GREENLAND HONG KONG HOLDINGS LIMITED
綠地香港控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 337)

USD450 million 3.875 per cent. Notes due 2019
(Stock Code: 5691)

USD400 million 4.50 per cent. Bonds Due 2018
(Stock Code: 5230)

2017 ANNUAL RESULTS ANNOUNCEMENT

HIGHLIGHTS

- Profit and total comprehensive income for FY2017 was approximately RMB1,836 million, representing an increase of 48% as compared with last year ("**FY2016**")
- Profit for the year attributable to owners of the Company was approximately RMB1,319 million, representing an increase of 19% as compared with FY2016
- Gross profit margin for FY2017 rose to 25% from 17% for FY2016
- Basic and diluted earnings per share increased by 18% from FY2016 to RMB0.46 for FY2017
- Proposed a 2017 final dividend of HKD0.15 per ordinary share
- Contracted sales reached approximately RMB30,111 million for FY2017, representing an increase of 65% as compared with FY2016
- Further decrease in net gearing ratio to 84% as at 31 December 2017 from 121% as at 31 December 2016
- By annual result announcement date, acquisition of 12 pieces of lands with a total GFA of approximately 7.24 million sq.m.

The board of directors (the "**Board**") of Greenland Hong Kong Holdings Limited (the "**Company**") is pleased to present the audited consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2017 (the "**FY2017**" or "**Reporting Period**"), as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	NOTES	**2017** *RMB'000*	2016 *RMB'000*
Revenue	*5*	**14,618,872**	16,919,188
Cost of sales		**(11,027,571)**	(14,091,196)
Gross profit		**3,591,301**	2,827,992
Other income, gains and losses	*6*	**298,601**	197,969
Selling and marketing costs		**(587,187)**	(415,567)
Administrative expenses		**(437,517)**	(499,687)
Other operating expenses	*7*	**(13,403)**	(839,181)
Write-down of completed properties held for sale		**(7,746)**	(4,892)
Net gain on disposal of interests in subsidiaries		**72,063**	228
Results from operating activities		**2,916,112**	1,266,862
Finance income	*8*	**95,619**	70,574
Finance costs	*9*	**(224,191)**	(135,088)
Net finance costs		**(128,572)**	(64,514)
Share of (losses) profits of associates		**(999)**	370
Share of profits of joint ventures		**139,496**	195,015
Revaluation gain on investment properties	*16*	**329,268**	687,638
Profit before income tax		**3,255,305**	2,085,371
Income tax expenses	*10*	**(1,419,687)**	(1,024,852)
Profit for the year from continuing operations		**1,835,618**	1,060,519
Discontinued operations			
Profit for the year from discontinued operations		**–**	180,063
Profit and total comprehensive income for the year		**1,835,618**	1,240,582
Attributable to:			
Owners of the Company		**1,319,308**	1,112,543
Non-controlling interests		**516,310**	128,039

	NOTES	**2017**	2016
		RMB'000	*RMB'000*
Earnings per share:			
From continuing and discontinued operations			
Ordinary share (basic and diluted)	*14*	**0.46**	0.39
From continuing operations			
Ordinary share (basic and diluted)	*14*	**0.46**	0.33

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	NOTES	2017 RMB'000	2016 RMB'000
ASSETS			
Non-Current Assets			
Property, plant and equipment	15	**1,228,459**	1,282,241
Intangible assets		**1,296**	1,341
Land use rights		**24,042**	24,608
Other financial assets		**174,567**	174,567
Investment properties	16	**9,082,000**	8,216,000
Properties under development		**14,976,268**	15,082,454
Interests in associates	17	**6,084**	–
Interests in joint ventures	18	**686,413**	541,203
Deferred tax assets		**817,628**	210,427
Total non-current assets		**26,996,757**	25,532,841
Current Assets			
Properties under development		**8,945,329**	3,928,278
Completed properties held for sale		**11,669,969**	9,707,441
Trade, other receivables and advance deposits	19	**12,568,170**	7,809,166
Tax recoverable		**712,849**	466,079
Other financial assets		**–**	866,059
Restricted bank deposit		**2,401,495**	1,436,984
Bank balance and cash		**5,455,227**	4,358,259
Total current assets		**41,753,039**	28,572,266
Total assets		**68,749,796**	54,105,107

	NOTES	2017 RMB'000	2016 RMB'000
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital		**1,132,855**	1,132,855
Share premium		**3,416,546**	3,416,546
Reserves		**961,894**	851,214
Perpetual securities	*22*	**787,823**	787,823
Retained earnings		**3,560,011**	2,641,360
Total equity attributable to owners of the Company		**9,859,129**	8,829,798
Non-controlling interests		**1,725,761**	893,896
Total equity		**11,584,890**	9,723,694
LIABILITIES			
Non-Current Liabilities			
Interest-bearing loans		**9,081,312**	5,770,601
Bonds	*21*	**2,919,171**	4,581,996
Deferred tax liabilities		**957,999**	899,639
Total non-current liabilities		**12,958,482**	11,252,236
Current Liabilities			
Interest-bearing loans		**1,480,500**	3,713,620
Other financial liabilities		**98,178**	329,543
Trade and other payables	*20*	**16,948,717**	14,277,517
Pre-sale deposits		**19,782,530**	10,120,297
Tax payable		**1,787,012**	1,231,422
Bonds within one year	*21*	**4,109,487**	3,456,778
Total current liabilities		**44,206,424**	33,129,177
Total liabilities		**57,164,906**	44,381,413
Total equity and liabilities		**68,749,796**	54,105,107
Net current liabilities		**(2,453,385)**	(4,556,911)
Total assets less current liabilities		**24,543,372**	20,975,930

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

1. GENERAL INFORMATION AND BASIS OF PREPARATION

1.1 General information

Greenland Hong Kong Holdings Limited ("The Company") was incorporated in the Cayman Islands on 13 April 2006 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 2007, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681 GT, George Town, Grand Cayman, British West Indies. In 2006, the companies comprising the Group underwent a reorganisation (the "Reorganisation") to rationalise the Group's structure in preparation for the listing of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"). On 30 June 2006, the Company became the holding company of the subsidiaries now comprising the Group. The Company's shares are listed on the Hong Kong Stock Exchange since 10 October 2006.

Greenland Holdings Corporation Limited is the ultimate controlling shareholder of the Group.

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

The Company is an investment holding company. The principal activity of its subsidiaries (together with the Company referred to as the "Group") is the development for sale and rental of residential properties in the PRC and the operation of hotels.

1.2 Basis of preparation

As of 31 December 2017, the Group's net current liabilities are approximately RMB2,453 million. The Directors consider the Group is able to operate as a going concern, taken into account the cash flows generated from operating activities, and undrawn loan facilities from banks, amounting approximately RMB5,864 million, to meet its liquidity requirements in the next twelve months. The consolidated financial statements have been prepared on the basis that the Group will continue to operate throughout the next twelve months as a going concern.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

2.1 Amendments to IFRSs that are mandatorily effective for the current year

The Group has applied the following amendments to IFRSs issued by the International Accounting Standards Board ("IASB") for the first time in the current year.

Amendments to IAS 7	Disclosure Initiative
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to IFRS 12	As part of the Annual Improvements to IFRSs 2014-2016 Cycle

The Group has not early applied any new and revised IFRSs that have been issued but are not yet effective.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") issued by IASB. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Listing Rules") and by the Hong Kong Companies Ordinance.

3.2 Fair value and historical cost

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments and investment properties, which are measured at fair values, as explained in the accounting policies set out below.

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

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

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.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The following critical accounting judgement and key sources of estimation uncertainty are used in the preparation of the consolidated financial statements.

Critical judgements in applying accounting policies

Recognition of deferred tax assets and liabilities

At 31 December 2017, the Group has recognised deferred tax assets. The ability to realise the deferred tax assets mainly depends on whether it is probable that future taxable profits will be available against which related tax benefits under the deferred tax assets can be utilised. In cases where the actual future taxable profits generated are less than expected, a reversal of deferred tax assets may arise, which will be recognised in profit or loss for the period in which such a reversal takes place.

