AGILE GROUP HOLDINGS LIMITED

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

(Stock Code: 3383)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2017

HIGHLIGHTS

Financial Highlights

	For the year ended 31 December		
	2017	2016	Change
Revenue *(RMB million)*	**51,607**	46,679	+10.6%
Gross profit *(RMB million)*	**20,687**	12,366	+67.3%
Net profit *(RMB million)*	**6,780**	3,050	+122.3%
Profit attributable to shareholders of the Company *(RMB million)*	**6,025**	2,284	+163.8%
Basic earnings per share *(RMB)*	**1.552**	0.588	+163.9%
Distributed interim dividend per share *(HK cents)*	**22.0**	-	N/A
Proposed final dividend per share *(HK cents)*	**68.0**	20.0	+240%
Full year dividend per share *(HK cents)*	**90.0**	20.0	+350%
Distributed special dividend per share *(HK cents)*	**-**	25.0	N/A

Operational Highlights

- For the year 2017, the pre-sales value of the Company and its subsidiaries (the "Group"), together with its joint ventures and associates was RMB89,710 million, representing an increase of 52.4% when compared with last year. The corresponding GFA pre-sold was 7.36 million sq.m, representing an increase of 26.6% when compared with last year. The average selling price was RMB12,193 per sq.m., representing an increase of 20.4% when compared with last year.

- During the year, the Group's revenue was RMB51,607 million, representing an increase of 10.6% when compared with last year. Of which, revenue from property development and sales was RMB49,262 million, representing an increase of 10.1% when compared with last year.

- During the year, the Group's overall gross profit margin and net profit margin were 40.1% and 13.1% respectively, representing an increase of 13.6 percentage points and 6.6 percentage points when compared with last year.

- During the year, the Group strategically acquired new land parcels in regions like "Southern China Region", "Hainan and Yunnan Region" and "Eastern China Region" etc., by a total planned GFA of 9.64 million sq.m., in which the Group's total attributable planned GFA was 7.46 million sq.m.. The consideration payable by the Group was RMB34,600 million. In addition, the Group successfully repurchased 30% equity stake of Hainan Clearwater Bay project during the year. As at 31 December 2017, the Group had a land bank with a total planned GFA of 34.10 million sq.m. in 54 cities and districts.

- During the year, the Group successfully issued USD200 million 5.125% senior notes due 2022, and entered into several term loan facilities with several banks. Moreover, the Company has redeemed the aggregate principal amount of RMB2,000 million 6.50% senior notes due February 2017, USD700 million 9.875% senior notes due March 2017 and early redeemed USD500 million 8.375% senior notes due February 2019 in September 2017. The Group is committed to controlling the finance cost and further reduced the effective borrowing rate to 6.2%.

- As at 31 December 2017, the total cash and bank balances of the Group were RMB30,120 million, while the undrawn borrowing facilities were RMB8,605 million.

CHAIRMAN'S STATEMENT

Dear shareholders,

I am pleased to report the audited consolidated results of Agile Group Holdings Limited ("Agile" or the "Company") and its subsidiaries (collectively, the "Group") for the year ended 31 December 2017 as follows:

Results and dividends

During the year, the revenue and gross profit of the Group were RMB51,607 million and RMB20,687 million respectively, representing an increase of 10.6% and 67.3% when compared with last year. Net profit amounted to RMB6,780 million, representing an increase of 122.3% when compared with last year. Profit attributable to shareholders amounted to RMB6,025 million, representing an increase of 163.8% over last year. Overall gross profit margin and net profit margin were 40.1% and 13.1% respectively. representing an increase of 13.6 percentage points and 6.6 percentage points when compared with last year.

During the year, the Group's revenue from recognised sales of property development was RMB49,262 million, representing an increase of 10.1% when compared with last year. Revenue from property management and hotel operations also increased by 20.7% and 2.1% respectively when compared with last year.

Taking into account the Group's business development needs and shareholders' investment returns, the board of directors of the Company (the "Board") has proposed the declaration and payment of a final dividend of HK68.0 cents per ordinary share for the year ended 31 December 2017. Together with the interim dividend of HK22.0 cents per ordinary share paid in 2017, the total dividend of 2017 will be HK90.0 cents per ordinary share, representing an increase of 350% when compared with last year.

Business review

During the year, the Group further implemented the business model of "focusing on property development, supported by a diversified range of businesses" ("1+N") and adjusted its development strategy of "Three-year Plan" in response to market changes timely, obtaining outstanding results in a number of areas.

In respect of property development, the property market of China showed steady growth as local governments continued to adopt "City-specific Policies" to regulate the market. During the year, the Group continued to enhance its product competitiveness while capitalising on market opportunities. By adopting flexible marketing strategies and launching projects in a timely manner at reasonable prices, the Group achieved record-high pre-sales for another year. The pre-sales of the Group (including joint ventures and associates) was RMB89,710 million, representing an increase of 52.4% when compared with last year. The GFA pre-sold was 7.36 million sq.m., representing an increase of 26.6% when compared with last year. The average selling price was RMB12,193 per sq.m., representing an increase of 20.4% when compared with last year. In addition, the Group continued to maintain its leading position in a number of areas, while its pre-sales performance hit a record high. During the year, the Group recorded pre-sales of about RMB35,000 million, RMB20,000 million and RMB18,000 million respectively in "Southern China Region", "Hainan and Yunnan Region" and "Eastern China Region" respectively. Of these, Hainan Clearwater Bay topped the list of best-selling real estate projects in China in 2017, with its pre-sales close to RMB17,000 million.

Seeking opportunities actively to increase land bank through various channels

In line with its future plan, the Group strategically acquired new land parcels in regions like "Southern China Region", "Hainan and Yunnan Region" and "Eastern China Region" etc. by way of tender, auction, listing-for-sale and equity acquisition. The newly acquired land parcels, located in Zhongshan, Foshan, Jiangmen, Shanwei and Zhanjiang of "Southern China Region", Lingshui, Haikou, Lingao and Qionghai of "Hainan and Yunnan Region", Zhenjiang, Yangzhou, Jurong, Changzhou, Changshu, Nantong and Xiamen of "Eastern China Region", and Chongqing, Xi'an, Kaifeng, Jinan and Hong Kong of other regions amounted to a total planned GFA of 9.64 million sq.m., in which the Group's total attributable planned GFA was 7.46 million sq.m.. The consideration payable by the Group was RMB34,600 million. Among which, Jiangmen, Shanwei, Zhanjiang, Haikou, Lingao, Qionghai, Jurong, Changshu, Xiamen, Kaifeng and Jinan were the Group's newly explored markets. In addition, the Group successfully repurchased the remaining 30% interest in Hainan Clearwater Bay project during the year.

As at 31 December 2017, the Group had a land bank with a total planned GFA of 34.10 million sq.m. in 54 cities and districts. In the "Guangdong-Hong Kong-Macao Bay Area", which is strongly promoted by the Central Government, the Group had a land bank with a total planned GFA of 11.10 million sq.m. in Zhongshan, Guangzhou, Foshan, Zhuhai, Huizhou, Jiangmen and Hong Kong. This land bank accounts for 32.5% of the overall land bank, indicating tremendous potential for future development.

In addition, the Group entered into a cooperation agreement with the People's Government of Gongyi to develop the Group's first featured town project which combined tourism, leisure and cultural creation, setting a milestone for the Group's property development business.

Driving “1+N” diversified development and excelling in all segments

During the year, the Group further implemented “1+N” diversified development. In addition to reinforcing its property development business, the Group made active efforts to drive other businesses, laying a solid foundation for its long-term development.

