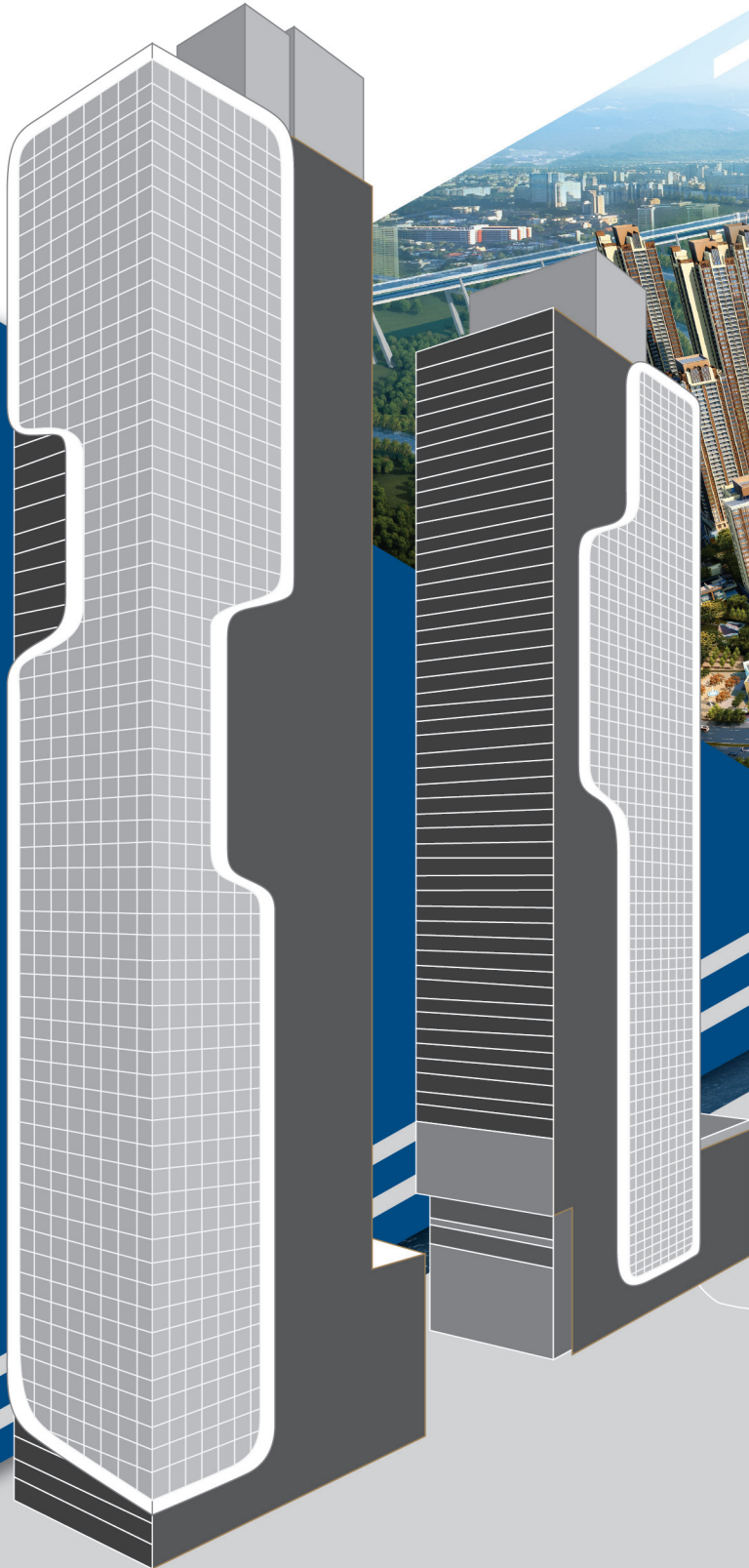




招商局置地有限公司

CHINA MERCHANTS LAND LIMITED

Stock Code 股份代號 : 978



2018

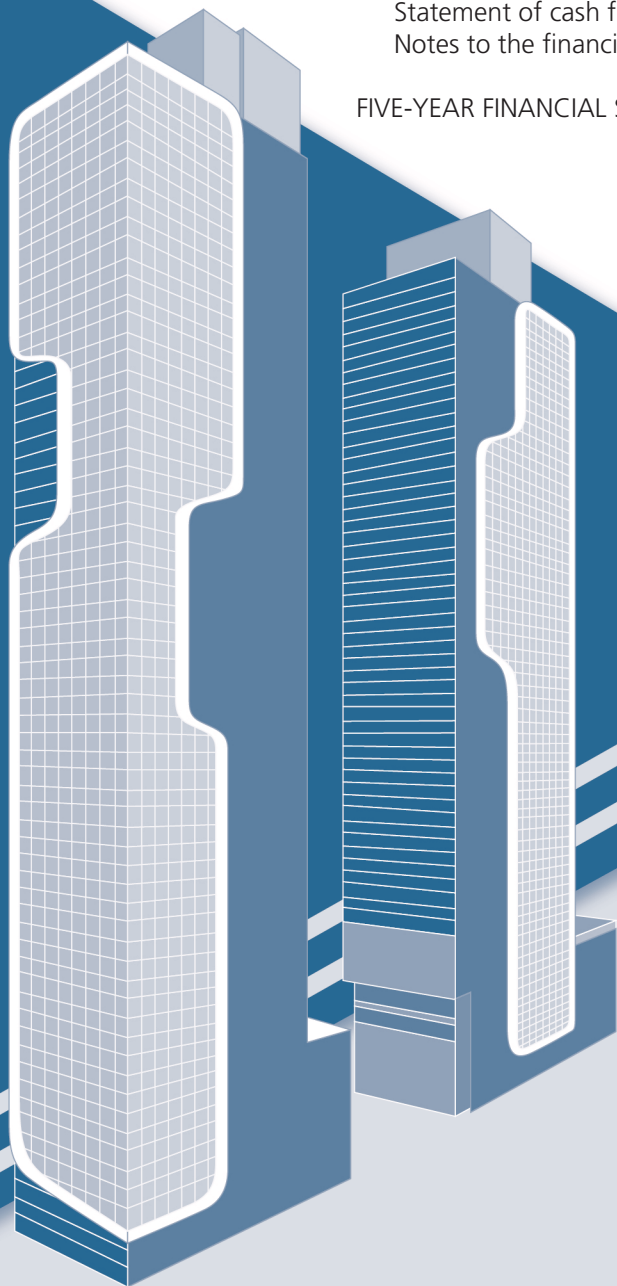
ANNUAL REPORT

年度報告



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CORPORATE INFORMATION

公司資料

DIRECTORS

Non-executive Directors

Mr. XU Yongjun (*Chairman*)
Mr. HUANG Junlong
Dr. YAN Chengda
(resigned on 13 August 2018)
Ms. LIU Ning

Executive Directors

Dr. SO Shu Fai
Mr. YU Zhiliang
Mr. WONG King Yuen

Independent Non-executive Directors

Dr. WONG Wing Kuen, Albert
Ms. CHEN Yanping
Dr. SHI Xinping
Mr. HE Qi

AUDIT COMMITTEE

Dr. WONG Wing Kuen, Albert (*Chairman*)
Ms. LIU Ning
Dr. SHI Xinping

NOMINATION COMMITTEE

Mr. XU Yongjun (*Chairman*)
Ms. CHEN Yanping
Dr. SHI Xinping

REMUNERATION COMMITTEE

Ms. CHEN Yanping (*Chairman*)
Mr. HUANG Junlong
Dr. WONG Wing Kuen, Albert

COMPANY SECRETARY

Mr. TSUI Kin Fung

AUDITOR

Deloitte Touche Tohmatsu

董事

非執行董事

許永軍先生(*主席*)
黃均隆先生
YAN Chengda博士
(於二零一八年八月十三日辭任)
劉寧女士

執行董事

蘇樹輝博士
余志良先生
黃競源先生

獨立非執行董事

王永權博士
陳燕萍女士
史新平博士
何琦先生

審核委員會

王永權博士(*主席*)
劉寧女士
史新平博士

提名委員會

許永軍先生(*主席*)
陳燕萍女士
史新平博士

薪酬委員會

陳燕萍女士(*主席*)
黃均隆先生
王永權博士

公司秘書

徐建峰先生

核數師

德勤•關黃陳方會計師行

CORPORATE INFORMATION

公司資料

REGISTERED OFFICE

P.O. Box 309, Uglan House,
Grand Cayman,
KY1-1104,
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Room 2603 to 2606, 26/F
China Merchants Tower, Shun Tak Centre
Nos. 168-200 Connaught Road Central
Hong Kong

PRINCIPAL BANKERS

Agricultural Bank of China Limited
Bank of Beijing Co., Ltd.
Bank of China (Hong Kong) Limited
Bank of China Limited
Bank of Communications Co., Ltd.
Bank of Communications Co., Ltd. Hong Kong Branch
Bank of Nanjing Co., Ltd.
Baoshang Bank Limited
China CITIC Bank Corporation Limited
China Construction Bank Corporation
China Construction Bank (Asia) Corporation Limited
China Everbright Bank Co., Ltd.
China Merchants Bank Co., Ltd.
China Zheshang Bank Co., Ltd.
DBS Bank Limited
ING Bank N.V.
Industrial and Commercial Bank of China (Asia) Limited
Industrial and Commercial Bank of China Limited
Industrial Bank Co., Ltd.
Shanghai Pudong Development Bank Co., Ltd.
The Hongkong and Shanghai Banking Corporation Limited
The Bank of East Asia (China) Limited

PRINCIPAL SHARE REGISTRARS AND TRANSFER OFFICE

SMP Partners (Cayman) Limited
Royal Bank House
3rd Floor
24 Shedden Road
P.O. Box 1586
Grand Cayman, KY1-1110
Cayman Islands

註冊辦事處

P.O. Box 309, Uglan House,
Grand Cayman,
KY1-1104,
Cayman Islands

總辦事處及主要營業地點

香港
干諾道中168-200號
信德中心招商局大廈
26樓2603-2606室

主要來往銀行

中國農業銀行股份有限公司
北京銀行股份有限公司
中國銀行(香港)有限公司
中國銀行股份有限公司
交通銀行股份有限公司
交通銀行股份有限公司·香港分行
南京銀行股份有限公司
包商銀行股份有限公司
中信銀行股份有限公司
中國建設銀行股份有限公司
中國建設銀行(亞洲)股份有限公司
中國光大銀行股份有限公司
招商銀行股份有限公司
浙商銀行股份有限公司
星展銀行有限公司
荷蘭商業銀行
中國工商銀行(亞洲)有限公司
中國工商銀行股份有限公司
興業銀行股份有限公司
上海浦東發展銀行股份有限公司
香港上海滙豐銀行有限公司
東亞銀行(中國)有限公司

主要股份過戶及登記總處

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Royal Bank House
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24 Shedden Road
P.O. Box 1586
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Cayman Islands



CORPORATE INFORMATION

公司資料

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

SOLICITORS

Jun He Law Offices

WEBSITE

<http://ir.cmland.hk>

STOCK CODE

978

香港股份過戶及登記分處

卓佳登捷時有限公司
香港
皇后大道東183號
合和中心22樓

律師

君合律師事務所

網址

<http://ir.cmland.hk>

股份代號

978



CHAIRMAN'S STATEMENT

主席報告

To Shareholders,

I hereby present to you the report of annual results of China Merchants Land Limited ("China Merchants Land" or the "Company", Stock Code: 00978) and its subsidiaries (together as the "Group") for the year ended 31 December 2018.

BUSINESS REVIEW

In 2018, the turnover of the Group was approximately RMB11,955,899,000 (2017: RMB17,310,562,000), representing a year-on-year decrease of approximately 31%. Profit attributable to the owners of the Company was approximately RMB1,216,132,000 (2017: RMB1,638,124,000), accounting for a year-on-year decrease of approximately 26%. The decrease in profit was mainly attributable to the difference between the progress of carried-forward sales of occupation of each project Profit attributable to the shareholders per share was approximately RMB24.79 cents (2017: RMB33.40 cents).

Under the ever-changing market environment and policies, the Group responded by prudent and flexible strategies from beginning to end and committed to making efforts in improving our results. As the Group's business scale is expanding and optimizing, the Group plans to maintain stable cash return for the shareholders. The Board proposes payment of final dividends for the year ended 31 December 2018 of HK\$0.08 per share.

OPTIMISE OUR STRATEGIC BUSINESS POSITIONING

After the speedy development of more than a decade, it is expected that the growth of China's property market will gradually slow down. Along with the continuous promotion of urbanization, the demand for properties management services is increasing rapidly and the demand for product quality becomes increasingly stringent, especially for the asset management services for offices and serviced department in first-tier cities.

致各位股東：

本人欣然提呈招商局置地有限公司(「招商置地」或「本公司」，股份代號：00978)及其附屬公司(統稱「本集團」)截至二零一八年十二月三十一日之全年業績報告。

業績概覽

二零一八年，本集團營業額約為人民幣11,955,899,000元(二零一七年：人民幣17,310,562,000元)，同比下降約31%。本公司擁有人應佔溢利約為人民幣1,216,132,000元(二零一七年：人民幣1,638,124,000元)，同比下降約26%。溢利有所下調主要由於各項目入伙銷售結轉進度差異的影響。每股股東應佔溢利約為人民幣24.79分(二零一七年：人民幣33.40分)。

面對市場環境和政策不斷變化，本集團始終以穩健和靈活的策略對市場作出回應，致力為提升業績作出努力。隨著本集團業務規模擴大和優化，本集團計劃保持穩定的股東現金回報，董事會建議派付截至二零一八年十二月三十一日止年度的末期股息每股港幣0.08元。

優化戰略業務定位

中國房地產市場經過十多年的快速發展，未來增速預期逐步放緩；而隨著城市化進程的不斷推進，存量房地產的管理服務需求迅速增長，對品質要求越來越高，尤其是於一線城市的辦公室及服務式公寓的資產管理服務。

CHAIRMAN'S STATEMENT

主席報告

In view of this, according to the analysis of market environment and demands, the Group continued to promote strategic transformation in the past two years. During the review year, the Group signed an amended and restated non-competition deed with China Merchants Shekou Industrial Zone Holdings Co., Ltd. ("CMSK"), our controlling shareholder, and it has been unanimously passed by our independent shareholders in the extraordinary general meeting held at 29 January 2019. Both parties has confirmed their respective strategic positions, CMSK will continue to focus on the business development of a full value chain including residential, industrial park and cruises, while the Group will strategically arrange the "asset-light" property management service business based on its continuous operation of traditional property development business in CML cities namely Guangzhou, Foshan, Nanjing, Jurong, Chongqing and Xi'an. In the meantime, the Group has broken the geographical limitation and is entitled to invest across the PRC on a minority basis, so as to enhance the overall competitiveness of the Group.

PROPERTY DEVELOPMENT BUSINESS

Leveraging on the continuous development in Guangzhou, Foshan, Nanjing, Jurong, Chongqing and Xi'an, the Group has broken the geographical limitation and invests in quality projects in Guangdong-Hong Kong-Macau Bay Area and other cities with net population inflow subject to the double-30% credit (proportion of non-controlling investment is required to be less than 30% and the total amount of non-controlling investment is required to be less than 30% of total assets), so as to optimize investment allocation.

STRATEGICALLY ALLOCATE ASSET-LIGHT BUSINESSES

With regards to the "asset-light" asset management business, the Group will focus on developing the asset management platform for office premises and serviced departments. The Group will engage in the asset management business for office buildings exclusively in Beijing and Shanghai. After successfully injecting the asset management for office premises in Beijing and Shanghai, the parent will further transfer the asset management business for office premises in Shenzhen to the Group. Thereafter, the Group will also acquire the asset management business for office premises in other cities in the PRC operated by CMSK, resulting in obtaining the exclusive right of conducting asset management business for office premises in all cities in the PRC.

有鑒於此，根據對市場環境及需求的研判，本集團過去兩年持續推進戰略轉型。於回顧年內，本集團與控股股東招商局蛇口工業區控股股份有限公司（「招商蛇口」）簽署經修訂及重列之不競爭契據，並於二零一九年一月二十九日舉行之股東特別大會上獲獨立股東一致通過。雙方確定清晰戰略定位，招商蛇口將繼續專注於住宅、工業園和郵輪的全價值鏈業務佈局，而本集團將繼續在招商置地城市（即廣州、佛山、南京、句容、重慶和西安）經營其傳統房地產開發業務的基礎上，戰略配置輕資產房地產資產管理服務業務，同時集團將打破區域性限制，以小股方式投資全國，從而提升本集團的整體競爭力。

房地產開發業務

集團在聚焦深耕廣州、佛山、南京、句容、重慶和西安的基礎上，打破地域限制，在雙30%額度下（非控股投資比例不超過30%，非控股投資總額不超過總資產的30%）投資粵港澳灣區及其他人口淨流入城市優質項目，優化投資佈局。

戰略配置輕資產業務

在「輕資產」管理業務方面，集團將專注開發辦公室物業及服務式公寓的資產管理平台。集團將在北京和上海獨家經營寫字樓資產管理業務。在成功注入北京及上海的辦公室物業資產管理後，母公司將進一步把深圳辦公室物業的資產管理業務轉讓予本集團。其後，本集團亦將收購其他招商蛇口在中國其他城市經營的辦公室物業資產管理業務，並將擁有在中國所有城市辦公室物業進行資產管理業務的專有權。

CHAIRMAN'S STATEMENT

主席報告

With regards to the development of serviced apartments, the south tower of CM+ Hotels and Serviced Apartments (CM+ Hotels) locating in Sheung Wan, Hong Kong has had its grand opening during the review year. CM+ CM+ Hotels is the Group's first hotel and serviced apartments project in Hong Kong, which is designed as a "twin-tower" with south and north tower. Boutique serviced apartments with panoramic sea views in the north tower has commenced operation in April 2016, which has an outstanding operating performance with occupancy rate over 90%; 81 luxury accommodations with sea views and city views are provided in the south tower with a current occupancy rate of 62%. Leveraging on the management experience of CM+ Hotels, the Group is determined to further expand the asset management platform for serviced departments in Hong Kong. The Group will also explore opportunities proactively and participate in the management of appropriate serviced apartment projects held by third parties and CMSK, so as to strengthen the "CM+" brand.

BUSINESS REVIEW

Market Review

In 2018, the global economy failed to maintain last year's growth momentum and the economy experienced a slowdown. The highly-complicated international environment and the continued warming of US trade protection pressurized exports due to the initiation of trade war around the world, of which the Sino-US trade dispute is the tensest. In addition, the latest Brexit proposal of Britain has been vetoed, hard Brexit will cause uncertainties on the outlook of Britain and Europe. Plagued by various uncertainties, the stock market experienced substantial fluctuation in 2018 and has the worst performance since the financial crisis. Major indices of various nations have recorded declines and the market atmosphere and performance is less optimistic. With regards to the monetary market, due to the tightened monetary policies of the United States and the interest rate hikes, various currencies have depreciated and led to capital outflow. In 2018, although affected by uncertainties, China is confronted with complicated internal and external situations, the supply-side structural reforms were further implemented continuously and efforts on reforms and open policy were intensified. The gross domestic product grew by 6.6% during the year, which fulfilled the forecasted development targets in general.

在服務式公寓發展方面，於回顧年內，本集團位於香港上環的CM+壹棠酒店及服務式公寓(CM+壹棠)南座亦正式開幕。CM+壹棠為本集團首個在香港的酒店及服務式公寓項目，為南、北兩座「雙子塔」設計。北座全海景精品服務式公寓於2016年4月開業，目前營運狀況優秀，出租率超過90%；南座提供81套海景及城市景豪華客房，現時出租率達62%。本集團決心憑藉CM+壹棠的管理經驗，進一步擴展香港之服務式公寓資產管理平台，並積極物色機遇，參與管理第三方及招商蛇口持有的合適服務式公寓項目，以壯大「CM+」品牌。

業務回顧

市場回顧

二零一八年全球經濟未有延續去年的增長勢頭，經濟出現放緩的態勢。國際環境錯綜複雜，美國貿易保護主義持續升溫，在全球發起貿易戰對出口造成壓力，尤其中美貿易磨擦最為緊張，此外英國的最新脫歐協議方案受到否決，硬脫歐使英國和歐洲的前景不明朗。在各種不明朗因素下，二零一八年股票市場波動顯著，是金融危機以來表現最差的一年，各國重要指數均錄得下跌，市場氣氛表現不樂觀。貨幣市場方面，由於美國貨幣政策收緊及加息，多國貨幣出現貶值，使資本外流。二零一八年國內面對錯綜複雜的內外部形勢，雖然受不明朗因素影響，供給側結構性改革持續深入推進，改革開放力度加大，年內實現生產總值增長達6.6%，整體符合預期的發展目標。

CHAIRMAN'S STATEMENT

主席報告

Being one of the pillars of domestic economic growth, the total sales volume of China's real estate industry in 2018 enjoyed a stable growth. In 2018, the central government adhered to the stable progress as the overall tone and continued to follow the principle of "Houses are built for residence, not for speculation". Different policies have been imposed in different regional governments and adjustment policies were frequently promulgated to stabilise the price for houses, resulting in the slowdown of the growth in commercial houses during the year. As indicated by the information of National Bureau of Statistics, the area of commercial houses sold reached 1.717 billion square metres, which achieved a year-on-year growth of 1.3%. The sales of commercial houses reached RMB15 trillion, which achieved a year-on-year growth of 12.2%.

Property Development

In 2018, the Group committed to enhancing our business growth and achieved aggregate contracted sales of approximately RMB34,431,766,000 and aggregate contracted sales area of 1,741,931 sq.m., representing increases of approximately 43% and approximately 26% over that of 2017 respectively. Pre-sales houses amounted to RMB14,886,338,295 representing an increase of 105% than 2017. In order to achieve sustainable and quality development, the Group continuously reinforced our management capabilities in project progress, quality, safety, customer services as well as cost and marketing.

Land Bank

In 2018, the Group expanded the operating scale moderately. During the review year, the Group continued to focus on quality cities and newly acquired 5 land parcels with total permissible area of approximately 846,655 sq.m. in a total consideration of approximately RMB7.528 billion. As at 31 December 2018, the Group had land bank of approximately 5,867,015 sq.m. The management believes that, as the Group is gradually transforming to light-assets business, the existing land bank is sufficient to fulfill the needs of the Company's project development mentioned above for the next three years.

Capital and Finance

At the end of 2018, the net gearing ratio of the Group was approximately 50%, which is at a healthy level in the property industry. The bank balances and cash amounted to approximately RMB6.9 billion. The average cost of the capital was approximately 4.95% of the annualised interest rate in 2018, representing a slight increase than that in 2017. At the same time, the Group placed great efforts to improve the cash collection of sales proceeds, hence achieving an annual cash collection of proceeds with a cash collection rate of approximately 98%. The capital turnover remains stable and safe. In respect of management of foreign exchange risks, the Group will closely monitor the changes in the foreign exchange market so as to make swift response.

作為國內經濟增長支柱之一，中國房地產行業於二零一八年整體銷售規模穩定增長。二零一八年中央政府以穩中求進為總基調，持續堅持房住不炒，各地方政府因城施策，密集出臺調控政策以穩住房價，致使年內商品房增速有所放緩。據國家統計局資料顯示，年內商品房銷售面積17.17億平方米，同比增長1.3%。商品房銷售額人民幣15萬億元，同比增長12.2%。

房地產開發

二零一八年，本集團致力提升業務增長，合同銷售總額達約人民幣34,431,766,000元，合同銷售總面積約為1,741,931平方米，較二零一七年分別增長約43%和約26%，預售樓款14,886,338,295元，較二零一七年增長105%。本集團為實現可持續、有品質的增長，繼續加強在項目進度、品質、安全、客服、成本和行銷等方面的管理能力。

土地儲備

二零一八年，本集團適度擴大經營規模，回顧年內本集團繼續聚焦深耕優質城市，新增土地5塊，總計容面積約846,655平方米，土地總價人民幣約75.28億元。截至二零一八年十二月三十一日止，本集團持有土地儲備總額約5,867,015平方米。管理層相信，隨著本集團逐步轉向輕資產業務，現有土地儲備將滿足公司未來3年以上之項目發展需要。

資金與財務

於二零一八年底，本集團的淨槓桿率約50%，在房地產行業屬健康水準；銀行結餘及現金折合約人民幣69億元；二零一八年平均資金成本為年化利率約4.95%，較二零一七年略有增長。同時，本集團加大銷售回款力度，全年回款率達98%，資金周轉平穩、安全。匯率風險管理方面，本集團將密切關注外匯市場變化，以作出第一時間反應。



CHAIRMAN'S STATEMENT

主席報告

OUTLOOK AND PROSPECT

Looking forward to the year of 2019, uncertainties such as the trade negotiation between China and the US, the US entering the economic cycle as well as the hard Brexit of the Britain will increase the downside risks to the global economy. At the same time, the downside risks to the domestic economy have been increased correspondingly due to the effects caused by the global economy. The Central Economic Work Conference emphasized “stabilizing employment, finance, foreign trade, foreign investors, foreign investment and future” and followed the overall principle of seeking progress while ensuring stability. Meanwhile, we will uphold the new development concepts, promote high quality development, treat supply-side structural reform as the major direction and further market reforms. In relation to the real estate market, it is expected that the policies will continue to emphasize on stability. The regional governments will implement the principal responsibility and carry out city-specific policies, so as to establish a long-term mechanism for healthy market development.

Adhering to the principle of “sustained intensive engagement and innovative development”, the Group will continue to develop its business by leveraging on the abundant inventory resources of China Merchants Group and China Merchants Shekou Industrial Zone Holdings Company Limited and fully capitalising on the advantages of overseas listing, so as to facilitate the diversified business development after corporate transformation as well as active exploration of asset management market and grasping of market investment opportunities.

APPRECIATION

On behalf of the Board, I wish to thank our customers, business partners and staff for their trust and support during last year and would appreciate your continued support for the Company's development in the future. As the Chairman of the Board, I would also like to express our sincere gratitude to our shareholders for their unfailing support and in approving the major changes of the Company. I believe and have confidence that we will create better return for the shareholders in the future.

XU Yongjun

Chairman

15 March 2019

前景展望

展望二零一九年，中美兩國之間的貿易談判、美國進入經濟週期、英國硬脫歐不明朗等因素使全球經濟下行風險加大。同時受環球經濟影響下，國內經濟下行風險相對增大。中央經濟工作會議強調「穩就業、穩金融、穩外貿、穩外資、穩投資、穩預期」，堅持以穩中求進為工作總基調，同時堅持新發展理念、推動高品質發展、以供給側結構性改革為主線、深化市場化改革。房地產市場方面，預期政策會持續以穩為主基調，城市政府將落實主體責任，因城施策，建立市場健康發展的長效機制。

本集團將繼續秉承「持續深耕，創新發展」的原則開發業務，並立足招商局集團和招商局蛇口工業區控股股份有限公司存量資源基礎，充分發揮境外上市平臺的優勢，推進公司轉型發展後的多元化業務發展，積極探索資產管理市場和拓展市場投資機遇。

致謝

本人謹代表公司董事會，對客戶、合作夥伴及員工在過去一年中對公司的信任與支持深表謝意，並期待大家往後繼續支持公司的發展。作為董事會主席，本人對各位股東對公司的大力支持並批准公司的重大變革表示衷心的感謝。我相信，也有信心在未來為股東創造更好的回報。

許永軍

主席

二零一九年三月十五日

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理人員履歷

The Directors' updated information is set out below, save as disclosed below, there is no financial, business, family or other material/relevant relationship among the Directors. The change of directors' information pursuant to Rule 13.51B of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the "Listing Rules") since the Company's last published interim report is set out in the section "Change of Information relating to Directors":

NON-EXECUTIVE DIRECTOR

Mr. XU Yongjun, aged 55, non-executive director of the Company, the chairman of the Board and the chairman of the nomination committee of the Company appointed on 18 March 2016.

Mr. XU joined China Merchants Logistics Holdings Co., Ltd.* since May 2001 and held various positions as chief marketing director, deputy general manager, executive deputy general manager and general manager until January 2016. On 30 December 2015, he was appointed as the director and general manager of China Merchants Shekou Industrial Zone Holdings Co., Ltd. ("CMSK"), an intermediate controlling shareholder of the Company.

Mr. XU graduated from Fuyang Normal University* in Anhui province in July 1984. He graduated from Applied Chemistry Department of Northwest Institute of Light Industry* (currently renamed as Shanxi University of Science & Technology*) with a Master's Degree in Engineering in November 1987.

Mr. HUANG Junlong, aged 53, non-executive director of the Company and a member of the remuneration committee of the Company appointed on 18 March 2016.

Mr. HUANG is currently the chief financial officer of CMSK. He joined China Merchants Shekou Industrial Zone* as deputy supervisor of the finance department in 1988 and holds various positions as deputy in charge of finance department of China Merchants Group*, chief financial officer of China Merchants Logistics Group Co., Ltd.*, chief financial officer of China Merchants Port Service Co., Ltd.*, chief financial officer of Shenzhen China Merchants Petrochemical Co., Ltd.* and the financial controller of finance department of China Merchants Shekou Industrial Zone*.

董事之最新資料載於下文。除下文披露者外，董事之間概無財務、業務、家族或其他重大／相關關係。自本公司最後刊發之中期報告後，根據香港聯合交易所有限公司證券上市規則（「上市規則」）第13.51B條董事資料之變動載於「有關董事資料之變動」一節：

非執行董事

許永軍先生，現年55歲，於二零一六年三月十八日獲委任為本公司非執行董事、董事會主席及本公司提名委員會主席。

許先生於二零零一年五月加入招商局物流集團有限公司歷任市場總監、副總經理、常務副總經理及總經理至二零一六年一月。於二零一五年十二月三十日獲委任為本公司間接控股股東招商局蛇口工業區控股股份有限公司（「招商蛇口」）之董事及總經理。

許先生於一九八四年七月畢業於安徽省阜陽師範學院，一九八七年十一月於西北輕工業學院（現更名為陝西科技大學）就讀應用化學專業，獲工學碩士學位。

黃均隆先生，現年53歲，於二零一六年三月十八日獲委任為本公司非執行董事及本公司薪酬委員會成員。

黃先生現為招商蛇口之財務總監，彼於一九八八年加入招商局蛇口工業區任職財務部副主任，及後歷任招商局集團財務部副部長、招商局物流集團有限公司財務總監、招商港務股份有限公司財務總監、深圳招商石化有限公司財務總監及招商局蛇口工業區財務總監。

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理人員履歷

In July 1988, Mr. HUANG graduated from Changsha Institute of Communications* with a Bachelor's Degree in Finance and Accounting Profession. He graduated from China Europe International Business School* with a Master of Business Administration Degree in September 2008.

Dr. YAN Chengda, aged 60, non-executive director of the Company appointed on 18 March 2016.

Dr. YAN has been engaged in property development business in China and other overseas developed countries with a management position in overseas listed companies for many years. He was a senior consultant of CMSK and resigned on 22 June 2018. He joined China Merchants Group* in the year of 1997. He holds various positions as deputy general manager of China Merchants Properties Holdings Company Limited* and executive director of China Merchants Holdings (Pacific) Limited*, shares of which are listed on the Singapore Exchange Securities Trading Limited.

Before joining China Merchants Group, Dr. YAN served as vice president of China State Construction International Holdings Limited (Florida Company of United States of America) and was a president assistant of China Construction International Corporation.

Dr. YAN holds a Bachelor's Degree in January 1982 and a Master's Degree in December 1984 from the Department of Civil Engineering in Dalian University of Technology*. He graduated from the Department of Water Conservancy in Tsinghua University* in June 1989 and was awarded a Doctoral Degree. He holds a senior engineer qualification since May 1993 and is a member of American Society of Civil Engineers.

Dr. YAN has resigned from his position as the non-executive director of the Company from 13 August 2018.

黃先生於一九八八年七月畢業於長沙交通學院管理系財務會計專業，獲學士學位，後於二零零八年九月畢業於中歐國際工商學院，獲工商管理碩士學位。

YAN Chengda博士，現年60歲，於二零一六年三月十八日獲委任為本公司非執行董事。

YAN博士長期從事國內及國外發達國家的房地產開發業務和境外上市公司的管理工作，曾為招商蛇口之高級顧問，於二零一八年六月二十二日辭任。彼於一九九七年加入招商局集團，曾任招商局地產集團有限公司副總經理及招商局亞太有限公司（其股份於新加坡證券交易所有限公司上市）執行董事。

於加入招商局集團前，YAN博士曾任中國建築總公司美國佛羅里達公司副總裁及中國對外建設總公司總裁助理。

YAN博士於一九八二年一月畢業於大連理工大學土木工程專業學士學位、並於一九八四年十二月於大連理工大學土木工程系取得碩士學位，後於一九八九年六月畢業於清華大學水利系，並獲博士學位。於一九九三年五月獲高級工程師資格並為美國土木工程師學會之會員。

YAN博士已辭任本公司非執行董事職位，自二零一八年八月十三日起生效。

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理人員履歷

Ms. LIU Ning, aged 50, non-executive Director appointed on 2 June 2012. Ms. LIU is a member of the audit committee of the Board.

Ms. LIU has over 15 years of experience in securities industry and has served as the secretary to the board of directors of CMSK since December 2015. She was appointed as a representative for securities affairs of China Merchants Property Development Co., Ltd* ("CMPD") (a company merged with CMSK in December 2016) in October 2001, a director of secretariat to the board of CMPD in July 2004 and the Board Secretary of CMPD from 2008 to 2015. Ms. LIU was appointed as the ninth expert of the listing committee of the Shenzhen Stock Exchange for the period from September 2016 to September 2018, and currently is the first expert for the preliminary review of corporate bonds listing of the Shenzhen Stock Exchange for the period from May 2017 to May 2019. Ms. LIU holds a Profession in Business Administration from Central South University of Forestry and Technology* in 2000, and subsequently holds a Master of Business Administration Degree from Macau University of Science and Technology*. During the year ended 31 December 2018, Ms. LIU ceased to be an independent director of Han's Laser Technology Industry Group Co., Ltd.* (stock code: 002008), Shenzhen Fenda Technology Co.,Ltd.* (深圳市奮達科技股份有限公司) (Stock Code: 002681), Shenzhen Sunwin Intelligent Co., Ltd.* (深圳市賽為智能股份有限公司) (Stock Code: 300044) and Shenzhen Jinxinnong Technology Co.,Ltd.* (stock code: 002548), all of which are listed on the Shenzhen Stock Exchange.

劉寧女士，現年50歲，自二零一二年六月二日加入本公司為非執行董事。劉女士為董事會審核委員會成員。

劉女士於證券業擁有超過15年經驗，並於二零一五年十二月起擔任招商蛇口董事會秘書。彼於二零零一年十月獲委任為招商地產證券事務代表、於二零零四年七月獲委任為招商地產招商局地產控股股份有限公司(「招商地產」)(於二零一六年十二月與招商蛇口合併的一家公司)董事會秘書處主任，並從二零零八年至二零一五年間，擔任招商地產之董事會秘書。劉女士自二零一六年九月至二零一八年九月期間出任深圳證券交易所第九屆上市委員會委員，以及自二零一七年五月至二零一九年五月期間出任深圳證券交易所第二屆公司債券上市預審核專家。劉女士於二零零零年完成南開大學國際商學院工商管理專業研究生課程後就讀於澳門科技大學獲工商管理碩士學位。截至二零一八年十二月三十一日止年度，劉女士不再擔任深圳市大族激光科技股份有限公司(股份代號：002008)、深圳市奮達科技股份有限公司(股份代號：002681)、深圳市賽為智能股份有限公司(股份代號：300044)及深圳市金新農科技股份有限公司(股份代號：002548)之獨立董事，以上公司均於深圳證券交易所上市。

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理人員履歷

EXECUTIVE DIRECTOR

Dr. SO Shu Fai, aged 67, executive Director and chairman of the executive committee appointed on 11 December 2010 and was elected chairman of the Company on 31 December 2010. Dr. SO resigned from his position as the chairman of the Board and his board committee position on 23 June 2012 and remains an executive Director.

Dr. SO is the vice-chairman and an executive director of SJM Holdings Limited (listed on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") and is currently the Chairman of Shenzhen Super Perfect Optics Limited. He is a director of Estoril-Sol, SGPS, S.A. which is listed on Euronext Lisbon and the chairman of the board of directors of MACAUPORT – Sociedade de Administração de Portos, S.A.

Dr. SO was a member of the 9th, 10th, 11th and 12th National Committee of the Chinese People's Political Consultative Conference ("CPPCC"). He is presently the honorary consul of the Republic of Portugal in the Hong Kong SAR and a consultant of the Economic Development Council of the Macau SAR Government. Dr. SO is the president of Clube Militar de Macau, a member of the board of directors of The University of Hong Kong Foundation for Educational Development and Research, as well as a member of the 10th National Committee of China Federation of Literary and Arts Circles.

Dr. SO was awarded the Honorary University Fellowship by The University of Hong Kong in 2005, the Medal of Merit – Culture by the Macau SAR Government in 2009 and the Doctor of Social Sciences *honoris causa* by the University of Macau in 2012. He was conferred as Commendador Order of Merit by the Portuguese Government in 2014.

Dr. SO is a Chartered Secretary and a Fellow member of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators. He is a fellow member of The Hong Kong Institute of Directors. He graduated with a Bachelor of Science Degree from The University of Hong Kong in 1973, and received a Doctoral Degree in Management Studies from IMC/Southern Cross University in 2001.

執行董事

蘇樹輝博士，現年67歲，於二零一零年十二月十一日加入本公司出任執行董事兼執行委員會主席，並於二零一零年十二月三十一日獲選為本公司主席。蘇博士於二零一二年六月二十三日辭任董事會主席及於董事委員會的全部職位，但留任執行董事。

蘇博士為香港聯合交易所有限公司（「聯交所」）上市公司澳門博彩控股有限公司之副主席兼執行董事，目前為深圳超多維光電子有限公司主席。彼為Euronext里斯本上市公司Estoril-Sol, SGPS, S.A. 董事，以及MACAUPORT – Sociedade de Administração de Portos, S.A. 董事會主席。

蘇博士為中國人民政治協商會議（「政協」）第九屆、第十屆、第十一屆及第十二屆全國委員會委員。現任葡萄牙共和國駐香港特別行政區名譽領事及澳門特區政府經濟發展委員會顧問。蘇博士為澳門陸軍俱樂部主席、香港大學教研發展基金董事局成員，以及中國文學藝術界聯合會第十屆全國委員會委員。

蘇博士於二零零五年獲香港大學授予名譽大學院士銜。二零零九年，彼獲澳門特區政府頒授文化功績勳章。二零一二年，彼獲澳門大學頒授榮譽社會科學博士學位，二零一四年，獲葡萄牙總統頒授司令級功績勳章。

蘇博士為特許秘書，並為香港特許秘書公會資深會士及英國特許秘書及行政人員公會資深會士及香港董事學會資深會員。彼於一九七三年畢業於香港大學，獲授理學學士學位，並於二零零一年獲IMC/Southern Cross University 授予管理學博士學位。

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理人員履歷

Mr. YU Zhiliang, aged 40, joined the Company as an executive Director since 2 June 2012. He served as a general manager of the Company since 18 August 2016. He was the Company's Chief Financial Officer during the period from 29 June 2012 to 17 August 2016. Mr. YU has served as a director of Champion Apex Limited since January 2013 and a director of Harvest Allied Investments Limited since April 2013. Mr. YU is responsible for strategic development, and to facilitate and implement the operational plans of the Group.

Mr. YU has served as the chief financial officer of China Merchants Property (Xiamen) Co. Ltd.* (招商局地產(廈門)有限公司) and Fujian Zhong Lian Sheng Estate Development Ltd.* (福建中聯盛房地產開發有限公司) since 2010. Mr. YU is a director of China Merchants Properties Development Ltd. (招商局置業有限公司), Wahsheung Finance Ltd.* (華商財務有限公司) and certain major subsidiaries of the Company. He holds a Bachelor's Degree in Accounting from Xiamen University* (廈門大學) and holds an MBA Degree with a concentration in finance from the Chinese University of Hong Kong. Mr. YU is an accountant of the People's Republic of China (the "PRC").

Mr. WONG King Yuen, aged 51, executive director of the Company appointed on 18 March 2016.

Mr. WONG has over 20 years of experience in real estate industry. He served as assistant property manager in property agency department in China Merchants Properties Development Limited in February 1995 and subsequently he was promoted as deputy manager, manager, deputy general manager and the current position of director and general manager. From January 1999, he acted as general manager assistant in China Merchants Property Agency Limited and later he was promoted to the position of deputy general manager and the current position of director and general manager. From September 2001 to December 2002, he served as director and general manager in China Merchants Property Management (Hong Kong) Limited and from September 2017, he also acted as director and general manager in China Merchants Property Management (Overseas) Limited..

Mr. WONG graduated from Hong Kong Baptist University with a Bachelor's Degree of Business Administration (Honours) majoring in finance in November 1990. He obtained a Master's Degree of Science in real estate from the University of Hong Kong in December 2006. In 1999, he obtained estate agents license (individual) from Hong Kong Estate Agents Authority. In 2010, he was awarded the membership of Hong Kong Institute of Real Estate Administrators.

余志良先生，現年40歲，自二零一二年六月二日加入本公司為執行董事。彼自二零一六年八月十八日起擔任本公司總經理；自二零一二年六月二十九日至二零一六年八月十七日期間出任本公司財務總監。自二零一三年一月起，余先生擔任華先有限公司之董事，並自二零一三年四月起出任滙泰投資有限公司之董事。余先生負責執行集團戰略，並推進經營計劃與落實。

余先生自二零一零年起擔任招商局地產(廈門)有限公司及福建中聯盛房地產開發有限公司之財務總監。余先生為招商局置業有限公司董事、華商財務有限公司及本公司若干主要附屬公司之董事。彼獲得廈門大學會計學士學位，並獲得香港中文大學工商管理(金融方向)碩士學位。余先生為中華人民共和國(「中國」)會計師。

黃競源先生，現年51歲，於二零一六年三月十八日獲委任為本公司執行董事。

黃先生於房地產行業擁有超過20年經驗。彼於一九九五年二月加入招商局置業有限公司地產代理部任職助理物業經理，後晉升至副部門經理、部門經理、副總經理及至今之董事及總經理職位。期間於一九九九年一月兼任招商局地產代理有限公司總經理助理，後晉升至副總經理及至今之董事及總經理職位。於二零零一年九月至二零零二年十二月亦曾擔任招商局物業管理(香港)有限公司之董事及總經理，並於二零一七年九月至今兼任招商局物業管理(海外)有限公司之董事及總經理。

黃先生於一九九零年十一月畢業於香港浸會大學工商管理學士(榮譽)學位，主修財務學。及後於二零零六年十二月獲得香港大學理科碩士(房地產)。黃先生於一九九九年獲得香港地產代理監管局之地產代理(個人)牌照。於二零一零年成為香港地產行政師學會之會員。

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理人員履歷

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. WONG Wing Kuen, Albert, aged 67, joined the Company as an independent non-executive Director on 2 June 2012. Dr. WONG is the chairman of the audit committee and a member of the remuneration committee of the Company. Dr. WONG currently holds the following positions in other listed companies:

- independent non-executive director of China VAST Industrial Urban Development Company Limited, a company listed on the Stock Exchange (Stock Code: 6166);
- independent non-executive director of APAC Resources Limited, a company listed on the Stock Exchange (Stock Code: 1104);
- independent non-executive director of Solargiga Energy Holdings Limited, a company listed on the Stock Exchange (Stock Code: 757);
- independent non-executive director of China Wan Tong Yuan (Holdings) Limited, a company listed on the Stock Exchange (Stock Code: 8199);
- independent non-executive director of Capital Finance Holdings Limited, a company listed on the Stock Exchange (Stock Code: 8239);
- independent non-executive director of China Medical & HealthCare Group Limited, a company listed on the Stock Exchange (Stock Code: 383); and
- independent non-executive director of Dexin China Holdings Company Limited, a company listed on the Stock Exchange (Stock Code: 2019).

In addition, Dr. WONG served as the managing director of Charise Financial Planning Limited, a private professional consulting firm in Hong Kong since October 2005 to 2 January 2014 and served as Principal Consultant of KND & Co., CPA Limited, a private professional auditing firm in Hong Kong since 2 January 2014 to 2017. Dr. WONG was appointed as the Principal Consultant by KND Associates CPA Limited, Hong Kong on 2 January 2018. Dr. WONG was elected or admitted:

- a fellow of The Institute of Chartered Secretaries and Administrators in September 2002;
- a fellow of The Hong Kong Institute of Chartered Secretaries in February 2002;

獨立非執行董事

王永權博士，現年67歲，自二零一二年六月二日加入本公司為獨立非執行董事。王博士為本公司審核委員會主席及薪酬委員會成員。王博士現於其他上市公司擔任以下職位：

- 中國宏泰產業市鎮發展有限公司(於聯交所上市的公司；股份代號：6166)的獨立非執行董事；
- 亞太資源有限公司(於聯交所上市的公司；股份代號：1104)的獨立非執行董事；
- 陽光能源控股有限公司(於聯交所上市的公司；股份代號：757)的獨立非執行董事；
- 中國萬桐園(控股)有限公司(於聯交所上市的公司；股份代號：8199)的獨立非執行董事；
- 首都金融控股有限公司(於聯交所上市的公司；股份代號：8239)的獨立非執行董事；
- 中國醫療網絡有限公司(於聯交所上市的公司；股份代號：383)的獨立非執行董事；及
- 德信中國控股有限公司(於聯交所上市的公司；股份代號：2019)的獨立非執行董事。

此外，王博士自二零零五年十月起至二零一四年一月二日期間擔任卓昇財務策劃有限公司(為一家香港私人專業顧問公司)的董事總經理，亦於二零一四年一月二日至二零一七年期間擔任冠達會計師事務所有限公司(為一家香港私人執業核數師公司)的首席顧問。於二零一八年一月二日，王博士獲委任為香港冠泓會計師行有限公司的首席顧問。王博士於：

- 二零零二年九月獲選為英國特許秘書及行政人員公會資深會員；
- 二零零二年二月獲選為香港特許秘書公會資深會員；

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理人員履歷

- a fellow of the Taxation Institute of Hong Kong in January 1999;
- a member of The Hong Kong Securities and Investment Institute in November 2012;
- a fellow member of Association of International Accountants in September 2005;
- a fellow member of The Institute of Certified Public Accountants in Ireland in August 2000;
- a member of the Chartered Institute of Arbitrators in May 2002; and
- a Certified Tax Adviser of Hong Kong for the year 2013 by the Taxation Institute of Hong Kong.
- 一九九九年一月獲選為香港稅務學會資深會員；
- 二零一二年十一月獲選為香港證券及投資學會會員；
- 二零零五年九月獲選為國際會計師公會資深會員；
- 二零零零年八月獲選為愛爾蘭註冊會計師協會資深會員；
- 二零零二年五月獲選為英國特許仲裁員公會會員；及
- 二零一三年獲香港稅務學會頒授香港註冊稅務師資格。

Dr. WONG received a Doctoral Degree in Business Administration from Bulacan State University, Republic of the Philippines in December 2010 and a Bachelor's Degree in commerce from a joint program held by Shenzhen University and Clayton University, Missouri, USA in May 1990. He also received a Bachelor's Degree and a Master's Degree in Business Administration from Nottingham Trent University, UK in December 2005 and December 2007, respectively.

Ms. CHEN Yanping, aged 60, joined the Company as an independent non-executive Director on 2 June 2012.

Ms. CHEN had attended a "China Management Training Program" in University of California, Los Angeles from November 2003 to November 2004. Ms. CHEN received a Bachelor's Degree and a Master's Degree in urban planning profession from the Faculty of Architecture of Tongji University* in January 1982 and November 1984, respectively. Ms. CHEN was qualified as a senior engineer in December 1993 and subsequently qualified as a registered planner of the PRC in October 2000.

Ms. CHEN had been an independent director of CMPD from October 2007 to November 2011. Ms. CHEN is the chairlady of the remuneration committee and a member of the nomination committee of the Company. Ms. CHEN is a professor of Architecture and Urban Planning School* in Shenzhen University* from December 2000.

王博士於二零一零年十二月於菲律賓比立勤國立大學獲得工商管理博士學位以及於一九九零年五月獲深圳大學及美國密蘇里Clayton University聯合項目商務學士學位。彼亦分別於二零零五年十二月及二零零七年十二月獲得英國Nottingham Trent University工商管理學士學位及碩士學位。

陳燕萍女士，現年60歲，自二零一二年六月二日加入本公司為獨立非執行董事。

陳女士自二零零三年十一月至二零零四年十一月曾於加州大學洛杉磯分校出席「中國管理層培訓計劃」。彼分別於一九八二年一月及一九八四年十一月獲得同濟大學建築系城市規劃專業學士及碩士學位。陳女士於一九九三年十二月獲高級工程師資格，及後於二零零零年十月獲中國註冊規劃師資格。

自二零零七年十月至二零一一年十一月，陳女士為招商地產獨立董事。陳女士為本公司薪酬委員會主席及提名委員會成員。陳女士自二零零零年十二月起為深圳大學建築與城市規劃學院教授。

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理人員履歷

Dr. SHI Xinping, aged 60, joined the Company as an independent non-executive Director on 2 June 2012. Dr. SHI had been an independent director of CMPD from July 2001 to October 2007. Dr. SHI is a member of the audit committee and a member of the nomination committee of the Company.

Dr. SHI is currently an associate professor of the Department of Finance and Decision Sciences in Hong Kong Baptist University. He is also an independent non-executive director of Renewable Energy Trade Board Corporation (formerly known as “China Technology Development Group Corporation”), a company listed on Nasdaq.

Dr. SHI received a Bachelor’s Degree from North-western Polytechnic University* in July 1982, an MBA Degree from Lancaster University, UK in December 1990 and a PhD Degree from Middlesex University, UK in July 1995.

Mr. HE Qi, aged 63, was appointed as an independent non-executive Director of the Company on 1 November 2013. Mr. HE currently is an independent non-executive director of Evergrande Real Estate Group Limited, a company listed on the Stock Exchange (Stock Code: 3333) since 14 October 2009. Since 3 October 2014, Mr. HE has been serving as the independent non-executive director of Orient Victory China Holdings Limited, a company listed on the Stock Exchange (Stock code: 265), and also the secretary of the Distribution Services and Leasing Committee of the China Real Estate Association*. Mr. HE had been serving as the deputy secretary of the China Real Estate Association* until June 2016. He was an executive of the Development Centre of the China Real Estate Association* from 1995 to 1999.

史新平博士，現年60歲，自二零一二年六月二日加入本公司為獨立非執行董事。史博士自二零零一年七月至二零零七年十月為招商地產的獨立董事。史博士為本公司審核委員會及提名委員會的成員。

史博士目前為香港浸會大學財務及決策學系副教授。彼亦為納斯達克上市公司可再生能源交易所(原名「中國科技發展集團有限公司」)獨立非執行董事。

史博士於一九八二年七月獲得西北工業大學學士學位、於一九九零年十二月獲得英國 Lancaster University 工商管理碩士學位及於一九九五年七月獲得英國 Middlesex University 博士學位。

何琦先生，現年63歲，於二零一三年十一月一日獲委任為本公司獨立非執行董事。自二零零九年十月十四日起，何先生為聯交所上市公司恒大地產集團有限公司(股份代號：3333)的獨立非執行董事。自二零一四年十月三日起，何先生為聯交所上市公司東勝中國控股有限公司(股份代號：265)的獨立非執行董事，亦為中國房地產協會流通服務和租賃委員會秘書長。何先生曾擔任中國房地產協會副秘書長，直至二零一六年六月份。彼於一九九五年至一九九九年擔任中國房地產協會產業協會發展院主任。

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理人員履歷

CHANGE OF INFORMATION RELATING TO DIRECTORS

Changes in directors' information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules, are set out below:

有關董事資料之變動

根據上市規則第13.51B(1)條規定須予披露有關董事資料變動之資料變動載列下文：

| Name of director 董事姓名 | Details of change 變動詳情 |
|-------------------------------------|---|
| Dr. YAN Chengda YAN Chengda博士 | <p>During the year ended 31 December 2018, Dr. YAN has resigned from his position as the non-executive director of the Company from 13 August 2018.</p> <p>截至二零一八年十二月三十一日止年度，YAN博士已辭任非執行董事職位，自二零一八年八月十三日起生效。</p> |
| Ms. LIU Ning 劉寧女士 | <p>During the year ended 31 December 2018, Ms. LIU ceased to be an independent director of Han's Laser Technology Industry Group Co., Ltd.* (stock code: 002008), Shenzhen Fenda Technology Co., Ltd.* (深圳市奮達科技股份有限公司) (Stock Code: 002681), Shenzhen Sunwin Intelligent Co., Ltd.* (深圳市賽為智能股份有限公司) (Stock Code: 300044) and Shenzhen Jinxinnong Technology Co., Ltd.* (stock code: 002548), all of which are listed on the Shenzhen Stock Exchange.</p> <p>截至二零一八年十二月三十一日止年度，劉女士不再擔任深圳市大族激光科技股份有限公司(股份代號：002008)、深圳市奮達科技股份有限公司(股份代號：002681)、深圳市賽為智能股份有限公司(股份代號：300044)及深圳市金新農科技股份有限公司(股份代號：002548)之獨立董事，以上公司均於深圳證券交易所上市。</p> |
| Dr. SO Shu Fai 蘇樹輝博士 | <p>During the year ended 31 December 2018, Dr. SO has been appointed as Vice-Chairman of SJM Holdings Limited since 12 June 2018.</p> <p>截至二零一八年十二月三十一日止年度，蘇博士自二零一八年六月十二日起獲委任為澳門博彩控股有限公司的副主席。</p> |
| Mr. YU Zhiliang 余志良先生 | <p>During the year ended 31 December 2018, Mr. YU received annual emoluments of HK\$2,082,784.78 which were determined by reference to his experience and responsibilities, the Company's performance and remuneration policy and the prevailing market conditions.</p> <p>截至二零一八年十二月三十一日止年度，余先生收取年度酬金港幣2,082,784.78元，有關酬金乃經參考彼之經驗及職責、本公司之表現及薪酬政策以及現行市況而釐定。</p> |
| Dr. WONG Wing Kuen, Albert 王永權博士 | <p>During the year ended 31 December 2018, Dr. WONG has been appointed as an independent non-executive director of China Medical & HealthCare Group Limited, a company listed on the Stock Exchange (Stock Code: 383). He has been appointed as an independent non-executive director of Dexin China Holdings Company Limited, a company listed on the Stock Exchange (Stock Code: 2019) since 11 January 2019.</p> <p>截至二零一八年十二月三十一日止年度，王博士獲委任為聯交所上市公司中國醫療網絡有限公司*(股份代號：383)的獨立非執行董事。王博士自二零一九年一月十一日起獲委任為聯交所上市公司德信中國控股有限公司(股份代號：2019)的獨立非執行董事。</p> |

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理人員履歷

Upon specific enquiry by the Company and confirmations from Directors, save as otherwise set out in this Report, there are no other changes in the directors' information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the Company's last published interim report.

