



綠景(中國)地產投資有限公司

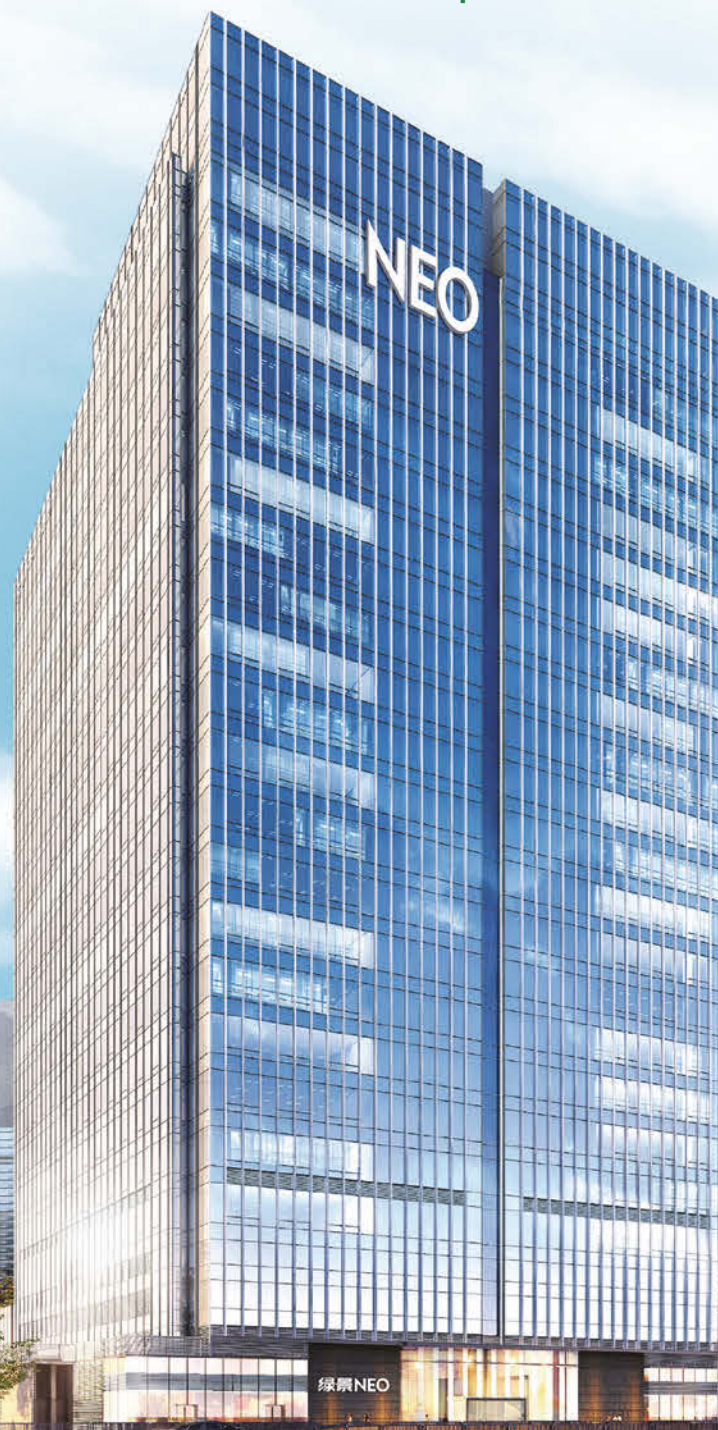
LVGEM (CHINA) REAL ESTATE INVESTMENT COMPANY LIMITED

(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

聚力灣區大舊改 打造智慧新城區
Focus on Urban Renewal in the Greater Bay Area,
Develop a Brand New Smart City



2018^{年報}
Annual Report

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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

Independent Non-Executive Directors

Mr. ZHU Jiusheng (resigned on 8 April 2019)
Mr. WANG Jing
Ms. HU Gin Ing
Mr. MO Fan (appointed on 8 April 2019)

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) (resigned on 8 April 2019)
Mr. WANG Jing
Ms. HU Gin Ing (appointed as the Chairman on 8 April 2019)
Mr. MO Fan (appointed on 8 April 2019)

Nomination Committee

Ms. HUANG Jingshu (Chairman)
Mr. ZHU Jiusheng (resigned on 8 April 2019)
Mr. WANG Jing
Mr. MO Fan (appointed on 8 April 2019)

Remuneration Committee

Ms. HU Gin Ing (Chairman)
Ms. HUANG Jingshu
Mr. ZHU Jiusheng (resigned on 8 April 2019)
Mr. MO Fan (appointed on 8 April 2019)

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

獨立非執行董事

祝九勝先生(於二零一九年四月八日辭任)
王敬先生
胡競英女士
莫凡先生(於二零一九年四月八日獲委任)

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)(於二零一九年四月八日辭任)
王敬先生
胡競英女士(於二零一九年四月八日獲委任為主席)
莫凡先生(於二零一九年四月八日獲委任)

提名委員會

黃敬舒女士(主席)
祝九勝先生(於二零一九年四月八日辭任)
王敬先生
莫凡先生(於二零一九年四月八日獲委任)

薪酬委員會

胡競英女士(主席)
黃敬舒女士
祝九勝先生(於二零一九年四月八日辭任)
莫凡先生(於二零一九年四月八日獲委任)

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
Dah Sing Bank, Limited
Hua Xia Bank Co., Limited
CMB 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

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
大新銀行有限公司
華夏銀行股份有限公司
招商永隆銀行有限公司

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

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 business performance of the Group for the year ended 31 December 2018.

Looking back to 2018, China achieved steady economic development and the real estate market showed vibrant growth as a pillar to the nation's economy. During the year, the Chinese government upheld the policy of “no speculation on residential properties” and promulgated a series of regulatory measures to establish a long-term mechanism designed to curtail the rapidly rising property prices and overheated land market, thereby promoting steady and healthy real estate development.

Under the keynote of “no speculation on residential properties”, the real estate market faced more stringent regulations that aimed to optimize the supply structure. Priorities were given to enhancing market monitoring and combating housing speculation, so as to secure reasonable housing demands. Following the launch of the “Three Unified Prices” policy, the “7.31” new policy and the housing supply and assurance policy by the Shenzhen Municipal Government in 2018, the property market was further regulated and the progressive improvement of the diversified housing supply and assurance system is now driving the healthy and sustainable growth of the real estate sector in Shenzhen and the Greater Bay Area. It is believed that a standardised and stable market environment will be more beneficial to the Group's ongoing progress and development.

Started as a construction company, LVGEM (China) has turned into a real estate enterprise after garnering extensive land resources and experience. With the strategic mindset of dual-core layout and two-way expansion model for land resources acquisition, it has gained huge advantages in the Greater Bay Area, which enable it to emerge as a distinctive real estate developer and operator in core cities of the bay area and a leading regional enterprise. This year, it will further upgrade into a creator of new smart cities through the strategic cooperation with Huawei Technologies Co., Ltd. (“Huawei”). Rapid urbanisation has led to the decline in available land resources in highly-developed cities and, thus, urban renewal plays an increasingly important role in urban construction and landscape upgrade. Leveraging on more than 20 years of experience in urban renewal, the Group has adopted the two-way expansion model which comprised urban renewal and, to a lesser extent, market auction to garner cost advantages over land auctions. By maintaining high-quality and profitable land reserve resources and owning and operating commercial properties at supreme locations, the Group has generated stable cash flow and laid a solid foundation for the Group's future growth.

At the same time, the Group makes use of its strengths in strategic layout and resources to propose the strategy of “Focus on urban renewal in the Greater Bay Area, Develop a brand new smart city”, in a bid to develop itself into a benchmark for new smart city developers and operators that are dedicated to the construction of the Guangdong-Hong Kong-Macao Greater Bay Area. LVGEM (China) will tie in with the construction of vibrant world-class city clusters and an international innovation and technology hub as proposed in the Greater Bay Area development strategy. By introducing an innovative development model that integrates technology and real estate through strategic upgrade, the Group will build a smart city benchmark and rise as an industry leader, so as to fuel long-term sustainable growth, create value for cities and reward investors with solid return.

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二零一八年十二月三十一日止年度的綜合業務表現。

回顧二零一八年，中國經濟平穩發展，作為中國經濟的重要支柱，房地產市場亦繁榮增長。年內，國家仍然堅持「房住不炒」政策，各項調控頻出，在抑制房價過快上漲、土地市場過熱的基礎上力求建設長效機制，促進房地產市場平穩健康發展。

在「房住不炒」的基調下，房地產市場深化調控，改善供給結構，更加注重強化市場監控，遏制投機炒房，保障合理住房需求。二零一八年，深圳市政府發佈「三價合一」政策、「7.31」新政、住房供應與保障政策等，房地產市場得到進一步規範，多元化的住房供給與保障體系正逐步完善，推動深圳乃至大灣區房地產行業健康長遠發展。規範穩定的市場環境，將更有利於本集團的持續進步與發展。

回首過往，綠景(中國)以建築業為起點，在積累豐富的土地資源和經驗後轉型房地產業，並憑藉雙核佈局的戰略思想和雙向擴張的土儲資源獲得方式，於大灣區建立了牢固的優勢，發展成為灣區核心城市的特色地產開發運營商和區域領先企業，今年隨著與華為技術有限公司(「華為」)的戰略合作，將會透過戰略升級成為智慧新城的締造者。隨著城市化進程的加快，高發展度城市可供開發土地資源逐漸減少，而城市更新作為城市建設與容貌升級的途徑之一，其重要性與日俱增。本集團亦立足於自身二十多年城市更新經驗，採用城市更新與少量市場競購的雙向擴張方式，不斷獲取優於競拍土地成本優勢，及盈利性強的優質土儲資源，同時自持及運營優越地理位置的商業物業，不僅為本集團帶來穩定現金流收益，更為本集團未來發展奠定堅實基礎。

同時，本集團憑借自身的佈局優勢和資源優勢，提出「聚力灣區大舊改，打造智慧新城區」的戰略，正努力將自己締造成為銳意助力粵港澳大灣區建設的標桿性智慧新城開發運營商。綠景(中國)將契合大灣區發展戰略中建設充滿活力的世界級城市群、打造國際化創新科技中心的理念，通過戰略升級引入將科技融入地產的創新發展模式，打造智慧城區標桿，成為行業領軍者，以推動公司長期可持續發展，為城市創造全新價值，為投資者提供豐碩回報。

Chairman's Statement

主席報告

In view of frequent regulatory policies and stringent market monitoring, all staff of LVGEM (China) upheld the core values of professionalism, innovation, synergy and mutual gains, while taking a proactive approach to respond to changes and enhance their own competitiveness. These initiatives have contributed to the Group's outstanding results for the year.

For the segment of “real estate development and sales”, the Company adhered to the “dual-core” planning for the Greater Bay Area, where the Group has more than 20 years of experience in project development in the area and where more than 90% of its projects and land reserves of the Group are located. Centring on “Shenzhen-Hong Kong”, the Group focused on core districts in core cities of the Pearl River Delta, such as Shenzhen, Hong Kong, Guangzhou, Zhuhai and Dongguan, and launched various top-notch projects that are widely acclaimed by industry peers and consumers. In 2018, the Group launched the LVGEM International Garden for four times with the contracted sales totalling RMB1.176 billion and an aggregate transaction area of 166,473 square meters, which demonstrated the market's recognition of the Group's brand and strength. With a saleable area of over 1.0 million square meters, the LVGEM International Garden is expected to be launched at a value of approximately RMB1 to 1.5 billion each year. Located in central Futian District, Shenzhen LVGEM Mangrove Bay No. 1 was launched in October 2018 and the project recorded an overall sell-through rate of approximately 70% on its debut, which reflected wide market attention and recognition for its value, as well as the Group's significant brand effects and influence.

The Group has also been working in unique collaboration with the controlling shareholder, who integrated resources for project incubation and primary development, and injected the projects to LVGEM (China) when the time is ripe. This arrangement has allowed us to acquire high-quality land reserves. On 28 December 2018, the Group entered into a subscription agreement with the controlling shareholder to increase the interests in the urban redevelopment project in Xiangzhou District, the core district of Zhuhai, Guangdong Province, at a consideration of RMB20 million. The project has a total site area of approximately 207,200 square meters and has passed the halfway mark of the mature stage. It is expected to be developed into a residential and commercial complex with a total gross floor area of 794,300 square meters. Incorporating the Group's concept of smart urban regions in the design, the project is expected to deliver outstanding investment return to shareholders with its superior geographical advantages of being in the core district in Zhuhai, the Greater Bay Area. The injection was a successful practice of the unique business model where the Group collaborates with its controlling shareholder. With a new round of massive injection around the corner, the Group will consider introducing high-quality urban renewal projects held by the controlling shareholder in the same approach so as to initiate development momentum of the Group.

For the segment of “Commercial Property Investment and Operations”, the Group has always adopted the “two-wheel driven” business development model that integrates real estate development and commercial property operation to pursue steady operation of its two major commercial brands, namely “NEO” and “Zoll”. These brands recorded an overall occupancy rate of more than 95% and offered us stable cash flows and rental income as well as steady capital gains. In February 2018, LVGEM Zoll International Garden Shopping Centre opened for business and reached an occupancy rate of 85%; and LVGEM Zoll Yuexi Shopping Centre opened in November 2018 and reached an occupancy rate of 93%. On the other hand, the Hong Kong LVGEM NEO, which positioned as another landmark in Kwun Tong, Hong Kong, was successfully topped out in May 2018. Since the leasing began in November 2018, it has attracted prominent multinational financial, real estate and technology companies as tenants. On 26 February 2019, the construction of Hong Kong LVGEM NEO passed the inspection of the Buildings Department of Hong Kong and received the occupation permit. The management of the Company is confident that the occupancy rate will exceed 60% by the end of this year.

面對頻出的調控政策與嚴格的市場監控，綠景(中國)全體員工秉承專業、創新、協同、共贏的核心價值觀，積極面對各項調整，努力提高自身競爭力，全年取得了優異的業績成果。

在「房地產開發與銷售」板塊，公司堅持於大灣區雙核佈局，本集團九成以上的項目及土儲皆在大灣區內，在該區積累了二十多年的項目開發經驗。本集團以「深圳—香港」為主軸，重點佈局在深圳、香港、廣州、珠海及東莞等珠三角核心城市的核心地區，推出的項目均獲得業界及消費者的認可。二零一八年，綠景國際花城共推盤四次，總共銷售合同11.76億人民幣，累計交易面積為166,473平方米，體現了市場對於本集團品牌和實力的認可。綠景國際花城項目可售面積尚餘超過100萬平方米，未來預計每年項目會推出約10至15億人民幣貨值。二零一八年十月，位於福田中心區的深圳綠景紅樹灣壹號開盤，當天項目整體去化約70%，備受市場關注與價值認可，亦標誌著本集團優質的品牌效應與影響力。

此外，本集團亦通過與控股股東的獨特聯動，由控股股東負責整合資源進行項目孵化及一級開發，待條件成熟後，控股股東在適當的時間將項目注入到綠景(中國)，從而獲取優質的土地儲備。於二零一八年十二月二十八日，本集團與控股股東簽訂認購協議，以代價人民幣2,000萬元增持位於廣東省珠海市核心區域的香洲區城市更新項目權益，該項目總佔地面積約20.72萬平方米，目前已處於成熟期後半階段，預計發展為總建築面積79.43萬平方米的住宅及商業綜合體。該項目在設計時結合本集團智慧城區理念，加之其於大灣區珠海市核心地段的地理優勢，相信未來將為股東帶來豐富的投資回報。此次注資行動是本集團與控股股東獨特聯動的商業模式成功實踐，進一步大規模注入已經迫在眉睫，未來本集團也會參考同樣的方式引入控股股東所持有的優質城市更新項目，為本集團發展增添動力。

在「商業物業投資與經營」板塊，本集團一直以房地產開發與商業地產經營相結合的雙輪驅動業務發展模式，穩步運營旗下「NEO」和「佐陞」兩大商業地產品牌。兩大品牌綜合出租率均在95%以上，為本集團提供穩定的現金流及租金收入，實現資本穩步增長。二零一八年二月，綠景佐陞國際花城購物中心盛大開業，開業率達85%；綠景佐陞越溪購物中心於二零一八年十一月開業，出租率達93%。作為香港觀塘區域又一地標性建築的香港綠景NEO大廈於二零一八年五月榮耀封頂，並於同年十一月順利啟動招租，吸引多家跨國金融、地產和科技龍頭企業進駐。香港綠景NEO已於二零一九年二月二十六日通過香港屋宇署驗收合格，正式收到入伙紙，公司管理層有信心在年底出租率達60%以上。

Chairman's Statement

主席報告

The Group remained committed to the development of the Guangdong-Hong Kong-Macao Greater Bay Area by strengthening branding and service capabilities on all fronts and proposing the strategy of “Building a Smart City Benchmark” in line with the future development trend. In July 2018, the Group entered into a strategic cooperation agreement in relation to a smart urban region with Huawei, pursuant to which, both parties will unleash their respective strengths for the construction of the real estate and technology smart urban region and the smart ecosystem, so as to continuously boost city vitality and life value and meet the rising demand of urban residents for a humanistic living environment. The Group will apply the concept of smart urban regions to existing urban renewal projects with major renewal projects as the vehicle and strive to set a replicable benchmark for smart urban regions. At the same time, the Group will provide scientific and advanced digitalised technical support to the urban renewal projects to be injected by the controlling shareholder and improve overall urban operation capabilities, with the aim of creating social, environmental and economic benefits.

For the segment of “Comprehensive Services”, the Group was dedicated to offering excellent property management services and hotel operation services to customers and tenants of the Group's residential and commercial properties, which contributed RMB308.2 million to the Group's revenue in 2018. With its prestigious geographical location and the provision of attentive services, the LVGEM Jinjiang Hotel of the Group recorded an average occupancy rate of 75%. As to the Vanllee Hotel in Covina, California, the United States acquired in 2017, it will bring stable income from hotel operation following its renovation, which is expected to be completed in 2019.

In the future, the Group will strengthen its positioning as a distinctive property developer pioneer in urban renewal, support the Guangdong-Hong Kong-Macao Greater Bay Area strategy and develop into a smart new cities developer and operator through full strategic upgrading. To this end, the Group will concentrate on the strategy of “Focus on urban renewal in the Greater Bay Area, Develop a brand new smart city” in the pursuit of further breakthrough in urban renewal and become the trendsetter of the industry. By strengthening branding and overall operation capability, the Group will give full play to our extensive experience in urban renewal and implement the smart city benchmarking strategy for better city value and economic sentiment in society, bringing in various global enterprises and the development of headquarters economy, so as to bring convenience to people's lives, boost property value and deliver long-term and sustainable return to shareholders and investors. On behalf of the Board, I hereby express sincere gratitude to all shareholders, investors, customers, partners and employees of the Group for their unwavering support. The Group will make sustained efforts towards the vision and goal of “being the most respected city value-creator”.

HUANG Jingshu
Chairman

Hong Kong, 21 March 2019

本集團堅持粵港澳大灣區佈局，全面提升品牌實力及服務能力，迎合未來發展趨勢提出「打造智慧城區標桿」戰略。本集團於二零一八年七月與華為簽署智慧城區戰略合作協議，在各自領域發揮優勢，打造地產及科技的智慧城區，建立智慧生態，持續提升城市活力和生活價值，滿足城市居民日益提高的人文居住需求。本集團將智慧城區概念應用於現有城市更新項目上，以大型舊改項目為載體，努力打造出可複製的智慧城區標桿，同時為控股股東將注入的城市更新項目提供科學領先的數字化技術支持，增強城市綜合運營能力，創造社會效益、綠色效益、經濟效益。

在「綜合服務」板塊，本集團致力於為住宅及商業物業的客戶及租戶提供優越的物業管理服務和酒店運營服務，二者在二零一八年為本集團帶來收入人民幣3.082億元。本集團旗下綠景錦江酒店憑藉優越的地理位置及貼心的服務，平均入住率達75%；於二零一七年收購的美國加利福尼亞州Convina的Vanllee酒店，預計將於二零一九年完成翻新工作，為本集團帶來穩定的酒店經營收入。

展望未來，本集團將鞏固自身身為特色地產舊改先鋒的基礎，順應粵港澳大灣區戰略，通過全面戰略升級將自身打造為智慧新城開發運營商。本集團在聚焦「聚力灣區大舊改，打造智慧新城區」的戰略引領下，未來在城市更新領域再做突破，成為行業風向的領航。本集團將努力提升品牌實力與綜合運營能力，通過發揮城市更新領域的豐富經驗，結合智慧城市標桿戰略，為社會提升城市價值和經濟氛圍，引入眾多世界級企業，打造總部經濟，為居民生活帶來便利與提升物業價值，為股東及投資者帶來長遠可持續性的回報。在此，本人僅代表董事會向一直以來支持本集團的所有股東、投資者、客戶、合作夥伴及員工表示衷心感謝，本集團將持之以恆向著「做最受尊敬的城市價值創造者」的願景目標努力奮進。

主席
黃敬舒

香港，二零一九年三月二十一日

Management Discussion and Analysis

管理層討論與分析

Industry Review

In 2018, the Chinese economy still maintained a steady growth under the immensely complex downward environment, reflecting its extraordinary resilience and stability. Being one of the pillar industries in the Chinese economy, the real estate industry has continued to flourish in a more stable direction with the frequent promulgation of various regulatory policies by the Chinese government. The real estate market has heightened its control policies and optimised the supply structure under the keynote of “no speculation on residential properties”, while the long-term mechanism establishment is in steady progress and the housing demand is reasonably guaranteed and thus maintains a stable development for the entire market.

Influenced by various control measures, the real estate industry has gradually become more rational which discouraged property speculation and excessive increase in housing prices. As shown in the statistics of the National Bureau of Statistics, in 2018, the sales area of commodity housing nationwide was 1,716.54 million square meters, representing a slight increase of 1.3% year-on-year, while the sales amount of commodity housing was RMB14,997.3 billion, representing a year-on-year growth of 12.2%, which was down by 1.5 percentage points as compared with last year. As at the end of December 2018, the area of commodity housing pending for sale nationwide was 524.14 million square meters, representing a year-on-year decrease of 11.0%. The Chinese government has steadily implemented the long-term mechanism for the real estate market and shifted the focus of the industry from controlling to stabilising, thereby promoting steady and healthy market development.

In 2018, maintaining the general keynote of “no speculation on residential properties”, Chinese policies on real estate addressed more focuses on developing different strategies for different cities which significantly improved the local control autonomy. As one of the most dynamic cities in China, Shenzhen experienced the continuous influx of incoming talents and the rising population of high-quality and high-net-worth individuals which provided sustainable and favourable support to the demands for residential and commercial properties. In 2018, the turnover of new residential properties in Shenzhen was 29,396 units, representing a year-on-year increase of 13.85%, and the sales area of residential properties was 2,924,200 square meters, representing a year-on-year increase of 12.78%. Throughout the year, Shenzhen government promulgated the “Three Unified Prices” policy, “7.31” new policy and the housing supply and assurance policy which further standardised the real estate trading market and gradually improved the diversified housing supply and assurance system and therefore facilitated the long-term healthy development of the real estate industry in Shenzhen and the Greater Bay Area.

With the influx of incoming talents and the demand for higher living standards of residents, the demand for high-quality commodity housing in Shenzhen and the Greater Bay Area will increase steadily in the future, and the turnover of the property market will maintain a stable growth. The market will continue to target end-users and at the same time favour the projects with geographical advantages, comprehensive ancillary facilities and high price-performance values. A standardised and stable market environment and continuous demand for quality projects will be beneficial to the sustainable progress and development of LVGEM (China).

行業回顧

二零一八年，中國經濟在錯綜複雜的下行環境中依然穩中有進，體現出不凡的韌性與穩定性。作為中國經濟支柱之一的房地產行業，在中國政府頻出的各項調控政策下，不斷向著更穩定的方向繁榮發展。在「房住不炒」的基調下，房地產市場深化調控，改善供給結構，長效機制正在穩步建設，住房需求得到合理保障，整體市場維持穩定發展。

在各項調控手段的影響下，房地產行業逐漸趨於理性化，投機炒房與房價過快上漲受到抑制。根據國家統計局數據顯示，二零一八全年中國商品房銷售面積171,654萬平方米，同比小幅增長1.3%；商品房銷售額為149,973億元人民幣，同比增長12.2%，增幅較上年回落1.5個百分點；十二月末全國商品房待售面積52,414萬平方米，較去年同比下降11.0%。政府穩妥實施房地產市場長效機制，行業導向由壓轉穩，市場平穩健康發展。

二零一八年中國房地產政策在「房住不炒」基調不變的情況下，同樣更加強調因城施策，地方調控自主性明顯得到提高。作為中國最具活力城市之一的深圳，外來人才持續流入，高素質及高淨值人群數目不斷上升，為住宅及商業物業帶來持續有利的需求支撐。二零一八年，深圳新房住宅共成交29,396套，同比增長13.85%；成交面積達292.42萬平方米，同比增加12.78%。全年深圳市政府發佈「三價合一」政策、「7.31」新政、住房供應與保障政策等，進一步規範房地產交易市場，多元化的住房供給與保障體系正逐步完善，推動深圳乃至大灣區房地產行業健康長遠發展。

隨著外來人才進入及居民對生活水平需求的日益提高，未來深圳及大灣區高品質商品房需求將穩步增加，樓市成交量將保持平穩增長，市場仍會以剛需為主，同時更加青睞地段優勢明顯、配套設施完善、綜合性價比高的項目。規範穩定的市場環境與持續的優質項目需求，將有利於綠景(中國)持續的進步與發展。

Management Discussion and Analysis

管理層討論與分析

On 18 February 2019, the Central Committee of the Communist Party of China and the State Council issued the “Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area” (the “Outline”). By 2022, the framework for an international first-class bay area and world-class city cluster should be essentially formed. By 2035, an international first-class bay area for living, working and travelling should be fully developed. At present, the Guangdong-Hong Kong-Macao Greater Bay Area covers a total area of 56,000 square kilometres with a combined population of approximately 70 million at the end of 2017. As one of the most open and vibrant regions in China, the Greater Bay Area plays a significant strategic role. At the same time, the Outline Development Plan defined to build on the four core cities of Hong Kong, Macao, Guangzhou and Shenzhen as core engines for regional development. In which, Hong Kong will consolidate and enhance its status as international financial, transportation and trade centres while Shenzhen will leverage its leading role as a special economic zone, a national economic core city and a national innovation city, expedite its transformation into a modern and international city, and strive to become a capital of innovation and creativity with global influence. With the promulgation of the “Outline”, the continuous population inflow and infrastructure optimization will further centralize the resources, bringing enormous benefits to real estate companies that own land reserves with geographical advantages in the Greater Bay Area. For decades, the Group has focused on core cities in the Greater Bay Area and acquired a number of high-quality land reserves in core cities such as Shenzhen and Hong Kong, which coincide with policy planning, affirming the forward-looking ability in the Group’s layout.

With its own strengths in strategic layout and resources, LVGEM (China) adheres to the strategy of “Focus on urban renewal in the Greater Bay Area, Develop a brand new smart city” and strives to develop into a benchmark for new smart city developers and operators that are dedicated to the construction of the Guangdong-Hong Kong-Macao Greater Bay Area. Capitalising on over 20 years of extensive experience accumulated in urban renewal, the Group has developed quality projects and secured a leading position in the urban renewal field so as to facilitate stable performance growth and create social and economic benefits. In addition, through integrating real estate with technology, LVGEM (China) pursued the strategic vision of “Building a New Smart City Benchmark” and established a smart ecology to continuously enhance city vitality and life value, which will have great development potential given the rising demand for higher living standards and humanistic housing from urban residents.

二零一九年二月十八日，中共中央、國務院印發了《粵港澳大灣區發展規劃綱要》（「綱要」），到二零二二年，國際一流灣區和世界級城市群框架基本形成，到二零三五年，宜居宜業宜遊的國際一流灣區全面建成。目前，粵港澳大灣區總面積5.6萬平方公里，截至二零一七年末總人口約7,000萬人，是中國開放程度最高，最具活力的區域之一，具有重要戰略地位。同時，規劃綱要裏確定了以香港、澳門、廣州、深圳四大中心城市作為區域發展的核心引擎：香港鞏固提升國際金融、航運、貿易中心地位。深圳發揮作為經濟特區、全國性經濟中心城市和國家創新城市的引領作用，加快建成現代化國際城市，努力成為具有世界影響力的創新創意之都。隨著《綱要》的發佈，大灣區內人口持續流入及基礎設施不斷完善，資源將進一步集中，為在大灣區內有區位優勢土地儲備的房地產公司帶來巨大利好。本集團深耕大灣區核心城市數十年，在核心城市如深圳及香港皆有眾多優質土儲，與政策規劃不謀而合，證明本集團佈局的前瞻性。

綠景(中國)憑借自身的佈局優勢和資源優勢，在「聚力灣區大舊改，打造智慧新城區」的戰略引領下，正努力將自己締造成為銳意助力粵港澳大灣區建設的標桿性智慧新城開發運營商。集團憑藉積累二十多年豐富的城市更新經驗，打造優質項目，於城市更新領域上處於領先地位，促進業績穩定增長，創造良好的社會經濟效益。除此之外，綠景(中國)在「打造智慧新城區標桿」戰略理念下，將科技融入地產，建立智慧生態，持續提升城市活力和生活價值，在城市居民生活水平與人文居住需求日益提高的趨勢下擁有巨大發展潛力。

Management Discussion and Analysis

管理層討論與分析

Results

The Group achieved remarkable improvement in all sectors for the year ended 31 December 2018. 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 2018, the Group achieved total revenue of approximately RMB4,515.7 million (2017: RMB2,967.8 million), representing an increase of approximately 52.2% year-on-year. Gross profit was RMB2,686.2 million (2017: RMB1,937.9 million), representing an increase of approximately 38.6% year-on-year. Gross profit margin remained at a relatively high level of 59.5% (2017: 65.3%).

Profit for the year was RMB1,230.4 million (2017: RMB1,038.6 million), representing a growth of approximately 18.5% year-on-year. Profit attributable to owners of the Company was RMB1,237.2 million (2017: RMB1,035.4 million), representing a growth of approximately 19.5% year-on-year. Basic earnings per share was RMB25.21 cents (2017: RMB22.06 cents), representing a growth of approximately 14.3% year-on-year.

The Board recommended the payment of a final dividend of HK5.3 cents (equivalent to approximately RMB4.65 cents) per ordinary share for the year ended 31 December 2018.

The Group's key financial indicators for the year ended 31 December 2018 were as follows:

		2018 二零一八年 (RMB million) (人民幣百萬元)	2017 二零一七年 (RMB million) (人民幣百萬元)	Change 改變
Revenue	收益	4,515.7	2,967.8	52.2%
Gross profit	毛利	2,686.2	1,937.9	38.6%
Profit from core business*	核心業務應佔盈利*	765.3	649.8	17.8%
Profit attributable to owners of the Company	本公司股東應佔盈利	1,237.2	1,035.4	19.5%
Basic earnings per share (RMB cents)	每股基本盈利(人民幣分)	25.21	22.06	14.3%
Gross profit margin (%)	毛利率(%)	59.5	65.3	

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

業績

本集團各項業績於截至二零一八年十二月三十一日止年度均取得良好進步，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。

截至二零一八年十二月三十一日止年度，本集團實現總收益約為人民幣4,515.7百萬元(二零一七年：人民幣2,967.8百萬元)，同比上升約52.2%。毛利為人民幣2,686.2百萬元(二零一七年：人民幣1,937.9百萬元)，同比上升約38.6%。毛利率維持在較高水平的59.5%(二零一七年：65.3%)。

年內，盈利為人民幣1,230.4百萬元(二零一七年：人民幣1,038.6百萬元)，同比增長約18.5%。本公司股東應佔盈利為人民幣1,237.2百萬元(二零一七年：人民幣1,035.4百萬元)，同比增長約19.5%。每股基本盈利為人民幣25.21分(二零一七年：人民幣22.06分)，同比增長約14.3%。

董事會已建議派付截至二零一八年十二月三十一日止年度的末期股息每股普通股5.3港仙(相等於約人民幣4.65分)。

以下是本集團截至二零一八年十二月三十一日止年度之主要財務指標：

		2018 二零一八年 (RMB million) (人民幣百萬元)	2017 二零一七年 (RMB million) (人民幣百萬元)	Change 改變
Revenue	收益	4,515.7	2,967.8	52.2%
Gross profit	毛利	2,686.2	1,937.9	38.6%
Profit from core business*	核心業務應佔盈利*	765.3	649.8	17.8%
Profit attributable to owners of the Company	本公司股東應佔盈利	1,237.2	1,035.4	19.5%
Basic earnings per share (RMB cents)	每股基本盈利(人民幣分)	25.21	22.06	14.3%
Gross profit margin (%)	毛利率(%)	59.5	65.3	

* 核心業務應佔盈利指本集團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、匯兌損益及可換股債券衍生工具部分的公允價值變動。

		As at 31 December 2018 於二零一八年 十二月三十一日 (Audited) (經審核)	As at 31 December 2017 於二零一七年 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)	7,589.9	6,092.7
Average finance costs (%)	平均融資成本(%)	6.2	6.6
Debt ratio (%)	資產負債比率(%)	73.7	72.6
Rate of equity return (%)	資本回報率(%)	10.9	10.5

Management Discussion and Analysis

管理層討論與分析

Business Review

Influenced by various control policies, the real estate market achieved more stable development while various businesses of the Group progressed steadily with increasing growth. LVGEM (China) has always persisted to the “dual-core” strategy of developing Shenzhen and the core areas of core cities in the Greater Bay Area. With more than 20 years of experience in urban renewal, it has created a number of high-quality projects that received high praise from the community and thus maintained its leading position in the field.

In 2018, the Group was honoured with numerous awards. In January, the Group was credited as the “Listed Companies with the Best Investment Value in Shenzhen-Hong Kong Stock Connect” from the China Financial Market Award and LVGEM Zoll under the Group received the “Excellence Award of 2017 Mall China Golden Mall Awards”. In April, the Group was listed as one of the “Top 100 Hong Kong Listed Companies” from the 2017 election and ranked second in the list of top 10 turnover growth, receiving recognition from the media and capital market. Also in April, the Group was honoured with the “Institutional Investors’ Favourite Hong Kong Stock Connect Company”. In August, LVGEM (China) was ranked as the “Top 10 Shenzhen Real Estate Development Enterprises in terms of Comprehensive Strength” for the eighth consecutive year and at the same time was awarded the honour of the “Top 10 Trustworthy (Quality) Enterprises in Shenzhen’s Real Estate Development Industry”. The Group was also listed in the “Hong Kong Stock Connect Companies with Growth Strength” from “Golden Wing Award 2018” in October and once again won the affirmation from the capital market.

According to the “Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area”, the Guangdong-Hong Kong-Macao Greater Bay Area, leveraging its geographical advantages, openness and economic vibrancy, will become one of the significant strategic areas and further enhance the support to and leading role in the country’s economic development and opening up with the continued introduction of talents and capital. By virtue of the favourable policies and economic development potentials, the development of commodity housing and commercial properties in the region will be supported by continuing demand.

For more than 20 years, the Group has been focusing on the Greater Bay Area, where more than 90% of its projects and land reserves are located. Centring on “Shenzhen-Hong Kong”, it has put emphasis on core districts in core cities of the Pearl River Delta, such as Shenzhen, Hong Kong, Guangzhou, Zhuhai and Dongguan, and launched various top-notch projects that are widely acclaimed by industry peers and consumers. With geographical advantages and high-quality product offering, the Group is more risk-resilient and able to secure fast-growing business and profitability. Meanwhile, the Group ties in with national strategic planning and gives full play to its own strengths to facilitate regional construction and thus create sustainable social and economic benefits.

With over 20 years of experience in urban renewal, the Group has adopted the two-way expansion model which comprised urban renewal and, to a lesser extent, market auction to garner cost advantages over land auctions. By maintaining high-quality and profitable land reserve resources and owning and operating commercial properties at supreme locations, the Group has generated stable cash flow and laid a solid foundation for the Group’s future growth.

業務回顧

隨著房地產市場在各項調控政策的影響下發展方向更加穩定，本集團各項業務亦穩定發展，穩步增長。綠景(中國)一直堅持發展深圳及大灣區核心城市的核心區域的雙核戰略，憑藉城市更新方面積累二十多年的城市更新經驗，打造了多個備受各界好評的優質項目，於城市更新領域上處於領先地位。

二零一八年，本集團屢獲殊榮。一月，本集團榮膺中國融資「深港通最具投資價值上市公司」大獎；同月，本集團旗下綠景佐隄榮獲「中國購物中心行業2017年度卓越升級獎」。四月，本集團榮登「2017港股百強榜單」，並在營業額增長十強榜單中位居第二，獲得媒體及資本市場青睞；同月，本集團榮獲「最受機構投資者關注港股通公司」評選。八月，綠景(中國)連續八年蟬聯「深圳市房地產開發行業綜合實力」十強榜單，並同時榮獲「深圳市房地產開發行業誠信(優質)企業十強」稱號。十月，本集團榮登2018「金翼獎」港股通公司成長實力牌行榜，再次獲得資本市場肯定。

根據《粵港澳大灣區發展規劃綱要》，粵港澳大灣區憑藉地理優勢、開放程度及經濟活力將成為全國重要戰略部署地域，優秀人才與資金將持續引入，在中國經濟發展及對外開放中起到支撐作用。受到政策利好及經濟發展潛力的影響，該區域商品房及商業物業發展將得到持續的需求支撐。

本集團一直重點佈局大灣區，二十多年來，本集團90%以上項目及土地儲備皆在大灣區內，以「深圳—香港」為主軸，重點佈局在深圳、香港、廣州、珠海及東莞等珠三角核心城市的核心地區，打造了一系列備受業界與消費者認可的優質項目。憑藉地段優勢與優質產品，具有較高的抗風險能力，保障了業務和效益的高成長性。同時本集團配合相關國家戰略規劃發揮自身優勢，為區域建設助力，創造持續的社會效益與經濟效益。

本集團亦立足於自身二十多年城市更新經驗，採用城市更新與少量市場競購的雙向擴張方式，不斷獲取優於競拍土地成本優勢，及盈利性強的優質土儲資源，同時自持及運營優越地理位置的商業物業，不僅為本集團帶來穩定現金流收益，更為本集團未來發展奠定堅實基礎。

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Apart from that, the Group has been working in unique collaboration with the controlling shareholder, who integrated resources for project incubation and primary development, and injected the projects to the LVGEM (China) when the time is ripe. This arrangement has allowed the Group to acquire high-quality land reserves. On 28 December 2018, LVGEM (China) entered into a subscription agreement with the controlling shareholder to increase the interests in a project company for the urban redevelopment project in Xiangzhou District, Zhuhai to 90.6% at a consideration of RMB20 million. The urban redevelopment project is located in Xiangzhou District, the core district of Zhuhai, Guangdong Province and has a total site area of approximately 207,200 square meters. Currently, the aforesaid project has passed the halfway mark of the mature stage and is expected to develop into a residential and commercial complex with a total gross floor area of 794,400 square meters. By cooperating with the controlling shareholder, the Group secured urban renewal projects in a low-risk and highly-flexible approach. With the professional capability in urban renewal, the Group incorporated the concept of smart urban regions of the Group into project design and leveraged its geographical advantages in the core areas of Zhuhai City in the Greater Bay Area to create outstanding investment returns for shareholders in the future. The aforesaid capital contribution evidenced the substantial progress in the injection of projects covering 12 million square meters by the controlling shareholder as committed to the investors. At the same time, it was a successful practice of the unique business model where the Group collaborates with its controlling shareholder. With a new round of massive injection around the corner, the Group has started the preparation work in an orderly manner. In the future, the Group will consider introducing high-quality urban renewal projects held by the controlling shareholder in the same approach so as to initiate development momentum of the Group.

Real Estate Development and Sales

Real estate development and sales are the core businesses of the Group, accounting for 81.2% of the total revenue of the Group for the year. For contracts entered into with customers on sales of properties, the relevant properties specified in the contracts are based on customers' specifications with no alternative use. Taking into the consideration of relevant terms, the legal environment and relevant legal precedent, the Group concluded that the Group does not have an enforceable right to payment prior to transfer of relevant properties to customers. Revenue from sales of residential properties is therefore recognised at a point in time when the completed property is transferred to customers, being at the point that customer obtains the control of the completed property and the Group has present right to payment and collection of the consideration is probable. For the year ended 31 December 2018, real estate development and sales of the Group generated approximately RMB3,664.3 million in revenue during the year (2017: RMB2,114.3 million), representing an increase of approximately 73.3% year-on-year. During the year under review, the Group actively launched new quality real estate projects, including zone E of LVGEM Huazhou International Garden and LVGEM Mangrove Bay No. 1, among which, zones E1 and E2 of LVGEM Huazhou International Garden were launched in April and August 2018, respectively and the sales response was overwhelming and satisfactory. LVGEM Mangrove Bay No. 1 was launched for sale in October 2018 with a sell-through rate of approximately 70% on the launch date, receiving attention and value recognition from the market.

