



LVGEM

綠景(中國)地產投資有限公司

LVGEM (CHINA) REAL ESTATE INVESTMENT COMPANY LIMITED

(於開曼群島註冊成立之有限公司)

(Incorporated in the Cayman Islands with limited liability)

香港聯交所股份代號: 95 HKSE Stock Code: 95

特色地產
舊改先鋒

Distinctive Property Developer
Pioneer in Urban Renewal

2017

Annual Report 年報



Contents 目錄

Corporate Information	2	公司資料
Chairman's Statement	4	主席報告
Management Discussion and Analysis	6	管理層討論與分析
Biographical Details of Directors and Senior Management	19	董事及高級管理人員之履歷
Directors' Report	23	董事會報告
Corporate Governance Report	34	企業管治報告
Independent Auditor's Report	45	獨立核數師報告
Consolidated Statement of Profit or Loss	52	綜合損益表
Consolidated Statement of Profit or Loss and Other Comprehensive Income	53	綜合損益及其他全面收益表
Consolidated Statement of Financial Position	54	綜合財務狀況報表
Consolidated Statement of Changes in Equity	56	綜合權益變動表
Consolidated Statement of Cash Flows	57	綜合現金流量表
Notes to the Consolidated Financial Statements	59	綜合財務報表附註
Financial Summary	161	財務概要
List of Principal Properties	162	主要物業

Corporate Information

公司資料

Directors

Executive Directors

Ms. HUANG Jingshu (*Chairman*)
Mr. TANG Shouchun (*Chief Executive Officer*)
Mr. YE Xingan
Ms. DENG Chengying
Mr. HUANG Hao Yuan

Non-Executive Director

Ms. LI Lihong (appointed on 29 March 2018)

Independent Non-Executive Directors

Mr. ZHU Jiusheng
Mr. WANG Jing
Ms. HU Gin Ing

Executive Committee

Ms. HUANG Jingshu (*Chairman*)
Mr. TANG Shouchun (*Chief Executive Officer*)
Mr. YE Xingan
Ms. DENG Chengying
Mr. HUANG Hao Yuan

Audit Committee

Mr. ZHU Jiusheng (*Chairman*)
Mr. WANG Jing
Ms. HU Gin Ing

Nomination Committee

Ms. HUANG Jingshu (*Chairman*)
Mr. ZHU Jiusheng
Mr. WANG Jing

Remuneration Committee

Ms. HU Gin Ing (*Chairman*)
Ms. HUANG Jingshu
Mr. ZHU Jiusheng

Authorised Representatives

Ms. DENG Chengying
Ms. CHAN Hiu Mei

Company Secretary

Ms. CHAN Hiu Mei

Auditor

Deloitte Touche Tohmatsu

Registered Office

PO Box 1350
Clifton House, 75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

董事

執行董事

黃敬舒女士(*主席*)
唐壽春先生(*行政總裁*)
葉興安先生
鄧承英女士
黃浩源先生

非執行董事

李麗紅女士(於二零一八年三月二十九日獲委任)

獨立非執行董事

祝九勝先生
王敬先生
胡競英女士

執行委員會

黃敬舒女士(*主席*)
唐壽春先生(*行政總裁*)
葉興安先生
鄧承英女士
黃浩源先生

審核委員會

祝九勝先生(*主席*)
王敬先生
胡競英女士

提名委員會

黃敬舒女士(*主席*)
祝九勝先生
王敬先生

薪酬委員會

胡競英女士(*主席*)
黃敬舒女士
祝九勝先生

授權代表

鄧承英女士
陳曉薇女士

公司秘書

陳曉薇女士

核數師

德勤•關黃陳方會計師行

註冊辦事處

PO Box 1350
Clifton House, 75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

Head Office and Principal Place of Business in Hong Kong

Suites 1701–1703, 17/F., Everbright Centre
108 Gloucester Road
Wanchai, Hong Kong

PRC Office

55/F, Tower A, NEO Building
6011 Shennan Avenue, Futian District
Shenzhen, PRC
Postal Code: 518048

26/F Gold River Center
88 Shi Shan Road, New District
Suzhou, PRC
Postal Code: 215011

Legal Advisers (in alphabetical order)

Appleby Hunter Bailhache
Deacons
Global Law Office
Sidley Austin

Principal Bankers (in alphabetical order)

Bank of China (Hong Kong) Limited
Bank of Communications Co., Ltd
Bank of Guangzhou Co., Ltd
Bank of Shanghai Co., Limited
China CITIC Bank Corporation Limited
China Construction Bank Corporation
China Everbright Bank Company Limited
Chong Hing Bank Limited
Hua Xia Bank Co., Limited
Wing Lung Bank Limited

Principal Share Registrar and Transfer Office

Estera Trust (Cayman) Limited
PO Box 1350
Clifton House, 75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

Branch Share Registrar and Transfer Office in Hong Kong

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

Securities Code

Stock

HKEx: 95
Board Lot: 2,000 shares (with effect from 2 February 2018)

Bond

US\$400,000,000 8.5% Senior Notes due 2020
ISIN : XS1643556670

Website

www.lvgem-china.com

總辦事處及香港主要營業地點

香港灣仔
告士打道108號
光大中心17樓1701-1703室

國內辦事處

中國深圳市
福田區深南中路6011號
NEO大廈(A座)55層
郵編：518048

中國蘇州市
新區獅山路88號
金河國際中心26層
郵編：215011

法律顧問 (按英文字母排列次序)

Appleby Hunter Bailhache
的近律師行
環球律師事務所
盛德律師事務所

主要往來銀行 (按英文字母排列次序)

中國銀行(香港)有限公司
交通銀行股份有限公司
廣州銀行股份有限公司
上海銀行股份有限公司
中信銀行股份有限公司
中國建設銀行股份有限公司
中國光大銀行股份有限公司
創興銀行有限公司
華夏銀行股份有限公司
永隆銀行有限公司

主要股份過戶登記處

Estera Trust (Cayman) Limited
PO Box 1350
Clifton House, 75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心22樓

證券代號

股份

香港聯交所：95
交易單位：2,000股 (自二零一八年二月二日起生效)

債券

400,000,000美元於二零二零年到期的8.5%優先票據
國際證券編號：XS1643556670

公司網址

www.lvgem-china.com

Chairman's Statement

主席報告

Dear Shareholders,

On behalf of the board of directors (the “Directors” or the “Board”) of LVGEM (China) Real Estate Investment Company Limited (the “Company” or “LVGEM (China)”), I would like to report to all the shareholders who have been supportive to the Company and its subsidiaries (collectively known as the “Group”) the consolidated results of the Group for the year ended 31 December 2017.

Looking back, the macroeconomy of China in 2017 was generally in stable condition, in particular with the real estate market played an important role. During the year, the Chinese government promulgated a series of regulatory policies to continuously regulate the real estate market in China and accelerate the reform of the real estate system and the development of long-term mechanism, in order to promote the consistently steady and healthy development of real estate market.

With the effect of long-term mechanism and regulatory policies, the value of real property in major cities in the PRC continued to be prominent. As one of China's most dynamic and innovative cities, Shenzhen continued to witness influx of expatriate population, leading to contracted land supply and long-term under supply in residential housing. Strong supply-and-demand fundamentals, nevertheless, provided long-term solid support for the price of residential housing in the core areas of Shenzhen. Furthermore, as the Guangdong-Hong Kong-Macao Greater Bay Area develops, the economic potentials, demographic benefits, infrastructure improvement and urban renewal will create enormous opportunities and huge room for asset appreciation in the real estate industry of Shenzhen.

As an unique comprehensive property developer, LVGEM (China) adheres to the strategic planning concept of “Focusing on Core Cities and Cities' Core Areas”. The Company's projects are mainly located in core cities and central areas of Shenzhen and Hong Kong. LVGEM (China) successfully developed and operated numerous large-scale quality residential and commercial development projects in Guangdong-Hong Kong-Macao Greater Bay Area, achieving good benefits in social, economic and environmental aspects. As the pioneer in the field of urban renewal, LVGEM (China) has over the years focused on urban renewal. We successfully developed various urban renewal projects and secured parcels of land at the heart of urban prime locations at low costs, thus enjoying first-mover advantage. Meanwhile, through collaboration with our controlling shareholder, we developed a unique model for land acquisition with less risk exposure and higher flexibility. The Company adhered to the “two-wheel driven” model of commercial and residential businesses whereby synergies were delivered between the businesses of ancillary services for commercial properties as well as residential development and sales, generating stable cash flows and gains from appreciation.

For the segment of “Property Development and Sales”, under the “dual-core strategy”, the Group has been actively participating in residential and commercial development projects in the Pearl River Delta region for over two decades, especially the urban renewal projects in Shenzhen. In 2017, the Group actively launched new quality property projects, namely LVGEM Hongwan Garden and LVGEM Huazhou International Garden zone B, among which, zones B1, B2 and B3 of LVGEM Huazhou International Garden were launched in May, October and December 2017 respectively, receiving overwhelming market responses. LVGEM Hongwan Garden was launched for sale in July 2017 and recorded good sales performance. In addition, the Group is developing the LVGEM Hong Kong Lau Fau Shan Project which is the Group's first property development project in Hong Kong and marked a new milestone of the internationalisation of the “LVGEM” brand.

各位股東：

本人謹代表綠景(中國)地產投資有限公司(「本公司」或「綠景(中國)」)董事會(「董事」或「董事會」)向所有一直支持本公司及其附屬公司(統稱「本集團」)的股東們匯報本集團截至二零一七年十二月三十一日止年度的綜合業績。

回顧二零一七年，中國宏觀經濟整體運行平穩，其中房地產市場起到重要作用。年內，國家發佈了一系列的調控政策，不斷規範中國房地產市場，加快房地產制度的改革和長效機制的建設，以促進房地產市場的持續穩定健康發展。

在長效機制和調控政策作用下，重點城市價值繼續突顯，作為中國最具活力的創新城市之一，深圳外來人口持續流入，土地供應持續收縮，住宅資源長期供不應求，強勁的供需基本面為深圳核心區域住宅資源價格提供長期的有力支撐。另外，隨著粵港澳大灣區的發展，經濟潛力、人口增長紅利、基建的完善以及城市更新建設，都將使深圳房地產行業擁有更大機遇，資產升值空間巨大。

作為具有特色的綜合性房地產開發商，綠景(中國)秉持「深耕核心城市，聚焦城市核心」的戰略佈局理念，項目主要佈局於核心城市的核心地段，以「深圳—香港」為主軸，成功在粵港澳大灣區開發和運營一大批大型優質住宅和商業發展項目，取得了良好的社會效益、經濟效益和環境效益。作為城市更新的先行者，綠景(中國)多年來專注城市更新，成功發展多個舊改項目，以低成本優勢獲得城市優勢核心地段土地，坐享先發優勢，並通過與控股股東聯動合作，形成了低風險、高靈活性的獨特土地儲備獲取模式。本公司堅持商業和住宅業務的「雙輪驅動」模式，商業地產配套與住宅開發及銷售業務形成協同效應，帶來穩定的現金流及升值收益。

在「物業開發與銷售」板塊，本集團通過「雙核戰略」，二十餘年來積極參與珠三角地區，特別是深圳城市更新的住宅和商業開發項目。二零一七年，本集團積極推出優質房地產新項目—綠景虹灣花園及綠景化州國際花城B區。其中，綠景化州國際花城B1區、B2區、B3區分別於二零一七年五月、十月、十二月推出，認購反應熱烈，綠景虹灣花園於二零一七年七月開售，銷售情況良好。另外，本集團正在發展綠景香港流浮山項目，這是本集團首個香港房地產發展項目，標誌著「綠景」品牌邁向國際化。

Chairman's Statement

主席報告

For the segment of “Commercial Property Investment and Operations”, the Group currently successfully operates two commercial brands, namely “NEO” and “Zoll”, totaling 17 investment properties, with a total gross floor area of approximately 543,708 square meters and an average occupancy rate of 98%. Among which, the grand openings of LVGEM Zoll Hongwan Shopping Centre and LVGEM Zoll International Garden Shopping Centre were held on 9 January 2017 and 23 January 2018, respectively, securing a number of quality tenants. By generating stable cash flow and rental income for the Company and multiple synergies with the Company's residential business through the “two-wheel driven” model, these commercial properties have enabled the Group to achieve stable capital growth.

In order to actively adapt to the Guangdong-Hong Kong-Macao Greater Bay Area strategy and capture the development opportunities, in 2017, the Group acquired 8 Bay East, the entire grade-A waterfront office building locating in “Kowloon East”, the new central business district of Hong Kong, for HK\$9,000,000,000 and renamed it as Hong Kong LVGEM NEO Project, which is estimated to be completed in 2019. The acquisition represents another key move of the Group in Hong Kong following the LVGEM Hong Kong Lau Fau Shan Project, which is of significant strategic importance to us. The project will consolidate the Group's leading position in the commercial property sector and strengthen its market position and brand influence in the Guangdong-Hong Kong-Macao Greater Bay Area. Leveraging its excellent geographic location and the huge policy benefits, the project is expected to contribute stable rental income and long-term capital gains to LVGEM (China).

For the segment of “Comprehensive Services”, in 2017, our property management services, hotel operations and others contributed revenue of RMB355 million to the Group. In 2017, the Group newly acquired Vanlee Hotel, which is located in Covina, California, United States and occupies a site area of 22,652 square meters. As a milestone project of LVGEM (China), the operation of Vanlee Hotel represents a further expansion of the Group's international business.

After over 20 years of steady operations, LVGEM (China) has won recognitions in the industry, capital market and society. In 2017, the Group successfully issued US\$400,000,000 guaranteed senior notes, which received immense responses from the capital market and were over-subscribed. We entered into a strategic partnership with the Bank of East Asia (China) Limited to obtain credit support. The Group was awarded the honor of “Trustworthy (Quality) Enterprises in Shenzhen's Real Estate Development Industry” and ranked as the “Top 10 Shenzhen Real Estate Development Enterprises in terms of Comprehensive Strength”. The above achievements reflect that the capital market highly values the development prospect of LVGEM (China) and that the society recognizes the strength of the LVGEM (China) brand.

The stable development of the Group could not have been accomplished without the trust and support from all of our shareholders, investors, clients, business partners and staff. For this, I would like to extend my sincere gratitude on behalf of the Board. In future, by continuously adhering to the core value of “professionalism lays the foundation and mutual harmony leads to sustainable growth” and committing to the mission of “enhancing city values”, the Group will continue to consolidate its leading position in the Shenzhen market, focus primarily on the Pearl River Delta region, follow the Guangdong-Hong Kong-Macao Greater Bay Area strategy as well as proactively expand its Yangtze River Delta region market and overseas business. Meanwhile, the Group will capture development opportunities, speed up project progress and enhance value and profitability in order to bring long-term and sustainable returns to our shareholders, investors and society, striving for the fabulous vision of “being the most respected city value-creator in China”.

HUANG Jingshu
Chairman

Hong Kong, 23 March 2018

在「商業物業投資與經營」板塊，本集團目前成功運營「NEO」和「佐陞」兩大商業品牌，共17個投資性物業，合計建築面積達約543,708平方米，平均出租率達98%。其中，綠景佐陞虹灣購物中心及綠景佐陞國際花城購物中心分別於二零一七年一月九日及二零一八年一月二十三日盛大開業，吸引大量優質租戶進駐。商業物業為本公司創造了穩定的現金流及租金收入，並通過「雙輪驅動」模式與公司住宅業務形成協同效應，實現資本的穩步增長。

為積極響應粵港澳大灣區戰略，把握發揮機遇，本集團更於二零一七年內以90億港元收購位於香港新核心商業區「九龍東」的全幢臨海甲級商廈8 Bay East，並命名為香港綠景NEO項目。該項目預計於二零一九年落成，這是本集團繼綠景香港流浮山項目後在香港市場的又一重大舉措，具有重要戰略意義。該項目將鞏固集團於商業物業領域的領先地位並擴大在粵港澳大灣區的市場地位及品牌影響力。憑藉優越的地理位置和巨大政策紅利，該項目預計將為綠景（中國）帶來穩定租金收入及長遠資本收益。

在「綜合服務」板塊，物業管理服務、酒店運營及其他在二零一七年為本集團帶來人民幣355百萬元收入。本集團於二零一七年新收購了位於美國加利福尼亞州Covina的Vanlee酒店，酒店佔地22,652平方米。Vanlee酒店運營是綠景（中國）的里程碑式項目，標誌著本集團的國際業務的進一步擴展。

經過二十餘年的穩健運營，綠景（中國）收穫了行業、資本市場及社會的認可。二零一七年，本集團成功發行4億美元有擔保優先票據，得到資本市場熱烈迴響，獲超額認購；與東亞銀行（中國）達成戰略合作夥伴關係，獲得授信支持；榮獲「深圳市房地產開發行業誠信（優質）企業」和「深圳市房地產開發行業綜合實力十強」。這些都顯示了資本市場對綠景（中國）發展前景的高度評價，以及社會對綠景（中國）品牌實力的認可。

本集團的穩步發展，離不開所有股東、投資者、客戶、合作夥伴及員工的信任和支持，本人謹代表董事會表示衷心致謝。未來，本集團將繼續秉持「專為本、和致遠」的核心價值觀，以「持續提升城市價值」為使命，繼續鞏固在深圳的市場領先地位，重點佈局珠三角，順應粵港澳大灣區戰略，並積極拓展長三角地區市場及境外業務，把握發展機遇，加快推進項目進度，提升價值和盈利能力，為股東、投資者和社會帶來長遠、可持續的回報，向「做最受尊敬的城市價值創造者」這一美好願景而努力邁進！

主席
黃敬舒

香港，二零一八年三月二十三日

Management Discussion and Analysis

管理層討論與分析

Industry Review

In 2017, the Chinese economy maintained a steady growth in general and the real estate industry in China was gradually entering a new stage of stable development. In order to constantly regulate the development of its real estate industry, the government has announced a series of regulatory policies to put in place a long-term and effective mechanism to regulate the real estate industry and create a favourable environment for the development of the market in view of a sustainable, stable and healthy growth of the real estate market.

According to the statistics of the National Bureau of Statistics, in 2017, the sales area and sales amount of commodity housing in China continued to grow to a sales area of commodity housing nationwide of 1,694.08 million square meters, representing an increase of 7.7% year-on-year, while the sales amount of commodity housing nationwide was RMB13,370.1 billion, representing a year-on-year growth of 13.7%. Meanwhile, the area of commodity housing pending for sale continued to decline. As at the end of December, the area of commodity housing pending for sale nationwide was 589.23 million square meters, representing a year-on-year decrease of 15.3%. This reflected a gradually more stable real estate industry in China and the remarkable results of the destocking policy.

With the long-term and effective mechanism and regulatory policies, major cities continued to stand out with greater values. As one of the most dynamic and innovative cities in China, Shenzhen has been attracting the inflow of migrant talents. According to the latest findings of Statistics Bureau of Shenzhen Municipality as at the end of 2016, the resident population in Shenzhen amounted to 11.91 million, representing an increase of 4.66%, the highest among the four major first-tier cities in China. Meanwhile, in order to deepen the reform of the household registration system, increase the proportion of registered population and optimize the population structure, the Shenzhen Municipal Government successively launched various loosening household registration policies to attract quality talents. In 2016, its registered population increased by 498,000 as compared to 2015, well ahead of other first-tier cities. The continuous inflow of migrant population has generated stable growth in demand of residential and commercial properties in Shenzhen and particularly, the under supply of land resources has provided strong support to the price of residential properties in the core district of Shenzhen.

Meanwhile, under the development goal of the “Development Plan for a City Cluster in the Guangdong-Hong Kong-Macao Greater Bay Area” (《粵港澳大灣區城市群發展規劃》), the Greater Bay Area will be developed into the globally first-rate bay area by 2020, establishing the framework for world-class city clusters. In 2030, the Greater Bay Area will rank the top among global bay areas, turning into an advanced manufacturing center, key innovation center, international financial, shipping and trade center globally and emulating into the forefront of world-renowned city clusters. As more development plans of the Greater Bay Area are being rolled out, it is expected that the population within the area will surge.

行業回顧

二零一七年，中國經濟總體穩中有進、穩中向好。中國房地產行業亦逐步進入穩步發展的新階段。為不斷規範中國房地產行業發展，政府發佈一系列調控政策，目的是加快房地產行業長效機制的建設，營造良好的市場發展環境，以促進房地產市場的持續穩定健康發展。

根據國家統計局數據顯示，二零一七年中國商品房銷售面積和金額持續增長，全國商品房銷售面積為169,408萬平方米，同比增長7.7%，全國商品房銷售額為人民幣13,370.1億元，同比增長13.7%。同時，商品房待售面積繼續減少，十二月末全國商品房待售面積為58,923萬平方米，同比下降15.3%，體現了中國房地產行業漸趨穩健，去庫存政策成效明顯。

在長效機制和調控政策作用下，重點城市價值繼續突顯。深圳作為中國最具活力的創新城市之一，源源不斷地吸引外來人才持續流入。根據二零一六年末深圳市統計局最新數據顯示，深圳常住人口達1,191萬人，增長率達4.66%，增長率為國內四大一線城市最高。同時，為深化戶籍制度改革，提高戶籍人口比例及結構優化，深圳市政府陸續推出多個寬鬆落戶政策吸引高素質人才，二零一六年戶籍人口較二零一五年增加49.8萬人，較其他一線城市遙遙領先。外來人口持續流入帶動深圳住宅和商業物業需求穩定增長，土地資源的供不應求更為深圳核心區住宅資源價格提供有力支撐。

同時，根據《粵港澳大灣區城市群發展規劃》的發展目標，大灣區到二零二零年將形成國際一流灣區，確立世界級城市群的框架；並於二零二零年位居全球灣區榜首，成為全球先進製造業中心、全球重要創新中心、國際金融航運和貿易中心，躋身世界知名城市群前列。隨著大灣區的發展規劃陸續推行，預期區內的人口定會大幅增長。

Management Discussion and Analysis

管理層討論與分析

As a featured and integrated real estate developer, LVGEM (China) is positioned as a unique property developer and pioneer in urban renewal, which has always upheld the “dual-core” strategic planning vision of “Focusing on Core Cities and Cities’ Core Areas”, with “Shenzhen-Hong Kong” playing the pivotal role. Our projects made their focused presence over the core areas of core cities such as Shenzhen, Hong Kong and the Pearl River Delta region, which are also the major planning cities of the Guangdong-Hong Kong-Macao Greater Bay Area. The economic growth, demographic benefits, improved infrastructure and urban renewal construction within the Greater Bay Area will bring enormous rooms for development and potential opportunities to Shenzhen’s real estate market, which is expected to further drive the sales and profit growth of the Group.

Results

The Group achieved satisfactory results for the year ended 31 December 2017. All of its key financial indicators were in line with the expectations of the management and the overall results performance was satisfactory.

For the year ended 31 December 2017, the Group achieved total revenue of approximately RMB2,967.8 million (2016: RMB4,590.2 million), representing a decrease of approximately 35.3% year-on-year. Gross profit was RMB1,937.9 million (2016: RMB2,296.0 million), representing a decrease of approximately 15.6% year-on-year. Gross profit margin remained at a relatively high level of 65.3% (2016: 50.0%).

Profit for the year was RMB1,038.6 million (2016: RMB808.7 million), representing a growth of approximately 28.4% year-on-year. Profit attributable to owners of the Company was RMB1,035.4 million (2016: RMB802.3 million), representing a growth of approximately 29.1% year-on-year. Basic earnings per share was RMB22.06 cents (2016: RMB17.09 cents), representing a growth of approximately 29.1% year-on-year.

The Board has recommended the payment of a final dividend of HK5 cents (equivalent to approximately RMB4.15 cents) per ordinary share for the year ended 31 December 2017 (2016: HK5 cents and equivalent to approximately RMB4.5 cents).

The Group’s key financial indicators for the year ended 31 December 2017 were as follows:

作為具有特色的綜合性房地產開發商，綠景(中國)定位為特色地產商及城市更新先鋒一直堅持「深耕核心城市，聚焦城市核心」的「雙核」戰略佈局理念，以「深圳—香港」為主軸，項目重點佈局粵港澳大灣區主要規劃城市深圳、香港和珠三角地區等核心城市的核心地區。灣區內經濟增長、人口增長紅利、基建的完善以及城市更新建設等將為深圳房地產市場帶來巨大發展空間和潛在機遇，預期有望進一步推動集團的銷售及盈利增長。

業績

本集團於截至二零一七年十二月三十一日止年度取得理想成績，各項主要財務指標符合管理層預期，整體業績表現令人滿意。

截至二零一七年十二月三十一日止年度，本集團實現總收益約為人民幣2,967.8百萬元(二零一六年：人民幣4,590.2百萬元)，同比下降約35.3%。毛利為人民幣1,937.9百萬元(二零一六年：人民幣2,296.0百萬元)，同比下降約15.6%。毛利率維持在較高水平的65.3%(二零一六年：50.0%)。

年內，盈利為人民幣1,038.6百萬元(二零一六年：人民幣808.7百萬元)，同比增長約28.4%。本公司股東應佔盈利為人民幣1,035.4百萬元(二零一六年：人民幣802.3百萬元)，同比增長約29.1%。每股基本盈利為人民幣22.06分(二零一六年：人民幣17.09分)，同比增長約29.1%。

董事會已建議派付截至二零一七年十二月三十一日止年度的末期股息每股普通股5港仙(相等於約人民幣4.15分)(二零一六年：5港仙及相等於約人民幣4.5分)。

以下是本集團截至二零一七年十二月三十一日止年度之主要財務指標：

		2017 二零一七年 (RMB million) (人民幣百萬元)	2016 二零一六年 (RMB million) (人民幣百萬元)	Change 改變
Revenue	收益	2,967.8	4,590.2	(35.3)%
Gross profit	毛利	1,937.9	2,296.0	(15.6)%
Profit from core business*	核心業務應佔盈利*	649.8	604.4	7.5%
Profit attributable to owners of the Company	本公司股東應佔盈利	1,035.4	802.3	29.1%
Basic earnings per share (RMB cents)	每股基本盈利(人民幣分)	22.06	17.09	29.1%
Gross profit margin (%)	毛利率(%)	65.3	50.0	

* Profit from core business represents profit attributable to owners of the Company less fair value changes on investment properties and related deferred tax, exchange gain or loss and fair value changes on derivative financial instruments.

* 核心業務應佔盈利指本公司股東應佔盈利減投資物業及相關遞延稅項的公允價值變動、匯兌損益及衍生金融工具的公允價值變動。

Management Discussion and Analysis

管理層討論與分析

		As at 31 December 2017 於二零一七年 十二月三十一日 (Audited) (經審核)	As at 31 December 2016 於二零一六年 十二月三十一日 (Audited) (經審核)
Bank balances and cash (including restricted bank deposits) (RMB million)	銀行結餘及現金(包括受限制銀行存款)(人民幣百萬元)	6,092.7	4,531.2
Average finance costs (%)	平均融資成本(%)	6.6	6.2
Debt ratio (%)	負債比率(%)	72.6	64.5
Rate of equity return (%)	資本回報率(%)	10.5	8.9

Business Review

Over the years, the Group has been focusing on core areas in Shenzhen and actively participating in large-scale quality residential and commercial development projects in the Guangdong-Hong Kong-Macao Greater Bay Area. It has approximately over 20 years of successful experience in real estate development, in particular urban renewal, which has consolidated the leading market position of the Group in Shenzhen. In 2017, the Group was again awarded the honour of “Trustworthy (Quality) Enterprises in Shenzhen’s Real Estate Development Industry” and was ranked as the “Top 10 Shenzhen Real Estate Development Enterprises in terms of Comprehensive Strength” for seven consecutive years, marking the high recognition of the strength of the LVGEM (China) brand by the community.

In contrast to traditional real estate developers at the national level, LVGEM (China) has positioned itself as a unique property developer and pioneer in urban renewal, which persists in the “dual-core” strategic planning vision of “Focusing on Core Cities and Cities’ Core Areas”. LVGEM (China) has precisely made its business presence over the core areas of core cities in the Guangdong-Hong Kong-Macao Greater Bay Area such as Shenzhen, Hong Kong and Pearl River Delta region. All the past, existing and future major projects of the Group are located in Greater Bay region. As a part of the relevant national strategic plan, Guangdong-Hong Kong-Macao Greater Bay Area will become one of the regions in China with the strongest purchasing power in the future. The huge policy support and economic growth potential remained strongly favourable to the real estate demand, price and property rent of the region, which would benefit the key development areas of the Group such as, among others, Shenzhen, Hong Kong, Zhuhai and Dongguan.

業務回顧

多年來，本集團堅持深耕深圳核心區域，在粵港澳大灣區積極投入大型優質住宅和商業發展項目，在房地產開發領域尤其是城市更新方面擁有約二十多年的成功經驗，奠定了在深圳領先的市場地位。二零一七年，本集團再次榮獲「深圳市房地產開發行業誠信(優質)企業」稱號，同時連續七年蟬聯「深圳市房地產開發行業綜合實力」十強榜單，顯示了社會對綠景(中國)品牌實力的高度認可。

有別於傳統全國性房地產開發商，綠景(中國)定位為特色地產商以及城市更新的先鋒堅持「深耕核心城市，聚焦城市核心」的「雙核」戰略佈局理念，精準佈局深圳、香港及珠三角地區等粵港澳大灣區核心城市的核心地區，集團過往、現在及未來主要項目均部署在大灣區區域，配合相關國家戰略規劃，未來粵港澳大灣區將成為全國最強購買力地區之一，巨大的政策紅利和經濟增長潛力為該地區的房地產需求、價格及物業租金等方面提供強有力支撐，有利於本集團重點發展的領域(如深圳、香港、珠海、東莞等)。

Management Discussion and Analysis

管理層討論與分析

As the pioneer in the field of urban renewal, the Group has accumulated approximately 20 years of successful experience in urban renewal and has developed more than ten urban renewal projects. With such first mover advantages and the extensive experience in urban renewal, the Group has been able to acquire large-scale land in core areas of Shenzhen with high quality, avoiding costly ways of land acquisition such as land tender, auction and listing, which guarantees a higher return for the Group and prevents high risk exposure. Through over 20 years of urban renewal experience, the Group has multiple examples of successful urban renewal projects and has established a strong brand reputation. Given its experience over the years, the Group has developed a set of refined business model and a professional team for urban renewal procedure, which has high viability and can effectively respond to various policy changes and mitigate operational risks. For the urban renewal model, the Group also focuses on the bottom-up approach and completes each project with market-oriented and standardised methods. Meanwhile, through the cooperation with controlling shareholders, the Group has successfully developed a set of comprehensive and standardised land-acquisition model to continue to flexibly expand the land bank of the listed company.

Property Development and Sales

Property development and sales are the core businesses of the Group. For the year ended 31 December 2017, real estate development and sales of the Group generated approximately RMB2,114.3 million in revenue during the year (2016: RMB3,956.4 million), representing a decrease of approximately 46.6% year-on-year. The decrease in revenue was mainly attributable to the decrease in gross floor area handover during the year. The total contracted sales amounted to approximately RMB3,619.7 million (2016: RMB826.8 million), representing a substantial increase of approximately 337.8% year-on-year. During the year under review, the Group actively launched quality real estate projects, including LVGEM Hongwan Garden and LVGEM Huazhou International Garden Zone B, among which, zone B1, B2 and B3 of LVGEM Huazhou International Garden were launched in May, October and December 2017, respectively and the sales response was overwhelming. LVGEM Hongwan Garden was launched for sale in July 2017 with good sales performance and a sell-through rate achieving nearly 100%.

Meanwhile, the Group continued to identify projects with potential, including LVGEM Mangrove Bay No. 1, LVGEM Meijing Project, LVGEM Liguang Project and LVGEM Hong Kong Lau Fau Shan project, in order to bring steady growth momentum for sales and performance in the coming years. Our operating efficiency and scale will advance to a new stage after the controlling shareholders gradually introduce their land resources into the listed company in the future.

LVGEM Mangrove Bay No. 1 is recently the largest urban upgrade and redevelopment project of the Group. The project comprises three quality residential buildings and high-quality complex of Grade A offices, hotels and apartments. The project is located in the southeast corner of the intersection of Shazui Road and Jindi Road in the central business district of Futian District, Shenzhen. Having easy access to public transport and strategically located in the proximity to both Futian Port and Huanggang Port, Beijing-Hong Kong-Macao Expressway and Metro Line 3, 4 and 7, the project occupies a site area of 24,424 square meters and a planned total gross floor area of 305,450 square meters, among which, the residential portion has a gross floor area of approximately 118,687 square meters. LVGEM Mangrove Bay No. 1 is expected to be launched for sale in 2018.

本集團是城市更新的先行者，累積了約二十年的城市更新成功經驗，已發展超過十多個城市更新項目。這種先發優勢使本集團可憑藉在城市更新中積累的豐富經驗，持續獲得深圳核心城區的大規模優質土地，避免招拍掛等高成本拿地模式，確保本集團獲得較高回報以及避免承受高風險。透過二十多年的城市更新經驗，本集團已有若干個成功的城市更新項目案例，建立良好品牌，也由於多年經驗，對城市更新流程已發展出一套精細化的模式建立一支專業團隊，營運能力強，能夠有效應對各種政策變更和減低經營風險。在城市更新的模式上集團也專注於從下而上的方式，通過市場化，標準化的方法完成每個項目。同時，通過與控股股東的聯動，本集團已成功總結出一套完善而標準化的土地獲取模式，持續靈活擴展上市公司的土地儲備。

物業開發與銷售

物業開發與銷售是本集團的核心主營業務。截至二零一七年十二月三十一日止年度，本集團全年房地產開發與銷售所產生的收益約為人民幣2,114.3百萬元（二零一六年：人民幣3,956.4百萬元），同比下降約46.6%。收益下降主要由於本年度交付之總建築面積下降。總合同銷售金額約為人民幣3,619.7百萬元（二零一六年：人民幣826.8百萬元）同比大幅增長約337.8%。回顧年內，本集團積極推出優質房地產項目，包括綠景虹灣花園及綠景化州國際花城B區。其中，綠景化州國際花城B1區、B2區、B3區分別於二零一七年五月、十月、十二月推出，認購反應熱烈，綠景虹灣花園於二零一七年七月開售，銷售情況良好，去化率接近100%。

同時，本集團繼續開發具潛力的項目，包括：綠景紅樹灣壹號、綠景美景項目、綠景黎光項目及綠景香港流浮山項目，為未來幾年銷售及業績提供平穩的增長動力，待控股股東手上的土地資源未來陸續注入上市公司後，效益及規模會上升到一個新台階。

綠景紅樹灣壹號是本集團近年最具代表性的城市升級改造項目，包括三座優質住宅樓宇及一座甲級辦公室、酒店和公寓的優質綜合體。項目位於深圳福田區中心商業區、沙嘴路和金地一路交匯處東南側，交通便利，臨近福田、皇崗雙口岸、京港澳高速公路，及地鐵3、4、7號線，地理位置優越。項目佔地面積為24,424平方米，規劃總建築面積為305,450平方米，其中住宅部份建築面積約為118,687平方米。綠景紅樹灣壹號預計將於二零一八年開售。

Management Discussion and Analysis

管理層討論與分析

LVGEM International Garden is located in Huazhou, Maoming of Guangdong Province. It is located in a well-developed and traditional residential area with rich natural resources and is in proximity to Juzhou Park. It is well-served by a public transport network and is approximately a 10 minutes' drive from the city centre. The total investment of the project will be over RMB8.0 billion. In particular, zone B1, B2 and B3 of LVGEM Huazhou International Garden were launched in May, October and December 2017, respectively with a total of 1,798 residential units and the market response was overwhelming. As at 31 December 2017, 1,606 units have been subscribed and the subscription sales amounted to approximately RMB1.6 billion.

LVGEM Meijing Project is another urban upgrade and redevelopment project positioned to serve the high-income class ranging from white-collar to golden-collar, in Shenzhen. This project has an integrated modelling zone for new mixed-use industrial town which will be mainly used for industrial research and development and industrial ancillary services, complemented by other functions such as apartments, commerce and offices. The project is located at south of Beihuan Road, north of Qiaoxiang Road, east of the intersection of Qiaoxiang Road and Beihuan Road as well as west of Qiaochengfang in Shenzhen. The project occupies a site area of 10,862 square meters and a planned aboveground gross floor area of 97,214 square meters. Strategically located in the sub-district of Overseas Chinese Town, the project possesses rich scenic resources. It commenced construction at the end of 2016.

Commercial Property Investment and Operations

The Group adheres to the “two-wheel driven” model of both commercial and residential businesses. In particular, the ancillary services of commercial properties, residential development and sales business create synergy and generate steady cash flow and operating revenue to the Group. The Group's commercial property development projects are mainly independent commercial projects as well as complex projects that comprise of commercial areas. Among which, ancillary services of commercial properties under complex projects significantly increase the overall value of individual residential projects among the real estate development business. Through quality commercial property management, the Group can be rewarded with investment returns from the appreciation in property value, as well as generate stable rental income and cash flow by properly managing and leasing quality commercial properties.

The commercial properties owned by the Group are mainly represented by two commercial brands, namely “NEO” and “Zoll”, including NEO Urban Commercial complex, LVGEM Zoll Hongwan Shopping Centre, LVGEM Zoll Chanson Shopping Centre, LVGEM 1866 Zoll Centre, LVGEM Zoll International Garden Shopping Centre, Hong Kong LVGEM NEO and other shops and investment properties, with a total gross floor area of approximately 543,708 square meters. For the year ended 31 December 2017, the Group's revenue from the investments and operations of commercial properties was approximately RMB498.3 million (2016: RMB430.2 million), representing an increase of approximately 15.8% as compared to the same period last year.

綠景國際花城位於廣東省茂名市化州，位處成熟的傳統住宅區，天然資源充裕，毗鄰橘洲公園，設有完善的公共交通網絡，距離市中心僅需約10分鐘車程。該項目投資總額將逾人民幣80億元。其中，本集團於二零一七年五月、十月、十二月分別推出綠景國際花城B1、B2區及B3區住宅合共1,798套，市場反應熱烈。截至二零一七年十二月三十一日，已認購1,606套，認購金額約人民幣16億元。

綠景美景項目為另一個城市升級改造項目，定位面向深圳白領和金領的高收入人群，該項目擁有一個以產業研發、產業配套為主，兼有公寓、商業、辦公的多元綜合新型產城融合示範區。項目位於深圳市北環大道以南，僑香路以北，僑香路與北環大道交口以東，僑城坊以西，佔地10,862平方米，地上規劃建築面積為97,214平方米。該項目位於華僑城片區，具有優越的地理位置和豐富的景觀資源，項目已於二零一六年底開始動工。

商業物業投資與經營

本集團堅持商業和住宅業務的「雙輪驅動」模式，商業地產配套與住宅開發及銷售業務形成協同效應，為集團帶來穩定的現金流及營業收入。本集團商業地產發展類型主要為獨立商業項目及包含商業的綜合體項目，其中綜合體項目中商業地產的配套，可大大提升房地產開發業務的單項項目的住宅項目綜合價值。本集團可通過優質商業物業管理，享受物業升值的投資回報，同時通過完善管理和出租優質商業物業，產生穩定的租金收入和現金流。

本集團擁有以「NEO」和「佐陞」兩大商業品牌為代表的商業地產系列，當中包括：NEO都市商務綜合體、綠景佐陞虹灣購物中心、綠景佐陞香頌購物中心、綠景1866佐陞薈、綠景佐陞國際花城購物中心、香港綠景NEO以及其他商舖及投資物業，合共建築面積約為543,708平方米。截至二零一七年十二月三十一日止年度，本集團來自商業物業投資與經營的收益約為人民幣498.3百萬元（二零一六年：人民幣430.2百萬元），同比增長約15.8%。

Management Discussion and Analysis

管理層討論與分析

NEO Urban Commercial complex is elected as one of the ten major landmarks of Shenzhen. It is strategically located in the western region of central Futian District of the core central business district in Shenzhen. It is a key urban and commercial landmark in Shenzhen. It has easy access to public transport locating at the intersection of four Metro Lines 1, 7, 9 and 11. NEO Urban Commercial complex has a total gross floor area of approximately 252,539 square meters and a total lettable area of approximately 105,870 square meters. The high-quality corporate tenants of Grade A office building comprise offices and branches of various Fortune Global 500 companies, banks, telecommunications corporations and other state-owned enterprises. As at 31 December 2017, the average occupancy rate of NEO Urban Commercial complex was about 99% (2016: 99%).

Hong Kong LVGEM NEO Project is located in “Kowloon East”, the new central business district in Hong Kong, occupying a site area of approximately 4,500 square meters and a planned total gross floor area of approximately 55,390 square meters. To proactively develop the business layout over Guangdong-Hong Kong-Macao Greater Bay Area, the Group acquired 8 Bay East, the full seaview grade-A commercial building in Hong Kong for HK\$9 billion during the year, and renaming it as the Hong Kong LVGEM NEO Project. The project represents a strategic step for the Group to create a meaningful presence in the Hong Kong property market and will strengthen the Group's leading position in the commercial property sector as well as its market position and brand influence in the Guangdong-Hong Kong-Macao Greater Bay Area. The project transaction was completed and delivered on 29 December 2017 and the construction is expected to be completed in 2019. Given its favorable location, the project is expected to offer stable rental income and long-term capital gains to the Group.

Zoll Shopping Centre is a famous fashion and comprehensive shopping centre. As at the end of 2017, the Group owns and operates LVGEM Zoll Hongwan Shopping Centre, LVGEM Zoll Chanson Shopping Centre and LVGEM 1866 Zoll Centre. During the year 2017, the average annual occupancy rate was about 97%. In particular, LVGEM Zoll Hongwan Shopping Centre, which is located in Meilin District, Futian, Shenzhen, was opened for business on 9 January 2017 with 77 contracted store tenants; the occupancy rate for sections opened in Phase I reached 100%. In addition, LVGEM Zoll International Garden Shopping Centre launched its full-scale opening on 9 February 2018, which is expected to contribute increasing and more stable rental income to the Group in the future.

Comprehensive Services

The Group provides comprehensive services to customers and tenants of its residential and commercial properties, including property management services, hotel operations and others. For the year ended 31 December 2017, the comprehensive services of the Group generated revenue of RMB355.2 million (2016: RMB203.6 million), representing a year-on-year growth of approximately 74.5%.

Property management services include security services and maintenance and management of properties and facilities. The Group provided comprehensive property management services for most of its property development projects through its wholly-owned subsidiaries, namely 深圳市綠景紀元物業管理服務有限公司 (Shenzhen LVGEM Jiyuan Property Management Service Co., Ltd.*) and 深圳市綠景物業管理有限公司 (Shenzhen LVGEM Property Management Co., Ltd.*). The comprehensive services provided by the Group ranged from security services, property maintenance and management of ancillary facilities. Shenzhen LVGEM Property Management Co., Ltd. obtained the ISO9001:2008 certification for its quality system of property management services and the level A property management qualification.

* For identification purposes only 僅供識別

NEO都市商務綜合體被評為深圳市十大地標建築之一，位於深圳核心商業中心區地段的福田中心區西區之戰略位置，是深圳市主要城市和商業地標。地處地鐵1、7、9及11四條地鐵線的樞紐站，交通十分便利。NEO都市商務綜合體總建築面積約為252,539平方米及總可出租面積約為105,870平方米。甲級辦公樓之優質企業租戶，包括多家財富全球500強公司之辦事處及分支機構、銀行、電信公司及其他國營企業。截至二零一七年十二月三十一日，NEO都市商務綜合體的平均出租率約為99%（二零一六年：99%）。

香港綠景NEO項目位於香港新核心商業區「九龍東」，佔地面積約4,500平方米，規劃總建築面積約55,390平方米。為積極佈局粵港澳大灣區，本集團於年內以90億港元收購的香港全幢臨海甲級商廈8 Bay East，並命名為香港綠景NEO項目。該項目對於本集團進軍香港物業市場具有戰略意義，同時將鞏固本集團於商業物業領域的領先地位以及其在粵港澳大灣區發展的市場地位及品牌影響力。項目已於二零一七年十二月二十九日完成交割，預計將於二零一九年竣工。該項目憑藉優越的地理位置預期將為本集團帶來穩定租金收入和長遠資本收益。

佐隄購物中心是著名生活時尚及綜合式購物中心。本集團截至二零一七年底擁有及營運綠景佐隄虹灣購物中心、綠景佐隄香頌購物中心及綠景1866佐隄。於二零一七年年末之平均出租率約為97%，其中位於深圳市福田梅林片區的綠景佐隄虹灣購物中心於二零一七年一月九日開業，已簽約77家商戶，第一期開業部分出租率達100%。此外，綠景佐隄國際花城購物中心已於二零一八年二月九日整體開業，預計未來將會為本集團帶來持續遞增的更穩定的租金收入。

綜合服務

本集團向其住宅及商業物業的客戶及租戶提供綜合服務，包括物業管理服務、酒店運營及其他。截至二零一七年十二月三十一日止年度，本集團綜合服務產生的收益為人民幣355.2百萬元（二零一六年：人民幣203.6百萬元），同比增長約74.5%。

物業管理服務包括安保服務、物業設施維護和管理。本集團通過其全資附屬公司深圳市綠景紀元物業管理服務有限公司和深圳市綠景物業管理有限公司為其大多數房地產開發項目提供全面物業管理服務，包括保安服務、物業維護、管理配套設施等綜合服務。深圳市綠景物業管理有限公司取得物業管理服務ISO9001:2008質量體系認證和一級物業管理資質。

Management Discussion and Analysis

管理層討論與分析

In respect of hotel operations, the Group operates and manages two hotels in Shenzhen and the United States. These hotels include LVGEM Jinjiang Hotel, which is located in the central business district of Futian district, Shenzhen, and Vanlee Hotel in Covina, California, the United States which was newly acquired in 2017. In particular, LVGEM Jinjiang Hotel has a total gross floor area of 25,751 square meters. It is strategically located and has over 330 rooms, 2 multi-functional meeting rooms, 1 banquet hall and video conference room. As at 31 December 2017, its average occupancy rate was approximately 77% (2016: 77%).

The Group newly acquired Vanlee Hotel located in Covina, California, the United States. The hotel occupies a site area of approximately 22,652 square meters and renovation is expected to be completed in 2018. The operation of Vanlee Hotel is a milestone project of LVGEM (China) and marked the further expansion of the Group's international business, which is expected to contribute stable hotel operation income to the Group.

Financing

During the year, the Group adopted both domestic and overseas capital platforms in their highest and best use to conduct financing and the cross-border financing strategy between Hong Kong and the PRC so as to consolidate the financial resources of the Group. Gemstones International Limited, a wholly-owned subsidiary of the Group, issued a total of US\$400,000,000 guaranteed senior notes due 2020 on 15 August 2017 and 25 October 2017 respectively. The Group intends to use the net proceeds from the issue for general corporate purposes and finance the new property projects.

The Group obtained the financing credit limit of Hong Kong syndicated loans of HK\$5,400,000,000 during the year as a strong financial support to the successful acquisition of Hong Kong LVGEM NEO project. This financing was the first overseas syndicated loans granted to the Group, marking the high recognition on our operating status as well as confidence in our future prospect from the banking industry.

The Group expected to further consolidate its financial strength through domestic and overseas financing, establish domestic and overseas financing platform in support of the Group's development, seize more development opportunities and achieve substantial business growth in the future.

Future Prospect

Following the steady development of the Mainland's economy and the launch of the strategic plan of the Guangdong-Hong Kong-Macao Greater Bay Area, the Group is confident in the prospect of the real estate market in the Mainland China, particularly the tremendous development potential of the Greater Bay Area. In the future, the Group will continue to persist in its strategic vision of "Focusing on Core Cities and Cities' Core Areas" with "Shenzhen – Hong Kong" playing the pivotal role and establish our strategic presence in the Guangdong-Hong Kong-Macao Greater Bay Area, in order to consolidate and strengthen our solid position in Shenzhen.

Apart from focusing on the development of real estate projects in the core cities in the Guangdong-Hong Kong-Macao Greater Bay Area, the Group will continue to expand overseas markets and identify quality projects when appropriate in order to satisfy its medium-to-long term development needs.

酒店運營方面，本集團在深圳和美國營運和管理兩家酒店，包括位於深圳福田區中心商業區的綠景錦江酒店，以及二零一七年新收購的美國加利福尼亞州Covina的Vanlee酒店。其中綠景錦江酒店總建築面積為25,751平方米，酒店位置優越，設有超過330間房間、兩間多功能會議室、一間宴會廳及視像會議室等設備，截至二零一七年十二月三十一日平均入住率約為77%(二零一六年：77%)。

本集團於二零一七年新收購了位於美國加利福尼亞州Covina的Vanlee酒店，酒店佔地22,652平方米，預計將於二零一八年內部翻新完工。Vanlee酒店運營是綠景(中國)的里程碑式項目，標誌著本集團的國際業務的進一步擴展，屆時將為集團帶來穩定的酒店經營收益。

財務融資

本集團於年內充分利用境內及境外資本平台進行融資，發揮兩地融通的融資策略，鞏固集團財務資源。本集團全資附屬公司碧玺国际有限公司於二零一七年八月十五日及二零一七年十月二十五日合共發行4.0億美元於二零二零年到期的有擔保優先票據，本集團擬將票據發行所得款項淨額用於一般公司用途並為新物業項目提供資金。

年內，本集團成功獲得54億港元的香港銀團融資授信額度，為成功收購香港綠景NEO項目提供了雄厚的資金支持。本次融資為集團首次境外銀團融資，顯示了銀行業界對本集團經營狀況的充分認可及對未來發展前景的信心。

本集團期望透過境內外財務融資，進一步加強本集團的財政實力，建立境內外融資平台，以支持集團發展，把握更多發展良機，實現具質量的業績增長。

未來展望

隨著內地經濟穩步發展，以及粵港澳大灣區戰略規劃的開展，本集團對中國內地房地產市場前景特別是大灣區的龐大發展潛力充滿信心。本集團未來會繼續堅持「深耕核心城市，聚焦城市核心」的戰略思想，以「深圳—香港」為主軸，重點佈局粵港澳大灣區，鞏固並增強在深圳的穩固地位。

除了核心發展粵港澳大灣區核心城市的房地產項目，本集團會繼續伺機拓展海外市場，物色優質項目，以配合中、長期發展所需。

Management Discussion and Analysis

管理層討論與分析

In 2018, the Group will formulate the best business development plan that meets the market needs by leveraging the Company's characteristics and strengths and accommodating to the national policies. In respect of residential projects, LVGEM International Garden zone B4, zone E and LVGEM Mangrove Bay No. 1 are expected to be launched for pre-sale in 2018. For commercial projects, LVGEM Zoll International Garden Shopping Centre has already opened for business on 23 January 2018, which is expected to contribute increasing and more stable rental income to the Group in 2018. The interior renovation of Vanlee Hotel project in the United States is expected to be completed in 2018, which is expected to contribute stable hotel operation income to the Group.

Looking forward, constantly upholding the core value of "Professionalism lays the foundation and mutual harmony leads to sustainable growth", the Group will seize any development opportunities, speed up the progress of projects, enhance value and profitability so as to further strengthen its market position in and brand influence over the development of the Greater Bay Area. The Group will strive for the vision and goal of "being the most respected city value-creator in China".

MAJOR CORPORATE EVENTS

On 15 August 2017, Gemstones International Limited, a wholly-owned subsidiary of the Company, issued 8.5% guaranteed senior notes due 2020 in an aggregate principal amount of US\$225,000,000. Details of the terms and conditions are set out in the announcements of the Company dated 3 August 2017, 9 August 2017 and 17 August 2017.

On 25 October 2017, Gemstones International Limited issued additional 8.5% guaranteed senior notes due 2020 in an aggregate principal amount of US\$175,000,000, which are consolidated and formed a single series with the Senior Notes issued on 15 August 2017 (collectively referred to as the "Senior Notes"). Details of the terms and conditions are set out in the announcements of the Company dated 17 October 2017, 18 October 2017 and 26 October 2017. The Senior Notes are listed on the Singapore Exchange Securities Trading Limited (the "Singapore Stock Exchange"). Up to the date of this report, the total net proceeds of approximately US\$396 million from the issuance of the Senior Notes have been fully received.

On 11 October 2017, Pace Ascend Limited, an indirect wholly-owned subsidiary of the Company, as purchaser, entered into a sale and purchase agreement with Greater Honour Limited as seller, pursuant to which the Group conditionally agreed to acquire the property located at 123 Hoi Bun Road, Kwun Tong, Kowloon and the completed development by way of (i) the acquisition of the entire issued shares capital and sales loan of New Grade Investments Limited; and (ii) the engagement of project manager (being another indirect wholly-owned subsidiary of the seller's guarantor) to continue, and complete, the construction of the development project after completion in accordance with the terms of the project management agreement, at a total consideration of HK\$9 billion. The acquisition was completed on 29 December 2017.

二零一八年，集團將會結合公司特點及優勢，順應國家政策，制定出適應市場的最佳業務發展規劃。住宅項目方面，綠景國際花城B4區、E區及紅樹灣壹號預計二零一八年預售。商業項目方面，綠景佐陞國際花城購物中心已於二零一八年一月二十三日開業，預計於二零一八年內將會為本集團帶來持續遞增的更穩定的租金收入。而美國Vanlee酒店項目預計將於二零一八年內部翻新完工，屆時將為集團帶來穩定的酒店經營收益。

展望未來，本集團將繼續秉持「專為本、和致遠」的核心價值觀，把握發展機遇，加快推進項目進度，提升價值和盈利能力，進一步鞏固集團在大灣區發展的市場地位及品牌影響力，朝著「做中國最受尊敬的城市價值創造者」的願景目標奮勇前進。

重要企業事項

於二零一七年八月十五日，碧玺国际有限公司(本公司之全資附屬公司)發行本金總額為225,000,000美元於二零二零年到期之8.5%有擔保優先票據。條款及條件詳情載於本公司日期為二零一七年八月三日、二零一七年八月九日及二零一七年八月十七日之公告。

於二零一七年十月二十五日，碧玺国际有限公司發行額外本金總額為175,000,000美元於二零二零年到期之8.5%有擔保優先票據，與於二零一七年八月十五日發行之優先票據合併並組成單一系列(統稱「優先票據」)。條款及條件詳情載於本公司日期為二零一七年十月十七日、二零一七年十月十八日及二零一七年十月二十六日之公告。優先票據於新加坡證券交易所有限公司(「新加坡證券交易所」)上市。截至本報告日期，發行優先票據所得款項淨額合共約為3.96億美元並已悉數收到。

於二零一七年十月十一日，奏昇有限公司(本公司之間接全資附屬公司)(作為買方)與Greater Honour Limited(作為賣方)訂立買賣協議，據此，本集團有條件同意透過(i)收購New Grade Investments Limited的全部已發行股本及銷售貸款；及(ii)於完成後根據項目管理協議的條款委聘項目經理(賣方擔保人的另一間間接全資附屬公司)繼續完成發展項目的建築的方式收購位於九龍觀塘海濱道123號物業及已竣工的發展項目，總代價為90億港元。該收購已於二零一七年十二月二十九日完成。

Management Discussion and Analysis

管理層討論與分析

On 17 January 2018, the Company received a notice from Chance Talent Management Limited (the “CB Subscriber”), requesting for the conversion of the convertible bonds in the principal amount of US\$10,000,000. Accordingly, the Company has allotted and issued 28,794,063 conversion shares to the CB Subscriber at the conversion price of HK\$2.695 per conversion share on 18 January 2018.

On 7 February 2018, the Company entered into a convertible preference shares subscription agreement with Silver Sure (BVI) Investments Limited (“Silver Sure”), a wholly-owned subsidiary of ABC International Holdings Limited, pursuant to which the Company has agreed to allot and issue, and Silver Sure has agreed to subscribe for 132,564,669 new convertible preference shares at the convertible preference shares subscription price of HK\$2.938 per convertible preference share (the “2018 CPS Subscription”). The conversion shares were allotted and issued pursuant to the general mandate granted to the Directors in the annual general meeting held on 21 June 2017 (the “2017 AGM”). The 2018 CPS Subscription was completed on 21 February 2018. Details regarding the 2018 CPS Subscription are set out in the announcements of the Company dated 7 February 2018 and 13 February 2018.

On 7 February 2018, the Company entered into a share subscription agreement with Leadon International Investments Real Estate Limited (“Leadon”), an independent third party, pursuant to which the Company has agreed to allot and issue, and Leadon has agreed to subscribe for 132,564,669 new shares at the share subscription price of HK\$2.938 per share (the “Share Subscription”). The shares were allotted and issued pursuant to the general mandate granted to the Directors in the 2017 AGM. The Share Subscription was completed on 26 February 2018. Details regarding the Share Subscription are set out in the announcements of the Company dated 7 February 2018 and 13 February 2018.

On 8 February 2018, the Company entered into a placing and subscription agreement with China LVGEM Property Holdings Limited (“China LVGEM”) (the immediate holding company of the Company) and two placing agents, pursuant to which (i) China LVGEM agreed to place, through the placing agents, an aggregate of up to 80,000,000 top-up placing shares of the Company at the top-up placing price of HK\$2.938 per share (the “Top-up Placing”); and (ii) China LVGEM agreed to subscribe for up to 80,000,000 top-up subscription shares of the Company at the top-up subscription price of HK\$2.938 per share (the “Top-up Subscription”) which is equivalent to the top-up placing price. The shares were allotted and issued pursuant to the general mandate granted to the Directors in the 2017 AGM. The Top-up Placing and the Top-up Subscription were completed on 13 February 2018 and 14 February 2018 respectively. An aggregate of 80,000,000 top-up placing shares of the Company were placed to two places at the top-up placing price of HK\$2.938 per share; and 80,000,000 top-up subscription shares of the Company were allotted and issued to China LVGEM at the top-up subscription price of HK\$2.938 per share. Details regarding the Top-up Placing and the Top-up Subscription are set out in the announcements of the Company dated 8 February 2018 and 13 February 2018.

於二零一八年一月十七日，本公司接獲Chance Talent Management Limited (「可換股債券認購人」)通知，要求兌換本金額為10,000,000美元之可換股債券。因此，本公司已於二零一八年一月十八日按每股兌換股份2.695港元之兌換價，向可換股債券認購人配發及發行28,794,063股兌換股份。

於二零一八年二月七日，本公司與銀順(BVI)投資有限公司(「銀順」)(農銀國際控股有限公司之全資附屬公司)訂立可換股優先股認購協議，據此，本公司同意配發及發行，而銀順同意認購132,564,669股新可換股優先股，可換股優先股認購價為每股可換股優先股2.938港元(「二零一八年可換股優先股認購事項」)。換股股份根據於二零一七年六月二十一日舉行之股東週年大會(「二零一七年股東週年大會」)授予董事之一般授權配發及發行。二零一八年可換股優先股認購事項已於二零一八年二月二十一日完成。二零一八年可換股優先股認購事項之有關詳情載於本公司日期為二零一八年二月七日及二零一八年二月十三日之公告。

於二零一八年二月七日，本公司與獨立第三方Leadon International Investments Real Estate Limited (「Leadon」)訂立股份認購協議，據此，本公司同意配發及發行，而Leadon同意認購132,564,669股新股份，股份認購價為每股股份2.938港元(「股份認購事項」)。股份根據於二零一七年股東週年大會授予董事之一般授權配發及發行。股份認購事項已於二零一八年二月二十六日完成。股份認購事項之有關詳情載於本公司日期為二零一八年二月七日及二零一八年二月十三日之公告。

於二零一八年二月八日，本公司與中國綠景地產控股有限公司(「中國綠景」)(本公司之直接控股公司)及兩間配售代理訂立配售及認購協議，據此，(i)中國綠景同意透過配售代理以每股2.938港元之先舊後新配售價，合共配售最多80,000,000股本公司先舊後新配售股份(「先舊後新配售」)；及(ii)中國綠景同意以每股2.938港元之先舊後新認購價(相當於先舊後新配售價)認購最多80,000,000股本公司先舊後新認購股份(「先舊後新認購」)。股份根據於二零一七年股東週年大會授予董事之一般授權配發及發行。先舊後新配售及先舊後新認購已分別於二零一八年二月十三日及二零一八年二月十四日完成。合共80,000,000股本公司先舊後新配售股份已按每股2.938港元之先舊後新配售價悉數配售予兩名承配人；及合共80,000,000股本公司先舊後新認購股份已按每股2.938港元之先舊後新認購價配發及發行予中國綠景。先舊後新配售及先舊後新認購之有關詳情載於本公司日期為二零一八年二月八日及二零一八年二月十三日之公告。

Management Discussion and Analysis

管理層討論與分析

Financial Review

Revenue

The Group's revenue mainly comprised of revenue from sales of properties held for sale, leasing of investment properties and comprehensive services. The Group's revenue for the year ended 31 December 2017 was approximately RMB2,967.8 million (2016: RMB4,590.2 million), representing a decrease of approximately 35.3% as compared to the same period last year, which was mainly due to the decrease in revenue from sales of properties held for sale, the decrease of revenue mainly attributable to the decrease in gross floor area handover during the year. Segment of commercial property investment and operations and comprehensive services maintain steady growth of revenue.