The Group recognises deferred tax in respect of the changes in fair value of the investment properties based on directors' best estimate assuming future tax consequences through usage of such properties for rental purpose, rather than through sale. The final tax outcome could be different from the deferred tax liabilities recognised in the consolidated financial statements should the investment properties are subsequently disposed by the Group, rather than consumed substantially all of the economic benefits embodied in the investment properties by leasing over time. In the event the investment properties are being disposed, the Group may be liable to higher tax upon disposal considering the impact of land appreciation tax.

Key sources of estimation uncertainty

Valuation of investment properties

DTZ, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the Group's investment property portfolio every six months. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in arms' length transaction.

In the absence of current prices in an active market, the valuations are prepared by direct comparison approach for investment properties under development and income capitalisation approach for completed investment properties, considering the capitalisation rates, average unit market rent and average market unit price.

Valuations reflect, where appropriate: the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, and the market's general perception of their creditworthiness; the allocation of maintenance and insurance responsibilities between the Group and the lessee; and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary increases, it is assumed that all notices and where appropriate counter-notices have been served validly and within the appropriate time.

Investment property under construction or development is valued by estimating the fair value of the completed investment property and then deducting from that amount the estimated costs to complete construction or development, financing costs and a reasonable profit margin.

PRC land appreciation taxes

The Group is subject to land appreciation taxes in the PRC. However, the implementation and settlement of these taxes varies among various tax jurisdictions in cities of the PRC, and the Group has not finalised its PRC land appreciation taxes calculation and payments with most of local tax authorities in the PRC. The calculation of LAT are highly dependent on the appropriateness of the rates used, which are determined by the appreciation of land value. The appreciation of land value is determined with reference to proceeds of the properties less the estimated deductible expenditures, including the cost of land use rights and all property development expenditures. The Group estimated the deductible expenditures according to the understanding of the relevant PRC tax laws and regulations. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the income tax expense and the related income tax provisions in the periods in which such tax is finalised with local tax authorities.

Impairment of non-financial long lived assets

If circumstances indicate that the carrying amounts of non-financial long lived assets (other than investment properties, properties under development, completed properties held for sale and deferred tax assets) may not be recoverable, the assets may be considered impaired and are tested for impairment. An impairment loss is recognised when the asset's recoverable amount has declined below its carrying amount. The recoverable amount is the greater of the fair value less costs of disposal and value in use. In determining the recoverable amount, the Group estimates the future cash flows to be derived from continuing use and ultimate disposal of the asset and applies an appropriate discount rate to these future cash flows.

Write-down of properties under development and completed properties held for sale

Management performs a regular review on the carrying amounts of properties under development and completed properties held for sale. Based on management's review, write-down of properties under development and completed properties held for sale will be made when the estimated net realisable value has declined below the carrying amount.

In determining the net realisable value of completed properties held for sale, management refers to prevailing market data such as recent sales transactions, market survey reports available from independent property valuers and internally available information, as basis for evaluation. As of 31 December 2017, the amount of the write-down of completed properties held for sale is RMB25,908,000. (As of 31 December 2016: RMB101,233,000).

In respect of properties under development, the estimate of net realisable value requires the application of a risk-adjusted discount rate to the estimated 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 estimated costs to completion of properties, the legal and regulatory framework and general market conditions.

Write-down of receivables

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The allowance for doubtful debts is the difference between the debt's carrying amount and the present value of the estimated future cash flows. If difference occurs from re-estimation, it will influence the carrying amount of debts in the re-estimation period. As of 31 December 2017, the amount of the write-down of receivables is RMB69,135,000. (As of 31 December 2016: RMB69,265,000).

5. REVENUE

	2017	2016
	RMB'000	*RMB'000*
Sales of properties	**14,101,515**	16,430,695
Rental income	**36,321**	41,609
Hotel operation income	**137,361**	177,100
Property management income and other related services	**343,675**	269,784
	14,618,872	16,919,188

6. OTHER INCOME, GAINS AND LOSSES

	2017	2016
	RMB'000	*RMB'000*
(Losses) gains from financial assets/liabilities carried at FVTPL		
– Unrealised	**(254,464)**	156,286
– Realised	**(81,348)**	18,548
Foreign exchange gain	**607,869**	–
Forfeited deposits from customers	**13,894**	7,648
Government grants *(Note)*	**1,746**	6,014
Net gain (loss) on disposal of property, plant and equipment	**1,128**	(118)
Others	**9,776**	9,591
	298,601	197,969

Note: The amount of government grants represents the incentive subsidies received from the PRC local district authorities for the business activities carried out by the Group in the district. There are no specific conditions attached to the grants.

7. OTHER OPERATING EXPENSES

	2017	2016
	RMB'000	*RMB'000*
Foreign exchange loss	**–**	811,487
Write-down of receivables	**–**	13,030
Donations	**320**	249
Others	**13,083**	14,415
Total	**13,403**	839,181

8. FINANCE INCOME

	2017	2016
	RMB'000	*RMB'000*
Interest income on bank deposits and entrusted loans	**95,619**	70,574

9. FINANCE COSTS

	2017	2016
	RMB'000	*RMB'000*
Interest expenses on bonds	**375,792**	531,937
Interest expenses on interest-bearing loans	**596,952**	481,948
Less: interest of bonds capitalised	**(299,985)**	(438,118)
interest of loans capitalised	**(448,568)**	(440,679)
Net interest expenses on interest-bearing loans and bonds	**224,191**	135,088

10. INCOME TAX EXPENSES

(i) Income tax in the consolidated statement of profit or loss and comprehensive income represents:

	2017	2016
	RMB'000	*RMB'000*
Current tax		
– in respect of current year	**1,345,185**	618,074
– in respect of prior years	**43,458**	19,145
– provision for land appreciation tax for the year	**629,475**	324,322
	2,018,118	961,541

	2017	2016
	RMB'000	*RMB'000*
Deferred tax		
– (credit) charge for current year	**(598,431)**	74,157
– reversal for land appreciation tax	**–**	(10,846)
	(598,431)	63,311
Total income tax expenses	**1,419,687**	1,024,852

Enterprise income tax

No provision for Hong Kong Profits Tax has been made as the Group did not earn any income subject to Hong Kong Profits Tax during both years.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

Pursuant to the Enterprise Income Tax Law of the PRC, the Group's main operating companies were subject to PRC income tax at a rate of 25% (2016: 25%).

Land appreciation tax

According to the requirements of the Provisional Regulations of the PRC on LAT effective from 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT effective from 27 January 1995, all income from the sale or transfer of state-owned land use rights, buildings and their attached facilities in the PRC is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, with an exemption provided for property sales of ordinary residential properties if their appreciation values do not exceed 20% of the sum of the total deductible items. Land appreciation tax of RMB629,475,000 (2016: RMB324,322,000) has been included in profit or loss during the year.

Deferred land appreciation tax is levied on investment properties which is held within a business model whose objective is to consume all of the economic benefits through sale. During the year, no deferred land appreciation tax has been included in profit or loss during the year (2016: a charge of RMB10,846,000).

(ii) The income tax expense for the year can be reconciled to the accounting profit as follows:

	2017	2016
	RMB'000	*RMB'000*
Profit before tax from continuing operations	**3,255,305**	2,085,371
Tax at the applicable PRC enterprise income tax rate of 25% (2016:25%)	**813,826**	521,343
Tax effect of income not taxable for tax purposes	**(78,885)**	(50,501)
Tax effect of share of results of associates	**250**	(92)
Tax effect of share of results of joint ventures	**(34,874)**	(48,754)
Tax effect of expenses not deductible for tax purposes	**183,800**	379,231
Under-provision in respect of prior year	**43,458**	19,145
Tax effect of tax losses not recognised	**128,003**	105,159
Tax effect of impairment losses not (realised) recognised	**(20,767)**	28,217
Utilisation of tax losses previously not recognised	**(87,230)**	(164,002)
LAT provision for the year	**629,475**	313,475
Tax effect of LAT	**(157,369)**	(78,369)
Tax charge for the year	**1,419,687**	1,024,852

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

In accordance with the accounting policy, the Group has not recognised deferred tax assets in respect of cumulative tax losses of certain subsidiaries for the year as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity.

