公司所有者的 年度每股收益 (以每股人民幣列示)		
Basic earnings per share	每股基本收益	13 0.147	0.133
Diluted earnings per share	每股稀釋收益	13 0.131	0.118

The notes form an integral part of these consolidated financial statements. 附註構成本綜合財務報表的一部分。

CONSOLIDATED BALANCE SHEET

綜合資產負債表

As at 31 December 2016 於二零一六年十二月三十一日

	Note	2016	2015
	附註	二零一六年	二零一五年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
			(Restated)
			(經重列)
ASSETS	資產		
Non-current assets	非流動資產		
Investment property	投資性物業	19 290,920	249,170
Property, plant and equipment	不動產、工廠及設備	20 21,070	13,919
Interests in associates	於聯營公司的權益	17 744,099	2,218,144
Interests in joint ventures	於合營企業的權益	18 448,646	695,370
Other receivables, prepayments and deposits	其他應收款、預付款及訂金	25 425,516	81,783
Deferred tax assets	遞延稅項資產	30 153,609	86,633
Goodwill	商譽	9,460	9,460
		2,093,320	3,354,479
Current assets	流動資產		
Properties held for sale	持作銷售物業	21 395,323	172,840
Properties under development	開發中房地產	23 10,379,261	7,986,633
Inventories	庫存	22 23,501	7,123
Deposits for purchase of land	購買土地的按金	42,000	729,300
Trade receivables	應收賬款	24 233,270	95,404
Other receivables, prepayments and deposits	其他應收款、預付款及訂金	25 328,934	265,059
Amounts due from related parties	應收關聯方款項	39(a) 818,271	–
Amounts due from non-controlling interests	應收非控制性權益款項	26 558,000	–
Prepaid taxes	預付稅項	158,394	140,955
Restricted cash	受限制現金	27 215,722	126,854
Cash and cash equivalents	現金及現金等價物	27 2,761,130	1,262,269
		15,913,806	10,786,437
Total assets	總資產	18,007,126	14,140,916

CONSOLIDATED BALANCE SHEET

綜合資產負債表

As at 31 December 2016 於二零一六年十二月三十一日

		Note 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 (Restated) (經重列)
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Borrowings	借款	29	4,815,351	5,775,239
Deferred tax liabilities	遞延稅項負債	30	52,850	42,413
Amounts due to related parties	應付關聯方款項	39(b)	1,787,112	–
Amounts due to non-controlling interests	應付非控制性權益款項	31	211,492	–
			6,866,805	5,817,652
Current liabilities	流動負債			
Creditors and accruals	應付賬款及應計費用	28	1,367,759	783,489
Advanced proceeds received from customers	向客戶收取的預付款項		4,924,805	2,981,820
Amounts due to related parties	應付關聯方款項	39(b)	325,360	1,237,980
Amounts due to non-controlling interests	應付非控制性權益款項	31	–	45,014
Borrowings	借款	29	1,267,990	1,111,117
Taxation payable	應付稅項		201,691	205,685
			8,087,605	6,365,105
Total liabilities	總負債		14,954,410	12,182,757

		Note 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 (Restated) (經重列)
EQUITY	權益			
Capital and reserves attributable to the owners of the Company	歸屬於本公司所有者的資本及儲備			
Share capital	股本	32	31,800	26,665
Convertible perpetual securities	可換股永久證券	34	484,204	110,054
Reserves	儲備	35	2,384,652	1,781,230
Non-controlling interests	非控制性權益		152,060	40,210
Total equity	總權益		3,052,716	1,958,159
Total liabilities and equity	總負債及權益		18,007,126	14,140,916

The consolidated financial statements on pages 103 to 242 were approved by the Board of Directors on 24 March 2017 and were signed on its behalf.

第103至242頁所載的綜合財務報表已於二零一七年三月二十四日經董事局批准，並由以下人士代表簽署。

Xiang Jiong
向炯
Director
董事

Shen Leying
申樂瑩
Director
董事

The notes form an integral part of these consolidated financial statements.

附註屬於本綜合財務報表的一部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

		Attributable to the owner of the Company 歸屬於本公司所有者					
		Convertible perpetual			Non- controlling		
		Share capital	securities (note 34)	Reserves (note 35)	Total	interests	Total
		可換股 股本	永久證券 (附註 34)	儲備 (附註 35)	總計	非控制性 權益	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2015	於二零一五年一月一日	23,939	-	1,311,746	1,335,685	45,560	1,381,245
Business combination between entities under common control	共同控制實體業務合併	-	-	32,494	32,494	-	32,494
At 1 January 2015 (Restated)	於二零一五年一月一日 (經重列)	23,939	-	1,344,240	1,368,179	45,560	1,413,739
Profit for the year	年度利潤	-	-	485,079	485,079	(5,350)	479,729
Other comprehensive income	其他全面收益						
Exchange difference arising from translation of foreign operations	換算海外業務產生的 匯兌差額	-	-	(142,446)	(142,446)	-	(142,446)
Total comprehensive income for the year	年度全面收益總額	-	-	342,633	342,633	(5,350)	337,283
Issuance of shares (note 32)	發行股份(附註32)	2,726	-	174,491	177,217	-	177,217
Dividend	股息	-	-	(64,541)	(64,541)	-	(64,541)
Employee share based compensation (note 33)	僱員股權報酬(附註33)	-	-	6,459	6,459	-	6,459
Shares held for share award scheme	就股份獎勵計劃持有的股份	-	-	(21,198)	(21,198)	-	(21,198)
Issuance of convertible perpetual securities (note 34)	發行可換股永久證券 (附註 34)	-	109,200	-	109,200	-	109,200
Accrued distribution to holders of convertible perpetual securities	可換股永久證券持有人 應計分派	-	854	(854)	-	-	-
At 31 December 2015 (Restated note 2)	於二零一五年十二月三十一日 (經重列附註 2)	26,665	110,054	1,781,230	1,917,949	40,210	1,958,159

The notes form an integral part of these consolidated financial statements. 附註構成本綜合財務報表的一部分。

		Attributable to the owner of the Company 歸屬於本公司所有者					
		Share capital	Convertible perpetual securities (note 34) 可換股 永久證券 (附註 34)	Reserves (note 35) 儲備 (附註 35)	Total	Non-controlling interests	Total
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2016	於二零一六年一月一日	26,665	110,054	1,779,746	1,916,465	40,210	1,956,675
Business combination between entities under common control	共同控制實體業務合併	-	-	1,484	1,484	-	1,484
At 1 January 2016 (Restated note 2)	於二零一六年一月一日 (經重列附註 2)	26,665	110,054	1,781,230	1,917,949	40,210	1,958,159
Profit for the year	年度利潤	-	-	595,439	595,439	11,397	606,836
Other comprehensive income	其他全面收益						
Exchange difference arising from translation of foreign operations	換算海外業務產生的匯兌差額	-	-	(141,026)	(141,026)	18,744	(122,282)
Total comprehensive income for the year	年度全面收益總額	-	-	454,413	454,413	30,141	484,554
Issuance of shares (note 32)	發行股份(附註 32)	5,135	-	360,493	366,078	-	366,078
Dividend	股息	-	-	(133,934)	(133,934)	-	(133,934)
Employee share based compensation (note 33)	僱員股權報酬(附註 33)	-	-	10,245	10,245	-	10,245
Shares held for share award scheme	就股份獎勵計劃持有的股份	-	-	1,846	1,846	-	1,846
Issuance of convertible perpetual securities (note 34)	發行可換股永久證券(附註 34)	-	363,847	-	363,847	-	363,847
Accrued distribution to holders of convertible perpetual securities (note 34)	可換股永久證券持有人應計分派(附註 34)	-	18,661	(18,661)	-	-	-
Contribution from non-controlling interests	非控制性權益注資	-	-	24,426	24,426	278,509	302,935
Distribution to non-controlling interests	向非控制性權益分派	-	-	-	-	(196,800)	(196,800)
Distributions to holders of convertible perpetual securities	向可換股永久證券持有人分派	-	(8,358)	-	(8,358)	-	(8,358)
Consideration paid for business combination between entities under common control	共同控制實體業務合併所付代價	-	-	(95,856)	(95,856)	-	(95,856)
At 31 December 2016	於二零一六年十二月三十一日	31,800	484,204	2,384,652	2,900,656	152,060	3,052,716

The notes form an integral part of these consolidated financial statements. 附註屬於本綜合財務報表的一部分。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

			2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
		Note 附註		(Restated) (經重列)
Cash flows from operating activities	經營活動的現金流量			
Net cash generated in operations	經營所得現金淨額	38	2,411,562	1,990,169
Income tax paid	已付所得稅		(268,764)	(80,694)
Interest paid	已付利息		(233,477)	(326,705)
PRC land appreciation and other tax prepaid	預付中國土地增值稅及其他稅項		(116,146)	(120,714)
			1,793,175	1,462,056
Net cash generated in operating activities	經營活動所得現金淨額		1,793,175	1,462,056
Cash flows from investing activities	投資活動的現金流量			
Increase in other receivables, prepayments and deposits	其他應收款、預付款及訂金增加		(338,320)	-
Interest received	已收利息		14,700	16,265
Purchases of property, plant and equipment	購買不動產、工廠及設備		(19,323)	(6,490)
Proceeds from disposal of property, plant and equipment	出售不動產、工廠及設備的所得款項		94	258
Proceeds from disposal of subsidiaries, net of cash and cash equivalents	出售附屬公司所得款項，扣除現金及現金等價物	36	312,559	438,176
Increase in interests in associates	於聯營公司的權益增加		(324,681)	(217,935)
Increase in interests in joint ventures	於合營企業的權益增加		(124,573)	(219,343)
Decrease/(increase) in amounts due from related parties	應收關聯方款項減少/(增加)		1,421,028	(1,136,914)
Payment for acquisition of subsidiaries	收購附屬公司付款	2,23	(1,685,994)	-
Increase in amount due from non-controlling interests	應收非控制性權益款項增加		(558,000)	-
			(1,302,510)	(1,125,983)
Net cash used in investing activities	投資活動所用現金淨額		(1,302,510)	(1,125,983)

	Note 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 (Restated) (經重列)
Cash flows from financing activities	融資活動的現金流量		
Decrease in amounts due to non-controlling interests	應付非控制性權益款項減少	(286,754)	(303,300)
Repayment of borrowings	償還借款	(4,315,208)	(3,556,503)
Proceeds from borrowings	借款所得款項	4,579,687	2,920,280
Increase in amount due to related parties	應付關聯方款項增加	1,533,593	463,634
(Repayment of)/proceeds from issuance of senior private notes	優先私募債券之(償還)/發行所得款項	(667,780)	594,777
Interest paid	已付利息	(231,743)	(85,050)
Contribution from non-controlling interests	非控制性權益注資	305,802	–
Increase in amounts due to non-controlling interests	應付非控制性權益款項增加	453,232	–
Dividends paid to owners of the Company	已付本公司所有者的股息	(133,934)	(64,541)
Distribution to non-controlling interests	非控制性權益的分派	(196,800)	–
Issuance of ordinary shares, net of issuance cost	發行普通股，扣除發行成本	(2,714)	177,217
Issuance of convertible perpetual security, net of issuance cost	發行可換股永久證券，扣除發行成本	–	109,200
Distributions to holders of convertible perpetual securities	可換股永久證券持有人的分派	(8,358)	–
Increase in restricted cash	受限現金增加	(41,459)	–
<i>Net cash generated from financing activities</i>	<i>融資活動所得現金淨額</i>	987,564	255,714
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	1,478,229	591,787

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
	Note 附註		(Restated) (經重列)
Cash and cash equivalents at 1 January	於一月一日的現金及現金等價物	1,262,269	672,849
Effect of foreign exchange rate changes	外幣匯率變動影響	20,632	(2,367)
Cash and cash equivalents at 31 December	於十二月三十一日的現金及 現金等價物	2,761,130	1,262,269
	27		

The notes form an integral part of these consolidated financial statements.

附註構成本綜合財務報表的一部分。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

1 GENERAL INFORMATION

Landsea Green Properties Co., Ltd. (the “Company”) was incorporated in Bermuda as an exempted company with limited liability. The addresses of its registered office and principal place of business are disclosed in the corporate information to the annual report. The Company’s shares are listed on The Stock Exchange of Hong Kong Limited (“SEHK”).

The Company is an investment holding company. Details of the activities of its principal subsidiaries are set out in note 41 to the consolidated financial statements. The Company and its subsidiaries are referred to as the “Group” hereinafter. The Group is principally engaged in property investment and property development and trading.

In the opinion of the directors, the ultimate holding company of the Company is 朗詩集團股份有限公司 (Landsea Group Co., Ltd.), a company established in the People’s Republic of China (the “PRC”).

These consolidated financial statements are presented in thousands of Renminbi (“RMB’000”) and were approved for issue by the board of directors on 24 March 2017.

1 一般資料

朗詩綠色地產有限公司(「本公司」)為於百慕達註冊成立的獲豁免有限公司，註冊辦事處地址及主要業務地點於年報的公司資料內披露。本公司股份於香港聯合交易所有限公司(「香港聯交所」)上市。

本公司為投資控股公司，主要附屬公司的業務詳情載於綜合財務報表附註41。本公司及其附屬公司統稱為「本集團」。本集團主要從事房地產投資、房地產開發及買賣。

董事認為，本公司的最終控股公司為朗詩集團股份有限公司，該公司於中華人民共和國(「中國」)成立。

本綜合財務報表以人民幣千元(「人民幣千元」)呈報，並經由董事局於二零一七年三月二十四日批准刊發。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2 MERGER ACCOUNTING RESTATEMENT

On 29 January 2016, the Company acquired from Landsea International Holding Limited (“Landsea International”) 100% of issued shares of Epic China Limited (“Epic China”) together with the unsecured shareholder’s loans borrowed from Landsea International at a total consideration of RMB718,940,633 (equivalent to approximately HK\$871,140,364) by Epic China, such consideration was settled by the Company by way of issuance of 610,659,269 ordinary shares and HK\$432,687,009 (equivalent to RMB363,847,000) convertible perpetual securities (note 34(b)) to Landsea International.

On 29 January 2016, Shanghai GR and Management Co., Ltd. (“Landsea Investment”), a wholly-owned subsidiary of the Company, acquired from Shanghai Landsea Construction Technological Co., Ltd. (“Landsea Construction”) 100% interests of Shanghai Landsea Planning and Architectural Design Co., Ltd. (“Landsea Design”) for an aggregation consideration of RMB19,500,000.

As Epic China and Landsea Design were controlled by Landsea Group Co., Ltd., which is also the controlling party of the Company, the abovementioned acquisitions are considered as a business combination involving entities under common control and has been accounted for by using merger accounting method. As a result, the consolidated balance sheet as at 31 December 2015, the consolidated statements of comprehensive income, changes in equity and cash flows for the year ended 31 December 2015 have been restated to include the results of Epic China and Landsea Design during that year.

2 合併會計重列

於二零一六年一月二十九日，本公司向 Landsea International Holding Limited (「朗詩國際」) 收購 Epic China Limited (「Epic China」) 全部已發行股份及 Epic China 結欠朗詩國際的無抵押股東貸款，總代價為人民幣 718,940,633 元 (相當於約 871,140,364 港元)，已由本公司透過向朗詩國際發行 610,659,269 股普通股及為數 432,687,009 港元 (相當於人民幣 363,847,000 元) 的可換股永久證券 (附註 34(b)) 償付。

於二零一六年一月二十九日，本公司全資附屬公司上海朗詩投資管理有限公司 (「朗詩投資」) 向上海朗詩建築科技有限公司 (「朗詩建築」) 收購上海朗詩規劃建築設計有限公司 (「朗詩設計」) 全部權益，總代價為人民幣 19,500,000 元。

由於朗詩集團股份有限公司控制 Epic China 及朗詩設計，亦是本公司的控股方，故上述收購事項視為涉及受共同控制實體的業務合併，已採用合併會計法入賬。因此，於二零一五年十二月三十一日的綜合資產負債表以及截至二零一五年十二月三十一日止年度的綜合全面收益表、權益變動表及現金流量表已重列，以包括 Epic China 及朗詩設計於該年度的業績。

2 MERGER ACCOUNTING RESTATEMENT

(Continued)

The effect of the merger accounting restatement on the consolidated balance sheet as at 31 December 2015 by line items is as follows:

2 合併會計重列(續)

合併會計重列對二零一五年十二月三十一日綜合資產負債表中各項影響如下：

		As at 31 December 2015 二零一五年十二月三十一日				
		The Group	Epic China	Landsea Design	Elimination	The Group
		本集團	Epic China	朗詩設計	撤銷	本集團
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(Originally stated)				(Restated)
		(原列)				(經重列)
Assets	資產					
Non-current assets	非流動資產					
Interests in joint ventures	於合營企業的權益	467,012	228,358	-	-	695,370
Other non-current assets	其他非流動資產	2,627,476	17,407	3,383	10,843	2,659,109
		<u>3,094,488</u>	<u>245,765</u>	<u>3,383</u>	<u>10,843</u>	<u>3,354,479</u>
Current assets	流動資產					
Properties under development	開發中房地產	6,157,688	1,834,413	-	(5,468)	7,986,633
Cash and cash equivalents	現金及現金等價物	990,187	268,719	3,363	-	1,262,269
Other current assets	其他流動資產	1,442,255	68,913	27,649	(1,282)	1,527,535
		<u>8,590,130</u>	<u>2,172,045</u>	<u>31,012</u>	<u>(6,750)</u>	<u>10,786,437</u>
Total assets	總資產	<u>11,684,618</u>	<u>2,417,810</u>	<u>34,395</u>	<u>4,093</u>	<u>14,140,916</u>

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2 MERGER ACCOUNTING RESTATEMENT

(Continued)

The effect of the merger accounting restatement on the consolidated balance sheet as at 31 December 2015 by line items is as follows (Continued):

2 合併會計重列(續)

合併會計重列對二零一五年十二月三十一日綜合資產負債表中各項影響如下(續)：

		As at 31 December 2015 二零一五年十二月三十一日				
		The Group	Epic China	Landsea Design	Elimination	The Group
		本集團	Epic China	朗詩設計	撇銷	本集團
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(Originally stated)				(Restated)
		(原列)				(經重列)
Liabilities	負債					
Non-current liabilities	非流動負債					
Borrowings	借款	4,444,186	1,331,053	-	-	5,775,239
Other non-current liabilities	其他非流動負債	42,413	-	-	-	42,413
		<u>4,486,599</u>	<u>1,331,053</u>	<u>-</u>	<u>-</u>	<u>5,817,652</u>
Current liabilities	流動負債					
Amounts due to related parties	應付關聯方款項	578,879	659,101	-	-	1,237,980
Borrowings	借款	756,117	355,000	-	-	1,111,117
Advanced proceeds received from customers	向客戶收取的預付款項	2,976,207	5,461	152		2,981,820
Other current liabilities	其他流動負債	930,141	80,374	24,892	(1,219)	1,034,188
		<u>5,241,344</u>	<u>1,099,936</u>	<u>25,044</u>	<u>(1,219)</u>	<u>6,365,105</u>
Total liabilities	總負債	<u>9,727,943</u>	<u>2,430,989</u>	<u>25,044</u>	<u>(1,219)</u>	<u>12,182,757</u>

2 MERGER ACCOUNTING RESTATEMENT

(Continued)

The effect of the merger accounting restatement on the consolidated balance sheet as at 31 December 2015 by line items is as follows (Continued):

2 合併會計重列(續)

合併會計重列對二零一五年十二月三十一日綜合資產負債表中各項影響如下(續)：

		As at 31 December 2015 二零一五年十二月三十一日				
			Landsea			
		The Group	Epic China	Design	Elimination	The Group
		本集團	Epic China	朗詩設計	撤銷	本集團
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(Originally stated)				(Restated)
		(原列)				(經重列)
Equity	權益					
Capital and reserves	歸屬於本公司					
attributable to the	所有者的資本					
owners of the Company	及儲備					
Share capital	股本	26,665	-	3,000	(3,000)	26,665
Convertible perpetual securities	可換股永久證券	110,054	-	-	-	110,054
Reserves	儲備	1,779,746	(13,179)	6,351	8,312	1,781,230
		1,916,465	(13,179)	9,351	5,312	1,917,949
Non-controlling interests	非控制性權益	40,210	-	-	-	40,210
Total equity	總權益	<u>1,956,675</u>	<u>(13,179)</u>	<u>9,351</u>	<u>5,312</u>	<u>1,958,159</u>
Total equity and liabilities	總權益及負債	<u>11,684,618</u>	<u>2,417,810</u>	<u>34,395</u>	<u>4,093</u>	<u>14,140,916</u>

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2 MERGER ACCOUNTING RESTATEMENT

(Continued)

The effect of the merger accounting restatement on the total equity as at 1 January 2015 is as follows:

		As at 1 January 2015 於二零一五年 一月一日 (Originally stated) (原列)	Merger accounting restatement 合併會計重列	As at 1 January 2015 於二零一五年 一月一日 (Restated) (經重列)
Equity	權益			
Share capital	股本	23,939	–	23,939
Reserves	儲備	1,311,746	32,494	1,344,240
		1,335,685	32,494	1,368,179
Non-controlling interests	非控制性權益	45,560	–	45,560
		1,381,245	32,494	1,413,739

2 合併會計重列(續)

合併會計重列對二零一五年一月一日總權益影響如下：

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal 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.

3.1 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants and have been prepared under the historical cost convention, as modified by the revaluation of investment property which is carried at fair value.

3 主要會計政策摘要

編製本綜合財務報表所應用的主要會計政策載於下文。除另有說明外，此等政策已於所列報的全部年度貫徹應用。

3.1 編製基準

本集團綜合財務報表已按照香港會計師公會所頒佈的香港財務報告準則(「香港財務報告準則」)及根據歷史成本慣例編製，並就按公允價值入賬的投資性物業的重新估值作出修訂。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.1 BASIS OF PREPARATION (Continued)

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

During the year ended 31 December 2016, the Group has adopted the following amendments to existing standards which are mandatory for accounting periods beginning on 1 January 2016:

HKFRS 14	Regulatory Deferred Accounts
Amendment to HKFRS 11	Accounting for acquisition of interests in joint operations
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation
Amendments to HKAS 27	Equity method in separate financial statements
Annual improvements projects	2012–2014 cycle
HKAS 1 (Amendment)	Disclosure Initiative
Amendments to HKAS34	Interim finance reporting

The adoption of these amendments to existing standards does not have significant impact to the Group's results of operation and financial position.

3 主要會計政策摘要 (續)

3.1 編製基準 (續)

編製符合香港財務報告準則的財務報表須使用若干關鍵會計估計。管理層亦須在應用本集團會計政策過程中作出判斷。涉及高度判斷或高度複雜性的範疇，或涉及對綜合財務報表作出重大假設及估計的範疇於附註5披露。

截至二零一六年十二月三十一日止年度，本集團已採納以下於二零一六年一月一日開始的會計期間強制生效的現有準則修訂：

香港財務報告準則第14號	監管遞延賬戶
香港財務報告準則第11號修改	收購共同經營權益的會計法
香港會計準則第16號及香港會計準則第38號修改	澄清可接受的折舊及攤銷方法
香港會計準則第27號修改	獨立財務報表的權益法
年度改進項目	二零一二年至二零一四年週期
香港會計準則第1號(修改)	披露計劃
香港會計準則第34號修改	中期財務報告

採納此等現有準則修訂對本集團的經營業績及財務狀況並無重大影響。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.1 BASIS OF PREPARATION (Continued)

The following are new standards and amendments to existing standards that have been published and are relevant and mandatory for the Group's accounting periods beginning after 1 January 2016, but have not been early adopted by the Group:

(i) **HKFRS 9 "Financial instruments"**

The new standard 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 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 liabilities that are designated at fair value through profit or loss and the Group does not have such liabilities as at 31 December 2016. The accounting for other financial liabilities has not been changed. 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. As a general rule, more hedge relationships might be eligible for hedge accounting, as the standard introduces a more principles-based approach. There will be no impact on the Group's consolidated financial statements, as the Group has not undertaken any hedging transactions.

3 主要會計政策摘要(續)

3.1 編製基準(續)

以下為已頒佈的新訂準則及現有準則修訂，與本集團於二零一六年一月一日之後開始的會計期間有關並於有關期間強制生效，惟尚未獲本集團提早採納。

(i) **香港財務報告準則第9號「金融工具」**

新準則闡述金融資產及金融負債的分類、計量及終止確認，並推出對沖會計處理的新規則及有關金融資產的新減值模型。

儘管本集團尚未對金融資產的分類及計量進行詳細評估，但該等資產的會計處理將無變動。

由於新規則僅影響指定為按公允價值計入損益負債的會計處理，而於二零一六年十二月三十一日本集團並無該等負債，本集團金融負債的會計處理將不會受影響。其他金融負債的會計處理並無變化。終止確認的規則已由香港會計準則第39號「金融工具：確認及計量」轉移且並無變動。

新對沖會計規則把對沖工具的會計處理調整至更貼近本集團風險管理的作法。由於該準則引入更以原則為基礎的方法，作為一般規則，可能將有更多合資格作對沖會計處理的對沖關係。由於本集團並無進行任何對沖交易，本集團綜合財務報表將不受影響。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.1 BASIS OF PREPARATION (Continued)

(i) HKFRS 9 “Financial instruments” (Continued)

The new impairment model requires the recognition of impairment provisions based on expected credit losses rather than only incurred credit losses as is the case under HKAS 39. It applies to financial assets classified at amortized 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. The Group does not intend to adopt HKFRS 9 before its mandatory date.

3 主要會計政策摘要 (續)

3.1 編製基準 (續)

(i) 香港財務報告準則第9號「金融工具」(續)

新減值模型要求基於預期信用虧損，而非香港會計準則第39號下僅基於已產生信用虧損確認減值撥備。該規定適用於按攤銷成本分類的金融資產、按公允價值計入其他全面收益的債務工具、香港財務報告準則第15號「客戶合約收入」的合約資產、應收租賃款、貸款承擔及若干財務擔保合約。儘管本集團尚未就新模型可能對其減值撥備造成的影響進行詳細評估，惟其可能導致提前確認信用虧損。

新準則亦引入延伸的披露要求及呈列方式變動。該等變動預期將更改本集團有關其金融工具披露的性質及程度，尤其於採納新準則的年度。

香港財務報告準則第9號須於二零一八年一月一日或之後開始的財政年度應用。本集團不擬在生效日期前採納香港財務報告準則第9號。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.1 BASIS OF PREPARATION (Continued)

(ii) HKFRS 15 “Revenue from contracts with customers”

The HKASB has issued a new standard for the recognition of revenue. This 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 recognized 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, and
- accounting for certain costs incurred in fulfilling a contract — certain costs which are currently expensed may need to be recognized as an asset under HKFRS 15.

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.

3 主要會計政策摘要(續)

3.1 編製基準(續)

(ii) 香港財務報告準則第15號「客戶合約收入」

香港會計準則委員會已發佈收入確認的新準則。此將取代香港會計準則第18號(涵蓋貨品和服務合約)和香港會計準則第11號(涵蓋建造合約)。新準則建基的原則為收入在貨品或服務的控制權轉移至客戶後確認。此準則容許全面追溯採納或經修改追溯方式採納。

管理層正評估應用新準則對本集團財務報表的影響，已識別以下方面可能會受影響：

- 服務收入 — 應用香港財務報告準則第15號或會導致識別獨立履約責任而影響收入確認的時間，及
- 履行合約產生的若干成本的會計處理 — 若干目前支銷的成本可能需根據香港財務報告準則第15號確認為資產。

於此階段，本集團無法估計新規則對本集團財務報表的影響。本集團將對未來十二個月的影響進行更詳細評估。

香港財務報告準則第15號須於二零一八年一月一日或之後開始的財政年度強制採用。於此階段，本集團不擬於其生效日前採納該準則。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.1 BASIS OF PREPARATION (Continued) (iii)

		Effective for annual periods beginning on or after
Amendments to HKFRS2	Classification and measurement of Share-based Payment Transactions	1 January 2018
Amendments to HKAS 12	Income taxes	1 January 2017
Amendments to HKAS 7	Statements of cash flows	1 January 2017
HKFRS 16	Leases	1 January 2019
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets Between Investor and its Associate or Joint Venture	To be determined

The Group will adopt the above new standards and amendments to existing standards as and when they become effective. The Group has already commenced the assessment of the impact to the Group and is not yet in a position to state whether these would have a significant impact on its results of operations and financial position.