In respect of property management, given the delivery of more properties and the continued business expansion, the Group’s revenue from property management increased by 20.7% to RMB1,290 million. As at 31 December 2017, A-Living Services Co., Ltd. (“A-Living”) provided property management service in 69 cities in China, managing a GFA of 78.34 million sq.m. and serving more than 1 million owners and residents. During the year, A-Living acquired a wholly-owned subsidiary of Greenland Holdings Group Company Limited (“Greenland Group”) and successfully brought in Greenland Group as a strategic shareholder. According to the agreement between both parties, over a period of 5 years, Greenland Group will provide A-Living with at least 10 million sq.m. of GFA for property management each year. Meanwhile, both parties will commence dual-branded strategic cooperation, with an aim to establish a leading comprehensive modern resident service management platform of international standards in China, so as to provide customers with quality one-stop management service. Moreover, the Group successfully completed the spin-off and separate listing of A-Living on The Stock Exchange of Hong Kong Limited in February 2018. Following the spin-off and listing, A-Living remains a subsidiary of the Company.

In respect of other businesses, during the year, the Group’s revenue from hotel operations and property investment businesses was RMB684 million and RMB167 million respectively, generating steady revenue for the Group.

In respect of the environmental protection business, the Group has focused on the businesses of solid waste treatment and water affairs, and has successfully acquired equity interests in 14 environmental protection companies during the year. As at 31 December 2017, the Group had 23 environmental protection projects located in regions including Beijing-Tianjin-Hebei, Shandong, Eastern China, Southern China, Central and Western China and Hainan, with the planned annual processing capacity of hazardous waste disposal and waste water treatment amounting to 1.55 million tonnes and 194,000 tonnes respectively. In which, the planned annual processing capacity of hazardous waste disposal was ranked the top 3 in the industry in China.

In respect of construction business, the Group has focused on design consulting, general construction contracting and materials trading, landscape construction and home decoration, with an aim to become a service operator covering all processes of real estate development.

Sound financial strategy and diversified financing channels

Sound financial position has been a vital pillar supporting the Group's business development. Therefore, the Group made efforts to accelerate its sales turnover, strengthen capital and budget management, and optimise cost and expenditure control during the year. The Group also optimised its debt structure through a number of onshore and offshore financing channels. These included the issue of RMB3,000 million 6.98% non-public domestic corporate bonds due 2020 on the onshore front, the issue of USD200 million 5.125% senior notes due 2022 on the offshore front, as well as obtaining a number of term loans from banks. In addition, the Company redeemed in full its RMB2,000 million 6.50% senior notes due February 2017 and USD700 million 9.875% senior notes due March 2017 during the year. In September 2017, the Company redeemed USD500 million 8.375% senior notes due February 2019 before maturity. The Group also made efforts to control financing costs, and further reduced its effective borrowing rate to 6.2%. As at 31 December 2017, the net debt to total equity ratio of the Group was 71.4%.

During the year, Moody's Investors Service, Inc. and S&P Global Ratings have affirmed the long-term corporate credit ratings of "Ba3" and "BB-" respectively to the Group, and unanimously raised the outlook rating to "Positive". Moreover, the Company was included in the China Index of MSCI Global Standard Indices in December 2017 while China Chengxin Credit Ratings and United Ratings, which are China-based credit rating agencies, have assigned an "AAA" onshore credit rating to the Company.

During the year, the Group's overall cash collection hit a record high while its cash flows remained robust. As at 31 December 2017, the Group's total cash and bank deposits amounted to RMB30,120 million, and its undrawn borrowing facilities stood at RMB8,605 million.

Good corporate governance, multi-channel communications and improved transparency

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

A responsible corporate citizen in pursuit of sustainable development

The Group firmly believes that environmental protection is a key part in its sustainable development, and strives to contribute to environmental protection from project planning to completion and sale, as well as property management and hotel operations. Furthermore, the Group actively promotes environmental education and encourages the staff to practise low carbon living.

Prospects and strategy

Looking ahead, the overall economy of China will maintain steady development in 2018. In addition, China is committed to promoting the development of urbanisation and positioning the "Guangdong-Hong Kong-Macao Bay Area" as a world-class bay area, presenting enormous opportunities for the business development of the Group. The Group will therefore continue to uphold the philosophy of prudent development, adopt the "1+N" business model, drive the development of all its business segments and enhance their competitive strength. While maintaining the leading position of its property development business in China, the Group will make active efforts to expand its new business segments, with a view to increasing its profit as a whole.

In respect of property development, the Group will continue to offer new products and launch 41 new projects that mainly target end-users including first time home buyers and upgraders. With the "Three-year Plan" made, the Group will ensure year-on-year steady growth in property sales with unwavering effort while continuously enhancing product quality and service quality. Meanwhile, the Group will adopt flexible sales strategies to further improve its sell-through rate on an ongoing basis while maintaining reasonable profitability, so as to accelerate its asset turnover and enhance its cash flows. For the land bank, the Group will adopt an active yet prudent land acquisition strategy, with priority given to opportunities in cities located in regions where saw long-term strong sales performance and competitive edge, as well as in first-and second-tier cities with substantial growth potential. The Group will also seek to develop creative featured town projects so as to further expand its market share. The Group will continue to expand its land bank by way of tender, auction, listing-for-sale and equity acquisition, with a view to laying a solid foundation for long-term steady sales growth.

In respect of property management, A-Living will continue to roll out the cooperation model of dual-branded strategic partnership made up of "Agile Property Management" and "Greenland Property Services". As a complement, it will continue to take over third-party property management projects to further expand its business scale and market share. In addition, A-Living will develop and offer more featured value-added services, and continue to allocate resources on the development of its one-stop service platform, with an aim to create multiple income streams through expanding the coverage and market share of its value-added services for both owners and non-owners.

In respect of environmental protection, the Group will strive to optimise the technologies and management of existing projects, continuously improve the project management capabilities, and actively explore potential environmental protection projects.

In respect of construction, the Group will be committed to establishing strategic presence in construction, building materials, construction management and construction investment, with a focus on the development of prefabricated building materials and construction business, etc..

The Group has set target for the coming "Three-year Plan". Through constant innovation and transformation, the Group aims to enhance its operating capacity and comprehensive profitability, laying a solid foundation for its future development. Meanwhile, the Group will continue to optimise its incentive mechanism and enhance the implementation of the co-investment scheme to share the profit from projects with employees, with a view to fulfilling the vision of building a "Century-long enterprise".

The Group is confident that, with the above measures and the efforts of all staff members, it will be able to drive its overall business growth steadily, further increase the brand awareness of Agile across the nation and maintain its position in the competitive market. Meanwhile, the Group will continue to uphold its promise in corporate social responsibilities by making contribution to society through participating in charitable activities.

Acknowledgement

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

CHEN Zhuo Lin
Chairman and President

Hong Kong, 21 March 2018

CONSOLIDATED INCOME STATEMENT

		Year ended 31 December	
		2017	**2016**
	Note	***(RMB'000)***	*(RMB'000)*
Operation			
Revenue	*2*	**51,607,059**	46,678,865
Cost of sales		**(30,919,581)**	(34,313,168)
Gross profit		**20,687,478**	12,365,697
Selling and marketing costs		**(2,258,938)**	(2,097,973)
Administrative expenses		**(2,044,294)**	(1,458,191)
Other gains/(losses), net	*3*	**40,049**	(291,748)
Other income	*4*	**570,485**	278,662
Other expenses		**(396,633)**	(195,880)
Operating profit		**16,598,147**	8,600,567
Finance costs, net	*5*	**(898,674)**	(1,124,531)
Share of post-tax gains/(losses) of associates		**85,953**	(3,375)
Share of post-tax gains of joint ventures		**83,388**	10,453
Profit before income tax		**15,868,814**	7,483,114
Income tax expenses	*6*	**(9,088,536)**	(4,433,480)
Profit for the year		**6,780,278**	3,049,634
Profit attributable to:			
Shareholders of the Company		**6,025,244**	2,283,640
Holders of Perpetual Capital Securities		**472,663**	415,263
Non-controlling interests		**282,371**	350,731
		6,780,278	3,049,634
Earnings per share from operations attributable to the shareholders of the Company for the year (expressed in Renminbi per share)			
— Basic	*7*	**1.552**	0.588
— Diluted	*7*	**1.552**	0.588