SENIOR MANAGEMENT PROFILE

Mr. LU Bin, aged 37, is responsible for the management of property development projects.

Mr. LU joined the Project Department of CMPD as a project engineer in July 2004 and subsequently, he served as the manager of the Project Department of Nanjing Company in January 2008. He was promoted as the general manager assistant, the deputy general manager and the deputy general manager (monitoring works) of Nanjing Company in February 2014, February 2015 and March 2016, respectively. He was promoted as the general manager of Nanjing Company in April 2017.

Mr. Lu graduated from Nanjing Institute of Technology* in July 2004 with a bachelor degree in professional electronic and information engineering.

Mr. HUANG Qinghao, aged 43, is responsible for the management of property development projects.

Mr. HUANG joined the Construction Management Center of CMPD in May 2005 as a structural engineer and was subsequently redesignated to Foshan Company in February 2008. He initially served as a manager of design and engineering department and was subsequently promoted as general manager assistant and deputy general manager. In January 2014, he was promoted as the general manager of Foshan Company.

Prior to joining the Group, Mr. HUANG worked in Shenzhen General Institute of Architectural Design & Research Third Institute (深圳市建築設計研究總院三部) from October 2001 and October 2003 as a structural engineer. From October 2003 to May 2005, Mr. HUANG worked in Arch Engineers Design Co. Ltd* (藝藝工程設計公司) as a structural engineer.

Mr. HUANG graduated from Central South University* and was awarded a Bachelor's Degree in Industrial and Civil Construction in June 1997. Mr. HUANG was qualified as an engineer in September 2001 and subsequently was qualified as a first-class qualified structural engineer in October 2005. He was awarded a Master's Degree in Civil Engineering Profession from Shenzhen University* in June 2006 and qualified as an architectural construction senior engineer in December 2007.

經本公司作出具體查詢並獲董事確認，除本報告其他部分所載列者外，自本公司最後刊發之中期報告後，概無根據上市規則第13.51B(1)條須予披露有關董事資料之其他變動。

高級管理人員履歷

呂斌先生，現年37歲，負責管理房地產開發項目。

呂先生於二零零四年七月加入招商地產項目部擔任項目工程師，其後於二零零八年一月擔任南京公司項目部經理，於二零一四年二月晉升南京公司總經理助理，二零一五年二月晉升南京公司副總經理，二零一六年三月晉升南京公司副總經理(主持工作)，二零一七年四月晉升南京公司總經理。

呂先生於二零零四年七月畢業於南京工程學院，並獲授電子系電子信息工程專業工學學士學位。

黃慶浩先生，現年43歲，負責管理房地產開發項目。

黃先生於二零零五年五月加入招商地產工程管理中心擔任結構工程師，其後於二零零八年二月調任至佛山公司，最初擔任設計工程部經理，後晉升為總經理助理及副總經理。於二零一四年一月，再次晉升至佛山公司總經理。

於加入本集團前，黃先生自二零零一年十月至二零零三年十月任職於深圳市建築設計研究總院三部擔任結構工程師。及後，於二零零三年十月至二零零五年五月擔任藝藝工程設計公司的結構工程師。

黃先生於一九九七年六月畢業於中南大學，並獲授工業與民用建築專業學士學位。黃先生於二零零一年九月獲工程師資格，及後於二零零五年十月獲一級註冊結構工程師資格。於二零零六年六月於深圳大學獲授結構工程專業碩士學位及於二零零七年十二月獲授建築施工高級工程師資格。

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理人員履歷

Mr. Li Zhaohui, aged 48, is responsible for the management of property development projects.

Mr. Li joined the Project Department of CMPD as an engineer in March 2002 and subsequently, he worked as a senior project manager for Construction Management Center in February 2005 and was promoted to deputy technical director in December 2005. In April 2007, he was redesignated to Chongqing Company as general manager assistant and was subsequently promoted to deputy general manager of Chongqing Company in February 2009. He was further promoted to deputy general manager of Chongqing Company (monitoring works) in July 2015.

Prior to joining the Group, Mr. Li worked in Zhenjiang Construction and Design Institute* in Jiangsu Province from July 1992 to March 2002.

Mr. Li graduated from the Faculty of Water Supply and Drainage Engineering of Urban Construction in Chongqing Construction Engineering University* in July 1992 and subsequently obtained the qualification as a water supply and drainage professional engineer in November 1998.

Mr. Shi Jun, aged 56, is responsible for the management of property development projects.

Mr. Shi joined the Operating Management Center of CMPD in November 2007 as general manager assistant and as the deputy general manager of 深圳招商建設有限公司 from December 2008 to February 2012. From February 2011 to February 2012, Mr. Shi was redesignated as the deputy general manager of Yongjinwan project and from February 2012 to September 2013, Mr. Shi was the deputy general manager (General) of the Zhuhai Company. He was subsequently transferred to Xi'an Company as the leader of the preparatory team in September 2013 and was promoted as general manager of Xi'an Company in May 2014. He has been redesignated as senior engineer in the Operating Management Center of CMSK in September 2017.

Prior to joining the Group, Mr. Shi worked in Shenzhen Continental Ocean Through Enterprise Company* (深圳市大陸海通實業公司) as general manager from December 2004 to November 2007.

Mr. Shi graduated from 西安公路學院 in July 1984 and received a diploma in industrial and domestic construction and was awarded a Bachelor's Degree in Engineering. He was qualified as a senior engineer in December 2004 and as a first-class qualified construction engineer in December 2011.

李朝暉先生，現年48歲，負責管理房地產開發項目。

李先生於二零零二年三月加入招商地產項目部擔任工程師，其後於二零零五年二月擔任工程管理中心項目高級經理及於二零零五年十二月晉升為技術副總監。於二零零七年四月調任至重慶公司擔任總經理助理，及後於二零零九年二月晉升為重慶公司副總經理。於二零一五年七月再度晉升為重慶公司副總經理(主持工作)。

於加入本集團前，李先生自一九九二年七月至二零零二年三月任職於江蘇省鎮江市建築設計研究院。

李先生於一九九二年七月畢業於重慶建築工程學院城市建設工程系給水排水工程專業。及後，於一九九八年十一月獲授給排水專業工程師資格。

石鈞先生，現年56歲，負責管理房地產開發項目。

石先生於二零零七年十一月加入招商地產運營管理中心擔任總經理助理，並於二零零八年十二月至二零一二年二月期間擔任深圳招商建設有限公司之副總經理。於二零一一年二月至二零一二年二月期間，石先生調任雍景灣項目副總經理，於二零一二年二月至二零一三年九月期間，石先生為珠海公司常務副總經理。彼其後於二零一三年九月調任至西安公司擔任籌備組組長，並於二零一四年五月晉升為西安公司總經理。彼於二零一七年九月調至招商蛇口運營管理中心任資深主任工程師。

於加盟本集團前，石先生自二零零四年十二月起至二零零七年十一月擔任深圳市大陸海通實業公司總經理。

石先生於一九八四年七月畢業於西安公路學院，取得工業與民用建築文憑，並獲工學學士學位。彼於二零零四年十二月被評為高級工程師，並於二零一一年十二月取得一級註冊建造工程師。

DIRECTORS AND SENIOR MANAGEMENT PROFILE

董事及高級管理人員履歷

Mr. HE JunLi, aged 41, is responsible for the management of the property development projects.

Mr. HE joined CMPD in April 2003 as a planning manager for the Huangjintai project, later was promoted as senior manager in December 2005. He was a vice development director of Chongqing (Chengdu) in May 2008 and was promoted as assistant to general manager of Chongqing Company in February 2011. In June 2016, he was further promoted as vice general manager of Chongqing Company and also took up the position of a general manager of Chongqing China Merchants Jinshan Yiku Business Management Company* (重慶招商金山意庫商業管理公司). He was redesignated as a general manager of Xi'an Company in September 2017.

Before joining the Group, Mr. He worked in the property department of Vanke as engineer trainee from August 2001 to April 2002, and joined Sinolink (Shenzhen) as property development manager from April 2002 to April 2003.

Mr. HE graduated from Southeast University* in June 2001 with a bachelor degree in professional architectural engineering.

Ms. CHEN Yan, aged 41, appointed as the financial controller of the Company since January 2018. She has served in various roles at CMSK, a controlling shareholder of the Company. She joined CMSK in October 2009, and served as a senior manager of the financial department until July 2016. Meanwhile, she was appointed as a senior directing finance manager from July 2016 to May 2017. She had been a vice-financial controller of the Company during the period from May 2017 up to January 2018.

Ms. CHEN Yan was graduated from Sun Yat-Sen Business School* with a Master's Degree in Accounting and Business Studies in 2002. She was qualified as a Certified Public Accountant in the PRC in 2002.

Mr. TSUI Kin Fung, aged 33, appointed as Company Secretary of the Company since 18 July 2018. Mr. TSUI obtained a Bachelor of Social Science degree with honors and with major in economics in the Chinese University of Hong Kong in 2007 and has been a certified public accountant of the Hong Kong Institute of Certified Public Accountant. He has over 10 years of experience in financial accounting and auditing.

何軍利先生，現年41歲，負責管理房地產開發項目。

何先生於二零零三年四月加入招商地產擔任黃金台項目策劃經理，其後於二零零五年十二月任高級經理，於二零零八年五月任重慶(成都)發展副總監，於二零一一年二月晉升重慶公司總經理助理，於二零一六年六月晉升重慶公司副總經理兼任重慶招商金山意庫商業管理公司總經理。彼於二零一七年九月調任西安公司擔任總經理。

於加盟本集團前，何先生自二零零一年八月至二零零二年四月擔任萬科地產項目部見習工程師，後於二零零二年四月至二零零三年四月擔任深圳百仕達地產發展經理。

何先生於二零零一年六月畢業於東南大學，獲授建築工程專業工學學士學位。

陳燕女士，現年41歲，自二零一八年一月份起擔任本公司財務總監。彼曾於本公司之控股股東招商蛇口擔任多個職位。彼於二零零九年十月加入招商蛇口，出任財務部高級經理，直至二零一六年七月止。同時，自二零一六年七月至二零一七年五月，彼亦獲委任為招商蛇口財務部之高級主任財務管理師。自二零一七年五月至二零一八年一月期間曾出任本公司財務副總監。

陳女士於二零零二年畢業於中山大學管理學院，取得會計學商學碩士學位。於二零零二年，彼獲得中國註冊會計師資格。

徐建峰先生，33歲，自二零一八年七月十八日起擔任本公司公司秘書。彼於二零零七年取得香港中文大學社會科學榮譽學士學位，主修經濟學，並為香港會計師公會執業會計師。彼擁有逾10年之財務會計及審計經驗。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

MARKET REVIEW

In 2018, the global economy failed to maintain last year's growth momentum and the economy experienced a slowdown. The highly-complicated international environment and the continued warming of US trade protection pressurized exports due to the initiation of trade war around the world, of which the Sino-US trade dispute is the tensest. In addition, the latest Brexit proposal of Britain has been vetoed, hard Brexit will cause uncertainties on the outlook of Britain and Europe. Plagued by various uncertainties, the stock market experienced substantial fluctuation in 2018 and has the worst performance since the financial crisis. Major indices of various nations have recorded declines and the market atmosphere and performance is less optimistic. With regards to the monetary market, due to the tightened monetary policies of the United States and the interest rate hikes, various currencies have depreciated and led to capital outflow. In 2018, although affected by uncertainties, China is confronted with complicated internal and external situations, the supply-side structural reforms were further implemented continuously and efforts on reforms and open policy were intensified. The gross domestic product grew by 6.6% during the year, which fulfilled the forecasted development targets in general.

Being one of the pillars of domestic economic growth, the total sales volume of China's real estate industry in 2018 developed in a stable manner. In 2018, the central government adhered to the stable progress as the overall tone and continued to follow the principle of "Houses are built for residence, not for speculation". Different policies have been imposed in different regional governments and adjustment policies were frequently promulgated, resulting in the slowdown of the growth in commercial houses during the year. As indicated by the information of National Bureau of Statistics, the area of commercial houses sold reached 1.717 billion square metres, which achieved a year-on-year growth of 1.3%. The sales of commercial houses reached RMB15 trillion, which achieved a year-on-year growth of 12.2%.

市場回顧

二零一八年全球經濟未有延續去年的增長勢頭，經濟出現放緩的態勢。國際環境錯綜複雜，美國貿易保護主義持續升溫，在全球發起貿易戰對出口造成壓力，尤其中美貿易磨擦影響最為緊張，此外英國的最新脫歐協議方案受到否決，硬脫歐使英國和歐洲的前景不明朗。在各種不明朗因素下，二零一八年股票市場波動顯著，是金融危機以來表現最差的一年，各國重要指數均錄得下跌，市場氣氛表現不樂觀。貨幣市場方面，由於美國貨幣政策收緊及加息，多國貨幣出現貶值，使資本外流。二零一八年國內面對錯綜複雜的內外部形勢，雖然受不明朗因素影響，供給側結構性改革持續深入推進，改革開放力度加大，年內實現生產總值增長達6.6%，整體符合預期的發展目標。

作為國內經濟增長支柱之一，中國房地產行業於二零一八年整體銷售規模穩定增長。二零一八年中央政府以穩中求進為總基調，持續堅持房住不炒，各地方政府因城施策，密集出台調控政策以穩住房價，致使年內商品房增速有所放緩。據國家統計局資料顯示，年內商品房銷售面積17.17億平方米，同比增長1.3%。商品房銷售額人民幣15萬億元，同比增長12.2%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW

For the year of 2018, profit amounted to RMB2,205,512,000 (2017: RMB2,938,983,000), representing a decrease of approximately 25% as compared with that of last year. The profit attributable to the owners of the Company was RMB1,216,132,000 (2017: RMB1,638,124,000), representing a decrease of approximately 26% as compared with that of last year. Basic earnings per share was RMB24.79 cents (2017: RMB33.40 cents), representing a decrease of approximately 26% as compared with that of last year.

Equity attributable to owners of the Company was RMB8,117,893,000 as at 31 December 2018 (2017: RMB7,414,598,000), representing an increase of approximately 9% as compared with that as at the end of last year.

The Group together with its associate and joint ventures, achieved aggregate contracted sales of RMB34,431,766,000 (2017: RMB24,156,757,000), representing an increase of approximately 43% over that of last year. Aggregate contracted sales area was 1,741,931 sq.m. (2017: 1,382,636 sq.m.), representing an increase of approximately 26% as compared with that of last year. The average selling price was approximately RMB19,766 per sq.m. (2017: RMB17,472 per sq.m.), representing an increase of approximately 13% as compared with that of last year.

財務回顧

於二零一八年內，溢利為人民幣2,205,512,000元（二零一七年：人民幣2,938,983,000元），同比減少約25%。本公司擁有人應佔溢利為人民幣1,216,132,000元（二零一七年：人民幣1,638,124,000元），同比減少約26%。每股基本盈利為人民幣24.79分（二零一七年：人民幣33.40分），同比減少約26%。

於二零一八年十二月三十一日，本公司擁有人應佔權益為人民幣8,117,893,000元（二零一七年：人民幣7,414,598,000元），與去年年底相比上升約9%。

本集團連同其聯營公司及合營企業實現合同銷售總額為人民幣34,431,766,000元（二零一七年：人民幣24,156,757,000元），同比增長約43%。合同銷售總面積為1,741,931平方米（二零一七年：1,382,636平方米），同比增長約26%。平均售價約為每平方米人民幣19,766元（二零一七年：每平方米人民幣17,472元），同比增長約13%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

TURNOVER

For 2018, the Group recorded turnover of RMB11,955,899,000 (2017: RMB17,310,562,000), representing a decrease of approximately 31% as compared with that of last year. The decrease was mainly due to the decrease of total gross floor area completed and delivered during the year of 2018. For the year of 2018, projects in Foshan, Guangzhou, Chongqing, Nanjing and Jurong and Xi'an accounted for approximately 33%, 12%, 32%, 22%, and 1%, respectively, of the total revenue of the Group.

GROSS PROFIT

Gross profit amounted to RMB3,988,020,000 (2017: RMB5,706,458,000), representing a decrease of approximately 30% as compared with that of last year. The decrease in gross profit was mainly due to the decrease in the total gross floor area completed and delivered during the year of 2018. The gross profit margin was approximately 33% (2017: 33%), which was at previous year's level.

SHARE OF PROFITS OF ASSOCIATES

Share of profits of associates was RMB326,002,000 (2017: RMB137,379,000), representing a year-on-year surge of approximately 137%, which were attributable to the completion of the projects of the associates Gezhouba Nanjing Property Company Limited* (葛洲壩南京置業有限公司) and Guangzhou Liansen Real Estate Company Limited (廣州聯森房地產有限公司) in 2018 and carrying forward of the revenue thereof.

SHARE OF PROFITS OF JOINT VENTURES

Share of profits of joint ventures was RMB386,509,000 (2017: RMB1,139,000), representing a year-on-year surge of approximately 33,834%, which was attributable to the completion of a project of a joint venture Nanjing Zhaoyang Real Estate Development Company Limited (南京招陽房地產開發有限公司) in 2018 and carrying forward of the revenue thereof.

營業額

二零一八年，本集團營業額為人民幣11,955,899,000元(二零一七年：人民幣17,310,562,000元)，同比減少約31%，主要由於二零一八年竣工及交付之總建築面積縮減。二零一八年，於佛山、廣州、重慶、南京及句容以及西安之項目佔本集團總收益之比例分別約為33%、12%、32%、22%及1%。

毛利

毛利為人民幣3,988,020,000元(二零一七年：人民幣5,706,458,000元)，同比下降約30%，毛利下降主要由於二零一八年竣工及交付之總建築面積減少所致。毛利率約為33%(二零一七年：33%)，與上年持平。

分佔聯營公司之溢利

分佔聯營公司之溢利為人民幣326,002,000元(二零一七年：人民幣137,379,000元)，同比飆升約137%，主要是由於聯營公司葛洲壩南京置業有限公司及廣州聯森房地產有限公司之項目於二零一八年完工並結轉收入導致。

分佔合營企業之溢利

分佔合營企業之溢利為人民幣386,509,000元(二零一七年：人民幣1,139,000元)，按年激增約33,834%，乃歸因於合營企業南京招陽房地產開發有限公司之項目於二零一八年竣工並結轉收入。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCE COSTS

In June 2015, the Company's direct wholly-owned subsidiary completed the issuance of a guaranteed convertible bonds due in June 2020 (credit enhanced until July 2018) in the aggregate principal amount of US\$290,000,000 bearing coupon rate at 0.50% per annum. The Company redeemed part of the bonds at the principal amount of US\$269,800,000 on 23 June 2018 and all of the outstanding bonds at the principal amount of US\$20,200,000 on 27 September 2018.

In December 2013, the Company issued a five-year term credit enhanced bonds in an aggregate principal amount of US\$500,000,000 bearing coupon rate of 4.021% per annum. The Company has redeemed all of the bonds at the principal amount of US\$500,000,000 on 11 December 2018.

Total amount of interest of the convertible bonds and bonds amounted to approximately RMB159,032,000 (2017: RMB135,788,000) was recognised in the finance costs for the year of 2018.

NET FOREIGN EXCHANGE LOSSES

Exchange losses were noted for the year ended 31 December 2018. The exchange losses recorded during the year of 2018 were mainly due to the significant depreciation of RMB against United States Dollars ("US\$").

融資成本

於二零一五年六月，本公司直接全資附屬公司完成發行本金總額290,000,000美元以票面年息率0.50%計息於二零二零年六月到期的已擔保可換股債券(信用增強至二零一八年七月)。本公司於二零一八年六月二十三日贖回本金額為269,800,000美元的部分債券，而本金額為20,200,000美元的所有未償還債券已於二零一八年九月二十七日贖回。

於二零一三年十二月，本公司發行本金總額為500,000,000美元票面年息率4.021%之五年期信用增強債券。本公司已於二零一八年十二月十一日贖回本金額為500,000,000美元的所有債券。

於二零一八年內，可換股債券及債券之利息總額約人民幣159,032,000元(二零一七年：人民幣135,788,000元)已於融資成本中確認。

匯兌虧損淨額

截至二零一八年十二月三十一日止年度錄得匯兌虧損。二零一八年錄得之匯兌虧損主要是由於人民幣兌美元(「美元」)大幅貶值所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

Property Development Business

As at 31 December 2018, the Group's portfolio of property development projects consisted of 29 projects in Foshan, Guangzhou, Chongqing, Nanjing, Jurong and Xi'an, with a primary focus on the development of residential properties, as well as residential and commercial complex properties, products types including apartments, villas, offices and retail shops, etc.

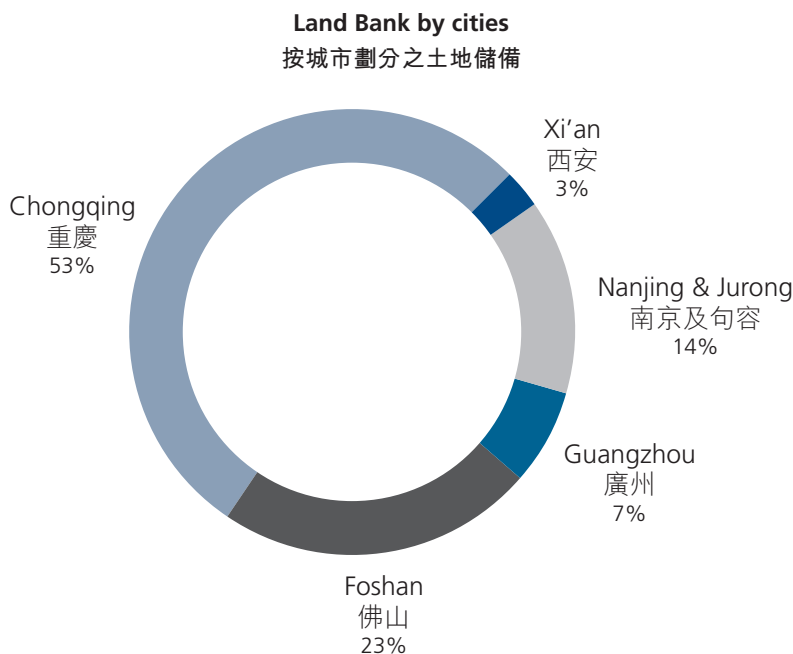
Below are the breakdown of land bank by cities and a map showing the geographical locations and the land bank of the projects of the Group in the PRC. The saleable gross floor area ("GFA") of the properties comprising the projects which had not been sold or pre-sold as at 31 December 2018 ("Land Bank") was 5,867,015 sq.m..

業務回顧

房地產開發業務

於二零一八年十二月三十一日，本集團在佛山、廣州、重慶、南京及句容及西安擁有29個房地產開發項目，主要集中開發住宅物業以及住宅及商業綜合物業，產品類型包括公寓、別墅、辦公樓及零售商舖等。

下圖列示按城市劃分之土地儲備明細及本集團項目在中國之地理位置及土地儲備。於二零一八年十二月三十一日，未售或未預售之物業項目之可售建築面積（「土地儲備」）為5,867,015平方米。



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW (continued)

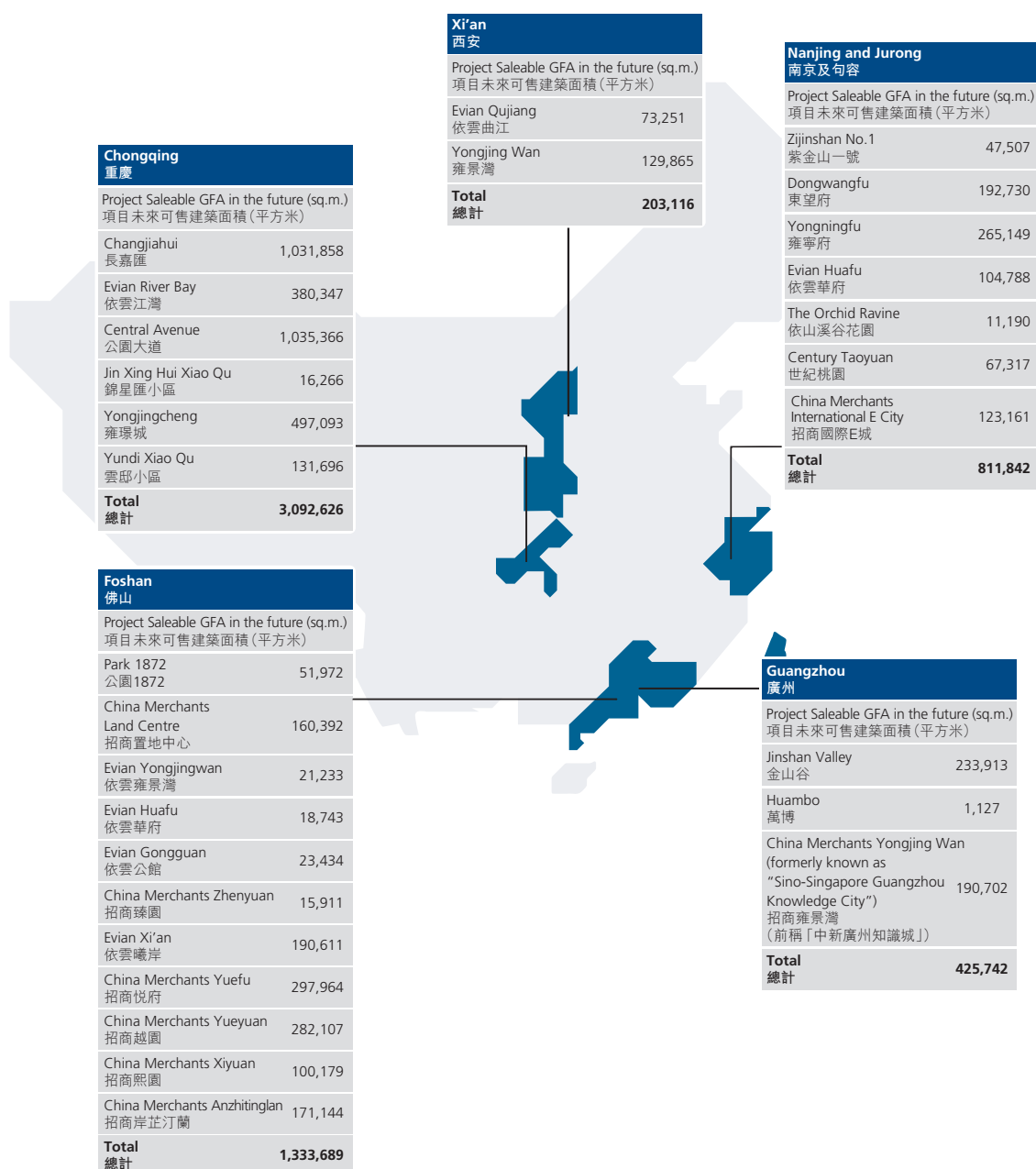
Property Development Business (continued)

業務回顧(續)

房地產開發業務(續)

A map showing the geographical location and land bank of the projects of the Group in the PRC as at 31 December 2018

下圖顯示本集團於二零一八年十二月三十一日在中國之項目之地理位置及土地儲備



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW (continued)

Property Development Business (continued)

The table below shows the details of the Group's property development projects as at 31 December 2018 which (i) had been completed, (ii) were under development, or (iii) were held for future development. All figures in relation to area are rounded up to the nearest whole number:

業務回顧 (續)

房地產開發業務 (續)

下表載列於二零一八年十二月三十一日本集團(i)已落成；(ii)開發中；或(iii)作未來開發之物業開發項目詳情。所有有關面積之數據均取至最接近整數：

| Project | The Company's attributable interest in the projects | Completed | | | Under development | | | Future development | |
|------------------------------|---|-----------|---------------------------|---------------|-----------------------------|-----------------------|-----------------------------|--------------------|-----------------------------|
| | | Total GFA | Future Total GFA Saleable | GFA completed | Total GFA saleable/rentable | GFA under development | Total GFA saleable/rentable | GFA | Total GFA saleable/rentable |
| 項目 | 本公司於項目所佔權益 | 總建築面積 | 未來可售總建築面積 | 落成建築面積 | 可售/出租總建築面積 | 開發中建築面積 | 可售/出租總建築面積 | 建築面積 | 可售/出租總建築面積 |
| Evian Tianhu | 50% | 293,503 | - | 293,503 | 272,364 | - | - | - | - |
| Evian Xicheng | 50% | 438,393 | - | 438,393 | 398,707 | - | - | - | - |
| Park 1872 | 100% | 308,694 | 51,972 | 308,694 | 270,406 | 151,225 | 51,972 | - | - |
| China Merchants Land Center | 51% | 222,684 | 160,392 | 222,684 | 196,303 | 27,416 | 160,392 | - | - |
| Evian Yongjingwan | 50% | 233,852 | 21,233 | 233,852 | 210,904 | 179,094 | 10,577 | - | - |
| Evian Huafu | 50% | 383,025 | 18,742 | 383,025 | 358,313 | 338,510 | 1,061 | - | - |
| Evian Gongguan | 55% | 317,111 | 23,434 | 317,111 | 297,218 | 268,298 | 5,486 | - | - |
| China Merchants Zhenyuan | 50% | 133,683 | 15,911 | 133,683 | 125,671 | 84,406 | 25,354 | - | - |
| China Merchants X'an | 60% | 229,050 | 190,611 | 252,56 | 24,401 | - | 203,794 | 185,769 | - |
| China Merchants Yuefeng | 50% | 326,045 | 297,964 | - | - | - | 231,068 | 216,070 | 87,338 |
| China Merchants Yueyuan | 50% | 313,768 | 282,107 | - | - | - | 182,510 | 162,200 | 122,760 |
| China Merchants Xiyuan | 100% | 128,836 | 100,179 | - | - | - | 128,836 | 122,537 | - |
| China Merchants Anzhiqian | 100% | 180,722 | 171,144 | - | - | - | 42,389 | 38,578 | 138,333 |
| Foshan subtotal | | 3,509,366 | 1,333,689 | 2,356,201 | 2,154,287 | 1,713,929 | 124,273 | 788,587 | 364,578 |
| Jinshan Valley | 100% | 1,286,839 | 233,913 | 1,210,788 | 1,017,792 | 812,261 | 30,879 | 76,051 | 59,261 |
| Huambo | 51% | 126,202 | 1,127 | 126,202 | 104,216 | 103,089 | - | - | - |
| China Merchants Yongjing Wan | 60% | 392,674 | 190,702 | - | - | - | - | 392,674 | 287,229 |
| Guangzhou subtotal | | 1,805,715 | 425,742 | 1,356,990 | 1,122,008 | 915,350 | 30,879 | 468,725 | 346,490 |
| 廣州小計 | | 1,805,715 | 425,742 | 1,356,990 | 1,122,008 | 915,350 | 30,879 | 468,725 | 346,490 |
| 佛山小計 | | 3,509,366 | 1,333,689 | 2,356,201 | 2,154,287 | 1,713,929 | 124,273 | 788,587 | 364,578 |
| 金山谷 | | 1,286,839 | 233,913 | 1,210,788 | 1,017,792 | 812,261 | 30,879 | 76,051 | 59,261 |
| 萬博 | | 126,202 | 1,127 | 126,202 | 104,216 | 103,089 | - | - | - |
| 招商樂灣 | | 392,674 | 190,702 | - | - | - | - | 392,674 | 287,229 |
| 廣州小計 | | 1,805,715 | 425,742 | 1,356,990 | 1,122,008 | 915,350 | 30,879 | 468,725 | 346,490 |
| 佛山小計 | | 3,509,366 | 1,333,689 | 2,356,201 | 2,154,287 | 1,713,929 | 124,273 | 788,587 | 364,578 |

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

業務回顧 (續) 房地產開發業務 (續)

BUSINESS REVIEW (continued) Property Development Business (continued)

| Project | The Company's attributable interest in the projects | 項目 | 本公司於項目所占權益 | Completed 落成 | | | | Under development 開發中 | | | Future development 未來發展 | | | | | |
|--------------------------------------|---|--------|------------|--------------|---------------------------|---------------|-----------------------------|-------------------------------------|--|-----------------------|-----------------------------|---------------|---------|-----------------------------|-----------|------------|
| | | | | Total GFA | Future Total GFA Saleable | GFA completed | Total GFA saleable/rentable | Of which sold but not yet delivered | Of which pre-sold/ held for investment | GFA under development | Total GFA saleable/rentable | Of which sold | GFA | Total GFA saleable/rentable | | |
| | | | | 總建築面積 | 未來可售總建築面積 | 落成建築面積 | 可售/出租總建築面積 | 已售及交付 | 尚未交付 | 未預售/持作投資 | 開發中建築面積 | 可售/出租總建築面積 | 已售 | 建築面積 | 建築面積 | 可售/出租總建築面積 |
| Changjiahui | 50% | 長嘉匯 | 50% | 1,934,283 | 1,031,858 | 720,572 | 691,643 | 442,518 | 7,053 | 244,072 | 316,736 | 314,736 | 113,477 | 896,975 | 896,975 | 588,527 |
| Evian River Bay | 100% | 依雲江灣 | 100% | 540,430 | 380,347 | 165,473 | 155,297 | 110,156 | 6,441 | 38,700 | 292,542 | 290,089 | 30,602 | 82,415 | 82,415 | 82,160 |
| Central Avenue | 50% | 公園大道 | 50% | 1,596,881 | 1,035,366 | 448,980 | 424,528 | 346,881 | 1,677 | 75,970 | 480,064 | 471,930 | 138,235 | 667,837 | 667,837 | 625,701 |
| Jin Xing Hui Xiao Qu | 100% | 錦星匯小區 | 100% | 97,594 | 16,266 | 97,594 | 95,440 | 78,184 | 990 | 16,266 | - | - | - | - | - | - |
| Yongjingcheng | 100% | 雍景城 | 100% | 519,682 | 497,093 | - | - | - | - | - | 208,426 | 198,940 | 1,193 | 311,256 | 311,256 | 299,346 |
| Yundi Xiao Qu | 100% | 雲都小區 | 100% | 135,756 | 131,696 | - | - | - | - | - | 135,756 | 131,696 | - | - | - | - |
| Chongqing subtotal | | 重慶小計 | | 4,824,626 | 3,092,626 | 1,432,619 | 1,366,908 | 977,739 | 16,161 | 373,008 | 1,433,524 | 1,407,391 | 283,507 | 1,958,483 | 1,958,483 | 1,595,734 |
| Zijinshan No.1 | 51% | 紫金山一號 | 51% | 213,870 | 47,507 | 213,870 | 145,376 | 97,781 | 88 | 47,507 | - | - | - | - | - | - |
| China Merchants International E City | 70% | 招商國際E城 | 70% | 372,916 | 123,161 | 372,916 | 324,538 | 190,318 | 11,059 | 123,161 | - | - | - | - | - | - |
| Evian Huafu | 51% | 依雲華府 | 51% | 357,814 | 104,788 | 317,709 | 238,373 | 141,400 | 17,347 | 79,626 | 40,105 | 38,783 | 13,621 | - | - | - |
| The Orchid Ravine | 51% | 依山溪谷花園 | 51% | 345,296 | 11,190 | 345,296 | 273,175 | 260,528 | 1,457 | 11,190 | - | - | - | - | - | - |
| Century Taoyuan | 18% | 世紀桃園 | 18% | 221,743 | 67,317 | - | - | - | - | - | 221,743 | 171,247 | 103,930 | - | - | - |
| Dongwanglu | 51% | 東望府 | 51% | 318,279 | 192,730 | - | - | - | - | - | 318,279 | 230,046 | 37,316 | - | - | - |
| Yongningfu | 51% | 雍寧府 | 51% | 353,004 | 265,149 | - | - | - | - | - | 353,004 | 265,149 | - | - | - | - |
| Nanjing subtotal | | 南京小計 | | 2,182,922 | 811,842 | 1,249,791 | 981,462 | 690,027 | 29,951 | 261,484 | 933,131 | 705,225 | 154,867 | - | - | - |
| Evian Qujiang | 100% | 依雲曲江 | 100% | 538,534 | 73,251 | 240,044 | 239,143 | 221,035 | 377 | 17,731 | 298,490 | 270,485 | 214,965 | - | - | - |
| Yongjing Wan | 100% | 雍景灣 | 100% | 135,258 | 129,865 | - | - | - | - | - | 135,258 | 129,865 | - | - | - | - |
| Xi'an subtotal | | 西安小計 | | 673,792 | 203,116 | 240,044 | 239,143 | 221,035 | 377 | 17,731 | 433,748 | 400,350 | 214,965 | - | - | - |
| Total | | 總計 | | 12,996,421 | 5,867,015 | 6,615,645 | 5,863,808 | 4,518,080 | 201,641 | 1,144,087 | 4,057,715 | 3,584,610 | 800,080 | 2,323,061 | 2,323,061 | 1,938,398 |

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW (continued)

Property Development Business (continued)

Note: The table below shows the address, existing usage and actual/expected completion date of the property development projects of the Group as at 31 December 2018.

業務回顧(續)

房地產開發業務(續)

附註：下表顯示本集團於二零一八年十二月三十一日之房地產發展項目之地址、現有用途及實際/估計落成日期。

| Project 項目 | Address | 地址 | Existing usage 現有用途 | Actual/expected completion date (Year/Month) 實際/估計 落成日期 (年/月) |
|--|---|--|--|--|
| Foshan (佛山) | | | | |
| Evian Water Bank 依雲水岸 | Northern side of Yuhe Road and eastern side of Fenjiang South Road Foshan New Town Foshan City Guangdong Province The PRC | 中國 廣東省佛山市 佛山新城 裕和路北側及 汾江南路東側 | Residential and commercial 住宅及商業 | July 2012 二零一二年七月 |
| Evian Upper City 依雲上城 | Northern side of Kuiqi Road and western side of Guilan Road Chancheng District Foshan City Guangdong Province The PRC | 中國 廣東省佛山市 禪城區 魁奇路北側及 桂瀾路西側 | Residential and commercial 住宅及商業 | May 2013 二零一三年五月 |
| Evian Tianhui 依雲天匯 | Qiandenghu Park Nanping Road Nanhai District Foshan City Guangdong Province The PRC | 中國 廣東省佛山市 南海區 南平路千燈湖公園 | Residential and commercial 住宅及商業 | July 2014 二零一四年七月 |
| Evian Xicheng 依雲曦城 | No. 3 Keji North Road Shishan Town Nanhai District Foshan City Guangdong Province The PRC | 中國 廣東省佛山市 南海區 獅山鎮 科技北路3號 | Residential and commercial 住宅及商業 | January 2017 二零一七年一月 |
| Park 1872 公園1872 | Northern side of Xingye Road and eastern side of Longpan West Road Desheng Business District Shunde New Town Shunde District Foshan City Guangdong Province The PRC | 中國 廣東省佛山市 順德區 順德新城 德勝商業區 興業路北側與 龍盤西路東側 | Residential and commercial 住宅及商業 | May 2018 二零一八年五月 |
| China Merchants Land Centre 招商置地中心 | Western side of a planning road eastern side of Guilan Road northern side of a planning road and southern side of Haiqi Road A27 Block of Guicheng Street Nanhai District Foshan City Guangdong Province The PRC | 中國 廣東省佛山市 南海區 桂城街道A27街區 一規劃路西側， 桂瀾路東側， 一規劃道路北側與 海七路南側 | Commercial 商業 | July 2017 二零一七年七月 |
| Evian Yongjingwan 依雲雍景灣 | North to Jihua Bridge west to Tung Ping River Chancheng District Foshan City Guangdong Province The PRC | 中國 廣東省佛山市 禪城區 季華大橋北側 東平河西側 | Residential and commercial 住宅及商業 | November 2017 二零一七年十一月 |
| China Merchants Xiyuan 招商熙園 | South Cangjiang Road in the west, Sanjiang Road in the north, Hecheng Street, Gaoming District, Foshan City, Guangdong Province, The PRC | 中國 廣東省佛山市 高明區 荷城街道 滄江南路以西， 三江路以北 | Residential and commercial 住宅及商業 | December 2019 二零一九年十二月 |
| China Merchants Yuefu 招商悅府 | Nan Jin Village Committee Lot, Sha Long Road, Jiujiang Town, Nanhai District, Foshan City, Guangdong Province, The PRC | 中國 廣東省佛山市 南海區 九江鎮 沙龍路 南金村委會地段 | Residential and commercial 住宅及商業 | May 2022 二零二二年五月 |

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW (continued)

Property Development Business (continued)

業務回顧(續)

房地產開發業務(續)

| Project 項目 | Address | 地址 | Existing usage 現有用途 | Actual/expected completion date (Year/Month) 實際/估計 落成日期 (年/月) |
|--|---|---|--|--|
| China Merchants Yueyuan 招商樾園 | Plot 1, the west side of Jianshe Yilu, Xinan Street, Sanshui District, Foshan City, Guangdong Province, The PRC | 中國 廣東省佛山市 三水區 西南街道 建設一路西側地塊一 | Residential and commercial 住宅及商業 | May 2022 二零二二年五月 |
| China Merchants Anzhitinglan 招商岸芷汀蘭 | The north side of Jiangwan 2nd Road, and the west side of Wugang Road, Chancheng District, Foshan City, Guangdong Province, The PRC | 中國廣東省 佛山市 禪城區 江灣二路北側、 霧崗路西側 | Residential and commercial 住宅及商業 | December 2021 二零二一年十二月 |
| Evian Huafu 依雲華府 | "Xinyou Innovative Technology Industrial Park" Beihu 1st Road Luocun Management Office Shishan Town Nanhai District Foshan City Guangdong Province The PRC | 中國 廣東省佛山市 南海區 獅山鎮羅村管理處 北湖一路「信友產業園」 地段 | Residential and commercial 住宅及商業 | April 2018 二零一八年四月 |
| Evian Gongguan 依雲公館 | Dazheng Road Jiujiang Town Nanhai District Foshan City Guangdong Province The PRC | 中國 廣東省佛山市 南海區 九江鎮 大正路地段 | Residential and commercial 住宅及商業 | April 2018 二零一八年四月 |
| China Merchants Zhenyuan 招商臻園 | East of Wenhua Road north of Caihong Road Chancheng District Foshan City Guangdong Province The PRC | 中國 廣東省佛山市 禪城區 文華路東側 彩虹路北側 | Residential and commercial 住宅及商業 | December 2017 二零一七年十二月 |
| China Merchants Xian 招商曦岸 | South Jititang Road in the east to Foshan 1st Ring in the west, from Tanzhou Water Channel in the south to Fochan Road in the north South Side of South Jinchang Road Chencun Town, Shunde District Foshan City, Guangdong Province The PRC | 中國 廣東省佛山市 順德區陳村鎮 金錫南路南側 東至集體塘南路， 西至佛山一環， 南至潭州水道， 北至佛陳路 | Residential, wholesale and retail, accommodation and catering and commercial and financial usage 住宅用地兼批發零售、住 宿餐飲、商務金融 | September 2019 二零一九年九月 |
| Guangzhou (廣州) | | | | |
| Jinshan Valley 金山谷 | Fei E Ling Zhongcun Town Shatou Street Panyu District Guangzhou City Guangdong Province The PRC | 中國 廣東省 廣州市 番禺區 沙頭街鍾村鎮飛鵝嶺 | Residential and commercial 住宅及商業 | May 2019 二零一九年五月 |
| Huambo 萬博 | Huambo Business District Nancun Town Panyu District Guangzhou City Guangdong Province The PRC | 中國 廣東省 廣州市 番禺區 南村鎮 萬博商務區 | Commercial 商業 | September 2016 二零一六年九月 |
| China Merchants Yongjing Wan (formerly known as "Sino-Singapore Guangzhou Knowledge City") 招商雍景灣(前稱「中新廣州知識城」) | The north of No. KS3-2 Gui Hua Road and to the east of the northern extension lane of No. KS4-4 Road at Zhongxin Guangzhou Zhishicheng Nanqibu District The PRC | 中國 中新廣州知識城南起 步區KS3-2號規劃路以 北，KS4-4號路北延線 以東 | Residential and commercial 住宅及商業 | July 2019 二零一九年七月 |

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW (continued)

Property Development Business (continued)

業務回顧(續)

房地產開發業務(續)

| Project 項目 | Address | 地址 | Existing usage 現有用途 | Actual/expected completion date (Year/Month) 實際/估計 落成日期 (年/月) |
|---|--|--|--|--|
| Chongqing (重慶) | | | | |
| Changjiahui 長嘉匯 | Danzishi Nan'an District Chongqing City The PRC | 中國 重慶市 南岸區彈子石 | Residential and commercial 住宅及商業 | August 2021 二零二一年八月 |
| Evian River Bay 依雲江灣 | Eastern side of Babin Road and northern side of Neihuan Expressway Banan District Chongqing City The PRC | 中國 重慶市 巴南區 巴濱路東側與 內環快速北側 | Residential and commercial 住宅及商業 | April 2020 二零二零年四月 |
| Central Avenue 公園大道 | Standard Sub-zone F Lianglu Zone Yubei District Chongqing City The PRC | 中國 重慶市 渝北區 兩路組團F標準分區 | Residential and commercial 住宅及商業 | August 2024 二零二四年八月 |
| Jin Xing Hui Xiao Qu 錦星匯小區 | East of Yu Ao Da Dao and west of Jian Bei Si Zhi Lu Jiang Bei District Chongqing City The PRC | 中國 重慶市 江北區 渝澳大道東側、 建北四支路西側 | Residential and commercial 住宅及商業 | July 2017 二零一七年七月 |
| China Merchants Yundi 招商雲邸 | Nanping Business Centre, Nanan District, Chongqing, The PRC | 中國 重慶市 南岸區 南坪商圈 | Residential and commercial 住宅及商業 | September 2020 二零二零年九月 |
| Yongjingcheng 雍璟城 | District J, Component of Liangjiang New District, Chongqing, The PRC | 中國 重慶市 兩江新區 兩路組團J分區 | Residential and commercial 住宅及商業 | March 2020 二零二零年三月 |
| Nanjing & Jurong (南京及句容) | | | | |
| Zijinshan No.1 紫金山一號 | Northeast corner of Zhongshanmen Avenue and Taiyangcheng Road Qixia District Nanjing City Jiangsu Province The PRC | 中國 江蘇省南京市 棲霞區 中山門大街與 太陽城路東北角 | Residential and commercial 住宅及商業 | November 2013 二零一三年十一月 |
| Yonghuafu 雍華府 | Southeast corner of Yikang Road and Taishan Road Jianye District Nanjing City Jiangsu Province The PRC | 中國 江蘇省南京市 建邺區 怡康路與 泰山路東南角 | Residential 住宅 | December 2015 二零一五年十二月 |
| Mr. Mountain 方山里花園 | South of 12th Xue Road east of Wushi Road High-tech Park Jiangning District Nanjing City Jiangsu Province The PRC | 中國 江蘇省南京市 江寧區 高新園 學十二路以南、 務實路以東 | Residential 住宅 | June 2016 二零一六年六月 |
| Evian County 依雲郡 | East of 7th Guihuaqing Road Jiangning Airport Industrial District Nanjing City Jiangsu Province The PRC | 中國 江蘇省南京市 江寧空港開發區 規劃經七路以東 | Residential 住宅 | December 2016 二零一六年十二月 |
| Evian Huafu 依雲華府 | West of Jing 5th Road in phrase 2 Maigaoqiao Street Qixia District Nanjing City Jiangsu Province The PRC | 中國 江蘇省南京市 棲霞區 邁皋橋街道經 五路二期西側 | Residential and commercial 住宅及商業 | December 2019 二零一九年十二月 |

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW (continued)

Property Development Business (continued)

業務回顧(續)

房地產開發業務(續)

| Project 項目 | Address | 地址 | Existing usage 現有用途 | Actual/expected completion date (Year/Month) 實際/估計 落成日期 (年/月) |
|---|--|--|--|--|
| The Orchid Ravine 依山溪谷花園 | East of Xing Huo Bei Lu and south of Yong Xin Lu Pukou Gaoxin Zone Nanjing City Jiangsu Province The PRC | 中國 江蘇省南京市 浦口高新區 星火北路以東 永新路以南 | Residential and commercial 住宅及商業 | September 2018 二零一八年九月 |
| Century Taoyuan 世紀桃園 | The east to South Rehe Road in the west, from Chaha'er Road in the south to Nanjing No.52 Middle School in the north, Gulou District, Nanjing City Jiangsu Province The PRC | 中國 江蘇省南京市鼓樓區， 東至姜家園， 南至察哈爾路， 西至熱河南路，北至南 京市第五十二中學 | Residential and commercial 住宅及商業 | August 2021 二零二一年八月 |
| China Merchants International E City 招商國際E城 | East of Baosi Road south of Jingjiu Road Baohua Town Jurong City Jiangsu Province The PRC | 中國 江蘇省句容市 寶華鎮寶四路東側 經九路南側 | Commercial and residential 商業及住宅 | June 2020 二零二零年六月 |
| Nanjing G73 南京 G73 | A piece of land (Lot Guo 3 Ban 5), Metro Town, Qilin Street, Jiangning District, Nanjing, Jiangsu Province The PRC | 中國 江蘇省南京市江寧區 麒麟街道地鐵 小鎮國3辦5地塊 | Commercial and residential 商業及住宅 | June 2021 二零二一年六月 |
| Nanjing G43 南京 G43 | The west side of Jiangpu Street and Yushan Xi Road, and the south side of Guangdian Road, Pukou District, Nanjing City, Jiangsu Province, The PRC | 中國 江蘇省南京市浦口區 江浦街道雨山西路以西、 廣電路以南地塊 | Residential 住宅 | December 2021 二零二一年十二月 |
| Xi'an (西安) | | | | |
| Evian Qujiang 依雲曲江 | South of Jinyang Road east of Xinkaimen South Road north of Chuangyi Avenue and west of Xikang Highway West Fudao Qujiang New District Xi'an City Shaanxi Province The PRC | 中國 陝西省西安市 曲江新區 金羊路以南 新開門南路以東 創意大道以北 西康高速西輔道以西 | Residential and commercial 住宅及商業 | December 2019 二零一九年十二月 |
| | North of Chuangyi Avenue west of Xikang Highway Qujiang New District Xi'an City Shaanxi Province The PRC | 中國 陝西省西安市 曲江新區 創意大道以北 西康高速以西 | | |
| | East of Xinkaimen South Road Qujiang New District Xi'an City Shaanxi Province The PRC | 中國 陝西省西安市 曲江新區 新開門南路以東 | | |
| Yongjinwan 雍景灣 | The south side of Xue Yuan Wu Road, the north side of Xue Yuan Ba Road, the west side of Zhong Yang Avenue and the east side of Wen Yun Si Road, Xixian International Culture and Education Park, Xi'an City Shaanxi Province, The PRC | 中國陝西省西安市 西咸國際文化教育園 學苑五路以南， 學苑八路以北， 中央大街以西， 文韻四路以東 | Residential and commercial 住宅及商業 | November 2020 二零二零年十一月 |

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW (continued)

Property Development Business (continued)

Contracted sales

For the year of 2018, the Group, together with its associated companies and joint venture companies, recorded contracted sales amount of approximately RMB34,431,766,000 in aggregate from five cities and the contracted sales area in aggregate was approximately 1,741,931 sq.m..

業務回顧(續)

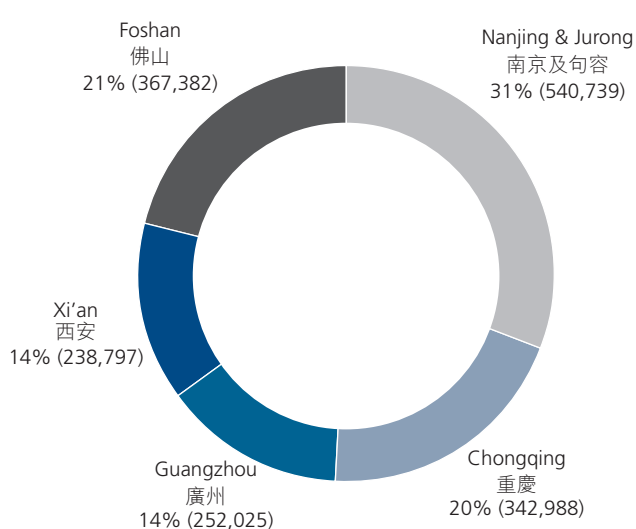
房地產開發業務(續)

合同銷售

於二零一八年內，本集團連同其聯營公司及合營企業錄得來自五個城市之合同銷售總額約人民幣34,431,766,000元，合同銷售總面積約為1,741,931平方米。

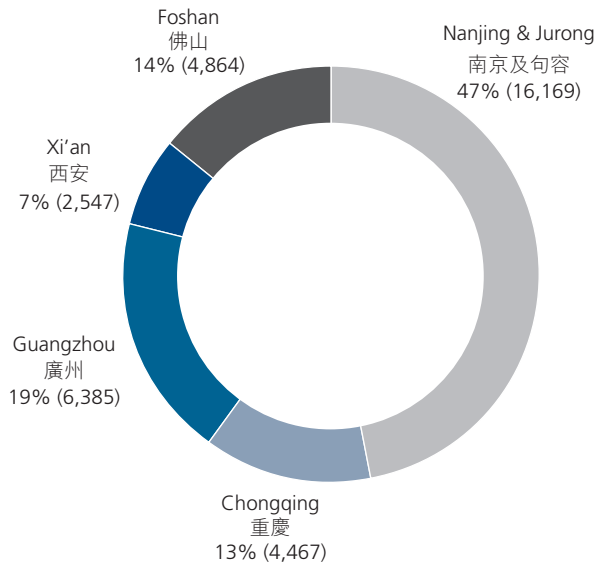
2018 contracted sales in area by region (sq.m.)