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	increase/ (decrease) 增加/(減少) RMB'000 人民幣千元	%
Property development and sales	物業發展及銷售	2,114,289	3,956,426	(1,842,137)	(46.6)
Commercial property investment and operations	商業物業投資與經營	498,295	430,205	68,090	15.8
Comprehensive services	綜合服務	355,167	203,531	151,636	74.5
Total	總計	2,967,751	4,590,162	(1,622,411)	(35.3)

For the year ended 31 December 2017, the revenue from sales of properties held for sale was approximately RMB2,114.3 million (2016: RMB3,956.4 million), representing a decrease of approximately 46.6% as compared to the same period last year, which mainly includes sales of the residential buildings of LVGEM Hongwan Garden and other properties held for sale. The Group's total gross floor area of properties held for sale sold during the year ended 31 December 2017 was approximately 55,500 square meters (2016: approximately 150,000 square meters).

Revenue from leasing of investment properties for the year ended 31 December 2017 was approximately RMB498.3 million (2016: RMB430.2 million). The Group's commercial properties are all located in core areas. The properties are mainly operated under the brands of "Zoll" and "NEO". The occupancy rate of investment properties during the year ended 31 December 2017 remained at a high level at 98% (2016: 94%).

The Group provides comprehensive services to customers and tenants of its residential and commercial properties. These comprehensive services include property management services, hotel operations and others. For the year ended 31 December 2017, comprehensive services of the Group generated revenue of RMB355.2 million (2016: RMB203.6 million), representing an increase of approximately 74.5% as compared to the same period last year.

Gross Profit and Gross Profit Margin

For the year ended 31 December 2017, the Group's integrated gross profit slightly dropped to approximately RMB1,937.9 million (2016: RMB2,296.0 million), representing a decrease of approximately 15.6% as compared to last year; while the integrated gross profit margin for the year ended 31 December 2017 increased to a relatively high level at 65.3% (2016: 50.0%). The increase in gross profit margin was mainly attributable to higher revenue from property development and sales and gross profit margin during the year.

財務回顧

收益

本集團的收益主要包括來自出售待售物業、租賃投資物業及綜合服務的收益。截至二零一七年十二月三十一日止年度，本集團的收益約為人民幣2,967.8百萬元(二零一六年：人民幣4,590.2百萬元)，較去年同期減少約35.3%，主要由於來自出售待售物業的收益減少所致，收益下降主要由於本年度交付之總建築面積下降。商業物業投資與經營及綜合服務版塊之收益保持穩定增長。

截至二零一七年十二月三十一日止年度，來自出售待售物業的收益約為人民幣2,114.3百萬元(二零一六年：人民幣3,956.4百萬元)，較去年同期減少約46.6%，主要包括銷售綠景虹灣花園住宅樓宇和其他待售物業。截至二零一七年十二月三十一日止年度，本集團已售待售物業總樓面面積約55,500平方米(二零一六年：約150,000平方米)。

截至二零一七年十二月三十一日止年度，來自租賃投資物業的收益約為人民幣498.3百萬元(二零一六年：人民幣430.2百萬元)。本集團的商業物業均處於核心地段，主要以「佐隄」和「NEO」品牌營運。截至二零一七年十二月三十一日止年度投資物業的出租率為98%(二零一六年：94%)，維持較高出租率。

本集團向其住宅及商業物業的客戶及租戶提供綜合服務。該等綜合服務包括物業管理服務、酒店運營及其他。截至二零一七年十二月三十一日止年度，本集團綜合服務產生的收益為人民幣355.2百萬元(二零一六年：人民幣203.6百萬元)，較去年同期增長約74.5%。

毛利及毛利率

截至二零一七年十二月三十一日止年度，本集團的綜合毛利輕微下跌至約人民幣1,937.9百萬元(二零一六年：人民幣2,296.0百萬元)，較去年減少約15.6%；截至二零一七年十二月三十一日止年度，綜合毛利率增加至65.3%(二零一六年：50.0%)的較高水平。毛利率增加主要是由於年內來自物業發展及銷售的收益及毛利率較高所致。

Management Discussion and Analysis

管理層討論與分析

Selling Expenses

For the year ended 31 December 2017, selling expenses of the Group amounted to approximately RMB67.7 million (2016: RMB58.3 million), representing an increase of approximately 16.1% as compared to last year. In 2017, the selling expenses mainly included advertising expenses for LVGEM Mangrove Bay No. 1 and LVGEM International Garden.

Administrative Expenses

For the year ended 31 December 2017, administrative expenses of the Group amounted to approximately RMB361.6 million (2016: RMB348.7 million), representing an increase of approximately 3.7% as compared to 2016. The increase was mainly attributable to the increase of staff cost of the Group during the year. Among which, the amortisation expenses for share options during the year amounted to approximately RMB80.4 million (2016: RMB128.4 million).

Fair Value Changes on Investment Properties

The valuation on the Group's investment properties as at 31 December 2017 was conducted by an independent firm of property valuers which resulted in a positive fair value changes on investment properties of RMB478.4 million for the year ended 31 December 2017 (2016: RMB247.5 million).

Finance Costs

For the year ended 31 December 2017, finance costs of the Group amounted to approximately RMB613.6 million (2016: RMB406.5 million), representing an increase of approximately 50.9% as compared to 2016.

The increase in finance costs was due to the increase of the Group's total interest-bearing loans to RMB18,971.1 million as at 31 December 2017 from RMB11,940.4 million as at 31 December 2016. The Group's average finance cost of interest-bearing loans was 6.6% for the year ended 31 December 2017 (2016: 6.2%).

Income Tax Expense

For the year ended 31 December 2017, income tax expenses of the Group amounted to approximately RMB458.8 million (2016: RMB1,044.8 million). The Group's income tax expense included payments and provisions made for EIT and LAT during the year. The decrease of income tax expense during the year was mainly attributable to the decrease in LAT provision. The LAT for the year amounted to approximately RMB4.0 million (2016: RMB692.0 million), which was mainly attributable to the sales of LVGEM Hongwan Garden net with overprovision of LAT in prior year amounted to RMB223.9 million.

Operating Results

For the year ended 31 December 2017, the profit attributable to owners of the Company was approximately RMB1,035.4 million (2016: RMB802.3 million), representing an increase of approximately 29.1% as compared to 2016.

銷售開支

截至二零一七年十二月三十一日止年度，本集團的銷售開支約人民幣67.7百萬元(二零一六年：人民幣58.3百萬元)，較去年增加約16.1%。於二零一七年銷售開支主要包括綠景紅樹灣壹號及綠景國際花城的推廣開支。

行政開支

截至二零一七年十二月三十一日止年度，本集團的行政開支約人民幣361.6百萬元(二零一六年：人民幣348.7百萬元)，較二零一六年增加約3.7%，增加主要由於年內本集團員工成本增加所致。其中，年內購股權之攤銷費用約為人民幣80.4百萬元(二零一六年：人民幣128.4百萬元)。

投資物業的公允價值變動

於二零一七年十二月三十一日，本集團的投資物業經由獨立物業估值行進行估值，並因此作出截至二零一七年十二月三十一日止年度人民幣478.4百萬元(二零一六年：人民幣247.5百萬元)的投資物業正公允價值變動。

融資成本

截至二零一七年十二月三十一日止年度，本集團的融資成本約為人民幣613.6百萬元(二零一六年：人民幣406.5百萬元)，較二零一六年增長約50.9%。

融資成本增加乃由於本集團有息貸款總額從二零一六年十二月三十一日的人民幣11,940.4百萬元增加至二零一七年十二月三十一日的人民幣18,971.1百萬元。本集團截至二零一七年十二月三十一日止年度的有息貸款平均融資成本為6.6%(二零一六年：6.2%)。

所得稅開支

截至二零一七年十二月三十一日止年度，本集團所得稅開支約人民幣458.8百萬元(二零一六年：人民幣1,044.8百萬元)。本集團所得稅開支包括年內就企業所得稅及土地增值稅所作出的付款及撥備。年內所得稅開支減少主要由於土地增值稅撥備減少所致。年內土地增值稅約人民幣4.0百萬元(二零一六年：人民幣692.0百萬元)，主要由於銷售綠景虹灣花園所致，該稅款已扣除以往年度土地增值稅超額撥備人民幣223.9百萬元。

經營業績

截至二零一七年十二月三十一日止年度，本公司股東應佔盈利約人民幣1,035.4百萬元(二零一六年：人民幣802.3百萬元)，較二零一六年增加約29.1%。

Management Discussion and Analysis

管理層討論與分析

Liquidity, Financial Resources and Gearing

Bank balances and cash as at 31 December 2017 amounted to approximately RMB6,092.7 million (including restricted bank deposits) (2016: RMB4,531.2 million).

The Group had total borrowings of approximately RMB18,798.8 million as at 31 December 2017 (2016: RMB11,976.5 million). Borrowings classified as current liabilities were approximately RMB4,204.7 million (2016: RMB3,580.3 million) and the Group's gearing ratio as at 31 December 2017 was approximately 127.9% (2016: 80.6%), which was based on total interest-bearing loans less bank balances and cash (including restricted bank deposits) to total equity.

Please refer to notes 30, 31 and 32 to the consolidated financial statements for the details of interest-bearing borrowings.

Current, Total and Net Assets

As at 31 December 2017, the Group had current assets of approximately RMB14,142.8 million (2016: RMB11,525.3 million) and current liabilities of approximately RMB9,650.9 million (2016: RMB5,816.4 million), which represented a decrease in net current assets from approximately RMB5,708.9 million as at 31 December 2016 to approximately RMB4,492.0 million as at 31 December 2017. The decrease in net current assets as at 31 December 2017 was mainly attributable to the maturity of the convertible bonds in year 2018 and payment of deposits of land use right during the year.

As at 31 December 2017, the Group recorded total assets of approximately RMB36,796.8 million (2016: RMB25,924.5 million) and total liabilities of approximately RMB26,727.6 million (2016: RMB16,726.8 million), representing a debt ratio (total liabilities over total assets) of approximately 72.6% (2016: 64.5%). Net assets of the Group were approximately RMB10,069.2 million as at 31 December 2017 (2016: RMB9,197.7 million).

For the year ended 31 December 2017, the Group was able to utilise its internal resources and debt financing to meet the funding requirements for acquisition.

Charge on Assets

For the year ended 31 December 2017, loans of approximately RMB12,323.7 million (2016: RMB8,597.5 million) were secured; and properties under development for sale, properties held for sale, investment properties, properties, plant and equipment and pledged deposits of the Group were pledged in the total amount of approximately RMB17,930.0 million (2016: RMB13,093.6 million).

Contingent Liabilities

For the year ended 31 December 2017, the Group had contingent liabilities relating to guarantees in respect of mortgage facilities for certain purchasers amounting to approximately RMB379.2 million (2016: RMB2,479.5 million). Pursuant to the terms of the guarantees, if there is default of the mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage loans together with any accrued interest and penalty owned by the defaulted purchasers to the banks.

流動資金、財務資源及資本負債比率

於二零一七年十二月三十一日，銀行結餘及現金約人民幣6,092.7百萬元(包括受限制銀行存款)(二零一六年：人民幣4,531.2百萬元)。

於二零一七年十二月三十一日，本集團的總借貸約為人民幣18,798.8百萬元(二零一六年：人民幣11,976.5百萬元)。分類為流動負債的借貸約為人民幣4,204.7百萬元(二零一六年：人民幣3,580.3百萬元)，而本集團於二零一七年十二月三十一日的資本負債比率(按有息貸款總額減銀行結餘及現金(包括受限制銀行存款)除以總權益計算)約為127.9%(二零一六年：80.6%)。

有息借貸詳情可參閱綜合財務報表附註30、31及32。

流動資產、總資產及資產淨值

於二零一七年十二月三十一日，本集團擁有流動資產約人民幣14,142.8百萬元(二零一六年：人民幣11,525.3百萬元)及流動負債約人民幣9,650.9百萬元(二零一六年：人民幣5,816.4百萬元)，流動資產淨值由二零一六年十二月三十一日約人民幣5,708.9百萬元減少至二零一七年十二月三十一日約人民幣4,492.0百萬元。於二零一七年十二月三十一日流動資產淨值減少，乃主要由於可換股債券於二零一八年度到期，以及年內支付土地使用權按金所致。

於二零一七年十二月三十一日，本集團錄得總資產約人民幣36,796.8百萬元(二零一六年：人民幣25,924.5百萬元)及總負債約人民幣26,727.6百萬元(二零一六年：人民幣16,726.8百萬元)，負債比率(總負債除以總資產)約為72.6%(二零一六年：64.5%)。本集團於二零一七年十二月三十一日的資產淨值約為人民幣10,069.2百萬元(二零一六年：人民幣9,197.7百萬元)。

截至二零一七年十二月三十一日止年度，本集團能夠利用其內部資源及債務融資滿足收購的資金需求。

資產抵押

截至二零一七年十二月三十一日止年度，貸款人民幣約12,323.7百萬元(二零一六年：人民幣8,597.5百萬元)為有抵押；及本集團發展中待售物業、待售物業、投資物業、物業、廠房及設備及抵押存款合共約人民幣17,930.0百萬元(二零一六年：人民幣13,093.6百萬元)已被抵押。

或然負債

截至二零一七年十二月三十一日止年度，本集團就若干買方的按揭融資提供擔保的或然負債約人民幣379.2百萬元(二零一六年：人民幣2,479.5百萬元)。根據擔保條款，倘該等買方拖欠按揭付款，則本集團須負責償還尚未償付的按揭貸款連同違約買方欠付銀行的任何應計利息及罰金。

Management Discussion and Analysis

管理層討論與分析

The Group's guarantee period commences from the dates of grant of the relevant mortgage loans and ends upon the earlier of the buyer obtaining the individual property ownership certificate or the full settlement of mortgage loans by the buyer.

The Directors consider that it is not probable that the Group will sustain a loss under these guarantees as during the periods under guarantees, the Group can take over the ownerships of the related properties and sell the properties to recover any amounts paid by the Group to the banks. The Group has not recognised any deferred income in respect of these guarantees as its fair value is considered to be minimal by the directors. The Directors also consider that the fair market value of the underlying properties is able to cover the outstanding mortgage loans guaranteed by the Group in the event the purchasers default payments to the banks.

Exposure to Fluctuations in Exchange Rates and Related Hedges

Almost all of the Group's operating activities are carried out in the PRC with most of the transactions denominated in Renminbi. The Group is exposed to foreign currency risk arising from the exposure of Hong Kong dollars and United States dollars against Renminbi as a result of certain cash balances and loans in Hong Kong dollars or United States dollars.

The Group does not have a foreign currency hedging policy. However, the Directors monitor the Group's foreign exchange exposure closely and may, depending on the circumstances and trend of foreign currency, consider adopting appropriate foreign currency hedging policy in the future.

Treasury Policies and Capital Structure

The Group adopts a prudent approach with respect to treasury and funding policies, with a focus on risk management and transactions that are directly related to the underlying business of the Group.

Employees

As at 31 December 2017, the Group had a staff roster of 1,779 (2016: 1,494), of which 1,761 (2016: 1,471) employees were based in the mainland China and 18 (2016: 23) employees were based in Hong Kong. The remuneration of employees was in line with the market trends and commensurate to the levels of remuneration in the industry. Remuneration of the Group's employees includes basic salaries, bonuses and long-term incentives such as the granting of share options pursuant to an approved scheme.

本集團的擔保期由相關按揭貸款授出日期起，直至買家取得個人房產所有權證或悉數清償按揭貸款(以較早者為準)時為止。

董事認為本集團於擔保期間不大可能因該等擔保而遭受虧損，而本集團可接管有關物業的所有權並將之出售，以收回本集團向銀行支付的任何金額。由於董事認為該等擔保的公允價值微不足道，故本集團並未就該等擔保確認任何遞延收入。董事亦認為，倘買方拖欠償還銀行貸款，相關物業的公允市價足以彌補本集團所擔保的未償還按揭貸款。

匯率波動風險及有關對沖

本集團幾乎全部經營活動均在中國進行，而大部份交易均以人民幣計價。由於本集團若干現金結餘及貸款為港元或美元，使本集團面臨港元及美元兌人民幣而產生的外匯風險。

本集團並無外幣對沖政策。然而，各董事密切監察本集團的外匯風險，並視乎外幣的情況及走勢考慮日後採納適當的外幣對沖政策。

財資政策及資本結構

本集團就其財資及資本政策取態審慎，並專注於風險管理及與本集團的相關業務有直接關係的交易。

僱員

於二零一七年十二月三十一日，本集團僱有1,779名(二零一六年：1,494名)員工，其中1,761名(二零一六年：1,471名)員工長駐中國內地，於香港則僱有18名(二零一六年：23名)員工。僱員的薪酬與市場趨勢一致，並與業內的薪酬水平相若。本集團僱員的薪酬包括基本薪金、花紅及長期獎勵，如按照認可的計劃授出購股權。

Biographical Details of Directors and Senior Management

董事及高級管理人員之履歷

Executive Directors

Ms. HUANG Jingshu, aged 30, is an Executive Director and Chairman of the Company and is responsible for the overall business development of the Company. From August 2012 to July 2013, Ms. HUANG served in the Guangzhou branch of Deloitte Touche Tohmatsu (Special General Partnership) and her last position was analyst of Corporate Risk Management Service Division, where she was primarily responsible for providing professional services to the clients. Since November 2010, Ms. HUANG started serving in Shenzhen LVGEM Entity Management Group Co., Ltd. (深圳市綠景企業管理集團有限公司) and her position was the vice general manager of the investment management department and was responsible for corporate development and planning matters. Ms. HUANG obtained her Bachelor of Arts with Honours degree in Accounting and Finance from University of Exeter in the United Kingdom in July 2010, and her Master of Science degree in Accounting and Finance in November 2011. Ms. HUANG was appointed as an executive director and the chairman of the Company on 15 May 2014 and 5 June 2014 respectively. Ms. HUANG is the daughter of Mr. WONG Hong King, the controlling shareholder of the Company and the sister of Mr. HUANG Hao Yuan, an executive director of the Company.

Mr. TANG Shouchun, aged 55, is an Executive Director and Chief Executive Officer of the Company and is responsible for corporate investment and finance matters of the Company. Mr. TANG was appointed as vice president of Shenzhen LVGEM Entity Management Group Co., Ltd. (深圳市綠景企業管理集團有限公司) in October 2015 and operations director of the Company in February 2016. Prior to joining Shenzhen LVGEM Entity Management Group Co., Ltd. (深圳市綠景企業管理集團有限公司), Mr. TANG has been the deputy general manager of Yue Xiu Enterprises (Holdings) Limited and executive director of Yuexiu Property Company Limited (a company listed on the Hong Kong Stock Exchange with stock code of 123). Mr. TANG studied business administration in Nanjing Agricultural University in his early years and obtained a doctor degree. After graduating, he has been vice professor in university, senior management in Guangdong and Guangzhou large state-owned enterprises (including Hong Kong listed companies) and was responsible for finance, capital operation, legal, audit, strategic and operation management matters. Mr. TANG is a vice professor, senior accountant, senior economist and registered asset appraiser in China. Mr. TANG was appointed as an executive director and chief executive officer of the Company on 31 March 2016.

Mr. YE Xingan, aged 54, is an Executive Director of the Company and is responsible for the overall project development and management of the Company. He joined Shenzhen LVGEM Entity Management Group Co., Ltd. (深圳市綠景企業管理集團有限公司) in March 2007 and served as the executive vice president and was responsible for its overall operation management. Prior to joining the Company, from March 1993 to August 2002, Mr. YE served various positions in 萬科企業股份有限公司 (China Vanke Co., Ltd.*), a company primarily engaged in real estate development. From August 2002 to March 2005, Mr. YE served as a director and general manager of Chengdu Xinyi Investment Industry Co., Ltd. (成都心怡投資實業有限公司) and was primarily responsible for overall management. From March 2005 to March 2007, Mr. YE served as a director and general manager of Shenzhen Xinyi Real Estate Investment Development Co., Ltd. (深圳市心怡房地產投資發展有限公司) and was primarily responsible for its overall management. Mr. YE obtained his associate degree in accounting from Jiangxi College of Finance and Economics (江西財經學院, now known as Jiangxi University of Finance and Economics (江西財經大學)) in the PRC in June 1986, and he studied courses of master's degree in business administration at International Business Administration School of University of International Business and Economics (對外經濟貿易大學國際工商管理學院) in the PRC from September 2000 to September 2001. Mr. YE was appointed as an executive director of the Company on 15 May 2014.

* For identification purposes only 僅供識別

執行董事

黃敬舒女士，現年30歲，本公司執行董事兼主席，負責本公司之整體業務發展。於二零一二年八月至二零一三年七月，黃女士任職於德勤•關黃陳方會計師行廣州分行(特殊普通合伙)，其最後職位為企業風險管理服務部分分析師，主要負責向客戶提供專業服務。自二零一零年十一月起，黃女士開始就職於深圳市綠景企業管理集團有限公司及其職位為投資管理部副總經理，負責企業發展及策劃事宜。黃女士於二零一零年七月取得英國University of Exeter會計及財務學榮譽學士學位，並於二零一一年十一月於同一間大學取得會計及財務學理學碩士學位。於二零一四年五月十五日及二零一四年六月五日，黃女士分別獲委任為本公司執行董事及主席。黃女士為本公司控股股東黃康境先生之女兒及本公司執行董事黃浩源先生之胞姊。

唐壽春先生，現年55歲，本公司執行董事兼行政總裁，負責本公司之企業投融資事務。唐先生於二零一五年十月就任綠景企業管理集團有限公司副總裁，於二零一六年二月就任本公司運營總監。加入綠景企業管理集團有限公司之前曾任越秀企業集團副總經理、越秀地產公司(一間於香港交易所上市的公司(股份代號：123))執行董事。唐先生早年就讀於南京農業大學企業管理專業，並取得博士學位。畢業後，彼先後擔任大學副教授、廣東及廣州大型國企(包括香港上市公司)高級管理人員，主管過財務、資本運營、法務、審計、戰略及運營管理等工作。唐先生擁有副教授、高級會計師、高級經濟師、中國註冊資產評估師等專業資格。唐先生於二零一六年三月三十一日獲委任為本公司執行董事兼行政總裁。

葉興安先生，現年54歲，本公司執行董事，負責本公司之整體項目發展及管理。葉先生於二零零七年三月加入深圳市綠景企業管理集團有限公司，擔任常務副總裁，負責其整體營運管理。於加入本公司前，於一九九三年三月至二零零二年八月，葉先生於萬科企業股份有限公司(一間主要從事房地產開發之公司)擔任多個職位。於二零零二年八月至二零零五年三月，葉先生擔任成都心怡投資實業有限公司董事兼總經理，主要負責整體管理。於二零零五年三月至二零零七年三月，葉先生擔任深圳市心怡房地產投資發展有限公司董事兼總經理，主要負責整體管理。葉先生於一九八六年六月取得中國江西財經學院(現稱江西財經大學)會計學學士學位，及於二零零零年九月至二零零一年九月在中國對外經濟貿易大學國際工商管理學院修讀工商管理碩士學位課程。於二零一四年五月十五日，葉先生獲委任為本公司執行董事。

Biographical Details of Directors and Senior Management

董事及高級管理人員之履歷

Ms. DENG Chengying, aged 57, is an Executive Director of the Company and is responsible for the overall finance and taxation management, internal control and compliance management of the Company. Since July 2007, Ms. DENG started serving in Shenzhen LVGEM Entity Management Group Co., Ltd. (深圳市綠景企業管理集團有限公司). She served as an audit director and responsible for the overall audit, tax planning, risk control and compliance matters. Prior to joining the Company, from 1993 to 2013, Ms. DENG assumed various positions including accounting director and chief financial officer in Shenzhen Xinzhou Industry Co., Ltd. (深圳市新洲實業股份有限公司), a company primarily engaged in real estate development and property lease management, and was responsible for accounting and finance matters. Ms. DENG obtained her specialty graduation certificate in industrial accounting (工業會計) from Hunan Radio and TV University (湖南廣播電視大學) in the PRC in July 1986 and studied specialty courses of master's degree in business administration in the Research Institute of Tsinghua University in Shenzhen (深圳清華大學研究院培訓中心) in the PRC in December 2002. Ms. DENG obtained her intermediate accounting professional qualifications of the People's Republic of China (中華人民共和國中級會計專業技術資格證書) in May 2002. Ms. DENG was appointed as an executive director of the Company on 15 May 2014.

Mr. HUANG Hao Yuan, aged 27, is an Executive Director of the Company and is responsible for business branding and investment property management of the Company. Mr. HUANG joined Shenzhen LVGEM Entity Management Group Co., Ltd. (深圳市綠景企業管理集團有限公司) in 2014, and served as the deputy general manager of the Investment and Development Centre and was responsible for formulating its strategic development and investment plans, as well as responsible for project execution and the evaluation of potential projects. From August 2016 to February 2017, Mr. HUANG served as a senior investment manager of 博商資產管理有限公司 (Boshuang Assets Management Co., Ltd.*) and was responsible for project development and evaluation and monitoring of investments. Mr. HUANG possesses 3 years' working experience in the real estate industry in China. Mr. HUANG was appointed as an executive director of the Company on 21 February 2017. Mr. HUANG is the son of Mr. WONG Hong King, the controlling shareholder of the Company and the younger brother of Ms. HUANG Jingshu, an executive director and chairman of the Company.

Non-Executive Director

Ms. LI Lihong, aged 45, is a Non-Executive Director of the Company. Ms. LI has over 22 years of experience in the banking and financial industry. She is currently the chief risk officer of the Real Estate Finance Division of Ping An Bank Co., Ltd. (平安銀行股份有限公司) (a company listed on the Shenzhen Stock Exchange with stock code of 000001) and is responsible for the risk management of the real estate finance department. From March 2015 to November 2016, Ms. LI served as the general manager of Ping An Caizhi Investment Management Company (平安財智投資管理有限公司). She joined the Guangzhou branch of Ping An Bank Co., Ltd. (平安銀行股份有限公司) in January 2009 and held various management positions until March 2015, the last position she held in such branch was the investment officer. From July 2003 to January 2009, Ms. LI also served as the branch general manager of the Corporate Finance Department and general manager assistant of the Risk Management Department in the Guangzhou branch of China Minsheng Banking Corp., Ltd. (中國民生銀行股份有限公司) (a company listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange with stock codes of 600016 and 01988 respectively). In addition, Ms. LI also served as the deputy director of the Guangzhou Tianhe branch of the Industrial and Commercial Bank of China Limited (中國工商銀行股份有限公司) (a company listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange with stock codes of 601398 and 1398 respectively) from July 1995 to June 2013. Ms. LI graduated from Nankai University and obtained her master's degree in business administration in senior management. Ms. LI was appointed as a non-executive director of the Company on 29 March 2018.

鄧承英女士，現年57歲，本公司執行董事，負責本公司之整體財稅管理、內控及合規管理。自二零零七年七月起，鄧女士開始就職於深圳市綠景企業管理集團有限公司，擔任審計總監，負責整體審計、稅務規劃、風險監控及合規事宜。於加入本公司前，於一九九三年至二零一三年，鄧女士先後擔任深圳市新洲實業股份有限公司(一間主要從事房地產開發及物業租賃管理之公司)會計主任及財務總監等多個職位，負責會計及財務事宜。鄧女士於一九八六年七月取得中國湖南廣播電視大學工業會計專科畢業證書，並於二零零二年十二月在中國深圳清華大學研究院修讀工商管理碩士學位精選課程。鄧女士於二零零二年五月取得中華人民共和國中級會計專業技術資格證書。於二零一四年五月十五日，鄧女士獲委任為本公司執行董事。

黃浩源先生，現年27歲，本公司執行董事，負責本公司之企業品牌及投資性物業管理。黃先生於二零一四年加入深圳市綠景企業管理集團有限公司，擔任投資發展中心之副總經理，負責制定戰略發展和投資計劃、項目執行及潛在項目的評估。於二零一六年八月至二零一七年二月，黃先生於博商資產管理有限公司擔任高級投資經理，負責項目開發、評估及監控投資。黃先生具有三年於中國房地產行業之工作經驗。於二零一七年二月二十一日，黃先生獲委任為本公司執行董事。黃先生為本公司控股股東黃康境先生之兒子及本公司執行董事兼主席黃敬舒女士之胞弟。

非執行董事

李麗紅女士，現年四十五歲，本公司非執行董事。李女士在銀行和金融行業擁有超過二十二年經驗。李女士現時為平安銀行股份有限公司(一間於深圳證券交易所上市之公司(股份代號:000001))地產金融事業部風險總監，負責地產金融事業部的風險管理工作。於二零一五年三月至二零一六年十一月，李女士擔任平安財智投資管理有限公司總經理。李女士於二零零九年一月加入平安銀行股份有限公司廣州分行，並擔任多個職位，直至二零一五年三月，彼於該分行最後擔任之職位為投資總監。李女士亦於二零零三年七月至二零零九年一月於中國民生銀行股份有限公司(一間於上海證券交易所及香港交易所上市之公司(股份代號分別為600016及01988))廣州分行擔任支行公司業務部總經理及分行風險管理部總經理助理。另外，李女士亦曾於一九九五年七月至二零零三年六月在中國工商銀行股份有限公司(一間於上海證券交易所及香港交易所上市之公司(股份代號分別為601398及1398))廣州天河支行擔任辦事處副主任及計財科副科長。李女士畢業於南開大學並取得高級管理人員工商管理碩士學位。於二零一八年三月二十九日，李女士獲委任為本公司非執行董事。

* For identification purposes only 僅供識別

Biographical Details of Directors and Senior Management

董事及高級管理人員之履歷

Independent Non-Executive Directors

Mr. ZHU Jiusheng, aged 49, is an Independent Non-Executive Director of the Company and is responsible for providing independent judgement and scrutinising the performance of the Company. Before joining the Company, from July 1993 to May 2012, Mr. ZHU held various positions in the Shenzhen branch of China Construction Bank Corporation (中國建設銀行股份有限公司深圳市分行), the shares of which are listed on the Hong Kong Stock Exchange and Shanghai Stock Exchange with stock code of 939 and 601939 respectively, and the last position he held was vice president of the Shenzhen branch. Mr. ZHU currently serves as a director of Shenzhen Kondarl (Group) Co., Ltd. (深圳市康達爾(集團)股份有限公司) (a company listed on the Shenzhen Stock Exchange with stock code of 000048) and as a non-executive director of Huishang Bank Corporation Limited (徽商銀行股份有限公司) (a company listed on the Hong Kong Stock Exchange with stock code of 3698), respectively. Mr. ZHU was appointed as the president and chief executive officer of 萬科企業股份有限公司 (China Vanke Co, Ltd.*) on 31 January 2018. Mr. ZHU obtained his master's degree in economics from Zhongnan University of Economics ((中南財經大學), now known as Zhongnan University of Economics and Law (中南財經政法大學)) in the PRC in June 1993, and his doctorate degree in economics from Zhongnan University of Economics and Law (中南財經政法大學) in the PRC in December 2003. Mr. ZHU was appointed as an independent non-executive director of the Company on 15 May 2014.

Mr. WANG Jing, aged 50, is an Independent Non-Executive Director of the Company and is responsible for providing independent judgement and scrutinising the performance of the Company. Mr. WANG currently serves as an independent director of Dark Horse Venture (Beijing) Technology Co. Ltd (創業黑馬(北京)科技股份有限公司) (a company listed on the Shenzhen Stock Exchange with stock code of 300688), the chairman of the board of directors (chained supermarket of retail industry) of Beijing Ueater Technology Co. Ltd (北京優集客科技有限公司) and the chairman of the board of directors of Land Vision (Shanghai) Investment Management Co., Ltd. (九洲遠景(上海)投資管理有限公司), a professional service provider in commercial property industry, and is responsible for its overall management. Mr. WANG served as an independent director of Better-Life Commercial Chain Share Co., Ltd. (步步高商業連鎖股份有限公司) (a company listed on the Shenzhen Stock Exchange with stock code of 002251) from May 2014 to May 2017. Mr. WANG obtained his Bachelor of Engineering Degree from Heilongjiang Business School (黑龍江商學院) in the PRC in July 1990, and his master's degree in business administration from University of International Business and Economics (對外經濟貿易大學) in the PRC in July 1997. Mr. WANG was appointed as an independent non-executive director of the Company on 15 May 2014.

獨立非執行董事

祝九勝先生，現年49歲，本公司獨立非執行董事，負責提供獨立判斷及細察本公司之表現。於加入本公司前，於一九九三年七月至二零一二年五月，祝先生於中國建設銀行股份有限公司深圳市分行(其股份於香港交易所(股份代號：939)及上海證券交易所(股份代號：601939)上市)擔任多個職位，彼最後擔任之職位為深圳市分行副行長。祝先生現時分別擔任深圳市康達爾(集團)股份有限公司(一間於深圳證券交易所上市之公司(股份代號：000048))董事及徽商銀行股份有限公司(一間於香港交易所上市之公司(股份代號：3698))非執行董事。祝先生於二零一八年一月三十一日獲委任為萬科企業股份有限公司公司總裁及首席執行官。祝先生於一九九三年六月取得中南財經大學(現稱中南財經政法大學)經濟學碩士學位及於二零零三年十二月取得中國中南財經政法大學經濟學博士學位。於二零一四年五月十五日，祝先生獲委任為本公司獨立非執行董事。

王敬先生，現年50歲，本公司獨立非執行董事，負責提供獨立判斷及細察本公司之表現。王先生現時擔任創業黑馬(北京)科技股份有限公司(一間於深圳證券交易所上市之公司(股份代號：300688))獨立董事、北京優集客科技有限公司(零售行業之連鎖超市)董事長及九洲遠景(上海)投資管理有限公司(商用物業行業之專業服務供應商)董事長，負責其整體管理。王先生於二零一四年五月至二零一七年五月擔任步步高商業連鎖股份有限公司(一間於深圳證券交易所上市之公司(股份代號：002251))獨立董事。王先生於一九九零年七月取得中國黑龍江商學院工程學士學位，並於一九九七年七月取得中國對外經濟貿易大學工商管理碩士學位。於二零一四年五月十五日，王先生獲委任為本公司獨立非執行董事。

* For identification purposes only 僅供識別

Biographical Details of Directors and Senior Management

董事及高級管理人員之履歷

Ms. HU Gin Ing, aged 59, is an Independent Non-Executive Director of the Company and is responsible for providing independent judgement and scrutinising the performance of the Company. Ms. HU has over 23 years of experience in accounting and finance. Ms. HU was appointed as the chairman of the board of directors of Benepet Co., Ltd. (益龍生醫股份有限公司) in July 2017. Before joining the Company, from August 2013 to October 2014, Ms. HU served as a non-executive director of SMI Culture & Travel Group Holdings Limited (星美文化旅遊集團控股有限公司) (formerly known as SMI Culture Group Holdings Limited (星美文化集團控股有限公司)), a company listed on the Hong Kong Stock Exchange with stock code of 2366. From May 2014 to June 2016, Ms. HU has served as the global chief finance officer of Acer Incorporated (宏碁股份有限公司), a company listed on the Taiwan Stock Exchange with stock code of 2353. She serves as an independent non-executive director of Carnival Group International Holdings Limited (嘉年華國際控股有限公司), Enterprise Development Holdings Limited (企展控股有限公司) and Superactive Group Company Limited (先機企業集團有限公司) (formerly known as United Pacific Industries Limited (聯太工業有限公司)), all of which are companies listed on the Hong Kong Stock Exchange with stock code of 996, 1808, and 176 respectively. Ms. HU also served as an independent director of Arich Enterprise Co. Ltd. (久裕企業股份有限公司) (a company listed on the GreTai Securities Market in Taiwan with stock code of 4173) from December 2012 to June 2015. Ms. HU obtained her Bachelor of Arts degree from National Taiwan University in June 1981, her Master of Science degree of science from Barry University in the United States of America in May 1988 and her Master of Business Administration degree from Florida International University in the United States of America in August 1990. Ms. HU was appointed as an independent non-executive director of the Company on 15 May 2014.

Senior Management

Ms. HU Yong, aged 55, is the vice president of the Group and is responsible for its financing. Prior to joining the Group in January 2005, from July 2003 to December 2004, Ms. HU served as the assistant to general manager in China Jiantou Commerce & Trading Co., Ltd. (中建投商貿有限公司) and was responsible for finance duties. From January 1987 to January 2001, she served in various positions in Shenzhen Petrochemical Chemical Co., Ltd. (深圳石化化工有限公司), including general manager from July 1996 to January 2001. She was responsible for financial and accounting matters. Ms. HU obtained her associate degree in accounting from Shenzhen University (深圳大學) in July 1989, and studied strategic financing management courses in the Research Institute of Tsinghua University in Shenzhen (深圳清華大學研究院) in the PRC in April 2008.

Mr. REN Hongbing, aged 50, is the vice president of the Group and is responsible for the project construction and development. Mr. REN joined the Group in March 2001. He had served various positions including the vice general manager and general manager of Zhuhai LVGEM Real Estate Development Co., Ltd. (珠海綠景房地產開發有限公司) and was responsible for project development. Prior to joining the Group, Mr. REN served as various positions in Shenzhen Huatai Enterprises Company (深圳華泰企業公司) and was responsible for technology and engineering matters. Mr. REN obtained his bachelor's degree in industrial and civil buildings (工業與民用建築) from Yangzhou Construction Engineering Institute (揚州建築工程學校) in the PRC in July 1988, and his Master of Business Administration degree from University of Wales in January 2012.

胡競英女士，現年59歲，本公司獨立非執行董事，負責提供獨立判斷及細察本公司之表現。胡女士在會計及財務方面積逾二十三年經驗。胡女士於二零一七年七月獲委任為益龍生醫股份有限公司董事長。於加入本公司前，於二零一三年八月至二零一四年十月，胡女士擔任星美文化旅遊集團控股有限公司(前稱星美文化集團控股有限公司)，一間於香港交易所上市之公司(股份代號：2366)之非執行董事。於二零一四年五月至二零一六年六月，胡女士擔任宏碁股份有限公司(一間於台灣證券交易所上市之公司(股份代號：2353))全球財務長。彼擔任嘉年華國際控股有限公司(股份代號：996)、企展控股有限公司(股份代號：1808)及先機企業集團有限公司(前稱「聯太工業有限公司」)股份代號：176(均為於香港交易所上市之公司)獨立非執行董事。胡女士亦於二零一二年十二月至二零一五年六月擔任久裕企業股份有限公司(一間於台灣證券櫃檯買賣中心上市之公司(股份代號：4173))獨立董事。胡女士於一九八一年六月取得國立台灣大學文學士學位，於一九八八年五月取得美國Barry University科學碩士學位及於一九九零年八月取得美國Florida International University工商管理碩士學位。於二零一四年五月十五日，胡女士獲委任為本公司獨立非執行董事。

高級管理人員

呼勇女士，現年55歲，本集團之副總裁，負責財務融資。於二零零五年一月加入本集團前，於二零零三年七月至二零零四年十二月，呼女士擔任中建投商貿有限公司助理總經理，負責財務職責。於一九八七年一月至二零零一年一月，彼擔任深圳石化化工有限公司若干職位，包括於一九九六年七月至二零零一年一月擔任總經理，負責財務及會計事項。呼女士於一九八九年七月取得深圳大學會計學畢業證書，並於二零零八年四月修讀中國深圳清華大學研究院策略融資管理課程。

任紅兵先生，現年50歲，本集團之副總裁，負責項目建設發展。任先生於二零零一年三月加入本集團。曾先後擔任珠海綠景房地產開發有限公司副總經理及總經理等多個職位，負責項目開發。於加入本集團前，任先生於深圳華泰企業公司擔任多個職位，負責技術及工程事宜。任先生於一九八八年七月取得中國揚州建築工程學校工業與民用建築學士學位，並於二零一二年一月取得英國威爾士大學工商管理碩士學位。

The directors of the Company (the "Directors") have pleasure in presenting their report together with the audited consolidated financial statements for the year ended 31 December 2017.

A review of the business of the Group during the year under review and a discussion on the Group's future business development, possible risks and uncertainties that the Group may be facing and important events affecting the Company occurred during the year ended 31 December 2017 are provided in the section headed "Chairman's Statement" on pages 4 to 5 and the section headed "Management Discussion and Analysis" on pages 6 to 18 of this annual report.

An analysis of the Group's performance during the year ended 31 December 2017 using financial performance indicators is provided in the section headed "Management Discussion and Analysis" on pages 6 to 18 of this annual report.

Principal Activities

The Group is principally engaged in property development and property investment businesses in the PRC.

Results and Dividend

The results of the Group for the year ended 31 December 2017 and the state of affairs of the Group at that date are set out in the consolidated financial statements on pages 52 to 160.

The Board recommended the payment of a final dividend of HK5 cents (equivalent to approximately RMB4.15 cents) per ordinary share for the year ended 31 December 2017.

Convertible Bonds and Share Capital

There were no changes in the number of the convertible bonds and issued shares during the year ended 31 December 2017. Details of the Company's convertible bonds and share capital are set out in notes 31 and 33 to the consolidated financial statements.

Reserves

Details of the movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity.

Distributable Reserves

Pursuant to the applicable statutory provisions of the Cayman Islands, the Company's reserves available for distribution as at 31 December 2017, amounted to approximately RMB206.0 million (2016: RMB231.0 million), of which approximately RMB195.0 million has been proposed as final dividend for the year.

本公司董事(「董事」)欣然提呈其年報連同截至二零一七年十二月三十一日止年度之經審核綜合財務報表。

本集團於回顧年內之業務回顧及本集團日後業務發展、可能風險及不確定性因素(本集團於截至二零一七年十二月三十一日止年度可能受影響之重要事件)載於本年報第4至5頁「主席報告」一節及第6至18頁「管理層討論與分析」一節。

於截至二零一七年十二月三十一日止年度，本集團之表現按財務表現指標之分析載於本年報第6至18頁「管理層討論與分析」一節。

主要業務

本集團主要在中國從事物業發展及物業投資業務。

業績及股息

本集團截至二零一七年十二月三十一日止年度的業績以及本集團於該日的業務狀況載於第52至160頁的綜合財務報表。

董事會建議派付截至二零一七年十二月三十一日止年度的末期股息每股普通股5港仙(相等於約人民幣4.15分)。

可換股債券及股本

截至二零一七年十二月三十一日止年度內已發行可換股債券及股份數目並無任何變動。本公司可換股債券及股本詳情載於綜合財務報表附註31及33。

儲備

本集團之儲備於年內之變動情況載於綜合權益變動表。

可供分派儲備

根據開曼群島適用之法定條例，於二零一七年十二月三十一日，本公司之可供分派儲備約人民幣206.0百萬元(二零一六年：人民幣231.0百萬元)，其中約人民幣195.0百萬元已作末期股息宣派。

Directors' Report

董事會報告

Property, Plant and Equipment

Details of the movements in the property, plant and equipment of the Group are set out in note 14 to the consolidated financial statements.

Principal Properties

Details of the principal properties for investment purposes and properties under development for sale are set out on pages 162 to 168.

Pre-Emptive Rights

There is no provision for pre-emptive rights under the Company's articles of association or the laws of Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

Tax Relief

The Company is not aware of any relief from taxation available to shareholders by reason of their holding of the Company's shares.

Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 161.

Purchase, Sale or Redemption of the Company's Listed Securities

On 15 August 2017, Gemstones International Limited, a wholly-owned subsidiary of the Company, issued the Senior Notes. Gemstones International Limited issued the additional Senior Notes in October 2017. The Senior Notes are listed on the Singapore Stock Exchange.

The Company has not redeemed any of its listed securities during the year. Save as disclosed and the issue of 600,000 shares by the Company pursuant to the exercise of share options during the year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year.

物業、廠房及設備

本集團之物業、廠房及設備的變動詳情載於綜合財務報表附註14。

主要物業

作投資用途的主要物業及發展中待售物業之詳情載於第162至168頁。

優先購買權

本公司的組織章程細則或開曼群島法例並無有關優先購買權的條文，規定本公司須按比例向現有股東發售新股份。

稅務減免

本公司並不知悉股東因彼等持有本公司股份而獲任何稅務減免。

財務概要

本集團過去五個財政年度之業績以及資產及負債概要載於第161頁。

購回、出售或贖回本公司上市證券

於二零一七年八月十五日，碧玺国际有限公司(本公司之全資附屬公司)發行優先票據。於二零一七年十月，碧玺国际有限公司發行額外優先票據。優先票據於新加坡證券交易所上市。

本公司於年內並無贖回任何上市證券，除所披露者及本公司於年內根據行使購股權而發行600,000股股份外，本公司及其任何附屬公司於年內並無購回、出售或贖回本公司任何上市證券。

Directors

The directors of the Company during the year were as follows:

Executive Directors

Ms. HUANG Jingshu (*Chairman*)
Mr. TANG Shouchun (*Chief Executive Officer*)
Mr. YE Xingan
Ms. DENG Chengying
Mr. HUANG Hao Yuan

Independent Non-Executive Directors

Mr. ZHU Jiusheng
Mr. WANG Jing
Ms. HU Gin Ing

Subsequent to the year end, Ms. LI Lihong was appointed as a Non-Executive Director on 29 March 2018.

In accordance with the Company's articles of association, Ms. LI Lihong will retire at the first general meeting of the Company after her appointment. In addition, Ms. HUANG Jingshu, Mr. YE Xingan and Ms. HU Gin Ing will retire by rotation. All the above Directors being eligible for re-election, will offer themselves for re-election at the forthcoming annual general meeting.

The Company has received from each independent non-executive director an annual confirmation of his/her independence pursuant to the Rules Governing the Listing of Securities on the Stock Exchange and the Company considers such Directors were independent.

Biographical Details of Directors and Senior Management

Biographical details of the Directors and senior management are set out on pages 19 to 22.

Directors' Service Agreements

Each of the executive Directors has entered into a service agreement with the Company for a term of two years; and is subject to termination by either party in the manner as set out in the service agreement.

Each of the independent non-executive Directors has entered into a letter of appointment with the Company for a term of two years; and is subject to termination by either party in the manner as set out in the letter of appointment.

None of the Directors who are proposed for re-election at the forthcoming annual general meeting have a service agreement with the Company or any of its subsidiaries not determinable by the employing company within one year without payment of compensation (other than statutory compensation).

Directors' Interests in Contracts

Save as disclosed in the section headed "Continuing Connected Transaction" in this report and in note 45 to the consolidated financial statements, none of the Directors and controlling shareholders of the Company had a material beneficial interest, either direct or indirect, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

董事

年內任職本公司的董事如下：

執行董事

黃敬舒女士(主席)
唐壽春先生(行政總裁)
葉興安先生
鄧承英女士
黃浩源先生

獨立非執行董事

祝九勝先生
王敬先生
胡競英女士

年末後，李麗紅女士於二零一八年三月二十九日獲委任為非執行董事。

根據本公司之組織章程細則，李麗紅女士將於彼獲委任後之首屆本公司股東大會退任。此外，黃敬舒女士、葉興安先生及胡競英女士將輪席告退。所有上述董事符合重選資格並願意於應屆股東週年大會上重選連任。

本公司已取得每位獨立非執行董事根據聯交所證券上市規則之規定作出之年度獨立性確認函，由此本公司視該等董事為獨立董事。

董事及高級管理人員之履歷

董事及高級管理人員之履歷詳情載於第19至22頁。

董事服務合約

各執行董事已與本公司訂立服務合約，任期為兩年，於服務合約內註明其中一方可向另一方根據服務合約條款終止其服務合約。

各獨立非執行董事已與本公司訂立委任函，任期為兩年，於委任函內註明其中一方可向另一方根據委任函條款終止其委任函。

擬於即將舉行之股東週年大會上膺選連任之董事概無與本公司或其任何附屬公司訂立不可由聘任公司於一年內不付賠償(法定賠償除外)的情況下終止之服務合約。

董事的合約權益

除本年報內「持續關聯交易」一節及綜合財務報表附註45所披露者外，概無董事及本公司控股股東於本公司或其任何附屬公司在年內所訂立並與本集團業務有關之任何重要合約中，直接或間接擁有重大權益。

Directors' Report

董事會報告

Remuneration of the Directors and the Five Highest Paid Individuals

Details of the remuneration of the Directors and the five highest paid individuals are set out in note 10 to the consolidated financial statements.

The remuneration of the Directors and senior management is determined with reference to their duties, responsibilities and performance and the Group's results.

Directors' and Chief Executives' Interests in the Shares, Underlying Shares and Debentures of the Company

As at 31 December 2017, the Directors and the chief executives of the Company had the following interests in the shares, underlying shares and debentures of the Company which were recorded in the register required to be kept by the Company pursuant to section 352 of the Securities and Futures Ordinance (the "SFO"), or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules").

(A) Interest in shares and underlying shares of the Company

Name of Director	Long position/ Short position	Capacity	Number of shares held	Number of underlying shares (under equity derivatives of the Company) 相關股份數目 (於本公司股本 衍生工具下)	Aggregate interests	Approximate percentage of the issued share capital of the Company 佔本公司已發行 股本之概約百分比
董事姓名	好倉/淡倉	身份	所持股份數目		權益總額	
Ms. HUANG Jingshu 黃敬舒女士	Long Position 好倉	Personal interest 個人權益	-	4,500,000 (Note 2) (附註2)	4,500,000	0.10%
Mr. TANG Shouchun 唐壽春先生	Long Position 好倉	Personal interest 個人權益	-	10,000,000 (Note 2) (附註2)	10,000,000	0.21%
Mr. YE Xingan 葉興安先生	Long Position 好倉	Personal interest 個人權益	-	10,000,000 (Note 2) (附註2)	10,000,000	0.21%
Mr. CHEN Tieshen (Note 1) 陳鐵身先生 (附註1)	Long Position 好倉	Personal interest 個人權益	-	3,000,000 (Note 2) (附註2)	3,000,000	0.06%
Ms. DENG Chengying 鄧承英女士	Long Position 好倉	Personal interest 個人權益	-	8,500,000 (Note 2) (附註2)	8,500,000	0.18%
Mr. HUANG Hao Yuan 黃浩源先生	Long Position 好倉	Personal interest 個人權益	-	4,500,000 (Note 2) (附註2)	4,500,000	0.10%
Mr. ZHU Jiusheng 祝九勝先生	Long Position 好倉	Personal interest 個人權益	-	3,000,000 (Note 2) (附註2)	3,000,000	0.06%
Mr. WANG Jing 王敬先生	Long Position 好倉	Personal interest 個人權益	-	3,000,000 (Note 2) (附註2)	3,000,000	0.06%
Ms. HU Gin Ing 胡競英女士	Long Position 好倉	Personal interest 個人權益	-	3,000,000 (Note 2) (附註2)	3,000,000	0.06%

Notes:

- Mr. CHEN Tieshen resigned as executive director on 21 February 2017 and 7,000,000 share options have lapsed accordingly.
- Share options were granted on 28 June 2016. Details of share options granted to the Directors of the Company are set out in part (B) of this section.

董事薪酬及五名最高薪酬人士

董事薪酬及五名最高薪酬人士的薪酬詳情載於綜合財務報表附註10。

董事及高級管理人員薪酬乃經參考其職務、責任及表現，以及本集團業績釐定。

董事及主要行政人員於本公司的股份、相關股份及債券中擁有的權益

於二零一七年十二月三十一日，按本公司根據證券及期貨條例(「證券及期貨條例」)第352條所置存的登記冊所示，董事及本公司主要行政人員於本公司之股份、相關股份及債券中擁有下文所列的權益，或根據聯交所證券上市規則(「上市規則」)所載董事進行證券交易的標準守則須以其他方式知會本公司及聯交所的權益。

(A) 於本公司股份的權益及相關股份之權益

附註：

- 陳鐵身先生於二零一七年二月二十一日辭任執行董事，而7,000,000股購股權相應失效。
- 購股權乃於二零一六年六月二十八日授出。授予本公司董事之購股權詳情乃載於本節(B)項下。

Directors' and Chief Executives' Interests in the Shares, Underlying Shares and Debentures of the Company (Cont'd)

(A) Interest in shares and underlying shares of the Company (Cont'd)

Save as disclosed above, as at 31 December 2017, none of the Company's Directors, chief executives of the Company and their associates, had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to section 352 of the SFO.

(B) Long position in underlying shares – share options

Under the share option scheme of the Company, share option may be granted to certain participants including the Directors and employees of the Company and its subsidiaries to subscribe for the shares of the Company. Details of share options granted to the Directors are as follows:

Name of Director	Date of grant dd/mm/yyyy	Exercisable period dd/mm/yyyy	Number of share options 購股權數目				Balance at 31 December 2017	Exercise price per share HK\$
			Balance at 1 January 2017	Granted during the year	Exercised during the year	Lapsed during the year		
			於二零一七年 一月一日 之結餘	於年內授出	於年內行使	於年內失效	於二零一七年 十二月三十一日 之結餘	每股行使價 港元
Ms. HUANG Jingshu 黃敬舒女士	28/06/2016	28/06/2016 – 27/06/2026 (Note 3) (附註3)	4,500,000	-	-	-	4,500,000	1.846 (Note 4) (附註4)
Mr. TANG Shouchun 唐壽春先生	28/06/2016	28/06/2016 – 27/06/2026 (Note 3) (附註3)	10,000,000	-	-	-	10,000,000	1.846 (Note 4) (附註4)
Mr. YE Xingan 葉興安先生	28/06/2016	28/06/2016 – 27/06/2026 (Note 3) (附註3)	10,000,000	-	-	-	10,000,000	1.846 (Note 4) (附註4)
Mr. CHEN Tieshen (Note 1) 陳鐵身先生(附註1)	28/06/2016	28/06/2016 – 27/06/2026 (Note 3) (附註3)	10,000,000	-	-	7,000,000	3,000,000	1.846 (Note 4) (附註4)
Ms. DENG Chengying 鄧承英女士	28/06/2016	28/06/2016 – 27/06/2026 (Note 3) (附註3)	8,500,000	-	-	-	8,500,000	1.846 (Note 4) (附註4)
Mr. HUANG Hao Yuan (Note 2) 黃浩源先生(附註2)	28/06/2016	28/06/2016 – 27/06/2026 (Note 3) (附註3)	4,500,000	-	-	-	4,500,000	1.846 (Note 4) (附註4)

董事及主要行政人員於本公司的股份、相關股份及債券中擁有的權益(續)

(A) 於本公司股份的權益及相關股份之權益(續)

除上文披露者外，於二零一七年十二月三十一日，本公司之董事、本公司主要行政人員及彼等之聯繫人概無於本公司或其任何相聯法團之股份、相關股份或債券擁有任何權益或淡倉，而需按證券及期貨條例第352條予以記錄。

(B) 相關股份之好倉 – 購股權

根據本公司之購股權計劃，購股權可授予若干參與人(包括董事及本公司及其附屬公司之僱員)以認購本公司之股份。授予董事之購股權詳情如下：

Directors' Report

董事會報告

Directors' and Chief Executives' Interests in the Shares, Underlying Shares and Debentures of the Company (Cont'd)

(B) Long position in underlying shares – share options (Cont'd)

Name of Director	Date of grant dd/mm/yyyy	Exercisable period dd/mm/yyyy	Number of share options 購股權數目				Balance at 31 December 2017	Exercise price per share HK\$
			Balance at 1 January 2017	Granted during the year	Exercised during the year	Lapsed during the year		
董事名稱	授出日期 日/月/年	行使期間 日/月/年	於二零一七年 一月一日 之結餘	於年內授出	於年內行使	於年內失效	於二零一七年 十二月三十一日 之結餘	每股行使價 港元
Mr. ZHU Jiusheng 祝九勝先生	28/06/2016	28/06/2016 – 27/06/2026 (Note 3) (附註3)	3,000,000	-	-	-	3,000,000	1.846 (Note 4) (附註4)
Mr. WANG Jing 王敬先生	28/06/2016	28/06/2016 – 27/06/2026 (Note 3) (附註3)	3,000,000	-	-	-	3,000,000	1.846 (Note 4) (附註4)
Ms. HU Gin Ing 胡競英女士	28/06/2016	28/06/2016 – 27/06/2026 (Note 3) (附註3)	3,000,000	-	-	-	3,000,000	1.846 (Note 4) (附註4)

Notes:

- Mr. CHEN Tieshen resigned as executive director on 21 February 2017 and 7,000,000 share options have lapsed accordingly.
- Mr. HUANG Hao Yuan, an associate of the substantial shareholder of the Company, was appointed as executive director on 21 February 2017.
- The share options are exercisable in the following manner for a period of 10 years from the date of grant:
 - 30% of the share options shall exercise on the date of the grant and up to 27 June 2026;
 - 30% of the share options shall exercise upon the expiry of one year from 28 June 2016 and up to 27 June 2026; and
 - 40% of the share options shall exercise upon the expiry of two years from 28 June 2016 and up to 27 June 2026.
- Details of the fair value of the options granted in 2016 are set out in note 37 to the consolidated financial statements.