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2017	2016
	(RMB'000)	*(RMB'000)*
Profit for the year	**6,780,278**	3,049,634
Other comprehensive income		
Items that may be reclassified to profit or loss		
- Currency translation differences	**(6,634)**	(8,226)
Other comprehensive income for the year, net of tax	**(6,634)**	(8,226)
Total comprehensive income for the year	**6,773,644**	3,041,408
Attributable to:		
- Shareholders of the Company	**6,023,307**	2,277,882
- Holders of the Perpetual Capital Securities	**472,663**	415,263
- Non-controlling interests	**277,674**	348,263
	6,773,644	3,041,408

CONSOLIDATED BALANCE SHEET

	Note	As at 31 December 2017	As at 31 December 2016
	Note	***(RMB'000)***	*(RMB'000)*
ASSETS			
Non-current assets			
Property, plant and equipment		**7,573,037**	7,309,147
Land use rights		**2,073,655**	2,029,966
Intangible assets		**155,278**	55,357
Goodwill		**1,303,095**	-
Investment properties	*9*	**5,886,604**	6,326,943
Interests in associates		**567,221**	114,461
Interests in joint ventures		**6,438,514**	4,624,663
Available-for-sale financial assets		**277,500**	277,500
Derivative financial instruments		**-**	254,497
Prepayments for acquisition of equity interests		**1,078,421**	-
Properties under development		**17,826,344**	9,510,651
Receivables from related parties	*10*	**6,547,559**	4,383,129
Deferred income tax assets		**986,760**	699,275
		50,713,988	35,585,589
Current assets			
Derivative financial instruments		**-**	307,870
Financial assets at fair value through profit or loss		**1,204,478**	-
Properties under development		**46,990,187**	36,706,691
Completed properties held for sale		**9,915,913**	13,976,133
Prepayments for acquisition of land use rights		**5,762,937**	9,614,483
Trade and other receivables	*10*	**16,396,483**	11,462,643
Prepaid income taxes		**2,253,557**	1,760,871
Restricted cash		**11,078,175**	9,878,734
Cash and cash equivalents		**19,041,948**	12,431,884
		112,643,678	96,139,309
Total assets		**163,357,666**	131,724,898

CONSOLIDATED BALANCE SHEET (Continued)

	Note	**As at 31 December 2017**	As at 31 December 2016
		(RMB'000)	*(RMB'000)*
EQUITY			
Capital and reserves attributable to the shareholders of the Company			
Share capital and premium	*11*	**3,421,883**	4,290,028
Shares held for Share Award Scheme		**(156,588)**	(156,588)
Other reserves		**785,400**	3,092,833
Retained earnings		**32,284,542**	28,083,330
		36,335,237	35,309,603
Perpetual Capital Securities		**5,529,424**	5,597,503
Non-controlling interests		**2,311,569**	3,248,124
Total equity		**44,176,230**	44,155,230
LIABILITIES			
Non-current liabilities			
Derivative financial instruments		**4,403**	-
Borrowings		**34,529,004**	31,180,908
Deferred income tax liabilities		**1,174,595**	1,137,167
		35,708,002	32,318,075
Current liabilities			
Derivative financial instruments		**240,845**	-
Borrowings		**27,146,235**	12,815,016
Trade and other payables	*12*	**23,263,952**	21,101,960
Advanced proceeds received from customers		**19,460,971**	10,617,432
Current income tax liabilities		**13,361,431**	10,717,185
		83,473,434	55,251,593
Total liabilities		**119,181,436**	87,569,668
Total equity and liabilities		**163,357,666**	131,724,898

Notes:

1. Basis of preparation

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

The preparation of financial statements in conformity with the HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

(a) New and amended standards adopted by the Group

The following new and amended standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2017:

- Amendments to HKAS 12 "Income Taxes"
- Amendments to HKAS 7 "Statement of Cash Flows"
- Amendments to HKFRS 12 "Disclosure of Interest in Other Entities"

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

1. Basis of preparation (continued)

(b) The following new standards and amendments to standards have been issued but are not effective for the financial period beginning 1 January 2017 and have not been early adopted:

	Effective for annual periods beginning on or after
HKFRS 15 "Revenue from Contracts with Customers"	1 January 2018
HKFRS 9 "Financial Instruments"	1 January 2018
Amendments to HKFRS 2 "Classification and Measurement of Share-based Payment Transactions"	1 January 2018
Amendments to HKFRS 4, Insurance Contracts "Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts"	1 January 2018 or when the entity first applies HKFRS 9
Amendments to HKFRS 1 "First time adoption of HKFRS"	1 January 2018
Amendments to HKFRS 28 "Investments in associates and joint ventures"	1 January 2018
Amendments to HKFRS 40 "Transfers of investment property"	1 January 2018
HK (IFRIC) 22 "Foreign Currency Transactions and Advance Consideration"	1 January 2018
HKFRS 16 "Leases"	1 January 2019
HK (IFRIC) 23 "Uncertainty over Income Tax Treatments"	1 January 2019
Amendments to HKFRS 10 and HKAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined

The HKICPA has issued a new standard, HKFRS 15 "Revenue from Contracts with Customers" for the recognition of revenue. This will replace HKAS 18 which covers contracts for goods and services and HKAS 11 which covers construction contracts and the related literature.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer.

The standard permits either a full retrospective or a modified retrospective approach for the adoption.

The Group has assessed the effects of applying the new standard on the Group's financial statements and has identified the following areas that will be affected:

- Revenue from pre-sales of properties under development is recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and laws that apply to the contract, control of the properties under development may transfer over time or at a point in time.

- The timing of revenue recognition for sale of completed properties, which is currently based on whether significant risk and reward of ownership of properties transfer, will be recognised at a later point in time when the underlying property is legally or physically transfer to the customer under the control transfer model.

1. Basis of preparation (continued)

(b) The following new standards and amendments to standards have been issued but are not effective for the financial period beginning 1 January 2017 and have not been early adopted: (continued)

- The Group currently offers different payment schemes to customers, the transaction price and the amount of revenue for the sale of property will be adjusted when significant financial component exists in that contract.

- The Group provides different incentives to customers when they sign a property sale contract. Certain incentives (e.g. free gift and property management service) represents separate performance obligation in a contract. Part of the consideration of the contract will be allocated to those performance obligations and recognised as revenue only when performance obligation is satisfied. The amount of revenue for the sale of property will also be reduced for any cash payment to customer which doesn't not represent fair value of good or service provided by the customer.

- Certain costs incurred for obtaining a pre-sale property contract (e.g. sale commission), which is currently expense off in profit and loss directly, will be eligible for capitalisation under HKFRS 15 and match with revenue recognition pattern of related contract in the future.

  The Group intends to adopt the standard on all uncompleted contracts as at 1 January 2018 using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 January 2018 and that comparatives will not be restated.

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

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

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

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

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

1. Basis of preparation (continued)

(b) The following new standards and amendments to standards have been issued but are not effective for the financial period beginning 1 January 2017 and have not been early adopted: (continued)

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

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

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

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

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

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

The accounting for lessors will not significantly change.