At the same time, the Group has acquired abundant land reserve resources and continued to develop high-quality projects with potentials, including LVGEM Mangrove Bay No. 1, LVGEM International Garden, LVGEM Meijing Project, LVGEM Liguang Project, LVGEM Hong Kong Lau Fau Shan Project and LVGEM Kaiwei Project. Constantly upholding the core value of "Professionalism lays the foundation and mutual harmony leads to sustainable growth", the Group will devote to planning, construction and management of quality residential projects and smart urban regions and thus provide support to the stable and healthy growth of the future development of the Group.

另外，通過與控股股東的獨特聯動，由控股股東負責整合資源進行項目孵化及一級開發，待條件成熟後，控股股東在適當的時間將項目注入到綠景(中國)，從而獲取優質土地儲備。於二零一八年十二月二十八日，綠景(中國)與控股股東簽訂認購協議，以代價人民幣2,000萬元增持珠海香洲區城市更新項目，獲得項目公司90.6%的權益。該城市更新項目位於廣東省珠海市核心區域香洲區，總佔地面積約20.72萬平方米。目前該項目已處於成熟期後半階段，預計發展為總建築面積79.44萬平方米的住宅及商業綜合體。本集團透過與控股股東聯動，以低風險、高靈活性的方式獲得城市更新項目，憑藉本集團於城市更新方面的專業能力，在項目設計時結合本集團智慧城市理念，加之其於大灣區珠海市核心地段的地理優勢，相信未來將為股東帶來豐富的投資回報。本次注資行動，是對投資者承諾1,200萬平方米控股股東項目注入的實質性進展的證明，同時也是本集團與控股股東獨特聯動的商業模式成功實踐，進一步大規模注入已經迫在眉睫，注資工作亦已有序開展。未來本集團也會參考同樣的方式引入控股股東所持有的優質城市更新項目，為本集團發展增添助力。

房地產開發與銷售

房地產開發與銷售是本集團的核心主營業務，佔本集團全年度總收益之81.2%。就出售物業與客戶訂立之合約而言，合約中規定之相關物業乃基於客戶要求，並無其他替代用途。經考慮相關條款、法律環境及相關法律先例，本集團認為，在轉讓相關物業予客戶前，本集團並無收取付款之可強制執行權利。因此，出售住宅物業之收益於已竣工物業轉讓予客戶之時間點確認，即客戶獲得已竣工物業之控制權而本集團擁有收取付款之現時權利及可能收取代價之時間點。截至二零一八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3,664.3百萬元(二零一七年：人民幣2,114.3百萬元)，同比上升約73.3%。回顧年內，本集團積極推出優質房地產新項目，包括綠景化州國際花城E區與綠景紅樹灣壹號。其中，綠景化州國際花城E1區、E2區於二零一八年四月、八月推出，認購反應熱烈，成績喜人；綠景紅樹灣壹號於二零一八年十月開售，當天項目整體去化約70%，備受市場關注與價值認可。

同時，本集團土地儲備資源豐富，持續開發高潛力高質量項目，包括：綠景紅樹灣壹號、綠景國際花城、綠景美景項目、綠景黎光項目、綠景香港流浮山項目及綠景凱威項目等。本集團將秉承「專為本，和致遠」的核心價值觀，精心規劃、匠心打造、用心經營，帶來優質精品住宅項目與智慧城區，為本集團未來發展提供穩健增長支撐。

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管理層討論與分析

LVGEM Mangrove Bay No. 1 is the most iconic urban renewal project of the Group. The project comprises three quality residential buildings and a 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 Jindiyi Road in the central business district of Futian District, Shenzhen. Having easy access to public transport and strategically located in the proximity to Futian Port, Huanggang Port, Beijing-Hong Kong-Macao Expressway and Metro Lines 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. On 13 October 2018, LVGEM Mangrove Bay No. 1 was launched for sale, offering a total of 345 sets of completed residential units ranging from 83 to 167 square meters. Nearly 500 batches of clients participated in the notary public lot drawing and a sell-through rate of approximately 70% was recorded on the launch date. As at 31 December 2018, the contracted sales amounted to RMB2,350 million. During the year, the recognised sales revenue amounted to RMB1,520 million and the remaining RMB7,600 million comprised unsold properties which will provide sufficient support to the Group's results in 2019 and 2020.

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 the Juzhou Park. It is well-served by a public transport network and is approximately a 10-minutes' drive from the city centre. The project occupies a site area of 729,000 square meters and the entire project has a planned total gross floor area of 2,249,000 square meters. In 2018, the project was launched 4 times with a total sales contract amount of RMB1,180 million and accumulative transaction area of 166,473 square meters. The saleable area of the project was over 1 million square meters and it is estimated that the project will be launched at a value of approximately RMB1 to 1.5 billion each year.

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 the 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.

LVGEM Liguang Project is positioned as a residential, commercial and industrial high-end industrial park complex. The project is located in Liguang Village, Guanlan Town, Bao'an District, Shenzhen. Strategically located in a well-developed residential area and adjacent to the Mid Valley Clubhouse of the Mission Hills Golf Club, it possesses scenic greenery. The project occupies a site area of 271,202 square meters and a total gross floor area of 949,200 square meters.

綠景紅樹灣壹號是本集團近年最具代表性的城市更新項目，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。二零一八年十月十三日，「綠景紅樹灣壹號」開盤，共推出首批345套83至167平方米現樓住宅，累計近500批誠意客戶參與公證搖號，當天項目推盤部份去化率約70%。截至二零一八年十二月三十一日，該項目合同銷售為23.5億人民幣，當年確認銷售收入為15.2億人民幣，尚餘76億人民幣未銷售貨值，為二零一九年以及二零二零年業績提供足夠支撐。

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。該項目佔地面積72.9萬平方米，整個項目規劃總建築面積224.9萬平方米。二零一八年共推盤4次，總共銷售合同11.8億人民幣，累計交易面積為166,473平方米。項目可售面積尚餘超100萬平方米，未來預計每年項目會推出約10至15億人民幣貨值。

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。

綠景黎光項目定位為集住宅、商業及工業於一體的綜合性高端產業園項目。項目位於深圳寶安區觀瀾鎮黎光村，坐落於成熟住宅區，鄰近觀瀾湖高爾夫球會黎光會所，自然環境良好。佔地面積271,202平方米，總建築面積949,200平方米。

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LVGEM Lau Fau Shan Project is the Group's first real estate development project in Hong Kong and marked a new milestone of the internationalisation of the "LVGEM" brand. The project is located at Deep Bay Road, Lau Fau Shan, Hong Kong. It occupies a site area of approximately 82,400 square meters, comprising approximately 114 low density waterfront villas, each of which has a gross floor area of approximately 2,000 to 3,000 square feet. Embracing prime sea view and overlooking Deep Bay, the project is geographically prestigious and adjacent to Shenzhen with easy access to and from the mainland China. Further, it is located at the vicinity of Hung Shui Kiu new development area.

LVGEM Kaiwei Project is another urban renewal project. The project is located in the former Zhuhai Dongda Kaiwei Science Park in Xiangzhou District, Zhuhai City. With a total gross floor area of 421,441 square meters, the project is positioned to comprise an international grade A office building, apartment (hotel-serviced offices), residential and commercial complex. As of now, all "Four Permits" have been obtained for the project and the basic construction has been commenced. The project will become a major contributor to the Group's results in the next two years.

Commercial Property Investment and Operations

In the field of commercial property investment and operations, the Group has been adopting the operating model that combines real estate development and commercial property operation, which also forms one of the Group's core competitiveness. Income from commercial property investment and operations is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Based on its excellent insight and the two-way expansion model for land acquisition, the Group is constantly developing high-quality and high-standard residential projects that offer steady profit growth. Meanwhile, it develops large-scale integrated real estate projects that comprise commercial properties and enhances the overall value of individual traditional real estate projects through the sound operating model and excellent commercial property management, thereby generating stable rental income and cash flow as well as investment returns from the appreciation in property value.

The two major commercial property brands of the Group, namely "NEO" and "Zoll", were under steady operation. Our commercial projects included NEO Urban Commercial complex, Hong Kong LVGEM NEO, LVGEM Zoll Hongwan Shopping Centre, LVGEM Zoll Chanson Shopping Centre, LVGEM 1866 Zoll Centre, LVGEM Zoll International Garden Shopping Centre and other shops and investment properties, with a total gross floor area of approximately 558,000 square meters. The overall occupancy rate of the two brands was over 95%. For the year ended 31 December 2018, the Group's revenue from the investments and operations of commercial properties was approximately RMB543.2 million (2017: RMB498.3 million), representing an increase of approximately 9.0% as compared to the same period last year and offering stable cash flows and rental income as well as steady capital growth to the Group.

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 2018, the average occupancy rate of NEO Urban Commercial complex was about 94% (2017: 99%).

綠景流浮山項目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。項目位於香港流浮山深灣路，佔地面積約為82,400平方米，由約114棟低密度臨海獨棟別墅組成，每間獨立屋面積約為2,000至3,000平方呎。項目擁有優越海景，眺望後海灣；毗鄰深圳之地理優勢；往返內地交通非常方便；依傍未來洪水橋發展區。

綠景凱威項目為另一個城市更新項目，項目所在地原為珠海東大凱威科技園，位於珠海市香洲區，總建築面積為421,441平方米。項目定位為包含國際甲級寫字樓、公寓（酒店式辦公）、住宅及商業的綜合體項目，目前已經四證齊全，基礎工程已經開工，將成為本集團未來兩年業績主要貢獻項目之一。

商業物業投資與經營

在商業物業投資與經營領域，本集團一直採用房地產開發與商業地產經營相結合的運作模式，該模式亦成為本集團核心競爭力之一。商業物業投資與經營所得收入按直線法於相關租賃年期內於損益中確認。通過卓越的眼光及雙向擴張的拿地模式，本集團不斷開發高品質高規格住宅項目，為集團提供了穩定的利潤增長途徑。同時，通過開發包含商業的大型綜合地產項目，以穩健的經營模式與優質的商業物業管理提升傳統房地產單項項目的綜合價值，產生穩定的租金收入和現金流，帶來物業升值投資回報。

本集團穩步運營旗下「NEO」和「佐隴」兩大商業地產品牌系列，其中包括：NEO都市商務綜合體、香港綠景NEO、綠景佐隴虹灣購物中心、綠景佐隴香頌購物中心、綠景1866佐隴薈、綠景佐隴國際花城購物中心以及其他商舖及投資性物業，合共建築面積約為558,000平方米。兩大品牌綜合出租率均在95%以上，截至二零一八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543.2百萬元（二零一七年：人民幣498.3百萬元），同比增長約9.0%，為集團提供穩定的現金流及租金收入，實現資本穩步增長。

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。截至二零一八年十二月三十一日，NEO都市商務綜合體的平均出租率約為94%（二零一七年：99%）。

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Hong Kong LVGEM NEO Project is a 19-storey commercial building located in “Kowloon East”, the future central business district in Hong Kong, and occupies a site area of approximately 4,500 square meters and a planned total gross floor area of approximately 55,390.18 square meters. The project is at a prime site with 270-degree seaview of Victoria Harbour and convenient transport connections. The Group acquired a full seaview grade-A commercial building in Hong Kong at HK\$9 billion and renamed 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. Positioning as a financial and technological centre which integrates health, green, humanity and scenes, Hong Kong LVGEM NEO was designed to create a scene-based common office space with humanistic care and was topped out on 20 May 2018. On 26 February 2019, its construction passed the inspection of the Buildings Department of Hong Kong and received the occupation permit for inspection completion and acceptance. The project started accepting tenants in November 2018 and the negotiation with cornerstone clients has been progressing smoothly. In view of its superior location, the project will attract renowned multinational finance, real estate and technology enterprises as tenants. The management of the Company is confident that the occupancy rate will exceed 60% by the end of 2019.

Suzhou NEO (綠標商務廣場) is located in the core area of Yuexi development zone, Wuzhong, Suzhou. It is situated at the west corner of Tayun Road, north corner of Su Street and east corner of Yuelaixi, with a direct connection to Metro Line 4 under planning. The project occupies a site area of 14,592 square meters and has a planned total gross floor area of 81,851 square meters. It is positioned as mid-to-high-end offices and street-level boutique business, together with lake-view apartments. Featuring a community-based shopping mall, the project focuses on branded catering complemented by integrated auxiliary services and supported by regional convenient retail designed to fully meet customers’ demand for basic consumption and quality lifestyle.

Zoll Shopping Centre is a famous fashion and comprehensive shopping centre. As at 31 December 2018, the Group owned and operated LVGEM Zoll Hongwan Shopping Centre, LVGEM Zoll Chanson Shopping Centre, LVGEM 1866 Zoll Centre, LVGEM Zoll International Garden Shopping Centre, LVGEM Zoll Jinhua Shopping Centre and LVGEM Zoll Yuexi Shopping Centre. As at 31 December 2018, the average occupancy rate was about 96%. In particular, LVGEM Zoll International Garden Shopping Centre launched its full-scale opening on 9 February 2018 and reached an occupancy rate of 85% while LVGEM Zoll Yuexi Shopping Centre opened in November 2018 and reached an occupancy rate of 93%.

香港綠景NEO項目位於香港未來核心商業區「九龍東」，商廈樓高19層，佔地面積約4,500平方米，規劃總建築面積約55,390.18平方米，享有270度維多利亞港全海景緻，地理位置優越，交通便捷。本集團以90億港元收購的香港全幢臨海甲級商廈，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。香港綠景NEO定位為健康、綠色、人文及場景於一體的金融科技中心，積極打造具備人文關懷的場景式辦公共享空間，項目已於二零一八年五月二十日成功封頂。於二零一九年二月二十六日，項目的建築工程已通過香港屋宇署驗收合格，正式收到入伙紙，完成竣工驗收。目前項目已在二零一八年十一月啟動招租儀式，與基石客戶的洽談進展順利，鑒於項目地理位置優越，將吸引多家跨國金融、地產和科技龍頭企業入駐，公司管理層有信心在二零一九年底出租率達60%以上。

蘇州NEO(綠標商務廣場)位於蘇州吳中越溪開發區的核心地段，塔韻路西側，蘇街北側，越來溪東側，與規劃中的軌道交通4號線無縫接駁。項目佔地面積為14,592平方米，擬建總建築面積為81,851平方米，定位為中高檔寫字樓及街區式精品商業，加上湖景公寓。以社區型購物中心為項目特色，品牌餐飲為主導，綜合配套為輔助，局部便利性零售為點綴，項目充分滿足客群基礎消費品質生活需求。

佐隄購物中心是著名生活時尚及綜合式購物中心。本集團於二零一八年十二月三十一日擁有及營運綠景佐隄虹灣購物中心、綠景香頌佐隄中心、綠景1866佐隄、綠景佐隄國際花城購物中心、綠景佐隄錦華購物中心、綠景佐隄越溪購物中心。於二零一八年十二月三十一日止之平均出租率約為96%，其中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，出租率達85%，綠景佐隄越溪購物中心於二零一八年十一月開業，出租率達93%。

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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 comprehensive services, the Group recognises revenue in the amount to which the entity has a right to invoice, when the Group has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the entity's performance completed to date. For the year ended 31 December 2018, the comprehensive services of the Group generated revenue of RMB308.2 million (2017: RMB355.2 million), representing a year-on-year decrease of approximately 13.2%.

Property management services include security services, as well as maintenance and management of properties and facilities. The Group provided comprehensive property management services for most of its real estate 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. has obtained the ISO9001:2008 certification for its quality system of property management services and the level A property management qualification.

In respect of hotel operations, the Group operates and manages two hotels in Shenzhen and the United States. These hotels are the LVGEM Jinjiang Hotel located in the central business district of Futian district, Shenzhen, and the 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, multi-functional meeting rooms, banquet hall and video conference room. As at 31 December 2018, its average occupancy rate was approximately 75% (2017: 77%).

In 2017, the Group acquired the Vanlee Hotel located in Covina, California, the United States, which occupies a site area of 22,652 square meters, and the renovation is expected to be completed in 2019. The operation of Vanlee Hotel is a milestone project of LVGEM (China), marking 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 leveraged on the international capital operation platform in Hong Kong and made reasonable and full use of a wide range of domestic and overseas financing channels for cross-border financing strategy between Hong Kong and the PRC, so as to consolidate the Group's financial resources.

In February 2018, the Group issued 132,564,669 new convertible preference shares and 132,564,669 ordinary shares to two eligible investors, including Silver Sure (BVI) Investments Limited ("Silver Sure"), at a price of HK\$2.938 per share, representing a discount of 8.19%. On 8 February 2018, the Group issued 80,000,000 ordinary shares to two PRC qualified domestic institutional investor funds, namely Essence Securities Co., Ltd. and Guosen Securities Co., Ltd. at a price of HK\$2.938 per share, representing a discount of 8.19%. The net proceeds from the abovementioned equity financing amounted to a total of approximately HK\$1 billion and have been applied to finance the development of projects, interest payment and for general corporate purposes of the Group.

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。就綜合服務，當本集團擁有可收取來自客戶的代價之權利時，而代價之金額與客戶迄今為止達致之表現價值直接對應，則本集團可按有權開具發票的金額確認收益。截至二零一八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308.2百萬元(二零一七年：人民幣355.2百萬元)，同比減少約13.2%。

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服務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。

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、多功能會議室、宴會廳及視像會議室等設備，截至二零一八年十二月三十一日平均入住率約為75%(二零一七年：77%)。

本集團於二零一七年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，預計將於二零一九年完成翻新工作，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，將為本集團帶來穩定的酒店經營收入。

財務融資

背靠香港國際化資本運作平台，本集團於年內充分合理利用境內及境外多元化融資渠道，發揮兩地融通的融資策略，鞏固本集團財務資源。

本集團於二零一八年二月，以每股2.938港元折讓8.19%向銀順(BVI)投資有限公司(「銀順」)等兩位合資格投資者發行132,564,669股新可換股優先股及132,564,669股普通股。於二零一八年二月八日，本集團以每股2.938港元折讓8.19%向安信證券股份有限公司及國信證券股份有限公司之中國合格境內機構投資者基金發行8,000萬股普通股。以上股權融資所得款項淨額合約10億港元，已用作集團的項目發展、利息支付及一般企業用途。

* For identification purposes only 僅供識別

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On 11 May 2018, the Group issued 4% US\$100 million convertible bonds due 2023 to Global Affluence Holding V Limited, a subsidiary of funds managed under PAG Assets Limited. The proceeds from the issuance of convertible bonds were intended to be used for project development, debt refinancing or general corporate purposes.

On 16 September 2018, the Group entered into the subscription agreement with Pioneer Festive Limited, a wholly-owned subsidiary of Huatai Financial Holdings (Hong Kong) Limited, for the issue of 5% guaranteed convertible bonds due 2023 in the principal amount of US\$50 million. The net proceeds from the issue would be used for project development, debt refinancing or general corporate purposes of the Group.

On 3 October 2018, the Group entered into a deed of extension with Chance Talent Management Limited (“Chance Talent”) to extend the maturity date of the 5.5% convertible bonds due 2018 to 2020. The outstanding principal amount of the convertible bonds was US\$90 million and the net proceeds from the issue were fully used by the Group as general working capital.

For the year ended 31 December 2018, the overall finance costs of the Group was 6.2% (2017: 6.6%), down by 0.4 percentage points year-on-year. The Group expected to further consolidate its financial strength by making full use of domestic and overseas financing channels and build domestic and overseas financing platforms to facilitate financial intermediation, thereby supporting its pursuit of corporate development, business opportunities and high-quality growth.

Future Strategy

Being one of the most open and economically vibrant regions in China, the Guangdong-Hong Kong-Macao Greater Bay Area is strategically important for national development planning and plays a crucial role in the country's economic development and foreign trade in the future. As further outlined in the Guangdong-Hong Kong-Macao Greater Bay Area strategic plan, regional economic growth will gain extra momentum and the influx of high-calibre talents and funds will create huge room for the development of the local real estate market. Thus, the Group is confident in the potential of the Greater Bay Area. In the meantime, under the main theme of “no speculation on residential properties”, future property regulations will put more emphasis on steady development and local needs. A stable industry environment will also foster healthy growth environment of the Group.

Looking forward, the Group will implement a full strategic upgrade. Adhering to the strategy of “Focus on urban renewal in the Greater Bay Area, Develop a brand new smart city”, it will strive to develop into a benchmark for new smart city developers and operators that are dedicated to the construction of the Guangdong-Hong Kong-Macao Greater Bay Area. In terms of facilitating renewal in the Greater Bay Area, it will dovetail with the Guangdong-Hong Kong-Macao Greater Bay Area strategic plan and focus on major urban renewal projects of the Group and the controlling shareholder in the Greater Bay Area. In particular, for the Baishizhou Renewal Project in Nanshan District, Shenzhen, which was promoted by the controlling shareholder, which has entered into the collective property compensation agreement, and the controlling shareholder has completed 100% of the title searches for all areas of properties falling in the scope of redevelopment. As at the end of 2018, the controlling shareholder obtained the Special Planning Approval for the project (for a planned gross floor area of 3.58 million square meters and the project is planned to be developed in three phases). The controlling shareholder will now initiate the signing of private property compensation agreements, confirmation of rights for project

本集團於二零一八年五月十一日向PAG Assets Limited旗下管理基金公司Global Affluence Holding V Limited發行1億美元於二零二三年到期之可換股債券，年息4厘。發行可換股債券之所得款項擬用作項目發展、債務再融資或一般企業用途。

二零一八年九月十六日，本集團與華泰金融控股(香港)之全資附屬公司Pioneer Festive Limited訂立認購協議，發行5,000萬美元於二零二三年到期5.00%之有擔保可換股債券，發行所得款項淨額用作本集團項目發展、債務再融資或一般企業用途。

二零一八年十月三日，集團與Chance Talent Management Limited (「Chance Talent」)訂立延長契據，以延長於二零一八年到期5.5%之可換股債券至二零二零年。可換股債券之未贖回本金為9,000萬美元，本集團已將自發行所籌得款項淨額全部用作一般運營資金。

截至二零一八年十二月三十一日止年度，本集團綜合融資成本為6.2%。(二零一七年：6.6%)，同比下降0.4個百分點。本集團充分利用境內外融資渠道，進一步加強本集團的財政實力，建立境內外融資平台，實現資金融通，以支持本集團發展，把握更多發展良機，實現具質量的業績增長。

未來戰略

粵港澳大灣區是中國開放程度最高、最具經濟活力的區域之一，在國家發展規劃中佔有重要的戰略地位，未來也將對中國經濟發展和對外貿易起到重要作用。隨著粵港澳大灣區戰略規劃的進一步明晰，該區域經濟將得到進一步推動，優秀人才與資金的流入將為地區房地產市場帶來廣闊的發展空間，本集團對大灣區的發展潛力充滿信心。同時，未來房地產調控政策將會在「房住不炒」的基調下，更加注重新穩步發展與因城施策。穩定的行業環境同樣將為本集團提供良好的發展環境。

展望未來，本集團將實施全面戰略升級。以「聚力灣區大舊改，打造智慧新城區」為戰略引領，努力將自己締造成為銳意助力粵港澳大灣區建設的標桿性智慧新城開發運營商。在推動灣區大舊改方面，順應粵港澳大灣區戰略規劃，重點推進本集團及控股股東手上位於大灣區的多個大型城市更新項目。其中，由控股股東推動的位於深圳市南山區的白石洲舊改項目，已完成集體物業補償協議簽訂，更新改造範圍的全部物業面積查丈工作已經100%完成。項目已於二零一八年底獲取專項規劃批覆(規劃建築面積358萬平方米，項目計劃分三期實施開發)。接下來將按計劃啟動私人物業補償協議簽訂、項目實施主體確認及開展房屋

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implementing entity and house demolition as planned. In parallel to these, the controlling shareholder will aim at confirming a comprehensive injection plan and orderly start off the injection into LVGEM (China) in phases in the year.

As time passes and technology advances, the demand for humanistic housing and convenient living experience is on the rise. In line with this, the Group will also follow the strategy of “Develop a brand new smart city” and adopt the strategic mindset of establishing a technology hub and a humanistic bay area to promote ecological-oriented culture as proposed by the Greater Bay Area strategic development plan. The Group has joined hands with Huawei to bring forward the strategic concept of “Building a Smart City Benchmark”. In July 2018, the Group entered into the strategic cooperation agreement in relation to the smart urban regions with Huawei. Based on the strategic cooperation in smart urban regions, As our technology partner in smart urban region projects, Huawei will provide assistance in the top-down design of Baishizhou Renewal Project during the preparatory stage and participate in specific design, construction and operation subsequently with the view of building the smart urban region with LVGEM through in-depth cooperation. Leveraging on the technical strengths of our partner, along with our extensive experience in urban renewal projects, the Group will give full play to all parties’ capabilities in the open platform for introducing high-quality technology and building smart urban regions, in a bid to establish a convenient, high-tech and replicable benchmark of new smart urban regions and create social, environmental and economic benefits to support further growth.

The continuous population inflow to the Greater Bay Area will bring about demographic dividend for regional consumption and industrial upgrade. Meanwhile, rising population and well-established infrastructure will boost the development of real estate companies. Over the years, LVGEM (China) has focused on core cities in key parts of the Guangdong-Hong Kong-Macao Greater Bay Area and acquired ample land reserve resources. The Group’s thoughtful and forward-looking strategy coincides with the “Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area”. To keep in line with the “Outline”, the Group will build smart city clusters, implement strategic transformation and incorporate the strategic concept of “Building a Smart City Benchmark” in future project development. The Group will apply the concept of smart urban regions to existing urban renewal projects and set an example by providing replicable and advanced digitalised technical support to urban renewal projects in the pipeline for collaboration between the controlling shareholder and the Group. Through which, the Group will become the creator, operator and service provider of smart urban regions and stay in the lead as an industry forerunner.

The year 2019 will see a new start for LVGEM (China) to pursue ongoing development, innovation and breakthrough. Upholding the core value of “Professionalism lays the foundation and mutual harmony leads to sustainable growth”, the Group will strengthen its own advantages and brand, react promptly to opportunities, establish a unique development model and maintain steady business growth, thereby devoting sustained efforts towards the vision and goal of “being the most respected city value-creator in China”.

拆除等工作。同時，控股股東希望年內確定總體注資方案有序推進向綠景(中國)分步注入工作。

隨著時代發展與科技進步，居民對人文居住需求與便利化生活體驗需求日益提高，本集團未來亦會按照「打造智慧新城區」的戰略，在大灣區發展戰略規劃提出的打造科技中心、共建人文灣區，推進生態文明戰略思想指引下，本集團聯手華為，提出「打造智慧新城區標桿」的戰略理念。於二零一八年七月，本集團與華為簽署智慧城區戰略合作協議，在智慧城區戰略合作的基礎上，華為作為智慧城區項目的技術合作夥伴，協助我司開展白石洲舊改項目前期頂層設計，後續的詳細設計、建設及運營，擬與綠景共同建設智慧城區，長足合作。藉助合作方於科技領域優勢，配合本集團於城市更新項目豐富經驗，各施所長，形成開放平台，引進優質技術，打造智慧城區，建立起便利化、科技化、可複製的智慧新城區標桿，創造社會效益、綠色效益、經濟效益，使本集團發展更進一步。

放眼未來，大灣區人口將不斷流入，為地區消費及產業升級提供人口紅利，而人口持續流入及基礎設施完善，將有助於地產公司進一步發展。綠景(中國)多年來深耕粵港澳大灣區核心地域核心地區，土地儲備資源豐富，與《粵港澳大灣區發展規劃綱要》不謀而合，體現了本集團的佈局深思與發展前瞻性。本集團將配合《綱要》給出建成智慧城市群的信號，戰略轉型，將智慧城區標桿的戰略理念應用於未來項目發展。本集團將智慧城區概念應用於現有城市更新項目上，打造樣板，為控股股東與本集團可聯動之城市更新項目儲備資源提供可複製的、領先的數字化技術支持，成為智慧城區的締造者、運營商及服務商，領跑產業，引領行業。

二零一九年，將是綠景(中國)不斷發展、不斷創新、不斷超越自我的新的一年。本集團將繼續秉承「專為本、和致遠」的核心價值觀，鞏固自身優勢，提升品牌實力，把握發展機遇，打造獨具特色的發展模式並維持穩定的業績增長能力，持之以恆向著「做中國最受尊敬的城市價值創造者」的願景目標努力奮進。

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Major Corporate Events

On 17 January 2018, the Company received a notice from Chance Talent, requesting for the conversion of the convertible bonds held by Chance Talent in the principal amount of US\$10,000,000. Accordingly, the Company issued 28,794,063 ordinary shares to Chance Talent at the conversion price of HK\$2.695 per share.

On 7 February 2018, the Company entered into a convertible preference shares subscription agreement with Silver Sure, a wholly-owned subsidiary of ABC International Holdings Limited, pursuant to which the Company issued 132,564,669 new convertible preference shares at HK\$2.938 per convertible preference share (the “2018 CPS Subscription”) to Silver Sure. 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”) pursuant to which the Company has agreed to allot and issue, and Leadon has agreed to subscribe for 132,564,669 new ordinary 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 annual general meeting held on 21 June 2017 (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 80,000,000 shares of the Company at the placing price of HK\$2.938 per share; and (ii) China LVGEM agreed to subscribe for 80,000,000 new shares of the Company at the subscription price of HK\$2.938 per share (the “Top-up Placing”) which is equivalent to the placing price. The new shares were allotted and issued pursuant to the general mandate granted to the Directors in the 2017 AGM. The Top-up Placing was completed on 13 February 2018. Details regarding the Top-up Placing are set out in the announcements of the Company dated 8 February 2018 and 13 February 2018.

On 10 May 2018, the Company entered into a convertible bonds subscription agreement with Global Affluence Holding V Limited, a subsidiary of funds managed under PAG Assets Limited, in relation to the issue of the 4% guaranteed convertible bonds in an aggregate principal amount of US\$100 million (equivalent to approximately HK\$785 million). Details of the issue of the 4% guaranteed convertible bonds are set out in the announcement of the Company dated 10 May 2018.

On 23 July 2018, the Company entered into a strategic cooperation agreement with Huawei, a globally leading information and communication solution provider, in relation to the long-term strategic cooperation in the joint development of the smart urban regions. Details of the strategic cooperation are set out in the announcement of the Company dated 23 July 2018.

重要企業事項

於二零一八年一月十七日，本公司接獲Chance Talent通知，要求兌換由Chance Talent持有本金額為10,000,000美元之可換股債券。因此，本公司按每股2.695港元之兌換價向Chance Talent發行28,794,063股普通股。

於二零一八年二月七日，本公司與銀順（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，本公司以每股可換股優先股2.938港元向銀順發行132,564,669股新可換股優先股（「二零一八年可換股優先股認購事項」）。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股新普通股份，股份認購價為每股2.938港元（「股份認購事項」）。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。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港元之配售價，合共配售80,000,000股本公司股份；及(ii)中國綠景同意以每股2.938港元之認購價（相當於配售價）認購80,000,000股本公司股份（「先舊後新配售」）。新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。先舊後新配售已於二零一八年二月十三日完成。先舊後新配售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。

於二零一八年五月十日，本公司與PAG Assets Limited旗下管理基金之附屬公司Global Affluence Holding V Limited就發行本金總額為100,000,000美元（相等於約785,000,000港元）之4%有擔保可換股債券訂立可換股債券認購協議。發行4%有擔保可換股債券之有關詳情載於本公司日期為二零一八年五月十日之公告。

於二零一八年七月二十三日，本公司與全球領先的信息與通信解決方案供應商華為訂立戰略合作協議，共同在智慧城市領域建立長期戰略合作關係。有關戰略合作之有關詳情載於本公司日期為二零一八年七月二十三日之公告。

Management Discussion and Analysis

管理層討論與分析

On 16 September 2018, the Company entered into a convertible bonds subscription agreement with Pioneer Festive Limited a wholly-owned subsidiary of Huatai Financial Holdings (Hong Kong) Limited, in relation to the issue of the 5% guaranteed convertible bonds in an aggregate principal amount of US\$50 million (equivalent to approximately HK\$392.5 million). Details of the issue of the 5% guaranteed convertible bonds are set out in the announcement of the Company dated 16 September 2018.

On 3 October 2018, the Company entered into a deed of extension with Chance Talent and Mr. Wong Hong King (“Mr. Wong”), the controlling shareholder of the Company, to extend the maturity date of the 5.5% convertible bonds due 18 November 2018 to 2020. The outstanding principal amount of the convertible bonds was US\$90 million and the net proceeds from the issue were fully used by the Group as general working capital in 2016.

On 28 December 2018, Urban Thrive Holdings Limited, as the subscriber, a direct wholly-owned subsidiary of the Company, entered into a subscription agreement with Copious Favour Holdings Limited (“Copious Favour”), as the issuer, and Mr. Wong to subscribe for 901 shares of Copious Favour at the consideration of RMB20 million (equivalent to approximately HK\$22.7 million), representing 90.1% equity interests in Copious Favour. Details of the subscription are set out in the announcements of the Company dated 28 December 2018 and 4 January 2019.

Financial Review

Revenue

The Group's revenue mainly comprised revenue from sales of properties, leasing of investment properties and comprehensive services. The Group's revenue for the year ended 31 December 2018 was approximately RMB4,515.7 million (2017: RMB2,967.8 million), representing an increase of approximately 52.2% as compared to last year, which was mainly due to the increase in revenue from sales of properties.

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	increase/ (decrease) 增加/(減少) RMB'000 人民幣千元	%
Real estate development and sales	房地產開發及銷售	3,664,328	2,114,289	1,550,039	73.3
Commercial property investment and operations	商業物業投資與經營	543,176	498,295	44,881	9.0
Comprehensive services	綜合服務	308,181	355,167	(46,986)	(13.2)
Total	總計	4,515,685	2,967,751	1,547,934	52.2

For the year ended 31 December 2018, the revenue from sales of properties was approximately RMB3,664.3 million (2017: RMB2,114.3 million), representing an increase of approximately 73.3% as compared to last year, which mainly includes sales of the high-rise residential buildings of LVGEM Mangrove Bay No. 1, LVGEM Huazhou International Garden zones B1, B2 and B3 and other properties held for sale. The total gross floor area of properties sold by the Group during the year ended 31 December 2018 was approximately 296,300 square meters (2017: approximately 55,500 square meters).

於二零一八年九月十六日，本公司與華泰金融控股(香港)有限公司之全資附屬公司Pioneer Festive Limited就發行本金總額為50,000,000美元(相等於約392,500,000港元)之5%有擔保可換股債券訂立可換股債券認購協議。發行5%有擔保可換股債券之有關詳情載於本公司日期為二零一八年九月十六日之公告。

於二零一八年十月三日，本公司與Chance Talent及本公司控股股東黃康境先生(「黃先生」)訂立延長契據，以延長於二零一八年十一月十八日到期之5.5%可換股債券至二零二零年。可換股債券之未贖回本金為90,000,000美元，本集團已於二零一六年將自發行所籌得款項淨額全部用作一般運營資金。

於二零一八年十二月二十八日，本公司之直接全資附屬公司城隆控股有限公司作為認購人與作為發行人的厚益控股有限公司(「厚益」)及黃先生訂立認購協議，以代價人民幣2,000萬元(相當於約2,270萬港元)認購厚益901股股份，佔厚益的90.1%股權。認購事項之有關詳情載於本公司日期為二零一八年十二月二十八日及二零一九年一月四日之公告。

財務回顧

收益

本集團的收益主要包括來自出售物業、租賃投資物業及綜合服務的收益。截至二零一八年十二月三十一日止年度，本集團的收益約為人民幣4,515.7百萬元(二零一七年：人民幣2,967.8百萬元)，較去年同期增加約52.2%，主要由於來自出售物業的收益增加所致。

截至二零一八年十二月三十一日止年度，來自出售物業的收益約為人民幣3,664.3百萬元(二零一七年：人民幣2,114.3百萬元)，較去年增加約73.3%，主要包括銷售綠景紅樹灣壹號高層住宅樓宇、綠景化州國際花城B1區、B2區及B3區和其他待售物業。截至二零一八年十二月三十一日止年度，本集團已售物業總樓面面積約296,300平方米(二零一七年：約55,500平方米)。

Management Discussion and Analysis

管理層討論與分析

Revenue from leasing of investment properties for the year ended 31 December 2018 was approximately RMB543.2 million (2017: RMB498.3 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 of the Group during the year ended 31 December 2018 remained at a high level at 95% (2017: 98%).

The Group provides comprehensive services to customers and tenants of its residential and commercial properties. These comprehensive services include property management services, hotel operations, renovations and others. For the year ended 31 December 2018, comprehensive services of the Group generated revenue of approximately RMB308.2 million (2017: RMB355.2 million), representing a decrease of approximately 13.2% as compared to last year.

Gross Profit and Gross Profit Margin

For the year ended 31 December 2018, the Group's integrated gross profit increased to approximately RMB2,686.2 million (2017: RMB1,937.9 million), representing an increase of approximately 38.6% as compared to last year; the integrated gross profit margin for the year ended 31 December 2018 was 59.5% (2017: 65.3%). The fluctuation of gross profit margin was mainly attributable to the revenue recognised under different project portfolio. In 2018, the gross profit margin of Shenzhen projects still maintained at over 70% while the integrated gross profit for 2018 was 59.5% under the impact of the Huazhou project, and over 90% of the revenue in year 2017 was generated from LVGEM Hongwan Garden, with a higher profit margin of approximately 68%.

Selling Expenses

For the year ended 31 December 2018, selling expenses of the Group amounted to approximately RMB133.0 million (2017: RMB67.7 million), representing an increase of approximately 96.4% as compared to last year. The increase was mainly attributed to the increase of projects launched to the market in 2018. In 2018, the selling expenses mainly included sales commission and advertising expenses for LVGEM Mangrove Bay No. 1 and LVGEM Huazhou International Garden.

Administrative Expenses

For the year ended 31 December 2018, administrative expenses of the Group amounted to approximately RMB390.4 million (2017: RMB361.6 million), representing an increase of approximately 8% as compared to 2017. 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 RMB22.0 million (2017: RMB80.4 million).

Fair Value Changes on Investment Properties

The valuation on the Group's investment properties as at 31 December 2018 was conducted by an independent property valuer which resulted in a fair value gain on investment properties of RMB323.5 million for the year ended 31 December 2018 (2017: RMB478.4 million).

截至二零一八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543.2百萬元(二零一七年：人民幣498.3百萬元)。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。截至二零一八年十二月三十一日止年度，本集團投資物業的出租率為95%(二零一七年：98%)，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、舊改及其他。截至二零一八年十二月三十一日止年度，本集團綜合服務產生的收益約為人民幣308.2百萬元(二零一七年：人民幣355.2百萬元)，較去年減少約13.2%。

毛利及毛利率

截至二零一八年十二月三十一日止年度，本集團的綜合毛利增加至約人民幣2,686.2百萬元(二零一七年：人民幣1,937.9百萬元)，較去年增加約38.6%；截至二零一八年十二月三十一日止年度，綜合毛利率為59.5%(二零一七年：65.3%)。毛利率的波動主要是由於受不同項目組合確認之收益所致。於二零一八年，深圳項目的毛利率仍維持在70%以上，在化洲項目的影響下，二零一八年綜合毛利率為59.5%，而二零一七年年末超過90%的收益乃自較高利潤率約為68%的綠景虹灣花園產生。

銷售開支

截至二零一八年十二月三十一日止年度，本集團的銷售開支約人民幣133.0百萬元(二零一七年：人民幣67.7百萬元)，較去年增加約96.4%。銷售開支上升主要由於二零一八年向市場推出的項目增加所致。於二零一八年銷售開支主要包括綠景紅樹灣壹號及綠景國化州際花城的銷售佣金及推廣開支。

行政開支

截至二零一八年十二月三十一日止年度，本集團的行政開支約人民幣390.4百萬元(二零一七年：人民幣361.6百萬元)，較二零一七年增加約8%，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22.0百萬元(二零一七年：人民幣80.4百萬元)。

投資物業的公允價值變動

於二零一八年十二月三十一日，本集團的投資物業經由獨立物業估值師進行估值，並因此作出截至二零一八年十二月三十一日止年度人民幣323.5百萬元(二零一七年：人民幣478.4百萬元)的投資物業公允價值收益。

Management Discussion and Analysis

管理層討論與分析

Finance Costs

For the year ended 31 December 2018, finance costs of the Group amounted to approximately RMB658.0 million (2017: RMB613.6 million), representing an increase of approximately 7.2% as compared to 2017.

The increase in finance costs was due to the increase of the Group's total interest-bearing loans from RMB18,971.1 million as at 31 December 2017 to RMB23,324.4 million as at 31 December 2018. The Group's average finance cost of interest-bearing loans was 6.2% for the year ended 31 December 2018 (2017: 6.6%).

Income Tax Expense

For the year ended 31 December 2018, income tax expenses of the Group amounted to approximately RMB925.1 million (2017: RMB458.8 million). The Group's income tax expense included payments and provisions made for EIT and LAT during the year. The increase in income tax expense during the year was mainly attributable to the increase in LAT provision. The LAT for the year amounted to approximately RMB523.4 million (2017: RMB4.0 million), which was mainly attributable to the sales of LVGEM Mangrove Bay No. 1 during the year and a reversal of over-provided LAT with an amount of RMB223.9 million included in 2017.