二零一八年按地區合同銷售面積(平方米)



2018 contracted sales amount by region (RMB million)

二零一八年按地區合同銷售金額(人民幣百萬元)



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW (continued)

Property Development Business (continued)

Newly Acquired Land Bank

The newly acquired lands over which the Group has a majority control as at 31 December 2018 are as follows:

業務回顧(續)

房地產開發業務(續)

新增土地儲備

於二零一八年十二月三十一日，本集團新收購且擁有主要控制權之土地如下：

| Projects | 項目 | Total consideration 總代價 (RMB million) (人民幣百萬元) | Total site area 總佔地面積 (sq.m.) (平方米) | Total permissible area 總計容面積 (sq.m.) (平方米) | Average land premium 平均地價 (RMB/sq.m.) (人民幣元/平方米) |
|-------------------------------------|----------|---|--|---|---|
| Foshan China Merchants Anzhitinglan | 佛山招商岸芷汀蘭 | 948 | 39,036 | 108,665 | 8,724 |
| Chongqing Yongjingcheng | 重慶雍璟城 | 2,310 | 182,789 | 365,577 | 6,319 |
| Chongqing Guanyin Bridge | 重慶觀音橋 | 290 | 10,956 | 32,868 | 8,823 |
| Nanjing Yongningfu | 南京雍寧府 | 3,350 | 107,820 | 238,588 | 14,041 |
| Xi'an Yongjing Wan | 西安雍景灣 | 630 | 45,890 | 100,957 | 6,240 |

Foshan

In 2018, contracted sales amount in Foshan was approximately RMB4,864 million and contracted sales area was 367,382 sq.m. As at 31 December 2018, total GFA of the Group's projects in Foshan reached 3,509,366 sq.m. and the saleable GFA in the future with amount to 1,333,689 sq.m.

In 2018, sales of the Group's projects in Foshan mainly comprised of China Merchants Zhenyuan and China Merchants Xi'an:

- China Merchants Zhenyuan is located at the Economic and Technology Development Area in Zengcheng, Guangzhou, which is in the centre part of Guangzhou, Dongguan and Shenzhen. Such area will be constructed as a 100-billion level electronic information and automobile industry area. Currently, 90 key projects, such as Foxconn, Alibaba and CATARC, has already been introduced to such area and their forecasted output value will exceed RMB200 billion. Such area is also in the proximity of various top commercial facilities such as Wanda Plaza, AEON MALL and International Traffic Center. Such project is near the TOD traffic hub at Xindong Station in Guangzhou and surrounded by metro lines and city railway with direct access to Zhujiang New Town, CFCITY, Pazhou and two airports in Guangzhou and Shenzhen. China Merchants Zhenyuan is the first "inheritable" luxury products constructed by the Company in Guangzhou.

佛山

二零一八年，佛山之合同銷售金額約為人民幣4,864,000,000元，合同銷售面積為367,382平方米。於二零一八年十二月三十一日，本集團於佛山市的項目總建築面積達3,509,366平方米，未來可售建築面積為將達1,333,689平方米。

二零一八年，本集團在佛山銷售的項目主要有招商臻園及招商曦岸：

- 招商臻園位於穗莞深核心的廣州增城經濟技術開發區，該區域將打造千億級電子資訊、汽車產業群，目前已經引進了富士康、阿里巴巴、中汽研等重點專案90個，預計年產值超2000億元。周邊還有萬達廣場、永旺夢樂城、凱達爾國際廣場等多個頂級商業配套。專案臨近廣州新東站TOD交通樞紐，多條地鐵、城軌環繞，可直達珠江新城、金融城、琶洲及廣深兩大機場。招商臻園是公司在廣州打造的首個「傳承系」豪宅產品。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW (continued)

Property Development Business (continued)

Foshan (continued)

- Located in the northern part of Shunde, Foshan China Merchants Xi'an is situated at the bridgehead of the border of Guangzhou-Foshan and enjoys the 110m²-landscape area along Binjiang Hua'an in Chencun. The region where the project is located enjoys a comprehensive "6 vertical and 4 horizontal" transportation network, including main arteries in Guangzhou-Foshan like Fochan Road, Foshan 1st Ring, Guangming Expressway and Guangzhou-Zhuhai West Expressway. It only takes 30 minutes' drive to popular areas ranging from the Changui Center of Foshan to Panyu, Guangzhou and central Guangzhou. At the same time, benefitting from urbanization of the northern part of Shunde, Foshan Metro Line 2, Line 3, the western extension of Guangzhou Metro Line 7 and Guangzhou-Foshan Circle Line are under construction in Chencun district, which seamlessly connect the Guangzhou-Foshan living circle. The project occupied a site area of approximately 69,000m² with a gross floor area of approximately 230,000m², of which the first batch of products target at 80-110m² three-/four-room affordable luxury high-rise buildings. The project applies modern façade with innovative group-based layout, which establishes an approximate 60-metre space between buildings and maximizes the view of gardens. In the meantime, the project structures a distinctive phoenix-themed garden and is surrounded by scenery.



Computerised photo of Foshan China Merchants Zhen Yuan
招商臻園效果圖

Guangzhou

In 2018, contracted sales amount in Guangzhou was approximately RMB6,385 million and contracted sales area was 252,025 sq.m.. As at 31 December 2018, total GFA of the Group's projects in Guangzhou reached 1,805,715 sq.m. and the saleable GFA in the future will amount to 425,742 sq.m.

業務回顧(續)

房地產開發業務(續)

佛山(續)

- 佛山招商曦岸位於順德北部片區，地處廣佛交界的橋頭堡，坐享陳村110萬平方米濱江花岸景觀帶。專案所在區域規劃有完善的「六縱四橫」交通網路配套，佛陳路、佛山一環、廣明高速、廣珠西線等廣佛交通主幹道，30分鐘暢通佛山禪桂、廣州番禺以及廣州中心城區等熱點板塊；同時，得益於順德北部片區城市規劃，陳村片區內擁有建設中的佛山地鐵2號線、3號線、廣州地鐵7號線西延段以及廣佛環線，無縫對接廣佛生活圈。項目占地約6.9萬平方米，總建築面積約23萬平方米，首批產品主打80-110平方米三四房輕奢高層。項目採用現代風格立面，創新組團式佈局，營造出約60米寬闊樓距，園林實現景觀最大化，同時，項目打造出極具特色的鳳凰主題園林，步步皆景。



Photo of Foshan China Merchants Xi'an
佛山招商曦岸實景圖

廣州

二零一八年，廣州之合同銷售金額約為人民幣6,385,000,000元，合同銷售面積為252,025平方米。截至二零一八年十二月三十一日，本集團於廣州市的項目總建築面積達1,805,715平方米，未來可售建築面積將為425,742平方米。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW (continued) Property Development Business (continued) Guangzhou (continued)

The Jinshan Valley Ecool, Guangzhou is a creative zone merging design, art, culture and living. It is adjacent to Hanxi Changlong station of Metro Line 3 and eight stations away from Tianhe. This area is surrounded by three arteries including Guangming Expressway, Xinguang Expressway and Shiguang Road and only takes 30 minutes' drive to Zhujiang New Town CBD. The super flagship store of this project is IKEA's Guangzhou flagship store, which aims at constructing IKEA's business ecosystem composing of various types of operation, such as headquarters, cultural and creative bases as well as riverside offices. Currently, headquarters of powerful enterprises have been settled for official business, such as China Railway No. 1 Engineering, China Railway Electrification Engineering, BaoLun Electronics and BXHH Design Institute. The ultimate single-block office buildings (phase 3) of the Hills Ecool has now been sold worldwide with areas ranging from 1,000 m² to 2,500 m². Customization services are provided according to the personalized needs of enterprises with standalone office towers with naming rights.

業務回顧(續) 房地產開發業務(續) 廣州(續)

廣州金山谷意庫是集設計、藝術、文化及生活為一體的創意區，毗鄰三號線漢溪長隆地鐵站，八站到天河，由廣明高速、新光快速及市廣路三大主幹道環繞，20分鐘直達珠江新城CBD，專案以宜家家居廣州旗艦店為超級主力店，打造宜家商業生態圈，包含總部基地、文創基地、湖畔辦公等多種業態，目前已吸引中鐵一局、中鐵電氣化局、保倫電子、北訊電信及寶賢華翰設計院等多家實力企業總部入駐辦公，金山谷意庫壓軸獨棟辦公樓(三期)現已面向全球開售，面積1000-2500平方米，可依企業個性需求進行定制化服務，獨棟可冠名。



Computerised photo of Guangzhou Hills Ecool
廣州金山谷意庫效果圖



Computerised photo of Guangzhou Hills Ecool
廣州金山谷意庫效果圖

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW (continued)

Property Development Business (continued)

Chongqing

In 2018, contracted sales amount in Chongqing was approximately RMB4,647 million and contracted sales area was 342,988 sq.m.. As at 31 December 2018, total GFA of the Group's projects in Chongqing reached 4,824,626 sq.m. and the saleable GFA in the future will amount to 3,092,626 sq.m.

In 2018, sales of the Group's projects in Chongqing mainly comprised of Yongjingcheng:

- Chongqing China Merchants Yongjingcheng is located in the hot piece of the central axis of the northern district and only 31-meter away from Lianhua Station of Metro Line 3, which is "achievable" product in Konggang New City. Such project aims to construct an ideal, low-density and eco-friendly and healthy residential area through ingenious mansions which restore the sense of ritual of living by gardens in Yong's style. This project possesses with one ring, two railways and various arteries with great access to business circles, so as to enjoy convenient living style.



Computerised photo of Chongqing China Merchants Yongjingcheng
重慶招商雍璟城效果圖

業務回顧(續)

房地產開發業務(續)

重慶

二零一八年，重慶之合同銷售金額約為人民幣4,647,000,000元，合同銷售面積為342,988平方米。截至二零一八年十二月三十一日，本集團於重慶市的項目總建築面積達4,824,626平方米，未來可售建築面積將為3,092,626平方米。

二零一八年，本集團於重慶之銷售項目主要包括雍璟城：

- 重慶招商雍璟城位於北區中軸線城市熱土之上，距3號線蓮花站僅31米；是在空港新城的「成就系」首作。旨在通過雍系園林復原生活儀式感的匠心府邸，打造城市理想低密生態住區。一環雙規多幹道，便捷抵達著稱各大商圈，悅攬便捷生活。



Computerised photo of Chongqing China Merchants Yongjingcheng
重慶招商雍璟城效果圖

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW (continued)

Property Development Business (continued)

Nanjing and Jurong

In 2018, contracted sales amount in Nanjing and Jurong was approximately RMB16,169 million and contracted sales area was 540,739 sq.m.. As at 31 December 2018, total GFA of the Group's projects in Nanjing and Jurong reached 2,182,922 sq.m. and the saleable GFA in the future will amount to 811,842 sq.m.

In 2018, strong sales of the Group's projects in Nanjing and Jurong mainly comprised of Dongwangfu and Century Taoyuan

- Nanjing Dongwangfu project is located in the core sector of Xianlin Qinglong Subway Town and situated at the interchange of Jiuxiang Hedong Road and Siwang Road. Qinglong Town benchmarks the planning of international first-tier cities and establishes the first TOD subway town in Nanjing. Dongliu Station of Metro Line 4 and Nanda Heyuan Station of Metro Line 4 has opened to traffic in proximity of the project and Metro Line 8, Metro Line 15 and Metro Line 18 are under planning. An integrated rail transit system with the radius of 300 m can cover numerous metro stations.
- Nanjing Century Taoyuan is located at South Rehe Road and situated from Jiangjiayuan Road in the east to South Rehe Road in the west, from Jiangjiayuan Road in the north to an existing residential community in the south. The gross site area is 68052.26 m² and divided into four plots named plot A, B, C and D. Plot A, C and D is for commercial and residential use, of which the residential portion has been planned for terraces, mid-rise houses and villas and planned to construct 23 blocks with units ranging from 100 to 300m²; Plot B is for nursery and kindergarten uses which is mainly used as kindergarten and relevant ancillary facilities.



Computerised photo of Nanjing Century Taoyuan
南京世紀桃園效果圖

業務回顧(續)

房地產開發業務(續)

南京及句容

二零一八年，南京及句容之合同銷售金額約為人民幣16,169,000,000元，合同銷售面積為540,739平方米。截至二零一八年十二月三十一日，本集團於南京市及句容市的項目總建築面積達2,182,922平方米，未來可售建築面積將為811,842平方米。

二零一八年，本集團在南京及句容熱銷的項目包括東望府及世紀桃園：

- 南京東望府專案地處仙林青龍地鐵小鎮的核心板塊，位於九鄉河東路與四望路的交匯處。青龍小鎮對標國際一線城市規劃，打造了全南京第一個TOD地鐵小鎮。專案周邊已通地鐵4號線東流站、2號線南大和園站，未來還規劃了8號線，15號線，18號線，一體化的交通軌道系統，以300米為半徑，即可覆蓋多個地鐵展點。
- 南京世紀桃園位於熱河南路街道，東至姜家園路，西至熱河南路，北至姜家圩路，南至現狀住宅社區，總用地面積68052.26平方米，分成A、B、C、D四個地塊。A、C、D地塊為商住混合用地，其中住宅用地規劃為花園洋房、小高層和別墅產品，規劃建設23棟，戶型面積100-300平方米；B地塊為幼托用地，主要功能為幼稚園及相關配套設施。



Computerised photo of Nanjing Dongwangfu
南京東望府效果圖

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW (continued)

Property Development Business (continued)

Xi'an

In 2018, contracted sales amount in Xi'an was approximately RMB2,547 million and contracted sales area was 238,797 sq.m.. As at 31 December 2018, total GFA of the Group's projects in Xi'an reached 637,792 sq.m. and the saleable GFA in the future will amount to 203,116 sq.m..

Changningfu is situated at Changning New District which enjoys the reputation as an "urban balcony". Sitting at the bottom of Qinling, it faces Gaoxin to its north. Changningfu is close to Juehe Wetland Park with an area around 5,000 acres with fresh air throughout four seasons, it is where the royal family in Tang dynasty lives and its heritage and graciousness continue until modern times. Also, Chang'an International University is located inside Changningfu with 34 universities and 320,000 students. The three-dimensional transportation in the region is easily accessible and a half-hour urban transportation circle will be built which comprises of Ziwu Avenue, Three Rings and phase 2 of Metro Line 2 and Metro Line 7 which are under construction planning.

業務回顧(續)

房地產開發業務(續)

西安

於二零一八年，西安的合同銷售額約為人民幣2,547,000,000元，而合同銷售面積為238,797平方米。於二零一八年十二月三十一日，本集團在西安的項目總建築面積達到637,792平方米，而未來可售建築面積將為203,116平方米。

常寧府位於「城市陽臺」美譽的常寧新區，背依秦嶺北望高新。近享5000餘畝潘河濕地公園，四季鮮氧潤澤，唐代皇家行宮御苑之寶地，文脈氣度流傳至今，更有長安國際大學城板塊，34所高校，32萬余高知精英薈萃的人文涵養。區域內立體交通暢達，子午大道、三環、規劃建設中的2號線2期、7號線，構築都市半小時交通圈。



Computerised photo of Xi'an Changningfu
西安常寧府效果圖

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW (continued)

Electronic Trading Business and Property Related Procurement Business

The Group will balance the synergies in property related procurement business and the main business in property development to determine the resources to be allocated to the trading procurement business.

FINANCIAL AND TREASURY MANAGEMENT PRINCIPLES

As at 31 December 2018, the net assets attributable to owners of the Company amounted to RMB8,117,893,000 (2017: RMB7,414,598,000).

In June 2015, the Company's direct wholly-owned subsidiary completed the issuance of the guaranteed convertible bonds due in June 2020 (credit enhanced until July 2018) in the aggregate principal amount of US\$290,000,000 bearing coupon rate at 0.50% per annum ("Convertible Bonds"). In December 2013, the Group completed the issuance of five-year term credit enhanced bonds in the aggregate principal amount of US\$500,000,000 bearing coupon rate of 4.021% per annum ("Bond"). The rates of the Convertible Bonds and the Bond, which are fixed and unchanged during their subsisting period, bear simple interest rather than compound interest and the interest are payable half-yearly. Both the Convertible Bonds and the Bond are listed on the Stock Exchange, since 24 June 2015 and 12 December 2013 respectively. The fund raised from the issuance of the Convertible Bonds and the Bond are for the purpose of general corporate use.

The Company redeemed part of the Convertible Bonds at the principal amount of US\$269,800,000 on 23 June 2018 and all of the outstanding Convertible Bonds at the principal amount of US\$20,200,000 on 27 September 2018. The Company has redeemed all of the Bonds at the principal amount of US\$500,000,000 on 11 December 2018.

On 18 December 2018, the Company completed the issuance of senior bonds due 2021 in the aggregate principal amount of RMB1,900,000,000 bearing coupon rate of 4.6% per annum.

業務回顧(續)

電子貿易業務及房地產相關採購業務

本集團會權衡房地產相關採購業務與房地產開發主業的協同效應，以決定在貿易採購業務上的資源投入。

財務及資金管理原則

於二零一八年十二月三十一日，本公司擁有人應佔資產淨值為人民幣8,117,893,000元(二零一七年：人民幣7,414,598,000元)。

於二零一五年六月，本公司直接全資附屬公司完成發行本金總額290,000,000美元以票面年息率0.50%計息並於二零二零年六月到期的已擔保可換股債券(信用增強至二零一八年七月)(「可換股債券」)。於二零一三年十二月，本集團完成發行本金總額為500,000,000美元以票面年息率4.021%計息的五年期信用增強債券(「債券」)。在可換股債券及債券存續期間利率固定不變，採取單利按半年付息，不計複利。可換股債券及債券兩者分別自二零一五年六月二十四日及二零一三年十二月十二日起於香港聯合交易所有限公司(「聯交所」)上市。發行可換股債券及債券募集資金用作一般企業用途。

本公司於二零一八年六月二十三日贖回本金額為269,800,000美元的部分可換股債券，而本金額為20,200,000美元的所有未償還債券已於二零一八年九月二十七日贖回，本公司已於二零一八年十二月十一日贖回本金額為500,000,000美元的所有債券。

於二零一八年十二月十八日，本公司完成發行本金總額為人民幣1,900,000,000元之二零二一年到期優先債券，年票息為4.6%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL AND TREASURY MANAGEMENT PRINCIPLES (continued)

As at 31 December 2018, bank balances and cash was RMB6,866,261,000 (2017: RMB5,100,692,000). In terms of currency denomination, bank balances and cash can be divided into RMB6,505,603,000 in Renminbi, RMB272,648,000 in US\$ and RMB88,010,000 in Hong Kong dollars (“HK\$”).

As at 31 December 2018, total interest-bearing debt of the Group was RMB18,648,136,000 (2017: RMB15,233,460,000). In terms of maturity, the outstanding total interest-bearing debt (excluding the Convertible Bonds and the Bonds) can be divided into RMB5,792,515,000 repayable within one year, RMB2,350,543,000 repayable after one year but within two years and RMB10,505,078,000 repayable after two years but within five years. In terms of currency denomination, the outstanding total interest-bearing debt can be divided into RMB17,954,919,000 in Renminbi and RMB693,217,000 in US\$.

At 31 December 2018, the Group’s net interest-bearing debt (total interest-bearing debt minus bank balances and cash) to equity ratio (including non-controlling interests) (the “net gearing ratio”) was 50% (2017: 47%). Although the financial position of the Group is stable and the potential financing capacity is strong, the Group will continue to take the relatively stable financial policies and to control the net gearing ratio at the industry average level.

The monetary assets and liabilities and business transactions of the Group are mainly carried and conducted in RMB, US\$ and HK\$. The Group maintains a prudent strategy in its foreign exchange risk management, where foreign exchange risks are minimised via balancing the monetary assets versus monetary liabilities.

NON-COMPETITION DEED

To minimise actual and potential competition, the Group and CMPD entered into a non-competition deed on 19 June 2013 as amended and supplemented on 4 October 2013 (the “Non-Competition Deed”). On 30 December 2015, the Company, CMPD and CMSK^{Note 1} had entered into a deed of amendment and novation (“Novation Deed”) pursuant to which all the obligations, undertakings, interests and benefits of CMPD under the Non-Competition Deed were novated to and undertaken by CMSK in replacement of CMPD as if CMSK has been a party to the Non-Competition Deed in substitution of CMPD with effective from 30 December 2015. Other than that, all the other terms of the Non-Competition Deed shall remain unchanged^{Note 2}. On 17 December 2018, the Group and CMSK entered into an amended and restated non-competition deed which supersede and replace in its entirety the Non-Competition Deed (the “Amended and Restated Non-Competition Deed”), the approval of the Company’s independent shareholders of which has been obtained at the Company’s extraordinary general meeting on 29 January 2019.

財務及資金管理原則(續)

於二零一八年十二月三十一日，銀行結餘及現金為人民幣6,866,261,000元(二零一七年：人民幣5,100,692,000元)。以貨幣而言，銀行結餘及現金可分為以人民幣列值人民幣6,505,603,000元、以美元列值人民幣272,648,000元及以港幣(「港幣」)列值人民幣88,010,000元。

於二零一八年十二月三十一日，本集團的計息債務總額為人民幣18,648,136,000元(二零一七年：人民幣15,233,460,000元)。以到期日而言，尚未償還計息債務總額(不包括可換股債券及債券)可分為人民幣5,792,515,000元(須於一年內償還)、人民幣2,350,543,000元(須於一至兩年內償還)及人民幣10,505,078,000元(須於兩年至五年內償還)。以貨幣而言，尚未償還計息債務總額可分為以人民幣列值人民幣17,954,919,000元及以美元列值人民幣693,217,000元。

於二零一八年十二月三十一日，本集團的淨計息債務(計息債務總額減銀行結餘及現金)對股東權益(包括非控股權益)比率(「淨槓桿率」)為50%(二零一七年：47%)。儘管本集團財務狀況健康及潛在融資能力較強，本集團仍將奉行相對穩健的財務政策，淨槓桿率將控制在行業平均水平。

本集團之貨幣資產及負債以及業務交易主要以人民幣、美元及港幣列賬和進行。本集團恪守審慎之外匯風險管理政策，透過維持貨幣性資產與貨幣性負債之平衡，將外匯風險減至最低。

不競爭契據

為減少實際及潛在競爭，本集團與招商局地產控股股份有限公司(「招商地產」)(於二零一六年十二月與招商蛇口(定義見下文)合併的一家公司)於二零一三年六月十九日訂立不競爭契據(於二零一三年十月四日經修訂及補充)(「不競爭契據」)。於二零一五年十二月三十日，本公司、招商地產及招商招商局蛇口工業區控股股份有限公司(「招商蛇口」)^{附註1}訂立一項修訂及更替契據(「更替契據」)，據此，招商地產於不競爭契據項下所有責任、承諾、權益及利益將更替予招商蛇口並由招商蛇口代替招商地產承擔，猶如招商蛇口一直為代替招商地產之不競爭契據之訂約方，自二零一五年十二月三十日起生效。除此以外，不競爭契據之所有其他條款維持不變^{附註2}。於二零一八年十二月十七日，本公司與招商蛇口訂立一項經修訂及重列之不競爭契據，其取代及代替整份不競爭契據(「經修訂及重列之不競爭契據」)，並已於本公司在二零一九年一月二十九日之股東特別大會中取得本公司獨立股東批准。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

NON-COMPETITION DEED (continued)

Pursuant to the Amended and Restated Non-Competition Deed, (i) CMSK and its subsidiaries (excluding the Group) (“CMSK Group”) will not compete with the Group in the cities of Foshan, Guangzhou, Nanjing, and Jurong (the “Four CML Cities”) except for certain operation transitional assets (“Operation Transitional Assets”) located in Foshan which would be retained by CMSK Group but managed by the Group under certain operation agreement entered into between the Group and CMSK; (ii) with respect to Chongqing and Xi’an, the Company is considering to cease to conduct Property Business (other than participating in property-related investments on a minority basis across the PRC (the “Non-Controlling Investment Arrangement”)) in and exit from such two cities in due course, depending on the results of an annual review process; (iii) CMSK Group will not compete with the Group in the cities of Chongqing and Xi’an unless the Group ceases to conduct Property Business (other than the Non-Controlling Investment Arrangement) in such city; (iv) the Group will not compete with CMSK in 46 other cities in the PRC (“CMSK Cities”) except the Group will have the rights to participate in the Non-Controlling Investment Arrangement across the PRC (including the CMSK Cities); (v) the Group will also be entitled to conduct the Asset Management Business for office premises in Beijing and Shanghai exclusively, subject to the duly transfer of all equity interest of CMSK Group in Asset Management Business for office premises in Beijing and Shanghai to the Group (the “Proposed Transfer I”); and (vi) the Company will no longer have the perpetual right of first refusal to conduct Property Business (the “Right of First Refusal”) for other cities in the PRC in which neither the Group nor the CMSK Group has an Property Business as at the date of the Non-Competition Deed (“Unoccupied Cities”).

For details of the Non-Competition Deed and Operation Transitional Assets, please refer to the section headed “Relationship with the Controlling Shareholders” in the circular of the Company dated 10 October 2013. For details of the Amended and Restated Non-Competition Deed, the Four CML Cities, Property Business, Non-Controlling Investment Arrangement, the CMSK Cities, Asset Management Business, the Proposed Transfer I, the Right of First Refusal and the Unoccupied Cities, please refer to the circular of the Company dated 10 January 2019.

The independent board committee comprising all the independent non-executive Directors of the Company, had (i) reviewed the quarterly reports prepared by the Company’s management containing latest information on the respective property projects portfolios of CMSK Group and the Group; (ii) carried out a review on the implementation of and compliance with the Amended and Restated Non-Competition Deed by CMSK Group and the Group (including the restrictions applicable to the Company under the Non-Controlling Investment Arrangement) during the year ended 31 December 2018; and (iii) confirmed that the terms of the Amended and Restated Non-Competition Deed had been complied with by CMSK Group and the Group during the year ended 31 December 2018.

不競爭契據(續)

根據經修訂及重列之不競爭契據，(i)招商蛇口及其附屬公司(不包括本集團)(「招商蛇口集團」)不會與本集團在佛山、廣州、南京及句容(「四個招商局置地城市」)競爭，惟位於佛山之若干管理過渡資產(「管理過渡資產」)除外，該等資產將由招商蛇口集團保留，但由本集團根據本集團與招商蛇口訂立之若干運營協議管理；(ii)就重慶及西安而言，視乎年度審閱程序之結果，本公司正考慮終於進行房地產業務(按少數基準參與中國之房地產相關投資(「非控股投資安排」)除外)並將適時退出該兩個城市；(iii)招商蛇口集團不會於重慶及西安與本集團競爭，除非本集團不再於該等城市進行房地產業務(非控股投資安排除外)；(iv)本集團將不會與招商蛇口於中國46個其他城市(「招商蛇口城市」)競爭，惟本集團將有權參與中國(包括招商蛇口城市)之非控股投資安排；(v)待招商蛇口集團將位於北京及上海辦公室物業的資產管理業務之全部股權正式轉讓予本集團(「第一項建議轉讓」)後，本集團亦將有權就位於北京及上海之辦公室物業獨家進行資產管理業務；及(vi)本公司將不再擁有於中國其他城市展開房地產業務的永久優先選擇權(「優先選擇權」)，即本集團或招商蛇口集團於不競爭契據日期並無進行房地產業務的其他中國城市(「未涉足城市」)。

請參閱本公司日期為二零一三年十月十日的通函內「與控股股東的關係」一節，以瞭解不競爭契據及管理過渡資產的詳情。請參閱本公司日期為二零一九年一月十日的通函，以瞭解經修訂及重列之不競爭契據、四個招商局置地城市、房地產業務、非控股投資安排、招商蛇口城市、資產管理業務、第一項建議轉讓、優先選擇權及未涉足城市的詳情。

由本公司全體獨立非執行董事組成的獨立董事委員會已(i)審閱本公司管理層編製之季度報告，當中載有招商蛇口集團及本集團相關物業項目組合的最新資料；(ii)就招商蛇口集團及本集團於截至二零一八年十二月三十一日止年度期間執行及遵守經修訂及重列之不競爭契據之情況進行審閱；及(iii)確認招商蛇口集團及本集團於截至二零一八年十二月三十一日止年度期間遵守經修訂及重列之不競爭契據之條款。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

NON-COMPETITION DEED (continued)

The Group will gradually transform into an asset-light property operator, while continue to operate its traditional property development business in Foshan, Guangzhou, Nanjing, Jurong, Chongqing and Xi'an (subject to the Company's plan to exit from Chongqing and Xi'an). Upon the annual review of the portfolio of the Group's Property Business for the year ended 31 December 2018, taking into account the financial resources available to the Group at the relevant time and the relevant market conditions, the Group decides to continue its Property Business in Chongqing and Xi'an for the time being.

Notes:

1. According to the announcements published by CMSK and CMPD on the Shenzhen Stock Exchange, on 30 December 2015, CMSK and CMPD had completed the major asset restructuring and integration exercise pursuant to which, among other things, all assets, liabilities, businesses, employees, contracts and all other rights and obligations of CMPD have been taken up and assumed by CMSK in replacement of CMPD, CMPD was delisted from the Shenzhen Stock Exchange and the shares of CMSK became listed on the Shenzhen Stock Exchange, all with effect from 30 December 2015.
2. In the above paragraphs under the heading of "Non-competition Deed", for the avoidance of doubt, references to CMSK should be construed as referring to CMPD in the context of any time before 30 December 2015.

OUTLOOK AND PROSPECTS

Looking forward to the year of 2019, uncertainties such as the trade negotiation between China and the US, the US entering the economic cycle and the interest rate hikes of the US Federal Reserve as well as the hard Brexit of the Britain will increase the downside risks to the global economy. At the same time, the downside risks to the domestic economy have been increased correspondingly due to the effects caused by the global economy. The Central Economic Work Conference emphasized "stabilizing employment, finance, foreign trade, foreign investors, foreign investment and future" and followed the overall principle of seeking progress while ensuring stability. Meanwhile, we will uphold the new development concepts, promote high quality development, treat supply-side structural reform as the major direction and further market reforms. In relation to the real estate market, it is expected that the policies will continue to emphasize on stability, in order to establish long-term mechanism for the healthy development of the market. The position of "Houses are built for residence, not for speculation" remains unchanged and the regional governments will implement the principal responsibility and carry out city-specific policies.

The Group will continue to adhere to the principle of "sustaining intensive engagement and innovative development" by leveraging on the abundant inventory resources of CMG and CMSK and fully capitalizing on the advantages of overseas listing, so as to facilitate the diversified business development after corporate transformation as well as to explore the asset management market actively and grasp market investment opportunities.

不競爭契據(續)

本公司將逐步轉型為輕資產房地產營運商，並繼續於佛山、廣州、南京、句容、重慶及西安(須視乎本公司退出重慶及西安之計劃)經營其傳統房地產開發業務。於對本集團截至二零一八年十二月三十一日止年度的房地產業務組合進行年度審閱後以及經計及本集團於相關時間可得的財務資源及相關市場狀況，本集團決定繼續於重慶及西安進行其房地產業務。

附註：

1. 根據招商蛇口及招商地產在深圳證券交易所刊發之公告，於二零一五年十二月三十日，招商蛇口與招商地產完成重大資產重組及整合，據此(其中包括)招商地產所有資產、負債、業務、僱員、合約及所有其他權利及義務已經由招商蛇口代替招商地產接收及承擔。招商地產終止於深圳證券交易所上市，而招商蛇口股份於深圳證券交易所上市，均自二零一五年十二月三十日起生效。
2. 為避免疑問，在上文「不競爭契據」一段中，對招商蛇口之提述於二零一五年十二月三十日前任何時間內應視為對招商地產之提述。

前景展望

展望二零一九年，中美兩國之間的貿易談判、美國進入經濟週期和聯儲加息、英國硬脫歐不明朗等使全球經濟下行風險加大。同時受環球經濟影響下，國內經濟下行風險相對增大。中央經濟工作會議強調「穩就業、穩金融、穩外貿、穩外資、穩投資、穩預期」，堅持以穩中求進為工作總基調，同時堅持新發展理念、推動高品質發展、以供給側結構性改革為主線、深化市場化改革。房地產市場方面，預期政策會持續以穩為主基調，建立市場健康發展的長效機制。房住不炒的定位不變，城市政府將落實主體責任，因城施策。

本集團將繼續秉承「持續深耕，創新發展」的原則開發業務，並立足招商局集團和招商蛇口存量資源基礎，充分發揮境外上市平臺的優勢，推進公司轉型發展後的多元化業務發展，積極探索資產管理市場和拓展市場投資機遇。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

EMPLOYEE REMUNERATION AND RELATIONS

The Group remunerates the employees by reference to their qualifications, experience, responsibilities, profitability of the Group and current market conditions.

As at 31 December 2018, the Group had 808 (2017: 726) employees in the PRC and Hong Kong.

The Group determines its staff remuneration based on various factors such as qualifications, years of experience, market conditions and performance of the individual employees. A share option scheme was adopted at the annual general meeting of the Company held on 27 September 2011 (the “2011 Share Option Scheme”) for the purpose of providing incentives and rewards to eligible participants who have contributed to the success of the Group’s operations. No grants under the 2011 Share Option Scheme were made during the year ended 31 December 2018.

僱員薪酬及僱員關係

本集團乃根據員工之資歷、經驗、職責、本集團之盈利及現時市況釐定員工薪酬。

於二零一八年十二月三十一日，本集團在中國及香港僱用808名員工(二零一七年：726名)。

本集團根據資歷、服務年期、市況及個別僱員之表現等因素釐定員工薪酬。本公司於二零一一年九月二十七日舉行之股東週年大會上採納購股權計劃(「二零一一年購股權計劃」)，旨在向曾對本集團業務成就作出貢獻之合資格參與人士提供獎勵及獎賞。截至二零一八年十二月三十一日止年度，並無根據二零一一年購股權計劃授出購股權。

* For identification purpose only

* 僅供識別

ENVIRONMENTAL, POLICIES AND PERFORMANCE

環境、政策及表現

This report covers the environmental, policies and performance of the Company during the year ended 31 December 2018. The Environmental, Social and Corporate Governance Report prepared in accordance with Appendix 27 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) will be published on the websites of the Company and the Stock Exchange in due course.

GREEN CONSTRUCTION

We have combined the community and environment requirements into the construction process and conducted investigations in depth with our cooperative partners to improve construction management and innovate construction technology. We would consider using materials available from the neighborhood as much as possible and to reduce the consumption of materials, energy and water in the course of construction for creating a clear, clean, comfortable and safe construction environment. Besides, we also launched a “Harmonious Neighborhood Scheme” to extensively collect the opinions from the residents who live nearby with an aim to doing our best to reduce the effects of construction works on the surrounding natural, cultural and social environments.

GREEN OFFICE

We have formulated the “Green action guide for employee” to strengthen the daily management of energy saving and emission reduction and carry out the education in every corner and to every employee, making the idea of green development deeply rooted in their mind to develop the habits of saving energy, water, papers, oil and gas.

CO-OPERATION WITH INTERNATIONAL ORGANISATIONS

We build up close ties and co-operative connections with international organisations like UNEP, UNEP-SBCI, UNEP GI-REC, WWF to combine each other’s edges to promote the sustainable development.

本報告涵蓋截至二零一八年十二月三十一日止年度本公司之環境、政策及表現。根據香港聯合交易所有限公司(「聯交所」)證券上市規則附錄27所編製之環境、社會及企業管治報告將適時於本公司及聯交所網站刊載。

綠色施工

我們將社區和環境要求融入施工過程，還會同合作單位深入研究，加強施工管理、創新施工技術，盡可能考慮就近取材，減少施工過程中的物耗、能耗與水耗，營造乾淨、整潔、舒適、安全的施工環境，並推廣「睦鄰計畫」廣泛收集周邊居民意見，努力降低施工對周邊自然環境、人文環境、社會環境造成的影響。

綠色辦公

我們制定《員工綠色行為指引》，從細節入手加強節能減排日常管理，並將宣傳教育延伸到每個角落和每名員工，促進綠色發展理念深植員工心中，形成自覺節電、節水、節紙、節油、節氣的習慣。

與國際機構合作

我們與聯合國環境規劃署(UNEP)、可持續建築與氣候促進會(UNEP-SBCI)、資源節約型城市全球促進會(UNEP GI-REC)、世界自然基金會(WWF)等國際機構建立密切的聯繫與合作關係，整合優勢資源推動可持續發展。

* For identification purpose only

* 僅供識別

ENVIRONMENTAL, POLICIES AND PERFORMANCE

環境、政策及表現

SAFE AND CIVILISED CONSTRUCTION

The headquarters of the Company has set up a Safety Management Committee. Each project has established its own safety management team to proactively promote the standardised management of safe and civilised construction so as to protect the health and safety of every front line construction workers and back office staff with best efforts.

REINFORCEMENT OF SAFE AND CIVILISED CONSTRUCTION MANAGEMENT

We have strengthened the measures to achieve a safe and standardised construction. We have organised and updated management requirements and practices for safe and civilised construction with a precise goal of safe and civilised construction management. We have strengthened the investigation standard for hidden dangers on-site. We carry out regular safety check and introduce the assessment system for subcontractors in order to ensure the worry-free construction. No fire accident, major equipment safety and casualty accidents occurred during the year.

PURSUIT OF “ZERO” ENERGY WASTAGE IN CONSTRUCTION

Following the consolidation process and with many years of experience, we have gradually forged an ecological and high efficient green technology system. The development model for green construction was also upgraded into a comprehensive model with combination of “Green Planning”, “Technique Application” and “Energy Saving through Action”. In 2015, the Company built up a green research and development and application system named “Green Life+” and issued the “Green Ranking Guide” and “Energy Efficiency Management Guide” in order to continuously promote the innovation and breakthrough of the green technology.

PROTECTING THE BIO-DIVERSITY

We have implemented the idea of protecting the bio-diversity throughout the core process of our development and operation and pay attention to protecting the original natural vegetation and the habitats in the development zone during the process of planning and project construction. Through these efforts, we systematically repair the eco-system which is degenerated or damaged by project development. In addition, by building the landscape water system and seedling transplanted according to location and situations, we can reduce the effects of project development on local environment.

安全文明施工

公司總部設立安全管理委員會，各項目設立安全管理小組，積極推進安全文明施工標準化管理，全力保障每一位前線建築工人以及後勤支援員工的健康與安全。

加強安全文明施工管理

我們加強各項措施，以達致安全標準化建設，並組織更新安全文明施工管理規定和管理規範，明確安全文明施工管理目標。我們已加強現場隱患排查標準，定期組織安全檢查並引入協力廠商評估機制，努力打造放心工程。全年未發生火災事故、重大設備安全事故及重大工地傷亡事故。

追求建築「0」能耗化

經過多年經驗沉澱與積累，我們逐步形成生態高效的綠色技術體系，綠色建築發展模式也由傳統的技术應用升級為「綠色規劃、技術應用、行為節能」三位一體的綜合模式。二零一五年，公司建立「綠色生活+」綠色研發應用體系，發佈《綠色評星工作指引》與《能效管理工作指引》，不斷推進綠色技術的革新和突破。

保護生物多樣性

我們將保護生物多樣性的理念貫穿於開發運營核心環節，在規劃設計和項目建設過程中注重對開發區域內原有自然植被、棲息環境的保護，系統修復因項目開發而退化或者破壞的生態，並通過在景觀水系構造、苗木移栽中因地制宜，減少項目開發對當地生態環境的影響。

ENVIRONMENTAL, POLICIES AND PERFORMANCE

環境、政策及表現

EQUAL EMPLOYMENT AND DIVERSITY

Our recruitment principles are on the basis of fairness, justice and transparency. We provide every employee an equal employment opportunity. No employee will face differential treatment for their gender, age, ethnicity or cultural background. We try our best effort to provide an ideal career environment for their development.

平等僱傭與多元化

我們堅持公開、公正、公平及透明的招聘原則，給予每一位員工平等的僱傭機會，不因性別、年齡、民族、文化背景不同而對員工差別化對待，全力為員工的發展提供良好的職業環境。

RIGHT PROTECTION OF CONSTRUCTION WORKERS

The Company is highly concerned about the right protection of the front line construction workers. It has incorporated a system to evaluate the performance of potential suppliers in safeguarding construction worker's rights. In selecting partners, we have taken into account the protective measures with our standard evaluation system. We conduct regular checks and monitor contractors to ensure they have complied with protective measures and have adequately implemented the policies, with a view to safeguard the rights of construction workers.

建築工人權益保障

公司高度重視前線建築工人的權益保障，並已將潛在供應商保障建築工人權益的履行情況納入評價體系當中。於甄選合夥人時，我們將保障措施與水準評價體系一併仔細考慮，確保彼等遵守保障措施並充份實施有關政策，旨在維護建築工人權益。

Wages Guarantee

工資保障

- Require the general contractor to open a specialised account for depositing of workers' wages and deposit the wages in advance
- 要求工程總承包企業開設工人工資保證金專戶，預存工資保證金
- Implement real-name system management for workers, establish an alert mechanism for worker's wage and inspect regularly on the payment of worker's wage by the construction cooperation units
- 實施工人實名制管理，建立工人工資預警機制，定期檢查合作施工單位的工人工資發放情況
- Require the general contractor to pay the wages of its own workers in priority and consider this as a compulsory check item in the annual review of qualified suppliers
- 要求施工總承包商優先支付所屬工人工資，並將其作為年度合格供方評審必查項

Safety Guarantee

安全保障

- Deploy facilities for safety production and industrial diseases protection pursuant to the requirements and provide compliant protective equipment for workers
- 按規定配備安全生產和職業病防護設施，為工人發放符合要求的勞動防護用品
- Construction unit must execute their works according to construction practice guidelines on site, and simple medical facility must be equipped on site
- 施工單位必須按工地施工規範執行，現場必須配備簡單的醫療設備
- Strictly implement the Company's three-tier safety education system and prevent the occurrence of workers attending for work without receiving the three-tier safety education
- 嚴格執行公司的三級安全教育制度，杜絕未經三級安全教育就直接上班的現象

ENVIRONMENTAL, POLICIES AND PERFORMANCE

環境、政策及表現

BUILDING UP RESPONSIBLE SUPPLY CHAIN

As the Company regards supply chain competitiveness as one of the core corporate competitiveness, we have maintained supply chain management strategy of balancing between quality and efficiency. Through the standardised and specialised suppliers' closed-loop management system and open communication sharing mechanism between suppliers, we strived to build up a responsible supply chain, to facilitate and strengthen for mutual interests with the enterprises in the supply chain.

SAFEGUARD THE INTERESTS OF SUPPLIERS

We have maintained a concept of purchasing under a transparent and open regime, and hence we have strengthened tendering process and enhanced the standardisation and specialisation of tendering. We have strived to explore new paths for purchasing information and have stringently complied with the contracts, and have safeguarded the basic rights of suppliers with fairness, justice and openness.

ASSESSMENT AND REVIEW OF SUPPLIERS

We highly recognised a long-term cooperation relationship with our suppliers and has built up a positive cycle of general purchasing, annual cooperation and strategic purchasing. We have enhanced the comprehensiveness and closed-loop management for certification, selection, examination and assessment towards suppliers from different levels and types. We have identified and fostered possible strategic relation with our suppliers through the ERP Purchasing Management Platform.

UPGRADE OF SUPPLIERS' CAPABILITIES

The stable operation of the Company and long-term development are supported by the high-quality supply chain, which also favors the core concept of our corporation and implementation of our social responsibilities. We will help the suppliers to enhance their competitiveness, achieve a mutual development with suppliers and create a continuous win-win approach and development through various measures and activities. From unilateral examination to bilateral examination, we invite professional consultant agency to conduct satisfaction research to suppliers from engineering, marketing, design and properties and put their feedback into the evaluation of the project management. We also build a monthly report system for key suppliers and have senior management conducting on-site visit for key suppliers and regularly invite outstanding partners to share their sophisticated experience in order to mutually improve the ability to perform both parties' duties. Meanwhile, we endeavor to cultivate strategic suppliers with high quality for long-term cooperation. For those suppliers with high quality, they will be registered in our selected unit automatically and entitled to higher percentage of payments upon goods delivered and awarded with public recognition. For existing issues, we will sort out corresponding solutions one by one.

打造責任供應鏈

由於本公司視供應鏈競爭力為企業的核心競爭力之一，我們已堅持品質與效益並重的供應鏈管理方針，通過規範化和專業化的供應商閉環管理制度、暢通的供應商溝通分享機制打造責任供應鏈，與供應鏈企業相互促進、共同成長。

保障供應商權益

我們堅持具透明度且開放的採購理念，因而得以加強招標流程並提升招標工作規範性與專業化。我們積極探索採購資訊化創新路徑，嚴格信守合同承諾，以公平、公正、公開的方式保障供應商基本權益。

供應商評估與審核

我們高度重視與供應商之間的長期合作關係並已建立常規採購、年度合作及戰略採購的良性循環。我們已加強對各級各類供應商認證、選擇、考核、評估的完整性及閉環管理。我們已通過ERP採購管理平台發現和培養與供應商之間的潛在戰略關係。

供應商能力提升

公司的穩健經營和長遠發展有賴於高品質的供應鏈，共贏是我們合作的核心理念，也是履行社會責任的重要體現。我們通過各類措施與活動幫助供應商提升競爭力，實現與供應商的共同成長與發展，創造持續共贏的產業未來。由單向考核向雙向考核過渡，邀請專業諮詢機構對工程類、行銷類、設計類、物業類等供應商進行滿意度調查研究，將供應商回訪意見融入對項目管理的考核。建立重點供應商合作月報制，多次對重點供應商進行高層到訪溝通，定期邀請優秀合作夥伴共同分享成熟經驗，相互促進履行責任能力提升。著力培育長期合作的優質戰略供應商，對於優質供應商給予自動納入入圍單位、提高到貨款比例、公開表彰等激勵，對於存在問題逐一對應提出解決方案。

ENVIRONMENTAL, POLICIES AND PERFORMANCE

環境、政策及表現

REMUNERATION BENEFITS

While ensuring the market competitiveness of our employees' remunerations, we implement the remuneration system closely linked with performance to further create an environment where the interests of the Company and employees are aligned. Under the principles of complying with the requirements of the laws and regulations and providing our employees with assurance, we build a comprehensive benefit system with multiple levels to ensure a stable growth and development for our employees.

Subject to shareholders' approval at general meeting, the emoluments are determined by the Board of Directors of the Company by reference to the qualification, experience, job duties, responsibilities and performance and results of the Group and market conditions. Details of Directors' and Chief Executive's and Employee's Emoluments are set out in note 11 to the consolidated financial statements.

DEVELOPMENT AND TRAINING

We embrace the core values of the Company to build an appropriate talent development strategy and talent promotion path, comprehensively promote a multi-level employees training system, strive to provide a broad platform for employee's development and achieve the goal of enterprise development on the basis of employee's development.

EMPLOYEES' DEVELOPMENT PATH

We emphasise the professional and occupational growth of the employees, and we provide the employees with two major development paths of managerial talent and professional technical talent. Employees can choose the development path according to their own career development direction incorporated with the position requirement of the Company to realise a win-win situation on both the Company's development and the employee's development.

STAFF TRAINING

We have been maximising the inputs on staff training and accelerating the optimisation of staff training system. After years of fulfillment, optimisation and innovation, we have developed a staff training system with three main elements, which are leadership, professional capability and general performance, in order to provide a favorable platform for staff's development.

薪酬福利

我們在確保薪酬有市場競爭力的前提下，執行與績效緊密掛勾的薪酬制度，進一步打造公司與員工利益共同體。在合法合規的基礎上，本著讓員工安心的原則，構建多層次、全面的福利體系，讓員工在公司穩定的成長和發展。

待股東於週年大會上批准後，酬金由本公司董事會參考資格、經驗、職務、職責、本集團之業績及表現以及市況而釐定。有關董事、行政總裁及僱員酬金之詳情載於綜合財務報表附註11。

發展及培訓

我們圍繞公司的核心價值觀，構建合適的人才發展戰略和人才晉升管道，全方位推進多層次的員工培訓體系，致力於為員工發展提供廣闊的平台，實現以員工的發展來推動企業的發展及目標。

員工發展通道

我們注重員工的專業化和職業化成長，為員工提供管理人才和專業技術人才兩大序列的發展通道，員工可根據自身職業發展方向並結合公司職位需求，選擇相應的發展通道，以實現公司發展和員工發展的雙贏。

員工培訓

我們不斷加大對人才培養的投入力度，加快人才培訓體系的完善，經過多年的實踐積累和優化創新，我們建立起領導力、專業能力、通用能力三大類人才培養的項目培訓體系，為員工發展提供了良好平台。

ENVIRONMENTAL, POLICIES AND PERFORMANCE

環境、政策及表現

COMMUNICATION WITH EMPLOYEES

With a view to enhance communication between the staff and the management, the Group requires every project company to organise different types of face-to-face communication seminar regularly throughout the year. Our staff can share their ideas and needs to the management directly while they can get an instant responses. Furthermore, it was a brilliant time for the management to point out their objective and vision to their staff. These seminars can strengthen both parties' mutual understandings and break any barriers between them.

SHAREHOLDERS' AND INVESTORS' RELATIONSHIPS

Shareholders' and investors' relationships are set out in the section headed "Corporate Governance Report" on page 83 to 108 of this annual report.

OPERATION IN COMPLIANCE WITH LAW

The Company strictly complies with the national laws and regulations, international practices and business ethics, and fulfills the theme of the central government and China Merchants Group – "Three-Strictness and Three-Solidness (三嚴三實)" to strengthen the practice of building and establishing the implementation of responsibility and promote the culture of corruption-free and prevention and punishment system comprehensively. We will consciously accept the supervision from relevant authorities and strive to become a good example of operating in compliance with the law and with honesty and integrity.

The Company is concerned about the establishment of a corporate legal advising system and has strengthened the legal culture and research development. The Company has promoted the compliance works and integration of operation management, so as to enable the operation of the Company to be in compliance with the applicable law requirements and contemporary corporate governance requirements and interests from relevant parties.

We have introduced specific training programmes that meet with industry's requirement, with a view to enhance the legal awareness of our employees, in particular the frontline staff.

We will introduce two-rounds of on-site inspections and promote the legal risk awareness while building up the precaution mechanism of legal disputes and achieving an efficient and in advance control of legal risks.

與員工之溝通

為加強員工與管理層之間之溝通，本集團規定各項目公司於年內定期組織各式各樣的面對面座談會，員工可直接向管理層反映彼等意見及訴求，而管理層亦可即時作出回應。此外，管理層亦可藉此良機向員工指明彼等之目標及願景。此等座談會增強了雙方之相互瞭解及打破彼此間之隔閡。

股東及投資者關係

股東及投資者關係載於本年報第83至108頁所載「企業管治報告」一節。

依法合規運營

公司嚴守國家法律法規、國際慣例和商業道德，貫徹中央和招商局集團「三嚴三實」精神加強作風建設、抓好責任落實，全面推進廉潔文化建設與防懲體系建設，自覺接受各利益相關方監督，努力成為依法經營、誠實守信的表率。

公司重視建立起一個企業總法律顧問制度並已加強發展法律文化及法律研究，本公司已推動合規工作與經營管理融合，使公司運營能夠既符合適用法律要求，又滿足現代企業治理要求及利益相關方訴求。

我們已開展符合行業要求的專題培訓以提高全員尤其是前線員工的法律意識。

開展兩輪式現場巡查，推進法律風險提示工作，建立法律糾紛預警機制，實現事前有效防控法律風險。



ENVIRONMENTAL, POLICIES AND PERFORMANCE

環境、政策及表現

STRENGTHENING RISK CONTROL

With a view to achieve strategic targets, we have developed a risk management system on the basis of forward-looking and systematised comprehensiveness, which can also serve as a platform connecting to the risk management system of the professional departments covering operating level and business level. Meanwhile, we will gradually incorporate the non-financial risks management systems, including environmental protection and anti-corruption, into the comprehensive risk management system and these can further reduce the potential risks in the operation processes of the Company.

強化風險管控

為達致戰略目標，我們已按前瞻性及系統化全面性基準制訂風險管理體系，此體系亦可作為連接涵蓋營運層面及業務層面的專業部門之風險管理體系之平台。同時，我們逐步將環境保護、反腐敗等非財務風險納入全面風險管理體系，減少公司運營過程中的潛在風險。

REPORT OF THE DIRECTORS

董事會報告

The board (the “Board”) of directors (the “Directors”) of China Merchants Land Limited (the “Company”, and together with its subsidiaries, the “Group”) are pleased to present to the shareholders their report together with the audited consolidated financial statements of the Group for year ended 31 December 2018 (the “Year”).

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The subsidiaries are engaged in the following principal activities:

- (i) development, sale, lease, investment and management of properties; and
- (ii) sales of electronic and electrical related products and sales of building related materials and equipment.

Details of the principal activities of the Company’s subsidiaries are set out in note 41 to the financial statements.

RESULTS AND APPROPRIATIONS

The Group’s profit for the Year and the state of affairs of the Company and of the Group as at that date are set out in the financial statements on page 119.

The Board recommend the payment of a final dividend of HK\$0.08 (2017: HK\$0.1) per ordinary share. The final dividend will be paid on or about 3 June 2019 to shareholders whose names appear on the register of members of the Company on 10 May 2019.

招商局置地有限公司(「本公司」，連同其附屬公司統稱「本集團」)董事(「董事」)會(「董事會」)欣然向股東提呈董事會報告，連同本集團截至二零一八年十二月三十一日止年度(「年內」)之經審核綜合財務報表。

主要業務

本公司主要業務為投資控股。附屬公司從事以下主要業務：

- (i) 開發、銷售、租賃、投資及管理房地產；及
- (ii) 銷售電子及電器相關產品以及銷售建築相關材料及設備業務。

本公司各附屬公司之主要業務詳情載於財務報表附註41。

業績及股息

本集團於年內之溢利及本公司與本集團於該日之財務狀況載於第119頁之財務報表內。

董事會建議派付末期股息每股普通股港幣0.08元(二零一七年：港幣0.1元)。末期股息將於二零一九年六月三日或前後向於二零一九年五月十日名列本公司股東名冊之股東派付。

REPORT OF THE DIRECTORS

董事會報告

BUSINESS REVIEW

A review of the business of the Group during the Year, which includes an analysis of the Group's performance using financial key performance indicators, a discussion on the Group's future business development are set out in the section headed "Management Discussion and Analysis" on page 22 to 45 of this annual report. The financial risk management objectives and policies of the Group are set out in note 35 to the consolidated financial statements. The principal risks and uncertainties that the Group may face, particulars of important events affecting the Company that have occurred since the end of the financial year, and an indication of likely future development in the Company's business are set out in the section headed "Chairman's Statement" on page 5 to 9 of this annual report. A discussion on the Group's environmental policies and relationships with its key stakeholders and investors are set out in the sections headed "Environmental, Policies and Performance" on page 46 to page 52 of this annual report. An analysis of the Group's performance indicators is set out in the Group's Five-Year Financial Summary on page 288 of this annual report. The compliance with relevant laws and regulations which have significant impact on the Group is set out in this Directors' report. The reviews form part of this statement.

SUBSIDIARY CORPORATIONS

Particulars of the Company's principal subsidiary corporations and associated corporations as at 31 December 2018 are set out in Note 41 to the consolidated financial statements respectively.