1. Basis of preparation (continued)

(b) The following new standards and amendments to standards have been issued but are not effective for the financial period beginning 1 January 2017 and have not been early adopted: (continued)

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

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

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

2. Segment information

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

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

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

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

Analysis of revenue by the category for the years ended 31 December 2017 and 2016 is as follows:

Revenue:	**2017** *(RMB'000)*	2016 *(RMB'000)*
Sales of developed properties	**49,261,750**	44,751,782
Property management services	**1,290,148**	1,068,536
Hotel operations	**683,939**	669,983
Rental income from investment properties	**166,502**	188,564
Others	**204,720**	-
	51,607,059	46,678,865

2 Segment information (continued)

Segment information provided to the executive directors of the Company for the reporting segments for the years ended 31 December 2017 and 2016 are as follows:

Year ended 31 December 2017

	Property development	Property management	Hotel operations	Property investment	Others	Elimination	Group
	(RMB'000)	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
Gross segment sales	49,261,750	1,760,753	683,939	166,502	204,720	-	52,077,664
Inter-segment sales	-	(470,605)	-	-	-	-	(470,605)
Sales to external customers	49,261,750	1,290,148	683,939	166,502	204,720	-	51,607,059
Fair value gains on investment properties (note 3)	-	-	-	4,376	-	-	4,376
Operating profit/(loss)	16,205,456	398,417	(57,255)	26,382	25,147	-	16,598,147
Share of post-tax gain of associates	85,953	-	-	-	-	-	85,953
Share of post-tax gains of joint ventures	83,388	-	-	-	-	-	83,388
Segment result	16,374,797	398,417	(57,255)	26,382	25,147	-	16,767,488
Finance costs, net (note 5)							(898,674)
Profit before income tax							15,868,814
Income tax expenses (note 6)							(9,088,536)
Profit for the year							6,780,278
Depreciation	214,840	7,354	274,497	-	7,687		504,378
Amortisation of land use rights and intangible assets	15,850	8,148	61,295	-	1,401		86,694
Write-down of completed properties held for sale	312,722	-	-	-	-		312,722
Segment assets	142,059,581	2,498,963	8,813,269	5,886,604	1,457,382	(1,802,928)	158,912,871
Unallocated assets							4,444,795
Total assets							163,357,666
Segment assets include:							
Interest in associates	567,221	-	-	-	-		567,221
Interests in joint ventures	6,438,514	-	-	-	-		6,438,514
Segment liabilities	38,968,256	952,375	4,174,525	33,502	399,193	(1,802,928)	42,724,923
Unallocated liabilities							76,456,513
Total liabilities							119,181,436
Capital expenditure	74,857	29,564	145,301	19,432	274,978		544,132

2 Segment information (continued)

Segment assets and liabilities are reconciled to total assets and liabilities as at 31 December 2017 as follows:

	Assets *(RMB'000)*	**Liabilities** *(RMB'000)*
Segment assets/liabilities	158,912,871	42,724,923
Unallocated:		
Deferred income taxes	986,760	1,174,595
Prepaid income taxes	2,253,557	-
Financial assets at fair value through profit or loss	1,204,478	-
Derivative financial instruments	-	245,248
Current income tax liabilities	-	13,361,431
Current borrowings	-	27,146,235
Non-current borrowings	-	34,529,004
	163,357,666	119,181,436

2 Segment information (continued)

Year ended 31 December 2016

	Property development *(RMB'000)*	Property management *(RMB'000)*	Hotel operations *(RMB'000)*	Property investment *(RMB'000)*	Elimination *(RMB'000)*	Group *(RMB'000)*
Gross segment sales	44,751,782	1,453,157	669,983	188,564	-	47,063,486
Inter-segment sales	-	(384,621)	-	-	-	(384,621)
Sales to external customers	44,751,782	1,068,536	669,983	188,564	-	46,678,865
Fair value gains on investment properties (note 3)	-	-	-	42,960	-	42,960
Operating profit/(loss)	8,633,470	303,913	(223,930)	97,740	-	8,811,193
Share of post-tax losses of associates	(3,375)	-	-	-	-	(3,375)
Share of post-tax gains of joint ventures	10,453	-	-	-	-	10,453
Reversal of gains on disposal of hotel assets	-	-	(210,626)	-	-	(210,626)
Segment result	8,640,548	303,913	(434,556)	97,740	-	8,607,645
Finance costs, net (note 5)						(1,124,531)
Profit before income tax						7,483,114
Income tax expenses (note 6)						(4,433,480)
Profit for the year						3,049,634
Depreciation	218,528	4,824	240,731	-		464,083
Amortisation of land use rights and intangible assets	16,089	598	51,305	-		67,992
Write-down of completed properties held for sale	16,328	-	-	-		16,328
Segment assets	113,775,622	1,827,997	9,286,959	6,326,943	(2,515,136)	128,702,385
Unallocated assets						3,022,513
Total assets						131,724,898
Segment assets include:						
Interest in associates	114,461	-	-	-		114,461
Interests in joint ventures	4,624,663	-	-	-		4,624,663
Segment liabilities	29,282,533	689,941	4,210,087	51,967	(2,515,136)	31,719,392
Unallocated liabilities						55,850,276
Total liabilities						87,569,668
Capital expenditure	849,135	4,485	230,036	-		1,083,656

2 Segment information (continued)

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

	Assets *(RMB'000)*	**Liabilities** *(RMB'000)*
Segment assets/liabilities	128,702,385	31,719,392
Unallocated:		
Deferred income taxes	699,275	1,137,167
Prepaid income taxes	1,760,871	-
Derivative financial instruments	562,367	-
Current income tax liabilities	-	10,717,185
Current borrowings	-	12,815,016
Non-current borrowings	-	31,180,908
	131,724,898	87,569,668

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

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

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

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

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

3 Other gains/(losses), net

	2017 *(RMB'000)*	2016 *(RMB'000)*
Fair value gains on financial assets at fair value through profit or loss	**160,865**	-
Fair value gains on investment properties	**4,376**	42,960
Exchange losses, net (note (a))	**(140,647)**	(16,770)
Losses/reversal of gains on disposal of property, plant and equipment and investment properties	**(16,716)**	(317,938)
Others	**32,171**	-
	40,049	(291,748)

Note:

(a) Amount mainly represents the loss of translation of financial assets and liabilities, which are denominated in foreign currency into RMB at the prevailing period-end exchange rate. It does not include the exchange gain or loss related to borrowings which are included in the finance costs, net (note 5).

4 Other income

	2017 *(RMB'000)*	2016 *(RMB'000)*
Interest income	**284,371**	145,769
Interest income from related parties	**149,383**	-
Forfeited deposits from customers	**30,391**	41,968
Miscellaneous	**106,340**	90,925
	570,485	278,662

5 Finance costs, net

	2017 *(RMB'000)*	2016 *(RMB'000)*
Interest expense:		
- Bank borrowings, syndicated loans and other borrowings	**1,927,867**	1,551,116
- Senior notes	**740,783**	1,440,313
- PRC Corporate Bonds and asset-backed securities ("ABS")	**644,624**	283,905
Less: interests capitalised	**(2,050,016)**	(2,638,341)
Exchange (gains)/losses from borrowings	**(1,186,418)**	1,200,461
Less: exchange losses capitalised	**-**	(150,556)
Changes in fair value of derivative financial instruments	**821,834**	(562,367)
	898,674	**1,124,531**

6 Income tax expenses

	2017 **(RMB'000)**	2016 (RMB'000)
Current income tax		
- PRC corporate income tax	**3,548,589**	2,207,745
- PRC land appreciation tax	**5,289,831**	2,609,851
- PRC withholding income tax	**523,175**	(148,418)
Deferred income tax		
- PRC corporate income tax	**(299,602)**	(235,698)
- Hong Kong profit tax	**26,543**	-
	9,088,536	4,433,480

6 Income tax expenses (continued)

PRC land appreciation tax

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

PRC corporate income tax

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

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

PRC withholding income tax

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

During the year ended 31 December 2017, certain immediate holding companies of the PRC subsidiaries of the Group became qualified as Hong Kong resident enterprises and fulfil the requirements under the tax treaty arrangements between the PRC and Hong Kong. Therefore 5% withholding tax rate has been applied.