董事及主要行政人員於本公司的股份、相關股份及債券中擁有的權益(續)

(B) 相關股份之好倉－購股權(續)

Number of share options 購股權數目

Name of Director	Date of grant dd/mm/yyyy	Exercisable period dd/mm/yyyy	Number of share options 購股權數目				Balance at 31 December 2017	Exercise price per share HK\$
			Balance at 1 January 2017	Granted during the year	Exercised during the year	Lapsed during the year		
董事名稱	授出日期 日/月/年	行使期間 日/月/年	於二零一七年 一月一日 之結餘	於年內授出	於年內行使	於年內失效	於二零一七年 十二月三十一日 之結餘	每股行使價 港元
Mr. ZHU Jiusheng 祝九勝先生	28/06/2016	28/06/2016 – 27/06/2026 (Note 3) (附註3)	3,000,000	-	-	-	3,000,000	1.846 (Note 4) (附註4)
Mr. WANG Jing 王敬先生	28/06/2016	28/06/2016 – 27/06/2026 (Note 3) (附註3)	3,000,000	-	-	-	3,000,000	1.846 (Note 4) (附註4)
Ms. HU Gin Ing 胡競英女士	28/06/2016	28/06/2016 – 27/06/2026 (Note 3) (附註3)	3,000,000	-	-	-	3,000,000	1.846 (Note 4) (附註4)

附註：

- 陳鐵身先生於二零一七年二月二十一日辭任執行董事，而7,000,000股購股權相應失效。
- 本公司主要股東之聯繫人士黃浩源先生於二零一七年二月二十一日獲委任為執行董事。
- 購股權可於授出日期起計十年期間按下列方式行使：
 - 購股權之30%由授出日期起至二零一六年六月二十七日止；
 - 購股權之30%由二零一六年六月二十八日起計一年屆滿起，至二零一六年六月二十七日止；及
 - 購股權之40%由二零一六年六月二十八日起計兩年屆滿起，至二零一六年六月二十七日止。
- 於二零一六年授出的購股權的公允價值詳情請載於綜合財務報表附註37。

Substantial Shareholders' Interests in Shares and Underlying Shares of the Company

So far as known to the Company, as at 31 December 2017, shareholders (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long position in ordinary shares

Name of Shareholder	Long position/ Short position	Capacity	Number of Shares/ underlying Shares held	Aggregate Interests	Approximate percentage of the issued share capital of the Company 佔本公司 已發行股本之 概約百分比	Notes
股東姓名	好倉／淡倉	身份	所持股份／ 相關股份的數目	權益總額		附註
China LVGEM Property Holdings Limited ("China LVGEM") 中國綠景地產控股有限公司(「中國綠景」)	Long Position 好倉	Beneficial owner 實益擁有人	1,010,844,583	1,010,844,583	21.53%	1
Go Great International Limited ("Go Great") 高鴻國際有限公司(「高鴻」)	Long Position 好倉	Interests of controlled corporation 受控法團權益	1,120,187,094	1,120,187,094	23.87%	1
Mr. WONG Hong King ("Mr. WONG") 黃康境先生(「黃先生」)	Long Position 好倉	Interests of controlled corporation 受控法團權益	3,520,187,094	3,520,187,094	74.99%	1
Kinson Group Limited	Long Position 好倉	Beneficial owner 實益擁有人	2,400,000,000	2,400,000,000	51.13%	2
Evergreen Holdings Limited	Long Position 好倉	Interests of controlled corporation 受控法團權益	2,400,000,000	2,400,000,000	51.13%	2
UBS Trustees (BVI) Limited	Long Position 好倉	Interests of controlled corporation 受控法團權益	2,400,000,000	2,400,000,000	51.13%	2
Toplist Investments Limited	Long Position 好倉	Beneficial owner 實益擁有人	300,000,000	300,000,000	6.39%	N/A 不適用
Wkland Investments V Limited	Long Position 好倉	Beneficial owner 實益擁有人	300,000,000	300,000,000	6.39%	3
China Vanke Co., Ltd.* 萬科企業股份有限公司	Long Position 好倉	Interests of controlled corporation 受控法團權益	300,000,000	300,000,000	6.39%	3
Chance Talent Management Limited	Long Position 好倉	Beneficial owner 實益擁有人	287,940,630	287,940,630	6.13%	4
China Construction Bank Corporation 中國建設銀行股份有限公司	Long Position 好倉	Interests of controlled corporation 受控法團權益	287,940,630	287,940,630	6.13%	4
Central Huijin Investment Ltd. 中央匯金投資有限責任公司	Long Position 好倉	Interests of controlled corporation 受控法團權益	287,940,630	287,940,630	6.13%	4

* For identification purpose only 僅供識別

主要股東於本公司的股份及相關股份中擁有的權益

於二零一七年十二月三十一日，就本公司所知，股東(董事或本公司主要行政人員除外)於本公司的股份及相關股份中擁有須根據證券及期貨條例第XV部第2及3分部知會本公司之權益或淡倉；或根據證券及期貨條例第336條須予存置的登記冊所示，詳情如下：

普通股股份之好倉

Directors' Report

董事會報告

Substantial Shareholders' Interests in Shares and Underlying Shares of the Company (Cont'd)

Long position in ordinary shares (Cont'd)

Notes:

- China LVGEM is owned as to 100% by Go Great, which is in turn owned as to 100% by Mr. WONG. Accordingly, Go Great and Mr. WONG are deemed to be interested in the 1,010,844,583 Shares held by China LVGEM.
- Kinson Group Limited is owned as to 100% by Evergreen Holdings Limited, and Evergreen Holdings Limited is owned as to 100% by UBS Trustees (BVI) Limited, acting as the trustee for the family trust of Mr. WONG.
- Wkland Investments V Limited is owned as to 100% by 萬科企業股份有限公司 (China Vanke Co., Ltd.). Accordingly, 萬科企業股份有限公司 (China Vanke Co., Ltd.) is deemed to be interested in the 300,000,000 Shares held by Wkland Investments V Limited.
- The underlying shares represented the ordinary shares to be issued upon full conversion of US\$100,000,000 convertible bonds held by Chance Talent Management Limited, at the conversion price of HK\$2.695 (as adjusted) per conversion share. On 18 January 2018, the Company has allotted and issued 28,794,063 conversion shares to Chance Talent Management Limited at the conversion price of HK\$2.695 per conversion share. Chance Talent Management Limited is owned as to 100% by China Construction Bank Corporation, and China Construction Bank Corporation is owned as to 57.31% by Central Huijin Investment Ltd.. Accordingly, Central Huijin Investment Ltd. is deemed to be interested in the 287,940,630 Shares held by Chance Talent Management Limited.

Long position in convertible preference shares

Name of Shareholder	Long position/ Short position	Capacity	Number of convertible preference shares	Approximate percentage of the issued convertible preference share capital of the Company	Note
股東姓名	好倉/淡倉	身份	可換股 優先股份數目	佔本公司 已發行股本之 概約百分比	附註
China LVGEM 中國綠景	Long Position 好倉	Beneficial owner 實益擁有人	3,265,646,936	95.67%	1
Go Great 高鴻	Long Position 好倉	Interests of controlled corporation 受控法團權益	3,265,646,936	95.67%	1
Mr. WONG 黃先生	Long Position 好倉	Interests of controlled corporation 受控法團權益	3,265,646,936	95.67%	1

Note:

- China LVGEM is owned as to 100% by Go Great, which is in turn owned as to 100% by Mr. WONG. Accordingly, Go Great and Mr. WONG are deemed to be interested in the 3,265,646,936 convertible preference shares held by China LVGEM.

主要股東於本公司的股份及相關股份中擁有的權益(續)

普通股股份之好倉(續)

附註：

- 高鴻擁有中國綠景100%之權益(亦即黃先生擁有中國綠景100%之權益)。因此，高鴻及黃先生被視為於中國綠景所持有之該等1,010,844,583股股份擁有權益。
- Evergreen Holdings Limited 擁有 Kinson Group Limited 100%之權益，而UBS Trustees (BVI) Limited作為黃先生之家族信託的受託人擁有Evergreen Holdings Limited 100%之權益。
- 萬科企業股份有限公司擁有Wkland Investments V Limited之100%權益。因此，萬科企業股份有限公司被視為於Wkland Investments V Limited所持有之該等300,000,000股股份擁有權益。
- 相關股份指由Chance Talent Management Limited持有的100,000,000美元可換股債券悉數轉換後將以每股兌換股份2.695港元(經調整)的兌換價發行的普通股股份。於二零一八年一月十八日，本公司已按每股兌換股份2.695港元之兌換價，向Chance Talent Management Limited配發及發行28,794,063股兌換股份。中國建設銀行股份有限公司擁有Chance Talent Management Limited 100%之權益，而中央匯金投資有限責任公司擁有中國建設銀行股份有限公司57.31%之權益。因此，中央匯金投資有限責任公司被視為於Chance Talent Management Limited所持有之該等287,940,630股股份擁有權益。

可換股優先股股份之好倉

附註：

- 高鴻擁有中國綠景100%之權益(亦即黃先生擁有中國綠景100%之權益)。因此，高鴻及黃先生被視為於中國綠景所持有之該等3,265,646,936股可換股優先股股份擁有權益。

* For identification purpose only 僅供識別

Employee and Remuneration Policies

The Group remunerates and provides benefits for its employees based on current industry practice. Discretionary bonuses are awarded to staff based on the financial performance of the Group and performance of individual staff.

In addition, share options may be granted to eligible employees in accordance with the terms of the Company's share option scheme.

Retirement Schemes

The Group participates in several defined contribution retirement plans which cover the Group's eligible employees in China, and a mandatory provident fund scheme for the employees in Hong Kong. Particulars of these retirement plans are set out in note 38 to the consolidated financial statements.

Share Options

Details of the Company's share option scheme and the movements in the share options are set out in note 37 to the consolidated 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.

Directors' Rights to Acquire Shares or Debentures

Save as otherwise disclosed in this report, no rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company were granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company and any of its subsidiaries a party to any arrangement to enable the Directors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate for the year ended 31 December 2017.

Major Suppliers and Customers

The percentages of purchases and sales for the year attributable to the Group's major suppliers and customers are as follows:

Purchases	
– the largest supplier	36%
– five largest suppliers combined	69%

Sales	
– the largest customer	0.4%
– five largest customers combined	2.2%

None of the Directors or any of their associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest suppliers and its five largest customers.

僱員及薪酬政策

本集團根據目前業內慣例為其僱員給予薪酬及提供福利，並會根據本集團的財務表現和個別員工的表現向員工發放酌情花紅。

此外，購股權可根據本公司購股權計劃之條款授予合資格的僱員。

退休計劃

本集團為本集團之合資格中國員工參與多種定額供款退休計劃及為香港員工參與強制性公積金計劃，該等退休計劃之詳情載於綜合財務報表附註38。

購股權

有關本公司之購股權計劃及購股權變動的詳情載於綜合財務報表附註37。

管理合約

年內概無訂立或存有與本公司整體或任何重大部分業務之管理及行政事務有關之合約。

董事認購股份或債權證之權利

除本年報另行所披露者外，截至二零一七年十二月三十一日止年度，概無向任何董事或彼等各自之配偶或未滿18歲子女授出藉收購本公司股份或債券而獲益之權利，或彼等概無行使有關權利；或本公司及其任何附屬公司亦無訂立任何安排，致使董事或彼等各自之配偶或未滿18歲子女於任何其他法人團體收購有關權利。

主要供應商及客戶

本集團主要供應商及客戶所佔採購及銷售百分率如下：

採購額	
– 最大供應商	36%
– 五大供應商合併計算	69%

銷售額	
– 最大客戶	0.4%
– 五大客戶合併計算	2.2%

概無董事或其任何聯繫人士或任何股東(就董事所知擁有本公司已發行股本5%以上)擁有本集團五大供應商及其五大客戶之實益權益。

Directors' Report

董事會報告

Continuing Connected Transaction

The Company has entered into the following continuing connected transaction during the year ended 31 December 2017. Details of the transaction are set out below:

Security Services Agreement

On 26 October 2015, the Company and Shenzhen Forsafe System Technology Co., Ltd. ("Forsafe") entered into a security services agreement pursuant to which Forsafe provides security products, intelligent security system design, engineering and installation services, including fire security system and low current intelligent system to the Group (the "Services"), for a term commencing from the date of agreement and ending on 31 December 2017. Forsafe is a wholly owned subsidiary of 深圳市泓景投資有限公司 (Shenzhen Hongjing Investment Co., Ltd*) ("Shenzhen Hongjing"), the shareholding interest of which has been transferred from Mr. Wong to his spouse, Ms. He Yaxing and certain associates on 28 September 2015, Ms. He Yaxing becomes the controlling shareholder of Shenzhen Hongjing. Therefore, the security services agreement constitutes continuing connected transaction of the Company under the Listing Rules.

For the year ended 31 December 2017, the fees charged by Forsafe for the provision of the Services under the security services agreement amounted to RMB2.05 million, which was within the annual cap of RMB30 million for the same period.

The aforesaid continuing connected transaction has been reviewed by the independent non-executive directors of the Company and they confirmed that the aforesaid transaction was entered into (i) in the ordinary and usual course of business of the Group, (ii) on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties, and (iii) in accordance with the relevant agreement governing the transactions on terms that are fair and reasonable and in the interests of the Company and the shareholders as a whole.

Based on the work performed, the auditor of the Company has provided a letter to the Board, confirming that nothing has come to their attention which causes them to believe the continuing connected transaction abovementioned:

- (i) has not been approved by the Board;
- (ii) has not been entered into, in all material respects, in accordance with the relevant agreements governing the transactions; and
- (iii) has exceed the annual caps.

On 24 November 2017, the Security Services Agreement was renewed for a term of 3 years continuing on 1 January 2018.

Related Party Transactions

Details of the related party transactions undertaken by the Group in the normal course of business are set out in note 45 to the consolidated financial statements. Those related party transactions, which constituted continuing connected transactions not being exempt from annual reporting requirement under the Listing Rules, are set out in the section headed "Continuing Connected Transaction" above, and the Company has complied with the relevant disclosure requirements in accordance with Chapter 14A of the Listing Rules.

* For identification purposes only 僅供識別

持續關連交易

截至二零一七年十二月三十一日止年度，本集團已訂立以下持續關連交易。交易詳情如下：

保安服務協議

於二零一五年十月二十六日，本公司與深圳市賦安安全系統有限公司(「賦安」)訂立一份保安服務協議，據此，賦安向本集團提供保安產品、智能保安系統設計、工程及安裝服務，包括火災報警系統及弱電智能系統(「服務」)，為期自本協議日起至二零一七年十二月三十一日止。賦安為深圳市泓景投資有限公司(「深圳市泓景」)之全資附屬公司，於二零一五年九月二十八日黃先生轉讓深圳市泓景股份予其配偶何亞興女士及若干聯繫人，何亞興女士自始為深圳市泓景之控股股東。故此，根據上市規則，保安服務協議構成本公司的持續關連交易。

截至二零一七年十二月三十一日止年度，就保安服務協議項下賦安收取之款項為人民幣2.05百萬元，屬於同期年度上限人民幣30百萬元的範圍內。

上述持續關連交易已經本公司獨立非執行董事審閱，彼等確認上述交易乃(i)於本集團日常及一般業務過程中訂立；(ii)按一般商業條款或對本集團而言不遜於向或由獨立第三方提供的條款釐定；及(iii)根據規管交易的有關協議，按公平合理且符合本公司及股東整體利益的條款訂立。

根據所執行的審核，本公司核數師已向董事會發函確認其並無注意到任何事宜，致使其相信上述持續關連交易：

- (i) 未經董事會批准；
- (ii) 並非在一切重大方面根據規管交易的相關協議訂立；及
- (iii) 已超過年度上限。

於二零一七年十一月二十四日保安服務協議已被續期，由二零一八年一月一日開始續期三年。

關聯方交易

本公司於日常業務過程中進行的關聯方交易詳情載於綜合財務報表附註45。構成不獲豁免上市規則下年度申報規定的持續關連交易的關聯方交易載於上文「持續關連交易」一節，而本公司已符合上市規則第十四A章的相關披露規定。

Directors' Interest in Competing Business

None of the Directors had any interest in the businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group that were required to be disclosed pursuant to Rule 8.10(2) of the Listing Rules.

Environmental, Social and Governance Report

A separate Environmental, Social and Governance Report will be published in compliance with the Environmental, Social and Governance Reporting Guide as set out in Appendix 27 of the Listing Rules within three months after the publication of this annual report.

Corporate Governance

A report on the principal corporate governance practices adopted by the Company is set out on pages 34 to 44 of this report.

Sufficiency of Public Float

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public during the year ended 31 December 2017 and up to the date of this report.

Events After the Reporting Period

Details of significant events occurring after the reporting period are set out in note 48 to the consolidated financial statements.

Auditor

The consolidated financial statements of the Group for the year ended 31 December 2017 have been audited by Messrs. Deloitte Touche Tohmatsu ("Deloitte") who will retire and, being eligible, offer themselves for re-appointment. Save as aforesaid, there was no change in auditor of the Company in any of the preceding three years.

A resolution for the re-appointment of Deloitte as the auditor of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

HUANG Jingshu
Chairman

Hong Kong, 23 March 2018

董事於競爭業務之權益

董事概無任何須根據上市規則第8.10(2)條所規定披露其擁有與本集團業務直接或間接構成或可能構成競爭之業務之權益。

環境、社會及管治報告

環境、社會及管治報告將於本年報刊發後三個月內根據上市規則附錄二十七所載之《環境、社會及管治報告指引》予以獨立刊發。

企業管治

本公司所採納的主要企業管治常規的報告，載於本年報第34至44頁。

足夠的公眾持股量

根據本公司可從公開途徑取得的資料及就董事所知，於截至二零一七年十二月三十一日止年度及截至本報告日期，本公司之全部已發行股份之公眾持股量為不少於25%。

報告期後事項

於報告期後發生之重大事項詳情載於綜合財務報表附註48。

核數師

本集團截至二零一七年十二月三十一日止年度之綜合財務報表已由德勤•關黃陳方會計師行(「德勤」)審核，而德勤將告退任，惟符合資格並願意應聘連任。除上述者外，於過往三年內本公司核數師概無變動。

本公司將於應屆股東週年大會上提呈決議案以續聘德勤為本公司核數師。

承董事會命

主席
黃敬舒

香港，二零一八年三月二十三日

Corporate Governance Report

企業管治報告

The Company is committed to the establishment of good corporate practices and procedures. The corporate governance principles of the Company emphasise a quality board, transparency and accountability to all shareholders of the Company.

Corporate Governance Practices

Throughout the year ended 31 December 2017, the Group complied with all the code provisions of Corporate Governance Code (the “Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Board will continue to monitor and review the Group’s corporate governance practices to ensure compliance with the Code.

Board of Directors

Board Composition

The Board comprises five executive directors, one non-executive director and three independent non-executive directors. All five executive directors are members of the executive committee of the Company responsible for dealing with the business of the Company in accordance with all applicable rules and regulations, including but not limited to, the Listing Rules. All Directors (including independent non-executive directors) have been consulted on all major and material matters of the Company.

The Board members for the year ended 31 December 2017 were:

Executive Directors

Ms. HUANG Jingshu (*Chairman*)
Mr. TANG Shouchun (*Chief Executive Officer*)
Mr. YE Xingan
Ms. DENG Chengying
Mr. HUANG Hao Yuan

Independent Non-Executive Directors

Mr. ZHU Jiusheng
Mr. WANG Jing
Ms. HU Gin Ing

Subsequent to the year end, Ms. LI Lihong was appointed as a Non-Executive Director on 29 March 2018.

Further details of the current Directors are set out on pages 19 to 22 under the section headed “Biographical Details of Directors and Senior Management” of this report.

The number of independent non-executive directors meets the requirements under the Listing Rules and Mr. ZHU Jiusheng has the appropriate accounting professional qualification.

本公司致力建立良好之企業管治慣例及程序，本公司之企業管治原則著重優秀之董事局、透明度及向本公司所有股東問責。

企業管治常規

截至二零一七年十二月三十一日止年度，本集團一直遵守香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載之《企業管治守則》（「守則」）所載之所有守則條文規定。

董事會將繼續監察及審核本集團之企業管治常規，以確保符合守則之規定。

董事會

董事局之組成

董事局由五名執行董事、一名非執行董事及三名獨立非執行董事組成，所有五名執行董事均為本公司執行委員會成員，負責按照所有適用的規則及條例處理本公司之業務，其中包括，但不限於上市規則。本公司之所有主要及重大事項均有諮詢所有董事（包括獨立非執行董事）。

截至二零一七年十二月三十一日止年度之董事局成員為：

執行董事

黃敬舒女士（*主席*）
唐壽春先生（*行政總裁*）
葉興安先生
鄧承英女士
黃浩源先生

獨立非執行董事

祝九勝先生
王敬先生
胡競英女士

年末後，李麗紅女士於二零一八年三月二十九日獲委任為非執行董事。

有關現任董事之進一步詳情載於本年報內第19至22頁「董事及高級管理人員之履歷」一節中。

獨立非執行董事之數目已符合上市規則規定及祝九勝先生亦具備適當之會計專業資格。

Board of Directors (Cont'd)

Board Composition (Cont'd)

The positions of the Chairman and the Chief Executive Officer are held separately by two executive directors to ensure their respective independence, accountability and responsibility. The Chairman is responsible for determining overall business strategies of the Group. The duty of the Chairman is to work closely with audit, nomination and remuneration committee of the Company and to ensure that all key and appropriate issues are discussed by the Board in a timely and constructive manner. The Chief Executive Officer is responsible to work closely with the executive committee of the Company to ensure management strategies, plans and performance of the Group are appropriately carried out in accordance with to the Board's decision and to provide guidance to the Board on major issues.

The Board is responsible for corporate strategy, annual and interim results, succession planning, risk management, major acquisitions, disposals and capital transactions, and other significant operational and financial matters. Major corporate matters that are specially delegated by the Board to the management include the preparation of annual and interim accounts for Board approval before public reporting, execution of business strategies and initiatives adopted by the Board, implementation of adequate systems of internal controls and risk management procedures, and compliance with relevant statutory requirements and rules and regulations.

Each of the independent non-executive directors has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive directors meet the independence guidelines set out in Rule 3.13 of the Listing Rules and are independent in accordance with the terms of the guidelines. The Company had made letters of appointment with all the independent non-executive directors for a period of two years which may be terminated by either party by giving one month's written notice; and subject to retirement by rotation at least once every three years in accordance with the articles of association of the Company.

Attendance Record at Board Meetings

For the year ended 31 December 2017, four full Board meetings were held, two of which were the regular ones held at approximately semi-annually intervals, to review the business of the Group and approve the financial results of the Group.

The attendance of individual members at the meetings of the Board are set out as follows:

Executive Director

Ms. HUANG Jingshu (Chairman)
Mr. TANG Shouchun (Chief Executive Officer)
Mr. YE Xingan
Mr. CHEN Tieshen (Note 1)
Ms. DENG Chengying
Mr. HUANG Hao Yuan (Note 2)

執行董事

黃敬舒女士(主席)
唐壽春先生(行政總裁)
葉興安先生
陳鐵身先生(附註1)
鄧承英女士
黃浩源先生(附註2)

Independent Non-Executive Director

Mr. ZHU Jiusheng
Mr. WANG Jing
Ms. HU Gin Ing

獨立非執行董事

祝九勝先生
王敬先生
胡競英女士

Note:

- Was resigned as Executive Director on 21 February 2017.
- Was appointed as Executive Director on 21 February 2017.

Apart from the said meetings, matters requiring Board approval were arranged by means of circulation of written resolutions of all Board members.

董事會(續)

董事局之組成(續)

主席及行政總裁之職位分別由兩位執行董事出任，以確保其各自之獨立性、問責性及責任承擔。主席負責決定本集團之整體業務策略。主席之職責乃與本公司之審核委員會、提名委員會及薪酬委員會緊密合作，並確保董事會能夠就所有重要及適當事宜，進行及時和具建設性之討論。行政總裁須與本公司之執行委員會緊密合作，以確保管理策略、計劃及表現依照董事會之決定獲得適當的履行，並就主要議題向董事會提供指導。

董事會負責企業策略、年度及中期業績、繼承計劃、風險管理、重大收購、出售及資本交易，及其他主要營運及財務事宜。董事會特別委託管理層執行之主要企業事宜包括籌備年度及中期賬目，以供董事會於對外公佈前批核、執行董事會所採納之業務策略及措施、推行妥善內部監控制度及風險管理程序以及遵守有關法定規定、規則與規例。

各獨立非執行董事已根據上市規則第3.13條之規定提交年度獨立性確認書。本公司認為，所有獨立非執行董事均符合上市規則第3.13條所載之獨立性指引，並根據指引之條款屬獨立人士。本公司已與各獨立非執行董事訂立委任函，任期為兩年，若終止其委任函，其中一方可向另外一方發出一個月的書面通知；及根據本公司之組織章程細則，其均須至少每三年於股東週年大會上輪值告退。

董事會會議出席記錄

截至二零一七年十二月三十一日止年度，本集團共召開四次董事會會議，其中兩次為大約每半年定期舉行一次之董事會會議，以審議本集團之業務及批准本集團之財務業績。

董事會之會議中個別成員之出席情況載列如下：

Meetings attended/Number of Meeting held 出席會議次數/舉行會議次數

Ms. HUANG Jingshu (Chairman)	黃敬舒女士(主席)	4/4
Mr. TANG Shouchun (Chief Executive Officer)	唐壽春先生(行政總裁)	4/4
Mr. YE Xingan	葉興安先生	3/4
Mr. CHEN Tieshen (Note 1)	陳鐵身先生(附註1)	0/4
Ms. DENG Chengying	鄧承英女士	3/4
Mr. HUANG Hao Yuan (Note 2)	黃浩源先生(附註2)	4/4
Mr. ZHU Jiusheng	祝九勝先生	3/4
Mr. WANG Jing	王敬先生	4/4
Ms. HU Gin Ing	胡競英女士	4/4

附註：

- 於二零一七年二月二十一日辭任執行董事。
- 於二零一七年二月二十一日獲委任為執行董事。

除上述會議外，需要董事會批准之事項亦以書面決議案方式傳閱予所有董事會成員。

Corporate Governance Report

企業管治報告

Board of Directors (Cont'd)

Attendance Record at Board Meetings (Cont'd)

Directors have access to relevant and timely information, and they can ask for further information or retain independent professional advisors if necessary. They also have access to the advice and services of the company secretary, who is responsible for providing Directors with Board papers and related materials and ensuring that Board procedures are followed. Directors are given sufficient time for discussion at the Board meetings. Where queries are raised by Directors, prompt and full responses will be given if possible.

Directors' Insurance

The Company has arranged appropriate directors and officers liability insurance in respect of legal action against Directors.

Directors' Professional Development

Newly appointed Directors receive comprehensive, formal and tailored induction on their appointments, so as to ensure that they have appropriate understanding of the business and operations of the Group and that they are fully aware of their responsibilities and obligations under the Listing Rules and relevant regulatory requirements. There are also arrangements in place for providing continuing briefing and professional development to Directors at the Company's expenses whenever necessary.

Pursuant to Code A.6.5, Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. During the year, all Directors have participated in appropriate continuous professional development activities by ways of attending trainings, reading materials or conducting academic research relevant to the Company's business or to the Directors' duties and responsibilities.

Model Code for Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules as its own code of conduct regarding directors' securities transactions. The obligation to follow the Listing Rules is set out in the terms of the service agreements of each executive Director and the letters of appointment of each independent non-executive Director. Having made specific enquiry of all the Directors, the Directors confirmed that they have complied with the required standard as set out in the Model Code for the year ended 31 December 2017.

Board Committees

The Company currently have four committees, namely, the Audit Committee, Remuneration Committee, Nomination Committee and Executive Committee, for overseeing particular aspects of the Company's affairs. Terms of reference of the Audit Committee, Remuneration Committee and Nomination Committee are available on the websites of the Company (www.lvgem-china.com) and the Stock Exchange (www.hkex.com.hk). The Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expenses.

董事會(續)

董事會會議出席記錄(續)

董事均掌握有關及適時的資料，並可在需要之情況下索取進一步資料或尋求獨立專業意見。董事亦可取得公司秘書的意見及服務，公司秘書負責將董事局會議文件及有關資料給予董事，並確保董事局的運作符合程序。董事獲足夠時間在董事局會議上作出討論。若有董事提出問題，必定盡力作出迅速及全面的回應。

董事保險

本公司已就董事可能面對之法律行動安排適當的董事及主要職員責任保險。

董事專業發展

新委任董事均會獲得全面、正規及切合彼等需要的入職指引，以確保彼等對本集團業務及運作有恰當的了解，並全面知悉彼等根據上市規則及有關法例規定下之職責及責任。在有需要時，本公司亦會安排向董事提供持續簡介及專業發展，費用由本公司承擔。

根據守則第A.6.5條的規定，董事應參與持續專業發展，發展並更新其知識及技能，以確保彼等在具備全面資訊及切合所需的情況下對董事會作出貢獻。於本年度，所有董事已參與合適的持續專業發展活動，當中包括出席與本公司業務或與董事職務及責任有關的培訓，閱讀相關的材料或進行相關學術研究等。

董事進行證券交易之標準守則

本公司已採納上市規則附錄十所載之上市發行人董事進行證券交易之標準守則(「標準守則」)，作為其董事進行證券交易之操守守則。各執行董事之服務合約條文及各獨立非執行董事之委任信件中已載有遵守上市規則之責任。經本公司向全體董事作出特定查詢後，全體董事確認，彼等於截至二零一七年十二月三十一日止年度一直遵守標準守則所規定標準。

董事委員會

為監督本公司個別方面的事務，本公司現時設有四個委員會，即審核委員會、薪酬委員會、提名委員會及執行委員會。審核委員會、薪酬委員會及提名委員會的職權範圍登載於本公司網站(www.lvgem-china.com)及聯交所網站(www.hkex.com.hk)。董事委員會具備充足的資源履行其職責，並在恰當的情況下，可應合理的情況下尋求獨立專業的意見，費用由本公司支付。

Board Committees (Cont'd)

Audit Committee

The Company established an Audit Committee on 14 November 2005 with terms of reference in compliance with the Code. The Audit Committee consists of independent non-executive directors only.

The members of the Audit Committee as at the date of this report are as follows:

Mr. ZHU Jiusheng (*Chairman*)
Mr. WANG Jing
Ms. HU Gin Ing

Mr. ZHU Jiusheng, who possesses a professional accounting qualification and relevant accounting experience, is the chairman of the Audit Committee. No member of the Audit Committee is a member of the former or existing auditor of the Company.

The primary duties of the Audit Committee are to review and approve the financial reporting process, risk management and internal control systems of the Group. During the year, the Audit Committee has reviewed the Group's interim results for the six months ended 30 June 2017. The Group's final results for the year ended 31 December 2017 have been reviewed by the members of the Audit Committee before submission to the Board for approval. The Audit Committee was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosure has been made. The Audit Committee has also reviewed the effectiveness of the risk management and internal control systems.

Two meetings of the Audit Committee were held during the year. The attendance of each member is set out as follows:

Name of member 成員名稱

Mr. ZHU Jiusheng	祝九勝先生
Mr. WANG Jing	王敬先生
Ms. HU Gin Ing	胡競英女士

Nomination Committee

The Company established a Nomination Committee on 14 November 2005 with terms of reference in compliance with the Code. The members of the Nomination Committee include one executive director and two independent non-executive directors.

董事委員會(續)

審核委員會

本公司於二零零五年十一月十四日成立審核委員會，並根據守則制訂職權範圍。審核委員會成員只包括獨立非執行董事。

於本年報日期的審核委員會成員如下：

祝九勝先生(主席)
王敬先生
胡競英女士

祝九勝先生，彼具有專業會計資格及相關會計經驗，乃審核委員會主席。概無任何審核委員會之成員乃本公司之前任或現任核數師。

審核委員會的主要職務為檢討及批准本集團的財務申報程序、風險管理及內部監控制度。於年內，審核委員會已審閱本集團截至二零一七年六月三十日止六個月的中期業績。本集團截至二零一七年十二月三十一日止年度之期終業績於提呈董事會批准前已獲審核委員會審閱。審核委員會認為是次業績之籌備乃遵守適用之會計準則及要求以及已作出適當的披露。審核委員會亦審閱風險管理及內部監控制度之成效。

於年內審核委員會共舉行兩次會議。每位成員之出席情況載列如下：

Meeting attended/Number of Meeting held 出席會議次數／舉行會議次數
--

2/2
2/2
1/2

提名委員會

本公司於二零零五年十一月十四日成立提名委員會，並根據守則制訂職權範圍。提名委員會成員包括一名執行董事及兩名獨立非執行董事。

Corporate Governance Report

企業管治報告

Board Committees (Cont'd)

Nomination Committee (Cont'd)

The members of the Nomination Committee as at the date of this report are as follows:

Ms. HUANG Jingshu (*Chairman*)
Mr. ZHU Jiusheng
Mr. WANG Jing

The primary duty of the Nomination Committee is making recommendations to the Board on appointment and removal of directors and management of Board succession. During the year, the Nomination Committee had reviewed and considered the proposed appointment of Mr. HUANG Hao Yuan as new executive Director and made related recommendation to the Board for approval. In reviewing and assessing the Board composition, the Nomination Committee had considered the various aspects set out in the Board Diversity Policy. It had also reviewed and assessed the independence of the independent non-executive Directors.

The Nomination Committee resolved that all the existing directors should be recommended to be retained by the Company. Further, in accordance with the Company's articles of association, Ms. HUANG Jingshu, Mr. YE Yingan and Ms. HU Gin Ing would retire, and being eligible, would offer themselves for re-election at the forthcoming annual general meeting of the Company.

The Company has adopted a board diversity policy (the "Diversity Policy") in August 2013 in accordance with the requirement under the Code. The Diversity Policy aims to set out the approach to achieve diversity on the Board to ensure that the Board has the balance of skills, experience and diversity of perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. In identifying suitable candidates, the Nomination Committee will consider candidates on merit and against the objective criteria with due regard for the benefits of diversity on the Board. The Nomination Committee will monitor the implementation of the Diversity Policy and review the same as appropriate.

One meeting of the Nomination Committee was held during the year. The attendance of each member is set out as follows:

Name of member

成員名稱

Ms. HUANG Jingshu
Mr. ZHU Jiusheng
Mr. WANG Jing

黃敬舒女士
祝九勝先生
王敬先生

董事委員會(續)

提名委員會(續)

於本年報日期的提名委員會成員如下：

黃敬舒女士(主席)
祝九勝先生
王敬先生

提名委員會的主要職務為就委任董事及罷免董事以及管理董事會繼任事宜向董事會提出建議。於年內，提名委員會已審查及考慮委任黃浩源先生為新的執行董事建議，並已將相關建議給董事會批准。在審查和評估董事會組成，提名委員會已考慮載於董事會成員多元化政策的各個方面。其委員亦同時審查和評估獨立非執行董事之獨立性。

提名委員會決議推薦所有現任董事在本公司留任。再者，根據本公司之組織章程細則，黃敬舒女士、葉興安先生及胡競英女士將於本公司應屆股東週年大會上告退，惟彼等符合資格並願意膺選連任。

本公司根據守則所載之要求，於二零一三年八月採納董事會成員多元化政策(「多元化政策」)。該政策旨在為達到董事會多元化而訂出之方法，以確保董事會具備所需技巧、經驗及多樣的觀點與角度，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、知識及服務年期方面。提名委員會物色合適人選時，會考慮有關人選的長處，並以客觀條件充分顧及董事會成員多元化的裨益。提名委員會將會監察多元化政策之執行及在適當時候檢討該政策。

於年內提名委員會共召開一次會議。每位成員之出席情況載列如下：

Meeting attended/Number of Meeting held

出席會議次數/舉行會議次數

Ms. HUANG Jingshu	黃敬舒女士	1/1
Mr. ZHU Jiusheng	祝九勝先生	1/1
Mr. WANG Jing	王敬先生	1/1

Board Committees (Cont'd)

Remuneration Committee

The Company established a Remuneration Committee on 14 November 2005 with terms of reference in compliance with the Code. The Remuneration Committee consists of one executive director and two independent non-executive directors.

The members of the Remuneration Committee as at the date of this report are as follows:

Ms. HU Gin Ing (*Chairman*)
Ms. HUANG Jingshu
Mr. ZHU Jiusheng

The primary duties of the Remuneration Committee are to review and determine the terms of remuneration packages, bonuses and other compensation payable to Directors and senior management. The Company has adopted the model of remuneration committee as described in Code Provision B.1.2(c)(i) of the Code. As such, the responsibility for determining the remuneration packages of individual executive Directors and senior management of the Group has been delegated to the Remuneration Committee.

During the year, the Remuneration Committee considered and reviewed the existing terms of remuneration of all the Directors based on factors including time commitment and responsibilities of the Directors, employment conditions elsewhere in the Group and desirability of performance-based remuneration. The Remuneration Committee considered that the existing terms of remunerations of the Directors were fair and reasonable.

Details of the remuneration of the senior management by band for the year ended 31 December 2017 are set out below:

Remuneration band 薪酬範圍		Number of individual 人數
HK\$5,000,001 – HK\$5,500,000	5,000,001港元至 5,500,000港元	2

Details of the remuneration of the Directors for the year ended 31 December 2017 are set out in note 10 to the consolidated financial statements.

One meeting of the Remuneration Committee was held during the year. The attendance of each member is set out as follows:

Name of member 成員名稱		Meeting attended/Number of Meeting held 出席會議次數/舉行會議次數
Ms. HU Gin Ing	胡競英女士	1/1
Ms. HUANG Jingshu	黃敬舒女士	1/1
Mr. ZHU Jiusheng	祝九勝先生	1/1

董事委員會(續)

薪酬委員會

本公司於二零零五年十一月十四日成立薪酬委員會，並根據守則訂職權範圍。薪酬委員會包括一名執行董事及兩名獨立非執行董事。

於本年報日期的薪酬委員會成員如下：

胡競英女士(主席)
黃敬舒女士
祝九勝先生

薪酬委員會的主要職務為檢討及釐定應付予董事及高級管理人員的薪酬福利條款、花紅及其他報酬。本公司已按守則第B.1.2(c)(i)項守則條文所述採納薪酬委員會的模式。因此，薪酬委員會已獲董事會轉授責任，釐定本集團個別執行董事及高級管理人員之薪酬待遇。

於年內，薪酬委員會根據各董事所投入之時間及職責、集團其他的聘用條件及以表現為準則的薪酬條件等因素而考慮及檢討所有董事現時的薪酬條款。薪酬委員會認為現時董事的薪酬條款乃公平合理。

截至二零一七年十二月三十一日止年度高級管理人員的薪酬範圍詳情載列如下：

截至二零一七年十二月三十一日止年度董事薪酬的詳情載於綜合財務報表附註10。

於年內薪酬委員會共舉行一次會議。每位成員之出席情況載列如下：

Corporate Governance Report

企業管治報告

Board Committees (Cont'd)

Executive Committee

The Board has delegated to the Executive Committee the authority of dealing with the operational matters of the Group, save for those matters which are reserved for the Board's decision and approval pursuant to the written terms of reference, which includes taking in charge of major decision making in relation to the day-to-day business operations of the Company, administering the Company's routine resolutions and dealing with adhoc matters, ensuring adequate funding and reporting periodically to the Board. The Executive Committee consists of five executive directors and assumes full accountability to the Board for all operations of the Group.

To comply with the requirement under the Code in respect of the responsibilities for performing the corporate governance duties, the Board has delegated its responsibilities to the Executive Committee to develop, review and monitor the policies and practices on corporate governance of the Group and make recommendations to the Board, to review and monitor the Company's policies and practices on the legal and regulatory compliance, to review and monitor the code of conduct and ethical behavior applicable to the Directors and employees and the training and continuous professional development of Directors and senior management, and to review the Company's compliance with the Code and disclosures in the corporate governance report.

Nineteen meetings of the Executive Committee were held during the year. The attendance record of each member is set out as follows:

Name of member 成員名稱

Ms. HUANG Jingshu (Chairman)	黃敬舒女士(主席)
Mr. TANG Shouchun	唐壽春先生
Mr. YE Xingan	葉興安先生
Mr. CHEN Tieshen (Note 1)	陳鐵身先生(附註1)
Ms. DENG Chengying	鄧承英女士
Mr. HUANG Hao Yuan (Note 2)	黃浩源先生(附註2)

Note:

1. Resigned as Executive Director on 21 February 2017.
2. Was appointed as Executive Director on 21 February 2017.

The Executive Committee reviewed the Company's compliance with the Code and the regulatory and statutory requirements during the year under review, and the disclosures of this corporate governance report.

董事委員會(續)

執行委員會

除根據書面職權範圍由董事局決定及批准的事項外，執行委員會獲董事局授予整體權限以處理本集團的營運事宜，包括負責有關本公司日常業務運作的重大決定、管理本公司的例行決議案及處理特殊事項、確保有足夠的資金及定期向董事局匯報。執行委員會由五名執行董事組成並須就本集團之所有經營業務向董事局負全責。

為符合守則內有關履行企業管治職責之規定，董事局已向執行委員會授權發展、檢討及監察本集團企業管治之政策及常規，並向董事局提出建議；檢討及監察本公司在遵守法律及監管規定方面的政策及常規；檢討及監察適用於董事及僱員的操守準則及道德行為和董事及高級管理人員的培訓及持續專業發展；以及檢討本公司遵守守則的情況及在企業管治報告內的披露。

於年內本集團共舉行十九次執行委員會會議。每位成員之出席情況載列如下：

Meeting attended/Number of Meeting held 出席會議次數／舉行會議次數

19/19
19/19
18/19
0/19
19/19
18/19

附註：

1. 於二零一七年二月二十一日辭任執行董事。
2. 於二零一七年二月二十一日獲委任為執行董事。

執行委員會已檢討本公司於回顧年內對守則以及監管和法則規定方面的遵守概況，以及本企業管治報告內的披露資料。

Risk Management and Internal Control

The Board has overall responsibility for the Group's risk management and internal controls system and for reviewing its effectiveness. The Board is committed to implementing an effective and sound internal controls system to safeguard the interests of shareholders and the Group's assets. The Board has delegated to the management the implementation of the system of internal controls and the review of all relevant financial, operational, compliance controls and risk management function within an established framework.

The Company has established internal audit department to monitor compliance with policies and procedures and the effectiveness of internal control structures of the Group. The internal audit department reports directly to the Audit Committee and ensure the internal controls are in place and functioning properly as intended.

Shareholders' Rights

1. Convening an extraordinary general meeting ("EGM")

One or more shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid-up capital of the Company having the right of voting at general meetings can deposit a written request to convene an EGM at the principal place of business of the Company in Hong Kong ("Hong Kong Office"), for the attention of the Board or the Company Secretary. If within 21 days of such deposit of the requisition, the Board fails to proceed to convene such meeting, the requisitioner(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Board shall be reimbursed to the requisitioner(s) by the Company.

The notice period to be given to all the registered shareholders in respect of the EGM varies according to the nature of the proposal as follows:

- At least 14 clear days' notice (the notice period must include 10 clear business days) in writing if no special resolution is to be considered at the EGM.
- At least 21 clear days' notice (the notice period must include 10 clear business days) in writing if a special resolution is to be considered at the EGM.

風險管理及內部監控

董事會對本集團的風險管理及內部監控系統及對檢討其成效承擔整體責任。董事會致力落實有效及良好的內部監控系統，以保障股東利益及本集團資產。董事會已委派管理層落實內部監控系統，並檢討已建立的架構內的所有相關財務、營運、遵守規例監控及風險管理效能。

本公司已成立內部審計部門，以監察本集團對政策及程序之遵守及內部控制架構之成效。內部審計部門直接向審核委員會報告，確保內部控制一直有效及如預期般適當運作。

股東權利

1. 召開股東特別大會(「股東特別大會」)

一名或多名股東於交付提呈要求當日持有不少於有權於股東大會上投票之本公司已繳足股本十分之一，可將召開股東特別大會的書面要求送達本公司之香港主要營業地點(「香港辦事處」)，註明董事會或公司秘書收啟。倘於交付該提呈要求後二十一日內，董事會未能召開該會議，則提呈者可自行召開會議，而因董事會未能召開會議導致提呈者產生的一切合理開支，須由本公司向提呈者補償。

給予所有登記股東的通知期會因應股東特別大會的議案性質而有所不同，具體情況如下：

- 倘無特別決議案須於股東特別大會上考慮，須至少十四個完整日之書面通知(通知期須包括十個完整營業日)。
- 倘特別決議案須於股東特別大會上考慮，須至少二十一個完整日之書面通知(通知期須包括十個完整營業日)。

Corporate Governance Report

企業管治報告

Shareholders' Rights (Cont'd)

2. Right to put forward proposals at general meetings

There are no provisions allowing shareholders to move new resolutions at the general meetings under the Cayman Islands Companies Law (2013 Revision) or the articles of association of the Company. Shareholders who wish to move a resolution may request the Company to convene an EGM as stipulated in above paragraph 1.

3. Right to propose a person for election as a director

If a shareholder of the Company wishes to nominate a person other than a retiring Director or a person recommended by the Board to stand for election as a Director of the Company, the shareholder concerned shall lodge with the Company (for the attention of the Company Secretary) at the Hong Kong Office or at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, a duly signed nomination form which includes, inter alia, the intention to propose that person for election as a Director, notice in writing by that person of his willingness to be elected, and the information required by the Listing Rules.

The period for lodgement of the nomination form will commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting and the minimum length of the period during which the nomination form and associated documents may be given to the Company will be at least 7 days.

4. Right to put enquiry to the Board

Shareholders have the right to put enquiries to the Board. All enquiries must be in writing with contact information of the person making the enquiry and deposited at the Hong Kong Office for the attention of the Company Secretary.

Detailed procedures can be found in the document entitled "Shareholders' Rights" which is available on the Company's website.

股東權利(續)

2. 於股東大會提出議案之權利

根據開曼群島公司法(二零一三年修訂版)或本公司組織章程細則概無條文允許股東於股東大會上提呈新決議案。股東如欲提呈決議案，可根據上文第一段列明之程序要求本公司召開股東特別大會。

3. 提名一名人士競選董事之權利

如股東欲提名一名人士競選董事(告退董事或董事會推薦人士除外)，應向本公司遞交正式簽署之提名表格，其中包括，該股東有意提名該人士競選董事，該提名人士願意參選之通知書，及上市規則規定之資料至香港辦事處(註明公司秘書收啟)或本公司之股份過戶登記分處卓佳證券登記有限公司。

遞交提名表格的開始日期不得早於寄發有關選舉的股東大會通知翌日，而遞交提名表格的最後日期則不得遲於該股東大會日期前七日；提名表格及相關文件遞交予本公司之期間將最少為七日。

4. 向董事會作出查詢之權利

股東有權向董事會作出查詢，所有查詢須以書面方式連同查詢者之聯絡資料送達香港辦事處，註明公司秘書收啟。

有關程序詳情可於本公司網站刊載的文件「股東權利」中查閱。

Communication with Shareholders

Shareholders are encouraged to attend annual general meetings of the Company. The chairman of the Board will attend the annual general meeting and invite the chairman of Audit Committee, Nomination Committee, Remuneration Committee and other Board Committee(s), or in their absence, other members of these Board Committee(s), to attend the annual general meeting.

The Company held the annual general meeting on 21 June 2017.

Details of Directors' attendance record of general meetings during the year ended 31 December 2017 are as follows:

Executive Director

Ms. HUANG Jingshu (*Chairman*)
Mr. TANG Shouchun (*Chief Executive Officer*)
Mr. YE Xingan
Ms. DENG Chengying
Mr. HUANG Hao Yuan

執行董事

黃敬舒女士(主席)
唐壽春先生(行政總裁)
葉興安先生
鄧承英女士
黃浩源先生

Independent Non-Executive Director

Mr. ZHU Jiusheng
Mr. WANG Jing
Ms. HU Gin Ing

獨立非執行董事

祝九勝先生
王敬先生
胡競英女士

Investor Relationship and Communication

The Company strives to achieve a high level of transparency in communicating with shareholders and the investment community at large. Briefings and meetings with institutional investors and analysts are conducted at opportune times. The Company is committed to continuing to maintain an open and effective investor communication policy and to update investors on relevant information on its business in a timely manner, subject to relevant regulatory requirements. In order to ensure effective, clear and accurate communications with the investors and analysts, all corporate communications are arranged and handled by the executive directors with the assistance of an independent corporate communication firm and designated senior executives according to established practices and procedures of the Company. The Company has announced results of the year under review in a timely manner.

Constitutional Documents

During the year ended 31 December 2017, there were no changes to the constitutional documents of the Company.

The memorandum and articles of association of the Company is available on the websites of the Company and the Stock Exchange.

與股東的溝通

本公司鼓勵股東出席本公司之股東週年大會。董事會主席將出席股東週年大會及邀請審核委員會、提名委員會、薪酬委員會及其他董事委員會的主席；若有關委員會主席未克出席，則該董事委員會之其他成員出席股東週年大會。

本公司於二零一七年六月二十一日舉行股東週年大會。

截至二零一七年十二月三十一日止年度內，董事出席股東大會的詳情如下：

Annual General Meeting 股東週年大會 Meetings attended/Number of Meeting held 出席會議次數／舉行會議次數

0/1
1/1
1/1
1/1
1/1
0/1
0/1
0/1

與投資者的關係及溝通

本公司與股東及投資界溝通時，一直盡力達到高透明度。本公司於適當時候為機構投資者及分析員舉行簡報會及會議。本公司致力按照有關監管規定，繼續維持公開及有效的投資者溝通政策，並及時向投資者提供最新的業務資料。為確保與投資者及分析人士維持有效、清晰而準確的溝通渠道，所有企業通訊事宜均按照本公司的既定慣例及程序，由執行董事透過一間獨立企業通訊公司協助下及專責高級行政人員處理。本公司已於回顧年度內按時宣佈業績。

組織章程文件

截至二零一七年十二月三十一日止年度，本公司組織章程文件概無任何變動。

本公司之組織章程大綱及細則載於本公司網站及聯交所網站。

Corporate Governance Report

企業管治報告

Directors' and Auditor's Responsibilities for the Consolidated Financial Statements

The Directors are responsible for the preparation of consolidated financial statements which give a true and fair view. In preparing such consolidated financial statements, it is fundamental that appropriate accounting policies are selected and applied consistently.

The auditor's responsibility is to express an independent opinion, based on their audit, on those consolidated financial statements and to report their opinion to the shareholders of the Company, as a body, and for no other purpose. The auditor does not assume responsibility towards or accept liability to any other person for the contents of the independent auditor's report.

The Directors acknowledge their responsibilities for the preparation of the consolidated financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of results and cash flows for that year. In preparing the consolidated financial statements for the year ended 31 December 2017, the Directors have selected suitable accounting policies and applied them consistently; adopted appropriate Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards and Interpretations; made adjustments and estimates that are prudent and reasonable; and have prepared the consolidated financial statements on the going concern basis. The Directors also ensure the timely publication of the consolidated financial statements of the Group.

Auditor's Remuneration

The fee in respect of audit and non-audit services provided to the Group by independent auditor for the year ended 31 December 2017 amounted to RMB2,612,000 (2016: RMB2,569,000) and RMB2,509,000 (2016: RMB274,000) respectively.

董事及核數師就綜合財務報表承擔之責任

董事須負責編製真實而公正之綜合財務報表。在編製該等綜合財務報表時，董事必須貫徹選擇及採用合適之會計政策。

核數師之責任是根據審核工作之結果，對該等綜合財務報表作出獨立意見，將此意見僅向本公司之股東報告，不作其他用途。核數師並不就獨立核數師報告書內容向任何其他人士負上責任或承擔法律責任。

董事確認，其職責為就每個財政年度編製可真實而公平地反映本集團業務狀況及該年度之業績及現金流量之綜合財務報表。編製截至二零一七年十二月三十一日止年度之綜合財務報表時，對已挑選及貫徹應用合適之會計政策，採納適當的香港財務報告準則、香港會計準則及註釋、審慎及合理地作出調整及估計，並以持續營運基準準備綜合財務報表。董事亦確保準時刊發本集團之綜合財務報表。

核數師酬金

截至二零一七年十二月三十一日止年度，獨立核數師對本集團提供的核數和非核數服務所收取之費用分別為人民幣2,612,000元(二零一六年：人民幣2,569,000元)及人民幣2,509,000元(二零一六年：人民幣274,000元)。

TO THE SHAREHOLDERS OF
LVGEM (CHINA) REAL ESTATE INVESTMENT COMPANY LIMITED
(incorporated in the Cayman Islands with limited liability)

致
綠景(中國)地產投資有限公司股東
(於開曼群島註冊成立之有限公司)

OPINION

We have audited the consolidated financial statements of LVGEM (China) Real Estate Investment Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 52 to 160, which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 2017, 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 ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

意見

本核數師(以下簡稱「我們」)已審計列載於第52至160頁綠景(中國)地產投資有限公司(以下簡稱「貴公司」)及其附屬公司(以下簡稱「貴集團」)的綜合財務報表。此綜合財務報表包括於二零一七年十二月三十一日的綜合財務狀況報表與截至該日止年度的綜合損益表、綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表，以及主要會計政策概要及其他解釋資料。

我們認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)所頒佈之《香港財務報告準則》(「香港財務報告準則」)真實而公平地反映了貴集團於二零一七年十二月三十一日之綜合財務狀況以及其截至該日止年度之綜合財務表現及其綜合現金流量，並已遵守香港《公司條例》之披露規定而妥善編製。

意見的基礎

我們根據香港會計師公會頒佈的《香港審計準則》(「香港審計準則」)進行審核。我們在該等準則下的責任在我們的報告內核數師就審核綜合財務報表須承擔的責任一節內進一步闡述。根據香港會計師公會的職業會計師道德守則(「守則」)，我們獨立於貴集團，並已遵循守則履行其他道德責任。我們相信，我們所獲得的審核憑證能充足及適當地為我們的審核意見提供基礎。

關鍵審核事項

根據我們的專業判斷，關鍵審核事項為我們審核於本期間的綜合財務報表中最重要的事項。我們在審核整體綜合財務報表及就此達致我們的意見時處理此等事項，而我們不會就此等事項單獨發表意見。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (Cont'd)

Key audit matter

Valuation of investment properties

We identified the valuation of investment properties as a key audit matter as they represented 53% of the Group's total assets, combined with the judgements associated with determining the fair value.

As disclosed in note 13 to the consolidated financial statements, the fair value of completed investment properties and investment properties under development amounted to approximately RMB11,624,589,000 and RMB8,026,088,000 respectively as at 31 December 2017 and an increase in fair value recognised in profit or loss amounted to approximately RMB478,423,000 in aggregate for the year then ended. The completed investment properties were located in the People's Republic of China (the "PRC"), while the investment properties under development were located in the PRC, Hong Kong and the Kingdom of Cambodia ("Cambodia").

As set out in note 4 to the consolidated financial statements, the Group's investment properties were stated at fair value based on the valuation performed by independent professional valuers ("Valuers"). As disclosed in note 13 to the consolidated financial statements, the fair value of completed investment properties and investment properties under development have been arrived at using income capitalisation approach and residual approach, respectively, which were dependent on certain key inputs and assumptions in respect of prevailing market conditions such as capitalisation rate and monthly market rent for income capitalisation approach, gross development value and developer's profit for residual approach.

How our audit addressed the key audit matter

Our procedures in relation to the valuation of investment properties included:

- Evaluating the competence, capabilities and objectivity of the Valuers;
- Obtaining an understanding of the valuation processes and significant assumptions to assess if these approaches meet the requirements of HKFRSs and industry norms;
- Evaluating the appropriateness of the valuation methods applied by the Valuers, in particular the valuation techniques and the capitalisation rate, based on our knowledge of the property markets in the PRC, Hong Kong and Cambodia; and
- Assessing the reasonableness of other valuation inputs and source data, including monthly market rent for income capitalisation approach, gross development value and developer's profit for residual approach by comparing these estimates, on a sample basis, to entity-specific information such as rental income, tenancy summary, capital expenditures details and size of the investment properties, as well as market data based on our knowledge of the property markets in the PRC, Hong Kong and Cambodia.

關鍵審核事項(續)

關鍵審核事項

投資物業之估值

我們將投資物業之估值以及與釐定公允價值有關之判斷確定為一項關鍵審核事項，此乃由於投資物業之公允價值佔貴集團總資產之53%。

誠如綜合財務報表附註13所披露，已完成投資物業及發展中投資物業於二零一七年十二月三十一日的公允價值分別約為人民幣11,624,589,000元及人民幣8,026,088,000元，而於損益確認之公允價值增幅合共約人民幣478,423,000元乃於截至該日止年度之溢利中入賬。已完成投資物業位於中華人民共和國（「中國」），而發展中投資物業則位於中國、香港及柬埔寨王國（「柬埔寨」）。

誠如綜合財務報表附註4所載，貴集團之投資物業乃基於獨立專業估值師行（「估值師」）進行的估值按公允價值列賬。誠如綜合財務報表附註13所披露，已完成投資物業及發展中投資物業的公允價值分別採用收入資本計算法及殘值法釐定，有關方法乃依賴有關當前市況之若干關鍵輸入數據及假設，包括收入資本計算法的資本化比率及市場月租，以及殘值法的總開發價值及開發商利潤。

我們的審計如何處理關鍵審核事項

我們就投資物業估值之程序包括：

- 評估估值師之資歷、能力及客觀性；
- 瞭解估值過程及重大假設，以評估該等方法是否符合《香港財務報告準則》規定及行業慣例；
- 根據我們對中國、香港及柬埔寨物業市場之認識，評估估值師所應用的估值方法（尤其是估值技術及資本化比率）是否恰當；及
- 根據我們對中國、香港及柬埔寨物業市場之認識，透過按抽樣基準將該等估計與實體之特定資料（例如租金收入、租賃概要、資本開支詳情及投資物業之規模）進行比較，評估其他估值輸入數據及來源數據是否合理，包括收入資本計算法的市場月租，及殘值法的總開發價值及開發商利潤以及市場數據。

KEY AUDIT MATTERS (Cont'd)

Key audit matter

Assessment of net realisable value of properties held for sale and properties under development for sale

We identified the assessment of net realisable value of properties held for sale and properties under development for sale as a key audit matter due to the significant judgement involved in the determination of net realisable value (the “NRV”) of these properties.

The Group had properties under development for sale of approximately RMB5,621,635,000 and properties held for sale of approximately RMB729,206,000 (collectively referred to as “Properties for Sale”) as at 31 December 2017, which are situated in the PRC and Hong Kong.

As disclosed in note 4 to the consolidated financial statements, the directors of the Company determined the NRV of the properties held for sale by using prevailing market data such as most recent sale transactions, and the NRV of the properties under development for sale was determined by using estimates of future cash flows to be derived from these properties. These estimates required judgement as to the anticipated sale prices by reference to recent sales transactions in nearby locations, marketing costs (including price discounts required to stimulate sales) and the expected costs to completion of properties, the legal and regulatory framework and general market conditions.

How our audit addressed the key audit matter

Our procedures in relation to assessment of the NRV of the Properties for Sale included:

- Performing sensitivity analysis to identify the impact that changes in key inputs such as the estimated future selling prices have on the NRV of the Properties for Sale;
- Assessing the appropriateness of the estimated future selling prices of the Properties for Sale, on a sample basis, by comparing them to transaction prices of similar properties in the nearby or relevant locations, or actual selling price of properties sold subsequent to the end of the reporting period in the same project or relevant locations, based on our knowledge of the property markets in the PRC and Hong Kong; and
- Challenging the Group's forecast of construction costs, on a sample basis, by comparing to the construction costs for similar units against signed contracts or quotes with subcontractors.

關鍵審核事項(續)

關鍵審核事項

待售物業及發展中待售物業之可變現淨值評估

我們將待售物業及發展中待售物業之可變現淨值評估確定為一項關鍵審核事項，此乃由於釐定該等物業之可變現淨值(「可變現淨值」)涉及重大判斷。

於二零一七年十二月三十一日，貴集團之發展中待售物業及待售物業(統稱「該等待售物業」)分別約為人民幣5,621,635,000元及約人民幣729,206,000元，而有關物業位於中國及香港。

誠如綜合財務報表附註4所披露，本公司董事採用最近期銷售交易等當前市場數據釐定待售物業之可變現淨值，而發展中待售物業之可變現淨值乃採用自該等物業衍生之未來現金流估計而釐定。該等估計須參考附近地點的近期銷售交易、推廣費用(包括促銷所需的價格折扣)及有關預計完成物業的費用、法律和監管架構及一般市況，從而對預期的銷售價格作出判斷。

我們的審計如何處理關鍵審核事項

我們就該等待售物業可變現淨額之評估之程序包括：

- 進行敏感度分析，以識別主要輸入數據變動的影響，如估計未來售價對該等待售物業可變現淨額之影響；
- 根據我們對中國及香港物業市場的認識，透過將該等待售物業與鄰近或相關地區之類似物業的售價進行比較，或與於報告期末後出售之物業的實際價格進行比較，抽樣評估該等待售物業之預計未來售價是否恰當；及
- 透過將同類單位的建設成本與已簽署的合約或分包商的報價進行比較，按抽樣基準質疑 貴集團對建設成本的預測。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (Cont'd)

Key audit matter

Revenue recognised from sales of properties

We identified revenue recognised from sales of properties as a key audit matter as the revenue from sales of properties is significant to the consolidated statement of profit or loss and there is judgement involved in determining the appropriate point at which to recognise revenue from sales of properties.