Operating Results

For the year ended 31 December 2018, the profit attributable to owners of the Company was approximately RMB1,237.2 million (2017: RMB1,035.4 million), representing an increase of approximately 19.5% as compared to 2017.

Liquidity, Financial Resources and Gearing

Bank balances and cash as at 31 December 2018 amounted to approximately RMB7,589.9 million (including restricted bank deposits) (2017: RMB6,092.7 million).

The Group had total borrowings of approximately RMB23,324.4 million as at 31 December 2018 (2017: RMB18,971.1 million). Borrowings classified as current liabilities were approximately RMB5,824.4 million (2017: RMB4,204.7 million) and the Group's gearing ratio as at 31 December 2018 was approximately 137.6% (2017: 127.9%), which was based on total interest-bearing loans less bank balances and cash (including restricted bank deposits) to total equity.

Current, Total and Net Assets

As at 31 December 2018, the Group had current assets of approximately RMB19,240.6 million (2017: RMB14,142.8 million) and current liabilities of approximately RMB11,689.8 million (2017: RMB9,650.9 million), which represented an increase in net current assets from approximately RMB4,492.0 million as at 31 December 2017 to approximately RMB7,550.9 million as at 31 December 2018. The increase in net current assets as at 31 December 2018 was mainly attributable to the extension of the maturity of the 5.5% convertible bonds, which was originally due in November 2018, to November 2020.

融資成本

截至二零一八年十二月三十一日止年度，本集團的融資成本約為人民幣658.0百萬元(二零一七年：人民幣613.6百萬元)，較二零一七年增長約7.2%。

融資成本增加乃由於本集團有息貸款總額從二零一七年十二月三十一日的人民幣18,971.1百萬元增加至二零一八年十二月三十一日的人民幣23,324.4百萬元。本集團截至二零一八年十二月三十一日止年度的有息貸款平均融資成本為6.2%(二零一七年：6.6%)。

所得稅開支

截至二零一八年十二月三十一日止年度，本集團所得稅開支約人民幣925.1百萬元(二零一七年：人民幣458.8百萬元)。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。年內所得稅開支增加主要由於土地增值稅撥備增加所致。年內土地增值稅約人民幣523.4百萬元(二零一七年：人民幣4.0百萬元)，主要由於年內銷售綠景紅樹灣壹號所致以及二零一七年包括撥回土地增值稅超額撥備人民幣223.9百萬元。

經營業績

截至二零一八年十二月三十一日止年度，本公司股東應佔盈利約人民幣1,237.2百萬元(二零一七年：人民幣1,035.4百萬元)，較二零一七年增加約19.5%。

流動資金、財務資源及資本負債比率

於二零一八年十二月三十一日，銀行結餘及現金約人民幣7,589.9百萬元(包括受限制銀行存款)(二零一七年：人民幣6,092.7百萬元)。

於二零一八年十二月三十一日，本集團的總借貸約為人民幣23,324.4百萬元(二零一七年：人民幣18,971.1百萬元)。分類為流動負債的借貸約為人民幣5,824.4百萬元(二零一七年：人民幣4,204.7百萬元)，而本集團於二零一八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137.6%(二零一七年：127.9%)。

流動資產、總資產及資產淨值

於二零一八年十二月三十一日，本集團擁有流動資產約人民幣19,240.6百萬元(二零一七年：人民幣14,142.8百萬元)及流動負債約人民幣11,689.8百萬元(二零一七年：人民幣9,650.9百萬元)，流動資產淨值由二零一七年十二月三十一日約人民幣4,492.0百萬元增加至二零一八年十二月三十一日約人民幣7,550.9百萬元。於二零一八年十二月三十一日流動資產淨值增加，乃主要由於延長5.5%的可換股債券的到期日(原於二零一八年十一月到期)至二零二零年十一月所致。

Management Discussion and Analysis

管理層討論與分析

As at 31 December 2018, the Group had total assets of approximately RMB43,412.1 million (2017: RMB36,796.8 million) and total liabilities of approximately RMB31,973.2 million (2017: RMB26,727.6 million), representing a debt ratio (total liabilities over total assets) of approximately 73.7% (2017: 72.6%). Net assets of the Group were approximately RMB11,438.9 million as at 31 December 2018 (2017: RMB10,069.2 million).

For the year ended 31 December 2018, the Group was able to utilise its internal resources and debt and equity financing to meet the funding requirements for the development of real estate projects.

Charge on Assets

For the year ended 31 December 2018, loans of approximately RMB16,085.5 million (2017: RMB12,323.7 million) were secured by properties under development for sale, properties held for sale, investment properties, properties, plant and equipment and pledged deposits of the Group respectively in the total amount of approximately RMB18,878.2 million (2017: RMB17,930.0 million).

Contingent Liabilities

For the year ended 31 December 2018, the Group had contingent liabilities relating to guarantees in respect of mortgage facilities for certain purchasers amounting to approximately RMB1,163.0 million (2017: RMB379.2 million). Pursuant to the terms of the guarantees, if there is default on 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 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 for the Group to sustain a loss under these guarantees as during the periods under guarantees, the Group can take over the ownerships of the related properties under default 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 that the purchasers default payments to the banks for their mortgage loans.

於二零一八年十二月三十一日，本集團擁有總資產約人民幣43,412.1百萬元(二零一七年：人民幣36,796.8百萬元)及總負債約人民幣31,973.2百萬元(二零一七年：人民幣26,727.6百萬元)，負債比率(總負債除以總資產)約為73.7%(二零一七年：72.6%)。本集團於二零一八年十二月三十一日的資產淨值約為人民幣11,438.9百萬元(二零一七年：人民幣10,069.2百萬元)。

截至二零一八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及股權融資滿足房地產項目開發的資金需求。

資產抵押

截至二零一八年十二月三十一日止年度，貸款人民幣約16,085.5百萬元(二零一七年：人民幣12,323.7百萬元)分別以總額約人民幣18,878.2百萬元(二零一七年：人民幣17,930.0百萬元)之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作抵押。

或然負債

截至二零一八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1,163.0百萬元(二零一七年：人民幣379.2百萬元)。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。

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，而本集團在違約的情況下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按揭貸款，相關物業的公允市值足以彌補本集團所擔保的未償還按揭貸款。

Management Discussion and Analysis

管理層討論與分析

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 2018, the Group had a staff roster of 1,612 (2017: 1,779), of which 1,589 (2017: 1,761) employees were based in the mainland China and 23 (2017: 18) 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, retirement scheme and long-term incentives such as share options within an approved scheme.

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

於二零一八年十二月三十一日，本集團僱有1,612名(二零一七年：1,779名)員工，其中1,589名(二零一七年：1,761名)員工長駐中國內地，於香港則僱有23名(二零一七年：18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、退休計劃及長期獎勵，如認可的計劃內的購股權。

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 31, 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 56, 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 Yueshi 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 55, 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.

執行董事

黃敬舒女士，現年31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妹。

唐壽春先生，現年56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55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。

* 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. DENG Chengying, aged 58, 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 28, 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 46, is a Non-Executive Director of the Company. Ms. LI has over 23 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58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28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46歲，本公司非執行董事。李女士在銀行和金融行業擁有超過二十三年經驗。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二零一三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。

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Biographical Details of Directors and Senior Management

董事及高級管理人員之履歷

Independent Non-Executive Directors

Mr. WANG Jing, aged 51, 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.

Ms. HU Gin Ing, aged 60, 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 24 years of experience in accounting and finance. Ms. HU has been a director of NHL CPA Ltd., Hong Kong since January 2005. Ms. HU was appointed as the chairman of the board of directors of Benepet Co., Ltd. (益寵生醫股份有限公司) in July 2017. Ms. HU is now the vice chairman of the board of Benelife Management Limited* (合富潤生企業管理諮詢(上海)有限公司) since February 2018. 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 is a member of the Hong Kong Institute of Certified Public Accountants and a member of the American Institute of Certified Public Accountants. Ms. HU was appointed as an independent non-executive director of the Company on 15 May 2014.

獨立非執行董事

王敬先生，現年51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。

胡競英女士，現年60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二十四年經驗。胡女士自二零零五年一月起擔任香港匯俊會計師事務所有限公司之董事。胡女士於二零一七年七月獲委任為益寵生醫股份有限公司董事長。胡女士自二零一八年二月起擔任合富潤生企業管理諮詢(上海)有限公司之副董事長。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。胡女士為香港會計師公會之會員及美國會計師公會之會員。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。

* 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

Mr. MO Fan, aged 36, is an Independent Non-Executive Director of the Company and is responsible for providing independent judgement and scrutinizing the performance of the Company. Mr. MO obtained a Bachelor of Business Administration degree and a Bachelor of Communication Engineering degree from Zhejiang University in the PRC in June 2005 respectively, and a Master of Science degree in Banking and Finance from Loughborough University in the United Kingdom in December 2006. Mr. MO has over 12 years of experience in financing. Mr. MO currently serves as a Management Partner of Overseas Financing business of 萬科企業股份有限公司 (China Vanke Co., Ltd.*). Mr. MO was appointed as an independent non-executive director of the Company on 8 April 2019.

Senior Management

Ms. HU Yong, aged 56, 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 51, 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.

莫凡先生，現年36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。莫先生於二零零五年六月分別取得中國浙江大學工商管理學學士及通信工程學學士學位，並於二零零六年十二月取得英國Loughborough University銀行與金融理學碩士學位。莫先生於財務融資方面擁有超過十二年經驗。莫先生現時為萬科企業股份有限公司的境外資金業務首席合夥人。於二零一九年四月八日，莫先生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56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51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。

* For identification purposes only 僅供識別

Directors' Report

董事會報告

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 2018.

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 2018 are provided in the section headed “Chairman's Statement” on pages 4 to 6 and the section headed “Management Discussion and Analysis” on pages 7 to 23 of this annual report.

An analysis of the Group's performance during the year ended 31 December 2018 using financial performance indicators is provided in the section headed “Management Discussion and Analysis” on pages 7 to 23 of this annual report.

Principal Activities

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

Results and Dividend

The results of the Group for the year ended 31 December 2018 and the state of affairs of the Group at that date are set out in the consolidated financial statements on pages 61 to 185.

The Board recommended the payment of a final dividend of HK5.3 cents (equivalent to approximately RMB4.65 cents) per ordinary share for the year ended 31 December 2018.

Convertible Bonds and Share Capital

Details of the movements in the Company's convertible bonds and share capital during the year ended 31 December 2018 are set out in notes 34 and 36 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 2018, amounted to approximately RMB306.3 million (2017: RMB206.0 million), of which approximately RMB229.8 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二零一八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(本集團於截至二零一八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6頁「主席報告」一節及第7至23頁「管理層討論與分析」一節。

於截至二零一八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7至23頁「管理層討論與分析」一節。

主要業務

本集團主要從事物業發展及物業投資業務。

業績及股息

本集團截至二零一八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61至185頁的綜合財務報表。

董事會建議派付截至二零一八年十二月三十一日止年度的末期股息每股普通股5.3港仙(相等於約人民幣4.65分)。

可換股債券及股本

本公司於截至二零一八年十二月三十一日止年度內之可換股債券及股本的變動詳情載於財務報表附註34及36。

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，於二零一八年十二月三十一日，本公司之可供分派儲備約人民幣306.3百萬元(二零一七年：人民幣206.0百萬元)，其中約人民幣229.8百萬元已作末期股息宣派。

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 187 to 192.

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 186.

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

During the year, the Company issued an aggregate of 248,058,732 ordinary shares (including the issue of 6,700,000 shares by the Company pursuant to the exercise of share options under the share option scheme of the Company) and 132,564,669 convertible preference shares. Details of equity securities issued by the Company during the year are as follows:

Date of announcements	Description	Net proceeds raised	Intended use of proceeds	Actual use of proceeds as at the date of this report	Reasons for making the issue
公告日期	描述	已籌集所得款項淨額	所得款項擬定用途	所得款項實際用途	發行的原因
7 February 2018	Placement of 132,564,669 CPS and 132,564,669 new Shares at HK\$2.938 per CPS/Share. The subscription shares have a nominal value of approximately HK\$1.326 million and a market value of approximately HK\$424.21 million, based on the closing price of the shares of HK\$3.2 on 7 February 2018. The net price per subscription shares is approximately HK\$2.914.	Approximately HK\$778.94 million	To be applied for general corporate purposes and to finance new property projects of the Group	Used as intended	The Directors consider the CPS subscription/share subscription good opportunities for the Company to raise capital while broadening its shareholder base as well as its capital base.
二零一八年二月七日	按每股可換股優先股／股份2.938港元配售132,564,669股可換股優先股及132,564,669股新股份。根據股份於二零一八年二月七日之收市價3.2港元計算，認購股份之面值及市值分別約為1,326,000港元及約424,210,000港元。每股認購股份之淨價約為2.914港元。	約778,940,000港元	作一般企業用途及為本集團之新物業項目撥資	作擬定用途	董事認為可換股優先股認購事項／股份認購事項乃本公司之集資良機，同時擴闊其股東基礎及其資本基礎。

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187至192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186頁。

購回、出售或贖回本公司上市證券

年內，本公司發行合共248,058,732股普通股（包括本公司於年內根據本公司之購股權計劃下行使購股權而發行6,700,000股股份）及132,564,669股可換股優先股。於年內本公司發行股本證券之詳情如下：

Directors' Report

董事會報告

Purchase, Sale or Redemption of the Company's Listed Securities (Cont'd)

購回、出售或贖回本公司上市證券(續)

Date of announcements	Description	Net proceeds raised	Intended use of proceeds	Actual use of proceeds as at the date of this report	Reasons for making the issue
公告日期	描述	已籌集所得款項淨額	所得款項擬定用途	於本報告日期所得款項實際用途	發行的原因
8 February 2018	Top-up placing of 80,000,000 Shares at HK\$2.938 per Share. The subscription shares have a nominal value of HK\$0.8 million and a market value of HK\$260.8 million, based on the closing price of HK\$3.26 at the close of the morning session of trading on 8 February 2018. The net price of the subscription is HK\$2.914 per shares. The placing shares placed by the placing agents to Essence Securities Co., Ltd. and Guosen Securities Co., Ltd..	Approximately HK\$233.16 million	To be applied for general corporate purposes and to finance new property projects of the Group	Used as intended	The Directors consider the placing and subscription will provide an opportunity to raise further capital for the Company whilst broadening the shareholder base and the capital base of the Company.
二零一八年二月八日	按每股份2.938港元先舊後新配售80,000,000股股份。認購股份之面值為800,000港元且市值為260,800,000港元，乃根據於二零一八年二月八日早市交易時段結束時之收市價3.26港元計算。認購事項淨價為每股份2.914港元。配售股份由配售代理配售予安信證券股份有限公司及國信證券股份有限公司。	約233,160,000港元	作一般企業用途及為本集團之新物業項目撥資	作擬定用途	董事認為配售及認購事項將為本公司提供機會籌集更多資金，同時擴闊本公司之股東基礎及資本基礎。
10 May 2018	Issue of 4.00% guaranteed convertible bonds due 2023 in the principal amount of US\$100 million. The convertible bonds will be convertible into 208,776,595 conversion shares. The conversion shares have a nominal value of HK\$2,087,765.95 and a market value of approximately HK\$661.822 million based on the closing price of the shares of HK\$3.17 on 10 May 2018.	Approximately HK\$769.385 million	To be applied as to (i) approximately HK\$500 million for the project development of the Company; and (ii) approximately HK\$269.385 million for debt refinancing and/or general corporate purposes	(i) Fully utilised as intended as to HK\$500 million for the project; and (ii) fully utilised as intended as to HK\$269.385 million for general corporate purposes	The Directors consider that the issue of the convertible bonds represents an opportunity for the Company to raise additional funds for its operations.
二零一八年五月十日	發行於二零二三年到期本金額為100,000,000美元之4.00%有擔保可換股債券。可換股債券將可轉換為208,776,595股兌換股份。兌換股份之面值為2,087,765.95港元，而按於二零一八年五月十日之股份收市價3.17港元計算之市值約為661,822,000港元。	約769,385,000港元	(i)約500,000,000港元將用作本公司之項目發展；及 (ii)約269,385,000港元將用作債務再融資及／或一般企業用途	(i)全數用作擬定用途，其中500,000,000港元用於項目；及 (ii)全數用作擬定用途，其中269,385,000港元用作一般企業用途	董事認為發行可換股債券是本公司為其營運籌集額外資金之良機。

Purchase, Sale or Redemption of the Company's Listed Securities (Cont'd)

購回、出售或贖回本公司上市證券(續)

Date of announcements	Description	Net proceeds raised	Intended use of proceeds	Actual use of proceeds as at the date of this report	Reasons for making the issue
公告日期	描述	已籌集所得款項淨額	所得款項擬定用途	所得款項實際用途	發行的原因
16 September 2018	Issue of 5.00% of guaranteed convertible bonds due 2023 in the principal amount of US\$50 million. The convertible bonds will be convertible into 127,022,653 conversion shares. The conversion shares have a nominal value of HK\$1,270,226.53 and a market value of approximately HK\$302.314 million based on the closing price of the shares of HK\$2.38 on 14 September 2018.	Approximately HK\$383.667 million	To be applied as to (i) approximately HK\$185 million for project development of the Group; and (ii) approximately HK\$198.667 million for debt refinancing and/or general corporate purposes of the Group	(i) Fully utilized as intended as to HK\$185 million for the project; and (ii) fully utilized as intended as to HK\$198.667 million for general corporate purposes	The Directors consider that the issue of the convertible bonds represents an opportunity for the Company to raise additional funds for its operations.
二零一八年九月十六日	發行於二零二三年到期本金額為50,000,000美元之5.00%有擔保可換股債券。可換股債券將可轉換為127,022,653股兌換股份。兌換股份之面值為1,270,226.53港元，而按於二零一八年九月十四日之股份收市價2.38港元計算之市值約為302,314,000港元。	約383,667,000港元	(i) 約185,000,000港元將用作本集團之項目發展；及(ii)約198,667,000港元將用作本集團之債務再融資及/或一般企業用途	(i) 全數用作擬定用途，其中185,000,000港元用於項目；及(ii)全數用作擬定用途，其中198,667,000港元用作一般企業用途	董事認為發行可換股債券是本公司為其營運籌集額外資金之良機。

The Company has not redeemed any of the Company's listed securities during the year. Save as disclosed above, neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the year.

本公司於年內並無贖回任何本公司之上市證券。除於上文所披露者外，本公司及其任何附屬公司於年內並無購回或出售本公司任何上市證券。

Directors

The directors of the Company during the year and up to the date of this report 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

Non-Executive Director

Ms. LI Lihong

Independent Non-Executive Directors

Mr. ZHU Jiusheng (resigned on 8 April 2019)
Mr. WANG Jing
Ms. HU Gin Ing
Mr. Mo Fan (appointed on 8 April 2019)

董事

在年內及截至本報告日期止之本公司董事如下：

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

非執行董事

李麗紅女士

獨立非執行董事

祝九勝先生(於二零一九年四月八日辭任)
王敬先生
胡競英女士
莫凡先生(於二零一九年四月八日獲委任)

Directors' Report

董事會報告

In accordance with the Company's articles of association, Mr. MO Fan will retire at the first general meeting of the Company after his appointment. In addition, Mr. TANG Shouchun, Ms. DENG Chengying and Mr. HUANG Hao Yuan 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 (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (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 24 to 27.

Directors' Service Agreements

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

The non-executive Director and each of the independent non-executive Directors have entered into a letter of appointment with the Company 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 "Connected Transactions" in this report and in note 47 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.

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.

根據本公司之組織章程細則，莫凡先生將於彼獲委任後之首屆本公司之股東大會上退任。此外，唐壽春先生、鄧承英女士及黃浩源先生將輪席告退。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香港聯合交易所有限公司(「聯交所」)證券上市規則(「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24至27頁。

董事服務合約

各執行董事已與本公司訂立服務合約，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。

非執行董事及各獨立非執行董事已與本公司訂立委任函，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「關聯交易」一節及綜合財務報表附註47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。

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。

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

As at 31 December 2018, the Directors and the chief executive 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 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) held 所持相關股份數目 (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	Beneficiary of a trust 信託的受益人	2,400,000,000 (Note 2) (附註2)	-	2,400,000,000	48.56%
	Long Position 好倉	Personal interest 個人權益	-	4,500,000 (Note 3) (附註3)	4,500,000	0.09%
Mr. TANG Shouchun 唐壽春先生	Long Position 好倉	Personal interest 個人權益	-	10,000,000 (Note 3) (附註3)	10,000,000	0.20%
Mr. YE Xingan 葉興安先生	Long Position 好倉	Personal interest 個人權益	-	10,000,000 (Note 3) (附註3)	10,000,000	0.20%
Ms. DENG Chengying 鄧承英女士	Long Position 好倉	Personal interest 個人權益	-	8,500,000 (Note 3) (附註3)	8,500,000	0.17%
Mr. HUANG Hao Yuan 黃浩源先生	Long Position 好倉	Beneficiary of a trust 信託的受益人	2,400,000,000 (Note 2) (附註2)	-	2,400,000,000	48.56%
	Long Position 好倉	Personal interest 個人權益	-	4,500,000 (Note 3) (附註3)	4,500,000	0.09%
Mr. ZHU Jiusheng (Note 1) 祝九勝先生(附註1)	Long Position 好倉	Personal interest 個人權益	-	3,000,000 (Note 3) (附註3)	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 3) (附註3)	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 3) (附註3)	3,000,000	0.06%

Notes:

- Mr. ZHU Jiusheng resigned as an independent non-executive Director on 8 April 2019 and 3,000,000 share options will be expired on 7 May 2019.
- Ms. HUANG Jingshu and Mr. HUANG Hao Yuan are deemed to be interested in 2,400,000,000 shares in the Company by virtue of them being beneficiaries of the family trust of Mr. WONG Hong King for the purpose of Part XV of the SFO.
- 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

於二零一八年十二月三十一日，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：

- 祝九勝先生於二零一九年四月八日辭任獨立非執行董事，而3,000,000股購股權將於二零一九年五月七日屆滿。
- 由於黃敬舒女士及黃浩源先生為黃康境先生之家族信託的受益人，故按證券及期貨條例第XV部而言，彼等被視為在本公司擁有2,400,000,000股股份之權益。
- 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' Report

董事會報告

Directors' and Chief Executive's 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 2018, none of the Company's Directors, chief executive 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 2018	Exercise price per share HK\$
			Balance at 1 January 2018	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	於二零一八年 一月一日 之結餘	於年內授出	於年內行使	於年內失效	於二零一八年 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 2) (附註2)	4,500,000	-	-	-	4,500,000	1.846 (Note 3) (附註3)
Mr. TANG Shouchun 唐壽春先生	28/06/2016	28/06/2016 – 27/06/2026 (Note 2) (附註2)	10,000,000	-	-	-	10,000,000	1.846 (Note 3) (附註3)
Mr. YE Xingan 葉興安先生	28/06/2016	28/06/2016 – 27/06/2026 (Note 2) (附註2)	10,000,000	-	-	-	10,000,000	1.846 (Note 3) (附註3)
Ms. DENG Chengying 鄧承英女士	28/06/2016	28/06/2016 – 27/06/2026 (Note 2) (附註2)	8,500,000	-	-	-	8,500,000	1.846 (Note 3) (附註3)
Mr. HUANG Hao Yuan 黃浩源先生	28/06/2016	28/06/2016 – 27/06/2026 (Note 2) (附註2)	4,500,000	-	-	-	4,500,000	1.846 (Note 3) (附註3)
Mr. ZHU Jiusheng (Note 1) 祝九勝先生(附註1)	28/06/2016	28/06/2016 – 27/06/2026 (Note 2) (附註2)	3,000,000	-	-	-	3,000,000	1.846 (Note 3) (附註3)
Mr. WANG Jing 王敬先生	28/06/2016	28/06/2016 – 27/06/2026 (Note 2) (附註2)	3,000,000	-	-	-	3,000,000	1.846 (Note 3) (附註3)
Ms. HU Gin Ing 胡競英女士	28/06/2016	28/06/2016 – 27/06/2026 (Note 2) (附註2)	3,000,000	-	-	-	3,000,000	1.846 (Note 3) (附註3)

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，於二零一八年十二月三十一日，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' and Chief Executive's Interests in the Shares, Underlying Shares and Debentures of the Company (Cont'd)

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

Notes:

1. Mr. ZHU Jiusheng resigned as an independent non-executive Director on 8 April 2019 and 3,000,000 share options will be expired on 7 May 2019.
2. The share options are exercisable in the following manner for a period of 10 years from the date of grant:
 - (i) 30% of the share options shall exercise on the date of the grant and up to 27 June 2026;
 - (ii) 30% of the share options shall exercise upon the expiry of one year from 28 June 2016 and up to 27 June 2026; and
 - (iii) 40% of the share options shall exercise upon the expiry of two years from 28 June 2016 and up to 27 June 2026.
3. Details of the fair value of the options granted in 2016 are set out in note 39 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)

附註：

1. 祝九勝先生於二零一九年四月八日辭任獨立非執行董事，而3,000,000股購股權將於二零一九年五月七日期滿。
2. 購股權可於授出日期起計十年期間按下列方式行使：
 - (i) 購股權之30%由授出日期起至二零二六年六月二十七日止；
 - (ii) 購股權之30%由二零一六年六月二十八日起計一年屆滿起，至二零二六年六月二十七日止；及
 - (iii) 購股權之40%由二零一六年六月二十八日起計兩年屆滿起，至二零二六年六月二十七日止。
3. 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39。

Directors' Report

董事會報告

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

So far as known to the Company, as at 31 December 2018, shareholders (other than Directors or chief executive 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	Capacity	Number of shares held	Number of underlying shares held	Aggregate Interests	Approximate percentage of the issued share capital of the Company	Notes
股東姓名	身份	所持股份的數目	所持相關股份的數目	權益總額	佔本公司已發行股本之概約百分比	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」)	Beneficial owner 實益擁有人	1,050,230,583	–	1,050,230,583	21.25%	1
Go Great International Limited ("Go Great") 高鴻國際有限公司(「高鴻」)	Interests of controlled corporation 受控法團權益	1,158,373,094	–	1,158,373,094	23.44%	1
Mr. WONG Hong King ("Mr. WONG") 黃康境先生(「黃先生」)	Interests of controlled corporation 受控法團權益	1,158,373,094	–	1,158,373,094	23.44%	1
	Founder of a trust 信託的成立人	2,400,000,000	–	2,400,000,000	48.56%	2
Kinson Group Limited	Beneficial owner 實益擁有人	2,400,000,000	–	2,400,000,000	48.56%	2
Evergreen Holdings Limited	Interests of controlled corporation 受控法團權益	2,400,000,000	–	2,400,000,000	48.56%	2
Cantrust (Far East) Limited	Interests of controlled corporation 受控法團權益	2,400,000,000	–	2,400,000,000	48.56%	2
Toplist Investments Limited	Beneficial owner 實益擁有人	300,000,000	–	300,000,000	6.07%	N/A 不適用
Wkland Investments V Limited	Beneficial owner 實益擁有人	300,000,000	–	300,000,000	6.07%	3
China Vanke Co., Ltd.* 萬科企業股份有限公司	Interests of controlled corporation 受控法團權益	300,000,000	–	300,000,000	6.07%	3
Chance Talent Management Limited	Beneficial owner 實益擁有人	6,454,000	412,772,976	419,226,976	8.48%	4
China Construction Bank Corporation 中國建設銀行股份有限公司	Interests of controlled corporation 受控法團權益	6,454,000	412,772,976	419,226,976	8.48%	4
Central Huijin Investment Ltd. 中央匯金投資有限責任公司	Interests of controlled corporation 受控法團權益	6,454,000	412,772,976	419,226,976	8.48%	4

主要股東於本公司的股份及相關股份中擁有的權益

於二零一八年十二月三十一日，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

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 1,050,230,583 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 Cantrust (Far East) 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.
- Chance Talent is owned as to 100% by China Construction Bank Corporation, and China Construction Bank Corporation is owned as to 57.11% by Central Huijin Investment Ltd.. Accordingly, Central Huijin Investment Ltd. is deemed to be interested in the 419,226,976 shares held by Chance Talent.

Long position in convertible preference shares

Name of Shareholder	Capacity	Number of convertible preference shares held	Approximate percentage of the issued convertible preference share capital of the Company	Note
股東姓名	身份	所持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	Beneficial owner 實益擁有人	3,215,646,936	90.68%	1
Go Great 高鴻	Interests of controlled corporation 受控法團權益	3,215,646,936	90.68%	1
Mr. WONG 黃先生	Interests of controlled corporation 受控法團權益	3,215,646,936	90.68%	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 3,215,646,936 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1,050,230,583股股份擁有權益。
- Evergreen Holdings Limited擁有Kinson Group Limited 100%之權益，而Cantrust (Far East) 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。
- 中國建設銀行股份有限公司擁有Chance Talent 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57.11%之權益。因此，中央匯金投資有限責任公司被視為於Chance Talent所持有之該等419,226,976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3,215,646,936股可換股優先股股份擁有權益。

* For identification purpose only 僅供識別

Directors' Report

董事會報告

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 40 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 39 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 2018.

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	15%
– five largest suppliers combined	31%

Sales	
– the largest customer	0.4%
– five largest customers combined	1.7%

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40。

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39。

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，截至二零一八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的配偶或未滿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	15%
– 五大供應商合併計算	31%

銷售額	
– 最大客戶	0.4%
– 五大客戶合併計算	1.7%

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。

Connected Transactions

For the year ended 31 December 2018, the Group has entered into the following connected transaction/continuing connected transaction, certain details of which were disclosed in compliance with the requirements of the Listing Rules.

Subscription of New Shares in Copious Favour Holdings Limited

On 28 December 2018, Urban Thrive Holdings Limited (the “Subscriber”), a direct wholly-owned subsidiary of the Company, entered into a subscription agreement (the “Subscription Agreement”) with Copious Favour Holdings Limited, as the issuer (the “Target Company”) and Mr. Wong, the controlling shareholder of the Company, to subscribe for 901 shares (the “Subscription Shares”) of the Target Company at the consideration of RMB20 million (equivalent to approximately HK\$22.7 million), representing 90.1% equity interests in the Target Company (the “Subscription”). The Subscription was completed on 28 December 2018.

Mr. Wong also owned the entire issued share capital of the Target Company which is an associate of Mr. Wong and therefore a connected person of the Company. As such, the Subscription shall constitute a connected transaction of the Company under Charter 14A of the Listing Rules.

Continuing Connected Transaction

Security Services Agreement

On 26 October 2015, the Company and Shenzhen Forsafe System Technology Co., Ltd. (“Forsafe”) entered into a security services agreement (the “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. On 24 November 2017, the Security Services Agreement was renewed for a term of 3 years continuing on 1 January 2018.

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 2018, no fees were charged by Forsafe for the provision of the Services under the Security Services Agreement, which was within the annual cap of RMB30 million for the same period.

關連交易

截至二零一八年十二月三十一日止年度，本集團進行下列之關連交易／持續關連交易，其若干詳情已遵守上市規則的規定披露。

認購厚益控股有限公司之新股份

於二零一八年十二月二十八日，本公司之直接全資附屬公司城隆控股有限公司（「認購人」）與作為發行人的厚益控股有限公司（「目標公司」）及本公司控股股東黃先生訂立認購協議（「認購協議」），以代價人民幣2,000萬元（相當於約2,270萬港元）認購目標公司901股股份（「認購股份」），佔目標公司的90.1%股權（「認購事項」）。認購事項於二零一八年十二月二十八日完成。

由於黃先生亦擁有目標公司的全部已發行股本，故此目標公司為黃先生之聯繫人，因而為本公司之關連人士。因此，根據上市規則第14A章，認購事項為本公司之關連交易。

持續關連交易

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」）訂立一份安保服務協議（「安保服務協議」），據此，賦安向本集團提供安保產品、智能安保系統設計、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。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。

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，安保服務協議構成本公司的持續關連交易。

截至二零一八年十二月三十一日止年度，就安保服務協議項下賦安沒有收取款項，屬於同期年度上限人民幣30百萬元的範圍內。

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Directors' Report

董事會報告

Connected Transactions (Cont'd)

Continuing Connected Transaction (Cont'd)

Security Services Agreement (Cont'd)

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 transaction; and
- (iii) has exceeded the annual cap.

Related Party Transactions

Details of the related party transactions undertaken by the Group in the normal course of business are set out in note 47 to the consolidated financial statements. Those related party transactions, which constituted connected transactions not being exempt from annual reporting requirement under the Listing Rules, are set out in the section headed "Connected Transactions" above, and the Company has complied with the relevant disclosure requirements in accordance with Chapter 14A of the Listing Rules.

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 42 to 53 of this report.

關連交易(續)

持續關連交易(續)

保安服務協議(續)

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) 已超逾年度上限。

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47。構成不獲豁免上市規則下年度申報規定的關連交易的關聯方交易載於上文「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。

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42至53頁。

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 2018 and up to the date of this report.

Changes in Directors' Information

Changes in directors' information since the date of the 2018 interim report of the Company and up to the date of this report which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are as follows:

Name of Directors 董事姓名	Details of Changes 變動詳情
Mr. ZHU Jiusheng 祝九勝先生	resigned as an independent non-executive Director, the Chairman of the Audit Committee and a member of each of the Nomination Committee and the Remuneration Committee of the Company with effect from 8 April 2019 自二零一九年四月八日起辭任本公司獨立非執行董事、審核委員會主席，以及提名委員會及薪酬委員會各自之成員
Mr. MO Fan 莫凡先生	appointed as an independent non-executive Director, a member of each of the Audit Committee, the Nomination Committee and the Remuneration Committee of the Company with effect from 8 April 2019 自二零一九年四月八日起獲委任為本公司獨立非執行董事，以及審核委員會、提名委員會及薪酬委員會各自之成員
Ms. HU Gin Ing 胡競英女士	appointed as the Chairman of the Audit Committee of the Company with effect from 8 April 2019 自二零一九年四月八日起獲委任為本公司審核委員會主席

Auditor

The consolidated financial statements of the Group for the year ended 31 December 2018 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, 21 March 2019

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，於截至二零一八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%。

董事資料變動

自本公司二零一八年中報報告日期起至本報告日期止，根據上市規則第13.51B(1)條規定須予披露的董事資料變動如下：

核數師

本集團截至二零一八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，二零一九年三月二十一日

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 2018, 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 as at the date of this report were:

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

Independent Non-Executive Directors

Mr. ZHU Jiusheng (*resigned on 8 April 2019*)
Mr. WANG Jing
Ms. HU Gin Ing
Mr. MO Fan (*appointed on 8 April 2019*)

Further details of the current Directors are set out on pages 24 to 27 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.

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會、透明度及向本公司所有股東問責。

企業管治常規

截至二零一八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

董事會之組成

董事會由五名執行董事、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）。

於本報告日期之董事會成員為：

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

非執行董事

李麗紅女士

獨立非執行董事

祝九勝先生（*於二零一九年四月八日辭任*）
王敬先生
胡競英女士
莫凡先生（*於二零一九年四月八日獲委任*）

有關現任董事之進一步詳情載於本年報內第24至27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。

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 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 2018, seven 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 Directors

Ms. HUANG Jingshu (Chairman)	黃敬舒女士(主席)	7/7
Mr. TANG Shouchun (Chief Executive Officer)	唐壽春先生(行政總裁)	7/7
Mr. YE Xingan	葉興安先生	7/7
Ms. DENG Chengying	鄧承英女士	7/7
Mr. HUANG Hao Yuan	黃浩源先生	7/7

Non-Executive Director

Ms. LI Lihong (appointed on 29 March 2018)	李麗紅女士(於二零一八年三月二十九日獲委任)	0/5
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Independent Non-Executive Directors

Mr. ZHU Jiusheng (resigned on 8 April 2019)	祝九勝先生(於二零一九年四月八日辭任)	3/7
Mr. WANG Jing	王敬先生	7/7
Ms. HU Gin Ing	胡競英女士	7/7

董事會(續)

董事會之組成(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布前批核、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。本公司已與所有獨立非執行董事訂立委任函，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

截至二零一八年十二月三十一日止年度，本集團共召開七次董事會會議，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 Meetings held 出席會議次數/舉行會議次數

Executive Directors	執行董事	
Ms. HUANG Jingshu (Chairman)	黃敬舒女士(主席)	7/7
Mr. TANG Shouchun (Chief Executive Officer)	唐壽春先生(行政總裁)	7/7
Mr. YE Xingan	葉興安先生	7/7
Ms. DENG Chengying	鄧承英女士	7/7
Mr. HUANG Hao Yuan	黃浩源先生	7/7
Non-Executive Director	非執行董事	
Ms. LI Lihong (appointed on 29 March 2018)	李麗紅女士(於二零一八年三月二十九日獲委任)	0/5
Independent Non-Executive Directors	獨立非執行董事	
Mr. ZHU Jiusheng (resigned on 8 April 2019)	祝九勝先生(於二零一九年四月八日辭任)	3/7
Mr. WANG Jing	王敬先生	7/7
Ms. HU Gin Ing	胡競英女士	7/7

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Board of Directors (Cont'd)

Attendance Record at Board Meetings (Cont'd)

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

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 2018.

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)

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。

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會會議文件及有關資料給予董事，並確保董事會的運作符合程序。董事獲足夠時間在董事會會議上作出討論。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，彼等於截至二零一八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. In view of the implementation of the Stock Exchange's consultation conclusions on "Review of the Corporate Governance Code and Related Listing Rules" effective on 1 January 2019, a revised terms of reference of the Audit Committee was adopted by the Board on 31 January 2019.

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 (*resigned as the Chairman on 8 April 2019*)
Mr. WANG Jing
Ms. HU Gin Ing (*appointed as the Chairman on 8 April 2019*)
Mr. MO Fan (*appointed on 8 April 2019*)

Mr. ZHU Jiusheng was the Chairman of the Audit Committee between 1 January 2018 and 8 April 2019. Ms. HU Gin Ing was appointed as the Chairman of the Audit Committee from 8 April 2019. 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 2018. The Group's final results for the year ended 31 December 2018 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 members 成員名稱		Meetings attended/Number of Meetings held 出席會議次數/舉行會議次數
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Mr. ZHU Jiusheng (<i>resigned on 8 April 2019</i>)	祝九勝先生(於二零一九年四月八日辭任)	2/2
Mr. WANG Jing	王敬先生	2/2
Ms. HU Gin Ing	胡競英女士	2/2

Nomination Committee

The Company established a Nomination Committee on 14 November 2005 with terms of reference in compliance with the Code. In view of the implementation of the Stock Exchange's consultation conclusions on "Review of the Corporate Governance Code and Related Listing Rules" effective on 1 January 2019, a revised terms of reference of the Nomination Committee was adopted by the Board on 31 January 2019.

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。鑑於聯交所之「檢討《企業管治守則》及相關《上市規則》條文」諮詢總結於二零一九年一月一日起實施，董事會於二零一九年一月三十一日採納已修訂的審核委員會職權範圍。

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(於二零一九年四月八日辭任主席)
王敬先生
胡競英女士(於二零一九年四月八日獲委任為主席)
莫凡先生(於二零一九年四月八日獲委任)

祝九勝先生於二零一八年一月一日至二零一九年四月八日期間為審核委員會主席。胡競英女士於二零一九年四月八日獲委任為審核委員會主席。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二零一八年六月三十日止六個月的中期業績。本集團截至二零一八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：

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。鑑於聯交所之「檢討《企業管治守則》及相關《上市規則》條文」諮詢總結於二零一九年一月一日起實施，董事會於二零一九年一月三十一日採納已修訂的提名委員會職權範圍。

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Board Committees (Cont'd)

Nomination Committee (Cont'd)

The members of the Nomination Committee include one executive director and two independent non-executive directors. The members of the Nomination Committee as at the date of this report are as follows:

Ms. HUANG Jingshu (Chairman)
Mr. ZHU Jiusheng (resigned on 8 April 2019)
Mr. WANG Jing
Mr. MO Fan (appointed on 8 April 2019)

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 Ms. LI Lihong as new non-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. In accordance with the Company's articles of association, Mr. MO Fan will retire at the first general meeting of the Company after his appointment. In addition, Mr. TANG Shouchun, Ms. DENG Chengying and Mr. HUANG Hao Yuan 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 of the Company.

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

Name of members

成員名稱

Ms. HUANG Jingshu
Mr. ZHU Jiusheng (resigned on 8 April 2019)
Mr. WANG Jing

黃敬舒女士
祝九勝先生(於二零一九年四月八日辭任)
王敬先生

Meetings attended/Number of Meetings held

出席會議次數/舉行會議次數

2/2
1/2
2/2

Nomination Policy

The Company has adopted a nomination policy (the "Nomination Policy") in January 2019 which sets out the selection criteria and nomination procedures adopted to guide the Nomination Committee to select and recommend candidates for directorship so as to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business.