11. PERSONNEL EXPENSES

	2017	2016
	RMB'000	*RMB'000*
Staff costs (including directors' emoluments)	**482,718**	447,731
Less: capitalised in properties under development and investment properties under development	**(97,459)**	(102,561)
Total	**385,259**	345,170

12. PROFIT FOR THE YEAR

	2017	2016
	RMB'000	*RMB'000*
The following expenses are included in results from operating expenses		
Cost of properties sold	**10,478,611**	13,180,395
Auditor's remuneration		
– audit services	**2,110**	2,470
– audit-related services	**505**	300
Depreciation of property, plant and equipment	**97,514**	86,683
Amortisation of land use rights	**566**	788
Amortisation of intangible assets	**45**	45
Write-down of completed properties held for sale	**7,746**	4,892
Operating lease charges	**24,410**	29,698
Gross rental income from investment properties	**36,321**	41,609
Less: direct operating expenses incurred for investment properties that generated rental income during the year	**(22,397)**	(22,395)
direct operating expenses incurred for investment properties that did not generate rental income during the year	**(4,359)**	(4,907)
	9,565	14,307

13. DIVIDENDS

	2017	2016
	RMB'000	*RMB'000*
Dividends recognised as distribution during the year:		
2016 Final – HKD0.1 per share (2015 final: Nil)	**244,139**	–

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2017 of HKD0.15 per share (2016: final dividend in respect of the year ended 31 December 2016 of HKD0.10 per share) in an aggregate amount of HKD419,052,000 (2016: HKD279,368,000), has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting.

14. EARNINGS PER SHARE

	2017	2016
	RMB Yuan per share	*RMB Yuan per share*
Basic and diluted earnings per share		
From continuing operations	**0.46**	0.33
From discontinued operations	**–**	0.06
Total basic and diluted earnings per share	**0.46**	0.39

The earnings and weighed average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

	2017	2016
	RMB'000	*RMB'000*
Earnings used in the calculation of basic and diluted earnings per share	**1,319,308**	1,112,543
Distribution related to perpetual securities	**(45,575)**	(20,141)
Profit for the year from discontinued operations used in the calculation of basic and diluted earnings per share	**–**	(180,390)
Earnings used in the calculation of basic and diluted earnings per share from continuing operations	**1,273,733**	912,012

	2017	2016
	'000	*'000*
Weighted average number of ordinary shares	**2,770,980**	2,770,980

15. PROPERTY, PLANT AND EQUIPMENT

	Buildings *RMB'000*	Leasehold improvements *RMB'000*	Motor vehicles *RMB'000*	Fixtures, fittings & equipment *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
Cost						
Balance at 1 January 2016	1,468,355	76,863	46,717	408,239	90,071	2,090,245
Addition	–	497	1,387	5,165	58,045	65,094
Disposal of subsidiaries	(191,134)	–	–	(74,969)	(147,885)	(413,988)
Disposals	–	–	(958)	(583)	–	(1,541)
Balance at 31 December 2016	1,277,221	77,360	47,146	337,852	231	1,739,810
Addition	–	1,882	1,273	13,395	26,101	42,651
Transfer from construction in progress	–	11,650	–	–	(11,650)	–
Acquisition of subsidiaries	–	677	–	2,833	–	3,510
Disposal of a subsidiary	–	–	–	(65)	–	(65)
Disposals	–	–	(745)	(12,712)	–	(13,457)
Balance at 31 December 2017	1,277,221	91,569	47,674	341,303	14,682	1,772,449
Depreciation						
Balance at 1 January 2016	255,147	43,729	31,844	212,619	–	543,339
Charge for the year	47,577	8,621	7,726	25,622	–	89,546
Disposal of subsidiaries	(125,245)	–	–	(48,996)	–	(174,241)
Disposals	–	–	(574)	(501)	–	(1,075)
Balance at 31 December 2016	177,479	52,350	38,996	188,744	–	457,569
Charge for the year	71,356	2,829	1,470	21,859	–	97,514
Disposal of a subsidiary	–	–	–	(27)	–	(27)
Disposals	–	–	(342)	(10,724)	–	(11,066)
Balance at 31 December 2017	248,835	55,179	40,124	199,852	–	543,990
Carrying amounts						
At 31 December 2016	1,099,742	25,010	8,150	149,108	231	1,282,241
At 31 December 2017	1,028,386	36,390	7,550	141,451	14,682	1,228,459

(i) All buildings owned by the Group are located in the PRC.

(ii) As at 31 December 2017, property, plant and equipment with a total carrying value of RMB522,476,000 (as at 31 December 2016: RMB404,000,000) were pledged as collateral for the Group's borrowings.

16. INVESTMENT PROPERTIES

	Completed investment properties *RMB'000*	Investment properties under development *RMB'000*	Total *RMB'000*
FAIR VALUE			
As at 1 January 2016	1,390,000	5,856,000	7,246,000
Additions	–	950,710	950,710
Transferred	1,982,000	(1,982,000)	–
Disposals	(668,348)	–	(668,348)
Net increase in fair value recognised in profit and loss	542,348	145,290	687,638
As at 31 December 2016	3,246,000	4,970,000	8,216,000
Additions	–	1,235,707	1,235,707
Disposal	(408,975)	–	(408,975)
Disposal of a subsidiary	(290,000)	–	(290,000)
Net increase in fair value recognised in profit and loss	98,975	230,293	329,268
As at 31 December 2017	2,646,000	6,436,000	9,082,000

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

For completed investment properties, the valuations have been arrived at using income capitalisation approach, where appropriate. The completed investment properties are valued by income capitalisation approach by capitalising the net rental income derived from the existing tenancies with due allowance for the reversionary income potential of the respective properties.

For investment properties under construction or development that are measured at fair value, the valuations have been arrived at 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.

There has been no change to the valuation technique during the year.

In estimating the fair value of the investment properties, the highest and best use of the investment properties is their current use.

The following table presents the fair value of the Group's investment properties measured at the end of the reporting period on a recurring basis, categorised into the level 3 fair value hierarchy as defined in IFRS 13, fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

At 31 December 2017, the Group's investment properties are measured at level 3 category of fair value measurement and during the year ended 31 December 2017, there were no transfers into or out of Level 3.

	Valuation Techniques	**Key input**	**Range**	*Notes*
Completed investment properties located in Mainland China	Income capitalisation approach	Capitalisation rates	3.5%–8.5%	*(i)*
		Average unit market rent	RMB39 – RMB274 per sq.m per month	*(ii)*
Investment properties under development located in Mainland China	Direct comparison approach	Average market unit price	RMB2,203 – RMB105,900 per sq.m	*(ii)*

Notes: Descriptions of the sensitivity in key inputs and interrelationship:

(i) The fair value measurement is negatively correlated to the key input that a lower factor will result in a higher fair value.

(ii) The fair value measurement is positively correlated to the key input that a higher factor will result in a higher fair value.

As at 31 December 2017, the Group has not obtained the State-owned Land Use Rights Certificate for the investment properties, which are amounted to RMB131,000,000 (as at 31 December 2016: RMB109,000,000).

As at 31 December 2017, investment properties with a total carrying value of RMB571,000,000 (as at 31 December 2016: RMB860,000,000) were pledged as collateral for the Group's borrowings.

17. INTERESTS IN ASSOCIATES

	2017	2016
	RMB'000	*RMB'000*
Cost of unlisted investments in associates	**7,971**	250
Share of post-acquisition profits, net of dividends received	**(1,887)**	(250)
	6,084	–

No associate was individually material to the Group for the year.

17.1 Details of associates

Details of each of the Group's associates at the end of the reporting period are as follows:

Name of associate	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest and voting power held by the Group as at 31 December	
			2017	2016
Shanghai Yingkun Investment Limited Partnership Corporation ("Shanghai Yingkun") *(Note i)*	Investing and consulting	Shanghai, the PRC	23%	23%
Guangxi Greenland Jinyao Property Co., Ltd ("Guangxi Jinyao") *(Note ii)*	Property development	Guangxi, the PRC	18%	–
Guangxi Jiuquwan Automobile Industry Investment Limited ("Guangxi Jiuquwan") *(Note iii)*	Property development	Guangxi, the PRC	15%	–

(i) Shanghai Yingkun is a limited partnership corporation. Shanghai Daokun Investment Management Co., Ltd, the subsidiary of the Group, is the general partner of Shanghai Yingkun. The Group is one of the four partners (including general and limited partners), while resolution about any partnership-related events is made in an one partner one vote approach and must be approved by more than half of all partners. Profits and losses of Shanghai Yingkun are distributed in accordance with the subscription capital shares of the partners. Therefore, Shanghai Yingkun was recognised as an associate.