As disclosed in "Revenue recognition" paragraph under note 3 to the consolidated financial statements, revenue from sales of properties is recognised when the respective properties have been completed and delivered to the buyers and other criteria set out in that note have been met. The Group has recognised revenue of RMB2,114,289,000 from its property development and sales segment for the year ended 31 December 2017, which is disclosed in note 5 to the consolidated financial statements.

How our audit addressed the key audit matter

Our procedures in relation to revenue recognised from sales of properties included:

- Assessing the management's control over the point of time at which revenue from sales of properties is recognised by obtaining an understanding of the management's control process and testing the control on a sample basis; and
- Reviewing the terms stated in the sales and purchase agreements, on a sample basis, and obtaining evidence regarding the completion and the delivery of properties, on a sample basis, including completion certificates and delivery notices, to assess whether the criteria for revenue recognition set out in "Revenue recognition" paragraph under note 3 to the consolidated financial statements have been met.

Provision for land appreciation tax

We identified the provision for land appreciation tax ("LAT") as a key audit matter since the implementation and settlement of this tax varies among various tax jurisdictions in cities of the PRC, and the Group has not finalised certain LAT calculations and payments with local tax authorities in the PRC. Accordingly, significant judgement is required in determining the amount on the appreciation of land value and its related LAT.

LAT is prepaid when properties are pre-sold to the buyers and is provided when properties are delivered to the buyers and revenue is recognised. As disclosed in note 9 to the consolidated financial statements, current year's provision for LAT amounted to RMB228,502,000 was recognised in the consolidated statement of profit or loss for the year ended 31 December 2017. As disclosed in note 4 to the consolidated financial statements, the Group recognises LAT based on the management's best estimates according to the understanding of the tax rules, which are determined by the appreciation of land value. The amount of the land appreciation is determined with reference to estimated proceeds of the sales of properties less the estimated deductible expenditures, including the cost of land use rights and all property development expenditures.

關鍵審核事項(續)

關鍵審核事項

物業銷售確認之收入

由於物業銷售收入就綜合損益表而言屬重大，而就確認物業銷售收入釐定合適時間涉及判斷，故我們將物業銷售確認之收入確定為一項關鍵審核事項。

誠如綜合財務報表附註3「收入確認」一段所披露，物業銷售之收入於相關物業已完成及交付予買家及符合該附註所載列之其他條件時確認。截至二零一七年十二月三十一日止年度，貴集團的物業開發及銷售分類確認收入人民幣2,114,289,000元，有關詳情披露於綜合財務報表附註5。

我們的審計如何處理關鍵審核事項

我們就物業銷售確認收入之程序包括：

- 透過瞭解管理層之控制過程及按抽樣基準測試控制，評估管理層於確認物業銷售收入時之控制；及
- 抽樣審閱買賣協議所載列之條款，及取得有關物業竣工及交付之證明(包括竣工證明及交付通知)，以評估是否符合綜合財務報表附註3「收入確認」一段所載列有關收入確認之標準。

土地增值稅之計提

我們將土地增值稅(「土地增值稅」)之計提確定為一項關鍵審核事項，此乃由於中國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，而貴集團尚未與中國地方稅務局落實若干土地增值稅的計算及付款方法。因此，須作出重大判斷以釐定土地增值額及其相關土地增值稅。

土地增值稅於物業預售予買家時已預付，而土地增值稅則於物業交付予買家及收益獲確認時已作撥備。誠如綜合財務報表附註9所披露，截至二零一七年十二月三十一日止年度，本年度撥備土地增值稅人民幣228,502,000元已於綜合損益表內確認。誠如綜合財務報表附註4所披露，貴集團根據管理層按照其對稅務規則之理解作出之最佳估計，即按土地增值額預計確認土地增值稅。土地增值金額參考物業銷售減預計可扣稅開支之所得款項而釐定，有關可扣稅開支包括土地使用權成本以及所有物業開發開支。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (Cont'd)

How our audit addressed the key audit matter

Our procedures in relation to the provision for LAT included:

- Involving our tax specialists in the PRC to assess the accuracy of the land appreciation amount calculations based on their knowledge of the relevant tax rules and regulations, in particular to the LAT rate announced by the State Administration of Taxation in the PRC; and
- Evaluating the estimated proceeds of the sales of properties and estimated deductible expenditures, adopted by the management by comparing their estimates made in previous years to actual results as well as current year's estimates.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

關鍵審核事項(續)

我們的審計如何處理關鍵審核事項

我們就土地增值稅之計提之程序包括：

- 中國稅務專家基於他們對相關稅務規則及法規(尤其是中國國家稅務總局公佈之土地增值稅率)之理解評估計算土地增值額之準確度；及
- 透過比較管理層於過往年度對實際業績作出之估計及本年度的估計，評估彼等採用之估計銷售物業所得款項及估計可扣稅開支。

其他資料

貴公司董事須對其他資料承擔責任。其他資料包括載於本年報的資料，惟不包括綜合財務報表及我們就此作出的核數師報告。

我們對綜合財務報表作出的意見並無涵蓋其他資料，而我們不會對其他資料發表任何形式的核證結論。

就我們審核綜合財務報表而言，我們的責任為閱讀其他資料，從而考慮其他資料是否與綜合財務報表或我們在審核過程中獲悉的資料存在重大不符，或似乎存在重大錯誤陳述。倘若我們基於已進行的工作認為其他資料出現一項重大錯誤陳述，我們須報告有關事實。我們毋須就此作出報告。

董事及管治層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》的披露要求編製綜合財務報表，以令綜合財務報表作出真實而公平的反映，及落實其認為編製綜合財務報表所必要的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

Independent Auditor's Report

獨立核數師報告

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. 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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

董事及管治層就綜合財務報表須承擔的責任(續)

在編製綜合財務報表時，董事須負責評估 貴集團持續經營的能力，並披露與持續經營有關的事項（如適用）。除非董事擬將 貴集團清盤或停止營運，或除此之外並無其他實際可行的辦法，否則須採用以持續經營為基礎的會計法。

該等管治層負責監督 貴集團的財務報告流程。

核數師就審核綜合財務報表須承擔的責任

我們的目標為合理確定此等綜合財務報表整體而言不會存在由於欺詐或錯誤而導致的重大錯誤陳述，並按照委任之協定條款向全體股東發出載有我們意見的核數師報告。除此之外，本報告別無其他目的。我們不會就本報告內容向任何其他人士負上或承擔任何責任。合理確定屬高層次的核證，惟根據《香港審計準則》進行的審核工作不能保證總能察覺所存在的重大錯誤陳述。錯誤陳述可因欺詐或錯誤產生，倘個別或整體在合理預期情況下可影響使用者根據該等綜合財務報表作出的經濟決定時，則被視為重大錯誤陳述。

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

- 識別及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該等風險，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、虛假陳述或凌駕內部監控的情況，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監控，以設計適當的審計程序，惟並非旨在對 貴集團內部監控的有效性發表意見。
- 評估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。
- 對董事採用持續經營會計法的恰當性作出結論，並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。倘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。或倘有關披露不足，則修訂我們意見。我們結論乃基於截至核數師報告日期止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團無法持續經營。

Independent Auditor's Report

獨立核數師報告

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in the independent auditor's report is Yuen Wing Hang.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
23 March 2018

核數師就審核綜合財務報表須承擔的責任 (續)

- 評估綜合財務報表的整體呈報方式、結構及內容，包括披露資料，以及綜合財務報表是否中肯反映相關交易和事項。
- 就 貴集團內實體或業務活動的財務資料獲取充足及適當的審計憑證，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、監督及執行。我們為審計意見承擔全部責任。

我們與管治層就(其中包括)審計的計劃範圍、時間安排及重大審計發現進行溝通，該等發現包括我們在審計過程中識別的內部監控的任何重大缺失。

我們亦向管治層作出聲明，指出我們已符合有關獨立性的相關道德要求，並與彼等溝通可能被合理認為會影響我們獨立性的所有關係及其他事宜以及相關防範措施(如適用)。

從與管治層溝通的事項中，我們釐定對本期綜合財務報表的審計至關重要的事項，因而構成關鍵審計事項。我們在核數師報告中描述該等事項，除非法律或法規不允許公開披露該等事項，或在極端罕見的情況下，倘合理預期在我們報告中溝通某事項造成的負面後果超出產生的公眾利益，則我們決定不應在報告中傳達該事項。

出具獨立核數師報告的審計項目的項目合夥人為袁永恒。

德勤•關黃陳方會計師行
執業會計師

香港
二零一八年三月二十三日

Consolidated Statement of Profit or Loss

綜合損益表

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

		NOTES 附註	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Revenue	收益	5	2,967,751	4,590,162
Cost of sales	銷售成本		(1,029,862)	(2,294,209)
Gross profit	毛利		1,937,889	2,295,953
Other income, other gains and losses	其他收入、其他收益及虧損	6	121,640	108,448
Selling expenses	銷售開支		(67,694)	(58,293)
Administrative expenses	行政開支		(361,572)	(348,696)
Fair value changes on investment properties	投資物業的公允價值變動	13	478,423	247,498
Fair value changes on derivative financial instruments	衍生金融工具的公允價值變動	31	2,373	15,022
Finance costs	融資成本	7	(613,592)	(406,500)
Share of results of joint ventures	應佔合營公司業績		(93)	(9)
Profit before tax	除稅前盈利	8	1,497,374	1,853,423
Income tax expense	所得稅開支	9	(458,811)	(1,044,757)
Profit for the year	年度盈利		1,038,563	808,666
Profit for the year attributable to:	以下人士應佔年度盈利：			
Owners of the Company	本公司股東		1,035,392	802,297
Non-controlling interests	非控股權益		3,171	6,369
			1,038,563	808,666
			RMB cents	RMB cents
			人民幣分	人民幣分
Earnings per share attributable to the owners of the Company during the year	年度本公司股東應佔每股盈利	12		
– Basic	– 基本		22.06	17.09
– Diluted	– 攤薄		12.89	9.81

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

綜合損益及其他全面收益表

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Profit for the year	年度盈利	1,038,563	808,666
Other comprehensive (expense) income	其他全面(開支)收益		
Items that may be subsequently reclassified to profit or loss:	隨後或會重新分類至損益之項目：		
Exchange differences arising on translation	匯兌產生的換算差額	50,415	2,979
Fair value changes on available-for-sale investments, net of tax	可供出售投資之公允價值變動 (扣除稅項)	(87,592)	163,336
Other comprehensive (expense) income for the year	年度其他全面(開支)收益	(37,177)	166,315
Total comprehensive income for the year	年度全面收益總額	1,001,386	974,981
Total comprehensive income (expense) attributable to:	以下人士應佔全面收益(開支)總額：		
Owners of the Company	本公司股東	1,001,397	967,927
Non-controlling interests	非控股權益	(11)	7,054
		1,001,386	974,981

Consolidated Statement of Financial Position

綜合財務狀況報表

At 31 December 2017
於二零一七年十二月三十一日

			2017	2016
		NOTES	二零一七年	二零一六年
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
Non-current assets	非流動資產			
Investment properties	投資物業	13	19,650,677	12,227,017
Property, plant and equipment	物業、廠房及設備	14	413,871	294,188
Goodwill	商譽	15	231,602	231,602
Interests in joint ventures	於合營公司的權益	16	6,068	6,161
Amount due from a joint venture	應收一間合營公司款項	16	522,323	522,223
Available-for-sale investments	可供出售投資	17	444,259	561,048
Deferred tax assets	遞延稅項資產	18	175,201	190,151
Deposits paid	已付按金	19	1,210,000	366,776
			22,654,001	14,399,166
Current assets	流動資產			
Properties under development for sale	發展中待售物業	20	5,621,635	3,977,425
Properties held for sale	待售物業	21	729,206	1,556,050
Other inventories	其他存貨	22	1,145	1,006
Accounts receivable	應收賬款	23	377,292	16,536
Deposits paid, prepayments and other receivables	已付按金、預付款項及其他應收款項	24	1,138,263	1,234,783
Tax recoverable	可收回稅款		32,594	8,316
Other financial assets	其他金融資產	25	150,000	200,000
Restricted bank deposits	受限制銀行存款	26	2,117,521	1,738,990
Bank balances and cash	銀行結餘及現金	27	3,975,163	2,792,246
			14,142,819	11,525,352
Current liabilities	流動負債			
Accounts payable	應付賬款	28	600,037	921,438
Accruals, deposits received and other payables	應計費用、已收按金及其他應付款項	29	3,725,372	546,538
Tax liabilities	稅項負債		1,009,685	768,146
Borrowings	借貸	30	3,615,042	3,580,323
Convertible bonds	可換股債券	31(a)	589,650	-
Derivative financial instruments	衍生金融工具	31(b)	111,078	-
			9,650,864	5,816,445
Net current assets	流動資產淨值		4,491,955	5,708,907
Total assets less current liabilities	總資產減流動負債		27,145,956	20,108,073

Consolidated Statement of Financial Position

綜合財務狀況報表

At 31 December 2017
於二零一七年十二月三十一日

			2017	2016
		NOTES	二零一七年	二零一六年
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
Non-current liabilities	非流動負債			
Borrowings	借貸	30	9,343,235	5,250,477
Senior notes and bond	優先票據及債券	32	5,250,854	2,586,467
Convertible bonds	可換股債券	31(a)	–	559,186
Derivative financial instruments	衍生金融工具	31(b)	–	120,496
Deferred tax liabilities	遞延稅項負債	18	2,482,664	2,393,783
			17,076,753	10,910,409
Net assets	資產淨值		10,069,203	9,197,664
Capital and reserves	股本及儲備			
Share capital	股本	33	39,121	39,115
Reserves	儲備	34	9,796,941	8,925,397
Equity attributable to owners of the Company	本公司股東應佔權益		9,836,062	8,964,512
Non-controlling interests	非控股權益		233,141	233,152
Total equity	權益總額		10,069,203	9,197,664

The consolidated financial statements on pages 52 to 160 were approved and authorised for issue by the board of directors on 23 March 2018 and are signed on its behalf by:

第52至160頁之綜合財務報表已獲董事會於二零一八年三月二十三日批准及授權刊發，並由以下董事代表簽署：

HUANG Jingshu
黃敬舒
DIRECTOR
董事

DENG Chengying
鄧承英
DIRECTOR
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

		Attributable to owners of the Company 本公司股東應佔權益											
		Share capital	Share premium	Convertible preference shares	Other reserve	Exchange reserve	Investment revaluation reserve	Share option reserve	Statutory reserve	Retained profits	Sub-total	Non-controlling interests	Total equity
		RMB'000	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	人民幣千元
Balance as at 1 January 2016	於二零一六年一月一日的結餘	39,115	6,299,142	5,959,114	(11,262,576)	63,717	-	-	66,373	6,716,192	7,881,077	92,093	7,973,170
Profit for the year	年度盈利	-	-	-	-	-	-	-	-	802,297	802,297	6,369	808,666
Fair value changes on available-for-sale investments, net of tax	可供出售投資之公允價值變動(扣除稅項)	-	-	-	-	-	163,336	-	-	-	163,336	-	163,336
Exchange differences arising on translation	匯兌產生的換算差額	-	-	-	-	2,294	-	-	-	-	2,294	685	2,979
Total comprehensive income for the year	年度全面收益總額	-	-	-	-	2,294	163,336	-	-	802,297	967,927	7,054	974,981
Acquisition of additional interest in a subsidiary (note)	增加收購於一間附屬公司的權益(附註)	-	-	-	27,220	-	-	-	-	-	27,220	(27,220)	-
Capital contribution by a non-controlling shareholder of a subsidiary	一間附屬公司非控股股東之出資	-	-	-	-	-	-	-	-	-	-	161,225	161,225
Recognition of equity-settled share-based payments (note 37)	確認以股權結算以股份支付的款項(附註37)	-	-	-	-	-	-	128,404	-	-	128,404	-	128,404
Transfer to statutory reserve	轉撥至法定儲備	-	-	-	-	-	-	-	81,054	(81,054)	-	-	-
Dividend declared and made (note 11)	已宣派及派付的股息(附註11)	-	-	-	-	-	-	-	-	(40,116)	(40,116)	-	(40,116)
Balance as at 31 December 2016	於二零一六年十二月三十一日的結餘	39,115	6,299,142	5,959,114	(11,235,356)	66,011	163,336	128,404	147,427	7,397,319	8,964,512	233,152	9,197,664
Profit for the year	年度盈利	-	-	-	-	-	-	-	-	1,035,392	1,035,392	3,171	1,038,563
Fair value changes on available-for-sale investments, net of tax	可供出售投資之公允價值變動(扣除稅項)	-	-	-	-	-	(87,592)	-	-	-	(87,592)	-	(87,592)
Exchange differences arising on translation	匯兌產生的換算差額	-	-	-	-	53,597	-	-	-	-	53,597	(3,182)	50,415
Total comprehensive income (expense) for the year	年度全面收益(開支)總額	-	-	-	-	53,597	(87,592)	-	-	1,035,392	1,001,397	(11)	1,001,386
Recognition of equity-settled share-based payments (note 37)	確認以股權結算以股份支付的款項(附註37)	-	-	-	-	-	-	80,408	-	-	80,408	-	80,408
Exercise of share options	行使購股權	6	1,425	-	-	-	-	(475)	-	-	956	-	956
Transfer to statutory reserve	轉撥至法定儲備	-	-	-	-	-	-	-	2,385	(2,385)	-	-	-
Dividend declared and made (note 11)	已宣派及派付的股息(附註11)	-	-	-	-	-	-	-	-	(211,211)	(211,211)	-	(211,211)
Balance as at 31 December 2017	於二零一七年十二月三十一日的結餘	39,121	6,300,567	5,959,114	(11,235,356)	119,608	75,744	208,337	149,812	8,219,115	9,836,062	233,141	10,069,203

Note: During the year ended 31 December 2016, the Group and the non-controlling shareholder of Shenzhen Yijia Industrial Development Company Limited ("Yijia"), a non-wholly-owned subsidiary of the Group, had made additional capital contribution to Yijia. Subsequent to the contribution, the equity interest in Yijia held by the Group increased from 75% to 89%. The difference between the amounts paid for acquisition of an additional interest in a subsidiary and the carrying amount of non-controlling interests being acquired was included in other reserve.

附註: 截至二零一六年十二月三十一日止年度, 本集團及深圳溢佳實業發展有限公司(「溢佳」, 為本集團非全資附屬公司)之非控股股東已向溢佳作出額外注資。注資後, 本集團持有之溢佳股權由75%增至89%。就收購附屬公司額外權益而已付之金額與被收購非控股權益賬面值間之差額已計入其他儲備。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Operating activities	經營活動		
Profit before tax	除稅前盈利	1,497,374	1,853,423
Adjustments for:	調整項目：		
Depreciation	折舊	35,331	39,934
Gain on disposal of property, plant and equipment	出售物業、廠房及設備的收益	(233)	(1,554)
Gain on disposal of investment properties	出售投資物業的收益	(2,306)	(4,968)
Fair value changes on investment properties	投資物業的公允價值變動	(478,423)	(247,498)
Fair value changes on derivative financial instruments	衍生金融工具的公允價值變動	(2,373)	(15,022)
Share of results of joint ventures	應佔合營公司業績	93	9
Reversal of impairment loss on accounts receivable	撥回應收款項減值虧損	(82)	(39)
Equity-settled share-based payments	以股權結算以股份支付的款項	80,408	128,404
Recovery of other receivables written-off	撥回其他應收款項撇銷	(331)	(49,561)
Write-down on other receivables	撇減其他應收款項	3,210	-
Impairment loss on properties held for sale	待售物業的減值虧損	-	20,506
Interest income	利息收入	(31,022)	(30,663)
Gain on disposal of a subsidiary	出售一間附屬公司的收益	-	(18,340)
Investment income	投資收入	(5,446)	(1,434)
Dividend income	股息收入	(12,050)	-
Finance costs	融資成本	613,592	406,500
Exchange difference	匯兌差額	(88,999)	-
Operating cash flows before movements in working capital	營運資金變動前的經營現金流量	1,608,743	2,079,697
(Increase) decrease in properties under development for sale and properties held for sale	發展中待售物業及待售物業(增加)減少	(685,814)	696,785
Increase in other inventories	其他存貨增加	(139)	(92)
(Increase) decrease in accounts receivable	應收賬款(增加)減少	(360,674)	85,719
(Increase) decrease in deposits paid, prepayments and other receivables	已付按金、預付款項及其他應收款項減少(增加)減少	(64,412)	498,728
Decrease in accounts payable	應付賬款減少	(321,276)	(174,413)
Increase (decrease) in accruals, deposits received and other payables	應計費用、已收按金及其他應付款項增加(減少)	1,160,150	(3,343,930)
Cash from (used in) operations	經營活動所得(所用)的現金	1,336,578	(157,506)
Income taxes paid	已付所得稅	(108,522)	(585,236)
Net cash from (used in) operating activities	經營活動所得(所用)現金淨額	1,228,056	(742,742)
Investing activities	投資活動		
Placement of restricted bank deposits	存放受限制銀行存款	(5,468,427)	(6,044,884)
Acquisition of subsidiaries (note 35)	收購附屬公司(附註35)	(4,518,136)	(606,837)
Advances to related companies	向關聯公司支付墊款	(1,142,063)	(623,923)
Placement of short-term time deposits with original maturity beyond three months but within one year	存放原定於三個月以上但一年內到期的短期存款	(624,929)	(200,000)
Purchase of other financial assets	購置其他金融資產	(360,000)	(521,000)
Additional costs of investment properties	投資物業之額外成本	(285,046)	(26,270)
Purchase of property, plant and equipment	購置物業、廠房及設備	(7,692)	(20,370)
Advance to a joint venture	向一間合營公司支付墊款	(100)	(3,000)
Deposits paid	已付按金	(1,000,000)	(363,482)
Withdrawal of restricted bank deposits	提取受限制銀行存款	5,089,896	5,559,340
Repayment from related companies	償還關聯公司款項	1,291,074	821,040
Proceeds from redemption of other financial assets	贖回其他金融資產所得款項	415,446	402,434
Withdrawal of short-term deposits with original maturity beyond three months but within one year	提取原定於三個月以上但一年內到期的短期存款	200,000	-
Proceeds from disposal of investment properties	出售投資物業所得款項	31,290	25,171
Interest received	已收利息	31,022	30,663
Dividend income received	已收股息收入	12,050	-
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	252	21,192
Net cash inflow on disposal of a subsidiary (note 36)	出售一間附屬公司現金流入淨額(附註36)	-	54,759

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Net cash used in investing activities	投資活動所用現金淨額	(6,335,363)	(1,495,167)
Financing activities	融資活動		
Repayments of borrowings	償還借貸	(2,940,712)	(2,427,484)
Interest paid	已付利息	(750,644)	(635,605)
Dividend paid	已付股息	(211,211)	(40,116)
Transaction costs on issue of senior notes and bond	發行優先票據及債券之交易成本	(47,352)	(14,416)
Transaction costs on issue of convertible bonds	發行可換股債券之交易成本	-	(8,084)
Proceeds from new borrowings	新造借貸所得款項	7,120,305	2,985,171
Proceeds from issue of senior notes and bond	發行優先票據及債券所得款項	2,687,226	2,600,000
Issue of new shares upon exercise of share options	行使購股權以發行新股	956	-
Proceeds from issue of convertible bonds	發行可換股債券所得款項	-	694,132
Capital contribution by a non-controlling shareholder of a subsidiary	非控股股東於一間附屬公司之出資	-	161,225
Net cash from financing activities	融資活動所得的現金淨額	5,858,568	3,314,823
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	751,261	1,076,914
Effect of foreign exchange rate changes	外匯匯率變動的影響	6,727	773
Cash and cash equivalents at beginning of the year	年初現金及現金等價物	2,592,246	1,514,559
Cash and cash equivalents at end of the year	年末現金及現金等價物	3,350,234	2,592,246
Represented by:	指：		
Cash and cash equivalents	現金及現金等價物	3,350,234	2,592,246
Add: Fixed deposit with original maturity date more than three months but within one year	加：原到期日為多於三個月但少於一年的定期存款	624,929	200,000
Bank balances and cash	銀行結餘及現金	3,975,163	2,792,246

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

1. GENERAL

LVGEM (China) Real Estate Investment Company Limited (“the Company”) is incorporated in the Cayman Islands with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the Company’s registered office and principal place of business are PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands and Suites 1701 – 1703, 17/F., Everbright Centre, 108 Gloucester Road, Wanchai, Hong Kong respectively. Its ultimate controlling party is Mr. WONG Hong King (“Mr. Wong”), father of Ms. HUANG Jingshu, the Chairman of the Company, and Mr. HUANG Hao Yuan, the Executive Director of the Company.

The Company acts as an investment holding company. The activities of its principal subsidiaries are set out in note 47.

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

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

Amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time in the current year:

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRS 12	As part of the Annual Improvements to HKFRSs 2014 – 2016 Cycle

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

Amendments to HKAS 7 Disclosure Initiative

The Group has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. In addition, the amendments also require disclosures on changes in financial assets if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities.

1. 一般資料

綠景(中國)地產投資有限公司(「本公司」)為一家於開曼群島註冊成立之有限公司，其股份於香港聯合交易所有限公司(「聯交所」)主板上市。本公司註冊辦事處及主要營業地點之地址分別為PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands及香港灣仔告士打道光大中心17樓1701-1703室。其最終控制方為黃康境先生(「黃先生」)，彼乃本公司主席黃敬舒女士及本公司執行董事黃浩源先生之父親。

本公司為一間投資控股公司。其主要附屬公司的業務載於財務報表附註47。

綜合財務報表以人民幣(「人民幣」)呈列，人民幣亦為本公司的功能貨幣。

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

於本年度強制生效之香港財務報告準則之修訂本

本集團已於本年度首次應用以下由香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則之修訂本：

香港會計準則第7號(修訂本)	披露計劃
香港會計準則第12號(修訂本)	就未變現虧損確認遞延稅項資產
香港財務報告準則第12號(修訂本)	作為香港財務報告準則二零一四年至二零一六年週期之年度改進之一部分

除上述者外，於本年度應用該等香港財務報告準則之修訂本對本集團於本年度及以往年度的財務表現及狀況及/或在本綜合財務報表所載的披露並無任何重大影響。

香港會計準則第7號(修訂本)披露計劃

本集團於本年度首次應用該修訂本。該修訂本規定實體提供可使財務報表使用者評估融資活動所產生負債之變動，包括現金及非現金變動。此外，該修訂本亦規定：當金融資產之現金流量已經或其未來現金流量將計入融資活動之現金流量時，實體須披露有關金融資產之變動。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Cont’d)

Amendments to HKAS 7 Disclosure Initiative (Cont’d)

Specifically, the amendments require the following to be disclosed: (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

A reconciliation between the opening and closing balances of these items is provided in note 41. Consistent with the transition provisions of the amendments, the Group has not disclosed comparative information for the prior year. Apart from the additional disclosure in note 41, the application of these amendments has had no impact on the Group’s consolidated financial statements.

New and revised HKFRSs in issue but not yet effective

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

HKFRS 9	Financial Instruments ¹
HKFRS 15	Revenue from Contracts with Customers and the related Amendments ¹
HKFRS 16	Leases ²
HKFRS 17	Insurance Contracts ⁴
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration ¹
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments ²
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions ¹
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts ¹
Amendments to HKFRS 9	Prepayment Features with Negative Compensation ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 40	Transfers of Investment Property ¹
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures ²
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014 – 2016 Cycle ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015 – 2017 Cycle ²

¹ Effective for annual periods beginning on or after 1 January 2018.

² Effective for annual periods beginning on or after 1 January 2019.

³ Effective for annual periods beginning on or after a date to be determined.

⁴ Effective for annual periods beginning on or after 1 January 2021.

2. 應用新訂及經修訂香港財務報告準則 (「香港財務報告準則」)(續)

香港會計準則第7號(修訂本)披露計劃(續)

具體而言，該修訂本規定披露以下各項：(i)融資現金流量變動；(ii)取得或失去附屬公司或其他業務控制權產生之變動；(iii)外幣匯率變動影響；(iv)公允價值變動；及(v)其他變動。

有關該等項日期初及期末結餘之對賬將於附註41提供。根據該修訂本之過渡條文，本集團並無披露去年之比較資料。除附註41之額外披露外，應用該修訂本並無對本集團之綜合財務報表產生任何影響。

已頒佈但尚未生效之新訂及經修訂香港財務報告準則

本集團尚未提早應用以下已頒佈但尚未生效之新訂及經修訂香港財務報告準則：

香港財務報告準則第9號	金融工具 ¹
香港財務報告準則第15號	來自客戶合約的收益及相關修訂本 ¹
香港財務報告準則第16號	租賃 ²
香港財務報告準則第17號	保險合約 ⁴
香港(國際財務報告詮釋委員會)詮釋第22號	外幣交易及預付代價 ¹
香港(國際財務報告詮釋委員會)詮釋第23號	所得稅處理之不確定性 ²
香港財務報告準則第2號(修訂本)	以股份為基礎之付款交易的分類及計量 ¹
香港財務報告準則第4號(修訂本)	與香港財務報告準則第4號保險合約一併應用的香港財務報告準則第9號金融工具 ¹
香港財務報告準則第9號(修訂本)	具有負補償之提前還款特點 ²
香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者與其聯營公司或合營公司之間的資產出售或注資 ³
香港會計準則第40號(修訂本)	轉移投資物業 ¹
香港會計準則第28號(修訂本)	於聯營公司或合營公司之長期權益 ²
香港會計準則第28號(修訂本)	作為香港財務報告準則二零一四年至二零一六年週期之年度改進之一部分 ¹
香港財務報告準則(修訂本)	香港財務報告準則二零一五年至二零一七年週期之年度改進 ²

¹ 於二零一八年一月一日或以後開始的年度期間生效。

² 於二零一九年一月一日或以後開始的年度期間生效。

³ 於釐定日期或以後開始的年度期間生效。

⁴ 於二零二一年一月一日或以後開始的年度期間生效。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Cont’d)

New and revised HKFRSs in issue but not yet effective (Cont’d)

Except for the new and amendments to HKFRSs and Interpretations mentioned below, the directors of the Company anticipate that the application of all other new and revised HKFRSs and Interpretations will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 9 Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial assets.

Key requirements of HKFRS 9 which are relevant to the Group are:

- all recognised financial assets that are within the scope of HKFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income (“FVTOCI”). All other financial assets are measured at their fair value at subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- in relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39 *Financial Instruments: Recognition and Measurement* (“HKAS 39”). The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Based on the Group's financial instruments and risk management policies as at 31 December 2017, the directors of the Company anticipate the following potential impact on initial application of HKFRS 9:

2. 應用新訂及經修訂香港財務報告準則 (「香港財務報告準則」) (續)

已頒佈但尚未生效之新訂及經修訂香港財務報告準則 (續)

除下文所述之新訂及經修訂香港財務報告準則及詮釋外，本公司董事預期應用所有其他新訂及經修訂香港財務報告準則及詮釋於可見未來將不會對綜合財務報表造成重大影響。

香港財務報告準則第9號金融工具

香港財務報告準則第9號引進有關金融資產、金融負債分類及計量、一般對沖會計法及金融資產之減值規定之新規定。

香港財務報告準則第9號與本集團相關之主要規定描述如下：

- 屬香港財務報告準則第9號範圍內之所有已確認金融資產其後均須按攤銷成本或公允價值計量。特別是，於旨在收取合約現金流之業務模式內持有，以及純粹為支付本金及尚未償還本金之利息而擁有合約現金流之債務投資，一般於其後會計期間結束時按攤銷成本計量。於目的為同時收取合約現金流及出售金融資產之業務模式中持有之債務工具，以及合約條款令於特定日期產生之現金流純粹為支付本金及尚未償還本金之利息之債務工具，均按透過其他全面收入按公允價值列賬之方式計量。所有其他金融資產於其後會計期末按公允價值計量。此外，根據香港財務報告準則第9號，實體可作出不可撤回選擇於其他全面收入呈列股本投資(並非持作買賣)之其後公允價值變動，而一般僅於損益內確認股息收入。
- 就金融資產之減值而言，與香港會計準則第39號金融工具：確認及計量(「香港會計準則第39號」)項下按已產生信貸虧損模式計算相反，香港財務報告準則第9號規定按預期信貸虧損模式計算。預期信貸虧損模式規定實體於各報告日期將預期信貸虧損及該等預期信貸虧損之變動入賬，以反映信貸風險自初始確認以來之變動。換言之，毋須再待發生信貸事件方確認信貸虧損。

根據本集團於二零一七年十二月三十一日之金融工具及風險管理政策，本公司董事預期初始應用香港財務報告準則第9號將構成以下潛在影響：

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Cont’d)

HKFRS 9 Financial Instruments (Cont’d)

Classification and measurement:

Loans and receivables carried at amortised cost as disclosed in notes 16, 23, 24, 26 and 27 respectively: these are held within a business model whose objective is to collect the contractual cash flows that are solely payments of principal and interest on the principal outstanding. Accordingly, these financial assets will continue to be subsequently measured at amortised cost upon the application of HKFRS 9.

Listed equity securities classified as available-for-sale investments carried at fair value as disclosed in note 17: these securities qualified for designation as measured at FVTOCI under HKFRS 9, however, the fair value gains or losses accumulated in the investment revaluation reserve amounting to RMB75,744,000 as at 1 January 2018 will no longer be subsequently reclassified to profit or loss under HKFRS 9, which is different from the current treatment. This will affect the amounts recognised in the Group’s profit or loss and other comprehensive income but will not affect total comprehensive income.

All other financial assets and financial liabilities will continue to be measured on the same bases as are currently measured under HKAS 39.

Impairment

In general, the directors of the Company anticipate that the application of the expected credit loss model of HKFRS 9 will result in earlier provision of credit losses which are not yet incurred in relation to the Group’s financial assets measured at amortised costs and other items that subject to the impairment provisions upon application of HKFRS 9 by the Group.

Based on the assessment by the directors of the Company, if the expected credit loss model were to be applied by the Group, the accumulated amount of impairment loss to be recognised by Group as at 1 January 2018 would be slightly increased as compared to the accumulated amount recognised under HKAS 39 mainly attributable to expected credit losses provision on accounts and other receivable. Such further impairment recognised under expected credit loss model would reduce the opening retained profits and increase the deferred tax assets at 1 January 2018.

2. 應用新訂及經修訂香港財務報告準則 (「香港財務報告準則」)(續)

香港財務報告準則第9號金融工具(續)

分類及計量：

按攤銷成本列賬之貸款及應收款項分別於附註16、23、24、26及27披露：其於旨在收取純粹為支付本金及尚未償還本金利息之合約現金流的業務模式內持有。因此於應用香港財務報告準則第9號後，該等金融資產其後將繼續按攤銷成本計量。

分類為按公允價值列賬之可供出售投資之上市股本證券於附註17披露：根據香港財務報告準則第9號，該等證券符合資格指定為透過其他全面收入按公允價值列賬，然而，根據香港財務報告準則第9號，於二零一八年一月一日之投資重估儲備累計的公允價值收益或虧損人民幣75,744,000元將不再於其後重新分類至損益，有別於現有處理方法。此舉將影響於本集團損益及其他全面收益內確認的金額，但將不會影響全面收益總額。

所有其他金融資產及金融負債將繼續按目前根據香港會計準則第39號計量之相同基準計量。

減值

一般而言，本公司董事預期應用香港財務報告準則第9號之預期信貸虧損模式將導致本集團提早就與本集團按攤銷成本計量之金融資產及其他於本集團應用香港財務報告準則第9號後須計提減值撥備之項目相關之尚未產生信貸虧損計提撥備。

根據本公司董事之評估，倘本集團應用預期信貸虧損模式，則本集團將確認於二零一八年一月一日之累計減值虧損金額將較根據香港會計準則第39號確認之累計金額輕微增加，乃主要由於就應收賬款及其他應收款項計提預期信貸虧損撥備所致。有關按預期信貸虧損模式確認之進一步減值將令於二零一八年一月一日之年初保留溢利有所減少及於該日之遞延稅項資產有所增加。

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Cont’d)

HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 *Revenue*, HKAS 11 *Construction Contracts* and the related interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

In 2016, the HKICPA issued Clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港財務報告準則第15號來自客戶合約的收益

香港財務報告準則第15號已予頒佈，其制定一項單一全面模式供實體用作將自客戶合約所產生之收益入賬。於香港財務報告準則第15號生效後，其將取代現時載於香港會計準則第18號收益、香港會計準則第11號建築合約及相關詮釋之收益確認指引。

香港財務報告準則第15號之核心原則為實體須確認描述向客戶轉讓承諾貨品或服務之收益金額，金額應為能反映該實體預期就交換該等貨品或服務有權獲得之代價。具體而言，該準則引入五個確認收益之步驟：

- 第一步：識別與客戶訂立之合約
- 第二步：識別合約中之履約責任
- 第三步：釐定交易價
- 第四步：將交易價分配至合約中之履約責任
- 第五步：於實體完成履約責任時確認收益

根據香港財務報告準則第15號，實體於完成履約責任時確認收益，即於特定履約責任相關之商品或服務之「控制權」轉讓予客戶時，香港財務報告準則第15號已就特別情況之處理方法加入更明確的指引。此外，香港財務報告準則第15號規定作出更詳盡之披露。

於二零一六年，香港會計師公會頒佈香港財務報告準則第15號有關確認履約責任、主理人與代理人之考量及授權應用指引的釐清。

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Cont’d)

HKFRS 15 Revenue from Contracts with Customers (Cont’d)

The directors of the Company have assessed the impact on application of HKFRS 15 in the following areas:

- The Group has considered all the relevant facts and circumstances in assessing whether the property sale contracts contain significant financing component, including the difference between the amount of promised consideration and the cash selling price of the property; and the combined effect of the expected length of time between the Group’s transfer of the property to the customer and the customer’s payment for the property and the prevailing interest rates in the relevant market. The Group has applied the practical expedient in HKFRS 15 and has not considered the financing component of contracts which are expected to be completed within one year from the date of payment made by customers. The directors of the Company expect that the significant financing component included in the property sale contracts would not have material financial impact to the consolidated financial statements given that based on the sale contracts signed before 1 January 2018, the expected length of time the Group transfers the property to the customer is close to one year from the time the sale contract is signed and the pre-sale deposit is received.
- Currently, the Group expensed off the costs associated with obtaining the property sale contracts with customers. Under the requirement of HKFRS 15, incremental costs of obtaining a contract is eligible for capitalisation as deferred contract costs if they meet certain criteria. The directors of the Company expect that this would not have material financial impact to the consolidated financial statements as the amount involved is insignificant.

In addition, the directors of the Company anticipate that the application of HKFRS 15 in the future may result in more disclosures.

HKFRS 16 Leases

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 *Leases* and the related interpretations when it becomes effective.

2. 應用新訂及經修訂香港財務報告準則 (「香港財務報告準則」)(續)

香港財務報告準則第15號來自客戶合約的收益(續)

本公司董事已評估應用香港財務報告準則第15號對以下範圍之影響：

- 本集團於評估物業銷售合約是否載有重大融資組成部分(包括已承諾代價金額與物業現金售價之間的差額)時，已考慮所有有關事實及情況；以及本集團向客戶轉讓物業與客戶就物業付款之間的預期時間長度及相關市場現行利率的合併影響。本集團已實際上應用香港財務報告準則第15號，且並無考慮預期自客戶付款日期起計一年內完成之合約的融資組成部分。本公司董事預期，計入物業銷售合約的重大融資組成部分將不會對綜合財務報表構成重大財務影響，原因是根據於二零一八年一月一日前簽署之銷售合約，本集團向客戶轉讓物業的預期時間長度由簽署銷售合約和收到預售按金的時間起計接近一年。
- 目前，本集團支銷與取得客戶物業銷售合約有關的成本。根據香港財務報告準則第15號的規定，倘符合若干條件，則取得合約所增加的成本合資格資本化為遞延合約成本。本公司董事預期，由於所涉金額並不重大，此舉將不會對綜合財務報表構成重大財務影響。

此外，本公司董事預期，未來應用香港財務報告準則第15號可能造成更多披露。

香港財務報告準則第16號租賃

香港財務報告準則第16號為識別出租人及承租人之租賃安排及會計處理引入一個綜合模式。於香港財務報告準則第16號生效後，其將取代香港會計準則第17號租賃及相關詮釋。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Cont’d)

HKFRS 16 Leases (Cont’d)

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investing cash flows in relation to leasehold land for own use and those classified as investment properties while other operating lease payments are presented as operating cash flows. Upon application of HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows respectively by the Group.

Under HKAS 17, the Group has already recognised prepaid lease payments for leasehold land where the Group is a lessee. The application of HKFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned. In contrast to lessee accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

As at 31 December 2017, the Group has non-cancellable operating lease commitments of RMB237,392,000 as disclosed in note 42. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of HKFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

2. 應用新訂及經修訂香港財務報告準則 (「香港財務報告準則」) (續)

香港財務報告準則第16號租賃(續)

香港財務報告準則第16號根據已識別資產是否由客戶控制來區分租賃及服務合約。除短期租賃及租賃低值資產外，經營租賃及融資租賃之差異自承租人之會計法中移除，並由承租人須就所有租賃確認使用權資產及相應負債之模式替代。

使用權資產初步按成本計量，隨後按成本(若干例外情況除外)減累計折舊及減值虧損計量，經租賃負債之任何重新計量調整。租賃負債初步按當日尚未支付之租賃付款之現值計量。隨後，租賃負債經(其中包括)利息及租賃付款以及租賃修改之影響予以調整。就現金流量之分類而言，本集團現時呈列先期預付租賃款項作為有關自用租賃土地及該等分類為投資物業之投資現金流量，而其他經營租賃付款則呈列為經營現金流量。於應用香港財務報告準則第16號後，本集團將分別把有關租賃負債之租賃付款分配至本金及利息部分，並將其呈列為融資現金流量。

根據香港會計準則第17號，本集團已就租賃土地(本集團為承租人)確認預付租賃款項。應用香港財務報告準則第16號可能導致該等資產分類出現潛在變動，視乎本集團是否分開呈列使用權資產或按將呈列相應有關資產(如擁有)之相同項目呈列而定。相比承租人會計法而言，香港財務報告準則第16號大致上轉承香港會計準則第17號之出租人會計法規定，並繼續要求出租人將租賃分類為經營租賃或融資租賃。

此外，香港財務報告準則第16號要求廣泛披露。

於二零一七年十二月三十一日，本集團之不可撤銷經營租賃承擔為人民幣237,392,000元，詳情於附註42中披露。初步評估表示該等安排將符合租賃之定義。於應用香港財務報告準則第16號後，本集團將確認使用權資產及有關所有該等租賃之相應負債，除非其符合低價值或短期租賃的資格。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Cont’d)

HKFRS 16 Leases (Cont’d)

In addition, the Group currently considers refundable rental deposits paid of RMB10,622,000 and refundable rental deposits received of RMB105,812,000 as rights and obligations under leases to which HKAS 17 applies. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost and such adjustments are considered as additional lease payments. Adjustments to refundable rental deposits paid would be included in the carrying amount of right-of-use assets. Adjustments to refundable rental deposits received would be considered as advance lease payments.

Furthermore, the application of new requirements may result in changes in measurement, presentation and disclosure as indicated above.

HK(IFRIC)-Int 23 Uncertainty over Income Tax Treatments

HK(IFRIC)-Int 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The interpretation requires an entity to determine whether uncertain tax positions are assessed separately or as a group; and assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings.

The directors of the Company anticipate that the application of HK(IFRIC)-Int 23 would not have material financial impact to the consolidated financial statements in respect of the uncertainty of land appreciation tax (“LAT”) based on the facts and circumstances as at 31 December 2017 but may result in more disclosures in the future.

Amendments to HKAS 40 Transfers of Investment Property

The amendments clarify that a transfer to, or from, investment property necessitates an assessment of whether a property meets, or has ceased to meet, the definition of investment property, supported by observable evidence that a change in use has occurred. The amendments further clarify that situations other than the ones listed in HKAS 40 may evidence a change in use, and that a change in use is possible for properties under construction. For example, change in use for transfer from properties under development for sale in the ordinary course of business to investment properties could be evidenced by inception of an operating lease to another party. Currently, the Group accounts for such transfer only upon commencement of an operating lease.

The directors of the Company anticipate that the application of these amendments will result in early recognition of such transfers on the Group’s consolidated financial statements in future periods should there be a change in use of any of its properties.

2. 應用新訂及經修訂香港財務報告準則 (「香港財務報告準則」)(續)

香港財務報告準則第16號租賃(續)

此外，本集團目前將已付可退還租金按金人民幣10,622,000元及已收可退還租金按金人民幣105,812,000元視為應用香港會計準則第17號項下租賃之權利及責任。根據香港財務報告準則第16號項下租賃付款之定義，該等按金並非與使用相關資產之權利有關之付款，因此，該等按金之賬面值可能調整至攤銷成本，而有關調整被視為額外租賃付款。對已付可退還租金按金之調整將計入使用權資產之賬面值。對已收可退還租金按金之調整將被視為預付租賃付款。

此外，應用新規定可能會導致上述計量、呈列及披露有所變動。

香港(國際財務報告詮釋委員會) – 詮釋第23號 – 所得稅處理的不確定性

香港(國際財務報告詮釋委員會) – 詮釋第23號載列如何於所得稅處理存在不確定性時確定會計稅務狀況。該詮釋要求實體釐定不確定的稅務狀況為單獨或作為一組而評估；及評估稅務機關是否可能接受實體於其所得稅報稅中使用或擬使用不確定稅務處理。

根據於二零一七年十二月三十一日之事實及情況，本公司董事預期應用香港(國際財務報告詮釋委員會) – 詮釋第23號將不會對綜合財務報表構成有關土地增值稅(「土地增值稅」)不確定性之重大財務影響，惟可能造成更多未來披露。

香港會計準則第40號(修訂本)轉移投資物業

該修訂本澄清，轉至或轉自投資物業需要評估物業是否符合或已不再符合投資物業之定義，並以可觀察之憑證支持用途已改變之觀點。該修訂本進一步澄清，除香港會計準則第40號所列情況外，其他情況可作為用途已改變之憑證，而在建物業亦有可能出現用途改變之情況。舉例而言，在日常業務過程中就轉撥自發展中待售物業之用途改變，可由向另一方開始之經營租賃作憑證。目前，本集團僅在經營租賃開始時將有關轉撥入賬。

本公司董事預期，倘其任何物業之用途改變，應用該修訂本將導致本集團於未來期間就該等轉撥於本集團綜合財務報表中提前確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for investment properties, available-for-sale investments and derivative financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are within the scope of HKAS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial instruments and investment properties which are transferred at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that the results of the valuation technique equals the transaction price.

3. 主要會計政策

綜合財務報表乃根據香港會計師公會頒佈的香港財務報告準則而編製。此外，綜合財務報表包括聯交所證券上市規則（「上市規則」）及香港公司條例的適用披露規定。

於各報告期末，除下文所載會計政策闡釋的投資物業、可供出售投資及衍生金融工具按公允價值計量外，綜合財務報表乃按歷史成本基準編製。

歷史成本一般按換取貨品及服務所付出代價之公允價值計量。

公允價值是於計量日期市場參與者於有序交易中出售資產可收取或轉讓負債須支付的價格，而不論該價格是否直接可觀察或可使用其他估值技術估計。若市場參與者於計量日期對資產或負債定價時會考慮資產或負債的特點，則本集團於估計資產或負債的公允價值時會考慮該等特點。此等綜合財務報表中作計量及／或披露用途的公允價值乃按此基準釐定，惟屬於香港財務報告準則第2號以股份為基礎的付款範圍的以股份為基礎之付款交易、屬於香港會計準則第17號租賃範圍內的租賃交易，以及與公允價值有部份相若地方但並非公允價值的計量，譬如香港會計準則第2號存貨內的可變現淨額或香港會計準則第36號資產減值的使用價值除外。

非金融資產的公允價值計量須考慮市場參與者充分利用該資產或充分利用該資產向另一市場參與者進行銷售從而產生經濟效益的能力。

就按公允價值轉移、並使用不可觀察輸入數據以於其後期間計量公允價值之估值方法之金融工具及投資物業而言，該估值方法會被校準，故此估值方法之結果相等於交易價。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The significant accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3. 主要會計政策(續)

此外，就財務申報而言，公允價值計量根據公允價值計量的輸入數據可觀察程度及公允價值計量的輸入數據對其整體的重要性分類為第一級、第二級或第三級，詳情如下：

- 第一級輸入數據是實體於計量日期可以取得的相同資產或負債於活躍市場之報價（未經調整）；
- 第二級輸入數據是就資產或負債直接或間接地可觀察之輸入數據（第一級內包括的報價除外）；及
- 第三級輸入數據是資產或負債的不可觀察輸入數據。

主要會計政策載列於下文。

綜合基準

綜合財務報表包括本公司及其所控制之實體及其附屬公司之財務報表。當本公司符合以下要素時，則本公司取得控制權：

- 可對投資對象行使權力；
- 因參與投資對象業務而承擔浮動回報的風險或享有權利；及
- 有能力使用其權力影響其回報。

倘有事實及情況顯示上述三項控制權要素有一項或以上出現變動，本公司會重新評估其是否對投資對象擁有控制權。

附屬公司之綜合入賬於本集團取得有關附屬公司之控制權起開始，並於本集團失去有關附屬公司之控制權時終止。具體而言，年內所收購或出售附屬公司之收入及開支乃自本集團取得控制權之日期起計入綜合損益表，直至本集團不再控制有關附屬公司之日期為止。

損益及其他全面收益之每個項目乃歸屬於本公司股東及非控股權益。附屬公司之全面收益總額歸屬於本公司股東及非控股權益，即使此舉會導致非控股權益產生虧絀結餘。

於必要時，將對附屬公司之財務報表作出調整，以令彼等之會計政策與本集團之會計政策一致。

有關本集團成員公司之間交易的所有集團內公司間之資產及負債、權益、收入、支出及現金流量於綜合入賬時悉數對銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Basis of consolidation (Cont'd)

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs).

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

3. 主要會計政策(續)

綜合基準(續)

本集團於現有附屬公司所有權權益的變動

未導致本集團失去對附屬公司控制權的本集團於現有附屬公司所有權權益的變動以權益交易列賬。為反映其於附屬公司的相關權益變動(包括根據本集團與非控股權益之權益比例重新歸屬本集團與非控股權益之相關儲備),本集團的相關權益部分及非控股權益的賬面值會作出調整。

非控股權益於重新分配相關權益部分後所作調整數額與已付或已收代價公允價值之間的任何差額直接於權益內確認,並歸屬於本公司股東。

當本集團失去附屬公司的控制權時,該附屬公司之資產及負債以及非控股權益(如有)會被確認。收益或虧損於損益確認,並按以下兩者的差額計算得出:(i)已收代價的公允價值的總和;及(ii)本公司股東應佔附屬公司資產(包括商譽)及負債的賬面值。先前就該附屬公司於其他全面收益確認的所有金額,按猶如本集團已直接出售該附屬公司的相關資產或負債入賬處理(即按適用的國際財務報告準則所規定/許可,重新分類至損益或轉撥至另一類權益)。

業務合併

收購業務採用收購法入賬。業務合併之轉撥代價按公允價值計量,而計算方法為本集團所轉讓之資產於收購日之公允價值、本集團向被收購方原擁有人產生之負債及本集團於交換被收購方之控制權發行之股權。有關收購之費用於產生時一般於損益中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Business combinations (Cont'd)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date (see the accounting policy below); and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

3. 主要會計政策(續)

業務合併(續)

於收購日，所收購之可識別資產及所承擔之負債按公允價值確認，惟下文所述者除外：

- 遞延稅項資產或負債及與僱員福利安排有關之資產或負債，分別根據香港會計準則第12號 *所得稅* 及香港會計準則第19號 *僱員福利* 確認並計量；
- 與被收購公司以股份為基礎之付款安排或以本集團訂立以股份為基礎之付款安排取代被收購公司以股份為基礎之付款安排相關之負債或股本工具乃於收購日期根據香港財務報告準則第2號 *以股份為基礎之付款* 計量(見下文會計政策)；及
- 根據香港財務報告準則第5號 *持作出售之非流動資產及已終止經營業務* 分類為持作出售之資產(或出售組別)則根據該準則計量。

商譽是以所轉撥之代價、於被收購方中所佔任何非控股權益金額、及收購方以往持有被收購方股權(如有)之公允價值之總和，減所收購之可識別資產及所承擔之負債於收購日期之淨值後，所超出之差額計值。倘經過重新評估後，所收購之可識別淨資產與所承擔負債之淨額高於轉撥之代價、非控股權益於被收購方中所佔任何金額與收購方先前持有被收購方之權益(如有)之公允價值之總和，則差額即時於損益內確認為議價收購收益。

屬現時擁有之權益且於清盤時讓持有人有權按比例分佔相關附屬公司之資產淨值之非控股權益，初步按非控股權益應佔被收購方可識別資產淨值的已確認金額比例或按公允價值計量。計量基準視乎每項交易而作出選擇。

於業務合併乃分階段完成時，本集團先前持有之被收購方股權乃按於收購日期(即本集團獲得控制權之日期)之公允價值重新計量，而所產生之收益或虧損(如有)乃於損益內確認。於收購日期前已於其他全面收益確認因於被收購方權益而產生之金額，倘於該權益被出售時有關處理方式屬妥當，則重新分類至損益。

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Acquisition of a subsidiary not constituting a business

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to investment properties which are subsequently measured under fair value model and financial assets/financial liabilities at the respective fair value, the remaining balance of the purchase price is then allocated to the other individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination, which represents the lowest level at which the goodwill is monitored for internal management purpose and not larger than an operating segment.

A cash-generating unit (or group of cash-generation units) to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generation units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generation units).

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal (or any of the cash-generating unit within group of cash-generating units in which the Group monitors goodwill).

3. 主要會計政策(續)

收購附屬公司並不構成一項業務

當本集團收購一組並不構成業務之資產及負債時，本集團透過首先向其後以公允價值模式計量之投資物業及金融資產／金融負債按相關公允價值分配收購價，以識別及確認所收購個別可識別資產及所承擔負債，而收購價餘下結餘其後按其於購買日期之相關公允價值為基準分配至其他個別可識別資產及負債。有關交易並不會產生商譽或議價收購收益。

商譽

因收購業務產生之商譽乃按業務收購日期釐定之成本(見上文會計政策)減累計減值虧損(如有)列賬。

就減值測試而言，商譽乃分配至預期從合併之協同效應中獲利之本集團各現金產生單位(或現金產生單位組別)，即指就內部管理而言監察商譽的最低水平，且不大於經營分部。

本集團每年會就獲分配商譽之現金產生單位(或現金產生單位組別)進行減值測試，或於有跡象顯示該單位可能已經減值時更頻繁地進行測試。就於報告期內收購產生之商譽而言，已獲分配商譽之現金產生單位(或現金產生單位組別)於報告期末前進行減值測試。倘現金產生單位之可收回數額少於其賬面值，則本集團會首先分配減值虧損以減少任何商譽之賬面值，再根據該單位(或現金產生單位組別)之各項資產之賬面值按比例分配予其他資產。

出售相關現金產生單位時，釐定出售損益時須計入商譽之應佔金額(或本集團監察之現金產生單位組別內之任何現金產生單位)。

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Investments in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture. Changes in net assets of the joint venture other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

3. 主要會計政策(續)

投資合營公司

合營企業指一項聯合安排，對安排擁有共同控制權之訂約方據此對聯合安排之資產淨值擁有權利。共同控制是指按照合約約定對某項安排所共有的控制，共同控制僅在當相關活動要求共同享有控制權之各方作出一致同意之決定時存在。

合營公司的業績、資產及負債按權益法計入此綜合財務報表中。按照權益法，於合營公司之投資乃按成本於綜合財務狀況報表中首次確認，並於其後就確認集團應佔該合營公司之損益及其他全面收益而作出調整。合營公司之資產淨值變動(損益及其他全面收益除外)不會列賬，惟有關變動導致本集團持有之所有權權益有所變動則另作別論。倘集團所佔於合營公司之虧損等於或超越集團於合營公司應佔權益(包括任何實際上構成集團於合營公司投資淨值其中部分之長遠權益)，集團應不再確認應佔的虧損。確認額外虧損只限於集團須受合法或結構性責任或代合營公司支付款項。

於合營公司之投資採用權益會計法自被投資者成為合營公司當日起入賬。於收購合營公司之投資時，投資成本超過本集團應佔被投資者之可識別資產及負債之公允價值淨值之任何部份均確認為商譽，並計入投資之賬面值。本集團應佔可識別資產及負債之公允價值淨值超過投資成本之任何部份(經重新評估後)於收購投資之期間即時確認為損益。

香港會計準則第39號之規定予以應用，以釐定是否需要就本集團於合營公司之投資確認任何減值虧損。於需要時，該項投資之全部賬面值(包括商譽)會根據香港會計準則第36號*資產減值*以單一資產的方式進行減值測試，方法是比較其可收回金額(即使用價值與公允價值減出售成本之較高者)與賬面值。任何已確認之減值虧損構成該項投資之賬面值的一部份，有關減值虧損之任何撥回乃於該項投資之可收回金額其後增加之情況根據香港會計準則第36號確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Investments in joint ventures (Cont'd)

When the Group reduces its ownership interest in a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognised in the Group's consolidated financial statements only to the extent of interest in the joint venture that are not related to the Group.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below.

Revenue from sale of properties in the ordinary course of business is recognised when the respective properties have been completed and delivered to the buyers. Deposits and instalments received from purchasers prior to meeting the above criteria for revenue recognition are included in the consolidated statement of financial position under current liabilities.

Revenue from hotel operation is recognised when the relevant services are provided. Property management fee income and other service income are recognised in profit or loss when the services are rendered.

Dividend income from investments is recognised when the rights to receive payment have been established.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

The Group's policy for recognition of revenue from operating leases is described in the accounting policy for leasing below.

3. 主要會計政策(續)

投資合營公司(續)

倘本集團削減其於合營公司之所有權權益而本集團繼續採用權益法，若有關收益或虧損會於出售相關資產或負債時重新分類至損益，則本集團會將先前已於其他全面收入確認與削減所有權權益有關之收益或虧損部分重新分類至損益。

倘集團實體與本集團之合營公司進行交易，僅在合營公司之權益與本集團無關之情況下，與合營公司進行交易所產生之盈利及虧損，方會於本集團之綜合財務報表中確認。

收入確認

收入以已售貨品之已收及應收代價之公允價值計算。收入已就估計客戶退貨、回扣及其他類似撥備作出扣減。

收入於收入金額能可靠計量、未來經濟利益可能流入本集團以及符合下文所述本集團的各業務的特定條件時確認。

日常業務過程中銷售物業所得之收入於相關物業已完成發展及已交付予買家時確認。於符合上述收入確認標準前所收取之買方按金及分期付款計入綜合財務狀況報表內之流動負債項下。

來自酒店經營的收益於提供有關服務時確認。物業管理收入及其他服務收入於有關服務提供時在損益表確認。

投資所得股息收入乃於確定股東收取付款之權利時確認。

利息收入按未償還本金額及適用之實際利率以時間比例累計。有關利率指於初步確認時將金融資產之估計未來所收現金在預計可使用期內折現至資產賬面淨值之利率。

本集團有關確認來自經營租賃收益的政策詳述於下文租賃會計政策。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including properties under construction for such purposes).