The factors listed below would be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate:

- Reputation for integrity
- Accomplishment and experience
- Compliance with legal and regulatory requirements
- Commitment in respect of available time and relevant interest

董事委員會(續)

提名委員會(續)

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。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(於二零一九年四月八日辭任)
王敬先生
莫凡先生(於二零一九年四月八日獲委任)

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李麗紅女士為新的非執行董事建議，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。根據本公司之組織章程細則，莫凡先生將於彼獲委任後之首屆本公司之股東大會上退任。此外，唐壽春先生、鄧承英女士及黃浩源先生將輪席告退。所有上述董事符合重選資格並願意於應屆本公司之股東週年大會上重選連任。

於年內提名委員會共召開兩次會議。每位成員之出席情況載列如下：

提名政策

本公司於二零一九年一月採納提名政策(「提名政策」)，制定了提名委員會就遴選及推薦董事候選人時所需要的甄選標準及提名程序，以確保董事會根據本公司業務而具備適當所需技能、經驗和多樣的觀點與角度。

下列因素將用作提名委員會評估建議候選人適合性的參考：

- 誠信的聲譽
- 成就及經驗
- 遵守法律和監管要求
- 可投入的時間及代表相關界別之利益

Board Committees (Cont'd)

Nomination Committee (Cont'd)

Nomination Policy (Cont'd)

- Diversity in all its aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service

The Secretary of the Nomination Committee shall call a meeting of the Nomination Committee, and invite nominations of candidates from Board members if any, for consideration by the Nomination Committee prior to its meeting. The Nomination Committee may also put forward candidates who are not nominated by Board members.

For filling a casual vacancy, the Nomination Committee shall make recommendations for the Board's consideration and approval. For proposing candidates to stand for election at a general meeting, the Nomination Committee shall make nominations to the Board for its consideration and recommendation.

Board Diversity Policy

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.

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.

董事委員會(續)

提名委員會(續)

提名政策(續)

- 董事會各方面的多元化，包括但不限於性別、年齡（18歲或以上）、文化和教育背景、種族、專業經驗、技能、知識和服務年期

提名委員會的秘書須召開提名委員會會議，並邀請董事會成員提名的候選人(如有)供提名委員會於會議前考慮。提名委員會亦可提名未獲董事會成員提名的人選。

如要填補臨時空缺，提名委員會須推薦人選供董事會考慮及批准。如要推薦候選人在股東大會上參選，提名委員會須向董事會提名供其考慮及推薦參選。

董事會成員多元化政策

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」)。

多元化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。

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，並根據守則制訂職權範圍。薪酬委員會包括一名執行董事及兩名獨立非執行董事。

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Board Committees (Cont'd)

Remuneration Committee (Cont'd)

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 (resigned on 8 April 2019)
Mr. MO Fan (appointed on 8 April 2019)

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 2018 are set out below:

Remuneration band

薪酬範圍

HK\$2,500,001 – HK\$3,000,000	2,500,001港元至3,000,000港元
HK\$3,000,001 – HK\$3,500,000	3,000,001港元至3,500,000港元

Details of the remuneration of the Directors for the year ended 31 December 2018 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 members

成員名稱

Ms. HU Gin Ing	胡競英女士
Ms. HUANG Jingshu	黃敬舒女士
Mr. ZHU Jiusheng (resigned on 8 April 2019)	祝九勝先生(於二零一九年四月八日辭任)

董事委員會(續)

薪酬委員會(續)

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(於二零一九年四月八日辭任)
莫凡先生(於二零一九年四月八日獲委任)

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。

截至二零一八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：

Number of individual

人數

1
1

截至二零一八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：

Meeting attended/Number of Meeting held

出席會議次數/舉行會議次數

1/1
1/1
0/1

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.

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

Name of members

成員名稱

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

黃敬舒女士(主席)
唐壽春先生
葉興安先生
鄧承英女士
黃浩源先生

Meetings attended/Number of Meetings held

出席會議次數/舉行會議次數

22/25
23/25
21/25
23/25
20/25

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.

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.

董事委員會(續)

執行委員會

除根據書面職權範圍由董事會決定及批准的事項外，執行委員會獲董事會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會匯報。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會負全責。

為符合守則內有關履行企業管治職責之規定，董事會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，並向董事會提出建議；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二十五次執行委員會會議。每位成員之出席情況載列如下：

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規規定方面的遵守概況，以及本企業管治報告內的披露資料。

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。

Corporate Governance Report

企業管治報告

Dividend Policy

The Company has adopted a dividend policy (the “Dividend Policy”) in January 2019 which sets out the guidelines for the Board to determine the declaration and payment of dividends.

The recommendation of the payment of any dividend is subject to the absolute discretion of the Board. In proposing any dividend payout, the Board shall also take into account, inter alia, the Group’s financial results, cash flow situation, shareholders’ interests, general business conditions and strategies, future operations and earnings, capital requirements and expenditure plans, taxation considerations, statutory and regulatory restriction (if any) and other factors the Board may deem relevant at such time. Any payment of the dividend by the Company is also subject to any restrictions under the articles of association of the Company and all applicable laws and regulations.

The Board will review the Dividend Policy, as appropriate, and there is no assurance that dividends will be paid in any particular amount for any given period.

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 requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

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.

股息政策

本公司於二零一九年一月採納股息政策(「股息政策」)，旨在向董事會訂立指引，以決定宣派及支付股息。

支付任何股息的建議視乎董事會的絕對酌情權而定。在提議派發股息時，董事會亦應考慮(其中包括)本集團的財務業績、現金流量狀況、股東權益、一般業務狀況及策略、未來營運及盈利、資金需求及支出計劃、稅務考慮、法定和監管限制(如有)，以及董事會可能認為相關的任何其他因素。本公司支付任何股息亦須受本公司組織章程細則及所有適用法律法規所規限。

董事會將在適當情況下檢討股息政策及概不保證將在任何指定期間支付任何特定金額的股息。

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)。

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.

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 25 May 2018.

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。

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。

本公司於二零一八年五月二十五日舉行股東週年大會。

Corporate Governance Report

企業管治報告

Communication with Shareholders (Cont'd)

Details of Directors' attendance record of general meetings during the year ended 31 December 2018 are as follows:

與股東的溝通(續)

截至二零一八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 Meeting attended/Number of Meeting held 出席會議次數/舉行會議次數
Executive Directors		
Ms. HUANG Jingshu (Chairman)	黃敬舒女士(主席)	1/1
Mr. TANG Shouchun (Chief Executive Officer)	唐壽春先生(行政總裁)	1/1
Mr. YE Xingan	葉興安先生	1/1
Ms. DENG Chengying	鄧承英女士	1/1
Mr. HUANG Hao Yuan	黃浩源先生	0/1
Non-Executive Director		
Ms. Li Lihong (appointed on 29 March 2018)	李麗紅女士(於二零一八年三月二十九日獲委任)	0/1
Independent Non-Executive Directors		
Mr. ZHU Jiusheng (resigned on 8 April 2019)	祝九勝先生(於二零一九年四月八日辭任)	0/1
Mr. WANG Jing	王敬先生	1/1
Ms. HU Gin Ing	胡競英女士	1/1

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.

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。

Constitutional Documents

During the year ended 31 December 2018, there were no changes to the constitutional documents of the Company.

組織章程文件

截至二零一八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。

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

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。

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.

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。

Directors' and Auditor's Responsibilities for the Consolidated Financial Statements (Cont'd)

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 2018, 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 2018 amounted to RMB2,341,000 (2017: RMB2,612,000) and RMB850,000 (2017: RMB2,509,000) respectively.

董事及核數師就綜合財務報表承擔之責任 (續)

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。編製截至二零一八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

截至二零一八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2,341,000元(二零一七年：人民幣2,612,000元)及人民幣850,000元(二零一七年：人民幣2,509,000元)。

Independent Auditor's Report

獨立核數師報告

Deloitte.

德勤

德勤·關黃陳方會計師行
香港金鐘道88號
太古廣場一座35樓

Deloitte Touche Tohmatsu
35/F, One Pacific Place
88 Queensway
Hong Kong

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 61 to 185, which comprise the consolidated statement of financial position as at 31 December 2018, 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 notes to the consolidated financial statements, including a summary of significant accounting policies.

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 2018, 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61至185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二零一八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，以及綜合財務報表附註(包括主要會計政策概要)。

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二零一八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。

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 51% 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 RMB12,713,915,000 and RMB9,403,336,000 respectively as at 31 December 2018 and an increase in fair value recognised in profit or loss amounted to approximately RMB323,461,000 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51%。

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二零一八年十二月三十一日的公允價值分別約為人民幣12,713,915,000元及人民幣9,403,336,000元，而於損益確認之公允價值增幅合共約人民幣323,461,000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計事項

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。

Independent Auditor's Report

獨立核數師報告

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 RMB7,407,278,000 and properties held for sale of approximately RMB3,302,382,000 (collectively referred to as "Properties for Sale") as at 31 December 2018, 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 cost, on a sample basis, by comparing to the construction costs for similar units and 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。

於二零一八年十二月三十一日，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7,407,278,000元及約人民幣3,302,382,000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計事項

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及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。

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 completed property is transferred to customers, being at the point that customer obtains the control of the completed property and the Group has present right to payment and collection of the consideration is probable. The Group has recognised revenue of RMB3,664,328,000 from its property development and sales segment for the year ended 31 December 2018, 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 RMB685,180,000 was recognised in the consolidated statement of profit or loss for the year ended 31 December 2018. 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，物業銷售之收入於竣工物業轉移至客戶時(即該客戶獲得竣工物業的控制權時)確認，且本集團現時很有可能擁有權支付及收取代價。截至二零一八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3,664,328,000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計事項

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，截至二零一八年十二月三十一日止年度，本年度撥備土地增值稅人民幣685,180,000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。

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獨立核數師報告

KEY AUDIT MATTERS (Cont'd)

Key audit matter

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)

關鍵審核事項

我們的審計如何處理關鍵審計事項

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.

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。

Independent Auditor's Report

獨立核數師報告

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
21 March 2019

核數師就審核綜合財務報表須承擔的責任 (續)

- 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。
- 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恆。

德勤•關黃陳方會計師行
執業會計師

香港
二零一九年三月二十一日

Consolidated Statement of Profit or Loss

綜合損益表

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

		NOTES 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Revenue	收益	5	4,515,685	2,967,751
Cost of sales	銷售成本		(1,829,515)	(1,029,862)
Gross profit	毛利		2,686,170	1,937,889
Other income, other gains and losses	其他收入、其他收益及虧損	6	155,095	121,640
Selling expenses	銷售開支		(132,982)	(67,694)
Administrative expenses	行政開支		(390,433)	(361,572)
Fair value changes on investment properties	投資物業的公允價值變動	13	323,461	478,423
Fair value changes on derivative component of convertible bonds	可換股債券衍生工具部份的公允價值變動	34	172,192	2,373
Finance costs	融資成本	7	(657,995)	(613,592)
Share of results of joint ventures	應佔合營公司業績		(8)	(93)
Profit before tax	除稅前盈利	8	2,155,500	1,497,374
Income tax expense	所得稅開支	9	(925,097)	(458,811)
Profit for the year	年度盈利		1,230,403	1,038,563
Profit (loss) for the year attributable to:	以下人士應佔年度盈利(虧損):			
Owners of the Company	本公司股東		1,237,167	1,035,392
Non-controlling interests	非控股權益		(6,764)	3,171
			1,230,403	1,038,563
			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			
– Basic	– 基本	12	25.21	22.06
– Diluted	– 攤薄		13.60	12.89

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Profit for the year	年度盈利	1,230,403	1,038,563
Other comprehensive (expense) income	其他全面(開支)收益		
Item 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	(59,930)	50,415
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)
Item that will not be reclassified to profit or loss:	隨後不會重新分類至損益之項目：		
Fair value changes on investment in equity instrument at fair value through other comprehensive income, net of tax	按公允價值計入其他全面收益之 股本工具投資之公允價值變動 (扣除稅項)	34,917	-
Other comprehensive expense for the year	年度其他全面開支	(25,013)	(37,177)
Total comprehensive income for the year	年度全面收益總額	1,205,390	1,001,386
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	1,211,876	1,001,397
Non-controlling interests	非控股權益	(6,486)	(11)
		1,205,390	1,001,386

Consolidated Statement of Financial Position

綜合財務狀況報表

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

			2018	2017
		NOTES	二零一八年	二零一七年
		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	22,117,251	19,650,677
Property, plant and equipment	物業、廠房及設備	14	458,393	413,871
Goodwill	商譽	15	231,602	231,602
Interests in joint ventures	於合營公司的權益	16	6,060	6,068
Amount due from a joint venture	應收一間合營公司款項	16	522,318	522,323
Available-for-sale investments	可供出售投資	17	-	444,259
Equity instrument at fair value through other comprehensive income	按公允價值計入其他全面收益之股本工具	19	490,816	-
Deferred tax assets	遞延稅項資產	20	345,030	175,201
Deposits paid	已付按金	21	-	1,210,000
			24,171,470	22,654,001
Current assets	流動資產			
Properties under development for sale	發展中待售物業	22	7,407,278	5,621,635
Properties held for sale	待售物業	23	3,302,382	729,206
Other inventories	其他存貨	24	629	1,145
Accounts receivable	應收賬款	25	11,576	377,292
Deposits paid, prepayments and other receivables	已付按金、預付款項及其他應收款項	26	890,294	1,138,263
Financial assets at fair value through profit or loss	按公允價值計入損益之金融資產		10,559	-
Debt instrument at fair value through other comprehensive income	按公允價值計入其他全面收益之債務工具	18	20,000	-
Tax recoverable	可收回稅款		8,048	32,594
Other financial assets	其他金融資產	27	-	150,000
Restricted bank deposits	受限制銀行存款	28	3,915,826	2,117,521
Bank balances and cash	銀行結餘及現金	29	3,674,042	3,975,163
			19,240,634	14,142,819
Current liabilities	流動負債			
Accounts payable	應付賬款	30	1,383,514	600,037
Accruals, deposits received and other payables	應計費用、已收按金及其他應付款項	31	744,814	3,725,372
Contract liabilities	合同負債	32	2,268,288	-
Tax liabilities	稅項負債		1,468,779	1,009,685
Borrowings	借貸	33	3,232,448	3,615,042
Senior notes and bond	優先票據及債券	35	2,591,909	-
Debt component of convertible bonds	可換股債券債務部分	34(a)	-	589,650
Derivative component of convertible bonds	可換股債券衍生工具部分	34(b)	-	111,078
			11,689,752	9,650,864
Net current assets	流動資產淨值		7,550,882	4,491,955
Total assets less current liabilities	總資產減流動負債		31,722,352	27,145,956

Consolidated Statement of Financial Position

綜合財務狀況報表

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

			2018	2017
		NOTES	二零一八年	二零一七年
		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	33	13,309,348	9,343,235
Senior notes and bond	優先票據及債券	35	2,809,060	5,250,854
Debt component of convertible bonds	可換股債券債務部分	34(a)	1,381,645	-
Derivative component of convertible bonds	可換股債券衍生工具部分	34(b)	198,105	-
Deferred tax liabilities	遞延稅項負債	20	2,585,251	2,482,664
			20,283,409	17,076,753
Net assets	資產淨值		11,438,943	10,069,203
Capital and reserves	股本及儲備			
Share capital	股本	36	41,141	39,121
Reserves	儲備	37	11,290,307	9,796,941
Equity attributable to owners of the Company	本公司股東應佔權益		11,331,448	9,836,062
Non-controlling interests	非控股權益		107,495	233,141
Total equity	權益總額		11,438,943	10,069,203

The consolidated financial statements on pages 61 to 185 were approved and authorised for issue by the board of directors on 21 March 2019 and are signed on its behalf by:

第61至185頁之綜合財務報表已獲董事會於二零一九年三月二十一日批准及授權刊發，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 2018
截至二零一八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 股本	Share premium 股份溢價	Convertible preference shares 可換股優先股	Other reserve 其他儲備	Exchange reserve 匯兌儲備	Investment revaluation reserve 投資重估儲備	Share option reserve 購股權儲備	Statutory reserve 法定儲備	Retained profits 保留盈利	Sub-total 小計	Non-controlling interests 非控股權益	Total equity 權益總額
		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	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
Balance as at 1 January 2017	於二零一七年一月一日的結餘	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 39)	確認以股權結算以股份支付的款項(附註39)	-	-	-	-	-	-	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
Profit (loss) for the year	年度盈利(虧損)	-	-	-	-	-	-	-	-	1,237,167	1,237,167	(6,764)	1,230,403
Fair value changes on investments in equity instrument at fair value through other comprehensive income, net of tax	按公允價值計入其他全面收益之股本工具投資之公允價值變動(扣除稅項)	-	-	-	-	-	34,917	-	-	-	34,917	-	34,917
Exchange differences arising on translation	匯兌產生的換算差額	-	-	-	-	(60,208)	-	-	-	-	(60,208)	278	(59,930)
Total comprehensive expense (income) for the year	年度全面開支(收益)總額	-	-	-	-	(60,208)	34,917	-	-	1,237,167	1,211,876	(6,486)	1,205,390
Recognition of equity-settled share-based payments (note 39)	確認以股權結算以股份支付的款項(附註39)	-	-	-	-	-	-	21,959	-	-	21,959	-	21,959
Conversion of convertible bonds (note 34)	兌換可換股債券(附註34)	240	70,145	-	-	-	-	-	-	-	70,385	-	70,385
Issue of ordinary shares (note 36)	發行普通股(附註36)	1,722	495,898	-	-	-	-	-	-	-	497,620	-	497,620
Issue of convertible preference shares (note 37)	發行可換股優先股(附註37)	-	-	287,047	-	-	-	-	-	-	287,047	-	287,047
Acquisition of a subsidiary and acquisition of non-controlling interest in a subsidiary (note 38 (b))	收購一間附屬公司及收購一間附屬公司之非控股權益(附註38 (b))	-	-	-	(398,435)	-	-	-	-	-	(398,435)	1,386	(397,049)
Acquisition of an additional interest in a subsidiary (note)	增加收購於一間附屬公司的權益(附註)	-	-	-	(4,096)	-	-	-	-	-	(4,096)	(119,267)	(123,363)
Lapse of share options	購股權失效	-	-	-	-	-	-	(2,039)	-	2,039	-	-	-
Exercise of share options	行使購股權	58	15,999	-	-	-	-	(5,287)	-	-	10,770	-	10,770
Transfer to statutory reserve	轉撥至法定儲備	-	-	-	-	-	-	-	71,564	(71,564)	-	-	-
Dividend declared and made (note 11)	已宣派及派付的股息(附註11)	-	-	-	-	-	-	-	-	(201,740)	(201,740)	(1,279)	(203,019)
Balance as at 31 December 2018	於二零一八年十二月三十一日的結餘	41,141	6,882,609	6,246,161	(11,637,887)	59,400	110,661	222,970	221,376	9,185,017	11,331,448	107,495	11,438,943

Note:

During the year ended 31 December 2018, the Group has acquired an additional 20% equity interests in a non-wholly owned subsidiary, Jianmai Limited ("Jianmai"), from a non-controlling shareholder at a consideration of HK\$142,000,000 (equivalent to RMB123,363,000). Upon completion of the acquisition, the equity interests of Jianmai held by the Group increased from 75% to 95%. The difference between the consideration paid for acquisition and the attributable net assets being acquired was included in other reserve.

附註：

截至二零一八年十二月三十一日止年度，本集團已向一名非控股股東收購非全資附屬公司景邁有限公司(「景邁」)之額外20%股權，代價為142,000,000港元(相當於人民幣123,363,000元)。於收購事項完成後，本集團所持之景邁股權由75%增加至95%。收購事項之已付代價與已收購之應佔資產淨值之間之差額計入其他儲備。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

		2018	2017
		二零一八年	二零一七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Operating activities	經營活動		
Profit before tax	除稅前盈利	2,155,500	1,497,374
Adjustments for:	調整項目：		
Depreciation	折舊	40,529	35,331
Loss (gain) on disposal of property, plant and equipment	出售物業、廠房及設備的虧損(收益)	2	(233)
Loss (gain) on disposal of investment properties	出售投資物業的虧損(收益)	3,299	(2,306)
Fair value changes on investment properties	投資物業的公允價值變動	(323,461)	(478,423)
Fair value changes on derivative component of convertible bonds	可換股債券衍生工具部分的公允價值變動	(172,192)	(2,373)
Fair value changes on financial assets at fair value through profit or loss	按公允價值計入損益之金融資產之公允價值變動	47	-
Share of results of joint ventures	應佔合營公司業績	8	93
Reversal of impairment loss on accounts receivable	撥回應收款項減值虧損	(39)	(82)
Equity-settled share-based payments	以股權結算以股份支付的款項	21,959	80,408
Recovery of other receivables previously written-off	撥回以前已撇銷的其他應收款項	(1,500)	(331)
Write-down on other receivables	撇減其他應收款項	-	3,210
Interest income	利息收入	(103,905)	(31,022)
Investment income	投資收入	(5,816)	(5,446)
Dividend income	股息收入	(15,665)	(12,050)
Finance costs	融資成本	657,995	613,592
Exchange difference	匯兌差額	51,288	(88,999)
Operating cash flows before movements in working capital	營運資金變動前的經營現金流量	2,308,049	1,608,743
Increase 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	(1,380,684)	(685,814)
Decrease (increase) in other inventories	其他存貨減少(增加)	516	(139)
Decrease (increase) in accounts receivable	應收賬款減少(增加)	365,755	(360,674)
Decrease (increase) 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)	124,621	(64,412)
Increase (decrease) in accounts payable	應付賬款增加(減少)	783,265	(321,276)
Increase in contract liabilities	合同負債增加	2,268,288	-
(Decrease) increase in accruals, deposits received and other payables	應計費用、已收按金及其他應付款項減少(增加)	(1,193,879)	1,160,150
Cash from operations	經營活動所得的現金	3,275,931	1,336,578
Income taxes paid	已付所得稅	(520,338)	(108,522)
Net cash from operating activities	經營活動所得現金淨額	2,755,593	1,228,056
Investing activities	投資活動		
Placement of restricted bank deposits	存放受限制銀行存款	(6,795,462)	(5,468,427)
Acquisition of subsidiaries (note 21(b) and 38(a))	收購附屬公司(附註21(b)及38(a))	(1,590,000)	(4,518,136)
Repayment of consideration payable (note 38(a))	支付應付代價(附註38(a))	(2,068,852)	-
Additional costs of investment properties	投資物業之額外成本	(1,189,777)	(285,046)
Advances to related parties	向關聯方支付墊款	(1,126,965)	(1,142,063)
Advance to a non-controlling interest	向非控股權益墊款	(15,734)	-
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	(442,133)	(624,929)
Purchase of other financial assets	購置其他金融資產	(284,342)	(360,000)
Purchase of property, plant and equipment	購置物業、廠房及設備	(78,306)	(7,692)
Purchases of debt instrument at fair value through other comprehensive income	購置按公允價值計入其他全面收益之債務工具	(20,000)	-
Purchases of financial assets at fair value through profit or loss	購置按公允價值計入損益之金融資產	(10,736)	-
Withdrawal of restricted bank deposits	提取受限制銀行存款	4,998,888	5,089,896
Repayment from related parties	關聯方還款	1,036,999	1,291,074
Repayment from a non-controlling interest	非控股權益還款	3,227	-
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	624,929	200,000
Proceeds from disposal of other financial assets	出售其他金融資產所得款項	434,342	415,446
Interest received	已收利息	87,591	31,022
Dividend income received	已收股息收入	15,665	12,050
Proceeds from disposal of investment properties	出售投資物業所得款項	1,536	31,290
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	135	252
Repayment from (advance to) a joint venture	一間合營公司還款/(向一間合營公司支付墊款)	5	(100)
Deposits paid	已付按金	-	(1,000,000)
Net cash used in investing activities	投資活動所用現金淨額	(6,418,990)	(6,335,363)

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Financing activities	融資活動		
Repayments of borrowings	償還借貸	(4,994,599)	(2,940,712)
Interest paid	已付利息	(1,231,136)	(750,644)
Dividend paid	已付股息	(203,019)	(211,211)
Acquisition of an additional interest in a subsidiary	增加收購於一間附屬公司的權益	(75,348)	-
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)
Proceeds from new borrowings	新造借貸所得款項	8,286,284	7,120,305
Proceeds from issue of senior notes and bond	發行優先票據及債券所得款項	-	2,687,226
Proceeds from issue of convertible bonds	發行可換股債券所得款項	959,968	-
Issue of new shares upon exercise of share options	行使購股權以發行新股	10,770	956
Proceeds from issue of new shares	發行新股所得款項	497,620	-
Proceeds from issue of convertible preference shares	發行可換股優先股所得款項	287,047	-
Capital contribution by non-controlling shareholders of subsidiaries	非控股股東於附屬公司之出資	1,386	-
Net cash from financing activities	融資活動所得的現金淨額	3,538,973	5,858,568
Net (decrease) increase in cash and cash equivalents	現金及現金等價物(減少)增加淨額	(124,424)	751,261
Effect of foreign exchange rate changes	外匯匯率變動的影響	6,099	6,727
Cash and cash equivalents at beginning of the year	年初現金及現金等價物	3,350,234	2,592,246
Cash and cash equivalents at end of the year	年末現金及現金等價物	3,231,909	3,350,234
Represented by:	指:		
Cash and cash equivalents	現金及現金等價物	3,231,909	3,350,234
Add: Fixed deposits 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	442,133	624,929
Bank balances and cash	銀行結餘及現金	3,674,042	3,975,163

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八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 50.

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

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

New and Amendments to HKFRSs that are mandatorily effective for the current year

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

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014-2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

Except as described below, the application of the new and 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.

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50。

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新訂及經修訂香港財務報告準則

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
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
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
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
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」
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一部分
香港會計準則第40號(修訂本)	轉移投資物業

除上述者外，於本年度應用該等新訂及經修訂香港財務報告準則對本集團於本年度及以往年度的財務表現及狀況及/或在綜合財務報表所載的披露並無任何重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

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

(Cont’d)

2.1 HKFRS 15 Revenue from Contracts with Customers

The Group has applied HKFRS 15 for the first time in the current year. HKFRS 15 superseded HKAS 18 *Revenue*, HKAS 11 *Construction Contracts* and the related interpretations.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this Standard recognised at the date of initial application, 1 January 2018. Any difference at the date of initial application is recognised in the opening retained profits (or other components of equity, as appropriate) and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the Standard retrospectively only to contracts that are not completed at 1 January 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 *Revenue* and HKAS 11 *Construction Contracts* and the related interpretations.

The Group recognises revenue from the following major sources which arise from contracts with customers:

- Sales of properties
- Hotel operation, property management service

Information about the Group’s performance obligations and the accounting policies resulting from application of HKFRS 15 are disclosed in notes 5 and 3 respectively.

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）

2.1 香港財務報告準則第15號「來自客戶合約的收益」

於本年度，本集團首次應用香港財務報告準則第15號。香港財務報告準則第15號取代香港會計準則第18號「收益」、香港會計準則第11號「建築合約」及相關詮釋。

本集團已追溯應用香港財務報告準則第15號，而初始應用該準則的累計影響於初始應用日期二零一八年一月一日確認。初始應用日期的任何差額於期初保留溢利確認（或其他權益組成部分，如適用），及並無重列比較資料。此外，根據香港財務報告準則第15號的過渡條文，本集團已選擇僅將該準則追溯用於於二零一八年一月一日尚未完成的合約。因若干比較資料乃根據香港會計準則第18號「收益」、香港會計準則第11號「建築合約」及相關詮釋編製，所以若干比較資料無法比較。

本集團確認來自下列主要來源來自客戶合約的收益：

- 物業銷售
- 酒店運營、物業管理服務

有關本集團因應用香港財務報告準則第15號而產生之履約責任及會計政策資料分別於附註5及3中披露。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

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

(Cont’d)

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

Summary of effects arising from initial application of HKFRS 15

The following adjustment was made to the amounts recognised in the consolidated statement of financial position at 1 January 2018. Line items that were not affected by the changes have not been included.

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)

2.1 香港財務報告準則第15號「來自客戶合約的收益」(續)

初始應用香港財務報告準則第15號產生之影響概要

以下調整乃對於二零一八年一月一日綜合財務狀況表確認的款項作出。尚未計入不受變動影響的項目。

		Carrying amounts previously reported at 31 December 2017	Reclassification	Carrying amounts under HKFRS 15 at 1 January 2018
	Note	於二零一七年十二月三十一日 先前呈報的賬面值 RMB'000 人民幣千元	重新分類 RMB'000 人民幣千元	於二零一八年一月一日 香港財務報告準則第15號 項下的賬面值 RMB'000 人民幣千元
Current liabilities				
Accruals, deposits received and other payables	(a)	3,725,372	(922,148)	2,803,224
Contract liabilities	(a)	–	922,148	922,148

Note:

- (a) As at 1 January 2018, deposits received in advance from customers mainly for presale of properties of RMB922,148,000 previously included in accruals, deposits received and other payables was reclassified to contract liabilities.

附註：

- (a) 於二零一八年一月一日，先前計入應計費用、已收按金及其他應付款項的主要就預售物業向客戶預收的按金人民幣922,148,000元已重新分類至合同負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

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

(Cont’d)

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

Summary of effects arising from initial application of HKFRS 15 (Cont’d)

The following tables summarise the impacts of applying HKFRS 15 on the Group’s consolidated statement of financial position as at 31 December 2018 for each of the line items affected. Line items that were not affected by the changes have not been included.

		As reported	Adjustment	Amounts without application of HKFRS 15
		如呈報	調整	並無應用香港財務報告準則第15號的款項
	Note	RMB’000	RMB’000	RMB’000
	附註	人民幣千元	人民幣千元	人民幣千元
Current liabilities				
Accruals, deposits received and other payables				
Contract liabilities				
	(a)	744,814	2,268,288	3,013,102
	(a)	2,268,288	(2,268,288)	–

Note:

(a) As at 31 December 2018, deposits received in advance from customers mainly for presale of properties of RMB2,268,288,000 were classified as contract liabilities.

The following tables summarise the impacts of applying HKFRS 15 on the Group’s consolidated statement of cash flows as at 31 December 2018 for each of the line items affected. Line items that were not affected by the changes have not been included.

		As reported	Adjustment	Amounts without application of HKFRS 15
		如呈報	調整	並無應用香港財務報告準則第15號的款項
		RMB’000	RMB’000	RMB’000
		人民幣千元	人民幣千元	人民幣千元
Operating activities				
(Decrease) increase in accruals, deposits received and other payables				
Increase in contract liabilities				
		(1,193,879)	2,268,288	1,074,409
		2,268,288	(2,268,288)	–

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)

2.1 香港財務報告準則第15號「來自客戶合約的收益」(續)

初始應用香港財務報告準則第15號產生之影響概要(續)

下表概述應用香港財務報告準則第15號對於二零一八年十二月三十一日本集團綜合財務狀況表各項目的影響。尚未計入不受變動影響的項目。

	As reported	Adjustment	Amounts without application of HKFRS 15
	如呈報	調整	並無應用香港財務報告準則第15號的款項
	RMB’000	RMB’000	RMB’000
	人民幣千元	人民幣千元	人民幣千元
Current liabilities			
Accruals, deposits received and other payables			
Contract liabilities			
	(a)	744,814	2,268,288
	(a)	2,268,288	(2,268,288)

附註：

(a) 於二零一八年十二月三十一日，主要就預售物業向客戶預收的按金人民幣2,268,288,000元已重新分類至合同負債。

下表概述應用香港財務報告準則第15號對於二零一八年十二月三十一日本集團綜合現金流量表各項目的影響。尚未計入不受變動影響的項目。

	As reported	Adjustment	Amounts without application of HKFRS 15
	如呈報	調整	並無應用香港財務報告準則第15號的款項
	RMB’000	RMB’000	RMB’000
	人民幣千元	人民幣千元	人民幣千元
Operating activities			
(Decrease) increase in accruals, deposits received and other payables			
Increase in contract liabilities			
		(1,193,879)	2,268,288
		2,268,288	(2,268,288)

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

(Cont’d)

2.2 HKFRS 9 Financial Instruments

In the current year, the Group has applied HKFRS 9 Financial Instruments and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) expected credit losses (“ECL”) for financial assets.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. The difference between carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018 are recognised in the opening retained profits and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 *Financial Instruments: Recognition and Measurement*.

Accounting policies resulting from application of HKFRS 9 are disclosed in note 3.

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)

2.2 香港財務報告準則第9號「金融工具」

於本年度，本集團已應用香港財務報告準則第9號「金融工具」及對其他香港財務報告準則的相應修訂。香港財務報告準則第9號引入就1) 金融資產及金融負債的分類及計量及2) 金融資產的預期信貸虧損(「預期信貸虧損」)的新要求。

本集團已根據香港財務報告準則第9號所載的過渡條文，向於二零一八年一月一日(初始應用日期)尚未終止確認的工具追溯應用香港財務報告準則第9號(即應用分類及計量規定(包括預期信貸虧損模式下之減值))，而並無應用該等規定至於二零一八年一月一日已終止確認的工具。於二零一七年十二月三十一日的賬面值與二零一八年一月一日的賬面值之間的差額於期初保留溢利及其他權益部分確認，並無重列比較資料。

因此，若干比較資料或許不能用作比較，原因為比較資料乃根據香港會計準則第39號「金融工具：確認及計量」編製。

因應用香港財務報告準則第9號而產生之會計政策於附註3中披露。

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綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

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

(Cont'd)

2.2 HKFRS 9 Financial Instruments (Cont'd)

Summary of effects arising from initial application of HKFRS 9

The table below illustrates the classification and measurement of financial assets and other items subject to ECL under HKFRS 9 and HKAS 39 at the date of initial application, 1 January 2018.

	Carrying amounts previously reported at 31 December 2017	Reclassification	Carrying amounts under HKFRS 9 at 1 January 2018
	於二零一七年十二月三十一日 先前提報 的賬面值	重新分類	於二零一八年一月一日 香港財務報告 準則第9號 項下的賬面值
	Note 附註	RMB'000 人民幣千元	RMB'000 人民幣千元
Non-current assets			
Available-for-sale investments			
Equity instrument at fair value through other comprehensive income	(a)	444,259	–
非流動資產			
可供出售投資			
按公允價值計入其他全面收益之股本工具	(a)	–	444,259

Note:

- (a) The Group elected to present in other comprehensive income for the fair value change of its equity investment previously classified as available-for-sale investments, of which approximately RMB444,259,000 related to the equity interests in certain listed equity securities in the PRC previously measured at fair value under HKAS 39. These investments are not held for trading and not expected to be sold in the foreseeable future. At the date of initial application of HKFRS 9, RMB444,259,000 was reclassified from available-for-sale investments to equity instrument at fair value through other comprehensive income. The accumulated fair value gains of approximately RMB75,744,000 relating to those investments previously carried at fair value continued to accumulate in investment revaluation reserve.

The Group applied the HKFRS 9 simplified approach to measure ECL which uses a lifetime ECL for accounts receivable. Except for those which had been determined as credit impaired under HKAS 39, accounts receivable have been assessed and grouped based on internal credit rating for impairment purpose.

As at 1 January 2018, adjustment for credit loss allowance is considered as insignificant.

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）

2.2 香港財務報告準則第9號「金融工具」（續）

初始應用香港財務報告準則第9號產生之影響概要（續）

下表闡述涉及預期信貸虧損的金融資產及其他項目根據香港財務報告準則第9號及香港會計準則第39號於初始應用日期（二零一八年一月一日）之分類及計量。

附註：

- (a) 本集團選擇於其他全面收益呈列先前提分類為可供出售投資的股本投資公允價值變動，其中約人民幣444,259,000元與於先前根據香港會計準則第39號按公允價值計量的中國若干上市股本證券的股權有關。該等投資不會持作買賣，且預期於可預見未來不會出售。於初始應用香港財務報告準則第9號的日期，人民幣444,259,000元由可供出售投資重新分類至按公允價值計入其他全面收益之股本工具。與先前按公允價值列賬的該等投資有關的累計公允價值收益約人民幣75,744,000元繼續於投資重估儲備內累計。

本集團應用香港財務報告準則第9號的簡化方法計量預期信貸虧損，為應收賬款使用存續期預期信貸虧損。除根據香港會計準則第39號被釐定為信貸減值之該等款項外，應收賬款已根據內部信用評級進行評估及分組作減值用途。

於二零一八年一月一日，信貸虧損撥備調整考慮並不重大。

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

(Cont’d)

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 16	Leases ¹
HKFRS 17	Insurance Contracts ³
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments ¹
Amendments to HKFRS 3	Definition of a Business ⁴
Amendments to HKFRS 9	Prepayment Features with Negative Compensation ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²
Amendments to HKAS 1 and HKAS 8	Definition of Material ⁵
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement ¹
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015 – 2017 Cycle ¹

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

² Effective for annual periods beginning on or after a date to be determined.

³ Effective for annual periods beginning on or after 1 January 2021.

⁴ Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.

⁵ Effective for annual periods beginning on or after 1 January 2020.

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

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.

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.

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)

已頒布但尚未生效之新訂及經修訂香港財務報告準則

本集團並無提早應用下列已頒布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16號	租賃 ¹
香港財務報告準則第17號	保險合約 ³
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 ¹
香港財務報告準則第3號(修訂本)	業務之定義 ⁴
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 ¹
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 ²
香港會計準則第1號及香港會計準則第8號(修訂本)	重大性之定義 ⁵
香港會計準則第19號(修訂本)	計劃修訂、縮減或結算 ¹
香港會計準則第28號(修訂本)	於聯營公司及合營公司之長期權益 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 ¹

¹ 於二零一九年一月一日或以後開始的年度期間生效。

² 於釐定日期或以後開始的年度期間生效。

³ 於二零二一年一月一日或以後開始的年度期間生效。

⁴ 對收購日期為於二零二零年一月一日或以後開始的首個年度期間初或以後的業務合併及資產收購生效。

⁵ 於二零二零年一月一日或以後開始的年度期間生效。

除下文所述之新訂及經修訂香港財務報告準則外，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。

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，且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。

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

(Cont’d)

HKFRS 16 Leases (Cont’d)

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 lands for owned 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 by the Group. Upfront prepaid lease payments will continue to be presented as investing or operating cash flows in accordance with the nature, as appropriate.

Under HKAS 17, the Group has already recognised prepaid lease payments for leasehold lands 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.

Other than certain requirements which are also applicable to lessor, 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 2018, the Group has non-cancellable operating lease commitments of RMB209,469,000 as disclosed in note 44. 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.

In addition, the Group currently considers refundable rental deposits paid of RMB8,229,000 and refundable rental deposits received of RMB119,202,000 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. Adjustments to refundable rental deposits paid would be considered as additional lease payments and included in the carrying amount of right-of-use assets. Adjustments to refundable rental deposits received would be considered as advance lease payments.

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)

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(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。先期預付租賃款項將繼續根據其性質(如適用)呈列為投資或經營現金流量。

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。

除若干亦適用於出租人之規定外，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。

於二零一八年十二月三十一日，本集團之不可撤銷經營租賃承擔為人民幣209,469,000元，詳情於附註44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。

此外，本集團目前將已付可退還租金按金人民幣8,229,000元及已收可退還租金按金人民幣119,202,000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。對已付可退還租金按金之調整將被視為額外租賃付款並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。

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

(Cont’d)

HKFRS 16 Leases (Cont’d)

The application of new requirements may result in changes in measurement, presentation and disclosure as indicated above. The Group would elect the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4. Determining whether an Arrangement contains a Lease and not apply this standard to contracts that were not previously identified as containing a lease applying HKAS 17 and HK(IFRIC)-Int 4. Therefore, the Group would not reassess whether the contracts are, or contain a lease which already existed prior to the date of initial application. Furthermore, the Group would elect the modified retrospective approach for the application of HKFRS 16 as lessee and would recognise the cumulative effect of initial application to opening retained profits without restating comparative information.

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 2018 but may result in more disclosures in the future.

Amendments to HKAS 1 and HKAS 8 Definition of Material

The amendments provide refinements to the definition of material by including additional guidance and explanations in making materiality judgements. The amendments also align the definition across all HKFRSs and will be mandatorily effective for the Group’s annual period beginning on 1 January 2020. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group but may affect the presentation and disclosures in the consolidated financial statements.

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 and certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

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)

應用新規定可能會導致上述計量、呈列及披露有所變動。本集團將選擇實際權宜方法，從而將香港財務報告準則第16號應用於先前應用香港會計準則第17號及香港(國際財務報告詮釋委員會)一詮釋第4號「釐定安排是否包含租賃」而識別為租賃之合約，且不將此準則應用於先前未應用香港會計準則第17號及香港(國際財務報告詮釋委員會)一詮釋第4號識別為包含租賃之合約。因此，本集團將不會重新評估於初始應用日期前已存在之合約是否為或是否包含租賃。此外，本集團(作為承租人)將選擇經修訂追溯法應用香港財務報告準則第16號，並將確認初始應用對年初保留溢利之累計影響，而並無重列比較資料。

香港(國際財務報告詮釋委員會)一詮釋第23號一所得稅處理的不確定性

香港(國際財務報告詮釋委員會)一詮釋第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。

根據於二零一八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)一詮釋第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1號及香港會計準則第8號(修訂本)重大性之定義

修訂本涵蓋於作出重大判斷時之額外指引及解釋，對重大性之定義作出修訂。修訂本亦統一所有香港財務報告準則之定義，並將於本集團自二零二零年一月一日起之年度期間強制生效。應用修訂本預期不會對本集團之財務狀況及表現造成重大影響，惟或會影響於綜合財務報表之呈列及披露。

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及若干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。

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綜合財務報表附註

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截至二零一八年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

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 principal 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.