DISTRIBUTABLE RESERVES

Details of movements in the reserves of the Company and of the Group during the Year are set out in note 44 to the financial statements and in the consolidated statement of changes in equity, respectively.

The Directors consider that the Company's reserves available for distribution to shareholders amounted to RMB4,800,077,000 (2017: RMB5,182,067,000). Under Chapter 22 of the Companies Law (Revised) of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of its Memorandum and Articles of Association and provided that immediately following the distribution of dividend the Company is able to pay its debts as they fall due in the ordinary course of business.

業務審視

本集團於年內業務之回顧(包括使用財務關鍵績效指標對本集團表現進行之分析)及有關本集團未來業務發展之討論載於年報第22至45頁「管理層討論及分析」一節。本集團之財務風險管理目標及政策載於綜合財務報表附註35。本集團可能面對之主要風險及不明朗因素、自財政年度結算日起所發生影響本公司之重要事件詳情以及本公司業務之可能未來發展之揭示載列於本年報第5至9頁「主席報告」一節。有關本集團之環保政策以及與主要持份者及投資者之關係之討論載於本年度第46頁至第52頁「環境政策及表現」各節。有關本集團表現指標之分析載於本年報第288頁之本集團五年財務資料概要。有關遵守對本集團有重大影響之相關法律及法規之情況載於本董事報告。回顧構成本聲明一部分。

附屬公司

有關本公司於二零一八年十二月三十一日之主要附屬公司之詳情載於綜合財務報表附註41。

可供分派儲備

本公司及本集團於年內之儲備變動詳情分別載於財務報表附註44及綜合權益變動表。

董事認為，本公司可供分派予股東之儲備為人民幣4,800,077,000元(二零一七年：人民幣5,182,067,000元)。根據開曼群島公司法第二十二章(經修訂)，本公司之股份溢價可向股東派付作為分派或股息，惟須遵守其組織章程大綱及細則之規定，且本公司須於緊隨派付或分派股息後仍有能力償付其於一般業務過程中到期之債務。

REPORT OF THE DIRECTORS

董事會報告

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

In December 2013, the Company issued a five-year term credit enhanced bonds in an aggregate principal amount of US\$500,000,000 bearing coupon rate of 4.021% per annum. The Company has redeemed all of the bonds at the principal amount of US\$500,000,000 on 11 December 2018.

None of the Company's subsidiaries has redeemed any of the Company's listed securities during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the year of 2018.

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate purchases attributable to the Group's five largest suppliers were less than 30% of total purchases.

Aggregate sales attributable to the Group's five largest customers were less than 30% of total turnover.

As far as the Directors are aware of, neither the Directors, their close associates (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules")), nor any shareholders which, to the knowledge of the Directors, own more than 5% of the Company's issued share capital, had any interest in the Group's five largest customers or suppliers.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the published results, assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements and restated as appropriate, is set out on page 288. This summary does not form part of the audited financial statements.

PROPERTY, PLANT AND EQUIPMENT

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

INVESTMENT PROPERTIES

Details of movements in the investment properties of the Group during the Year are set out in note 15 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the Company's share capital during the Year are set out in note 30 to the consolidated financial statements.

買賣或贖回本公司上市證券

於二零一三年十二月，本公司發行本金總額為500,000,000美元票面年息率4.021%之五年期信用增強債券。本公司已於二零一八年十二月十一日贖回本金額為500,000,000美元的所有債券。

年內，本公司附屬公司概無贖回本公司任何上市證券。於二零一八年期間，本公司或其任何附屬公司概無購買或出售本公司任何上市證券。

主要客戶及供應商

本集團五大供應商應佔的採購額合共少於採購總額30%。

本集團五大客戶應佔的銷售額合共少於總營業額30%。

據董事知悉，各董事、彼等之緊密聯繫人士(定義見香港聯合交易所有限公司證券上市規則(「上市規則」))以及據董事所知擁有本公司已發行股本5%以上之任何股東，概無於本集團五大客戶或供應商中擁有任何權益。

五年財務資料概要

本集團於過往五個財政年度之已刊發業績及資產與負債概要(摘錄自經審核財務報表，並在適當情況下重列)載於第288頁。該概要並非經審核財務報表之任何部分。

物業、廠房及設備

本集團物業、廠房及設備於年內之變動詳情載於綜合財務報表附註14。

投資物業

本集團投資物業於年內之變動詳情載於綜合財務報表附註15。

股本

本公司股本於年內之變動詳情載於綜合財務報表附註30。

REPORT OF THE DIRECTORS

董事會報告

CONTINGENT LIABILITIES

The Group has contingent liabilities amounted to RMB4,172,353,000 as at 31 December 2018 (2017: RMB3,572,819,000).

PLEDGE OF ASSETS

As at 31 December 2018, land located in Chongqing, Foshan, Nanjing and Jurong with carrying values of approximately RMB4,549,627,000 (2017: RMB430,008,000) have been pledged to secure bank borrowings amounting to RMB1,216,586,000 (2017: RMB152,000,000) granted to the Group.

BORROWINGS

Details of the borrowings of the Group are set out in note 27 to the consolidated financial statements.

BONDS

Details of the bonds of the Group are set out in note 28 to the consolidated financial statements.

CONVERTIBLE BONDS

Details of the convertible bonds of the Group are set out in note 29 to the consolidated financial statements.

RETIREMENT SCHEMES

Details of the retirement scheme of the Group are set out in note 33 to the consolidated financial statements.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the shareholders by reason of their holding of the Company's securities.

或然負債

於二零一八年十二月三十一日，本集團之或然負債為人民幣4,172,353,000元（二零一七年：人民幣3,572,819,000元）。

抵押資產

於二零一八年十二月三十一日，本集團已抵押位於重慶、佛山、南京及句容賬面值約為人民幣4,549,627,000元（二零一七年：人民幣430,008,000元）之土地，以就授予本集團之銀行借貸人民幣1,216,586,000元（二零一七年：人民幣152,000,000元）作出擔保。

借貸

本集團借貸詳情載於綜合財務報表附註27。

債券

本集團債券詳情載於綜合財務報表附註28。

可換股債券

本集團可換股債券詳情載於綜合財務報表附註29。

退休計劃

本集團退休計劃詳情載於綜合財務報表附註33。

稅務減免

董事並不知悉股東因持有本公司證券而享有任何稅務減免。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS

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

Non-executive Directors:

Mr. XU Yongjun
Mr. HUANG Junlong
Dr. YAN Chengda (resigned on 13 August 2018)
Ms. LIU Ning

Executive Directors:

Dr. SO Shu Fai
Mr. YU Zhiliang
Mr. WONG King Yuen

Independent non-executive Directors:

Dr. WONG Wing Kuen, Albert
Ms. CHEN Yanping
Dr. SHI Xinping
Mr. HE Qi

In accordance with Article 116 of the Company's Articles of Association, Mr. Xu Yongjun, Dr. SO Shu Fai, Mr. WONG King Yuen and Dr. SHI Xinping shall retire at the forthcoming Annual General Meeting to be held on 24 April 2019 ("AGM"). All the above retiring Directors, being eligible, shall offer themselves for re-election at the AGM. The Company has received annual confirmations of independence from each of the independent non-executive Directors pursuant to Rule 3.13 of the Listing Rules and considers all of the independent non-executive Directors to be independent.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS THAT HAVE A SIGNIFICANT IMPACT ON THE COMPANY

Throughout the Year, to the best of their knowledge, information and belief, the Directors were not aware of any non-compliance by the Company with any relevant laws and regulations that had a significant impact on the Company.

PERMITTED INDEMNITY PROVISION

Insurance cover in respect of liability against the Directors arising from their offices and execution of their powers, duties and responsibilities has been arranged and in force during the Year.

DONATIONS

During the Year, the Group had not made any donation.

董事

年內及直至本報告日期止，本公司之董事如下：

非執行董事：

許永軍先生
黃均隆先生
YAN Chengda博士(於二零一八年八月十三日辭任)
劉寧女士

執行董事：

蘇樹輝博士
余志良先生
黃競源先生

獨立非執行董事：

王永權博士
陳燕萍女士
史新平博士
何琦先生

根據本公司組織章程細則第116條，許永軍先生、蘇樹輝博士、黃競源先生及史新平博士將於二零一九年四月二十四日舉行之應屆股東週年大會(「股東週年大會」)上退任。所有上述退任董事均符合重選資格並願意於股東週年大會上重選連任。本公司已自各獨立非執行董事接獲根據上市規則第3.13條有關彼等獨立性之年度確認書，並認為全體獨立非執行董事屬獨立。

遵守對本公司有重大影響之相關法律及法規

年內，據董事所深知、全悉及確信，彼等概不知悉本公司有任何違反對本公司有重大影響之任何相關法律及法規。

獲准許之彌償條文

年內，本公司已為董事因其職務及執行其權力、職責及責任引起之責任投購保險，並已生效。

捐款

年內，本集團概無作出任何捐款。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' SERVICE CONTRACTS

No Directors proposed for re-election at the forthcoming AGM has an unexpired service contract which is not determinable by the Group within one year without payment of compensation, other than normal statutory obligations.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 31 December 2018, the interests and short positions of each Director and chief executives of the Company in the shares or underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (Chapter 571) of the Laws of Hong Kong (the "SFO")) which were required to be notified to the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which he was deemed or taken to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Long positions in ordinary shares of the Company

| Name of director 董事姓名 | Nature of interest 權益性質 | Number of ordinary shares held 所持普通股數目 | Percentage of the Company's issued share capital 佔本公司已 發行股本百分比 |
|--------------------------|---|---|---|
| SO Shu Fai 蘇樹輝 | Through controlled corporations (Note) 由受控制之公司持有(附註) | 32,054,066 | 0.65% |

Note: These shares were directly held by Skill China Limited ("Skill China"), which is owned as to 90% by Dr. SO Shu Fai, an executive Director of the Company, and 10% by Mr. SO Man Cho, the son of Dr. SO Shu Fai. By virtue of Part XV of the SFO, Dr. SO Shu Fai is deemed to be interested in the shares held by Skill China. Skill China is a company incorporated in the British Virgin Islands with limited liability.

董事服務合約

概無擬於應屆股東週年大會重選連任之董事具有不可由於一年內本集團免付賠償(一般法定賠償除外)而予以終止之已屆滿服務合約。

董事及高級行政人員於本公司或其相聯法團之股份、相關股份及債券之權益及淡倉

於二零一八年十二月三十一日，各董事及本公司主要行政人員於本公司及其相聯法團(定義見香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部)之股份或相關股份或債券中擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及香港聯合交易所有限公司(「聯交所」)之權益及淡倉(包括根據證券及期貨條例之有關條文被認為或視作擁有之權益及淡倉)，或根據證券及期貨條例第352條須記錄於該條例所指由本公司存置之登記冊中之權益及淡倉，或根據上市規則所載上市發行人董事進行證券交易的標準守則須知會本公司及聯交所之權益及淡倉如下：

本公司普通股之好倉

附註：該等股份由華能有限公司(「華能」)直接持有，華能乃由本公司執行董事蘇樹輝博士及蘇樹輝博士之兒子蘇文濂先生分別擁有90%及10%權益。因此，根據證券及期貨條例第XV部，蘇樹輝博士被視為於華能持有之股份中擁有權益。華能為於英屬處女群島註冊成立之有限公司。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS (continued)

Long positions in underlying shares of associated corporation

董事及高級行政人員於本公司或其相聯法團之股份、相關股份及債券之權益及淡倉(續)

相聯法團相關股份之好倉

| Name of director 董事姓名 | Nature of interest 權益性質 | Number of underlying Shares involved ^(Note) 涉及相關股份數目 ^(附註) | Approximately percentage (%) in the associated corporation 於相聯法團之概約百分比(%) |
|--------------------------|----------------------------|--|--|
| XU Yongjun 許永軍 | Beneficial owner 實益擁有人 | 704,000 | 0.00% |
| HUANG Junlong 黃均隆 | Beneficial owner 實益擁有人 | 372,000 | 0.00% |
| LIU Ning 劉寧 | Beneficial owner 實益擁有人 | 372,000 | 0.00% |
| YU Zhiliang 余志良 | Beneficial owner 實益擁有人 | 200,000 | 0.00% |

Note: These are the underlying shares involved in the share options granted by CMSK (an intermediate controlling shareholder indirectly holding 3,646,889,329 shares, representing approximately 74.35% of the issued share capital of the Company) to Mr. XU Yongjun, Mr. HUANG Junlong, Ms. LIU Ning and Mr. YU Zhiliang.

附註：該等股份為間接控股股東招商蛇口(間接持有3,646,889,329股股份，相當於本公司已發行股本之74.35%)向許永軍先生、黃均隆先生、劉寧女士及余志良先生授出之購股權涉及之相關股份。

Save as disclosed above, as at 31 December 2018, none of the Directors or chief executives of the Company had any interest or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions in which they were deemed or taken to have under such provisions of the SFO), or which are required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

除上文披露者外，於二零一八年十二月三十一日，概無董事或本公司主要行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份或債券中擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之任何權益或淡倉(包括根據證券及期貨條例之有關條文被認為或視作擁有之權益及淡倉)，或根據證券及期貨條例第352條須記錄於該條例所指由本公司存置之登記冊中之任何權益或淡倉，或根據上市規則所載上市發行人董事進行證券交易的標準守則須知會本公司及聯交所之任何權益或淡倉。

REPORT OF THE DIRECTORS

董事會報告

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Apart from the information as disclosed under the heading "DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS", at no time during the Year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the Directors or their respective spouses or minor children, or were any such rights exercised by them; nor was the Company, its holding company, or any of its subsidiary corporations or fellow subsidiary corporations a party to any arrangement to enable the Directors or their respective spouses or minor children to acquire such rights in any other body corporate.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2018, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

| Name 名稱 | Capacity and nature of interest 身份及權益性質 | Number of ordinary shares held 所持普通股數目 | | Percentage of the Company's issued share capital 佔本公司已發行 股本百分比 |
|---|---|---|----------------------|---|
| | | Long position 好倉 | Short position 淡倉 | |
| China Merchants Group Ltd. ("CMG") 招商局集團有限公司(「招商局集團」) | Through controlled corporations 由受控制之公司持有 | 3,646,889,329 | – | 74.35% |
| China Merchants Shekou Industrial Zone Holdings Co., Ltd. ("CMSK") 招商局蛇口工業區控股股份有限公司 (「招商蛇口」) | Through controlled corporations 由受控制之公司持有 | 3,646,889,329 | – | 74.35% |
| Eureka Investment Company Limited ("Eureka") 瑞嘉投資實業有限公司(「瑞嘉」) | Through controlled corporations 由受控制之公司持有 | 3,646,889,329 | – | 74.35% |
| Good Ease Holdings Limited ("Good Ease") 樂怡控股有限公司(「樂怡」) | Through controlled corporations 由受控制之公司持有 | 729,377,866 | – | 14.87% |
| Success Well Investments Limited ("Success Well") 成惠投資有限公司(「成惠」) | Beneficial interest 實益權益 | 3,646,889,329 | – | 74.35% |

允許董事收購股份及債券之安排

除「董事及高級行政人員於本公司或其相聯法團之股份、相關股份及債券之權益及淡倉」披露之資料外，年內任何時間概無向任何董事或其各自之配偶或未成年子女授出透過購買本公司股份或債券獲得利益之權利，彼等亦概無行使任何有關權利；本公司、其控股公司或其任何附屬公司或同系附屬公司亦概無訂立致使董事或其各自之配偶或未成年子女於任何其他公司法團獲得有關權利之任何安排。

主要股東及其他人士於本公司股份及相關股份之權益或淡倉

於二零一八年十二月三十一日，下列於本公司已發行股本中5%或以上權益已記錄於根據證券及期貨條例第336條本公司須存置之權益登記冊內：

REPORT OF THE DIRECTORS

董事會報告

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY (continued)

As at 31 December 2018, approximately 74.35% of the issued share capital of the Company was directly held by Success Well. Success Well was owned as to 20% by Good Ease and 100% by Eureka. Good Ease was wholly-owned by Eureka, which was in turn wholly-owned by CMSK. CMG directly or indirectly owned 63.46% of CMSK, and also owned 1.07% of CMSK through a non wholly-owned subsidiary. Accordingly, each of Good Ease, Eureka, CMSK and China Merchants Group Limited was deemed to be interested in the shares of the Company registered in the name of Success Well.

Save as disclosed above, as at 31 December 2018, no person other than the Directors and chief executives of the Company whose interests are set out in the section "INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND CHIEF EXECUTIVES IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

DIRECTORS' INTERESTS IN TRANSACTIONS ARRANGEMENTS OR CONTRACTS AND DIRECTORS' CONTRACTUAL BENEFITS

During the Year, no transactions, arrangements or contracts of significance in relation to the Group's business to which the Company, its holding company or any of its subsidiary corporations was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related company with the Director or with a firm of which he is a shareholder or with a company in which he has a substantial financial interest.

主要股東及其他人士於本公司股份及相關股份之權益或淡倉(續)

於二零一八年十二月三十一日，本公司已發行股本約74.35%由成惠直接持有。成惠由樂怡及瑞嘉分別擁有20%及100%權益。樂怡由瑞嘉全資擁有，而瑞嘉全資擁有招商蛇口。招商局集團直接或間接擁有招商蛇口63.46%之權益，亦透過一家非全資附屬公司擁有招商蛇口1.07%之權益。因此，樂怡、瑞嘉、招商蛇口及招商局集團有限公司各自被視為於本公司以成惠名義登記之股份中擁有權益。

除上文披露者外，於二零一八年十二月三十一日，概無董事及本公司主要行政人員(其權益載於上文「董事及主要行政人員於本公司及其相聯法團之股份、相關股份及債券之權益及淡倉」一節)以外之人士於本公司之股份或相關股份中，已登記根據證券及期貨條例第336條須予記錄之權益或淡倉。

董事於交易安排或合約之權益及董事之合約利益

年內，概無存續由本公司、其控股公司或其任何附屬公司訂立任何有關本集團業務而董事直接或間接於其中擁有重大權益之重大交易、安排或合約。

自上個財政年度結算日起，概無董事因本公司或董事相關公司或董事為其股東之公司或董事於其中擁有重大財務權益之公司所訂立合約而收取或有權收取福利。

REPORT OF THE DIRECTORS

董事會報告

CONTRACTS OF SIGNIFICANCE WITH CONTROLLING SHAREHOLDERS

Save as disclosed in the paragraphs headed “Continuing Connected Transactions” and “Non-competition Deed” in this report, there were no contract of significance between any member of the Group and a controlling shareholder of the Company or any of its subsidiaries corporations or contract of significance for the provision of services to any member of the Group by a controlling shareholder or any of its subsidiaries subsisted as at the end of the Year or during the Year.

DIRECTORS’ INTERESTS IN COMPETING BUSINESS

During the Year, all Directors declared that they do not have interests in the businesses, which compete or are likely to compete, directly or indirectly, with the businesses of the Group pursuant to the Listing Rules.

SHARE OPTION SCHEME

The 2011 Share Option Scheme was adopted at the annual general meeting of the Company held on 27 September 2011 for the purpose of providing incentives and rewards to eligible participants who have contributed to the success of the Group’s operations. No grants under the 2011 Share Option Scheme were made during the year ended 31 December 2018. Since the adoption of the 2011 Share Option Scheme on 27 September 2011 (“Adoption Date”) and up to and including 31 December 2018, no share option has ever been granted under it.

A brief summary of the terms of the 2011 Share Option Scheme is set out below:

1. Purpose of the scheme

The purpose of the scheme is to enable the Group to grant share options to eligible participants as incentives or rewards for their contribution to the Group.

與控股股東之重大合約

除本報告「持續關連交易」及「不競爭契據」段落所披露者外，於年末及年內，概無存續由本集團任何成員公司與本公司或其任何附屬公司控股股東訂立之重大合約或由控股股東或其任何附屬公司向本集團任何成員公司提供服務之重大合約。

董事於競爭業務之權益

年內，全體董事聲明，彼等概無於根據上市規則與本集團業務可能直接或間接構成競爭之業務中擁有權益。

購股權計劃

本公司於二零一一年九月二十七日舉行之股東週年大會上採納二零一一年購股權計劃，旨在向曾對本集團業務成就作出貢獻之合資格參與人士提供獎勵及獎賞。於截至二零一八年十二月三十一日止年度，並無根據二零一一年購股權計劃授出購股權。自於二零一一年九月二十七日（「採納日期」）採納二零一一年購股權計劃起直至二零一八年十二月三十一日（包括該日）止，並無據此授出購股權。

二零一一年購股權計劃之條款概述如下：

1. 計劃之目的

本計劃旨在使本集團可向合資格參與者授出購股權，作為彼等對本集團作出貢獻之獎勵或回報。

REPORT OF THE DIRECTORS

董事會報告

SHARE OPTION SCHEME (continued)

2. Participants of the scheme

The Directors may within a period of ten (10) years commencing from the 2011 Share Option Scheme make offer for the grant of options to subscribe for Shares to eligible participants, namely, (a) any full time employee, executive or executive director of the Company, its subsidiaries or any entity in which any member of the Group holds any equity interest; (b) any non-executive directors (including independent non-executive directors) of the Company, any subsidiary or any entity in which any member of the Group holds any equity interest ("Invested Entity"); (c) any supplier of goods or services to any member of the Group or any Invested Entity; (d) any customer of any member of the Group or any Invested Entity; (e) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity; (f) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity; (g) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity; and (h) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group, and, for the purposes of the scheme, the offer may be made to any company wholly owned by one or more eligible participants mentioned above.

3. Total number of securities available for issue under the scheme and percentage

According to the scheme mandate limit approved by the shareholders on the Adoption Date, the Directors are authorised to grant share options to subscribe up to 106,846,886 Shares, representing 10% of the total number of issued shares as at the Adoption Date. As no offer for grant of share options has ever been made under the scheme, the total number of Shares underlying the share options available for grant is 106,846,886 Shares, representing approximately 2% of the total number of issued shares as at the date of this annual report. As there are no options granted under the scheme and hence there are no outstanding options under the scheme, the total number of Shares available for issued under the scheme is zero.

購股權計劃(續)

2. 計劃之參與者

董事可自二零一一年購股權計劃日期起十(10)年期間內就授出購股權以認購股份向合資格參與者提出要約，即(a)本公司、其附屬公司或本集團任何成員公司於其中擁有任何權益之任何實體之任何全職僱員、行政人員或執行董事；(b)本公司、任何附屬公司或本集團任何成員公司於其中擁有任何權益之任何實體(「投資實體」)之任何非執行董事(包括獨立非執行董事)；(c)向本集團任何成員公司或任何投資實體提供產品或服務之任何供應商；(d)本集團任何成員公司或任何投資實體之任何客戶；(e)向本集團任何成員公司或任何投資實體提供研究、開發或其他技術支援之任何人士或實體；(f)本集團任何成員公司或任何投資實體之任何股東，或本集團任何成員公司或任何投資實體發行之任何證券之任何持有人；(g)本集團任何成員公司或任何投資實體之任何業務或業務發展範疇之任何顧問(專業或其他方面)或專家顧問；及(h)透過合營企業、業務聯盟或其他業務安排而對或可能對本集團發展及成長作出貢獻之任何其他個別或類別參與者，就本計劃而言，要約可授予上文所述一名或多名合資格參與者全資擁有之任何公司。

3. 計劃項下可發行之證券總數及百分比

根據股東於採納日期批准之計劃授權上限，董事獲授權授出購股權以認購最多106,846,886股股份，相當於採納日期已發行股份總數10%。由於概無根據計劃就授予購股權提出要約，可授出購股權之股份總數為106,846,886股股份，相當於本年報日期已發行股份總數約2%。由於計劃項下概無授出購股權，故計劃項下並無尚未行使之購股權，因此計劃項下可發行之股份總數為零。

REPORT OF THE DIRECTORS

董事會報告

SHARE OPTION SCHEME (continued)

4. Maximum entitlement of each participant

The total number of Shares issued and which may fall to be issued upon exercise of the Options and the options granted under any other share option scheme of the Group (including both exercised or outstanding options) to each Grantee in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being.

5. Period within which Shares must be taken up under an option

The period within which the shares must be taken up under an option shall not be later than 10 years from the date the option is granted.

6. Minimum period before an option can be exercised

There is no minimum period for which an option must be held before it can be exercised.

7. Amount payable on acceptance and period within which payment must be made

HK\$1.00 is payable on acceptance of the option within 21 days from its date of grant.

8. Basis for determining exercise price

The exercise price in respect of any option shall, subject to any adjustments made pursuant to the terms of scheme, be at the discretion of the Directors, provided that it shall be at least the highest of:

- the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for trade in one or more board lots of the Shares on the date of grant;
- the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant; and
- the nominal value of a Share.

9. Life of the scheme

The scheme has a life of 10 years commencing from the Adoption Date and will expire on the 10th anniversary of the Adoption Date, namely, 27 September 2021.

購股權計劃(續)

4. 各參與者之最大配額

於任何12個月期間向各承授人已發行及因行使購股權及行使根據本集團任何其他購股權計劃授出之購股權(包括已行使或尚未行使購股權)而可能發行之股份總數不得超過本公司當時已發行股本1%。

5. 購股權項下須接納股份之期限

購股權項下須接納股份之期限不得超過購股權授出日期起計10年。

6. 購股權可予行使前之最低期限

並無購股權可予行使前須持有購股權之最低期限。

7. 接納購股權應付款項及須支付款項之期限

自購股權授出日期起21日內須就接納購股權支付港幣1.00元。

8. 釐定行使價值基準

任何購股權之行使價須按董事酌情權決定並根據計劃條款作出任何調整，但其最少須為以下最高者：

- 於授出日期，聯交所之每日報價表就買賣一手或以上股份所報之股份收市價；
- 緊接授出日期前五個營業日，聯交所每日報價表所報之股份平均收市價；及
- 股份面值。

9. 計劃期限

計劃自採納日期起計為期10年，並將於採納日期第10個週年日期(即二零二一年九月二十七日)屆滿。

REPORT OF THE DIRECTORS

董事會報告

CONNECTED TRANSACTIONS

- (1) On 28 June 2018, a cooperation agreement (the “Cooperation Agreement”) was entered into between Guangzhou Merchants Property Development Limited* (廣州招商房地產有限公司) (“Merchants Guangzhou”), Guangzhou Jindi Property Development Limited* (廣州金地房地產開發有限公司) (“Guangzhou Jindi”) and Beijing Yuandong Xindi Property Limited* (北京遠東新地置業有限公司) (“Beijing Yuandong”), pursuant to which, among other things, (i) Guangzhou Runjia Real Estate Co., Ltd.* (廣州潤嘉置業有限公司) (“JV Company”) has been established in the PRC on 17 May 2018 by Guangzhou Merchants and Guangzhou Jindi for the sole purpose of developing a piece of land situated at Lot No. 83003210A17025, Feng Gang Cun, Zhucun Street, Zengcheng District, Guangzhou City, Guangdong Province, the PRC (中國廣東省廣州市增城區朱村街鳳崗村83003210A17025地塊) with a total site area of approximately 51,498.1 sq.m., and the JV Company was held as to 50% and 50% by Guangzhou Merchants and Guangzhou Jindi respectively; (ii) Guangzhou Jindi has agreed to transfer 20% of the registered capital of the JV Company to Beijing Yuandong at nominal value and Merchants Guangzhou, Guangzhou Jindi and Beijing Yuandong has agreed to provide shareholders’ loans in the respective amounts of RMB190,300,000, RMB11,380,000 and RMB76,120,000 to the JV Company; and (iii) upon completion of the completion of the Cooperation Agreement, Merchants, Guangzhou, Guangzhou Jindi and Beijing Yuandong would hold 50%, 30% and 20% of the registered capital of the JV Company, respectively.

關連交易

- (1) 於二零一八年六月二十八日，廣州招商房地產有限公司(「招商廣州」)、廣州金地房地產開發有限公司(「廣州金地」)與北京遠東新地置業有限公司(「北京遠東」)訂立合作協議(「合作協議」)，據此，其中包括，(i)廣州招商及廣州金地於二零一八年五月十七日在中國成立廣州潤嘉置業有限公司(「合營公司」)，僅作開發中國廣東省廣州市增城區朱村街鳳崗村83003210A17025地塊之用，其總佔地面積約為51,498.1平方米，而合營公司由廣州招商及廣州金地分別持有50%及50%股權；(ii)廣州金地同意按面值向北京遠東轉讓合營公司註冊資本之20%及招商廣州、廣州金地及北京遠東已同意分別向合營公司提供股東借款人民幣190,300,000元、人民幣11,380,000元及人民幣76,120,000元；及(iii)於完成合作協議後，招商廣州、廣州金地及北京遠東將分別持有合營公司註冊資本之50%、30%及20%。

REPORT OF THE DIRECTORS

董事會報告

CONNECTED TRANSACTIONS (continued)

(1) (continued)

Merchants Guangzhou, Guangzhou Jindi and Beijing Yuandong further entered into a memorandum of understanding (the “MOU”) on 28 June 2018, pursuant to which the parties have conditionally agreed to change the shareholdings in the JV Company and the change of management structure. Conditional upon the completion of the registration procedures with the relevant governmental authorities, the respective shareholding of Merchants Guangzhou, Guangzhou Jindi and Beijing Yuandong in the JV Company shall be changed to 30%, 30% and 40%, respectively. In consideration of Beijing Yuandong’s increased interest in the JV Company, Beijing Yuandong shall provide a shareholder’s loan to the JV Company in the amount of RMB178,920,000 which shall be used to repay the shareholder’s loan previously advanced by Guangzhou Merchants and pay the related fund possession fee to Guangzhou Merchants.

Poly Jiangsu Real Estate Development Co., Limited* (保利江蘇房地產發展有限公司) (“Poly Jiangsu”), a substantial shareholder of the Company’s subsidiary, Nanjing Shanjiyei Property Development Company Limited* (南京善傑義房地產開發有限公司), is a connected person of the Company at subsidiary level. Guangzhou Jindi and Poly Jiangsu are fellow subsidiaries under the control of Poly Real Estate (Group) Co., Ltd.* (保利房地產(集團)股份有限公司). Guangzhou Jindi, therefore, is an associate of connected person of the Company at subsidiary level pursuant to Rule 14A.13(1) of the Listing Rules. Accordingly, the entering into of the Cooperation Agreement and the MOU constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. For details of the Cooperation Agreement and the MOU, please refer to the announcement of the Company dated 28 June 2018.

關連交易(續)

(1) (續)

招商廣州與廣州金地及北京遠東進一步於二零一八年六月二十八日訂立備忘錄(「備忘錄」)，據此，訂約方已有條件同意合營公司之股權變動及管理層架構之變動。待完成向相關政府機構登記之手續後，招商廣州、廣州金地及北京遠東各自於合營公司之股權將分別更改為30%、30%及40%。考慮到北京遠東於合營公司之權益增加，北京遠東須向合營公司提供股東借款人民幣178,920,000元，該金額將用於償還先前廣州招商預付之股東借款及向廣州招商支付相關資金佔用費。

保利江蘇房地產發展有限公司(「保利江蘇」)為本公司附屬公司南京善傑義房地產開發有限公司之主要股東，即為本公司於附屬公司層面之關連人士。廣州金地及保利江蘇均為受保利房地產(集團)股份有限公司控制之同系附屬公司。因此，根據上市規則第14A.13(1)條，廣州金地為本公司於附屬公司層面之關連人士之聯繫人士。由於項目公司於合作協議日期為廣州金地之全資附屬公司，故項目公司為本公司於附屬公司層面之關連人士。故此，訂立合作協議構成上市規則第14A章項下本公司之關連交易。請參閱本公司日期為於二零一八年六月二十八日之公告，以瞭解合作協議之詳情。

REPORT OF THE DIRECTORS

董事會報告

CONNECTED TRANSACTIONS (continued)

- (2) On 29 July 2018, a cooperation agreement (the “Cooperation Agreement”) was entered into between Merchants Guangzhou Property Development Limited* (廣州招商房地產有限公司) (“Merchants Guangzhou”), Guangzhou Jindi Property Development Limited* (廣州金地房地產開發有限公司) (“Guangzhou Jindi”), Jinmao Investment Management (Tianjin) Co., Ltd.* (金茂投資管理(天津)有限公司) (“Jinmao Tianjin”) and Guangzhou Chengpin Real Estate Co., Ltd.* (廣州誠品置業有限公司) (“Project Company”), pursuant to which, among other things, (i) the Project Company has been established in the PRC on 2 July 2018 by Guangzhou Jindi for the sole purpose of developing a piece of land situated at Lot No. 1, 2, 3 and 4 of the northeast side of Xining Primary School, Wangcheng District, Jiekou Street, Conghua District, Guangzhou City, Guangdong Province, the PRC (中國廣東省廣州市從化區街口街旺城片區西寧小學東北側地塊一、二、三、四塊) with a total site area of approximately 123,918 sq.m.; and the Project Company was wholly-owned by Guangzhou Jindi; (ii) Merchants Guangzhou, Guangzhou Jindi and Jinmao Tianjin shall bear the land price of RMB2,344,240,000 and the startup fund of RMB10,000,000 in proportion to their respective final shareholdings in the Project Company of 25%, 50% and 25%; and (iii) the registered capital of the Project Company shall increase to RMB840,000,000, the amount of which shall be contributed by each of Merchants Guangzhou, Guangzhou Jindi and Jinmao Tianjin according to their respective final shareholdings in the Project Company of 25%, 50% and 25%.

Poly Jiangsu Real Estate Development Co., Limited* (保利江蘇房地產發展有限公司) (“Poly Jiangsu”), a substantial shareholder of the Company’s subsidiary, Nanjing Shanjiemy Property Development Company Limited* (南京善傑義房地產開發有限公司), is a connected person of the Company at subsidiary level. Guangzhou Jindi and Poly Jiangsu are fellow subsidiaries under the control of Poly Real Estate (Group) Co., Ltd.* (保利房地產(集團)股份有限公司). Guangzhou Jindi, therefore, is an associate of connected person of the Company at subsidiary level pursuant to Rule 14A.13(1) of the Listing Rules. As the Project Company is the wholly-owned subsidiary of Guangzhou Jindi as at the date of the Cooperation Agreement, the Project Company is a connected person of the Company at the subsidiary level. Accordingly, the entering into of the Cooperation Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. For details of the Cooperation Agreement, please refer to the announcement of the Company dated 29 July 2018.

關連交易(續)

- (2) 於二零一八年七月二十九日，廣州招商房地產有限公司(「招商廣州」)、廣州金地房地產開發有限公司(「廣州金地」)、金茂投資管理(天津)有限公司(「金茂天津」)與廣州誠品置業有限公司(「項目公司」)訂立合作協議(「合作協議」)，據此，其中包括，(i)廣州金地已於二零一八年七月二日在中國成立項目公司，僅作發展中國廣東省廣州市從化區街口街旺城片區西寧小學東北側地塊一、二、三、四塊之用，其總佔地面積約為123,918平方米；項目公司由廣州金地全資擁有；(ii)招商廣州、廣州金地與金茂天津須按其各自於項目公司分別為25%、50%及25%之最終持股量承擔人民幣2,344,240,000元之地價及人民幣10,000,000元之開辦資金；及(iii)目標公司之註冊資本將增至人民幣840,000,000元，當中招商廣州、廣州金地與金茂天津須根據其各自於項目公司分別為25%、50%及25%之最終持股量注資。

保利江蘇房地產發展有限公司(「保利江蘇」)為本公司附屬公司南京善傑義房地產開發有限公司之主要股東，即為本公司於附屬公司層面之關連人士。廣州金地及保利江蘇均為受保利房地產(集團)股份有限公司控制之同系附屬公司。因此，根據上市規則第14A.13(1)條，廣州金地為本公司於附屬公司層面之關連人士之聯繫人士。由於項目公司於合作協議日期為廣州金地之全資附屬公司，故項目公司為本公司於附屬公司層面之關連人士。故此，訂立合作協議構成上市規則第14A章項下本公司之關連交易。請參閱本公司日期為於二零一八年七月二十九日之公告，以瞭解合作協議之詳情。

REPORT OF THE DIRECTORS

董事會報告

CONNECTED TRANSACTIONS (continued)

(3) On 30 August 2018, a cooperation agreement (the "Cooperation Agreement") was entered into between Chongqing Merchants Yi Yun Property Development Limited* (重慶招商依雲房地產有限公司) ("Chongqing Yi Yun"), Nanjing Zhengshan Property Development Limited* (南京正善置業發展有限公司) ("Nanjing Zhengshan"), Qingdao Haixin Property Development Limited* (青島海信房地產股份有限公司) ("Qingdao Haixin"), Nanjing Tianjian Property Development Limited* (南京天建房地產開發有限公司) ("Nanjing Tianjian") and Nanjing Qiancheng Property Development Limited* (南京乾程置業有限公司) ("Nanjing Qiancheng"), pursuant to which, among other things, (i) Nanjing Shansheng Property Development Limited* (南京善盛房地產開發有限公司) ("Project Company"), has been established in the PRC on 21 August 2018 by Chongqing Yi Yun, Nanjing Zhengshan, Qingdao Haixin, Nanjing Tianjian and Nanjing Qiancheng for the sole purpose of developing a piece of land situated at Lot No. 3, Daishan, Xishanqiao Street, Yuhuatai District, Nanjing City, Jiangsu Province, the PRC (中國江蘇省南京市雨花台區西善橋街道岱山03號地塊) with a total site area of approximately 26,828.82 sq.m., and the Project Company was held as to 51%, 12.25%, 12.25% and 12.25% by Chongqing Yi Yun, Nanjing Zhengshan, Qingdao Haixin, Nanjing Tianjian and Nanjing Qiancheng respectively; (ii) Chongqing Yi Yun, Nanjing Zhengshan, Qingdao Haixin, Nanjing Tianjian and Nanjing Qiancheng shall bear the land price of RMB1,140,000,000 in proportion to their respective final shareholdings in the Project Company of 20%, 20.5%, 20%, 19.75% and 19.75%; and (iii) the registered capital of the Project Company shall increase to RMB900,000,000 before 20 December 2018, the amount of which shall be contributed by each of Chongqing Yi Yun, Nanjing Zhengshan, Qingdao Haixin, Nanjing Tianjian and Nanjing Qiancheng according to their respective final shareholdings in the Project Company of 20%, 20.5%, 20%, 19.75% and 19.75%.

關連交易(續)

(3) 於二零一八年八月三十日，重慶招商依雲房地產有限公司(「重慶依雲」)、南京正善置業發展有限公司(「南京正善」)、青島海信房地產股份有限公司(「青島海信」)、南京天建房地產開發有限公司(「南京天建」)與南京乾程置業有限公司(「南京乾程」)訂立合作協議(「合作協議」)，據此(其中包括)，(i)南京善盛房地產開發有限公司(「項目公司」)已於二零一八年八月二十一日成立，專門從事開發位於中國江蘇省南京市雨花台區西善橋街道岱山03號之地塊，總佔地面積約為26,828.82平方米；(ii)重慶依雲、南京正善、青島海信、南京天建及南京乾程須按其各自於項目公司分別為51%、12.25%、12.25%、12.25%及12.25%的最終持股量承擔人民幣1,140,000,000元的地價；及(iii)項目公司的註冊資本須於二零一八年十二月二十日前增加至人民幣900,000,000元，有關金額將由重慶依雲、南京正善、青島海信、南京天建及南京乾程根據其各自於項目公司分別20%、20.5%、20%、19.75%及19.75%的最終持股量注入。



REPORT OF THE DIRECTORS

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CONNECTED TRANSACTIONS *(continued)*

(3) *(continued)*

Nanjing Zhengshan is an indirect wholly-owned subsidiary of Zhenro Properties Group Limited (正榮地產集團有限公司) (“Zhenro Group”). Nanjing Zhenro Zhengsheng Property Development Limited* (南京正榮正升置業發展有限公司) (“Nanjing Zhenro Zhengsheng”) is also an indirect wholly-owned subsidiary of Zhenro Group. Since Nanjing Zhenro Zhengsheng is a connected person of the Company at the subsidiary level, Nanjing Zhengshan is therefore an associate of connected person of the Company at the subsidiary level pursuant to Rule 14A.13(1) of the Listing Rules. Accordingly, entering into the Cooperation Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. For details of the Cooperation Agreement, please refer to the announcement of the Company dated 30 August 2018.

關連交易(續)

(3) (續)

南京正善為正榮地產集團有限公司(「正榮集團」)之間接全資附屬公司。南京正榮正升置業發展有限公司(「南京正榮正升」)亦為正榮集團之間接全資附屬公司。由於南京正榮正升為本公司於附屬公司層面之關連人士，因此，根據上市規則第14A.13(1)條，南京正善為本公司於附屬公司層面之關連人士之聯繫人士。故此，訂立合作協議構成上市規則第14A章項下本公司之關連交易。請參閱本公司日期為二零一八年八月三十日之公告，以瞭解合作協議之詳情。

REPORT OF THE DIRECTORS

董事會報告

CONNECTED TRANSACTIONS (continued)

(4) On 17 December 2018, an amended and restated non-competition deed was entered into between the Group and CMSK Group pursuant to which, among other things, (i) CMSK and its subsidiaries (excluding the Group) (“CMSK Group”) will not compete with the Group in the cities of Foshan, Guangzhou, Nanjing, and Jurong (the “Four CML Cities”) except for certain operation transitional assets (“Operation Transitional Assets”) located in Foshan which would be retained by CMSK Group but managed by the Group under certain operation agreement entered into between the Group and CMSK; (ii) with respect to Chongqing and Xi’an, the Company is considering to cease to conduct Property Business (other than participating in property related investments on a minority basis across the PRC (the “Non-Controlling Investment Arrangement”)) in and exit from such two cities in due course, depending on the results of an annual review process; (iii) CMSK Group will not compete with the Group in the cities of Chongqing and Xi’an unless the Group ceases to conduct Property Business (other than the Non-Controlling Investment Arrangement) in such cities; (iv) the Group will not compete with CMSK in 46 other cities in the PRC (“CMSK Cities”) except the Group will have the rights to participate in the Non-Controlling Investment Arrangement across the PRC (including the CMSK Cities); (v) the Group will also be entitled to conduct the Asset Management Business for office premises in Beijing and Shanghai exclusively, subject to the duly transfer of all equity interest of CMSK Group in Asset Management Business for office premises in Beijing and Shanghai to the Group (the “Proposed Transfer I”); and (vi) the Company will no longer have the perpetual right of first refusal to conduct Property Business (the “Right of First Refusal”) for other cities in the PRC in which neither the Group nor the CMSK Group has a Property Business as at the date of the Non-Competition Deed (“Unoccupied Cities”).

As at 17 December 2018, CMSK held approximately 74.35% of the Company’s issued shares and is therefore a controlling shareholder and connected person of the Company under the Listing Rules. According, entering into the amended and restated non-competition deed constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. For details, please refer to the relevant paragraphs under the heading of “Non-competition Deed” in this report, the announcement of the Company dated 17 December 2018 and the circular of the Company dated 10 January 2019.

關連交易(續)

(4) 於二零一八年十二月十七日，本集團與招商蛇口集團訂立經修訂及重列之不競爭契據，據此（其中包括），(i)招商蛇口及其附屬公司（「招商蛇口集團」）將不會於佛山、廣州、南京及句容（「四個招商局置地城市」）與本集團競爭，惟位於佛山的若干管理過渡資產（「管理過渡資產」）將由招商蛇口集團保留但由本集團根據本集團與招商蛇口訂立之若干運營協議管理；(ii)就重慶及西安而言，視乎年度審閱程序之結果，本公司考慮停止進行房地產業務（按少數基準參與中國之房地產相關投資（「非控股投資安排」）除外）並將適時退出該兩個城市；(iii)招商蛇口集團將不會於重慶及西安與本集團競爭，除非本集團不再於該等城市進行房地產業務（非控股投資安排除外）；(iv)本集團將不會於中國46個其他城市（「招商蛇口城市」）競爭，惟本集團將有權參與中國（包括招商蛇口城市）之非控股投資安排；(v)待招商蛇口集團將位於北京及上海辦公室物業的資產管理業務之全部股權正式轉讓予本集團（「第一項建議轉讓」）後，本集團亦將有權獨家從事位於北京及上海的辦公室物業之資產管理業務；及(vi)本公司將不再永久擁有於本集團或招商蛇口集團於不競爭契據日期擁有房地產業務的中國其他城市（「未涉足城市」）進行房地產業務的優先選擇權（「優先選擇權」）。

於二零一八年十二月十七日，招商蛇口持有本公司已發行股份約74.35%，故根據上市規則為本公司控股股東及關連人士。因此，訂立經訂及重列之不競爭契據構成上市規則第14A章項下本公司之關連交易。詳情請參閱本報告「不競爭契據」的相關段落、本公司日期為二零一八年十二月十七日的公告及本公司日期為二零一九年一月十日的通函。

REPORT OF THE DIRECTORS

董事會報告

CONTINUING CONNECTED TRANSACTIONS

- (1) On 29 December 2015, the Company entered into an operational agreement (“Operational Agreement”) with the then China Merchants Property Development Co., Ltd. (“CMPD”), which has merged with CMSK on 30 December 2015, pursuant to which the Group shall provide project operational support services (i.e. including but not limited to taking charge of land acquisition, project development and sales) to certain project companies currently owned by CMSK, for a fixed term of 3 years commencing from 1 January 2016 up to 31 December 2018 (both days inclusive). The management fees for each transaction under the Operation Agreement shall be paid on a quarterly basis and will be settled in cash.

The cap of the service charges payable by CMSK to the Group for the Year under the Operational Agreement was set at RMB14,000,000.

On 29 December 2015, the Company also entered into a property management master agreement (“Property Management Master Agreement”) with Merchants Property Management Co., Ltd. (招商局物業管理有限公司) (“Merchants Property Management”), a company established in the PRC and wholly-owned by the then CMPD, pursuant to which, Merchants Property Management shall provide property management services to the Group’s PRC operating subsidiaries, for a fixed term of 3 years commencing from 1 January 2016 up to 31 December 2018 (both days inclusive). The property management fees for each transaction under the Property Management Master Agreement will be paid on a monthly basis and will be settled in cash.

持續關連交易

- (1) 於二零一五年十二月二十九日，本公司與當時招商局地產控股股份有限公司(「招商地產」，已於二零一五年十二月三十日與招商局蛇口合併)訂立運營協議，據此，本集團將自二零一六年一月一日起直至二零一八年十二月三十一日止(包括首尾兩日)為期三年之固定期限內，向招商地產提供項目運營支持服務(即包括但不限於負責土地收購、項目開發及銷售)。運營協議項下各項交易之管理費須按季度支付，並以現金償付。

根據運營協議，年內招商蛇口應付本集團之服務費用上限為人民幣14,000,000元。

於二零一五年十二月二十九日，本公司亦與招商局物業管理有限公司(「招商局物業管理」，於中國成立之公司，由招商地產全資擁有)訂立物業管理總協議(「物業管理總協議」)，據此，招商局物業管理將自二零一六年一月一日起直至二零一八年十二月三十一日止(包括首尾兩日)為期三年之固定期限內，向本集團之中國運營附屬公司提供物業管理服務。物業管理總協議項下各項交易之管理費須按月支付，並以現金償付。

REPORT OF THE DIRECTORS

董事會報告

CONTINUING CONNECTED TRANSACTIONS

(continued)

(1) (continued)

The cap of the service charges payable by the Group to Merchants Property Management for the Year under the Property Management Master Agreement was set at RMB110,000,000.

Details of the terms of the Operational Agreement and Property Management Master Agreement are set out in the Company's announcement dated 29 December 2015 for information.

On 24 May 2017, the Company and Merchants Property Management entered into a supplemental agreement in relation to increase of the annual caps of the property management fees payable by the Group under the Property Management Master Agreement for each of the financial years ending 31 December 2017 and 2018 from RMB110,000,000 to RMB153,000,000.

CMPD is the former controlling shareholder of the Company, which has merged with CMSK on 30 December 2015, after which CMSK become the Company's intermediate controlling shareholder and indirectly holds approximately 74.35% of the issued share capital of the Company. Currently, Merchants Property Management is a wholly-owned subsidiary of CMSK. Since each of CMSK and Merchants Property Management is a connected person of the Company under the Listing Rules, the transactions contemplated under the Operational Agreement and the Property Management Master Agreement constitute continuing connected transactions under Chapter 14A of the Listing Rules. Since none of the relevant applicable percentage ratios (defined under the Listing Rules) of the proposed annual caps of the transactions contemplated under the Operational Agreement and the Property Management Master Agreement has exceeded 5%, the continuing connected transactions under the Operational Agreement and the Property Management Master Agreement are subject to the reporting and announcement requirements and exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

持續關連交易(續)

(1) (續)

根據物業管理總協議，年內本集團應付招商物業管理之服務費用上限為人民幣110,000,000元。

有關運營協議及物業管理總協議條款之詳情載於本公司日期為二零一五年十二月二十九日之公告以供參考。

於二零一七年五月二十四日，本公司與招商局物業管理訂立補充協議，內容關於增加截至二零一七年及二零一八年十二月三十一日止財政年度各年本集團按照物業管理總協議應付物業管理費用之年度上限，由人民幣110,000,000元增加至人民幣153,000,000元。

招商地產為本公司之前控股股東，已於二零一五年十二月三十日與招商蛇口合併，此後，招商蛇口成為本公司之間接控股股東，間接持有本公司已發行股本約74.35%。招商物業管理現為招商蛇口之全資附屬公司。根據上市規則，由於招商蛇口及招商物業管理各自為本公司之關連人士，故運營協議及物業管理總協議項下擬進行之交易構成上市規則第14A章項下之持續關連交易。由於概無有關運營協議及物業管理總協議項下建議年度上限之相關適用百分比率(定義見上市規則)超過5%，故運營協議及物業管理總協議項下之持續關連交易須遵守上市規則第14A章項下之申報及公告規定，惟獲豁免遵守獨立股東批准之規定。

REPORT OF THE DIRECTORS

董事會報告

CONTINUING CONNECTED TRANSACTIONS

(continued)

(1) (continued)

The terms of each of the Operational Agreement and the Property Management Master Agreement have been arrived at after arm's length negotiations between the relevant parties. The Directors (including the independent non-executive Directors) have confirmed that the terms of each of the Operational Agreement and the Property Management Master Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms or better and in the interests of the Company and its shareholders as a whole.

(2) On 7 April 2017, Merchants Guangzhou as landlord and Guangzhou China Merchants – Colisée Senior Care Services Co., Ltd. (廣州招商高利澤養老服務有限公司) ("Merchants – Colisée Senior Care") (a company established under the laws of the PRC with limited liability, which is an indirect non-wholly owned subsidiary of CMSK), as tenant entered into a tenancy agreement (the "Tenancy Agreement") in respect of a four-storey building located at Block 12, No. 139, Dongyi Road, Donghuan Street, Panyu District, the Hills Ecool, Guangzhou City, Guangdong Province, the PRC (the "Property"), for a rental term of three years subject to automatic renewal for three times, the aggregate of which will be ten years.

The annual aggregate maximum amount payable by Merchants – Colisée Senior Care to Merchants Guangzhou under the Tenancy Agreement for each of the 11 financial years ending 31 December 2027 will be subject to the cap amounts on the basis that (i) the lease term shall commence on the Delivery Date; and (ii) that the rental shall be calculated and charged from the first day of the month after the Delivery Date (as defined below). The annual cap amount to be payable by Merchants – Colisée Senior Care to Merchants Guangzhou for the Year under the Tenancy Agreement was set at RMB5,904,800.

持續關連交易(續)

(1) (續)

運營協議及物業管理總協議各自之條款乃經相關訂約方公平磋商後釐定。董事(包括獨立非執行董事)已確認，運營協議及物業管理總協議各自之條款及其項下擬進行之交易乃屬公平合理，且按一般商業條款或較佳條款訂立，並符合本公司及其股東之整體利益。

(2) 於二零一七年四月七日，招商廣州(作為業主)與廣州招商高利澤養老服務有限公司(「招商高利澤養老」，根據中國法律成立之有限責任公司，為招商蛇口之間接非全資附屬公司)(作為租戶)訂立租賃協議(「租賃協議」)，乃關於位於中國廣東省廣州市金山意庫番禺區東環街東藝路139號12棟之四層高物業(「該物業」)，租賃為期三年(可自動重續三次)，租賃期合共十年。

截至二零二七年十二月三十一日止十一個財政年度各年，招商高利澤養老根據租賃協議應付招商廣州之年度最高總金額將設定上限如下(i)租期自交付日期(定義見下文)起始；及(ii)租金自交付日期(定義見下文)後第一個月的第一日起計算。根據租賃協議，招商高利澤養老於年內應付招商廣州之年度上限金額定為人民幣5,904,800元。

REPORT OF THE DIRECTORS

董事會報告

CONTINUING CONNECTED TRANSACTIONS

(continued)

(2) (continued)

Details of the terms of the Tenancy Agreement are set out in the Company's announcement dated 7 April 2017 for information.

Merchants – Colisée Senior Care is an indirect non-wholly owned subsidiary of CMSK which is the intermediate holding company of the Company. Accordingly, the Tenancy Agreement entered into by Merchants Guangzhou and Merchants – Colisée Senior Care, and the transaction contemplated thereby constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules. However, as the maximum annual rental receivable under the Tenancy Agreement is not expected to exceed 5% of the applicable percentage ratios calculated under the Listing Rules, the transaction contemplated under the Tenancy Agreement is only subject to the reporting, annual review and announcement requirements but exempt from the circular (including independent financial advice) and shareholders' approval requirements pursuant to Rule 14A.76(2) of the Listing Rules.

Given that the terms of the Tenancy Agreement were negotiated on an arm's length basis with reference to the market standard, the Directors (including the independent non-executive Directors) consider that the terms of the Tenancy Agreement are fair and reasonable, on normal commercial terms and in the ordinary and usual course of business of the Group, and in the interests of the Group and the shareholders of the Company as a whole.