Overseas income tax

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

Hong Kong profits tax

Except for provision for the fair value gains of financial assets at fair value through profit or loss, no other provision for Hong Kong profits tax has been made in the consolidated financial statements. The remaining profit of the group entities in Hong Kong is mainly derived from dividend income and interest income of bank deposits, which are not subject to Hong Kong profits tax.

7 Earnings per share

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

	2017	2016
Profit attributable to shareholders of the Company *(RMB'000)*	**6,025,244**	2,283,640
Weighted average number of ordinary shares in issue less shares held for Share Award Scheme *(thousands)*	**3,882,578**	3,882,578
Basic earnings per share *(RMB per share)*	**1.552**	0.588

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. During the years ended 31 December 2017 and 2016, there was no diluted potential ordinary share, diluted earnings per share equally to basic earnings per share.

8 Dividends

	2017 **(RMB'000)**	2016 *(RMB'000)*
Interim dividend paid of HKD0.22 (2016: nil) per ordinary share (note (a))	**740,881**	-
Less: Dividend for shares held for Share Award Scheme	**(6,269)**	-
	734,612	-
Proposed final dividend of HKD0.68 (2016: HKD0.20) per ordinary share (note (b))	**2,147,921**	694,516
Distributed special dividend (2016: HKD0.25) per ordinary share	**-**	868,145
Less: Dividend for Shares held for Share Award Scheme	**(18,902)**	(13,660)
	2,129,019	1,549,001

Notes:

(a) An interim dividend in respect of the six months ended 30 June 2017 of HKD0.22 per ordinary share, approximately HKD861,750,000 (equivalent to RMB740,881,000 was declared by the Board of Directors of the Company (2016:nil)..

(b) A final dividend in respect of 2016 of HKD0.20 per ordinary share and a special dividend of HKD0.25 per ordinary share, approximately HKD1,762,671,000 (equivalent to RMB1,562,661,000 was declared at the Annual General Meeting of the Company on 8 May 2017, of which HKD15,512,000 (equivalent to RMB13,660,000) was declared for shares held by Share Award Scheme. The final dividend has been distributed out of the Company's retained earnings and the special dividend has been distributed out of the Company's share premium.

A final dividend in respect of 2017 of HKD0.68 per ordinary share have been proposed by the Board of Directors of the Company and are subject to the approval of the shareholders at the Annual General Meeting to be held on 14 May 2018. The final dividend will be distributed out of the Company's retained earnings. These consolidated financial statements have not reflected these dividends payable.

9 Investment properties

	2017 *(RMB'000)*	2016 *(RMB'000)*
Opening net book amount	**6,326,943**	6,369,011
Capitalised subsequent expenditure	**19,432**	-
Disposals	**(216,590)**	(85,028)
Transfer to property, plant and equipment	**(247,557)**	-
Revaluation gains recognised in consolidated income statement	**4,376**	42,960
Closing net book amount	**5,886,604**	6,326,943

Notes:

(a) The investment properties are located in the PRC and are held on lease of between 30 to 70 years.

(b) As at 31 December 2017, investment properties of RMB4,593,324,000 (2016: RMB4,722,483,000) and certain rights of receiving rental income were pledged as collateral for the Group's bank borrowings.

10 Trade and other receivables

	2017	2016
	(RMB'000)	*(RMB'000)*
Trade receivables (note (a))	**6,664,759**	3,601,167
Less: allowance for impairment of trade receivables	**(7,443)**	-
Total trade receivables	**6,657,316**	3,601,167
Other receivables due from:		
- An associate	**2,625,524**	3,210,646
- Joint ventures	**5,416,625**	3,714,038
- Other related party	**190,000**	-
- Third parties	**5,799,250**	3,167,764
Prepaid value added taxes and other taxes	**657,806**	274,432
Deposits for acquisition of land use rights	**1,224,012**	1,580,371
Prepayments	**374,765**	297,354
Less: allowance for impairment of other receivables	**(1,256)**	-
Total other receivables	**16,286,726**	12,244,605
Less: Other receivable due from related parties-non-current portion	**(6,547,559)**	(4,383,129)
Other receivables-current portion	**9,739,167**	7,861,476

As at 31 December 2017, the fair value of trade and other receivables approximated their carrying amounts.

Note:

(a) Trade receivables mainly arose from sales of properties. Trade receivables in respect of sale of properties are settled in accordance with the terms stipulated in the sale and purchase agreements. As at 31 December 2017 and 2016, the ageing analysis of the trade receivables based on invoice date is as follows:

	2017	2016
	(RMB'000)	*(RMB'000)*
Within 90 days	**4,268,721**	2,906,859
Over 90 days and within 365 days	**2,231,705**	486,534
Over 365 days	**164,333**	207,774
	6,664,759	3,601,167

11 Share capital and premium

	Number of ordinary shares	Nominal value of ordinary shares *(HKD'000)*	Equivalent nominal value of ordinary shares *(RMB'000)*	Share premium *(RMB'000)*	Total *(RMB'000)*
Authorised					
As at 31 December 2017 and 2016	10,000,000,000	1,000,000			
Movements of issued and fully paid share capital					
Year ended 31 December 2016					
At 1 January 2016	3,917,047,500	391,705	400,253	4,697,714	5,097,967
Dividends	-	-	-	(807,939)	(807,939)
At 31 December 2016	3,917,047,500	391,705	400,253	3,889,775	4,290,028
Year ended 31 December 2017					
At 1 January 2017	3,917,047,500	391,705	400,253	3,889,775	4,290,028
Dividends (note 8)	-	-	-	(868,145)	(868,145)
At 31 December 2017	**3,917,047,500**	**391,705**	**400,253**	**3,021,630**	**3,421,883**

12 Trade and other payables

	2017 *(RMB'000)*	2016 *(RMB'000)*
Trade payables (note (a))	**13,778,090**	12,473,834
Other payables due to:		
- Related parties	**3,386,339**	3,086,633
- Third parties	**2,282,098**	3,208,254
Staff welfare benefit payable	**583,285**	279,262
Accruals	**1,567,254**	1,273,651
Other taxes payable	**1,666,886**	780,326
	23,263,952	21,101,960

Note:

(a) The ageing analysis of trade payables of the Group as at 31 December 2017 and 2016 is as follows:

	2017 *(RMB'000)*	2016 *(RMB'000)*
Within 90 days	**11,550,349**	10,732,805
Over 90 days and within 180 days	**1,731,714**	1,402,486
Over 180 days and within 365 days	**391,199**	250,759
Over 365 days	**104,828**	87,784
	13,778,090	12,473,834

MANAGEMENT DISCUSSION AND ANALYSIS

Overall performance

During the year, the Group's revenue was RMB51,607 million (2016: RMB46,679 million), representing an increase of 10.6% over 2016. The operating profit was RMB16,598 million (2016: RMB8,601 million), representing an increase of 93.0% over last year. Profit attributable to shareholders was RMB6,025 million (2016: RMB2,284 million), representing an increase of 163.8% over last year. Basic earnings per share was RMB1.552 (2016: RMB0.588).

Land bank

In line with the Group's "Three-year Plan", the Group continued to adopt its strategic land replenishment plan in accordance with the market conditions during the year. As at 31 December 2017, the Group had a land bank with a total planned GFA of 34.10 million sq.m. in 54 cities and districts located in Southern China Region, Eastern China Region, Western China Region, Central China Region, Hainan and Yunnan Region, Northeast China Region, Northern China Region, Hong Kong and Overseas. The average land cost was RMB2,400 per sq.m., which was competitive.