(ii) In March 2017, Guangxi Jinyao was established by the Group and other two shareholders. The Group occupied 18% equity interests. According to the Articles of Association of Guangxi Jinyao, only one out of six directors of Guangxi Jinyao is appointed by the Group, while a valid board resolution requires half of the total votes. The Group thus does not have the power to control or jointly control Guangxi Jinyao . Therefore, Guangxi Jinyao was recognised as an associate.

(iii) In December 2017, the Group obtained 15% equity interests of Guangxi Jiuquwan. According to the Articles of Association of Guangxi Jiuquwan, only one out of five directors of Guangxi Jiuquwan is appointed by the Group, while a valid board resolution requires half of the total votes. The Group thus does not have the power to control or jointly control Jiuquwan. Therefore Guangxi Jiuquwan was recognised as an associate.

Aggregate information of associates that are not individually material:

	2017	2016
	RMB'000	*RMB'000*
Group's share of total (losses) profits for the year	**(999)**	370
Aggregate carrying amount of the Group's interests in these associates	**6,084**	–

The Group has discontinued recognition of its share of losses of certain associates as its share of losses of those associates equals or exceeds its interests in those associates. The amounts of unrecognised share of losses of these associates, both for the year and cumulatively, are as follows:

	2017	2016
	RMB'000	*RMB'000*
Unrecognised share of losses of associates for the year	**600**	–
Accumulated unrecognised share of losses of associates	**600**	–

18. INTERESTS IN JOINT VENTURES

	2017	2016
	RMB'000	*RMB'000*
Cost of unlisted investments in joint ventures	**361,807**	356,093
Share of post-acquisition profits, net of dividends received	**324,606**	185,110
	686,413	541,203

Details of the Group's joint ventures at the end of reporting period is as follows:

Name of joint venture	**Principal activity**	**Place of incorporation and principal place of business**	**Proportion of ownership interest and voting rights held by the Group**	
			2017	2016
Forever Rich Enterprise Limited ("Forever Rich")	Property development	Suzhou, Jiangsu Province, the PRC	**50%**	50%
Haikou Chengjian Green Island Landscape Engineering Co., Ltd. ("Haikou Chengjian"). *(Note i)*	Landscape engineering	Haikou, Hainan Province, the PRC	**32.5%**	32.5%

Both of the above joint ventures are accounted for using the equity method in these consolidated financial statements.

(i) In March 2016, Haikou Chengjian was established by the Group and other two shareholders. The Group occupied 32.5% equity interests. According to the Articles of Association of Haikou Chengjian, the Group and other shareholders jointly control Haikou Chengjian. Therefore, Haikou Chengjian is recognised as a joint venture.

Summarised financial information of a material joint venture.

Summarised financial information in respect of each of the Group's joint ventures is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with IFRSs.

The joint venture is accounted for using the equity method in these consolidated financial statements.

Forever Rich

	2017 *RMB'000*	2016 *RMB'000*
Current assets	**1,747,608**	2,187,062
Non-current assets	**233,235**	80,484
Current liabilities	**717,177**	1,284,166

The above amounts of assets and liabilities include the following:

	2017 *RMB'000*	2016 *RMB'000*
Bank balance and cash	**160,788**	217,743

	2017 *RMB'000*	2016 *RMB'000*
Revenue	**894,636**	1,489,339
Profit for the year	**280,286**	391,005
Total comprehensive income	**280,286**	391,005

The above profit for the year includes the following:

	2017 *RMB'000*	2016 *RMB'000*
Depreciation and amortisation	**315**	301
Finance income	**26,233**	38,331
Income tax expense	**93,503**	128,818

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

	2017 *RMB'000*	2016 *RMB'000*
Net assets of Forever Rich	**1,263,666**	983,380
Proportion of the Group's ownership interest in Forever Rich	**50%**	50%
Carrying amount of the Group's interest in Forever Rich	**631,833**	491,690

Aggregate information of the joint venture that is not individually material:

	2017 *RMB'000*	2016 *RMB'000*
Group's share of total losses for the year	**(647)**	(487)
Aggregate carrying amount of the Group's interests in the joint venture	**54,580**	49,513

19. TRADE, OTHER RECEIVABLES AND ADVANCE DEPOSITS

	2017	2016
	RMB'000	*RMB'000*
Trade receivables	**169,584**	403,969
Less: allowance for doubtful debts	**(25,735)**	(25,865)
	143,849	378,104
Other non-trade receivables	**1,977,481**	1,857,713
Less: allowance for doubtful debts	**(43,400)**	(43,400)
	1,934,081	1,814,313
Receivables due from related parties	**6,981,132**	3,247,268
Advance payments to contractors	**1,603,103**	1,535,814
Advance deposits for acquisition of land use rights	**1,120,000**	431,886
Other tax prepayments	**786,005**	401,781
Total	**12,568,170**	7,809,166

The receivables due from related parties are unsecured, non-interest bearing and repayable on demand. Non-trade receivable balances, deposits and advances to third parties are expected to be settled or recovered within one year. Other tax prepayments mainly represent prepayment of value-added tax, tax surcharge during the pre-sale stage of certain properties.

In general, the Group provides no credit term to its customers.

Trade receivables due from related parties and the third parties disclosed above include amounts (see below for aged analysis) that are past due at the end of the reporting period for which the Group has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable. The following is an aged analysis of trade receivable that are not impaired based on the sales recognition date at the end of each reporting period.

	2017	2016
	RMB'000	*RMB'000*
0-90 days	**138,287**	352,512
91-180 days	**622**	586
181-365 days	**3,656**	25,006
Over 365 days	**5,153**	–
	147,718	378,104

Movement in the allowance for doubtful debts

	2017	2016
	RMB'000	*RMB'000*
Balance at beginning of the year	**69,265**	56,235
Impairment losses recognised on receivables	**–**	13,030
Amounts written off as uncollectible	**(130)**	–
Balance at end of the year	**69,135**	69,265

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

Included in the allowance for doubtful debts are individually impaired trade receivables amounting to RMB25,735,000 (2016: RMB25,865,000) and impaired non-trade receivables amounting to RMB43,400,000 (2016: RMB43,400,000) which have been placed under liquidation. The impairment recognised represents the difference between the carrying amount of these trade receivables and the present value of the expected liquidation proceeds. The Group does not hold any collateral over these balances.

20. TRADE AND OTHER PAYABLES

	2017	2016
	RMB'000	*RMB'000*
Payables due to related parties		
– trade related	**64,817**	10,715
– non-trade related	**4,966,070**	6,282,716
	5,030,887	6,293,431
Trade payables	**9,361,992**	5,612,084
Payable on purchase of land use right	**620,555**	620,555
Consideration payable on acquisition of subsidiaries	**274,484**	–
Other taxes payable	**173,190**	143,226
Interest payable	**161,951**	180,261
Dividends payable	**234**	238
Other payables and accrued expenses	**1,325,424**	1,427,722
	11,917,830	7,984,086
Total	**16,948,717**	14,277,517

The aged analysis of trade payables due to related parties and the third parties is stated as follows:

	2017	2016
	RMB'000	*RMB'000*
0-90 days	**7,074,106**	5,149,707
91-180 days	**290,866**	24,801
181-365 days	**881,354**	167,304
365 days – 3 years	**1,180,483**	270,272
	9,426,809	5,612,084

21. BONDS

On 23 January 2014, the Company issued 5.50% bonds due 2018 (the "A Bond") with an aggregated nominal value of RMB1,500,000,000 at a value equal to 99% of the face value. The A Bond is listed on the Hong Kong Stock Exchange. The A Bond carries interest at the rate of 5.50% per annum, payable semi-annually on 23 January and 23 July in arrears. The A Bond matured and repaid on 23 January 2018.

On 7 August 2014, the Company issued 4.375% bonds due 2017 (the "B Bond") with an aggregated nominal value of USD500,000,000 at a value equal to 99.31% of the face value. The B Bond is listed on the Hong Kong Stock Exchange. The B Bond carries interest at the rate of 4.375% per annum, payable semi-annually on 7 February and 7 August in arrears and will mature on 7 August 2017, unless redeemed earlier. The net proceeds after deducting the direct issuance costs, amounted to approximately USD492,287,000 (equivalent to RMB3,035,935,000). On 7 August 2017, the bonds matured and were repaid.