持續關連交易(續)

(2) (續)

租賃協議詳情載列於本公司日期為二零一七年四月七日之公告以供參考。

招商高利澤養老為招商蛇口之間接非全資附屬公司，而招商蛇口為本公司之間接控股公司。因此，招商廣州與招商高利澤養老訂立之租賃協議及據此擬進行之交易構成上市規則第14A章項下本公司之持續關連交易。然而，由於租賃協議項下每年最高應收租金預期不超過根據上市規則計算之適用百分比率5%，故租賃協議項下擬進行之交易僅須遵守上市規則第14A.76(2)條之申報、年度審閱及公告規定，惟獲豁免遵守通函(包括獨立財務意見)及股東批准之規定。

鑒於租賃協議之條款經參考市場標準後公平磋商而釐定，故董事(包括獨立非執行董事)認為租賃協議之條款屬公平合理，按一般商業條款於本集團之日常一般業務過程中訂立，並符合本集團及本公司股東之整體利益。

REPORT OF THE DIRECTORS

董事會報告

CONTINUING CONNECTED TRANSACTIONS

(continued)

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

- (i) in the ordinary and usual course of the business of the Group;
- (ii) on normal commercial terms or better; and
- (iii) in accordance with the relevant agreements governing them and on terms that are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and with reference to Practice Note 740, Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules issued by the Hong Kong Institute of Certified Public Accountants. The Board has received an unqualified letter from the auditors of the Company in accordance with Rule 14A.56 of the Listing Rules containing the auditors' findings and conclusion on the above continuing connected transactions of the Group, stating that the auditors have not noticed anything that causes them to believe that any of these continuing connected transactions: (a) have not been approved by the Board; (b) were not, in all material respects, in accordance with the pricing policies of the Group if the transactions involving the provision of goods or services by the Group; (c) were not entered into in accordance with the relevant agreements governing such continuing connected transactions in all material aspects; and (d) have exceeded the relevant annual caps for the financial year ended 31 December 2018. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

Save as the aforesaid, there were no other discloseable non-exempted connected transaction or non-exempted continuing connected transaction under the Listing Rules during the Year.

Save as aforesaid, none of the "Related Party Disclosures" as disclosed in Note 40 the consolidated financial statements for the Year constituted discloseable non-exempted connected transaction or non-exempted continuing connected transaction under the Listing Rules.

To the extent of the above "Related Party Disclosures" constituted connected transactions or continuing connected transactions as defined in the Listing Rules, the company had complied with the relevant requirements under Chapter 14A of the Listing Rules during the Year.

持續關連交易(續)

獨立非執行董事已審閱上述持續關連交易，並確認該等交易乃：

- (i) 於本集團之日常一般業務過程中訂立；
- (ii) 按一般商業條款或較佳條款訂立；及
- (iii) 根據規管該等交易之相關協議訂立，其條款屬公平合理，並符合本公司及其股東之整體利益。

本公司核數師已獲委聘根據香港會計師公會所頒佈的香港核證委聘準則第3000號(經修訂)歷史財務資料審核或審閱以外的核證委聘及參考實務說明第740號香港上市規則規定的持續關連交易的核數師函件就本集團的持續關連交易作出報告。董事會已收取本公司核數師根據上市規則第14A.56條出具的無保留意見函件，其中載有核數師就上述本集團持續關連交易所得出的發現及結論，並表示核數師並無發現任何事宜導致彼等認為該等持續關連交易：(a)並無經董事會批准；(b)倘有關交易涉及本集團提供貨品及服務，則並非於所有重大方面遵從本集團定價政策；(c)並非於所有重大方面根據規管有關持續關連交易的相關協議訂立；及(d)已超出截至二零一八年十二月三十一日止財政年度的相關年度上限。本公司已向聯交所提供核數師函件副本。

除上述者外，年內概無其他根據上市規則須予披露之非豁免關連交易或非豁免持續關連交易。

除上述者外，概無本年度綜合財務報表附註40所披露「關連人士披露」構成上市規則項下之須予披露非豁免關連交易或非豁免持續關連交易。

倘上文「關連方披露」構成上市規則所界定之關連交易或持續關連交易，則公司已於年內遵守上市規則第14A章項下之相關規定。

REPORT OF THE DIRECTORS

董事會報告

MATERIAL ACQUISITIONS

- (1) A cooperation agreement dated 8 October 2018 was entered into between Chongqing Merchants Yi Yun Property Development Limited* (重慶招商依雲房地產有限公司) (“Chongqing Yi Yun”) and Nanjing Jiaotong Investment and Property Development Limited* (南京交通投資置業有限公司) (“Nanjing Jiaotong”) pursuant to which Chongqing Yi Yun and Nanjing Jiaotong shall bear the land price of RMB3,350,000,000 in proportion to their respective final shareholdings in Nanjing Shengtong Property Development Limited* (南京盛通房地產開發有限公司) (“Project Company”) of 51% and 49% for developing a piece of land situated at the west side of Jiangpu Street and Yushan Xi Road, and the south side of Guangdian Road, Pukou District, Nanjing City, Jiangsu Province, the PRC* (中國江蘇省南京市浦口區江浦街道雨山西路以西、廣電路以南地塊), with a total site area of approximately 107,820.01 sq.m.. Chongqing Yi Yun and Nanjing Jiaotong shall also bear the registered capital of the Project Company in the amount of RMB1,500,000,000 in proportion to their respective final shareholdings in the Project Company of 51% and 49%. For details, please refer to the announcement and circular of the Company dated 8 October 2018 and 31 December 2018, respectively.

重大收購事項

- (1) 重慶招商依雲房地產有限公司(「重慶依雲」)與南京交通投資置業有限公司(「南京交通」)訂立日期為二零一八年十月八日的合作協議，據此，重慶依雲及南京交通須按其各自於南京盛通房地產開發有限公司(「項目公司」)分別為51%及49%的最終持股量承擔人民幣3,350,000,000元的地價，以開發位於中國江蘇省南京市浦口區江浦街道雨山西路以西、廣電路以南地塊，其總佔地面積約為107,820.01平方米。重慶依雲及南京交通亦須按其各自於項目公司分別為51%及49%的最終持股量承擔項目公司的註冊資本人民幣1,500,000,000元。詳情請分別參閱本公司日期為二零一八年十月八日及二零一八年十二月三十一日的公告及通函。

REPORT OF THE DIRECTORS

董事會報告

MATERIAL ACQUISITIONS(continued)

(2) A capital increase agreement dated 8 October 2018 was entered into between Merchants Nanjing Real Estate Co., Ltd* (招商局地產(南京)有限公司) (“Merchants Nanjing”), Nanjing Merchants Zhaosheng Property Development Limited* (南京招商招盛房地產有限公司) (“Nanjing Zhaosheng”), Nanjing Dingjiazhuang Logistics Center Co., Ltd.* (南京丁家莊物流中心有限責任公司) (“Nanjing Dingjiazhuang Logistics Center”) and Nanjing Dingjiazhuang Trading Co., Ltd.* (南京丁家莊商貿有限公司) (“Project Company”) pursuant to which Merchants Nanjing and Nanjing Zhaosheng have agreed to invest in the Project Company by way of capital contributions in the respective amount of RMB356,560,000 and RMB178,280,000 for development of the land located at the east side of Yinchun Road, the west side of Yanxin Road, the south side of Feixue Road and the north side of Fendou Road, Qixia District, Nanjing City, Jiangsu Province, the PRC* (中國江蘇省南京市棲霞區寅春路以東、燕新路以西、飛雪路以南、奮鬥路以北之地塊) with a total site area of 59,128.43 sq.m.. Upon completion of the capital increase agreement, the shareholding of Merchants Nanjing, Nanjing Zhaosheng and Nanjing Dingjiazhuang Logistics Center in the Project Company shall be 40%, 20% and 40%, respectively. Merchants Nanjing, Nanjing Zhaosheng, Nanjing Dingjiazhuang Logistics Center and the Project Company further entered into a loan repayment agreement on 8 October 2018, pursuant to which Merchants Nanjing and Nanjing Zhaosheng shall provide shareholder’s loan to the Project Company in proportion to their respective shareholdings in the Project Company after the completion of capital increase. For details, please refer to the announcement and circular of the Company dated 8 October 2018 and 31 December 2018, respectively.

重大收購事項(續)

(2) 招商局地產(南京)有限公司(「招商南京」)、南京招商招盛房地產有限公司(「南京招盛」)、南京丁家莊物流中心有限責任公司(「南京丁家莊物流中心」)及南京丁家莊商貿有限公司(「項目公司」)訂立日期為二零一八年十月八日的增資協議，據此，招商南京及南京招盛同意以各自注資人民幣356,560,000元及人民幣178,280,000元的方式投資於項目公司，以開發位於中國江蘇省南京市棲霞區寅春路以東、燕新路以西、飛雪路以南、奮鬥路以北之地塊，其總佔地面積約為59,128.43平方米。於增資協議完成後，招商南京、南京招盛及南京丁家莊物流中心於項目公司的股權將分別為40%、20%及40%。招商南京、南京招盛、南京丁家莊物流中心及項目公司於二零一八年十月八日進一步訂立貸款償還協議，據此，招商南京及南京招盛將於增資完成後按其各自於項目公司的股權比例向項目公司提供股東貸款。詳情請分別參閱本公司日期為二零一八年十月八日及二零一八年十二月三十一日的公告及通函。

REPORT OF THE DIRECTORS

董事會報告

SPECIFIC PERFORMANCE OBLIGATIONS OF CONTROLLING SHAREHOLDER

Save as disclosed below, the Directors are not aware of any circumstances which would be required to disclose herein pursuant to the requirements under Rule 13.21 of the Listing Rules.

- On 31 May 2016, the Company as borrower entered into a loan agreement with a bank relating to a RMB640,000,000 term loan facility which has a term of 36 months commencing from the date of initial drawdown;
- On 15 May 2017, the Company as a borrower entered into a facility agreement with a bank in relation to a term loan facility of up to RMB600,000,000 which has a term of 36 months commencing from the date of initial drawdown;
- On 16 January 2018, the Company as a borrower entered into a facility agreement with a bank in relation to a term loan facility of up to RMB660,000,000 which has a term of 3 years commencing from the date of the first drawdown;
- On 13 June 2018, the Company as a borrower has entered into a facility agreement with a bank in relation to a term loan facility of up to RMB1,000,000,000 which has a term of 3 years commencing from the date of the facility agreement;
- On 15 June 2018, the Company as a borrower has entered into a facility agreement with a bank in relation to a term loan facility of up to RMB1,000,000,000 which has a term of 3 years commencing from the date of the first drawdown; and
- On 12 December 2018, the Company entered into a placing agreement with a placing agent, pursuant to which the placing agent agreed to act as placing agent, on a reasonable effort basis, for the purposes of procuring placees to subscribe in cash for the bonds with an aggregate principal amount of up to RMB1.9 billion. The bonds has a term of 3 years commencing from 18 December 2018.

控股股東之特定履行責任

除下文披露者外，董事概不知悉須根據上市規則第13.21條項下之規定於本報告披露之其他任何情況。

- 於二零一六年五月三十一日，本公司(作為借款人)就人民幣640,000,000元之定期貸款融資與一間銀行訂立貸款協議，自初次提取日期起計為期36個月；
- 於二零一七年五月十五日，本公司(作為借款人)與一家銀行訂立定期貸款額度不超過人民幣600,000,000元之融資協議，自首次提款日期起計為期36個月；
- 於二零一八年一月十六日，本公司(作為借款方)與一家銀行訂立一份定期貸款額度不超過人民幣660,000,000元之融資協議，年期自首次提款日期起計為期三年；
- 於二零一八年六月十三日，本公司(作為借款方)與一家銀行訂立一份定期貸款額度不超過人民幣1,000,000,000元之融資協議，年期自融資協議日期起計為期三年；
- 於二零一八年六月十五日，本公司(作為借款方)與一家銀行訂立一份定期貸款額度不超過人民幣1,000,000,000元之融資協議，年期自首次提款日期起計為期三年；及
- 於二零一八年十二月十二日，本公司與配售代理訂立配售協議，據此，配售代理已同意擔任配售代理人，以按合理努力基準促使承配人以現金認購債券，本金總額最高為人民幣1,900,000,000元。債券自二零一八年十二月十八日起為期三年。

REPORT OF THE DIRECTORS

董事會報告

SPECIFIC PERFORMANCE OBLIGATIONS OF CONTROLLING SHAREHOLDER *(continued)*

The following events would trigger breach of one or more of the above mentioned loan agreements:

- (i) CMSK ceases to beneficially own (directly or indirectly) at least 40% of the issued share capital of the Company;
- (ii) CMSK ceases to beneficially own (directly or indirectly) at least 50% of the issued share capital of the Company;
- (iii) CMSK ceases to directly or indirectly own or hold at least 50.1% of the issued share capital of the Company;
- (iv) the shares of CMSK ceases for any reason to be listed on the Shenzhen Stock Exchange (or its successor) or such listing is suspended for more than 15 consecutive trading days due to non-compliance with the rules of the Shenzhen Stock Exchange (or its successor) or breach of any undertaking given to the Shenzhen Stock Exchange (or its successor);
- (v) China Merchants Group Limited ("CMG") ceases to be the single largest shareholder of CMSK (beneficially owned, directly or indirectly, the largest proportionate shareholding or ownership interest in CMSK from time to time) and ceases to beneficially own, directly or indirectly, at least 40% of the entire shareholding or ownership interest in CMSK;
- (vi) CMG ceases to beneficially own (directly or indirectly) at least 50% of the entire shareholding or ownership interest in CMSK; or
- (vii) CMG ceases to be controlled by The State-owned Assets Supervision and Administration Commission of the State Council of the PRC or any other similarly empowered authorities of the PRC government.

The loan agreements dated 31 May 2016, 15 May 2017, 16 January 2018, 13 June 2018 and 15 June 2018 mentioned above contain cross default provisions so that if the Company or any of its subsidiaries commits a default under any other loan agreement(s) to which it is a borrower that entitles any creditor to declare any borrowed monies under such loan agreement(s) due and payable and the amount in aggregate exceeds US\$15,000,000, or its equivalent in other currencies it will also constitute an event of default under those loan agreements.

控股股東之特定履行責任 *(續)*

發生以下事件將違反上述一項或以上之貸款協議：

- (i) 招商蛇口不再實益擁有(不論直接或間接)本公司至少40%之已發行股本；
- (ii) 招商蛇口不再實益擁有(直接或間接)擁有本公司已發行股本最少50%；
- (iii) 招商蛇口不再直接或間接實益擁有本公司已發行股本最少50.1%；
- (iv) 招商蛇口之股份因任何原因不再於深圳證券交易所(或其繼任者)上市或由於未能遵守深圳證券交易所(或其繼任者)之規則或違反其向深圳證券交易所(或其繼任者)作出之任何承諾而停牌超過15個連續交易日；
- (v) 招商局集團有限公司(「招商局集團」)不再為招商蛇口之單一最大股東(不時直接或間接實益擁有招商蛇口之按比例最大股權或擁有權權益)及不再直接或間接實益擁有招商蛇口至少40%之全部股權或擁有權權益；
- (vi) 招商局集團不再實益擁有(直接或間接)招商蛇口最少50%之全部股權或擁有權權益；或
- (vii) 招商局集團不再受中國國務院國有資產監督管理委員會或任何其他類似中國政府權力機關控制。

上述日期為二零一六年五月三十一日、二零一七年五月十五日、二零一八年一月十六日、二零一八年六月十三日及二零一八年六月十五日之貸款協議載有交叉違約條文，致使倘本公司或其任何附屬公司在其作為借款人之任何其他貸款協議項下之作出違約行為，令任何債權人有權宣稱有關貸款協議項下之任何借款為到期及須予償還，且金額合計超過15,000,000美元或其他貨幣之等值金額，其亦將構成該等貸款協議項下之違約事件。

REPORT OF THE DIRECTORS

董事會報告

SPECIFIC PERFORMANCE OBLIGATIONS OF CONTROLLING SHAREHOLDER (continued)

Details of the above mentioned loan agreements made pursuant to the requirements of Rule 13.18 of the Listing Rules were disclosed in the announcements of the Company dated 31 May 2016, 15 May 2017, 16 January 2018, 13 June 2018 and 15 June 2018 and the subsequent interim report/annual report of the Company respectively.

The placing agreement dated 12 December 2018 mentioned above contained the clause that it is an event of default if (i) any other present or future indebtedness of the Company, CMSK or any of their respective subsidiaries for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (iii) the Company, CMSK or any of their respective subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities mentioned above in this condition have occurred equals or exceeds RMB100 million or its equivalent. There are also certain events of default under the terms and conditions of the bonds which may be triggered by, amongst other things, the Company, CMSK or their principal subsidiaries becoming insolvent, bankrupt, or dissolved. For details, please refer to the announcement of the Company dated 12 December 2018.

As at 31 December 2018, the aggregate outstanding principal of loans owed by the Group under the above agreements were RMB5,800,000,000.

MANAGEMENT CONTRACTS

Save as disclosed in this annual report, during the Year, no contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed.

EQUITY-LINKED AGREEMENTS

Save for disclosure in this report, the Company has not entered into any equity-linked agreements for the Year.

控股股東之特定履行責任(續)

上述根據上市規則第13.18條訂立之貸款協議分別於本公司日期為二零一六年五月三十一日、二零一七年五月十五日、二零一八年一月十六日、二零一八年六月十三日及二零一八年六月十五日之公告以及其後本公司之中報/年報中披露。

上述日期為二零一八年十二月十二日的配售協議載有條款，倘(i)本公司、招商蛇口或其各自任何附屬公司為或就其借入或籌集的款項產生的任何其他目前或日後債務因任何實際或可能的拖欠、拖欠事件或同類事件(不論如何描述)而須於其指定到期日之前成為(或變為足以宣佈)到期應付；或(ii)任何該等債務於到期時或(視乎情況而定)在任何原先適用的寬限期內並無獲支付；或(iii)本公司、招商蛇口或其各自任何附屬公司未能支付其就所借入或籌集的任何款項產生的任何現有或日後擔保或彌償保證下應付的到期款項，惟前提是本條件上文所述的相關債務、擔保及彌償保證總額，於有關債務到期支付或並無獲支付當日相等於或超過人民幣100,000,000元或其等值，則屬違約事件。債券的條款及條件項下亦有若干違約事件可由(其中包括)本公司、招商蛇口或其主要附屬公司無力償債、破產或解散所觸發。詳情請參閱本公司日期為二零一八年十二月十二日的公告。

於二零一八年十二月三十一日，本集團於上述協議項下之尚未償還貸款本金總額為人民幣5,800,000,000元。

管理合約

除本年報披露者外，年內概無就本集團全部或任何重大部分業務之管理及行政訂立或存續之合約。

股權掛鈎協議

除本報告披露者外，年內本公司概無訂立任何股權掛鈎協議。

REPORT OF THE DIRECTORS

董事會報告

PRE-EMPTIVE RIGHTS

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

AUDIT COMMITTEE

The Audit Committee consists of three members, two of whom are independent non-executive Directors and one of whom is non-executive Director. During the Year and at the date of this report, the Audit Committee comprises the following members:

Dr. WONG Wing Kuen, Albert (*Chairman*)
Ms. LIU Ning
Dr. SHI Xiping

The Audit Committee carries out its functions in accordance with and the Listing Rules, including the following:

- (i) reviews the audit plans of the internal and external auditors of the Company, and reviews the internal auditor's evaluation of the adequacy of the Company's and the Group's system of internal accounting controls and the assistance given by the Company's management to the external and internal auditors;
- (ii) reviews the annual financial statements of the Company and of the Group before their submission to the Directors of the Company and the external auditor's report thereon;
- (iii) reviews the half year results announcements on the financial performance and financial position of the Group before their submission to the Board;
- (iv) makes recommendations to the Board on the appointment of external and internal auditors;
- (v) meets with the external auditor, other committees and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the Audit Committee. The Audit Committee convened three meetings during the Year. The Audit Committee has also met with the Company's external auditor, without the presence of the Company's management, at least once a year. The Audit Committee has recommended to the Board the nomination of Messrs. Deloitte Touche Tohmatsu for reappointment as independent auditor of the Company at the forthcoming AGM.

* For identification purpose only

優先購買權

本公司之組織章程細則或開曼群島法律概無優先購買權之條文規定本公司須按比例向現有股東發售新股份。

審核委員會

審核委員會由三名成員組成，其中兩名為獨立非執行董事及一及為非執行董事。於年內及本報告日期，審核委員會由以下成員組成：

王永權博士(主席)
劉寧女士
史新平博士

審核委員會根據上市規則履行其職能，包括下列事宜：

- (i) 審閱本公司內部及外聘核數師之審核計劃，並審閱內部核數師對本公司及本集團內部會計監控系統之充足性之評估，以及本公司管理層向外聘及內部核數師之援助；
- (ii) 提交予董事及本公司前審閱本公司及本集團之年度財務報表及其外聘核數師報告；
- (iii) 提交予董事會前審閱有關本集團財務表現及財務狀況之半年度業績公告；
- (iv) 就委任外聘及內部核數師向董事會提供推薦意見；
- (v) 與外聘核數師、其他委員會及管理層分別會面，以討論該等團體認為應與審核委員會私下討論之任何事宜。審核委員會於年度召開三次會議。審核委員會亦在本公司管理層避席之情況下與本公司核數師至少每年會面一次。審核委員會已推薦董事會於應屆股東週年大會上提名重新任命德勤•關黃陳方會計師行為本公司之獨立核數師。

* 僅供識別

REPORT OF THE DIRECTORS

董事會報告

RELATED PARTY DISCLOSURES

The Group has entered into certain related party transactions as disclosed in Note 40 to the financial statements. Save as disclosed in this report, none of the “Related Party Disclosures” as disclosed in Note 40 to the consolidated financial statements for the Year constituted discloseable non-exempted connected transaction or non-exempted continuing connected transaction under the Listing Rules.

INTERNAL CONTROLS

The Company is committed to maintaining a sound system of internal controls. Corporate Governance Details of the corporate governance are set out in the section headed “Corporate Governance Report” in this annual report.

INDEPENDENT AUDITOR

SHINEWING (HK) CPA Limited (“SHINEWING”) resigned as the auditor of the Company with effect from 6 July 2018 and Deloitte Touche Tohmatsu was appointed to fill the casual vacancy so arising. Accordingly, Deloitte Touche Tohmatsu audited the Group’s consolidated financial statements for the financial year ended 31 December 2018, while SHINEWING audited the Group’s consolidated financial statements for the financial years ended 31 December 2017 and 2016.

Save as disclosed above, there were no other changes in the auditors of the Company during the past three years.

Deloitte Touche Tohmatsu has expressed its willingness to accept re-appointment as independent auditor of the Company. Deloitte Touche Tohmatsu will retire and a resolution for their re-appointment as auditor shall be proposed at the forthcoming AGM of the Company.

SUFFICIENT PUBLIC FLOAT

Based on information that is publicly available to the Company and with the knowledge of the Directors, the Company had maintained sufficient public float of at least 25% of the Company’s total issued share capital as at the date of this report.

ON BEHALF OF THE BOARD

XU Yongjun
Chairman
Hong Kong
15 March 2019

關連方披露

本集團訂立之若干關連方交易於財務報表附註40披露。除本報告所披露者外，概無本年度綜合財務報表附註40所披露「關連方人士披露」構成上市規則項下之須予披露非豁免關連交易或非豁免持續關連交易。

內部監控

本公司致力維持穩健之內部監控系統。企業管治之企業管治詳情載於本年報「企業管治報告」一節。

獨立核數師

信永中和(香港)會計師事務所有限公司(「信永中和」)已自二零一八年七月六日起辭任本公司核數師，而德勤•關黃陳方會計師行已獲委任以填補因此產生之臨時空缺。因此，德勤•關黃陳方會計師行已審核本集團截至二零一八年十二月三十一日止財政年度之綜合財務報表，而信永中和則已審核本集團截至二零一七年及二零一六年十二月三十一日止財政年度之綜合財務報表。

除上文披露者外，本公司核數師於過去三年概無其他變動。

德勤•關黃陳方會計師行已表示願意接受作為本公司獨立核數師之續聘。德勤•關黃陳方會計師行將告退任，而本公司應屆股東週年大會將提呈重新委任彼等為核數師之決議案。

足夠公眾持股量

根據本公司公開可得資料及據董事所知悉，於本報告日期，本公司一直維持本公司全部已發行股本至少25%之足夠公眾持股量。

代表董事會

主席
許永軍
香港
二零一九年三月十五日



CORPORATE GOVERNANCE REPORT

企業管治報告

The Board (the “Board”) of Directors (the “Directors”) of China Merchants Land Limited (the “Company”, together with its subsidiaries (collectively referred to as the “Group”)) are pleased to present this Corporate Governance Report in the Group’s annual report for the year ended 31 December 2018 (the “Year”).

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Board considers that a good corporate governance of the Company is central to safeguarding the interests of the shareholders of the Group and enhancing the performance of the Group. The Board reviews its corporate governance practices from time to time in order to meet the rising expectations of shareholders and to fulfill its commitment to excellence in corporate governance.

During the Year, the Company has adopted, for corporate governance purposes, the code provisions of the Corporate Governance Code (the “HK CG Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (collectively, the “Listing Rules”).

The Company has complied with the HK CG Code (to the extent that such provisions are applicable) except for below deviations from code provisions A.4.1, A.6.7 and E.1.2 of the HK CG Code which are explained in the relevant paragraphs of this report. The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its businesses and to review such practices from time to time to ensure that they comply with the HK CG Code.

招商局置地有限公司(「本公司」，連同其附屬公司(統稱「本集團」))董事(「董事」)會(「董事會」)欣然呈列本集團截至二零一八年十二月三十一日止年度(「年內」)年報內本企業管治報告。

遵從企業管治守則

董事會認為，本公司達致良好企業管治，乃保障本集團股東利益及提升本集團表現之核心元素。董事會不時審閱其企業管治常規，以符合股東不斷提升之期望及履行其致力實踐優質企業管治的承諾。

就企業管治而言，本公司已於年內採納香港聯合交易所有限公司(「聯交所」)證券上市規則附錄14所載企業管治守則(「香港企業管治守則」)(統稱「上市規則」)之守則條文。

本公司已遵守香港企業管治守則(以該等條文適用者為限)，惟偏離香港企業管治守則之守則條文第A.4.1條、第A.6.7條及第E.1.2條除外，該等條文將於本報告相關段落作出解釋。本公司將繼續改善其企業管治常規以配合業務之營運及增長，並不時檢討該等常規以確保彼等符合香港企業管治守則。

CORPORATE GOVERNANCE REPORT

企業管治報告

THE BOARD Responsibilities

The primary role of the Board is to lead and control the Company's operations and affairs and to protect and enhance long-term shareholders' value. The Board oversees the management of the businesses and affairs of the Group and is responsible for the overall performance of the Group.

The Board monitors the financial performance and the internal controls of the Group's business operations.

The Board is charged with promoting the success of the Group by directing and supervising its affairs in a responsible and effective manner. Each Director has a duty to act in good faith in the best interests of the Company. The Directors are aware of their collective and individual responsibilities to all shareholders of the Group for the manner in which the affairs of the Company are managed, controlled and operated. A Director is required to keep abreast of his responsibilities as a Director and of the conduct, business activities and development of the Group.

The Board is also responsible for providing guidance to overall management of the businesses and affairs of the Group. To facilitate effective management, certain functions have been delegated to various Board committees, namely Nomination Committee, Remuneration Committee and Audit Committee, each of which has its own written terms of reference and whose actions are reported to and monitored by the Board. The effectiveness of each committee is also constantly monitored.

The Board is responsible for performing the functions set out in Code Provision D.3.1 of the HK CG Code. During the Year, the Board has reviewed the corporate governance policy and the Company's internal codes for securities dealing. The Board will review, consider and determine the appropriate policy for corporate governance of the Company from time to time.

Non-executive Directors have the same duties of care and skill and fiduciary duties as executive Directors. The functions of non-executive Directors have included the functions as specified in the code provision A.6.2(a) to (d) of the HK CG Code.

董事會 責任

董事會之主要職責為領導及監控本公司之營運及事務，並提升股東之長期價值。董事會監察本集團之業務及事務管理，並對本集團之整體表現負責。

董事會監督本集團業務營運之財務表現及內部監控。

董事會負責通過以負責任及具效益之方式引導並監督本公司事務，推動本集團之成就。每一位董事均有責任本著公司最佳利益下真誠行事。董事知悉，彼等須就本公司事務管理、控制及運作之方式，向本集團所有股東負起集體和個別責任。董事須時常肩負彼作為董事之責任，並應經常對本集團之行為、業務活動及發展加以留意。

董事會亦負責為本集團業務及事務之整體管理提供指引。為方便有效管理，各董事委員會（分別為提名委員會、薪酬委員會及審核委員會）已獲授權若干職能。各董事委員會均訂有書面職權範圍，其所採取行動均須向董事會報告並受其監察。各委員會之成效亦受持續監察。

董事會負責履行香港企業管治守則內守則條文第D.3.1條之職能。年內，董事會已審閱企業管理政策及本公司就證券交易之內部守則。董事會將不時審閱、考慮及決定本公司企業管治之合適政策。

非執行董事與執行董事具同等謹慎、熟練及受信責任。非執行董事身職能包括在香港企業管治守則之守則條文第A.6.2(a)至(d)條所列明之職能。

CORPORATE GOVERNANCE REPORT

企業管治報告

THE BOARD (continued)

Board meetings

The attendance records of each Director at the meetings of the Board, the Audit Committee, the Nomination Committee and the Remuneration Committee during the Year are set out below:

| | | Board 董事會 | Audit Committee 審核委員會 | Nomination Committee 提名委員會 | Remuneration Committee 薪酬委員會 |
|---|--------------------|--------------|-----------------------------|----------------------------------|------------------------------------|
| Number of meeting held during the Year | 年內舉行會議之次數 | 4 | 3 | 1 | 2 |
| Non-executive Directors | 非執行董事 | | | | |
| Mr. XU Yongjun (Note 1) | 許永軍先生(附註1) | 1/4 | – | – | – |
| Mr. HUANG Junlong (Note 2) | 黃均隆先生(附註2) | 4/4 | – | 1/1 | 2/2 |
| Dr. YAN Chengda (Note 3) | YAN Chengda博士(附註3) | 0/4 | – | – | – |
| Ms. LIU Ning (Note 4) | 劉寧女士(附註4) | 3/4 | 3/3 | – | – |
| Executive Directors | 執行董事 | | | | |
| Dr. SO Shu Fai (Note 5) | 蘇樹輝博士(附註5) | 3/4 | – | – | – |
| Mr. YU Zhiliang | 余志良先生 | 4/4 | – | – | – |
| Mr. WONG King Yuen | 黃競源先生 | 4/4 | – | – | – |
| Independent non-executive Directors | 獨立非執行董事 | | | | |
| Dr. WONG Wing Kuen, Albert | 王永權博士 | 4/4 | 3/3 | – | 2/2 |
| Ms. CHEN Yanping | 陳燕萍女士 | 4/4 | – | 1/1 | 2/2 |
| Dr. SHI Xinping | 史新平博士 | 4/4 | 3/3 | 1/1 | – |
| Mr. HE Qi | 何琦先生 | 4/4 | – | – | – |

Notes:

- Appointed as non-executive Director, the chairman of the Board and the chairman of the nomination committee of the Company with effect from 18 March 2016. Due to business affairs, Mr. XU could not attend the Board Meetings held on 20 March 2018, 23 August 2018 and 9 November 2018. Mr. XU had appointed Mr. HUANG to act his alternate for the Board Meetings held on 20 March 2018, 23 August 2018 and 9 November 2018 respectively. Mr. XU could not attend the Nomination Committee meeting held on 20 March 2018 and he had appointed Mr. HUANG to act his alternate.
- Appointed as non-executive Director and the member of the remuneration committee of the Company with effect from 18 March 2016. Mr. HUANG act the alternate to Mr. XU to attend the Board Meetings held on 20 March 2018, 23 August 2018 and 9 November 2018, and the Nomination Committee meeting held on 20 March 2018.
- Appointed as non-executive Director of the Company with effect from 18 March 2016. Due to business affairs, Mr. YAN could not attend the Board Meetings held on 20 March 2018. He has resigned on 13 August 2018.
- Due to business affairs, Ms. LIU could not attend the Board Meetings held on 9 November 2018.
- Due to business affairs, Dr. SO could not attend the Board Meetings held on 20 March 2018.

董事會(續)

董事會會議

年內，各董事於董事會、審核委員會、提名委員會及薪酬委員會之出席記錄載列如下：

| | | Board 董事會 | Audit Committee 審核委員會 | Nomination Committee 提名委員會 | Remuneration Committee 薪酬委員會 |
|---|--------------------|--------------|-----------------------------|----------------------------------|------------------------------------|
| Number of meeting held during the Year | 年內舉行會議之次數 | 4 | 3 | 1 | 2 |
| Non-executive Directors | 非執行董事 | | | | |
| Mr. XU Yongjun (Note 1) | 許永軍先生(附註1) | 1/4 | – | – | – |
| Mr. HUANG Junlong (Note 2) | 黃均隆先生(附註2) | 4/4 | – | 1/1 | 2/2 |
| Dr. YAN Chengda (Note 3) | YAN Chengda博士(附註3) | 0/4 | – | – | – |
| Ms. LIU Ning (Note 4) | 劉寧女士(附註4) | 3/4 | 3/3 | – | – |
| Executive Directors | 執行董事 | | | | |
| Dr. SO Shu Fai (Note 5) | 蘇樹輝博士(附註5) | 3/4 | – | – | – |
| Mr. YU Zhiliang | 余志良先生 | 4/4 | – | – | – |
| Mr. WONG King Yuen | 黃競源先生 | 4/4 | – | – | – |
| Independent non-executive Directors | 獨立非執行董事 | | | | |
| Dr. WONG Wing Kuen, Albert | 王永權博士 | 4/4 | 3/3 | – | 2/2 |
| Ms. CHEN Yanping | 陳燕萍女士 | 4/4 | – | 1/1 | 2/2 |
| Dr. SHI Xinping | 史新平博士 | 4/4 | 3/3 | 1/1 | – |
| Mr. HE Qi | 何琦先生 | 4/4 | – | – | – |

附註：

- 自二零一六年三月十八日起獲委任為非執行董事、董事會主席兼本公司提名委員會主席。由於商務理由，許先生未能出席於二零一八年三月二十日、二零一八年八月二十三日及二零一八年十一月九日舉行之董事會會議。許先生已委任黃先生出任彼之替任董事，以代表彼出席分別於二零一八年三月二十日、二零一八年八月二十三日及二零一八年十一月九日舉行之董事會會議。許先生未能出席於二零一八年三月二十日舉行之提名委員會會議，並已委任黃先生擔任彼之替任董事。
- 自二零一六年三月十八日起獲委任為非執行董事兼本公司薪酬委員會成員。黃先生擔任許先生之替任董事，以出席於二零一八年三月二十日、二零一八年八月二十三日及二零一八年十一月九日之董事會會議以及於二零一八年三月二十日舉行之提名委員會會議。
- 自二零一六年三月十八日起獲委任為本公司獨立非執行董事。由於商務理由，YAN博士未能出席於二零一八年三月二十日舉行之董事會會議。彼已於二零一八年八月十三日辭任。
- 由於商務理由，劉女士未能出席於二零一八年十一月九日舉行之董事會會議。
- 由於商務理由，蘇博士未能出席於二零一八年三月二十日舉行之董事會會議。

CORPORATE GOVERNANCE REPORT

企業管治報告

THE BOARD *(continued)*

Board meetings *(continued)*

Minutes of the Board, the Audit Committee, the Remuneration Committee and the Nomination Committee were recorded in sufficient details of matters considered at the meetings and decisions reached including any concerns or dissenting views raised by the Directors. All the minutes are kept by the company secretary and are open for inspection at any time on reasonable notice given by any Director.

Directors can access to the advice and services of the company secretary to ensure that Board procedures and applicable rules and regulations are followed.

In addition, all Directors are regularly updated on corporate governance and regulatory matters. On a continuing basis, Directors are encouraged to keep up to date on all matters relevant to the Group and attend briefings and seminars as appropriate. Guideline is available for Directors to obtain independent professional advice at the expense of the Company in the furtherance of their duties. The Company has also arranged appropriate liability insurance cover in respect of legal action against its Directors.

董事會 *(續)*

董事會會議 *(續)*

董事會、審核委員會、薪酬委員會及提名委員會之會議記錄，於會議內曾考慮之事項及所達致的決定(包括任何由董事提出的關注事宜或反對意見)均有詳盡記錄。所有會議記錄由公司秘書保管，任何董事只要發出合理通知，均可於任何時間內查閱該等會議記錄。

各董事均可獲取公司秘書之意見及服務，以確保董事會程序及適用規則以及法規均已獲遵守。

此外，本公司會定期向所有董事匯報有關企業管治及監管事務之最新情況。董事獲持續鼓勵時刻關注有關本集團之一切事宜，並於適當時候參加簡報會及研討會。本公司設有一套指引，規範董事為執行職務而諮詢獨立專業意見(有關費用由本公司承擔)。本公司亦已就向其董事提出法律訴訟購買適當之責任保險。

CORPORATE GOVERNANCE REPORT

企業管治報告

CHAIRMAN AND CHIEF EXECUTIVE

Mr. XU Yongjun, a non-executive Director, is the chairman of the Board. The chairman is responsible for leading the Board to ensure its effectiveness on all aspects of its role and set its agenda.

Mr. YU Zhiliang, an executive Director who has been re-designated from the chief financial officer to general manager of the Company since 18 August 2016 is currently responsible for the Group's strategic development and operational plans, and in particular, the day-to-day operations of the Company's business, which are as same as the duties discharged by a chief executive officer. Therefore, the Company considers that the division of responsibilities between the chairman and the role of a chief executive has been achieved within the Company's written guidelines.

TRAINING FOR DIRECTORS

All Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant.

Each newly appointed Director receives comprehensive, formal and tailored induction on the first occasion of his/her appointment, so as to ensure that he/she has appropriate understanding of the business and operations of the Company and that he/she is fully aware of his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

The Directors are responsible for their own training needs and report to the Company. The Company will provide suitable training course for the Directors at the Company's expenses.

主席及行政總裁

非執行董事許永軍先生為董事會主席。主席負責領導董事會，確保其有效履行各方面之職務，並製訂其議程。

執行董事余志良先生自二零一六年八月十八日起由本公司財務總監調任為總經理，目前負責本集團戰略及營運計劃，尤其本公司日常經營，與行政總裁所履行職責相同。因此，本公司認為公司的書面規章制度已成功體現了主席與行政總裁職責之劃分。

董事培訓

全體董事應確保參與持續專業培訓計劃，提高及更新其知識及技能。此舉確保彼等向董事會提供相關之貢獻。

每名新任董事於首次委任時會獲發全面、正式及針對個別董事需要的就任須知，確保彼明白本公司的業務及運作，並完全了解根據上市規則及相關監管規定所規定其擔負的職責及責任。

董事負責自身所需之培訓並向本公司報告。本公司將向董事提供合適之培訓課程，費用由本公司支付。

CORPORATE GOVERNANCE REPORT

企業管治報告

TRAINING FOR DIRECTORS (continued)

The Directors are continually updated on the legal and regulatory developments, as well as business and market changes, to facilitate the discharge of their responsibilities. During the Year, all Directors have complied with code provision A.6.5 of the HK CG Code to participate in continuous professional development to develop and refresh their knowledge and skills by attending seminars, in-house briefings or reading materials on the following topics:

董事培訓(續)

本公司將不斷就法律和監管發展以至業務與市場變化，向董事提供最新資訊，以協助董事履行職責。年內，全體董事已遵守香港企業管治守則守則條文第A.6.5條參與持續專業培訓，通過出席有關以下主題之講座、內部簡介或閱覽材料，發展並更新彼等之知識及技能：

Topics of training covered

所涵蓋培訓主題

Non-executive Directors

Mr. XU Yongjun

Mr. HUANG Junlong

Ms. LIU Ning

非執行董事

許永軍先生

黃均隆先生

劉寧女士

1, 2, 3, 4, 5

1, 2, 3, 4, 5

1, 2, 3, 4, 5

Executive Directors

Dr. SO Shu Fai

Mr. YU Zhiliang

Mr. WONG King Yuen

執行董事

蘇樹輝博士

余志良先生

黃競源先生

1, 2, 3, 4, 5

1, 2, 3, 4, 5

1, 2, 3, 4, 5

Independent non-executive Directors

Dr. WONG Wing Kuen, Albert

Ms. CHEN Yanping

Dr. SHI Xinping

Mr. HE Qi

獨立非執行董事

王永權博士

陳燕萍女士

史新平博士

何琦先生

1, 2, 3, 4, 5

1, 2, 3, 4, 5

1, 2, 3, 4, 5

1, 2, 3, 4, 5

Notes:

(1) Corporate governance

(2) Regulatory updates

(3) Finance, accounting or commercial

(4) Industry updates

(5) Legal

附註：

(1) 企業管治

(2) 監管更新

(3) 財務、會計或商業

(4) 行業更新

(5) 法律

Except Dr. YAN who has resigned on 13 August 2018, all remaining directors are continually updated on developments in the statutory and regulatory regime and the business environment to facilitate the discharge of their responsibilities.

除已於二零一八年八月十三日辭任之YAN博士外，所有董事持續獲更新與法定及監管法規及營商環境之最新發展，以助彼等履行其責任。



CORPORATE GOVERNANCE REPORT

企業管治報告

DELEGATION BY THE BOARD

The Board has delegated functions that are necessary and incidental to carrying out the decision of the Board or to facilitate the day-to-day operation of the Group in the ordinary course of business to the senior management and divisional heads of different units.

Major corporate matters that are specifically delegated by the Board to senior management include execution of business strategies and initiatives adopted by the Board, implementation of adequate internal controls and risk management procedures, and compliance with relevant statutory requirements and rules and regulations.

SUPPLY OF AND ACCESS TO INFORMATION

Directors are provided in a timely manner with appropriate information in such form and of such quality as will enable them to make an informed decision and to discharge their duties and responsibilities as Directors of the Company.

In respect of regular Board meetings, and so far as practicable in all other cases, an agenda and accompanying Board papers are sent in full to all Directors in a timely manner and at least three days before the intended date of a Board meeting.

董事會之授權

董事會已授予高級管理人員及不同單位部門主管所需及相關職能，以執行董事會決定或確保本集團於一般業務過程中可暢順地進行日常營運。

董事會已特別授權高級管理人員處理之主要企業事務包括：執行董事會採納之業務策略及計劃、實施足夠內部監控及風險管理程序，以及遵從相關法定要求、規則及法規。

資料之提供和查閱

本公司將會及時向董事提供適當資料，所提供資料之形式和質素，足以讓董事作出知情決定並履行本公司董事之職務及責任。

就董事會之定期會議而言，在實際可行之所有其他情況下，所有董事均會及時並在董事會會議擬定開會之日期至少三天前，獲送呈會議議程及附帶之全部董事會文件。

CORPORATE GOVERNANCE REPORT

企業管治報告

SUPPLY OF AND ACCESS TO INFORMATION

(continued)

Management is aware that they have an obligation to supply the Board and its committees with adequate information in a timely manner to enable them to make informed decisions. The information supplied must be complete and reliable. The Board and each Director have separate and independent access to the Company's senior management for making further enquires where necessary.

NOMINATION COMMITTEE

The Nomination Committee comprised of three members:

Non-executive Director:

Mr. XU Yongjun (Chairman)

Independent non-executive Director:

Ms. CHEN Yanping (Member)

Dr. SHI Xinping (Member)

The majority of them are independent non-executive Directors. The Nomination Committee is regulated by a set of terms of reference.

The Group has a formal, considerate and transparent procedure for the appointment of new Director to the Board. The Group has adopted a nomination procedure and the Board, based on the criteria established, evaluate and select candidates for the directorships.

In assessing, selecting and recommending candidates for directorship to the Board, the Nomination Committee will give due consideration to the factors including but not limited to:

- (a) reputation for character and integrity;
- (b) accomplishment and experience in the relevant industries in which the Company's business is involved and other professional qualifications;
- (c) commitment in respect of available time and relevant interest;
- (d) diversity in all aspects including but not limited to gender, age, cultural and educational background, experience (professional or otherwise), skills, knowledge and length of service;
- (e) contribution that the candidates can potentially bring to the Board; and
- (f) plans in place for the orderly succession of the Board.

資料之提供和查閱(續)

管理層知悉彼等有責任及時向董事會及其委員會提供足夠資料，讓彼等作出知情決定。所提供之資料必須為完整可靠。董事會及各董事在必要時均可個別及獨立地向本公司高級管理人員作出進一步查詢。

提名委員會

提名委員會由三名成員組成：

非執行董事：

許永軍先生(主席)

獨立非執行董事：

陳燕萍女士(成員)

史新平博士(成員)

大部分成員為獨立非執行董事。提名委員會受書面職權範圍規管。

本集團訂有一套正規、經深思熟慮且高透明度之委任董事會新董事程序，本集團已經採納一套提名程序，而董事會根據已確立之準則範疇評審及挑選擔任董事之人選。

向董事會評估、挑選及推薦董事職位之候選人時，提名委員會將仔細考慮包括但不限於以下各項之因素：

- (a) 品格及誠信之聲譽；
- (b) 涉及本集團業務的相關行業的成就及經驗以及其他專業資格；
- (c) 其可投入的時間及代表相關界別之利益；
- (d) 各方面之多元化，包括但不限於性別、年齡、文化及教育背景、經驗(專業或其他)、技能、知識及服務年期；
- (e) 候選人可以向董事會帶來的潛在貢獻；及
- (f) 為董事會有序繼任而制訂的計劃。

CORPORATE GOVERNANCE REPORT

企業管治報告

NOMINATION COMMITTEE (continued)

The Nomination Committee has considered the effectiveness of the Board as a whole and its board committees in addition to the contribution by the chairman and each individual director to the effectiveness of the Board on an annual basis. The performance evaluation criteria include an evaluation of the structure, composition and size of the Board, the Board's access to complete, adequate and timely information, Board's procedures and accountability. The Nomination Committee has reviewed the structure, size and composition of the Board to ensure that it has a balance of expertise, skills and experience appropriate for the requirements of the business of the Company.

The Nomination Committee will ensure that Directors appointed to the Board possess the relevant background, experience and knowledge to enable balanced and well-considered decisions to be made. The performance criteria that the Nomination Committee will consider in relation to an individual Director include the Director's industry knowledge and/or expertise, time and effort dedicated to the Group's business and affairs, work commitments, attendance and participation at the Board and Board committee meetings. Each member of the Nomination Committee shall abstain from voting on any resolutions and making recommendation and/or participating in respect of the matters in which he is interested.

The Nomination Committee shall hold at least one regular meeting in a year. Additional meetings shall be held as and when required. The independence of each Director is reviewed annually. The Nomination Committee satisfied that the independence of the Company's independent non-executive Directors meets the requirements set out in Rule 3.13 of the Listing Rules. The Nominating Committee has assessed the independence of the independent non-executive Directors and is satisfied that there are no relationships which would deem any of the independent non-executive Directors not to be independent. The Board is able to exercise independent judgment on corporate affairs and provide the management with a diverse and objective perspective on issues.

Notwithstanding that some of the Directors have multiple board representations, the Nomination Committee and the Board are satisfied that sufficient time and attention are being given by the Directors to the affairs of the Group.

The Company is committed to equality of opportunity in all aspects of its business. The Board Diversity Policy was adopted since September 2013.

提名委員會(續)

提名委員會已按年度基準考慮主席及各個董事對董事會有效性之貢獻以及董事會整體及其董事委員會之有效性。表現評估標準包括評估董事會之架構、組成及規模、董事會能否及時獲取全面、充分及最新資料以及董事會程序及問責性。提名委員會已檢討董事會之架構、規模及組成，確保其擁有本公司業務所需之均衡及合適專業知識、技能及經驗。

提名委員會將確保獲委任加入董事會之董事具備相關背景、經驗及知識，以作出平衡及深思熟慮之決定。提名委員會用以考慮個別董事表現之標準包括董事之行業知識及／或專業知識、投放於本集團業務及事務之時間及精力、工作熱誠、於董事會及董事委員會會議之出席率及參與度等。提名委員會各成員須就有關彼於其有擁有利益之事宜放棄於任何決議案投票及作出建議及／或參與。

提名委員會須每年至少舉行一次定期會議。如有需要，可舉行額外會議。各董事之獨立性每年審閱。提名委員會信納本公司獨立非執行董事之獨立性符合上市規則第3.13條所載規定。提名委員會已評估獨立非執行董事之獨立性，並信納概無存在任何關係致使任何獨立非執行董事被視作不獨立。董事會可就公司事務行使獨立判斷，並就事宜向管理層提供多元化及客觀觀點。

儘管部分董事身兼多個董事會職務，惟提名委員會及董事會信納董事已對本集團事務給予充分時間及關注。

本公司致力在其業務各方面給予平等機會，並自二零一三年九月起採納董事會成員多元化政策。

CORPORATE GOVERNANCE REPORT

企業管治報告

NOMINATION COMMITTEE (continued)

Diversity of board members can be achieved through consideration of a number of factors, including but not limited to professional qualifications and experience, cultural and educational background, race and ethnicity, gender, age and length of service. In forming its perspective on diversity, the Company will also take into account factors based on its own business model and specific needs from time to time. The Nomination Committee would review the measurable objectives under the Board Diversity Policy and the progress of attainment, so as to ensure effective implementation. The Nomination Committee is satisfied that the current board composition has achieved a diversity and would enhance the quality of performance of the Company.

During the Year, the Nomination Committee held one meeting and the committee has performed the following duties:

- reviewed the independence of independent non-executive directors;
- recommended re-election of the retiring Directors after assessing their contribution and performance, and has reviewed the structure, size and composition of the board in accordance with Rule 3.10A of the Listing Rules;
- made recommendations to the Board on the appointment of authorised representations of the Company under the Listing Rules and the Companies Ordinance (Cap. 622 of the laws of Hong Kong); and
- reviewed the structure, size and composition (including the skills, knowledge and experience) of the Board and made recommendations on proposed changes to the Board to complement the Company's corporate strategy.

提名委員會(續)

董事會成員多元化可透過考慮多個因素達致，包括但不限於專業資格及經驗、文化及教育背景、種族及族群特性、性別、年齡及服務任期。在引入多元化觀點時，本公司亦將會根據其本身的商業模式及不時的特別需要考慮因素。提名委員會將審閱董事會成員多元化政策下之可計量目標及達成進度，以確保其有效實施。提名委員會對目前董事會組成達致多元化感到滿意，並將提高本公司之表現質素。

年內，提名委員會已舉行一次會議，並已履行以下職責：

- 評估獨立非執行董事之獨立身份；
- 評估退任董事之貢獻及表現後就彼等重選連任提供推薦意見，並已根據上市規則第3.10A條審閱董事會之架構、規則及組成；
- 就根據上市規則及公司條例(香港法例第622章)委任本公司授權代表向董事會作出推薦意見；及
- 檢討董事會之架構、規模及組成(包括技能、知識及經驗)及就董事會之建議變動向董事會作出推薦意見，以配合本公司之公司策略。

CORPORATE GOVERNANCE REPORT

企業管治報告

NOMINATION COMMITTEE

Code provision A.4.1 of the HK CG Code stipulated that non-executive directors should be appointed for a specific term, subject to re-election. The non-executive Directors and all the independent non-executive Directors do not have specific terms of appointment which is a deviation from the said HK CG Code. However, all of them are subject to retirement by rotation and re-election at annual general meeting (“AGM”) according to the Company’s Articles of Association. The Board considers that the requirement has the same effect of accomplishing the same objective as a specific term of appointment.

REMUNERATION COMMITTEE

The Company has established a formal and transparent procedure for formulating policies on remuneration of senior management of the Group.

The Remuneration Committee comprised of three members:

Independent non-executive Director:

Ms. CHEN Yanping (*Chairman*)

Dr. WONG Wing Kuen, Albert (*Member*)

Non-executive Director:

Mr. HUANG Junlong (*Member*)

The majority of them are independent non-executive Directors.

The principal function of the Remuneration Committee is to ensure that a formal and transparent set of policies and procedures are in place for determining executive remuneration and for fixing the remuneration packages of individual Directors and that no Director should be involved in deciding his own remuneration.

The Remuneration Committee shall meet at least once a year, the Remuneration Committee covers all aspects of emoluments, including but not limited to Directors’ fees, salaries, allowances, bonuses, options, benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment. In setting remuneration packages, the Remuneration Committee takes into consideration the pay and employment conditions within the industry and in comparable companies, as well as the Group’s relative performance and their individual performance. The Remuneration Committee will seek expert advice on remuneration of all Directors as and when necessary.

提名委員會

香港企業管治守則守則條文第A.4.1條訂明，非執行董事應委以特定任期，並須接受重選。非執行董事及全體獨立非執行董事並無特定任期，此乃偏離上述香港企業管治守則。然而，彼等均須遵守本公司組織章程細則之規定於股東週年大會（「股東週年大會」）輪值退任及重選連任。董事會認為，此規定具有達致特定任期之相同目標之同等效果。

薪酬委員會

本公司已就制定本集團高級管理層之薪酬政策設立正式及具透明度之程序。

薪酬委員會由三名成員組成：

獨立非執行董事：

陳燕萍女士（主席）

王永權博士（成員）

非執行董事：

黃均隆先生（成員）

大部分成員為獨立非執行董事。

薪酬委員會之主要職能為確保設立正式及具透明度之政策及程序，以釐定行政人員薪酬及個別董事之薪酬待遇，而董事不應參與決定其本身之薪酬。

薪酬委員會須每年舉行會議至少一次。薪酬委員會處理所有方面之酬金，包括但不限於董事袍金、薪金、津貼、花紅、購股權、實物利益、退休金權利及賠償金額（包括因離職或終止職務或委任之任何應付賠償）。在制定薪酬待遇時，薪酬委員會考慮業內及可資比較公司之工資及僱傭條件，以及本集團之相對表現及彼等之個人表現。薪酬委員會將於必要時就全體董事薪酬尋求專家意見。

CORPORATE GOVERNANCE REPORT

企業管治報告

REMUNERATION COMMITTEE (continued)

The Remuneration Committee is regulated by a set of written terms of reference. Its key functions include:

- reviewing and recommending to the Board the Company's policies and structure for all Directors and senior management's remuneration as are competitive and appropriate to attract, retain and motivate Directors and senior management of the required quality to run the Company successfully and on the establishment of a formal and transparent procedure for developing remuneration policy;
- reviewing and approving the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- either determining (with delegated responsibility) or making recommendations to the Board on the remuneration packages of individual executive Directors and senior management;
- reviewing and approving compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive; and
- reviewing and approving compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate.

The Remuneration Committee met twice during the Year and has performed the following duties:

- reviewed the remuneration policy and structure of the Company, and the remuneration packages of the Directors; and
- reviewed the remuneration packages of all Directors.