Investment properties are initially measured at cost, including any directly attributable expenditure. Cost incurred for investment properties under development comprises development expenditure including professional charges directly attributable to the development and borrowing costs, and these costs are capitalised as part of the carrying amount of the investment properties under development during the development period.

Subsequent to initial recognition, investment properties, including completed investment properties and investment properties under development, are measured at their fair values. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use or no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

Property, plant and equipment

Property, plant and equipment, other than freehold land and construction in progress, are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Construction in progress including property, plant and equipment in the course of construction for production, supply or administrative purposes and freehold land are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Construction in progress is classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

3. 主要會計政策(續)

投資物業

投資物業指為賺取租金及／或資本增值而持有的物業(包括作該等用途的在建物業)。

投資物業按成本值(包括任何直接應佔費用)進行初始計量。在發展中投資物業產生之成本包括開發直接相關專業費用及借貸成本等發展開支，該等成本於開發期間資本化為發展中投資物業賬面值的一部分。

於初次確認後，投資物業(包括已完成投資物業及發展中投資物業)乃按其公允價值計量。投資物業公允價值變動所產生之盈虧於產生期間計入損益賬。

投資物業於被出售時或於投資物業永久不可使用及預期其出售不會產生任何未來經濟利益時予以撇除確認。撇除確認該物業所產生之任何收益或虧損(計算為出售所得款項淨額與該資產賬面值間之差額)於該物業被撇除確認之當期計入損益。

物業、廠房及設備

物業、廠房及設備(除了永久業權土地及在建工程)，於綜合財務狀況報表以成本減其後累計折舊及累計減值虧損(如有)列賬。

物業、廠房及設備當中的興建中的在建工程(作生產、供應或行政用途)及永久業權土地均按成本減任何已確認減值虧損列賬。成本包括專業費用，以及就合資格資產而言，根據集團的會計政策撥作資本的借貸成本。在建工程於完成及可作擬定用途使用時分類至適當的類別。該等資產按其他物業資產的相同基準，在可作擬定用途時開始折舊。

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Property, plant and equipment (Cont'd)

Depreciation is recognised so as to write off the cost of assets (other than freehold land and construction in progress) less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Properties under development for sale

Properties under development which are intended to be held for sale are carried at lower of cost and net realisable value and are shown as current assets. Cost includes the costs of land (including relocation costs), development expenditure incurred and, where appropriate, borrowing costs capitalised during construction period. Net realisable value is determined based on prevailing market conditions.

Properties under development for sales are transferred to properties held for sale upon completion of development activities, which is when the relevant completion certificates are issued by the respective government authorities.

Properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value. Cost is determined by apportionment of the total land and development costs attributable to the properties held for sale. Net realisable value is determined based on prevailing market conditions.

Where there is a transfer from properties held for sale to investment properties that are carried at fair value, the difference between the fair value of the property at that date and its carrying amount is recognised in profit or loss.

3. 主要會計政策(續)

物業、廠房及設備(續)

資產(除了永久業權土地及在建工程)會以直線法在其估計使用年期內撇銷其成本減去殘值後確認折舊。估計使用年期、殘值和折舊方法會在每個報告期末覆核，並採用未來適用法對估計變更的影響進行核算。

物業、廠房及設備項目將於出售時或預期繼續使用有關資產亦不會帶來任何未來經濟利益時終止確認。出售或棄用某個物業、廠房及設備項目所產生任何收益或虧損，按有關資產的出售所得款項與其賬面值差額計算，並在損益內確認。

發展中待售物業

擬持作出售的發展中物業乃按成本與可變現淨值兩者之間較低者入賬並列作流動資產。成本包括土地成本(包括拆遷費用)、所產生的發展開支及於建築期間資本化的借貸成本(倘適用)。可變現淨值乃基於當前市況釐定。

開發活動竣工時，即有關政府機關發出相關竣工證明時，發展中待售物業結轉至持作出售物業。

待售物業

待售物業按成本及可變現淨值兩者之較低者列賬。成本乃按待售物業應佔之土地及發展成本總額釐定。可變現淨值乃根據當前市場情況釐定。

待售物業轉撥至按公允價值列賬之投資物業時，有關物業於該日之公允價值與其賬面值之差額於損益內確認。

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Other inventories

Other inventories comprising consumable stores for own consumption which are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost is calculated using the weighted average method.

Impairment on tangible assets other than goodwill (see the accounting policy in respect of goodwill above)

At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any.

When it is not possible to estimate the recoverable amount of an asset individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the assets is allocated pro rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3. 主要會計政策(續)

其他存貨

其他存貨包括供本身消耗的消耗品庫存材料，初步按成本確認，而隨後以較低成本及可變現淨值確認。成本按加權平均法釐定。

除商譽外有形資產減值(請參閱上文有關商譽之會計政策)

本集團會於各報告期末審閱其有形資產之賬面值，以確定有否任何跡象顯示該等資產已出現減值虧損。倘有任何該等跡象存在，須估計資產可收回金額以釐定減值虧損程度(如有)。

倘無法估計個別資產之可回收金額，本集團將估計該資產所屬現金產生單位可回收金額。如能確定一個合理及一致之分配基準，公司資產亦分配至個別現金產生單位，否則會分配至如能確定一個合理及一致之分配基準的情況下之最小現金產生單位。

可收回金額乃公允價值扣除銷售成本與使用價值之較高者。在評估使用價值時，估計未來現金流量將使用稅前貼現率貼現至其現值，以反映目前資金時間值之市場估量及未調整未來現金流估計之資產(或現金產生單位)有關之風險。

倘資產(或現金產生單位)可收回金額估計低於其賬面值，則該資產(或現金產生單位)賬面值將扣減至其可收回金額。於分配減值虧損時，首先分配減值虧損以減低任何商譽的賬面值(如適用)，然後根據該單位內各項資產的賬面值按比例分配至其他資產。資產的賬面值不會被減少至低於其公允價值減出售成本(如可計量)、其使用價值(如可釐定)及零之最高者。以其他方式分配至資產的減值虧損金額按比例分配至該單位的其他資產。減值虧損應即時於損益內確認。

倘若減值虧損其後撥回，則該資產(或現金產生單位)之賬面值會增加至修訂後之估計可收回款額，惟所增加之賬面值數額不得超過倘以往年度該資產(或現金產生單位)未有確認減值虧損之賬面值。減值虧損撥回會即時於損益賬內確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets, or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified as financial assets at fair value through profit or loss (“FVTPL”), available-for-sale (“AFS”) financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

3. 主要會計政策(續)

金融工具

倘集團實體成為工具合約條文的訂約方，則確認金融資產及金融負債。

財務資產及財務負債初步按公允價值計量。與收購或發行直接相關之財務資產及財務負債(透過損益按公允價值列賬之金融資產或金融負債除外)，於初步確認時加入財務資產或財務負債(如適用)之公允價值，或自財務資產或財務負債(如適用)之公允價值中扣除。與收購金融資產或透過損益按公允價值列賬之金融負債直接相關之交易成本會即時於損益內確認。

金融資產

金融資產乃分類為按公允價值計入損益(「按公允價值計入損益」)之金融資產、可供出售(「可供出售」)金融資產及貸款及應收款項。分類取決於財務資產在初期確認時確定的性質和用途。所有常規購買或出售金融資產於交易日確認及終止確認。常規購買或出售金融資產指購買或出售需要在一般由法規或市場慣例確定的期間內移交資產。

實際利率法

實際利率法為計算債務資產攤銷成本及於有關期間分配利息收入之方法。實際利率為可準確將債務工具在預計年期或較短期間內(如適用)產生之估計未來現金收入(包括構成實際利率不可或缺部分之已付或已收之一切費用及點數、交易成本及其他溢價或折價)折算為初步確認時之賬面淨值之利率。

利息收入按債務工具之實際利率基準確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is held for trading.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial assets.

AFS financial assets

AFS financial assets are non-derivatives that are either designated as available-for-sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at FVTPL.

Equity securities held by the Group that are classified as AFS financial assets are measured at fair value at the end of each reporting period. Dividends on AFS equity investments are recognised in profit or loss when the Group's right to receive the dividends is established. Other changes in the carrying amount of AFS financial assets are recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve. When the investment is disposed or is determined to be impaired, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

3. 主要會計政策(續)

金融工具(續)

按公允價值計入損益之金融資產

當金融資產持作買賣時，則金融資產分類為按公允價值計入損益。

在下列情況下，金融資產分類為持作買賣：

- 主要為在短期內出售而收購；或
- 初步確認時屬於本集團集中管理的已識別金融工具組合的一部分，且具有最近實際短期獲利模式；或
- 並非指定且實際用作對沖工具的衍生工具。

按公允價值計入損益之金融資產乃按公允價值列賬，而重新計量產生之任何收益或虧損於損益確認。於損益確認之收益或虧損淨額包括金融資產的任何已賺取股息或利息。

可供出售財務資產

可供出售金融資產乃指定可供出售或並未分類為(a)貸款和應收款項，(b)持至到期投資或(c)按公允價值計入損益之金融資產之非衍生工具。

由本集團持有的分類為可供出售金融資產的權益證券於各報告期末按公允價值計量。可供出售股權投資之股息乃於確定本集團有權收取該股息時於損益中確認。可供出售金融資產賬面值的其他變動於其他全面收益中確認及於投資重估儲備中累積。當投資被出售或被釐定為減值時，先前在投資重估儲備中累積的累積收益或虧損將重新分類至損益。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including amount due from a joint venture, accounts and other receivables, restricted bank deposits and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest and principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

貸款及應收款項

貸款及應收款項乃並無於活躍市場報價的固定或待定期額付款的非衍生財務資產。於初步確認後，貸款及應收款項(包括應收一間合營公司款項、應收賬款及其他應收款項、受限制銀行存款及銀行結餘及現金)均以實際利率法，按攤銷成本減任何已識別減值虧損列賬。

利息收入透過採用實際利率確認，惟短期應收款項除外，因為確認有關短期應收款之利息屬微不足道。

金融資產減值

除按公允價值計入損益者外，金融資產會於各報告期末評定是否有減值跡象。倘有客觀證據顯示，該項金融資產之預期未來現金流量因於初步確認該金融資產後發生之一項或多項事件而受到影響，則金融資產會被視為減值。

若可供出售股權投資之公允價值顯著或長期低於其成本價，則被視為需作減值之客觀證據。

就其他金融資產而言，減值之客觀證據可能包括：

- 發行人或交易對手出現重大財政困難；或
- 違約，如未能繳付或拖欠利息及本金；或
- 借款人有可能面臨破產或財務重組。

就按已攤銷成本列賬之金融資產而言，所確認之減值虧損金額為資產賬面值與估計未來現金流量按金融資產原實際利率貼現之現值兩者間之差額。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Impairment of financial assets (Cont'd)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of accounts receivable, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When an account receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, 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, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity investments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve.

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

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.

A financial instrument issued by a group entity, which all of the entities in the Group have no contractual obligation to deliver cash or other financial assets to the holders or to exchange financial assets or financial liabilities with the holders under conditions that are potentially unfavourable to the Group, is classified as an equity instrument and is initially recorded at the proceeds received. Convertible preference shares issued by the Company that have the above characteristics are classified as equity instruments.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

與所有金融資產有關之減值虧損會直接於金融資產之賬面值中作出扣減，惟應收賬款除外，其賬面值則透過撥備賬作出扣減。撥備賬內之賬面值變動會於損益內確認。當應收款項被視為不可收回時，其將於撥備賬內撇銷。於其後重新收回之先前撇銷之款項將計入損益。

當可供出售金融資產需作減值時，早前於其他全面收益中確認之累計收益或虧損，將於該期間重新分類到損益中。

就按已攤銷成本列賬之金融資產而言，倘於隨後期間減值之數額減少，而此項減少能客觀地與確認減值虧損後發生之事項有關，則先前確認之減值虧損於損益撥回，資產於撥回減值當日之賬面值不得超過假設未確認減值時之已攤銷成本。

可供出售股權投資先前已於損益中確認之減值虧損不能通過損益撥回。任何於減值後出現之公允價值增加將於其他全面收益中確認及於投資重估儲備中累積。

金融負債及股本工具

集團實體發行之債務及股本工具，乃根據合約安排之內容以及金融負債和股本工具之定義被分類為金融負債或股本。

股本工具

股本工具為證明於扣除所有負債後個體之資產剩餘權益之任何合約。由本集團發行之股本工具按已收取所得款項減直接發行成本後確認。

集團實體發行之金融工具(其不包括本集團向持有人交付現金或其他金融資產或按對本集團而言存在潛在不利之條件與持有人交換金融資產或金融負債之合約責任)分類為股本工具並按已收取所得款項初步入賬。具有上述特徵之本公司所發行之可換股優先股乃分類為權益性工具。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Financial liabilities and equity instruments (Cont'd)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Financial liabilities at amortised cost

Financial liabilities including accounts and other payables, borrowings, liability component of convertible bonds and senior notes and bond are subsequently measured at amortised cost, using the effective interest method.

Convertible bonds containing debt and derivative components

A conversion option that will be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is a conversion option derivative.

At the date of issue, both the debt component and derivative component are recognised at fair value. In subsequent periods, the debt component of the convertible bonds is carried at amortised cost using the effective interest method. The derivative component is measured at fair value with changes in fair value recognised in profit or loss.

Transaction costs that relate to the issue of the convertible bonds are allocated to the debt and derivative components in proportion to their relative fair values. Transaction costs relating to the derivative component are charged to profit or loss immediately. Transaction costs relating to the debt component are included in the carrying amount of the debt portion and amortised over the period of the convertible bonds using the effective interest method.

3. 主要會計政策(續)

金融工具(續)

金融負債及股本工具(續)

實際利率法

實際利率法為計算金融負債攤銷成本及於有關期間分配利息開支之方法。實際利率為在初步確認時於金融負債之預計年期或較短期間內(如適用)將估計未來現金支出(包括構成實際利率不可或缺部份之已付或已收之一切費用及點數、交易成本及其他溢價或折讓)確切地貼現至賬面淨值之利率。

利息開支按實際利率基準確認。

按攤銷成本列賬之金融負債

金融負債包括使用實際利率法，其後按攤銷成本計量之應付賬款及其他應付款項、借貸、可換股債券、優先票據及債券之負債部分。

含有債務及衍生工具部分之可換股債券

倘兌換股權將透過以固定金額之現金或另一項金融資產換取固定數目之本集團實體之股本工具以外的方式結算，則分類為兌換股權衍生工具。

於發行日期，債務部分及衍生工具部分均按公允價值確認。於往後期間，可換股債券的債務部分乃採用實際利率法按攤銷成本入賬。衍生工具部分乃按公允價值計量，而公允價值的變動則於損益中確認。

與發行可換股債券有關的交易成本乃按彼等相關公允價值的比例分配至債務及衍生工具部分。與衍生工具部分有關的交易成本即時於損益中扣除。與債務部分有關的交易成本計入債務部分的賬面值，並採用實際利率法按可換股債券的年期攤銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Financial liabilities and equity instruments (Cont'd)

Senior notes and bond

Senior notes issued by the Group that contain both liability and early redemption option (which is not closely related to the host contract) are classified separately into respective items on initial recognition. At the date of issue, both the liability and early redemption option components are recognised at fair value.

Bond issued by the Group that contains both liability and interest rate adjustments (which is closely related to the host contract) is not separated into host contract and embedded derivative on initial recognition. At the date of issue, the bond is recognised at fair value.

In subsequent periods, the liability components of the senior notes and bond are carried at amortised cost using effective interest method. The early redemption option of senior notes is measured at fair value with changes in fair value recognised in profit or loss.

Transaction costs that related to the issue of the senior notes and bond are included in the carrying amount of the senior notes and bond and amortised over the period of the senior notes and bond using the effective interest method.

Derivatives financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Embedded derivatives

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL. Generally, multiple embedded derivatives in a single instrument are treated as a single compound embedded derivative unless those derivatives related to different risk exposures and are readily separable and independent of each other.

3. 主要會計政策(續)

金融工具(續)

金融負債及股本工具(續)

優先票據及債券

本集團發行包含負債及提前贖回權(與主合約並無密切關係)之優先票據在初步確認時分開歸類於有關項目。於發行日期，負債及提前贖回權部分均按公允價值確認。

本集團發行包含負債及利率調整(與主合約有密切關係)之債券在初步確認時並無分類作主合約及嵌入式衍生工具。於發行日期，債券按公允價值確認。

於後續期間，優先票據及債券之負債部分乃使用實際利率法按攤銷成本列賬。優先票據之提前贖回權按照公允價值計量，並於損益內確認公允價值變動。

與發行優先票據及債券相關之交易成本乃計入優先票據及債券之賬面值，並按優先票據及債券之期限採用實際利率法攤銷。

衍生金融工具

衍生工具最初於衍生工具合約訂立當日按其公允價值確認，並其後於報告期末按公允價值重新計量。由此產生之收益或虧損即時於損益表內確認，除非衍生工具被指定為對沖工具並行之有效。在該情況下，於損益表確認之時間乃視乎對沖關係之性質而定。

嵌入式衍生工具

當非衍生工具主合約之嵌入式衍生工具符合衍生工具的定義、其風險及特徵與主合約之風險及特徵並無密切關係，且主合約並非按公允價值計入損益計量時，則被視為獨立衍生工具。一般而言，多個於單一工具內的嵌入式衍生工具均被視為單一複合嵌入式衍生工具，除非該等衍生工具與不同風險有關及可明顯分開並獨立於對方。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Embedded derivatives (Cont'd)

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- (i) the amount of obligation under the contract, as determined in accordance with HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets*; and
- (ii) the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

3. 主要會計政策(續)

金融工具(續)

嵌入式衍生工具(續)

財務擔保合約

財務擔保合約為發行人須因指定債務人未能根據債務工具之條款支付到期款項致使持有人蒙受損失時，向持有人償付指定款項之合約。

本集團發行之財務擔保合約於初次確認時以公允價值計量，倘非指定為按公允價值計入損益，其後以下列各項之較高者計量：

- (i) 根據香港會計準則第37號撥備、或然負債及或然資產釐定合約項下承擔之金額；及
- (ii) 初次確認之金額減去於擔保期內確認之累計攤銷(如適用)。

終止確認

僅在獲取金融資產所產生現金流量的合同權利到期，本集團才終止確認一項金融資產。

一旦悉數終止確認金融資產，資產的賬面值與收到及應收的代價與已在其他全面收益中確認並在權益中累計的累積損益之和之間的差額會在損益中確認。

僅在本集團的義務已經履行、解除或到期時，本集團才終止確認金融負債。終止確認的金融負債的賬面值與支付及應付的代價之間的差額會在損益中確認。

租賃

凡租賃條款將擁有權之絕大部分風險及回報轉移予承租人之租約均列作融資租賃。所有其他租約均列作營業租約。

本集團以出租人身份

營業租約之租金收入於有關租約期內按直線法於損益內確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Leasing (Cont'd)

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

Leasehold land and building

When the Group makes payments for a property interest which includes both leasehold land and building elements, the Group assesses the classification of each element separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire property is accounted as an operating lease. Specifically, the entire consideration (including any lump-sum upfront payments) are allocated between the leasehold land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element at initial recognition.

To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “prepaid lease payments” in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis except for those that are classified and accounted for as investment properties under the fair value model. When the lease payments cannot be allocated reliably between the leasehold land and building elements, the entire property is generally classified as if the leasehold land is under finance lease.

Borrowing costs

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

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3. 主要會計政策(續)

租賃(續)

本集團以承租人身份

營業租約付款於有關租約期內按直線法確認為開支。

租賃土地及樓宇

當本集團就一項包括租賃土地及樓宇部份的物業權益付款時，本集團會評估對各部份擁有權所附帶之絕大部分風險及回報是否已轉移至本集團，並根據評估結果將各部份獨立分類，除非兩個部份明顯屬於營業租約，於此情況下，整項物業列賬為營業租約。具體來說，整體代價(包括任何一次過預付款)會於初步確認時按土地部分與樓宇部分租賃權益的相關公允價值比例，於租賃土地及樓宇部分之間分配。

倘相關付款能夠可靠分配，則列為營業租約之租賃土地權益於綜合財務狀況報表呈列為「預付租賃款項」，並按直線基準於租期內進行攤銷，惟分類為並以公允價值模式列作投資物業者除外。倘若無法在租賃土地與樓宇部分之間可靠地分配付款，則整項物業一般會按租賃土地屬融資租賃之方式分類。

借貸成本

與收購、興建或生產附帶限制之資產(即需經過一段相當時間方準備就緒可作擬定用途或以供出售之資產)直接相關之借貸成本均會計入該等資產之成本中，直至資產大致可作擬定用途或可供出售。

所有其他借貸成本於產生期間於損益確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the foreign operation.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Renminbi) using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case, the exchange rates prevailing at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve attributed to non-controlling interests as appropriate.

On the disposal of a foreign operation (i.e. 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 exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss.

3. 主要會計政策(續)

外幣

在編製各集團個體之財務報表時，以該實體功能貨幣以外貨幣(外幣)進行之交易乃按交易日期之匯率確認。於各報告期末，以外幣結算之貨幣項目按當日之適用匯率重新換算。按歷史成本以外幣計量之非貨幣項目不會重新換算。

於結算貨幣項目及重新換算貨幣項目時產生之匯兌差額均於彼等產生期間內在損益中確認，惟應收或應付海外業務的貨幣項目的匯兌差額除外，就此，有關結算未納入計劃中亦無可能產生(因此成為海外業務投資淨額的一部分)，並於出售海外業務時於其他全面收益中初步確認並自權益重新分類至損益。

為呈列綜合財務報表，本集團海外業務之資產及負債按報告期末之匯率換算為本集團之呈列貨幣(即人民幣)。收入及開支項目則按期內之平均匯率換算，惟倘期內匯率出現大幅波動，則採用交易日現行之匯率換算。由此產生之匯兌差額(如有)於其他全面收入確認並累計於權益中匯兌儲備(如適用，歸於非控股權益)。

於出售海外業務(即出售本集團海外業務之全部權益，或出售涉及喪失包括海外業務之附屬公司之控制權)時，就本公司股東應該業務而於權益累計之所有匯兌差額會重新分類至損益。

此外，倘部份出售附屬公司而並無導致本集團喪失對該附屬公司之控制權，則按比例分佔之累計匯兌差額會重新歸屬於非控股權益，且不會於損益內確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Equity-settled share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instrument at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in share option reserve.

At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that cumulative expense reflects the revised estimate, with a corresponding adjustment to share option reserve.

When share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits.

Retirement benefit costs

Payments to defined contribution retirement benefit plans, including state-managed retirement benefit scheme and the Mandatory Provident Fund Scheme, are recognised as an expense when employees have rendered service entitling them to the contributions.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before tax" as reported in the consolidated statement of profit or loss because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3. 主要會計政策(續)

以股份為基礎付款之股本結算交易

授予僱員之購股權

以權益結算並以股份為基礎支付予員工及提供類似服務的其他人士的款項於授出日期按股本工具之公允價值計量。

以股權結算以股份為基礎支付的款項之公允價值於授出日期釐定之公允價值並無計及所有非市場歸屬條件，基於本集團預計將最終歸屬之股本工具按直線法於歸屬期內支銷，而購股權儲備亦相應增加。

於各報告期末，基於對所有相關非市場歸屬條件之評估，本集團修訂其對預期歸屬之股本工具數目之估計。修訂原有估計之影響(如有)乃於損益內確認，而此等累計開支反映經修訂之估計，並會在購股權儲備中作出相應調整。

於購股權獲行使時，過往於購股權儲備中確認之數額將轉撥至股份溢價。倘購股權於歸屬日期後被沒收或於屆滿日期仍未獲行使，則過往於購股權儲備中確認之數額將轉撥至保留溢利。

退休福利費用

向定額供款退休福利計劃(包括國營退休福利計劃及強制性公積金計劃)支付之款項在僱員提供服務而有權獲得有關供款時列作開支。

稅項

所得稅支出指即期應付稅項及遞延稅項之總額。

即期應付稅項乃按本年度應課稅盈利計算。應課稅盈利與綜合損益表中所呈報之「除稅前盈利」不同，原因是於其他年度應課稅或可扣稅之收入或開支與從未課稅或扣稅之項目之差別。本集團之即期稅項負債按於呈報期末前已頒佈或實際上已頒佈之稅率計算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Taxation (Cont'd)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3. 主要會計政策(續)

稅項(續)

遞延稅項以綜合財務報表中之資產及負債賬面值與計算應課稅盈利之相應稅基之臨時差額確認入賬。遞延稅項負債通常會就所有應課稅臨時差額確認，而遞延稅項資產通常會就所有可扣稅臨時差額按可能出現可利用該等臨時差額扣稅之應課稅盈利時確認。倘於一項交易中，因商譽或因業務合併以外初次確認資產及負債而引致之臨時差額既不影響應課稅盈利亦不影響會計盈利，則不會確認該等遞延稅項資產及負債。此外，倘初始確認商譽產生暫時差額，則不會確認遞延稅項負債。

遞延稅項負債就附屬公司投資及合營公司權益有關之應課稅暫時差額確認，惟倘本集團能夠控制暫時差額之撥回，且暫時差額於可見未來可能不會撥回則除外。與該等投資及權益相關之可扣稅暫時差額所產生之遞延稅項資產僅於可能有足夠應課稅盈利以使用暫時差額之利益且預計於可見將來可以撥回時確認。

遞延稅項資產之賬面值於各報告期末審閱，並於可能不再有足夠應課稅盈利以收回全部或部分資產之情況下作出相應扣減。

遞延稅項資產及負債按預期於負債清償或資產變現時應用，並按於報告期末已頒佈或實質上已頒佈之稅率(及稅法)計算之稅率計量。

遞延稅項負債及資產之計量反映依循本集團預期於報告期末收回或清償其資產及負債賬面值之方式所產生之稅務結果。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Taxation (Cont'd)

For the purposes of measuring deferred tax liabilities for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

3. 主要會計政策(續)

稅項(續)

就計量按公允價值模式計量之投資物業之遞延稅項負債而言，該等物業之賬面值乃假設將通過銷售全部收回，除非該假設遭推翻則另作別論。倘投資物業可予折舊，而持有投資物業的商業模式之目的為隨時間消耗投資物業所包含之絕大部分經濟利益，而非銷售，則該假設即被推翻。

即期及遞延稅項於損益內確認，惟當其涉及於其他全面收入確認或直接於權益確認之項目除外，屆時即期及遞延稅項亦分別會於其他全面收入確認或直接於權益確認。

4. 重要會計判斷及主要估計不確定性來源

於應用附註3所載之本集團會計政策時，本公司董事須就從其他來源並非顯而易見之資產及負債賬面值作出判斷、估計及假設。估計及相關假設乃基於過往經驗及認為屬相關之其他因素作出。實際結果可能有別於該等估計。

估計及相關假設會持續檢討。倘若會計估計修訂只影響修訂估計之期間，則有關修訂會在該期間確認；倘若有關修訂既影響當期，亦影響未來期間，則有關修訂會在修訂期間及未來期間確認。

應用會計政策的重要判斷

以下乃本公司董事於應用本集團會計政策過程中所作對綜合財務報表確認之數額構成最重大影響之重要判斷，惟涉及估計者除外。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

Critical judgements in applying accounting policies (Cont'd)

Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties that are measured using the fair value model, the directors of the Company have determined that certain of the Group's investment properties as at 31 December 2017 amounting to RMB12,632,999,000 (2016: RMB12,181,246,000) situated in the People's Republic of China (the "PRC") are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. The presumption that the carrying amounts of certain of the Group's investment properties situated in the PRC are recovered entirely through sale has been rebutted and the deferred tax on the changes in fair value of these investment properties is recognised according to the relevant tax rules. For remaining investment properties amounting to RMB7,017,678,000 (2016: RMB45,771,000), the presumption that the carrying amounts of these investment properties measured using fair value model were recovered entirely through sales was not rebutted.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may 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.

Income tax

The Group is subject to income tax in various jurisdictions. Significant judgement is required in determining the amount of the provision of tax and the timing of payment of the related taxation. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in periods in which such determinations are made.

The Group is subject to LAT in the PRC. However, the implementation and settlement of this tax varies among various tax jurisdictions in cities of the PRC, and the Group has not finalised certain LAT calculations and payments with local tax authorities in the PRC. Accordingly, significant judgement is required in determining the amount on the appreciation of land value and its related LAT. The Group recognised LAT based on the management's best estimates according to the understanding of the tax rules, which are determined by the appreciation of land value. The amount of the land appreciation is determined with reference to estimated proceeds of the sales of properties less the estimated deductible expenditures, including the cost of land use rights and all property development expenditures.

4. 重要會計判斷及主要估計不確定性來源(續)

應用會計政策的重要判斷(續)

投資物業遞延稅項

就計量由使用公允價值模型計量的投資物業所產生的遞延稅項負債或遞延稅項資產而言，本公司董事決定本集團於二零一七年十二月三十一日金額為人民幣12,632,999,000元(二零一六年：人民幣12,181,246,000元)的若干位於中華人民共和國(「中國」)的投資物業乃根據旨在假以時日而非透過出售消耗投資物業所包含的絕大部分經濟利益的業務模式持有。本集團若干位於中國的投資物業賬面值可因出售而完全收回的假設已被駁回，而就該等投資物業的公允價值變動而產生的遞延稅項乃根據相關稅項規定確認。餘下投資物業為人民幣7,017,678,000元(二零一六年：人民幣45,771,000元)，就該等投資物業而言，該等使用公允價值模式計量的投資物業賬面值可透過銷售全面收回的推定未被駁回。

主要估計不確定性來源

下文闡述於報告期末可能構成重大風險以致對下一財政年度之資產與負債之賬面值作出重大調整之未來相關主要假設及其他主要估計不確定性來源。

所得稅

本集團須繳納不同司法權區的所得稅。釐定稅項撥備的金額及支付相關稅項的時間須作出重大判斷。當最終稅項結果不同於最初記錄的金額時，有關差額將對作出該等釐定期間的所得稅及遞延稅項撥備產生影響。

本集團在中國須繳付土地增值稅。然而，中國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其若干土地增值稅的計算及付款方法。因此，須作出重大判斷以釐定土地增值額及其相關土地增值稅。本集團根據管理層按其對稅務規則的理解作出的最佳估計，即按土地增值額確認土地增值稅。土地增值金額參考物業銷售減預計可扣稅開支之預計所得款項而釐定，有關可扣稅開支包括土地使用權成本以及所有物業開發開支。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Income tax (Cont'd)

During the year, the Group incurred LAT of RMB228,502,000 (2016: RMB694,855,000) which was charged to the consolidated statement of profit or loss as income tax expense. The directors of the Company considered the amount charged to the consolidated statement of profit or loss to be adequate as this is calculated according to the method which is in compliance with the existing rules and interpretation of LAT.

As at 31 December 2017, a deferred tax asset of RMB28,350,000 (2016: RMB23,165,000) in relation to unused tax losses has been recognised in the Group's consolidated statement of financial position. No deferred tax asset has been recognised in respect of tax losses of RMB198,810,000 (2016: RMB154,998,000) as it is not probable that taxable profit will be available due to the unpredictability of future profit streams. The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are more than expected, additional recognition of deferred tax assets may arise, which would be recognised in the consolidated statement of profit or loss for the period in which it takes place.

Valuation of investment properties

Investment properties with the aggregate carrying amount as at 31 December 2017 of RMB19,650,677,000 (2016: RMB12,227,017,000) are stated at fair value based on the valuation performed by independent professional valuers. The fair value of the investment properties was determined by reference to valuations conducted on these properties by an independent firm of property valuers using property valuation techniques which involve certain assumptions. Changes in assumptions may result in changes in the fair value of the Group's investment properties which are reported in the consolidated statement of profit or loss and affect the carrying amount of these properties included in the consolidated statement of financial position.

Information about valuation techniques, inputs and key assumptions used in the determination of the fair value of investment properties is disclosed in note 13.

Assessment of net realisable value of properties held for sale and properties under development for sale

The directors of the Company determine the net realisable value of completed properties held for sale with carrying amount of RMB729,206,000 (2016: RMB1,556,050,000) by using prevailing market data such as most recent sale transactions.

4. 重要會計判斷及主要估計不確定性來源(續)

主要估計不確定性來源(續)

所得稅(續)

年內，本集團產生土地增值稅人民幣228,502,000元(二零一六年：人民幣694,855,000元)，作為所得稅開支自綜合損益表中扣除。本公司董事認為，自綜合損益表中扣除的該筆款額充分，因為此乃根據符合土地增值稅現有規則及詮釋的方法計算。

於二零一七年十二月三十一日，有關未動用稅項虧損之遞延稅項資產人民幣28,350,000元(二零一六年：人民幣23,165,000元)已於本集團綜合財務狀況報表中確認。由於未來盈利來源的不可預測性，將不太可能取得應課稅盈利，因此並無就稅項虧損人民幣198,810,000元(二零一六年：人民幣154,998,000元)確認遞延稅項資產。遞延稅項資產的變現能力主要取決於未來是否有足夠的未來盈利或應課稅臨時差額。如所產生的實際未來盈利高於預期，可能產生遞延稅項資產的額外確認，並於產生該項確認的期間於綜合損益表內確認。

投資物業之估值

於二零一七年十二月三十一日，總賬面值為人民幣19,650,677,000元(二零一六年：人民幣12,227,017,000元)的投資物業乃基於獨立專業估值師行的估值按公允價值列賬。投資物業之公允價值乃參考獨立物業估值公司採用物業估值法(涉及若干假設)對該等物業進行之估值而釐定。該等假設變動可能導致本集團投資物業的公允價值出現變動，該等公允價值變動於綜合損益表呈報，並影響綜合財務狀況報表所列之該等物業之賬面值。

有關釐定投資物業公允價值所採用的估值技術、輸入數據及主要假設資料披露於附註13。

待售物業及發展中待售物業之可變現淨值評估

本公司董事採用最新銷售交易等現行市場數據，以及由內部以供應商所報成本編製估算而釐定待出售的建成物業的可變現淨賬面值為人民幣729,206,000元(二零一六年：人民幣1,556,050,000元)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Assessment of net realisable value of properties held for sale and properties under development for sale (Cont'd)

The assessment of directors of the Company on net realisable value of properties under development for sale with carrying amount of RMB5,621,635,000 (2016: RMB3,977,425,000) requires the estimates of future cash flows to be derived from these properties. These estimates require judgement as to the anticipated sale prices by reference to recent sales transactions in nearby locations, marketing costs (including price discounts required to stimulate sales) and the expected costs to completion of properties, the legal and regulatory framework and general market conditions.

The Group had not recognised any impairment loss for the year ended 31 December 2017 (2016: recognised an impairment loss amounting to RMB20,506,000), which was included in cost of sales. Where there is any decrease in the estimated selling prices arising from any changes to the property market conditions, a further loss will be recognised on the properties held for sale and properties under development for sale.

5. REVENUE AND SEGMENT INFORMATION

Revenue represents the income from property development, property leasing and provision of comprehensive services, net of business tax and other sales related taxes and after deduction of any trade discounts.

An analysis of the Group's revenue for the year is as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Sales of properties	物業銷售	2,114,289	3,956,426
Rental income	租金收入	498,295	430,205
Revenue from hotel operation, property management service and others	來自酒店運營、物業管理服務及其他的收益	355,167	203,531
		2,967,751	4,590,162

In identifying its operating segments, the executive directors of the Company, being the chief operating decision makers, generally follow the Group's service lines, which represent the main products and services provided by the Group. The Group has identified the following reportable segments under HKFRS 8:

- Property development and sales: sales of properties
- Commercial property investment and operations: lease of commercial properties, office premises and car parks
- Comprehensive services: hotel operation, property management service and others

Each of these operating segments is managed separately as each of these products and service lines requires different resources as well as marketing approaches.

4. 重要會計判斷及主要估計不確定性來源(續)

主要估計不確定性來源(續)

待售物業及發展中待售物業之可變現淨值評估(續)

本公司董事對發展中物業的可變現淨額賬面值為人民幣5,621,635,000元(二零一六年:人民幣3,977,425,000元)的評估須按有關物業未來的現金流量估計。有關估算須根據附近地點的近期銷售交易、推廣費用(包括促銷的價格折扣)及有關預計完成物業的費用、法律和監管架構及一般市況,從而判斷出預期的銷售價格。

截至二零一七年十二月三十一日止年度,本集團沒有確認任何減值虧損(二零一六年:已確認減值虧損人民幣20,506,000元),有關金額已計入銷售成本。倘房地產市場情況的任何變動使估計銷售價格下跌,將於待售物業及發展中待售物業確認進一步虧損。

5. 收益及分類資料

收入為來自物業發展、物業租賃及提供綜合服務的收入,並扣除營業稅及其他銷售有關稅項以及任何交易折扣。

年內本集團之收益分析如下:

	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
物業發展及銷售: 物業銷售	2,114,289	3,956,426
商業物業投資與經營: 商業物業、辦公室及停車場租賃	498,295	430,205
綜合服務: 酒店運營、物業管理服務及其他	355,167	203,531
	2,967,751	4,590,162

本公司執行董事(即主要營運決策人)通常根據本集團的服務(即本集團提供的主要產品及服務)確定經營分類。本集團已根據香港財務報告準則第8號確定下列呈報分類:

- 物業發展及銷售: 物業銷售
- 商業物業投資與經營: 商業物業、辦公室及停車場租賃
- 綜合服務: 酒店運營、物業管理服務及其他

由於該等產品及服務系列各自需要不同的資源及營銷方式,故該等經營分類獲單獨管理。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

5. REVENUE AND SEGMENT INFORMATION (Cont'd)

Segment revenue and results

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

For the year ended 31 December 2017

		Property development and sales 物業開發及銷售 RMB'000 人民幣千元	Commercial property investment and operations 商業物業投資與經營 RMB'000 人民幣千元	Comprehensive services 綜合服務 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Revenue:	收益：				
From external customers	來自外部客戶	2,114,289	498,295	355,167	2,967,751
Inter-segment revenue	分類間收益	–	9,607	9,510	19,117
Total segment revenue	分類收益總額	2,114,289	507,902	364,677	2,986,868
Reportable segment profit	可呈報分類盈利	1,374,457	429,444	133,988	1,937,889

For the year ended 31 December 2016

		Property development and sales 物業開發及銷售 RMB'000 人民幣千元	Commercial property investment and operations 商業物業投資與經營 RMB'000 人民幣千元	Comprehensive services 綜合服務 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Revenue:	收益：				
From external customers	來自外部客戶	3,956,426	430,205	203,531	4,590,162
Inter-segment revenue	分類間收益	–	9,483	10,013	19,496
Total segment revenue	分類收益總額	3,956,426	439,688	213,544	4,609,658
Reportable segment profit	可呈報分類盈利	1,859,142	366,566	70,245	2,295,953

Inter-segment sales are at mutually agreed terms.

分類間銷售按共同協定之條款進行。

5. 收益及分類資料(續)

分類收益及業績

以下為本集團按經營及可呈報分類的收益及業績的分析：

截至二零一七年十二月三十一日止年度

		Property development and sales 物業開發及銷售 RMB'000 人民幣千元	Commercial property investment and operations 商業物業投資與經營 RMB'000 人民幣千元	Comprehensive services 綜合服務 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Revenue:	收益：				
From external customers	來自外部客戶	2,114,289	498,295	355,167	2,967,751
Inter-segment revenue	分類間收益	–	9,607	9,510	19,117
Total segment revenue	分類收益總額	2,114,289	507,902	364,677	2,986,868
Reportable segment profit	可呈報分類盈利	1,374,457	429,444	133,988	1,937,889

截至二零一六年十二月三十一日止年度

		Property development and sales 物業開發及銷售 RMB'000 人民幣千元	Commercial property investment and operations 商業物業投資與經營 RMB'000 人民幣千元	Comprehensive services 綜合服務 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Revenue:	收益：				
From external customers	來自外部客戶	3,956,426	430,205	203,531	4,590,162
Inter-segment revenue	分類間收益	–	9,483	10,013	19,496
Total segment revenue	分類收益總額	3,956,426	439,688	213,544	4,609,658
Reportable segment profit	可呈報分類盈利	1,859,142	366,566	70,245	2,295,953

Inter-segment sales are at mutually agreed terms.

分類間銷售按共同協定之條款進行。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

5. REVENUE AND SEGMENT INFORMATION (Cont'd)

Reconciliations of reportable segment revenue, profit or loss

The Group does not allocate fair value changes on investment properties, other income, other gains and losses, depreciation, finance costs, share of results of joint ventures, fair value changes on derivative financial instruments and corporate expenses to individual reportable segment profit or loss for the purposes of resource allocation and performance assessment by the chief operating decision makers.

The accounting policies adopted in preparing the reportable segment information are the same as the Group's accounting policies described in note 3.

5. 收益及分類資料(續)

可報告分類收益、損益之對賬

本集團並無就主要營運決策者對資源分配及表現評估而將投資物業公允價值變動、其他收入、其他收益及虧損、折舊、融資成本、應佔合營公司業績、衍生金融工具的公允價值變動及企業開支分配至獨立可呈報分部之損益內。

編製可呈報分部資料所採納之會計政策與本集團附註3所述會計政策相同。

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Revenue	收益		
Reportable segment revenue	可呈報分類收益	2,986,868	4,609,658
Elimination of inter-segment revenue	對銷分類間收益	(19,117)	(19,496)
Consolidated revenue	綜合收益	2,967,751	4,590,162
Profit	盈利		
Reportable segment profit	可呈報分類盈利	1,937,889	2,295,953
Fair value changes on investment properties	投資物業的公允價值變動	478,423	247,498
Other income, other gains and losses	其他收入、其他收益及虧損	121,640	108,448
Depreciation	折舊	(35,331)	(39,934)
Finance costs	融資成本	(613,592)	(406,500)
Share of results of joint ventures	應佔合營公司業績	(93)	(9)
Fair value changes on derivative financial instruments	衍生金融工具的公允價值變動	2,373	15,022
Corporate expenses	公司開支	(393,935)	(367,055)
Consolidated profit before tax	除稅前綜合盈利	1,497,374	1,853,423

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

5. REVENUE AND SEGMENT INFORMATION (Cont'd)

Segment assets and liabilities

The following is an analysis of the Group's assets by reportable and operating segment, no liabilities are presented as the information is not reportable to the chief operating decision makers in the resource allocation and assessment of performance:

Segment assets

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Assets	資產		
Property development and sales	物業發展及銷售	8,169,519	5,758,178
Commercial property investment and operations	商業物業投資與經營	19,651,457	12,227,872
Comprehensive services	綜合服務	309,787	373,570
Reportable segment assets	可報告分類資產	28,130,763	18,359,620
Goodwill	商譽	231,602	231,602
Available-for-sale investments and other financial assets	可供出售投資及其他金融資產	594,259	761,048
Bank balances and cash (including restricted bank deposits)	銀行結餘及現金(包括受限制銀行存款)	6,092,684	4,531,236
Deferred tax assets	遞延稅項資產	175,201	190,151
Interests in joint ventures and amount due from a joint venture	於合營公司的權益及應收一間合營公司的款項	528,391	528,384
Corporate assets	公司資產	1,043,920	1,322,477
Consolidated total assets	綜合總資產	36,796,820	25,924,518

For the purpose of monitoring segment performance and allocating resources between segments, all assets are allocated to operating segments other than goodwill, available-for-sale investments and other financial assets, bank balances and cash (including restricted bank deposits), deferred tax assets, interests in joint ventures and amount due from a joint venture, and corporate assets.

5. 收益及分類資料(續)

分類資產及負債

以下為本集團按可報告及經營分類的資產分析，由於毋須就資源分配及評估業績向主要營運決策者呈報負債，因此並無呈列該等資料：

分類資產

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
為監測分類業績及分類間的資源分配，除商譽、可供出售投資及其他金融資產、銀行結餘及現金(包括受限制銀行存款)、遞延稅項資產、於合營公司的權益及應收一間合營公司的款項及公司資產外，所有資產分配至經營分類。			

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

5. REVENUE AND SEGMENT INFORMATION (Cont'd)

Geographical information

The Group's operations are located on the PRC, Hong Kong, United States of America (the "USA") and the Kingdom of Cambodia ("Cambodia"). All revenue from external customers are generated from the PRC for the years ended 31 December 2017 and 2016. Information about the Group's non-current assets is presented based on the geographical location of the assets.

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
PRC	中國	14,430,979	13,035,440
Hong Kong	香港	6,995,524	223,714
USA	美國	146,796	157,211
Cambodia	柬埔寨	229,640	-
		21,802,939	13,416,365

Note: Non-current assets excluded goodwill, available-for-sale investments and deferred tax assets.

No major customers contributed over 10% of the total sales of the Group for the years ended 31 December 2017 and 2016.

6. OTHER INCOME, OTHER GAINS AND LOSSES

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Interest income	利息收入	31,022	30,663
Investment income from other financial assets	來自其他金融資產的投資收入	5,446	1,434
Dividend income	股息收入	12,050	-
Gain on disposal of a subsidiary (note 36)	出售一間附屬公司的收益(附註36)	-	18,340
Gain on disposal of property, plant and equipment	出售物業、廠房及設備的收益	233	1,554
Gain on disposal of investment properties	出售投資物業的收益	2,306	4,968
Foreign exchange loss, net	匯兌虧損淨額	(19,846)	(7,859)
Recovery of other receivables written-off	撥回其他應收款項撇銷	331	49,561
Write-down on other receivables	撇減其他應收款項	(3,210)	-
Gain on disposal of a PRC property development right (note)	出售中國物業發展權的收益(附註)	86,397	-
Others	其他	6,911	9,787
		121,640	108,448

5. 收益及分類資料(續)

地區資料

本集團的業務位於中國、香港、美利堅合眾國(「美國」)及柬埔寨王國(「柬埔寨」)。截至二零一七年及二零一六年十二月三十一日止年度，所有來自外部客戶的收益均源自中國。本集團的非流動資產資料按資產的地理位置呈列。

附註：非流動資產不包括商譽、可供出售投資及遞延稅項資產。

截至二零一七年及二零一六年十二月三十一日止年度並無主要客戶佔本集團總銷售額超出10%。

6. 其他收入、其他收益及虧損

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

6. OTHER INCOME, OTHER GAINS AND LOSSES (Cont'd)

Note: The amount represents gain on disposal of the right of a property development project (the "Project") which involved the fulfilment of certain prerequisite conditions including negotiating with the inhabitants and obtaining exclusive right to develop the Project and the Group has completed and fulfilled the relevant requirements. During the year ended 31 December 2017, the Project's associated development right has been sold to an independent third party at consideration of approximately RMB89,623,000 and resulted in a gain on disposal of approximately RMB86,397,000.

6. 其他收入、其他收益及虧損(續)

附註：該款項指出售一項物業開發項目(「該項目」)權利之收益，當中涉及達成若干先決條件，包括與原居民磋商並取得該項目之獨家開發權。本集團已達成相關要求。截至二零一七年十二月三十一日止年度，本集團向一名獨立第三方出售有關該項目之發展權，代價約為人民幣89,623,000元，因此錄得出售收益約人民幣86,397,000元。

7. FINANCE COSTS

7. 融資成本

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Interest on:	利息：		
Bank and other borrowings	銀行及其他借貸	545,452	550,825
Convertible bonds	可換股債券	107,299	13,258
Senior notes and bond	優先票據及債券	242,685	59,994
Less: Amount capitalised in investment properties under development and properties under development for sale *	減：撥充在建投資物業及發展中待售物業資本化的金額*	(281,844)	(217,577)
		613,592	406,500

* The finance costs have been capitalised at rates ranging from 3.64% to 6.65% (2016: 4.16% to 8.95%) per annum.

* 融資成本乃按年息率3.64%至6.65% (二零一六年：4.16%至8.95%)資本化。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

8. PROFIT BEFORE TAX

8. 除稅前盈利

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Profit before tax is arrived at after charging (crediting):	除稅前盈利乃經扣除(計入):		
Cost of properties sold	售出物業的成本	739,832	2,076,778
Impairment loss on properties held for sale	待售物業的減值虧損	-	20,506
Cost of properties held for sale recognised as expense	確認為開支的待售物業成本	739,832	2,097,284
Depreciation of property, plant and equipment	物業、廠房及設備折舊	35,444	39,966
Less: Amount capitalised in investment properties under development and properties under development for sale	減：撥充在建投資物業及發展中待售物業資本化的數額	(113)	(32)
		35,331	39,934
Gross rental income from investment properties	投資物業所得租金收入總額	498,295	430,205
Outgoings in respect of investment properties that generated rental income during the year	有關於本年度產生租金收入之投資物業的開支	(68,851)	(63,639)
		429,444	366,566
Operating lease charges in respect of land and buildings	有關土地及樓宇的經營租賃費用	30,761	21,237
Reversal on impairment loss on accounts receivable	應收賬款減值虧損撥回	(82)	(39)
Auditor's remuneration	核數師酬金	2,612	2,569
Staff costs	員工成本		
– Directors' emoluments (note 10)	– 董事酬金(附註10)	23,836	36,286
– Salaries and other benefits in kind	– 薪金及其他實物利益	212,174	170,218
– Equity-settled share-based payments	– 以股權結算以股份支付的款項	66,382	102,877
– Amount recognised as expense for retirement benefit costs	– 確認為退休福利成本開支的數額	19,844	12,548
Less: Amount capitalised in investment properties under development and properties under development for sale	減：撥充在建投資物業及發展中待售物業資本化的數額	(58,652)	(24,702)
		263,584	297,227

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

9. INCOME TAX EXPENSE

9. 所得稅開支

			2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Current tax	即期稅項			
PRC EIT	中國企業所得稅			
– Current year	– 本年度	(a)	307,634	263,048
– Underprovision in prior year	– 過往年度撥備不足		14,163	8,466
			321,797	271,514
PRC LAT	中國土地增值稅			
– Current year	– 本年度	(b)	228,502	694,855
– Overprovision in prior year	– 過往年度超額撥備	(c)	(224,516)	(2,860)
			3,986	691,995
Deferred taxation (note 18)	遞延稅項(附註18)		133,028	81,248
Total income tax expense	所得稅開支總額		458,811	1,044,757

Notes:

(a) Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

No Hong Kong Profits Tax has been provided for as the Group had no estimated assessable profits for both years.

(b) Under the Provisional Rules on LAT Implementation Rules of the PRC implemented on 27 January 1995, all gains from the sales or transfer of land use rights, buildings and their attached facilities in the PRC are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including cost of land use rights and all property development expenditures.

(c) The amount includes overprovision of LAT of RMB223,922,000 in relation to an urban redevelopment project in Shenzhen, the PRC. The Group has recomputed the LAT provision based on the actual relocation compensation to original inhabitants finalised during the year ended 31 December 2017.

附註：

(a) 根據中華人民共和國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，自二零零八年一月一日起，中國附屬公司的稅率為25%。

由於本集團於兩個年度並無任何估計應課稅盈利，故此並無就香港利得稅計提撥備。

(b) 根據於一九九五年一月二十七日實施的中國土地增值稅暫行條例實施細則，所有因銷售或轉讓於中國的土地使用權、樓宇及其相關設施而獲得的收益，均須繳納土地增值稅，稅款按土地增值額(即銷售物業所得款項減可扣減支出，包括土地使用權成本及所有物業發展開支)以累進稅率計算，稅率介乎30%至60%不等。

(c) 該金額包括與位於中國深圳的一項城市改造項目有關的土地增值稅超額撥備人民幣223,922,000元。本集團已根據截至二零一七年十二月三十一日止年度內落實向原居民作出的實際搬遷補償重新計算有關土地增值稅撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

9. INCOME TAX EXPENSE (Cont'd)

The income tax expense for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss as follows:

9. 所得稅開支(續)

本年度所得稅開支可與綜合損益表的除稅前盈利對賬如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Profit before tax	除稅前盈利	1,497,374	1,853,423
Tax at the PRC EIT at 25% (2016: 25%)	按25%中國企業所得稅稅率 (二零一六年：25%)	374,344	463,356
Tax effect of expenses not deductible for tax purposes	不可扣稅開支的稅務影響	86,381	47,625
Tax effect of income not taxable for tax purposes	毋須課稅收入的稅務影響	(50,325)	(22,872)
Tax effect of temporary difference arising from withholding tax for undistributed profits	未分派利潤預扣稅的暫時差額 所產生的稅務影響	12,000	(64)
Tax effect of tax losses not recognised	未確認稅項虧損的稅務影響	12,931	94,400
Utilisation of tax losses previously not recognised	動用先前未確認之稅項虧損	(1,978)	(1,883)
Tax effect of deductible temporary differences not recognised	未確認之可扣稅暫時差額之稅務影響	2,260	-
Utilisation of deductible temporary differences previously not recognised	動用先前未確認之可扣稅暫時差額	-	(58,562)
PRC LAT charge	中國土地增值稅支出	3,986	691,995
Tax effect of PRC LAT charge	中國土地增值稅支出之稅務影響	(997)	(172,999)
Underprovision of PRC EIT in prior year, net	過往年度中國企業所得稅撥備不足淨值	14,163	8,466
Others	其他	6,046	(4,705)
Income tax expense for the year	本年度所得稅開支	458,811	1,044,757

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

10. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

10. 董事及僱員酬金

(a) Directors' emoluments

The emoluments paid or payable to each of the 9 (2016: 9) directors are as follows:

(a) 董事酬金

已付或應付9名(二零一六年: 9名)董事各自的薪酬如下:

		Notes 附註	Fees 袍金 RMB'000 人民幣千元	Salaries and allowance 薪金及津貼 RMB'000 人民幣千元	Equity- settled share-based payments 以股權結算 以股份支付 的款項 RMB'000 人民幣千元	Contributions to retirement benefit scheme 退休福利 計劃供款 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
2017	二零一七年						
Executive directors	執行董事						
Ms. Huang Jingshu	黃敬舒女士		–	2,369	1,325	118	3,812
Mr. Tang Shouchun	唐壽春先生	(a)	–	2,256	2,945	113	5,314
Mr. Ye Xingan	葉興安先生		–	1,900	2,945	54	4,899
Ms. Deng Chengying	鄧承英女士		–	1,500	2,503	–	4,003
Mr. Huang Hao Yuan	黃浩源先生	(b)	–	624	1,137	38	1,799
Mr. Chen Tieshen	陳鐵身先生	(c)	–	108	522	–	630
			–	8,757	11,377	323	20,457
Independent non-executive directors	獨立非執行董事						
Mr. Zhu Jiusheng	祝九勝先生		252	–	883	–	1,135
Mr. Wang Jing	王敬先生		226	–	883	–	1,109
Ms. Hu Gin Ing	胡競英女士		252	–	883	–	1,135
			730	–	2,649	–	3,379
			730	8,757	14,026	323	23,836

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

10. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Cont'd)

(a) Directors' emoluments (Cont'd)

	Notes	Fees	Salaries and allowance	Equity-settled share-based payments	Contributions to retirement benefit scheme	Total
	附註	袍金	薪金及津貼	以股權結算的款項	退休福利計劃供款	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						
Executive directors	二零一六年 執行董事					
Ms. Huang Jingshu	黃敬舒女士	–	2,351	2,209	108	4,668
Mr. Tang Shouchun	唐壽春先生	(a)	–	1,733	4,909	78
Mr. Ye Xingan	葉興安先生	–	1,900	4,909	48	6,857
Ms. Deng Chengying	鄧承英女士	–	1,500	4,172	–	5,672
Mr. Chen Tieshen	陳鐵身先生	(c)	–	1,750	4,909	48
Mr. Yim Chun Leung	嚴振亮先生	(d)	–	531	–	27
		–	9,765	21,108	309	31,182
Independent non-executive directors	獨立非執行董事					
Mr. Zhu Jiusheng	祝九勝先生	237	–	1,473	–	1,710
Mr. Wang Jing	王敬先生	211	–	1,473	–	1,684
Ms. Hu Gin Ing	胡競英女士	237	–	1,473	–	1,710
		685	–	4,419	–	5,104
		685	9,765	25,527	309	36,286

Notes: (a) Appointed and acted as the Chief Executive Officer of the Company since 31 March 2016.

(b) Appointed and acted as the Executive Director of the Company since 21 February 2017.

(c) Acted as the Executive Director of the Company since 15 May 2014 and resigned on 21 February 2017.

(d) Acted as the Chief Executive Officer of the Company since 7 July 2014 and resigned on 31 March 2016.

No directors waived or agreed to waive any emoluments for the years ended 31 December 2017 and 2016.

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group. The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

10. 董事及僱員酬金(續)

(a) 董事酬金(續)

	附註	袍金	薪金及津貼	以股權結算的款項	退休福利計劃供款	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						
Executive directors	二零一六年 執行董事					
Ms. Huang Jingshu	黃敬舒女士	–	2,351	2,209	108	4,668
Mr. Tang Shouchun	唐壽春先生	(a)	–	1,733	4,909	78
Mr. Ye Xingan	葉興安先生	–	1,900	4,909	48	6,857
Ms. Deng Chengying	鄧承英女士	–	1,500	4,172	–	5,672
Mr. Chen Tieshen	陳鐵身先生	(c)	–	1,750	4,909	48
Mr. Yim Chun Leung	嚴振亮先生	(d)	–	531	–	27
		–	9,765	21,108	309	31,182
Independent non-executive directors	獨立非執行董事					
Mr. Zhu Jiusheng	祝九勝先生	237	–	1,473	–	1,710
Mr. Wang Jing	王敬先生	211	–	1,473	–	1,684
Ms. Hu Gin Ing	胡競英女士	237	–	1,473	–	1,710
		685	–	4,419	–	5,104
		685	9,765	25,527	309	36,286

附註：(a) 自二零一六年三月三十一日起獲委任並作為本公司行政總裁。

(b) 自二零一七年二月二十一日起獲委任並作為本公司執行董事。

(c) 自二零一四年五月十五日起作為本公司執行董事，並於二零一七年二月二十一日辭任。

(d) 自二零一四年七月七日起作為本公司行政總裁，並於二零一六年三月三十一日辭任。

截至二零一七年及二零一六年十二月三十一日止年度，概無董事放棄或同意放棄任何酬金。

上表所列執行董事的酬金為彼等就本公司及本集團管理事宜提供服務的報酬。上表所列獨立非執行董事的酬金乃為彼等擔任本公司董事所提供之服務的報酬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

10. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Cont'd)

10. 董事及僱員酬金(續)

(b) Employees' emoluments

The five highest paid employees of the Group during the year included three directors (2016: three directors). Details of the remuneration for the year of the remaining two (2016: two) highest paid employees who are neither a director nor chief executive of the Company are as follows:

(b) 僱員酬金

於年內，本集團五位最高薪酬僱員當中，包括三名董事(二零一六年：三名)。本年度餘下兩名(二零一六年：兩名)並非本公司董事亦非主要行政人員之最高薪酬僱員之薪酬詳情如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Salaries, allowance and benefits in kind	薪酬、津貼及實物福利	3,500	3,500
Equity-settled share-based payments	以股權結算以股份支付的款項	5,794	8,780
Contributions to retirement benefit scheme	退休福利計劃供款	57	-
		9,351	12,280

The number of the highest paid employees who are not the directors of the Company whose remuneration fell within the followings bands is as follows:

介乎下列酬金範圍之並非本公司董事之最高薪酬僱員人數如下：

		2017 二零一七年	2016 二零一六年
Hong Kong Dollar ("HK\$") 5,000,001 to HK\$5,500,000	5,000,001港元(「港元」)至5,500,000港元	2	-
HK\$7,000,001 to HK\$7,500,000	7,000,001港元至7,500,000港元	-	2
		2	2

11. DIVIDENDS

11. 股息

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Dividends recognised as distribution during the year:	年內確認為分派之股息：		
2016 Final dividend- HK5 cents (equivalent to approximately RMB4.5 cents)	二零一六年末期股息－5港仙 (相當於約人民幣4.5分)	211,211	-
2015 Final dividend- HK1 cent (equivalent to approximately RMB0.8 cents)	二零一五年末期股息－1港仙 (相當於約人民幣0.8分)	-	40,116
		211,211	40,116

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2017 of HK5 cents (equivalent to approximately RMB4.15 cents) (2016: HK5 cents) per ordinary share of the Company has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting.