On 28 July 2016, the Company issued 3.875% bonds due 2019 (the "C Bond") with an aggregated nominal value of USD450,000,000 at a value equal to 98.66% of the face value. The C Bond is listed on the Hong Kong Stock Exchange. The C Bond carries interest at the rate of 3.875% per annum, payable semi-annually on 28 January and 28 July in arrears and will mature on 28 July 2019, unless redeemed earlier. The net proceeds after deducting the direct issuance costs, amounted to approximately USD443,986,000 (equivalent to RMB2,956,815,000).

On 7 July 2017, the Company issued 4.50% bonds due 2018 (the "D Bond") with an aggregated nominal value of USD400,000,000 at a value equal to 100.00% of the face value. The D Bond is listed on the Hong Kong Stock Exchange. The D Bond carries interest at the rate of 4.50% per annum, payable semi-annually on 7 January and 7 July in arrears and will mature on 5 July 2018, unless redeemed earlier. The net proceeds after deducting the direct issuance costs, amounted to approximately USD398,800,000 (equivalent to RMB2,697,623,000).

The A Bond, B Bond and C Bond (the "Bonds") have the benefit of a keepwell deed from Greenland Holding Group Company Limited, the intermediate controlling shareholder of the Company.

The D Bond has an embedded issuer's redemption option, the Company may, by giving not less than 15 nor more than 30 days' notice to the trustee in writing and to the bondholders, redeem the Bonds, in whole or in part, at a redemption price equal to 101 per cent of their principal amount, together with accrued and unpaid interest.

The issuer's redemption option is regarded as an embedded derivative not closely related to the host contract. The directors consider the fair value of the issuer redemption option to be immaterial.

The movements of different components of Bonds are set out below:

	Total
	RMB'000
As at 31 December 2016	8,038,774
Net proceeds from bonds issued	2,697,623
Interest charged	375,792
Interest paid/payable	(349,502)
Repayment of bonds	(3,360,550)
Exchange realignment	(373,479)
As at 31 December 2017	7,028,658

The Bonds represent the contractually determined stream of future cash flows discounted at the rate of interest determined by the market instruments of comparable credit status taken into account the business risk and financial risk of the Company. The effective interest rate is 4.355%-5.680% per annum for the year ended 31 December 2017.

The Bonds was repayable as follows:

At 31 December	**2017** *RMB'000*	2016 *RMB'000*
Represented by		
Bonds within one year	**4,109,487**	3,456,778
Bonds		
After one year but within two years	**2,919,171**	1,496,432
After two years but within five years	**–**	3,085,564
	2,919,171	4,581,996

22. PERPETUAL SECURITIES

On 27 July 2016 (the "Issue Date"), the Group issued USD denominated senior perpetual capital securities ("Perpetual Securities") with an aggregate principal amount of USD120,000,000. The Perpetual Securities confer the holders a right to receive distributions at the applicable distribution rate from the Issue Date semi-annually in arrears in USD.

The principal terms of the Perpetual Securities are disclosed in the Group's 2016 consolidated financial statements.

As the Perpetual Securities only impose contractual obligations on the Group to repay principal or to pay any distributions under certain circumstances which are at the Group's discretion, they have in substance confer the Group an unconditional right to avoid delivering cash or other financial asset to settle contractual obligations, therefore they do not meet the definition for classification as financial liabilities under IAS 32 Financial Instruments: Presentation. As a result, the whole instrument is classified as equity, and distributions if and when declared are treated as equity dividends.

Distribution of USD6,750,000 (equivalent to RMB45,838,000) has been provided and paid by the Company for the year.

23. ACQUISITION OF SUBSIDIARIES

On 22 March 2017, the Group completed the acquisition of 90% of the issued share capital of Wuxi Guangcheng Metro Above-station Property Development Co., Ltd ("Wuxi Guangcheng") for consideration of RMB1,247,000,000. Wuxi Guangcheng is principally engaged in property development business and was acquired with objective of improving the Group's property development business. The Group accounted for the acquisition of the 90% of issued share capital of the Wuxi Guangcheng as an acquisition of asset.

On 11 September 2017, the Group completed the acquisition of 100% of the issued share capital of Foshan Hongyi Real Estate Investment Co., Ltd ("Foshan Hongyi") for consideration of RMB1,056,080,000. Foshan Hongyi is principally engaged in property development business and was acquired with objective of improving the Group's property development business. The Group accounted for the acquisition of the 100% of issued share capital of the Foshan Hongyi as an acquisition of asset.

On 2 November 2017, the Group completed the acquisition of 99% of the issued share capital of Wujiang Shenying Real Estate Development Co., Ltd ("Wujiang Shenying") for consideration of RMB257,895,000 This acquisition has been accounted for using the acquisition method. Wujiang Shenying is engaged in property development business and was acquired to continue the expansion of the Group's property development business.

Consideration transferred

	Wuxi Guangcheng *RMB'000*	**Foshan Hongyi** *RMB'000*	**Wujiang Shenying** *RMB'000*
Cash	1,247,000	1,056,080	257,895

Assets acquired and liabilities recognised at the date of acquisition are as follows:

	Wuxi Guangcheng *RMB'000*	**Foshan Hongyi** *RMB'000*	**Wujiang Shenying** *RMB'000*
Property, plant and equipment	–	1,575	1,935
Trade and other receivables	–	2,031	22,609
Properties under development	2,417,721	1,176,051	767,635
Bank balance and cash	315	2,354	21,292
Trade and other payables	(1,032,480)	(125,931)	(485,147)
Deferred tax liabilities	–	–	(67,824)
Net assets acquired	1,385,556	1,056,080	260,500

No goodwill arose from the Wujiang Shenying acquisition.

The non-controlling interests in Wuxi Guangcheng and Wujiang Shenying recognised at the acquisition date were measured at their proportionate share of net assets acquired. The non-controlling interests of WuXi Guangcheng and Wujiang Shenying approximately amounted to RMB138,556,000 and RMB2,605,000 respectively.

Net cash outflow on acquisitions

	Wuxi Guangcheng *RMB'000*	**Foshan Hongyi** *RMB'000*	**Wujiang Shenying** *RMB'000*
Cash consideration paid	1,247,000	1,056,080	257,895
Less: bank balance and cash acquired	(315)	(2,354)	(21,292)
Less: consideration payable	–	(216,080)	(58,404)
	1,246,685	837,646	178,199

Included in the losses for the year are RMB22,721,000, RMB786,000 and RMB2,026,000 respectively attributable to the additional business generated by Wuxi Guangcheng, Foshan Hongyi and Wujiang Shenying. No revenue from the date of acquisition to 31 December 2017 are attributable to Wuxi Guangcheng, Foshan Hongyi and Wujiang Shenying.

Had the acquisitions been completed on 1 January 2017, total group revenue for the year would have been RMB14,765,439,000 and profit for the year would have been RMB1,794,052,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2017, nor is it intended to be a projection of future results.

24. DISPOSAL OF A SUBSIDIARY

On 5 April 2017, the Group disposed of its entire 50% equity interest in Shanghai Xinqi to an independent third party for a cash consideration of approximately RMB112,012,000.

The effect of disposal of Shanghai Xinqi is analysed as follows:

	RMB'000
Property, plant and equipment	38
Investment properties	290,000
Properties under development	190,295
Trade, other receivables and advance deposits	13,221
Bank balance and cash	5,297
Deferred tax liabilities	(18,234)
Interest-bearing loans	(102,159)
Tax payable	(15)
Trade and other payables	(298,545)
Net assets disposed of	79,898
Gain on disposal of a subsidiary:	
Consideration received	112,012
Net assets disposed of	(79,898)
Non-controlling interests	39,949
Gain on disposal of Shanghai Xingi	72,063
Net cash inflow arising on disposal:	
Total cash consideration received	112,012
Bank balance and cash disposed of	(5,297)
Proceeds from disposal of subsidiaries	106,715

25. SUBSEQUENT EVENT

(1) On 26 January 2018, the Group distributed the dividend of Perpetual Securities issued on 27 July 2016. The amount is USD3,375,000 (approximately RMB21,572,000).