3. 主要會計政策(續)

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。

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。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Basis of consolidation (Cont'd)

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.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in 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.

3. 主要會計政策(續)

綜合基準(續)

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。

附屬公司的非控股權益從本集團權益中獨立呈列，指現時擁有的權益且賦予持有人權利於清盤時按比例佔相關附屬公司淨資產。

本集團於現有附屬公司的權益變動

未導致本集團失去對附屬公司控制權的本集團於附屬公司的權益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。

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**Basis of consolidation (Cont'd)***Changes in the Group's interests in existing subsidiaries (Cont'd)*

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 the fair value of any retained interest 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). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9/HKAS39 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

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.

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.

3. 主要會計政策(續)**綜合基準(續)***本集團於現有附屬公司的權益變動(續)*

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任何留存權益的公允價值的總和；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)。前附屬公司於失去控制權日時任何保留投資的公平值視為初始確認香港財務報告準則第9號/香港會計準則第39號項下後續會計處理之公平值或(倘適用)初始確認聯營公司或合營公司投資的成本。

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。

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。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Business combinations (Cont'd)

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 or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income and measured under HKFRS 9/HKAS 39 would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

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 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.

3. 主要會計政策(續)

業務合併(續)

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)乃於損益內或其他全面收益(按適用者)確認。倘本集團已出售先前所持有的股權,則於收購日期前根據香港財務報告準則第9號/香港會計準則第39號計量並已於其他全面收益確認因於被收購方權益而產生之金額,將按所規定的相同基準入賬。

倘業務合併之初步會計處理於合併發生之報告期末尚未完成,則本集團呈報未完成會計處理之項目之臨時數額。該等臨時數額會於計量期間(見上文)內追溯調整,並確認額外資產或負債,以反映所取得於收購日期已存在而據所知可能影響該日已確認數額之相關事實與情況之新資料。

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。

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**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-generating 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-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount 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-generating units).

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group dispose of an operation within the cash-generating unit (or a cash-generating unit within group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

The Group's policy for goodwill arising on the acquisition of a joint venture is described below.

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.

3. 主要會計政策(續)**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。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或現金產生單位組別中任何現金產生單位時，釐定出售損益時須計入商譽之應佔金額。當本集團出售現金產生單位(或現金產生單位組別中的一個現金產生單位)內的業務時，所出售商譽金額按所出售業務(或現金產生單位)與所保留現金單位(或現金產生單位組別)部分的相對價值計量。

本集團就因收購合營公司產生之商譽的政策如下文所述。

投資合營公司

合營公司指一項聯合安排，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。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Investments in joint ventures (Cont'd)

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 Group assesses whether there is an objective evidence that the interest in a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 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.

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.

3. 主要會計政策(續)

投資合營公司(續)

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。

本集團評估是否具客觀證據證明於合營公司之權益可能減值。倘存在任何客觀證據，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。

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。

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For the year ended 31 December 2018
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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 2)

Under HKFRS 15, the Group 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.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

For property management service, the Group recognises revenue in the amount to which the entity has a right to invoice, as the Group has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the entity's performance completed to date.

3. 主要會計政策(續)

來自客戶合約的收益(根據附註2的過渡條文應用香港財務報告準則第15號)

根據香港財務報告準則第15號，本集團於(或當)完成履約責任時(即於與特定履約責任相關的貨品或服務的「控制權」轉移予客戶時)確認收益。

履約責任指一項明確貨品或服務(或一批貨品或服務)或一系列大致相同的明確貨品或服務。

倘符合以下其中一項條件，則控制權為隨時間轉移，而收益則參考相關履約責任的完成進度隨時間確認：

- 客戶於本集團履約時同時收取及消耗本集團履約所提供的利益；
- 本集團的履約創造或提升客戶於本集團履約時控制的資產；或
- 本集團的履約並無創造對本集團具有替代用途的資產，而本集團擁有強制執行權收取至今已履約部分的款項。

否則，收益於客戶獲得明確商品或服務控制權時確認。

合約負債指本集團因自客戶收取代價(或到期收取的代價)，而須向客戶轉讓貨品或服務的責任。

隨時間確認收益：計量完全履行履約責任的進展情況

就物業管理服務而言，當本集團擁有可收取來自客戶的代價之權利時，而代價之金額與客戶迄今為止達致之表現價值直接對應，則本集團可按有權開具發票的金額確認收益。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 2) (Cont'd)

Existence of significant financing component

For sales of properties, in determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

For contracts where the period between payment and transfer of the associated goods or services is less than one year, the Group applies the practical expedient of not adjusting the transaction price for any significant financing component.

For advance payments received from customers before the transfer of the associated goods or services in which the Group adjusts for the promised amount of consideration for a significant financing component, the Group applies a discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. The relevant interest expenses during the period between the advance payments were received and the transfer of the associated goods and services are accounted for on the same basis as other borrowing costs.

Incremental costs of obtaining a contract

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained.

The Group recognises such costs (e.g. sales commissions) as an asset if it expects to recover these costs. The asset so recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate.

The Group applies the practical expedient of expensing all incremental costs to obtain a contract if these costs would otherwise have been fully amortised to profit or loss within one year.

3. 主要會計政策(續)

來自客戶合約的收益(根據附註2的過渡條文應用香港財務報告準則第15號)(續)

存在重大融資部分

就物業銷售，釐定交易價時，倘協定之付款時間(明示或暗示)為客戶或本集團提供有關向客戶轉讓貨品或服務之重大融資利益，本集團會就貨幣時間價值之影響調整承諾代價金額。於該等情況下，合約即包含重大融資部分。不論融資承諾是否明確列於合約或隱含在合約訂約方協定之付款條款中，均可能存在重大融資部分。

對於付款與轉讓相關貨品或服務相隔期間不足一年之合約，本集團應用可行權宜之計，而不就任何重大融資部分調整交易價。

就於轉移本集團已就重大融資而調整已承諾之代價金額之相關貨品或服務前自客戶收取之預付款項而言，本集團應用將於本集團與客戶之間於合約開始之獨立融資交易中反映之折現率。於預付款項期間收取相關利息開支，且轉移相關貨品及服務按相同基準入賬列作其他借貸成本。

獲得合約之增量成本

獲得合約之增量成本指本集團取得客戶合約所產生之成本，倘未獲得該合約，則不會產生有關成本。

倘預期可收回有關成本(如銷售佣金)，則本集團確認該等成本為一項資產。所確認資產隨後按與向客戶轉讓有關該資產之貨品或服務一致之系統基準攤銷至損益。

倘該等成本將在一年內悉數攤銷至損益，則本集團將應用可行權宜方法，支銷所有增量成本以獲得合約。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Revenue recognition (prior to 1 January 2018)

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.

Goods, services, interests and dividends

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 rental 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.

Leases

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.

Rental income which are derived from the Group's ordinary course of business are presented as revenue.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

3. 主要會計政策(續)

收入確認(於二零一八年一月一日前)

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。

貨品、服務、權益及股息

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。物業管理收入及租金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。

租賃

當租賃條款將擁有權的大多數風險及回報轉讓予承租人時，租賃分類為融資租賃。所有其他租賃均分類為經營租賃。

本集團作為出租人

經營租賃所得租金收入按直線法於相關租賃年期內於損益中確認。

本集團日常業務運作中產生的租金收入呈列為收益。

本集團作為承租人

經營租賃付款於租賃期內按直線法確認為開支。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Leases (Cont'd)

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 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.

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. RMB) 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.

3. 主要會計政策(續)

租賃(續)

租賃土地及樓宇

當本集團支付包括租賃土地及建築成份的物業權益時，本集團會按因擁有每個成份而附帶的絕大部份風險及回報是否已轉移到本集團的基礎上評估每個成份，除非兩個成份均明顯為經營租賃，在此情況下，整項物業被視為經營租賃。具體來說，整體代價(包括任何一次性預付款)按土地成份及樓宇成份租賃權益於初始確認時的相對公允價值，按比例分配到租賃土地及樓宇成份。

倘相關付款分配能可靠計量時，租賃土地的權益入賬為經營租賃，並於綜合財務狀況表列賬為「預付租賃款項」，且於租賃期內按直線基準攤銷，惟於獲分類及按公平價值模式以投資物業入賬者除外。當租金不可於租賃土地及樓宇成份間可靠地分配時，整項物業一般當作融資租賃下的租賃土地般分類。

外幣

於編製各個別集團實體之財務報表時，以該實體功能貨幣以外之貨幣(外幣)進行之交易按交易日期之現行匯率予以確認。於各報告期末，以外幣列值之貨幣項目按有關日期現行之匯率予以重新換算。按歷史成本計量以外幣列值之非貨幣項目不予重新換算。

因結算貨幣項目及重新換算貨幣項目而產生之匯兌差額，於其產生期間在損益內確認，惟應收或應付海外業務而結算並無計劃亦不可能發生(因此構成海外業務投資淨額之一部分)之貨幣項目之匯兌差額外，該等匯兌差額初步於其他綜合收益內確認，並於出售海外業務時自權益重新分類至損益。

就呈報綜合財務報表而言，本集團海外業務的資產及負債乃按各報告期末的現行匯率換算為本集團的呈報貨幣(即人民幣)。收入及開支項目則按期內的平均匯率換算，除非匯率於該期間內出現大幅波動則另作別論；於該情況，則採用交易當日現行匯率。所產生的匯兌差額(如有)乃於其他全面收益確認及於匯兌儲備項下之權益累計(於適當時撥作非控股權益)。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Foreign currencies (Cont'd)

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.

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.

Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term and other long-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Share-based payments

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.

3. 主要會計政策(續)

外幣(續)

出售海外業務時(即出售本集團於海外業務的全部權益、或出售涉及失去包括海外業務的附屬公司的控制權)·本公司擁有人就該等業務應佔的所有累計的匯兌差額乃重新分類至損益。

此外·就部分出售不導致本集團失去附屬公司之控制權而言·累計匯兌差額分佔部分重新歸類至非控股權益且不會於損益內予以確認。

借貸成本

與收購、興建或生產合格資產(須用一段較長時間達致其擬定用途或出售的資產)直接有關的借貸成本會計入該等資產的成本·直至資產大致上達致其擬定用途或出售時為止。

所有其他借貸成本均於其產生期間於損益賬確認。

退休福利成本

界定供款退休福利計劃的付款乃於僱員提供服務並因而享有供款權利時確認為開支。

短期及其他長期僱員福利

短期僱員福利於僱員提供服務時按預期支付福利的未折現金額確認。所有短期僱員福利均確認為開支·除非有另一項香港財務報告準則規定或允許將福利計入資產成本則作別論。

僱員累計福利(如工資及薪金、年假及病假)於扣除任何已付金額後確認為負債。

以股份支付的款項

以股權結算以股份支付之付款交易

授予僱員之購股權

向僱員和其他提供類似服務人士以股權結算以股份支付之付款按照股本工具於授出日期的公平值計量。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Share-based payments (Cont'd)

Equity-settled share-based payment transactions (Cont'd)

Share options granted to employees (Cont'd)

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.

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 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.

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 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.

3. 主要會計政策(續)

以股份支付的款項(續)

以股權結算以股份支付之付款交易(續)

授予僱員之購股權(續)

以股權結算以股份支付之付款按授出日期釐定的公平值(並無計及所有非市場歸屬條件)乃根據本集團對最終將歸屬的股本工具之估計,於歸屬期內以直線法支銷,而相應增加計入購股權儲備。於各報告期末,本集團根據所有相關非市場歸屬條件的評估修訂預期歸屬股本工具的估計數目。修訂原有估計的影響(如有)於損益內確認,令累計開支反映經修訂的估計,並相應調整至購股權儲備。

當購股權獲行使時,先前於購股權儲備中確認之款項將轉撥至股份溢價。當購股權於歸屬日期後被沒收或於屆滿日仍未獲行使,先前於購股權儲備中確認之款項將轉撥至保留溢利。

稅項

所得稅開支乃指即期應付稅項及遞延稅項的總額。

即期應付稅項乃按年內應課稅溢利計算。應課稅溢利與稅前溢利有所不同,此乃由於在其他年度應課稅或可減免之收入或開支項目以及毋須課稅或不可減免的項目。本集團的即期稅項負債乃使用於報告期末已頒佈或實質頒佈的稅率計算。

遞延稅項於綜合財務報表內資產及負債賬面值與用作計算應課稅溢利的相應稅基的暫時差額確認。遞延稅項負債一般會就所有應課稅的暫時差額確認,而遞延稅項資產一般乃按可能出現可動用可減免的暫時差額的應課稅溢利時確認所有扣減暫時差額。若於一項交易中,因業務合併以外原因初步確認資產及負債而引致不影響應課稅溢利及會計溢利的暫時差額,則不會確認該等遞延稅項資產及負債。此外,若暫時差額是源自商譽之初始確認,則不確認遞延稅項負債。

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**Taxation (Cont'd)**

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.

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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

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.

3. 主要會計政策(續)**稅項(續)**

遞延稅項負債乃按因於附屬公司的投資及於合營公司的權益有關的應課稅暫時差額而確認，惟若本集團能控制暫時差額的撥回及暫時差額於可見將來可能不會撥回的情況則除外。與該等投資及權益相關的可供扣減暫時差額產生的遞延稅項資產僅於可能將有足夠應課稅溢利以應用暫時差額且預期將於可見將來撥回時方始確認。

遞延稅項資產的賬面值於各報告期末作審閱，並在不再可能有足夠應課稅溢利收回全部或部分資產時作扣減。

遞延稅項資產及負債乃按預期於償還負債或資產變現期間適用的稅率計量，所根據的稅率(及稅法)乃於報告期末已頒佈或實質上已頒佈者。

遞延稅項負債及資產的計量反映本集團於報告期末預期將要收回或償還其資產及負債的賬面值的稅務後果。

就計量遞延稅項負債而言，利用公平值模型計量的投資物業之賬面值乃假設通過銷售全數收回，除非該假設被推翻則除外。當投資物業可予折舊及於本集團的業務模式(其業務目標是隨時間而非透過銷售消耗投資物業所包含的絕大部分經濟利益)內持有時，有關假設會被推翻。

當即期稅項資產與即期稅項負債可依法相互抵銷，且是源自同一稅務機關所徵收的所得稅有關，加上本集團擬按淨額基準償付結清其即期稅項資產及負債時，遞延稅項資產及負債可相互抵銷。

即期及遞延稅項於損益賬確認，惟倘彼等與於其他全面收入確認或直接於權益確認的項目有關。在該情況下，即期及遞延稅項亦分別於其他全面收入確認或直接於權益確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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. Such properties are 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.

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.

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 its disposals. 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.

3. 主要會計政策(續)

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·根據本集團的會計政策撥作資本的借貸成本。該等物業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。

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。

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。

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**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.

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

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that these 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).

The recoverable amount of tangible assets are estimated individually, when it is not possible to estimate the recoverable amount 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.

3. 主要會計政策(續)**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。

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。成本按加權平均法計算。

除商譽外有形資產減值

本集團會於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，須估計相關資產可收回金額以釐定減值虧損程度(如有)。

有形資產之可收回金額乃按個別基準進行估計。倘無法按個別基準估計可回收金額，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出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，以反映目前貨幣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。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Impairment on tangible assets other than goodwill (Cont'd)

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 asset 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.

Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 since 1 January 2018. 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.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (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 financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

3. 主要會計政策(續)

除商譽外有形資產減值(續)

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。

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。所有常規購買或出售金融資產均按交易日基準確認及終止確認。常規購買或出售的方式乃購買或銷售金融資產，並要求於市場上按規則或慣例設定之時間框架內交付資產。

財務資產及財務負債初步按公允價值計量，惟自二零一八年一月一日起來自與客戶訂立合約的貿易應收款項初始按香港財務報告準則第15號計量。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的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)的公允價值，或自財務資產或財務負債(如適用)的公允價值中扣除。與收購金融資產或透過損益按公允價值列賬的金融負債直接相關之交易成本會即時於損益內確認。

實際利率法為計算金融資產或金融負債攤銷成本及於有關期間分配利息收入及利息開支之方法。實際利率為可準確將金融資產或金融負債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及付款(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。

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綜合財務報表附註

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截至二零一八年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Financial assets

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2)

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through profit or loss ("FVTPL"), except that at the date of initial application/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income ("OCI") if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 *Business Combinations* applies.

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.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost of FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

3. 主要會計政策(續)

金融工具(續)

金融資產

金融資產之分類及其後計量(根據附註2之過渡條文應用香港財務報告準則第9號後)

符合以下條件的金融資產其後按攤銷成本計量：

- 目的為收取合約現金流的業務模式下持有的金融資產；及
- 合約條款引述於特定日期產生僅為支付本金及未償還本金利息的現金流量。

符合以下條件的金融資產其後按公允價值計入其他全面收益(「按公允價值計入其他全面收益」)之方式計量：

- 目的為收取合約現金流和出售的業務模式下持有的金融資產；及
- 合約條款引述於特定日期產生僅為支付本金及未償還本金利息的現金流量。

所有其他金融資產其後按公允價值計入損益(「按公允價值計入損益」)計量，倘該股權投資並非持作買賣或收購方應用香港財務報告準則第3號「業務合併」於業務合併中確認或然代價，於金融資產初始應用／初始確認日期本集團可作不可撤回之選擇於其他全面收益(「其他全面收益」)內呈列股權投資其後的公允價值變動除外。

在下列情況下，金融資產被分類為持作買賣：

- 主要為於短期內出售而收購；或
- 初步確認屬於本集團合併管理之可識別金融工具組合之一部份，並具有最近實際短期獲利模式；或
- 並未被指定且可有效作為對沖工具之衍生工具。

此外，本集團可不可撤回地指定須按攤銷成本計量或按公允價值計入其他全面收益之金融資產以按公允價值計入損益之方式計量，前提為有關指定可消除或大幅減少會計錯配。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (Cont'd)

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments/receivables subsequently measured at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

(ii) Debt instruments classified as at FVTOCI

Subsequent changes in the carrying amounts for debt instruments classified as at FVTOCI as a result of interest income calculated using the effective interest method are recognised in profit or loss. All other changes in the carrying amount of these debt instruments are recognised in OCI and accumulated under the heading of investment revaluation reserve. Impairment allowances are recognised in profit or loss with corresponding adjustment to OCI without reducing the carrying amounts of these debt instruments. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these debt instruments had been measured at amortised cost. When these debt instruments are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產之分類及其後計量(根據附註2之過渡條文應用香港財務報告準則第9號後)(續)

(i) 攤銷成本及利息收入

金融資產之利息收入使用實際利率法確認及其後按攤銷成本計量，債務工具／應收款項其後以按公允價值計入其他全面收益之方式計量。利息收入乃通過對金融資產之賬面總值應用實際利率計算得出，惟其後成為信貸減值之金融資產除外(見下文)。就其後成為信貸減值之金融資產而言，利息收入透過對下一報告期間金融資產之攤銷成本應用實際利率予以確認。倘信貸減值金融工具之信貸風險有所改善，以致金融資產不再出現信貸減值，則利息收入透過於資產被釐定為不再出現信貸減值後之報告期間開始時，對金融資產賬面總值應用實際利率予以確認。

(ii) 分類為按公允價值計入其他全面收益之債務工具

由於採用實際利率法計算之利息收入而分類為按公允價值計入其他全面收益之債務工具賬面值之其後變動於損益中確認。該等債務工具賬面值之所有其他變動於其他全面收益中確認，並於投資重估儲備項下累計。減值撥備於損益中確認，並在不減少該等債務工具賬面值的情況下對其他全面收益作出相應調整。倘該等債務工具按攤銷成本計量，則在損益中確認之金額與本應在損益中確認之金額相同。當該等債務工具終止確認時，先於其他全面收益中確認之累計收益或虧損重新分類至損益。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (Cont'd)

(iii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in OCI and accumulated in the investment revaluation reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will continue to be held in the investment revaluation reserve.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income, other gains and losses" line item in profit or loss.

(iv) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2)

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including accounts receivable, other receivables, restricted bank deposits and bank balances). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產之分類及其後計量(根據附註2之過渡條文應用香港財務報告準則第9號後)(續)

(iii) 指定為按公允價值計入其他全面收益之股本工具

按公允價值計入其他全面收益之股本工具投資其後按公允價值計量，其公允價值變動產生之收益及虧損於其他全面收益中確認，並於投資重估儲備項下累計；且毋須進行減值評估。累計收益或虧損不會於出售股權投資後重新分類至損益，且將繼續於投資重估儲備內持有。

當本集團收取股息的權利獲確立時，該等股本工具投資的股息於損益內確認，除非股息明確表示收回部分投資成本。股息計入損益內「其他收入、其他收益及虧損」項目中。

(iv) 按公允價值計入損益之金融資產

不符合按攤銷成本或按公允價值計入其他全面收益計量之標準之金融資產乃按公允價值計入損益計量。

按公允價值計入損益之金融資產於各報告期末按公允價值計量，而任何公允價值收益或虧損均於損益內確認。於損益內確認之收益或虧損淨額包括就金融資產賺取之任何股息或利息。

金融資產減值(根據附註2之過渡條文應用香港財務報告準則第9號後)

本集團就須根據香港財務報告準則第9號項下減值的金融資產(包括應收賬款、其他應收款項、受限制銀行存款及銀行結餘)確認預期信貸虧損的虧損撥備。預期信貸虧損金額於各報告日期予以更新，以反映信貸風險自初始確認以來的變動。

存續期預期信貸虧損指於相關工具預計年內所有可能的違約事件將產生的預期信貸虧損。相反，12個月預期信貸虧損(「12個月預期信貸虧損」)指於報告日期後12個月內可能發生的違約事件預計產生的該部分有效期預期信貸虧損。評估乃根據本集團過往信貸虧損經驗進行，並就債務人特定因素、整體經濟環境及報告日期當前情況及預測未來情況的評估作出調整。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Cont'd)

The Group always recognises lifetime ECL for accounts receivable without significant financing component. The ECL on these assets are assessed collectively using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(根據附註2之過渡條文應用香港財務報告準則第9號後)(續)

本集團一直就並無重大融資組成部分的應收賬款確認存續期預期信貸虧損。本集團就該等資產之預期信貸虧損使用撥備矩陣配合適當分組作集體評估。

對於所有其他工具而言，本集團按12個月預期信貸虧損等額計量虧損撥備，除非信貸風險自初始確認以來顯著上升，本集團確認存續期預期信貸虧損。評估是否應確認存續期預期信貸虧損的依據，是自初始確認以來發生違約的可能性或風險顯著上升。

(i) 信貸風險顯著上升

評估信貸風險自初始確認以來是否顯著上升時，本集團會比較金融工具於報告日期發生違約的風險與金融工具於初始確認日期發生違約的風險。作出評估時，本集團會考慮合理及具支持性的定量及定性資料，包括過往經驗及可以合理成本及精力獲取的前瞻性資料。

具體而言，評估信貸風險是否顯著上升時會考慮以下資料：

- 金融工具外部(如有)或內部信貸測評的實際或預期顯著惡化；
- 信貸風險的外部市場指標顯著惡化，例如債務人的信貸息差、信用違約掉期價格顯著上升；
- 商業、金融或經濟情況目前或預期有不利變動，預計將導致債務人償還債項的能力顯著下降；
- 債務人經營業績實際或預期顯著惡化；
- 債務人的監管、經濟或技術環境有實際或預計的重大不利變動，導致債務人履行債務責任的能力顯著下降。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Cont'd)

(i) Significant increase in credit risk (Cont'd)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

Irrespective of the above, the Group considers that default has occurred when the instrument is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(根據附註2之過渡條文應用香港財務報告準則第9號後)(續)

(i) 信貸風險顯著上升(續)

不論上述評估結果如何，本集團均假設合約付款逾期超過30日後信貸風險自初始確認以來顯著上升，除非本集團有合理及具支持性的資料說明其他情況。

儘管存在上述情況，倘債務工具於報告日期展示為具有低信貸風險，本集團假設債務工具的信貸風險自初始確認起並無大幅增加。倘i)其違約風險偏低，ii)借方有強大能力於短期滿足其合約現金流量責任，及iii)較長期的經濟及業務狀況存在不利變動，惟將未必削弱借方達成其合約現金流量責任的能力，則債務工具的信貸風險會被釐定為偏低。當債務工具的內部或外部信貸評級為「投資級別」(按照全球理解的釋義)，則本集團會視該債務工具的信貸風險偏低。

本集團定期監察用以確定信貸風險曾否顯著增加的標準的成效，並於適當時候作出修訂，從而確保有關標準能夠於款項逾期前確定信貸風險顯著增加。

(ii) 違約定義

儘管上文所述，本集團認為，倘該工具逾期超過90天，則已發生違約事件，除非本集團有合理且有理據的資料顯示更寬鬆的違約標準更為合適。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Cont'd)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(根據附註2之過渡條文應用香港財務報告準則第9號後)(續)

(iii) 信貸減值金融資產

倘發生一項或多項對金融資產估計未來現金流量有不利影響的違約事件，則金融資產出現信貸減值。金融資產信貸減值的證據包括有關下列事件的可觀察數據：

- (a) 發行人或借款人出現嚴重財務困難；
- (b) 違反合約，如違約或逾期事件；
- (c) 借款人的放款人因與借款人出現財務困難有關的經濟或合約理由而給予借款人在一般情況下放款人不予考慮的優惠條件；
- (d) 借款人可能破產或進行其他財務重組；或
- (e) 因財務困難而導致該金融資產失去活躍市場。

(iv) 撇銷政策

倘有資料顯示交易對手處於重大財政困難時，且並無實際收回可能(例如交易對手已被清盤或已進入破產程序)，或就應收賬款而言，有關金額逾期超過兩年(以較早發生者為準)，本集團會撇銷金融資產。在考慮法律意見(如適當)後，已撇銷的金融資產仍可根據本集團的收回程序實施強制執行。撇銷構成終止確認事件。任何其後收回均會於損益內確認。

(v) 預期信貸虧損的計量及確認

預期信貸虧損的計量為違約可能性、違約損失率(即出現違約時的損失幅度)及違約風險的函數。違約可能性及違約損失率的評估乃按照歷史數據進行，並就前瞻性資料作出調整。預期信貸虧損的估計反映無偏頗及概率加權之金額，乃按發生相應違約風險之權重釐定。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (Cont'd)

(v) Measurement and recognition of ECL (Cont'd)

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. For those rental income receivable including in accounts receivable, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the lease receivable in accordance with HKAS 17 *Leases*.

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's accounts and other receivables, finance lease receivables and amounts due from customers are each assessed as a separate group. Loans to related parties are assessed for expected credit losses on an individual basis);
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

Except for investments in debt instruments that are measured at FVTOCI, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of accounts receivable where the corresponding adjustment is recognised through a loss allowance account. For investments in debt instruments that are measured at FVTOCI, the loss allowance is recognised in OCI and accumulated in the investment revaluation reserve without reducing the carrying amount of these debt 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(根據附註2之過渡條文應用香港財務報告準則第9號後)(續)

(v) 預期信貸虧損的計量及確認(續)

一般而言，預期信貸虧損為根據合約到期支付予本集團的所有合約現金流量與本集團預期收取的現金流量之間的差異，並按於初始確認時釐定的實際利率折現。就該等應收租金收入(包含在應收賬款)而言，用於釐定預期信貸虧損的現金流量與按照香港會計準則第17號租賃計量租賃應收款項時使用的現金流量一致。

倘預期信貸虧損按整體基準計量或針對個別工具層面的證據可能尚未提供的情况，則金融工具按以下基準分組：

- 金融工具的性質(即本集團的應收款項及其他應收款項、融資租賃應收款項及應收客戶款項均作為單獨組別進行評估。提供予關聯方的貸款單獨評估預期信貸虧損)；
- 逾期狀況；
- 債務人的性質、規模及行業；及
- 可用的外部信貸評級。

管理層定期檢討分組，以確保各組的組成繼續具有類似的信貸風險特徵。

利息收入乃按金融資產的總賬面值計算，除非金融資產發生信貸減值，於該情況下，利息收入按金融資產的攤銷成本計算。

除按公允價值計入其他全面收益計量的債務工具投資外，本集團透過調整所有金融工具的賬面值於損益確認其減值收益或虧損，惟應收賬款除外，其相應調整乃透過虧損撥備賬確認。就按公允價值計入其他全面收益計量的債務工具投資而言，虧損撥備於其他全面收益確認，並在不減少該等債務工具賬面值的情況下於投資重估儲備內累計。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1 January 2018)

Financial assets are classified into the following specified categories: financial assets at 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.

(i) Financial asset 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.

(ii) 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.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產之分類及其後計量(於二零一八年一月一日應用香港財務報告準則第9號前)

金融資產分為以下指定類別：按公允價值計入損益之金融資產、可供出售(「可供出售」)金融資產以及貸款及應收款項。分類視乎金融資產之性質及目的而定，並於首次確認時釐定。所有以常規方式購入或出售之金融資產均按買賣日期基準確認及終止確認。以常規方式購入或出售指須於市場規定或慣例所訂時限內交付資產之金融資產購入或出售。

(i) 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。

(ii) 可供出售金融資產

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。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1 January 2018) (Cont'd)

(iii) 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 (before application of HKFRS 9 on 1 January 2018)

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 or 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)

金融資產之分類及其後計量(於二零一八年一月一日應用香港財務報告準則第9號前)(續)

(iii) 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金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(於二零一八年一月一日應用香港財務報告準則第9號前)

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或本金；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，所確認之減損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。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Impairment of financial assets (before application of HKFRS 9 on 1 January 2018) (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.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in a debt instrument classified as at FVTOCI upon application of HKFRS 9, 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)

金融資產(續)

金融資產減值(於二零一八年一月一日應用香港財務報告準則第9號前)(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。

終止確認金融資產

僅於從資產收取現金流量之合約權利已到期，或其已轉讓金融資產並將資產擁有權之絕大部份風險及回報轉移至另一實體，則本集團終止確認金融資產。

於終止確認按攤銷成本計量的金融資產時，資產賬面值與已收及應收代價總和間之差額於損益確認。

應用香港財務報告準則第9號後，於終止確認分類為按公允價值計入其他全面收益的債務工具投資時，先前於投資重估儲備中累計的累計收益或虧損重新分類至損益。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

Derecognition of financial assets (Cont'd)

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI upon application of HKFRS 9, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained profits.

On derecognition of an AFS financial asset, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments 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.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at amortised cost

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

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

終止確認金融資產(續)

於終止確認本集團於應用香港財務報告準則第9號後在初步確認時選擇以按公允價值計入其他全面收益之方式計量的股本工具投資時，先前於投資重估儲備中累計的累計收益或虧損不會重新分類至損益，惟會轉撥至保留溢利。

於終止確認可供出售金融資產時，先前於投資重估儲備中累計的累計收益或虧損重新分類至損益。

金融負債及股本

分類為債務或股本

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實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。

金融負債

所有金融負債其後均使用實際利率法按攤銷成本計量。

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、優先票據及債券之債務部分。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Financial liabilities and equity (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 liabilities are measured initially at their fair values. It is subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with HKFRS 9 (since 1 January 2018)/HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* (before application of HKFRS 9 on 1 January 2018); and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

Convertible bonds contain 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.

Non-substantial modifications of financial liabilities (under HKFRS 9 since 1 January 2018)

For non-substantial modifications of financial liabilities that do not result in derecognition, the carrying amount of the relevant financial liabilities will be calculated at the present value of the modified contractual cash flows discounted at the financial liabilities' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial liabilities and are amortised over the remaining term. Any adjustment to the carrying amount of the financial liability is recognised in profit or loss at the date of modification.

3. 主要會計政策(續)

金融工具(續)

金融負債及股本(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。財務擔保合約負債初步按其公允價值計量。其後按下列各項之較高者計量：

- 根據香港財務報告準則第9號(自二零一八年一月一日起)／香港會計準則第37號「撥備、或然負債及或然資產」(於二零一八年一月一日應用香港財務報告準則第9號前)釐定之虧損撥備金額；及
- 初次確認之金額減去於擔保期內確認之累計攤銷(如適用)。

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。

金融負債之非重大變更(自二零一八年一月一日起根據香港財務報告準則第9號)

就不會導致終止確認的金融負債的非重大變更而言，相關金融負債的賬面值將會按照經修改合約現金流量的現值計算，並按照金融負債的初始實際利率貼現。已產生的交易成本或費用將調整為經修改金融負債的賬面值，並在剩餘年期內攤銷。對金融負債賬面值的任何調整均於修改日期在損益內確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Financial liabilities and equity (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 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.

Derecognition of financial liabilities

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.

3. 主要會計政策(續)

金融工具(續)

金融負債及股本(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於損益內確認，除非衍生工具被指定為對沖工具並行之有效。在該情況下，於損益確認之時間乃視乎對沖關係之性質而定。

終止確認金融負債

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已付及應付的代價之間的差額會在損益中確認。

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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.

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 2018 amounting to RMB12,840,412,000 (2017: RMB12,632,999,000) 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 RMB9,276,839,000 (2017: RMB7,017,678,000), 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.

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(見下文)除外。

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二零一八年十二月三十一日金額為人民幣12,840,412,000元(二零一七年：人民幣12,632,999,000)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9,276,839,000元(二零一七年：人民幣7,017,678,000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。

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

Key sources of estimation uncertainty (Cont'd)

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 calculation 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.

During the year, the Group incurred LAT of RMB685,180,000 (2017: RMB228,502,000) 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 2018, a deferred tax asset of RMB nil (2017: RMB28,350,000) 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 RMB23,066,000 (2017: RMB198,810,000) 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.

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

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。

年內，本集團產生土地增值稅人民幣685,180,000元(二零一七年：人民幣228,502,000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。

於二零一八年十二月三十一日，有關未動用稅項虧損之遞延稅項資產人民幣零元(二零一七年：人民幣28,350,000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23,066,000元(二零一七年：人民幣198,810,000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。

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Valuation of investment properties

Investment properties with the aggregate carrying amount as at 31 December 2018 of RMB22,117,251,000 (2017: RMB19,650,677,000) 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 are 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 RMB3,302,382,000 (2017: RMB729,206,000) by using prevailing market data such as most recent sale transactions.

The assessment of directors of the Company on net realisable value of properties under development for sale with carrying amount of RMB7,407,278,000 (2017: RMB5,621,635,000) 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 an impairment loss for the years ended 31 December 2018 and 2017. 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.

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)

投資物業之估值

於二零一八年十二月三十一日，總賬面值為人民幣22,117,251,000元(二零一七年：人民幣19,650,677,000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，而釐定賬面值為人民幣3,302,382,000元(二零一七年：人民幣729,206,000元)之待售建成物業的可變現淨額。

本公司董事對賬面值為人民幣7,407,278,000元(二零一七年：人民幣5,621,635,000元)之發展中待售物業的可變現淨額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。

截至二零一八年及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。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。

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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 discounts.

An analysis of the Group's revenue for the year is as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Sales of properties	物業銷售	3,664,328	2,114,289
Rental income	租金收入	543,176	498,295
Revenue from hotel operation, property management service and other service	來自酒店運營、物業管理服務及其他服務的收益	308,181	355,167
		4,515,685	2,967,751
Timing of revenue recognition from contracts with customers	確認來自客戶合約的收益的時間		
At a point in time	某個時間點確認	3,664,328	2,114,289
Over time	隨着時間確認	308,181	355,167

Sales of properties

For contracts entered into with customers on sales of properties, the relevant properties specified in the contracts are based on customers' specifications with no alternative use. Taking into the consideration of relevant terms, the legal environment and relevant legal precedent, the Group concluded that the Group does not have an enforceable right to payment prior to transfer of relevant properties to customers. Revenue from sales of residential properties is therefore recognised at a point in time when the completed property is transferred to customers, being at the point that customer obtains the control of the completed property and the Group has present right to payment and collection of the consideration is probable.

The Group receives an upfront payment, ranging from RMB20,000 to RMB2,000,000, for different properties from customers for the subscription of properties and such amount will be treated as the deposits from customers after signing the sale and purchase agreement. However, depending on the market conditions, the Group may offer customers a discount compared to the listed sale price, provided that the customers agree to pay the rest of the consideration earlier. Such advance payment schemes result in contract liabilities being recognised throughout the construction period for the full amount of the contract price (also see note 32).

For contracts entered into with customers on sales of properties, the expected duration of satisfying the performance obligation is within one year. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

The Group considers the advance payment contains no significant financing component and accordingly no adjustments of the amount of consideration would be made.

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折扣。

年內本集團之收益分析如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Sales of properties	物業銷售	3,664,328	2,114,289
Rental income	租金收入	543,176	498,295
Revenue from hotel operation, property management service and other service	來自酒店運營、物業管理服務及其他服務的收益	308,181	355,167
		4,515,685	2,967,751
Timing of revenue recognition from contracts with customers	確認來自客戶合約的收益的時間		
At a point in time	某個時間點確認	3,664,328	2,114,289
Over time	隨着時間確認	308,181	355,167

物業銷售

就出售物業與客戶訂立之合約而言，合約中規定之相關物業乃基於客戶要求，並無其他替代用途。經考慮相關條款、法律環境及相關法律先例，本集團認為，在轉讓相關物業予客戶前，本集團並無收取付款之可強制執行權利。因此，出售住宅物業之收益於已竣工物業轉讓予客戶之時間點確認，即客戶獲得已竣工物業之控制權而本集團擁有收取付款之現時權利及可能收取代價之時間點。

本集團就不同物業向客戶收取介乎人民幣20,000元至人民幣2,000,000元的物業認購預付款，有關款項將於簽訂買賣協議後作為客戶按金入賬。但是，取決於市場狀況，本集團可能向客戶提供較所列出售價有所折讓之價格，惟客戶須同意提早支付代價結餘。該預先付款計劃導致於建設期確認有關合約價格全款之合約負債（請同時參閱附註32）。

就與客戶訂立的物業銷售合約而言，預期完成履約責任的年期為一年內。在香港財務報告準則第15號允許的情況下，並無披露分配至該等未獲履行合約的交易價。

本集團認為預付款項並無重大融資成分，因此並無對代價金額作出調整。

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5. REVENUE AND SEGMENT INFORMATION (Cont'd)

Rental income

Revenue from leasing of commercial properties, office premises and car parks continues to be accounted for in accordance with HKAS 17 "Leases".

Revenue from hotel operation, property management service and other service

Revenue from hotel operation and property management service is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation, as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

All hotel operation service is for periods less than one year. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

For property management service, the Group elected to apply practical expedient by recognising revenue in the amount to which the Group has right to invoice. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

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:

- Real estate 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 other service income

Each of these operating segments is managed separately as each of these products and service lines requires different resources as well as marketing approaches.

5. 收益及分類資料(續)

租金收入

商業物業、辦公室及停車場租賃所得之收益繼續根據香港會計準則第17號「租賃」入賬。

酒店運營、物業管理服務及其他服務收入所得之收益

客戶於本集團履約時取得並耗用本集團履約所提供之利益時，酒店運營及物業管理服務所得收益會隨時間按已完成相關履約責任之進度而確認。

所有酒店營運服務均為期一年或以下。在香港財務報告準則第15號允許的情況下，並無披露分配至該等未獲履行合約的交易價。

就物業管理服務而言，本集團選擇應用實際權宜方法，就本集團有權開具發票的金額中確認收益。在香港財務報告準則第15號允許的情況下，並無披露分配至該等未獲履行合約的交易價。

本公司執行董事(即主要營運決策者)通常根據本集團的服務系列(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號確定下列可呈報分類：

- 房地產發展及銷售：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服務收入

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。

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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 2018

		Real estate development and sales 房地產開發 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	3,664,328	543,176	308,181	4,515,685
Inter-segment revenue	分類間收益	–	9,895	45,819	55,714
Total segment revenue	分類收益總額	3,664,328	553,071	354,000	4,571,399
Reportable segment profit	可呈報分類盈利	2,119,707	457,685	108,778	2,686,170

For the year ended 31 December 2017

		Real estate development and sales 房地產開發 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

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：

截至二零一八年十二月三十一日止年度

截至二零一七年十二月三十一日止年度

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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, fair value changes on derivative component of convertible bonds, other income, other gains and losses, depreciation, finance costs, share of results of joint ventures 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 while the investment properties are allocated to the segment of "commercial property investment and operations" for presenting segment assets.