During the year, the Group strategically acquired new land parcels in regions like "Southern China Region", "Hainan and Yunnan Region" and "Eastern China Region" etc, by way of tender, auction, listing-for-sale and equity acquisition. The newly acquired land parcels, located in Zhongshan, Foshan, Jiangmen, Shanwei and Zhanjiang of "Southern China Region", Lingshui, Haikou, Lingao and Qionghai of "Hainan and Yunnan Region", Zhenjiang, Yangzhou, Jurong, Changzhou, Changshu, Nantong and Xiamen of "Eastern China Region", and Chongqing, Xi'an, Kaifeng, Jinan and Hong Kong of other regions, amounted to a total planned GFA of 9.64 million sq.m., in which the Group's total attributable planned GFA was 7.46 million sq.m.. The consideration payable by the Group was RMB34,600 million. Among which, Jiangmen, Shanwei, Zhanjiang, Haikou, Lingao, Qionghai, Jurong, Changshu, Xiamen, Kaifeng and Jinan were the Group's newly explored markets.

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

Land parcel name	City/District	Attributable Interest (%)	Total Planned GFA (sq.m.)
Southern China Region			
Site in Sanjiao Town, Zhongshan	Zhongshan	50	823,803
Site in Huashengtang, Zhongshan	Zhongshan	50	122,596
Site in Bosheng, Zhongshan	Zhongshan	50	118,564
Site in Wenhua, Zhongshan	Zhongshan	50	71,986
Site in Shenzhong, Zhongshan	Zhongshan	50	451,795
Site in Hehua Hotel Project, Zhongshan	Zhongshan	50	129,072
Site in Shenwan Town, Zhongshan	Zhongshan	15	117,742
Site in Sanxiang Town, Zhongshan	Zhongshan	100	104,747
Site in Dongfeng Town, Zhongshan	Zhongshan	100	1,490,400
Site in Duruan Town, Jiangmen	Jiangmen	51	110,083
Site in Ronggui Street, Shunde	Foshan/Shunde	100	155,387
Site in Lecong Town, Shunde	Foshan/Shunde	50	310,332
Site in Pinqing Lake, Shanwei	Shanwei	100	416,914
Site in Sport Road North, Zhanjiang	Zhanjiang	100	60,027
Eastern China Region			
Site in Hanjiang District, Yangzhou	Yangzhou	100	141,630
Site in Station South Road, Yangzhou	Yangzhou	100	237,027
Site in Xiaomi Hill Road, Zhenjiang	Zhenjiang	100	128,860
Site in Wenchang Road East, Jurong	Jurong	100	73,516
Site in Honour & Glory, Changzhou	Changzhou	100	286,608
Site in Dream Lake Fairy Hill, Changzhou	Changzhou	100	359,733
Site in Dingxiang Road, Changzhou	Changzhou	51	236,499
Site in Lingjiatang, Changzhou	Changzhou	49	217,236
Site in Tongzhou District, Nantong	Nantong	33.4	134,272
Site in Haimen City, Nantong	Nantong	100	296,640
Site in Baoci Road North, Changshu	Changshu	100	59,046
Site in Xiang’an District A, Xiamen	Xiamen	100	29,296
Site in Xiang’an District B, Xiamen	Xiamen	100	19,112
Western China Region			
Site in Fengdong New Town, Xi’an	Xi’an	51	168,748
Site in Liangjiang New District, Chongqing	Chongqing	100	362,486
Site in Banan District, Chongqing	Chongqing	33.3	366,953
Site in Lijia Town, Chongqing	Chongqing	100	187,009

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

Land parcel name	City/District	Attributable Interest (%)	Total Planned GFA (sq.m.)
Central China Region			
Site in Longting District, Kaifeng	Kaifeng	20.4	660,019
Hainan and Yunnan Region			
Site in Hainan Clearwater Bay	Hainan/Lingshui	100	53,418
Site in Golden Bay, Haikou, Hainan	Hainan/Haikou	60	704,451
Site in Shanqin Bay, Qionghai, Hainan	Hainan/Qionghai	51	183,779
Site in Lingao Hotel, Hainan	Hainan/Lingao	100	44,482
Northern China Region			
Site in Huayi, Jinan	Jinan	50	58,743
Site in Lixia District, Jinan	Jinan	50	148,719
Hong Kong			
Site in King's Road, Hong Kong	Hong Kong	100	1,887

Property development and sales

During the year, revenue from recognised sales of property development of the Group was RMB49,262 million, representing an increase of 10.1% when compared with RMB44,752 million in 2016. The increase was mainly attributable to higher recognised average selling price. The total recognised GFA sold was 4.73 million sq.m., representing a decrease of 7.0% when compared with 2016. The recognised average selling price increased by 18.4% to RMB10,424 per sq.m. in 2017 from RMB8,808 per sq.m. in 2016.

Property management

During the year, revenue from property management of the Group was RMB1,290 million, representing an increase of 20.7% when compared with RMB1,069 million in 2016. Operating profit from property management was RMB398 million, representing an increase of 31.1% which compared with RMB304 million in 2016. The growth was mainly attributable to an increase in the total contracted GFA under management to 78.34 million sq.m. (2016: 57.56 million sq.m.).

Hotel operations

During the year, revenue from hotel operations of the Group was RMB684 million, representing an increase of 2.1% when compared with RMB670 million in 2016. It was primarily attributable to the revenue generated from Shanghai Marriott Hotel City Centre, Raffles Hainan, Sheraton Bailuhu Resort Huizhou Hotel and Howard Johnson Agile Plaza Chengdu.

Property investment

During the year, revenue from property investment of the Group was RMB167 million, representing a decrease of 11.7% when compared with RMB189 million in 2016. The decrease was due to the fact that certain properties were under renovation and were transferred to property, plant and equipment.

Cost of sales

Cost of sales of the Group mainly refers to the costs incurred directly from its property development activities, including cost of construction, fitting-out and design, land use rights, interest capitalized and tax surcharge.

During the year, cost of sales of the Group was RMB30,920 million, representing a decrease of 9.9% when compared with RMB34,313 million in 2016. The decrease was mainly attributable to the decrease in the total recognised GFA sold of 7% to 4.73 million sq.m. when compared with 2016, which in turn led to the decrease in the cost of property sales.

Gross profit

During the year, gross profit of the Group was RMB20,687 million, representing an increase of 67.3% when compared with RMB12,366 million in 2016. During the year, gross profit margin of the Group was 40.1%, representing an increase of 13.6 percentage points when compared with 26.5% in 2016. The increase in gross profit margin was mainly attributable to higher recognised average selling price of property sold and the increased weightings of projects with higher profitability.

Other gains/ (losses), net

During the year, other gains, net of the Group was RMB40 million. In 2016, the Group recorded other losses, net of RMB292 million. The other gains/(losses), net mentioned above included the fair value gains on financial assets and the net exchange loss incurred by translation of foreign currency denominated financial assets and liabilities (except borrowings) into RMB at the prevailing period-end exchange rate.

Other income

During the year, other income of the Group was RMB570 million, representing an increase of 104.7% when compared with RMB279 million in 2016. The increase was mainly attributable to the increased interest income from bank deposit and related parties.

Selling and marketing costs

During the year, selling and marketing costs of the Group was RMB2,259 million, representing an increase of 7.7% when compared with RMB2,098 million in 2016. The increase was mainly attributable to the increase in sales commission in line with the increase of property sales of the Group.

Administrative expenses

During the year, administrative expenses of the Group amounted to RMB2,044 million, representing an increase of 40.2% when compared with RMB1,458 million in 2016. The growth was mainly due to the increase of employees resulting from business expansion of the Group.