3.2 SUBSIDIARIES

(i) Consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to the end of December.

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.

3 主要會計政策摘要 (續)

3.1 編製基準 (續) (iii)

		於以下日期或 之後開始的 年度生效
香港財務報告準則第2號修改	以股份為基礎的付款交易之分類與計量	二零一八年一月一日
香港會計準則第12號修改	所得稅	二零一七年一月一日
香港會計準則第7號修改	現金流量表	二零一七年一月一日
香港財務報告準則第16號	租賃	二零一九年一月一日
香港財務報告準則第10號及香港會計準則第28號修改	投資者與其聯營公司或合營企業之間的資產出售或注資	待定

本集團將於上述新訂準則及現有準則修訂生效時採納該等準則及修訂。本集團已著手評估該等準則及修訂對本集團的影響，惟未能確定該等準則及修訂會對經營業績及財務狀況造成重大影響。

3.2 附屬公司

(i) 綜合賬目

綜合財務報表包括本公司及所有附屬公司截至十二月底的財務報表。

附屬公司指本集團對其擁有控制權的實體(包括特殊目的實體)。當本集團因參與該實體而承擔可變回報的風險或享有可變回報的權益，並有能力透過對該實體的權力影響該等回報時，本集團即控制該實體。附屬公司在控制權轉移至本集團當日起綜合入賬，並於控制權終止當日起不再綜合入賬。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 SUBSIDIARIES (Continued)

(i) Consolidation (Continued)

(a) Merger accounting for business combination involving entities under common control

Business combinations under common control refers to combinations where the combining entities are controlled by the same party or parties before and after the combination and that control is not transitory.

The acquirer measures both the consideration paid and net assets obtained at their carrying amounts. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid is recorded in other reserve. Any direct transaction cost attributable to the business combination is recorded in the consolidated income statement in the current period. However, the handling fees, commissions and other expenses incurred for the issuance of equity instruments for the business combination are recorded in the initial measurement of the equity instruments respectively.

3 主要會計政策摘要(續)

3.2 附屬公司(續)

(i) 綜合賬目(續)

(a) 涉及受共同控制實體之業務合併的合併會計處理

受共同控制的業務合併指合併實體於合併前後均受同一方或相同多方控制(非暫時性)的合併。

收購方按賬面值計量已付代價及取得的淨資產。取得的淨資產賬面值與已付代價賬面值之差額計入其他儲備。業務合併應佔任何直接交易成本計入當期綜合收益表。然而，就業務合併發行股本工具產生的手續費、佣金及其他開支分別於初步計量股本工具時入賬。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 SUBSIDIARIES (Continued)

(i) **Consolidation** (Continued)

(b) *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.

Acquisition-related costs are expensed as incurred.

(c) *Change in ownership interests in subsidiary 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.

3 主要會計政策摘要 (續)

3.2 附屬公司 (續)

(i) **綜合賬目** (續)

(b) *業務合併*

本集團採用收購法將業務合併入賬。收購附屬公司轉讓的代價為被收購方前擁有人所轉讓資產、所產生負債及本集團所發行股權的公允價值。所轉讓代價包括或然代價安排產生的任何資產或負債的公允價值。業務合併中收購的可識別資產、承擔的負債及或然負債，初步以彼等於收購日期的公允價值計量。

收購相關成本於產生時支銷。

(c) *並無導致控制權變動的附屬公司擁有權權益變動*

與非控制性權益的不導致失去控制權的交易入賬列作權益交易 — 即與附屬公司所有者以彼等為所有者的身份進行的交易。所付任何代價公允價值與所收購附屬公司淨資產賬面值相關部分之間的差額於權益入賬。向非控制性權益出售所產生的利得或虧損亦於權益入賬。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 SUBSIDIARIES (Continued)

(i) Consolidation (Continued)

(d) Disposal of subsidiary

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 the 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. It means the amounts previously recognised in other comprehensive income are reclassified to the profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs.

Inter-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 assets. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(ii) 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 dividends received and receivable.

3 主要會計政策摘要(續)

3.2 附屬公司(續)

(i) 綜合賬目(續)

(d) 出售附屬公司

當本集團不再擁有控制權，於實體的任何保留權益按失去控制權當日的公允價值重新計量，有關賬面值變動在損益中確認。就其後入賬列作聯營公司、合營企業或金融資產的保留權益，公允價值為初始賬面值。此外，先前於其他全面收益確認與該實體有關的任何金額按猶如本集團已直接出售有關資產或負債的方式入賬。此舉意味先前在其他全面收益確認的金額按適用香港財務報告準則規定／許可重新分類至損益或轉撥至另一類權益。

集團內公司間交易、結餘及集團公司間交易的未變現利得會予對銷。除非交易提供證據顯示所轉讓資產已減值，否則未變現虧損亦會對銷。附屬公司的會計政策已於必要時作出調整，確保與本集團所採納的政策一致。

(ii) 獨立財務報表

於附屬公司的投資按成本扣除減值入賬。成本包括投資的直接應佔成本。附屬公司的業績由本公司按已收及應收股息入賬。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 SUBSIDIARIES (Continued)

(ii) **Separate financial statements** (Continued)

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.

3.3 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.

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 the profit or loss where appropriate.

3 主要會計政策摘要 (續)

3.2 附屬公司 (續)

(ii) **獨立財務報表** (續)

倘收到附屬公司投資的股息時，所收股息超過附屬公司於宣派股息期間的全面收益總額，或倘該投資於單獨財務報表內的賬面值超過投資對象淨資產（包括商譽）於綜合財務報表內的賬面值時，則須對該投資進行減值測試。

3.3 聯營公司

聯營公司指所有本集團對其有重大影響力而無控制權的實體，通常附帶有20%至50%投票權的股權。於聯營公司的投資以權益會計法入賬。根據權益法，投資初始按成本確認，而賬面值會作調增或調減以確認投資者應佔投資對象於收購日期後的損益。本集團於聯營公司的投資包括收購時已辨認的商譽。

倘於聯營公司的擁有權權益減少但仍保留重大影響，則僅先前已於其他全面收益內確認的按比例應佔金額會於適當情況下重新分類至損益。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.3 ASSOCIATES (Continued)

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 associates, 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 associates.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associates is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associates and its carrying value and recognises the amount in the consolidated statement of profit or loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its associates 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.

Gain or losses on dilution of equity interest in associates are recognised in the consolidated statement of profit or loss.

3 主要會計政策摘要(續)

3.3 聯營公司(續)

本集團應佔聯營公司收購後的損益於綜合收益表內確認，而應佔收購後的其他全面收益變動則於其他全面收益確認，並相應調整投資賬面值。倘本集團應佔聯營公司的虧損相等於或超過於聯營公司的權益(包括任何其他無抵押應收款)，本集團不會確認進一步虧損，惟本集團產生法定或推定責任或代表聯營公司付款則除外。

本集團於各報告日期釐定有否任何客觀證據顯示於聯營公司的投資已減值。倘投資已減值，則本集團計算減值，金額為聯營公司可收回金額與賬面值的差額，並於綜合損益表內確認金額。

本集團與聯營公司間上下游交易的利潤及虧損於本集團財務報表內確認，惟僅限於無關連投資者於聯營公司權益的金額。除非交易提供證據顯示所轉讓資產已減值，否則未變現虧損會予對銷。聯營公司的會計政策已於必要時作出變動，確保與本集團所採納的政策一致。

於聯營公司的股本權益稀釋所產生的利得或虧損於綜合損益表內確認。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.4 JOINT ARRANGEMENT

The Group has assessed the nature of its all joint arrangements and determined them to be joint ventures. A joint venture is accounted for using the equity method.

Under the equity method of accounting, interests in a joint venture 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 investment 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 venture (including any other unsecured receivables), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

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

3.5 SEGMENT REPORTING

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major business and service lines.

3 主要會計政策摘要 (續)

3.4 聯合安排

本集團已評估所有聯合安排的性質，並將聯合安排界定為合營企業。合營企業以權益法入賬。

根據權益會計法，於合營企業的權益初始按成本確認，隨後進行調整以確認本集團應佔收購後損益及其他全面收益的變動。本集團於合營企業的投資包括收購時識別的商譽。於收購聯營公司的擁有權時，合營企業成本與本集團應佔合營企業的可識別資產與負債公允價值淨額之間的任何差額均入賬列作商譽。倘本集團應佔合營企業的虧損相等於或超過於合營企業的權益(包括任何其他無抵押應收款)，本集團不會確認進一步虧損，惟本集團產生責任或代表合營企業付款則除外。

本集團與合營企業交易的未變現利得會予對銷，以本集團所持合營企業權益為限。除非有證據顯示交易所轉讓資產出現減值，否則未變現虧損亦會對銷。合營企業的會計政策已於必要時作出變動，確保與本集團所採納的政策一致。

3.5 分部報告

本集團根據定期向執行董事呈報的內部財務資料確定經營分部及編製分部資料，該等財務資料乃供執行董事決定分配資源至本集團各業務分部及檢討該等業務分部表現的基準。向執行董事呈報的內部財務資料的業務分部按本集團的主要產品及服務類別劃分。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.6 FOREIGN CURRENCY TRANSLATION

(a) Functional and presentation currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The consolidated financial statements are presented in RMB and the Company’s functional currency is Hong Kong dollars (HK\$).

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. 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 profit or loss.

All foreign exchange gains and losses are presented in consolidated statement of comprehensive income within ‘other gains, net’.

(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 statement of balance sheet presented are translated at the closing rate at the date of that statement of balance sheet;

3 主要會計政策摘要(續)

3.6 外幣換算

(a) 功能及呈報貨幣

綜合財務報表所列項目均以實體營運所在主要經濟環境的貨幣(「功能貨幣」)計量。綜合財務報表以人民幣呈報，而本公司的功能貨幣為港元(「港元」)。

(b) 交易及結餘

外幣交易採用交易日的現行匯率換算為功能貨幣。結算有關交易所產生的匯兌利得及虧損以及將外幣貨幣資產及負債以年終匯率換算所產生的匯兌利得及虧損於損益內確認。

所有匯兌利得及虧損於綜合全面收益表的「其他利得淨額」呈列。

(c) 集團公司

功能貨幣有別於呈報貨幣的所有集團實體(概無來自嚴重通貨膨脹經濟體的貨幣)的業績及財務狀況均按以下方式換算為呈報貨幣：

- 各資產負債表所呈列的資產與負債按該資產負債表日期的收市匯率換算；

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.6 FOREIGN CURRENCY TRANSLATION

(Continued)

(c) Group companies (Continued)

- income and expenses for each statement of comprehensive income 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 exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

On the disposal of a foreign operation (that is, a disposal of the group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to the profit or loss.

3 主要會計政策摘要 (續)

3.6 外幣換算 (續)

(c) 集團公司 (續)

- 各全面收益表的收益及費用按平均匯率換算，除非該平均匯率並非各交易日的現行匯率累積影響的合理約數，在此情況下，收益及費用按各交易日的匯率換算；及
- 所有由此產生的匯兌差額於其他全面收益內確認。

收購海外實體所產生的商譽及公允價值視作該海外實體的資產及負債，並按收市匯率換算。所產生的匯兌差額於其他全面收益內確認。

於出售海外業務（即出售集團於該海外業務的全部權益，或涉及失去包括海外業務的附屬公司的控制權的出售）時，就歸屬於本公司所有者的業務於權益累計的所有匯兌差額重新分類至損益。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.7 INVESTMENT PROPERTY

Investment property, principally comprising leasehold land 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 is 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 property is 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 recognised in the profit or loss.

3.8 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs, such as repairs and maintenance, are charged to the profit or loss during the year in which they are incurred.

3 主要會計政策摘要(續)

3.7 投資性物業

投資性物業(主要包括租賃土地及樓宇)為持作獲得長期租金收益或作資本升值或為上述兩者且並非由本集團佔用的物業。投資性物業亦包括為日後作投資性物業用途而興建或發展的物業。倘符合投資性物業的其他定義,則根據經營租賃持有的土地入賬列作投資性物業。在此情況下,有關經營租賃按猶如其為融資租賃的方式入賬。

投資性物業初始按成本(包括相關交易成本及(如適用)借款成本)計量。於初始確認後,投資性物業按公允價值(即外部估值師於各報告期末所釐定的公開市值)列賬。公允價值按活躍市價得出,當中已就特定資產的性質、地點或狀況的任何差異作出調整(如必要)。倘並無有關資料,則本集團會使用其他估值法,如活躍程度較低市場的近期價格或貼現現金流量預測。公允價值變動於損益確認。

3.8 不動產、工廠及設備

不動產、工廠及設備按歷史成本減累計折舊及累計減值虧損列賬。資產成本包括購買價格及將資產達致運作狀況及地點以供擬定用途的任何直接應佔成本。

後續成本只有在該項目很可能為本集團帶來與之有關的未來經濟利益,且成本能可靠計量時,方會計入資產的賬面值或確認為一項單獨資產(倘適用)。所有其他成本(例如維修及保養費用)在產生的財政年度內於損益扣除。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.8 PROPERTY, PLANT AND EQUIPMENT

(Continued)

Depreciation is provided to write off the cost of property, plant and equipment to their residual values using the straight-line method over their estimated useful lives:

Leasehold improvements	Over the lease terms, if shorter, or 5 years
Furniture, fixtures and office equipment	3–10 years
Motor vehicles	5–10 years

The assets' residual value and estimated useful lives are reviewed and adjusted, if appropriate, at each reporting date.

Gain or loss arising on disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the profit or loss.

3.9 GOODWILL

Goodwill arises on the acquisition of subsidiaries represents 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 identified net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

3 主要會計政策摘要 (續)

3.8 不動產、工廠及設備 (續)

不動產、工廠及設備的折舊採用以下估計可使用年期將成本按直線法分攤至剩餘價值計算：

租賃樓宇裝修	按租賃年期或5年 (以較短者為準)
傢俱、裝置及辦公設備	3至10年
汽車	5至10年

資產的剩餘價值及可使用年期在各報告日期進行檢討，並於適當時候作出調整。

出售的利得或虧損按銷售所得款與資產賬面值之間的差額釐定，並在損益內確認。

3.9 商譽

收購附屬公司產生的商譽即所轉讓代價、所佔被收購方非控制性權益金額及先前所持被收購方股權於收購日期之公允價值超出所收購可識別淨資產公允價值的差額。

就減值測試而言，業務合併中收購的商譽會分配至預計可從合併協同效應中受益的各現金產生單位或現金產生單位組別。獲分配商譽的各單位或單位組別即實體監控商譽作內部管理之用的最低級別。商譽按經營分部級別監管。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.9 GOODWILL (Continued)

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

3.10 IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets 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 purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each balance sheet date.

3.11 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 leasehold land payments, construction costs and borrowing costs incurred during the construction period. Upon completion, the properties are transferred to completed properties held for sale.

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

3 主要會計政策摘要(續)

3.9 商譽(續)

本集團每年或於有事件發生或情況改變顯示可能出現減值時更頻繁作商譽減值檢討。包含商譽之現金產生單位的賬面值與可收回金額相若，可收回金額為使用價值與公允價值減出售成本之較高者。任何減值會即時確認為開支，其後不會轉回。

3.10 非金融資產的減值

倘有事件發生或情況改變顯示資產的賬面值可能無法收回時，將就須予攤銷的資產進行減值檢討。減值虧損按資產的賬面值超出可收回金額的差額確認。可收回金額以資產的公允價值減出售成本與使用價值兩者的較高者為準。就評估減值而言，資產按可分開識別現金流量的最低級別(現金產生單位)分組。已蒙受減值的非金融資產(商譽除外)在各結算日均就減值是否撥回進行檢討。

3.11 開發中房地產及持作銷售物業

開發中房地產及持作銷售物業按成本及可變現淨值兩者的較低者列賬。物業發展成本包括於施工期間產生的租賃土地付款成本、建築成本及借款成本。於竣工時，物業會轉撥至持作銷售已落成物業。

可變現淨值按預期最終將予變現的價格減適用的變動銷售費用及估計竣工成本計量。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.11 PROPERTIES UNDER DEVELOPMENT AND HELD FOR SALE (Continued)

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.

3.12 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

3.13 FINANCIAL ASSETS

(i) Classification

The Group classifies its financial assets in the following categories: loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

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 balance sheet date. These are classified as non-current assets. The Group's loans and receivables also include trade and other receivables, amounts due from subsidiaries and cash and cash equivalents in the consolidated balance sheet.

3 主要會計政策摘要 (續)

3.11 開發中房地產及持作銷售物業 (續)

除非預期相關房地產開發項目施工期於正常營運週期之後結束，否則開發中及持作銷售物業分類為流動資產。

3.12 庫存

庫存按成本及可變現淨值兩者的較低者列賬。成本以加權平均基準釐定。可變現淨值為在一般業務過程中的估計售價減適用的變動銷售費用。

3.13 金融資產

(i) 分類

本集團將金融資產分為以下類別：貸款及應收款。分類視乎購入金融資產之目的而釐定。管理層在初始確認時釐定金融資產的分類。

貸款及應收款為具有固定或可確定付款額且在活躍市場上並無報價的非衍生金融資產。此等項目計入流動資產，惟於結算日結束後超過12個月結算或預期將於該等時間結算的金額則分類為非流動資產。本集團的貸款及應收款包括綜合資產負債表內的應收賬款及其他應收款、應收附屬公司款項以及現金及現金等價物。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.13 FINANCIAL ASSETS (Continued)

(ii) 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.

(iii) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of 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.

(iv) Impairment of financial assets

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

3 主要會計政策摘要(續)

3.13 金融資產(續)

(ii) 確認及計量

金融資產的日常買賣於交易日(即本集團承諾購買或出售資產當日)確認。就並非按公允價值計入損益的所有金融資產而言，投資初始按公允價值另加交易成本確認。

(iii) 抵銷金融工具

當有合法可執行權利將已確認金額抵銷並有意按淨額基準結算或同時變現資產及結算負債時，金融資產及負債予以抵銷，並於資產負債表以淨額報告。

(iv) 金融資產減值

本集團於各報告期末評估有否客觀證據證明某項金融資產或某組金融資產經已減值。倘因於初始確認資產後發生的一項或多項事件(「虧損事件」)而出現客觀減值證據，而該(等)虧損事件對一項金融資產或一組金融資產的估計未來現金流量造成能可靠估計的影響，該項金融資產或該組金融資產方視為減值及產生減值虧損。

減值的證據可能包括以下指標：債務人或一組債務人正處於重大財政困難、違約或拖欠利息或本金付款，彼等有可能破產或進行其他財務重組，以及有可觀察數據顯示估計未來現金流量有可計量的減少，例如欠款變動或與違約相關的經濟狀況。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.13 FINANCIAL ASSETS (Continued)

(iv) Impairment of financial assets (Continued)

For loans and receivables category, 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 statement of comprehensive income. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

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 statement of comprehensive income.

3.14 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash at bank and in hand, demand deposits with banks and short term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

3.15 SHARE CAPITAL

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued.

3 主要會計政策摘要(續)

3.13 金融資產(續)

(iv) 金融資產減值(續)

就貸款及應收款類別而言，虧損金額按資產賬面值與估計未來現金流量(不包括尚未產生的未來信貸虧損)按金融資產原實際利率貼現的現值兩者的差額計量。資產賬面值予以減少，而虧損金額於綜合全面收益表確認。倘貸款按浮動利率計息，則計量任何減值虧損的貼現率乃根據合約釐定的現行實際利率。在實際運作上，本集團可能採用可觀察的市價以工具的公允價值為基準計量減值。

倘於其後期間減值虧損金額減少，而該減少可客觀地與確認減值後發生的事件(如債務人信貸評級改善)有關，則過往確認的減值虧損撥回於綜合全面收益表確認。

3.14 現金及現金等價物

現金及現金等價物包括銀行及手頭現金、銀行活期存款以及原到期日為三個月或以內並可隨時轉換為已知金額的現金且不存在重大價值變動風險的短期高流通性投資，減去按要求償還的銀行透支，而該等銀行透支乃本集團現金管理的一部分。

3.15 股本

普通股分類為權益。股本按已發行股份的面值釐定。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

3.15 SHARE CAPITAL *(Continued)*

Any transaction costs associated with the issue of shares are deducted from share premium to the extent they are incremental costs directly attributable to the equity transaction.

3.16 PAYABLES

Payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Payable 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.

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

3.17 BORROWINGS AND BORROWING COSTS

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

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 balance sheet date.

Borrowing costs are accounted for on the accrual basis and charged to the profit or loss in the year in which they are incurred, except for costs related to funding of construction or acquisition of qualifying assets which are capitalised as part of the cost of that asset during the construction period and up to the date of completion of construction.

3 主要會計政策摘要 *(續)*

3.15 股本 *(續)*

任何與發行股份有關的交易成本自股份溢價中扣除，惟以可直接歸屬於股權交易的增量成本為限。

3.16 應付款

應付款為在日常業務過程中向供應商購買商品或服務而應支付的債務。倘應付款於一年或以內(或於正常業務經營週期(如較長))到期，則分類為流動負債。否則，分類為非流動負債。

應付款初始按公允價值確認，其後則以實際利率法按攤銷成本計量。

3.17 借款及借款成本

借款初始按公允價值(扣除已產生的交易成本)確認。借款其後按攤銷成本列賬；所得款項(扣除交易成本)與贖回價值兩者間的任何差額於借款期間以實際利率法在損益內確認。

除非本集團擁有無條件權利可將償還負債的日期遞延至結算日後至少12個月，否則借款分類為流動負債。

借款成本按應計基準入賬並於產生的年度在損益內扣除，惟有關撥資興建或收購未完成資產的成本於施工期間直至建設工程竣工日期資本化為該資產成本的一部分。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.18 CURRENT AND DEFERRED INCOME TAX

The tax expense for the year comprises current and deferred tax. This is recognised in the consolidated statement of comprehensive income, 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.

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 places where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current income tax also includes PRC land appreciation tax which is levied on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including land cost, borrowing costs and all property development expenditures.

Deferred income tax is recognised using the liability method, on temporary differences arising from the difference 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.

3 主要會計政策摘要 (續)

3.18 即期及遞延所得稅

年度稅項費用包括即期及遞延稅項。稅項於綜合全面收益表內確認，惟與於其他綜合全面收益或直接於權益內確認的項目有關的稅項則除外，在此情況下，稅項亦分別於其他全面收益或直接於權益內確認。

即期所得稅費用按照本集團經營及產生應課稅收入所在地於結算日已頒佈或已大致頒佈的稅法計算。管理層就適用稅務法規有待詮釋的情況定期評估報稅狀況並於適當情況下基於預期向稅務機關支付的金額作出撥備。

即期所得稅亦包括中國土地增值稅(按土地價值的升幅徵收)，即銷售物業所得款減可扣減開支，包括土地成本、借款成本及所有房地產開發支出。

遞延所得稅乃就資產及負債的稅基與有關資產與負債於綜合財務報表中的賬面值兩者的暫時差額，以負債法確認。然而，倘遞延所得稅產生自交易(業務合併除外)，而當時的交易並無影響會計或應課稅利潤或虧損，則不會列賬。遞延所得稅以於結算日已頒佈或已大致頒佈的稅率及稅法釐定，並預期於變現相關遞延所得稅資產或償還遞延所得稅負債時適用。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.18 CURRENT AND DEFERRED INCOME TAX

(Continued)

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 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.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, 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. Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries 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.

3.19 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. 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.

3 主要會計政策摘要(續)

3.18 即期及遞延所得稅(續)

遞延所得稅資產於有未來應課稅利潤可用作抵銷暫時差額時方予確認。

當有法定可執行權利將即期稅項資產與即期稅項負債抵銷，且遞延所得稅涉及稅務機關向同一應課稅實體徵收但擬按淨額基準結算結餘，則可將遞延所得稅資產與負債互相抵銷。

本集團就附屬公司投資產生的應課稅暫時差額作出遞延所得稅負債撥備，除非就遞延所得稅負債而言本集團可控制撥回該暫時差額的時間，且該暫時差額於可預見未來可能不會撥回則作別論。因投資附屬公司安排而產生的可扣減暫時差額確認為遞延所得稅資產，惟倘暫時差額在將來可撥回，且有充足應課稅利潤可抵銷暫時差額則除外。

3.19 撥備

當本集團因過往事件承擔現有法律或推定責任，而解除責任很有可能導致資源流出，且金額能夠可靠計算的情況下，方會確認撥備。概不會就未來經營虧損確認撥備。

倘承擔若干類似責任，於釐定解除責任會否導致資源流出時，將考慮整體責任類別。即使同類責任當中任何一項導致資源流出可能性甚低，亦會確認撥備。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.19 PROVISIONS (Continued)

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.

3.20 OPERATING LEASES

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

3.21 REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable. The Group recognises revenue when the amount of revenue can be reliably measured and when it is probable that future economic benefits will flow to the entity.

Revenue from sale of properties held for sale in the ordinary course of business is recognised when all the following conditions are satisfied:

- (i) the Group has transferred to the buyer the significant risks and rewards of ownership of the properties, which is when the construction of relevant properties has been completed, upon delivery, and collectability of related receivables is reasonably assured;
- (ii) the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the properties are sold;
- (iii) the amount of revenue can be measured reliably;

3 主要會計政策摘要 (續)

3.19 撥備 (續)

撥備採用稅前利率按照預期結算有關責任所需的開支現值計量，該利率反映當時市場對貨幣時間值和有關責任固有風險的評估。隨著時間過去而增加的撥備確認為利息費用。

3.20 經營租賃

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

3.21 收入確認

收入按已收或應收代價的公允價值計量。當收入金額能夠可靠計量及未來經濟利益有可能流入實體時，本集團將確認收入。

於日常業務過程中，當符合以下條件時，則會確認銷售持作銷售物業收入：

- (i) 本集團將物業擁有權的重大風險及回報轉移予買方，即相關物業的建築工程已竣工、於物業交付時及可合理確保能收取有關應收款項時；
- (ii) 本集團並無保留一般與已售物業擁有權有關的持續管理權或實際控制權；
- (iii) 收入金額能夠可靠地計量；

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.21 REVENUE RECOGNITION (Continued)

- (iv) it is probable that the economic benefits associated with the transaction will flow to the Group; and
- (v) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Deposits and instalments received from purchasers prior to meeting the above criteria for revenue recognition are included in the consolidated balance sheet under current liabilities.

The Group provides property development and management service to its customers which including brand authorisation service, sales management service, green-technical system integration service and management service. The Group recognizes revenue on different types of service by reference to the service's stage of completion at the balance sheet date when the outcome of the rendering of services can be estimated reliably:

- Revenue from brand authorisation, sales management service and green-technical system integration service fees is recognised in accounting period in which the services rendered.
- Revenue from management service associated with both floating and fixed fees is recognised by using the 'percentage-of-completion' method to determine the appropriate amount to recognise in a given period.

Rental income under operating leases is recognised on a straight-line method over the term of the relevant lease.

Decoration service income is recognised when the related services are provided.

3 主要會計政策摘要(續)

3.21 收入確認(續)

- (iv) 與交易相關的經濟利益有可能流入本集團；及
- (v) 有關交易產生或將產生的成本能夠可靠地計量。

在符合上述收入確認條件前，向買方收取的按金及分期款項計入綜合資產負債表的流動負債。

本集團向客戶提供房地產開發及管理服務，包括品牌授權服務、銷售管理服務、綠色技術系統集成服務及管理服務。當提供服務的結果能可靠估計時，本集團參考資產負債表日期服務的完成階段確認各類服務的收入。

- 品牌授權、銷售管理服務及綠色技術系統集成服務費用的收入於提供服務的會計期間確認。
- 與浮動費用及固定費用有關的管理服務收入使用「完成百分比」法釐定特定期間確認的適當金額而確認。

經營租賃的租金收益於相關租期以直線法確認。

裝飾服務收益於提供有關服務時確認。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.21 REVENUE RECOGNITION (Continued)

Interest income is recognized on a time proportion basis using effective interest method.

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

3.22 EMPLOYEE BENEFITS

(i) 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 the employees up to the balance sheet date.

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

(ii) Pension obligations

The Group participates in defined contribution retirement benefit plans which are available to all relevant employees. These plans are generally funded through payments to schemes established by governments or trustee administered funds. A defined contribution plan is a pension plan under which the Group pays contributions on mandatory, contractual or voluntary basis into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee services in the current and prior periods. The Group's contributions to the defined contribution plans are expensed as incurred and, in most cases, are not reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions.