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)

可呈報分類收益、損益之對賬

本集團並無就主要營運決策者作出之資源分配及表現評估而將投資物業的公允價值變動、可換股債券衍生工具部分的公允價值變動、其他收入、其他收益及虧損、折舊、融資成本、應佔合營公司業績及公司開支分配至獨立可呈報分類之損益內，而投資物業則就呈報分類資產分配至「商業物業投資與經營」分類。

編製可呈報分類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。

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Revenue	收益		
Reportable segment revenue	可呈報分類收益	4,571,399	2,986,868
Elimination of inter-segment revenue	對銷分類間收益	(55,714)	(19,117)
Consolidated revenue	綜合收益	4,515,685	2,967,751
Profit	盈利		
Reportable segment profit	可呈報分類盈利	2,686,170	1,937,889
Fair value changes on investment properties	投資物業的公允價值變動	323,461	478,423
Other income, other gains and losses	其他收入、其他收益及虧損	155,095	121,640
Depreciation	折舊	(40,529)	(35,331)
Finance costs	融資成本	(657,995)	(613,592)
Share of results of joint ventures	應佔合營公司業績	(8)	(93)
Fair value changes on derivative component of convertible bonds	可換股債券衍生工具部分的公允價值變動	172,192	2,373
Corporate expenses	公司開支	(482,886)	(393,935)
Consolidated profit before tax	除稅前綜合盈利	2,155,500	1,497,374

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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

Assets

	資產	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Real estate development and sales	房地產發展及銷售	10,720,169	8,169,519
Commercial property investment and operations	商業物業投資與經營	22,119,061	19,651,457
Comprehensive services	綜合服務	365,004	309,787
Reportable segment assets	可報告分類資產	33,204,234	28,130,763
Goodwill	商譽	231,602	231,602
Available-for-sale investments	可供出售投資	–	444,259
Equity instrument at fair value through other comprehensive income	按公允價值計入其他全面收益之股本工具	490,816	–
Financial assets at fair value through profit or loss	按公允價值計入損益之金融資產	10,559	–
Debt instrument at fair value through other comprehensive income	按公允價值計入其他全面收益之債務工具	20,000	–
Other financial assets	其他金融資產	–	150,000
Bank balances and cash (including restricted bank deposits)	銀行結餘及現金(包括受限制銀行存款)	7,589,868	6,092,684
Deferred tax assets	遞延稅項資產	345,030	175,201
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款項	528,378	528,391
Corporate assets	公司資產	991,617	1,043,920
Consolidated total assets	綜合總資產	43,412,104	36,796,820

For the purpose of monitoring segment performance and allocating resources between segments, all assets are allocated to operating segments other than goodwill, equity instrument at fair value through other comprehensive income, financial assets at fair value through profit or loss, debt instrument at fair value through other comprehensive income, available-for-sale investments, 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

以下為本集團按可呈報及經營分類的資產分析，由於毋須就資源分配及表現評估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

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Real estate development and sales	10,720,169	8,169,519
Commercial property investment and operations	22,119,061	19,651,457
Comprehensive services	365,004	309,787
Reportable segment assets	33,204,234	28,130,763
Goodwill	231,602	231,602
Available-for-sale investments	–	444,259
Equity instrument at fair value through other comprehensive income	490,816	–
Financial assets at fair value through profit or loss	10,559	–
Debt instrument at fair value through other comprehensive income	20,000	–
Other financial assets	–	150,000
Bank balances and cash (including restricted bank deposits)	7,589,868	6,092,684
Deferred tax assets	345,030	175,201
Interests in joint ventures and amount due from a joint venture	528,378	528,391
Corporate assets	991,617	1,043,920
Consolidated total assets	43,412,104	36,796,820

為監測分類表現及分類間的資源分配，除商譽、按公允價值計入其他全面收益之股本工具、按公允價值計入損益之金融資產、按公允價值計入其他全面收益之債務工具、可供出售投資、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款項以及公司資產外，所有資產分配至經營分類。

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5. REVENUE AND SEGMENT INFORMATION (Cont'd)

Geographical information

The Group's operations are located on the PRC, Hong Kong, the 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 2018 and 2017. Information about the Group's non-current assets is presented based on the geographical location of the assets.

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」)。截至二零一八年及二零一七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。

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
PRC	中國	13,638,238	14,430,979
Hong Kong	香港	8,458,137	6,995,524
USA	美國	203,765	146,796
Cambodia	柬埔寨	803,882	229,640
		23,104,022	21,802,939

Note: Non-current assets excluded goodwill, equity instrument at fair value through other comprehensive income, available-for-sale investments and deferred tax assets.

附註：非流動資產不包括商譽、按公允價值計入其他全面收益之股本工具、可供出售投資及遞延稅項資產。

No major customers contributed over 10% of the total sales of the Group for the years ended 31 December 2018 and 2017.

截至二零一八年及二零一七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. OTHER INCOME, OTHER GAINS AND LOSSES

6. 其他收入、其他收益及虧損

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Interest income	利息收入	103,905	31,022
Investment income from other financial assets	來自其他金融資產的投資收入	5,816	5,446
Dividend received from equity instrument at FVTOCI – Relating to investments held at the end of the reporting period	按公允價值計入其他全面收益之股本工具所收取之股息 — 與報告期末持有之投資有關	15,665	–
Dividend received from available-for-sale investments	可供出售投資所收取之股息	–	12,050
(Loss) gain on disposal of property, plant and equipment	出售物業、廠房及設備的(虧損)收益	(2)	233
(Loss) gain on disposal of investment properties	出售投資物業的(虧損)收益	(3,299)	2,306
Foreign exchange gain (loss), net	匯兌收益(虧損)淨額	24,349	(19,846)
Recovery of other receivables previously written-off	撥回以前已撇銷的其他應收款項	1,500	331
Write-down on other receivables	撇減其他應收款項	–	(3,210)
Gain on disposal of a PRC property development project right (Note)	出售中國物業發展項目權利的收益 (附註)	–	86,397
Fair value changes on financial assets at FVTPL	按公允價值計入損益之金融資產之公允價值變動	(47)	–
Others	其他	7,208	6,911
		155,095	121,640

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6. OTHER INCOME, OTHER GAINS AND LOSSES (Cont'd)

Note: Amount represented gain on disposal of a Group's property development project (the "Project") right. The Project was required to fulfil the prerequisite conditions including negotiating with the inhabitants and obtaining exclusive right to develop the Project and the Group had completed and fulfilled the relevant requirements based on the existing regulations. During the year ended 31 December 2017, the Project's associated development right had 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： 該款項指出售一項本集團物業開發項目(「該項目」)權利之收益。該項目須達成若干先決條件，包括與原居民磋商並取得該項目之獨家開發權。本集團已按現有法例達成相關要求。截至二零一七年十二月三十一日止年度，本集團已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

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Interest on:	利息：		
Bank and other borrowings	銀行及其他借貸	820,891	545,452
Convertible bonds	可換股債券	131,969	107,299
Senior notes and bond	優先票據及債券	410,200	242,685
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*	(705,065)	(281,844)
		657,995	613,592

* The finance costs have been capitalised at rates ranging from 3.67% to 9.00% (2017: 3.64% to 6.65%) per annum.

* 融資成本乃按年息率3.67%至9.00% (二零一七年：3.64%至6.65%)資本化。

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8. PROFIT BEFORE TAX

8. 除稅前盈利

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 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 held for sale recognised as expense	確認為開支的待售物業成本	1,544,621	739,832
Depreciation of property, plant and equipment	物業、廠房及設備折舊	40,652	35,444
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	(123)	(113)
		40,529	35,331
Gross rental income from investment properties	投資物業所得租金收入總額	543,176	498,295
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	(85,491)	(68,851)
		457,685	429,444
Operating lease charges in respect of land and buildings	有關土地及樓宇的經營租賃費用	29,178	30,761
Reversal on impairment loss on accounts receivable	應收賬款減值虧損撥回	(39)	(82)
Auditor's remuneration	核數師酬金	2,341	2,612
Staff costs	員工成本		
– Directors' emoluments (note 10)	– 董事酬金(附註10)	13,722	23,836
– Salaries and other benefits in kind	– 薪金及其他實物利益	285,753	239,447
– Equity-settled share-based payments	– 以股權結算以股份支付的款項	18,008	66,382
– Amount recognised as expense for retirement benefit costs	– 確認為退休福利成本開支的數額	22,007	16,266
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	(56,556)	(58,652)
		282,934	287,279

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9. INCOME TAX EXPENSE

9. 所得稅開支

			2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Current tax	即期稅項			
PRC Enterprise Income Tax ("EIT")	中國企業所得稅(「企業所得稅」)			
– Current year	– 本年度	(a)	467,249	307,634
– Underprovision in prior year	– 過往年度撥備不足		13,330	14,163
			480,579	321,797
PRC LAT	中國土地增值稅			
– Current year	– 本年度	(b)	685,180	228,502
– Overprovision in prior year	– 過往年度超額撥備	(c)	(161,781)	(224,516)
			523,399	3,986
Deferred taxation (note 20)	遞延稅項(附註20)			
– Current year	– 本年度		(119,326)	77,047
– Underprovision in prior year	– 過往年度撥備不足		40,445	55,981
			(78,881)	133,028
Total income tax expense	所得稅開支總額		925,097	458,811

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 RMB161,781,000 (2017: 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 years ended 31 December 2018 and 2017 respectively.

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161,781,000元(二零一七年：人民幣223,922,000元)。本集團已分別根據截至二零一八年及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。

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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：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Profit before tax	除稅前盈利	2,155,500	1,497,374
Tax at the PRC EIT at 25% (2017: 25%)	按25%中國企業所得稅稅率 (二零一七年：25%)	538,875	374,344
Tax effect of expenses not deductible for tax purposes	不可扣稅開支的稅務影響	73,126	86,381
Tax effect of income not taxable for tax purposes	毋須課稅收入的稅務影響	(70,739)	(50,325)
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	11,000	12,000
Tax effect of tax losses not recognised	未確認稅項虧損的稅務影響	71	12,931
Utilisation of tax losses previously not recognised	動用先前未確認之稅項虧損	(44,007)	(1,978)
Tax effect of deductible temporary differences not recognised	未確認之可扣稅暫時差額之稅務影響	2,805	2,260
PRC LAT charge	中國土地增值稅支出	523,399	3,986
Tax effect of PRC LAT charge	中國土地增值稅支出之稅務影響	(130,850)	(997)
Underprovision in prior year, net	過往年度撥備不足淨值	13,330	14,163
Others	其他	8,087	6,046
Income tax expense for the year	本年度所得稅開支	925,097	458,811

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10. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

(a) Directors' emoluments

The emoluments paid or payable to each of the 9 (2017: 9) directors are as follows:

			Fees	Salaries and allowance	Equity-settled share-based payments	Contributions to retirement benefit scheme	Total
	袍金	薪金及津貼	以股權結算以股份支付的款項	退休福利計劃供款	總計		
	Notes	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	附註	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
2018	二零一八年						
Executive directors	執行董事						
Ms. Huang Jingshu	黃敬舒女士	(a)	–	2,310	382	116	2,808
Mr. Tang Shouchun	唐壽春先生	(a)	–	2,201	850	110	3,161
Mr. Ye Xingan	葉興安先生		–	1,900	850	59	2,809
Ms. Deng Chengying	鄧承英女士		–	1,500	722	–	2,222
Mr. Huang Hao Yuan	黃浩源先生	(b)	–	827	382	38	1,247
			–	8,738	3,186	323	12,247
Non-executive director	非執行董事						
Ms. Li Lihong	李麗紅女士	(d)	–	–	–	–	–
Independent non-executive directors	獨立非執行董事						
Mr. Zhu Jiusheng	祝九勝先生		245	–	255	–	500
Mr. Wang Jing	王敬先生		220	–	255	–	475
Ms. Hu Gin Ing	胡競英女士		245	–	255	–	500
			710	–	765	–	1,475
			710	8,738	3,951	323	13,722

10. 董事及僱員酬金

(a) 董事酬金

已付或應付9名(二零一七年: 9名)董事各自的薪酬如下:

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10. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Cont'd)

10. 董事及僱員酬金(續)

(a) Directors' emoluments (Cont'd)

(a) 董事酬金(續)

	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						
Executive directors						
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						
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: (a) Appointed and acted as the Chief Executive Officer of the Company.

附註：(a) 獲委任並作為本公司行政總裁。

(b) Appointed and acted as the Executive Director of the Company since 21 February 2017.

(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) Acted as the Executive Director of the Company since 15 May 2014 and resigned on 21 February 2017.

(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) Appointed and acted as the Non-executive Director of the Company since 29 March 2018.

(d) 自二零一八年三月二十九日起獲委任並作為本公司非執行董事。

No directors waived or agreed to waive any emoluments for the years ended 31 December 2018 and 2017.

截至二零一八年及二零一七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。

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 non-executive directors and independent non-executive directors' emoluments shown above were for their services as directors of the Company.

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。上表所列非執行董事及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。

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10. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Cont'd)

(b) Employees' emoluments

The five highest paid employees of the Group during the year included three directors (2017: three directors). Details of the remuneration for the year of the remaining two (2017: two) highest paid employees who are neither a director nor chief executive of the Company are as follows:

		2018	2017
		二零一八年	二零一七年
		RMB'000	RMB'000
		人民幣千元	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	1,571	5,794
Contributions to retirement benefit scheme	退休福利計劃供款	59	57
		5,130	9,351

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:

		2018	2017
		二零一八年	二零一七年
Hong Kong Dollar ("HK\$") 2,500,001 to HK\$3,000,000	2,500,001港元(「港元」)至3,000,000港元	1	-
HK\$3,000,001 to HK\$3,500,000	3,000,001港元至3,500,000港元	1	-
HK\$5,000,001 to HK\$5,500,000	5,000,001港元至5,500,000港元	-	2
		2	2

於年內，本集團五位最高薪酬僱員當中，包括三名董事(二零一七年：三名)。本年度餘下兩名(二零一七年：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：

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：

11. DIVIDENDS

11. 股息

		2018	2017
		二零一八年	二零一七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Dividends recognised as distribution during the year:	年內確認為分派之股息：		
2017 Final dividend- HK5 cents (equivalent to approximately RMB4.4 cents)	二零一七年末期股息－ 5港仙 (相當於約人民幣4.4分)	201,740	-
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
		201,740	211,211

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2018 of HK5.3 cents (equivalent to approximately RMB4.65 cents) (2017: 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二零一八年十二月三十一日止年度末期股息每股本公司普通股5.3港仙(相當於約人民幣4.65分)(二零一七年：5港仙)，惟須待股東於應屆股東大會上批准。

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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：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 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	1,237,167	1,035,392
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	(18,803)	50,908
Earnings for the purposes of diluted earnings	用於計算攤薄盈利的盈利	1,218,364	1,086,300
		2018 二零一八年	2017 二零一七年
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	4,906,539,369	4,693,739,778
Effect of dilutive potential ordinary shares in respect of – Share options – Convertible bonds – Convertible preference shares	潛在攤薄普通股對以下各項的影響 – 購股權 – 可換股債券 – 可換股優先股	94,740,027 431,840,962 3,527,514,957	35,099,564 287,940,630 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	8,960,635,315	8,430,252,995

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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 2017	於二零一七年一月一日	11,274,253	952,764	12,227,017
Acquisition of subsidiaries (note 38 (a))	收購附屬公司(附註38(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, unrealised	於損益中確認之公允價值增加，未變現	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
Transfer from properties held for sale	轉撥自待售物業	162,692	-	162,692
Additions	添置	-	1,590,400	1,590,400
Disposals	出售	(4,835)	-	(4,835)
Transfer upon completion	完成時轉讓	756,463	(756,463)	-
Increase in fair value recognised in profit or loss, unrealised	於損益中確認之公允價值增加，未變現	175,006	148,455	323,461
Exchange adjustments	匯兌調整	-	394,856	394,856
At 31 December 2018	於二零一八年十二月三十一日	12,713,915	9,403,336	22,117,251

All the completed investment properties are rented out under operating leases or are held for capital appreciation purposes.

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。

The fair values of the Group's investment properties with aggregate carrying value of RMB22,117,251,000 as at 31 December 2018 (2017: RMB19,650,677,000) 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.

於二零一八年十二月三十一日，本集團賬面總值為人民幣22,117,251,000元(二零一七年：人民幣19,650,677,000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。

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.

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。

13. INVESTMENT PROPERTIES (Cont'd)

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的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。

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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 2018 and 2017 are set out below:

13. 投資物業(續)

於二零一八年及二零一七年十二月三十一日，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 in the consolidated statement of financial position 於綜合財務狀況表內由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 located in the PRC with an aggregate carrying amount of RMB12,580,001,000 (31.12.2017: RMB11,624,589,000)	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 6.0% (31.12.2017: from 2.0% to 8.0%).	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，賬面總值為人民幣12,580,001,000元(二零一七年十二月三十一日：人民幣11,624,589,000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6.0%(二零一七年十二月三十一日：2.0%至8.0%)。	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 time, location, and individual factors, such as frontage and size, between the comparables and the property, at an average of a range from RMB4 to RMB600 (31.12.2017: from RMB6 to RMB600) per square metre ("sqm") per day 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時間、位置及臨街地界和規模等各項因素，以建築面積為基準每日每平方米(「平方米」)平均介乎人民幣4元至人民幣600元(二零一七年十二月三十一日：人民幣6元至人民幣600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。
Completed investment properties located in the PRC with an aggregate carrying amount of RMB133,914,000 (31.12.2017: nil)	Level 3	Direct Comparison Approach The key input is: Selling price per sqm	Selling prices per sqm based on market observable transactions of similar properties, of a range from RMB68,966 to RMB70,702 (31.12.2017: nil) per sqm on gross floor area basis.	The higher the selling prices per sqm, the higher the fair value.	A significant increase in the selling prices per sqm used would result in a significant increase in fair value, and vice versa.
位於中國的已完成投資物業，賬面總值為人民幣133,914,000元(二零一七年十二月三十一日：無)	第三級	直接比較法 主要輸入數據如下： 每平方米銷售金額	根據相似物業的可觀察市場交易釐定的每平方米銷售價格，以建築面積為基準每平方米介乎人民幣68,966元至人民幣70,702元(二零一七年十二月三十一日：無)。	每平方米銷售價格越高，公允價值越高。	每平方米銷售價格大幅增加將導致公允價值大幅增加，反之亦然。

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13. INVESTMENT PROPERTIES (Cont'd)

13. 投資物業(續)

Investment properties held by the Group in the consolidated statement of financial position 於綜合財務狀況表內由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 located in the PRC with an aggregate carrying amount of RMB145,011,000 (31.12.2017: RMB54,355,000)	Level 3	Cost Approach The key inputs are: (1) Costs of building; and (2) Developer's profit margin	Costs of building on completion basis, taking into account the construction costs incurred, accrued construction costs and relevant fees, and the value of land between the comparable and the property, of RMB126,277,000 (31.12.2017: RMB47,990,000).	The higher the costs of building, the higher the fair value.	A significant increase in costs of building would result in a significant increase in fair value, and vice versa.
位於中國的發展中投資物業，賬面總值為人民幣145,011,000元(二零一七年十二月三十一日：人民幣54,355,000元)	第三級	成本法 主要輸入數據為： (1) 建築成本；及 (2) 開發商的利潤率	按落成基準計值之建築成本經計及已產生的建築成本、累計建築成本及相關費用以及可資比較物業與該物業之間的土地價值為人民幣126,277,000元(二零一七年十二月三十一日：人民幣47,990,000元)。	建築成本越高，公允價值越高。	建築成本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 20% (31.12.2017: 20%).	The higher the developer's profit margin, the higher the fair value.	A significant increase in developer's profit margin used would result in a significant increase 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20%(二零一七年十二月三十一日：20%)。	開發商利潤率越高，公允價值越高。	所用開發商利潤率大幅增加導致公允價值大幅增加，反之亦然。

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13. INVESTMENT PROPERTIES (Cont'd)

13. 投資物業(續)

Investment properties held by the Group in the consolidated statement of financial position 於綜合財務狀況表內由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 located in the PRC with an aggregate carrying amount of nil (31.12.2017: RMB972,246,000)	Level 3	Residual Approach The key inputs are: (1) Gross development value; and (2) Developer's profit margin.	2017: Gross development value on completion basis, taking into account the completion time, location, and individual factors, such as frontage and size, between the comparable and the property, of RMB972,246,000.	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，賬面總值為無(二零一七年十二月三十一日：人民幣972,246,000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。	二零一七年：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竣工時間、位置及臨街地界和規模等各項因素為人民幣972,246,000元。 2017: Developer's profit margin, taking into account the comparable land transactions and progress of the property of 10%.	總開發價值越高，公允價值越高。 The higher the developer's profit margin, the lower the fair value.	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。 A significant increase in developer's profit margin used would result in a significant decrease in fair value, and vice versa.
Investment properties under development located in Hong Kong with an aggregate carrying amount of RMB8,455,330,000 (31.12.2017: RMB6,770,790,000)	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 completion time, location, and individual factors, such as frontage and size, between the comparable and the property, of RMB9,638,200,000 (31.12.2017: RMB9,194,900,000).	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.
位於香港的發展中投資物業，賬面總值為人民幣8,455,330,000元(二零一七年十二月三十一日：人民幣6,770,790,000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竣工時間、位置及臨街地界和規模等各項因素為人民幣9,638,200,000元(二零一七年十二月三十一日：人民幣9,194,900,000元)。 Developer's profit margin, taking into account the comparable land transactions and progress of the property, of 10% (31.12.2017: 10%).	總開發價值越高，公允價值越高。 The higher the developer's profit margin, the lower the fair value.	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。 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%(二零一七年十二月三十一日：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將導致公允價值大幅減少，反之亦然。

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13. INVESTMENT PROPERTIES (Cont'd)

13. 投資物業(續)

Investment properties held by the Group in the consolidated statement of financial position 於綜合財務狀況表內由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 located in Cambodia with an aggregate carrying amount of RMB802,995,000 (31.12.2017: RMB228,697,000)	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 completion time, location, and individual factors, such as frontage and size, between the comparable and the property, of RMB926,532,000 (31.12.2017: RMB457,394,000).	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.
位於柬埔寨的發展中投資物業，賬面總值為人民幣802,995,000元(二零一七年十二月三十一日：人民幣228,697,000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竣工時間、位置及臨街地界和規模等各項因素為人民幣926,532,000元(二零一七年十二月三十一日：人民幣457,394,000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 5% (31.12.2017: 18%).	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5%(二零一七年十二月三十一日：18%)。	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。

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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 property in USA 美國 酒店物業 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 2017	於二零一七年一月一日	-	-	399,674	33,231	19,800	27,352	19,791	3,484	503,332
Exchange adjustment	匯兌調整	(998)	(8,208)	-	(46)	(25)	-	(132)	-	(9,409)
Additions	添置	16,819	138,386	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	15,821	130,178	402,043	37,954	20,419	27,909	22,819	668	657,811
Exchange adjustment	匯兌調整	795	6,590	-	66	21	-	135	-	7,607
Additions	添置	-	63,149	9,162	1,632	1,985	888	1,071	419	78,306
Disposals/written off	出售/撇銷	-	-	-	-	-	(750)	-	-	(750)
At 31 December 2018	於二零一八年十二月三十一日	16,616	199,917	411,205	39,652	22,425	28,047	24,025	1,087	742,974
DEPRECIATION		折舊								
At 1 January 2017	於二零一七年一月一日	-	-	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
Exchange adjustment	匯兌調整	-	533	-	3	7	-	59	-	602
Provided for the year	年度撥備	-	12,095	17,715	2,518	3,603	1,544	3,177	-	40,652
Eliminated on disposals/ written off	出售/撇銷之對銷	-	-	-	-	-	(613)	-	-	(613)
At 31 December 2018	於二零一八年十二月三十一日	-	14,916	178,507	31,553	16,391	24,375	18,839	-	284,581
CARRYING VALUES		賬面值								
At 31 December 2018	於二零一八年十二月三十一日	16,616	185,001	232,698	8,099	6,034	3,672	5,186	1,087	458,393
At 31 December 2017	於二零一七年十二月三十一日	15,821	127,890	241,251	8,922	7,638	4,465	7,216	668	413,871

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14. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

The carrying amounts of owner-occupied leasehold land and buildings, situated in the PRC, at the end of the reporting period included both the leasehold land and building elements in property, plant and equipment, as in the opinion of the directors of the Company, allocations of the carrying amounts between the leasehold land and buildings elements cannot be made reliably.

The above items of property, plant and equipment, except for freehold land in USA and construction in progress, are depreciated on a straight-line basis at the following rates per annum:

Hotel property in USA	5%
Leasehold land and buildings in the PRC	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 37 (ii)(a)), which has been allocated to the group of cash generating units ("CGU") in the real estate 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% (2017: 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 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物業、廠房及設備內的租賃土地及樓宇中。

上文所述之物業、廠房及設備項目(位於美國之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：

美國酒店物業	5%
位於中國之租賃土地及樓宇	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

2018	2017
二零一八年	二零一七年
RMB'000	RMB'000
人民幣千元	人民幣千元

At 31 December	於十二月三十一日	231,602	231,602
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款項指收購事項(定義見附註37(ii)(a))產生之商譽(已分配至房地產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%(二零一七年：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。

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16. INTERESTS IN JOINT VENTURES

16. 於合營公司的權益

			2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
		Notes 附註		
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)	(3,460)	(3,452)
			6,060	6,068
Amount due from a joint venture	應收一間合營公司款項	(b)	522,318	522,323

Notes:

附註：

(a) Particulars of joint ventures as at 31 December 2018 and 2017 are as follows:

(a) 於二零一八年及二零一七年十二月三十一日合營公司的詳情如下：

Company name 公司名稱	Form of business nature 業務性質	Place of establishment and operation 成立及營運地點	Paid-up capital 繳足股本 RMB'000 人民幣千元	Proportion of voting right and percentage of interest held 投票權及所持權益 百分比之比例	Principal activity 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% (2017: 40%) (二零一七年：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	N/A* 不適用* (2017: 40%) (二零一七年：40%)	Property development 物業發展

* It becomes a wholly-owned subsidiary of the Company during the year ended 31 December 2018.

* 該公司於截至二零一八年十二月三十一日止年度成為本公司的全資附屬公司。

(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 an opinion of the directors of the Company, the settlement of the advances is neither planned nor likely to occur in the foreseeable future.

(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。

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16. INTERESTS IN JOINT VENTURES (Cont'd)

Notes: (Cont'd)

- (c) Yiyang Zhonghe Property Management Co., Ltd. is not considered material as compared to the Group's operating results during the year ended 31 December 2017.

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:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Non-current assets	非流動資產	29	29
Current assets	流動資產	549,819	549,836
Current liabilities	流動負債	(534,699)	(534,694)
Included in the above amounts are:	計入上述款項：		
Properties under development for sale	發展中待售物業	439,702	439,647
Cash and cash equivalents	現金及現金等價物	90,006	90,077
Amount due to a shareholder	應付一名股東款項	522,318	522,323
Loss and total comprehensive expense for the year	年度虧損及其他全面開支	22	233

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：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Net assets of Anyuan	安元資產淨值	15,149	15,171
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	6,060	6,068

17. AVAILABLE-FOR-SALE INVESTMENTS

Amount represented 0.4% equity interests in a public listed equity securities in the PRC which was stated at fair value of RMB444,259,000 as at 31 December 2017.

17. 可供出售投資

於二零一七年十二月三十一日，該金額為中國一項公眾上市股權證券之0.4%股權，並按公允價值人民幣444,259,000元列賬。

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18. DEBT INSTRUMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

18. 按公允價值計入其他全面收益之債務工具

2018
二零一八年
RMB'000
人民幣千元

Government bond, with fixed interest of 3.76% per annum and maturity date on 14 August 2023 (<i>Note</i>)	政府債券，固定年利率為3.76%及到期日為二零二三年八月十四日(附註)	20,000
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Note: The government bond is subsequently sold at a consideration of RMB20,073,000 on 9 January 2019.

附註：政府債券其後以代價人民幣20,073,000元於二零一九年一月九日出售。

Details of impairment assessment are set out in note 42.

減值評估之詳情載於附註42。

19. EQUITY INSTRUMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

19. 按公允價值計入其他全面收益之股本工具

2018
二零一八年
RMB'000
人民幣千元

Listed investments: – Equity securities listed in the PRC (<i>Note</i>)	上市投資： – 於中國上市之股權證券(附註)	490,816
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Note:

附註：

The above listed equity investment represents 0.4% equity interests in an entity listed in the PRC. This investment is not held for trading, instead, it is held for long-term strategic purposes. The directors of the Company have elected to designate this investment in equity instrument as FVTOCI as they believe that recognising short-term fluctuations in this investment's fair value in profit or loss would not be consistent with the Group's strategy of holding the investment for long-term purposes and realising its performance potential in the long run.

上述上市股權投資指於一間中國上市公司之0.4%股權。該項投資並非持作買賣，而是就長期策略用途持有。由於本公司董事認為於損益確認該投資之公允價值短期波動並不符合本集團長期持有該投資及長遠變現其表現潛力之策略，故彼等已選擇指定於該股本工具之投資為按公允價值計入其他全面收益。

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20. 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	Fair value adjustments	Accrual for LAT	Pre-sale deposits	Others	Total
		稅項虧損	的預扣稅	投資物業估值	加速稅項折舊	公允價值調整	土地增值稅	預售投金	其他	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Balance as at 1 January 2017	於二零一七年一月一日之結餘	23,165	(10,050)	(2,191,633)	(119,328)	(54,445)	149,188	16,890	(17,419)	(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)	-	44,002	(7,248)	226	(77,047)
Underprovision in prior year (note 9)	過往年度撥備不足(附註9)	-	-	-	-	-	(55,981)	-	-	(55,981)
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	9,642	(17,193)	(2,307,463)
(Charge) credit to the profit or loss (note 9)	於損益(扣除)計入(附註9)	(28,350)	(11,000)	(47,183)	(32,765)	-	118,900	119,724	-	119,326
Underprovision in prior year (note 9)	過往年度撥備不足(附註9)	-	-	-	-	-	(40,445)	-	-	(40,445)
Charge to other comprehensive income	於其他全面收益扣除	-	-	-	-	(11,639)	-	-	-	(11,639)
Balance as at 31 December 2018	於二零一八年十二月三十一日之結餘	-	(33,050)	(2,314,098)	(184,023)	(36,887)	215,664	129,366	(17,193)	(2,240,221)

The following is the analysis of the deferred taxation balances for financial reporting purposes:

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：

		2018	2017
		二零一八年	二零一七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Deferred tax assets	遞延稅項資產	345,030	175,201
Deferred tax liabilities	遞延稅項負債	(2,585,251)	(2,482,664)
		(2,240,221)	(2,307,463)

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20. 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 interests 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 2018, temporary differences relating to the accumulated undistributed profits of the Group's PRC subsidiaries amounted to RMB3,156,160,000 (2017: RMB2,089,290,000). Except for the accumulated undistributed profit of the Group's PRC subsidiaries amounted to RMB661,000,000 (2017: RMB441,000,000), no deferred tax liability was recognised in respect of the taxable temporary differences of RMB2,495,160,000 (2017: RMB1,648,290,000) as of 31 December 2018 as the Group controlled the dividend policy of these subsidiaries.

At 31 December 2018, the Group has unused deductible temporary difference amounted to RMB25,731,000 (2017: RMB14,509,000). 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 RMB23,066,000 (2017: RMB312,210,000) available to offset against future profits. No deferred tax asset has been recognised in respect of the tax losses of RMB23,066,000 for the year ended 31 December 2018 due to the unpredictability of future profit streams. For the year ended 31 December 2017, a deferred tax asset had been recognised in respect of such tax losses amounting to RMB113,400,000 and no deferred tax asset had been recognised in respect of the remaining tax losses of RMB198,810,000 due to the unpredictability of future profit streams. The unrecognised tax losses will expire in the following years ending 31 December:

		2018	2017
		二零一八年	二零一七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
2018	二零一八年	–	20,189
2019	二零一九年	–	67,383
2020	二零二零年	–	1,366
2021	二零二一年	14,448	58,148
2022	二零二二年	7,322	51,724
2023	二零二三年	1,296	–
		23,066	198,810

20. 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。

於二零一八年十二月三十一日，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3,156,160,000元(二零一七年：人民幣2,089,290,000元)。除本集團中國附屬公司之累計未分配利潤達人民幣661,000,000元(二零一七年：人民幣441,000,000元)外，因本集團控制該等附屬公司的股息政策，故並未就截至二零一八年十二月三十一日的人民幣2,495,160,000元(二零一七年：人民幣1,648,290,000元)應課稅暫時差額確認遞延稅項負債。

於二零一八年十二月三十一日，本集團有未動用可扣稅暫時差額人民幣25,731,000元(二零一七年：人民幣14,509,000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23,066,000元(二零一七年：人民幣312,210,000元)。由於未來盈利來源不可預測，故截至二零一八年十二月三十一日止年度並無就稅項虧損人民幣23,066,000元確認遞延稅項資產。截至二零一七年十二月三十一日止年度，就該等稅項虧損人民幣113,400,000元確認遞延稅項資產及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：

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21. DEPOSITS PAID

21. 已付按金

	Notes 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Deposit for an urban redevelopment project 一項城市更新項目之按金	(a)	–	1,000,000
Deposit for acquisition of land use right 收購土地使用權之按金	(b)	–	210,000
		–	1,210,000

(a) The balance represented a deposit paid for an urban redevelopment project located in Zhuhai city in the PRC.

(b) 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”), and pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to purchase 100% equity interests in a company holding 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 at a consideration of RMB2,100 million, subject to adjustment.

As of 31 December 2017, the Group has paid 10% of the total consideration amounting to RMB210 million in exchange for 10% equity interests, which in substance is a deposit paid for acquisition of land use right. After the Vendor obtains local government approval for the property development project, the Purchaser is obliged to pay the remaining 90% outstanding amount. The remaining consideration of RMB1,590,000,000 has been paid by the Group in 2018 (also see note 44(a)).

All the deposits amounting to RMB1,210,000,000, which related to projects the use of which, was not yet determined as at 31 December 2017 had been transferred to properties under development for sale during the year ended 31 December 2018.

(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) 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以代價人民幣21億元(可調整)購買一間持有珠海凱威置業有限公司100%權益的公司的100%股權，而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210百萬元，以換取10%的股權，該金額實質上為收購土地使用權之已付按金。於賣方取得地方政府之物業開發項目批覆後，收購方須支付尚未償還金額的其餘90%。本集團已於二零一八年支付餘下代價人民幣1,590,000,000元(請同時參閱附註44(a))。

於二零一七年十二月三十一日，與尚未釐定用途之項目有關之按金總額為人民幣1,210,000,000元，其已於截至二零一八年十二月三十一日止年度轉撥至發展中待售物業。

22. PROPERTIES UNDER DEVELOPMENT FOR SALE

22. 發展中待售物業

Included in the properties under development for sale as at 31 December 2018 is carrying value of RMB5,700,430,000 (2017: RMB2,314,822,000) 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 mainly situated in the PRC and Hong Kong.

於二零一八年十二月三十一日，列為發展中待售物業之賬面值為人民幣5,700,430,000元(二零一七年：人民幣2,314,822,000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主要位於中國及香港。

23. PROPERTIES HELD FOR SALE

23. 待售物業

The Group's properties held for sale are situated in the PRC.

本集團待售物業位於中國。

24. OTHER INVENTORIES

24. 其他存貨

Other inventories represent low value consumables carried at cost.

其他存貨指按成本值入賬的低值易耗品。

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25. ACCOUNTS RECEIVABLE

25. 應收賬款

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Accounts receivable	應收賬款	12,248	378,003
Less: Allowance for credit losses	減：信貸虧損撥備	(672)	(711)
		11,576	377,292

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 (2017: 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:

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，信貸期乃須按的要求償還。物業管理所得的應收賬款的信貸期一般為30至60天(二零一七年：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：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within 1 month	1個月內	6,853	368,530
1 to 12 months	1至12個月	2,079	5,018
13 to 24 months	13至24個月	1,881	3,058
Over 24 months	超過24個月	763	686
		11,576	377,292

As at 31 December 2018, included in the Group's accounts receivable balance are debtors with aggregate carrying amount of RMB4,723,000 which are past due as at the reporting date. For balance has been past due 90 days or more, it is not considered as in default due to the long-term/on-going relationship and good repayment record of the counterparties. The Group does not hold any collateral over these balances.

於二零一八年十二月三十一日，計入本集團應收賬款結餘之款項為賬面總值為人民幣4,723,000元之應收款項，於報告日已逾期。由於與交易方維持長期／持續關係及彼等還款記錄良好，故此逾期已超過90日或以上之結餘並未被視為違約。本集團並無就該等結餘持有任何抵押品。

As at 31 December 2017, included in the Group's accounts receivable balances are debtors with aggregate carrying amount of RMB8,762,000 which are past due at the end of the reporting period for which the Group has not provided for impairment loss, of which 57% are past due within twelve months, and 43% 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. The Group does not hold any collateral over these balances.

於二零一七年十二月三十一日，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%於十二個月內逾期，43%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。本集團並無就該等結餘持有任何抵押品。

As at 31 December 2017, 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.

於二零一七年十二月三十一日，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。

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25. ACCOUNTS RECEIVABLE (Cont'd)

The movement in the allowance for credit losses is as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
A 1 January	於一月一日	711	793
Reversal on impairment loss recognised	已確認減值虧損之撥回	(39)	(82)
At 31 December	於十二月三十一日	672	711

For the year ended 31 December 2018, the Group applies the HKFRS 9 simplified approach to measure ECL for accounts receivable based on lifetime ECL. Accounts receivable have been grouped based on shared credit risk characteristics and the historical observed default rates have been adjusted by forward looking estimates. As at 31 December 2018, the directors of the Company considered that the default risk for the accounts receivable is very low and the lifetime ECL allowance is insignificant. None of the debtors is considered credit impaired.

26. DEPOSITS PAID, PREPAYMENTS AND OTHER RECEIVABLES

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Deposits paid and prepayments	已付按金及預付款項	434,245	616,341
Other receivables	其他應收款項	393,365	306,039
Amounts due from related parties	應收關聯人士款項	47,302	168,078
Amounts due from non-controlling interests	應收非控股權益款項	15,382	47,805
Total	總計	890,294	1,138,263

Notes:

- (a) The balance mainly represents prepaid construction costs of RMB356,466,000 (2017: RMB572,390,000) to the contractors for the Group's property development projects.
- (b) Amounts due from related parties, in which the ultimate controlling party has beneficial interests, are unsecured, interest-free and repayable on demand.
- (c) As at 31 December 2018, amount due from non-controlling interests amounting to RMB12,507,000 is secured by equity interests held by the non-controlling party, interest bearing at 6.37% per annum and repayable on demand. Remaining balance of amount due from non-controlling interests is unsecured, interest-free and repayable on demand.

As at 31 December 2017, amounts due from non-controlling interests were unsecured, interest-free and repayable on demand.

25. 應收賬款(續)

信貸虧損撥備變動如下：

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
於一月一日	711	793
已確認減值虧損之撥回	(39)	(82)
於十二月三十一日	672	711

截至二零一八年十二月三十一日止年度，本集團應用香港財務報告準則第9號的簡化方法根據存續期預期信貸虧損計量應收賬款的預期信貸虧損。應收賬款已根據共同信貸風險特徵及歷史觀察違約率分組，並經前瞻性估計調整。於二零一八年十二月三十一日，本公司董事認為應收賬款的違約風險極低，且存續期預期信貸虧損撥備不大。概無債務人被視為出現信貸減值。

26. 已付按金、預付款項及其他應收款項

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
已付按金及預付款項	434,245	616,341
其他應收款項	393,365	306,039
應收關聯人士款項	47,302	168,078
應收非控股權益款項	15,382	47,805
總計	890,294	1,138,263

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356,466,000元(二零一七年：人民幣572,390,000元)。
- (b) 應收關聯方款項(最終控股方於其中擁有實益權益)為無抵押、免息及須按要求償還。
- (c) 於二零一八年十二月三十一日，應收非控股權益款項為人民幣12,507,000元，該款項由非控股方持有之股權作抵押、按年利率6.37%計息及須按要求償還。應收非控股權益款項之餘下結餘為無抵押、免息及須按要求償還。

於二零一七年十二月三十一日，應收非控股權益款項為無抵押、免息及須按要求償還。

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27. OTHER FINANCIAL ASSETS

Amount represented investments in money market funds investment issued by a reputable bank in the PRC with maturity date within a month after the end of the 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. In the opinion of the directors of the Company, the carrying amount approximated to its fair value as of 31 December 2017. The investment was redeemed in January 2018.

27. 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。本公司董事認為，截至二零一七年十二月三十一日，該款項的賬面值與其公允價值相若。該投資於二零一八年一月贖回。

28. RESTRICTED BANK DEPOSITS

28. 受限制銀行存款

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
	Notes 附註		
Pledged certificate of deposits for bank loans	就銀行貸款抵押的存款證	1,938,317	1,378,210
Funds under regulation by banks for specific purposes	受銀行監管作特定用途的資金	1,011,723	554,529
Performance deposits required by government	政府規定的履約按金 (a)	553,260	-
Pledged bank deposits for bank loans	就銀行貸款抵押的銀行存款	264,469	110,221
Pledged bank deposits for mortgage	就按揭抵押的銀行存款 (b)	144,520	47,027
Performance deposits for construction contracts	建築合約的履約按金	3,244	25,051
Others	其他	293	2,483
Total	總計	3,915,826	2,117,521

The effective interest rates of restricted bank deposits are in the range of 0.01% to 3.03% (2017: 0.01% to 4.75%) per annum.

受限制銀行存款實際年利率介乎0.01%至3.03% (二零一七年：0.01%至4.75%)。

Notes:

附註：

- (a) The balance represents performance deposits required by the government for the Group's urban renewal development project.
- (b) The balance represents bank deposits pledged to secure the mortgage granted to buyers of properties.