Other expenses

During the year, other expenses of the Group was RMB397 million, representing an increase of 102.5% when compared with RMB196 million in 2016. The increase was mainly attributable to the cost incurred by the early redemption of certain senior notes and ABS of RMB151 million and the charitable donations of the RMB169 million.

Finance costs, net

The Group's finance costs mainly consists of interest expenses on bank borrowings, syndicated loans, other borrowings, senior notes, PRC corporate bonds and ABS less capitalised interests, gains recorded or losses incurred by foreign currency denominated borrowings and changes in fair value of derivative financial instruments. Interest on borrowings relating to project development is capitalised to the extent it is directly attributable to a particular project and used to finance the development of that project.

During the year, finance costs, net of the Group was RMB899 million, representing a decrease of 20.1% when compared with RMB1,125 million in 2016. The decrease was mainly attributable to the non-capitalised interest expenses of RMB1,263 million offset by the exchange gain from borrowings of RMB1,186 million and the change in fair value of derivative financial instruments of RMB822 million.

Share of post-tax gains/ (losses) of associates

During the year, the share of post-tax gains of associates was RMB86 million. In 2016, the share of post-tax losses of associates was RMB3 million.

Share of post-tax gains of joint ventures

During the year, share of post-tax gains of joint ventures of the Group was RMB83 million, representing an increase of RMB73 million when compared with share of post-tax gains of RMB10 million in 2016.

Profit attributable to shareholders

During the year, profit attributable to shareholders of the Group was RMB6,025 million, representing an increase of 163.8% when compared with RMB2,284 million in 2016.

Liquidity, financial and capital resources

Cash position and fund available

As at 31 December 2017, the total cash and bank balances of the Group were RMB30,120 million (31 December 2016: RMB22,311 million), of which RMB19,042 million (31 December 2016: RMB12,432 million) was cash and cash equivalents and RMB11,078 million (31 December 2016: RMB9,879 million) was restricted cash.

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

As at 31 December 2017, the Group's undrawn borrowing facilities were RMB8,605 million (31 December 2016: RMB2,400 million).

Borrowings

As at 31 December 2017, the Group's total borrowings amounted to RMB61,675 million, of which bank borrowings and other borrowings, senior notes, PRC corporate bonds and ABS amounted to RMB44,353 million, RMB4,515 million and RMB12,807 million respectively.

Repayment schedule	**As at 31 December 2017 (RMB million)**	As at 31 December 2016 (RMB million)
Bank borrowings and other borrowings		
Within 1 year	**22,957**	5,778
Over 1 year and within 2 years	**6,962**	6,545
Over 2 years and within 5 years	**8,834**	3,768
Over 5 years	**5,600**	4,695
Subtotal	**44,353**	20,786
Senior notes		
Within 1 year	**-**	6,832
Over 2 years and within 5 years	**4,515**	6,843
Subtotal	**4,515**	13,675
PRC corporate bonds and ABS		
Within 1 year	**4,190**	205
Over 1 year and within 2 years	**6,369**	4,321
Over 2 years and within 5 years	**2,248**	5,009
Subtotal	**12,807**	9,535
Total	**61,675**	43,996

As at 31 December 2017, the Group's bank borrowings (including syndicated loans) of RMB23,926 million (31 December 2016: RMB9,335 million) and other borrowings of RMB7,057 million (31 December 2016: RMB2,365 million) were secured by its cash, land use rights, self-used properties, properties held for sale, properties under development, investment properties, the shares of subsidiaries and equity interest. The senior notes were guaranteed by certain subsidiaries of the Group and were secured by the pledges of their shares. The net assets of these subsidiaries were RMB1,867 million as at 31 December 2017 (31 December 2016: RMB2,708 million).

The gearing ratio is the ratio of net borrowings (total borrowings less total cash and cash equivalents and restricted cash) to total equity. As at 31 December 2017, the gearing ratio was 71.4% (31 December 2016: 49.1%).

Currency risk

The Group conducts its business primarily in Renminbi. Certain bank deposits and bank loans were denominated in Hong Kong dollars, United States dollars and Malaysian Ringgit, and the Group's certain senior notes and bank borrowings were mainly denominated in United States dollars and Hong Kong dollars. Since early 2016, the Group has adopted a hedging policy and entered into capped forward contracts to mitigate certain of its foreign currency exposure in United States dollars and Hong Kong dollars denominated indebtedness and achieve better management over foreign exchange risk. The objective of the arrangement is to minimize the volatility of the RMB cost of highly probable forecast repayments of debts. Other than those disclosed, the Group does not have any material exposures to foreign exchange fluctuations.

As at 31 December 2017, the Group had capped forward contracts of USD1,535 million and HKD3,700 million respectively. As at 31 December 2017, the Group recorded RMB822 million fair value loss (2016: RMB562 million fair value gain) in derivative financial instruments.

Cost of borrowings

In 2017, the total cost of borrowings of the Group was RMB3,313 million, representing an increase of RMB38 million when compared with RMB3,275 million in 2016. The increase was mainly attributable to higher average balance of banking borrowings in 2017. Taking into consideration of exchange differences arising from foreign currencies borrowings, the Group's effective borrowing rate for the year was 6.2% (2016: 7.6%).

Financial guarantee

The Group is in cooperation with certain financial institutions for the provision of mortgage loan facility for its purchasers of property and has provided guarantees to secure repayment obligations by such purchasers. As at 31 December 2017, the outstanding guarantees were RMB38,571 million (31 December 2016: RMB33,294 million). Such guarantees shall terminate upon the earlier of (i) issuance of the real estate ownership certificate which will generally be available within one year after taking over of the possession of the relevant property by the purchasers; or (ii) the satisfaction of relevant mortgage loans by the purchasers.

The Group's proportionate interest in financial guarantee of mortgage facilities for certain purchasers relating to the associate and joint ventures as at 31 December 2017 was RMB964 million (2016: RMB359 million) and RMB456 million (2016: RMB524 million) respectively.

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

A subsidiary of the Group and the other four PRC real estate developers have provided certain guarantees in respect of loan facilities of Li He amounting to RMB2,480 million (2016: RMB5,080 million), and the Group's share of the guarantee amounted to RMB496 million (2016: RMB1,016 million).

Several subsidiaries of the Group and joint venture parties have provided certain guarantees in proportion to their shareholdings in certain joint ventures in respect of loan facilities amounting to RMB5,473 million (2016: RMB4,810 million). The Group's share of the guarantees amounted to RMB1,566 million (2016: RMB1,280 million).

Commitments

As at 31 December 2017, the commitments of the Group in connection with the property development activities were RMB23,773 million (31 December 2016: RMB21,013 million). The Group has also committed to pay outstanding land premium resulting from land acquisitions in the amount of RMB6,430 million (31 December 2016: RMB762 million).

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

1. On 29 March 2017, Zhongshan Yajing Real Estate Development Co., Ltd. (中山市雅景房地產開發有限公司) ("Zhongshan Yajing") (an indirect wholly-owned subsidiary of the Company) entered into a cooperative framework agreement with Zhongshanshi Shiguang Chuangjian Group Company Limited (中山市世光創建集團有限公司) ("Shiguang Chuangjian"), Zheng Zihong (鄭子宏) ("Mr. Zheng") and Wu Zhangjin (吳章錦) ("Mr. Wu"), independent third parties, pursuant to which Zhongshan Yajing has agreed to jointly develop 8 projects situated in different locations in Zhongshan area with a total land area of 660,859 square metres for a total amount of approximately RMB2,770 million ("Total Amount").

   Pursuant to the cooperative framework agreement, Zhongshan Yajing will carry out equity cooperation with Shiguang Chuangjian, Mr. Zheng and Mr. Wu by way of provision of the Total Amount to the project companies to develop the 8 projects situated in different locations in Zhongshan area and thereby to own 50% equity interests in each of them.