3 主要會計政策摘要 (續)

3.21 收入確認 (續)

利息收益以實際利率法按時間比例基準確認。

股息收益於收取款項的權利確立時確認。

3.22 僱員福利

(i) 僱員應享假期

僱員獲享的年假在僱員可享有時確認。本集團會對僱員服務至結算日所累積的年假估算負債作出撥備。

僱員獲享的病假及產假直至僱員休假時方予確認。

(ii) 退休金責任

本集團針對全體相關僱員參與界定供款退休福利計劃。該等計劃一般以向政府成立的計劃或信託管理基金支付款項的方式運作。界定供款計劃指本集團以強制、合約或自願基準向獨立實體作出供款的退休金計劃。倘基金並無足夠資產就目前及過往期間的僱員服務向所有僱員支付福利，本集團並無法定或推定責任作出進一步供款。本集團向界定供款計劃所作的供款於發生時支銷，在大部分情況下，不會以沒收於供款悉數歸屬前離開計劃的僱員的供款方式扣減。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.22 EMPLOYEE BENEFITS (Continued)

(iii) Bonus entitlements

The expected cost of bonus payments is recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities of bonus plan are expected to be settled within twelve months and are measured at the amounts expected to be paid when they are settled.

(iv) Restricted share award scheme

The Group operates a restricted share award scheme to recognise the contributions by employees. The fair value of the employee services received in exchange for the grant of restricted share is recognised as employee benefit expense.

The total amount to be expensed over the vesting period is determined by reference to the value of the restricted shares granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

At each balance sheet date, the Group revises its estimates of the number of restricted share awards that are expected to be vested. It recognises the impact of the revision of original estimates, if any, in the profit or loss, with a corresponding adjustment to other comprehensive income.

Employee share trust is established, for the purposes of awarding shares to eligible employees under the restricted share award scheme.

3 主要會計政策摘要(續)

3.22 僱員福利(續)

(iii) 應享花紅

支付花紅的預計成本，於因僱員提供服務而使本集團產生現有法定或推定責任，並能夠可靠估計時確認為負債。花紅計劃的負債預期將於十二個月內償付，並按償付時預期須予支付的金額計算。

(iv) 限制性股份獎勵計劃

本集團設有限制性股份獎勵計劃，以確認僱員的貢獻。僱員提供服務以獲授限制性股份的公允價值確認為僱員福利費用。

於歸屬期內將予支銷的總金額參考獲授限制性股份的價值釐定：

- 包括任何市場表現情況；
- 不包括任何服務及非市場表現歸屬條件的影響；及
- 包括任何非歸屬條件的影響。

總費用於歸屬期內確認，歸屬期指將符合所有特定歸屬條件的期間。

於各結算日，本集團修訂對將予歸屬限制性股份獎勵數目的估計。本集團於損益內確認對原來估計作出修訂的影響(如有)，並在其他全面收益內作出相應調整。

僱員股份信託乃為根據限制性股份獎勵計劃向合資格僱員授出獎勵股份而設。

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.22 EMPLOYEE BENEFITS (Continued)

(iv) Restricted share award scheme (Continued)

The employee share trust is administered by an independent trustee and is funded by the Group's cash contributions and recorded as contributions to employee share trusts, an equity component. The administrator of the employee share trust buys the Company's shares in the open market for award to employees.

Upon vesting, the corresponding awards in the share-based compensation reserve will be transferred to the employee share trust for shares awarded to employees.

3.23 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.

3.24 EQUITY INSTRUMENTS

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs. Respective distributions if and when declared are treated as equity dividends.

Convertible perpetual securities issued by the Group that have the above characteristics are classified as equity instruments.

3 主要會計政策摘要 (續)

3.22 僱員福利 (續)

(iv) 限制性股份獎勵計劃 (續)

僱員股份信託由獨立信託人管理，並由本集團以現金撥付供款，於權益入賬作僱員股份信託供款。僱員股份信託管理人於公開市場購入本公司股份以向僱員作出獎勵。

於歸屬時，以股份為基礎補償儲備內的相應獎勵轉撥至僱員股份信託，以向僱員作出股份獎勵。

3.23 股息分派

向本公司股東分派的股息於本公司股東或董事(如適用)批准股息的期間內，在本集團及本公司的財務報表內確認為負債。

3.24 股本工具

股本工具為證明實體於扣減所有負債後的資產中擁有剩餘權益的任何合約。本集團所發行的股本工具按已收所得款項扣除直接發行成本確認。各自之分派(如有)於宣派時被視為權益股息。

本集團所發行的可換股永久證券具有上述特徵，故分類為股本工具。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.25 GOVERNMENT GRANTS

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants to compensate the current year expenses are recognised in the consolidated statement of comprehensive income in the same year through offsetting the corresponding expenses by the grants to match them with the costs that they are intended to compensate.

3.26 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

Contingent assets are not recognized but are disclosed in the notes to the consolidated financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognized.

3 主要會計政策摘要(續)

3.25 政府補助

倘能合理保證可收到政府補助而本集團將遵循所有附帶條件時，則有關政府補助按公允價值確認。補償本年度費用的政府補助通過沖抵相關費用於同年的綜合全面收益表內確認，以與擬用作補償的成本相符。

3.26 或然負債及或然資產

或然負債指因過往事件可能引致的責任，其存在與否僅可透過日後會否發生一宗或多宗本集團不能完全控制的不明朗事件來確定。或然負債亦可能是過往事件所產生的現時責任，但由於可能無需消耗經濟資源或有關責任金額不能可靠計量而未有入賬。

或然負債不予確認，但會於綜合財務報表附註中披露。當消耗資源的可能性變動致使可能消耗資源，則會確認或然負債為撥備。

或然資產指因過往事件可能產生的資產，其存在與否僅可透過日後會否發生一宗或多宗本集團不能完全控制的不明朗事件來確定。

或然資產不予確認，但會於經濟利益可能流入時於綜合財務報表附註中披露。於基本確定流入時確認資產。

4 FINANCIAL RISK MANAGEMENT

4.1 FINANCIAL RISK FACTORS

The Group is exposed to a variety of financial risks such as market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk, which result from its operating, investing and financing activities. According to the Group's risk management policies, the financial risks shall be assessed continuously by the management taken into account of the prevailing conditions of the financial market and other relevant variables to avoid excessive concentrations of risk. The Group has not used any derivatives or other instruments for hedging purpose. The most significant financial risks to which the Group is exposed to are described below.

(a) Market risk

(i) Foreign currency risk

Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group mainly operates and invests in Hong Kong, United States ("US") and the PRC with most of the transaction denominated and settled in HK\$, US\$ and RMB respectively. Foreign exchange risk mainly arises from certain borrowings and other current liabilities of the Company (with functional currency of HK\$) and the companies located in US (with functional currency of US\$) which are denominated in RMB.

At 31 December 2016, if RMB had weakened/strengthened by 5% against HK\$ with all other variables held constant, pre-tax profit for the year would have been approximately RMB203,870,000 (2015 (Restated): RMB125,350,000) higher/lower, mainly as a result of foreign exchange differences on translation of RMB denominated borrowings and inter-group loans.

4 財務風險管理

4.1 財務風險因素

本集團承受多種財務風險，例如經營、投資及融資活動所產生的市場風險(包括外匯風險及利率風險)、信貸風險及流動資金風險。根據本集團的風險管理政策，管理層應持續評估財務風險，透過考慮現行金融市況及其他相關變數以避免風險過度集中。本集團並無利用任何衍生或其他工具作對沖用途。本集團承受的最重大財務風險闡述如下。

(a) 市場風險

(i) 外匯風險

外幣風險指因外幣匯率變動而導致金融工具的公允價值或未來現金流量出現波動的風險。本集團主要在香港、美國及中國經營業務及投資，當中大部分交易分別以港元、美元及人民幣計值及結算。外匯風險主要因本公司(功能貨幣為港元)及位於美國的公司(功能貨幣為美元)若干以人民幣計值的借款及其他流動負債而產生。

於二零一六年十二月三十一日，倘人民幣兌港元的匯率貶值/升值5%，而所有其他變數維持不變，年度除稅前利潤將增加/減少約人民幣203,870,000元(二零一五年(經重列)：人民幣125,350,000元)，主要因換算以人民幣計值的借款與集團內公司間貸款而產生。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

4 FINANCIAL RISK MANAGEMENT (Continued)

4.1 FINANCIAL RISK FACTORS (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk

The Group has no significant interest-bearing assets and liabilities other than bank deposits and borrowings. Bank balances and borrowings at floating rates expose the Group to cash flow interest rate risk. The Group's exposure to market risk for changes in interest rates relates primarily to bank balances which bear floating interest rates. Management monitors the interest rate risk and performs sensitivity analysis on a regular basis.

At 31 December 2016, if interest rates on bank balances and borrowings had been 50 basis points higher/lower with all other variables held constant, the Group's bank interest income and profit for the year would have been approximately RMB17,157,000 (2015 (Restated): RMB24,388,000) lower/higher. The sensitivity analysis has been determined assuming that the change in interest rates had occurred at the balance sheet date.

(b) Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The credit risk of the Group mainly arises from bank balances and deposits, trade and other receivables and amounts due from related parties. The carrying amounts of these balances represent the Group's maximum exposure to credit risk in relation to financial assets. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

4 財務風險管理(續)

4.1 財務風險因素(續)

(a) 市場風險(續)

(ii) 利率風險

除銀行存款及借款外，本集團並無重大計息資產及負債。以浮動利率計息的銀行結餘與借款令本集團承受現金流量利率風險。本集團就利率變動承受的市場風險主要涉及以浮動利率計息的銀行結餘。管理層監控利率風險並定期進行敏感性分析。

於二零一六年十二月三十一日，倘銀行結餘及借款的利率上升／減少50個基點，而所有其他變數維持不變，本集團銀行利息收入及年度利潤將減少／增加約人民幣17,157,000元(二零一五年(經重列)：人民幣24,388,000元)。敏感性分析乃假設結算日發生利率變動而釐定。

(b) 信貸風險

信貸風險指金融工具的交易對手未能根據金融工具的條款履行責任，令本集團蒙受財務損失的風險。本集團的信貸風險主要因銀行結餘及存款、應收賬款及其他應收款及應收關聯方款項而產生。該等結餘的賬面值即本集團就金融資產所承受的最大信貸風險。管理層已制定信貸政策並持續監控此等信貸風險。

4 FINANCIAL RISK MANAGEMENT (Continued)

4.1 FINANCIAL RISK FACTORS (Continued)

(b) Credit risk (Continued)

The credit risk on Group's cash and cash equivalents is limited because the counterparties are banks with high credit ratings. In respect of trade and other receivables and amounts due from related parties, individual credit evaluations are performed on all debtors. These evaluations focus on the debtors' past history of making payments when due and current ability to pay, and take into account information specific to the debtors as well as pertaining to the economic environment in which the debtors operate. The Group does not obtain collateral from customers or counterparties in respect of receivable.

The Group typically provides guarantees to banks in connection with the customers' borrowing of mortgage loans to finance their purchase of properties for an amount up to 70% of the total purchase price of the property. If a purchaser defaults on the payment of its mortgage loan during the guarantee period, the bank holding the guarantee may demand the Group to repay the outstanding amount under the loan and any interest accrued thereon. Under such circumstances, the Group is able to retain the customer's deposit and re-sell the property to recover any amounts paid by the Group to the bank. In this regard, the directors consider that the Group's credit risk is significantly reduced. Detailed disclosure of these guarantees is made in note 40.

4 財務風險管理(續)

4.1 財務風險因素(續)

(b) 信貸風險(續)

本集團現金及現金等價物的信貸風險有限，原因為交易對手均為擁有較高信用評級的銀行。就應收賬款及其他應收款及應收關聯方款項而言，須對所有債務人進行個別信貸評估。該等評估主要針對債務人過往到期還款記錄及當前支付能力，並考慮債務人運營所在經濟環境的特定資料。本集團並無就應收款收取客戶或交易對手任何抵押品。

本集團一般為借取按揭貸款以撥資購買物業的客戶向銀行提供擔保，最高以物業總購買價的70%為限。倘買家於擔保期內拖欠償還按揭貸款，承保銀行可能要求本集團償還貸款結欠金額連同任何應計利息。於該等情況下，本集團有權沒收客戶按金並重售物業，以收回本集團應付予銀行的任何金額。就此而言，董事認為本集團的信貸風險已大大減少。有關該等擔保的詳情於附註40披露。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

4 FINANCIAL RISK MANAGEMENT (Continued)

4.1 FINANCIAL RISK FACTORS (Continued)

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed credit facilities.

The Group's primary cash requirements have been for the payments for property development projects and operating expenses. The Group finances its working capital requirements mainly through internal resources and borrowings from shareholders and banks.

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient cash balances and adequate credit facilities to meet its liquidity requirement in the short and long term.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity dates. No bank borrowing is due for repayment after 1 year but subject to a repayable on demand clause as at 31 December 2016 (2015: RMB97,177,000). The amounts disclosed in the table are the contractual undiscounted cash flows based on the earliest date on which the Group can be required to pay as of 31 December 2016.

4 財務風險管理(續)

4.1 財務風險因素(續)

(c) 流動資金風險

審慎的流動資金風險管理指維持充足的現金及現金等價物，並透過充裕的信貸融資額度取得資金。

本集團的主要現金需求用於支付房地產開發項目及經營費用。本集團的營運資金需求主要透過內部資源及向股東及銀行借款撥付。

本集團的政策為定期監控當前及預期的流動資金需求，確保維持充足的現金結餘及充裕的信貸額度，以滿足短期及長期的流動資金需求。

下表載列根據結算日至合約到期日的剩餘期限，按照相關到期組別劃分的本集團金融負債分析。於二零一六年十二月三十一日，並無於一年後到期償還但須受按要求償還條款所規限的銀行借款(二零一五年：人民幣97,177,000元)。表內披露的金額為於二零一六年十二月三十一日根據本集團可被要求的最早支付日期計算的合約未貼現現金流量。

4 FINANCIAL RISK MANAGEMENT (Continued)

4.1 FINANCIAL RISK FACTORS (Continued)

(c) Liquidity risk (Continued)

		Less than 1 year or repayable on demand 少於一年或 按要求償還 RMB'000 人民幣千元	Between 1 and 2 years 一至兩年 RMB'000 人民幣千元	Over 2 years 兩年以上 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2016	於二零一六年十二月三十一日				
Creditors and accruals	應付賬款及應計費用	1,367,759	-	-	1,367,759
Amounts due to non-controlling interests and interest thereon	應付非控制性權益款項及 有關利息	23,449	23,449	227,985	274,883
Amounts due to related parties and interest thereon	應付關聯方款項及有關利息	344,326	361,182	1,431,930	2,137,438
Borrowings and interest thereon	借款及有關利息	1,612,466	2,241,241	3,069,142	6,922,849
At 31 December 2015 (Restated)	於二零一五年十二月三十一日 (經重列)				
Creditors and accruals	應付賬款及應計費用	783,489	-	-	783,489
Amounts due to non-controlling interests	應付非控制性權益款項	45,014	-	-	45,014
Amounts due to related parties	應付關聯方款項	1,237,980	-	-	1,237,980
Borrowings and interest thereon	借款及有關利息	1,210,526	3,946,693	2,850,464	8,007,683

4 財務風險管理(續)

4.1 財務風險因素(續)

(c) 流動資金風險(續)

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

4 FINANCIAL RISK MANAGEMENT (Continued)

4.2 FAIR VALUE ESTIMATION

Below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

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

The Group's investment property is recognised under level 3 of the fair value hierarchy and details of the valuation are disclosed in note 19.

The carrying amounts of the Group's current financial assets and financial liabilities approximate their fair values due to their short maturities.

4 財務風險管理(續)

4.2 公允價值估計

下文載列利用估值法分析按公允價值入賬的金融工具。不同層級的定義如下：

1. 相同資產或負債於活躍市場的報價(未經調整)(第1層)。
2. 除第1層所包括的報價外，就資產或負債可觀察的直接(即價格)或間接(即源自價格)輸入數據(第2層)。
3. 資產或負債並非依據可觀察市場數據的輸入數據(即不可觀察輸入數據)(第3層)。

本集團的投資性物業在公允價值層級內確認為第3層，有關評估細節於附註19披露。

由於本集團的流動金融資產及金融負債期限短，故賬面值與公允價值相若。

4 FINANCIAL RISK MANAGEMENT (Continued)

4.3 CAPITAL RISK MANAGEMENT

The Group's capital management objectives are:

- to ensure the Group's ability to continue as a going concern; and
- to provide an adequate return to shareholders.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or obtain borrowings.

The Group monitors its capital structure on a basis of gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents and restricted cash pledged for the Group's borrowing. Total capital is calculated as net debt plus total equity as shown in the consolidated balance sheet.

The gearing ratios as at 31 December 2016 and 2015 were as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 (Restated) (經重列)
Borrowings (note 29)	借款(附註29)	6,083,341	6,886,356
Less: Cash and cash equivalents (note 27)	減：現金及現金等價物(附註27)	(2,761,130)	(1,262,269)
Restricted cash	受限制現金	(215,722)	(126,854)
Net debt	債務淨額	3,106,489	5,497,233
Total equity	總權益	3,052,716	1,958,159
Total capital	資本總額	6,159,205	7,455,392
Gearing ratio	資產負債比率	50%	74%

4 財務風險管理(續)

4.3 資本風險管理

本集團的資本管理目標為：

- 確保本集團持續經營的能力；及
- 為股東提供理想回報。

為維持及調整資本架構，本集團或會調整向股東派付的股息金額、向股東退還資本、發行新股或取得借款。

本集團根據資產負債比率監控資本架構。該比率以債務淨額除以資本總額計算。債務淨額以借款總額減現金及現金等價物及已就本集團借款抵押的受限制現金計算。資本總額以債務淨額加綜合資產負債表所示的總權益計算。

於二零一六年及二零一五年十二月三十一日的資產負債比率如下：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

4 FINANCIAL RISK MANAGEMENT (Continued)

4.3 CAPITAL RISK MANAGEMENT (Continued)

Restricted cash was pledged as securities for certain bank borrowings and mortgage facilities of the Group and management considers that such restricted cash should be included in the calculation of net debt in order to reflect an appropriate gearing ratio of the Group.

The decrease in gearing ratio for the year is mainly a result of the decrease in borrowings and increase in cash and cash equivalents.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT

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) ESTIMATED FAIR VALUE OF INVESTMENT PROPERTY

The Group's investment property is stated at fair value which is determined by an independent professional valuer. Such valuation is made based on certain assumptions, which are subject to uncertainties and might materially differ from the actual results. In making the judgement, reasonable consideration has been given to the underlying assumptions that are mainly based on market conditions existing at the reporting date. These estimates are regularly compared to actual market data and actual transactions in the market.

4 財務風險管理(續)

4.3 資本風險管理(續)

受限制現金已就本集團若干銀行借款及按揭融資作抵押，管理層認為，有關受限制現金應納入債務淨額的計算中，以反映本集團合適的資產負債比率。

年度資產負債比率下跌主要由於借款減少而現金及現金等價物有所增加所致。

5 關鍵會計估計及判斷

本集團作出有關未來情況的估計及假設，顧名思義，會計估計結果極少相等於有關實際結果。估計及假設很可能導致須對下一個財政年度的資產及負債賬面值作出重大調整，詳情如下：

(I) 投資性物業的估計公允價值

本集團的投資性物業以獨立專業估值師所釐定的公允價值列賬。估值乃基於若干假設，其中涉及不確定因素，可能與實際結果相距甚遠。作出判斷時須主要根據報告日的市況對相關假設作出合理考慮。該等估計須定期與實際市場資料及實際交易情況作比較。

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT *(Continued)*

(II) NET REALISABLE VALUE OF INVENTORY, PROPERTIES HELD FOR SALE AND UNDER DEVELOPMENT

Management determines the net realisable value of inventory, properties held for sale and under development by using prevailing market data such as most recent sale transactions. Such assessment is made based on certain assumptions, which are subject to uncertainties and might materially differ from the actual result. In making the judgement, reasonable consideration has been given to the underlying assumptions that are mainly based on market condition existing at the reporting date. These estimates are regularly compared to actual market data and actual transactions in the market.

(III) INCOME TAXES AND DEFERRED TAX

The Group is subject to income taxes in Hong Kong, US and the PRC. Significant judgement is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain in the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised when management considers it is likely that future taxable profits will be available against which the temporary differences or tax losses can be utilised. When the expectations are different from the original estimates, such differences will impact the recognition of deferred income tax assets and income tax charges in the period in which such estimates are changed.

5 關鍵會計估計及判斷 *(續)*

(II) 庫存、持作銷售物業及開發中房地產的可變現淨值

管理層採用現行市場數據(如最近期銷售交易)釐定庫存、持作銷售物業及開發中房地產的可變現淨值。評估乃基於若干假設，其中涉及不確定因素，可能與實際結果相距甚遠。作出判斷時須主要根據報告日的市況對相關假設作出合理考慮。該等估計須定期與實際市場資料及實際交易情況作比較。

(III) 所得稅及遞延稅項

本集團須繳納香港、美國及中國所得稅。釐定所得稅撥備時，須作出重大判斷。在日常業務中有若干未能確定最終稅項的交易及計算。倘該等事宜的最終稅務結果有別於最初記錄的數額，則有關差額會影響釐定有關數額期間的所得稅及遞延稅項撥備。

與若干暫時差額及稅項虧損有關的遞延所得稅資產於管理層認為未來有可能出現應課稅利潤可用作抵銷該等暫時差額或稅項虧損時確認。當預期金額與原定估計有差異時，則該差異將於估計改變期間影響遞延所得稅資產的確認及所得稅費用。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT *(Continued)*

(IV) PRC LAND APPRECIATION TAXES

The Group is subject to land appreciation taxes in the PRC. However, the implementation and settlement of LAT varies among various tax jurisdictions in cities of the PRC, and the Group has not finalised its LAT calculation and payments with local tax authorities in the PRC for most of its property development projects. Accordingly, significant judgement is required in determining the amount of land appreciation and its related taxes. The Group recognises these liabilities based on management's best estimates. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax expenses and provisions of land appreciation taxes in the period in which such determination is made.

(V) IMPAIRMENT OF INTERESTS IN ASSOCIATES AND JOINT VENTURES

The Group follows the guidance of HKAS 39 to determine whether interests in associate and joint ventures are impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and short-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

(VI) REVENUE RECOGNITION FOR MANAGEMENT SERVICES FEES

The Group uses the percentage-of-completion method in the accounting of management service contract. Use of the percentage-of-completion method requires the Group to estimate the total contract costs incurred up to the end of the reporting period as a percentage of total estimated costs to completion for each contract. While for the contracts with the floating fees, besides the determination of percentage of completion, significant accounting estimates is also involved in the determination of projected sales. The total revenue recognised could be different from the amounts that were initially recorded, and these differences will impact the revenue in the periods in which such target properties are delivered to customers.

5 關鍵會計估計及判斷 *(續)*

(IV) 中國土地增值稅

本集團須繳納中國土地增值稅。然而，中國各城市不同稅收管轄區對土地增值稅的執行及結算不盡相同，而本集團尚未與中國任何地方稅務局落實房地產開發項目土地增值稅的計算及付款方法。因此，釐定土地增值額及相關稅項時須作出重大判斷。本集團根據管理層作出的最佳估計確認該等負債。倘該等事宜的最終稅務結果有別於最初記錄的數額，則有關差額會影響釐定有關數額期間的所得稅費用及土地增值稅撥備。

(V) 於聯營公司及合營企業的權益減值

本集團根據香港會計準則第39號的指引釐定於聯營公司及合營企業的權益有否出現減值。有關釐定須作出重大判斷。於作出判斷時，本集團會評估多項因素，其中包括該投資的公允價值低於成本的時期及程度；及投資對象的財政是否穩健及短期業務展望，包括行業及分部表現、技術變動及經營和融資現金流量等因素。

(VI) 管理服務費收入確認

本集團使用完成百分比法對管理服務合約入賬。使用完成百分比法，本集團須估計截至報告結算日止期間的合約總成本佔完成合約估計總成本的百分比。而對於浮動費用合約，除釐定完成百分比外，亦須作出有關預期銷售額的重大會計估計。所確認收入總額可能有別於最初記錄者，而差額會影響向客戶交付目標物業期間的收入。

6 REVENUE

Revenue recognized during the year is as follows:

6 收入

年內確認的收入如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 (Restated) (經重列)
Property development and management service fee income from (i)	項目開發管理服務費 收益來自(i)		
— third parties	— 第三方	361,281	160,711
— associates and joint ventures (note 39)	— 聯營公司及合營企業(附註39)	187,845	110,319
— fellow subsidiaries (note 39)	— 同系附屬公司(附註39)	74,045	530,528
Sale of properties in	銷售物業		
— The PRC	— 中國	3,834,225	865,109
— The US	— 美國	287,008	65,122
Decoration service income	裝飾服務收益	74,141	34,857
Rental and management fee income	租金及管理費收益	26,463	26,145
		4,845,008	1,792,791

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

6 REVENUE (Continued)

- (i) Breakdown of the revenue from property development and management services is as follows:

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 (Restated) (經重列)
Revenues from management service	269,056	518,764
Revenues from sales management service	229,566	208,901
Revenue from green-technical system integration service	83,280	65,195
Revenue from brand authorisation service	41,269	8,698
	623,171	801,558

7 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions. These reports are prepared on the same basis as these consolidated financial statements.

The chief operating decision-maker is identified as the executive directors of the Company. The executive directors consider the business from services perspective and have identified the following operating segments:

- (i) Property investment;
- (ii) Property development; and
- (iii) Property development and management services.

6 收入(續)

- (i) 項目開發管理服務收入明細如下：

7 分部資訊

管理層根據由經主要營運決策者審閱及用作策略決定的報告釐定經營分部。該等報告乃根據此等綜合財務報表相同的基準編製。

主要營運決策者為本公司執行董事。執行董事從服務角度考慮業務，並確認以下經營分部：

- (i) 房地產投資；
- (ii) 房地產開發；及
- (iii) 房地產開發管理服務。

7 SEGMENT INFORMATION (Continued)

The executive directors assess the performance of the reportable segments based on a measure of revenue and segment profit. Segment profit includes profits from subsidiaries, share of profits of joint ventures and share of profits of associates. This represents the profit earned by each segment without allocation of gain on disposal of property, plant and equipment, interest income on bank deposits, corporate expenses and corporate finance costs charged in the consolidated statement of comprehensive income. This is the measure reported to the management of the Group for the purposes of resource allocation and performance assessment.