- (a) 該結餘指政府規定本集團須就其城市更新發展項目履約按金。
- (b) 該結餘指為取得向物業買家授出的按揭而作出的抵押銀行存款。

29. BANK BALANCES AND CASH

As at 31 December 2018, included in bank balances and cash was a fixed deposit of RMB442,133,000 (2017: RMB624,929,000) with original maturity period of more than three months but within one year.

29. 銀行結餘及現金

於二零一八年十二月三十一日，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442,133,000元(二零一七年：人民幣624,929,000元)。

The effective interest rates of cash at banks are in the range of 0.01% to 1.95% (2017: 0.01% to 1.35%) per annum.

銀行現金的實際年利率介乎0.01%至1.95% (二零一七年：0.01%至1.35%)。

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30. 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:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within 1 month	1個月內	1,220,394	479,144
1 to 12 months	1至12個月	109,626	75,937
13 to 24 months	13至24個月	11,029	12,742
Over 24 months	24個月以上	42,465	32,214
		1,383,514	600,037

The average credit period for purchase of construction materials ranged from six months to one year.

30. 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：

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within 1 month	1,220,394	479,144
1 to 12 months	109,626	75,937
13 to 24 months	11,029	12,742
Over 24 months	42,465	32,214
	1,383,514	600,037

購買建築材料的平均信貸期為6個月至1年不等。

31. ACCRUALS, DEPOSITS RECEIVED AND OTHER PAYABLES

31. 應計費用、已收按金及其他應付款項

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Rental deposits received	已收租金按金	119,202	105,812
Receipts in advance	預收款項	1,551	922,148
Other payables and accruals	其他應付款項及應計費用	426,142	2,692,890
Amounts due to related parties	應付關聯方款項	191,195	-
Amounts due to non-controlling interests	應付非控股權益款項	6,724	4,522
		744,814	3,725,372

Notes:

(a) As at 31 December 2018, receipts in advance consist of rental considerations received in advance from customers.

As at 31 December 2017, receipts in advance primarily consist of pre-sale deposits received from customers for sales of properties.

(b) As at 31 December 2017, included in other payables and accruals mainly represented consideration payable for the acquisition of New Grade Investments Limited as disclosed in note 38(a) amounting to HK\$2,475,000,000 (equivalent to RMB2,068,852,000) and was fully settled by the Group during the year ended 31 December 2018.

(c) Amounts due to related parties, in which the ultimate controlling party has beneficial interests, are unsecured, interest-free and repayable on demand.

(d) Amounts due to non-controlling interests are unsecured, interest-free and repayable on demand.

附註：

(a) 於二零一八年十二月三十一日，預收款項包括預先向客戶收取之租金代價。

於二零一七年十二月三十一日，預收款項主要包括就物業銷售向客戶收取之預售按金。

(b) 於二零一七年十二月三十一日，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38(a)中披露)應付的代價2,475,000,000港元(相當於人民幣2,068,852,000元)，而本集團於截至二零一八年十二月三十一日止年度悉數償還該等款項。

(c) 應付關聯方款項(最終控股方於其中擁有實益權益)為無抵押、免息及須按要求償還。

(d) 應付非控股權益款項為無抵押、免息及須按要求償還。

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32. CONTRACT LIABILITIES

32. 合同負債

		31/12/2018 二零一八年 十二月三十一日 RMB'000 人民幣千元	1/1/2018* 二零一八年 一月一日* RMB'000 人民幣千元
Sales of properties (Note)	物業銷售(附註)	2,265,113	921,950
Hotel operation and property management service	酒店營運及物業管理服務	3,175	198
		2,268,288	922,148

* The amounts as at 1 January 2018 are after adjustments from the application of HKFRS 15.

* 於二零一八年一月一日之該等金額計及應用香港財務報告準則第15號之調整。

Note: The balance represents sales deposits and advance payments received from sales of properties.

附註：該結餘指銷售按金及物業銷售之預先收取款項。

The following table shows how much of the revenue recognised in the current year relates to carried-forward contract liabilities:

下表列示於本年度確認與結轉合同負債相關之收益金額：

		2018 二零一八年 RMB'000 人民幣千元
Sales of properties	物業銷售	881,054
Hotel operation and property management services	酒店營運及物業管理服務	198

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

對已確認合同負債金額造成影響之一般付款條款如下：

Sales of properties

物業銷售

The Group receives an upfront payment, ranging from RMB20,000 to RMB2,000,000 for different properties from customers for the subscription of properties and such amount will be treated as the deposits from customers after signing the sale and purchase agreement. However, depending on market conditions, the Group may offer customers a discount compared to the listed sales price, provided that the customers agree to pay the balance of the consideration earlier. Such advance payment schemes result in contract liabilities being recognised throughout the property construction period for the full amount of the contract price.

本集團就不同物業向客戶收取介乎人民幣20,000元至人民幣2,000,000元的物業認購預付款，有關款項將於簽訂買賣協議後作為客戶按金入賬。但是，取決於市場狀況，本集團可能向客戶提供較所列銷售價格有所折讓之價格，惟客戶須同意提早支付代價結餘。該等預先付款計劃導致本集團須就全數合同金額於物業施工期間確認為合同負債。

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33. BORROWINGS

33. 借貸

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Borrowings comprise:	借貸包括：		
– Variable rate bank loans	– 浮息銀行貸款	14,283,068	10,734,754
– Fixed rate bank loans	– 固定利率銀行貸款	1,916,300	1,260,200
– Variable rate other borrowings	– 浮息其他借貸	–	240,000
– Fixed rate other borrowings	– 固定利率其他借貸	–	400,000
– Private senior notes	– 私募優先票據	342,428	323,323
		16,541,796	12,958,277
Analysed as:	分析：		
– Secured	– 有抵押	16,085,461	12,323,718
– Unsecured	– 無抵押	456,335	634,559
		16,541,796	12,958,277
Borrowings repayable within a period of:	借貸須於以下期間內償還：		
– Within 1 year	– 一年內	2,557,174	3,483,806
– More than 1 year, but not exceeding 2 years	– 超過一年但少於兩年	2,056,850	2,025,834
– More than 2 years, but not exceeding 5 years	– 超過兩年但少於五年	8,906,056	4,659,942
– More than 5 years	– 五年以後	2,346,442	2,657,459
		15,866,522	12,827,041
Borrowings that contain a repayment on demand clause (shown under current liabilities) but 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	675,274	131,236
Total borrowings	總借貸	16,541,796	12,958,277
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	(3,232,448)	(3,615,042)
Amount due after one year	於一年後到期之款項	13,309,348	9,343,235

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 certain bank and other borrowings amounting to RMB1,685,510,000 (2017: RMB820,352,000), which are denominated in HK\$.

For bank loans denominated in HK\$, the effective interest rates are ranging from 1.91% to 5.39% (2017: 1.62% to 4.20%) per annum. For bank and other loans denominated in RMB, the effective interest rates are ranging from 4.35% to 9.00% (2017: 4.35% to 8.50%) per annum.

As at 31 December 2018, a secured bank loan with aggregate amount of RMB1,785,690,000 is secured by the equity interests of a subsidiary of the Group (also see note 45).

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1,685,510,000元(二零一七年：人民幣820,352,000元)以港元計值除外。

就以港元計值的銀行貸款而言，實際年利率介乎1.91%至5.39%(二零一七年：1.62%至4.20%)。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9.00%(二零一七年：4.35%至8.50%)。

於二零一八年十二月三十一日，有抵押銀行貸款總金額人民幣1,785,690,000元由本集團一間附屬公司之股權作抵押(並請參閱附註45)。

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33. BORROWINGS (Cont'd)

Issue of US\$ denominated private senior notes due in 2019

On 13 December 2017, Gemstones International Limited (“Gemstones”), 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 (the “Private Notes”). The issue price was at 100.0% of the principal amount of the Private Notes. The Private Notes are:

- (a) carried 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) 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) ranked 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) guaranteed by the Company and certain subsidiaries of the Company on a senior basis, subject to certain limitations.

The interest charged is calculated by applying an effective interest rate of approximately 8.86% per annum since the Private Notes were issued.

33. 借貸(續)

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(「碧玺」)(「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：

- (a) 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) 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) 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) 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)。

已計利息按自私募票據發行起應用實際年利率約8.86%計算。

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34. CONVERTIBLE BONDS AND DERIVATIVE COMPONENT OF CONVERTIBLE BONDS

34. 可換股債券及可換股債券衍生工具部分

(a) Debt component of convertible bonds

(a) 可換股債券債務部分

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Net carrying amount as at 1 January	於一月一日的賬面淨值	589,650	559,186
Issue of convertible bonds	發行可換股債券	704,661	-
Interest expense	利息開支	131,969	107,299
Interest paid	已付利息	(45,946)	(37,247)
Conversion of CB 2018 (as defined below)	兌換二零一八年可換股債券 (定義見下文)	(59,278)	-
Exchange difference	匯兌差額	60,589	(39,588)
Net carrying amount as at 31 December	於十二月三十一日的賬面淨值	1,381,645	589,650
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	-	(589,650)
Amount due after one year	於一年後到期之款項	1,381,645	-

(1) On 6 November 2016, the Company entered into a Convertible Bonds Subscription Agreement (the "Agreement") with an independent third party, Chance Talent Management Limited (the "Subscriber"). Pursuant to the Agreement, the Subscriber agreed to acquire the Convertible Bond (the "CB 2018") with aggregate principal amount of US\$100 million (equivalent to RMB686 million) at 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. 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 date. 264,946,889 (2017: 287,940,630) 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.

On 17 January 2018, the Company received a notice from the Subscriber, requesting for the conversion of the CB 2018 in the principal amount of US\$10,000,000. Accordingly, the Company has allotted and issued 28,794,063 conversion shares to the Subscriber at the conversion price of HK\$2.695 per conversion share. Adjustments had been made to the conversion price from HK\$2.695 to HK\$2.636 as a result of allotment of ordinary shares, allotment of convertible preference shares and the dividends paid during the year.

On 3 October 2018, the Subscriber, the Company and Mr. Wong entered into the Deed of Extension to extend the maturity date of the CB 2018 to 18 November 2020.

(1) 於二零一六年十一月六日，本公司與一名獨立第三方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6.86億元)、按年利率5.5%計息的可換股債券(「二零一八年可換股債券」)(初步兌換價為2.76港元)，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。264,946,889股(二零一七年：287,940,630股)新股份將於二零一八年可換股債券獲悉數轉換後發行。因可換股債券發行而支付的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。

於二零一八年一月十七日，本公司接獲認購人之通知，要求就本金額10,000,000美元之二零一八年可換股債券進行兌換。因此，本公司已向認購人按每股兌換股份兌換價2.695港元配發及發行28,794,063股兌換股份。由於本年度內配發普通股、配發可換股優先股及支付股息，轉換價已由2.695港元調整為2.636港元。

於二零一八年十月三日，認購人、本公司與黃先生訂立延長契據，以將二零一八年可換股債券之到期日延長至二零二零年十一月十八日。

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34. CONVERTIBLE BONDS AND DERIVATIVE COMPONENT OF CONVERTIBLE BONDS (Cont'd)

(a) Debt component of convertible bonds (Cont'd)

(1) (Cont'd)

Principal amendments to the Agreement are as follow:

- (a) the maturity date of the CB 2018 will be changed from the date falling on the second anniversary of the issue date to the date falling on the fourth anniversary of the issue date;
- (b) the CB 2018 shall bear an administrative fee (the "Administrative Fee") at 1.5% per annum on the principal amount outstanding from time to time, accruing on a daily basis and calculated for actual number of days elapsed on a 365-day year. The Administrative Fee shall be payable annually in arrears from the second anniversary of the issue date. Administrative Fee on any CB 2018 not held for the whole of the relevant period shall be calculated on a pro rata basis; and
- (c) the undertakings given by the Company to the Subscriber and the holders of the CB 2018 (the "Bondholders") that the shareholders' equity of the Company should not be less than RMB8,200,000,000 (or its equivalent in any other currency) will be changed to an undertaking given by the Company to the Subscriber and the Bondholders that the shareholders' equity of the Company should not be less than RMB10,000,000,000 (or its equivalent in any other currency).

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, 18 November 2016 and 3 October 2018 respectively.

34. 可換股債券及可換股債券衍生工具部分(續)

(a) 可換股債券債務部分(續)

(1) (續)

該協議之主要修訂如下：

- (a) 二零一八年可換股債券之到期日將由發行日期起計滿兩週年當日更改為發行日期起計滿四週年當日；
- (b) 二零一八年可換股債券須收取行政費(「行政費」)，該費用乃根據不時之未贖回本金額按年利率1.5%按日累計，並按一年365日之實際過去日數計算。行政費須由發行日期計滿兩週年每年於年底支付。有關任何並非於整段相關期間持有之二零一八年可換股債券之行政費將按比例計算；及
- (c) 本公司向認購人及二零一八年可換股債券持有人(「債券持有人」)承諾本公司股東權益不低於人民幣8,200,000,000元(或任何其他貨幣之等值金額)將更改為本公司向認購人及債券持有人承諾本公司股東權益不低於人民幣10,000,000,000元(或任何其他貨幣之等值金額)。

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、二零一六年十一月十八日及二零一八年十月三日的公告內披露。

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34. CONVERTIBLE BONDS AND DERIVATIVE COMPONENT OF CONVERTIBLE BONDS (Cont'd)

(a) Debt component of convertible bonds (Cont'd)

(1) (Cont'd)

The CB 2018 contains two components, debt component and derivative component. The effective interest rate of the debt component is 14.23% (2017: 19.98%) per annum. The derivative component is measured at fair value with changes in fair value recognised in profit or loss.

The fair value of conversion option is US\$4,494,000 (equivalent to RMB30,843,000) (2017: US\$16,999,000 (equivalent to RMB111,078,000)) as at 31 December 2018.

- (2) On 10 May 2018, a wholly-owned subsidiary of the Company, Gemstones entered into a Convertible Bonds Subscription Agreement (the "2018 Agreement") with an independent third party, Global Affluence Holding V Limited (the "2018 Subscriber"). Pursuant to the 2018 Agreement, the 2018 Subscriber agreed to acquire the convertible bonds (the "CB 2023") with aggregate principal amount of US\$100 million (equivalent to RMB675 million) at interest rate of 4.0% per annum, payable by the Company semi-annually in arrears. The maturity date is on the fifth anniversary of the issue date. The CB 2023 were issued to the 2018 Subscriber on 17 May 2018.

The bondholder has the right to convert the CB 2023 in whole or in part into shares at any time on or after the issue date of the CB 2023 up to the date falling seven days prior to the maturity date. 208,776,595 new shares will be issued upon full conversion of the CB 2023 based on the initial conversion price of HK\$3.76. Adjustments had been made to the conversion price from HK\$3.76 to HK\$3.68 as a result of the extension of CB 2018 and issue of Second CB 2023 during the year.

The CB 2023 will be redeemed on maturity at a value equal to 124.012214% of the outstanding principal amount of the CB 2023, together with any accrued and unpaid interest.

The bondholder has the right by written notice at any time on or after 17 May 2020, the second anniversary of the issue date of the CB 2023 and before maturity, require the Gemstones to redeem all or some only of such bondholder's CB 2023 at a gross yield of 8.00% per annum.

34. 可換股債券及可換股債券衍生工具部分(續)

(a) 可換股債券債務部分(續)

(1) (續)

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14.23%(二零一七年: 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。

於二零一八年十二月三十一日,轉換期權的公允價值為4,494,000美元(相當於人民幣30,843,000元)(二零一七年: 16,999,000美元(相當於人民幣111,078,000元))。

- (2) 於二零一八年五月十日,本公司一間全資附屬公司碧玺與一名獨立第三方 Global Affluence Holding V Limited (「二零一八年認購人」)訂立一份可換股債券認購協議(「二零一八年協議」)。根據二零一八年協議,二零一八年認購人同意收購本金總額為1億美元(相等於人民幣6.75億元)、按年利率4.0%計息的可換股債券(「二零二三年可換股債券」),利息於每半年末由本公司支付。到期日為發行日期起計滿五週年。二零二三年可換股債券於二零一八年五月十七日發予二零一八年認購人。

債券持有人有權於二零二三年可換股債券發行日期當日或之後至到期日前七日止隨時將全部或部分二零二三年可換股債券兌換為股份。208,776,595股新股份將於二零二三年可換股債券獲悉數兌換後按初步兌換價3.76港元發行。由於本年度內延長二零一八年可換股債券及發行第二批二零二三年可換股債券,轉換價已由3.76港元調整為3.68港元。

二零二三年可換股債券將於到期日贖回,價值等同於二零二三年可換股債券未清償本金額的124.012214%連同任何應計及未付利息。

債券持有人有權於二零二零年五月十七日(即二零二三年可換股債券發行日期起計滿兩週年及到期日前)當日或之後,隨時透過書面通知要求碧玺按每年8.00%的毛收益率贖回該債券持有人持有的全部或部分二零二三年可換股債券。

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34. CONVERTIBLE BONDS AND DERIVATIVE COMPONENT OF CONVERTIBLE BONDS (Cont'd)

(a) Debt component of convertible bonds (Cont'd)

(2) (Cont'd)

The fair value of conversion option is US\$23,463,000 (equivalent to RMB149,409,000) and US\$5,877,000 (equivalent to RMB40,338,000) as at initial recognition and 31 December 2018, respectively. The fair value of early redemption option is US\$10,146,000 (equivalent to RMB64,609,000) and US\$13,404,000 (equivalent to RMB91,994,000) as at initial recognition and 31 December 2018, respectively.

Further details of the terms and conditions of the CB 2023 were disclosed in the announcements of the Company dated 11 May 2018.

The CB 2023 contains two components, debt component and derivative component (including the conversion option and the early redemption option that is not closely to the host). The effective interest rates of the debt component is 13.48% per annum. The derivative component is measured at fair value with changes in fair value recognised in profit and loss.

- (3) On 16 September 2018, Gemstones entered into a Convertible Bonds Subscription Agreement (the "2018 Second Agreement") with an independent third party, Pioneer Festive Limited (the "2018 Second Subscriber"). Pursuant to the 2018 Second Agreement, the 2018 Second Subscriber agreed to acquire the convertible bonds (the "Second CB 2023") with aggregate principal amount of US\$50 million (equivalent to RMB341.8 million) at interest rate of 5.0% per annum, payable by the Company semi-annually in arrears. The maturity date is on the fifth anniversary of the issue date. The Second CB 2023 were issued to the 2018 Second Subscriber on 28 September 2018.

The bondholder has the right to convert the Second CB 2023 in whole or in part into shares at any time on or after the issue date of the Second CB 2023 up to the date falling seven days prior to the maturity date. 127,022,653 new shares will be issued upon full conversion of the Second CB 2023 based on the initial conversion price of HK\$3.09.

The Second CB 2023 will be redeemed on maturity at a value equal to 136.1% of the outstanding principal amount of the Second CB 2023, together with any accrued and unpaid interest.

34. 可換股債券及可換股債券衍生工具部分(續)

(a) 可換股債券債務部分(續)

(2) (續)

於初始確認日及二零一八年十二月三十一日轉換期權的公允價值分別為23,463,000美元(相當於人民幣149,409,000元)及5,877,000美元(相當於人民幣40,338,000元)。於初始確認日及二零一八年十二月三十一日提前贖回權的公允價值分別為10,146,000美元(相當於人民幣64,609,000元)及13,404,000美元(相當於人民幣91,994,000元)。

有關二零二三年可換股債券的條款及條件的進一步詳情已在本公司日期為二零一八年五月十一日的公告內披露。

二零二三年可換股債券包括兩個部分(債務部分及衍生工具部分)(包括與主部分並無緊密關聯之轉換期權及提前贖回權)。債務部分的實際利率為每年13.48%。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。

- (3) 於二零一八年九月十六日，碧玺與一名獨立第三方Pioneer Festive Limited(「二零一八年第二認購人」)訂立一份可換股債券認購協議(「二零一八年第二份協議」)。根據二零一八年第二份協議，二零一八年第二認購人同意收購本金總額為5,000萬美元(相等於人民幣3.418億元)、按年利率5.0%計息的可換股債券(「二零二三年第二批可換股債券」)，利息於每半年末由本公司支付。到期日為發行日期起計滿五週年。二零二三年第二批可換股債券於二零一八年九月二十八日發行予二零一八年第二認購人。

債券持有人有權於二零二三年第二批可換股債券發行日期當日或之後至到期日前七日止隨時將全部或部分二零二三年第二批可換股債券兌換為股份。127,022,653股新股份將於二零二三年第二批可換股債券獲悉數兌換後按初步兌換價3.09港元發行。

二零二三年第二批可換股債券將於到期日贖回，價值等同於二零二三年第二批可換股債券未清償本金總額的136.1%連同任何應計及未付利息。

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34. CONVERTIBLE BONDS AND DERIVATIVE COMPONENT OF CONVERTIBLE BONDS (Cont'd)

(a) Debt component of convertible bonds (Cont'd)

(3) (Cont'd)

The bondholder has the right by written notice at any time on or after 28 September 2020, the second anniversary of the issue date of the Second CB 2023 and before maturity, require the Gemstones to redeem all or some only of such bondholder's Second CB 2023 at a yield of internal rate of return of 10.00% per annum.

If a bondholder has exercised the conversion rights attached to any CB 2023 and disposed of any conversion shares issued as a result thereof, Gemstones will be entitled to share 30% of the consideration (net of taxes and brokerage fees) payable to the relevant bondholder in excess of the agreed preferred return in accordance with the terms of the Second CB 2023.

The fair value of conversion option (after profit-sharing) is US\$5,495,000 (equivalent to RMB37,800,000) and US\$3,419,000 (equivalent to RMB23,468,000) as at initial recognition and 31 December 2018, respectively. The fair value of early redemption option is US\$1,298,000 (equivalent to RMB8,926,000) and US\$1,670,000 (equivalent to RMB11,462,000) as at initial recognition and 31 December 2018, respectively.

Further details of the terms and conditions of the Second CB 2023 were disclosed in the announcements of the Company dated 17 September 2018.

The Second CB 2023 contains two components, debt component and the derivative component (including the conversion option after profit-sharing and the early redemption option that is not closely related to the host). The effective interest rate of the debt component is 8.73% per annum. The derivative component is measured at fair value with changes in fair value recognised in profit and loss.

34. 可換股債券及可換股債券衍生工具部分(續)

(a) 可換股債券債務部分(續)

(3) (續)

債券持有人有權於二零二零年九月二十八日(即二零二三年第二批可換股債券發行日期起計滿兩週年及到期日前)當日或之後,隨時透過書面通知要求碧璽按每年10.00%的內部回報收益率贖回該債券持有人持有的全部或部分二零二三年第二批可換股債券。

倘債券持有人已行使任何二零二三年可換股債券所附的換股權,並出售因此而發行的任何兌換股份,碧璽將有權分佔應付相關債券持有人的代價(扣除稅項及經紀費用後)超過根據二零二三年第二批可換股債券條款協定的優先回報的金額的30%。

於初始確認日及二零一八年十二月三十一日轉換期權(溢利分成後)的公允價值分別為5,495,000美元(相當於人民幣37,800,000元)及3,419,000美元(相當於人民幣23,468,000元)。於初始確認日及二零一八年十二月三十一日提前贖回權的公允價值分別為1,298,000美元(相當於人民幣8,926,000元)及1,670,000美元(相當於人民幣11,462,000元)。

有關二零二三年第二批可換股債券的條款及條件的進一步詳情已在本公司日期為二零一八年九月十七日的公告內披露。

二零二三年第二批可換股債券包括兩個部分(債務部分及衍生工具部分)(包括與主部分並無緊密關聯之溢利分成後轉換期權及提前贖回權)。債務部分的實際利率為每年8.73%。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。

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34. CONVERTIBLE BONDS AND DERIVATIVE COMPONENT OF CONVERTIBLE BONDS (Cont'd)

(b) Derivative component of convertible bonds

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Net carrying amount as at 1 January	於一月一日的賬面淨值	111,078	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	255,307	-
Conversion of CB 2018	兌換二零一八年可換股債券	(11,107)	-
Gain arising on changes in fair value	公允價值變動產生的收益	(172,192)	(2,373)
Exchange difference	匯兌差額	15,019	(7,045)
Net carrying amount as at 31 December	於十二月三十一日的賬面淨值	198,105	111,078
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	-	(111,078)
Amount due after one year	於一年後到期之款項	198,105	-

- (1) The methods and assumptions applied for the valuation of the CB 2018 at initial recognition, at 31 December 2017 and at 31 December 2018 were as follows:

The fair value of the derivative component of convertible bonds at initial recognition, as at 31 December 2017 and as at 31 December 2018 derived by using the Binomial Option Pricing Model were approximately RMB135,518,000, RMB111,078,000 and RMB30,842,000, 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 2018, the Group recognised the fair value gain of RMB71,432,000 (2017: RMB2,373,000) in the consolidated statement of profit or loss.

34. 可換股債券及可換股債券衍生工具部分(續)

(b) 可換股債券衍生工具部分

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Net carrying amount as at 1 January	於一月一日的賬面淨值	111,078	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	255,307	-
Conversion of CB 2018	兌換二零一八年可換股債券	(11,107)	-
Gain arising on changes in fair value	公允價值變動產生的收益	(172,192)	(2,373)
Exchange difference	匯兌差額	15,019	(7,045)
Net carrying amount as at 31 December	於十二月三十一日的賬面淨值	198,105	111,078
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	-	(111,078)
Amount due after one year	於一年後到期之款項	198,105	-

- (1) 於初步確認、於二零一七年十二月三十一日及於二零一八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：

可換股債券衍生工具部分於初始確認日、於二零一七年十二月三十一日及於二零一八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111,078,000元及人民幣30,842,000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。截至二零一八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收益人民幣71,432,000元(二零一七年：人民幣2,373,000元)。

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34. CONVERTIBLE BONDS AND DERIVATIVE COMPONENT OF CONVERTIBLE BONDS (Cont'd)

(b) Derivative component of convertible bonds (Cont'd)

(1) (Cont'd)

The inputs used in the Binomial Option Pricing Model adopted by the independent professional valuer in determining the fair values of derivative component of the CB 2018 at the respective dates were as follows:

	At date of issue	At 31.12.2017	At 31.12.2018		於 二零一七年 十二月 三十一日	於 二零一八年 十二月 三十一日	
Share price	HK\$2.49	HK\$2.98	HK\$2.23	股價	2.49港元	2.98港元	2.23港元
Exercise price	HK\$2.76	HK\$2.695	HK\$2.636	行使價	2.76港元	2.695港元	2.636港元
Expected dividend yield	0.40%	1.68%	2.24%	預期股息率	0.40%	1.68%	2.24%
Volatility	52.35%	32.66%	33.31%	波幅	52.35%	32.66%	33.31%
Risk free interest rate	0.783%	1.040%	2.540%	無風險利率	0.783%	1.040%	2.540%

(2) The methods and assumptions applied for the valuation of the CB 2023 at initial recognition and 31 December 2018 were as follows:

The fair value of the derivative component of convertible bonds at initial recognition and as at 31 December 2018 derived by using the Binomial Option Pricing Model were approximately RMB209,632,000 and RMB132,332,000, 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 component of convertible bonds with reference to market values. During the year ended 31 December 2018, the Group recognised the fair value gain of RMB90,477,000 in the consolidated statement of profit or loss.

34. 可換股債券及可換股債券衍生工具部分(續)

(b) 可換股債券衍生工具部分(續)

(1) (續)

獨立專業估值師於各日期釐定二零一八年可換股債券衍生工具部分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：

	於 二零一七年 十二月 三十一日	於 二零一八年 十二月 三十一日	
Share price	2.49港元	2.98港元	2.23港元
Exercise price	2.76港元	2.695港元	2.636港元
Expected dividend yield	0.40%	1.68%	2.24%
Volatility	52.35%	32.66%	33.31%
Risk free interest rate	0.783%	1.040%	2.540%

(2) 於初步確認及於二零一八年十二月三十一日對二零二三年可換股債券進行估值時所應用的方法及假設如下：

可換股債券衍生工具部分於初步確認及於二零一八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209,632,000元及人民幣132,332,000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可換股債券衍生工具部分方面擁有近期經驗。截至二零一八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收益人民幣90,477,000元。

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34. CONVERTIBLE BONDS AND DERIVATIVE COMPONENT OF CONVERTIBLE BONDS (Cont'd)

(b) Derivative component of convertible bonds (Cont'd)

(2) (Cont'd)

The inputs used in the Binomial Option Pricing Model adopted by the independent professional valuer in determining the fair values the derivative component of the CB 2023 at the respective dates were as follows:

	At date of issue	At 31.12.2018		於二零一八年 於發行日期 十二月三十一日
Share price	HK\$3.05	HK\$2.23	股價	3.05港元 2.23港元
Exercise price	HK\$3.76	HK\$3.68	行使價	3.76港元 3.68港元
Expected dividend yield	1.64%	2.24%	預期股息率	1.64% 2.24%
Volatility	57.44%	50.73%	波幅	57.44% 50.73%
Discount rate	18.331%	17.581%	貼現率	18.331% 17.581%
Risk free interest rate	3.003%	2.529%	無風險利率	3.003% 2.529%

- (3) The methods and assumptions applied for the valuation of the Second CB 2023 at initial recognition and 31 December 2018 were as follows:

The fair value of the derivative component of convertible bonds at initial recognition and as at 31 December 2018 derived by using the Binomial Option Pricing Model were approximately RMB46,726,000 and RMB34,931,000, 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 component of convertible bonds with reference to market values. During the year ended 31 December 2018, the Group recognised the fair value gain of RMB10,283,000 in the consolidated statement of profit or loss.

The inputs used in the Binomial Option Pricing Model adopted by the independent professional valuer in determining the fair values the derivative component of the Second CB 2023 at the respective dates were as follows:

	At date of issue	At 31.12.2018		於二零一八年 於發行日期 十二月三十一日
Share price	HK\$2.44	HK\$2.23	股價	2.44港元 2.23港元
Exercise price	HK\$3.09	HK\$3.09	行使價	3.09港元 3.09港元
Expected dividend yield	2.05%	2.24%	預期股息率	2.05% 2.24%
Volatility	53.268%	49.536%	波幅	53.268% 49.536%
Discount rate	14.580%	14.403%	貼現率	14.580% 14.403%
Risk free interest rate	2.987%	2.541%	無風險利率	2.987% 2.541%

34. 可換股債券及可換股債券衍生工具部分(續)

(b) 可換股債券衍生工具部分(續)

(2) (續)

獨立專業估值師於各日期釐定二零二三年可換股債券衍生工具部分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：

- (3) 於初步確認及於二零一八年十二月三十一日對二零二三年第二批可換股債券進行估值時所應用的方法及假設如下

可換股債券衍生工具部分於初步確認及於二零一八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46,726,000元及人民幣34,931,000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可換股債券衍生工具部分方面擁有近期經驗。截至二零一八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收益人民幣10,283,000元。

獨立專業估值師於各日期釐定二零二三年第二批可換股債券衍生工具部分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：

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35. SENIOR NOTES AND BOND

35. 優先票據及債券

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 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	2,809,060	2,661,756
– Domestic corporate bond	– 境內公司債券	2,591,909	2,589,098
		5,400,969	5,250,854
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Net carry amount as at 1 January	於一月一日的賬面淨值	5,250,854	2,586,467
Issue of new senior notes and bond	發行新優先票據及債券	–	2,687,226
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)
Add: Interest charged during the year	加：年內已扣除利息	410,200	242,685
Less: Interest paid	減：已付利息	(394,549)	(169,000)
Exchange differences	匯兌差額	134,464	(49,172)
Net carrying amount as at 31 December	於十二月三十一日的賬面淨值	5,400,969	5,250,854
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	(2,591,909)	–
Amount due after one year	於一年後到期之款項	2,809,060	5,250,854

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 and US\$175,000,000 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.

Senior Notes are listed on the Singapore Exchange Securities Trading Limited (“SGX”). Senior Notes are:

- carried 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;
- senior in right of payment to any existing and future obligations of the Issuer expressly subordinated in right of payment to the Senior Notes;
- ranked 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);

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美元及175,000,000美元的優先票據（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：

- 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）；
- 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；
- 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）；

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35. SENIOR NOTES AND BOND (Cont'd)

Issue of US\$ denominated public senior notes due in 2020 (Cont'd)

- (d) guaranteed by the Company and certain subsidiaries of the Company (collectively the "Guarantors") on a senior basis, subject to certain limitations;
- (e) 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) 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 100.0% of the principal amount of the Senior Notes plus the applicable premium as defined in the offering memorandum of the Company dated 17 October 2017 ("Applicable Premium") as of, and accrued and unpaid interest (if any) to (but not including), the redemption date.

"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 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 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, 31 December 2017 and 2018.

The interest charged for the year is calculated by applying an effective interest rate of approximately 8.90% per annum since the Senior Notes were issued.

The fair value of the Senior Notes at 31 December 2018 amounted to RMB2,552,122,000 (2017: RMB2,625,060,000). The fair value is calculated by using the quoted price based on SGX at the end of the reporting period (or the nearest day of trading).

35. 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)

- (d) 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) 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) 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100.0%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。

「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先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、二零一七年及二零一八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實際年利率約8.90%計算。

優先票據於二零一八年十二月三十一日的公允價值為人民幣2,552,122,000元(二零一七年:人民幣2,625,060,000元)。該公允價值乃按於報告期末(或最近交易日)新交所的報價計算。

35. 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 shall have 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.

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 each reporting period.

The interest charged for the year is calculated by applying an effective interest rate of approximately 6.63% per annum since the Bond were issued.

The fair value of the Bond as at 31 December 2018 is RMB2,579,720,000 (2017: RMB2,589,098,000) 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 2018).

35. 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。正興隆將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。

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於各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(於二零一八年十二月三十一日前之最後交易日)之市場報價後，該債券於深交所二零一八年十二月三十一日之公允價值為人民幣2,579,720,000元(二零一七年：人民幣2,589,098,000元)。

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36. SHARE CAPITAL

36. 股本

		2018 二零一八年			2017 二零一七年		
		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	4,694,182,792	46,941	39,121	4,693,582,792	46,935	39,115
Exercise of share options (Note 39)	行使購股權(附註39)	6,700,000	67	58	600,000	6	6
Conversion of CB 2018 (Note 34 (a)(1))	兌換二零一八年可換股債券(附註34(a)(1))	28,794,063	288	240	-	-	-
Issue of ordinary shares (Note)	發行普通股(附註)	212,564,669	2,126	1,722	-	-	-
At 31 December	於十二月三十一日	4,942,241,524	49,422	41,141	4,694,182,792	46,941	39,121

Note:

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, and 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 allotment and issue of subscription shares were completed on 26 February 2018. The details of the issue of new ordinary shares are set out in the announcement of the Company dated 7 February 2018.

On 8 February 2018, China LVGEM Property Holdings Limited ("China LVGEM") as the vendor, 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 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 placement of the Placing Shares and issue of subscription shares were completed on 14 February 2018. The details of the placing and subscription are set out in the announcement of the Company dated 8 February 2018.

附註：

於二零一八年二月七日，本公司與Leadon International Investments Real Estate Limited (為本集團之獨立第三方及作為股份認購人)訂立股份認購協議，據此，股份認購人同意按認購價每股2.938港元認購132,564,669股新普通股，總額約389.47百萬港元(相當於人民幣325.56百萬元)。認購股份之配發及發行已於二零一八年二月二十六日完成。發行新普通股的詳情載於本公司日期為二零一八年二月七日之公告。

於二零一八年二月八日，中國綠景地產控股有限公司(「中國綠景」)作為賣方，與配售代理訂立配售及認購協議，據此，配售代理已同意代表中國綠景以每股2.938港元之價格(「配售價」)配售80,000,000股現有股份(「配售股份」)，總額約235.04百萬港元(相當於人民幣196.47百萬元)。配售股份將由配售代理配售予獨立第三方安信證券股份有限公司-QDII及國信證券股份有限公司-QDII。根據配售及認購協議，中國綠景已有條件同意以配售價進一步認購80,000,000股本公司新普通股，配售股份之配售及認購股份之發行已於二零一八年二月十四日完成。配售及認購的詳情載於本公司日期為二零一八年二月八日之公告。

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37. RESERVES

37. 儲備

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Share premium	股份溢價	6,882,609	6,300,567
Convertible preference shares	可換股優先股	6,246,161	5,959,114
Other reserve	其他儲備	(11,637,887)	(11,235,356)
Exchange reserve	匯兌儲備	59,400	119,608
Investment revaluation reserve	投資重估儲備	110,661	75,744
Share option reserve (note 39)	購股權儲備(附註39)	222,970	208,337
Statutory reserve	法定儲備	221,376	149,812
Retained profits	保留盈利	9,185,017	8,219,115
		11,290,307	9,796,941

Notes:

The movements of the Group's reserves for the year are presented in the consolidated statement of changes in equity of the consolidated financial statements. The nature and purpose of the reserves are as follows:

- (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 37 (ii)(b).

Key terms of the 2015 CPS

- Holders 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 holders of the 2015 CPS or a resolution is proposed for the winding up of the Company;
- Holders of the 2015 CPS have 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 holders 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;
- Holders 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：

本集團年內之儲備變動於綜合財務報表之綜合權益變動表中呈列。儲備之性質及用途如下：

- (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37(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。

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37. RESERVES (Cont'd)

Notes: (Cont'd)

(i) (Cont'd)

On 7 February 2018, the Company entered into the Convertible Preference Shares (the "2018 CPS") subscription agreement with Silver Sure (BVI) Investments Limited, an independent third party to the Group as the 2018 CPS subscriber pursuant to which the 2018 CPS subscriber agreed to subscribe for 132,564,669 new CPS at an aggregate consideration of approximately HK\$389.47 million (equivalent to RMB325.56 million). The allotment and issue of 2018 CPS was completed on 21 February 2018.

The 2018 CPS is classified as equity instrument 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.

Key terms of the 2018 CPS

- Holders 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 holders of the 2018 CPS or a resolution is proposed for the winding up of the Company;
- Holders of the 2018 CPS have 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 holders 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; and
- Holders 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;

The details of the 2018 CPS are set out in the announcement of the Company dated 7 February 2018.

The 2018 CPS and 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 2018 CPS and 2015 CPS.

Up to the date of the authorisation for issue of the Group's consolidated financial statements for the year ended 31 December 2018, no 2018 CPS and 2015 CPS has been converted into ordinary shares of the Company.

37. 儲備(續)

附註:(續)

(i) (續)

於二零一八年二月七日，本公司與銀順(BVI)投資有限公司(為本集團之獨立第三方及作為二零一八年可換股優先股認購人)訂立可換股優先股(「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(相當於人民幣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之配發及發行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於本集團綜合財務報表獲分類為股本工具，原因為本集團並無向持有人交付因發行二零一八年可換股優先股產生之現金或其他金融資產之合約責任。

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，而毋須支付任何額外代價。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後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；及
- 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。

二零一八年可換股優先股的詳情載於本公司日期為二零一八年二月七日之公告。

由於本集團並無交付發行二零一八年可換股優先股及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，故二零一八年可換股優先股及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。

截至授權刊發本集團截至二零一八年十二月三十一日止年度綜合財務報表日期，二零一八年可換股優先股及二零一五年可換股優先股並未轉換為本公司普通股股份。

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37. RESERVES (Cont'd)

Notes: (Cont'd)

- (ii) Other reserves mainly comprise:
- (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 interests 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.
- (d) On 28 December 2018, the Group entered into a subscription agreement with Mr. Wong to subscribe 90.1% equity interests in Copious Favour Holdings Limited ("Copious Favour"), an investment holding company wholly owned by Mr. Wong and Copious Favour indirectly holds 44% equity interests in Zhuhai LVGEM Dongqiao Investment Co., Ltd ("Zhuhai LVGEM Dongqiao"), which is a 51% owned indirect subsidiary of the Company. Upon completion of the subscription on 28 December 2018, Copious Favour became a non-wholly owned subsidiary of the Company, while the Group's equity interests in Zhuhai LVGEM Dongqiao increased from 51% to 90.64%.
- The difference between subscription amount and the attributable net liabilities being acquired was included in other reserve.
- (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.

37. 儲備(續)

附註:(續)

- (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。
- (d) 於二零一八年十二月二十八日，本集團與黃先生訂立認購協議，以認購黃先生全資擁有之投資控股公司厚益控股有限公司(「厚益」)之90.1%股權，而厚益間接持有珠海市綠景東橋投資有限公司(「珠海綠景東橋」)之44%股權，而珠海綠景東橋為本公司擁有51%權益之間接附屬公司。於二零一八年十二月二十八日完成認購事項後，厚益成為本公司之非全資附屬公司，而本集團於珠海綠景東橋之股權由51%增至90.64%。
- 認購金額與已收購之應佔負債淨值之間之差額計入其他儲備。
- (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。

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38. 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, 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.

Assets and liabilities recognised at the date of acquisition:

		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 31)(Note)	應付代價(附註31)(附註)	2,068,852
		6,586,994

Note: The consideration payable was fully settled during the year ended 31 December 2018.