2. As per announcement of the Company dated 26 June 2017, Crown Golden Investments Limited (冠金投資有限公司)(now known as Hainan Clearwater Bay Holdings Limited (海南清水灣控股有限公司) ("Hainan Clearwater Bay")), an indirect non-wholly owned subsidiary of the Company, entered into the sale and purchase agreement with Crystal I Limited on 9 May 2017. Pursuant to which Hainan Clearwater Bay agreed to pay USD900 million to Crystal I Limited and repurchase its 30% interest in Hainan Clearwater Bay.

   The repurchase has been completed, the Forever Fame Property Development Holdings Limited (譽永房地產發展控股有限公司) ("Forever Fame"), an indirect wholly-owned subsidiary of the Company, has become the sole shareholder of Hainan Clearwater Bay, and which Hainan Clearwater Bay has become an indirect wholly-owned subsidiary of the Company.

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

Employees and remuneration policy

As at 31 December 2017, the Group had a total of 17,602 employees, among which 184 were senior management and 1,033 were middle management. By geographical locations, there were 17,523 employees in mainland China and 79 employees in Hong Kong, Macau and Malaysia. For the year ended 31 December 2017, the total remuneration costs, including directors' remuneration, were RMB2,233 million (2016: RMB1,835 million).

The Group remunerates its employees is reference to the market levels, individual performance and contributions. Bonuses are also distributed based on the performance of employees. The Group also provides a comprehensive benefit package and career development opportunities, including retirement schemes, medical benefits, and both internal and external training appropriate to the employees' needs.

Outlook

Looking ahead, leveraging its solid foundation, the Group will continue to adopt the "1+N" business model, with an aim to maintain its leading position in the property market in China while driving the long-term development of the new business segments.

In respect of property development, the Group has made a "Three-year Plan", under which the Group will offer new products and launch new projects in timely manner as well as improving the quality of products and services to accommodate the market demand. In the meantime, the Group will adopt flexible sales strategies to further improve its sell-through rate while maintaining reasonable profitability, so as to accelerate its asset turnover and enhance its cash flows. The Group will also adopt an active yet prudent land acquisition strategy, seizing every opportunity in cities with strong sales performance and competitive edge as well as in first-and second-tier cities with substantial growth potential.

In respect of property management, A-Living will continue to leverage the dual-branded strategic partnership made up of "Agile Property Management" and "Greenland Property Services" to develop and offer more featured value-added services. A-Living will also continue to allocate resources on the development of its one-stop service platform, with an aim to create multiple income streams through extending the coverage and market share of the value-added services.

The Group will also strive to expand its environmental protection business through optimising project technologies, improving project management capabilities and actively exploring potential projects.

In respect of construction, the Group will be committed to grabbing business opportunities in construction, building materials, construction management and construction investment industries, with a focus on the development of prefabricated building materials and construction business.

The Group believes, with the "1+N" business model and the "Three-year Plan", Agile will be in good position to enhance its operating capacity and comprehensive profitability while further enhancing its brand awareness across the nation. And this will in turn lay a strong and solid foundation for the Group to further enhance its leading position in the competitive property market.

DIVIDENDS

During the year, the Company declared and paid an interim dividend of HK22.0 cents per ordinary share (2016: Nil) and paid a special dividend of HK25.0 cents per ordinary share to the shareholders. The Board has proposed the payment of a final dividend of HK68.0 cents (2016: HK20.0 cents) per ordinary share to the shareholders. Subject to the approval by the shareholders at the annual general meeting of the Company to be held on Monday, 14 May 2018 ("**2018 AGM**"), the proposed final dividend is expected to be paid on Friday, 1 June 2018 to shareholders whose names appear on the register of members of the Company on Thursday, 24 May 2018.

CLOSURE OF REGISTER OF MEMBERS

To determine the identity of shareholders who are entitled to attend and vote at the 2018 AGM

Latest time for lodging transfer documents of shares	:	4:30 p.m. on Tuesday, 8 May 2018
Period of closure of register of members	:	Wednesday, 9 May 2018 to Monday, 14 May 2018 (both dates inclusive)

To determine the shareholders' entitlement to the final dividend

Ex-entitlement date for final dividend	:	Thursday, 17 May 2018
Latest time for lodging transfer documents of shares	:	4:30 p.m. on Friday, 18 May 2018
Period of closure of register of members	:	Monday, 21 May 2018 to Thursday, 24 May 2018 (both dates inclusive)
Record date	:	Thursday, 24 May 2018

To qualify for attending and voting at the 2018 AGM and/or entitlement to the final dividend, all properly completed transfer forms accompanied by the share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than the corresponding latest time for lodging transfer documents of shares.

NOTICE OF ANNUAL GENERAL MEETING

Notice of 2018 AGM will be published on the respective website of the Company at www.agile.com.cn and The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") at www.hkex.com.hk and will be dispatched to the shareholders of the Company within the prescribed time and in such manner as required under the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). A copy of the said notice will also be published on the website of Singapore Exchange Limited ("**SGX**") at www.sgx.com.

AUDIT COMMITTEE

The audit committee of the Company had reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2017, and reviewed the accounting principles and practices adopted by the Group with the Group's management, and discussed the internal controls and financial reporting matters with them.

PUBLIC FLOAT

From information that is publicly available to the Company and within the knowledge of its Directors for the year ended 31 December 2017 and as at the date of this announcement, at least 25% of the Company's total issued share capital is held by the public.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code for securities transactions by directors ("**Securities Dealing Code for Directors**"), which is on terms no less exacting than the required standard as set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules. After enquiry, each of the Directors of the Company has confirmed to the Company that he or she had fully complied with the Securities Dealing Code for Directors during the year ended 31 December 2017.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the year ended 31 December 2017, the Company has complied with all code provisions of the Corporate Governance Code and Corporate Governance Report contained in Appendix 14 to the Listing Rules ("**CG Code**") except for certain deviations as specified with considered reasons below.

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

On 28 February 2017, the Company redeemed an aggregate principal amount of RMB2,000 million, representing all its outstanding 6.50% senior notes due 2017 at the redemption price equal to 100% of the principal amount plus accrued and unpaid interest.

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

On 14 September 2017, the Company redeemed an aggregate principal amount of USD500 million, representing all its outstanding 8.375% senior notes due 2019 at the redemption price equal to 104.18750% of the principal amount plus accrued and unpaid interest.

Save as above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during 2017.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT ON THE WEBSITES OF THE COMPANY, THE STOCK EXCHANGE AND SGX

This announcement is published on the respective website of the Company at www.agile.com.cn, the Stock Exchange at www.hkex.com.hk and SGX at www.sgx.com. The annual report of the Company for the year ended 31 December 2017 containing all the information required under the Listing Rules will be dispatched to the Company's shareholders and will be posted on the above websites in due course.

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises twelve members, being Mr. Chen Zhuo Lin* (Chairman and President), Mr. Chan Cheuk Yin** (Vice Chairperson), Madam Luk Sin Fong, Fion** (Vice Chairperson), Mr. Chan Cheuk Hung*, Mr. Huang Fengchao*, Mr. Chen Zhongqi*, Mr. Chan Cheuk Hei**, Mr. Chan Cheuk Nam**, Dr. Cheng Hon Kwan#, Mr. Kwong Che Keung, Gordon#, Mr. Hui Chiu Chung, Stephen# and Mr. Wong Shiu Hoi, Peter#.

* *Executive Directors*
** *Non-executive Directors*
\# *Independent Non-executive Directors*

By Order of the Board
Agile Group Holdings Limited
CHEN Zhuo Lin
Chairman and President

Hong Kong, 21 March 2018

Scope of work of PricewaterhouseCoopers

The figures in respect of the Group's consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2017 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.