薪酬委員會(續)

薪酬委員會受書面職權範圍規管。其主要職能包括：

- 審閱及就本公司有關全體董事及高級管理層薪酬(必須具競爭力及屬恰當以吸引、留聘及激勵具備成功營運本公司所需質素之董事及高級管理層)之政策及架構，以及就設立正式及具透明度之程序制訂薪酬政策，向董事會作出推薦建議；
- 參考董事會之企業方針及目標，審閱及批准管理層之薪酬建議；
- 獲董事會轉授責任釐定或向董事會建議個別執行董事及高級管理層之薪酬待遇；
- 審閱及批准就執行董事及高級管理層離職或終止職務或委任之應付賠償，以確保該等賠償與合約條款一致；倘未與合約條款一致，有關賠償亦須屬公平，不致過多；及
- 審閱及批准因董事行為失當而解僱或罷免有關董事所涉及之賠償安排，以確保該等安排與合約條款一致；倘未與合約條款一致，有關賠償亦須合理適當。

年內，薪酬委員會舉行兩次會議，並履行以下職責：

- 檢討本公司薪酬政策及架構，以及董事之薪酬待遇；及
- 檢討所有董事的薪酬。

CORPORATE GOVERNANCE REPORT

企業管治報告

DIRECTOR' SECURITIES TRANSACTIONS

The Group has adopted its code of conduct for securities transactions by Directors of the Company on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules. Having made specific enquiry to all Directors, the Company confirms that all Directors have complied with the required standard set out in the Model Code throughout the Year.

FINANCIAL REPORTING

The Directors acknowledge their responsibilities for preparing the financial statements of the Company for the Year.

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, price-sensitive announcements and other disclosures required under the Listing Rules and other applicable statutory and regulatory requirements.

The Directors acknowledge that it is their responsibilities for overseeing the preparation of the financial statements for each financial period which give a true and fair view of the state of affairs of the Group, and of results and cash flow for the period. In preparing the financial statements for the Year, the Directors have selected suitable accounting policies and applied them consistently; adopted appropriate Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards; made prudent and reasonable judgments and estimates and have prepared the financial statements on a going concern basis. The Directors also warrant that the Group's financial statements will be published in a timely manner.

In presenting the interim and annual financial statements and announcement to shareholders, it is the aim of the Board to provide the shareholders with a detailed analysis, explanation and assessment of the Group's financial position and prospects. The management currently provides the Board with monthly update on the Group's performance, position and prospects.

The senior management of the Group has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval.

The statement of the external auditor of the Company is set out in the "Independent Auditors' Report" on pages 109 to 118.

董事進行證券交易

本集團已採納有關本公司董事進行證券交易之行為守則，其條款之嚴謹程度不遜於上市規則附錄十內所載上市發行人董事進行證券交易的標準守則（「標準守則」）所規定標準。經向全體董事作出特定查詢後，本公司確認，全體董事於年內一直遵守標準守則所載之規定標準。

財務申報

董事承擔編製本公司本年度財務報表之責任。

董事會負責就年度及中期報告、股價敏感公告以及上市規則及其他適用法定及監管規定所規定之其他披露，呈列均衡、清晰及簡明之評估。

董事確認須負責監督各財政期間編製財務報表工作，以確保能真實及公正地反映本集團之財務狀況、期內業績與現金流量。在編製本年度財務報表時，董事已選擇並貫徹採用合適之會計政策；採納合適之香港財務報告準則及香港會計準則；作出審慎而合理之判斷和估計，以及按持續營運基準編製財務報表。董事亦須保證本集團財務報表將會依時刊發。

向股東呈報中期及年度財務報表及公告時，董事會旨在為股東提供本集團財務狀況及前景之詳盡分析、闡釋及評估。管理層目前每月向董事會提供有關本集團表現、狀況及前景之最新資料。

本集團高級管理層已向董事會提供董事會為本公司財務報表進行知情評估時所需之解釋及資料，以供董事會審批。

本公司外聘核數師之聲明載於第109至118頁之「獨立核數師報告」。

CORPORATE GOVERNANCE REPORT

企業管治報告

DIVIDEND POLICY

The Company has adopted a dividend policy on 24 January 2019, pursuant to which in deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account the following factors:

- (a) the Articles of Association of the Company;
- (b) the applicable restrictions and requirements under the laws of the Cayman Islands;
- (c) any banking or other funding covenants by which the Company is bound from time to time;
- (d) the investment and operating requirements of the Company; and
- (e) any other factors that have material impact on the Company.

The declaration and payment of dividends by the Company shall be determined at the sole discretion of the Board and shall be subject to any restrictions under the Companies Law of the Cayman Islands and the Articles of Association of the Company. The Dividend Policy will continue to be reviewed from time to time and there can be no assurance that dividends will be proposed or declared in any particular amount for any given period.

股息政策

本公司會已於二零一九年一月二十四日採納股息政策。根據股息政策，董事會於建議宣派股息及釐定股息金額時須考慮以下因素：

- (a) 本公司之組織章程細則；
- (b) 開曼群島法律下的適用限制及要求；
- (c) 本公司不時受其約束的任何銀行或其他融資契諾；
- (d) 本公司的投資及經營需求；及
- (e) 任何其他對本公司構成重大影響的因素。

本公司的股息宣派及派付須由董事會全權酌情決定，亦須遵守開曼群島公司法及本公司的組織章程細則。股息政策將繼續不時予以檢討，且概不保證將在任何特定期間建議或宣派任何特定金額的股息。

CORPORATE GOVERNANCE REPORT

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL

The Board recognises its responsibility for maintaining an adequate internal control system to safeguard the assets of the Group and the interests of shareholders and consider the governance of risk. Annual review on the adequacy and the effectiveness of the internal control and risk management systems of the Group has been conducted by the management and reviewed by the Board. The Audit Committee is satisfied that nothing has come to its attention to cause the Audit Committee to believe that the internal control system is inadequate. Review will be made at least annually to monitor the adequacy and the effectiveness of the risk management and the internal control system of the Group.

The finance department carries out annual risk assessment on each audit area and derives an annual audit plan according to their risk rankings. During the Year, the Company has outsourced its internal audit function to an independent accounting firm, Messrs. SHINEWING Risk Services Limited to perform a review of the internal control system of the Group with a focus on the property business. During the Year, the Group has complied with code provision C.2 of the HK CG Code by establishing appropriate and effective risk management and internal control systems. Management is responsible for the design, implementation and monitoring of such systems, while the Board oversees management in performing its duties on an ongoing basis. Main features of the risk management and internal control systems are described in the sections below:

Risk Management System

The Group adopts a risk management system which manages the risk associated with its business and operations. The system comprises the following phases:

- *Identification*: Identify ownership of risks, business objectives and risks that could affect the achievement of objectives.
- *Evaluation*: Analyse the likelihood and impact of risks and evaluate the risk portfolio accordingly.
- *Management*: Consider the risk responses, ensure effective communication to the Board and on-going monitor the residual risks.

Based on the risk assessments conducted in the year 2018, no significant risk was identified.

風險管理及內部監控

董事會重視其維持足夠內部監控系統之責任，以保障本集團資產及股東權益以及考慮監管風險。本集團內部監控及風險管理系統之充足性及成效之年度審閱已由管理層進行及由董事會審閱。審核委員會信納概無發現致使審核委員會相信內部監控系統存在不足之處。審閱將最少每年進行一次，以監察本集團風險管理及內部監控系統之充足性及成效。

審核委員會每年檢討本集團內部監控及風險管理系統之效能一次。財務部門就各審核領域進行年度風險評估並根據彼等之風險排名判定年度審核計劃。於年內，本公司已外判其內部審核職能予一間獨立會計師樓信永方略風險管理有限公司對本集團內部監控制度（專注於房地產業務）進行檢討。年內，本集團已遵守香港企業管治守則守則條文第C.2條，設立適當有效之風險管理及內部監控系統。管理層負責設計、實際及監察有關系統，而董事會持續監督管理層履行其職責之情況。風險管理及內部監控系統之主要功能於下文各節論述：

風險管理系統

本集團採納風險管理系統，管理其業務及營運之相關風險。該系統包括以下多個層面：

- *識別*：識別風險所有權、業務目標及可能影響目標達成之風險。
- *評估*：分析風險之可能性及影響，並對風險組合作出相應評估。
- *管理*：考慮風險應對措施，確保與董事會就風險進行有效溝通並持續監察剩餘風險。

根據於二零一八年進行之風險評估，概無發現重大風險。

CORPORATE GOVERNANCE REPORT

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL

(continued)

Internal Control System

The Board is responsible to ensure that the Group maintains sound and effective internal controls to safeguard the shareholders' investment and the Group's assets.

The internal control system will cover all material controls, including financial, operational and compliance controls and risk management functions.

The Company has in place an internal control system which is compatible with the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") 2013 framework. The framework enables the Group to achieve objectives regarding effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations.

The components of the framework are shown as follow:

- **Control Environment:** A set of standards, processes and structures that provide the basis for carrying out internal control across the Group.
- **Risk Assessment:** A dynamic and iterative process for identifying and analysing risks to achieve the Group's objectives, forming a basis for determining how risks should be managed.
- **Control Activities:** Action established by policies and procedures to help ensure that management directives to mitigate risks to the achievement of objectives are carried out.
- **Information and Communication:** Internal and external communication to provide the Group with the information needed to carry out day-to-day controls.
- **Monitoring:** Ongoing and separate evaluations to ascertain whether each components of internal control is present and functioning.

風險管理及內部監控(續)

內部監控系統

董事會須負責確保本集團保持健全而有效之內部監控，以維護股東投資及本集團資產。

內部監控系統涵蓋所有重大監控範疇，包括財務、營運及規章管控及風險管理職能。

本公司已制定符合 Committee of Sponsoring Organizations of the Treadway Commission (「COSO」)二零一三年框架之內部監控系統。該框架促使本集團達致營運有效性及效率性、財務報告可靠性及遵守適用法律及法規之目標。

該框架之組成部分列示如下：

- **監控環境：**為本集團進行內部監控提供基礎之一套標準、程序及結構。
- **風險評估：**動態交互流程以識別及分析風險，達成本集團目標，並為如何管理風險形成依據。
- **監控行動：**按政策及程序制定行動，以確保管理層為減輕風險以達成目標之指令獲執行。
- **資料及通訊：**為本集團提供進行日常監控所需資料之內部及外部通訊。
- **監察：**為確定內部監控之各組成部份是否存在及運行而進行之持續及單獨評估。

CORPORATE GOVERNANCE REPORT

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL (continued)

Internal Control System (continued)

In order to enhance the Group's system of handling inside information, and to ensure the truthfulness, accuracy, completeness and timeliness of its public disclosures, the Group has adopted and implemented an inside information procedure. Certain reasonable measures have been taken from time to time to ensure that proper safeguards exist to prevent a breach of a disclosure requirement in relation to the Group, which include the maintaining of a good control environment with defined organisational structure, limit of authority, reporting lines and responsibilities in accordance with the Company's guidelines and the regulatory requirements. An effective information platform has been created to enable relevant and timely information are sent to the Board for decision making. Appropriate control measures have been taken place to facilitate a good control environment for handling and dissemination of inside information. The access of information is restricted to a limited number of employees on a need-to-know basis. Employees who are in possession of inside information are fully conversant with their obligations to preserve confidentiality. Confidentiality agreements are in place when the Group enters into significant negotiations. Where necessary, Directors to speak on behalf of the Company when communicating with external parties such as the media, analysts or investors.

Based on the internal control reviews conducted in the year of 2018, no significant control deficiency was identified.

The Board is responsible for the risk management and internal control systems of the Group and ensuring review of the effectiveness of these systems has been conducted at least annually. Several areas have been considered during the Board's review, which include but not limited to (i) the changes in the nature and extent of significant risks since the last annual review, and the Group's ability to respond to changes in its business and the external environment (ii) the scope and quality of management's ongoing monitoring of risks and of the internal control systems.

風險管理及內部監控(續)

內部監控系統(續)

為加強本集團之內幕消息控制系統，並確保其公開披露事項之真實性、準確性、完整性與及時性，本集團亦採納及實施一套內幕消息程序。本集團已不時採納若干合理措施，確保存在適當保障以防止違反有關本集團之披露規定，包括維持具備明確組織架構、權力規限以及根據本公司指引及監管規定之報告方式及責任之良好監控環境。本公司已設立有效資訊平台，以確保相關及最新資訊已向董事會提交供彼等決策。設立合適監控措施，促進處理及傳播內幕消息。僅少數僱員可按需要查閱資料。掌握內幕消息之僱員充分熟知彼等之保密責任。本集團進行重大磋商時將會訂立保密條款。如有需要，董事與媒體、分析師或投資者等外部人士溝通時會代表本公司發言。

根據於二零一八年度進行之內部監控審閱，概無發現重大監控缺失。

管理層負責本集團之風險管理及內部監控系統，並確保該等系統之成效至少每年檢討。董事會於審閱時已考慮多個範疇，包括但不限於(i)自上一個年度審閱後重大風險之性質變動及程度，及本集團應對其業務及外界環境變動之能力；及(ii)管理層持續監察風險及內部監控系統之範圍及質量。

CORPORATE GOVERNANCE REPORT

企業管治報告

AUDIT COMMITTEE

The Audit Committee comprised of three members:

Independent non-executive Director:

Dr. WONG Wing Kuen, Albert (*Chairman*)

Dr. SHI Xinping (*Member*)

Non-executive Director

Ms. LIU Ning (*Member*)

All of them are independent non-executive Directors. Dr. WONG Wing Kuen, Albert has the appropriate professional qualifications or accounting or related financial management expertise. The Board considers that Dr. SHI Xinping and Ms. LIU Ning have sufficient financial knowledge and experience to discharge their responsibilities as members of the Audit Committee. None of the members of the Audit Committee is a former partner of the Company's existing external auditor.

The Audit Committee adopted its terms of reference in November 2015 which is applicable to the Company's accounting periods beginning on or after 1 January 2016. The Audit Committee is responsible for reviewing the Group's corporate governance, financial reporting, internal control and risk management.

Its key functions include:

- reviewing the audit plans and results of the external auditor of the Company and the internal auditor's evaluation of the adequacy of the Company's system of internal controls, the audit reports and management letters issued by the external auditor and the co-operation given by the Company's management to the external auditor;
- making recommendations to the Board on the appointment, re-appointment and removal of external auditor and internal auditor, and to review the remuneration and terms of engagement of the external auditor;

審核委員會

審核委員會由三名成員組成：

獨立非執行董事：

王永權博士(主席)

史新平博士(成員)

非執行董事

劉寧女士(成員)

彼等均為獨立非執行董事。王永權博士具備適當專業資格或會計或相關財務管理專長。董事會認為，史新平博士及劉寧女士具備充分財務知識及經驗以履行彼等作為審核委員會成員之職責。概無審核委員會成員為本公司現任外聘核數師之前合夥人。

審核委員會於二零一五年十一月採納其新職權範圍，該職權範圍適用於本公司於二零一六年一月一日或之後開始之會計期間。審核委員會負責審閱本集團之企業管治、財務申報、內部監控及風險管理。

其主要職責包括：

- 審閱本公司外聘核數師之審核計劃及結果以及內部核數師對本公司內部監控系統是否充足、外聘核數師發出之審核報告及管理函件以及本公司管理層與外聘核數師之合作情況所作評估；
- 就委聘、續聘及罷免外聘核數師及內部核數師之事宜向董事會提出推薦建議，以及審閱外聘核數師之薪酬及委聘條款；

CORPORATE GOVERNANCE REPORT

企業管治報告

AUDIT COMMITTEE (continued)

- reviewing the nature and extent of non-audit services provided by the external auditor;
- reviewing cost effectiveness and the independence and objectivity of the external auditor;
- reviewing the significant financial reports so as to ensure the integrity of the financial statements of the Company and focus in particular on the changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit and compliance with financial reporting standards;
- reviewing interim and annual financial statements and announcements before submission to the Board for approval; and
- reviewing effectiveness of the Company's material internal controls, including financial, operational and compliance controls and risk management and reviews the findings of the internal auditor of the Company.

The Audit Committee shall hold at least two regular meetings in a year. The Audit Committee focuses not only on the impact of the changes in accounting policies and practices but also on the compliance with accounting standards, the Listing Rules and relevant legal requirements.

The Audit Committee has not taken a different view from the Board regarding the selection, appointment, resignation or dismissal of the Company's external auditor.

The Company's annual results announcement for the year ended 31 December 2018 published on 15 March 2019 was reviewed by the Audit Committee.

審核委員會(續)

- 審閱外聘核數師所提供非核數服務之性質及範圍；
- 審閱外聘核數師之成本效益、獨立性及客觀性；
- 審閱重大財務報告，以確保本公司財務報表之完整性，特別注意會計政策及常規方面之變動、主要風險範圍、審核所導致之重大調整以及遵守財務報告準則之情況；
- 審閱未提交董事會批准之中期及年度財務報表及公告；及
- 審閱本公司重大內部監控之成效，包括財務、營運及合規監控以及風險管理，並審閱本公司內部核數師的審核結果。

審核委員會須每年至少舉行兩次定期會議。審核委員會不僅關注於會計政策及慣例變動之影響，亦會關注遵守會計準則、上市規則及有關法律規定。

審核委員會就本公司外聘核數師之甄選、委任、辭任或罷免與董事會並無持不同意見。

本公司於二零一九年三月十五日所刊發截至二零一八年十二月三十一日止年度之年度業績已由審核委員會審閱。

CORPORATE GOVERNANCE REPORT

企業管治報告

AUDIT COMMITTEE (continued)

During the Year, the Audit Committee held three meetings and has performed the following duties:

- met with the executive Directors and management of the Company to review the interim and annual results, the interim report and annual report and other financial, internal control, corporate governance and risk management matters of the Group and made recommendations to the Board;
- considered and discussed the reports and presentations by the senior management and the external auditor, with a view to ensure that the Group's consolidated financial statements are prepared in accordance with accounting principles generally accepted in Hong Kong;
- met with the external auditor without the presence of management and discussed about the interim financial report and its annual audit of the consolidated financial statements and key audit issues;
- assisted the Board in meeting its responsibilities for evaluating, establishing and maintaining effective systems of internal control;
- carried out the annual review on the continuing connected transactions of the Group;
- reviewed the adequacy of resources qualifications and experience of staff of the Company's accounting and financial reporting functions, and their training programmes and budget; and
- reviewed and discussed significant audit findings in a meeting with the external auditor.

The Audit Committee also examines any other aspects of the Company's affairs, as it deems necessary where such matters relate to exposures or risks of regulatory or legal nature, and monitors the Company's compliance with its legal, regulatory and contractual obligations.

The Board is of the view that the members of the Audit Committee have sufficient accounting or related financial management expertise and experience to discharge the Audit Committee's function.

The Audit Committee will report to the Board on any material issues, and makes recommendations to the Board.

審核委員會(續)

於年內，審核委員會舉行三次會議，並已履行以下職責：

- 與本公司執行董事及管理層會晤，審閱中期及年度業績、中期報告及年度報告及其他財務、內部監控、本集團的企業管治及風險管理事宜，並向董事會提出推薦意見；
- 考慮並討論高級管理人員及外聘核數師之報告及提呈，以確保本集團之綜合財務報表乃根據香港普遍採用之會計原則編製；
- 在管理層避席之情況下與外聘核數師會晤，並討論其對中期財務報告及其對綜合財務報表之年度審核以及重大審核事宜；
- 協助董事會履行其評估、建立及維持有效內部監控制度之責任；
- 對本集團之持續關連交易進行年度審閱；
- 審閱資源之充分性、本公司會計及財務申報職能之員工之資格及經驗，以及其培訓計劃及預算；及
- 與外聘核數師會面時審閱及討論重大審核發現。

審核委員會亦在其認為必要時，審查本公司任何其他涉及監管或法律性質風險方面之事宜，並監察本公司是否遵守法律、監管及合約責任。

董事會認為，審核委員會成員具備充分會計或相關財務管理專業及經驗履行審核委員會之職能。

審核委員會將向董事會報告任何重大事宜並向其作出推薦建議。

CORPORATE GOVERNANCE REPORT

企業管治報告

AUDITORS' REMUNERATION

During the Year, the remuneration in respect of professional services provided by the Company's auditor, Deloitte Touche Tohmatsu, is set out as follows:

| | | (RMB'000) (人民幣千元) |
|--------------------|-------|----------------------|
| Audit services | 審核服務 | 3,783 |
| Non-audit services | 非審核服務 | 430 |

Non-audit services include the professional services rendered in connection with the interim report review, continuing connected transactions review and internal controls assessment.

The Audit Committee had considered the Independent Auditors' independence and objectivity as required under the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accounts, reviewed the terms of their engagement, nature and scope of the audit and reporting obligations.

The Audit Committee is satisfied with the findings of their review of the engagement process, effectiveness, independence and objectivity of the Independent Auditor.

The Audit Committee has recommended to the Board and the Board has concurred with the nomination of Messrs. Deloitte Touche Tohmatsu, for reappointment as independent auditor of the Company at the forthcoming AGM.

SECURITIES TRANSACTION BY THE RELEVANT EMPLOYEES

Under the Code Provision A.6.4 of the CG Code, the Board has established written guidelines on no less exacting terms than the Model Code for Directors and relevant employees in respect of their dealings in the Company's securities. "Relevant employee" includes any employee of the Group or a Director or employee of a subsidiary or holding company of the issuer, because of such office or employment, is likely to be in possession of inside information in relation to the Group and its securities. Having made specific enquiry to all Relevant Employees, the Company confirms that all Relevant Employees have complied with the written guidelines regarding securities transactions during the Year.

核數師薪酬

於年內，本公司核數師德勤•關黃陳方會計師行提供專業服務之薪酬載列如下：

| | (RMB'000) (人民幣千元) |
|--------------------|----------------------|
| Audit services | 3,783 |
| Non-audit services | 430 |

非審核服務包括中期報告審閱、持續關連交易審閱及內部控制評估。

審核委員會已考慮香港會計師公會所頒佈專業會計師道德守則項下規定之獨立核數師獨立性及客觀性，並審閱其委聘條款、審核之性質及範圍以及報告責任。

審核委員會信納其就獨立核數師之委聘過程、有效性、獨立性及客觀性進行之審閱結果。

審核委員會已向董事會建議於應屆股東週年大會上提呈續聘德勤•關黃陳方會計師行為本公司之獨立核數師，而董事會已就此同意審核委員會之意見。

有關僱員進行證券交易

根據企業管治守則之守則條文第A.6.4條，董事會已就董事及有關僱員進行本公司證券交易以書面制定不遜於標準守則之指引。「有關僱員」包括本集團任何僱員或發行人附屬公司或控股公司之董事或僱員，因該職位或受聘而可能掌握與本集團及其證券有關內幕消息。經對全體有關僱員進行特定查詢後，本公司確認，全體有關僱員於年內一直遵守有關證券交易之書面指引。

CORPORATE GOVERNANCE REPORT

企業管治報告

COMPANY SECRETARY

During the Year, the company secretary, Mr, TSUI Kin Fung, undertook at least 20 hours of relevant professional training, was an employee of the Company.

公司秘書

年內，公司秘書徐建峰先生已進行至少20個小時相關專業培訓。

SHAREHOLDERS' MEETINGS

Details of Directors' attendance records of the general meetings held during the Year were as follows:

股東大會

董事於年內舉行之股東大會之出席記錄詳情如下：

| Number of meeting held during the Year | 年內舉行之大會次數 | Annual General Meeting held on 27 April 2018 | Extraordinary General Meeting held 27 April 2018 |
|--|-----------------------|--|--|
| | | 於二零一八年四月二十七日舉行之股東週年大會 | 於二零一八年四月二十七日舉行之股東特別大會 |
| <i>Non-executive Directors</i> | | | |
| Mr. XU Yongjun (Note 1) | 非執行董事 許永軍先生(附註1) | 0/1 | 0/1 |
| Mr. HUANG Junlong | 黃均隆先生 | 1/1 | 1/1 |
| Dr. YAN Chengda (Note 2) | YAN Chengda博士(附註2) | 0/1 | 0/1 |
| Ms. LIU Ning (Note 3) | 劉寧女士(附註3) | 0/1 | 0/1 |
| <i>Executive Directors</i> | | | |
| Dr. SO Shu Fai | 執行董事 蘇樹輝博士 | 1/1 | 1/1 |
| Mr. YU Zhiliang | 余志良先生 | 1/1 | 1/1 |
| Mr. WONG King Yuen | 黃競源先生 | 1/1 | 1/1 |
| <i>Independent non-executive Directors</i> | | | |
| Dr. WONG Wing Kuen, Albert (Note 4) | 獨立非執行董事 王永權博士(附註4) | 0/1 | 0/1 |
| Ms. CHEN Yanping (Note 4) | 陳燕萍女士(附註4) | 0/1 | 0/1 |
| Dr. SHI Xinping | 史新平博士 | 1/1 | 1/1 |
| Mr. HE Qi | 何琦先生 | 1/1 | 1/1 |

CORPORATE GOVERNANCE REPORT

企業管治報告

SHAREHOLDERS' MEETINGS (continued)

Notes:

- (1) Appointed as non-executive Director, the chairman of the Board and the chairman of the nomination committee of the Company with effect from 18 March 2016. Due to business affairs, Mr. XU could not attend the annual general meeting held on 27 April 2018, and the extraordinary general meetings held on 27 April 2018 and 19 December 2017. He had appointed Mr. HUANG to act on his behalf on 27 April 2018.
- (2) Appointed as non-executive Director of the Company with effect from 18 March 2016. Dr. YAN could not attend annual general meeting and extraordinary general meeting on 27 April 2018 but there were sufficient executive Directors, independent non-executive Directors and non-executive Directors present to enable the Board to develop a balanced understanding of the views of the Company's shareholders. Dr. YAN has resigned on 13 August 2018.
- (3) Ms. LIU could not attend the annual general meeting and the extraordinary general meeting held on 27 April 2018 but there were sufficient executive Directors, independent non-executive Directors and non-executive Directors present to enable the Board to develop a balanced understanding of the views of the Company's shareholders.
- (4) Dr. WONG and Ms. CHEN could not attend the annual general meeting and extraordinary general meeting on 27 April 2018 but there were sufficient executive Directors, independent non-executive Directors and non-executive Directors present to enable the Board to develop a balanced understanding of the views of the Company's shareholders.

Code Provision A.6.7 stipulates that independent non-executive Directors and other non-executive Directors should attend general meetings, and develop a balanced understanding of the views of shareholders. Mr. XU Yongjun, Dr. YAN Chengda (who has resigned on 13 August 2018) and Ms. LIU Ning, the non-executive Directors and Dr. WONG Wing Kuen, Albert and Ms. CHEN Yanping, an independent non-executive Director, did not attend the AGM and extraordinary general meeting of the Company held on 27 April 2018 due to other business engagement. However, there were sufficient executive Directors, independent non-executive Directors and non-executive Directors present to enable the Board to develop a balanced understanding of the views of the Company's shareholders.

Code Provision E.1.2 stipulates that the chairman of the Board should attend the annual general meeting. Mr. XU Yongjun, chairman of the Board, could not attend the AGM held on 27 April 2018 due to other business engagement which was a deviation from Code Provision E.1.2. However, he had appointed Mr. HUANG Junlong, a non-executive Director as his alternate director who chaired the AGM and answered questions for shareholders of the Company.

股東大會(續)

附註：

- (1) 自二零一六年三月十八日起獲委任為非執行董事、董事會主席兼本公司提名委員會主席。由於商務理由，許先生未能出席於二零一八年四月二十七日舉行之股東週年大會以及於二零一八年四月二十七日及二零一七年十二月十九日舉行之股東特別大會。彼已委任黃先生於二零一八年四月二十七日代表彼行事。
- (2) 自二零一六年三月十八日起獲委任為本公司獨立非執行董事。YAN博士未能出席於二零一八年四月二十七日舉行之股東週年大會及股東特別大會，但已有足夠人數之執行董事、獨立非執行董事及非執行董事出席，令董事會得以瞭解並平衡本公司股東的意見。YAN博士已於二零一八年八月十三日辭任。
- (3) 劉女士未能出席於二零一八年四月二十七日舉行之股東週年大會及股東特別大會，但已有足夠人數之執行董事、獨立非執行董事及非執行董事出席，令董事會得以瞭解並平衡本公司股東的意見。
- (4) 王博士及陳女士未能出席於二零一八年四月二十七日舉行之股東週年大會及股東特別大會，但已有足夠人數之執行董事、獨立非執行董事及非執行董事出席，令董事會得以瞭解並平衡本公司股東的意見。

守則條文第A.6.7條訂明，獨立非執行董事及其他非執行董事應出席股東大會，以對股東之意見有公正之理解。非執行董事許永軍先生、YAN Chengda博士（已於二零一八年八月十三日辭任）及劉寧女士以及獨立非執行董事王永權博士及陳燕萍女士因其他事務未能出席於二零一八年四月二十七日舉行之本公司股東週年大會及股東特別大會。然而，會有足夠之執行董事、獨立非執行董事及非執行董事出席，以確保董事會對本公司股東之意見有公正之理解。

守則條文第E.1.2條訂明，董事會主席應出席股東週年大會。董事會主席許永軍先生因其他事務未能出席於二零一八年四月二十七日舉行之股東週年大會，此乃偏離守則條文第E.1.2條。然而，彼已委任非執行董事黃均隆先生為彼之替任董事，以主持股東週年大會及回答本公司股東疑問。

CORPORATE GOVERNANCE REPORT

企業管治報告

SHAREHOLDERS' MEETINGS (continued)

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company also recognises the importance of transparency and timely disclosure of corporate information, which will enable shareholders and investors to make the best investment decisions.

The Company established different communication channels with shareholders and investors, including (i) printed copies of corporate communications (including but not limited to annual reports, interim reports, notices of meetings, circulars and proxy forms and other corporate information) required under the Listing Rules; (ii) the general meetings of the Company provide a forum for communication between the Board and the shareholders. The Chairman of the Board as well as the respective chairman of the Nomination Committee, the Remuneration Committee and the Audit Committee or, in their absence, other members of the respective committees are available to answer questions for shareholders and stakeholders at the general meetings; (iii) the Company's registrars deal with shareholders for share registration and related matters; and (iv) the Directors and/or investor relationship team of the Company handles enquiries from shareholders and investors generally.

SHAREHOLDERS' RIGHT

The Company is committed to pursue active dialogue with shareholders as well as to provide disclosure of information concerning the Group's material developments to shareholders, investors and other stakeholders.

AGM of the Company serves as an effective forum for communication between shareholders and the Board. Notice of the AGM together with the meeting materials are despatched to all shareholders not less than 21 days and not less than 20 business days prior to the AGM.

The chairman of the Board and of Audit Committee, Remuneration Committee and Nomination Committee, or in their absence, other members of the respective Committees, are invited to the AGM to answer questions from shareholders. External auditors are also invited to attend the AGM to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

股東大會(續)

本公司認為與股東之有效溝通，對改善投資者關係以及讓投資者了解本集團之業務表現及策略而言至關重要。本公司亦重視公司資料之透明度且及時披露之情況，以使股東及投資者作出最佳投資決策。

本公司與股東及投資者已建立不同的溝通途徑，包括(i)上市規則所規定公司通訊之印刷本(包括但不限於年報、中期報告、會議通告、通函及代表委任表格以及其他公司資料)；(ii)本公司股東大會為董事會及股東之間提供溝通平台。董事會主席及提名委員會、薪酬委員會及審核委員會各自之主席(或倘彼等缺席，則相關委員會之其他成員)將於股東大會上回應股東及權益持有人之提問；(iii)本公司之股份過戶登記處為股東處理股份登記及相關事宜；及(iv)董事及／或本公司投資者關係團隊一般處理股東及投資者之查詢。

股東權利

本公司致力尋求與股東開展積極對話，並向股東、投資者及其他權益持有人披露有關本集團重大發展的資料。

本公司之股東週年大會為股東與董事會提供一個有效之溝通平台。股東週年大會通告連同會議資料均於召開股東週年大會前不少於21日及不少於20個營業日寄發予全體股東。

董事會、審核委員會、薪酬委員會及提名委員會之主席或如彼等未能出席，則由各委員會之其他成員獲邀出席股東週年大會並於會上回答股東問題。外聘核數師亦獲邀出席股東週年大會並於會上回答有關審核工作、編製核數師報告及報告內容、會計政策及核數師獨立性問題。

CORPORATE GOVERNANCE REPORT

企業管治報告

SHAREHOLDERS' RIGHT (continued)

The Company's last AGM was held on 27 April 2018 and extraordinary general meeting was held on 27 April 2018. All the resolutions proposed at these meetings were approved by shareholders of the Company by poll. Details of the poll results are available under the "Announcements and Notices" section of the Company's website at <http://ir.cmland.hk>.

Vote of shareholders at general meeting will be taken by poll in accordance with the Listing Rules, unless otherwise required and permitted. Detailed procedures for conducting a poll will be explained to the shareholders at the inception of general meeting to ensure that shareholders are familiar with such voting procedures. Separate resolution will be proposed by the chairman of general meeting in respect of each substantial issue. The poll results will be posted on the websites of the Company and the Stock Exchange on the same business day of the general meeting.

Pursuant to the Articles of Association of the Company, general meetings can be convened on the written requisition of any two or more members of the Company deposited at the principal place of business of the Company in Hong Kong at:

Room 2603 to 2606, 26/F, China Merchants Tower
Shun Tak Centre
Nos. 168–200 Connaught Road Central
Hong Kong

股東權利(續)

本公司上屆股東週年大會已於二零一八年四月二十七日舉行，而股東特別大會已分別於二零一八年四月二十七日舉行。會上所有提呈決議案以點算股數方式表決獲本公司股東批准。有關表決結果之詳情載於本公司網站<http://ir.cmland.hk>「公告及通告」一欄。

除非另有規定及允許，否則股東將根據上市規則於股東大會上以點算股數方式表決投票。投票程序詳情將於股東大會開始時向股東說明，以確保股東熟悉該等投票程序。股東大會主席將會就每項重要事宜個別提出決議案。投票結果將於召開股東大會同一個營業日內於本公司及聯交所網站刊登。

根據本公司之組織章程細則，股東大會可應本公司任何兩名或多名股東之書面請求而召開，有關請求須送達本公司於香港之主要辦事處：

香港
干諾道中168–200號
信德中心
招商局大廈26樓2603至2606室

CORPORATE GOVERNANCE REPORT

企業管治報告

SHAREHOLDERS' RIGHT (continued)

specifying the objects of the meeting and signed by the requisitionists, provided that such requisitionists held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. General meetings may also be convened on the written requisition of any one member of the Company which is a recognised clearing house (or its nominee(s)) deposited at the principal place of business of the Company in Hong Kong as set out above specifying the objects of the meeting and signed by the requisitionist, provided that such requisitionist held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

CORPORATE COMMUNICATION

The Group should announce its annual results and interim results in a timely manner before the time limits set out in the Listing Rules. Separate resolutions are proposed at the annual general meetings on each separate issue, including the election of individual Directors. In addition, procedures for demanding a poll at the annual general meeting will also be included in the circular to shareholders dispatched together with this report.

The Group maintains a website of <http://ir.cmland.hk> which enables shareholders of the Company, investors and the general public to access to the information of the Group on a timely basis. Financial information and all corporate communications of the Group are made available on the Group's website and updated regularly.

Shareholders should direct their questions about their shareholdings to the Company's Hong Kong branch share registrar: Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.

股東權利(續)

當中列明大會之主要商議事項並由請求人簽署，惟該等請求人於送達請求之日須持有本公司不少於十分之一之實繳股本(附帶本公司股東大會之投票權)。股東大會亦可應本公司任何一名股東(為一間認可結算所(或其代理人))之書面請求而召開，有關請求須送達上述本公司於香港之主要營業地點，當中列明大會之主要商議事項並由請求人簽署，惟該請求人於送達請求之日須持有本公司不少於十分之一之實繳股本(附帶本公司股東大會之投票權)。倘董事會於送達請求之日起計21日內未有按既定程序召開大會(該大會將在請求發出日後21天內舉行)，則請求人本身或代表彼等所持全部投票權超過半數以上之任何請求人可按盡量接近董事會召開大會之相同方式召開股東大會，惟按上述方式召開之任何大會不得於送達有關請求之日起計三個月屆滿後召開，且本公司須向請求人償付彼等因應董事會未有召開大會而產生之所有合理費用。

企業通訊

本集團應於上市規則所載時限前適時公佈其年度業績及中期業績。於股東週年大會上將就各個別事項提呈個別決議案，包括推選個別董事。此外，要求於股東週年大會以點算股數表決之程序將納入連同本報告寄發予股東之通函內。

本集團設立<http://ir.cmland.hk>網站使本公司股東、投資者及公眾人士可適時獲得本集團資料。本集團之財務資料及所有企業通訊可從本集團網站取得，並會定期更新。

股東如對名下持股有任何問題，應向本公司之香港股份過戶登記分處卓佳登捷時有限公司提出，地址為：香港皇后大道東183號合和中心22樓。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Deloitte.

TO THE SHAREHOLDERS OF
CHINA MERCHANTS LAND LIMITED

(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of China Merchants Land Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 119 to 287, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

德勤

致：

招商局置地有限公司之股東

(於開曼群島註冊成立之有限公司)

意見

本核數師(以下簡稱「我們」)已審核載於第119至287頁之招商局置地有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)之綜合財務報表。此等綜合財務報表包括二零一八年十二月三十一日之綜合財務狀況表及截至該日止年度之綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註(包括主要會計政策概要)。

我們認為，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)真實公平地反映 貴集團於二零一八年十二月三十一日之綜合財務狀況及其截至該日止年度之綜合財務表現及綜合現金流量，並已按照香港公司條例之披露規定適當地編製。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAAs”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (“the Code”) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 December 2017 were audited by another auditor who expressed an unmodified opinion on those financial statements on 20 March 2018.

KEY AUDIT MATTERS

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

意見基準

我們根據香港會計師公會頒佈之香港核數準則(「香港核數準則」)進行審核。我們於該等準則下之責任進一步於我們報告中核數師對審核綜合財務報表之責任一節描述。根據香港會計師公會之國際職業會計師道德守則(「守則」)，我們獨立於貴集團，並根據該等規定及守則履行其他道德責任。我們相信，我們所獲得之審核憑證能充分及適當地為我們之意見提供基準。

其他事項

貴集團截至二零一七年十二月三十一日止年度之綜合財務報表由另一核數師審核，其於二零一八年三月二十日對該等財務報表發表未經修訂意見。

關鍵審核事項

關鍵審核事項為根據我們的專業判斷，認為對本期間綜合財務報表之審核最為重要之事項。該等事項於我們審核綜合財務報表及出具意見時處理，而我們不會就該等事項提供單獨意見。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS (continued)

關鍵審核事項(續)

Key audit matter

關鍵審核事項

Net realisable values of properties for sale

可供出售物業之可變現淨值

We identified the assessment of the net realisable values of properties for sale as a key audit matter due to the management judgement involved in the determination of the net realisable values and the estimation of future costs to completion. As at 31 December 2018, the carrying amounts of the Group's properties for sale are RMB41,163,479,000, representing 58% of total assets of the Group.

我們將可供出售物業之可變現淨值識別為關鍵審核事項，乃由於釐定可變現淨值及估計竣工的未來成本時牽涉管理層的判斷。於二零一八年十二月三十一日，貴集團可供出售物業之賬面值為人民幣41,163,479,000元，佔貴集團資產總值之58%。

How our audit addressed the key audit matter

我們於審核時如何處理事項

Our procedures in relation to the valuation of the properties for sale included:

我們為可供出售物業估值的程序包括：

- Obtaining an understanding of the rationale of the management in estimating the net realisable values and writing down the amounts of properties for sale;
- 取得對管理層估計可變現淨值及撇銷可供出售物業的金額的理據之瞭解；

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS (continued)

關鍵審核事項(續)

Key audit matter

關鍵審核事項

Net realisable values of properties for sale (continued)

可供出售物業之可變現淨值(續)

As disclosed in note 21 to the consolidated financial statements, the directors of the Company conducted a review of the Group's properties under development for sale and properties for sale as at 31 December 2018. Due to a decrease in the expected selling price as referenced to the actual selling price during pre-sale of the relevant properties during the year, the directors determined that the net realisable values of certain of the Group's properties under development for sale, located in Foshan, the People's Republic of China ("PRC"), are lower than their carrying amounts. Accordingly, the carrying amounts of the relevant properties under development for sale are written down by RMB419,650,000, in aggregate, to their net realisable values.

誠如綜合財務報表附註21所披露，於二零一八年十二月三十一日，貴公司董事就貴集團之可供出售發展中物業及可供出售物業進行審閱。由於參考年內預售相關物業之實際售價而估計售價下降，董事釐定貴集團位於中華人民共和國（「中國」）佛山之若干發展中可供出售物業之可變現淨值較其賬面值為低。因此，相關發展中可供出售物業之賬面值已合共撇減人民幣419,650,000元至其可變現淨值。

How our audit addressed the key audit matter

我們於審核時如何處理事項

- Evaluating the reasonableness of the management's estimation on the costs to completion for properties under development for sale by reconciling to the costs to completion to the budgets approved by management and, on a sample basis, examining the signed construction contracts or comparing the estimated costs to the actual costs of similar completed properties of the Group and to relevant market information;
- 使用樣本基準驗證已簽訂合約或將估計成本與貴集團類似已竣工物業及相關市場資料進行比較，以評估管理層透過將竣工成本與管理層批准之預算進行之對賬而對可供出售發展中物業的竣工成本作出之估計是否合理；
- Assessing the appropriateness of the selling prices estimated by management, on a sample basis, by comparing to the market prices achieved by the same project or comparable properties with similar size, usage and location; and
- 使用樣本基準與同一項目的市價或類似大小、用途及位置的可資比較物業之現行市價進行比較，以評估售價是否合適；及
- Assessing the appropriateness of the estimated selling expense by comparing, on a sample basis, to the actual selling expenses of similar completed properties of the Group in recent years.
- 使用樣本基準與貴集團近年類似的已竣工物業之實際銷售開支進行比較，以評估估計銷售開支是否合適。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS (continued)

關鍵審核事項(續)

Key audit matter

關鍵審核事項

Recoverability of amounts due from joint ventures and associates

應收合營企業及聯營公司款項之可收回程度

We identified the recoverability of amounts due from joint ventures and associates as a key audit matter due to the management judgement involved in determining the recoverability of the amounts. As at 31 December 2018, the carrying amounts of amounts due from joint ventures and associates are RMB6,856,282,000 and RMB777,922,000, respectively.

我們將應收合營企業及聯營公司款項之可收回程度識別為關鍵審核事項，乃由於釐定款項之可收回程度時牽涉管理層的判斷。於二零一八年十二月三十一日，應收合營企業及聯營公司款項之賬面值分別為人民幣6,856,282,000元及人民幣777,922,000元。

The Group measures the loss allowance on amounts due from joint ventures and associates by estimating the amount and timing of future cash flows and the assessment of whether a significant increase in credit risk exists. These estimates are driven by a number of factors, such as the market condition and budgets of the joint ventures and associates.

貴集團透過估計未來現金流量之金額及時間以及評估信貸風險有否大幅上升計量應收合營企業及聯營公司款項之虧損撥備。該等估計受若干因素影響，例如合營企業及聯營公司之市場狀況及預算。

The directors of the Company concluded that the amounts due from joint ventures and associates are at low credit risk and the amount of expected credit losses are not significant as at 31 December 2018, accordingly, no impairment loss is recognised in profit or loss during the year ended 31 December 2018.

貴公司董事認為，應收合營企業及聯營公司款項之信貸風險較低，而於二零一八年十二月三十一日之預期信貸虧損金額並不重大，故並無於截至二零一八年十二月三十一日止年度在損益確認減值虧損。

How our audit addressed the key audit matter

我們於審核時如何處理事項

Our procedures in relation to the recoverability of amounts due from joint ventures and associates included:

我們有關應收合營企業及聯營公司款項之可收回程度之程序包括：

- Obtaining an understanding of the management's process for estimating the expected credit losses for amounts due from joint ventures and associates;
- 向 貴集團管理層瞭解達致估計應收合營企業及聯營公司款項之預期信貸虧損所採用之基準；
- Evaluating the reasonableness of the individual assumptions made by management in estimating the expected credit loss of the amounts due from joint ventures and associates by reference to the current budget of property development projects held by the relevant joint ventures and associates;
- 評估管理層於參考相關合營企業及聯營公司持有的房地產開發項目之目前預算後估計應收合營企業及聯營公司款項之預期信貸虧損時作出之個別假設是否合理；
- Evaluating the reasonableness of the parameters, such as the expected market prices used in the budgets by comparing, on a sample basis, to market information achieved in the same projects and other comparable properties; and
- 使用樣本基準評估參數(例如預算中所使用的預計市場價格)是否合理及與同一項目及其他可資比較物業所得之市場資料進行比較；及
- Assessing the reasonableness of management's assessment on whether there are significant increase in credit risk by reviewing the operating result of the relevant joint ventures and associates, on a sample basis, and taking into account of adverse changes in the real estate industry in the PRC, if any.
- 透過以樣本基準審閱相關合營企業及聯營公司之營運業績，並於考慮中國的房地產行業之不利變動(如有)後評估管理層對信貸風險有否大幅上升之評估是否合理。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS (continued)

Key audit matter

關鍵審核事項

Accuracy of land appreciation tax ("LAT") calculation

土地增值稅(「土地增值稅」)計算之準確度

We identified the accuracy for LAT calculation as a key audit matter due to the management estimation involved in the amount of deductible expenditures calculation of LAT.

我們將土地增值稅的計算識別為關鍵審核事項，乃由於計算土地增值稅的可扣減開支時牽涉管理層的判斷。

The Group has property development projects in a number of cities in the PRC and is subject to LAT in the PRC. As disclosed in note 9 to the consolidated financial statements, the provision for LAT of RMB733,504,000 was recognised in the consolidated statement of profit or loss for the year ended 31 December 2018. LAT has been provided at ranges of progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less estimated deductible expenditures including land costs, borrowing costs and the relevant property development expenditures.

貴集團於中國眾多城市擁有房地產開發項目，並須繳納土地增值稅。誠如綜合財務報表附註9所披露，人民幣733,504,000元之土地增值稅撥備已於截至二零一八年十二月三十一日止年度在損益確認。土地增值稅按土地價值之增值以累進稅率30%至60%徵收，土地價值之增值即銷售物業之所得款項減估計可扣減開支(包括土地成本、借貸成本及相關房地產開發開支)。

關鍵審核事項(續)

How our audit addressed the key audit matter

我們於審核時如何處理事項

Our procedures in relation to the accuracy of LAT calculation included:

我們有關土地增值稅計算的準確度之程序包括：

- Obtaining an understanding from the management of the Group about the basis adopted by management of the Group in arriving at the provision for LAT;
- 向 貴集團管理層瞭解達致土地增值稅撥備所採用之基準；
- Assessing the correctness of the Group's computation of the provision for LAT with reference to relevant rules and regulations with the assistance of our taxation specialists;
- 參考相關規則及法規並在稅務專家協助下評估 貴集團土地增值稅撥備的計算是否正確；
- Evaluating the judgments applied by the management in estimating the amount of deductible expenditures by comparing their estimates made in previous years to actual results as well as current year's estimates; and
- 將過往年度取得實際成果與本年度的估計進行比較，評估管理層估計可扣減開支所用的判斷；及
- Checking the correctness of financial information, such as land costs, borrowing costs and the relevant property development expenditures, being used in the calculation of provision for LAT to the Group's historical financial data.
- 檢查計算土地增值稅撥備中所使用之財務資料，包括土地成本、借貸成本及相關房地產開發開支，與 貴集團的歷史財務數據進行比較。



INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Other information

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

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

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

Responsibilities of the Directors of the Company and Those charged with Governance for the Consolidated Financial Statements

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

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

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

其他資料

貴公司董事須對其他資料負責。其他資料包括年報所載資料，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表之意見並不涵蓋其他資料，我們亦不對其他資料發表任何形式之鑒證結論。

於審核綜合財務報表時，我們之責任為閱讀其他資料，在此過程中，考慮其他資料是否與綜合財務報表或我們在審核過程中所瞭解之情況有重大不符，或者似乎有重大錯誤陳述。基於已執行之工作，倘我們認為此其他資料有重大錯誤陳述，則須報告該事實。我們概無有關此方面之任何報告。

貴公司董事及治理層就綜合財務報表須承擔之責任

貴公司董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定，編製真實而公平之綜合財務報表，以及負責 貴公司董事認為屬必要之內部監控，以確保編製綜合財務報表時不存在由於欺詐或錯誤而導致之重大錯誤陳述。

於編製綜合財務報表時，貴公司董事負責評估 貴集團持續經營之能力，並在適用情況下披露與持續經營有關之事項，以及使用持續經營會計基礎，除非 貴公司董事有意將 貴集團清盤或停業，或別無其他現實之替代方案。

治理層負責監督 貴集團財務報告過程。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

核數師就審核綜合財務報表須承擔之責任

我們之目標為就綜合財務報表整體是否不存在由於欺詐或錯誤而導致之重大錯誤陳述取得合理保證，並根據我們協定之委聘條款僅向閣下發出包括我們意見之核數師報告，除此之外，我們之報告不可用作其他用途。我們概不就本報告之內容，對任何其他人士負責或承擔責任。合理保證屬高度保證，但並非關於根據香港核數準則進行之審核總能發現某一存在之重大錯誤陳述之擔保。錯誤陳述可由欺詐或錯誤引起，倘在個別或整體合理預期情況下可影響使用者根據該等綜合財務報表作出之經濟決定，則有關錯誤陳述可被視作重大。

作為根據香港核數準則進行之審核工作之一部分，我們於整個審核過程中行使專業判斷並抱持專業懷疑態度。我們亦：

- 識別及評估綜合財務報表由於欺詐或錯誤而導致之重大錯誤陳述風險，設計及執行審核程序以應對該等風險，以及獲取充分及適當審核憑證為我們之意見提供基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或僭越內部監控的情況，故因未能發現欺詐而導致之重大錯誤陳述風險高於因未能發現錯誤而導致之重大錯誤陳述風險。
- 瞭解有關審核之內部監控，以設計在各種情況下適當之審核程序，但並非旨在對貴集團內部監之成效發表意見。
- 評估董事所用會計政策之恰當性及所作會計估計及相關披露之合理性。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

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

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

核數師就審核綜合財務報表須承擔之責任(續)

- 總結 貴公司董事採用持續經營會計基礎之恰當性，並根據已獲得之審核憑證，總結是否存在與事件或情況有關之重大不明朗因素，可能令 貴集團之持續經營能力嚴重成疑。倘我們得出結論認為存在重大不明朗因素，我們須於核數師報告中提請使用者注意綜合財務報表內之相關披露，或倘有關披露不足，則修訂我們之意見。我們之結論以截至核數師報告日期所獲得之審核憑證為基礎。然而，未來事件或情況可能導致 貴集團不再持續經營。
- 評估綜合財務報表之整體呈報、架構及內容(包括披露資料)，以及綜合財務報表是否已公允反映相關交易及事件。
- 就 貴集團內實體或業務活動之財務資料獲得充足及適當之審核憑證，以就綜合財務報表發表意見。我們負責指導、監督及執行 貴集團之審核工作。我們就我們之審核意見承擔全部責任。

我們與治理層溝通(其中包括)審核工作之計劃範圍、時間及重大審核發現，該等發現包括我們於審核期間所識別之內部監控之任何重大缺陷。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements *(continued)*

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

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

The engagement partner on the audit resulting in this independent auditor's report is Woo King Wa.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
15 March 2019

核數師就審核綜合財務報表須承擔之責任(續)

我們亦向治理層提交聲明，說明我們已遵守有關獨立性之相關道德要求，並與彼等溝通可能被合理認為會影響我們獨立性之所有關係及其他事項以及相關防範措施(倘適用)。

從與治理層溝通之事項中，我們決定該等事項對本期綜合財務報表之審核最為重要，因而構成關鍵審核事項。我們在核數師報告中描述該等事項，除非法律或法規不允許公開披露有關事項，或於極端罕見之情況下，倘合理預期在報告中溝通某事項造成之負面後果超過其產生之公眾利益，則我們決定不應在報告中傳達該事項。

本獨立核數師報告之審核項目合夥人為執業會計師胡景華。

德勤 • 關黃陳方會計師行
執業會計師

香港
二零一九年三月十五日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

| | | Notes 附註 | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|---|-----------------------|-------------|-----------------------------------|-----------------------------------|
| Revenue | 收益 | 5 | 11,955,899 | 17,310,562 |
| Cost of sales | 銷售成本 | | (7,967,879) | (11,604,104) |
| Gross profit | 毛利 | | 3,988,020 | 5,706,458 |
| Other income | 其他收入 | 7 | 289,246 | 198,341 |
| Net foreign exchange (losses) gains | 匯兌(虧損)收益淨額 | | (143,582) | 198,625 |
| Selling and marketing expenses | 銷售及營銷支出 | | (348,037) | (323,972) |
| Administrative expenses | 行政支出 | | (162,740) | (140,611) |
| Fair value loss on derivative financial instruments | 衍生金融工具之公平值虧損 | | (27,696) | (13,983) |
| Fair value loss on financial assets at fair value through profit or loss | 按公平值計入損益之金融資產之減值虧損 | | (2,039) | - |
| Gain on disposal of subsidiaries | 出售附屬公司之收益 | 31 | 1,818 | - |
| Share of profits of associates | 分佔聯營公司之溢利 | | 326,002 | 137,379 |
| Share of profits of joint ventures | 分佔合營企業之溢利 | | 386,509 | 1,139 |
| Gain on deemed disposal of joint ventures | 視作出售合營企業之收益 | | - | 1,031 |
| Finance costs | 融資成本 | 8 | (511,180) | (462,929) |
| Profit before tax | 除稅前溢利 | 10 | 3,796,321 | 5,301,478 |
| Income tax expense | 所得稅支出 | 9 | (1,590,809) | (2,362,495) |
| Profit for the year | 本年度溢利 | | 2,205,512 | 2,938,983 |
| Other comprehensive income (expense), net of income tax | 其他全面收入(開支) (扣除所得稅) | | | |
| Item that may be reclassified subsequently to profit or loss: | 其後可重新分類至損益之項目: | | | |
| Exchange differences arising on translation of financial statements of foreign operations | 換算海外業務產生之匯兌差額 | | 10,342 | (24,365) |
| Total comprehensive income for the year | 本年度全面收入總額 | | 2,215,854 | 2,914,618 |
| Profit for the year attributable to: | 以下人士應佔本年度溢利: | | | |
| Owners of the Company | 本公司擁有人 | | 1,216,132 | 1,638,124 |
| Non-controlling interests | 非控股權益 | | 989,380 | 1,300,859 |
| | | | 2,205,512 | 2,938,983 |
| Total comprehensive income for the year attributable to: | 以下人士應佔本年度全面收入總額: | | | |
| Owners of the Company | 本公司擁有人 | | 1,226,474 | 1,613,759 |
| Non-controlling interests | 非控股權益 | | 989,380 | 1,300,859 |
| | | | 2,215,854 | 2,914,618 |
| | | | RMB cents 人民幣分 | RMB cents 人民幣分 |
| Earnings per share | 每股盈利 | 13 | | |
| Basic | 基本 | | 24.79 | 33.40 |
| Diluted | 攤薄 | | 24.74 | 30.61 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2018