報告期末後，本公司董事建議派發截至二零一七年十二月三十一日止年度末期股息每股本公司普通股5港仙(相當於約人民幣4.15分)(二零一六年：5港仙)，惟須待股東於應屆股東大會上批准。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

12. EARNINGS PER SHARE

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

12. 每股盈利

本公司股東應佔每股基本及攤薄盈利乃基於以下數據計算：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Earnings	盈利		
Earnings for the purposes of basic earnings per share	用於計算每股基本盈利的盈利	1,035,392	802,297
Effect of dilutive potential earnings in respect of – Convertible bonds	潛在攤薄盈利對以下各項的影響 – 可換股債券	50,908	(3,013)
Earnings for the purposes of diluted earnings	用於計算攤薄盈利的盈利	1,086,300	799,284
		2017 二零一七年	2016 二零一六年
Number of shares	股份數目		
Weighted average number of ordinary shares of the Company for the purpose of basic earnings per share	用於計算每股基本盈利的本公司普通股加權平均數	4,693,739,778	4,693,582,792
Effect of dilutive potential ordinary shares in respect of	潛在攤薄普通股對以下各項的影響		
– Share options	– 購股權	35,099,564	7,142,669
– Convertible bonds	– 可換股債券	287,940,630	33,893,190
– Convertible preference shares	– 可換股優先股	3,413,473,023	3,413,473,023
Weighted average number of ordinary shares of the Company for the purpose of diluted earnings per share	就計算每股攤薄盈利的本公司普通股加權平均數	8,430,252,995	8,148,091,674

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

13. INVESTMENT PROPERTIES

13. 投資物業

		Completed investment properties	Investment properties under development at fair value	Total
		已完成 投資物業 RMB'000 人民幣千元	按公允價值 入賬之發展 中投資物業 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
At 1 January 2016	於二零一六年一月一日	11,076,417	897,035	11,973,452
Additions	添置	–	26,270	26,270
Disposals	出售	(20,203)	–	(20,203)
Increase in fair value recognised in profit or loss	於損益中確認之公允價值增加	218,039	29,459	247,498
At 31 December 2016	於二零一六年十二月三十一日	11,274,253	952,764	12,227,017
Acquisition of subsidiaries (note 35 (a))	收購附屬公司(附註35(a))	–	6,586,892	6,586,892
Transfer from properties held for sale	轉撥自待售物業	105,415	–	105,415
Additions	添置	–	286,079	286,079
Disposals	出售	(28,984)	–	(28,984)
Increase in fair value recognised in profit or loss	於損益中確認之公允價值增加	273,905	204,518	478,423
Exchange adjustments	匯兌調整	–	(4,165)	(4,165)
At 31 December 2017	於二零一七年十二月三十一日	11,624,589	8,026,088	19,650,677

During the year ended 31 December 2017, unrealised gain arising from an increase in fair value of investment properties amounting to RMB478,423,000 (2016: RMB247,498,000) is recognised in profit or loss.

All the completed investment properties are rented out under operating leases or are held for capital appreciation purposes.

The fair values of the Group's investment properties with aggregate carrying value of RMB19,650,677,000 as at 31 December 2017 (2016: RMB12,227,017,000) were arrived at on the basis of valuations carried out on those dates by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, which is a firm of independent qualified professional valuers not connected to the Group.

截至二零一七年十二月三十一日止年度，於損益表確認由投資物業的公允價值增加產生之未變現收益為人民幣478,423,000元(二零一六年：人民幣247,498,000元)。

所有已完成投資物業均已根據經營租賃出租或為資本增值目的而持有。

於二零一七年十二月三十一日，本集團賬面總值為人民幣19,650,677,000元(二零一六年：人民幣12,227,017,000元)之投資物業之公允價值乃根據仲量聯行企業評估及諮詢有限公司於該日所進行的估值達致，該公司為與本集團並無關聯之獨立合資格專業估值師行。

13. INVESTMENT PROPERTIES (Cont'd)

For completed investment properties, the valuations have been arrived at using income capitalisation approach, where the market rentals of all lettable units of the properties are assessed by reference to the rentals achieved in the lettable units as well as other lettings of similar properties in the neighbourhood. The capitalisation rate adopted is made by reference to the yield rates observed by the valuer for the similar properties in the locality and adjusted based on the valuers' knowledge of the factors specific to the respective properties.

For investment properties under development that are measured at fair value, the valuations have been arrived at residual approach assuming that the investment properties will be completed in accordance with the development proposals and the relevant approvals for the proposals have been obtained. The key inputs in the valuations include the market value of the completed investment properties, which are estimated with reference to sales evidence of similar properties in the nearest locality, with adjustments made to account for differences in locations and other factors specific to the respective properties based on the valuers' judgement. Costs of development are also taken into account including construction costs, finance costs and professional fees, as well as developer's profit margin which reflects the remaining risks associated with the development of the properties at the valuation date and the return that the developer would require for bringing them to completion status, which is determined by the valuers based on its analyses of recent land transactions and market value of similar completed properties in the respective locations.

In estimating the fair value of the investment properties, the highest and best use of the investment properties is their current use.

13. 投資物業(續)

就已完成投資物業而言，該估值乃採用收入資本計算法進行。物業內所有可出租單位的市值租金乃參照可出租單位以及毗鄰相似物業的其他出租單位已得的租金進行評估。採用之資本化比率乃參照當地相似物業的收益率並根據估值師所知各物業的特質進行調整。

就按公允價值計量之發展中投資物業而言，估值乃基於殘值法假設該等投資物業將根據發展規劃及已取得之相關規劃的批覆完工。估值的主要輸入數據包括已完成投資物業的市值，乃參考鄰近地域相似物業的銷售憑證估計，同時，根據估值師判斷的不同地段的差異以及各物業的其他不同特質進行調整。該估值也將開發成本納入考慮，包括建設成本、融資成本和專業費用及開發商的利潤率(於估值日反映物業開發的剩餘風險和開發商使物業達致完成狀況所需的回報)，發展成本乃根據估值師對近期土地交易和不同區域類似已完成物業市場價值的分析而釐定。

估計投資物業的公允價值時，投資物業之目前用途為最高及最佳用途。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

13. INVESTMENT PROPERTIES (Cont'd)

The major inputs used in the fair value measurement of the Group's major investment properties as at 31 December 2017 and 2016 are set out below:

13. 投資物業(續)

於二零一七年及二零一六年十二月三十一日，本集團主要投資物業之公允價值計量所用之主要輸入數據載於下文：

Investment properties held by the Group 本集團持有的投資物業	Fair value hierarchy 公允價值等級	Valuation technique and key inputs 估值技術及主要輸入數據	Significant unobservable inputs 主要不可觀察輸入數據	Relationship of unobservable inputs to fair value 不可觀察輸入數據與公允價值之關係	Sensitivity 敏感度
Completed investment properties					
已完成投資物業					
Completed investment properties, including shopping malls, retail shops, commercial buildings, residential units and carparks, located in the PRC with an aggregate carrying amount of RMB11,624,589,000 (31.12.2016: RMB11,274,253,000)	Level 3	Income Capitalisation Approach The key inputs are: (1) Capitalisation rate; and (2) Monthly market rent.	Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition, of a range from 2.0% to 8.0% (31.12.2016: from 1.5% to 6.5%).	The higher the capitalisation rate, the lower the fair value.	A slight increase in the capitalisation rate used would result in a significant decrease in fair value, and vice versa.
位於中國的已完成投資物業(包括購物中心、零售商店、商業樓宇、住宅單位及車位)，賬面總值為人民幣11,624,589,000元(二零一六年十二月三十一日：人民幣11,274,253,000元)	第三級	收入資本計算法 主要輸入數據如下： (1) 資本化比率；及 (2) 市場月租。	經計及資本化租金收入潛力、物業性質及當前市況，資本化比率為介乎2.0%至8.0%(二零一六年十二月三十一日：1.5%至6.5%)	資本化比率越高，公允價值越低。	所用資本化比率小幅提升將導致公允價值大幅降低，反之亦然。
			Monthly market rent, taking into account the completion date, location, and individual factors, such as frontage and size, between the comparables and the property, at a range from RMB6 to RMB600 (31.12.2016: from RMB9 to RMB639) per square metre ("sqm") per month on gross floor area basis.	The higher the monthly market rent, the higher the fair value.	A significant increase in the monthly market rent used would result in a significant increase in fair value, and vice versa.
			市場月租經計及可資比較物業與物業間之竣工日期、位置及臨街地界和規模等各項因素，以建築面積為基準每月每平方米(「平方米」)平均介乎人民幣6元至人民幣600元(二零一六年十二月三十一日：人民幣9元至人民幣639元)。	市場月租越高，公允價值越高。	所用市場月租大幅增加將導致公允價值大幅增加，反之亦然。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

13. INVESTMENT PROPERTIES (Cont'd)

13. 投資物業(續)

Investment properties held by the Group 本集團持有的投資物業	Fair value hierarchy 公允價值等級	Valuation technique and key inputs 估值技術及主要輸入數據	Significant unobservable inputs 主要不可觀察輸入數據	Relationship of unobservable inputs to fair value 不可觀察輸入數據與公允價值之關係	Sensitivity 敏感度
Investment properties under development that are measured at fair value					
按公允價值計值之發展中投資物業					
Investment properties under development, including shopping malls, located in the PRC with an aggregate carrying amount of RMB1,026,601,000 (31.12.2016: RMB952,764,000)	Level 3	Residual Approach The key inputs are: (1) Gross development value; and (2) Developer's profit margin.	Gross development value on completion basis, taking into account the estimated completion date, location, and individual factors, such as frontage and size, between the comparable and the property, of RMB1,026,601,000 (31.12.2016: RMB957,473,000).	The higher the gross development value, the higher the fair value.	A significant increase in gross development value used would result in a significant increase in fair value, and vice versa.
位於中國的發展中投資物業(包括購物中心), 賬面總值為人民幣1,026,601,000元(二零一六年十二月三十一日: 人民幣952,764,000元)	第三級	殘值法 主要輸入數據如下: (1) 總開發價值; 及 (2) 開發商利潤率。	按落成基準計值之總開發價值經計及可資比較物業與該物業間之預期竣工日期、位置及臨街地界和規模等各項因素為人民幣1,026,601,000元(二零一六年十二月三十一日: 人民幣957,473,000元)。	總開發價值越高, 公允價值越高。	所用總開發價值大幅增加將導致公允價值大幅增加, 反之亦然。
			Developer's profit margin, taking into account the comparable land transactions and progress of the property, of a 10% (31.12.2016: 10%).	The higher the developer's profit margin, the lower the fair value.	A significant increase in developer's profit margin used would result in a significant decrease in fair value, and vice versa.
			經計及可資比較土地交易及物業進度, 開發商利潤率為10%(二零一六年十二月三十一日: 10%)。	開發商利潤率越高, 公允價值越低。	所用開發商利潤率大幅增加導致公允價值大幅減少, 反之亦然。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

13. INVESTMENT PROPERTIES (Cont'd)

13. 投資物業(續)

Investment properties held by the Group 本集團持有的投資物業	Fair value hierarchy 公允價值等級	Valuation technique and key inputs 估值技術及主要輸入數據	Significant unobservable inputs 主要不可觀察輸入數據	Relationship of unobservable inputs to fair value 不可觀察輸入數據與公允價值之關係	Sensitivity 敏感度
Investment properties under development, including commercial building, located in Hong Kong with an aggregate carrying amount of RMB6,770,790,000 (31.12.2016: N/A)	Level 3	Residual Approach The key inputs are: (1) Gross development value; and (2) Developer's profit margin.	Gross development value on completion basis, taking into account the estimated completion date, location, and individual factors, such as frontage and size, between the comparable and the property, of RMB9,194,900,000 (31.12.2016: N/A).	The higher the gross development value, the higher the fair value.	A significant increase in gross development value used would result in a significant increase in fair value, and vice versa.
位於香港的發展中投資物業(包括商業樓宇)，賬面總值為人民幣6,770,790,000元(二零一六年十二月三十一日：不適用)	第三級	殘值法 主要輸入數據如下： (1) 總開發價值；及 (2) 開發商利潤率。	按落成基準計值之總開發價值經計及可資比較物業與該物業間之預期竣工日期、位置及臨街地界和規模等各項因素為人民幣9,194,900,000元(二零一六年十二月三十一日：不適用)	總開發價值越高，公允價值越高。	所用總開發價值大幅增加將導致公允價值大幅增加，反之亦然。
			Developer's profit margin, taking into account the comparable land transactions and progress of the property, of 10% (31.12.2016: N/A).	The higher the developer's profit margin, the lower the fair value.	A significant increase in developer's profit margin used would result in a significant decrease in fair value, and vice versa.
			經計及可資比較土地交易及物業進度，開發商利潤率為10%(二零一六年十二月三十一日：不適用)。	開發商利潤率越高，公允價值越低。	所用開發商利潤率大幅增加導致公允價值大幅減少，反之亦然。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

13. INVESTMENT PROPERTIES (Cont'd)

13. 投資物業(續)

Investment properties held by the Group 本集團持有的投資物業	Fair value hierarchy 公允價值等級	Valuation technique and key inputs 估值技術及主要輸入數據	Significant unobservable inputs 主要不可觀察輸入數據	Relationship of unobservable inputs to fair value 不可觀察輸入數據與公允價值之關係	Sensitivity 敏感度
Investment properties under development, including commercial building, located in Cambodia with an aggregate carrying amount of RMB228,697,000 (31.12.2016: N/A)	Level 3	Residual Approach The key inputs are: (1) Gross development value; and (2) Developer's profit margin.	Gross development value on completion basis, taking into account the estimated completion date, location, and individual factors, such as frontage and size, between the comparable and the property, of RMB457,394,000 (31.12.2016: N/A).	The higher the gross development value, the higher the fair value.	A significant increase in gross development value used would result in a significant increase in fair value, and vice versa.
位於柬埔寨的發展中投資物業(包括商業樓宇)，賬面總值為人民幣228,697,000元(二零一六年十二月三十一日：不適用)	第三級	殘值法 主要輸入數據如下： (1) 總開發價值；及 (2) 開發商利潤率。	按落成基準計值之總開發價值經計及可資比較物業與該物業間之預期竣工日期、位置及臨街地界和規模等各項因素為人民幣457,394,000元(二零一六年十二月三十一日：不適用)	總開發價值越高，公允價值越高。	所用總開發價值大幅增加將導致公允價值大幅增加，反之亦然。
			Developer's profit margin, taking into account the comparable land transactions and progress of the property, of a 18% (31.12.2016: N/A).	The higher the developer's profit margin, the lower the fair value.	A significant increase in developer's profit margin used would result in a significant decrease in fair value, and vice versa.
			經計及可資比較土地交易及物業進度，開發商利潤率為18%(二零一六年十二月三十一日：不適用)。	開發商利潤率越高，公允價值越低。	所用開發商利潤率大幅增加導致公允價值大幅減少，反之亦然。

There were no transfers in or out of Level 3 during both years.

於兩個年度內，第三級並無轉入或轉出。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

		Freehold land in USA 美國永久 業權土地 RMB'000 人民幣千元	Hotel buildings in USA 美國 酒店樓宇 RMB'000 人民幣千元	Leasehold land and buildings in the PRC 中國租賃 土地及樓宇 RMB'000 人民幣千元	Leasehold improvements 租賃 物業裝修 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Machinery and electronic equipment and others 機器及電子 設備及其他 RMB'000 人民幣千元	Computer software, furniture and fixtures 計算機軟件、 傢私及裝置 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
COST	成本									
At 1 January 2016	於二零一六年一月一日	-	-	436,445	27,710	15,277	24,957	17,741	1,158	523,288
Exchange adjustment	匯兌調整	-	-	-	-	-	(4)	-	-	(4)
Additions	添置	-	-	2,466	5,999	4,523	2,833	2,223	2,326	20,370
Disposals/written off	出售/撇銷	-	-	(39,237)	(478)	-	(434)	(173)	-	(40,322)
At 31 December 2016	於二零一六年十二月三十一日	-	-	399,674	33,231	19,800	27,352	19,791	3,484	503,332
Exchange adjustment	匯兌調整	(8,208)	(998)	-	(46)	(25)	-	(132)	-	(9,409)
Additions	添置	138,386	16,819	2,369	1,767	894	773	3,274	186	164,468
Transfer upon completion	完成時轉讓	-	-	-	3,002	-	-	-	(3,002)	-
Disposals/written off	出售/撇銷	-	-	-	-	(250)	(216)	(114)	-	(580)
At 31 December 2017	於二零一七年十二月三十一日	130,178	15,821	402,043	37,954	20,419	27,909	22,819	668	657,811
DEPRECIATION	折舊	-	-							
At 1 January 2016	於二零一六年一月一日	-	-	136,479	18,689	5,866	17,391	11,441	-	189,866
Exchange adjustment	匯兌調整	-	-	-	-	-	(4)	-	-	(4)
Provided for the year	年度撥備	-	-	26,328	2,734	3,824	4,918	2,162	-	39,966
Eliminated on disposals/ written off	出售/撇銷之對銷	-	-	(20,106)	(182)	-	(358)	(38)	-	(20,684)
At 31 December 2016	於二零一六年十二月三十一日	-	-	142,701	21,241	9,690	21,947	13,565	-	209,144
Exchange adjustment	匯兌調整	-	(74)	-	-	(2)	-	(11)	-	(87)
Provided for the year	年度撥備	-	2,362	18,091	7,791	3,331	1,707	2,162	-	35,444
Eliminated on disposals/ written off	出售/撇銷之對銷	-	-	-	-	(238)	(210)	(113)	-	(561)
At 31 December 2017	於二零一七年十二月三十一日	-	2,288	160,792	29,032	12,781	23,444	15,603	-	243,940
CARRYING VALUES	賬面值	-	-							
At 31 December 2017	於二零一七年十二月三十一日	130,178	13,533	241,251	8,922	7,638	4,465	7,216	668	413,871
At 31 December 2016	於二零一六年十二月三十一日	-	-	256,973	11,990	10,110	5,405	6,226	3,484	294,188

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

14. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

The carrying amount of owner-occupied leasehold land and buildings, situated in the PRC, at the end of the reporting period includes both the leasehold land and building elements, as in the opinion of the directors of the Company, allocation of the carrying amount between the leasehold land and buildings elements cannot be made reliably.

The above items of property, plant and equipment, except for freehold land and construction in progress, are depreciated on a straight-line basis at the following rates per annum:

Hotel buildings in USA	5%
Leasehold land and buildings	Over the shorter of the term of the lease, or 2% to 5%
Leasehold improvements	10% to 33 $\frac{1}{3}$ %
Motor vehicles	20% to 25%
Machinery and electronic equipment and others	10% to 33 $\frac{1}{3}$ %
Computer software, furniture and fixtures	20% to 33 $\frac{1}{3}$ %

15. GOODWILL

The amount represents goodwill arising from the Acquisition (defined in note 34(ii)(a)), which has been allocated to a group of cash-generating units ("CGU") in the property development and sales segment. The recoverable amount of the goodwill has been determined based on a value in use calculation. That calculation used cash flow projections based on financial budgets approved by the management covering five-year period, and the discount rate of 10% (2016:10%). The cash flows beyond the five-year period are extrapolated using a zero growth rate. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the management's expectations for the market development. The management of the Group believes that any reasonably possible change in the key estimations of the value in use calculation would not cause the carrying amount to exceed its recoverable amount. The directors of the Company determined that the recoverable amount was higher than the carrying amount of the CGU and hence no impairment on goodwill is required.

14. 物業、廠房及設備(續)

由於本公司董事認為無法準確作出租賃土地與樓宇部分的分配，報告期末的業主位於中國之自用租賃土地及樓宇計入租賃土地及樓宇中。

上文所述之物業、廠房及設備項目(永久業權土地及在建工程除外)乃以直線法按以下年率折舊：

美國酒店樓宇	5%
租賃土地及樓宇	租賃期或2%至5% (以較短者為準)
租賃物業裝修	10%至33 $\frac{1}{3}$ %
汽車	20%至25%
機器及電子設備及其他	10%至33 $\frac{1}{3}$ %
計算機軟件、傢私及裝置	20%至33 $\frac{1}{3}$ %

15. 商譽

	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
At 31 December	231,602	231,602

款項指收購事項(定義見附註34(ii)(a))產生之商譽(已分配至物業開發及銷售分類的現金產生單位組別(「現金產生單位」))。商譽之可收回金額乃根據使用價值進行計算而釐定。基於管理層所批准涵蓋5年期間之財政預算，使用10%(二零一六年：10%)之貼現率以現金流預測法進行計算。超過5年的現金流則使用零增長率推算。使用價值計算之其他主要假設與包括預算銷售額及毛利率的現金流入/流出之估計有關，有關估計乃根據管理層對市場發展之預測作出。本集團管理層相信，使用價值計算之主要估計的任何合理可能變動將不會導致賬面值超出其可回收金額。本公司董事釐定可回收金額高於現金產生單位之賬面值，故無須商譽減值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

16. INTERESTS IN JOINT VENTURES

16. 於合營公司的權益

			2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Cost of investment in joint ventures	於合營公司之投資成本	(a)	9,520	9,520
Share of post-acquisition profits and other comprehensive income, net of dividends received	應佔收購後利潤及其他全面收益，扣除收取之股息	(a)	(3,452)	(3,359)
			6,068	6,161
Amount due from a joint venture	應收一間合營公司款項	(b)	522,323	522,223

Notes:

(a) Particulars of joint ventures as at 31 December 2017 and 2016 are as follows:

附註：

(a) 於二零一七年及二零一六年十二月三十一日合營公司的詳情如下：

Company name	Form of business nature	Place of establishment and operation	Paid-up capital	Proportion of voting right and percentage of interest held	Principal activity
公司名稱	業務性質	成立及營運地點	繳足股本 RMB'000 人民幣千元	投票權及所持權益 百分比之比例	主要業務
Shenzhen Anyuan Industrial Development Co., Ltd. ("Anyuan") 深圳市安元實業發展有限公司 (「安元」)	Incorporated 註冊成立	The PRC 中國	23,800	40% (2016: 40%) (二零一六年: 40%)	Property development 物業發展
Yiyang Zhonghe Property Management Co., Ltd. 益陽中核物業有限公司	Incorporated 註冊成立	The PRC 中國	500	40% (2016: 40%) (二零一六年: 40%)	Property development 物業發展

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

16. INTERESTS IN JOINT VENTURES (Cont'd)

Notes: (Cont'd)

- (b) Amount due from a joint venture represents advances to a joint venture which is unsecured, interest-free and has no fixed repayment terms. In the opinion of the directors of the Company, the settlement of the advances is neither planned nor likely to occur in the foreseeable future.
- (c) Yiyang Zhonghe Property Management Co., Ltd. is not considered material as compared to the Group's operating results during the year. Summarised financial information of Anyuan after adjusting for any differences in accounting policies, and a reconciliation to the carrying amount in the consolidated financial statements, are disclosed below:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Non-current assets	非流動資產	29	30
Current assets	流動資產	549,836	550,105
Current liabilities	流動負債	(534,694)	(534,731)
Included in the above amounts are:	計入上述款項：		
Properties under development for sale	發展中待售物業	439,647	439,478
Cash and cash equivalents	現金及現金等價物	90,077	90,515
Amount due to a shareholder	應付一名股東款項	522,323	522,223
Loss and total comprehensive expense for the year	年度虧損及其他全面開支	233	22

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

以上財務資料概要與已於綜合財務報表確認之合營公司權益賬面值之對賬：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Net assets of Anyuan	安元資產淨值	15,171	15,404
Proportion of the Group's ownership interest in Anyuan	本集團於安元擁有之權益比例	40%	40%
Carrying amount of the Group's interest in Anyuan	本集團於安元之權益賬面值	6,068	6,161

16. 於合營公司的權益(續)

附註：(續)

- (b) 應收一間合營公司款項為支付予合營公司的預付款，該款項無抵押、免息，且無固定償還期限。本公司董事認為，該預付款結算並非按計劃進行，且於可見將來不大可能會發生。
- (c) 益陽中核物業有限公司被認為相對本集團年內的營運業績並不重大。下文披露安元已就會計政策的任何差異而調整的財務資料概要，以及與綜合財務報表賬面值所對銷：

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

17. AVAILABLE-FOR-SALE INVESTMENTS

The amount represents 0.40% (2016: 0.40%) shareholding in certain listed equity securities in the PRC which are stated at fair value of RMB444,259,000 (2016: RMB561,048,000) as at 31 December 2017.

18. DEFERRED TAX

The movements in deferred tax assets (liabilities) arising from temporary differences are as follows:

		Tax losses	Withholding tax for undistributed profits	Valuation on investment properties	Accelerated tax depreciation	Available -for-sale Investments	Accrual for LAT	Others	Total
		稅項虧損	未分配利潤的預扣稅	投資物業估值	加速稅項折舊	可供出售投資	土地增值稅	其他	總計
		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
Balance as at 1 January 2016	於二零一六年一月一日之結餘	78,403	(10,114)	(2,134,840)	(93,655)	-	78,618	13,649	(2,067,939)
(Charge) credit to the profit or loss (note 9)	於損益(扣除)計入(附註9)	(55,238)	64	(56,793)	(25,673)	-	70,570	(14,178)	(81,248)
Charge to other comprehensive income	於其他全面收益扣除	-	-	-	-	(54,445)	-	-	(54,445)
Balance as at 31 December 2016	於二零一六年十二月三十一日之結餘	23,165	(10,050)	(2,191,633)	(119,328)	(54,445)	149,188	(529)	(2,203,632)
Credit (charge) to the profit or loss (note 9)	於損益計入(扣除)(附註9)	5,185	(12,000)	(75,282)	(31,930)	-	(11,979)	(7,022)	(133,028)
Credit to other comprehensive income	於其他全面收益計入	-	-	-	-	29,197	-	-	29,197
Balance as at 31 December 2017	於二零一七年十二月三十一日之結餘	28,350	(22,050)	(2,266,915)	(151,258)	(25,248)	137,209	(7,551)	(2,307,463)

The following is the analysis of the deferred taxation balances for financial reporting purposes:

17. 可供出售投資

於二零一七年十二月三十一日，該金額為佔於中國若干上市股權證券之0.40%（二零一六年：0.40%）股權，並按公允價值人民幣444,259,000元（二零一六年：人民幣561,048,000元）列賬。

18. 遞延稅項

暫時差額產生的遞延稅項資產(負債)的變動如下：

就財務報告目的而言，遞延稅項結餘分析如下：

		2017	2016
		二零一七年	二零一六年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Deferred tax assets	遞延稅項資產	175,201	190,151
Deferred tax liabilities	遞延稅項負債	(2,482,664)	(2,393,783)
		(2,307,463)	(2,203,632)

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

18. DEFERRED TAX (Cont'd)

The EIT Law and its implementation rules impose a withholding tax at 10%, unless reduced by a tax treaty or arrangement, for dividends distributed by the PRC-resident enterprises to their non-PRC-resident corporate investors for profits earned since 1 January 2008. Under the Sino-Hong Kong Double Tax Arrangement, a qualified Hong Kong tax resident is entitled to a reduced withholding tax rate of 5% if the Hong Kong tax resident is the “beneficial owner” and holds 25% or more of the equity interest of the PRC enterprise directly. Since the Group controls the quantum and timing of distribution of profits of the Group's subsidiaries in the PRC, deferred tax liabilities are only provided to the extent that such profits are expected to be distributed in the foreseeable future.

At 31 December 2017, temporary differences relating to the accumulated undistributed profits of the Group's PRC subsidiaries amounted to RMB2,089,290,000 (2016: RMB973,599,000). Except for the accumulated undistributed profit of the Group's PRC subsidiaries amounted to RMB441,000,000 (2016: RMB201,000,000), no deferred tax liability was recognised in respect of the taxable temporary differences of RMB1,648,290,000 (2016: RMB772,599,000) as of 31 December 2017 as the Group controlled the dividend policy of these subsidiaries and had no plan to dispose of these subsidiaries in the then foreseeable future.

At 31 December 2017, the Group has unused deductible temporary difference amounted to RMB14,509,000 (2016: RMB5,469,000). No deferred tax asset has been recognised in respect of such temporary difference due to the unpredictability of future profit streams.

At the end of the reporting period, the Group has unused tax losses of RMB312,210,000 (2016: RMB247,658,000) available to offset against future profits. A deferred tax asset has been recognised in respect of such tax losses amounting to RMB113,400,000 (2016: RMB92,660,000). No deferred tax asset has been recognised in respect of the remaining tax losses of RMB198,810,000 (2016: RMB154,998,000) due to the unpredictability of future profit streams. The unrecognised tax losses will expire in the following years ending 31 December:

18. 遞延稅項(續)

企業所得稅法及其實施規則規定，自二零零八年一月一日起，中國居民企業就所賺取盈利向非中國居民企業投資者分派的股息須按10%繳納預扣稅(除非根據稅項條約或安排獲減免)。根據內地與香港避免雙重徵稅安排，作為「實益擁有人」並直接持有中國企業25%或以上股權的合資格香港稅務居民有權按減免預扣稅稅率5%繳稅。由於本集團可控制分派本集團於中國的附屬公司的盈利的數量及時間，遞延稅項負債僅以預期可於可見將來分派的有關盈利為限計提撥備。

於二零一七年十二月三十一日，有關本集團中國附屬公司之累計未分配利潤暫時差額達人民幣2,089,290,000元(二零一六年：人民幣973,599,000元)。除本集團中國附屬公司之累計未分配利潤達人民幣441,000,000元(二零一六年：人民幣201,000,000元)外，因本集團控制該等附屬公司的股息政策，且並無計劃於當時的可預見未來出售該等附屬公司，故並未就截至二零一七年十二月三十一日的人民幣1,648,290,000元(二零一六年：人民幣772,599,000元)應課稅暫時差額確認遞延稅項負債。

於二零一七年十二月三十一日，本集團有未動用可扣稅暫時差額人民幣14,509,000元(二零一六年：人民幣5,469,000元)。由於未來盈利來源的不可預測性，因此概無就該等暫時差額確認遞延稅項資產。

於報告期末，本集團可供抵銷未來盈利之未動用稅項虧損為人民幣312,210,000元(二零一六年：人民幣247,658,000元)。遞延稅項資產就該等稅項虧損確認為人民幣113,400,000元(二零一六年：人民幣92,660,000元)。由於未來盈利來源不可預測，故並無就其餘稅項虧損人民幣198,810,000元(二零一六年：人民幣154,998,000元)確認遞延稅項資產。未確認之稅項虧損將於以下年度截至十二月三十一日止屆滿：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
2017	二零一七年	-	3,313
2018	二零一八年	20,189	24,604
2019	二零一九年	67,383	67,383
2020	二零二零年	1,366	1,550
2021	二零二一年	58,148	58,148
2022	二零二二年	51,724	-
		198,810	154,998

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

19. DEPOSITS PAID

	Notes	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Deposit for an urban redevelopment project	(a)	1,000,000	–
Deposit for acquisition of land use right	(b)	210,000	210,000
Deposit for acquisition of property, plant and equipment	(c)	–	156,776
		1,210,000	366,776

(a) The balance represents a deposit paid for an urban redevelopment project located in Zhuhai city in the PRC.

(b) The balance represents a deposit paid for acquisition of land use right through an acquisition of an equity interest in Apex Leader Limited (“Apex”), a company incorporated in the British Virgin Islands (“BVI”) (see also note 42(a)).

(c) As at 31 December 2016, the balance represented deposits paid for acquisition of property, plant and equipment which is situated in the USA. The deposits have been transferred to property, plant and equipment in current year.

19. 已付按金

	Notes	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Deposit for an urban redevelopment project	(a)	1,000,000	–
Deposit for acquisition of land use right	(b)	210,000	210,000
Deposit for acquisition of property, plant and equipment	(c)	–	156,776
		1,210,000	366,776

(a) 該結餘指就一項位於中國珠海市之城市更新項目的已付按金。

(b) 該結餘指透過收購Apex Leader Limited (「Apex」，一間於英屬維爾京群島(「英屬維爾京群島」)註冊成立之公司)股權而收購土地使用權之已付按金(亦見附註42(a))。

(c) 於二零一六年十二月三十一日，該結餘指收購位於美國之物業、廠房及設備的已付按金。該按金已在本年度轉撥至物業、廠房及設備。

20. PROPERTIES UNDER DEVELOPMENT FOR SALE

Included in the properties under development for sale as at 31 December 2017 is carrying value of RMB2,314,822,000 (2016: RMB3,977,425,000) which represents the carrying value of the properties expected to be realised after twelve months from the end of the reporting period. The Group's properties under development for sale are situated in the PRC and Hong Kong.

20. 發展中待售物業

於二零一七年十二月三十一日，列為發展中待售物業之賬面值為人民幣2,314,822,000元(二零一六年：人民幣3,977,425,000元)，乃預期於報告期末起計十二個月後方變現之物業賬面值。本集團之發展中待售物業位於中國及香港。

21. PROPERTIES HELD FOR SALE

The Group's properties held for sale are situated in the PRC.

21. 待售物業

本集團待售物業位於中國。

22. OTHER INVENTORIES

Other inventories represent low value consumables carried at cost.

22. 其他存貨

其他存貨指按成本值入賬的低值易耗品。

23. ACCOUNTS RECEIVABLE

Accounts receivable
Less: Allowance for doubtful debts

應收賬款
減：呆賬撥備

	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Accounts receivable	378,003	17,329
Less: Allowance for doubtful debts	(711)	(793)
	377,292	16,536

23. 應收賬款

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

23. ACCOUNTS RECEIVABLE (Cont'd)

Accounts receivable represent receivables arising from sales of properties, rental income from leasing properties and comprehensive services (including hotel operation and property management). For the receivables arising from sales of properties, they are due for settlement in accordance with the terms of the relevant sales and purchase agreements. For the receivables arising from rental income from leasing properties, monthly rents are normally received in advance and sufficient rental deposits are held to minimise credit risk. For accounts receivable generated from hotel operation, the credit term is payable on demand. For accounts receivable generated from property management, receivable generally have credit terms of 30 to 60 days (2016: 30 to 60 days). All accounts receivable are denominated in RMB. The ageing analysis of the Group's accounts receivable, based on invoice dates for rental income from leasing properties and comprehensive services and the terms of relevant sales and purchases agreements for sales of properties, is as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within 1 month	1個月內	368,530	6,517
1 to 12 months	1至12個月	5,018	7,741
13 to 24 months	13至24個月	3,058	1,176
Over 24 months	超過24個月	686	1,102
		377,292	16,536

Included in the Group's accounts receivable balances are debtors with aggregate carrying amount of RMB8,762,000 (2016: RMB10,019,000) which are past due at the end of the reporting period for which the Group has not provided for impairment loss, of which 57% (2016: 77%) are past due within twelve months, and 43% (2016: 23%) are past due over twelve months, based on the repayment terms set out in the sales and purchase agreements. No provision for impairment is considered 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.

As at 31 December 2017 and 2016, all remaining accounts receivable were neither past due nor impaired. These related to a number of customers for whom there was no recent history of default.

23. 應收賬款(續)

應收賬款指銷售物業、租賃物業的租金收入及綜合服務(包括酒店營運及物業管理)的應收款項。就銷售物業產生的應收款項而言，該等款項乃根據相關買賣協議條款到期應付。就租賃物業的租金收入產生的應收款項而言，每月租金通常預先收取，並持有充足的租金按金以減低信貸風險。就酒店營運產生的應收賬款而言，信貸期乃須按要求償還。物業管理所得的應收賬款的信貸期一般為30至60天(二零一六年：30至60天)。所有應收賬款以人民幣計值。本集團應收賬款的賬齡按有關租賃物業的租金收入及綜合服務發票日期以及相關物業銷售買賣協議條款分析如下：

計入本集團應收賬款結餘之款項為賬面總值為人民幣8,762,000元(二零一六年：人民幣10,019,000元)之應收款項，已於報告期末逾期，而本集團並無就此作出減值虧損撥備，根據買賣協議載列之還款期限，其中57%(二零一六年：77%)於十二個月內逾期，43%(二零一六年：23%)於十二個月後逾期。由於有關信貸質素並無重大變動且有關結餘被認為仍可悉數收回，故被認為並無必要就該等結餘作出減值撥備。

於二零一七年及二零一六年十二月三十一日，全部餘下應收賬款並未逾期及減值。款項乃與近期並無違約記錄的多名客戶有關。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

23. ACCOUNTS RECEIVABLE (Cont'd)

The movement in the allowance for doubtful debts is as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
A 1 January	於一月一日	793	832
Reversal on impairment loss recognised	已確認減值虧損之撥回	(82)	(39)
At 31 December	於十二月三十一日	711	793

23. 應收賬款(續)

呆賬撥備變動如下：

24. DEPOSITS PAID, PREPAYMENTS AND OTHER RECEIVABLES

		Notes 附註	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Deposits paid and prepayments	已付按金及預付款項	(a)	616,341	459,299
Other receivables	其他應收款項		306,039	405,652
Amounts due from related parties	應收關聯人士款項	(b)	168,078	317,089
Amounts due from non-controlling interests	應收非控股權益款項	(b)	47,805	52,743
Total	總計		1,138,263	1,234,783

24. 已付按金、預付款項及其他應收款項

Notes:

- (a) The balance mainly represents prepaid construction costs of RMB572,390,000 (2016: RMB340,109,000) to the contractors for the Group's property development projects.
- (b) Amounts due from related parties, in which the ultimate controlling party has control, and non-controlling interests are unsecured, interest-free and repayable on demand.

附註：

- (a) 該結餘主要為就本集團物業開發項目而向承包商作出之預付建設成本人民幣572,390,000元(二零一六年：人民幣340,109,000元)。
- (b) 應收關連人士款項(最終控股方於其中擁有控制權)及非控股權益為無抵押、免息及須按要求償還。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

25. OTHER FINANCIAL ASSETS

The amount represents investments in money market funds issued by a reputable bank in the PRC with maturity date within a month after the end of the respective reporting period. The return and principal of the investments were not guaranteed by the bank. The value of the market funds investment varies by reference to the performance of the underlying investments mainly comprising debt investments in the PRC including government debentures, treasury notes, corporate bonds and short-term fixed deposits. Such financial asset is classified as FVTPL. In the opinion of the directors of the Company, the carrying amount approximate to their fair values as of 31 December 2017 and 2016.

26. RESTRICTED BANK DEPOSITS

The amount mainly includes performance deposits for sub-contractors of construction contracts with the Group, funds under regulation by banks for specific purposes, pledged certificate of deposits for short-term bank loans and pledged bank deposits for short-term bank loans, which amounted to RMB25,051,000 (2016: RMB27,081,000), RMB554,529,000 (2016: RMB147,971,000), RMB1,378,210,000 (2016: RMB1,379,408,000) and RMB110,221,000 (2016: RMB132,315,000) respectively as of 31 December 2017.

The effective interest rates of restricted bank deposits are in the range of 0.01% to 4.75% (2016: 0.35% to 4.75%) per annum.

27. BANK BALANCES AND CASH

As at 31 December 2017, included in bank balances and cash was a fixed deposit of RMB624,929,000 (2016: RMB200,000,000) with original maturity period of more than three months but within one year.

The effective interest rates of cash at banks are in the range of 0.01% to 1.35% (2016: 0.01% to 1.56%) per annum.

25. 其他金融資產

該筆款項指投資於一間聲譽良好的中國銀行發行的貨幣市場基金，其於各報告期末後一個月內到期。該銀行概不保證投資的回報及本金額。市場基金投資的價值根據相關投資的表現變動，主要包括政府債權證、國債、公司債券及短期定期存款等中國債務投資。該金融資產分類為按公允價值計入損益。本公司董事認為，截至二零一七年及二零一六年十二月三十一日，該等款項的賬面值與其公允價值相若。

26. 受限制銀行存款

該筆款項主要包括本集團外判承包商建築合約的履約按金、受銀行監管作特定用途的資金、就短期銀行貸款抵押的存款證及就短期銀行貸款抵押的銀行存款，截至二零一七年十二月三十一日，分別為人民幣25,051,000元(二零一六年：人民幣27,081,000元)、人民幣554,529,000元(二零一六年：人民幣147,971,000元)、人民幣1,378,210,000元(二零一六年：人民幣1,379,408,000元)及人民幣110,221,000元(二零一六年：人民幣132,315,000元)。

受限制銀行存款實際年利率介乎0.01%至4.75%(二零一六年：0.35%至4.75%)。

27. 銀行結餘及現金

於二零一七年十二月三十一日，銀行結餘及現金包括原到期日為多於三個月但少於一年之定期存款人民幣624,929,000元(二零一六年：人民幣200,000,000元)。

銀行現金的實際年利率介乎0.01%至1.35%(二零一六年：0.01%至1.56%)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

28. ACCOUNTS PAYABLE

Accounts payable mainly represent amounts due to contractors. Payment to contractors is made by reference of progress of the respective construction work and agreed milestones.

The following is an aged analysis of accounts payable presented based on the invoice date:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within 1 month	1個月內	479,144	832,363
1 to 12 months	1至12個月	75,937	35,676
13 to 24 months	13至24個月	12,742	16,866
Over 24 months	24個月以上	32,214	36,533
		600,037	921,438

The average credit period for construction cost ranged from six months to one year.

28. 應付賬款

應付賬款主要指應付承包商款項。應付承包商款項參考有關建設工程進度及協定進度作出。

應付賬款的賬齡按發票日期分析如下：

	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within 1 month	479,144	832,363
1 to 12 months	75,937	35,676
13 to 24 months	12,742	16,866
Over 24 months	32,214	36,533
	600,037	921,438

建設成本之平均信貸期介乎六個月至一年。

29. ACCRUALS, DEPOSITS RECEIVED AND OTHER PAYABLES

Rental deposits received	已收租金按金	105,812	98,125
Receipts in advance	預收款項	922,148	217,355
Other payables and accruals	其他應付款項及應計費用	2,692,890	226,343
Amounts due to non-controlling interests	應付非控股權益款項	4,522	4,715

Receipts in advance primarily consist of pre-sale deposits received from customers for sales of properties.

Included in other payables and accruals mainly represent consideration payable for the acquisition of New Grade Investments Limited as disclosed in note 35(a) amounting to HK\$2,475,000,000 (equivalent to RMB2,068,852,000) (2016: nil), among which HK\$1,237,500,000 (equivalent to RMB1,034,426,000) is payable on or before 29 June 2018 and another sum of HK\$1,237,500,000 (equivalent to RMB1,034,426,000) is payable on or before 28 September 2018.

Amounts due to non-controlling interests are unsecured, interest-free and repayable on demand.

29. 應計費用、已收按金及其他應付款項

	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Rental deposits received	105,812	98,125
Receipts in advance	922,148	217,355
Other payables and accruals	2,692,890	226,343
Amounts due to non-controlling interests	4,522	4,715
	3,725,372	546,538

預收款項主要包括就物業銷售向客戶收取之預售按金。

其他應付款項及應計費用主要包括就收購New Grade Investments Limited (於附註35(a)披露)應付的代價2,475,000,000港元(相當於人民幣2,068,852,000元)(二零一六年：無)，其中1,237,500,000港元(相當於人民幣1,034,426,000元)須於二零一八年六月二十九日或之前支付，而另一筆款項1,237,500,000港元(相當於人民幣1,034,426,000元)則須於二零一八年九月二十八日或之前支付。

應付非控股權益款項為無抵押、免息及須按要求償還。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

30. BORROWINGS

30. 借貸

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Borrowings comprise:	借貸包括：		
– Variable rate bank loans	– 浮息銀行貸款	10,734,754	8,211,411
– Fixed rate bank loans	– 固定利率銀行貸款	1,260,200	272,845
– Variable rate other borrowings	– 浮息其他借貸	240,000	260,000
– Fixed rate other borrowings	– 固定利率其他借貸	400,000	20,000
– Private senior notes	– 私募優先票據	323,323	–
– Loans from non-controlling interests	– 非控股權益貸款	–	66,544
		12,958,277	8,830,800
Analysed as:	分析：		
– Secured	– 有抵押	12,323,718	8,597,491
– Unsecured	– 無抵押	634,559	233,309
		12,958,277	8,830,800
Borrowings are repayable:	借貸須於以下期間內償還：		
– Within 1 year	– 一年內	3,483,806	3,492,714
– More than 1 year, but not exceeding 2 years	– 超過一年但少於兩年	2,025,834	2,059,275
– More than 2 years, but not exceeding 5 years	– 超過兩年但少於五年	4,659,942	1,409,306
– More than 5 years	– 五年以後	2,657,459	1,781,896
		12,827,041	8,743,191
Borrowings that contain a repayment on demand clause (shown under current liabilities) but are repayable:	包含按要求償還條款之借貸 (列入流動負債)，惟須於下列期間內償還：		
– Within 1 year	– 一年內	131,236	87,609
Total borrowings	總借貸	12,958,277	8,830,800
Less: Amount due within one year shown under current liabilities	減：流動負債項下於一年內到期之款項	(3,615,042)	(3,580,323)
Amount due after one year	於一年後到期之款項	9,343,235	5,250,477

All the Group's borrowings are denominated in the functional currencies of the relevant group companies (i.e. RMB, United States Dollar ("US\$") and HK\$) except for certain bank and other borrowings amounting to RMB820,352,000 (2016: RMB655,082,000), which are denominated in HK\$, and loans from non-controlling interests of subsidiaries amounting to nil (2016: RMB66,544,000), which are denominated in US\$.

As at 31 December 2016, certain secured bank loans with aggregate amount of RMB678,000,000 were jointly secured by properties owned by related companies controlled by Mr. Wong and the Group while in 2017, an amount of RMB398,000,000 was repaid and the remaining bank loans are secured by properties owned by the Group as at 31 December 2017. Certain secured bank loans of RMB1,370,000,000 as at 31 December 2016 were secured by certain properties owned by an independent third party and were fully repaid during the year ended 31 December 2017.

所有本集團借貸採用相關集團公司的功能貨幣(即人民幣、美元(「美元」)與港元)計值，若干銀行及其他借貸人民幣820,352,000元(二零一六年：人民幣655,082,000元)以港元計值以及附屬公司的非控股權益貸款為零元(二零一六年：人民幣66,544,000元)以美元計值除外。

於二零一六年十二月三十一日，若干有抵押銀行貸款總金額人民幣678,000,000元由黃先生控制之關聯公司及本集團擁有之物業作共同抵押，而於二零一七年，本集團已償還人民幣398,000,000元，餘下銀行貸款則由本集團於二零一七年十二月三十一日擁有之物業作抵押。於二零一六年十二月三十一日，若干有抵押銀行貸款人民幣1,370,000,000元由獨立第三方擁有之若干物業作出抵押，並已於截至二零一七年十二月三十一日止年度全數償還。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

30. BORROWINGS (Cont'd)

For bank loans denominated in HK\$, the effective interest rates are ranging from 1.62% to 4.2% (2016: 2% to 4.25%) per annum. For bank and other loans denominated in RMB, the effective interest rates are ranging from 4.35% to 8.5% (2016: 4.35% to 8.95%) per annum.

Loans from non-controlling interests were unsecured and interest-free. The loans were initially recognised at fair value and subsequently stated at amortised cost which was estimated by discounting the nominal value of the loans at effective interest rate of 2.08% per annum. The loans were fully repaid during the year ended 31 December 2017.

Issue of US\$ denominated private senior notes due in 2019

On 13 December 2017, Gemstones International Limited, a direct wholly-owned subsidiary of the Company (the "Issuer") entered into a subscription agreement with Harbor Sure (HK) Investments Limited (the "Purchaser"), an independent third party to the Group, pursuant to which the Purchaser agreed to purchase the private senior notes with an aggregate principal amount of US\$50,000,000 (equivalent to RMB322,299,000) (the "Private Notes"). The issue price was at 100.0% of the principal amount of the Private Notes. The details of the Private Notes are set out below:

- (a) The Private Notes carry interest at rate of 8.5% per annum and interest is payable semi-annually on 18 June and 18 December of each year, commencing from 19 December 2017 and maturing on 19 December 2019;
- (b) The Private Notes are senior in right of payment to any existing and future obligations of the Issuer expressly subordinated in right of payment to the Private Notes;
- (c) The Private Notes rank and will rank at least pari passu in right of payment with all other unsecured, unsubordinated indebtedness of the Issuer (subject to any priority rights of such unsecured unsubordinated indebtedness pursuant to applicable law); and
- (d) The Private Notes are guaranteed by the Company and certain subsidiaries of the Company on a senior basis, subject to certain limitations.

The interest charged for the year is calculated by applying an effective interest rate of approximately 8.86% per annum to the liability component since the Private Notes were issued.

30. 借貸(續)

就以港元計值的銀行貸款而言，實際年利率介乎1.62%至4.2%（二零一六年：2%至4.25%）。就以人民幣計值的銀行及其他貸款而言，實際年利率介乎4.35%至8.5%（二零一六年：4.35%至8.95%）。

非控股權益之貸款為無抵押及免息。有關貸款按公允價值初步確認，其後按攤銷成本列賬，有關攤銷成本乃按2.08%之實際年利率貼現貸款面值進行估計。貸款已於截至二零一七年十二月三十一日止年度全數償還。

發行將於二零一九年到期以美元計值之私募優先票據

於二零一七年十二月十三日，本公司的直接全資附屬公司碧玺国际有限公司（「發行人」）與本集團獨立第三方Harbor Sure (HK) Investments Limited（買方）訂立一份認購協議，據此，買方同意購買本金總額為50,000,000美元（相當於人民幣322,299,000元）的私募優先票據（「私募票據」）。發行價為私募票據本金額的100.0%。私募票據詳情如下：

- (a) 私募票據按年利率8.5%計息，利息須自二零一七年十二月十九日起至二零一九年十二月十九日止，於每年的六月十八日及十二月十八日每半年支付；
- (b) 私募票據較列明其收款權利從屬於私募票據的發行人任何現有及日後責任享有優先收款權利；
- (c) 私募票據至少與及將與發行人所有其他無抵押、非後償債務具有同等付款權利（須根據適用法律受該等無抵押非後償債務的任何優先權所規限）；及
- (d) 私募票據由本公司及本公司若干附屬公司按優先基準擔保（須受若干限制）。

年內已計利息按自私募票據發行起應用於負債部分之實際年利率約8.86%計算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

31. CONVERTIBLE BONDS AND DERIVATIVE FINANCIAL INSTRUMENTS

31. 可換股債券及衍生金融工具

(a) Convertible bonds

(a) 可換股債券

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Net carrying amount as at 1 January	於一月一日的賬面淨值	559,186	-
Issue of convertible bonds (the "CB 2018")	發行可換股債券 (「二零一八年可換股債券」)	-	550,530
Interest expense	利息開支	107,299	13,258
Interest paid	已付利息	(37,247)	(4,602)
Exchange difference	匯兌差額	(39,588)	-
Net carrying amount as at 31 December	於十二月三十一日的賬面淨值	589,650	559,186

On 6 November 2016, the Company entered into a Convertible Bonds Subscription Agreement (the "Agreement") with a third party, Chance Talent Management Limited (the "Subscriber"). Pursuant to the Agreement, the Subscriber agreed to acquire the CB 2018 with aggregate principal amount of US\$100 million (equivalent to RMB686,048,000) interest rate of 5.5% per annum, payable by the Company semi-annually in arrears from the issue date, with initial conversion price of HK\$2.76, subject to certain adjustment conditions. The maturity date is on the second anniversary of the issue date. The CB 2018 were issued to the Subscriber on 18 November 2016.

The bondholder has the right to convert the CB 2018 in whole or in part into shares at any time on or after the issue date of the CB 2018 up to the maturity day. 287,940,630 (2016: 281,159,420) new shares will be issued upon full conversion of the CB 2018. An adjustment had been made to the conversion price from HK\$2.76 to HK\$2.695 on 21 July 2017 as a result of the dividends paid since the convertible bonds were issued.

於二零一六年十一月六日，本公司與一名第三方 Chance Talent Management Limited (「認購人」) 訂立一份可換股債券認購協議(「該協議」)。根據該協議，認購人同意收購本金總額為1億美元(相當於人民幣686,048,000元)、按年利率5.5%計息的可換股債券(初步兌換價為2.76港元)(須受若干調整因素)，利息自發行日期起於每半年末由本公司支付。到期日為發行日期起計滿兩週年。二零一八年可換股債券於二零一六年十一月十八日發行予認購人。

債券持有人有權於二零一八年可換股債券發行日期當日或之後至到期日止隨時將全部或部份二零一八年可換股債券轉換為股份。287,940,630股(二零一六年：281,159,420股)新股份將於二零一八年可換股債券獲悉數轉換後發行。自可換股債券發行以來已支付股息導致於二零一七年七月二十一日兌換價由2.76港元調整至2.695港元。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

31. CONVERTIBLE BONDS AND DERIVATIVE FINANCIAL INSTRUMENTS (Cont'd)

(a) Convertible bonds (Cont'd)

The CB 2018 will be redeemed on maturity at a value equal to the amount equal to the aggregate of (a) the aggregate principal amount of such outstanding CB 2018; (b) any accrued but unpaid interest on such outstanding CB 2018 on the redemption date (other than default interest); and (c) (if the sum of the amounts referred to above (a) and (b) fall short of making up an internal rate of return of 8% on the aggregate principal amount of CB 2018) such additional amount which would make up an internal rate of 8% on the aggregate principal amount of CB 2018.

Further details of the terms and conditions of the CB 2018 were disclosed in the announcements of the Company dated 6 November 2016, 8 November 2016 and 18 November 2016.

The CB 2018 contains two components, debt component and derivative component. The effective interest rate of the debt component is 19.98% per annum. The derivative component is measured at fair value with changes in fair value recognised in profit or loss.

(b) Derivative financial instruments

31. 可換股債券及衍生金融工具(續)

(a) 可換股債券(續)

二零一八年可換股債券將於到期日贖回，價值等同相等於下列總和之金額(a)有關未轉換二零一八年可換股債券之本金總額；(b)任何有關未轉換二零一八年可換股債券於贖回日期之應計但未付利息(違約利息除外)；及(c)(倘上文(a)及(b)項所述款項之總和不足以令內部回報率達二零一八年可換股債券本金總額之8%)將令內部回報率達二零一八年可換股債券本金總額8%之有關額外金額。

二零一八年可換股債券的條款及條件的進一步詳情於本公司日期分別為二零一六年十一月六日、二零一六年十一月八日及二零一六年十一月十八日的公告內披露。

二零一八年可換股債券包括兩個部分(債務部分及衍生工具部分)。債務部分的實際利率為每年19.98%。衍生工具部分按公允價值及於損益中確認的公允價值變動計量。

(b) 衍生金融工具

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Net carrying amount as at 1 January	於一月一日的賬面淨值	120,496	-
Embedded derivatives at the date of issue of convertible bonds	於可換股債券發行日期的嵌入式衍生工具	-	135,518
Gain arising on changes in fair value	公允價值變動產生的收益	(2,373)	(15,022)
Exchange difference	匯兌差額	(7,045)	-
Net carrying amount as at 31 December	於十二月三十一日的賬面淨值	111,078	120,496

The methods and assumptions applied for the valuation of the CB 2018 at initial recognition, at 31 December 2016 and at 31 December 2017 were as follows:

The fair value of the derivative financial instruments at initial recognition, as at 31 December 2016 and as at 31 December 2017 derived by using the Binomial Option Pricing Model were approximately RMB135,518,000, RMB120,496,000 and RMB111,078,000, respectively, which were determined by the directors of the Company with reference to the valuation performed by Asset Appraisal Limited, a firm of independent professional valuers with appropriate qualifications and recent experiences in the valuation of similar derivative instruments with reference to market values. During the year ended 31 December 2017, the Group recognised the fair value change of RMB2,373,000 (2016:RMB15,022,000) in the consolidated statement of profit or loss.

於初步確認、於二零一六年十二月三十一日及於二零一七年十二月三十一日對二零一八年可換股債券進行估值時所應用的方法及假設如下：

衍生金融工具於初步確認、於二零一六年十二月三十一日及於二零一七年十二月三十一日採用二項式期權定價模型衍生之公允價值分別約為人民幣135,518,000元、人民幣120,496,000元及人民幣111,078,000元，有關金額乃本公司董事參考中誠達資產評估顧問有限公司進行的估值而釐定，該公司乃擁有適當資格的獨立專業估值師，且在參考市值評估同類衍生工具方面擁有近期經驗。截至二零一七年十二月三十一日止年度，本集團於綜合損益表中確認公允價值變動人民幣2,373,000元(二零一六年：人民幣15,022,000元)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

31. CONVERTIBLE BONDS AND DERIVATIVE FINANCIAL INSTRUMENTS (Cont'd)

(b) Derivative financial instruments (Cont'd)

The inputs used in the Binomial Option Pricing Model adopted by the independent professional valuer in determining the fair values at the respective dates were as follows:

	At date of issue	At 31.12.2016	At 31.12.2017		於發行日期	於二零一六年 十二月三十一日	於二零一七年 十二月三十一日
Share price	HK\$2.49	HK\$2.39	HK\$2.98	股價	2.49港元	2.39港元	2.98港元
Exercise price	HK\$2.76	HK\$2.76	HK\$2.695	行使價	2.76港元	2.76港元	2.695港元
Expected dividend yield	0.40%	0.42%	1.68%	預期股息率	0.40%	0.42%	1.68%
Volatility	52.35%	52.18%	32.66%	波幅	52.35%	52.18%	32.66%
Risk free interest rate	0.783%	1.025%	1.040%	無風險利率	0.783%	1.025%	1.040%

31. 可換股債券及衍生金融工具(續)

(b) 衍生金融工具(續)

獨立專業估值師於各日期釐定公允價值時所採納的二項式期權定價模型中所用的輸入數據如下：

32. SENIOR NOTES AND BOND

32. 優先票據及債券

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Senior notes and bond comprise:	優先票據及債券包括：		
– Public senior notes	– 公開優先票據	2,661,756	–
– Domestic corporate bond	– 境內公司債券	2,589,098	2,586,467
		5,250,854	2,586,467
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Net carry amount as at 1 January	於一月一日的賬面淨值	2,586,467	–
Issue of new senior notes and bond	發行新優先票據及債券	2,687,226	2,600,000
Less: Transaction costs directly attributable to the issuance of senior notes and bond	減：與發行優先票據及債券直接相關之交易成本	(47,352)	(14,416)
Add: Interest charged during the year	加：年內已扣除利息	242,685	59,994
Less: Interest paid	減：已付利息	(169,000)	(59,111)
Exchange differences	匯兌差額	(49,172)	–
Net carrying amount as at 31 December	於十二月三十一日的賬面淨值	5,250,854	2,586,467

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

32. SENIOR NOTES AND BOND (Cont'd)

Issue of US\$ denominated public senior notes due in 2020

On 15 August 2017 and 25 October 2017, the Issuer issued senior notes with the aggregate principal amounts of US\$225,000,000 (equivalent to RMB1,511,550,000) and US\$175,000,000 (equivalent to RMB1,175,676,000) respectively (collectively known as, the “Senior Notes”). The issue price was at 100.0% and 100.6% of the principal amount of the Senior Notes, respectively.