The segment information provided to the executive directors for the reportable segments for the year ended 31 December 2016 is as follows:

7 分部資訊(續)

執行董事根據收入及分部利潤計量評估報告分部的表現。分部利潤包括附屬公司利潤、應佔合營企業利潤及應佔聯營公司利潤。分部利潤指各分部的利潤，惟不包括出售不動產、工廠及設備的利得、銀行存款利息收入、公司費用及公司財務費用等已計入綜合全面收益表的未分配項目。本集團管理層根據所報告的計量分配資源和評估表現。

截至二零一六年十二月三十一日止年度，向執行董事提供的報告分部資訊如下：

		2016 二零一六年			
		Property investment	Property development	Property management services	Total
		房地產投資	房地產開發	房地產開發管理服務	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Segment revenue (external)	分部收入(外部)	26,463	4,195,374	623,171	4,845,008
Reportable segment profit	報告分部利潤	58,433	557,601	389,174	1,005,208
Depreciation of property, plant and equipment	不動產、工廠及設備折舊	(3)	(11,314)	(1,100)	(12,417)
Fair value gain on investment properties	投資性物業的公允價值利得	41,750	-	-	41,750
Share of gains of associates	應佔聯營公司利得	-	45,088	-	45,088
Share of gains of joint ventures	應佔合營企業利得	-	24,930	-	24,930
Finance costs	財務費用	-	(81,823)	-	(81,823)
Segment assets	分部資產	309,069	15,238,363	2,459,694	18,007,126
Segment liabilities	分部負債	58,122	14,293,919	390,877	14,742,918
Additions to non-current assets	增加非流動資產	41,760	683,348	406,903	1,132,011

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

7 SEGMENT INFORMATION (Continued)

7 分部資訊(續)

		2015 二零一五年 (Restated) (經重列)			
		Property investment	Property development	Property development and management services 房地產開發 管理服務	Total
		RMB'000 人民幣千元	RMB'000 人民幣千元 (Restated) (經重列)	RMB'000 人民幣千元 (Restated) (經重列)	RMB'000 人民幣千元 (Restated) (經重列)
Segment revenue (external)	分部收入(外部)	26,145	965,088	801,558	1,792,791
Reportable segment profit	報告分部利潤	58,763	97,916	554,382	711,061
Depreciation of property, plant and equipment	不動產、工廠及 設備折舊	(59)	(350)	(1,105)	(1,514)
Fair value gain on investment properties	投資性物業的 公允價值利得	44,047	–	–	44,047
Share of losses of associates	應佔聯營公司虧損	–	(11,085)	–	(11,085)
Share of losses of joint ventures	應佔合營企業虧損	–	(10,445)	–	(10,445)
Finance costs	財務費用	–	(30,321)	–	(30,321)
Segment assets	分部資產	273,251	13,614,970	252,695	14,140,916
Segment liabilities	分部負債	154,541	11,864,208	118,994	12,137,743
Additions to non-current assets	增加非流動資產	16	43,238	5,977	49,231

7 SEGMENT INFORMATION (Continued)

Reconciliations of segment profit to profit before income tax are as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 (Restated) (經重列)
Segment profit	分部利潤	1,005,208	711,061
Bank interest income	銀行利息收益	14,700	16,265
Gains on disposal of property, plant and equipment	出售不動產、工廠及設備的利得	56	718
Unallocated corporate income	未分配公司收入	120	921
Unallocated corporate expenses	未分配公司費用	(187,617)	(64,975)
Profit before income tax	除所得稅前利潤	832,467	663,990

Reconciliations of segment assets/liabilities to total assets/liabilities are as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 (Restated) (經重列)
Segment assets	分部資產	18,007,126	14,140,916
Unallocated assets	未分配資產	-	-
Total assets	總資產	18,007,126	14,140,916

7 分部資訊(續)

分部利潤與除所得稅前利潤的對賬如下：

分部資產／負債與總資產／負債的對賬如下：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

7 SEGMENT INFORMATION (Continued)

Reconciliations of segment assets/liabilities to total assets/liabilities are as follows: (Continued)

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 (Restated) (經重列)
Segment liabilities	分部負債	14,742,918	12,137,743
Unallocated liabilities	未分配負債	211,492	45,014
Total liabilities	總負債	14,954,410	12,182,757

The Group does not have any single customer which contributes more than 10% of the Group's revenue.

Unallocated expenses mainly represent corporate expenses such as finance costs and administrative expenses. Unallocated income mainly represents sundry income.

Unallocated liabilities represent amounts due to non-controlling shareholders.

7 分部資訊(續)

分部資產／負債與總資產／負債的對賬如下：
(續)

本集團並無任何佔本集團收入10%以上的單一客戶。

未分配費用主要指公司費用，例如財務費用以及行政費用。未分配收入主要指雜項收益。

未分配負債指應付非控股股東款項。

7 SEGMENT INFORMATION (Continued)

The Group's revenue from external customers and non-current assets are divided into the following geographical areas:

7 分部資訊(續)

本集團來自外部客戶的收入及非流動資產乃按以下地理區域劃分：

		Revenue from external customers 外部客戶收入		Non-current assets 非流動資產	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 (Restated) (經重列)	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 (Restated) (經重列)
Hong Kong (domicile)	香港(註冊地)	-	-	135,604	291,766
Mainland China	中國內地	4,530,170	1,683,184	1,823,786	2,816,949
The US	美國	314,838	109,607	133,930	245,764
		4,845,008	1,792,791	2,093,320	3,354,479

The revenue information above is based on the location of the customers. Non-current assets information above is based on the location of the assets.

以上收入資訊乃客戶所在位置而作出。以上非流動資產資訊乃按資產所在地而作出。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

8 OTHER INCOME

8 其他收益

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 (Restated) (經重列)
Bank interest income	銀行利息收益	14,700	16,265
Interest income from amounts due from joint ventures and associates	應收合營企業及聯營公司款項的利息收益	95,064	8,063
Interest income from loan to third parties and deposit paid for acquisition of an associate (note 25)	應收第三方貸款及收購聯營公司所付按金的利息收益(附註25)	22,117	-
Government grants	政府補助	7,785	9,690
Sundry income	雜項收益	3,015	392
		142,681	34,410

9 OTHER GAINS, NET

9 其他利得淨額

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 (Restated) (經重列)
Net exchange gains	匯兌利得淨額	226,898	80,506
Gain on disposal of subsidiaries (note 36)	出售附屬公司之利得(附註36)	165,304	235
Gain on disposal of property, plant and equipment	出售不動產、工廠及設備之利得	56	718
		392,258	81,459

10 EXPENSES BY NATURE

10 按性質分類的費用

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 (Restated) (經重列)
Employee benefit expenses	僱員福利費用		
Directors' remuneration (note 15)	董事薪酬(附註15)		
— fees	— 袍金	1,028	982
— salaries and allowances	— 薪金及津貼	13,171	9,324
— retirement benefit scheme contributions	— 退休福利計劃供款	329	272
— restricted share award (note 33(b))	— 限制性股份獎勵(附註33(b))	3,745	2,474
		18,273	13,052
Other staff costs	其他職工費用		
— wages, salaries and allowances	— 工資、薪金及津貼	205,208	177,646
— retirement benefit scheme contributions	— 退休福利計劃供款	17,582	17,147
— other staff benefit	— 其他職工福利	18,386	8,214
— restricted share award (note 33(b))	— 限制性股份獎勵(附註33(b))	6,500	3,985
		247,676	206,992
Outgoings in respect of investment property	投資性物業的支出	6,378	7,550
Cost of sale of properties in	銷售物業費用		
— The PRC	— 中國	3,499,633	678,315
— The US	— 美國	291,236	61,028
Other taxes	其他稅項	198,766	68,639
Advertising and promotion expenses	廣告及推廣費用	42,337	41,232
Legal and professional fees	法律及專業費用	17,076	9,208
Stamp duty	印花稅	9,365	2,165
Minimum lease payments in respect of properties under operating leases	經營租賃物業最低租賃付款	15,294	2,990
Auditor's remuneration	核數師薪酬		
— Audit services	— 審核服務	985	943
— Non-audit services projects	— 非審核服務項目	343	944
Depreciation of property, plant and equipment (note 20)	不動產、工廠及設備折舊(附註20)	12,417	1,514
Subcontracting fee for decoration services	裝修服務的分包費用	18,781	11,680
Decoration materials used (note 22)	已用裝修物料(附註22)	19,856	6,368
Design service fee	設計服務費用	7,043	22,484
Provision of impairment losses on completed properties held for sale (note 21)	已竣工持作銷售物業減值虧損撥備(附註21)	2,157	—
Provision for impairment of trade receivables (note 24)	應收賬款減值撥備(附註24)	2,138	—
Others	其他	55,409	82,170
Total	總計	4,465,163	1,217,274
Representing:	指：		
Cost of sales and services	銷售及服務費用	4,086,294	1,034,158
Selling expenses	銷售費用	90,115	73,418
Administrative expenses	行政費用	288,754	109,698
		4,465,163	1,217,274

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

11 FINANCE COSTS

11 財務費用

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 (Restated) (經重列)
Interest expense on borrowings	借款利息費用	581,902	441,787
Less: Interest capitalised	減：利息資本化	(387,817)	(397,874)
		194,085	43,913
Other finance charges	其他財務支出	-	6,000
		194,085	49,913

12 INCOME TAX EXPENSE

12 所得稅費用

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 (Restated) (經重列)
Current tax	即期稅項		
— Hong Kong profits tax	— 香港利得稅		
Over-provision in prior years	過往年度超額撥備	(1,832)	(470)
— PRC enterprise income tax	— 中國企業所得稅		
Tax expense for the year	年度稅項費用	266,544	212,849
— US profit tax	— 美國利得稅		
Tax expense for the year	年度稅項費用	170	282
		264,882	212,661
PRC land appreciation tax	中國土地增值稅	16,884	22,845
Deferred tax (note 30)	遞延稅項(附註30)	(56,135)	(51,245)
Total income tax expense	所得稅費用總額	225,631	184,261

Hong Kong profits tax has been provided at 16.5% (2015: 16.5%) on the assessable profits arising in Hong Kong for the year.

香港利得稅乃以年度於香港產生的應課稅利潤按稅率16.5%(二零一五年：16.5%)作出撥備。

12 INCOME TAX EXPENSE (Continued)

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and implementation Regulations of the EIT Law, the tax rate of the PRC subsidiaries is 25% except for Landsea Design that enjoys a preferential income tax rate of 15% as approved by relevant tax authorities.

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

Under the law of the US on Federal tax and state tax, the blended tax rate of the US’s subsidiaries is 40.09%. US profit tax is provided for at 40.09% of the profits for the US statutory financial reporting purpose, adjusted for those items which are not assessable or deductible.

Taxes on profits assessable elsewhere have been calculated at the applicable rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislations, interpretations and practices in respect thereof.

12 所得稅費用 (續)

根據中國企業所得稅法(「企業所得稅法」)及其實施條例，中國附屬公司的稅率為25%，惟朗詩設計經有關稅務部門批准享有15%的優惠所得稅稅率則除外。

中國土地增值稅以銷售物業所得款項減去可扣減開支(包括土地使用權成本、借款成本、營業稅及所有物業開發開支)的土地增值按介乎30%至60%的累進稅率徵收。土地增值稅於物業所有權轉移時產生。

根據有關聯邦稅及州稅的美國法律，美國附屬公司的混合稅率為40.09%。就美國法定財務申報而言，美國利得稅按利潤的40.09%計提撥備，並就毋須課稅或不可扣減項目作出調整。

其他地區應課稅利潤的稅項按本集團經營業務所在司法權區的現行適用稅率計算，並根據該等司法權區的現行法例、詮釋及慣例作出。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

12 INCOME TAX EXPENSE (Continued)

Reconciliation between profit before income tax and income tax expense is as follows:

12 所得稅費用(續)

除所得稅前利潤與所得稅費用的對賬如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 (Restated) (經重列)
Profit before income tax	除所得稅前利潤	832,467	663,990
Add: Share of (gains)/losses of associates	加：應佔聯營公司(利得)/虧損	(45,088)	11,085
Share of (gains)/losses of joint ventures	應佔合營企業(利得)/虧損	(24,930)	10,445
		762,449	685,520
Tax on profit before income tax, calculated at the statutory rate of 16.5% (2015: 16.5%)	除所得稅前利潤的稅項，按法定稅率16.5%(二零一五年：16.5%)計算	125,804	113,111
Effect of different tax rates of group companies operating in other jurisdictions	於其他司法權區經營的集團公司不同稅率的影響	66,964	56,921
Tax effect of non-taxable income	毋須課稅收益的稅務影響	(26,787)	(22,372)
Tax effect of non-deductible expenses	不可扣減開支的稅務影響	39,832	79
Tax effect of unused tax losses	未動用稅項虧損的稅務影響	7,119	11,856
Land appreciation tax deductible for income tax purpose	可作扣除所得稅的土地增值稅	(4,221)	5,712
Over-provision in prior years	過往年度超額撥備	(1,832)	(470)
Others	其他	1,868	(3,421)
		208,747	161,416
Land appreciation tax	土地增值稅	16,884	22,845
Income tax expenses	所得稅費用	225,631	184,261

13 EARNINGS PER SHARE

(A) BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 (Restated) (經重列)
Profit attributable to owners of the Company	歸屬於本公司所有者的利潤	595,439	485,079
Accrued distribution of the convertible perpetual securities	可換股永久證券的應計分派	(18,661)	(854)
Profit used to determine basic earnings per share	用作釐定每股基本收益的利潤	576,778	484,225
Weighted average number of ordinary shares in issue (thousands)	已發行普通股的加權平均數(千股)	3,917,571	3,652,727
Earnings per share (expressed in RMB per share)	每股收益(以每股人民幣列示)	0.147	0.133

(B) DILUTED EARNINGS PER SHARE

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: convertible perpetual securities. The convertible perpetual securities are assumed to have been converted into ordinary shares.

13 每股收益

(A) 每股基本收益

每股基本收益乃按歸屬於本公司所有者的利潤除以年度已發行普通股的加權平均數計算。

(B) 每股稀釋收益

每股稀釋收益乃假設悉數轉換具稀釋影響的潛在普通股而調整已發行普通股的加權平均數計算。本公司有一類具稀釋影響的潛在普通股：可換股永久證券。假設可換股永久證券獲悉數轉換為普通股。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

13 EARNINGS PER SHARE (Continued)

(B) DILUTED EARNINGS PER SHARE (Continued)

13 每股收益(續)

(B) 每股稀釋收益(續)

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 (Restated) (經重列)
Profit attributable to owners of the Company	歸屬於本公司所有者的利潤	595,439	485,079
Weighted average number of ordinary shares in issue (thousands)	已發行普通股的加權平均數(千股)	3,917,571	3,652,727
Adjustment for:	經以下各項調整：		
— Assumed conversion of convertible perpetual securities (thousands)	— 假設轉換可換股永久證券(千股)	611,126	445,230
Weighted average number of ordinary shares for diluted earnings per share (thousands)	用作釐定每股稀釋收益的普通股加權平均數(千股)	4,528,697	4,097,957
Diluted earnings per share (expressed in RMB per share)	每股稀釋收益(以每股人民幣列示)	0.131	0.118

(C) The weighted average number of shares for the calculation of basic and diluted earnings per share for the year ended 31 December 2015 have been adjusted to reflect the effect of the issuance of ordinary shares and convertible perpetual securities of the Company to acquire Epic China (note 32 and note 34).

(C) 計算截至二零一五年十二月三十一日止年度的每股基本及稀釋收益的加權平均股份數目已作出調整，以反映本公司為收購Epic China發行普通股及可換股永久證券的影響(附註32及附註34)。

14 DIVIDEND

14 股息

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Proposed distribution of final dividend out of contributed surplus account of RMB3.54 cents (equivalent to HK cents 4) (2015: RMB3.3 cents (equivalent to HK cents 4)) per ordinary share	建議自實繳盈餘賬派發末期股息 每股普通股人民幣3.54分 (相當於4港仙)(二零一五年： 人民幣3.3分(相當於4港仙))	138,682	133,934

A final dividend relating to the year ended 31 December 2015 amounted to RMB133,934,000 was fully paid on 6 July 2016.

截至二零一五年十二月三十一日止年度的末期股息人民幣133,934,000元已於二零一六年七月六日全數派發。

The Board proposed distribution of a final dividend out of contributed surplus account of RMB3.54 cents (equivalent to HK cents 4) (2015: RMB3.3 cents (equivalent to HK cents 4)) per ordinary share for the year ended 31 December 2016 amounting to a total of RMB138,682,000. The proposed final dividend for the year ended 31 December 2016 is based on 3,917,570,961 (2015: 3,917,570,961 shares) issued as at 24 March 2017. The proposed final dividend is not reflected as a dividend payable as of 31 December 2016, but will be recorded as a distribution for the year ending 31 December 2017.

董事局建議自實繳盈餘賬派發截至二零一六年十二月三十一日止年度的末期股息每股普通股人民幣3.54分(相當於4港仙)(二零一五年：人民幣3.3分(相當於4港仙))，總金額為人民幣138,682,000元。截至二零一六年十二月三十一日止年度的擬派末期股息乃根據二零一七年三月二十四日的已發行股份3,917,570,961股(二零一五年：3,917,570,961股)釐定。擬派末期股息並不視為二零一六年十二月三十一日的應付股息，但將列作截至二零一七年十二月三十一日止年度作出的分派。

The proposed distribution of final dividend out of contributed surplus account for the year ended 31 December 2016 is subject to the passing of an ordinary resolution for approving the distribution of final dividend out of contributed surplus account of the Company by the shareholders at the annual general meeting of the Company to be held on 26 May 2017.

建議自實繳盈餘賬派發截至二零一六年十二月三十一日止年度的末期股息須待股東於二零一七年五月二十六日舉行的本公司股東週年大會通過批准自本公司實繳盈餘賬派發末期股息的普通決議案後，方可作實。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

15 BENEFITS AND INTERESTS OF DIRECTORS

(A) DIRECTORS' EMOLUMENTS

The remuneration of each director is set out below:

For the year ended 31 December 2016:

15 董事福利及權益

(A) 董事酬金

各董事的酬金載列如下：

截至二零一六年十二月三十一日止年度：

		Fees	Salaries, allowances and bonus	Contribution to retirement benefits scheme	Restricted share award	Total
		袍金	工資、津貼 及花紅	退休福利 計劃供款	限制性 股份獎勵	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
2016	二零一六年					
Executive directors	執行董事					
Tian Ming	田明	-	4,028	15	988	5,031
Shen Leying	申樂瑩	-	2,886	100	989	3,975
Xiang Jiong	向炯	-	2,948	70	676	3,694
Xie Yuanjian	謝遠建	-	2,543	58	572	3,173
Zhou Qin (note (i))	周勤(附註(i))	257	766	86	520	1,629
Independent non-executive directors	獨立非執行董事					
Xu Xiaonian	許小年	257	-	-	-	257
Ding Yuan	丁遠	257	-	-	-	257
Lee Kwan Hung	李均雄	257	-	-	-	257
Non-executive directors	非執行董事					
Zhou Yimin (note (iii))	鄒益民(附註(iii))	-	-	-	-	-
		1,028	13,171	329	3,745	18,273

15 BENEFITS AND INTERESTS OF DIRECTORS

(Continued)

(A) DIRECTORS' EMOLUMENTS (Continued)

15 董事福利及權益(續)

(A) 董事酬金(續)

		Fees	Salaries, allowances and bonus	Contribution to retirement benefits scheme	Restricted share award	Total
		袍金	工資、津貼 及花紅	退休福利 計劃供款	限制性 股份獎勵	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
2015	二零一五年					
Executive directors	執行董事					
Tian Ming	田明	-	2,709	15	578	3,302
Shen Leying	申樂瑩	-	2,060	96	386	2,542
Xie Yuanjian	謝遠建	-	1,724	43	385	2,152
Xiang Jiong	向炯	-	2,039	69	578	2,686
Lu Baoxiang (note (ii))	蘆寶翔(附註(ii))	-	792	49	322	1,163
Independent non-executive directors	獨立非執行董事					
Xu Xiaonian	許小年	246	-	-	-	246
Ding Yuan	丁遠	246	-	-	-	246
Lee Kwan Hung	李均雄	246	-	-	-	246
Non-executive director	非執行董事					
Zhou Qin (note (i))	周勤(附註(i))	244	-	-	225	469
Zhou Yimin (note (iii))	鄒益民(附註(iii))	-	-	-	-	-
		982	9,324	272	2,474	13,052

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

15 BENEFITS AND INTERESTS OF DIRECTORS

(Continued)

(A) DIRECTORS' EMOLUMENTS (Continued)

Notes:

- (i) Appointed as a non-executive director of the Company on 5 January 2015 and re-designated as an executive director of the Company on 15 August 2016.
- (ii) Appointed as an executive director of the Company on 23 February 2014 and resigned as executive director of the Company on 17 November 2015.
- (iii) Appointed as a non-executive director of the Company on 17 November 2015.

(B) DIRECTORS' RETIREMENT BENEFITS AND TERMINATION BENEFITS

None of the directors received or will receive any retirement benefits or termination benefits during the year (2015: Ditto).

(C) CONSIDERATION PROVIDED TO THIRD PARTIES FOR MAKING AVAILABLE DIRECTORS' SERVICES

During the year ended 31 December 2016, the Company did not pay consideration to any third parties for making available directors' services (2015: Ditto).

(D) INFORMATION ABOUT LOANS, QUASI-LOANS AND OTHER DEALINGS IN FAVOUR OF DIRECTORS, CONTROLLED BODIES CORPORATE BY AND CONNECTED ENTITIES WITH SUCH DIRECTORS

There are no loans, quasi-loans and other dealing arrangements in favour of directors, controlled bodies corporate by and controlled entities with such directors (2015: Ditto).

(E) DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No significant transactions, arrangements and contracts in relation to the Group's business to which the Group was a party and in which a director of the Group had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2015: Nil).

15 董事福利及權益(續)

(A) 董事酬金(續)

附註：

- (i) 於二零一五年一月五日獲委任為本公司非執行董事，並於二零一六年八月十五日獲調任為本公司執行董事。
- (ii) 於二零一四年二月二十三日獲委任為本公司執行董事，後於二零一五年十一月十七日辭任本公司執行董事。
- (iii) 於二零一五年十一月十七日獲委任為本公司非執行董事。

(B) 董事的退休福利及終止僱用福利

於本年度，概無董事已收取或將收取任何退休福利及終止僱用福利(二零一五年：相同)。

(C) 就提供董事服務向第三方提供的代價

截至二零一六年十二月三十一日止年度，本公司概無就提供董事服務向任何第三方支付代價(二零一五年：相同)。

(D) 有關以董事、其受控法團或其關連實體為受益人的貸款、準貸款及其他交易的資料

概無以董事、其受控法團或其關連實體為受益人的貸款、準貸款及其他交易安排(二零一五年：相同)。

(E) 董事於交易、安排或合約的重大權益

本公司概無訂立與本集團業務有關，而本集團董事直接或間接擁有重大權益且於年末或年內任何時間存在的重大交易、安排及合約(二零一五年：無)。

16 FIVE HIGHEST PAID INDIVIDUALS

The five individuals whose emoluments were the highest in the Group for the year included four existing (2015: three) directors whose emoluments are reflected in the analysis presented in note 15.

The emoluments of the remaining one (2015: Two) individual during the year ended 31 December 2016 were as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Basic salaries, allowances and bonus	基本工資、津貼及花紅	2,874	4,700
Contribution to retirement benefits schemes	退休福利計劃供款	67	69
Restricted share award	限制性股份獎勵	530	336
		3,471	5,105

The number of employees whose remuneration fee within the following band was as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
RMB1,000,000 to RMB2,000,000	人民幣 1,000,000 元至 人民幣 2,000,000 元	-	-
RMB2,000,000 to RMB3,000,000	人民幣 2,000,000 元至 人民幣 3,000,000 元	-	2
RMB3,000,000 to RMB4,000,000	人民幣 3,000,000 元至 人民幣 4,000,000 元	1	-

16 五名最高薪酬人士

於本年度，本集團五位最高薪酬人士包括四名（二零一五年：三名）現任董事，其酬金於附註 15 的分析內反映。

截至二零一六年十二月三十一日止年度，餘下一名（二零一五年：兩名）人士的薪酬如下：

其薪酬在下列組別範圍內的僱員數目：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
RMB1,000,000 to RMB2,000,000	人民幣 1,000,000 元至 人民幣 2,000,000 元	-	-
RMB2,000,000 to RMB3,000,000	人民幣 2,000,000 元至 人民幣 3,000,000 元	-	2
RMB3,000,000 to RMB4,000,000	人民幣 3,000,000 元至 人民幣 4,000,000 元	1	-

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

17 INTERESTS IN ASSOCIATES

17 於聯營公司的權益

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Share of net assets	應佔淨資產	744,099	490,348
Amounts due from associates	應收聯營公司款項	-	1,727,796
		744,099	2,218,144

For the year ended 31 December 2016, pursuant to a shareholder meeting resolution (the "Resolution") of 南京奧建置業有限公司 (Nanjing Aojian Properties Co., Limited) dated 4 February 2016, all of the shareholders agreed to provide a further capital injection into 南京奧建置業有限公司 (Nanjing Aojian Properties Co., Limited) by an equivalent percentage. Pursuant to the Resolution, the Group injected capital totaling RMB246,430,000. In addition, the Group acquired 9.91% and 20% interests in 成都太行瑞宏房地產開發有限公司 (Chengdu Taihang Ruihong Property Development Co., Ltd.) and 湖北供銷徐東民生廣場置業有限公司 (Hubei Gongxiao Xudong Minsheng Square Real Estate Co., Ltd.) with the consideration of RMB11,000,000 and RMB67,251,200 from third parties, respectively.

截至二零一六年十二月三十一日止年度，根據南京奧建置業有限公司於二零一六年二月四日召開的股東大會決議案（「決議案」），全體股東同意按同等比例向南京奧建置業有限公司作進一步注資。根據決議案，本集團注資合共人民幣246,430,000元。此外，本集團分別以代價人民幣11,000,000元及人民幣67,251,200元自第三方收購成都太行瑞宏房地產開發有限公司及湖北供銷徐東民生廣場置業有限公司9.91%及20%權益。

17 INTERESTS IN ASSOCIATES (Continued)

For the year ended 31 December 2015, the Group and two third parties set up five new project companies, 南京奧建置業有限公司 (Nanjing Aojian Properties Co., Limited), 南京學衡置業有限公司 (Nanjing Xueheng Properties Co., Limited), 成都辰詩置業有限公司 (Chengdu Chensi Properties Co., Limited), 杭州朗優房地產開發有限公司 (Hangzhou Langyou Properties Development Co., Limited) and 杭州朗寧投資有限公司 (Hangzhou Langning investment Co., Limited). The Group invested RMB12,970,000, RMB349,300,000, RMB17,500,000, RMB24,000,000 and RMB15,200,000 in these project companies and holds 12.97%, 49.9%, 25%, 49% and 27% equity interests in these companies respectively.

Details of the associates are disclosed in note 42. These associates are principally engaged in property development or investment holding and are strategic partnerships for the Group.

17 於聯營公司的權益 (續)

截至二零一五年十二月三十一日止年度，本集團與兩家第三方創辦五間新項目公司，即南京奧建置業有限公司、南京學衡置業有限公司、成都辰詩置業有限公司、杭州朗優房地產開發有限公司及杭州朗寧投資有限公司。本集團就該等項目公司分別投資人民幣12,970,000元、人民幣349,300,000元、人民幣17,500,000元、人民幣24,000,000元及人民幣15,200,000元，並於該等公司分別持有12.97%、49.9%、25%、49%及27%的股權。

有關聯營公司的詳情於附註42披露。該等聯營公司主要從事房地產開發或投資控股，與本集團為戰略夥伴關係。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

17 INTERESTS IN ASSOCIATES (Continued)

Set out below is the summarised financial information of the associates.

17 於聯營公司的權益(續)

聯營公司的財務資料概述如下。

		Hangzhou Wanye Property Co., Ltd. 杭州萬業置業 有限公司 RMB'000 人民幣千元	Nanjing Aojian Properties Co., Ltd. 南京奧建置業 有限公司 RMB'000 人民幣千元	Nanjing Xueheng Properties Co., Ltd. 南京學衡置業 有限公司 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Revenue	收入	1,179,675	-	-	790,525	1,970,200
Profit/(Loss) and total comprehensive profit/(loss) for the year	年度溢利/(虧損)及 全面溢利/(虧損)總額	136,217	(75,141)	(28,727)	(29,324)	3,025
Total current assets	流動資產總值	1,273,574	7,100,851	3,774,579	8,057,738	20,206,742
Total non-current assets	非流動資產總值	81	21,532	11,474	109,547	142,634
Total current liabilities	流動負債總額	(976,456)	(4,403,657)	(3,020,255)	(6,259,327)	(14,659,695)
Total non-current liabilities	非流動負債總額	-	(800,000)	(100,000)	(800,900)	(1,700,900)
Net assets at 31 December 2016	於二零一六年十二月三十一日 的資產淨值	297,199	1,918,726	665,798	1,107,058	3,988,781
Interests in associates	於聯營公司的權益	34%	12.97%	49.9%	10%~48.9%	
Carrying value at 31 December 2016	於二零一六年十二月三十一日 的賬面值	101,052	232,656	322,607	87,784	744,099

There are no contingent liabilities relating to the Group's interests in the associates.

概無任何與本集團於聯營公司的權益有關的或然負債。

18 INTERESTS IN JOINT VENTURES

18 於合營企業的權益

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 (Restated) (經重列)
Share of net assets	應佔淨資產	261,610	298,315
Amounts due from joint ventures	應收合營企業款項	187,036	397,055
		448,646	695,370

Details of the joint ventures are disclosed in note 43. These joint ventures are principally engaged in property development or investment holding and are a strategic partnerships for the Group.

The amounts due from joint ventures are unsecured, RMB146,000,000 of which is repayable in the year of 2018 and carry interest at 8.5% per annum, the remaining balances are interest-free and have no fixed terms of repayment.

Set out below is the summarized financial information of the joint ventures.