於二零一八年十二月三十一日

| | | Notes 附註 | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|--|------------------|-------------|-----------------------------------|-----------------------------------|
| Non-current assets | 非流動資產 | | | |
| Property, plant and equipment | 物業、廠房及設備 | 14 | 222,947 | 136,888 |
| Investment properties | 投資物業 | 15 | 2,571,070 | 1,183,563 |
| Goodwill | 商譽 | 16 | 160,210 | 160,210 |
| Interests in associates | 於聯營公司之權益 | 17 | 711,547 | 330,364 |
| Interests in joint ventures | 於合營企業之權益 | 18 | 3,761,580 | 1,453,514 |
| Available-for-sale investment | 可供出售投資 | 19 | – | 18,750 |
| Financial asset at fair value through profit or loss | 按公平值計入損益的金融資產 | 19 | 16,711 | – |
| Other receivables | 其他應收款項 | 22 | 5,608,301 | – |
| Deferred tax assets | 遞延稅項資產 | 20 | 741,121 | 670,831 |
| | | | 13,793,487 | 3,954,120 |
| Current assets | 流動資產 | | | |
| Properties for sale | 可供出售物業 | 21 | 41,163,479 | 33,293,771 |
| Deposits paid for acquisitions of land use rights | 收購土地使用權所付按金 | | 290,228 | 1,115,000 |
| Trade and other receivables | 業務及其他應收款項 | 22 | 8,425,494 | 13,696,169 |
| Contract costs | 合約成本 | 5 | 75,625 | – |
| Prepaid income tax | 預付所得稅 | | 656,091 | 574,306 |
| Derivative component of convertible bonds | 可換股債券之衍生工具部分 | | – | 83,254 |
| Bank balances and cash | 銀行結餘及現金 | 23 | 6,866,261 | 5,100,692 |
| | | | 57,477,178 | 53,863,192 |
| Current liabilities | 流動負債 | | | |
| Contract liabilities | 合約負債 | 5 | 14,886,338 | – |
| Deposits received in respect of pre-sale of properties | 已收預售物業按金 | 5 | – | 7,272,992 |
| Trade and other payables | 業務及其他應付款項 | 24 | 11,015,791 | 10,101,649 |
| Loans from non-controlling interests | 非控股權益貸款 | 25 | 1,408,924 | 2,591,329 |
| Loans from an intermediate holding company | 間接控股公司貸款 | 26 | 3,287,611 | 1,487,606 |
| Bank and other borrowings | 銀行及其他借貸 | 27 | 1,095,980 | 1,773,095 |
| Bonds payable | 應付債券 | 28 | – | 3,231,826 |
| Convertible bonds | 可換股債券 | 29 | – | 1,691,604 |
| Income tax payable | 應付所得稅 | | 2,743,268 | 3,127,799 |
| Derivative component of convertible bonds | 可換股債券之衍生工具部分 | | – | 55,892 |
| | | | 34,437,912 | 31,333,792 |
| Net current assets | 流動資產淨值 | | 23,039,266 | 22,529,400 |
| Total assets less current liabilities | 資產總值減流動負債 | | 36,832,753 | 26,483,520 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2018

於二零一八年十二月三十一日

| | | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|--|--------------|-------------|-----------------------------------|-----------------------------------|
| | | Notes 附註 | | |
| Non-current liabilities | 非流動負債 | | | |
| Loans from non-controlling interests | 非控股權益貸款 | 25 | 4,936,731 | 2,480,066 |
| Loan from an intermediate holding company | 間接控股公司貸款 | 26 | 200,000 | - |
| Bank and other borrowings | 銀行及其他借貸 | 27 | 5,818,890 | 1,977,934 |
| Bonds payable | 應付債券 | 28 | 1,900,000 | - |
| Deferred tax liabilities | 遞延稅項負債 | 20 | 180,104 | 254,294 |
| | | | 13,035,725 | 4,712,294 |
| Net assets | 資產淨值 | | 23,797,028 | 21,771,226 |
| Capital and reserves | 資本及儲備 | | | |
| Share capital | 股本 | 30 | 39,132 | 39,132 |
| Reserves | 儲備 | | 8,078,761 | 7,375,466 |
| Equity attributable to owners of the Company | 本公司擁有人應佔權益 | | 8,117,893 | 7,414,598 |
| Non-controlling interests | 非控股權益 | 42 | 15,679,135 | 14,356,628 |
| Total equity | 權益總額 | | 23,797,028 | 21,771,226 |

The consolidated financial statements on pages 119 to 287 were approved and authorised for issue by the board of directors on 15 March 2019 and are signed on its behalf by:

第119至287頁之綜合財務報表由董事會於二零一九年三月十五日批准及授權發行及以下董事代表簽署：

YU ZHILIANG

余志良
Director
董事

WONG KING YUEN

黃競源
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

Attributable to the owners of the Company

本公司權益擁有人應佔

| | | Share capital | Share premium | Other reserves | Equity | Convertible | Translation reserve | Retained profits | Total | Non-controlling interests | Total equity |
|---|------------------------|---------------|---------------|----------------|---------------------|----------------------|---------------------|------------------|-----------|---------------------------|--------------|
| | | | | | transaction reserve | bonds equity reserve | | | | | |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| | | | | (Note ii) | 權益交易 | 可換股債券 | 匯兌儲備 | 保留溢利 | 總計 | 非控股權益 | 權益總額 |
| | | | | (附註ii) | 儲備 | 權益儲備 | (附註i) | (附註i) | | | |
| At 1 January 2017 | 於二零一七年一月一日 | 39,132 | 6,121,534 | (2,402,195) | (953,934) | 414,329 | 47,682 | 2,726,868 | 5,993,416 | 8,114,554 | 14,107,970 |
| Profit for the year | 本年度溢利 | - | - | - | - | - | - | 1,638,124 | 1,638,124 | 1,300,859 | 2,938,983 |
| Other comprehensive expenses for the year: | 本年度其他全面開支： | | | | | | | | | | |
| - Exchange differences arising on translation of financial statements of foreign operations | - 換算海外業務的財務報表產生之匯兌差額 | - | - | - | - | - | (24,365) | - | (24,365) | - | (24,365) |
| Total comprehensive (expenses) income for the year | 本年度全面(支出)收入總額 | - | - | - | - | - | (24,365) | 1,638,124 | 1,613,759 | 1,300,859 | 2,914,618 |
| Deemed partial disposal of interest in a subsidiary without change of control | 在控制權未有變動下視作出售一家附屬公司之權益 | - | - | - | 3,393 | - | - | - | 3,393 | (3,393) | - |
| Capital injection by non-controlling interests | 來自非控股權益之注資 | - | - | - | - | - | - | - | - | 5,143,619 | 5,143,619 |
| Dividend declared to non-controlling interests | 向非控股權益宣派股息 | - | - | - | - | - | - | - | - | (199,011) | (199,011) |
| Dividend declared | 已宣派股息 | - | (195,970) | - | - | - | - | - | (195,970) | - | (195,970) |
| At 31 December 2017 | 於二零一七年十一月三十一日 | 39,132 | 5,925,564 | (2,402,195) | (950,541) | 414,329 | 23,317 | 4,364,992 | 7,414,598 | 14,356,628 | 21,771,226 |
| Profit for the year | 本年度溢利 | - | - | - | - | - | - | 1,216,132 | 1,216,132 | 989,380 | 2,205,512 |
| Other comprehensive income for the year: | 本年度其他全面收入： | | | | | | | | | | |
| - Exchange differences arising on translation of financial statements of foreign operations | - 換算海外業務的財務報表產生之匯兌差額 | - | - | - | - | - | 10,342 | - | 10,342 | - | 10,342 |
| Total comprehensive income for the year | 本年度全面收入總額 | - | - | - | - | - | 10,342 | 1,216,132 | 1,226,474 | 989,380 | 2,215,854 |
| Partial disposal of subsidiaries without change of control | 在控制權未有變動下視作出售附屬公司 | - | - | - | 10,180 | - | - | - | 10,180 | (10,180) | - |
| Capital injection by non-controlling interests | 非控股權益注資 | - | - | - | - | - | - | - | - | 1,327,197 | 1,327,197 |
| Partial disposal of subsidiaries resulting in loss of control | 部分出售附屬公司(導致失去控制權) | - | - | - | - | - | - | - | - | (78,053) | (78,053) |
| Redemption of convertible bonds | 贖回可換股債券 | - | - | - | - | (414,329) | - | 281,974 | (132,355) | - | (132,355) |
| Dividend declared to non-controlling interests | 向非控股權益宣派股息 | - | - | - | - | - | - | - | - | (905,837) | (905,837) |
| Dividend declared (Note 12) | 已宣派股息(附註12) | - | (401,004) | - | - | - | - | - | (401,004) | - | (401,004) |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 39,132 | 5,524,560 | (2,402,195) | (940,361) | - | 33,659 | 5,863,098 | 8,117,893 | 15,679,135 | 23,797,028 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

Notes:

- (i) Included in retained profits of RMB810,017,000 (2017: RMB586,705,000) represents statutory reserve of the subsidiaries established in the People's Republic of China (the "PRC"). According to the relevant laws in the PRC, wholly foreign-owned enterprises in the PRC are required to transfer their net profit after tax, as determined under the PRC accounting regulations, to a non-distributable reserve fund before the distribution of a dividend to equity owners. Such reserve fund can be used to offset previous years' losses of the relevant subsidiary, if any, and is non-distributable other than upon liquidation.
- (ii) The other reserves comprise of:
 - (a) The deemed consideration from the immediate holding company arising from the completion of restructuring in prior years;
 - (b) The consideration of the sales shares arising from the restructuring in prior years as deemed distribution to the shareholder; and
 - (c) The difference between (i) the consideration of the restructuring; and (ii) the paid-up capital of the entities involved in the restructuring contributed by an intermediate holding company at the date of restructuring, deducted by the share capital and share premium of the Company at the date of restructuring.

附註：

- (i) 計入保留溢利的人民幣810,017,000元(二零一七年：人民幣586,705,000元)為於中華人民共和國(「中國」)成立之附屬公司之法定儲備。根據中國相關法律，於中國之外商獨資企業於向權益持有人分派股息前，須轉撥除稅後溢利淨額(按中國會計規例所釐定)至不可分派儲備基金。有關儲備基金可用作抵銷相關附屬公司過往年度之虧損，且除非清盤，否則該儲備基金為不可分派。
- (ii) 其他儲備包括：
 - (a) 過往年度重組完成所產生來自直接控股公司之視作代價；
 - (b) 過往年度重組完成所產生銷售股份之代價視作向股東之分派；及
 - (c) (i)重組之代價；與(ii)參與由間接控股公司注資之重組事項之實體於重組日期之實繳股本之差異，扣除本公司於重組日期之股本與股份溢價。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|--|-------------------------|-----------------------------------|-----------------------------------|
| OPERATING ACTIVITIES | 經營業務 | | |
| Profit before tax | 除稅前溢利 | 3,796,321 | 5,301,478 |
| Adjustments for: | 經下列調整： | | |
| Depreciation of investment properties | 投資物業折舊 | 47,381 | 38,764 |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 17,249 | 10,795 |
| Fair value loss on derivative financial instruments | 衍生金融工具之公平值虧損 | 27,696 | 13,983 |
| Fair value loss on financial asset at FVTPL | 按公平值計入損益的金融資產之 公平值虧損 | 2,039 | - |
| Gain on disposal of subsidiaries | 出售附屬公司之收益 | (1,818) | - |
| Gain on deemed disposal of joint ventures | 視作出售合營企業之收益 | - | (1,031) |
| Gain on disposal of investment properties | 視作出售投資物業之收益 | - | (10,393) |
| Loss on disposal of property, plant and equipment | 出售物業、廠房及設備之虧損 | 9 | 156 |
| Impairment losses on properties for sale | 可供出售物業之減值虧損 | 419,650 | - |
| Finance costs | 融資成本 | 511,180 | 462,929 |
| Interest income | 利息收入 | (251,170) | (173,066) |
| Share of profits of associates | 應佔聯營公司之溢利 | (326,002) | (137,379) |
| Share of profits of joint ventures | 應佔合營企業之溢利 | (386,509) | (1,139) |
| Unrealised foreign exchange losses (gains), net | 未變現匯兌虧損(收益)淨額 | 353,121 | (334,015) |
| Operating cash flows before movements in working capital | 營運資金變動前之經營現金流量 | 4,209,147 | 5,171,082 |
| Increase in properties for sale | 可供出售物業增加 | (8,722,846) | (890,284) |
| Decrease in deposit paid for acquisition of land use rights | 收購土地使用權所付按金減少 | 824,772 | 160,940 |
| Decrease (increase) in trade and other receivables | 業務及其他應收款項減少(增加) | 182,150 | (641,118) |
| Increase in contract costs | 合約成本增加 | (75,625) | - |
| Decrease (increase) in restricted bank deposits for operating use | 經營業務所用受限制銀行存款減少 (增加) | 69,890 | (10,860) |
| Increase in contract liabilities | 合約負債增加 | 7,613,346 | - |
| Decrease in deposits received in respect of pre-sale of properties | 已收預售物業按金減少 | - | (3,077,191) |
| (Decrease) increase in trade and other payables | 業務及其他應付款項(減少)增加 | (905,100) | 2,563,279 |
| Cash generated from operations | 經營所得現金 | 3,195,734 | 3,275,848 |
| Income tax paid | 已付所得稅 | (2,201,605) | (1,126,093) |
| Interest received | 已收利息 | 258,587 | 172,947 |
| NET CASH FROM OPERATING ACTIVITIES | 經營活動所得現金淨額 | 1,252,716 | 2,322,702 |

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|---|---------------------------|-----------------------------------|-----------------------------------|
| INVESTING ACTIVITIES | 投資活動 | | |
| Advances to associates | 向聯營公司墊款 | (774,805) | (83,113) |
| Repayment from associates | 聯營公司還款 | 823,361 | 742,230 |
| Advances to joint ventures | 向合營企業墊款 | (3,131,895) | (7,346,567) |
| Repayment from joint ventures | 合營企業還款 | 1,526,405 | 1,362,402 |
| Advances to non-controlling interests | 向非控股權益墊款 | (3,773,585) | (2,065,213) |
| Repayment from non-controlling interests | 非控股權益還款 | 2,863,289 | 934,554 |
| Advances to fellow subsidiaries | 向同系附屬公司墊款 | (7,514) | (13,150) |
| Repayment from fellow subsidiaries | 同系附屬公司還款 | 1,348 | 13,840 |
| Advances to intermediate holding companies | 向間接控股公司墊款 | (55) | (501) |
| Repayment from intermediate holding companies | 間接控股公司還款 | 269 | 248 |
| Advance to a third party | 向一名第三方墊款 | (194,790) | - |
| Repayment from third parties | 來自第三方還款 | 594,790 | - |
| Capital injection to associates | 向聯營公司注資 | (3,315) | - |
| Capital injection to joint ventures | 向合營企業注資 | (550,120) | (1,342,700) |
| Net cash outflow arising on acquisition of subsidiaries accounted for as assets acquisition | 產生自收購附屬公司並以資產收購入賬之現金流出淨額 | (439,273) | (450,975) |
| Net cash outflow arising on disposal of subsidiaries resulting in loss of control | 產生自出售附屬公司(導致失去控制權)之現金流出淨額 | (33,298) | - |
| Purchase of property, plant and equipment | 購買物業、廠房及設備 | (103,539) | (86,146) |
| Proceeds received on disposal of property, plant and equipment | 出售物業、廠房及設備所得款項 | 72 | 220 |
| Addition of investment properties | 添置投資物業 | (59,475) | - |
| Proceeds received on disposal of investment properties | 出售投資物業所得款項 | - | 11,634 |
| Investment in available-for-sales investment | 投資於可供出售投資 | - | (18,750) |
| NET CASH USED IN INVESTING ACTIVITIES | 投資活動耗用現金淨額 | (3,262,130) | (8,341,987) |

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|---|---------------------------------|-----------------------------------|-----------------------------------|
| FINANCING ACTIVITIES | 融資活動 | | |
| Proceeds from bank and other borrowings | 銀行及其他借貸之所得款項 | 5,935,550 | 1,349,939 |
| Repayment of bank and other borrowings | 償還銀行及其他借貸 | (2,771,709) | (2,876,500) |
| Advances from associates | 聯營公司墊款 | 207,078 | 302,584 |
| Repayment to associates | 向聯營公司還款 | (57,737) | (284,200) |
| Advances from joint ventures | 合營企業墊款 | 631,249 | 453,179 |
| Repayment to joint ventures | 向合營企業還款 | (3,976) | (183,300) |
| Advances from non-controlling interests | 非控股權益墊款 | 4,198,219 | 4,051,528 |
| Repayment to non-controlling interests | 向非控股權益還款 | (3,082,813) | (2,629,607) |
| Advances from intermediate holding companies | 間接控股公司墊款 | 4,022,862 | 923,343 |
| Repayment to intermediate holding companies | 向間接控股公司還款 | (18,456) | (1,285,982) |
| Advances from fellow subsidiaries | 同系附屬公司墊款 | 3,866,521 | 12,593,678 |
| Repayment to fellow subsidiaries | 向同系附屬公司還款 | (5,500,078) | (10,808,281) |
| Proceeds from issuance of bonds | 發行債券之所得款項 | 1,900,000 | - |
| Repayment of bonds | 償還債券 | (3,446,811) | - |
| Redemption of convertible bonds | 贖回可換股債券 | (1,924,119) | - |
| Interest paid | 已付利息 | (795,134) | (812,357) |
| Dividends paid | 已付股息 | (465,805) | (394,981) |
| Capital contributed by non-controlling interests of subsidiaries of the Group | 本集團附屬公司非控股權益注資 | 1,131,197 | 4,900,040 |
| NET CASH FROM FINANCING ACTIVITIES | 融資活動所得現金淨額 | 3,826,038 | 5,299,083 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 現金及等同現金項目增加(減少)淨額 | 1,816,624 | (720,202) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | 年初現金及等同現金項目 | 5,030,802 | 5,751,892 |
| EFFECT OF FOREIGN EXCHANGE RATE CHANGES | 匯率變動影響 | 18,835 | (888) |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, represented by bank balances and cash | 年終現金及等同現金項目， 指銀行結餘及現金 | 6,866,261 | 5,030,802 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

1. GENERAL

China Merchants Land Limited (the “Company”, together with its subsidiaries, collectively referred to as the “Group”) is incorporated in the Cayman Islands as a limited liability company and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of the registered office and principal place of business of the Company are disclosed in the “Corporate Information” section to the annual report.

The principal activity of the Company is investment holding and the principal activities of its subsidiaries are set out in note 41.

The Company’s immediate holding company is Success Well, a limited liability company incorporated in the British Virgin Islands (the “BVI”). One of its intermediate holding company is China Merchants Shekou Industrial Zone Holding Co., Ltd. (“China Merchants Shekou”), which is established in the People’s Republic of China (the “PRC”) and listed on the Shenzhen Stock Exchange Limited. The ultimate holding company of the Company is China Merchants Group Limited (“CMG”). CMG is a PRC enterprise regulated and directly managed by the State-owned Assets Supervision and Administration Commission of the State Council and is owned and controlled by the PRC government.

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

1. 一般資料

招商局置地有限公司(「本公司」，連同其附屬公司統稱「本集團」)為於開曼群島註冊成立之有限公司，其股份於香港聯合交易所有限公司(「聯交所」)主板上市。本公司之註冊辦事處及主要營業地點於年報「公司資料」一節中披露。

本公司之主要業務為投資控股，其附屬公司之主要業務載列於附註41。

本公司之直接控股公司為成惠(為於英屬處女群島(「英屬處女群島」)註冊成立之有限公司)。其其中一間間接控股公司為招商局蛇口工業區控股股份有限公司(「招商蛇口」)(為於中華人民共和國(「中國」)成立之公司，及於深圳證券交易所有限公司上市)。本公司之最終控股公司為招商局集團有限公司(「招商局集團」)。招商局集團為由國務院國有資產監督管理委員會監管並直接管理之中國企業，其屬中國政府所有並受其控制。

綜合財務報表以人民幣(「人民幣」)計值，與本公司之功能貨幣相同。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS(s)”) **New and amendments to HKFRSs that are mandatorily effective for the current year**

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

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

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

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

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

於本年度強制生效之新訂及經修訂香港財務報告準則

本集團已於本年度首次應用下列由香港會計師公會頒佈之新訂及經修訂香港財務報告準則。

| | |
|------------------------|---------------------------------------|
| 香港財務報告準則第9號 | 金融工具 |
| 香港財務報告準則第15號 | 來自客戶合約之收益及相關修訂 |
| 香港(國際財務報告詮釋委員會)–詮釋第22號 | 外幣交易及預付代價 |
| 香港財務報告準則第2號之修訂 | 以股份為基礎之付款交易之分類及計量 |
| 香港財務報告準則第4號之修訂 | 採用香港財務報告準則第4號保險合約時一併應用香港財務報告準則第9號金融工具 |
| 香港會計準則第28號之修訂 | 作為二零一四年至二零一六年週期香港財務報告準則之年度改進之一部分 |
| 香港會計準則第40號之修訂 | 投資物業之轉讓 |

除下文所述者外，於本年度應用新訂及經修訂香港財務報告準則不會對本年度及過往年度本集團之財務表現及狀況及／或該等綜合財務報表所載披露造成重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

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

New and amendments to HKFRSs that are mandatorily effective for the current year (continued)

Impacts on HKFRS 15 “Revenue from Contracts with Customers”

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

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

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

- sales of properties for sale;
- properties operation income; and
- rental income (not within the scope of HKFRS 15)

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

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

於本年度強制生效之新訂及經修訂香港財務報告準則(續)

香港財務報告準則第15號「來自客戶合約之收益」之影響

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

本集團已追溯應用香港財務報告準則第15號，而首次應用該準則之累計影響已於二零一八年一月一日首次應用當日確認，於首次應用日期之一切差異已於期初保留溢利或權益之其他部分(如適用)確認，且並無重列比較資料。再者，根據香港財務報告準則第15號之過渡條文，本集團選擇僅就於二零一八年一月一日尚未完成之合約追溯應用香港財務報告準則第15號。由於比較資料乃根據香港會計準則第18號「收益」及相關詮釋編製，因此，若干比較資料可能無法用作比較。

本集團自下列產生自來自客戶合約之收益之主要來源確認收益：

- 銷售可供出售物業；
- 物業營運收入；及
- 租金收入(不屬於香港財務報告準則第15號範圍)

本集團的履約責任及應用香港財務報告準則第15號導致的會計政策之資料分別於附註5及3披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

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

New and amendments to HKFRSs that are mandatorily effective for the current year (continued)

Summary of effects arising from initial application of HKFRS 15

The application of the HKFRS 15 has no significant impact on the timing and amounts of revenue recognised in the current year and the retained profits at 1 January 2018.

The table below illustrates the reclassification of deposits received in respect of pre-sale of properties to contract liabilities under HKFRS 15 at the date of initial application, 1 January 2018.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

於本年度強制生效之新訂及經修訂香港財務報告準則(續)

首次應用香港財務報告準則第15號產生之影響概要

應用香港財務報告準則第15號並無對本年度確認收益之時間及金額以及於二零一八年一月一日之保留盈利產生重大影響。

下表闡述於首次應用日期(即二零一八年一月一日)根據香港財務報告準則第15號將已收預售物業按金重新分類至合約負債。

| | | Deposits received in respect of pre-sale of properties | Contract liabilities |
|---|-------------------------------------|---|-----------------------------|
| | | 已收預售物業按金 | 合約負債 |
| | | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 |
| Closing balance at 31 December 2017 (previously reported) | 於二零一七年十二月三十一日的 期末結餘(過往已呈報) | 7,272,992 | – |
| Reclassification | 重新分類 | (7,272,992) | 7,272,992 |
| Opening balance at 1 January 2018 (under HKFRS 15) | 於二零一八年一月一日的期初結餘 (根據香港財務報告準則第15號) | – | 7,272,992 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

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

New and amendments to HKFRSs that are mandatorily effective for the current year (continued)

Summary of effects arising from initial application of HKFRS 15 (continued)

The following tables summarise the impacts of applying HKFRS 15 on the consolidated statement of financial position as at 31 December 2018 and its consolidated statement of profit or loss and other comprehensive income for the current year for each of the line items affected. Line items that were not affected by the changes have not been included.

Impact on the consolidated statement of financial position

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

於本年度強制生效之新訂及經修訂香港財務報告準則(續)

首次應用香港財務報告準則第15號產生之影響概要(續)

下表概述就受影響的各項目而言應用香港財務報告準則第15號對二零一八年十二月三十一日的綜合財務狀況表及其於本年度的綜合損益及其他全面收益表的影響。並無受到變動影響的項目尚未載入。

對綜合財務狀況表之影響

| | | As reported | Adjustments | Amount without application of HKFRS 15 |
|--|-------------|-------------|--------------|--|
| | | 如呈報 | 調整 | 並無應用香港財務報告準則第15號的金額 |
| | | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Current assets | 流動資產 | | | |
| Contract costs | 合約成本 | 75,625 | (75,625) | – |
| Current liabilities | 流動負債 | | | |
| Deposits received in respect of pre-sale of properties | 已收預售物業按金 | – | 14,886,338 | 14,886,338 |
| Contract liabilities | 合約負債 | 14,886,338 | (14,886,338) | – |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

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

New and amendments to HKFRSs that are mandatorily effective for the current year (continued)

Summary of effects arising from initial application of HKFRS 15 (continued)

Impact on the consolidated statement of profit or loss and other comprehensive income

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

於本年度強制生效之新訂及經修訂香港財務報告準則(續)

首次應用香港財務報告準則第15號產生之影響概要(續)

對綜合損益及其他全面收益表之影響

| | | As reported | Adjustments | Amount without application of HKFRS 15 |
|--------------------------------|---------|-------------------------|------------------------|---|
| | | 如呈報 RMB'000 人民幣千元 | 調整 RMB'000 人民幣千元 | 並無應用香港財務報告準則第15號的金額 RMB'000 人民幣千元 |
| Selling and marketing expenses | 銷售及營銷支出 | 348,037 | 75,625 | 423,662 |

Impact on the consolidated statement of cash flows

對綜合現金流量表之影響

| | | As reported | Adjustments | Amount without application of HKFRS 15 |
|--|------------|-------------------------|------------------------|---|
| | | 如呈報 RMB'000 人民幣千元 | 調整 RMB'000 人民幣千元 | 並無應用香港財務報告準則第15號的金額 RMB'000 人民幣千元 |
| Profit before tax | 除稅前溢利 | 3,796,321 | (75,625) | 3,720,696 |
| Increase in contract costs | 合約成本增加 | (75,625) | 75,625 | - |
| Increase in contract liabilities | 合約負債增加 | 7,613,346 | (7,613,346) | - |
| Increase in deposits received in respect of pre-sale of properties | 已收預售物業按金增加 | - | 7,613,346 | 7,613,346 |

Except as described above, the application of HKFRS 15 has had no material impact on the amounts reported set out in the consolidated financial statements.

除上文所述者外，應用香港財務報告準則第15號對綜合財務報表所載之已呈報金額並無重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

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

New and amendments to HKFRSs that are mandatorily effective for the current year (continued)

Impacts on HKFRS 9 “Financial Instruments”

In the current year, the Group has applied HKFRS 9 “Financial Instruments” and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for (1) the classification and measurement of financial assets and financial liabilities, (2) expected credit losses (“ECL”) for financial assets and (3) general hedge accounting.

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

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

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

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

於本年度強制生效之新訂及經修訂香港財務報告準則(續)

香港財務報告準則第9號「金融工具」的影響

於本年度，本集團已採納香港財務報告準則第9號「金融工具」及其他香港財務報告準則的相關相應修訂。香港財務報告準則第9號引入(1)金融資產及金融負債的分類及計量；(2)金融資產的預期信貸虧損(「預期信貸虧損」)；及(3)一般對沖會計法的新規定。

本集團已根據香港財務報告準則第9號所載的過渡條文採用香港財務報告準則第9號，即將分類及計量規定(包括預期信貸虧損模式項下之減值)追溯應用於二零一八年一月一日(首次應用日期)尚未取消確認的工具，且並無將該等規定應用於二零一八年一月一日已取消確認的工具。二零一七年十二月三十一日之賬面值與二零一八年一月一日之賬面值間的差額於期初保留溢利及其他權益組成部分中確認，並無重列比較資料。

因此，若干比較資料乃根據香港會計準則第39號「金融工具：確認及計量」編製，故若干比較資料無法比較。

應用香港財務報告準則第9號導致的會計政策於附註3披露。

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

New and amendments to HKFRSs that are mandatorily effective for the current year (continued)

Impacts on HKFRS 9 “Financial Instruments” (continued)

The table below illustrates the classification and measurement (including impairment) of financial assets and financial liabilities at the date of initial application, 1 January 2018.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

於本年度強制生效之新訂及經修訂香港財務報告準則(續)

香港財務報告準則第9號「金融工具」的影響(續)

下表載列須應用預期信貸虧損之金融資產及金融負債於首次應用日期二零一八年一月一日之分類及計量(包括減值)。

| | | Available- for-sale investment | Financial asset At FVTPL required by HKFRS 9 根據香港財務 報告準則第9號 之規定 按公平值 計入損益之 金融資產 |
|--|------------------------------------|--------------------------------------|---|
| | | RMB'000 人民幣千元 | RMB'000 人民幣千元 |
| Closing balance at 31 December 2017 | 於二零一七年十二月三十一日 | | |
| – HKAS 39 (previously reported) | 的期末結餘 – 香港會計準則第39號 (過往已呈報) | 18,750 | – |
| Effect arising from initial application of HKFRS 9: | 首次應用香港財務報告準則第9號 所產生的影響： | | |
| Reclassification | 重新分類 | | |
| From available-for-sale investment (Note) | 自可供出售投資(附註) | (18,750) | 18,750 |
| Opening balance at 1 January 2018 (under HKFRS 9) | 於二零一八年一月一日的期初結餘 (根據香港財務報告準則第9號) | – | 18,750 |

Note: At the date of initial application of HKFRS 9, the Group's equity investment of RMB18,750,000 were reclassified from available-for-sale investment to financial asset at fair value through profit or loss (“FVTPL”). The directors of the Company anticipated that the fair value gains/losses relating to that equity investment previously carried at cost less impairment was not material and no adjustment was made to retained profits as at 1 January 2018.

附註：於首次應用香港財務報告準則第9號日期，本集團為數人民幣18,750,000元之股權投資已由可供出售投資重新分類為按公平值計入損益(「按公平值計入損益」)之金融資產。本公司董事預計，與該先前按成本減減值列賬之股權投資有關之公平值收益/虧損並不重大，且並無對二零一八年一月一日之保留溢利作出調整。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

New and amendments to HKFRSs that are mandatorily effective for the current year (continued)

Impacts on HKFRS 9 “Financial Instruments” (continued)

The Group applies the HKFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables. To measure the ECL, trade receivables are grouped based on shared credit risk characteristics.

Loss allowances for other financial assets at amortised cost, which mainly comprise of pledged bank deposits, bank balances, amounts due from related parties and other receivables, are measured on 12m ECL basis and there had been no significant increase in credit risk since initial recognition.

The application of the HKFRS 9 has no significant impact on the provision of impairment of financial assets in the current year and retained profits at 1 January 2018.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

於本年度強制生效之新訂及經修訂香港財務報告準則(續)

香港財務報告準則第9號「金融工具」的影響(續)

本集團應用香港財務報告準則第9號之簡化方法計量預期信貸虧損，其就所有業務應收款項使用全期預期信貸虧損。為計量預期信貸虧損，業務應收款項按共同的信貸風險特徵及其他進行分組。

按攤銷成本計量的其他金融資產(包括已抵押銀行存款、銀行結餘、應收關聯公司款項及其他應收款項)之虧損撥備乃按12個月預期信貸虧損計量，且信貸風險自首次應用起並無大幅上升。

應用香港財務報告準則第9號對金融資產於本年度的減值虧損及二零一八年一月一日的保留溢利並無重大影響。

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

New and amendments to HKFRSs that are mandatorily effective for the current year (continued)
Impacts on opening consolidated statement of financial position arising from the application of all new standards

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

於本年度強制生效之新訂及經修訂香港財務報告準則(續)
 應用所有新準則對期初綜合財務狀況表的影響

| | | 31 December 2017 (Audited) 二零一七年 十二月 三十一日 (經審核) RMB'000 人民幣千元 | HKFRS 15 香港財務報告 準則第15號 RMB'000 人民幣千元 | HKFRS 9 香港財務報告 準則第9號 RMB'000 人民幣千元 | 1 January 2018 (Restated) 二零一八年 一月一日 (經重列) RMB'000 人民幣千元 |
|--|-------------------|---|--|--|---|
| Non-current assets | 非流動資產 | | | | |
| Available-for-sale investment | 可供出售投資 | 18,750 | – | (18,750) | – |
| Financial asset at FVTPL | 按公平值計入損益之 金融資產 | – | – | 18,750 | 18,750 |
| Others with no adjustments | 其他(並無調整) | 3,935,370 | – | – | 3,935,370 |
| | | 3,954,120 | – | – | 3,954,120 |
| Current assets | 流動資產 | | | | |
| Others with no adjustments | 其他(並無調整) | 53,863,192 | – | – | 53,863,192 |
| Current liabilities | 流動負債 | | | | |
| Deposits received in respect of pre-sale of properties | 已收預售物業按金 | 7,272,992 | (7,272,992) | – | – |
| Contract liabilities | 合約負債 | – | 7,272,992 | – | 7,272,992 |
| Others with no adjustments | 其他(並無調整) | 24,060,800 | – | – | 24,060,800 |
| | | 31,333,792 | – | – | 31,333,792 |
| Non-current liabilities | 非流動負債 | | | | |
| Others with no adjustments | 其他(並無調整) | 4,712,294 | – | – | 4,712,294 |
| | | 21,771,226 | – | – | 21,771,226 |
| Capital and reserves | 資本及儲備 | | | | |
| Share capital | 股本 | 39,132 | – | – | 39,132 |
| Reserves | 儲備 | 7,375,466 | – | – | 7,375,466 |
| Equity attributable to owners of the Company | 本公司擁有人應佔權益 | 7,414,598 | – | – | 7,414,598 |
| Non-controlling interests | 非控股權益 | 14,356,628 | – | – | 14,356,628 |
| Total equity | 權益總額 | 21,771,226 | – | – | 21,771,226 |

Note: For the purposes of reporting cash flows from operating activities under indirect method for the year ended 31 December 2018, movements in working capital have been computed based on opening statement of financial position as at 1 January 2018 as disclosed above.

附註：就以間接方法呈報截至二零一八年十二月三十一日止年度之經營活動現金流量而言，營運資金變動已根據上文所披露按於二零一八年一月一日之初財務狀況表計算。

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

New and amendments to HKFRSs issued but not yet effective

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

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

- 1 Effective for annual periods beginning on or after 1 January 2019
- 2 Effective for annual periods beginning on or after a date to be determined
- 3 Effective for annual periods beginning on or after 1 January 2021
- 4 Effective for business combination and asset acquisitions for which the acquisition date is on or after the beginning on or after 1 January 2020
- 5 Effective for annual periods beginning on or after 1 January 2020

The directors of the Company anticipate that, except as described below, the application of other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

已頒佈但尚未生效之新訂及經修訂香港財務報告準則

本集團並無提早採納已頒佈但尚未生效之新訂及經修訂香港財務報告準則：

| | |
|----------------------------|---|
| 香港財務報告準則第16號 | 租賃 ¹ |
| 香港財務報告準則第17號 | 保險合約 ³ |
| 香港(國際財務報告詮釋委員會) – 詮釋第23號 | 所得稅處理的不確定性 ¹ |
| 香港財務報告準則第3號之修訂 | 業務的定義 ⁴ |
| 香港財務報告準則第9號之修訂 | 具負補償之提前還款特性 ¹ |
| 香港財務報告準則第10號及香港會計準則第28號之修訂 | 投資者與其聯營公司或合營企業之間出售或注入資產 ² |
| 香港會計準則第1號及香港會計準則第8號之修訂 | 重大性的定義 ⁵ |
| 香港會計準則第19號之修訂 | 計劃修訂、縮減或結清 ¹ |
| 香港會計準則第28號之修訂 | 於聯營公司及合營企業之長期權益 ¹ |
| 香港財務報告準則之修訂 | 香港財務報告準則二零一五年至二零一七年週期之年度改進 ¹ |

- 1 於二零一九年一月一日或之後開始的年度期間生效
- 2 於將釐定的日期或之後開始的年度期間生效
- 3 於二零二一年一月一日或之後開始的年度期間生效
- 4 適用於收購日期為二零二零年一月一日或之後開始的首個年度期間開始當日或之後進行的業務合併
- 5 於二零二零年一月一日或之後開始的年度期間生效

本公司董事預期，除下文所述者外，應用其他新訂及經修訂香港財務報告準則於可見未來將不會對綜合財務報表產生重大影響。

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

New and amendments to HKFRSs issued but not yet effective (continued)

HKFRS 16 Leases

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

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer.

Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

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

Under HKAS 17, the Group has already recognised an asset and a related finance lease liability for finance lease arrangement and prepaid lease payments for leasehold lands where the Group is a lessee. The application of HKFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

已頒佈但尚未生效之新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號「租賃」

香港財務報告準則第16號引進一個綜合模型以識別租賃安排以及處理出租人及承租人的會計方法。香港財務報告準則第16號於其生效時將會取代香港會計準則第17號「租賃」及相關詮釋。

香港財務報告準則第16號按一項已識別資產是否由一名客戶控制的基準區分租賃及服務合約。

除短期租賃及低價值資產租賃外，承租人在會計上對經營及融資租賃之區分會被刪除，而所有承租人之租賃將以確認使用權資產及相應負債之模式取代。

使用權資產初步按成本計量，其後按成本(受若干例外情況規限)減累計折舊及減值虧損計量，就任何租賃負債的重新計量作出調整。租賃負債初步按當日未支付的租賃款項的現值計算。其後，就利息及租賃款項以及租賃修訂的影響(包括其他)調整租賃負債。就現金流量分類而言，本集團目前將前期預付租賃款項列作與自用租賃土地及分類為投資物業的租賃土地有關的投資現金流量，其他經營租賃付款則列作經營現金流量於應用香港財務報告準則第16號後，與租賃負債有關的租賃付款將分配至將由本集團按融資現金流量呈列的本金及利息部分。

根據香港會計準則第17號，本集團已就其作為承租人之融資租賃安排及租賃土地預付款確認一項資產及相關租賃負債。應用香港財務報告準則第16號可能導致該等資產之分類出現潛在變動，取決於本集團是否分開呈列使用權資產或於將呈列相應有關資產(倘擁有)之同一分列項目內呈列。

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

New and amendments to HKFRSs issued but not yet effective (continued)

HKFRS 16 Leases (continued)

Other than certain requirements which are also applicable to lessor, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

As at 31 December 2018, the Group has non-cancellable operating lease commitments of RMB404,747,000 as disclosed in note 37. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of HKFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

In addition, the Group currently considers refundable rental deposits paid of RMB13,088,000 and refundable rental deposits received of RMB84,879,000 as rights and obligations under leases to which HKAS 17 applies. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost. Adjustments to refundable rental deposits paid would be considered as additional lease payments and included in the carrying amount of right-of-use assets. Adjustments to refundable rental deposits received would be considered as advance lease payments.

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

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

已頒佈但尚未生效之新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號「租賃」(續)

除亦適用於出租人的若干規定外，香港財務報告準則第16號大致保留香港會計準則第17號內出租人會計規定，並繼續規定出租人將租賃分類為經營租賃或融資租賃。

此外，香港財務報告準則第16號亦要求較廣泛的披露。

於二零一八年十二月三十一日，本集團擁有不可撤銷經營租賃承擔人民幣404,747,000元(於附註37披露)。初步評估顯示，該等安排將符合租賃定義。於應用香港財務報告準則第16號時，本集團將就所有該等租賃確認使用權資產及相應負債，除非有關租賃符合低值或短期租賃之資格。

此外，本集團目前將已支付的可退還租賃按金人民幣13,088,000元及已收取可退回租賃按金人民幣84,879,000元視為香港會計準則第17號適用的租賃下的權利及義務。根據香港財務報告準則第16號下租賃付款的定義，有關按金並非與相關資產使用權有關的款項，因此，該等按金的賬面值可能會調整為攤銷成本。對已支付的可退還租賃按金作出的調整將被視為額外租賃付款並計入使用權資產的賬面值中，而對已收取的可退還租賃按金作出的調整則被視為預付租賃款項。

此外，應用新規定可能導致計量、呈列及披露會出現如上所述的變動。

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3. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

3. 主要會計政策

綜合財務報表乃按照香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表包括香港聯合交易所有限公司證券上市規則及香港公司條例規定之適用披露。

綜合財務報表乃按歷史成本法編製，惟於各報告期末按公平值計量之若干金融工具則除外，其於下文載列的會計政策闡釋。

歷史成本一般按交換貨品及服務所付代價之公平值計算。

公平值為市場參與者於計量日期進行之有序交易中出售資產所得或轉讓負債所付之價格，不論該價格是否直接觀察或利用其他估值技術而估計所得。估計資產或負債之公平值時，倘於計量日期市場參與者為一項資產或負債定價時會計及資產或負債特徵，則本集團亦須計及資產或負債特徵。就計量及／或於綜合財務報表披露而言，公平值按此基準釐定，惟香港財務報告準則第2號「以股份為基礎付款」範圍內之「租賃」以股份為基礎付款交易、香港會計準則第17號範圍內之租賃交易，及與公平值有部分相似但並非公平值之計量（如香港會計準則第2號「存貨」之可變現淨值或香港會計準則第36號「資產減值」之使用價值）除外。

非金融資產之公平值計量須計及市場參與者對該資產的最高效及最佳使用或出售予其他能以最高效及最佳使用該資產之市場參與者所產生之經濟利益。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

The principal accounting policies are set out below.

3. 主要會計政策(續)

就按公平值交易的金融工具及於其後期間使用不可觀察輸入數據計量公平值的估值技術而言，估值技術會進行調整，以致初步確認時估值技術的結果等於交易價格。

此外，就財務報告而言，公平值計量按公平值計量所用輸入數據之可觀察程度及公平值計量之輸入數據對其整體之重要性分為第一、二或三級，詳情如下：

- 第一級輸入數據為實體於計量日期可取得之相同資產或負債於活躍市場之報價(未經調整)；
- 第二級輸入數據為就資產或負債可直接或間接觀察之輸入數據(不包括第一級報價)；及
- 第三級輸入數據為資產或負債不可觀察之輸入數據。

主要會計政策載列如下。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Basis of consolidation

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

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

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

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

3. 主要會計政策(續)

綜合基準

綜合財務報表包括本公司及其附屬公司控制之實體之財務報表。倘屬以下情況，則本公司取得控制權：

- 於被投資方擁有權力；
- 因參與被投資方的業務而獲得或有權獲得可變回報；及
- 有能力行使其權力影響其回報。

倘有事實及情況顯示上述三個項控制因素中有一項或多項出現變化，則本集團會重新評估其是否控制投資對象。

倘本集團於被投資方的投票權未能佔大多數，但只要投票權足以賦予本集團實際能力可單方面掌控被投資方的相關業務時，本集團即對被投資方擁有權力。在評估本集團於被投資方的投票權是否足以賦予其權力時，本集團會考慮所有相關事實及情況，其中包括：

- 本集團持有投票權的規模相對於其他選票持有人持有投票權的規模及分散性；
- 本集團、其他選票持有人或其他人士持有的潛在投票權；
- 其他合約安排產生的權利；及
- 於需要作出決定(包括先前股東大會上的投票模式)時表明本集團當前擁有或並無擁有指導相關活動的能力之任何額外事實及情況。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Basis of consolidation (continued)

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

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

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

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

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

3. 主要會計政策(續)

綜合基準(續)

附屬公司之綜合入賬於本集團取得附屬公司控制權時開始，並於本集團失去有關附屬公司控制權時終止。具體而言，年內收購或出售的附屬公司之收入及開支乃自本集團取得控制權當日起計入綜合損益及其他全面收益表，直至本集團不再控制有關附屬公司當日為止。

附屬公司損益及其他全面收入之每個項目會歸屬於本公司擁有人及非控股權益。附屬公司之全面收入總額歸屬於本公司擁有人及控股權益，即使此舉將導致非控股權益結餘出現虧絀。

附屬公司的財務報表於有需要時作出調整，以使其會計政策與本集團的會計政策一致。

所有集團內公司間之資產及負債、權益、收入、開支及有關本集團成員公司間交易之現金流量在綜合賬目時悉數對銷。

附屬公司的非控股權益與本集團的權益分開呈列，於清盤後相當於其持有人有權按比例分佔相關附屬公司資產淨值之現存所有權權益。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Changes in the Group's interests in existing subsidiaries

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

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

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9/HKAS 39 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

3. 主要會計政策(續)

本集團於現有附屬公司之權益變動

本集團於附屬公司權益之變動如並無導致本集團失去該等附屬公司之控制權，則均以權益交易入賬。本集團之相關權益組成部分與非控股權益之賬面值均予以調整，以反映其於附屬公司之相關權益變動，包括按照本集團與非控股權益之權益比例，將本集團與非控股權益之間的相關儲備重新歸屬。

非控股權益經調整之相關金額與已付或已收代價公平值之間的差異直接於權益確認，並歸本公司擁有人所有。

當本集團失去對一個附屬公司之控制權，該附屬公司的資產及負債及非控股權益(如有)取消確認。收益或虧損於損益內確認，並計作下列兩者之差額：(i)已收代價公平值和任何保留權益公平值，及(ii)資產賬面值(包括商譽)，本公司擁有人應佔附屬公司負債。就該附屬公司過往於其他綜合收益確認的所有款項均按猶如本集團已直接出售該附屬公司相關資產或負債(即重新分類至損益或轉至適用香港財務報告準則所規定/允許的另一權益類別)。前附屬公司於失去控制權日時保留投資的公平值視為初次確認香港財務報告準則第9號/香港會計準則第39號項下後續會計處理之公平值，倘適用，或初次確認聯營公司或合資企業投資的成本。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Acquisition of a subsidiary not constituting a business

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

Goodwill

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

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

3. 主要會計政策(續)

不構成業務之附屬公司收購事項

當本集團收購資產及負債組別並不構成業務時，本集團識別及確認所收購之個別可識別資產及所承擔之負債，方法為首先將購買價按各自之公平值分配至金融資產／金融負債，然後將購買價之結餘分配至其他可識別資產及負債，基準為按其於購買日期之相對公平值。該項交易不會產生商譽或議價購買收益。

商譽

因收購業務產生之商譽乃收購業務當日確定之成本減累計減值虧損(如有)入賬。

就減值測試而言，商譽將分配至預計自合併之協同效應中受惠之本集團各現金產生單位(或現金產生單位組別)，指就內部管理用途監察商譽之最低級別，且不大於經營分部。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Goodwill (continued)

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

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

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

3. 主要會計政策(續)

商譽(續)

已獲分配商譽之現金產生單位(或一組現金產生單位)每年或倘有跡象顯示有關單位可能出現減值時更頻密地進行減值測試。就於某一報告期間進行收購所產生之商譽而言，獲分配商譽之現金產生單位(或一組現金產生單位)於該報告期間結算日之前作減值測試。倘可收回金額低於其賬面值，則首先分配減值虧損以減少任何商譽之賬面值，然後按比例根據各資產之賬面值分配至該單位(或一組現金產生單位)內之其他資產。

於出售相關現金產生單位或一組現金產生單位內的任何現金產生單位時，商譽之應佔金額計入釐定出售損益之金額內。當本集團出售現金產生單位(或一組現金產生單位中的現金產生單位)內的業務時，所出售商譽金額按所出售業務(或現金產生單位)與所保留現金單位(或一組現金產生單位)部分的相對價值計量。

本集團就收購聯營公司及合營企業產生的商譽之政策載列如下。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

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

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

3. 主要會計政策(續)

於聯營公司及合營企業之投資

聯營公司指本集團對其具有重大影響力之實體。重大影響力乃對投資對象之財務及經營政策有參與決策之權力，但並非控制或共同控制該等政策。

合營企業指一項合營安排，對安排擁有共同控制權之訂約方據此對安排之資產淨值擁有權利。共同控制權指按照合約協定對一項安排所共有之控制權，僅在相關活動決定必須獲得共同享有控制權之各方一致同意時存在。

聯營公司及合營企業之業績、資產及負債以權益會計法於該等綜合財務報表入賬。倘聯營公司及合營企業於類似情況就相似的交易及事件使用與本集團不同的會計政策，本集團已作出適當調整以使聯營公司及合營企業之會計政策與本集團會計政策一致。根據權益法，於聯營公司或合營企業之投資初步按成本於綜合財務狀況表確認，並於其後調整以確認本集團應佔該聯營公司或合營企業之損益及其他全面收入。於該聯營公司／合營企業的資產淨值(損益及其他全面收入除外)變動並不入賬，除非該等變動導致本集團持有的擁有權變動。當本集團應佔一間聯營公司或合營企業之虧損超出本集團於該聯營公司或合營企業之權益(包括實質上屬於本集團於該聯營公司或合營企業投資淨額一部分之任何長期權益)時，本集團終止確認其所佔進一步虧損。僅於本集團已產生法律或推定責任，或已代表該聯營公司或合營企業支付款項之情況下，方會確認額外虧損。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Investments in associates and joint ventures

(continued)

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

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

3. 主要會計政策(續)

於聯營公司及合營企業之投資(續)

於聯營公司或合營企業之投資自投資對象成為聯營公司或合營企業當日起使用權益法入賬。收購於聯營公司或合營企業之投資時，投資成本超出本集團應佔投資對象的可識別資產及負債之公平淨值的任何數額確認為商譽，並計入投資賬面值。本集團所佔可識別資產及負債於重新評估後之公平淨值超過投資成本之任何部分會於收購投資期間即時於損益確認。

本集團評估是否具客觀證據證明於聯營公司及合營企業之權益可能減值。倘若存在任何客觀證據，投資(包括商譽)之全部賬面值按單一資產根據香港會計準則第36號進行減值測試，方法為將其可收回金額(以使用價值與公平值減出售成本之較高者為準)與其賬面值作比較。已確認之任何減值虧損構成投資賬面值之一部分。根據香港會計準則第36號，減值虧損之任何撥回確認以投資其後增加之可收回金額為限。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Investments in associates and joint ventures

(continued)

When the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset within the scope of HKFRS 9/HKAS 39, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate or joint venture and the fair value of any retained interest and any proceeds from disposing the relevant interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate or joint venture.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

3. 主要會計政策(續)

於聯營公司及合營企業之投資(續)

倘若本集團失去對聯營公司之重大影響力或失去於合營企業之共同控制權，將被列作出售於該被投資方之全部權益，所產生之收益或虧損於損益確認。倘本集團於先前聯營公司或合營企業保留權益，而該保留權益為香港財務報告準則第9號／香港會計準則第39號範圍內的一項金融資產，則本集團按該日之公平值計量該保留權益，而該公平值被視為其於初步確認時之公平值。聯營公司或合營企業之賬面值，與於聯營公司或合營企業之任何保留權益之公平值及出售聯營公司或合營企業相關權益之任何所得款項間之差額於釐定出售聯營公司或合營企業之收益或虧損時計算在內。此外，本集團將先前於其他全面收益確認之有關該聯營公司或合營企業之所有款項按倘該聯營公司或合營企業已直接出售相關資產或負債則須遵循之相同基準入賬。因此，倘該聯營公司或合營企業先前於其他全面收益確認之收益或虧損重新分類至出售相關資產或負債之損益，則本集團於出售／部分出售相關聯營公司或合營企業時將該等收益或虧損由權益重新分類至損益(作為重新分類調整)。

當於聯營公司之投資成為於合營企業之投資，或於合營企業之投資成為於聯營公司之投資時，本集團繼續採用權益法。出現該等擁有權益變動後不會重新計量公平值。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Investments in associates and joint ventures

(continued)

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

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

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

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

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

3. 主要會計政策(續)

於聯營公司及合營企業之投資(續)

當本集團減少於聯營公司或合營企業之擁有權權益，但本集團繼續應用權益法時，倘過往於其他全面收入中就所削減擁有權權益確認之收益或虧損部分須於出售相關資產或負債時重新分類至損益，則有關收益或虧損部分會重新分類至損益。

倘集團實體與本集團之聯營公司或合營企業進行交易，與該聯營公司或合營企業交易所產生之損益僅會在有關聯營公司或合營企業之權益與本集團無關之情況下，方會於本集團之綜合財務報表中確認。

與客戶合約的收益(根據附註2的過渡應用香港財務報告準則第15號後)

根據香港財務報告準則第15號，本集團於達成履約責任時，即當特定的履約責任涉及的貨品或服務的「控制權」轉移至客戶時確認收入。

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

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration from the customer.

3. 主要會計政策(續)

與客戶合約的收益(根據附註2的過渡應用香港財務報告準則第15號後)(續)

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

- 客戶於本集團履約時同時收取及消耗本集團履約所提供的利益；
- 本集團的履約創建及增強客戶於本集團履約時控制的資產；或
- 本集團的履約未創建對本集團具有替代用途的資產，而本集團有強制執行權收取至今已履約部分的款項。

否則，收益於客戶獲得明確商品或服務控制權時確認。

合約負債指本集團因已自客戶收取代價，而須向客戶轉讓貨品或服務之責任。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

Existence of significant financing component

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

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

3. 主要會計政策(續)

與客戶合約的收益(根據附註2的過渡應用香港財務報告準則第15號後)(續)

按時間確認收益：計量完全達成履約責任的進度

完成達成履約責任的進度乃按輸出法計量，即透過直接計量迄今已轉讓予客戶之貨品或服務價值(相對合約項下承諾提供之餘下貨品或服務價值)確認收入，此方法最能反映本集團於轉讓貨品或服務控制權方面之履約情況。

存在重大融資成分

於釐定交易價格時，倘向客戶就轉移貨品或服務(不論以明示或暗示方式)而協定之付款時間為客戶或本集團帶來重大融資利益，則本集團就金錢時間值之影響而調整已承諾之代價金額。於該等情況下，合約含有重大融資成分。不論於合約中以明示呈列或合約訂約方協定之支付條款暗示融資承諾，合約中均存在重大融資成分。

就相關貨品或服務之支付與轉移期間少於一年之合約而言，本集團就任何重大融資成分應用不調整交易價格之可行權宜方法。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

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

Existence of significant financing component (continued)

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

Incremental costs of obtaining a contract

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

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

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

3. 主要會計政策(續)

與客戶合約的收益(根據附註2的過渡應用香港財務報告準則第15號後)(續)

存在重大融資成分(續)

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

獲得合約之增量成本

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

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

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

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

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

Costs to fulfil a contract

The Group incurs costs to fulfil a contract in its sales of properties for sale, e.g. construction of the properties and recognises as properties under development and for sale. The Group first assesses whether these costs qualify for recognition as an asset based on the following criteria:

- (a) the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify;
- (b) the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- (c) the costs are expected to be recovered.