(2) On 23 January 2018, the Group entered into the equity transfer agreement with Guangdong Zhengyu Investment Group Co., Ltd to purchase 70% equity interest in Zhaoqing Hengchang Industrial Investment Co., Ltd (the "Target Company") for a total transaction amount of approximately RMB1,855 million. Upon completion, the Target Company will become an indirect non-wholly owned subsidiary of the Group.

BUSINESS REVIEW

Results

With the transition from the high-speed growth to the high-quality development, China's economy was experiencing a crucial period characterized by transforming the mode of development, improving the economic structure and changing the driver behind economic growth in 2017. The national economy enjoyed strong vitality and resilience, and steady progress. The reform of supply side in the real estate market was pushed forward in rental business, land supply and financial regulation in 2017. The Group achieved a business result more than its expectation. The total contracted sales amounted to approximately RMB30,111 million, with a year-on-year increase of approximately 65%, and the contracted gross floor area ("GFA") sold amounted to approximated 2,271,386 square meters, with a year-on-year increase of approximately 55% for 2017.

The Group recorded a total revenue of RMB14,619 million in 2017, a decrease of approximately 14% from 2016, while profit for the year from continuing operations was approximately RMB1,836 million, representing a year-on-year increase of approximately 73%, primarily as a result of the sharp improvement in gross profit margin to 25%. Basic and diluted earnings per share attributable to the owners of the Company amounted to RMB0.46 compared with RMB0.39 in 2016.

The total GFA of the property sales sold and delivered in 2017 was 1,247,502 square meters, staying stable with 1,233,561 square meters in 2016. The average selling price ("ASP") was approximately RMB11,037 per square meter. The revenue derived from the property sales was approximately RMB14,102 million, representing a year-on-year decrease by approximately 14% compared with approximately RMB16,431 million in 2016. The details of completed and delivered properties in 2017 are as follows:

Item	City	Approximate GFA sold and delivered in 2017 *sqm*	Approximate sales recognized in 2017 *RMB'000*	Average selling price *RMB/sqm*
– Property				
Greenland Central Plaza	Nanning	126,766	1,532,928	12,093
Greenland City	Haikou	190,592	1,518,245	7,966
Greenland Hai Po Lan Ting	Kunming	97,884	1,484,136	15,162
Greenland Jiangnan Huadu	Suzhou	96,104	1,352,889	14,077
Greenland Cifi City	Hangzhou	48,676	1,313,515	26,985
Greenland Central Culture Center	Haikou	134,404	1,139,553	8,479
Greenland International Huadu	Nanning	110,684	953,030	8,610
Greenland Hai Chang Liu	Haikou	79,533	647,494	8,141
Greenland Xiang Shu Hua Cheng	Kunming	89,246	586,248	6,569
China Resources • Greenland Triumph Arch	Xuzhou	48,556	498,843	10,274
Greenland Lakeside Villa	Xuzhou	47,098	404,709	8,593
Cambridge Forest New Town	Shanghai	18,884	380,953	20,173
Greenland Huangpu Center	Shanghai	2,703	333,493	123,379
Greenland Taiping Lake Resort	Huangshan	45,516	328,386	7,215
Greenland Bihu International	Ningbo	20,467	304,408	14,873
The Metropolitan	Kunming	24,087	251,681	10,449
Greenland Xi Shui Dong	Wuxi	17,012	248,330	14,597
Greenland Yunduhui Square	Kunming	21,850	143,897	6,586
Greenland Shanding Park	Taiyuan	12,037	140,636	11,684
Global 188	Suzhou	3,873	76,714	19,807
Greenland Emerald Bay	Changshu	6,264	71,899	11,478
Wuxiang Greenland Center	Nanning	4,769	49,413	10,361
Greenland The Florea	Haikou	402	6,173	15,356
Greenland La Casa	Changshu	95	1,090	11,474
Sub-total		**1,247,502**	**13,768,663**	**11,037**
– Carparking lot				
Greenland Cifi City	Hangzhou		**140,042**	
Greenland International Huadu	Nanning		**88,849**	
China Resources • Greenland Triumph Arch	Xuzhou		**44,345**	
Greenland Jiangnan Huafu	Suzhou		**30,588**	
Tiffany	Shanghai		**10,435**	
Greenland Yunduhui Square	Kunming		**8,887**	
Cambridge Forest New Town	Shanghai		**3,857**	
Greenland Hai Chang Liu	Haikou		**3,638**	
Wuxiang Greenland Center	Nanning		**1,504**	
Greenland The Florea	Haikou		**707**	
Sub-total			**332,852**	
Total			**14,101,515**	

Contracted Sales

Leveraging the scale advantage and brand influence of its parent company, Greenland Holdings Corporation Limited ("Greenland Holdings" (600606. SH)), the Group properly understood the project positioning and pricing strategy and actively promoted the high-quality projects. In 2017, the Group recorded the total contracted sales of approximately RMB30,111 million, representing a year-on-year increase of approximately 65%, and the contracted GFA sold amounted to approximately 2,271,386 square meters, with a year-on-year increase of approximately 55%. The average selling price for 2017 was RMB13,257 per square meters.

The property market in the Pan-Yangtze River Delta was still the Group's main source of contracted sales income in 2017. The bulk of contracted sales Derived from projects in the Pan-Yangtze River Delta region, including those in Jiangsu, Zhejiang and Shanghai, accounting for 25%, 5% and 10%, respectively. The other major projects mainly included Hainan projects (22%), Guangxi projects (17%) and Jiangxi project (13%).

Strategic Cooperation

In June 2017, the Group entered into the strategic cooperation on project regarding the Greenland Spring City•Dian Lake International Health Model Town in Kunming. The project involved a diversity of industries such as international health check, medical treatment and aesthetics, resort hotel and venture capital base for health research which are beneficial to the development of Yunnan's current mega-health industry. The cooperation echoes with the development of Kunming as a "city of health" in China and is in line with Greenland Holdings' nationwide strategic layout of "themed town" as well as its commitment to innovation and transformation. It also conforms to the requirements of "stabilizing growth and promoting investment" of the central government, and Shanghai and Yunnan governments, and is expected to become another example for mutually beneficial cooperation between local government and enterprises.

In March 2018, the Group officially announced the development strategy for medical and healthcare industries. It will focus on medical and healthcare businesses by leveraging its strong brand advantages and deploying cutting-edge medical and healthcare resources at home and abroad to create a first-class life and health service platform. It will also partner with Provectus Care, a renowned Australian elderly care company, and Shanghai International Medical Centre, a domestic top medical institution, to establish the first Shanghai-based medical institution focusing on Alzheimer's disease. The Group formally unveiled in the release conference the establishment of its healthcare investment company which will serve as the Company's life and health service platform.

Finance Business

In 2017, focusing on the three core strategies including "online wealth management, asset management and scientific information services", a wholly-owned subsidiary of the Company, Shanghai Greenland Financial Information Services Co., Ltd. ("Greenland Financial Services") sustained a steady growth. By 2017, Greenland Financial Services achieved the profit for the second year consecutively since its establishment.

For asset management, Daokun Asset Management ("Daokun"), as the part of Greenland Financial Services, enjoyed dynamic growth trend in which Daokun actively deepened its cooperation with China's leading property developers, constantly promoted strategic layout and increased the total size of asset under management. As at the end of 2017, the accumulative assets under management of Daokun Asset exceeded RMB10 billion and Daokun was recognized as "Zero2IPO Group's Top 10 Real Estate Funds of China", "China Real Estate Fashion Award of Boao Real Estate Forum – China's Most Influential Fund 2017", and China's Top 20 Most Powerful Real Estate Funds 2017", ranking high among China's real estate funds.

For platform construction, Greenland Guangcai (綠地廣財) ("Greenland Guangcai"), as a platform which is engaged in online wealth management business, experienced steady growth. Specifically, the company issued and promoted the wealth management products with the total amount of RMB10,372 million and more than one million registered users in 2017. The company has always complied with regulatory requirements and promoted compliance construction. The company formally became a member of National Internet Finance Association of China in April 2017, and concluded the bank custody agreement with CITIC Bank in June 2017. Because of the company's strict risk control, Greenland Guangcai has ensured "no overdue and no bad debt" for all assets since launched online in August 2015.