The Senior Notes are listed on the Singapore Exchange Securities Trading Limited (“SGX”). The details of the Senior Notes are set out below:

- (a) The Senior Notes carry interest at rate of 8.5% per annum and interest is payable semi-annually on 15 February and 15 August of each year, commencing from 15 February 2018 and will mature on 15 August 2020, unless redeemed earlier;
- (b) The Senior Notes are senior in right of payment to any existing and future obligations of the Issuer expressly subordinated in right of payment to the Senior Notes;
- (c) The Senior Notes rank and will rank at least pari passu in right of payment with all other unsecured, unsubordinated indebtedness of the Issuer (subject to any priority rights of such unsecured unsubordinated indebtedness pursuant to applicable law);
- (d) The Senior Notes are guaranteed by the Company and certain subsidiaries of the Company (collectively the “Guarantors”) on a senior basis, subject to certain limitations;
- (e) The Senior Notes are effectively subordinated to the secured obligations, (if any) of the Issuer and the Guarantors, to the extent of the value of the assets serving as security therefor; and
- (f) The Senior Notes are effectively subordinated to all existing and future obligations of the subsidiaries of the Company other than the Guarantors.

At any time prior to 15 August 2020, the Issuer may at its option redeem the Senior Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Senior Notes plus the applicable premium as defined in the offering memorandums of the Company dated 8 August 2017 and 17 October 2017 (“Applicable Premium”) as of, and accrued and unpaid interest (if any) to (but not including), the redemption date.

32. 優先票據及債券(續)

發行將於二零二零年到期以美元計值之公開優先票據

於二零一七年八月十五日及二零一七年十月二十五日，發行人分別發行本金總額為225,000,000美元（相當於人民幣1,511,550,000元）及175,000,000美元（相當於人民幣1,175,676,000元）的優先票據（統稱「優先票據」）。發行價分別為優先票據本金額的100.0%及100.6%。

優先票據於新加坡證券交易所（「新交所」）上市。優先票據詳情如下：

- (a) 優先票據按年利率8.5%計息，利息須自二零一八年二月十五日起，於每年二月十五日及八月十五日每半年支付（除非獲提早贖回）；
- (b) 優先票據較列明其付款權利從屬於優先票據的發行人任何現有及日後責任享有優先付款權利；
- (c) 優先票據至少與及將與發行人所有其他無抵押、非後償債務具有同等付款權利（須根據適用法律受該等無抵押非後償債務的任何優先權所規限）；
- (d) 優先票據由本公司及本公司若干附屬公司（統稱「擔保人」）按優先基準擔保（須受若干限制）；
- (e) 優先票據實際上次於發行人及擔保人的有抵押責任（如有），惟須以就此作為抵押品的資產價值為限；及
- (f) 優先票據實際上次於非擔保人的本公司附屬公司的所有現有及未來責任。

於二零二零年八月十五前的任何時間，發行人可選擇按相等於優先票據本金額100%的贖回價，另加截至贖回日期（但不包括該日）的適用溢價（「適用溢價」，定義見本公司日期為二零一七年八月八日及二零一七年十月十七日的發售備忘錄）以及應計及未付利息（如有），贖回全部（但非部分）優先票據。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

32. SENIOR NOTES AND BOND (Cont'd)

Issue of US\$ denominated public senior notes due in 2020 (Cont'd)

“Applicable premium” means with respect to any Senior Notes at any redemption date, the greater of (i) 1.00% of the principal amount of such Senior Notes and (ii) the excess of (A) the present value at such redemption date of the principal amount of such Senior Notes on 15 August 2020, plus all required remaining scheduled interest payments due on such Senior Notes through 15 August 2020 (but excluding accrued and unpaid interest to the redemption date), computed using a discount rate equal to the adjusted treasury rate plus 100 basis points, over (B) the principal amount of such Senior Notes on such redemption date.

At any time and from time to time prior to 15 August 2020, the Issuer may redeem up to 35% of the aggregate principal amount of the Senior Notes with the net cash proceeds of one or more sales of common stock of the Company in an equity offering at a redemption price of 108.5% of the principal amount of the Senior Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date; provided that at least 65% of the aggregate principal amount of the Senior Notes originally issued on the original issue date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.

Early redemption option is regarded as embedded derivative not closely related to the host contract. The directors consider that the fair value of the above early redemption options is insignificant at initial recognition date and 31 December 2017.

The interest charged for the year is calculated by applying an effective interest rate of approximately 8.90% per annum to the liability component since the Senior Notes were issued.

The fair value of the Senior Notes at 31 December 2017 is RMB2,625,060,000 with reference to the quoted market price of the Senior Notes on SGX at the end of the reporting period (the last trading day prior to 31 December 2017).

32. 優先票據及債券(續)

發行將於二零二零年到期以美元計值之公開優先票據(續)

「適用溢價」指就於任何贖回日期的任何優先票據而言，下列各項的較高者：(i)該優先票據本金額的1.00%；及(ii)超出(A)於該優先票據在二零二零年八月十五日之本金額加至二零二零年八月十五日為止該優先票據一切規定的既定利息支付餘額(但不包括至贖回日期的應計及未付利息)於有關贖回日期的現值(按相等於經調整公債利率加100個基點之貼現率計算)超出(B)於贖回日期該優先票據本金額的差價。

於二零二零年八月十五日前任何時間，發行人可不時按優先票據本金額108.5%的贖回價，另加截至贖回日期(但不包括該日)的應計及未付利息(如有)，以股本發售中一宗或以上的本公司普通股銷售的所得現金款項淨額，贖回優先票據本金總額的最多35%；惟在每次贖回後須至少有於原發行日期原發行的優先票據本金總額的65%仍未贖回，以及任何贖回須於相關股本發售截止後60日內發生。

提早贖回權視為並非與主合約有密切關係的嵌入衍生工具。董事認為上述提早贖回權於初始確認日期及於二零一七年十二月三十一日的公允價值不重大。

年內已計利息按自優先票據發行日期起應用於負債部分之實際年利率約8.90%計算。

優先票據於二零一七年十二月三十一日的公允價值為人民幣2,625,060,000元乃按於報告期末(於二零一七年十二月三十一日前之最後交易日)新交所優先票據的市場報價。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

32. SENIOR NOTES AND BOND (Cont'd)

Issue of RMB denominated domestic corporate bond due in 2021

On 26 August 2016, a subsidiary of the Company, Zhengxinglong Real Estate (Shenzhen) Co., Ltd. ("Zhengxinglong") issued a domestic corporate bond (the "Bond") with a principal amount of RMB2,600,000,000 and will be repayable in full by 26 August 2021. Zhengxinglong has an option to increase the coupon rate from 6.5% up to 7.5% per annum after the end of the third year ("coupon rate adjustment"). Zhengxinglong will make an announcement of the determination on the coupon rate adjustment and irrespective of whether adjustment will be made or not, the investor can exercise retractable option within three working days from the third anniversary of the issue date to sell back at principal with accrued interest.

The Bond is listed in Shenzhen Stock Exchange ("SZX"). In the opinion of the directors, the fair values of the entitlement of coupon rate adjustment and investor's entitlement of selling back the Bond are insignificant at initial recognition and at the end of reporting period.

The interest charged for the year is calculated by applying an effective interest rate of approximately 6.63% per annum to the liability component since the Bond was issued.

The fair value of the Bond as at 31 December 2017 is RMB2,589,098,000 (2016: RMB2,535,000,000) with reference to the quoted market price of the Bond on SZX at the end of the reporting period (the last trading day prior to 31 December 2017).

32. 優先票據及債券(續)

發行將於二零二一年到期以人民幣計值之境內公司債券

於二零一六年八月二十六日，本公司之附屬公司正興隆房地產(深圳)有限公司(「正興隆」)發行境內公司債券(「該債券」)，本金額為人民幣2,600,000,000元，而有關金額將於二零二一年八月二十六日全數償還。正興隆可選擇於第三年結束後將年票息率自6.5%上調至最多7.5% (「票息率調整」)。正興隆將就票息率調整的決定作出公告(不論是否將會作出調整)，而投資者可自發行日期第三週年當日起的三個工作天內行使回售選擇權，以按本金連同應計利息回售選擇權。

該債券於深圳證券交易所(「深交所」)上市。董事認為，票息率調整權利及投資者回售該債券之權利之公允價值於初始確認及報告期末時並不重大。

年內已計利息按自該債券發行日期起應用於負債部分之實際年利率約6.63%計算。

經參考該債券於報告期末(於二零一七年十二月三十一日之前之最後交易日)之市場報價後，該債券於深交所二零一七年十二月三十一日之公允價值為人民幣2,589,098,000元(二零一六年：人民幣2,535,000,000元)。

33. SHARE CAPITAL

33. 股本

		2017 二零一七年			2016 二零一六年		
		Number of shares 股份數目	HK\$'000 千港元	RMB'000 人民幣千元	Number of shares 股份數目	HK\$'000 千港元	RMB'000 人民幣千元
Authorised share capital of the Company:	本公司法定股本：						
Ordinary shares of HK\$0.01 each	每股面值0.01港元的普通股	30,000,000,000	300,000	240,000	30,000,000,000	300,000	240,000
Issued and fully paid share capital of the Company:	本公司已發行及繳足股本：						
Ordinary shares of HK\$0.01 each	每股面值0.01港元的普通股						
At 1 January	於一月一日	4,693,582,792	46,935	39,115	4,693,582,792	46,935	39,115
Exercise of share options	行使購股權	600,000	6	6	-	-	-
At 31 December	於十二月三十一日	4,694,182,792	46,941	39,121	4,693,582,792	46,935	39,115

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

34. RESERVES

34. 儲備

			2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
	Notes 附註			
Share premium	股份溢價		6,300,567	6,299,142
Convertible preference shares	可換股優先股	(i)	5,959,114	5,959,114
Other reserve	其他儲備	(ii)	(11,235,356)	(11,235,356)
Exchange reserve	匯兌儲備		119,608	66,011
Investment revaluation reserve	投資重估儲備		75,744	163,336
Share option reserve (note 37)	購股權儲備(附註37)		208,337	128,404
Statutory reserve	法定儲備	(iii)	149,812	147,427
Retained profits	保留盈利		8,219,115	7,397,319
			9,796,941	8,925,397

Notes:

- (i) On 30 November 2015, the Company issued convertible preference shares (the "2015 CPS") at issue price of HK\$2.06 per share, of which 3,413,473,023 CPS were issued to Mr. Wong for aggregate consideration of HK\$7,031,754,000 (equivalent to approximately RMB5,959,114,000) as consideration for the Transaction as defined in note 34(ii)(b).

Key terms of the 2015 CPS

- Holder of the 2015 CPS will be entitled to receive notices of and to attend the general meetings of the Company but are not permitted to vote unless a resolution is proposed to vary the rights of holder of the 2015 CPS or a resolution is proposed for the winding up of the Company;
- Holder of the 2015 CPS has the right to convert each 2015 CPS at any time into one ordinary share of the Company without the payment of any additional consideration. The holder may not exercise the conversion right if upon the conversion, the percentage of ordinary shares held by the public will fall below the minimum public float requirement under Rule 8.08 of the Listing Rules. The shares that are issued upon the exercise of the conversion right of the 2015 CPS are not subject to any restriction;
- The 2015 CPS cannot be redeemed by the Company or its holder;
- Holder of 2015 CPS will have priority over the holders of ordinary shares of the Company on the assets and funds of the Company available for distribution in a distribution of assets on liquidation, winding-up or dissolution of the Company;
- Subject to compliance with all applicable laws and the article of association of the Company, each 2015 CPS shall confer on its holder the right to receive a preferred distribution from the date of the issue of the 2015 CPS at a rate of 0.2% per annum, payable annually in arrear. Such preferred distribution is non-cumulative. The board of directors may, in its sole discretion, elect to defer or not to pay a preferred distribution. No interest accrues on any unpaid preferred distribution. If the board of directors of the Company elects to defer or not to pay a preferred distribution, the Company cannot pay any dividends, distributions or make any other payment to any ordinary shares of the Company.

附註：

- (i) 於二零一五年十一月三十日，本公司按每股發行價2.06港元發行可換股優先股（「二零一五年可換股優先股」），其中3,413,473,023股可換股優先股發行予黃先生，總代價7,031,754,000港元（相當於約人民幣5,959,114,000元），作為交易代價（定義見附註34(ii)(b)）。

二零一五年可換股優先股之主要條款

- 二零一五年可換股優先股持有人將有權收取本公司股東大會通告並出席本公司股東大會，但並不賦予投票的權利，除非所提呈的決議案會修訂二零一五年可換股優先股持有人的權利或就本公司清盤提呈決議案；
- 二零一五年可換股優先股持有人有權隨時將每股二零一五年可換股優先股轉換為一股本公司普通股股份，而毋須支付任何其他代價。倘於轉換後，公眾人士所持普通股股份之百分比低於上市規則第8.08條之最低公眾持股量規定，則持有人不得行使換股權。行使二零一五年可換股優先股之換股權發行之股份毋須受任何限制；
- 本公司或二零一五年可換股優先股持有人不可贖回二零一五年可換股優先股；
- 本公司因清算、清盤或解散而分派資產時，二零一五年可換股優先股持有人較本公司普通股持有人優先享有本公司可供分派之資產及資金；
- 待符合所有適用法律及本公司組織章程細則後，每股二零一五年可換股優先股將賦予其持有人權利，自發行二零一五年可換股優先股日期起按0.2%之年利率收取優先分派，並於每年年末支付。各優先分派不可累積。董事會可全權酌情選擇遞延或不支付優先分派。任何未支付優先分派並不計息。倘本公司董事會選擇遞延或不支付優先分派，則本公司不可就任何本公司普通股派付任何股息、分派或作出任何其他派付。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

34. RESERVES (Cont'd)

Notes: (Cont'd)

(i) (Cont'd)

The 2015 CPS are classified as equity instruments in the Group's consolidated financial statements as the Group does not have a contractual obligation to deliver cash or other financial assets arising from the issue of the 2015 CPS.

Up to the date of approving the issue of these consolidated financial statements, no 2015 CPS has been converted into ordinary shares of the Company.

(ii) Other reserve mainly comprises:

- (a) A deemed contribution of an amount of HK\$1,007,864,525 (equivalent to approximately RMB806,292,000) by China LVGEM Property Holdings Limited ("China LVGEM"), the then immediate holding company of the Company, to acquire approximately 75% of the then aggregate issued share capital of the Company on 8 May 2014 (the "Acquisition").
- (b) A deemed distribution of an amount of HK\$13,785,000,000 (equivalent to approximately RMB11,682,204,000) to Mr. Wong, to acquire the entire equity interest in Green View Holding Company Limited and its subsidiaries (collectively referred to as the "Target Group") (the "Transaction"). The Transaction was completed on 30 November 2015. The amount of deemed distribution comprised of issuance of 2,509,342,511 new ordinary shares at issue price of HK\$2.06 per ordinary share of the Company amounted to HK\$5,169,246,000 (equivalent to approximately RMB4,380,717,000), issuance of 3,413,473,023 convertible preference shares at issue price of HK\$2.06 per convertible preference shares amounted to HK\$7,031,754,000 (equivalent to approximately RMB5,959,114,000), and cash consideration of HK\$1,584,000,000 (equivalent to approximately RMB1,342,373,000).
- (c) The difference between the aggregate amount of share capital and share premium of the Target Group and the Company at the completion date of the Transaction, which amounted to approximately RMB433,106,000 and debited to other reserve.

34. 儲備(續)

附註:(續)

(i) (續)

由於本集團並無交付發行二零一五年可換股優先股產生的現金或其他金融資產的合約責任，故二零一五年可換股優先股於本集團綜合財務報表中獲分類為股本工具。

截至批准刊發該等綜合財務報表日期，二零一五年可換股優先股並未轉換為本公司普通股股份。

(ii) 其他儲備主要包含：

- (a) 中國綠景地產控股有限公司(「中國綠景」)(本公司當時之直接控股公司)之視作出資1,007,864,525港元(相當於約人民幣806,292,000元)，以收購本公司於二零一四年五月八日之當時已發行股本總額約75%(「收購事項」)。
- (b) 向黃先生之視作出資13,785,000,000港元(相當於約人民幣11,682,204,000元)，以收購綠景控股有限公司及其附屬公司(統稱「目標集團」)之全部股權(「該交易」)。該交易已於二零一五年十一月三十日完成。視作出資金額包括按每股本公司普通股發行價2.06港元發行2,509,342,511股新普通股股份之金額5,169,246,000港元(相當於約人民幣4,380,717,000元)、按每股可換股優先股發行價2.06港元發行3,413,473,023股可換股優先股股份之金額7,031,754,000港元(相當於約人民幣5,959,114,000元)，以及現金代價1,584,000,000港元(相當於約人民幣1,342,373,000元)。
- (c) 於該交易完成日期，目標集團與本公司之股本及股份溢價總額的差額約人民幣433,106,000元及計入其他儲備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

34. RESERVES (Cont'd)

Notes: (Cont'd)

- (iii) As stipulated by the relevant laws and regulations in the PRC, certain subsidiaries of the Company in the PRC are required to maintain a statutory reserve which is non-distributable other than upon the liquidation of the entity. Transfer to this reserve is made out of profit after tax of the PRC subsidiaries' statutory financial statements which are prepared in accordance with the accounting principles generally accepted in the PRC.

35. ACQUISITIONS OF ASSETS AND LIABILITIES THROUGH ACQUISITION OF SUBSIDIARIES

- (a) As detailed in the circular issued by the Company dated 19 December 2017, Pace Ascend Limited, an indirect wholly-owned subsidiary of the Company as the purchaser entered into a sale and purchase agreement on 11 October 2017, with Greater Honour Limited, an independent third party to the Group as the seller and The Wharf (Holdings) Limited, an independent third party to the Group as seller's guarantor pursuant to which Pace Ascend Limited conditionally agreed to purchase, and Greater Honour Limited conditionally agreed to sell and transfer, 500 shares in the issued share capital of New Grade Investments Limited ("New Grade"), which represents its entire issued share capital, and its direct wholly-owned subsidiary, Olinda Limited ("Olinda") (collectively referred to as the "New Grade Group"), for a total cash consideration of HK\$7,880,000,000 (equivalent to approximately RMB6,586,994,000). New Grade Group was engaged in property investment in Hong Kong through its direct wholly-owned subsidiary and thus regarded as acquisition of assets and liabilities. The acquisition was completed on 29 December 2017.

34. 儲備(續)

附註:(續)

- (iii) 根據相關中國法律及法規規定，本公司若干中國附屬公司須維持不可分派的法定儲備，惟該公司清盤則除外。此儲備乃由中國附屬公司按照中國普遍採納會計原則編製的法定財務報表中的除稅後盈利轉撥。

35. 透過收購附屬公司收購資產及負債

- (a) 誠如本公司於二零一七年十二月十九日刊發的通函所詳述，奏昇有限公司(本公司一間間接全資附屬公司，作為買方)於二零一七年十月十一日與Greater Honour Limited(獨立於本集團之第三方，作為賣方)及九龍倉集團有限公司(獨立於本集團之第三方，作為賣方擔保人)訂立買賣協議，據此，奏昇有限公司有條件購買，而Greater Honour Limited有條件同出售及轉讓New Grade Investments Limited(「New Grade」)已發行股本中之500股股份，即其全部已發行股本；連同其直接全資附屬公司，Olinda Limited(「Olinda」)(以下統稱「New Grade集團」)，總現金代價為7,880,000,000港元(相等於約人民幣6,586,994,000元)。New Grade集團透過其直接全資附屬公司從事物業投資，故視為收購資產及負債。該收購事項於二零一七年十二月二十九日完成。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

35. ACQUISITIONS OF ASSETS AND LIABILITIES THROUGH ACQUISITION OF SUBSIDIARIES (Cont'd)

35. 透過收購附屬公司收購資產及負債(續)

(a) (Cont'd)

(a) (續)

Assets and liabilities recognised at the date of acquisition:

於收購日期確認之資產及負債：

		RMB'000 人民幣千元
Investment properties	投資物業	6,586,892
Other receivables	其他應收款項	96
Bank balances	銀行結餘	6
Net assets acquired	已收購資產淨值	6,586,994
Total consideration:	總代價：	RMB'000 人民幣千元
Cash consideration paid	已付現金代價	4,518,142
Consideration payable (note 29)	應付代價(附註29)	2,068,852
		6,586,994
Net cash outflow arising on acquisition:	收購帶來的現金流出淨額：	RMB'000 人民幣千元
Cash consideration paid	已付現金代價	4,518,142
Less: Bank balances acquired	減：已收購銀行結餘	(6)
		4,518,136

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

35. ACQUISITIONS OF ASSETS AND LIABILITIES THROUGH ACQUISITION OF SUBSIDIARIES (Cont'd)

- (b) As detailed in the announcements issued by the Company dated 30 July 2015, 13 August 2015 and 22 March 2016, Jianmai Limited, an indirect 75%-owned subsidiary of the Company as the purchaser entered into an acquisition agreement on 30 July 2015, with Hanison Construction Holdings (BVI) Limited, an independent third party to the Group as the vendor and Sanney Limited, an independent third party to the Group as vendor's guarantor pursuant to which Jianmai Limited conditionally agreed to acquire from the vendor the entire issued share capital in Wisdom Concept Development Limited ("Wisdom Concept") for an aggregate consideration of HK\$710,000,000 (equivalent to RMB606,837,000). Wisdom Concept is engaged in property development in Hong Kong of which the main asset is a land held for development and thus the acquisition was regarded as acquisition of assets and liabilities through acquisition of a subsidiary. The acquisition was completed on 22 March 2016.

Assets and liabilities recognised at the date of acquisition:

		RMB'000 人民幣千元
Properties under development for sale	發展中待售物業	606,906
Other receivables	其他應收款項	6
Accruals, deposits received and other payables	應計費用、已收按金及其他應付款項	(75)
Net assets acquired	已收購資產淨值	606,837
Net cash outflow arising on acquisition:	收購帶來的現金流出淨額：	
		RMB'000 人民幣千元
Cash consideration paid	已付現金代價	606,837

36. DISPOSAL OF A SUBSIDIARY

On 26 April 2016, the Group as the vendor entered into a sale and purchase agreement with Huizhou Manha Real Estate Development Co., Ltd., an independent third party of the Group, as the purchaser to dispose of the entire equity interest in a wholly-owned subsidiary, Huizhou LVGEM Real Estate Development Co., Ltd. ("Huizhou LVGEM") at a consideration of RMB54,798,000. Huizhou LVGEM was engaged in property development in Huizhou, the PRC. The disposal was completed on 10 August 2016.

35. 透過收購附屬公司收購資產及負債(續)

- (b) 誠如本公司於二零一五年七月三十日、二零一五年八月十三日及二零一六年三月二十二日刊發的公告所詳述，於二零一五年七月三十日，景邁有限公司(本公司間接擁有75%權益之附屬公司，作為買方)與Hanison Construction Holdings (BVI) Limited (獨立於本集團之第三方，作為賣方)及駿生有限公司(獨立於本集團之第三方，作為賣方之擔保方)訂立收購協議，據此，景邁有限公司有條件同意向賣方收購聰勁發展有限公司(「聰勁」)之全部已發行股本，總代價為710,000,000港元(相當於人民幣606,837,000元)。聰勁於香港從事物業發展，其主要資產為持作開發土地，因此，該收購事項被視為透過收購一間附屬公司收購資產及負債。該收購事項於二零一六年三月二十二日完成。

於收購日期確認之資產及負債：

36. 出售附屬公司

於二零一六年四月二十六日，本集團(作為賣方)與惠州市曼哈房地產開發有限公司(獨立於本集團之第三方，作為買方)訂立買賣協議，以出售全資附屬公司惠州綠景房地產開發有限公司(「惠州綠景」)的全部股權，代價為人民幣54,798,000元。惠州綠景於中國惠州從事物業發展。該出售事項於二零一六年八月十日完成。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

36. DISPOSAL OF A SUBSIDIARY (Cont'd)

Net assets of the above subsidiary at the date of disposal were as follows:

		RMB'000 人民幣千元
Net assets disposed of:	已出售資產淨值：	
Properties under development for sale	發展中待售物業	36,419
Bank balances and cash	銀行結餘及現金	39
		36,458
Gain on disposal of a subsidiary (included in "other income, other gains and losses")	出售一間附屬公司收益(計入「其他收入、其他收益及虧損」)	18,340
Total consideration	總代價	54,798

An analysis of the net cash inflow of cash and cash equivalents in respect of the disposal is as follows:

		RMB'000 人民幣千元
Total cash consideration received	已收總現金代價	54,798
Bank balances and cash disposed of	已出售銀行結餘及現金	(39)
Net cash inflow on disposal	出售的現金流入淨額	54,759

37. SHARE-BASED EMPLOYEE COMPENSATION

The share option scheme adopted by the Company on 14 November 2005 expired on 13 November 2015. On 2 June 2016, the Company adopted a new share option scheme (the "Scheme") at the annual general meeting of the Company held on 2 June 2016.

The Scheme is a share incentive scheme and is established to recognise and acknowledge the contributions or potential contributions of the eligible participants to the Company and/or any of the subsidiaries. Eligible participants will have the opportunity to obtain shares of the Company with a view to incentivize and reward their respective contributions to the Company and/or any of the subsidiaries.

Pursuant to the Scheme, the board of directors may, at its discretion, invite any executive or non-executive directors including independent non-executive directors or any employees (whether full-time or part-time) of the Company, its subsidiaries and associated companies; any discretionary objects of a discretionary trust established by any employees, executive or non-executive directors of each member of the Group or its associated companies; any consultants, professional and other advisers to each member of the Group or its associated companies (or persons, firms or companies proposed to be appointed for providing such services); any chief executives or substantial shareholders of the Company; any associates of any director, chief executive or substantial shareholder of the Company; and any employees (whether full-time or part-time) of substantial shareholders of the Company, provided that the board of directors may have absolute discretion to determine whether or not one falls within the above categories, (together, the "Participants" and each a "Participant"), to take up options ("Option(s)") to subscribe for shares at a price determined in accordance with the paragraph below.

36. 出售附屬公司(續)

於出售日期，上述附屬公司的資產淨值如下：

		RMB'000 人民幣千元
Net assets disposed of:	已出售資產淨值：	
Properties under development for sale	發展中待售物業	36,419
Bank balances and cash	銀行結餘及現金	39
		36,458
Gain on disposal of a subsidiary (included in "other income, other gains and losses")	出售一間附屬公司收益(計入「其他收入、其他收益及虧損」)	18,340
Total consideration	總代價	54,798

有關出售事項的現金及現金等價物現金流入淨額分析如下：

		RMB'000 人民幣千元
Total cash consideration received	已收總現金代價	54,798
Bank balances and cash disposed of	已出售銀行結餘及現金	(39)
Net cash inflow on disposal	出售的現金流入淨額	54,759

37. 以股份支付的僱員薪酬

本公司於二零零五年十一月十四日採納之購股權計劃已於二零一五年十一月十三日屆滿。於二零一六年六月二日，本公司於二零一六年六月二日舉行之本公司股東週年大會上採納新購股權計劃(「該計劃」)。

該計劃為股份獎勵計劃，乃設立以認可及表揚合資格參與者對本公司及／或任何附屬公司作出的貢獻或潛在貢獻。為激勵及獎勵彼等各自對本公司及／或任何附屬公司作出的貢獻，合資格參與者將有機會獲得本公司的股份。

根據該計劃，董事會可酌情邀請本公司、其附屬公司及聯營公司的任何執行或非執行董事，包括獨立非執行董事或任何僱員(不論全職或兼職)；本集團各成員公司或其聯營公司的任何僱員、執行或非執行董事所設立的全權信託的任何全權受益人；本集團各成員公司或其聯營公司的任何諮詢人、專業人士及其他顧問(或擬委任以提供該等服務的人士、商行或公司)；本公司任何主要行政人員或主要股東；本公司任何董事、主要行政人員或主要股東的任何聯繫人；及本公司主要股東的任何僱員(不論全職或兼職)，惟董事會可全權酌情釐定有關人士是否屬於上述類別(上述人士均稱為及合稱「參與者」)，以接納購股權(「購股權」)，並根據下文確定的價格認購股份。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

37. SHARE-BASED EMPLOYEE COMPENSATION (Cont'd)

In determining the basis of eligibility of each Participant, the board of directors would take into account such factors as the board of directors may at its discretion consider appropriate.

The Scheme shall be valid and effective for a period of ten years commencing on the date on which the Scheme is adopted, after which period no further Options will be granted but in all other respects the provisions of the Scheme shall remain in full force and effect, and Options which are granted during the life of the Scheme may continue to be exercisable in accordance with their terms of grant.

The exercise price of a share in relation to each Option granted under the Scheme shall be a price solely determined by the board of directors and notified to a Participant and shall be at least the highest of:

- (a) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the business day on which an offer is accepted by the grantee or if such date of acceptance by the grantee is not a business day, the immediately preceding business day;
- (b) a price being the average of the closing prices of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date on which an offer is accepted by the grantee (provided that the new issue price shall be used as the closing price for any business day falling within the period before listing of the shares where the Company has been listed for less than five business days as at the date on which an offer is accepted by the grantee); and
- (c) the nominal value of a Company's share.

The total number of shares, which may be issued upon exercise of all Options to be granted under the Scheme and any other share option scheme of the Company shall not in aggregate exceed 10% of the total number of shares in issue on the date of commencement of dealings in the shares on the Stock Exchange ("Scheme Mandate Limit"), unless the Company obtains an approval from its shareholders. Options lapsed in accordance with the terms of the Scheme will not be counted for the purpose of calculating such 10% limit.

Notwithstanding any other provisions of the Scheme, the maximum number of the shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Scheme and any other share option schemes of the Company shall not exceed 30% of the total number of shares in issue from time to time.

37. 以股份支付的僱員薪酬(續)

於釐定各參與者的資格標準時，董事會將考慮其可能酌情認為恰當的因素。

該計劃自獲採納日期起計有效期為十年，在限期後不會再授出購股權，惟在所有其他方面，該計劃的條文仍具有十足效力及作用，於該計劃期限內授出的購股權可按其授出條款繼續行使。

根據該計劃授出之各購股權之股份行使價將為僅由董事會釐定及告知參與者之價格，以及將為以下之最高者：

- (a) 於要約獲承授人接納的營業日(或如要約獲承授人接納當日並非營業日，則為緊接該日前的營業日)聯交所日報表所報的本公司股份收市價；
- (b) 緊接要約獲承授人接納前五個營業日聯交所日報表所報的本公司股份平均收市價(惟倘本公司股份於要約獲承授人接納當日前已上市的日子數少於五個營業日，則新發行價應用作股份上市前期間任何營業日的收市價)；及
- (c) 一股本公司股份面值。

因行使根據該計劃及本公司任何其他購股權計劃授出的所有購股權可發行的股份總數，合共不得超過股份於聯交所開始買賣當日已發行股份總數的10% (「計劃授權限額」)，惟本公司取得股東的批准則除外。計算該10%限額並不計及根據該計劃條款已失效的購股權。

儘管該計劃另有任何其他規定，於行使該計劃及本公司任何其他購股權計劃的已授出但尚未行使的所有未行使購股權時，最多可發行的股份數目不得超過不時已發行股份總數的30%。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

37. SHARE-BASED EMPLOYEE COMPENSATION (Cont'd)

Unless approved by the shareholders, the total number of shares issued and to be issued upon exercise of the Options granted to each participant (including both exercised and outstanding Options) in any 12-month period shall not exceed 1% of the total number of shares in issue.

Offer of an option ("Offer") shall be deemed to have been accepted by any Participant (the "Grantee") who accepts an Offer in accordance with the terms of the Scheme and the option to which the Offer relates shall be deemed to have been granted and to have taken effect when the duplicate of the offer letter comprising acceptance of the Offer duly signed by the Grantee together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the granting thereof is received by the Company within 30 days from the date upon which the Offer is made.

On 28 June 2016, the Company granted share options under the Scheme to certain Participants which will enable the Grantees to subscribe for a total of 285,800,000 ordinary shares of HK\$0.01 each in the share capital of the Company.

Details of the Options granted by the Company pursuant to the Scheme and the Options outstanding as at 31 December 2017 and 31 December 2016 are as follows:

		Date of grant (dd/mm/yyyy)	Exercisable period (dd/mm/yyyy)	Number of options 購股權數目					Balance at 31 December 2017	Exercise price per share HK\$
				Balance at 1 January 2017	Transfer during the year	Granted during the year	Exercised during the year	Lapsed during the year		
		授出日期 (日/月/年)	行使期間 (日/月/年)	於二零一七年 一月一日 的結餘	於年內轉撥	於年內授出	於年內行使	於年內失效	於二零一七年 十二月三十一 日的結餘	每股行使價 港元
Executive directors (Note 1)	執行董事(附註1)	28/06/2016	28/06/2016 to 27/06/2026	15,600,000	(1,650,000)	-	-	-	13,950,000	1.846
Executive directors (Note 2)	執行董事(附註2)	28/06/2016	28/06/2017 to 27/06/2026	15,600,000	1,350,000	-	-	(3,000,000)	13,950,000	1.846
Executive directors (Note 3)	執行董事(附註3)	28/06/2016	28/06/2018 to 27/06/2026	20,800,000	1,800,000	-	-	(4,000,000)	18,600,000	1.846
Employees (Note 1)	僱員(附註1)	28/06/2016	28/06/2016 to 27/06/2026	70,140,000	(1,350,000)	-	(300,000)	-	68,490,000	1.846
Employees (Note 2)	僱員(附註2)	28/06/2016	28/06/2017 to 27/06/2026	70,140,000	(1,350,000)	-	(300,000)	-	68,490,000	1.846
Employees (Note 3)	僱員(附註3)	28/06/2016	28/06/2018 to 27/06/2026	93,520,000	(1,800,000)	-	-	(400,000)	91,320,000	1.846
Others (Note 1)	其他(附註1)	28/06/2016	28/06/2016 to 27/06/2026	-	3,000,000	-	-	-	3,000,000	1.846
				285,800,000	-	-	(600,000)	(7,400,000)	277,800,000	

37. 以股份支付的僱員薪酬(續)

除非獲股東批准，於任何十二個月期間因行使授予每名參與者的購股權(包括已行使及尚未行使的購股權)而已發行及將予發行的股份總數，不得超過已發行股份總數的1%。

任何參與者(「承授人」)凡按照該計劃的條款接納購股權要約(「要約」)，即被視為接納要約，而當載有接納要約的要約書副本由承授人妥為簽署，並在本公司作出要約當日起30日內，接獲承授人在接納購股權時須向本公司支付1.00港元作為授出購股權的代價後，與要約有關的購股權即被視為已授出並生效。

於二零一六年六月二十八日，本公司根據該計劃向若干參與者授出購股權，使承授人能夠認購本公司股本中合共285,800,000股每股面值0.01港元的普通股。

本公司根據該計劃授出及於二零一七年十二月三十一日及二零一六年十二月三十一日尚未行使的購股權詳情如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

37. SHARE-BASED EMPLOYEE COMPENSATION (Cont'd)

37. 以股份支付的僱員薪酬(續)

		Date of grant (dd/mm/yyyy)	Exercisable period (dd/mm/yyyy)	Number of options 購股權數目				Balance at 31 December 2016	Exercise price per share HK\$
				Balance at 1 January 2016	Granted during the year	Exercised during the year	Lapsed during the year		
		授出日期 (日/月/年)	行使期間 (日/月/年)	於二零一六年 一月一日 的結餘	於年內授出	於年內行使	於年內失效	於二零一六年 十二月三十一日 的結餘	每股行使價 港元
Executive directors (Note 1)	執行董事(附註1)	28/06/2016	28/06/2016 to 27/06/2026	-	15,600,000	-	-	15,600,000	1.846
Executive directors (Note 2)	執行董事(附註2)	28/06/2016	28/06/2017 to 27/06/2026	-	15,600,000	-	-	15,600,000	1.846
Executive directors (Note 3)	執行董事(附註3)	28/06/2016	28/06/2018 to 27/06/2026	-	20,800,000	-	-	20,800,000	1.846
Employees (Note 1)	僱員(附註1)	28/06/2016	28/06/2016 to 27/06/2026	-	70,140,000	-	-	70,140,000	1.846
Employees (Note 2)	僱員(附註2)	28/06/2016	28/06/2017 to 27/06/2026	-	70,140,000	-	-	70,140,000	1.846
Employees (Note 3)	僱員(附註3)	28/06/2016	28/06/2018 to 27/06/2026	-	93,520,000	-	-	93,520,000	1.846
					-	285,800,000	-	-	285,800,000

Note 1: The options were vested immediately on the date of grant.

附註1: 購股權於授出日期即時歸屬。

Note 2: The options granted are subject to the vesting period from the date of grant up to 27 June 2017.

附註2: 所授出的購股權受自授出日期起至二零一七年六月二十七日止之歸屬期所規限。

Note 3: The options granted are subject to the vesting period from the date of grant up to 27 June 2018.

附註3: 所授出的購股權受自授出日期起至二零一八年六月二十七日止之歸屬期所規限。

Note 4: The weighted average share price at the dates of exercise for share options during the year was HK\$2.25 per share.

附註4: 於本年度行使購股權當日之加權平均股價為每股2.25港元。

The closing price of the Company's shares immediately before 28 June 2016, the date of grant, was HK\$1.820.

本公司股份於緊接二零一六年六月二十八日(授出日期)前的收市價為1.820港元。

There is no performance condition for the Options to vest.

購股權並無表現條件需予歸屬。

The fair values of the Options determined at the date of grant using the Binomial Option Pricing Model were HK\$276,156,000 (equivalent to approximately RMB236,030,000). During the year ended 31 December 2017, the Group recognised the total expense of RMB80,408,000 (2016: RMB128,404,000) in relation to share options granted by the Company.

於授出日期以二項式期權定價模型釐定的購股權公允價值為276,156,000港元(相當於約人民幣236,030,000元)。截至二零一七年十二月三十一日止年度,本集團就本公司授出之購股權確認總開支人民幣80,408,000元(二零一六年:人民幣128,404,000元)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

37. SHARE-BASED EMPLOYEE COMPENSATION (Cont'd)

The following assumptions were used to calculate the fair values of share options on 28 June 2016:

Grant date share price	HK\$1.820
Exercise price	HK\$1.846
Expected life	8 to 10 years
Expected volatility	64.787%
Dividend yield	0.55%
Risk free interest rate	0.965%

The Binomial Option Pricing Model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the best estimate of the directors of the Company. Changes in variables and assumptions may result in changes in the fair value of the Options.

38. RETIREMENT BENEFIT SCHEME

Hong Kong

The Group has joined a Mandatory Provident Fund Scheme (the "MPF Scheme") for its employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Fund Scheme Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rule of the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the MPF Scheme.

The retirement benefit scheme contributions arising from the MPF Scheme charged to the consolidated statement of profit or loss represent contributions payable to the funds by the Group at rates specified in the rules of the scheme.

The PRC

The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefit scheme operated by the government of the PRC. The subsidiaries are required to contribute a certain percentage of the salaries of their employees to the state-managed retirement benefit scheme. The only obligation of the Group with respect to the retirement benefit scheme is to make the required contributions under the scheme.

During the year, the retirement benefit scheme contributions amounted to RMB20,167,000 (2016: RMB12,857,000). No forfeited contributions have been used to reduce the level of contributions in both years.

37. 以股份支付的僱員薪酬(續)

以下假設乃用於計算購股權於二零一六年六月二十八日的公允價值：

於授出日期的股價	1.820港元
行使價	1.846港元
預期年期	8至10年
預期波幅	64.787%
股息率	0.55%
無風險利率	0.965%

二項式期權定價模型已用於估計購股權的公允價值。用於計算購股權公允價值的可變因素及假設乃根據本公司董事最佳估計得出。可變因素及假設的變動可能導致購股權公允價值出現變動。

38. 退休福利計劃

香港

本集團已參加一項為其在香港之僱員設立之強制性公積金計劃(「強積金計劃」)。強積金計劃已根據強制性公積金計劃條例在強制性公積金計劃管理局註冊。強積金計劃之資產與本集團之資產分開處理，由獨立受託人管理之基金持有。根據強積金計劃之規則，僱主及僱員須分別按規則指定之比率對強積金計劃供款。本集團就強積金計劃承擔之責任僅限於根據強積金計劃作出指定供款。

自綜合損益表中扣除有關強積金計劃之退休福利計劃供款乃本集團按該計劃規則訂明之比率須撥入基金之供款額。

中國

本集團中國附屬公司之僱員參與中國政府營運之國家管理退休福利計劃。附屬公司須按僱員薪金之若干比率向國家管理退休福利計劃供款。本集團就該退休福利計劃承擔之責任僅限於根據該計劃作出指定供款。

年內，退休福利計劃供款為人民幣20,167,000元(二零一六年：人民幣12,857,000元)。概無利用沒收供款減低兩個年度內之供款水平。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

39. CAPITAL RISK MANAGEMENT

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing properties commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristic of the underlying assets.

The Group monitors capital on the basis of the net debt to equity ratio. For this purpose the net debt is defined as borrowings less cash and cash equivalents. The Group's goal in capital management is to maintain a net debt to equity ratio at a reasonable level. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders, raise new debt financing or sell assets to reduce debts.

The Group's overall strategy in capital management remains unchanged from prior year.

40. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

Categories of financial instruments

Financial assets

Loans and receivables (including bank balances and cash)

Financial assets at FVTPL

AFS investments

金融資產

貸款及應收款項(包括銀行結餘及現金)

按公允價值計入損益之金融資產

可供出售投資

Financial liabilities

Financial liabilities measured at amortised cost

Derivative financial instruments

金融負債

按攤銷成本計量的金融負債

衍生金融工具

The Group is exposed to a variety of financial risks: currency risk, interest rate risk, price risk, credit risk and liquidity risk. The Group's overall risk management focuses on unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group currently does not have any written risk management policies and guidelines. However, the directors of the Company meet periodically to analyse and formulate strategies to manage and monitor financial risks.

The Group is not engaged in the trading of financial assets for speculative purposes. The most significant financial risks to which the Group is exposed are described below.

39. 資本風險管理

本集團管理資本的主要目標是保障本集團可持續經營能力，以不斷為股東提供回報及為其他利益相關方帶來利益。方法包括依照風險水平釐定物業價格，及以合理的成本進行融資。

本集團根據經濟狀況的變動及相關資產的風險特性管理資本結構並作出相應調整。

本集團按淨負債權益比率的基準監察其資本。就此而言，淨負債的定義為借貸減現金及現金等價物。本集團資本管理的目標為將淨負債權益比率維持於合理的水平。為維持或調整資本結構，本集團可調整派付予股東的股息款額、發行新股份、退還股本予股東、籌集新債務融資或出售資產減債。

自上年度起，本集團資本管理的整體策略維持不變。

40. 財務風險管理的政策及目標

金融工具類別

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Financial assets	金融資產		
Loans and receivables (including bank balances and cash)	貸款及應收款項(包括銀行結餘及現金)	7,514,221	5,845,479
Financial assets at FVTPL	按公允價值計入損益之金融資產	150,000	200,000
AFS investments	可供出售投資	444,259	561,048
Financial liabilities	金融負債		
Financial liabilities measured at amortised cost	按攤銷成本計量的金融負債	22,202,042	13,227,074
Derivative financial instruments	衍生金融工具	111,078	120,496

本集團承受多種財務風險：貨幣風險、利率風險、價格風險、信貸風險及流動資金風險。本集團的整體風險管理重點在於金融市場的不可預測性，並尋求將對本集團財務表現的潛在不利影響降至最低。本集團現時並無任何明文的風險管理政策及指引。然而，本公司董事定期召開會議，以分析及制定措施以管理及監控財務風險。

本集團並無從事以投機為目標的金融資產買賣。本集團所面對的最主要財務風險載列如下。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

40. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (Cont'd)

40.1 Currency risk

Certain subsidiaries of the Company have foreign currency denominated monetary assets and liabilities, which expose the Group to foreign currency risk. The Group currently does not have a policy to hedge the foreign currency exposure. However, the management monitors the related foreign currency fluctuation closely and will consider entering into foreign exchange forward contracts to hedge significant portion of the foreign currency risk should the need arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date as follows:

	Assets 資產		Liabilities 負債		
	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	
US\$	美元	78,760	332,423	705,250	746,227
HK\$	港元	132,086	123,741	825,193	672,983

Sensitivity analysis

The Group is mainly exposed to the currency of US\$ and HK\$.

The following table details the Group's sensitivity to a 5% increase and decrease in RMB against the relevant foreign currency. 5% is the sensitivity rate used when reporting foreign currency risk internally to directors of the Company's assessment of the reasonably possible change in foreign exchange rates.

40. 財務風險管理的政策及目標(續)

40.1 貨幣風險

本公司若干附屬公司之貨幣資產及負債以外幣計值，故本集團面臨外匯風險。本集團現時並無對沖外匯風險之政策。然而，管理層會密切監控有關外匯波動，並於有需要時考慮簽訂外匯遠期合約以對沖重大外匯風險。

本集團以外幣計值之貨幣資產及貨幣負債於報告日期之賬面值如下：

敏感度分析

本集團主要面臨港元及美元貨幣風險。

下表詳述本集團對人民幣兌相關外幣增減5%的敏感度。5%為向本公司董事內部匯報外幣風險時所使用的敏感度比率，反映本公司董事對外幣匯率出現合理可能變動之評估。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

40. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (Cont'd)

40.1 Currency risk (Cont'd)

Sensitivity analysis (Cont'd)

The sensitivity analysis includes only outstanding foreign currency denominated monetary items assuming the balances at the end of the reporting period outstanding for the whole year and adjusts their translation at the year end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit where RMB strengthen 5% against the relevant currency. For a 5% weakening of RMB against the relevant currency, there would be an equal and opposite impact on the profit, and the balances below would be negative.

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
US\$	美元		
Profit or loss	損益	23,493	15,518
HK\$	港元		
Profit or loss	損益	25,992	20,597

In the management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

40.2 Interest rate risk

The Group has significant borrowings (see note 30 for details) with floating interest rate which are exposed to cash flow interest-rate risk. Certain bank loans and certain other borrowings, certain restricted bank deposits, certain bank balances, convertible bonds and senior notes and bond carried at fixed rates which expose the Group to fair value interest rate risk. During the year, the Group has not hedged its cash flow and fair value interest rate risks.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for variable-rate borrowings at the end of the reporting period. The analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 (2016: 50) basis point increase or decrease is used when reporting interest rate risk internally to directors of the Company's assessment of the reasonably possible change in interest rates.

40. 財務風險管理的政策及目標(續)

40.1 貨幣風險(續)

敏感度分析(續)

敏感度分析僅包括以外幣折算之尚未支付貨幣項目(假設報告期末結餘於整個年度未結算)，並於年結時以外幣匯率變動5%作匯兌調整。下列之正數數字反映人民幣兌有關外幣升值5%時，盈利會有所增加。人民幣兌有關外幣貶值5%時，盈利將構成等值及相反影響，而下列結餘將為負數。

	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
US\$		
Profit or loss	23,493	15,518
HK\$		
Profit or loss	25,992	20,597

管理層認為，由於年末風險不反映年內風險，故敏感度分析未能代表內在的外幣風險。

40.2 利率風險

本集團有以浮息利率計算的重大借貸(詳情見附註30)承受現金流量利率風險。若干銀行貸款及若干其他借貸、若干受限制銀行存款、若干銀行結餘、可換股債券及定息優先票據及債券使本集團承受公允價值利率風險。年內，本集團並無對沖其現金流量及公允價值利率風險。

敏感度分析

以下敏感度分析乃根據浮息借貸於報告期末面對之利率風險釐定。分析乃假設報告期末負債餘額於整個年度尚未償還而編製。向本公司董事內部申報利率風險時採用50(二零一六年：50)個基點增減，反映本公司董事對利率合理可能出現之變動之評估。

40. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (Cont'd)

40.2 Interest rate risk (Cont'd)

Sensitivity analysis (Cont'd)

If interest rates had been 50 (2016: 50) basis points higher/lower and all other variables were held constant, the Group's post-tax profit for the year would decrease/increase by approximately RMB20,298,000 (2016: RMB15,635,000), net of interest that would be capitalised in accordance with the Group's accounting policy.

Sensitivity analysis on bank deposits is not presented as the directors of the Company consider that the Group's exposure to interest rate fluctuations on bank deposits is insignificant.

40.3 Credit risk

As at 31 December 2017, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group is arising from the carrying amounts of the respective recognised financial assets as stated in the consolidated statement of financial position and the amount of contingent liabilities in relation to financial guarantees issued by the Group as disclosed in note 44.

The Group's credit risk is primarily attributable to its accounts and other receivables, amount due from a joint venture, related companies and non-controlling interests, and amount of contingent liabilities in relation to the financial guarantees provided by the Group. The amounts presented in the consolidated statement of financial position are net of allowances for bad and doubtful debts, estimated by the Group's management based on prior experience and their assessment of the current economic environment.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers, except for amounts due from a joint venture, related parties and non-controlling interests of RMB738,206,000 (2016: RMB892,055,000) in aggregate at 31 December 2017. The credit risk on liquid funds and the money market funds is limited because the funds have been deposited or contracted with various creditworthy financial institutions located in Hong Kong and the PRC.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt, amounts due from a joint venture, related parties and non-controlling interests at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

40. 財務風險管理的政策及目標(續)

40.2 利率風險(續)

敏感度分析(續)

倘利率增加/減少50(二零一六年: 50)個基點而所有其他變數維持不變, 本集團扣除按照本集團會計政策資本化利息後的年內除稅後盈利將減少/增加約人民幣20,298,000元(二零一六年: 人民幣15,635,000元)。

銀行存款之敏感度分析並未呈列, 因本公司董事認為本集團銀行存款利率浮動風險並不重大。

40.3 信貸風險

於二零一七年十二月三十一日, 由於交易方未有履行責任及本集團提供財務擔保而對本集團造成財務損失的最大信用風險承擔由綜合財務狀況報表所載各確認金融資產的賬面值及與本集團所發出財務擔保有關的或然負債金額而產生, 於附註44中作出披露。

本集團信貸風險主要來自有關本集團提供財務擔保之應收賬款及其他應收款項、應收一間合營公司、關聯公司及非控股權益款項, 及或然負債款項。綜合財務狀況報表所示金額已扣除呆壞賬撥備, 由本集團管理層根據過往經驗及對當時經濟環境的評估作出估計。

本集團並無重大集中之信貸風險, 且交易方及客戶數目眾多, 能夠分散風險, 惟於二零一七年十二月三十一日應收一間合營公司、關聯方及非控股權益款項人民幣合共為738,206,000元(二零一六年: 人民幣892,055,000元)。由於資金存放或簽約於香港及中國具良好信譽的金融機構, 故有關流動資金及貨幣市場基金的信貸風險有限。

為將信貸風險減至最低, 本集團管理層已委派團隊, 負責釐定信貸限額、信貸審批及其他監控程序, 以確保採取跟進措施收回逾期債務。此外, 本集團於各報告期末檢討各項個別貿易債項、應收一間合營公司、應收關聯方及非控股權益款項的可收回金額, 以確保就不可收回金額作出足夠減值虧損。

40. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (Cont'd)

40.3 Credit risk (Cont'd)

For properties sold, the Group typically provides guarantees to banks in connection with the purchasers' borrowing of mortgage loans to finance their purchase of the properties for an amount up to 70% of the purchase price of the individual property. If a purchaser defaults on the payment of its mortgage during the period of guarantee, the bank holding the mortgage may demand the Group to repay the outstanding loan and any interest accrued thereon. Under such circumstances, the Group is able to forfeit the sales deposit received and resell the repossessed properties. Therefore, the management considers the Group would likely recover any loss incurred arising from the guarantees. The management considers the credit risk exposure to financial guarantees provided to property purchasers is limited because the facilities are secured by the properties and the market price of the properties is higher than the guaranteed amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

40.4 Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In the opinion of the directors of the Company, the Group does not have any significant liquidity risk exposure.

The Group's policy is to regularly monitor its liquidity requirements to ensure that the Group maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term financial liabilities.

The following table shows the remaining contractual maturities at the end of the reporting period of the non-derivative financial liabilities, based on undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on current rates at the end of the reporting period) and the earliest dates the Group can be required to pay.

Specifically, for term loans which contain a repayment on demand clause which can be exercised at the bank's sole discretion, the analysis shows the cash outflows based on the earliest period in which the Group can be required to pay, that is if the lenders were to invoke their unconditional rights to call the loans with immediate effect. The maturity analysis for other bank borrowings is prepared based on the scheduled repayment dates.

For derivative financial instruments to be settled on a net basis, undiscounted net (inflows) and outflows are presented.

40. 財務風險管理的政策及目標(續)

40.3 信貸風險(續)

就售出物業而言，本集團通常就買方為購買物業籌集資金所借入按揭貸款而向銀行提供擔保，擔保金額最高為個別物業購買價之70%。倘買方於擔保期間未能償還按揭，則持有按揭之銀行可要求本集團償還未償還貸款及任何有關應計利息。在此等情況下，本集團可沒收已收銷售按金並重新銷售收回物業。因此，管理層認為本集團所提供擔保引致之任何虧損均有可能收回。管理層認為，由於該等融資以物業作擔保，而物業之市價高於擔保金額，故提供予物業買方之金融擔保所承受的信貸風險有限。就此而言，本公司董事認為本集團之信貸風險已顯著降低。

40.4 流動資金風險

於管理流動資金風險時，本集團監控及維持現金及現金等價物達到管理層認為充足的水平，以便為本集團業務提供資金及減低現金流量波動的影響。本公司董事認為，本集團並無任何重大流動資金風險。

本集團的政策為定期監控其流動資金需要，以確保本集團維持充裕現金儲備來滿足其短期及長期金融負債的流動資金需要。

下表列示按未折現現金流量(包括按合約利率或(如為浮息)按報告期末的現行利率計算的利息金額)及本集團可被要求還款的最早日期呈列的於報告期末的非衍生金融負債的餘下合約期限。

具體而言，對於涵蓋銀行可全權酌情行使的按要求償還條款的定期貸款，有關分析按本集團可被要求還款的最早期間(即倘貸方擬行使其無條件權利要求即時償還貸款)呈列現金流出。其他銀行借貸的到期日分析則按計劃還款日期編製。

就將以淨值結算之衍生金融工具而言，未折現現金(流入)及流出淨額已呈列。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

40. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (Cont'd)

40. 財務風險管理的政策及目標(續)

40.4 Liquidity risk (Cont'd)

40.4 流動資金風險(續)

		Weighted average effective interest rate	Less than 1 year or on demand	After 1 year but less than 2 years	After 2 years but less than 5 years	After 5 years	Total contractual undiscounted cash flows 未折現金約 現金流量 總額	Carrying amount 賬面值
		%	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
2017	二零一七年							
Non-derivative financial liabilities	非衍生金融負債							
Accounts payable	應付賬款	-	600,037	-	-	-	600,037	600,037
Accruals and other payables	應計費用及其他應付款項	-	2,803,224	-	-	-	2,803,224	2,803,224
Bank and other borrowings	銀行及其他借貸	5.89	4,288,874	2,513,647	5,410,440	3,302,294	15,515,255	12,958,277
Senior notes and bond	優先票據及債券	7.51	405,781	405,781	5,782,278	-	6,593,840	5,250,854
Debt component of convertible bonds	可換股債券之債務部分	19.98	693,260	-	-	-	693,260	589,650
Financial guarantee contracts (note 44)	財務擔保合約(附註44)	-	379,165	-	-	-	379,165	-
			9,170,341	2,919,428	11,192,718	3,302,294	26,584,781	22,202,042
Derivatives – net settlement	衍生工具 – 淨額結算							
Derivative financial instruments	衍生金融工具	-	111,078	-	-	-	111,078	111,078
2016	二零一六年							
Non-derivative financial liabilities	非衍生金融負債							
Accounts payable	應付賬款	-	921,438	-	-	-	921,438	921,438
Accruals and other payables	應計費用及其他應付款項	-	220,617	108,566	-	-	329,183	329,183
Bank and other borrowings	銀行及其他借貸	5.62	4,000,624	2,390,298	1,611,149	1,849,577	9,851,648	8,764,256
Senior notes and bond	優先票據及債券	6.50	169,000	169,000	3,093,930	-	3,431,930	2,586,467
Loans from non-controlling interests	非控股權益貸款	-	66,544	-	-	-	66,544	66,544
Debt component of convertible bonds	可換股債券之債務部分	19.98	38,177	727,707	-	-	765,884	559,186
Financial guarantee contracts (note 44)	財務擔保合約(附註44)	-	2,479,495	-	-	-	2,479,495	-
			7,895,895	3,395,571	4,705,079	1,849,577	17,846,122	13,227,074
Derivatives – net settlement	衍生工具 – 淨額結算							
Derivative financial instruments	衍生金融工具	-	-	120,496	-	-	120,496	120,496

The amounts included above for financial guarantee contracts are the maximum amounts the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparties to the guarantee. Based on the expectation at the end of the reporting period, the Group considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparties claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparties which are guaranteed suffer credit losses.

上述計入財務擔保合約的款項為倘交易對方追討有關擔保，本集團根據安排就全部擔保須支付的最高金額。按照報告期末預期，本集團認為根據安排須要繳付該款項的可能性很低。然而，這估計可能會改變，取決於持有已擔保財務應收賬款的交易對方遭受信貸損失而按擔保條款追討的可能性。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

40. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (Cont'd)

40.4 Liquidity risk (Cont'd)

The table that follows summarises the maturity analysis of term loans with a repayment on demand clause based on agreed scheduled repayments set out in the loan agreements. The amounts include interest payments computed using contractual rates. As a result, these amounts were greater than the amounts disclosed in the "on demand" time band in the maturity analysis above. Taking into account the Group's financial position, the directors do not consider that it is probable that the banks will exercise their discretion to demand immediate repayment. The directors believe that such term loans will be repaid in accordance with the scheduled repayment dates set out in the loan agreements.

Maturity analysis of term loans subject to a repayment on demand clause based on scheduled repayments is as follows:

	On demand	Less than 6 months	6 to 12 months	1 to 5 years	Total undiscounted cash flows	Carrying amount
	按要求	少於六個月	六個月至十二個月	一年至五年	未折現現金流量總額	賬面值
	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
31 December 2017	–	91,691	41,858	–	133,549	131,236
二零一七年十二月三十一日	–	91,691	41,858	–	133,549	131,236
31 December 2016	249	43,902	45,217	–	89,368	87,609
二零一六年十二月三十一日	249	43,902	45,217	–	89,368	87,609

40.5 Price risk

The Group is exposed to price risk in connection with available-for-sale investments, which are listed equity securities in the PRC. The Group closely monitors the fluctuation of the prices and assesses the impact on the Group's consolidated financial statements.

If prices of equity securities have been 5% higher/lower and all other variables were held constant, the Group's investment revaluation reserve would increase/decrease by approximately RMB16,660,000 (2016: RMB21,039,000).