有關合營企業的詳情於附註43披露。該等合營企業主要從事房地產開發或投資控股，與本集團為戰略夥伴關係。

應收合營企業款項為無抵押。其中人民幣146,000,000元須於二零一八年償還，年利率為8.5%，餘下結餘為免息且無固定還款期。

合營企業的財務資料概述如下。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

18 INTERESTS IN JOINT VENTURES (Continued)

18 於合營企業的權益(續)

		Hangzhou Langping Property Co., Ltd.	Silver Knight Global Limited	LS-Boston Point LLC LS-Boston Point LLC (「LS-Boston」)	Others	Total
		杭州朗平置業 有限公司	Silver Knight Global Limited	Point LLC (「LS-Boston」)	其他	總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Revenue	收入	-	-	-	355,140	355,140
Depreciation	折舊	(10)	-	-	(19)	(29)
Interest income	利息收入	105	-	-	1,256	1,361
Income tax credit/(expense)	所得稅抵免/(開支)	4,370	-	-	(16,164)	(11,794)
Profit and total comprehensive income for the year	年度利潤及全面收益總額	(13,554)	(215)	3,689	51,814	41,734
Cash and cash equivalents	現金及現金等價物	15,437	8,008	-	487,167	510,612
Total current assets	流動資產總值	1,264,765	469,621	-	2,270,391	4,004,777
Total non-current assets	非流動資產總值	14,103	-	242,530	36,406	293,039
Total current liabilities	流動負債總額	(396,588)	(446,550)	(576)	(1,479,130)	(2,322,844)
Total non-current liabilities	非流動負債總額	(695,833)	(28,860)	-	(400,000)	(1,124,693)
Net assets at 31 December 2016	於二零一六年十二月三十一日 的資產淨值	186,447	(5,789)	241,954	427,667	850,279
Interest in the joint venture	於合營企業的權益	50.00%	38.46%	50.00%	30%~60%	
Carrying value at 31 December 2016	於二零一六年十二月三十一日 的賬面值	67,741	-	128,865	65,004	261,610

There are no commitment or contingent liabilities relating to the Group's interests in the joint ventures.

概無任何與本集團於合營企業的權益有關的或然負債。

19 INVESTMENT PROPERTY

As at 31 December 2016, the Group held one block of commercial building located in Shenzhen, the PRC. Changes to the carrying amount of investment property in the consolidated balance sheet are summarized as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
At 1 January	於一月一日	249,170	205,123
Fair value gain	公允價值利得	41,750	44,047
At 31 December	於十二月三十一日	290,920	249,170

The Group's interest in investment property at its carrying amount is analysed as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Outside Hong Kong, held on: Medium-term lease of between 10 to 50 years	在香港境外持有： 10至50年期的中期租賃	290,920	249,170

Investment property was valued at 31 December 2016 by an independent professionally qualified valuer, Jones Lang LaSalle Corporate Appraisal and Advisory Limited, who is a member of Hong Kong Institute of Surveyors and has appropriate qualifications and recent experiences in the valuation of similar properties.

19 投資性物業

於二零一六年十二月三十一日，本集團持有一幢位於中國深圳的商業樓宇。於綜合資產負債表的投資性物業賬面值變動概述如下：

本集團於投資性物業的權益按其賬面值分析如下：

投資性物業由獨立專業合資格估值師仲量聯行企業評估及諮詢有限公司於二零一六年十二月三十一日進行估值，仲量聯行企業評估及諮詢有限公司乃香港測量師學會會員，並持有適當資格及擁有類似物業估值的近期經驗。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

19 INVESTMENT PROPERTY (Continued)

As at 31 December 2016, investment property with carrying amount of RMB290,920,000 (2015: RMB249,170,000) was pledged as collateral for the Group's borrowings (note 29).

FAIR VALUE HIERARCHY

An independent valuation of the Group's investment property was performed by an independent and professionally qualified valuer to determine the fair value of the investment property as at 31 December 2016 and 2015.

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

VALUATION PROCESSES OF THE GROUP

The Group's investment property was valued at 31 December 2016 by the independent professionally qualified valuer 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 best use.

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

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;
- Holds discussions with the independent valuer.

19 投資性物業(續)

於二零一六年十二月三十一日，賬面值為人民幣290,920,000元(二零一五年：人民幣249,170,000元)的投資性物業已抵押作為本集團取得借款的抵押品(附註29)。

公允價值層級

本集團的投資性物業已由獨立專業合資格估值師進行獨立估值，以釐定投資性物業於二零一六年及二零一五年十二月三十一日的公允價值。

因估值參考若干重大不可觀察輸入數據後得出，於二零一六年及二零一五年十二月三十一日，本集團所有投資性物業均屬公允價值層級的第三級。年內第一、二、三級間並無轉移。

本集團的估值流程

本集團的投資性物業於二零一六年十二月三十一日由獨立專業合資格估值師進行估值，該估值師具有相關認可專業資格，對所估值的投資性物業所處位置和所屬類別有近期估值經驗。目前所有投資性物業均已達致最佳用途。

本集團財務部門有團隊審閱獨立估值師的估值，以便作出財務申報。財務部門及估值團隊每六個月最少舉行一次會議(與本集團的中期及年度報告日期一致)，以討論估值流程及結果。該團隊直接向執行董事及審核委員會匯報。

財務部門於每個財政年度末：

- 核實獨立估值報告的全部主要輸入數據；
- 評估物業估值相較上一年度估值報告的變動；
- 與獨立估值師進行討論。

19 INVESTMENT PROPERTY (Continued) VALUATION TECHNIQUES

In valuing the property, we have adopted the income approach by taking into account the net rental income of the property derived from its existing leases and/or achievable in the existing market with due allowance for the reversionary income potential of the leases, which have been then capitalized to determine the fair value at an appropriate capitalization rate. Where appropriate, reference has also been made to the comparable sale transactions as available in the relevant market.

There were no changes to the valuation techniques during the year.

Information about fair value measurements using significant unobservable inputs (Level 3)

Description	Fair value at 31 December 2016 (RMB'000) 於二零一六年十二月三十一日的公允價值 (人民幣千元)	Valuation technique(s) 估值方法	Unobservable inputs 不可觀察輸入數據	Range of unobservable inputs (probability-weighted average) 不可觀察輸入數據範圍(加權平均概率)	Relationship of unobservable inputs to fair value 不可觀察輸入數據對公允價值的關係
Dawning Tower-commercial building 曙光大廈 — 商業樓宇	290,920	Term and reversionary method 年期及復歸法	Term yields 年期收益率	5.0%	The higher the term yields, the lower the fair value 年期收益率越高，公允價值越低
			Reversionary yields 復歸收益率	5.5%	The higher the reversion yields, the lower the fair value 復歸收益率越高，公允價值越低
			Vacancy rate 空置率	8%	The higher the vacancy rate, the lower the fair value 空置率越高，公允價值越低
			Average daily rental per square meter 每平方米日均租金	2.70	The higher the average daily rental, the higher the fair value 日均租金越高，公允價值越高

19 投資性物業(續) 估值方法

我們已採用收益法對物業進行估值，計及自現有租約所獲取及／或於現有市場中可取得的物業租金收入淨額，並已就租賃的復歸潛在收入作出適當撥備，再將該租金收入淨額按適當的資本化比率資本化以釐定公允價值。適當情況下，我們亦已參考有關市場上可查閱的可資比較銷售交易。

年內估值方法並無變化。

有關使用重大不可觀察輸入數據進行的公允價值計量(第三級)的資料

Description	Fair value at 31 December 2016 (RMB'000) 於二零一六年十二月三十一日的公允價值 (人民幣千元)	Valuation technique(s) 估值方法	Unobservable inputs 不可觀察輸入數據	Range of unobservable inputs (probability-weighted average) 不可觀察輸入數據範圍(加權平均概率)	Relationship of unobservable inputs to fair value 不可觀察輸入數據對公允價值的關係
Dawning Tower-commercial building 曙光大廈 — 商業樓宇	290,920	Term and reversionary method 年期及復歸法	Term yields 年期收益率	5.0%	The higher the term yields, the lower the fair value 年期收益率越高，公允價值越低
			Reversionary yields 復歸收益率	5.5%	The higher the reversion yields, the lower the fair value 復歸收益率越高，公允價值越低
			Vacancy rate 空置率	8%	The higher the vacancy rate, the lower the fair value 空置率越高，公允價值越低
			Average daily rental per square meter 每平方米日均租金	2.70	The higher the average daily rental, the higher the fair value 日均租金越高，公允價值越高

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

19 INVESTMENT PROPERTY (Continued) VALUATION TECHNIQUES (Continued)

19 投資性物業(續) 估值方法(續)

Description	Fair value at 31 December 2015 (RMB'000)	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs (probability- weighted average)	Relationship of unobservable inputs to fair value
				不可觀察 輸入數據 範圍(加權 平均概率)	
描述	於二零一五年 十二月三十一日 的公允價值 (人民幣千元)	估值方法	不可觀察 輸入數據		不可觀察輸入 數據對公允價值的關係
Dawning Tower- commercial building	249,170	Term and reversionary method	Term yields	5.5%	The higher the term yields, the lower the fair value
曙光大廈 — 商業樓宇		年期及復歸法	年期收益率		年期收益率越高， 公允價值越低
			Reversionary yields	6.0%	The higher the reversion yields, the lower the fair value
			復歸收益率		復歸收益率越高， 公允價值越低
			Vacancy rate	6%	The higher the vacancy rate, the lower the fair value
			空置率		空置率越高，公允價值越低
			Average daily rental per square meter	2.80	The higher the average daily rental, the higher the fair value
			每平方米日均租金		日均租金越高， 公允價值越高

20 PROPERTY, PLANT AND EQUIPMENT

20 不動產、工廠及設備

		Leasehold improvements	Furniture, fixtures and office equipment	Motor vehicles	Total
		租賃樓宇裝修 RMB'000 人民幣千元	傢俱、裝置及 辦公設備 RMB'000 人民幣千元	汽車 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
At 1 January 2015 (Restated)	於二零一五年一月一日 (經重列)				
Cost	成本	3,214	5,213	3,009	11,436
Accumulated depreciation	累計折舊	(2,825)	(1,926)	(1,066)	(5,817)
Net carrying amount	賬面淨值	389	3,287	1,943	5,619
Year ended 31 December 2015 (Restated)	截至二零一五年十二月三十一日止年度 (經重列)				
Opening net carrying amount	年初賬面淨值	389	3,287	1,943	5,619
Additions	增加	534	9,826	45	10,405
Depreciation	折舊	(196)	(1,119)	(199)	(1,514)
Disposals	出售	-	(5)	(332)	(337)
Exchange difference	匯兌差額	(22)	(218)	(14)	(254)
Closing net carrying amount	年末賬面淨值	705	11,771	1,443	13,919
At 31 December 2015 (Restated)	於二零一五年十二月三十一日 (經重列)				
Cost	成本	3,748	15,034	2,722	21,504
Accumulated depreciation	累計折舊	(3,043)	(3,263)	(1,279)	(7,585)
Net carrying amount	賬面淨值	705	11,771	1,443	13,919
Year ended 31 December 2016	截至二零一六年十二月三十一日止年度				
Opening net carrying amount	年初賬面淨值	705	11,771	1,443	13,919
Additions	增加	10,095	8,933	334	19,362
Depreciation	折舊	(8,675)	(3,274)	(468)	(12,417)
Disposal	出售	-	(3)	(35)	(38)
Exchange difference	匯兌差額	45	184	15	244
Closing net carrying amount	年末賬面淨值	2,170	17,611	1,289	21,070
At 31 December 2016	於二零一六年十二月三十一日				
Cost	成本	13,843	23,964	3,021	40,828
Accumulated depreciation	累計折舊	(11,673)	(6,353)	(1,732)	(19,758)
Net carrying amount	賬面淨值	2,170	17,611	1,289	21,070

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

21 PROPERTIES HELD FOR SALE

21 持作銷售物業

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 (Restated) (經重列)
Properties held for sale:	持作銷售物業：		
— In the PRC, held on leases of 70 years	— 在中國持有為期 70 年的租賃	376,457	153,202
— In the US	— 在美國	18,866	19,638
		395,323	172,840

For the year ended 31 December 2016, the Group recognized impairment losses of RMB2,157,000 (2015: Nil) on completed properties held for sale (note 10).

截至二零一六年十二月三十一日止年度，本集團就已竣工持作銷售物業(附註10)確認減值虧損人民幣2,157,000元(二零一五年：無)。

22 INVENTORIES

22 庫存

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Decoration materials (note 10)	裝飾物料 (附註 10)	23,501	7,123

The cost of inventories recognised as expense and included in cost of sales and services amounted to RMB19,856,000 for the year ended 31 December 2016 (2015: RMB6,368,000).

截至二零一六年十二月三十一日止年度，確認為支出以及計入銷售及服務費用的庫存費用為人民幣19,856,000元(二零一五年：人民幣6,368,000元)。

23 PROPERTIES UNDER DEVELOPMENT

23 開發中房地產

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 (Restated) (經重列)
Leasehold land payments	租賃土地付款	7,619,059	5,700,703
Development expenditures	開發支出	2,100,411	1,824,751
		9,719,470	7,525,454
Interest capitalised	資本化利息	659,791	461,179
		10,379,261	7,986,633

The Group's properties under development are located in the PRC and US.

As at 31 December 2016, leasehold land and development expenditures included in the properties under development with net book value of RMB3,843,274,000 and RMB478,375,000 (2015: RMB1,940,440,000 and RMB1,112,610,000) were pledged as collateral for the Group's bank borrowings (note 29), respectively.

As at 31 December 2016, leasehold land and development expenditures included in the properties under development with net book value of RMB862,321,000 and RMB345,202,000 (2015: RMB903,429,000 and RMB7,137,000) were pledged as collateral for the Group's junior private note (note 29), respectively.

The capitalization rate of borrowing is 6.9% (2015: 6.7%).

本集團的開發中房地產位於中國及美國。

於二零一六年十二月三十一日，賬面淨值分別為人民幣3,843,274,000元及人民幣478,375,000元(二零一五年：人民幣1,940,440,000元及人民幣1,112,610,000元)的租賃土地及開發支出(計入開發中房地產)已抵押作為本集團取得銀行借款的抵押品(附註29)。

於二零一六年十二月三十一日，賬面淨值分別為人民幣862,321,000元及人民幣345,202,000元(二零一五年：人民幣903,429,000元及人民幣7,137,000元)的租賃土地及開發支出(計入開發中房地產)已抵押作為本集團次級私募債券的抵押品(附註29)。

借款資本化率為6.9%(二零一五年：6.7%)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

23 PROPERTIES UNDER DEVELOPMENT

(Continued)

During the year, the Group acquired 寰安置業(成都)有限公司 (All Green Properties (Chengdu) Co., Ltd.) (“Huan’an”), 中福頤養(天津)置業有限公司 (Zhongfuyiyang (Tianjin) Real Estate Co., Ltd.) (“Yiyang (Tianjin)”), 中福樂齡(天津)置業有限公司 (Zhongfuleing (Tianjin) Real Estate Co., Ltd.) (“Leling (Tianjin)”) and 上海昆宏實業有限公司 (Shanghai Kunhong Co., Ltd. (“Shanghai Kunhong”) and 中福頤樂(天津)置業有限公司 (Zhongfuyile (Tianjin) Real Estate Co., Ltd.) (“Yile (Tianjin)”) together with certain shareholder loan from third parties with the consideration of RMB1,668,150,000 in total (net of cash outflow on acquisition was RMB1,666,494,000). The acquirees own certain land use rights and a second-hand property. Since the lands and property were vacant and management plans to develop or redevelop them for sale in the future, these transactions have been accounted for as acquisitions of assets and liabilities instead of business combination.

24 TRADE RECEIVABLES

Trade receivables	應收賬款
Less: Provision for bad debt	減：壞賬撥備

The carrying amounts of the trade receivables approximate their fair values and are mainly denominated in RMB.

23 開發中房地產(續)

年內，本集團以代價總額人民幣1,668,150,000元(扣除收購之現金流出後為人民幣1,666,494,000元)自第三方收購寰安置業(成都)有限公司(「寰安」)、中福頤養(天津)置業有限公司(「頤養(天津)」)、中福樂齡(天津)置業有限公司(「樂齡(天津)」)、上海昆宏實業有限公司(「上海昆宏」)及中福頤樂(天津)置業有限公司(「頤樂(天津)」)以及若干股東貸款，被收購方擁有若干土地使用權及一處二手物業。由於該等土地及物業處於閒置狀態，管理層計劃開發或重新開發以作日後銷售，該等交易已入賬列作收購資產與負債，而非業務合併。

24 應收賬款

2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 (Restated) (經重列)
235,829	95,825
(2,559)	(421)
233,270	95,404

應收賬款的賬面值與其公允價值相若，並主要以人民幣計值。

24 TRADE RECEIVABLES (Continued)

The aging analysis of trade receivables by invoice date is as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 (Restated) (經重列)
0 to 30 days	0 至 30 日	164,934	79,899
31 to 60 days	31 至 60 日	4,013	3,424
61 to 90 days	61 至 90 日	930	4,023
Over 90 days	90 日以上	65,952	8,479
		235,829	95,825

The credit terms granted to customers of purchase properties are generally ranged from 30 days to 60 days, while for the customers to whom the Group providing management and development service, the credit terms are 1 year.

As at 31 December 2016, receivables arising from sales of properties and providing management and development service was RMB21,930,000 and RMB213,899,000 (2015: RMB13,490,000 and RMB82,335,000), respectively.

Based on past experience, management believes that no impairment allowance is necessary in respect of trade receivables arise from sales of properties as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group did not hold any collateral in respect of these balances.

As of 31 December 2016, trade receivables arising from providing management and development service of RMB147,681,000 (2015: RMB75,583,000) were fully performing.

24 應收賬款(續)

應收賬款按發票日期列示的賬齡分析如下：

授予客戶購買物業的信貸期一般介乎30日至60日，而本集團向客戶提供管理及開發服務方面授予客戶的信貸期為一年。

於二零一六年十二月三十一日，出售物業及提供管理和開發服務的應收賬款分別為人民幣21,930,000元及人民幣213,899,000元(二零一五年：人民幣13,490,000元及人民幣82,335,000元)。

根據過往經驗，管理層相信由於信貸質素並無重大變動且結餘仍被認為可悉數收回，故毋須就出售物業應收賬款作出減值撥備。本集團並無就該等結餘持有任何抵押品。

於二零一六年十二月三十一日，提供管理和開發服務的應收賬款人民幣147,681,000元(二零一五年：人民幣75,583,000元)全數到賬。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

24 TRADE RECEIVABLES (Continued)

As at 31 December 2016, RMB66,218,000 (2015: RMB6,752,000) of trade receivables arising from providing management and development service were impaired. The amount of the provision was RMB2,559,000 (2015: RMB421,000).

It was assessed that a portion of the receivables is expected to be recovered. The ageing analysis of these receivables is as follows:

Within one year	一年內
Between one year and two years	一至兩年

The creation of provision for impairment of trade receivables have been included in 'Administrative expenses'. Amount charge to the allowance account are written off when there is no expectation of recovering additional cash.

24 應收賬款(續)

於二零一六年十二月三十一日，提供管理及開發服務的應收賬款人民幣66,218,000元(二零一五年：人民幣6,752,000元)已減值。撥備為人民幣2,559,000元(二零一五年：人民幣421,000元)。

經評估，預期可收回部分應收款。該等應收賬款的賬齡分析如下：

2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 (Restated) (經重列)
65,369	6,752
849	-
66,218	6,752

就應收賬款減值計提的撥備計入「行政費用」。當預期不可收回額外現金時，則撇銷於撥備賬扣除的金額。

25 OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

25 其他應收款、預付款及按金

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 (Restated) (經重列)
Non-current assets			
	非流動資產		
Deposit paid for acquisition of an associate	收購一間聯營公司的已付訂金	390,103	81,783
Loan to third parties	向第三方貸款	30,000	-
Maintenance fund	維護資金	5,413	-
		425,516	81,783
Current assets			
	流動資產		
Prepaid business tax and other taxes	預付營業稅及其他稅項	189,940	165,813
Other receivables and prepayments	其他應收款及預付款	100,259	67,458
Deposits in housing fund	住房公積金按金	17,729	10,865
Prepaid interests	預付利息	11,200	7,786
Prepaid professional fee	預付專業費用	8,806	9,667
Deposits for property management fee	物業管理費用按金	1,000	3,470
		328,934	265,059

The loans to third parties and maintenance fund are repayable within two to eight years from the end of the year. The balance of loans to third parties bear interest ranging from 10%–14%.

The deposit paid for acquisition of an associate bears interest at 8% per annum.

向第三方貸款及維護資金於年末後二至八年內償還。向第三方貸款結餘的利率介乎10%至14%。

收購一間聯營公司的已付訂金按8%的年利率計息。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

25 OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS (Continued)

The fair value of other receivables, prepayments and deposits are as follows:

25 其他應收款、預付款及按金(續)

其他應收款項、預付款及按金之公允價值載列如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 (Restated) (經重列)
Non-current assets			
	非流動資產		
Deposit paid for acquisition of an associate	收購一間聯營公司的已付訂金	390,103	81,783
Loans to third parties	向第三方貸款	24,929	-
Maintenance fund	維護資金	3,751	-
		418,783	81,783
Current assets			
	流動資產		
Prepaid business tax and other taxes	預付營業稅及其他稅項	189,940	165,813
Other receivables and prepayments	其他應收款及預付款	100,259	67,458
Deposits in housing fund	住房公積金按金	17,729	10,865
Prepaid interests	預付利息	11,200	7,786
Prepaid professional fee	預付專業費用	8,806	9,667
Deposits for property management fee	物業管理費用按金	1,000	3,470
		328,934	265,059

The fair value of loans to third parties and maintenance fund are based on cash flows discounted using a rate based on the borrowing rate of 4.75%–4.9%. The fair values are within level 2 of the fair value hierarchy.

向第三方貸款及維護資金之公允價值按借款利率4.75%至4.9%貼現現金流計算。公允價值屬公允價值層級的第二級。

25 OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS (Continued)

Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group did not hold any collateral in respect of these balances.

25 其他應收款、預付款及按金(續)

根據過往經驗，管理層相信由於信貸素質並無重大變動且結餘仍被認為可悉數收回，故毋須就該等結餘作出減值撥備。本集團並無就該等結餘持有任何抵押品。

26 AMOUNTS DUE FROM NON-CONTROLLING INTERESTS

26 應收非控制性權益款項

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 (Restated) (經重列)
Amounts due from non-controlling interests 應收非控制性權益款項	558,000	—
	558,000	—

In December 2016, 蘇州朗坤置業有限公司 (Suzhou Langkun Property Limited) ("Suzhou Langkun"), an indirect non-wholly owned subsidiary of the Company, entered into a loan agreement with its shareholders, pursuant to which Suzhou Langkun would advance loan to its shareholders on pro-rata basis according to their respective shareholding interest in Suzhou Langkun. The loan is unsecured, repayable within one year, and Suzhou Langkun shall charge an annual interest rate of 4.35% per annum on the actual amount of drawdown. As at 31 December 2016, the outstanding amount due from the non-controlling shareholders of Suzhou Langkun amounted to RMB558,000,000.

於二零一六年十二月，本公司間接非全資附屬公司蘇州朗坤置業有限公司(「蘇州朗坤」)與其股東簽訂貸款協議，蘇州朗坤按股東各自於蘇州朗坤的股權按比例向股東提供貸款。貸款為無抵押，須於一年內償還，而蘇州朗坤須按4.35%的年利率根據支取的實際金額計息。於二零一六年十二月三十一日，應收蘇州朗坤非控股股東的未償還款項達人民幣558,000,000元。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

27 RESTRICTED CASH AND CASH AND CASH EQUIVALENTS

27 受限制現金以及現金及現金等價物

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 (Restated) (經重列)
Restricted Cash	受限制現金		
— guarantee deposits for construction of pre-sold properties	— 建設預售物業的擔保存款	165,897	118,488
— pledged for the Group's bank borrowings and mortgage facilities	— 作為本集團銀行借款及按揭融資的抵押	49,120	7,218
— others	— 其他	705	1,148
		215,722	126,854
Cash and cash at banks	現金及銀行現金	2,761,130	1,262,269

The carrying amounts of restricted cash and cash and cash equivalents approximate their fair values.

As at 31 December 2016, restricted cash of RMB1,325,000 (2015: Nil) was pledged as collateral for the Group's borrowings (note 29).

The Group's bank balances of RMB2,602,684,000 (2015 (Restated): RMB968,722,000) are denominated in RMB and are placed with the banks in the PRC. The conversion of the Group's RMB denominated bank balances and cash into foreign currencies or the remittance of such bank balances and cash out of the PRC are subject to relevant rules and regulation of foreign exchange control promulgated by the PRC government. The remaining bank balances are mainly denominated in either HK\$ or USD.

受限制現金以及現金及現金等價物的賬面值與其公允價值相若。

於二零一六年十二月三十一日，受限制現金人民幣1,325,000元(二零一五年：無)已抵押作為本集團取得借款的抵押品(附註29)。

本集團為數人民幣2,602,684,000元(二零一五年(經重列)：人民幣968,722,000元)的銀行結餘以人民幣計值，並存置於位處中國的銀行。轉換本集團以人民幣計值的銀行結餘及現金為外幣，以及從中國匯出有關銀行結餘及抽調現金，受中國政府所頒佈的有關外匯管制規則及規例所規限。餘下的銀行結餘主要以港元或美元計值。

28 CREDITORS AND ACCRUALS

28 應付賬款及應計費用

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 (Restated) (經重列)
Payables for construction materials and services	應付工程物料及服務款項	975,214	571,914
Interest payable on loans	應付貸款利息	127,156	63,292
Accruals for staff costs	應計職工費用	111,917	63,354
Business tax and other tax payable	營業稅及其他稅項	70,186	62,672
Other payables	其他應付款	38,145	11,300
Deposits received	已收按金	29,932	5,140
Interest payable to related parties	應付關聯方利息	11,049	-
Advanced payments received	已收墊付款項	4,160	5,817
		1,367,759	783,489

The creditors and accruals balances are mainly denominated in RMB and USD.

應付賬款及應計費用主要以人民幣及美元計值。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

29 BORROWINGS

29 借款

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 (Restated) (經重列)
Bank borrowings	銀行借款		
— in RMB	— 人民幣	2,852,685	3,185,000
— in USD	— 美元	212,131	80,170
— in HK\$	— 港元	208,912	194,721
Loans from the ultimate holding company (in RMB)	來自最終控股公司的貸款 (人民幣)	1,662,177	1,819,523
Senior private notes (in USD)	優先私募債券 (美元)	685,457	1,251,308
Junior private notes (in USD)	次級私募債券 (美元)	309,000	294,000
EB-5 Loans (in USD)	EB-5 貸款 (美元)	152,979	61,634
Total	總計	6,083,341	6,886,356
Less: short-term borrowings and current portion of long-term borrowings	減：短期借款和長期借款的 流動部分	(1,267,990)	(1,111,117)
Non-current portion	非流動部分	4,815,351	5,775,239

Bank borrowings carry interest ranging from 2.46% to 9% per annum and are secured by:

銀行借款按年利率介乎2.46%至9%計息，並以下列各項作抵押：

- | | |
|--|---|
| (i) leasehold land payments (included in properties under development) with total carrying value of RMB3,843,274,000 (2015: RMB1,940,440,000) (note 23); | (i) 總賬面值為人民幣3,843,274,000元(二零一五年：人民幣1,940,440,000元)的租賃土地付款(包括開發中房地產)(附註23)； |
| (ii) part of the development expenditures amounting to RMB478,375,000 (2015: RMB1,112,610,000) (note 23); | (ii) 部分開發支出人民幣478,375,000元(二零一五年：人民幣1,112,610,000元)(附註23)； |
| (iii) restricted cash of RMB1,325,000 (2015: Nil) (note 27); | (iii) 受限制現金人民幣1,325,000元(二零一五年：人民幣零元)(附註27)； |
| (iv) a guarantee provided by the ultimate holding company; | (iv) 最終控股公司所提供的擔保； |
| (v) standby letter of credit issued by certain financial institutions; and | (v) 若干金融機構所發出的備用信用證；及 |

29 BORROWINGS (Continued)

- (vi) investment property of RMB290,920,000 (2015: RMB249,170,000) (note 19).

The loans from the ultimate holding company are arranged by a bank in the PRC under entrusted loans arrangements. The balances are unsecured and carry interest ranging from 5.3% to 6.6% per annum.

Senior private notes are guaranteed by shares of subsidiaries of the Company and carries interest at 9.5% per annum. The balance of senior private notes is repayable on 30 April 2018.