In 2018, Greenland Financial Services will continuously improve the online wealth management platform, keep the platform's competitiveness, deepen and optimize strategic layout, expand and strengthen its real estate funds, fully exploit the industry's leading technological advantages, expand data and information service business, make steady progress and deliver innovative growth based on the Company's overall development strategy, which in turn will boost the coordinated development of the Company's different operations.

Land Bank

By the annual result announcement date from the beginning of 2017, the Group acquired 12 pieces of lands with a total GFA of approximately 7,240,000 sq.m in Pan-Yangtze River Delta and Pan-Pearl River Delta Regions.

On 12 January 2017, the Group entered into an equity transfer agreement with Wuxi Metro Group Co., Ltd ("Wuxi Metro") to acquire 90% equity interest in Wuxi Guangcheng Metro Above-Station Property Development Co., Ltd. ("Wuxi Guangcheng") which owned a parcel of land situated in Wuxi City, Jiangsu Province, the PRC, at a total consideration of approximately RMB2,340 million. As at 31 December 2017, the land plot will be used to develop residential, commercial and office units with an estimated GFA of approximately 329,000 sq.m.. The acquisition has further strengthened the position of the Group in the Pan-Yangtze River Delta area and enriched the Group's property portfolio.

On 24 January 2017, the Group successfully bid for a land parcel located in Nanning, Guangxi of the PRC, at a total consideration of approximately RMB535 million for a GFA of approximately 296,200 sq.m. with Guangxi Baota Industrial Park Development Investment Company Limited* (廣西寶塔工業園區開發投資有限公司) and Haixia Capital Management Co., Ltd.* (海峽匯富產業投資基金管理有限公司). The land parcel is located at Xiangsihu sub-district, Nanning of the PRC, which is a cultural, educational, scientific and research development center situated at the west of Nanning City of the PRC and on the upstream of Yongjiang.

On 18 May 2017, the Group entered into an equity transfer agreement to acquire 99% equity interest in 吳江神鷹房地產開發有限公司 (Wujiang Shenying Real Estate Development Co., Ltd.*) at an aggregate consideration of approximately RMB601 million. The GFA of the projects is approximately 204,060 sq.m.. The project will further increase the Company's market share and brand influence in Wujiang, Suzhou of the PRC.

In June 2017, the Group successfully bid for a land parcel located in Jiangnan District, Nanning, Guangxi, the PRC, at a total consideration of approximately RMB904 million. The total GFA is approximately 258,260 sq.m. for residential purpose. The acquisition of land not only demonstrates the high importance the Company attaches to the unique regional advantage of Guangxi of the PRC, but also injects further impetus to the long-term development of the Company in the prime locations of core cities.

In August 2017, the Group successfully acquired a project in Foshan, Guangdong Province of the PRC, at a total consideration of approximately RMB1.18 billion. The project consists of the land for residential and commercial purposes with a site area of approximately 400,000 sq.m. and the land for agricultural tourism purpose of 380,000 sq.m. located in Genghe Town, Gaoming District, Foshan of the PRC, with a total GFA of approximately 479,398 sq.m.. The Group aims to develop the land into a high-end town with special characteristics, featuring with enrich eco-logical resources for developing tourism property.

On 30 August 2017, the Group won the bid for three plots of land located in Tongxiang Economic Development Zone in Jiaxing City, Zhejiang Province of the PRC at the total consideration of RMB673 million with a total GFA of approximately 341,707 sq.m.. It is the Company's first foray into Jiaxing market. The project will be developed into a mixed development for residential, commercial and offices.

In December 2017, the Group held cornerstone laying ceremony for the large-scale rehabilitation project, Greenland Spring City•Dian Lake International Health Model Town ("Health Model Town Project"), in Dayu district in Kunming of the PRC. The Health Model Town Project will be developed in three phases. On 8 December 2017, the Company successfully acquired the first plot of land with a total GFA of approximately 980,000 sq.m. including 520,000 sq.m. for residential purpose and 460,000 sq.m. for commercial purpose.

In December 2017, the Group acquired a plot of land for Greenland Central Plaza with a total GFA of approximately 225,958 sq.m,. The project will be a mixed development of residential, commercial and offices. In the same month, the Group additionally acquired a plot of land for new project, namely Greenland City, in Santang Town (三塘鎮), Xingning District, Nanning of the PRC, with a total GFA of approximately 663,059 sq.m for residential, commercial and office purpose.

* *For identification purposes only*

In January 2018, the Group won the bid for several plots of land for the project, located in Dongmeng Economic Development Zone in Nanning of the PRC with a total GFA of approximately 872,891 sq.m for residential, commercial and office purpose. In the same month, the Group further acquired a plot of land located in Yulin City, Guangxi Province of the PRC, with a total GFA of approximately 999,414 sq.m for residential and commercial purpose.

On 23 January 2018, the Group entered into the equity transfer agreement to acquire 70% of equity interest in 肇慶亨昌實業投資有限公司 (Zhaoqing Hengchang Industrial Investment Co., Ltd.*) ("Zhaoqing Hengchang"), which holds the property project in Zhaoqing City, Guangdong Province of the PRC, at a total consideration of RMB1,855 million with a total GFA of approximately 1,585,000 sq. m. for residential, commercial and hotel purpose.

As at the date of this annual result announcement, the Group held a land bank of approximately 19 million sq.m. strategically located in the prime zones of major cities in the Pan-Yangtze River Delta and Pan-Pearl River Delta regions of the PRC.

Offshore Financing

In July 2017, the Group issued 4.5% bonds with an aggregate principal amount of USD400 million due 2018. The proceeds from the issuance was applied to the refinancing of its offshore debt.

In the second half of 2017, the Group also successfully obtained a three-year offshore syndicated loan with an aggregate amount equivalent to approximately USD250 million with interest rate of LIBOR+2.8% for refinancing purpose.

Outlook

The 2018 Central Economic Work Conference emphasized steady progress as an important long-term principle for state governance of China. Driven by the strong demand in the domestic market and the loose macro-economic policy, it's expected that China will maintain its steady economic growth. In the long run, the quest and promotion of high-quality development is the fundamental requirement for China's economic development in the days to come. For the property market, the Central Economic Work Conference proposed the establishment of a housing system with supply by multiple market players, guarantee through multiple channels and balance between lease and purchase. The long-effect mechanism that can improve and promote the steady and healthy development of the real estate market may be introduced to maintain the continuity and stability of regulatory policies in the real estate market and a clear distinction in the responsibilities between the Central Government and the local governments, in order to achieve differentiated regulation. In response to the market condition with upgrading of consumption, the Group will work hard to make products to meet consumers' different demands in the property market while paying attention to the market potentials and investment opportunities in the core cities of the Pan-Yangtze River Delta and the Pan-Pearl River Delta. The Group will make flexible use of differentiated strategies and select those cooperation projects capable of enhancing the Company's brand influence

* *For identification purposes only*

through its abundant operation experience in the real estate market. The Group will utilize its professional advantages in product, development and sales, and forge the partnership with land owners and capital owners to expand development scale and market influence and increase its overall competitiveness.

FINANCIAL PERFORMANCE

Revenue

The total revenue of the Group was decreased by approximately 14% to approximately RMB14,619 million from approximately RMB16,919 million, in 2016, mainly due to the decrease of the revenue arising from sales of properties.

As the core business of the Group, the sales of properties generated a revenue of approximately RMB14,102 million in 2017 (2016: approximately RMB16,431 million), accounting for approximately 96% of the total revenue, and representing a decrease of approximately 14% as compared with 2016, mainly a result of different regions and types of the delivered properties in 2017. The revenue of the Group from other segments included hotel operation income, property management and other related services, and rental income from leased properties.

	2017	2016	Change
	RMB'000	*RMB'000*	*RMB'000*
Sales of properties	**14,101,515**	16,430,695	(2,329,180)
Property management and other services	**343,675**	269,784	73,891
Hotel operation income	**137,361**	177,100	(39,739)
Rental income	**36,321**	41,609	(5,288)
	14,618,872	16,919,188	(2,300,316)

Cost of Sales

Cost of sales decreased by approximately 22% from approximately RMB14,091 million for 2016 to approximately RMB11,028 million. The cost of sales mainly comprised land costs, construction costs, capitalized finance costs and sales tax.