The Group is also exposed to other price risk arising from the outstanding derivative financial instruments with predetermined maturity date. The fair value of these derivative financial instruments is calculated using the Binomial Option Pricing Model detailed in note 31.

However, the management considers that the sensitivity analysis is unrepresentative of the inherent market risk as the pricing model used in the fair value valuation of these derivative financial statements which involves multiple variables are interdependent and the Company's exposure to fluctuation of the fair value is minimal.

The Group's exposure to other price risk for other financial assets (as disclosed in note 25) and derivative financial instruments (as disclosed in note 31) are not included in the above analysis as the management considers that such exposure is insignificant.

40. 財務風險管理的政策及目標(續)

40.4 流動資金風險(續)

下表概述附有按要求償還條款的定期貸款按貸款協議載列的議定還款日期的到期日分析。該等金額包括按合約利率計算的利息款項。因此，該等金額較以上到期日分析中「按要求」時間範圍內披露的金額為高。鑒於本集團的財務狀況，董事認為銀行不大可能行使其酌情權要求即時還款。董事相信該等定期貸款將按貸款協議所載的既定還款日期償還。

附有按要求償還條款的定期貸款按既定還款日期的到期日分析如下：

40.5 價格風險

本集團承受與可供出售投資相關之價格風險，有關可供出售投資為於中國的上市股權證券。本集團密切監察價格浮動及評估有關浮動對本集團綜合財務報表之影響。

倘股權證券價格增加／減少5%，而所有其他變數維持不變，本集團之投資重估儲備將增加／減少約人民幣16,660,000元(二零一六年：人民幣21,039,000元)。

本集團亦面對來自附有預定到期日之尚未行使衍生金融工具之其他價格風險。該等衍生金融工具的公允價值乃使用二項式期權定價模型計算，詳情載於附註31。

然而，管理層認為，由於評估該等衍生金融工具公允價值所用的定價模型涉及多項互相影響的可變因素，且本公司之公允價值波動風險為微不足道，故固有市場風險的敏感度分析並無代表性。

本集團就其他金融資產(於附註25中披露)及衍生金融工具(於附註31中披露)所面對之其他價格風險並未計入以上分析中，因管理層認為有關風險並不重大。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

40. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (Cont'd)

40.6 Fair value measurement of financial instruments

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

Some of the Group's financial instruments are measured at fair value for financial reporting purposes. In estimating the fair value, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The finance team of the Group works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial assets/ financial liabilities	金融資產/ 金融負債	Fair value as at 31 December 於十二月三十一日的公允價值		Fair value hierarchy 公允價值等級	Valuation technique(s) and key input(s) 估值技術及主要輸入數據	Significant unobservable input(s) 主要不可觀察輸入數據
		2017	2016			
		二零一七年 RMB'000 人民幣千元	二零一六年 RMB'000 人民幣千元			
Derivative financial instruments	衍生金融工具	111,078	120,496	Level 3 第三級	Binomial option pricing model The fair value is estimated based on the risk free rate, discount rate, share price, volatility of the share prices of the Company, dividend yield and exercise price. 二項式期權定價模式 公允價值乃按無風險利率、貼現率、股價、本公司股價波動、股息率及行使價釐定。	Volatility of the share prices determined by reference to the historical share prices of the Company (Note). 經參考本公司歷史股價後釐定的股價波幅(附註)。
Other financial assets	其他金融資產	150,000	200,000	Level 3 第三級	Discounted cash flow Future cash flows are estimated based on expected return, and the contracted investment costs, discounted at a rate that reflected the internal rate of return of varies underlying assets. 折現現金流量 未來現金流量基於預期回報率及已訂約投資成本估算，並以反映不同相關資產內部回報率的利率予以折現。	Internal rate of return of underlying assets. 相關資產內部回報率
Available-for-sale investments	可供出售投資	444,259	561,048	Level 1 第一級	Quoted bid price in an active market. 於活躍市場之買入價報價。	N/A 不適用

40. 財務風險管理的政策及目標(續)

40.6 金融工具的公允價值計量

本附註提供有關本集團如何釐定多項金融資產及金融負債公允價值的資料。

就財務報告目的而言，本集團部分金融工具乃按公允價值計量。在估計公允價值時，本集團在可得的範圍內使用市場可觀察數據。倘並無第一級輸入數據，本集團會委聘第三方合資格估值師進行估值。本集團財務團隊與合資格外聘估值師緊密合作，藉以設立適用之估值技術及模型之輸入數據。

按經常性基準以公允價值計量的本集團金融資產及金融負債的公允價值

本集團部分金融資產及金融負債於各報告期末按公允價值計量。下表提供有關如何釐定該等金融資產及金融負債公允價值的資料(尤其是所採用的估值技術及輸入數據)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

40. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (Cont'd)

40.6 Fair value measurement of financial instruments (Cont'd)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Cont'd)

Note: The higher the volatility of the share prices of the Company, the higher the fair value of the derivative financial instruments, and vice versa. For the volatility of the share prices of the Company used in the fair value measurement for derivative financial instruments, please refer to note 31.

A sensitivity analysis of significant input on the fair value of other financial assets is not presented as the management considers the impact is insignificant.

There is no transfer between different levels of the fair value hierarchy for both years.

Reconciliation of Level 3 fair value measurements

Net carrying amount as at 1 January	於一月一日的賬面淨值	120,496	–
Fair value upon issue	發行後的公允價值	–	135,518
Fair value gain recognised in profit or loss	於損益確認的公允價值收益	(2,373)	(15,022)
Exchange difference	匯兌差額	(7,045)	–
Net carrying amount as at 31 December	於十二月三十一日的賬面淨值	111,078	120,496

Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

Except for the senior notes and bond as detailed in note 32, the directors of the Company consider that the carrying amounts of financial assets and liabilities recorded as amortised cost in the consolidated financial statements approximate to their fair values.

The fair values of such financial assets and financial liabilities are determined in accordance with general accepted pricing models based on discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

40. 財務風險管理的政策及目標(續)

40.6 金融工具的公允價值計量(續)

按經常性基準以公允價值計量的本集團金融資產及金融負債的公允價值(續)

附註：本公司股價波動愈高，衍生金融工具的公允價值則愈高，反之亦然。有關衍生金融工具公允價值計量所採用的本公司股價波動，請參閱附註31。

其他金融資產公允價值重大輸入數據之敏感度分析並未呈列，因管理層認為其影響並不重大。

於兩個年度，公允價值等級各級之間概無轉移。

第三級公允價值計量的對賬

Conversion option derivative

兌換期權衍生工具

2017	2016
二零一七年	二零一六年
RMB'000	RMB'000
人民幣千元	人民幣千元

並非按經常性基準以公允價值計量(但須作出公允價值披露)的金融資產及金融負債的公允價值

除於附註32詳述之優先票據及債券外，本公司董事認為，於綜合財務報表內按攤銷成本列賬的金融資產及負債的賬面值與其公允價值相若。

有關金融資產及金融負債的公允價值乃根據基於貼現現金流量分析的一般公認定價模式釐定，其中最重要的輸入數據為反映交易對手信貸風險的貼現率。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

41. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

		Dividend payables	Borrowings	Convertible bonds	Senior notes and bond	Total
		應付股息	借貸	可換股債券	優先票據及債券	總值
		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
At 1 January 2017	於二零一七年一月一日	–	8,830,800	559,186	2,586,467	11,976,453
Financing cash flows	融資性現金流	(211,211)	3,635,196	(37,247)	2,470,874	5,857,612
Foreign exchange translation	外匯換算	–	(53,171)	(39,588)	(49,172)	(141,931)
Interest expenses	利息開支	–	545,452	107,299	242,685	895,436
Dividend declared	宣派股息	211,211	–	–	–	211,211
At 31 December 2017	於二零一七年十二月三十一日	–	12,958,277	589,650	5,250,854	18,798,781

41. 融資活動產生之負債對賬

下表為本集團融資活動產生之負債變動詳情，包括現金及非現金變動。融資活動產生之負債乃為現金流量或將來現金流量於本集團之綜合現金流量表分類為融資活動現金流量之負債。

42. COMMITMENTS

(a) Capital and other commitments

At the end of the reporting period, the Group has the following commitments:

		2017	2016
		二零一七年	二零一六年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Contracted but not provided for:	已訂約但未撥備：		
– Investment properties under development	– 在建投資物業	946,265	–
– Properties under development for sale	– 發展中待售物業	2,663,904	926,526
– Acquisition of equity interest (Note)	– 收購股權(附註)	1,890,000	1,890,000
		5,500,169	2,816,526

Note:

On 11 November 2016, Zone Asia Investments (HK) Limited ("Purchaser"), an indirect wholly-owned subsidiary of the Company, entered into the sale and purchase agreement with an independent third party ("Vendor"), pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to purchase 100% equity interest in Apex, a company incorporated in BVI at the consideration of RMB2,100 million, subject to adjustment mechanism. Apex holds 100% interest in Zhuhai Kaiwei Property Co., Ltd ("珠海凱威置業有限公司") which is engaged in property development in the PRC. As of 31 December 2017, the Group has paid 10% of the total consideration amounting to RMB210,000,000 in exchange for 10% equity interest in Apex (note 19(b)), which in substance is a deposit paid for acquisition of land use right. The commitment represents the remaining 90% equity interest, which will be payable after the Vendor obtains local government approval for the property development project. In case no government approval is granted, both the Purchaser and Vendor can cancel the agreement and the Group is entitled to obtain full refund of the deposit paid from the Vendor.

42. 承擔

(a) 資本及其他承擔

於報告期末，本集團有以下承擔：

		2017	2016
		二零一七年	二零一六年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Contracted but not provided for:	已訂約但未撥備：		
– Investment properties under development	– 在建投資物業	946,265	–
– Properties under development for sale	– 發展中待售物業	2,663,904	926,526
– Acquisition of equity interest (Note)	– 收購股權(附註)	1,890,000	1,890,000
		5,500,169	2,816,526

附註：

於二零一六年十一月十一日，崇亞投資(香港)有限公司(「收購方」，為本公司之間接全資附屬公司)與獨立第三方(「賣方」)訂立買賣協議，據此，賣方已同意出售而收購方已同意購買Apex(一間於英屬維爾京群島註冊成立之公司)之100%股權，代價為人民幣21億元(視乎調整機制)。Apex於珠海凱威置業有限公司持有100%權益，珠海凱威置業有限公司於中國從事物業開發。截至二零一七年十二月三十一日，本集團已支付總代價之10%，為數人民幣210,000,000元，以換取Apex 10%的股權(附註19(b))，該金額實質上為收購土地使用權之已付按金。該承擔相當於餘下90%股權，將於賣方取得地方政府之物業開發項目批覆後支付。倘並無取得政府批覆，則買方及賣方均可取消協議，而本集團有權向賣方收取已付按金之退款。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

42. COMMITMENTS (Cont'd)

(b) Operating lease arrangements

- (i) The Group had future aggregate minimum lease receipts under non-cancellable operating leases in respect of land and buildings which are receivable as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within one year	一年內	452,950	418,318
In the second to fifth years	第二至五年	815,542	781,172
Over five years	多於五年	188,746	183,692
		1,457,238	1,383,182

The Group leases out its investment properties under operating lease arrangements which run for initial periods of less than one year to fifteen years (2016: less than one year to eighteen years) or expire at dates as mutually agreed between the Group and the respective tenants, without an option to renew the lease terms at the expiry date. The terms of the leases generally also require the tenants to pay security deposits.

- (ii) The Group had future aggregate minimum lease payments under non-cancellable operating leases in respect of land and buildings which are payable as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within one year	一年內	30,973	21,900
In the second to fifth years	第二至五年	109,808	75,552
Over five years	多於五年	96,611	25,137
		237,392	122,589

The Group leases a number of properties under operating lease arrangements which run for initial periods of one year to fourteen years (2016: one year to eight years) or expire at dates as mutually agreed between the Group and the respective landlords, without an option to renew the lease terms at the expiry date.

42. 承擔(續)

(b) 經營租賃安排

- (i) 本集團根據不可撤銷經營租賃應收土地及樓宇的未來最低租金收入總額如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within one year	一年內	452,950	418,318
In the second to fifth years	第二至五年	815,542	781,172
Over five years	多於五年	188,746	183,692
		1,457,238	1,383,182

本集團根據經營租賃安排出租其投資物業，初步為期少於一年至十五年(二零一六年：少於一年至十八年)或按本集團與相關租戶共同協定的日期屆滿，惟並無附帶於屆滿日續租的選擇權。租約條款一般亦規定租戶支付保證按金。

- (ii) 本集團根據不可撤銷經營租賃應付土地及樓宇的未來最低租金費用總額如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within one year	一年內	30,973	21,900
In the second to fifth years	第二至五年	109,808	75,552
Over five years	多於五年	96,611	25,137
		237,392	122,589

本集團根據經營租賃安排租賃多項物業，初步為期一年至十四年(二零一六年：一年至八年)或按本集團與相關業主共同協定的日期屆滿，惟並無附帶於屆滿日續租的選擇權。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

43. PLEDGE OF ASSETS

At the end of the reporting period, the Group had the following assets being pledged.

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Properties under development for sale	發展中待售物業	2,735,309	2,329,077
Properties held for sale	待售物業	60,443	–
Investment properties	投資物業	13,419,429	8,979,534
Property, plant and equipment	物業、廠房及設備	226,426	273,241
Pledged deposits (note 26)	抵押存款(附註26)	1,488,431	1,511,723
		17,930,038	13,093,575

44. CONTINGENT LIABILITIES

The Group provided guarantees in respect of mortgage facilities granted by certain banks in connection with the mortgage loans entered into by purchasers of the Group's properties. Pursuant to the terms of the guarantees, if there is default of the mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage loans together with any accrued interest and penalty owed by the defaulted purchasers to the banks.

The Group's guarantee period commences from the date of grant of the relevant mortgage loan and ends upon the earlier of the buyer obtaining the individual property ownership certificate and the full settlement of mortgage loan by the buyer.

The maximum outstanding amount of guarantees given to banks for mortgage facilities granted to purchasers of the Group's properties, at the end of the reporting period is RMB379,165,000 (2016: RMB2,479,495,000).

The directors of the Company consider that it is not probable that the Group will sustain a loss under these guarantees, the Group can take over the ownership of the related properties and sell the properties to recover any amounts paid by the Group to the banks. The Group has not recognised any provision for liabilities in respect of these guarantees as its fair value is considered to be minimal by the directors. The directors also consider that the fair market value of the underlying properties is able to cover the outstanding mortgage loans guaranteed by the Group in the event the purchasers default payments to the banks.

43. 資產抵押

於報告期末，本集團以下資產已被抵押。

44. 或然負債

本集團為若干銀行就本集團物業買方訂立的按揭貸款而授出的按揭融資提供擔保。根據擔保條款，倘該等買方拖欠按揭付款，則本集團須負責償還尚未償付的按揭貸款連同違約買方應付銀行的任何應計利息及罰金。

本集團的擔保期由相關按揭貸款授出日期起，直至買家取得個人房產權證及悉數清償按揭貸款(以較早者為準)時為止。

於報告期末，就本集團物業買方獲授的按揭融資而向銀行作出擔保的最高尚未償還金額為人民幣379,165,000元(二零一六年：人民幣2,479,495,000元)。

本公司董事認為本集團不大可能因該等擔保而遭受虧損，而本集團可接管有關物業的所有權並將之出售，以收回本集團向銀行支付的任何金額。由於董事認為該等擔保的公允價值微不足道，故本集團並未就該等擔保確認任何負債撥備。董事亦認為，倘買方拖欠償還銀行貸款，相關物業的公允市價足以彌補本集團所擔保的未償還按揭貸款。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

45. RELATED PARTY TRANSACTIONS

Saved as disclosed elsewhere in these consolidated financial statements, the Group has the following transactions with related parties during the year:

(a) Transactions with related parties

The Group had the following transactions with a related party:

	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Development cost paid to Shenzhen Forsafe System Technology Co., Ltd., ("Forsafe") an entity controlled by an associate of the ultimate controlling party	2,054	1,570

Note: As detailed in the announcement issued by the Company dated 24 November 2017, the Company and Forsafe entered into the new security services agreement to enable Forsafe to continue to provide security services to the Group from 1 January 2018 to 31 December 2020.

(b) Balances with related parties

Details of the balances with related parties at the end of the reporting period are disclosed in the consolidated statement of financial position and notes 16, 24 and 29.

(c) Key management personnel compensation

The directors are of the opinion that the key management personnel were solely the directors of the Company. Remuneration paid to the Company's directors is disclosed in note 10.

(d) Securities provided by related parties

In 2016, certain secured bank loans with aggregate amount of RMB678,000,000 are jointly secured by properties owned by related companies controlled by Mr. Wong and the Group. All the securities have been released during the year ended 31 December 2017.

45. 關聯方交易

除綜合財務報表其他地方所披露者外，本集團年內與關聯方進行的交易如下：

(a) 與關聯方進行的交易

本集團與關聯方進行的交易如下：

	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Development cost paid to Shenzhen Forsafe System Technology Co., Ltd., ("Forsafe") an entity controlled by an associate of the ultimate controlling party	2,054	1,570

附註： 誠如本公司於二零一七年十一月二十四日發佈之公告所詳述，本公司與賦安訂立新安保服務協議，使賦安可於二零一八年一月一日至二零二零年十二月三十一日期間繼續向本集團提供安保服務。

(b) 關聯方之結餘

於報告期末與關聯方之結餘詳情於綜合財務狀況報表及附註16、24及29中披露。

(c) 主要管理人員薪酬

董事認為，主要管理人員僅包括本公司董事。已付本公司董事的薪酬於附註10中披露。

(d) 關聯方提供的抵押

於二零一六年，總計人民幣678,000,000元之若干有抵押銀行貸款由黃先生及本集團控制的關聯公司擁有之物業作共同抵押。截至二零一七年十二月三十一日止年度，所有抵押已解除。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

46. STATEMENT OF FINANCIAL POSITION OF THE COMPANY 46. 本公司財務狀況表

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Non-current assets	非流動資產		
Investments in subsidiaries	於附屬公司的投資	3,381,353	3,381,353
Amounts due from subsidiaries	應收附屬公司款項	9,134,279	8,766,102
		12,515,632	12,147,455
Current assets	流動資產		
Amounts due from subsidiaries	應收附屬公司款項	1,183,672	1,013,326
Deposits paid, prepayments and other receivables	已付按金、預付款項及其他應收款項	3,347	2,893
Bank balances and cash	銀行結餘及現金	49,110	306,918
		1,236,129	1,323,137
Current liabilities	流動負債		
Accruals and other payables	應計費用及其他應付款項	4,540	12,753
Amounts due to subsidiaries	應付附屬公司款項	21,477	4,472
Borrowings	借貸	122,877	86,767
Convertible bonds	可換股債券	589,650	-
Derivative financial instruments	衍生金融工具	111,078	-
		849,622	103,992
Net current assets	流動資產淨額	386,507	1,219,145
Total assets less current liabilities	總資產減流動負債	12,902,139	13,366,600
Non-current liabilities	非流動負債		
Borrowings	借貸	158,821	-
Convertible bonds	可換股債券	-	559,186
Derivative financial instruments	衍生金融工具	-	120,496
		158,821	679,682
Net assets	資產淨額	12,743,318	12,686,918
Capital and reserves	資本及儲備		
Share capital	股本	39,121	39,115
Reserves	儲備	12,704,197	12,647,803
Total equity	總權益	12,743,318	12,686,918

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

46. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Cont'd)

46. 本公司財務狀況表(續)

Note:

附註：

Details of the movement in the Company's reserves are set out below:

本公司儲備變動之詳情載列如下：

		Share premium 股份溢價 RMB'000 人民幣千元	Convertible preference share 可換股優先股 RMB'000 人民幣千元	Share option reserve 購股權儲備 RMB'000 人民幣千元	Exchange reserve 匯兌儲備 RMB'000 人民幣千元	Contributed surplus 實繳盈餘 RMB'000 人民幣千元	Retained profits 保留盈利 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Balance as at 1 January 2016	於二零一六年一月一日之結餘	6,299,142	5,959,114	-	30,165	(18)	40,188	12,328,591
Profit and total comprehensive income for the year	年度盈利及全面收益總額	-	-	-	-	-	230,924	230,924
Recognition of equity-settled share-based payments	確認以股權結算以股份支付之付款	-	-	128,404	-	-	-	128,404
Dividend declared and made	已宣派及派付之股息	-	-	-	-	-	(40,116)	(40,116)
Balance as at 31 December 2016	於二零一六年十二月三十一日之結餘	6,299,142	5,959,114	128,404	30,165	(18)	230,996	12,647,803
Profit and total comprehensive income for the year	年度盈利及全面收益總額	-	-	-	-	-	186,247	186,247
Exercise of share options	行使購股權	1,425	-	(475)	-	-	-	950
Recognition of equity-settled share-based payments	確認以股權結算以股份支付之付款	-	-	80,408	-	-	-	80,408
Dividend declared and made	已宣派及派付之股息	-	-	-	-	-	(211,211)	(211,211)
Balance as at 31 December 2017	於二零一七年十二月三十一日之結餘	6,300,567	5,959,114	208,337	30,165	(18)	206,032	12,704,197

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

47. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Particulars of the principal subsidiaries, each of which is a limited liability company, as at 31 December 2017 and 2016 are as follows:

47. 主要附屬公司的詳情

於二零一七年及二零一六年十二月三十一日主要附屬公司(均為有限公司)的詳情如下:

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment 註冊成立/ 成立地點	Issued and fully paid ordinary share capital/ registered capital 已發行及繳足普通股本/ 註冊資本	Effectively attributable equity interest		Principal activities (Place of operations) 主要業務(營業地點)
			實際應佔股本權益		
			Directly 直接	Indirectly 間接	
LVGEM (Suzhou) Real Estate Investment Company Limited 綠景(蘇州)地產投資有限公司	HK 香港	156 shares of HK\$1 each 156股每股面值1港元之股份	-	100% (2016: 100%) (二零一六年: 100%)	Administration vehicle of the Group (HK) 處理本集團行政工作(香港)
Prosper View Group Limited* ("PVGL") 協朗集團有限公司*(「協朗」)	HK 香港	10,000 shares of HK\$1 each 10,000股每股面值1港元之股份	-	51% (2016: 51%) (二零一六年: 51%)	Investment holding (HK) 投資控股(香港)
Suzhou Garden Villa Development & Management Co., Ltd. 蘇州錦華苑建設發展管理有限公司	PRC (Note (a)) 中國(附註(a))	US\$20,550,000 20,550,000美元	-	95% (2016: 95%) (二零一六年: 95%)	Property development and investment (PRC) 物業發展及投資(中國)
Suzhou New Heritage GF Limited ("SNHGF") 蘇州新綉地產有限公司(「蘇州新綉」)	PRC 中國	US\$26,600,000 26,600,000美元	-	61%* (2016: 61%*) (二零一六年: 61%*)	Property development and investment (PRC) 物業發展及投資(中國)
Suzhou New Heritage WZA Limited 蘇州新興地產有限公司	PRC (Note (b)) 中國(附註(b))	US\$8,000,000 8,000,000美元	-	100% (2016: 100%) (二零一六年: 100%)	Property development and investment (PRC) 物業發展及投資(中國)
New Heritage WJA Limited 吳江新澤地產有限公司	PRC (Note (b)) 中國(附註(b))	US\$13,000,000 13,000,000美元	-	100% (2016: 100%) (二零一六年: 100%)	Property development and investment (PRC) 物業發展及投資(中國)
Shenzhen LVGEM Asset Management Co., Ltd. 深圳市綠景資產管理有限公司	PRC (Note (b)) 中國(附註(b))	RMB6,000,000 人民幣6,000,000元	-	100% (2016: 100%) (二零一六年: 100%)	Property management service (PRC) 物業管理服務(中國)
Shenzhen LVGEM Hotel Co., Ltd. 深圳市綠景酒店有限公司	PRC (Note (b)) 中國(附註(b))	RMB10,000,000 人民幣10,000,000元	-	100% (2016: 100%) (二零一六年: 100%)	Hotel operation services (PRC) 酒店營運服務(中國)
Shenzhen LVGEM Jiyuan Property Management Service Co., Ltd. 深圳市綠景紀元管理服務有限公司	PRC (Note (b)) 中國(附註(b))	RMB500,000 人民幣500,000元	-	100% (2016: 100%) (二零一六年: 100%)	Property management service (PRC) 物業管理服務(中國)
Shenzhen LVGEM Marketing Co., Ltd. 深圳市綠景房地產策劃有限公司	PRC (Note (b)) 中國(附註(b))	RMB1,000,000 人民幣1,000,000元	-	100% (2016: 100%) (二零一六年: 100%)	Consultancy services (PRC) 顧問服務(中國)
Shenzhen LVGEM Property Management Co., Ltd. 深圳市綠景物業管理有限公司	PRC (Note (b)) 中國(附註(b))	RMB5,000,000 人民幣5,000,000元	-	100% (2016: 100%) (二零一六年: 100%)	Property management services (PRC) 物業管理服務(中國)

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

47. PARTICULAR OF PRINCIPAL SUBSIDIARIES (Cont'd)

47. 主要附屬公司的詳情(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment 註冊成立/ 成立地點	Issued and fully paid ordinary share capital/ registered capital 已發行及繳足普通股本/ 註冊資本	Effectively attributable equity interest		Principal activities (Place of operations) 主要業務(營業地點)
			Directly 直接	Indirectly 間接	
Shenzhen LVGEM Real Estate Development Co., Ltd. 深圳市綠景房地產開發有限公司	PRC (Note (b)) 中國(附註(b))	RMB150,000,000 人民幣150,000,000元	–	100% (2016: 100%) (二零一六年: 100%)	Property development (PRC) 物業發展(中國)
Yiyang Zhonghe Real Estate Co., Ltd. 益陽中核置業有限公司	PRC (Note (b)) 中國(附註(b))	RMB30,000,000 人民幣30,000,000元	–	100% (2016: 100%) (二零一六年: 100%)	Property development (PRC) 物業發展(中國)
Zhengxinglong Real Estate (Shenzhen) Co., Ltd. 正興隆房地產(深圳)有限公司	PRC (Note (b)) 中國(附註(b))	HK\$40,000,000 40,000,000港元	–	100% (2016: 100%) (二零一六年: 100%)	Property development (PRC) 物業發展(中國)
LVGEM Management LLC	USA 美國	US\$500,000 500,000美元	–	100% (2016: 100%) (二零一六年: 100%)	Property management service (USA) 物業管理服務(美國)
Jianmai Limited ("Jianmai") 景邁有限公司(「景邁」)	BVI 英屬維爾京群島	200 shares of US\$1 each 200股每股面值1美元之股份	–	75% (2016: 75%) (二零一六年: 75%)	Investment holding (HK) 投資控股(香港)
Wisdom Concept Development Limited 聰勁發展有限公司	HK 香港	2 shares of HK\$1 each 2股每股面值1港元之股份	–	75% (2016: 75%) (二零一六年: 75%)	Property development (HK) 物業發展(香港)
New Grade Investments Limited	BVI 英屬維爾京群島	500 shares of US\$1 each 500股每股面值1美元之股份	–	100% (2016: N/A) (二零一六年: 不適用)	Investment holding (BVI) 投資控股(英屬維爾京群島)
Olinda Limited	HK 香港	20 shares of HK\$1 each 20股每股面值1港元之股份	–	100% (2016: N/A) (二零一六年: 不適用)	Property investment (HK) 物業投資(香港)
World Margin Limited 世謙有限公司	HK 香港	800,000 shares of HK\$1 each 800,000股每股面值1港元之股份	–	100% (2016: 100%) (二零一六年: 100%)	Treasury vehicle (HK) 處理財資工作(香港)
Gemstones International Limited ("Gemstones") 碧玺国际有限公司(「碧玺」)	BVI 英屬維爾京群島	1 share of US\$1 1股1美元之股份	100% (2016: nil) (二零一六年: 無)	–	Treasury vehicle (BVI) 處理財資工作 (英屬維爾京群島)

* The Group has an effective interest of 51% (2016: 51%) in PVGL. In the opinion of the directors, the Group has the power to control over the relevant activities of PVGL and its subsidiary and PVGL and its subsidiary are consolidated in the financial statements of the Group accordingly.

* 本集團擁有協朗的51% (二零一六年: 51%) 實際股權。董事認為，本集團有權控制協朗及其附屬公司的相關業務，因此協朗及其附屬公司已在本集團財務報表中綜合入賬。

Approximate percentage.

概約百分比

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

47. PARTICULAR OF PRINCIPAL SUBSIDIARIES (Cont'd)

Notes:

- (a) This subsidiary is registered as a Sino-foreign cooperative joint venture under the PRC law.
- (b) These subsidiaries are registered as wholly foreign owned enterprises under the PRC law.
- (c) Except for Zhengxinglong, which issued the Bond on 26 August 2016 as disclosed in note 32, and Gemstones, which issued Private Notes and Senior Notes in 2017 as disclosed in notes 30 and 32 respectively, none of the remaining subsidiaries had issued any debt securities at the end of the reporting period.
- (d) The official names of the PRC subsidiaries are in Chinese. The English translation of the names is for reference only.

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affect the results for the year or form a substantial portion of the assets and liabilities of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Material non-controlling interests

Summarised consolidated financial information of PVGL and its subsidiary, Jianmai and its subsidiaries that have material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

Name of subsidiary	附屬公司名稱	Proportion of equity interest held by non-controlling interests		Total comprehensive income (expenses) allocated to non-controlling interests		Accumulated non-controlling interests	
		2017	2016	2017	2016	2017	2016
		二零一七年	二零一六年	二零一七年	二零一六年	二零一七年	二零一六年
		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
PVGL and its subsidiary	協朗及其附屬公司	49%	49%	4,172	6,320	39,666	35,494
Jianmai and its subsidiaries	景邁及其附屬公司	25%	25%	(43)	(2,866)	152,975	156,538
Individually immaterial subsidiaries with non-controlling interests	個別不屬重大並擁有非控股權益的附屬公司	N/A	N/A	(4,140)	3,600	40,500	41,120
				(11)	7,054	233,141	233,152

47. 主要附屬公司的詳情(續)

附註：

- (a) 該附屬公司根據中國法律登記為中外合資合營公司。
- (b) 該等附屬公司根據中國法律登記為外資獨資企業。
- (c) 除正興隆(如附註32所披露，其於二零一六年八月二十六日發行該債券)及碧瑩(如附註30及32所披露，其於二零一七年發行私募票據及優先票據)外，於報告期末，其餘附屬公司概無發行任何債務證券。
- (d) 中國附屬公司之官方名稱為中文，英文譯名僅供參考。

本公司董事認為，上表列出之本公司附屬公司，主要影響本集團本年度之業績或為本集團資產及負債之主要組成部分。董事認為詳細交待其他附屬公司之詳情會令篇幅過於冗長。

重大非控股權益

有關協朗及其附屬公司以及景邁及其附屬公司(其擁有重大非控股權益)之綜合財務資料概要載列如下。下表所載財務資料概要指於集團內公司間對銷前之金額。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

47. PARTICULAR OF PRINCIPAL SUBSIDIARIES (Cont'd)

Material non-controlling interests (Cont'd)

(i) PVGL and its subsidiary

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Current assets	流動資產	279,171	290,185
Non-current assets	非流動資產	3	781
Current liabilities	流動負債	(145,414)	(99,876)
Non-current liabilities	非流動負債	-	(66,544)
Non-controlling interests of SNHGF (Note)	蘇州新綉之非控股權益(附註)	(52,809)	(52,108)
Equity	權益	80,951	72,438
Equity attributable to owners of the Company	本公司股東應佔權益	41,285	36,944
Equity attributable to non-controlling interests	非控股權益應佔權益	39,666	35,494
		80,951	72,438
Revenue	收益	7,062	157,895
Other income	其他收入	8,318	2,999
Expenses	開支	(6,165)	(143,194)
Attributable to non-controlling interests of SNHGF (Note)	蘇州新綉非控股權益應佔(附註)	(701)	(4,801)
Profit for the year	年度盈利	8,514	12,899
Profit and total comprehensive income attributable to owners of the Company	本公司股東應佔盈利及全面收益總額	4,342	6,579
Profit and total comprehensive income attributable to non-controlling interests	非控股權益應佔盈利及全面收益總額	4,172	6,320
Profit and total comprehensive income for the year	年度盈利及全面收益總額	8,514	12,899
Net cash (used in) from operating activities	經營活動(所用)所得現金淨額	(8,714)	112,233
Net cash from investing activities	投資活動所得現金淨額	2,572	72,989
Net cash from financing activities	融資活動所得現金淨額	51	-
Net cash (outflow) inflow	現金(流出)流入淨額	(6,091)	185,222

Note: As at 31 December 2017, the Group holds 51% (2016: 51%) equity interest in PVGL, which indirectly holds 80% (2016: 80%) equity interest in SNHGF. In addition, the Group also indirectly holds the remaining 20% (2016: 20%) equity interest in SNHGF. Therefore, the Group effectively holds 61% (2016: 61%) in SNHGF.

附註：於二零一七年十二月三十一日，本集團持有協朗51%股權(二零一六年：51%)，協朗間接持有蘇州新綉80%股權(二零一六年：80%)。此外，本集團亦間接持有蘇州新綉餘下20%股權(二零一六年：20%)。因此，本集團實際持有蘇州新綉61%(二零一六年：61%)股權。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

47. PARTICULAR OF PRINCIPAL SUBSIDIARIES (Cont'd)

47. 主要附屬公司的詳情(續)

Material non-controlling interests (Cont'd)

重大非控股權益(續)

(ii) Jianmai and its subsidiaries

(ii) 景邁及其附屬公司

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Current assets	流動資產	677,033	702,260
Current liabilities	流動負債	(65,133)	(76,109)
Equity	權益	611,900	626,151
Equity attributable to owners of the Company	本公司股東應佔權益	458,925	469,613
Equity attributable to non-controlling interests	非控股權益應佔權益	152,975	156,538
		611,900	626,151
Revenue	收益	-	-
Other income	其他收入	-	2
Expenses	開支	(171)	(11,464)
Loss for the year	年度虧損	(171)	(11,462)
Loss and total comprehensive expense attributable to owners of the Company	本公司股東應佔虧損及全面收益總額	(128)	(8,596)
Loss and total comprehensive expense attributable to non-controlling interests	非控股權益應佔虧損及全面收益總額	(43)	(2,866)
Loss and total comprehensive expense for the year	年度虧損及全面收益總額	(171)	(11,462)
Net cash from (used in) operating activities	經營活動所得(所用)現金淨額	15,972	(712,581)
Net cash from financing activities	融資活動所得現金淨額	-	551,137
Net cash inflow (outflow)	現金流入(流出)淨額	15,972	(161,444)

48. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, the Group had following significant events:

(a) Issue of convertible preference shares (the “2018 CPS”)

As detailed in the announcements issued by the Company dated 7 February 2018, on 7 February 2018, the Company entered into the 2018 CPS subscription agreement with Silver Sure (BVI) Investments Limited, an independent third party to the Group and as the 2018 CPS subscriber pursuant to which the 2018 CPS subscriber agreed to subscribe for 132,564,669 new CPS at the aggregate consideration of approximately HK\$389.47 million (equivalent to RMB325.56 million).

The subscription of the 2018 CPS represents approximately 3.88% of the total number of CPS as at 31 December 2017 and approximately 3.74% of the total number of issued CPS as enlarged by the issue of the 2018 CPS. The 2018 CPS may be converted into ordinary shares. Assuming full conversion of the 2018 CPS, an aggregate of 132,564,669 ordinary shares will be issued. The ordinary shares represent approximately 2.81% of the total number of shares currently in issue and approximately 2.73% of the total number of enlarged issued shares of the Company. The allotment and issue of 2018 CPS was completed on 21 February 2018.

Key terms of the 2018 CPS

- Holder of the 2018 CPS will be entitled to receive notices of and to attend the general meetings of the Company but are not permitted to vote unless a resolution is proposed to vary the rights of holder of the 2018 CPS or a resolution is proposed for the winding up of the Company;
- Holder of the 2018 CPS has the right to convert each 2018 CPS at any time into one ordinary share of the Company without the payment of any additional consideration. The holder may not exercise the conversion right if upon the conversion, the percentage of ordinary shares held by the public will fall below the minimum public float requirement under Rule 8.08 of the Listing Rules. The shares that are issued upon the exercise of the conversion right of the 2018 CPS are not subject to any restriction;
- The 2018 CPS cannot be redeemed by the Company or its holder;
- Holder of 2018 CPS will have priority over the holders of ordinary shares of the Company on the assets and funds of the Company available for distribution in a distribution of assets on liquidation, winding-up or dissolution of the Company;

48. 報告期後事項

報告期末後，本集團發生以下重大事件：

(a) 發行可換股優先股(「二零一八年可換股優先股」)

誠如本公司日期為二零一八年二月七日的公告所詳述，於二零一八年二月七日，本公司與銀順(BVI)投資有限公司(獨立於本集團的第三方，並作為二零一八年可換股優先股認購人)訂立二零一八年可換股優先股認購協議，據此，二零一八年可換股優先股認購人同意以總代價約389.47百萬港元(相等於人民幣325.56百萬元)認購132,564,669股新可換股優先股。

二零一八年可換股優先股相當於二零一七年十二月三十一日可換股優先股總數約3.88%及因發行二零一八年可換股優先股而擴大之已發行可換股優先股總數約3.74%。二零一八年可換股優先股可獲兌換為普通股股份。假設二零一八年可換股優先股獲悉數兌換，將會發行合共132,564,669股普通股股份。普通股股份相當於目前已發行股份總數約2.81%及本公司經擴大已發行股份總數約2.73%。二零一八年可換股優先股的配發及發行已於二零一八年二月二十一日完成。

二零一八年可換股優先股之主要條款

- 二零一八年可換股優先股持有人將有權收取本公司股東大會通告並出席本公司股東大會，但並不賦予投票的權利，除非所提呈的決議案會修訂二零一八年可換股優先股持有人的權利或就本公司清盤提呈決議案；
- 二零一八年可換股優先股持有人有權隨時將每股二零一八年可換股優先股轉換為一股本公司普通股股份，而毋須支付任何其他代價。倘於轉換後，公眾人士所持普通股股份之百分比低於上市規則第8.08條之最低公眾持股量規定，則持有人不得行使換股權。行使二零一八年可換股優先股之換股權發行之股份毋須受任何限制；
- 本公司或二零一八年可換股優先股持有人不可贖回二零一八年可換股優先股；
- 本公司因清算、清盤或解散而分派資產時，二零一八年可換股優先股持有人較本公司普通股持有人優先享有本公司可供分派之資產及資金；

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

48. EVENTS AFTER THE REPORTING PERIOD (Cont'd)

(a) Issue of convertible preference shares (the "2018 CPS") (Cont'd)

The 2018 CPS will be classified as equity instruments in the Group's consolidated financial statements as the Group does not have a contractual obligation to deliver cash or other financial assets arising from the issue of the 2018 CPS.

(b) Issue of new ordinary shares

As detailed in the announcements issued by the Company dated 7 February 2018, on 7 February 2018, the Company entered into a share subscription agreement with Leadon International Investments Real Estate Limited, an independent third party to the Group and as the share subscriber, pursuant to which the share subscriber agreed to subscribe for 132,564,669 new ordinary shares at the subscription price of HK\$2.938 per share totalling approximately HK\$389.47 million (equivalent to RMB325.56 million). The subscription shares represent approximately 2.81% of the total number of ordinary shares of the Company currently in issue and approximately 2.73% of the total number of Company's enlarged issued ordinary shares of the Company.

The allotment and issue of subscription shares were completed on 26 February 2018.

(c) Placing and subscription

As detailed in the announcements issued by the Company dated 8 February 2018, on 8 February 2018, China LVGEM as the vendor and holding approximately 21.4% equity interest in the Company, entered into the placing and subscription agreement with the placing agents pursuant to which the placing agents have agreed to place the 80,000,000 existing shares ("Placing Shares") at a price of HK\$2.938 per share (the "Placing Price") on behalf of China LVGEM totalling approximately HK\$235.04 million (equivalent to RMB196.47 million). The Placing Shares represent approximately 1.69% of the total number of shares in issue and approximately 1.67% of the total number of issued shares as enlarged by the issue of the subscription shares. The Placing Shares will be placed by the placing agents to Essence Securities Co., Ltd. – QDII and Guosen Securities Co., Ltd. – QDII, who are independent third parties.

Pursuant to the placing and subscription agreement, China LVGEM has conditionally agreed to further subscribe at the Placing Price for 80,000,000 new ordinary shares of the Company. The subscription shares represent approximately 1.69% of the total number of ordinary shares in issue as at the date of the announcement and approximately 1.67% of the total number of enlarged issued ordinary shares of the Company.

The placement of the Placing Shares and issue of subscription shares were completed on 14 February 2018.

48. 報告期後事項(續)

(a) 發行可換股優先股(「二零一八年可換股優先股」)(續)

由於本集團並無交付發行二零一八年可換股優先股產生的現金或其他金融資產的合約責任，故二零一八年可換股優先股將於本集團綜合財務報表內分類為股權工具。

(b) 發行新普通股股份

誠如本公司日期為二零一八年二月七日的公告所詳述，於二零一八年二月七日，本公司與 Leadon International Investments Real Estate Limited (獨立於本集團的第三方，並作為股份認購人)訂立股份認購協議，據此，股份認購人同意按認購價每股股份2.938港元認購132,564,669股新普通股股份，總額約為389.47百萬港元(相等於人民幣325.56百萬元)。認購股份相當於本公司目前已發行普通股股份總數約2.81%及本公司經擴大已發行普通股股份總數約2.73%。

認購股份的配發及發行已於二零一八年二月二十六日完成。

(c) 配售及認購

誠如本公司日期為二零一八年二月八日的公告所詳述，於二零一八年二月八日，中國綠景(作為賣方，並持有本公司股權約21.4%)與配售代理訂立配售及認購協議，據此，配售代理同意代表中國綠景以每股股份2.938港元(「配售價」)之價格配售80,000,000股現有股份(「配售股份」)，總額約為235.04百萬港元(相等於人民幣196.47百萬元)。配售股份相當於已發行股份總數約1.69%及經發行認購股份擴大後之已發行股份總數約1.67%。配售股份將由配售代理配售予安信證券股份有限公司 – QDII及國信證券股份有限公司 – QDII (均為獨立第三方)。

根據配售及認購協議，中國綠景有條件地同意按配售價進一步認購80,000,000股本公司新普通股股份。認購股份相當於其公告日期已發行普通股股份總數約1.69%及本公司經擴大已發行普通股股份總數約1.67%。

配售股份的配售及認購股份的發行已於二零一八年二月十四日完成。

Financial Summary

財務概要

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the published audited financial statements for the year ended 31 December 2013, 2014 and 2015 as below. For the year ended 31 December 2016 and 2017 which extracted from the annual report 2017 was restated as appropriate, is set out below.

本集團過去五個財政年度之業績以及資產及負債(摘錄自截至二零一三年、二零一四年及二零一五年十二月三十一日止年度之已刊發經審核財務報表)如下。截至二零一六年及二零一七年十二月三十一日止年度乃摘錄自二零一七年年報，並經重列(如適用)。

		Year ended 31 December 截至十二月三十一日止年度				
		2013 二零一三年 RMB'000 人民幣千元 (restated) (經重列)	2014 二零一四年 RMB'000 人民幣千元 (restated) (經重列)	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	2017 二零一七年 RMB'000 人民幣千元
RESULTS	業績					
Revenue	收益	169,922	5,245,348	1,210,270	4,590,162	2,967,751
Profit from operation	經營盈利	2,839	3,115,202	853,975	2,259,932	2,111,059
Finance costs	融資成本	(1,462)	(218,322)	(262,868)	(406,500)	(613,592)
Share of results of joint ventures	應佔合營公司業績	-	(40)	(30)	(9)	(93)
Share of results of associates	應佔聯營公司業績	15,878	-	-	-	-
Profit before tax	除稅前盈利	17,255	2,896,840	591,077	1,853,423	1,497,374
Income tax expense	所得稅開支	(20,984)	(1,148,266)	(166,492)	(1,044,757)	(458,811)
Profit (loss) for the year	年度盈利(虧損)	(3,729)	1,748,574	424,585	808,666	1,038,563
Attributable to owners of the Company	本公司股東應佔	(11,790)	1,746,606	417,780	802,297	1,035,392
		At 31 December 於十二月三十一日				
		2013 二零一三年 RMB'000 人民幣千元 (restated) (經重列)	2014 二零一四年 RMB'000 人民幣千元 (restated) (經重列)	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	2017 二零一七年 RMB'000 人民幣千元
ASSETS AND LIABILITIES	資產及負債					
Non-current assets	非流動資產	427,083	13,111,211	13,606,921	14,399,166	22,654,001
Current assets	流動資產	1,074,418	8,749,437	10,385,006	11,525,352	14,142,819
Current liabilities	流動負債	(524,590)	(5,188,827)	(7,193,427)	(5,816,445)	(9,650,864)
Non-current liabilities	非流動負債	(120,161)	(8,594,173)	(8,825,330)	(10,910,409)	(17,076,753)
Net assets	資產淨值	856,750	8,077,648	7,973,170	9,197,664	10,069,203
Equity attributable to owners of the Company	本公司股東應佔權益	778,660	8,009,418	7,881,077	8,964,512	9,836,062

List of Principal Properties

主要物業

1. INVESTMENT PROPERTIES

投資物業

Properties	Interest Attributable to the Group	Approximate Total Gross Floor Area (square meter)	Type	Lease Term
物業	本集團應佔權益	概約總建築面積 (平方米)	類別	租期
1866-Zoll Center located at the eastern side of Meilong Road and the southern side of Zhongmei Road Bao'an District Shenzhen City Guangdong Province The PRC 位於中國廣東省深圳市寶安區梅隴路東側及中梅路南側的1866佐隴中心	100%	54,360	Commercial 商業	70 years from 31 August 2004 to 30 August 2074 二零零四年八月三十一日至二零七四年八月三十日，為期70年
Chanson Zoll Center located at the western side of Minzhi Road Minzhi Community Bao'an District Shenzhen City Guangdong Province The PRC 位於中國廣東省深圳市寶安區民治社區民治路西側的香頌佐隴中心	100%	36,890	Commercial 商業	70 years from 6 August 2010 to 5 August 2080 二零一零年八月六日至二零八零年八月五日，為期70年
Various commercial units of LVGEM Chanson Meilu Garden located at the western side of Minzhi Road Minzhi Community Bao'an District Shenzhen City Guangdong Province The PRC 位於中國廣東省深圳市寶安區民治社區民治路西側的香頌美廬園多個商業單位	100%	330	Commercial 商業	70 years from 6 August 2010 to 5 August 2080 二零一零年八月六日至二零八零年八月五日，為期70年
Various commercial units of City Garden located at the western side of Longxiang Avenue and the eastern side of Huangge Road Longguang District Shenzhen City Guangdong Province The PRC 位於中國廣東省深圳市龍崗區龍翔大道西側及黃閣路東側的城市立方花園多個商業單位	100%	4,810	Commercial 商業	70 years from 22 February 2001 to 21 February 2071 二零零一年二月二十二日至二零七一年二月二十一日，為期70年

List of Principal Properties

主要物業

1. INVESTMENT PROPERTIES (Cont'd)

投資物業(續)

Properties	Interest Attributable to the Group	Approximate Total Gross Floor Area (square meter)	Type	Lease Term
物業	本集團應佔權益	概約總建築面積 (平方米)	類別	租期
<p>Various commercial units and car parking spaces of Hongwan Garden located at the northern side of North Ring Avenue and the eastern side of Meilin Road Futian District Shenzhen City Guangdong Province The PRC</p> <p>位於中國廣東省深圳市福田區北環大道北側及梅林路東側的虹灣花園多個商業單位及多個車位</p>	100%	51,230	Commercial 商業	70 years from 16 December 2011 to 15 December 2081 二零一一年十二月十六日至 二零八一年十二月十五日， 為期70年
<p>Various commercial units of LVGEM Hotel located at the western side of Xinzhou Road and the northern side of Xinzhou Sixth Road Futian District Shenzhen City Guangdong Province The PRC</p> <p>位於中國廣東省深圳市福田區新洲路西側及新洲六路北側的綠景錦江花園酒店多個商業單位</p>	100%	4,410	Commercial 商業	70 years from 30 December 2003 to 29 December 2073 二零零三年十二月三十日至 二零七三年十二月二十九日， 為期70年
<p>Various commercial units of Lanwan Peninsula Community located at the northern side of Furong Road Futian District Shenzhen City Guangdong Province The PRC</p> <p>位於中國廣東省深圳市福田區福榮路北側的藍灣半島社區多個商業單位</p>	100%	2,810	Commercial 商業	70 years from 20 September 2001 to 19 September 2071 二零零一年九月二十日至 二零七一年九月十九日， 為期70年
<p>Various commercial units, office units and car parking spaces of Tower A of NEO Urban Commercial Complex located at the junction of Shennan Boulevard and Xiangmihu Road Futian District Shenzhen City Guangdong Province The PRC</p> <p>位於中國廣東省深圳市福田區深南大道及香蜜湖路交匯處的NEO都市商務綜合體A座多個商業單位、辦公單位及車位</p>	100%	108,360	Commercial 商業	50 years from 8 May 2005 to 7 May 2055 二零零五年五月八日至 二零五五年五月七日， 為期50年

List of Principal Properties

主要物業

1. INVESTMENT PROPERTIES (Cont'd)

投資物業(續)

Properties	Interest Attributable to the Group	Approximate Total Gross Floor Area (square meter)	Type	Lease Term
物業	本集團應佔權益	概約總建築面積 (平方米)	類別	租期
Various commercial units and car parking spaces of Tower B and Tower C of NEO Urban Commercial Complex located at the junction of Shennan Boulevard and Xiangmihu Road Futian District Shenzhen City Guangdong Province The PRC 位於中國廣東省深圳市福田區深南大道及香蜜湖路交匯處的NEO都市商務綜合體B座及C座多個商業單位及車位	100%	26,100	Commercial 商業	70 years from 26 February 2002 to 25 February 2072 二零零二年二月二十六日至 二零七二年二月二十五日， 為期70年
Various commercial units of Phase II of LVGEM Garden located at the western side of Xinzhou Road and the northern side of Fuqiang Road Futian District Shenzhen City Guangdong Province The PRC 位於中國廣東省深圳市福田區新洲路西側及福強路北側的綠景花園二期多個商業單位	100%	20,610	Commercial 商業	70 years from 5 February 2001 to 4 February 2071 二零零一年二月五日至 二零七一年二月四日， 為期70年
Various commercial units and car parking spaces of Mangrove Luxury Garden located at the junction of Shazui Road and Jindi First Road Futian District Shenzhen City Guangdong Province The PRC 位於中國廣東省深圳市福田區沙嘴路與金地一路交匯處的紅樹灣壹號多個商業單位及車位	100%	29,950	Commercial 商業	50 years from 23 November 2012 to 22 November 2062 二零一二年十一月二十三日至 二零六二年十一月二十二日， 為期50年
Various commercial units and ancillary units of LVGEM Garden Estate located at No. 1185 Jin Dao Tian Road Luohu District Shenzhen City Guangdong Province The PRC 位於中國廣東省深圳市羅湖區金稻田路1185號的綠景山莊多個商業單位及配套單位	100%	3,820	Commercial 商業	70 years from 9 March 1998 to 8 March 2068 一九九八年三月九日至 二零六八年三月八日， 為期70年

List of Principal Properties

主要物業

1. INVESTMENT PROPERTIES (Cont'd)

投資物業(續)

Properties	Interest Attributable to the Group	Approximate Total Gross Floor Area (square meter)	Type	Lease Term
物業	本集團應佔權益	概約總建築面積 (平方米)	類別	租期
A parcel of land and blocks located at Yi Jia Industrial Park, Fuqian Road, Guanlan Street Bao'an District Shenzhen City Guangdong Province The PRC 位於中國廣東省深圳市寶安區觀瀾街道福前路 位於溢佳工業園一幅土地和多個房屋	89%	37,150	Industrial 工業	50 years from 8 July 2002 to 7 July 2052 二零零二年七月八日至 二零五二年七月七日， 為期50年
LVGEM Zoll International Garden Shopping Centre located at Hexi Street, Huazhou Guangdong Province, The PRC 位於中國廣東省化州市河西街道綠景佐陰國際 花城購物中心	100%	22,170	Commercial 商業	40 years from 23 April 2012 to 22 April 2052 二零一二年四月二十三日至 二零五二年四月二十二日， 為期40年
LVGEM Zoll International Garden Shopping Centre Zone B4 located at Hexi Street, Huazhou Guangdong Province, The PRC 位於中國廣東省化州市河西街道綠景佐陰國際 花城購物中心B4區在建工程	100%	23,250	Commercial 商業 Residential 住宅	40 years from 23 April 2012 to 22 April 2052 二零一二年四月二十三日至 二零五二年四月二十二日， 為期40年 70 years from 23 April 2012 to 22 April 2082 二零一二年四月二十三日至 二零八二年四月二十二日， 為期70年
Hong Kong LVGEM NEO located at No. 123 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong 位於香港九龍觀塘海濱道123號香港綠景NEO大廈	100%	55,390	Commercial 商業	From 29 November 1988 to 30 June 2047 一九八八年十一月二十九日至 二零四七年六月三十日
Sunshine Bay Project located at Village 1, Commune No.3, Mittaphea Town, Shihanoukville Municipal, Cambodia 位於柬埔寨王國西哈努克城米塔匹博第三街區 一號村莊海納天項目	100%	45,060	Commercial 商業	No lease term 沒有期限
The Shopping Arcade of Phase I and various commercial units of Phase V of Suzhou Garden Villa located at 98 Shi Shan Road New District Suzhou City Jiangsu Province The PRC 位於中國江蘇省蘇州市新區獅山路98號錦華苑 第一期購物商場及第五期各類商舖	95%	11,020	Commercial 商業	70 years from 19 October 1992 to 18 October 2062 一九九二年十月十九日至 二零六二年十月十八日， 為期70年

List of Principal Properties

主要物業

1. INVESTMENT PROPERTIES (Cont'd)

投資物業(續)

Properties	Interest Attributable to the Group	Approximate Total Gross Floor Area (square meter)	Type	Lease Term
物業	本集團應佔權益	概約總建築面積 (平方米)	類別	租期
Garden Court Plaza located at No. 1333 Binhe Road New District Suzhou City Jiangsu Province The PRC 位於中國江蘇省蘇州市新區濱河路1333號錦麗商業中心	95%	4,480	Commercial 商業	70 years from 16 January 1995 to 15 January 2065 一九九五年一月十六日至二零六五年一月十五日，為期70年
Villa J101 of Phase I of Suzhou Garden Villa located at No. 98 Shishan Road New District Suzhou City Jiangsu Province The PRC 位於中國江蘇省蘇州市新區獅山路98號錦華苑第一期J101別墅	95%	270	Residential 住宅	70 years from 19 October 1992 to 18 October 2062 一九九二年十月十九日至二零六二年十月十八日，為期70年
Flat 1A of Jin Guo Tower, Flats 1A, 8C, 17C and 18D, of Jin Xing Tower of Phase II of Suzhou Garden Villa located at No. 98 Shishan Road New District Suzhou City Jiangsu Province The PRC 位於中國江蘇省蘇州市新區獅山路98號錦華苑第二期錦國樓1A、錦興樓1A、8C、17C及18D室	95%	727	Residential 住宅	70 years from 19 October 1992 to 18 October 2062 一九九二年十月十九日至二零六二年十月十八日，為期70年
Flats 1B, 1D and 1F of Jin Bon Tower of Phase III of Suzhou Garden Villa located at No. 98 Shishan Road New District Suzhou City Jiangsu Province The PRC 中國江蘇省蘇州市新區獅山路98號錦華苑第三期錦邦樓1B、1D及1F室	95%	480	Residential 住宅	70 years from 19 October 1992 to 18 October 2062 一九九二年十月十九日至二零六二年十月十八日，為期70年

2. PROPERTIES UNDER DEVELOPMENT FOR SALE

發展中待售物業

Properties	Interest Attributable to the Group	Approximate Total Site Area (sq.m.)	Approximate Total Gross Floor Area (sq.m.)	Type	Estimated Date of Completion	Progress
物業	本集團應佔權益	概約總地盤面積 (平方米)	概約總建築面積 (平方米)	類別	預計完成日期	進展狀況
Residential and commercial units of Mangrove Luxury Garden located at the southeast corner of the intersection of Shazui Road and Jindi Road Futian District Shenzhen City Guangdong Province The PRC 位於中國廣東省深圳市福田區沙嘴路和金地一路交匯處東南側的紅樹灣壹號住宅及商業項目	100%	24,420	305,450	Residential/ Commercial 住宅/商業	2018 二零一八年	Under construction 工程進行中
Residential and commercial units of LVGEM International Garden located at the northwest of Juzhou Park, Hexi Road, Huazhou County, Maoming Guangdong Province The PRC 位於中國廣東省茂名化州市河西路橘洲公園西北側的綠景國際花城住宅及商業項目	100%	729,420	2,249,150	Residential/ Commercial 住宅/商業	2018 二零一八年	Under construction 工程進行中
Residential, commercial and industrial complex located at Liguang Village, Guanlan Town Bao'an District Shenzhen City Guangdong Province The PRC 位於中國廣東省深圳市寶安區觀瀾鎮黎光村的住宅及商業	100%	271,200	949,200	Residential/ Commercial 住宅/商業	2020 二零二零年	Demolition and relocation plan in progress 進行拆遷計劃方案
Office, SOHO and retail arcade to be situated at Ta Yun Road West, Yue Lai Xi East, Economic Development Zone, Wuzhong District, Suzhou, Jiangsu Province, the PRC 位於中國江蘇省蘇州市吳中區經濟開發區塔韻路西側越來溪東側辦公室大樓、小型辦公室、家居辦公室及零售商場	100%	14,590	81,540	Commercial/ Office 商業/辦公室	2018 二零一八年	Under construction 工程進行中

List of Principal Properties

主要物業

2. PROPERTIES UNDER DEVELOPMENT FOR SALE (Cont'd)

發展中待售物業(續)

Properties	Interest Attributable to the Group	Approximate Total Site Area (sq.m.)	Approximate Total Gross Floor Area (sq.m.)	Type	Estimated Date of Completion	Progress
物業	本集團應佔權益	概約總地盤面積 (平方米)	概約總建築面積 (平方米)	類別	預計完成日期	進展狀況
Residential, commercial and industrial complex located at No. 4088 Qiaoxiang Road in Nanshan District, Shenzhen City Guangdong Province The PRC 位於中國廣東省深圳市南山區僑香路4088號的住宅、商業及工業於一體的綜合性項目	100%	10,860	97,210	Residential/ Commercial/ Industrial complex 住宅／商業／ 工業綜合體	2019 二零一九年	Under construction 工程進行中
Villa located at Deep Bay Road near Mong Tseng Village and Mong Tseng Wai, Lau Fau Shan, Yuen Long, New Territories, Hong Kong 位於香港元朗流浮山深灣路近輞井村輞井圍的別墅	75%	82,400	23,880	Villa 別墅	2022 二零二二年	Planning stage 設計階段



綠景(中國)地產投資有限公司

LVGEM (CHINA) REAL ESTATE INVESTMENT COMPANY LIMITED

(於開曼群島註冊成立之有限公司)
(Incorporated in the Cayman Islands with limited liability)

香港聯交所股份代號: 95 HKSE Stock Code: 95

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