附註：應付代價於截至二零一八年十二月三十一日止年度全數結算。

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

38. 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。

於收購日期確認之資產及負債：

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38. ACQUISITIONS OF ASSETS AND LIABILITIES THROUGH ACQUISITION OF SUBSIDIARIES (Cont'd)

(b) As detailed in the announcement of the Company dated 28 December 2018 and 4 January 2019, the Group entered into a subscription agreement with Mr. Wong, the controlling shareholder, to subscribe 90.1% equity interests at a consideration of RMB20,000,000 in Copious Favour, an investment holding company wholly owned by Mr. Wong and Copious Favour indirectly holds 44% equity interests in Zhuhai LVGEM Dongqiao, which is a 51% owned indirect subsidiary of the Company. Upon completion of the subscription on 28 December 2018, Copious Favour became a non-wholly owned subsidiary of the Company, while the Group's effective equity interests in Zhuhai LVGEM Dongqiao increased from 51% to 90.64%. At the date of acquisition, the net liabilities acquired by the Group amounting to RMB401,400,000, which mainly included an amount due to China LVGEM.

The difference between subscription amount and the attributable net liabilities being acquired was included in other reserve.

39. 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.

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.

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.

38. 透過收購附屬公司收購資產及負債(續)

(b) 誠如本公司日期為二零一八年十二月二十八日及二零一九年一月四日的公告所詳述，本集團與控股股東黃先生訂立認購協議，以按代價人民幣20,000,000元認購黃先生全資擁有之投資控股公司厚益之90.1%股權，而厚益間接持有珠海綠景東橋之44%股權，而珠海綠景東橋為本公司擁有51%權益之間接附屬公司。於二零一八年十二月二十八日完成認購事項後，厚益成為本公司之非全資附屬公司，而本集團於珠海綠景東橋之實際股權由51%增至90.64%。於收購日期，本集團收購之負債淨值為人民幣401,400,000元，當中主要包括應付中國綠景款項。

認購金額與已收購之應佔負債淨值之間之差額計入其他儲備。

39. 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」)。

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。

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。

39. SHARE-BASED EMPLOYEE COMPENSATION (Cont'd)

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.

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.

39. 以股份支付的僱員薪酬(續)

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%。

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。

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39. SHARE-BASED EMPLOYEE COMPENSATION (Cont'd)

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 2018 and 31 December 2017 are as follows:

39. 以股份支付的僱員薪酬(續)

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二零一八年十二月三十一日及二零一七年十二月三十一日尚未行使的購股權詳情如下：

		Date of grant (dd/mm/yyyy)	Exercisable period (dd/mm/yyyy)	Number of options 購股權數目				Balance at 31 December 2018	Exercise price per share HK\$	
				Balance at 1 January 2018	Transfer during the year	Granted during the year	Exercised during the year (Note 4)			Lapsed during the year
		授出日期 (日/月/年)	行使期間 (日/月/年)	於二零一八年 一月一日 的結餘	於年內轉撥	於年內授出	於年內行使 (附註4)	於年內失效	於二零一八年 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	16,950,000	-	-	-	-	16,950,000	1.846
Executive directors (Note 2)	執行董事(附註2)	28/06/2016	28/06/2017 to 27/06/2026	13,950,000	-	-	-	-	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	18,600,000	-	-	-	-	18,600,000	1.846
Employees (Note 1)	僱員(附註1)	28/06/2016	28/06/2016 to 27/06/2026	68,490,000	-	-	(3,000,000)	-	65,490,000	1.846
Employees (Note 2)	僱員(附註2)	28/06/2016	28/06/2017 to 27/06/2026	68,490,000	-	-	(2,100,000)	(540,000)	65,850,000	1.846
Employees (Note 3)	僱員(附註3)	28/06/2016	28/06/2018 to 27/06/2026	91,320,000	-	-	(1,600,000)	(1,920,000)	87,800,000	1.846
				277,800,000	-	-	(6,700,000)	(2,460,000)	268,640,000	

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39. SHARE-BASED EMPLOYEE COMPENSATION (Cont'd)

39. 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 2017	Exercise price per share HK\$	
				Balance at 1 January 2017	Transfer during the year	Granted during the year	Exercised during the year (Note 4)			Lapsed during the year
				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 (附註4)	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	1,350,000	-	-	-	16,950,000	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
				285,800,000	-	-	(600,000)	(7,400,000)	277,800,000	
Exercisable at the end of the year	於年末可行使								167,880,000	

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\$2.61 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2.61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 2018, the Group recognised the total expense of RMB21,959,000 (2017: RMB80,408,000) 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)。截至二零一八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21,959,000元(二零一七年:人民幣80,408,000元)。

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39. 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.

40. 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 RMB22,330,000 (2017: RMB20,167,000). No forfeited contributions have been used to reduce the level of contributions in both years.

39. 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。

40. 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22,330,000元(二零一七年：人民幣20,167,000元)。概無利用沒收供款減低兩個年度內之供款水平。

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41. 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.

42. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

Categories of financial instruments

Financial assets

Loans and receivables (including bank balances and cash)

Financial assets at amortised cost

Financial asset at FVTPL

AFS investments

Equity instrument at fair value through other comprehensive income

Debt instrument at fair value through other comprehensive income

Financial liabilities

Financial liabilities measured at amortised cost

Derivative financial instruments

金融資產

貸款及應收款項(包括銀行結餘及現金)

按攤銷成本計量的金融資產

按公允價值計入損益之金融資產

可供出售投資

按公允價值計入其他全面收益之股本工具

按公允價值計入其他全面收益之債務工具

金融負債

按攤銷成本計量的金融負債

衍生金融工具

41. 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。

42. 財務風險管理的政策及目標

金融工具類別

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 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
Financial assets at amortised cost	按攤銷成本計量的金融資產	8,579,811	-
Financial asset at FVTPL	按公允價值計入損益之金融資產	10,559	150,000
AFS investments	可供出售投資	-	444,259
Equity instrument at fair value through other comprehensive income	按公允價值計入其他全面收益之股本工具	490,816	-
Debt instrument at fair value through other comprehensive income	按公允價值計入其他全面收益之債務工具	20,000	-
Financial liabilities	金融負債		
Financial liabilities measured at amortised cost	按攤銷成本計量的金融負債	25,336,421	22,202,042
Derivative financial instruments	衍生金融工具	198,105	111,078

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.

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。

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42. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (Cont'd)

Categories of financial instruments (Cont'd)

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.

42.1 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	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
US\$	美元	125,999	78,760	835,367	705,250
HK\$	港元	219,876	132,086	2,782,493	825,193

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.

42. 財務風險管理的政策及目標(續)

金融工具類別(續)

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。

42.1 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。

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42. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (Cont'd)

42.1 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.

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
US\$	美元		
Profit or loss	損益	26,601	23,493
HK\$	港元		
Profit or loss	損益	96,098	25,992

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.

42.2 Interest rate risk

The Group has significant borrowings (see note 33 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 rate which exposed 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 analyses below have 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 (2017: 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.

If interest rates had been 50 (2017: 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 RMB24,916,000 (2017: RMB20,298,000), net of interest that would be capitalised in accordance with the Group's accounting policy.

42. 財務風險管理的政策及目標(續)

42.1 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。

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
US\$		
Profit or loss	26,601	23,493
HK\$		
Profit or loss	96,098	25,992

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。

42.2 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33)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(二零一七年: 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。

倘利率增加/減少50(二零一七年: 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24,916,000元(二零一七年: 人民幣20,298,000元)。

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42. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (Cont'd)

42.2 Interest rate risk (Cont'd)

Sensitivity analysis (Cont'd)

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.

42.3 Credit risk and impairment assessment

As at 31 December 2018, 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 amount 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 guarantee issued by the Group as disclosed in note 46.

The Group's credit risk is primarily attributable to its accounts and other receivables, amounts 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 credit losses, 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, a subcontractor, related parties and non-controlling interests of RMB810,002,000 (2017: RMB738,206,000) in aggregate as at 31 December 2018. The credit risk on liquid funds is limited because the funds have been deposited with various creditworthy financial institutions located in Hong Kong and the PRC.

As at 31 December 2018, the directors of the Company considered that the default risk for other receivables, amounts due from a joint venture, related parties and non-controlling interests is very low due to their sound credit worthiness, financial position and historical repayment records.

For amount due from a joint venture, the management of the Group assessed the profitability of the underlying project of the joint venture and its recoverability. Due to its profitability, the directors of the Company considered that the default risk is low.

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 at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

42. 財務風險管理的政策及目標(續)

42.2 利率風險(續)

敏感度分析(續)

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。

42.3 信貸風險及減值評估

於二零一八年十二月三十一日，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係的或然負債金額而產生，於附註46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信貸虧損撥備，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，惟於二零一八年十二月三十一日應收一間合營公司、一名分包商、關聯方及非控股權益款項合共人民幣810,002,000元(二零一七年：人民幣738,206,000元)除外。由於資金存放於香港及中國具良好信譽的金融機構，故有關流動資金的信貸風險有限。

於二零一八年十二月三十一日，本公司董事認為，由於交易方之信譽、財務狀況及過往還款記錄良好，故其他應收款項、應收一間合營公司、關聯方及非控股權益款項之違約風險極低。

就應收一間合營公司款項而言，本集團管理層評估合營公司相關項目的盈利能力及其可收回性。基於其盈利能力，本公司董事認為違約風險較低。

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，本集團於報告期末檢討各項個別貿易債項的可收回金額，以確保就不可收回金額作出足夠減值虧損。就此而言，本公司董事認為本集團之信貸風險已顯著降低。

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42. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (Cont'd)

42.3 Credit risk and impairment assessment (Cont'd)

For properties under development which are subject to pre-sales agreements, the Group generally typically provides guarantees to banks in connection with the customers' borrowing of mortgage loans to finance their purchase of the properties for certain amount of the total purchase price of the property. If a purchaser defaults on the payment of its mortgage during the term of guarantee, the bank holding the mortgage may demand the Group to repay the outstanding amount of the loan and any accrued interest thereon. Under such circumstances, the Group is able to forfeit the customer's purchase deposit and sell the property to recover any amounts paid by the Group to the bank. Therefore, the management considers it would likely recover any loss incurred arising from the guarantee by the Group. 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 prices of the properties are higher than the guaranteed amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

As at 31 December 2018, the directors of the Company considered that the default risk for the accounts receivable is very low and the lifetime ECL allowance is insignificant.

42.4 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 date 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.

42. 財務風險管理的政策及目標(續)

42.3 信貸風險及減值評估(續)

就預售協議下之發展中物業而言，本集團一般通常為客戶就撥資購買物業而作出之按揭貸款向銀行提供擔保，金額為物業購買價總額之一定數額。倘買方於擔保期內逾期支付按揭款項，持有按揭之銀行可要求本集團償還貸款尚未償還金額及任何應計利息。在該情況下，本集團可沒收客戶之購買按金並出售有關物業以收回本集團向銀行支付之任何金額。因此，管理層認為任何因本集團之擔保而產生之虧損均可能收回。由於該等融資以物業作抵押，而物業之市價高於擔保金額，故管理層認為向物業買方提供財務擔保而面臨之信貸風險有限。就此而言，本公司董事認為此舉大幅減低本集團之信貸風險。

於二零一八年十二月三十一日，本公司董事認為應收賬款之違約風險極低，且存續期預期信貸虧損撥備不大。

42.4 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(即倘買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。

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42. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (Cont'd)

42. 財務風險管理的政策及目標(續)

42.4 Liquidity risk (Cont'd)

42.4 流動資金風險(續)

For derivative financial instruments settle on a net basis, undiscounted net outflows are presented.

就以淨值結算之衍生金融工具而言，未折現現金流出淨額已予呈列。

		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	Carrying amount
		加權平均實際利率 %	一年內或按要求	一年以上兩年以內	兩年以上五年以內	五年後	未折現合約現金流量總額	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
2018	二零一八年							
Non-derivative financial liabilities	非衍生金融負債							
Accounts payable	應付賬款	-	1,383,514	-	-	-	1,383,514	1,383,514
Accruals and other payables	應計費用及其他應付款項	-	628,497	-	-	-	628,497	628,497
Bank and other borrowings	銀行及其他借貸	6.05	3,718,961	2,768,303	9,531,104	2,473,164	18,491,532	16,541,796
Senior notes and bond	優先票據及債券	7.75	2,962,551	2,963,780	-	-	5,926,331	5,400,969
Debt component of convertible bonds	可換股債券之債務部分	13.87	78,080	754,167	1,144,755	-	1,977,002	1,381,645
Financial guarantee contracts (note 46)	財務擔保合約(附註46)	-	1,162,977	-	-	-	1,162,977	-
			9,934,580	6,486,250	10,675,859	2,473,164	29,569,853	25,336,421
Derivatives – net settlement	衍生工具 – 淨額結算							
Derivative financial instruments	衍生金融工具	-	198,105	-	-	-	198,105	198,105
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 46)	財務擔保合約(附註46)	-	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

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 counterparty to the guarantee. Based on the expectations 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 counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty 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。

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42. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (Cont'd)

42.4 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 2018 二零一八年十二月三十一日	-	180,144	264,489	249,942	694,575	675,274
31 December 2017 二零一七年十二月三十一日	-	91,691	41,858	-	133,549	131,236

42.5 Price risk

The Group is exposed to price risk in connection with equity instrument at FVTOCI and available-for-sale investments, which are public 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 RMB18,406,000 (2017: RMB16,660,000).

The Group was 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 was calculated using the Binomial Option Pricing Model detailed in note 34.

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.

42. 財務風險管理的政策及目標(續)

42.4 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：

42.5 價格風險

本集團承受與按公允價值計入其他全面收益之股本工具及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公眾上市股權證券。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18,406,000元(二零一七年：人民幣16,660,000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34。

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。

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42. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (Cont'd)

42.6 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 or 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
		2018	2017			
		二零一八年 RMB'000 人民幣千元	二零一七年 RMB'000 人民幣千元			
Derivative financial instruments	衍生金融工具	198,105	111,078	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、本公司股價波幅、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	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	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

42. 財務風險管理的政策及目標(續)

42.6 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或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)。

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42. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (Cont'd)

42. 財務風險管理的政策及目標(續)

42.6 Fair value measurement of financial instruments (Cont'd)

42.6 金融工具的公允價值計量(續)

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis (Cont'd)

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)

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
		2018	2017			
		二零一八年 RMB'000 人民幣千元	二零一七年 RMB'000 人民幣千元			
Equity instrument at fair value through other comprehensive income	按公允價值計入其他全面收益之股本工具	490,816	-	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
Equity instrument at fair value through profit or loss	按公允價值計入損益之股本工具	10,559	-	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
Debt instrument at fair value through other comprehensive income	按公允價值計入其他全面收益之債務工具	20,000	-	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

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 34.

附註：本公司股價波幅愈高，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幅，請參閱附註34。

There is no transfer between different levels of the fair value hierarchy for both years.

於兩個年度，公允價值等級各級之間概無轉移。

Reconciliation of Level 3 fair value measurements

第三級公允價值計量的對賬

		Conversion option derivative 兌換期權衍生工具	
		2018	2017
		二零一八年 RMB'000 人民幣千元	二零一七年 RMB'000 人民幣千元
Net carrying amount as at 1 January	於一月一日的賬面淨值	111,078	120,496
Embedded derivatives at the date of issue of convertible bonds	於發行可換股債券日期之嵌入式衍生工具	255,307	-
Conversion of convertible bond of CB 2018	兌換二零一八年可換股債券之可換股債券	(11,107)	-
Fair value gain recognised in profit or loss	於損益確認的公允價值收益	(172,192)	(2,373)
Exchange difference	匯兌差額	15,019	(7,045)
Net carrying amount as at 31 December	於十二月三十一日的賬面淨值	198,105	111,078

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42. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (Cont'd)

42.6 Fair value measurement of financial instruments (Cont'd)

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 35, 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 value of such financial assets and financial liabilities (categories within Level 3 hierarchy) 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.

42. 財務風險管理的政策及目標(續)

42.6 金融工具的公允價值計量(續)

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35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(屬第三級類別者)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。

43. 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.

43. 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。

		Dividend payables	Borrowings	Debt component of convertible bonds	Senior notes and bond	Derivative component of convertible bonds	Total
		應付股息	借貸	可換股債券債務部分	優先票據及債券	可換股債券衍生工具部分	總值
		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
At 1 January 2018	於二零一八年一月一日	-	12,958,277	589,650	5,250,854	111,078	18,909,859
Financing cash flows	融資性現金流	(203,019)	2,501,044	658,715	(394,549)	255,307	2,817,498
Foreign exchange translation	外匯換算	-	261,584	60,589	134,464	15,019	471,656
Interest expenses	利息開支	-	820,891	131,969	410,200	-	1,363,060
Conversion of CB 2018	兌換二零一八年可換股債券	-	-	(59,278)	-	(11,107)	(70,385)
Fair value adjustment	公允價值調整	-	-	-	-	(172,192)	(172,192)
Dividend declared	宣派股息	203,019	-	-	-	-	203,019
At 31 December 2018	於二零一八年十二月三十一日	-	16,541,796	1,381,645	5,400,969	198,105	23,522,515
At 1 January 2017	於二零一七年一月一日	-	8,830,800	559,186	2,586,467	120,496	12,096,949
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)	(7,045)	(148,976)
Interest expenses	利息開支	-	545,452	107,299	242,685	-	895,436
Fair value adjustment	公允價值調整	-	-	-	-	(2,373)	(2,373)
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	111,078	18,909,859

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44. COMMITMENTS

(a) Capital and other commitments

At the end of the reporting period, the Group has the following commitments:

Contracted but not provided for:

- Investment properties under development
- Properties under development for sale
- Acquisition of equity interests (*Note*)

已訂約但未撥備：

- 在建投資物業
- 發展中待售物業
- 收購股權(*附註*)

2018	2017
二零一八年	二零一七年
RMB'000	RMB'000
人民幣千元	人民幣千元

98,892	946,265
1,526,006	2,663,904
–	1,890,000
1,624,898	5,500,169

Note:

On 11 November 2016, Purchaser entered into the sale and purchase agreement with Vendor, and pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to purchase 100% equity interests in a company holding 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 at a consideration of RMB2,100 million, subject to adjustment.

As of 31 December 2017, the Group has paid 10% of the total consideration amounting to RMB210 million in exchange for 10% equity interests, which in substance is a deposit paid for acquisition of land use right. After the Vendor obtains local government approval for the property development project, the Purchaser is obliged to pay the remaining 90% outstanding amount.

During the period ended 31 December 2018, the Group and the Vendor agreed that the Group would purchase 100% interest in Zhuhai Kaiwei Property Co., Ltd (“珠海凱威置業有限公司”) directly. The total consideration for purchase of 100% equity interests of Zhuhai Kaiwei Property Co., Ltd (“珠海凱威置業有限公司”) has been adjusted from RMB2,100 million to RMB1,800 million according to the adjustment mechanism based on the actual saleable gross floor area as determined by the relevant regulatory authority under the aforesaid adjustment in the sale and purchase agreement. Accordingly, Zhuhai Kaiwei Property Co., Ltd (“珠海凱威置業有限公司”) has become a subsidiary of the Group since then. The remaining consideration has been paid by the Group in 2018.

44. 承擔

(a) 資本及其他承擔

於報告期末，本集團有以下承擔：

附註：

於二零一六年十一月十一日，收購方與賣方訂立買賣協議，據此，賣方已同意出售而收購方已同意以代價人民幣21億元(可予調整)購買一間持有珠海凱威置業有限公司100%權益的公司的100%股權，而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210百萬元，以換取10%的股權，該金額實質上為收購土地使用權之已付按金。於賣方取得地方政府之物業開發項目批覆後，收購方須支付尚未償還金額的其餘90%。

於截至二零一八年十二月三十一日止期間，本集團及賣方協定本集團將直接收購珠海凱威置業有限公司之100%權益。根據上述買賣協議調整下之調整機制，收購珠海凱威置業有限公司100%股權之總代價已按相關監管機關釐定之實際可銷售建築面積由人民幣2,100百萬元調整為人民幣1,800百萬元。因此，珠海凱威置業有限公司自此成為本集團之附屬公司。本集團已於二零一八年支付餘下代價。

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44. 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:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within one year	一年內	462,420	452,950
In the second to fifth year, inclusive	第二至五年(包括首尾兩年)	753,475	815,542
Over five years	多於五年	193,673	188,746
		1,409,568	1,457,238

The Group leases out its investment properties under operating lease arrangements which run for initial periods of less than one year to fifteen years (2017: less than one year to fifteen 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:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within one year	一年內	30,449	30,973
In the second to fifth year, inclusive	第二至五年(包括首尾兩年)	98,963	109,808
Over five years	多於五年	80,057	96,611
		209,469	237,392

The Group leases a number of properties under operating lease arrangements which run for initial periods of one year to thirteen years (2017: one year to fourteen 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.

44. 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：

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within one year	462,420	452,950
In the second to fifth year, inclusive	753,475	815,542
Over five years	193,673	188,746
	1,409,568	1,457,238

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(二零一七年：少於一年至十五年)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：

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within one year	30,449	30,973
In the second to fifth year, inclusive	98,963	109,808
Over five years	80,057	96,611
	209,469	237,392

本集團根據經營租賃安排租賃多項物業，初步為期一年至十三年(二零一七年：一年至十四年)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。

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45. PLEDGE OF ASSETS

At the end of the reporting period, the Group had the following assets being pledged.

		2018	2017
		二零一八年	二零一七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Properties under development for sale	發展中待售物業	243,244	2,735,309
Properties held for sale	待售物業	17,612	60,443
Investment properties	投資物業	16,186,128	13,419,429
Property, plant and equipment	物業、廠房及設備	228,428	226,426
Pledged deposits	抵押存款	2,202,786	1,488,431
		18,878,198	17,930,038

Note: As at 31 December 2018, except for assets pledged above, a secured bank loan with aggregate amount of RMB1,785,690,000 is secured by the equity interests of a subsidiary of the Group (also see note 33).

於報告期末，本集團以下資產已被抵押。

		2018	2017
		二零一八年	二零一七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Properties under development for sale	發展中待售物業	243,244	2,735,309
Properties held for sale	待售物業	17,612	60,443
Investment properties	投資物業	16,186,128	13,419,429
Property, plant and equipment	物業、廠房及設備	228,428	226,426
Pledged deposits	抵押存款	2,202,786	1,488,431
		18,878,198	17,930,038

附註：於二零一八年十二月三十一日，除上述抵押之資產外，有抵押銀行貸款總金額人民幣1,785,690,000元由本集團一間附屬公司之股權作抵押（請同時參閱附註33）。

46. CONTINGENT LIABILITIES

For the year ended 31 December 2018, the Group had contingent liabilities relating to guarantees in respect of mortgage facilities for certain purchasers amounting to approximately RMB1,162,977,000 (2017: RMB379,165,000).

Pursuant to the terms of the guarantees, if there is default on 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 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 for the Group to sustain a loss under these guarantees as during the periods under guarantees, the Group can take over the ownerships of the related properties under default 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 that the purchasers default payments to the banks for their mortgage loans.

46. 或然負債

截至二零一八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為人民幣1,162,977,000元（二零一七年：人民幣379,165,000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，而本集團在違約的情況下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按揭貸款，相關物業的公允市值足以彌補本集團所擔保的未償還按揭貸款。

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47. 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

Development cost paid to Shenzhen Forsafe System Technology Co., Ltd. ("Forsafe"), an entity controlled by an associate of the ultimate controlling party	向深圳市賦安安全系統有限公司(「賦安」)(一家由最終控股方之聯繫人士控制之實體)支付之開發成本費用
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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, 26 and 31.

(c) Key management personnel compensation

The directors are of the opinion that the key management personnel were solely the executive directors of the Company. Remuneration paid to the Company's executive directors is disclosed in note 10.

47. 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

2018	2017
二零一八年	二零一七年
RMB'000	RMB'000
人民幣千元	人民幣千元

-	2,054
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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、26及31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執行董事。已付本公司執行董事的薪酬於附註10中披露。

48. NON-CASH TRANSACTION

During the year ended 31 December 2018, an amount due to China LVGEM, a related party of the Group, of RMB341,876,000, which arised from the capital injection for an acquisition of non-controlling interest in a subsidiary, has been set off with amount due from related parties, in which the ultimate controlling party has beneficial interests.

48. 非現金交易

截至二零一八年十二月三十一日止年度，以增資方式收購一間附屬公司之非控股權益而產生之應付中國綠景(本集團之關聯方)款項人民幣341,876,000元已與應收關聯方款項(最終控股方於其中擁有實益權益)互相抵銷。

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49. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

49. 本公司財務狀況表

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 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	9,517,918	9,134,279
		12,899,271	12,515,632
Current assets	流動資產		
Amounts due from subsidiaries	應收附屬公司款項	3,246,078	1,183,672
Deposits paid, prepayments and other receivables	已付按金、預付款項及其他應收款項	2,698	3,347
Bank balances and cash	銀行結餘及現金	86,277	49,110
		3,335,053	1,236,129
Current liabilities	流動負債		
Accruals and other payables	應計費用及其他應付款項	25,938	4,540
Amounts due to subsidiaries	應付附屬公司款項	231,455	21,477
Borrowings	借貸	590,239	122,877
Debt component of convertible bonds	可換股債券債務部分	-	589,650
Derivative component of convertible bonds	可換股債券衍生工具部分	-	111,078
		847,632	849,622
Net current assets	流動資產淨額	2,487,421	386,507
Total assets less current liabilities	總資產減流動負債	15,386,692	12,902,139
Non-current liabilities	非流動負債		
Borrowings	借貸	1,012,908	158,821
Debt component of convertible bonds	可換股債券債務部分	613,593	-
Derivative component of convertible bonds	可換股債券衍生工具部分	30,842	-
		1,657,343	158,821
Net assets	資產淨額	13,729,349	12,743,318
Capital and reserves	資本及儲備		
Share capital	股本	41,141	39,121
Reserves	儲備	13,688,208	12,704,197
Total equity	總權益	13,729,349	12,743,318

HUANG Jingshu
黃敬舒
DIRECTOR
董事

DENG Chengying
鄧承英
DIRECTOR
董事

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49. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Cont'd) 49. 本公司財務狀況表(續)

Note:

Details of the movement in the Company's reserves are set out below:

附註：

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 2017	於二零一七年一月一日之結餘	6,299,142	5,959,114	128,404	30,165	(18)	230,996	12,647,803
Profit for the year	年度盈利	-	-	-	-	-	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
Profit for the year	年度盈利	-	-	-	-	-	299,990	299,990
Lapse of share options	購股權失效	-	-	(2,039)	-	-	2,039	-
Exercise of share options	行使購股權	15,999	-	(5,287)	-	-	-	10,712
Recognition of equity-settled share-based payments	確認以股權結算以股份支付之付款	-	-	21,959	-	-	-	21,959
Conversion of convertible bonds	兌換可換股債券	70,145	-	-	-	-	-	70,145
Issue of ordinary shares	發行普通股	495,898	-	-	-	-	-	495,898
Issue of convertible preference shares	發行可換股優先股	-	287,047	-	-	-	-	287,047
Dividend declared and made	已宣派及派付之股息	-	-	-	-	-	(201,740)	(201,740)
Balance as at 31 December 2018	於二零一八年十二月三十一日之結餘	6,882,609	6,246,161	222,970	30,165	(18)	306,321	13,688,208

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50. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Particulars of the principal subsidiaries, each of which is a limited liability company, as at 31 December 2018 and 2017 are as follows:

50. 主要附屬公司的詳情

於二零一八年及二零一七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 interests		Principal activities (Place of operations) 主要業務(營業地點)
			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% (2017: 100%) (二零一七年: 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% (2017: 51%) (二零一七年: 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% (2017: 95%) (二零一七年: 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%# (2017: 61%#) (二零一七年: 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\$15,000,000 15,000,000美元	–	100% (2017: 100%) (二零一七年: 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% (2017: 100%) (二零一七年: 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))	RMB16,000,000 人民幣16,000,000元	–	100% (2017: 100%) (二零一七年: 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% (2017: 100%) (二零一七年: 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% (2017: 100%) (二零一七年: 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% (2017: 100%) (二零一七年: 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% (2017: 100%) (二零一七年: 100%)	Property management services (PRC) 物業管理服務(中國)
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% (2017: 100%) (二零一七年: 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% (2017: 100%) (二零一七年: 100%)	Property development (PRC) 物業發展(中國)

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50. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Cont'd)

50. 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 interests		Principal activities (Place of operations) 主要業務(營業地點)
			Directly 直接	Indirectly 間接	
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% (2017: 100%) (二零一七年: 100%)	Property development (PRC) 物業發展(中國)
Huazhou LVGEM Real Estate Development Co., Ltd. 化州市綠景房地產開發有限公司	PRC (Note (b)) 中國(附註(b))	RMB210,000,000 人民幣210,000,000元	-	100% (2017: 100%) (二零一七年: 100%)	Property development (PRC) 物業發展(中國)
Zuhai LVGEM Dongqiao Investment Co., Ltd. 珠海市綠景東橋投資有限公司	PRC (Note (b)) 中國(附註(b))	RMB7,500,000 人民幣7,500,000元	-	90.64% (2017: 51%) (二零一七年: 51%)	Property development (PRC) 物業發展(中國)
Zhengxinglong Real Estate (Zhuhai) Co., Ltd. 正興隆房地產(珠海)有限公司	PRC (Note (b)) 中國(附註(b))	RMB407,000,000 人民幣407,000,000元	-	100% (2017: 100%) (二零一七年: 100%)	Property development (PRC) 物業發展(中國)
Guangzhou Yuejing Real Estate Development Co., Ltd. 廣州市粵景房地產開發有限公司	PRC (Note (b)) 中國(附註(b))	RMB10,000,000 人民幣10,000,000元	-	93% (2017: Nil) (二零一七年: 無)	Property development (PRC) 物業發展(中國)
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	-	95% (2017: 75%) (二零一七年: 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	-	95% (2017: 75%) (二零一七年: 75%)	Property development (HK) 物業發展(香港)
Olinda	HK 香港	20 shares of HK\$1 each 20股每股面值1港元之股份	-	100% (2017: 100%) (二零一七年: 100%)	Property development and investment (HK) 物業發展及投資(香港)
Gemstones 碧玺	BVI 英屬維爾京群島	1 share of US\$1 1股1美元之股份	100% (2017: 100%) (二零一七年: 100%)	-	Treasury vehicle (BVI) 處理財資工作 (英屬維爾京群島)
Zone Asia Investments (HK) Limited 崇亞投資(香港)有限公司	HK 香港	1 share of HK\$1 each 1股每股面值1港元之股份	-	100% (2017: 100%) (二零一七年: 100%)	Investment holding (HK) 投資控股(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% (2017: 100%) (二零一七年: 100%)	Treasury vehicle (HK) 處理財資工作(香港)

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50. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Cont'd)

* The Group has an effective interest of 51% (2017: 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.

Approximate percentage.

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 35, and Gemstones, which issued Private Notes and Senior Notes in 2017 as disclosed in note 33 and note 35 respectively, none of the remaining subsidiaries had issued any debt securities at the end of the reporting period.

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 and Jianmai and its subsidiary, 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 interests held by non-controlling interests		Total comprehensive income (expenses) allocated to non-controlling interests		Accumulated non-controlling interests	
		2018	2017	2018	2017	2018	2017
		二零一八年	二零一七年	二零一八年	二零一七年	二零一八年	二零一七年
		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%	(2,139)	4,172	37,527	39,666
Jianmai and its subsidiary	景邁及其附屬公司	5%	25%	15	(43)	30,610	152,975
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	(4,362)	(4,140)	39,358	40,500
				(6,486)	(11)	107,495	233,141

50. 主要附屬公司的詳情(續)

* 本集團擁有協朗的51% (二零一七年: 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。

概約百分比

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35所披露, 其於二零一六年八月二十六日發行該債券)及碧璽(如附註33及附註35分別披露, 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。

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。

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50. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Cont'd)

50. 主要附屬公司的詳情(續)

Material non-controlling interests (Cont'd)

重大非控股權益(續)

(i) PVGL and its subsidiary

(i) 協朗及其附屬公司

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Current assets	流動資產	271,056	279,171
Non-current assets	非流動資產	-	3
Current liabilities	流動負債	(141,696)	(145,414)
Net assets	資產淨值	129,360	133,760
Equity attributable to owners of the Company	本公司股東應佔權益	39,058	41,285
Equity attributable to non-controlling interests of PVGL	協朗之非控股權益應佔權益	37,527	39,666
Equity attributable to non-controlling interests of SNHGF (Note)	蘇州新綉之非控股權益應佔權益(附註)	52,775	52,809
Total equity	權益總額	129,360	133,760
Revenue	收益	-	7,062
Other income, other gains and losses	其他收入、其他收益及虧損	(914)	8,318
Expenses	開支	(3,486)	(6,165)
Attributable to non-controlling interests of SNHGF (Note)	蘇州新綉非控股權益應佔(附註)	34	(701)
(Loss) profit for the year	年度(虧損)盈利	(4,366)	8,514
(Loss) profit attributable to owners of the Company	本公司股東應佔(虧損)盈利	(2,227)	4,342
(Loss) profit attributable to non-controlling interests	非控股權益應佔(虧損)盈利	(2,139)	4,172
(Loss) profit for the year	年度(虧損)盈利	(4,366)	8,514
Net cash used in operating activities	經營活動所用現金淨額	(185,774)	(8,714)
Net cash from investing activities	投資活動所得現金淨額	3,312	2,572
Net cash from financing activities	融資活動所得現金淨額	-	51
Net cash outflow	現金流出淨額	(182,462)	(6,091)

Note: As at 31 December 2018, the Group held 51% (2017: 51%) equity interests in PVGL, which indirectly held 80% (2017: 80%) equity interests in SNHGF. In addition, the Group also indirectly held the remaining 20% (2017: 20%) equity interests in SNHGF. Therefore, the Group effectively held 61% (2017: 61%) in SNHGF.

附註：於二零一八年十二月三十一日，本集團持有協朗51%股權(二零一七年：51%)，協朗間接持有蘇州新綉80%股權(二零一七年：80%)。此外，本集團亦間接持有蘇州新綉餘下20%股權(二零一七年：20%)。因此，本集團實際持有蘇州新綉61%(二零一七年：61%)股權。

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50. PARTICULARS OF PRINCIPAL SUBSIDIARIES (Cont'd)

Material non-controlling interests (Cont'd)

(ii) Jianmai and its subsidiary

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Current assets	流動資產	667,159	677,033
Current liabilities	流動負債	(54,952)	(65,133)
Net assets	資產淨值	612,207	611,900
Equity attributable to owners of the Company	本公司股東應佔權益	581,597	458,925
Equity attributable to non-controlling interests	非控股權益應佔權益	30,610	152,975
Total equity	權益總額	612,207	611,900
Other income	其他收入	380	-
Expenses	開支	(73)	(171)
Profit (loss) for the year	年度盈利(虧損)	307	(171)
Profit (loss) attributable to owners of the Company	本公司股東應佔盈利(虧損)	292	(128)
Profit (loss) attributable to non-controlling interests	非控股權益應佔盈利(虧損)	15	(43)
Profit (loss) for the year	年度盈利(虧損)	307	(171)
Net cash (used in) from operating activities and net cash (outflow) inflow	經營活動(所用)所得現金淨額及現金(流出)流入淨額	(5,650)	15,972

50. 主要附屬公司的詳情(續)

重大非控股權益(續)

(ii) 景邁及其附屬公司

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 years ended 31 December 2014, 2015 and 2016 as below. For the years ended 31 December 2017 and 2018 which extracted from the annual report 2018 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(摘錄自截至二零一四年、二零一五年及二零一六年十二月三十一日止年度之已刊發經審核財務報表)如下。截至二零一七年及二零一八年十二月三十一日止年度乃摘錄自二零一八年年報，並經重列(如適用)。

		Year ended 31 December 截至十二月三十一日止年度				
		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	2018 二零一八年 RMB'000 人民幣千元
RESULTS	業績					
Revenue	收益	5,245,348	1,210,270	4,590,162	2,967,751	4,515,685
Profit from operation	經營盈利	3,115,202	853,975	2,259,932	2,111,059	2,813,503
Finance costs	融資成本	(218,322)	(262,868)	(406,500)	(613,592)	(657,995)
Share of results of joint ventures	應佔合營公司業績	(40)	(30)	(9)	(93)	(8)
Profit before tax	除稅前盈利	2,896,840	591,077	1,853,423	1,497,374	2,155,500
Income tax expense	所得稅開支	(1,148,266)	(166,492)	(1,044,757)	(458,811)	(925,097)
Profit for the year	年度盈利(虧損)	1,748,574	424,585	808,666	1,038,563	1,230,403
Attributable to owners of the Company	本公司股東應佔	1,746,606	417,780	802,297	1,035,392	1,237,167
		At 31 December 於十二月三十一日				
		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	2018 二零一八年 RMB'000 人民幣千元
ASSETS AND LIABILITIES	資產及負債					
Non-current assets	非流動資產	13,111,211	13,606,921	14,399,166	22,654,001	24,171,470
Current assets	流動資產	8,749,437	10,385,006	11,525,352	14,142,819	19,240,634
Current liabilities	流動負債	(5,188,827)	(7,193,427)	(5,816,445)	(9,650,864)	(11,689,752)
Non-current liabilities	非流動負債	(8,594,173)	(8,825,330)	(10,910,409)	(17,076,753)	(20,283,409)
Net assets	資產淨值	8,077,648	7,973,170	9,197,664	10,069,203	11,438,943
Equity attributable to owners of the Company	本公司股東應佔權益	8,009,418	7,881,077	8,964,512	9,836,062	11,331,448

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%	4,650	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
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 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	100%	57,250	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
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 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	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

List of Principal Properties

主要物業

1. INVESTMENT PROPERTIES (Cont'd)

投資物業(續)

Properties 物業	Interest Attributable to the Group 本集團應佔權益	Approximate Total Gross Floor Area (square meter) 概約總建築面積 (平方米)	Type 類別	Lease Term 租期
Various commercial units of Lanwan Peninsula Community located at the northern side of Furong Road Futian District Shenzhen City Guangdong Province The PRC 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	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
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 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	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二零零五年五月七日，為期50年
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%	20,770	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

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 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
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	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
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%	45,970	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 物業	Interest Attributable to the Group 本集團應佔權益	Approximate Total Gross Floor Area (square meter) 概約總建築面積 (平方米)	Type 類別	Lease Term 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%	730	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 位於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
Suzhou NEO located at No.199 Tayun Road, Yuexi, Wuzhong Development District, Suzhou, The PRC 位於中國江蘇省蘇州市吳中開發區越溪塔韻路路199號綠憬商務廣場	100%	12,220	Commercial 商業	40 years from 1 August 2003 to 31 July 2043 二零零三年八月一日至二零四三年七月三十一日，為期40年
Commercial units of Zhong He Ti Xiang Garden located at No.209 Haitang Road, Heshan District, Yiyang, Hu'nan Province, The PRC 位於中國湖南省益陽市赫山區海棠路209號中核緹香名苑多個商業單位	100%	3,610	Commercial 商業	40 years from 1 April 2007 to 31 March 2047 二零零七年四月一日至二零四七年三月三十一日，為期40年
Residential units of Hongwan Garden located at Meilin Road East, Bei Huan Avenue, Shenzhen, Guangdong Province, The PRC 位於中國廣東省深圳市福田區北環大道以北梅林路以東的虹灣花園的多個住宅單位	100%	1,960	Residential 住宅	70 years from 16 December 2011 to 15 December 2081 二零一一年十二月十六日一日至二零八一年十二月十五日，為期70年

List of Principal Properties

主要物業

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.) (平方米)	Approximate Total Gross Floor Area (sq.m.) (平方米)	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 Hongshu Huaifu Sifang Zone 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華府四坊片區住宅及商業項目	100%	22,040	155,010	Residential/ Commercial 住宅/商業	2021 二零二一年	Demolition and relocation plan in progress 進行拆遷計劃方案
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%	650,330	1,855,450	Residential/ Commercial 住宅/商業	2019-2025 二零一九年至二零二五年	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	2023 二零二三年	Demolition and relocation plan in progress 進行拆遷計劃方案
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	97,310	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

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 office complex located at West Mingzhu Station, Mingzhu North Road, Shangchong, Zhuha, Guangdong Province The PRC 位於中國珠海市上沖明珠北路明珠站西側的住宅、商業及辦公室	100%	62,457	445,492	Residential/ Commercial/ Office 住宅／商業／ 辦公室	2021 二零二一年	Under construction 工程進行中
Residential, commercial and Hotel complex located at No.37 Maofeng Road, Xiangzhou district Nanping Town, Zhuhai, Guangdong Province The PRC 位於中國珠海市香洲區南屏鎮茂豐路37號的住宅、商業及酒店	100%	207,196	794,353	Residential/ Commercial/ Hotel 住宅、商業、 酒店	2021 二零二一年	Demolition and relocation plan in progress 進行拆遷計劃 方案
Residential units located at the west of Xihuan Road and the north of Jiuchang Road, Gusu District, Suzhou City, Jiangsu Province, The PRC 位於中國江蘇省蘇州市姑蘇區西環路西、酒廠路北住宅項目	100%	10,044	21,763	Residential 住宅	2021 二零二一年	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	95%	82,400	23,880	Villa 別墅	2022 二零二二年	Planning stage 前期規劃



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)

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