Gross Profit and Margin

Gross profit increased to approximately RMB3,591 million from approximately RMB2,828 million in 2016, and margin rose from 17% to 25% during 2017 from those in 2016.

Other Income, Gains and Losses and Other Operating Expenses

Other income, gains and losses and other operating expenses increased from a loss of approximately RMB641 million for 2016 to a gain of approximately RMB285 million for 2017, which was mainly due to the foreign exchange gain arising from the appreciation of Renminbi in 2017.

Operating Expenses

With the sustainable business development and expansion of the Group, selling and marketing costs increased from approximately RMB416 million in 2016 to approximately RMB587 million in 2017 while administrative expenses decreased from approximately RMB500 million in 2016 to approximately RMB438 million in 2017.

Net Finance Costs

Net finance costs increased from approximately RMB65 million in 2016 to approximately RMB129 million.

Revaluation gain on investment properties

The Group recorded fair value gains on investment properties of approximately RMB329 million for the year, as compared with a gain of approximately RMB688 million in 2016. The fair value gain was mainly attributable to gain on investment properties in Shanghai and Jiaxing of the PRC.

Income Tax

Income tax increased to approximately RMB1,420 million in 2017 from approximately RMB1,025 million in 2016 mainly due to more corporation income tax and land appreciation tax provision for the property delivery with higher margin.

Profit and Total Comprehensive Income for the Year

The Group's profit and total comprehensive income for 2017 amounted to approximately RMB1,836 million, an increase of approximately 48% compared with approximately RMB1,241 million in 2016.

Financial Position

As at 31 December 2017, the Group's total equity was approximately RMB11,585 million (31 December 2016: approximately RMB9,724 million), total assets amounted to approximately RMB68,750 million (31 December 2016: approximately RMB54,105 million) and total liabilities stood at approximately RMB57,165 million (31 December 2016: approximately RMB44,381 million).

Liquidity and Financial Resources

The Group's business operation proceeds and bank loan raised have been the primary sources of liquidity of the Group, which have been applied in business operations and investment in development projects.

As at 31 December 2017, net gearing ratio (total interest-bearing loans and bonds less cash and cash equivalents (including restricted bank deposits) over total equity) decreased to a level of approximately 84% (31 December 2016: approximately 121%). Total cash and cash equivalents (including restricted cash) amounted to approximately RMB7,857 million, with total borrowings of approximately RMB17,590 million and an equity base of approximately RMB11,585 million.

Treasury Policy

The business transactions of the Group were mainly denominated in RMB. Apart from fund raising transactions in the capital market, there is limited exposure to foreign exchange risk.

The Group has established a treasury policy with the objective of enhancing the control over treasury functions and lowering the costs of funds. In providing funds to its operations, funding terms have been centrally reviewed and monitored at Group level.

To minimize the interest risk, the Group continued to closely monitor and manage its loan portfolio by its existing agreements' interest margin spread with market interest rates and offers from the banks.

Credit Policy

Trade receivables mainly arose from sale and lease of properties and are settled ·in accordance with the terms stipulated in the sale & purchase agreements and lease agreements.

Pledge of Asset

As at 31 December 2017, the Group pledged properties and time deposits with a carrying value of approximately RMB8.6 billion to secure bank facilities, and the total secured loan balance outstanding amounted to approximately RMB5.8 billion.

Financial guarantee

As at 31 December 2017, the Group provided guarantees to banks for:

	December 31, 2017	December 31, 2016
	RMB'000	*RMB'000*
Mortgage loan	**9,922,333**	7,274,193

Capital commitment

	December 31, 2017	December 31, 2016
	RMB'000	*RMB'000*
Property under development and investment properties under development contracted but not provided in the consolidated financial statements	**11,138,547**	6,751,193

Human resources

As at 31 December 2017, the Group employed a total of 3,153 employees (31 December 2016: 2,678). The Group has adopted a performance-based rewarding system to motivate its staff. In addition to a basic salary, year-end bonuses are offered to staff with an outstanding performance, share award schemes were adopted to attract and retain talent. The Group also provides various training programs to improve their skills and develop their respective expertise.

FINAL DIVIDEND

The Board of Directors has resolved to propose a 2017 final dividend of HKD0.15 per ordinary share, amounting to approximately a total of HKD419 million for the year ended 31 December 2017, subject to the approval by the shareholders of the Company (the "**Shareholders**") at the forthcoming annual general meeting.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company will be held on Wednesday, 23 May 2018 (the "**AGM**"). A notice convening the AGM will be published and despatched in due course to the Shareholders in the manner required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**"). The register of members of the Company will be closed from Thursday, 17 May 2018 to Wednesday, 23 May 2018 (both days inclusive), during which period no transfer of shares will be effected. In order to determine the entitlement to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 16 May 2018.

Subject to the approval of the Shareholders at the AGM, the proposed final dividend will be payable to Shareholders whose names appear on the register of members of the Company on Thursday, 31 May 2018. In order to determine the identity of the Shareholders who are qualified to receive the proposed final dividend, the register of members of the Company will be closed on Tuesday, 29 May 2018 to Thursday, 31 May 2018 (both days inclusive), during which period no transfer of shares will be effected. All duly completed transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 28 May 2018. The final dividend will be payable on or around Thursday, 21 June 2018.

CORPORATE GOVERNANCE

During the Reporting Period, the Company had complied with the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules, except for code provisions A.2.1, A.4.2 and E.1.2 as described below.

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. From 1 January 2017 to 31 December 2017, Mr. CHEN Jun had undertaken the role of both chairman of the Board and chief executive officer of the Company. The Company considers that the combination of the roles is conducive to the efficient formulation and implementation of the Group's strategies and policies and such combination has not impaired the corporate governance practices of the Group. The balance of power and authority is ensured by the management of the Company's affairs by the Board which meets regularly to discuss and determine issues concerning the operations of the Group.

Code provision A.4.2 of the CG Code stipulates that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. Pursuant to the Company's articles of association, any person appointed as a director by the Board shall stand for re-election at the next following annual general meeting of the Company. Such arrangement is considered appropriate in light of the requirement of paragraph 4(2) of Appendix 3 to the Listing Rules which requires that any person appointed by the directors to fill a casual vacancy shall hold office only until the next following annual general meeting and shall then be eligible for re-election.

Code provision E.1.2 of the CG Code stipulates that the chairman of the Board should attend annual general meetings. The chairman of the Board did not attend the annual general meeting of the Company held on 15 June 2017 due to other business commitments.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

EVENTS AFTER THE REPORTING PERIOD

(1) On 26 January 2018, the Group distributed the dividend of Perpetual Securities issued on 27 July 2016. The amount is USD3,375,000 (approximately RMB21,572,000).

(2) On 23 January 2018, the Group entered into the equity transfer agreement with 廣東正域投資集團有限公司 (Guangdong Zhengyu Investment Group Co., Ltd.) to purchase 70% equity interest in Zhaoqing Hengchang for a total transaction amount of approximately RMB1,855 million. Upon completion, Zhaoqing Hengchang will become an indirect non-wholly owned subsidiary of the Group. For further information, please refer to the announcement for the Company dated 23 January 2018.

REVIEW OF THE ANNUAL RESULTS

The audit committee of the Company has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2017 in conjunction with the Company's auditor, Deloitte Touche Tohmatsu, and the management of the Company.

PUBLICATION OF THE AUDITED ANNUAL RESULTS AND ANNUAL REPORT

This announcement is published on the HKEXnews website at www.hkexnews.hk and the Company's website at www.greenlandhk.com. The 2017 annual report of the Company will be available on the HKEXnews website and the Company's website, and will be despatched to the Shareholders in due course.

By order of the Board
Greenland Hong Kong Holdings Limited
Chen Jun
Chairman

Hong Kong, 28 March 2018

As at the date of this announcement, the executive directors of the Company are Mr. Chen Jun, Mr. Wang Weixian, Mr. Hou Guangjun, Mr. Wu Zhengkui and Ms. Wang Xuling; and the independent non-executive Directors are Mr. Cheong Ying Chew, Henry, Mr. Fong Wo, Felix, JP, and Mr. Kwan Kai Cheong.