Junior private notes are interest-free and guaranteed by leasehold land and development expenditures of RMB862,321,000 and RMB345,202,000 (2015: RMB903,429,000 and RMB7,137,000), respectively. The balance of junior private notes is repayable on 15 December 2017 (note 23).

EB-5 Loans carry interest ranging from 4.0% to 4.5% per annum and are guaranteed by a subsidiary. The balances of RMB93,519,000, RMB32,010,000 and RMB27,450,000 are repayable on 3 January 2020, 17 February 2021 and 30 November 2021, respectively.

Borrowings are repayable as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 (Restated) (經重列)
Within one year	一年內	1,267,990	1,111,117
Between one and two years	一至兩年	2,022,747	3,138,401
Between two and five years	兩至五年	2,792,604	2,636,838
		6,083,341	6,886,356

29 借款(續)

- (vi) 投資物業人民幣290,920,000元(二零一五年：人民幣249,170,000元)(附註19)。

來自最終控股公司的貸款乃經一間位於中國的銀行以委託貸款安排形式取得。該等結餘為無抵押，並按年利率5.3%至6.6%計息。

優先私募債券由若干附屬公司的股份擔保，按年利率9.5%計息。優先私募債券的結餘於二零一八年四月三十日支付。

次級私募債券免息，由租賃土地及開發支出分別人民幣862,321,000元及人民幣345,202,000元(二零一五年：人民幣903,429,000元及人民幣7,137,000元)擔保。次級私募債券的結餘於二零一七年十二月十五日支付(附註23)。

EB-5貸款年利率介乎4.0%至4.5%並由一間附屬公司擔保。結餘人民幣93,519,000元、人民幣32,010,000元及人民幣27,450,000元分別於二零二零年一月三日、二零二一年二月十七日及二零二一年十一月三十日償還。

借款應於下列時間償還：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

30 DEFERRED TAXATION

The deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The net amounts are as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 (Restated) (經重列)
Deferred income tax liabilities to be settled after more than one year	將於超過一年後結算的遞延所得稅負債	52,850	42,413
Deferred income tax assets:	遞延所得稅資產：		
— to be recovered within one year	— 將於一年內收回	75,232	14,987
— to be recovered after more than one year	— 將於超過一年後收回	78,377	71,646
		153,609	86,633

The movements in the net deferred tax asset/(liabilities) are as follows:

30 遞延稅項

當有合法可強制執行權利將現有稅項資產與現有稅項負債抵銷，且遞延所得稅涉及同一財政機關，則可將遞延稅項資產與負債互相抵銷。淨值如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 (Restated) (經重列)
At 1 January	於一月一日	44,220	(7,503)
Credited to profit or loss (note 12)	在損益抵免 (附註 12)	56,135	51,245
Currency translation differences	貨幣換算差額	404	478
At 31 December	於十二月三十一日	100,759	44,220

遞延稅項資產/(負債)淨值變動如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 (Restated) (經重列)
At 1 January	於一月一日	44,220	(7,503)
Credited to profit or loss (note 12)	在損益抵免 (附註 12)	56,135	51,245
Currency translation differences	貨幣換算差額	404	478
At 31 December	於十二月三十一日	100,759	44,220

30 DEFERRED TAXATION (Continued)

Movements in the deferred tax liabilities, prior to offsetting, are as follows:

		Revaluation of investment properties 投資性 物業重估 RMB'000 人民幣千元	Difference in capitalized interests 資本化 利息差額 RMB'000 人民幣千元	Accelerated tax depreciation 加速稅項折舊 RMB'000 人民幣千元	Unrealised exchange gains 未變現 匯兌利得 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2015	於二零一五年一月一日	31,401	-	-	-	31,401
Charged to profit or loss	在損益支銷	11,012	4,607	206	4,983	20,808
Currency translation differences	貨幣換算差額	-	187	8	202	397
At 31 December 2015 (Restated)	於二零一五年十二月三十一日 (經重列)	42,413	4,794	214	5,185	52,606
Charged to profit or loss	在損益支銷	10,437	35,872	620	54,480	101,409
Currency translation differences	貨幣換算差額	-	1,859	41	2,681	4,581
At 31 December 2016	於二零一六年十二月三十一日	52,850	42,525	875	62,346	158,596

No deferred tax liability has been recorded on temporary differences of RMB1,165,753,000 (2015: RMB673,999,000) relating to the withholding tax on the undistributed earnings of a PRC incorporated subsidiary because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

30 遞延稅項(續)

抵銷前的遞延稅項負債變動如下：

由於本集團能控制暫時差額撥回的時間及暫時差額可能不會於可見未來撥回，故並無就一間於中國註冊成立的附屬公司的未分派收益所涉及的預扣稅的暫時差額人民幣1,165,753,000元(二零一五年：人民幣673,999,000元)錄得遞延稅項負債。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

30 DEFERRED TAXATION (Continued)

The movements in the deferred tax assets, prior to offsetting, are as follows:

30 遞延稅項(續)

抵銷前的遞延稅項資產變動如下：

		Tax losses
		稅項虧損
		RMB'000
		人民幣千元
At 1 January 2015 (Restated)	於二零一五年一月一日 (經重列)	23,898
Credited to profit or loss	在損益抵免	72,053
Currency translation differences	貨幣換算差額	875
At 31 December 2015 (Restated)	於二零一五年十二月三十一日 (經重列)	96,826
Credited to profit or loss	在損益抵免	157,544
Currency translation differences	貨幣換算差額	4,985
At 31 December 2016	於二零一六年十二月三十一日	259,355

At the reporting date, the Group has unused tax losses RMB41,029,000 (2015: RMB48,820,000) available for offset against future profits which have not been recognised due to the unpredictability of future profit streams. The tax losses would expire within five years.

於報告日期，由於不可預見未來利潤流，故本集團並無確認可用作抵銷未來利潤的未動用稅項虧損人民幣41,029,000元(二零一五年：人民幣48,820,000元)。稅項虧損將於五年內屆滿。

31 AMOUNTS DUE TO NON-CONTROLLING INTERESTS

31 應付非控制性權益款項

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 (Restated) (經重列)
Non-current liabilities	非流動負債		
Amounts due to non-controlling interests (i)	應付非控制性權益款項 (i)	211,492	–
Current liabilities	流動負債		
Amounts due to non-controlling interests	應付非控制性權益款項	–	45,014
		211,492	45,014

As of 31 December 2016, the amounts due to non-controlling interests are unsecured and bear interest ranging from 10% to 12% per annum. The balance of RMB96,498,000 is repayable in December 2019 and the remaining balances have no fixed term of repayment.

於二零一六年十二月三十一日，應付非控制性權益款項無抵押及按介乎10%至12%的年利率計息。結餘人民幣96,498,000元須於二零一九年十二月償還，其餘無固定還款期。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

32 SHARE CAPITAL

32 股本

	Note 附註	2016 二零一六年			2015 二零一五年		
		Number of shares 股份數目 '000 千股	Nominal value of ordinary share 普通股面值 HK\$'000 千港元	Equivalent nominal value of ordinary share 普通股等額面值 RMB'000 人民幣千元	Number of shares 股份數目 '000 千股	Nominal value of ordinary share 普通股面值 HK\$'000 千港元	Equivalent nominal value of ordinary share 普通股等額面值 RMB'000 人民幣千元
Ordinary shares, issued and fully paid:	普通股，已發行及繳足：						
At 1 January	於一月一日	3,306,912	33,069	26,665	2,979,909	29,799	23,939
Issuance of shares	發行股份 (a)	610,659	6,107	5,135	327,003	3,270	2,726
At 31 December	於十二月三十一日	3,917,571	39,176	31,800	3,306,912	33,069	26,665

(a) On 29 January 2016, the Company completed of issuing 610,659,269 ordinary shares of HK\$0.01 each at a price of HK\$0.718 per share to Landsea International to acquire Epic China (note 2). Accordingly, 610,659,269 ordinary shares of HK\$0.01 each were issued at a premium of HK\$0.708 each and the premium on issue of shares of HK\$432,347,000 (equivalent to RMB360,943,000), net of issuance costs, was credited to the share premium account.

On 4 November 2015, the Company completed a placement of 327,002,604 ordinary shares of HK\$0.01 each at a price of HK\$0.6529 per share to a third party. Accordingly, 327,002,604 ordinary shares of HK\$0.01 each were issued at a premium of HK\$0.6429 each and the premium on issue of shares of HK\$210,229,974 (equivalent to RMB174,491,000), net of issuance costs, was credited to the share premium account.

(a) 於二零一六年一月二十九日，本公司完成按每股作價 0.718 港元向 Landsea International 發行 610,659,269 股每股面值 0.01 港元的普通股以收購 Epic China（附註 2）。因此，610,659,269 股每股面值 0.01 港元的普通股已按每股 0.708 港元的溢價發行，而發行股份的溢價 432,347,000 港元（相當於人民幣 360,943,000 元）在扣除發行費用後計入股份溢價賬。

於二零一五年十一月四日，本公司完成按每股作價 0.6529 港元向一名第三方配售 327,002,604 股每股面值 0.01 港元的普通股。因此，327,002,604 股每股面值 0.01 港元的普通股已按每股 0.6429 港元的溢價發行，而發行股份的溢價 210,229,974 港元（相當於人民幣 174,491,000 元）在扣除發行費用後計入股份溢價賬。

33 SHARE OPTIONS AND RESTRICTED SHARE AWARD SCHEME

(A) SHARE OPTIONS

Pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 25 April 2012, the current share option scheme (the "Scheme") was adopted by the Company. Since the adoption of the Scheme, no further options can be granted under the old scheme.

The Company operates the Scheme for the purpose of providing incentives and reward to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include the directors (including executive and non-executive directors), other employees, suppliers, customers, person or entity providing research, development and other technical support, investee entity and any professional advisor and business consultant of the Group from time to time determined by the directors as having contributed or who may contribute to the development and growth of the Group. The Scheme is effective on 30 April 2012 and, unless otherwise cancelled or amended, remains in force for 10 years from that date.

Unless approved by shareholders of the Company, shares which may be issued upon exercise of all options to be granted under the Scheme or any other share option scheme adopted by the Company must not in aggregate exceed 10% of the shares of the Company in issue on the date of grant.

Unless approved by shareholders of the Company, total number of shares of the Company issued and to be issued upon the exercise of the options granted to each participant including both exercised and unexercised options under the Scheme or any other share option scheme adopted by the Company in any 12-month period must not exceed 1% of the shares of the Company in issue. Any further grant of share options in excess of this limit is subject to shareholder's approval in a general meeting.

33 股份期權及限制性股份獎勵計劃

(A) 股份期權

根據於二零一二年四月二十五日舉行的本公司股東週年大會上通過的普通決議案，本公司採納目前的股份期權計劃（「該計劃」）。自採納該計劃以來，概無按舊計劃授出其他股份期權。

本公司設立該計劃，旨在嘉獎及酬謝對推動本集團業務成功的合資格參與者。該計劃的合資格參與者包括董事（包括執行及非執行董事）、其他僱員、供應商、客戶、提供研發及其他技術支援的人士或實體、投資對象實體以及及本集團不時的任何專業顧問及業務顧問（董事認為對本集團發展及增長曾經或可能作出貢獻者）。該計劃於二零一二年四月三十日生效，而除非以其他方式註銷或修訂，否則將自該日起10年期間內有效。

除非獲本公司股東批准，否則因行使該計劃或本公司採納的任何其他股份期權計劃將予授出的所有股份期權而可予發行的股份總數，不得超過本公司於授出日期已發行股份的10%。

除非獲本公司股東批准，於任何十二個月期間，各參與者按該計劃或本公司採納的任何其他股份期權計劃獲授的股份期權（包括已行使及尚未行使）行使時，已發行及將予發行的本公司股份總數，不得超過本公司已發行股份的1%。如進一步授出的股份期權涉及的股份數目超過此上限，須在股東大會上獲股東批准。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

33 SHARE OPTIONS AND RESTRICTED SHARE AWARD SCHEME (Continued)

(A) SHARE OPTIONS (Continued)

The limit on the number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other schemes of the Company must not exceed 30% of the shares in issue from time to time. No options may be granted under any share option schemes of the Company if this will result in the limit being exceeded.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors (excluding any independent non-executive director who is a proposed grantee of the share options). In addition, any share options granted to substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time and with an aggregate value (based on the official closing price of the Company's shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 21 days from the date of offer, upon payment of nominal consideration of HK\$1 in total by the grantee. Each share option is vested immediately at the date when the option is accepted, which is the commencement of the exercise period. An option may be exercised in accordance with the term of the Scheme at any time during the period commencing one week from the date on which the option is accepted and expiring on a date to be notified by the directors to each grantee, which shall not be more than 10 years from the date on which the New Scheme is adopted.

33 股份期權及限制性股份獎勵計劃 (續)

(A) 股份期權 (續)

因行使按該計劃及本公司的任何其他計劃已授出但尚未行使的所有股份期權而可予發行的股份總數，不得超過不時已發行股份的30%。如授出股份期權將導致超逾此上限，則不得根據本公司任何股份期權計劃授出股份期權。

如向本公司董事、主要行政人員或主要股東或彼等的任何聯繫人授出股份期權，事前須經獨立非執行董事(不包括身為股份期權候任承受人的任何獨立非執行董事)批准。此外，如於任何十二個月期間向本公司主要股東或獨立非執行董事或彼等各自的任何聯繫人授出的股份期權涉及的股份數目超逾本公司於任何時間已發行股份的0.1%且總值(按本公司股份於授出日期的正式收市價計算)超逾5百萬港元，事前須在股東大會上獲股東批准。

授出股份期權的要約由提呈要約當日起計21日內可供接納，惟承授人須支付合共1港元的名義代價。每份股份期權於該份股份期權被接納當日(即行使期開始)起隨即歸屬。於股份期權獲接納當日起計一星期至董事將知會各承授人的日期(不得遲於該新計劃採納當日起計10年)止期間內，股份期權可隨時按該計劃的條款行使。

33 SHARE OPTIONS AND RESTRICTED SHARE AWARD SCHEME (Continued)

(A) SHARE OPTIONS (Continued)

The subscription price for the shares of the Company to be issued upon exercise of the options shall be no less than the higher of (i) the closing price of the shares of the Company as stated in the daily quotation sheet issued by the SEHK on the date of grant; (ii) the average closing price of the shares of the Company as stated in the daily quotation sheets issued by the SEHK for the five business days immediately preceding the date of grant; and (iii) the nominal value of a share of the Company on the date of grant. The subscription price will be established by the board of directors at the time the option is offered to the participants.

The scheme limit under the Scheme is 198,660,605 shares, representing 10.0% of the issued share capital of the Company on 25 April 2012, being the adoption date of the Scheme and approximately 5.1% of the issued share capital of the Company on 24 March 2017, being the date of the Annual Report.

The Scheme

There was no outstanding share option under the Scheme as at 31 December 2016 and 31 December 2015.

(B) RESTRICTED SHARE AWARD SCHEME

On 2 July 2014, the Group adopted a share award scheme (the "Share Award Scheme") as an incentive to recognise the contributions by employees and to give incentives in order to retain them for the continuing operation and development of the Group, as well as to attract suitable personnel for further development of the Group.

33 股份期權及限制性股份獎勵計劃 (續)

(A) 股份期權 (續)

因行使股份期權將予發行的本公司股份的認購價不得低於以下各項中的較高數值：(i)本公司股份於授出日期在香港聯交所發出的每日報價表所示的收市價；(ii)本公司股份於緊接授出日期前五個營業日在香港聯交所發出的每日報價表所示的收市價平均值；及(iii)本公司股份於授出日期的面值。董事局將於向參與者提呈股份期權時釐定認購價。

根據該計劃，計劃上限為198,660,605股，相當於本公司於二零一二年四月二十五日(即該計劃獲採納日期)已發行股本的10.0%及本公司於二零一七年三月二十四日(即年報日期)已發行股本約5.1%。

該計劃

於二零一六年十二月三十一日及二零一五年十二月三十一日，該計劃下並無尚未行使的股份期權。

(B) 限制性股份獎勵計劃

於二零一四年七月二日，本集團採納股份獎勵計劃(「股份獎勵計劃」)，作為獎勵以嘉許僱員所作出的貢獻，激勵彼等為本集團的持續經營及發展所付出的努力，並為本集團進一步發展吸引適合人才。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

33 SHARE OPTIONS AND RESTRICTED SHARE AWARD SCHEME (Continued)

(B) RESTRICTED SHARE AWARD SCHEME

(Continued)

Pursuant to the Share Award Scheme, existing shares of the Company will be purchased or new shares will be subscribed for ("Restricted Shares") by a trustee appointed by the Company and be held on trust for the relevant grantees until such shares are vested with the relevant grantees in accordance with the rules of the Share Award Scheme. The Restricted Shares will be awarded with reference to the performance, operating and financial targets and other criteria determined by the Board from time to time.

Details of the Restricted Shares granted by the Company are as follows:

Name of employees		Fair value per share (HK\$)	Outstanding at 1 January 2016 於二零一六年一月一日尚未行使	Granted during the year 本年度授出	Outstanding at 31 December 2016 於二零一六年十二月三十一日尚未行使
僱員姓名		每股公允價值 (港元)			
Directors	董事				
Tian Ming	田明	0.68	1,596,000	1,681,500	3,277,500
Xiang Jiong	向炯	0.68	1,596,000	1,681,500	3,277,500
Shen Leying	申樂瑩	0.68	1,064,000	1,150,500	2,214,500
Xie Yuanjian	謝遠建	0.68	1,064,000	973,500	2,037,500
Zhou Qin	周勤	0.68	620,000	885,000	1,505,000
			5,940,000	6,372,000	12,312,000
Other employees	其他僱員				
In aggregate	總計	0.68	11,888,000	11,062,500	22,950,500
			17,828,000	17,434,500	35,262,500

The outstanding Restricted Shares were fully vested as at 31 December 2016 and 31 December 2015.

The group recognized total expenses of RMB10,245,000 (2015: RMB6,459,000) (note 10) relating to the share based compensation during the year.

33 股份期權及限制性股份獎勵計劃 (續)

(B) 限制性股份獎勵計劃 (續)

根據股份獎勵計劃，本公司所委任的受託人將購買本公司現有股份或認購新股份作為「限制性股份」，並以信託方式代相關承授人持有，直至有關股份根據股份獎勵計劃的規則歸屬於相關承授人為止。限制性股份將參考董事局不時釐定的表現、經營及財務目標以及其他標準予以授出。

本公司所授出限制性股份的詳情如下：

於二零一六年十二月三十一日及二零一五年十二月三十一日，尚未行使的受限制股份已全數歸屬。

於本年度，本集團就股權報酬確認總支出人民幣10,245,000元(二零一五年：人民幣6,459,000元)(附註10)。

34 CONVERTIBLE PERPETUAL SECURITIES

The movements in the convertible perpetual securities are as follows:

34 可換股永久證券

可換股永久證券的變動載列如下：

		Convertible perpetual securities 可換股 永久證券 RMB'000 人民幣千元
At 1 January 2015	於二零一五年一月一日	–
Issuance of convertible perpetual securities (a)	發行可換股永久證券(a)	109,200
Distribution accrued	應計分派	854
At 31 December 2015	於二零一五年十二月三十一日	110,054
Issuance of convertible perpetual securities (b)	發行可換股永久證券(b)	363,847
Distribution accrued	應計分派	18,661
Distribution paid	已付分派	(8,358)
At 31 December 2016	於二零一六年十二月三十一日	484,204

(a) In November 2015, the Company entered into an agreement with a third party (the “third party investor”) pursuant to which the investor agreed to subscribe for convertible perpetual securities issued by the Company with an aggregate principal amount of HK\$130,000,000 (equivalent to RMB109,200,000).

The convertible perpetual securities do not have a fixed maturity date and may be converted into ordinary shares of the Company at any time at the option of the third party investor at an initial conversion price of HK\$0.7508 per share subject to certain anti-dilutive adjustments.

(a) 於二零一五年十一月，本公司與一名第三方（「第三方投資者」）訂立協議，據此，投資者同意認購本公司所發行本金額合共130,000,000港元（相當於人民幣109,200,000元）的可換股永久證券。

可換股永久證券並無固定到期日，第三方投資者可選擇隨時按初步兌換價每股0.7508港元（可作出若干反稀釋調整）兌換為本公司普通股。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

34 CONVERTIBLE PERPETUAL SECURITIES

(Continued)

(a) (Continued)

The Company paid a final dividend of RMB3.3 cents (equivalent to HK4 cents) per share for the year ended 31 December 2015 on 6 July 2016 to Shareholders whose names appeared on the register of members of the Company on 20 June 2016 (the "Record Date"), which constitutes an adjustment event of the initial conversion price pursuant to the terms and conditions of the securities. The Company issued a written notice to the security holder on 13 January 2017 in respect of the adjustment made to the initial conversion price from HK\$0.7508 per Share to HK\$0.7050 per share with retrospective effect from 21 June 2016, being the date immediately following the Record Date.

The Company may, at its discretion, elect to defer (in whole or in part) any distribution unless certain compulsory distribution payment events have occurred and redeem or purchase the convertible perpetual securities i) for taxation reasons; ii) on the third anniversary of the completion date; and iii) upon certain events as set out in the agreement.

Distribution shall be payable on the convertible perpetual securities to the investor semi-annually in arrear at the following rate of distribution:

- (i) 7.5% per annum in respect of the period from the completion date to the third anniversary of the completion date; and
 - (ii) 13.5% per annum after the third anniversary of the completion date
- (b) In January 2016, the Company issued convertible perpetual securities to Landsea International with an aggregate principal amount of HK\$432,687,009 (equivalent to RMB363,847,000) to acquire Epic China (note 2).

34 可換股永久證券(續)

(a) (續)

由於本公司於二零一六年七月六日向於二零一六年六月二十日(「記錄日期」)名列本公司股東名冊之股東派發截至二零一五年十二月三十一日止年度之末期股息每股人民幣3.3分(相當於4港仙)，根據證券的條款及條件構成初步兌換價的調整事項，本公司已於二零一七年一月十三日向證券持有人發出書面通知，將初步兌換價由每股0.7508港元調整至每股0.7050港元，追溯至緊隨記錄日期後當天生效，即二零一六年六月二十一日。

除非發生若干強制分派支付事件，否則本公司可 i) 就稅務原因；ii) 於完成日期第三週年；及 iii) 按協議所載的若干事件，酌情選擇遞延任何全部或局部分派及贖回或購買可換股永久證券。

須每半年以後付形式按以下分派息率向投資者作出可換股永久證券的分派：

- (i) 完成日期起至完成日期第三週年的年息率為7.5%；及
 - (ii) 完成日期第三週年後的年息率為13.5%。
- (b) 於二零一六年一月，本公司向Landsea International發行本金額合共432,687,009港元(相當於人民幣363,847,000元)的可換股永久證券，以收購Epic China(附註2)。

34 CONVERTIBLE PERPETUAL SECURITIES

(Continued)

(b) (Continued)

The convertible perpetual securities do not have a fixed maturity date and may be converted into ordinary shares of the Company at any time at the option of Landsea International at an initial conversion price of HK\$0.9334 per share subject to certain anti-dilutive adjustments.

Distribution shall be payable on the convertible perpetual securities to Landsea International semi-annually in arrear at 3% per annum of distribution.

The Company may, at its sole discretion, elect to defer (in whole or in part) any distribution and redeem or purchase the convertible perpetual securities: (i) for taxation reasons; (ii) on or after the third anniversary of the acquisition date.

The convertible perpetual securities issued to Landsea international didn't trigger the conversion price adjustment of the convertible perpetual securities issued to the third party investor.

During the year ended 31 December 2016, the Group has accrued and paid distribution of RMB18,661,000 and RM8,358,000, respectively (2015: RMB854,000 and Nil, respectively).

34 可換股永久證券 (續)

(b) (續)

可換股永久證券並無固定到期日，Landsea International可選擇隨時按初步兌換價每股0.9334港元(可作出若干反稀釋調整)兌換為本公司普通股。

須每半年以後付形式按3%的年派息率向Landsea International作出可換股永久證券的分派。

本公司可(i)就稅務原因；(ii)於收購日期第三週年或之後，酌情選擇遞延(全部或部分)分派及贖回或購買可換股永久證券。

向Landsea International發行可換股永久證券並無導致調整發行予第三方投資者的可換股永久證券之兌換價。

截至二零一六年十二月三十一日止年度，本集團擁有應計及已付分派分別為人民幣18,661,000元及人民幣8,358,000元(二零一五年：分別為人民幣854,000元及零)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

35 RESERVES

35 儲備

		Merger reserve	Share premium (a)	Translation reserve	Share based compensation reserve	Employee share trust	Capital redemption reserve	Statutory reserve (b)	Retained earnings	Total
		合併儲備	股份溢價(a)	折算儲備	儲備	僱員股份信託	贖回儲備	法定儲備(b)	留存收益	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2015	於二零一五年一月一日	-	576,617	(714)	3,096	(9,555)	23,185	12,646	706,471	1,311,746
Business combination between entities under common control (note 2)	共同控制實體的業務合併 (附註2)	12,460	-	36	-	-	-	3,271	16,727	32,494
At 1 January 2015 (Restated)	於二零一五年一月一日 (經重列)	12,460	576,617	(678)	3,096	(9,555)	23,185	15,917	723,198	1,344,240
Profit for the period	期間利潤	-	-	-	-	-	-	-	485,079	485,079
Other comprehensive income:	其他全面收益：									
Exchange differences arising from translation of foreign operations	換算海外業務產生的 匯兌差額	-	-	(142,446)	-	-	-	-	-	(142,446)
Total comprehensive income for the period	期間全面收益總額	-	-	(142,446)	-	-	-	-	485,079	342,633
Issuance of shares	發行股份	-	174,491	-	-	-	-	-	-	174,491
Accrued distribution to holders of convertible perpetual securities	可換股永久證券持有人 應計分派	-	-	-	-	-	-	-	(854)	(854)
Transfer to statutory reserve	轉撥至法定儲備	-	-	-	-	-	-	25,938	(25,938)	-
Dividend	股息	-	-	-	-	-	-	-	(64,541)	(64,541)
Employee share based compensation (note 10)	僱員股權報酬 (附註10)	-	-	-	6,459	-	-	-	-	6,459
Shares held for share award scheme	就股份獎勵計劃持有的股份	-	-	-	-	(21,198)	-	-	-	(21,198)
At 31 December 2015	於二零一五年 十二月三十一日	12,460	751,108	(143,124)	9,555	(30,753)	23,185	41,855	1,116,944	1,781,230

35 RESERVES (Continued)

35 儲備(續)

		Merger reserve	Share premium (a)	Translation reserve	Share based		Capital			Contributed surplus	Retained earnings	Total
					compensation reserve	Employee share trust	redemption reserve	Statutory reserve (b)	Other reserve			
					股權報酬儲備	僱員股份信託	贖回儲備	法定儲備 (b)	其他儲備		留存收益	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2016	於二零一六年一月一日	-	751,108	(141,418)	9,555	(30,753)	23,185	38,584	-	-	1,129,485	1,779,746
Business combination between entities under common control	共同控制實體的業務合併	12,460	-	(1,706)	-	-	-	3,271	-	-	(12,541)	1,484
At 1 January 2016 (Restated)	於二零一六年一月一日(經重列)	12,460	751,108	(143,124)	9,555	(30,753)	23,185	41,855	-	-	1,116,944	1,781,230
Profit for the period	期間利潤	-	-	-	-	-	-	-	-	-	595,439	595,439
Other comprehensive income:	其他全面收益:											
Exchange differences arising from translation of foreign operations	換算海外業務產生的匯兌差額	-	-	(141,026)	-	-	-	-	-	-	-	(141,026)
Total comprehensive income/(loss) for the period	期間全面收益/(虧損)總額	-	-	(141,026)	-	-	-	-	-	-	595,439	454,413
Employee share based compensation (note 10)	僱員股權報酬(附註10)	-	-	-	10,245	-	-	-	-	-	-	10,245
Shares held for share award scheme	就股份獎勵計劃持有的股份	-	-	-	-	1,846	-	-	-	-	-	1,846
Transaction with non-controlling interests	非控制性權益交易	-	-	-	-	-	-	-	24,426	-	-	24,426
Accrue distribution to holders of convertible perpetual securities (note 34)	可換股永久證券持有人應計分派(附註34)	-	-	-	-	-	-	-	-	-	(18,661)	(18,661)
Dividend	股息	-	-	-	-	-	-	-	-	(133,934)	-	(133,934)
Transfer to statutory reserve	轉撥至法定儲備	-	-	-	-	-	-	83,294	-	-	(83,294)	-
Issuance of shares	發行股份	-	360,943	-	-	-	-	-	-	-	-	360,943
Share premium reduction	削減股份溢價	-	(400,000)	-	-	-	-	-	-	248,645	151,355	-
Consideration paid for business combination between entities under common control	共同控制實體的業務合併所付代價	(95,856)	-	-	-	-	-	-	-	-	-	(95,856)
At 31 December 2016	於二零一六年十二月三十一日	(83,396)	712,051	(284,150)	19,800	(28,907)	23,185	125,149	24,426	114,711	1,761,783	2,384,652

(a) Pursuant to a resolution passed at the general meeting held on 10 June 2016, an amount of RMB400,000,000 was transferred from the share premium account to the contributed surplus and retained earnings, respectively. Under the Companies Act 1981 of Bermuda, a Company may make distributions to its Shareholders out of the contributed surplus under certain circumstances.

(a) 根據於二零一六年六月十日舉行之股東大會通過的決議案，人民幣400,000,000元由股份溢價賬分別劃撥至實繳盈餘和未分配利潤。根據百慕達一九八一年公司法，公司可在若干情況下以實繳盈餘向股東作出分派。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

35 RESERVES (Continued)

(b) In accordance with the Laws of the PRC on Enterprises Operated Exclusively with Foreign Capital and the Articles of Association of the Group's subsidiaries incorporated in the PRC, an appropriation to the statutory reserves has to be made prior to profit distribution to the investor. The appropriation to the statutory reserve of these foreign investment enterprises shall be no less than 10% of the net profit until the accumulated appropriation exceeds 50% of the registered capital.

36 DISPOSALS OF SUBSIDIARIES

For the year ended 31 December 2016, the Group disposed certain interests in several wholly owned subsidiaries as follow:

35 儲備(續)

(b) 根據中華人民共和國外商獨資企業法及本集團於中國註冊成立的附屬公司的組織章程細則，向投資者作出溢利分派前，須對法定儲備作出分配。該等外資企業分配至法定儲備的金額不得少於純利的10%，直至累計分配超過註冊資本的50%為止。

36 出售附屬公司

截至二零一六年十二月三十一日止年度，本集團出售幾間全資附屬公司的若干權益如下：

		RMB'000 人民幣千元
Consideration received:	所收代價：	
Hangzhou Langdong Investment Limited (a)	杭州朗動投資有限公司 (a)	293,393
Hangzhou Langping Property Co., Ltd (a)	杭州朗平置業有限公司 (a)	201,376
LS-Boston Point LLC (b)	LS-Boston Point LLC (b)	124,614
Shanghai Langyu Properties Development Limited (b)	上海朗域房地產開發有限公司 (b)	100,000
		719,383

The disposal had resulted in total net gain of RMB165,304,000 (note 9).

是項出售錄得淨利得合共人民幣165,304,000元(附註9)。

36 DISPOSALS OF SUBSIDIARIES (Continued)

(A) DISPOSAL OF SUBSIDIARIES WITHOUT RETAINED EQUITY INTERESTS

Net assets disposed with reconciliation of disposal gains and cash inflow are as follows:

36 出售附屬公司(續)

(A) 出售附屬公司(無保留權益)

出售之淨資產與出售利得及現金流入對賬如下：

		RMB'000 人民幣千元
Net assets disposed of comprise:	出售淨資產包括：	
Properties under development	開發中房地產	434,167
Other receivables	其他應收款	203,441
Cash and cash equivalents	現金及現金等價物	11,959
Interest in an associate	於聯營公司的權益	2,450
Other assets	其他資產	544
Borrowings	借款	(270,000)
Shareholder loans	股東貸款	(389,764)
Other liabilities	其他負債	(2,050)
		<hr/>
Group's share of net liabilities disposed of	本集團分佔出售淨負債	(9,253)
		<hr/>
Consideration received from disposal	出售收取的代價	105,005
		<hr/>
Gain on disposal of a subsidiary	出售一間附屬公司之利得	114,258
		<hr/>
Total consideration	總代價	494,769
Less: Shareholder loans	減：股東貸款	(389,764)
Less: Cash and cash equivalents in the entities disposed	減：所出售實體的現金及現金等價物	(11,959)
		<hr/>
Net cash inflow arising from disposal:	出售產生之淨現金流入：	93,046

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

36 DISPOSALS OF SUBSIDIARIES (Continued)

(B) DISPOSAL OF SUBSIDIARIES WITH LOSS OF CONTROL RETAINED AS A JOINT VENTURE

Net assets disposed with reconciliation of disposal gains and cash inflow are as follows:

36 出售附屬公司(續)

(B) 出售保留為合營企業之附屬公司(失去控制權)

出售之淨資產與出售利得及現金流入對賬如下：

		RMB'000 人民幣千元
Net assets disposed of comprise:	出售淨資產包括：	
Properties under development	開發中房地產	1,031,045
Interest in a joint venture	於一間合營企業的權益	238,672
Cash and cash equivalents	現金及現金等價物	5,101
Other assets	其他資產	573
Property, plant and equipment	不動產、工廠及設備	43
Creditors and accruals	應付賬款及應計費用	(621,594)
Borrowings	借款	(250,000)
Other liabilities	其他負債	(401)
Translation reserve	折算儲備	66
		<hr/>
Group's share of net assets disposed of	本集團分佔出售淨資產	403,505
Recognition of interest in joint ventures	確認合營企業權益	229,936
Consideration received from disposal	出售收取的代價	224,615
		<hr/>
Gain on disposal of a subsidiary	出售一間附屬公司之利得	51,046
		<hr/>
Total consideration	總代價	224,614
Less: Cash and cash equivalents in the entities disposed	減：所出售實體的現金及現金等價物	(5,101)
		<hr/>
Net cash inflow arising from disposal:	出售產生之淨現金流入：	219,513

37 COMMITMENTS

(A) OPERATING LEASE ARRANGEMENT

Group – As lessee

At the reporting date, the Group had outstanding commitment for future minimum lease payments under non-cancellable operating leases as follows:

37 承擔

(A) 經營租賃安排

本集團 – 作為承租人

於報告日期，本集團根據不可撤銷經營租賃之未償未來最低租賃付款承擔如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 (Restated) (經重列)
Within one year	一年內	23,153	2,386
In the second to fifth year inclusive	第二至第五年（包括首尾兩年）	37,256	3,126
		60,409	5,512

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

37 COMMITMENTS (Continued)

(A) OPERATING LEASE ARRANGEMENT

(Continued)

Group – As lessor

The Group leases its investment property under operating lease arrangements, with lease terms ranging from one to twenty years, with an option to renew the lease terms at the expiry date or at dates as mutually agreed between the Group and the respective tenants. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

At the reporting date, the Group has contracted with tenants for the following future minimum lease payments:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within one year	一年內	20,513	12,478
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	57,105	35,547
After five years	五年後	14,992	16,876
		92,610	64,901

(B) CAPITAL COMMITMENT

As at 31 December 2016, the Group had the following capital commitments:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 (Restated) (經重列)
Authorised but not contracted for:	經授權但未訂約：		
– Purchase of leasehold land payments	– 購買租賃土地付款	–	–
– Development expenditure	– 開發支出	2,157,049	–
Contracted but not provided for:	已訂約但未撥備：		
– Purchase of leasehold land payments	– 購買租賃土地付款	–	512,500
– Development expenditure	– 開發支出	1,909,406	–

37 承擔(續)

(A) 經營租賃安排(續)

本集團 – 作為出租人

本集團根據經營租賃安排出租其投資物業，租期介乎一至二十年，可選擇於屆滿日期或本集團與各租戶互相協定之日期續租。此外，租賃條款一般規定租戶支付保證金及根據當時現行市況定期調整租金。

於報告日期，本集團有以下與租戶訂約之未來最低租賃付款：

(B) 資本承擔

於二零一六年十二月三十一日，本集團之資本承擔如下：

38 CASH GENERATED FROM OPERATIONS

Reconciliation of profit before income tax to cash generated from operations is as follows:

38 經營所得現金

除所得稅前利潤與經營所得現金的對賬如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 (Restated) (經重列)
Profit before income tax	除所得稅前利潤	832,467	663,990
<i>Adjustments for:</i>	<i>調整：</i>		
Interest income (note 8)	利息收入（附註 8）	(14,700)	(16,265)
Depreciation of property, plant and equipment (note 20)	不動產、工廠及設備的折舊（附註 20）	12,417	1,514
Fair value gain on investment property (note 19)	投資性物業的公允價值利得（附註 19）	(41,750)	(44,047)
Interest expense (note 11)	利息費用（附註 11）	194,085	49,913
Gains on disposals of subsidiaries (note 9)	出售附屬公司的利得（附註 9）	(165,304)	(235)
Share of (gains)/losses of associates	應佔聯營公司（利得）／虧損	(45,088)	11,085
Share of (gains)/losses of joint ventures	應佔合營企業（利得）／虧損	(24,930)	10,445
Employee share based compensation (note 10)	僱員股權報酬（附註 10）	10,245	6,459
Gain on disposal of property, plant and equipment (note 9)	出售不動產、工廠及設備的利得（附註 9）	(56)	(718)
Provision for write-down of properties held for sale (note 21)	撇減持作銷售物業撥備（附註 21）	2,157	-
Provision for trade receivables (note 24)	應收賬款撥備（附註 24）	2,138	-
Operating profit before movements in working capital	除營運資本變動前的經營利潤	761,681	682,141
Increase in properties held for sale	持作銷售物業增加	(223,254)	(102,584)
Increase in properties under development	開發中房地產增加	(1,220,797)	(1,573,538)
Increase in inventories	庫存增加	(16,378)	(5,930)
Decrease/(Increase) in deposits for purchase of land	購買土地的按金減少／（增加）	687,300	(729,300)
Increase in trade receivables	應收賬款增加	(140,425)	(80,922)
Increase in other receivables, prepayments and deposits	其他應收款、預付款及按金增加	(905,381)	(220,293)
Increase in advanced proceeds received from customers	向客戶收取的預付所得款項增加	1,942,985	2,453,657
(Increase)/Decrease in restricted cash	受限制現金（增加）／減少	(47,409)	1,322,079
Increase in creditors and accruals	應付賬款及應計費用增加	1,567,575	266,057
Decrease/(Increase) in employee share trust	僱員股份信託減少／（增加）	1,846	(21,198)
Decrease in amount due from related parties	應收關聯方款項減少	3,819	-
Net cash generated from operations	經營所得現金淨額	2,411,562	1,990,169

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

39 RELATED PARTY BALANCES AND TRANSACTIONS

(A) AMOUNTS DUE FROM RELATED PARTIES

39 關聯方結餘及交易

(A) 應收關聯方款項

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 (Restated) (經重列)
Amounts due from associates (i)	應收聯營公司款項 (i)	650,919	-
Amounts due from joint ventures (ii)	應收合營企業款項 (ii)	167,352	-
		818,271	-

(i) As of 31 December 2016, the amounts due from associates are unsecured and repayable within one year. The balances bear interest ranging from 8% to 14% per annum.

(ii) As of 31 December 2016, the amounts due from joint ventures are unsecured and repayable on demand. The balance of RMB100,000,000 bears interest at 8% and the remaining balance is interest-free.

The carrying amounts of amounts due from related parties approximate their fair values.

(i) 截至二零一六年十二月三十一日，應收聯營公司款項為無抵押，須於一年內償還。結餘按介乎8%至14%的年利率計息。

(ii) 截至二零一六年十二月三十一日，應收合營企業款項為無抵押，並按要求償還。結餘人民幣100,000,000元按8%的利率計息，餘下結餘免息。

應收關聯方款項的賬面值與其公允價值相若。

39 RELATED PARTY BALANCES AND TRANSACTIONS *(Continued)*
(B) AMOUNTS DUE TO RELATED PARTIES

39 關聯方結餘及交易 *(續)*

(B) 應付關聯方款項

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 (Restated) (經重列)
Non-current liabilities			
Amount due to the ultimate holding company (i)	非流動負債 應付最終控股公司款項 (i)	869,830	-
Amounts due to associates companies (ii)	應付聯營公司款項 (ii)	707,182	-
Amount due to a joint venture (iii)	應付一間合營企業款項 (iii)	210,100	-
		1,787,112	-
Current liabilities			
Amounts due to associates (ii)	流動負債 應付聯營公司款項 (ii)	220,000	317,947
Amounts due to fellow subsidiaries (iv)	應付同系附屬公司款項 (iv)	105,360	825,976
Amount due to a joint venture	應付一間合營企業款項	-	94,057
		325,360	1,237,980

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

39 RELATED PARTY BALANCES AND TRANSACTIONS *(Continued)*

(B) AMOUNTS DUE TO RELATED PARTIES

- (i) As of 31 December 2016, the amount due to the ultimate holding company is unsecured, interest-free and repayable after one year from the end of this year.
- (ii) As of 31 December 2016, the amounts due to associates are unsecured. The balance of RMB220,000,000 is repayable within one year and bears interest ranging from 5.5% to 6.2% per annum. The remaining balances are interest-free and repayable after one year from the end of this year.
- (iii) As of 31 December 2016, the amount due to a joint venture is unsecured and repayable after one year from the end of this year. The balance of RMB160,000,000 bears interest at 7.5% per annum, the remaining balance is interest-free.
- (iv) As of 31 December 2016, the amount due to a fellow subsidiary is unsecured and repayable within one year. The balance bears interest at 5.5% per annum.

39 關聯方結餘及交易 (續)

(B) 應付關聯方款項

- (i) 截至二零一六年十二月三十一日，應付最終控股公司款項為無抵押、免息且須於本年末起計一年後償還。
- (ii) 截至二零一六年十二月三十一日，應付聯營公司款項為無抵押。結餘人民幣220,000,000元須於一年內償還，按介乎5.5%至6.2%的年利率計息，其餘免息且須於本年末起計一年後償還。
- (iii) 截至二零一六年十二月三十一日，應付合營企業款項為無抵押且須於本年末起計一年後償還。結餘人民幣160,000,000元按7.5%的年利率計息，其餘免息。
- (iv) 截至二零一六年十二月三十一日，應付同系附屬公司款項為無抵押且須於一年內償還。結餘按5.5%的年利率計息。

39 RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

(C) In addition to those related party transactions disclosed elsewhere in these consolidated financial statements, the Group had the following related party transactions.

39 關聯方結餘及交易 (續)

(C) 除該等綜合財務報表其他部分所披露之關聯方交易外，本集團有以下關聯方交易。

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 (Restated) (經重列)
Property development and management service fee income from associates and joint ventures (note 6) (i)	來自聯營公司及合營企業之項目開發管理服務費收益 (附註6) (i)	187,845	110,319
Property development and management service fee income from fellow subsidiaries (note 6) (ii)	來自同系附屬公司之項目開發管理服務費收益 (附註6) (ii)	74,045	530,528
Interest income received from associates (note 39(a)(i))	向聯營公司收利息 (附註 39(a)(i))	75,841	-
Interest income received from joint ventures (note 39(a)(ii))	向合營企業收利息 (附註 39(a)(ii))	19,223	8,063
Interest expense on loans from the ultimate holding company (iii)	來自最終控股公司之貸款利息費用 (iii)	100,296	89,334
Interest expense on loans from a joint venture (note 39(b)(iii))	來自一間合營企業之貸款利息費用 (附註 39(b)(iii))	15,817	-
Interest expense on loans from associates (note 39(b)(ii))	來自聯營公司之貸款利息費用 (附註 39(b)(ii))	13,058	-
Interest expense on loans from a fellow subsidiary (note 39(b)(iv))	來自一間同系附屬公司之貸款利息費用 (附註 39(b)(iv))	830	869

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

39 RELATED PARTY BALANCES AND TRANSACTIONS *(Continued)*

(C) *(Continued)*

- (i) During the year, the Group provided property development and management services to its associates and joint ventures, and the prices of these services are based on the prevailing market prices of similar services.

- (ii) Pursuant to the Property Development and Management Services Agreement entered into between the Group and its ultimate holding company on 23 February 2014, the Group has provided certain project management, sales management and financing advisory services to fellow subsidiaries since 1 April 2014. These transactions constitute continuing connected transactions of the Group under Chapter 14A of the Listing Rules.

The prices of these services are based on the prevailing market prices of similar services provided by the Group to independent third parties.

- (iii) The ultimate holding company provided interest bearing loans to the Group during the year. The interest expense on loans is based on prevailing market interest rate and is exempted from the reporting and disclosure requirement pursuant to Rule 14A.90 of the Listing Rules.

39 關聯方結餘及交易 *(續)*

(C) *(續)*

- (i) 年內，本集團向聯營公司及合營企業提供項目開發管理服務，該等服務以類似服務之現行市價為定價基準。

- (ii) 根據本集團與最終控股公司於二零一四年二月二十三日訂立之項目開發管理服務協議，本集團由二零一四年四月一日起向同系附屬公司提供若干項目管理、銷售管理及融資顧問服務。根據上市規則第14A章，該等交易屬於本集團之持續關連交易。

該等服務以本集團向獨立第三方提供類似服務之現行市價為定價基準。

- (iii) 年內，最終控股公司向本集團提供計息貸款。貸款利息費用乃按現行市場利率計算，並根據上市規則第14A.90條獲豁免遵守申報及披露規定。

39 RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

(D) Included in employee benefit expenses are key management personnel compensations which comprises the following categories:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Short term employee benefits	短期僱員福利	29,776	14,214
Restricted share award	限制性股份獎勵	5,825	2,474
Contributions to retirement benefits schemes	退休福利計劃供款	820	291
		36,421	16,979

40 GUARANTEE

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Guarantee in respect of mortgage facilities for certain purchasers (i)	就若干買家之按揭融資所提供擔保 (i)	2,648,983	1,349,957
Guarantee in respect of borrowings (ii)	就借款所提供擔保 (ii)	141,558	-
		2,790,541	1,349,957

(i) The Group has in cooperation with certain financial institutions arranged mortgage loan facilities for its purchasers of properties and provided guarantees to secure obligations of such purchasers for repayments. Such guarantees will be released by banks upon the issuance of the real estate ownership certificate to the purchasers or the satisfaction of mortgaged loan by the purchase of properties, whichever is earlier. In the opinion of directors of the Company, the fair value of the financial guarantee contracts is not significant.

(ii) As at 31 December 2016, the Group provided a guarantee to Fenway Ventures Point Properties LLC, a 50% joint venture of LS-Boston Point LLC, for its bank borrowings. Obligations under such guarantees shall be discharged pursuant to the counter-indemnity provided by Landsea Group Co., Ltd.

39 關聯方結餘及交易 (續)

(D) 僱員福利費用包括涵蓋以下類別之主要管理人員補償：

40 擔保

(i) 本集團與若干金融機構合作，為其物業買家安排按揭貸款融資並就該等買家之還款責任提供擔保。有關擔保將於買家獲發房地產擁有權證或物業買家償還按揭貸款（以較早者為準）後由銀行解除。本公司董事認為，財務擔保合約之公允價值並不重大。

(ii) 截至二零一六年十二月三十一日，本集團為銀行借款向Fenway Ventures Point Properties LLC（由LS-Boston Point LLC擁有50%權益的合營企業）提供擔保。該擔保責任將根據朗詩集團股份有限公司的對應賠償保證解除。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

41 PRINCIPAL SUBSIDIARIES

Particulars of the Company's principal subsidiaries as at 31 December 2016 are as follows:

41 主要附屬公司

於二零一六年十二月三十一日，本公司主要附屬公司詳情如下：

Name	Place of incorporation and kind of legal entity	Particulars of issued share capital	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 (%)	Principal activities and place of operation
名稱	註冊成立地點及法律實體類別	已發行股本詳情	母公司直接持有普通股比例 (%)	本集團持有普通股比例 (%)	非控制性權益持有普通股比例 (%)	主要業務及經營地點
Cathay Holdings Limited 國泰集團有限公司	Hong Kong 香港	2 shares of HK\$1 each 2股，每股1港元	-	100	-	Investment holding 投資控股
China Information Industry Limited 中國信息產業有限公司	Hong Kong 香港	2 shares of HK\$1 each 2股，每股1港元	-	100	-	Investment holding 投資控股
Dawning Information Industry (Shenzhen) Limited # 曙光信息產業(深圳)有限公司#	PRC 中國	HK\$152,120,000 152,120,000港元	-	100	-	Property leasing and building management 房地產租賃及樓宇管理
GOI Limited	Hong Kong 香港	2 shares of HK\$1 each 2股，每股1港元	-	100	-	Investment holding 投資控股
Green Future Holdings Limited 綠色未來控股有限公司	Hong Kong 香港	1 share of HK\$1 1股，每股1港元	-	100	-	Investment holding 投資控股
Green Homeland Limited 綠色家園有限公司	Hong Kong 香港	1 shares of HK\$1 each 1股，每股1港元	-	100	-	Investment holding 投資控股
Green Theme Limited	Hong Kong 香港	1 shares of HK\$1 each 1股，每股1港元	-	100	-	Investment holding 投資控股
New Phenomenon Technology Limited	BVI 英屬維爾京群島	1 share of US\$1 1股，每股1美元	-	100	-	Investment holding 投資控股
Aqua Sky Limited 尚晴有限公司	Hong Kong 香港	1 shares of HK\$1 each 1股，每股1港元	-	100	-	Investment holding 投資控股

41 PRINCIPAL SUBSIDIARIES (Continued)

Particulars of the Company's principal subsidiaries as at 31 December 2016 are as follows: (Continued)

41 主要附屬公司 (續)

於二零一六年十二月三十一日，本公司主要附屬公司詳情如下：(續)

Name	Place of incorporation and kind of legal entity	Particulars of issued share capital	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 (%)	Principal activities and place of operation
名稱	註冊成立地點及法律實體類別	已發行股本詳情	母公司直接持有普通股比例 (%)	本集團持有普通股比例 (%)	非控制性權益持有普通股比例 (%)	主要業務及經營地點
Easy Shine Global Limited 逸朗環球有限公司	Hong Kong 香港	1 shares of HK\$1 each 1股，每股1港元	-	100	-	Investment holding 投資控股
Nanjing Langming Real Estate Group Limited 南京朗銘地產集團有限公司	PRC 中國	RMB50,000,000 人民幣50,000,000元	-	100	-	Investment holding 投資控股
Hangzhou Langhong Property Limited** 杭州朗宏置業有限公司#	PRC 中國	RMB100,000,000 人民幣100,000,000元	-	100	-	Property development 房地產開發
Chengdu Langming Property Limited** 成都朗銘置業有限公司#	PRC 中國	RMB8,000,000 人民幣8,000,000元	-	100	-	Property development 房地產開發
Shanghai Langming Property development Limited** 上海朗銘房地產開發有限公司#	PRC 中國	RMB50,000,000 人民幣50,000,000元	-	100	-	Property development 房地產開發
Shanghai Langzhi Property Limited** 上海朗智置業有限公司#	PRC 中國	RMB8,000,000 人民幣8,000,000元	-	100	-	Property development 房地產開發
Suzhou Langkun Property Limited** 蘇州朗坤置業有限公司#	PRC 中國	RMB100,000,000 人民幣100,000,000元	-	55	45	Property development 房地產開發
Shanghai Langxin Properties Development Limited** 上海朗信房地產開發有限公司#	PRC 中國	RMB50,000,000 人民幣50,000,000元	-	100	-	Property development 房地產開發

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

41 PRINCIPAL SUBSIDIARIES (Continued)

Particulars of the Company's principal subsidiaries as at 31 December 2016 are as follows: (Continued)

41 主要附屬公司(續)

於二零一六年十二月三十一日，本公司主要附屬公司詳情如下：(續)

Name	Place of incorporation and kind of legal entity	Particulars of issued share capital	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 (%)	Principal activities and place of operation
名稱	註冊成立地點及法律實體類別	已發行股本詳情	母公司直接持有普通股比例 (%)	本集團持有普通股比例 (%)	非控制性權益持有普通股比例 (%)	主要業務及經營地點
Wuxi Langhua Development Co., Ltd.*#	PRC	RMB50,000,000	-	100	-	Property development
無錫朗華置業有限公司#	中國	人民幣 50,000,000 元				房地產開發
Nanjing Ganjia Investment Limited**	PRC	RMB8,000,000	-	100	-	Property development
南京乾嘉投資有限公司#	中國	人民幣 8,000,000 元				房地產開發
Nanjing Landsea Shenlu Property Management Limited**	PRC	RMB5,000,000	-	100	-	Property leasing and building management
南京朗詩深綠物業管理有限公司#	中國	人民幣 5,000,000 元				房地產租賃及樓宇管理
Nanjing Landsea Investment Management Limited**	PRC	RMB5,000,000	-	100	-	Investment holding
南京朗詩投資管理有限公司#	中國	人民幣 5,000,000 元				投資控股
Shanghai Landsea Investment Management Limited**	PRC	US\$5,000,000	-	100	-	Investment holding
上海朗詩投資管理有限公司#	中國	5,000,000 美元				投資控股
Shanghai Langmao Investment Management Limited**	PRC	US\$500,000	-	100	-	Investment holding
上海朗茂投資管理有限公司#	中國	500,000 美元				投資控股

41 PRINCIPAL SUBSIDIARIES (Continued)

Particulars of the Company's principal subsidiaries as at 31 December 2016 are as follows: (Continued)

41 主要附屬公司 (續)

於二零一六年十二月三十一日，本公司主要附屬公司詳情如下：(續)

Name	Place of incorporation and kind of legal entity	Particulars of issued share capital	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 (%)	Principal activities and place of operation
名稱	註冊成立地點及法律實體類別	已發行股本詳情	母公司直接持有普通股比例 (%)	本集團持有普通股比例 (%)	非控制性權益持有普通股比例 (%)	主要業務及經營地點
Nanjing Langqing Property Limited** 南京朗慶置業有限公司#	PRC 中國	HK\$1,371,480,000 1,371,480,000港元	-	100	-	Property development 房地產開發
Nanjing Landsea Construction and Decoration Limited** 南京朗詩建築裝飾有限公司#	PRC 中國	RMB1,000,000 人民幣1,000,000元	-	100	-	Decoration and design 裝飾及設計
Zhejiang Langyue Construction and Decoration Limited** 浙江朗悅建築裝飾有限公司#	PRC 中國	RMB10,000,000 人民幣10,000,000元	-	100	-	Decoration and design 裝飾及設計
Wuxi Minglang Property Limited** 無錫朗朗置業有限公司#	PRC 中國	RMB50,000,000 人民幣50,000,000元	-	100	-	Property development 房地產開發
Chongqing Langrui Equity Investment Fund Partnership (Limited Partnership)** 重慶朗睿股權投資基金合夥企業 (有限合夥)#	PRC 中國	RMB2,000,000,000 人民幣2,000,000,000元	-	100	-	Investment holding 投資控股
Wuhan Langxi Equity Investment Fund Partnership (Limited Partnership)** 武漢朗熙股權投資基金合夥企業 (有限合夥)#	PRC 中國	RMB2,000,000,000 人民幣2,000,000,000元	-	100	-	Investment holding 投資控股

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

41 PRINCIPAL SUBSIDIARIES (Continued)

Particulars of the Company's principal subsidiaries as at 31 December 2016 are as follows: (Continued)

41 主要附屬公司(續)

於二零一六年十二月三十一日，本公司主要附屬公司詳情如下：(續)

Name	Place of incorporation and kind of legal entity	Particulars of issued share capital	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 (%)	Principal activities and place of operation
名稱	註冊成立地點及法律實體類別	已發行股本詳情	母公司直接持有普通股比例 (%)	本集團持有普通股比例 (%)	非控制性權益持有普通股比例 (%)	主要業務及經營地點
Shanghai Langqing Investment Management Limited** 上海朗青投資管理有限公司#	PRC 中國	Subscription 認購	-	100	-	Investment holding 投資控股
Nanjing Xinbeisheng Investment Limited** 南京鑫貝盛投資管理有限公司#	PRC 中國	Subscription 認購	-	100	-	Investment holding 投資控股
Nanjing Bozhixin Investment Management Limited** 南京博之鑫投資管理有限公司#	PRC 中國	Subscription 認購	-	100	-	Investment holding 投資控股
Nanjing Xinhuisheng Investment Management Limited** 南京鑫輝盛投資管理有限公司#	PRC 中國	RMB8,000,000 人民幣8,000,000元	-	60	40	Investment holding 投資控股
Nanjing Xinzhou Investment Management Limited** 南京鑫洲盛投資管理有限公司#	PRC 中國	Subscription 認購	-	100	-	Investment holding 投資控股
Nanjing Xinmingsheng Investment Management Limited** 南京鑫明盛投資管理有限公司#	PRC 中國	Subscription 認購	-	100	-	Investment holding 投資控股
Suzhou Langrui Investment Management Limited** 蘇州朗銳投資管理有限公司#	PRC 中國	Subscription 認購	-	100	-	Investment holding 投資控股

41 PRINCIPAL SUBSIDIARIES (Continued)

Particulars of the Company's principal subsidiaries as at 31 December 2016 are as follows: (Continued)

41 主要附屬公司 (續)

於二零一六年十二月三十一日，本公司主要附屬公司詳情如下：(續)

Name	Place of incorporation and kind of legal entity	Particulars of issued share capital	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 (%)	Principal activities and place of operation
名稱	註冊成立地點及法律實體類別	已發行股本詳情	母公司直接持有普通股比例 (%)	本集團持有普通股比例 (%)	非控制性權益持有普通股比例 (%)	主要業務及經營地點
Hangzhou Langhui Investment Management Limited**	PRC	RMB5,000,000	-	100	-	Investment holding
杭州朗輝投資管理有限公司#	中國	人民幣5,000,000元				投資控股
Shanghai Langju Properties Development Limited**	PRC	Subscription	-	100	-	Property development
上海朗居房地產開發有限公司#	中國	認購				房地產開發
Beijing Landsea Investment Limited**	PRC	Subscription	-	100	-	Property development
北京朗詩投資有限公司#	中國	認購				房地產開發
Nanjing Landsea Landscape Limited**	PRC	RMB2,000,000	-	100	-	Property development
南京朗詩園林景觀有限公司#	中國	人民幣2,000,000元				房地產開發
Wuhan Langming Investment Limited**	PRC	Subscription	-	100	-	Property leasing and building management
武漢朗銘投資有限公司#	中國	認購				房地產租賃及樓宇管理
Zhongfuyiyang (Tianjin) Real Estate Co., Ltd.**	PRC	RMB30,000,000	-	75	25	Property development
中福頤養(天津)置業有限公司#	中國	人民幣30,000,000元				房地產開發
Shanghai Landsea Planning and architectural design Co., Ltd.**	PRC	RMB3,000,000	-	100	-	Decoration and design
上海朗詩規劃建築設計有限公司 (原上海湯正規劃建築設計有限公司)#	中國	人民幣3,000,000元				裝飾及設計

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

41 PRINCIPAL SUBSIDIARIES (Continued)

Particulars of the Company's principal subsidiaries as at 31 December 2016 are as follows: (Continued)

41 主要附屬公司(續)

於二零一六年十二月三十一日，本公司主要附屬公司詳情如下：(續)

Name	Place of incorporation and kind of legal entity	Particulars of issued share capital	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 (%)	Principal activities and place of operation
名稱	註冊成立地點及法律實體類別	已發行股本詳情	母公司直接持有普通股比例 (%)	本集團持有普通股比例 (%)	非控制性權益持有普通股比例 (%)	主要業務及經營地點
Wuhan Langheng Industrial Co. Ltd.**#	PRC	Subscription	-	100	-	Property development
武漢朗恒實業有限公司#	中國	認購				房地產開發
Shanghai Langji Enterprise Management Consulting Co., Ltd.*#	PRC	Subscription	-	100	-	Investment holding
上海朗際企業管理諮詢有限公司#	中國	認購				投資控股
Hangzhou Langzheng Investment Limited**	PRC	Subscription	-	100	-	Investment holding
杭州朗正投資有限公司#	中國	認購				投資控股
Shanghai Langshan Industrial Co., Ltd.*#	PRC	RMB10,000,000	-	100	-	Property development
上海朗杉實業有限公司#	中國	人民幣 10,000,000 元				房地產開發
Zhongfuleling (Tianjin) Real Estate Co., Ltd.*#	PRC	RMB30,000,000	-	35	65	Property development
中福樂齡(天津)置業有限公司#	中國	人民幣 30,000,000 元				房地產開發
Zhongfuyile (Tianjin) Real Estate Co., Ltd.*#	PRC	RMB30,000,000	-	35	65	Property development
中福頤樂(天津)置業有限公司#	中國	人民幣 30,000,000 元				房地產開發

41 PRINCIPAL SUBSIDIARIES (Continued)

Particulars of the Company's principal subsidiaries as at 31 December 2016 are as follows: (Continued)

41 主要附屬公司 (續)

於二零一六年十二月三十一日，本公司主要附屬公司詳情如下：(續)

Name	Place of incorporation and kind of legal entity	Particulars of issued share capital	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 (%)	Principal activities and place of operation
名稱	註冊成立地點及法律實體類別	已發行股本詳情	母公司直接持有普通股比例 (%)	本集團持有普通股比例 (%)	非控制性權益持有普通股比例 (%)	主要業務及經營地點
Chengdu Chengfeng Enterprise Management and Consultant Limited**	PRC	RMB820,000,000	-	100	-	Investment holding
成都城峰企業管理諮詢有限公司#	中國	人民幣 820,000,000 元				投資控股
Allgreen Properties (Chengdu) Pte. Ltd.**	PRC	RMB1,085,000,000	-	100	-	Property development
寰安置業(成都)有限公司#	中國	人民幣 1,085,000,000 元				房地產開發
Hangzhou Langkang Investment Co., Ltd.**	PRC	Subscription	-	100	-	Investment holding
杭州朗康投資有限公司#	中國	認購				投資控股
Landsea Holdings Corporation	US	US\$158,873,331	-	100	-	Investment holding
	美國	158,873,331 美元				投資控股
LS-Jordan Ranch LLC	US	US\$19,900,870	-	100	-	Real estate development and sales US
	美國	19,900,870 美元				房地產開發及銷售 — 美國
159 Aliso Ridge Loop LLC	US	US\$4,004,043	-	100	-	Sell real estate held for development US
	美國	4,004,043 美元				出售持作發展房地產 — 美國

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

41 PRINCIPAL SUBSIDIARIES (Continued)

Particulars of the Company's principal subsidiaries as at 31 December 2016 are as follows: (Continued)

41 主要附屬公司 (續)

於二零一六年十二月三十一日，本公司主要附屬公司詳情如下：(續)

Name	Place of incorporation and kind of legal entity	Particulars of issued share capital	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 (%)	Principal activities and place of operation
名稱	註冊成立地點及法律實體類別	已發行股本詳情	母公司直接持有普通股比例 (%)	本集團持有普通股比例 (%)	非控制性權益持有普通股比例 (%)	主要業務及經營地點
LS-LA Simi LLC	US 美國	US\$21,786,756 21,786,756 美元	-	100	-	Real estate development and sales US 房地產開發及銷售 — 美國
LS-OC Portola LLC	US 美國	US\$102,849,956 102,849,956 美元	-	100	-	Real estate development and sales US 房地產開發及銷售 — 美國
LS-Walnut Creek LLC	US 美國	US\$12,945,233 12,945,233 美元	-	100	-	Real estate development and sales US 房地產開發及銷售 — 美國
LS-NJ Port Imperial LLC	US 美國	US\$96,335,191 96,335,191 美元	-	100	-	Real estate development and sales — New Jersey 房地產開發及銷售 — 新澤西
LS-Sunnyvale LLC	US 美國	US\$133,269,944 133,269,944 美元	-	71	29	Real estate development and sales — California 房地產開發及銷售 — 加州

41 PRINCIPAL SUBSIDIARIES (Continued)

Particulars of the Company's principal subsidiaries as at 31 December 2016 are as follows: (Continued)

41 主要附屬公司 (續)

於二零一六年十二月三十一日，本公司主要附屬公司詳情如下：(續)

Name	Place of incorporation and kind of legal entity	Particulars of issued share capital	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 (%)	Principal activities and place of operation
名稱	註冊成立地點及法律實體類別	已發行股本詳情	母公司直接持有普通股比例 (%)	本集團持有普通股比例 (%)	非控制性權益持有普通股比例 (%)	主要業務及經營地點
Long City Ventures Limited	BVI 英屬維爾京群島	US\$50,000 50,000 美元	-	100	-	Property development 房地產開發
Epic China Limited	BVI 英屬維爾京群島	US\$50,000 50,000 美元	-	100	-	Investment holding 投資控股
Landsea Equity LLC	Delaware 特拉華	US\$51,900,000 51,900,000 美元	-	100	-	Investment holding 投資控股

Limited liability company registered in the PRC

* For identification purpose only

於中國註冊之有限公司

* 僅供識別

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

42 ASSOCIATED COMPANIES

Particulars of the Group's associates as at 31 December 2016 are as follows:

42 聯營公司

於二零一六年十二月三十一日，本集團聯營公司的詳情如下：

Name	Place of establishment/ operations	Percentage of ownership interests (%) 擁有權權益 百分比 (%)	Principal activities
名稱	成立／經營地點		主要業務
Hangzhou Wanye Property Co., Ltd.** 杭州萬業置業有限公司 #	PRC 中國	34	Property development 房地產開發
Suzhou Science and Technology Town Landsea Property Co., Ltd.** 蘇州科技城朗詩置業有限公司 #	PRC 中國	20	Property development 房地產開發
Nanjing Merchant Xingsheng Property Development Co., Ltd.** 南京招商興盛房地產有限公司 #	PRC 中國	30	Property development 房地產開發
Nanjing Aojian Properties Co., Ltd***(a) 南京奧建置業有限公司 #(a)	PRC 中國	12.97	Property development 房地產開發
Nanjing Xueheng Properties Co., Ltd** 南京學衡置業有限公司 #	PRC 中國	49.9	Property development 房地產開發
Chengdu Chenshi Properties Co., Ltd** 成都辰詩置業有限公司 #	PRC 中國	25	Property development 房地產開發
Hangzhou Langyou Properties Development Limited** 杭州朗優房地產開發有限公司 #	PRC 中國	49	Property development 房地產開發
Hangzhou Langning Investment Limited** 杭州朗寧投資有限公司 #	PRC 中國	27	Investment holding 投資控股
Chengdu Taihang Ruihong Properties Development Limited***(a) 成都太行瑞宏房地產開發有限公司 #(a)	PRC 中國	9.91	Property development 房地產開發
Hubei Xudong Minsheng Guangchang Property Limited** 湖北供銷徐東民生廣場置業有限公司 #	PRC 中國	20	Property development 房地產開發

Limited liability company registered in the PRC
* For identification purpose only

於中國註冊之有限公司
* 僅供識別

(a) The Group has one board seat in Nanjing Aojian Properties Co., Ltd. and Chengdu Taihang Properties Development Limited, respectively.

(a) 本集團於南京奧建置業有限公司及成都太行瑞宏房地產開發有限公司分別設有一個董事會席位。

43 JOINT VENTURES

Particulars of the Group's joint ventures as at 31 December 2016 are as follows:

Name	Place of establishment/ operations	Percentage of ownership interests (%) 擁有權權益 百分比 (%)	Principal activities
名稱	成立／經營地點		主要業務
Nanjing Langrun Property Development Company Limited [#] 南京朗潤房地產開發有限公司 [#]	PRC 中國	50.1	Property development 房地產開發
Suzhou Langhong Property Limited ^{**} 蘇州朗宏置業有限公司 [#]	PRC 中國	51.0	Property development 房地產開發
Silver Knight Global Limited (HK)	Hong Kong 香港	38.46	Investment holding 投資控股
Hangzhou Langping Property Co., Ltd. ^{**} 杭州朗平置業有限公司 [#]	PRC 中國	50	Property development 房地產開發
Suzhou Gaotixincheng Landsea Properties Co., Ltd ^{**} 蘇州高鐵新城朗詩置業有限公司 [#]	PRC 中國	30	Property development 房地產開發
Shenzhen Langxinhe Investment Company Limited (Limited Partnership) [#] 深圳朗信合投資中心(有限合夥) [#]	PRC 中國	23	Investment holding 投資控股
Wuhah Changan Investment Limited [#] 武漢朗詩長安投資有限公司 [#]	PRC 中國	60	Investment holding 投資控股
LS-Boston Point LLC	US 美國	50	JV with Ping An — invested in Boston project 與平安合營 — 投資 Boston 項目

[#] Limited liability company registered in the PRC

* For identification purpose only

43 合營企業

於二零一六年十二月三十一日，本集團合營企業的詳情如下：

[#] 於中國註冊之有限公司

* 僅供識別

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

44 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY BALANCE SHEET OF THE COMPANY

44 本公司資產負債表及儲備變動

本公司資產負債表

		As at 31 December 於十二月三十一日	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Non-current assets	非流動資產		
Investments in subsidiaries	於附屬公司之投資	78,126	–
Investments in joint ventures	於合營企業之投資	123,755	104,926
		201,881	104,926
Current assets	流動資產		
Other receivables, prepayments and deposits	其他應收款、預付款及按金	2,350	8,231
Amounts due from subsidiaries	應收附屬公司款項	4,120,585	3,320,372
Restricted cash	受限制現金	1,325	–
Cash and cash equivalents	現金及現金等價物	13,148	87,881
		4,137,408	3,416,484
Current liabilities	流動負債		
Creditors and accruals	應付賬款及應計費用	3,355	17,483
Amounts due to subsidiaries	應付附屬公司款項	1,985,429	4,684
Borrowings	借款	292,156	97,177
		2,280,940	119,344
Net current assets	流動資產淨值	1,856,468	3,297,140
Non-current liabilities	非流動負債		
Borrowings	借款	685,747	2,625,135
Net assets	淨資產	1,372,602	776,931

**44 BALANCE SHEET AND RESERVE
MOVEMENT OF THE COMPANY (Continued)**
BALANCE SHEET OF THE COMPANY (Continued)

44 本公司資產負債表及儲備變動(續)

本公司資產負債表(續)

		As at 31 December	
		於十二月三十一日	
		2016	2015
		二零一六年	二零一五年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Equity	權益		
Share capital	股本	31,800	26,665
Convertible perpetual securities	可換股永久證券	484,204	110,054
		Note (a)	
		附註 (a)	
Reserves	儲備	856,598	640,212
		Note (a)	
		附註 (a)	
Total equity	總權益	1,372,602	776,931

The balance sheet of the Company was approved by the Board of Directors on 24 March 2017 and was signed on its behalf

本公司資產負債表已獲董事局於二零一七年三月二十四日批准，並由以下董事代表簽署

Xiang Jiong
向炯
Director
董事

Shen Leying
申樂瑩
Director
董事

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

44 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

BALANCE SHEET OF THE COMPANY (Continued)

Note (a) convertible perpetual securities and reserves movement of the Company

44 本公司資產負債表及儲備變動(續)

本公司資產負債表(續)

附註(a)本公司可換股永久證券及儲備變動

		Convertible perpetual securities 可換股 永久證券 RMB'000 人民幣千元	Reserves 儲備 RMB'000 人民幣千元 (i)	Total 總計 RMB'000 人民幣千元
At 1 January 2015	於二零一五年一月一日	–	712,035	712,035
Translation of foreign operation	換算海外業務	–	(32,541)	(32,541)
Loss for the year	年度虧損	–	(167,392)	(167,392)
Total comprehensive loss for the year	年度全面虧損總額	–	(199,933)	(199,933)
Issuance of shares	發行股份	–	174,491	174,491
Shares held for restricted share award scheme	為限制性股份獎勵計劃而持有之股份	–	6,459	6,459
Employee share based compensation	僱員股權報酬	–	(21,198)	(21,198)
Issuance of convertible perpetual securities (note 34)	發行可換股永久證券(附註 34)	109,200	–	109,200
Accrued distribution to holders of convertible perpetual securities	對可換股永久證券持有人之應計分派	854	(854)	–
Dividend	股息	–	(30,788)	(30,788)
At 31 December 2015	於二零一五年十二月三十一日	110,054	640,212	750,266

44 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

BALANCE SHEET OF THE COMPANY (Continued)

Note (a) convertible perpetual securities and reserves movement of the Company (Continued)

44 本公司資產負債表及儲備變動(續)

本公司資產負債表(續)

附註(a)本公司可換股永久證券及儲備變動(續)

		Convertible perpetual securities 可換股 永久證券 RMB'000 人民幣千元	Reserves 儲備 RMB'000 人民幣千元 (i)	Total 總計 RMB'000 人民幣千元
At 1 January 2016	於二零一六年一月一日	110,054	640,212	750,266
Exchange difference arising from translation of foreign operation	換算海外業務所產生匯兌差額	-	153,219	153,219
Loss for the year	年度虧損	-	(157,272)	(157,272)
Total comprehensive loss for the year	年度全面虧損總額	-	(4,053)	(4,053)
Issuance of shares	發行股份	-	360,943	360,943
Shares held for restricted share award scheme	為限制性股份獎勵計劃而持有之股份	-	1,846	1,846
Employee share based compensation	僱員股權報酬	-	10,245	10,245
Issuance of convertible perpetual securities (note 34)	發行可換股永久證券(附註 34)	363,847	-	363,847
Accrued distribution to holders of convertible perpetual securities	可換股永久證券持有人應計分派	18,661	(18,661)	-
Share premium reduction	削減股份溢價	-	-	-
Distributions to holders of convertible perpetual securities	可換股永久證券持有人分派	(8,358)	-	(8,358)
Dividend	股息	-	(133,934)	(133,934)
At 31 December 2016	於二零一六年十二月三十一日	484,204	856,598	1,340,802

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

44 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

BALANCE SHEET OF THE COMPANY (Continued)

Note (a) convertible perpetual securities and reserves movement of the Company (Continued)

(i)

		Share premium	Translation reserve	Share based compensation reserve	Employee share trust	Capital redemption reserve	Retained earnings	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2015	於二零一五年一月一日	576,617	(2,364)	3,096	(9,555)	23,185	121,056	712,035
Exchange difference arising from translation of foreign operation	換算海外業務所產生匯兌差額	-	(32,541)	-	-	-	-	(32,541)
Loss for the year	年度虧損	-	-	-	-	-	(167,392)	(167,392)
Total comprehensive loss for the year	年度全面虧損總額	-	(32,541)	-	-	-	(167,392)	(199,933)
Issuance of shares	發行股份	174,491	-	-	-	-	-	174,491
Shares held for restricted share award scheme	為限制性股份獎勵計劃而持有之股份	-	-	6,459	-	-	-	6,459
Employee share based compensation	僱員股權報酬	-	-	-	(21,198)	-	-	(21,198)
Accrued distribution to holders of convertible perpetual securities	可換股永久證券持有人應計分派	-	-	-	-	-	(854)	(854)
Dividend	股息	-	-	-	-	-	(30,788)	(30,788)
At 31 December 2015	於二零一五年十二月三十一日	751,108	(34,905)	9,555	(30,753)	23,185	(77,978)	640,212

44 本公司資產負債表及儲備變動(續)

本公司資產負債表(續)

附註(a)本公司可換股永久證券及儲備變動(續)

(i)

44 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)
BALANCE SHEET OF THE COMPANY (Continued)

Note (a) convertible perpetual securities and reserves movement of the Company (Continued)

(i)

		Share premium	Translation reserve	Share based compensation reserve	Employee share trust	Capital redemption reserve	Contributed surplus	Retained earnings	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2016	於二零一六年一月一日	751,108	(34,905)	9,555	(30,753)	23,185	-	(77,978)	640,212
Exchange difference arising from translation of foreign operation	換算海外業務所產生匯兌差額	-	153,219	-	-	-	-	-	153,219
Loss for the year	年度虧損	-	-	-	-	-	-	(157,272)	(157,272)
Total comprehensive loss for the year	年度全面虧損總額	-	153,219	-	-	-	-	(157,272)	(4,053)
Issuance of shares	發行股份	360,943	-	-	-	-	-	-	360,943
Shares held for restricted share award scheme	為限制性股份獎勵計劃而持有之股份	-	-	-	1,846	-	-	-	1,846
Employee share based compensation	僱員股權報酬	-	-	10,245	-	-	-	-	10,245
Accrued distribution to holders of convertible perpetual securities	可換股永久證券持有人應計分派	-	-	-	-	-	-	(18,661)	(18,661)
Share premium reduction	削減股份溢價	(400,000)	-	-	-	-	248,645	151,355	-
Dividend	股息	-	-	-	-	-	(133,934)	-	(133,934)
At 31 December 2016	於二零一六年十二月三十一日	712,051	118,314	19,800	(28,907)	23,185	114,711	(102,556)	856,598

44 本公司資產負債表及儲備變動 (續)

本公司資產負債表 (續)

附註(a) 本公司可換股永久證券及儲備變動 (續)

(i)

		Share premium	Translation reserve	Share based compensation reserve	Employee share trust	Capital redemption reserve	Contributed surplus	Retained earnings	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2016	於二零一六年一月一日	751,108	(34,905)	9,555	(30,753)	23,185	-	(77,978)	640,212
Exchange difference arising from translation of foreign operation	換算海外業務所產生匯兌差額	-	153,219	-	-	-	-	-	153,219
Loss for the year	年度虧損	-	-	-	-	-	-	(157,272)	(157,272)
Total comprehensive loss for the year	年度全面虧損總額	-	153,219	-	-	-	-	(157,272)	(4,053)
Issuance of shares	發行股份	360,943	-	-	-	-	-	-	360,943
Shares held for restricted share award scheme	為限制性股份獎勵計劃而持有之股份	-	-	-	1,846	-	-	-	1,846
Employee share based compensation	僱員股權報酬	-	-	10,245	-	-	-	-	10,245
Accrued distribution to holders of convertible perpetual securities	可換股永久證券持有人應計分派	-	-	-	-	-	-	(18,661)	(18,661)
Share premium reduction	削減股份溢價	(400,000)	-	-	-	-	248,645	151,355	-
Dividend	股息	-	-	-	-	-	(133,934)	-	(133,934)
At 31 December 2016	於二零一六年十二月三十一日	712,051	118,314	19,800	(28,907)	23,185	114,711	(102,556)	856,598

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

45 SUBSEQUENT EVENTS

On 3 January 2017, 杭州朗輝投資管理有限公司 (Hangzhou Langhui Investment Management Co., Ltd. ("Hangzhou Langhui")), a wholly-owned subsidiary of the Company entered into an agreement with 寧波金沃房地產開發有限公司 (Ningbo Jinwo Real Estate Development Co., Ltd. ("NBRED")), pursuant to which Hangzhou Langhui has agreed to purchase and NBRED has agreed to sell its entire equity interest in 寧波金沃商業投資有限公司 (Ningbo Jinwo Commercial Investment Co., Ltd. ("NBJIC")). The total consideration is RMB270,000,000. Subject to and upon completion of the acquisition, NBJIC will become a wholly-owned subsidiary of the Group.

On 3 January 2017, Hangzhou Langhui entered into an acquisition agreement with 杭州紅寶電力燃料有限公司 (Hangzhou Hongbao Electric Fuel Company Limited ("Hangzhou Hongbao Electric Fuel")), pursuant to which Hangzhou Langhui has agreed to purchase and Hangzhou Hongbao Electric Fuel has agreed to sell the entire equity interest in 浙江天元房地產開發有限公司 (Zhejiang Tianyuan Properties Development Company Limited ("Zhejiang Tianyuan")), and Hangzhou Langhui has agreed to provide the shareholder's loan to Zhejiang Tianyuan. The total consideration is RMB286,910,039.

On 10 February 2017, 成都朗輝企業管理諮詢有限公司 (Chengdu Langhui Corporate Management and Consulting Co., Ltd. ("Chengdu Langhui")), a wholly-owned subsidiary of the Company entered into an agreement with Masque Enterprises Limited ("Masque"), pursuant to which Chengdu Langhui has agreed to purchase and Masque has agreed to sell its entire interest equity in 成都漢飛房地產開發有限公司 (Chengdu Hanfei Properties Development Co., Ltd.) at the consideration of RMB186,000,000 (subject to the adjustment).

On 24 February 2017, 上海朗松實業有限公司 (Shanghai Langsong Enterprises Co., Ltd. ("Shanghai Langsong")), a wholly-owned subsidiary of the Company has successfully bid for the properties held by 中國太平洋人壽保險有限公司 (China Pacific Life Insurance Co., Ltd. ("China Pacific")) at the public auction held by Shanghai United Assets and Equity Exchange and has entered into an agreement with China Pacific, pursuant to which Shanghai Langsong has agreed to acquire, and China Pacific Life Insurance agreed to sell the properties at the consideration of RMB312,000,000.

45 報告期後事項

於二零一七年一月三日，本公司全資附屬公司杭州朗輝投資管理有限公司（「杭州朗輝」）與寧波金沃房地產開發有限公司（「NBRED」）訂立協議，據此，杭州朗輝同意收購，而NBRED同意出售所持寧波金沃商業投資有限公司（「NBJIC」）的全部股權，總代價為人民幣270,000,000元。收購完成後，NBJIC將成為本集團全資附屬公司。

於二零一七年一月三日，杭州朗輝與杭州紅寶電力燃料有限公司（「杭州紅寶電力燃料」）訂立收購協議，據此，杭州朗輝同意收購，及杭州紅寶電力燃料同意出售浙江天元房地產開發有限公司（「浙江天元」）全部股權，以及杭州朗輝同意向浙江天元提供股東貸款，總代價為人民幣286,910,039元。

於二零一七年二月十日，本公司全資附屬公司成都朗輝企業管理諮詢有限公司（「成都朗輝」）與Masque Enterprises Limited（「Masque」）訂立協議，據此，成都朗輝同意收購，而Masque同意出售所持成都漢飛房地產開發有限公司全部股權，代價為人民幣186,000,000元（可予調整）。

於二零一七年二月二十四日，本公司全資附屬公司上海朗松實業有限公司（「上海朗松」）成功經上海聯合產權交易所的公開掛牌出讓投得中國太平洋人壽保險有限公司（「中國太平洋」）持有的物業並訂立協議，據此，上海朗松同意收購，而中國太平洋人壽保險同意出售該物業，代價為人民幣312,000,000元。

FINANCIAL SUMMARY

財務摘要

Year ended 31st December 截至十二月三十一日止年度

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 (Restated) (經重列)	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元 (Restated) (經重列)	2012 二零一二年 RMB'000 人民幣千元 (Restated) (經重列)
Results	業績					
Revenue*	收入*	4,845,008	1,792,791	703,826	33,042	72,532
Profit before income tax*	除所得稅前溢利*	832,467	663,990	419,517	35,735	83,695
Income tax expense*	所得稅開支*	(225,631)	(184,261)	(119,367)	(7,206)	(5,877)
Profit for the year	年度溢利	606,836	479,729	300,150	28,519	77,818
Attributable to:	供分配予:					
Owners of the Company	本公司所有者	595,439	485,079	301,590	28,519	77,818
Non-controlling interest	非控制性權益	11,397	(5,350)	(1,440)	-	-
		606,836	479,729	300,150	28,519	77,818

* Including continuing and discontinued operations

* 包括持續及非持續經營

At 31st December 於十二月三十一日

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 (Restated) (經重列)	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元 (Restated) (經重列)	2012 二零一二年 RMB'000 人民幣千元 (Restated) (經重列)
Assets and liabilities	資產及負債					
Total assets	總資產	18,007,126	14,140,916	8,989,167	2,880,335	815,678
Total liabilities	總負債	(14,954,410)	(12,182,757)	(7,607,922)	(1,838,144)	(387,394)
		3,052,716	1,958,159	1,381,245	1,042,191	428,284
Attributable to:	供分配予:					
Owners of the Company	本公司所有者	2,900,656	1,917,949	1,335,685	1,032,191	428,284
Non-controlling interest	非控股性權益	152,060	40,210	45,560	10,000	-
		3,052,716	1,958,159	1,381,245	1,042,191	428,284

PARTICULARS OF INVESTMENT PROPERTY

投資性物業詳情

INVESTMENT PROPERTY HELD FOR RENTAL PURPOSE

持作租賃之投資性物業

Location 地點	Approximately gross floor area 大約建築面積 (square meters) (平方米)	Nature of property 物業性質	Attributable interest of the Group 本集團應佔權益	Lease term 租約年期
Dawning Tower, Shahe Road West, Shenzhen High-Tech Park, Nanshan District, Shenzhen City, The People's Republic of China 中華人民共和國 深圳市 南山區 深圳高新技術園區沙河西路 曙光大廈	23,736	Commercial 商業	100%	Medium-term lease 中期租約

L/NDSEA朗诗 绿色地产

—— 绿色 创新 未来 ——



This report is printed on environmentally friendly paper
本報告以環保紙印製