The asset so recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate.

3. 主要會計政策(續)

與客戶合約的收益(根據附註2的過渡應用香港財務報告準則第15號後)(續)

履行合約之成本

本集團於銷售可供出售物業時產生履行合約之成本，例如建設物業以及確認為發展中及可供出售物業。本集團首先根據下列標準評估該等成本是否合資格確認為資產：

- (a) 有關成本與本集團可明確識別之合約或預期訂立之合約有直接關係；
- (b) 有關成本令本集團將用於履行(或持續履行)日後履約責任之資源得以產生或有所增加；及
- (c) 有關成本預期可收回。

由此確認之資產其後按系統性基準(與向客戶轉讓資產相關的貨品或服務一致)於損益攤銷。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

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

Revenue recognition (prior to 1 January 2018)

Revenue is measured at the fair value of the consideration received or receivable for goods sold and services rendered in the normal course of business, net of discounts, and sales related taxes, estimated customer returns and rebates.

Revenue from sales of properties in the ordinary course of business is recognised when the respective properties have been completed and delivered to the buyers, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the properties;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the properties sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Deposits and instalments received from purchasers of properties for sale prior to meeting the above criteria for revenue recognition are included in the consolidated statement of financial position as "Deposits received in respect of pre-sale of properties" under current liabilities.

3. 主要會計政策(續)

與客戶合約的收益(根據附註2的過渡應用香港財務報告準則第15號後)(續)

收益確認(於二零一八年一月一日前)

收益按所收取或應收取代價之公平值計量，指於一般業務過程中銷售貨物及提供服務之應收款項扣除折扣、銷售相關稅項、估計客戶退貨及回佣後之金額。

於一般業務過程中銷售物業之收益乃於各物業竣工及交付予買方時確認，而當時已達成以下所有條件：

- 本集團已將物業擁有權之重大風險及回報轉移予買方；
- 本集團概無保留一般視為與已售物業之擁有權有關之管理權，或其實際控制權；
- 收益金額能可靠計量；
- 與交易有關之經濟利益可能流入本集團；及
- 就交易產生或將產生之成本能可靠計量。

於達成以上有關收益確認之條件前自可供出售物業買方獲得之按金及分期付款已計入綜合財務狀況表流動負債項下之「已收預售物業按金」。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Revenue recognition (prior to 1 January 2018) (continued)

Properties operation income is recognised when services are provided.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

The recognition of rental income is described below.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

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

3. 主要會計政策(續)

與客戶合約的收益(根據附註2的過渡應用香港財務報告準則第15號後)(續)

收益確認(於二零一八年一月一日前)(續)

物業營運收入於提供服務時確認。

當經濟利益很可能流入本集團，且收入金額能夠可靠計量時，會確認金融資產之利息收入。利息收入參考未償還本金及適用實際利率按時間基準累計，實際利率指於金融資產預期年期將估計日後現金收入準確貼現至該資產初步確認時之賬面淨值之利率。

租金收入的確認描述如下。

租賃

凡租賃條款將擁有權的絕大部分風險及回報轉移至承租人時，租賃分類為融資租賃。所有其他租賃則分類為經營租賃。

於本集團一般業務過程中產生的租金收入呈列為收益。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the lease term.

The Group as lessee

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

Leasehold land and buildings

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as prepaid lease payments in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

3. 主要會計政策(續)

本集團作為出租人

經營租賃之租金收入乃按租賃期間以直線法於損益內確認。

本集團作為承租人

經營租賃付款於租期內按直線法確認為開支。

租賃土地及樓宇

當租賃包括土地及樓宇部分時，本集團根據各元素的大部分與擁有權有關的風險及回報是否已轉讓予本集團，就各元素分類為融資或經營租賃作出評估，除非兩部分均明顯屬經營租賃，則整項租賃分類為經營租賃。具體而言，最低租賃付款(包括任何一次性預付款)根據於租約開始時土地部分及樓宇部分的租賃權益公平值按比例於土地及樓宇部分之間分配。

倘租賃款項能夠可靠地分配，入賬為經營租賃的租賃土地權益於綜合財務狀況表呈列為「預付租賃款項」及以直線法於租期攤銷。倘租賃款項未能可靠地於土地及樓宇部分之間分配，則整項租賃一般分類為融資租賃，入賬為物業、廠房及設備。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Property, plant and equipment

Property, plant and equipment including leasehold land and buildings held for use in the production or for administrative purposes are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to allocate the cost of items of property, plant and equipment other than properties under construction less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

3. 主要會計政策(續)

物業、廠房及設備

物業、廠房及設備(包括持作生產或行政用途之租賃土地及樓宇)於綜合財務報表中按成本減其後累計折舊及其後累計減值虧損(如有)列賬。

物業、廠房及設備項目(在建物業除外)於其估計可使用年期以直線法確認折舊，以分配其成本減剩餘價值。估計可使用年期、剩餘價值及折舊方法於各報告期間結算日審閱，而估計之任何變動影響按將來適用法入賬。

物業、廠房及設備項目於出售時或當繼續使用該資產預期不會產生任何未來經濟利益時終止確認。出售或報廢物業、廠房及設備項目產生之任何收益或虧損，按銷售所得款項與資產賬面值間之差額釐定，並於損益確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

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

Properties under development and for sale

Properties under development and for sale under current assets are properties (under development or completed properties) held for future sale in the ordinary course of business and are stated at the lower of cost and net realisable value. Cost includes the costs of land, development expenditure incurred and, where appropriate, borrowing costs capitalised. Net realisable value is determined based on the estimated selling price in the ordinary course of business, which is estimated based on prevailing market conditions, less applicable variable selling expenses and the anticipated cost to completion, if any.

The Group transfers a property from properties for sale to investment property at cost when there is a change in use to hold the property to earn rentals or land for capital appreciation rather than for sale in the ordinary course of business, which is evidenced by the commencement of an operating lease to another party.

3. 主要會計政策(續)

投資物業

投資物業為賺取租金及／或資本升值而持有之物業。

投資物業初步按成本計量，包括任何直接應佔支出。於初步確認後，投資物業按成本減其後累計折舊及任何累計減值虧損列賬。確認折舊之目的是按直線法計及其估計剩餘價值後，撇銷投資物業於其估計可使用年期之成本。

投資物業於出售後或投資物業永久不再使用且預期出售不會產生未來經濟利益時終止確認。因終止確認物業而產生之任何收益或虧損(按資產之出售所得款項淨額與賬面值之差額計算)於物業終止確認期間計入損益。

發展中及可供出售物業

流動資產項下之發展中及可供出售物業為在日常業務過程中持作日後出售之發展中或已竣工物業，以成本與可變現淨值兩者之較低者入賬。成本包括土地成本、所產生開發費用及(倘適用)資本化借貸成本。可變現淨值乃按照一般業務過程中根據現行市況估計的估計售價減適用可變銷售開支及預期竣工成本(如有)釐定。

當用途改為持有物業以賺取租金或土地作資本增值而非於日常業務過程中出售時，本集團將物業按成本自可供出售物業轉撥至投資物業，此舉以向另一方開始經營租賃為憑證。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 since 1 January 2018. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, other than those classified as FVTPL, are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

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

Interest income which are not derived from the Group's ordinary course of business are presented as other income.

3. 主要會計政策(續)

金融工具

金融資產及金融負債經當集團實體成為工具合約條款一方時確認。

金融資產及金融負債初步按公平值計量，惟產生自客戶合約的業務應收款項自二零一八年一月一日起根據香港財務報告準則第15號初步計量除外。收購或發行金融資產及金融負債(不包括按公平值計入損益之金融資產或金融負債)直接應佔之交易成本於初步確認時加入金融資產公平值或從金融負債公平值扣除(倘適用)。收購按公平值計入損益之金融資產或金融負債直接應佔之交易成本即時於損益確認。

實際利率法為計算金融資產或金融負債的攤銷成本以及於相關期間分配利息收入及利息開支的方法。實際利率指將估計未來現金收入及付款(包括構成實際利率不可或缺部分的所有已付或已收費用及手續費、交易成本及其他溢價或折讓)於金融資產或金融負債預期年期或(倘適用)較短期間準確貼現至初次確認時的賬面淨值的利率。

並非於本集團一般業務過程產生的利息收入呈列為其他收入。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial Assets

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

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

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

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

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

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading.

3. 主要會計政策(續)

金融工具(續)

金融資產

金融資產的分類及其後計量(根據附註2的過渡應用香港財務報告準則第9號後)

符合下列條件之金融資產其後按攤銷成本計量：

- 金融資產乃於以收取合約現金流量為目的之商業模式內持有；及
- 合約條款於特定日期產生僅為支付本金及未償還本金利息的現金流量。

符合下列條件之金融資產其後按公平值計入其他全面收益(「按公平值計入其他全面收益」)計量：

- 以收取合約現金流動及出售為目的之業務模式下持有之金融資產；及
- 合約條款於指定日期產生之現金流動主要用作支付本金及未付本金之利息。

所有其他金融資產其後按公平值計入損益計量，倘該股本投資並非持作買賣，於金融資產首次應用／首次確認日期本集團可作不可撤回選擇於其他全面收益內呈列股本投資其後之公平值變動除外。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial Assets (continued)

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

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

(i) Amortised cost and interest income

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

(ii) Financial assets at FVTPL

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

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "fair value loss on derivative financial instruments" line item.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產的分類及其後計量(根據附註2的過渡應用香港財務報告準則第9號後)(續)

此外，倘可消除或大幅減少會計錯配，本集團可不可撤回地指定須按攤銷成本或按公平值計入其他全面收益計量之債務投資按公平值計入損益計量。

(i) 攤銷成本及利息收入

其後按攤銷成本計量的金融資產及債務工具乃使用實際利息法予以確認。利息收入乃對一項金融資產賬面總值應用實際利率予以計算，惟其後出現信貸減值的金融資產除外(見下文)。就其後出現信貸減值的金融資產而言，自下一報告期起，利息收入乃對金融資產攤銷成本應用實際利率予以確認。倘信貸減值金融工具的信貸風險好轉，使金融資產不再出現信貸減值，於釐定資產不再出現信貸減值後，自報告期開始起利息收入乃對金融資產賬面總值應用實際利率予以確認。

(ii) 按公平值計入損益的金融資產

不符合按攤銷成本或按公平值計入其他全面收入或指定為按公平值計入其他全面收入準則的金融資產按公平值計入損益計量。

於各報告期末，按公平值計入損益的金融資產按公平值計量，而任何公平值收益或虧損則在損益中確認。在損益中確認的收益或虧損淨額不包括金融資產所賺取的任何股息或利息，並計入「衍生金融工具的公平值虧損」項目內。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial Assets (continued)

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

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

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

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(根據附註2的過渡應用香港財務報告準則第9號後)

本集團就根據香港財務報告準則第9號面臨減值的金融資產(包括業務及其他應收款項以及銀行結餘或現金)的預期信貸虧損確認虧損撥備。預期信貸虧損金額於各報告日期更新，以反映自初步確認以來的信貸風險變動。

全期預期信貸虧損指於相關工具的預期年期內所有潛在違約事件所產生的預期信貸虧損。相反，12個月預期信貸虧損(「12個月預期信貸虧損」)指預期將於報告日期後12個月內可能發生的違約事件所產生的全期預期信貸虧損部分。評估是根據本集團過往信貸虧損經驗(就債務人的特定因素作出調整)、整體經濟狀況及於報告日期的現時狀況及未來狀況預測的評估進行。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial Assets (continued)

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

The Group always recognise lifetime ECL for trade receivables. The ECL on trade receivables is assessed individually for debtors with significant balances.

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

(i) Significant increase in credit risk

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

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

- an actual or expected significant deterioration in the financial instrument's internal credit rating;

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(根據附註2的過渡應用香港財務報告準則第9號後)(續)

本集團一直就業務應收款項確認全期預期信貸虧損。就其有重大結餘的債務人而言，業務應收款項的預期信貸虧損乃個別評估。

就所有其他工具而言，本集團計量金額相等於12個月預期信貸虧損的虧損撥備，除非信貸風險自初步確認以來顯著增加，則本集團確認全期預期信貸虧損。評估應否確認全期預期信貸虧損是基於自初步確認以來發生違約情況的可能性或風險有否顯著增加。

(i) 信貸風險顯著增加

評估金融工具的信貸風險是否自初次確認以來顯著增加時，本集團比較於報告日期金融工具發生違約的風險與於初次確認日期金融工具發生違約的風險。作出該評估時，本集團考慮合理可作為依據的定量及定性資料，包括毋須付出不必要成本或資源獲得的過往經驗及前瞻資料。

具體而言，評估信貸風險有否顯著增加時考慮下列資料：

- 金融工具的內部信貸評級實際或預期嚴重轉差；

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial Assets (continued)

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

- (i) Significant increase in credit risk (continued)
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
 - an actual or expected significant deterioration in the operating results of the debtor; significant increases in credit risk on other financial instruments of the same debtor;
 - an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

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

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(根據附註2的過渡應用香港財務報告準則第9號後)(續)

- (i) 信貸風險顯著增加(續)
- 業務、財務或經濟狀況的現存或預計不利變動預期會導致債務人履行其債務責任的能力大幅下降；
 - 債務人的經營業績實際或預期嚴重轉差；相同債務人的其他金融工具的信貸風險顯著增加；
 - 債務人的監管、經濟或技術環境實際或預期出現重大不利變動而導致債務人履行其債務責任的能力大幅下降。

不論上述評估結果如何，本集團假設當合約付款逾期超過30日時，金融資產的信貸風險已自初次確認以來顯著增加，除非本集團有合理可作為依據的資料顯示並非如此則作別論。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial Assets (continued)

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

(i) Significant increase in credit risk (continued)

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

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitments is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

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

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(根據附註2的過渡應用香港財務報告準則第9號後)(續)

(i) 信貸風險顯著增加(續)

儘管上文所述，本集團假設倘金融工具釐定為於報告日期具有低信貸風險，則金融工具的信貸風險自初次確認以來並無顯著增加。倘屬以下情況，金融工具釐定為具有低信貸風險：(i)金融工具具有低違約風險；(ii)借款人於短期內具備雄厚實力履行其合約現金流量責任；及(iii)長期經濟及業務狀況的不利變動可能但不一定削弱借款人履行其合約現金流量責任的能力。倘按國際通用定義金融資產的內部或外部信貸評級為「投資級別」，本集團認為其信貸風險為低。

就財務擔保合約而言，本集團成為不可撤回承擔的承擔方當日被視為就評估金融工具減值進行初步確認之日期。於評估信貸風險在初步確認財務擔保合約後有否大幅增長時，本集團認為，風險變動乃特定債務人將違反合約。

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

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial Assets (continued)

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

(ii) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

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

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(根據附註2的過渡應用香港財務報告準則第9號後)(續)

(ii) 違約的定義

本集團認為以下事項構成內部信貸風險管理違約事件，此乃由於過往經驗顯示符合以下任何一項標準的應收款項通常無法收回：

- 交易對手方違反財務契約時；或
- 內部建立或自外部取得的資料顯示，債務人不大可能支付全額款項予債權人(包括本集團)(並未考慮本集團所持有的任何抵押品)。

倘不考慮上述分析，本集團認為，倘金融資產逾期超過90天，則違約已發生，除非本集團擁有合理及可靠資料顯示一項更滯後的違約標準較合適則當別論。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial Assets (continued)

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

(iii) Credit-impaired financial assets

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

- (a) significant financial difficulty of the borrower or issuer;
- (b) a breach of contract such as a default or past due event;
- (c) the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- (d) the disappearance of an active market for a security because of financial difficulties; or
- (e) the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write off constitutes a derecognition event. Any subsequent recoveries made are recognised in profit or loss.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(根據附註2的過渡應用香港財務報告準則第9號後)(續)

(iii) 已信貸減值之金融資產

當對金融資產估計未來現金流量具有不利影響的一項或多項事件發生時，該金融資產已出現信貸減值。金融資產已出現信貸減值的證據包括下列可觀察資料：

- (a) 借款人或發行方發生重大財務困難；
- (b) 違反合約，如違約或發生逾期事件等；
- (c) 貸方出於與借方財務困難有關的經濟或合約考慮，給予借方在任何其他情況下都不會做出的讓步；
- (d) 出現財務困難導致抵押品的活躍市場消失；或
- (e) 以大幅折讓購買一項金融資產，該折扣反映已產生的信貸虧損。

(iv) 撇銷政策

本集團在有資料顯示對手方陷入嚴重財務困難，且無實際收回可能之時(例如對手方遭受清盤或已進入破產程序)撇銷金融資產。在考慮法律意見(如適當)後，已撇銷金融資產仍可根據本集團之收回程序實施強制執行。撇銷構成一項取消確認事件。其後收回的任何款項於損益中確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial Assets (continued)

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

(v) Measurement and recognition of ECL

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

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the original effective interest rate.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

For ECL on financial guarantee contracts for which the effective interest rate cannot be determined, the Group will apply a discount rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows but only if, and to the extent that, the risk are taken into account by adjusting the discount rate instead of adjusting the cash shortfalls being discounted.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(根據附註2的過渡應用香港財務報告準則第9號後)(續)

(v) 預期信貸虧損之計量及確認

預期信貸虧損的計量為違約概率、違約損失率(即違約時的損失程度)及違約風險的函數。違約概率及違約損失率乃基於根據前瞻性資料調整的過往數據評估。預期信貸虧損的估計反映無偏概加權平均金額，以發生違約的風險為權重確定。

預期信貸虧損通常為根據合約應付本集團的所有合約現金流量與本集團預計收取的現金流量(按原實際利率折現)之間的差額。

就財務擔保合約而言，本集團僅須在債務人違反保證文書條款情況下作出付款。因此，預期虧損撥備為償還持有人所產生信貸虧損的預期付款減去本集團預期從持有人、債務人或任何其他方收取的任何金額。

就財務擔保合約的預期信貸虧損而言，倘實際利率無法釐定，本集團將採用可反映當前市場對貨幣時間價值的評估及現金流量特定風險的貼現率，惟僅當及僅限於調整貼現率時方考慮該等風險，而非調整現金差額進行貼現。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial Assets (continued)

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

(v) Measurement and recognition of ECL (continued)

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- nature of financial instruments (i.e. the consolidated trade and other receivables are each assessed as a separate group);
- past-due status;
- nature, size and industry of debtors; and
- external credit ratings where available.

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

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

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(根據附註2的過渡應用香港財務報告準則第9號後)(續)

(v) 預期信貸虧損之計量及確認(續)

全期預期信貸虧損乃按整體基準進行計量，以應對單項金融工具的信貸風險顯著增加的證據可能尚未獲得的情況下，金融工具乃按以下基準分類：

- 金融工具的性質(即綜合業務及其他應收款項均按單獨組別評估)；
- 逾期狀況；
- 債務人的性質、規模及行業；及
- 外部信貸評級(如有)。

管理層定期審閱此等分組，以確保各獨立組別組成部分繼續維持類似信用風險特徵。

利息收入乃根據金融資產的賬面總值計算，除非金融資產出現信貸減值，在此情況下，利息收入根據金融資產的攤銷成本計算。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial Assets (continued)

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

(v) Measurement and recognition of ECL (continued)

For financial guarantee contracts, the loss allowances are recognised at the higher of the amount of the loss allowance determined in accordance with HKFRS 9 and the amount initially recognised less, where appropriate, cumulative amount of income recognised over the guarantee period.

Except for financial guarantee contracts, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

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

Financial assets are classified into financial assets at FVTPL, available-for-sale (“AFS”) financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

(i) Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is (i) held for trading or (ii) it is designated as at FVTPL.

A financial asset is classified as held for trading if:

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

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(根據附註2的過渡應用香港財務報告準則第9號後)(續)

(v) 預期信貸虧損之計量及確認(續)

對於財務擔保合約，虧損撥備按照香港財務報告準則第9號確定的虧損撥備金額與在適當情況下以初步確認的金額減去在擔保期內確認的累計收入金額兩者的較高者確認。

除財務擔保合約外，本集團通過調整賬面值於損益確認所有金融工具的減值收益或虧損，惟相應調整通過虧損撥備賬確認的業務應收款項除外。

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

金融資產乃分類為按公平值計入損益的金融資產、可供出售(「可供出售」)金融資產以及貸款及應收款項。分類視乎金融資產之性質及目的並於初步確認時釐定。

(i) 按公平值計入損益之金融資產

當金融資產為(i)持作買賣或(ii)指定為按公平值計入損益，金融資產分類為按公平值計入損益。

金融資產於下列情況下列作持作買賣：

- 主要於短期內為出售目的而收購；或
- 於初次確認時屬於本集團共同管理且在近期內有短期獲利實際模式之已識別金融工具組合之部分；或
- 屬於未指定及有效作為對沖工具之衍生工具。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial Assets (continued)

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

(i) Financial assets at FVTPL (continued)

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Fair value is determined in the manner described in note 35.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

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

(i) 按公平值計入損益之金融資產(續)

金融資產(持作買賣的金融資產除外)可於下列情況下於初步確認時指定為按公平值計入損益:

- 有關指定消除或大幅減低計量或確認可能出現不一致之情況; 或
- 金融資產為一組金融資產或金融負債或兩者之組成部分, 其根據本集團明文訂明之風險管理或投資策略按公平值基準管理及評估表現, 且有關組別之資料按該基準由內部提供; 或
- 金融資產為包含一種或以上嵌入式衍生工具之合約之組成部分, 而香港會計準則第39號允許指定整份合併合約(資產或負債)為按公平值計入損益。

按公平值計入損益之金融資產以公平值列賬, 重新計量所產生之任何收益或虧損於損益確認。公平值按附註35所述之方式釐定。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial Assets (continued)

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

(ii) AFS financial assets

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

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses at the end of each reporting period (see the accounting policy in respect of impairment loss on financial assets below).

Dividends on AFS equity instruments are recognised in profit or loss when the Group's right to receive the dividend is established.

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, amounts due from related parties and bank balances and cash) are carried at amortised cost using the effective interest method, less any impairment (see accounting policy on impairment loss on financial assets below).

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

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

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

(ii) 可供出售金融資產

可供出售金融資產屬指定為可供出售或並無分類為(a)貸款及應收款項；(b)持有至到期之投資；或(c)按公平值計入損益之金融資產之非衍生工具。

並無活躍市場之市場報價及其公平值未能可靠計算之可供出售權益投資乃於各報告期間結算日按成本減任何已識別減值虧損計量(見下文有關金融資產減值虧損之會計政策)。

可供出售權益工具的股息於本集團確立收取股息的權利時於損益確認。

(iii) 貸款及應收款項

貸款及應收款項指附有固定或可釐定付款額及無活躍市場報價之非衍生金融資產。於初步確認後，貸款及應收款項(包括業務及其他應收款項、應收關連方款項以及銀行結餘及現金)採用實際利息法按攤銷成本減任何減值虧損計量(見下文有關金融資產減值虧損之會計政策)。

利息收入採用實際利率確認，惟短期應收款項除外，後者的利息確認並不重大。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial Assets (continued)

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

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

Objective evidence of impairment could include:

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

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Combined Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio and observable changes in national or local economic conditions that correlate with default on receivables.

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

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(於二零一八年一月一日應用香港財務報告準則第9號前)

除按公平值計入損益者外，金融資產會於各報告期間結算日評定是否有減值跡象。於有客觀憑證顯示金融資產之估計未來現金流因初步確認該金融資產後發生之一件或多件事件而受到影響時，金融資產會被視作已減值。

減值之客觀證據包括：

- 發行人或交易對手出現重大財政困難；
- 違約事件，如未能支付或延遲支付利息及本金；或
- 借款人很可能破產或進行財務重組。

若干金融資產類別如業務及其他應收款項，按個別基準評估為並無減值的資產其後按整體基準作減值評估。應收款項組合減值之客觀憑證可包括合併集團之過往收款經驗，組合內延期付款數目之增加以及與拖欠應收款項相關的全國或地方經濟狀況出現顯著變動。

就按攤銷成本列賬之金融資產，減值虧損金額按資產賬面值與以金融資產原始實際利率貼現之估計未來現金流現值兩者間之差額計量。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial Assets (continued)

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

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

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

In respect of AFS equity investments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(於二零一八年一月一日應用香港財務報告準則第9號前)(續)

就按成本列賬之金融資產，減值虧損金額按資產賬面值與以相似金融資產回報之現時市價貼現之估計未來現金流現值兩者間之差額計量。有關減值虧損不會於往後期間撥回。

所有金融資產之減值虧損會直接於金融資產之賬面值中扣減，惟業務應收款項除外，其賬面值透過使用撥備賬作出扣減。撥備賬之賬面值變動於損益確認。倘業務及其他應收款項被視為無法收回，則於撥備賬撇銷。其後收回之先前撇銷款項將計入損益。

就可供出售權益投資而言，早前於損益確認之減值虧損並不透過損益撥回。減值虧損後公平值之任何增加將於其他全面收益確認。

就按攤銷成本計量之金融資產而言，如於往後期間，減值虧損金額減少，而有關減少客觀上與確認減值虧損後發生之事件有關，則先前已確認之減值虧損將透過損益予以撥回，惟該資產於減值撥回當日之賬面值不得超過未確認減值時之攤銷成本。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial liabilities and equity

Classification as debt or equity

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

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

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

(i) Financial liabilities as FVTPL

Financial liabilities are classified as FVTPL when the financial liabilities are those designated as at FVTPL on initial recognition.

A financial liability may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

3. 主要會計政策(續)

金融工具(續)

金融負債及權益

分類為債務或權益

本集團發行之債務及股本工具按合約安排內容以及金融負債及權益工具之定義而歸類為金融負債或權益。

權益工具

權益工具為證明於一間實體經扣除其所有負債後的資產中所剩餘權益的任何合約。本公司發行的權益工具按已收所得款項扣除直接發行成本確認。

金融負債

所有金融負債其後使用實際利率法按攤銷成本或按公平值計入損益計量。

(i) 按公平值計入損益之金融負債

當金融負債於初步確認時被指定為按公平值計入損益時，其將獲歸類為按公平值計入損益之金融負債。

倘出現下列情況，金融負債可於初步確認時指定為按公平值計入損益：

- 有關指定消除或大幅減低計量或確認可能出現不一致之情況；或
- 金融負債為一組金融資產或金融負債或兩者之組成部分，其根據本集團明文訂明之風險管理或投資策略按公平值基準管理及評估表現，且有關組別之資料按該基準由內部提供；或

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial liabilities and equity (continued)

Financial liabilities (continued)

(i) Financial liabilities as FVTPL (continued)

- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Upon application of HKFRS 9, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

For financial liabilities that contain embedded derivatives, such as convertible bonds, the changes in fair value of the embedded derivatives are excluded in determining the amount to be presented in other comprehensive income. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained profits upon derecognition of the financial liability.

Prior to application of HKFRS 9 on 1 January 2018, financial liabilities designated at FVTPL are stated at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any interest paid on the financial liability and is included in the "fair value gain/loss on derivative financial instruments" line item.

3. 主要會計政策(續)

金融工具(續)

金融負債及權益(續)

金融負債(續)

(i) 按公平值計入損益之金融負債(續)

- 金融負債為包含一種或以上嵌入式衍生工具之合約的組成部分，而香港會計準則第39號允許指定整份合併合約(資產或負債)為按公平值計入損益。

應用香港財務報告準則第9號後，就指定為按公平值計入損益的金融負債而言，因金融負債信貸風險有變而導致其公平值變動的金額乃於其他全面收益中確認，除非於其他全面收益中確認該負債信貸風險變動的影響會產生或增加損益的會計錯配，則作別論。

就含有嵌入式衍生工具(例如可換股債券)的金融負債而言，嵌入式衍生工具的公平值變動撇除於釐定將於其他全面收益呈列的金額。於其他全面收益中確認的金融負債信貸風險引起的公平值變動其後不會重新分類至損益，而會於終止確認金融負債時轉入保留溢利。

於二零一八年一月一日應用香港財務報告準則第9號前，指定按公平值計入損益的金融負債乃以公平值列賬，而產生自公平值變動的任何收益或虧損於損益確認。於損益確認的收益或虧損淨額不包括就金融負債支付的任何利息，並計入「衍生金融工具的公平值收益／虧損」項目。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial liabilities and equity (continued)

Financial liabilities at amortised cost

Other financial liabilities including trade and other payables, loans from non-controlling interests and an intermediate holding company, bonds payable and bank and other borrowings and liability component of convertible bonds are subsequently measured at amortised cost, using the effective interest method.

Convertible bonds

Convertible bonds issued by the Group that contain the liability, equity components and derivatives (which are not closely related to the host liability component) are classified separately into respective items on initial recognition in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is classified as an equity instrument. At the date of issue, both the liability and derivative components are measured at fair value. The difference between the gross proceeds of the issue of the convertible bonds and the fair values assigned to the liability and derivatives, representing the conversion option for the holder to convert the loan notes into equity, is included in equity (i.e. convertible bonds equity reserve).

In subsequent periods, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. The derivative component is measured at fair value with changes in fair value recognised in profit or loss.

The equity component, representing the option to convert the convertible bonds into ordinary shares of the Company, will remain in convertible bonds equity reserve until the embedded option is exercised (in which case the balance stated in convertible bonds equity reserve will be transferred to share premium).

3. 主要會計政策(續)

金融工具(續)

金融負債及權益(續)

按攤銷成本計量之金融負債

其他金融負債(包括業務及其他應付款項、非控股權益貸款、間接控股公司貸款、應付債券以及銀行及其他借貸與可換股債券之負債部分)其後採用實際利息法按攤銷成本計量。

可換股債券

本集團發行之可換股債券包括負債、權益部分及衍生工具(與主負債部分並不密切相關)乃根據合約安排之內容以及金融負債及股本工具之定義於初步確認時獨立分類為上述各項。將以交換固定金額之現金或本公司固定數目之股本工具之另一種金融資產結算之轉換期權歸類為股本工具。於發行日期,負債及衍生部分均以公平值計量。發行可換股債券所得款項總額與賦予負債及衍生工具之公平值兩者間之差額,即持有人可將貸款票據轉換為股本之轉換期權,於權益內列賬(即可換股債券權益儲備)。

於其後期間,可換股債券之負債部分將採用實際利息法按攤銷成本列賬。衍生部分按公平值計量,公平值之變動則於損益確認。

權益部分指將可換股債券轉換為本公司普通股之期權,將保留於可換股債券權益儲備內,直至內含期權獲行使為止,在此情況下,列於可換股債券權益儲備之結餘會轉撥至股份溢價。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial liabilities and equity (continued)

Convertible bonds (continued)

Where the option remains unexercised at the expiry date, the balance stated in convertible bonds equity reserve will be released to retained profits. No gain or loss is recognised in profit or loss upon conversion or expiration of the option.

Upon redemption of the convertible bonds, the redemption consideration will be allocated to the liability component and equity component using the same allocation basis as when the convertible bonds were originally issued. Differences between the fair value and the carrying amount of the liability component will be recognised in profit or loss. The difference between the redemption consideration and the equity component will be included in equity (convertible bonds equity reserve) and released to retained profits.

Transaction costs that relate to the issue of the convertible bonds are allocated to the liability, equity and derivative components in proportion to the allocation of the gross proceeds. Transactions costs relating to the equity component are charged directly to equity. Transaction costs relating to conversion derivative are charged to profit or loss immediately. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible bonds using the effective interest method.

3. 主要會計政策(續)

金融工具(續)

金融負債及權益(續)

可換股債券(續)

若有關期權於屆滿日期仍未行使，則於可換股債券權益儲備之結餘轉撥至保留溢利。於有關期權獲轉換或屆滿時，概不會於損益內確認任何收益或虧損。

贖回可換股債券後，贖回代價將按可換股債券原先發行時之相同分配基準分配至負債部分及權益部分。負債部分之公平值與賬面值兩者間之差額將於損益確認。贖回代價與權益部分兩者間之差額將列入權益(可換股債券權益儲備)並轉至保留溢利。

與發行可換股債券有關之交易成本按所得款項總額之分配比例分配至負債、權益及衍生工具部分。與權益部分有關之交易成本直接在權益內扣除。與轉換衍生工具有關之交易成本直接在損益內扣除。與負債部分有關之交易成本則列入負債部分之賬面值並於可換股債券年期內採用實際利息法攤銷。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial liabilities and equity (continued)

Embedded derivatives (under HKFRS 9 since 1 January 2018)

Derivative embedded in hybrid contracts that contain financial asset hosts within the scope of HKFRS 9 are not separated. The entire hybrid contract is classified and subsequently measured in its entirety as either amortised cost or fair value as appropriate.

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of HKFRS 9 are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Embedded derivatives (before application of HKFRS 9 on 1 January 2018)

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in FVTPL.

3. 主要會計政策(續)

金融負債及權益(續)

嵌入式衍生工具(自二零一八年一月一日起根據香港財務報告準則第9號)

嵌入載有金融資產主體(屬於香港財務報告準則第9號範圍)的混成合約之衍生工具不會獨立處理。整份混成合約將分類及其後計量為攤銷成本或公平值(如適用)。

倘非衍生主體合約(不屬於香港財務報告準則第9號範圍內的金融資產)中嵌入的衍生工具符合衍生工具之定義，其風險及特性與主體合約之風險及特性並無密切關係，且主體合約並非按公平值計入損益計量，則視作獨立衍生工具處理。

嵌入式衍生工具(於二零一八年一月一日應用香港財務報告準則第9號前)

當包含於非衍生工具主體合約中之衍生工具符合衍生工具定義，其風險及特徵與主體合約之相應部分並不密切相關，同時主體合約並非按公平值(其變動乃按公平值計入損益)計量時，該等衍生工具被視作獨立之衍生工具。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial liabilities and equity (continued)

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

A financial guarantee contract issued by the Group and not designated as at FVTPL is recognised initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of obligation under the contract, as determined in accordance with HKAS 37 Provisions, Contingent Liabilities and Contingent Assets; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the revenue recognition policy.

Derecognition

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

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity, if any, is recognised in profit or loss.

A financial liability is derecognised when, and only when, the Group's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. 主要會計政策(續)

金融工具(續)

金融負債及權益(續)

財務擔保合約

財務擔保合約乃規定發出人向持有人支付指定金額之合約，以補償持有人由於指定欠債人未能根據債務工具條款於到期時付款而蒙受之損失。

由本集團出具並非指定為按公平值計入損益之財務擔保合約初步按公平值減出具財務擔保合約直接應佔之交易成本予以確認。初步確認後，本集團按以下各項較高者計量財務擔保合約：(i)合約責任金額(根據香港會計準則第37號撥備、或然負債及或然資產所釐定)；及(ii)初步確認金額減(倘適用)根據收益確認政策確認之累計攤銷。

終止確認

僅當自資產收取現金流量之合約權利屆滿時，或本集團將金融資產及資產擁有權絕大部分風險及回報轉讓予另一實體時，本集團方會終止確認金融資產。

於終止確認整項金融資產時，資產賬面值與已收及應收代價以及已在其他全面收入確認及在權益累計之累計收益或虧損之總和(如有)之差額於損益確認。

當且僅當本集團之責任獲解除、取消或到期時，本集團方會終止確認金融負債。終止確認之金融負債賬面值與已付及應付代價之差額於損益確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Impairment losses on tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount of tangible assets are estimated individually, when it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Before the Group recognises an impairment loss for assets capitalised as contract costs under HKFRS 15, the Group assesses and recognises any impairment loss on other assets related to the relevant contracts in accordance with applicable standards. Then, impairment loss, if any, for assets capitalised as contract costs is recognised to the extent the carrying amounts exceeds the remaining amount of consideration that the Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services that have not been recognised as expenses. The assets capitalised as contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

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

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

3. 主要會計政策(續)

有形資產減值虧損

本集團於報告期間結算日檢討其有形資產之賬面值，以確定有關資產是否出現減值虧損跡象。如有任何該等跡象，則會估計資產之可收回金額，以確定減值虧損(如有)之程度。有形資產之可收回金額乃個別估計，如不可能估計個別資產之可收回金額，則本集團會估計該類資產所屬現金產生單位之可收回金額。當識別合理及一致之分配基準時，企業資產亦會分配至個別現金產生單位，或按其他能識別以合理及一致之分配基準將其分配至最小之現金產生單位組別。

在本集團根據香港財務報告準則第15號將已資本化的合約成本計提前，本集團按適用準則評估及確認任何與相關合約有關的其他資產之減值虧損。屆時，倘賬面值超過本集團預期收取以換取相關貨品或服務的代價餘額減與直接與提供該等貨品或服務有關之成本(尚未確認為開支)，則就作為合約成本的資本化資產而言之減值虧損(如有)得以確認。資本化為合約成本之資產其後將計入其所屬現金產生單位之賬面值，以評估該現金產生單位之賬面值。

可收回金額為以公平值減出售成本與使用價值兩者之較高者。於評估使用價值時，估計未來現金流量以能反映當前市場評估金錢時間值及該資產特有風險之稅前貼現率貼現至其現值，而未來現金流量之估計則並未調整。

倘資產(或一項現金產生單位)之可收回金額估計低於其賬面值，則資產(或一項現金產生單位)之賬面值下調至其可收回金額。減值虧損會即時於損益中確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Impairment losses on tangible assets (continued)

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

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Retirement benefits costs

Payments to state-managed retirement benefit schemes/ the Mandatory Provident Fund Scheme (“MPF Scheme”) are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services.

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

3. 主要會計政策(續)

有形資產減值虧損(續)

倘其後撥回減值虧損，該資產(或現金產生單位)賬面值會調高至其經修訂之估計可收回金額，但增加之賬面值不得高於倘該資產(或一項現金產生單位)過往年度並無確認減值虧損時釐定之賬面值。撥回之減值虧損會即時於損益中確認。

借貸成本

因收購、興建或生產需要長時間籌備方可供其擬定用途或銷售之合資格資產所直接產生之借貸成本，加至該等資產之部分成本，直至該等資產已大致上可供其擬定用途或銷售為止。

運用特定借貸作短期投資以待撥入合資格資產之開支所賺取之投資收入，會從可供資本化之借貸成本中扣減。

所有其他借貸成本於產生期間於損益確認。

退休福利成本

於僱員就提供服務而享有供款時，國家管理退休福利計劃／強制性公積金計劃(「強積金計劃」)之供款確認為開支。

短期僱員福利

短期僱員福利按僱員提供服務時預計將予支付的未貼現福利金額予以確認。

負債乃按應給予僱員的福利(如工資及薪金、年假及病假)扣除任何已支付的金額後進行確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Company (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

Fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

3. 主要會計政策(續)

外幣

編製各個別集團實體之財務報表時，以該實體功能貨幣以外貨幣(外幣)進行之交易均按交易日期之現行匯率以其各自功能貨幣(即該實體經營之主要經濟環境之貨幣)入賬。於報告期間結算日，以外幣計值之貨幣項目按當日現行匯率重新換算，而按公平值以外幣入賬之非貨幣項目按釐定公平值當日之現行匯率重新換算。以外幣計值按歷史成本計量之非貨幣項目毋須重新換算。

結算及重新換算貨幣項目產生之匯兌差額均於產生期間於損益確認。重新換算按公平值入賬之非貨幣項目產生之匯兌差額計入當期損益。

為呈列綜合財務報表，本集團境外業務之資產及負債乃按於各報告期間結算日之匯率換算為本公司之呈列貨幣(即人民幣)。收支項目按年內之平均匯率進行換算。所產生之匯兌差額(如有)於其他全面收入確認，並於權益下以匯兌儲備累計(於適當時撥作非控股權益)。

收購海外業務產生之已收購可識別資產之公平值調整被視為海外業務之資產及負債，並按各報告期末適用之匯率重新換算。由此產生之匯兌差額於其他全面收益確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated statement of profit or loss and other comprehensive income because items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arise from the initial recognition of goodwill.

3. 主要會計政策(續)

政府補助

政府補助不予確認入賬，除非有合理保證證明本集團將遵守其附帶條件及將收取補助。

作為已產生開支或虧損之補償或為向本集團提供即時財務資助(並無日後相關成本)而可收取之政府補助，乃於其成為可收取之期間於損益中確認。

稅項

所得稅開支指即期應付稅項及遞延稅項之總和。

即期應付稅項乃根據年度應課稅溢利計算。應課稅溢利與於綜合損益及其他全面收益表所呈報之除稅前溢利不同，原因為其他年度之應課稅或可予扣稅之收入或開支項目及免稅或不可扣稅之項目。本集團有關即期稅項之負債採用於報告期間結算日已實施或實質已實施之稅率計算。

遞延稅項指在綜合財務報表內資產及負債之賬面值與計算應課稅溢利採用之相應稅基之差額。遞延稅項負債一般按所有應課稅暫時差額確認入賬，而遞延稅項資產則一般會在可能有應課稅溢利可供作抵銷可扣稅暫時差額時按所有該等可扣稅暫時差額確認入賬。倘因於既不影響應課稅溢利亦不影響會計溢利之交易中首次確認其他資產及負債時產生暫時差額，則不會確認有關遞延稅項資產及負債。此外，倘暫時性差異產生自初次確認商譽，遞延稅項負債將不會被確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Taxation (continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, and interests in joint ventures and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3. 主要會計政策(續)

稅項(續)

遞延稅項負債按於附屬公司之投資以及於合營企業及聯營公司之權益而產生之應課稅暫時差額確認入賬，惟倘本集團可控制暫時差額之撥回，且該暫時差額可能不會在可見將來撥回者除外。與該等投資及權益相關之可扣稅暫時差額所產生之遞延稅項資產，僅於可能有足夠應課稅溢利可以使用暫時差額之益處且預計於可見將來可以撥回時予以確認。此外，倘暫時性差異產生自初次確認商譽，遞延稅項負債將不會被確認。

遞延稅項資產賬面值於各報告期間結算日進行檢討，並於可能不會有足夠應課稅溢利可收回所有或部分資產時調減。

遞延稅項資產及負債根據於各報告期間結算日已實施或實質實施之稅率(及稅法)，按預期在負債償還或資產變現期間適用之稅率計量。

遞延稅項負債及資產之計量反映本集團在各報告期間結算日預期收回或清償其資產及負債賬面值之方式所導致之稅務後果。

即期及遞延稅項於損益中確認，惟倘即期及遞延稅項與於其他全面收入或直接於權益確認之項目有關，在此情況下即期及遞延稅項亦分別會在其他全面收入或直接於權益確認。

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4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the amounts of assets, liabilities, revenue and expenses reported and disclosures made in the consolidated financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgement in applying accounting policies

The following is the critical judgement, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Revenue recognition from sales of properties

Under HKFRS 15, control of the asset is transferred over time when the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Significant judgment is required in determining whether the terms of the Group's contracts with customers in relation to properties with no alternative use create an enforceable right to payment for the Group. The Group has considered the relevant local laws that apply to those relevant contracts. Based on the assessment of the Group's management, the terms of the relevant sales contracts do not create an enforceable right to payment for the Group and accordingly, the sales of properties is considered to be performance obligation satisfied at a point in time.

4. 重大會計判斷及估計所產生不明朗因素之主要來源

於應用附註3所述之本集團會計政策時，本公司董事須就綜合財務報表中所呈報之資產、負債、收益及開支之金額以及當中所作披露作出判斷、估計及假設。估計及相關假設以過往經驗及被視為有關之其他因素為基礎得出。實際結果可能有別於該等估計。

該等估計及相關假設將會持續檢討。倘會計估計之修訂將僅影響修訂期間，則會於該期間確認會計估計之修訂，或倘修訂影響本期間及未來期間，則會於修訂及未來期間確認會計估計之修訂。

應用會計政策的重大判斷

除涉及估計之判斷(見下文)外，以下為本公司董事於應用本集團之會計政策時作出且對綜合財務報表確認之金額有重大影響之重大判斷。

銷售物業的收益確認

根據香港財務報告準則第15號，當本集團的履約並無創造對本集團具有其他用途的資產及本集團擁有可強制執行權利收取迄今已履約部分的款項時，資產的控制權則會隨時間轉移。釐定本集團與並無其他用途的物業有關的客戶合約條款是否對本集團創造可強制執行付款權利需要作出重大判斷。本集團已考慮適用於該等相關合約的相關地方法律。根據本集團管理層的評估，相關銷售合約的條款並無對本集團創造可強制執行付款權利，故出售物業被視為於某一時間點履行的履約責任。

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4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimated write down of properties under development and for sale

The Group records properties under development and for sale at the lower of cost and net realisable value. Net realisable value of properties for sale is determined based on the estimated selling price in the ordinary course of business, which is estimated based on prevailing market conditions, less applicable variable selling expenses and the anticipated cost to completion, if any.

The Group writes down properties under development and for sale to net realisable value. If there is an increase in costs to completion or a decrease in net sales value, the net realisable value will decrease and this might result in write downs of properties under development and for sale to net realisable value. Write downs are recorded where events or changes in circumstances indicate that the balances may not be realised. The identification of write downs requires the use of judgements and estimates. If the expectation is different, it will impact the carrying value of properties under development and for sale in the period in which such estimate is changed. The carrying amount of properties under development and for sale of approximately RMB41,163,479,000, net of write downs of RMB419,650,000 (2017: carrying amount of RMB33,293,771,000, with no write down recognised) as at 31 December 2018 are set out in note 21.

4. 重大會計判斷及估計所產生不明朗因素之主要來源(續)

估計所產生不明朗因素之主要來源

以下為對於將來之主要假設，及於報告期間結算日之其他估計不明朗因素之主要來源，該等假設及估計具有導致對下個財政年度內之資產及負債賬面值作出重大調整之重大風險。

估計撇減發展中及可供出售物業

本集團以成本及可變現淨值的較低者為發展中及可供出售物業入賬。可供出售物業的可變現淨值乃基於在一般業務過程的估計售價釐定，其乃按照現行市價減適用可變銷售開支及竣工的預計成本(如有)而估計。

本集團將發展中及可供出售物業撇減至可變現淨值。倘竣工成本上升或銷售價值淨值下降，可變現淨值將減少，並可能導致將發展中及可供出售物業撇減至可變現淨值。倘有事件或情況改變而令該等結餘可能未能變現，則會記錄撇減。識別撇減要求使用判斷及估計。倘預計有所不同，其將於該估計變動期間影響發展中及可供出售物業的賬面值。於二零一八年十二月三十一日，發展中及可供出售物業的賬面值約人民幣41,163,479,000元(扣除人民幣419,650,000元的撇減)(二零一七年：人民幣33,293,771,000元，並無確認撇減)，並載於附註21。

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4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty (continued)

Impairment of amounts due from joint ventures and associates

The Group assesses impairment of amounts due from joint ventures and associates individually. The measurement of ECL of amounts due from joint ventures and associates under HKFRS 9 requires judgement, in particular, the estimation of the amount and timing of future cash flows when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, such as the financial information and the business plan of the joint ventures and associates. The Group has obtained the business plan of the associates and joint ventures at the time when advances are requested. The Group reviewed and assessed the profitability of those investees, the future economic outlooks and the timing of the collection and assessed a credit risk rating to those investees. Changes in these factors can result in different levels of allowances. At each reporting date, the Group assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the expected life, which is associated with the business plan of respective joint ventures and associates, between the reporting date and the date of initial recognition.

The directors of the Company anticipated that the amount of ECL on amounts due from joint ventures and associates are not significant as at 31 December 2018 and the carrying amounts of amounts due from joint ventures and associates are RMB6,856,282,000 and RMB777,922,000 (2017: RMB6,522,458,000 and RMB801,200,000), respectively.

Land appreciation tax ("LAT")

The Group is subject to LAT in the PRC, of which the implementation varies amongst different tax jurisdictions in various cities of the PRC. LAT is levied at progressive rates ranging from 30% to 60% on the land appreciation value. The Group recognises the land appreciation value as the proceeds of sales of properties less the estimated deductible expenditures including cost of land use right, borrowing costs and all relevant property development expenditures.

4. 重大會計判斷及估計所產生不明朗因素之主要來源(續)

估計所產生不明朗因素之主要來源(續)

應收合營企業及聯營公司款項的減值

本集團獨立評估應收合營企業及聯營公司款項的減值，尤其是未來現金流量的估計金額及時間。香港財務報告準則第9號項下就應收合營企業及聯營公司款項的預期信貸虧損虧損計量均要求作出判斷，特別是於釐定耗蝕虧損及評估信貸風險的顯著上升時須估計未來現金流量的數額及時間。該等估計由多項因素引起，例如合營企業及聯營公司的財務資料及業務計劃。本集團於要求提供墊款時已取得聯營公司及合營企業的業務計劃。本集團審閱及評估該等投資對象的盈利能力、日後經濟前景及收款時間以及評估該等投資對象的信貸風險評級。該等因素的變動可導致不同程度的撥備。於各報告日期，本集團透過比較於預計週期出現違約的風險評估自初次確認起信貸風險敞口於報告日期及初次確認日期之間有否大幅上升，其與相關合營企業及聯營公司的業務計劃有關。

本公司董事預計，應收合營企業及聯營公司的款項之預期信貸虧損金額於二零一八年十二月三十一日並不重大，而應收合營企業及聯營公司款項的賬面值分別為人民幣6,856,282,000元及人民幣777,922,000元(二零一七年：人民幣6,522,458,000元及人民幣801,200,000元)。

土地增值稅(「土地增值稅」)

本集團須繳納中國土地增值稅，惟中國各個城市不同之稅務司法權區對稅項之執行各異。土地增值稅按土地價值之增值以累進稅率30%至60%徵收。本集團將土地價值之增值確認為出售物業的所得款項減估計可扣除支出(包括土地使用權成本、借貸成本及所有相關物業發展開支)。

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4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty (continued)

Land appreciation tax ("LAT") (continued)

The Group recognises LAT in its consolidated statement of profit or loss and other comprehensive income when properties are delivered to the buyers, at the time when the final amounts of LAT payments have not been approved by the local tax authorities in the PRC. The Group recognised the LAT based on management's best estimates on the appreciation of land appreciation value. 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 period in which such tax is finalised with local tax authorities.

Deferred tax

Deferred tax assets of approximately RMB741,121,000 (2017: approximately RMB670,831,000) mainly in relation to tax losses and LAT have been recognised at 31 December 2018 as set out in note 20. The reliability of the deferred tax assets mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. The directors of the Company determine the deferred tax assets based on the enacted or substantially enacted tax rates and the best knowledge of profit projections of the Group for coming years during which the deferred tax assets are expected to be utilised. The directors of the Company will review the assumptions and profit projections by the end of the reporting period. In cases where the actual future profits generated are less than expected or there is a downward revision of estimated future profits, a reversal of deferred tax assets may arise, which would be recognised in the consolidated statement of profit or loss and other comprehensive income for the period in which such a reversal takes place.

4. 重大會計判斷及估計所產生不明朗因素之主要來源(續)

估計所產生不明朗因素之主要來源(續)

土地增值稅(「土地增值稅」)(續)

於中國地方稅務機關未批准土地增值稅的最終金額時，本集團於向買方交付物業時於綜合損益及其他全面收益表確認土地增值稅。本集團根據管理層對土地升值價值的最佳估計確認土地增值稅。最後稅務結果可能有別於最初入賬金額，而該等差額將於本集團與地方稅務機關落實有關稅項期間對所得稅開支及相關所得稅撥備構成影響。

遞延稅項

主要與稅項虧損及土地增值稅有關之遞延稅項資產約人民幣741,121,000元(二零一七年：約人民幣670,831,000元)於二零一八年十二月三十一日按照附註20所載分別予以確認。遞延稅項資產之可靠性主要取決於日後之溢利或應課稅暫時差額在未來是否足夠。本公司董事根據已實施或實質實施之稅率以及彼等所深知對本集團於預期將動用遞延稅項資產之未來數年期間之溢利預測，釐定遞延稅項資產。本公司董事將於各報告期間結算日檢討假設及溢利預測。倘所產生之實際未來溢利低於預期或估計未來溢利有所下調，可能出現遞延稅項資產撥回，而將於撥回出現期間於綜合損益及其他全面收益表內確認。

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4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty (continued)

Fair value measurement of financial instruments

Financial asset at FVTPL amounting to RMB16,711,000 as at 31 December 2018 is measured at fair value with fair value being determined based on unobserved inputs using valuation techniques. Judgement and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could affect the reported fair values of these instruments. Further disclosures regarding the fair value measurement of these financial assets are set out in note 35.

5. REVENUE

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

4. 重大會計判斷及估計所產生不明朗因素之主要來源(續)

估計所產生不明朗因素之主要來源(續)

金融工具的公平值計量

於二零一八年十二月三十一日，為數人民幣16,711,000元的按公平值計入損益之金融資產乃按公平值計量，而公平值乃根據不能觀察的輸入數據使用估值技巧釐定。確立相關估值技巧的相關輸入數據時須運用判斷及估計。與該等因素有關的假設變動可影響該等工具的已報告公平值。對於金融工具的公平值計量的進一步披露請參閱附註35。

5. 收益

本集團之年內收益分析如下：

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|---|----------------------|-----------------------------------|-----------------------------------|
| <i>By types of goods or services</i> | | | |
| Sales of properties for sale | 按商品或服務類型 出售可供出售物業 | 11,768,295 | 17,215,170 |
| Properties operation income | 物業營運收入 | 33,691 | 9,274 |
| Rental income from investment properties (Note 10) | 投資物業的租金收入(附註10) | 153,913 | 86,118 |
| | | 11,955,899 | 17,310,562 |
| <i>By timing of revenue recognition</i> | | | |
| At a point in time | 按確認收益的時間 於某一時間點 | 11,768,295 | 17,215,170 |
| Over time | 隨時間 | 33,691 | 9,274 |
| Revenue from contract with customers | 與客戶合約的收益 | 11,801,986 | 17,224,444 |
| Rental income from investment properties | 投資物業的租金收入 | 153,913 | 86,118 |
| | | 11,955,899 | 17,310,562 |

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5. REVENUE (continued)

The Group enters into a sale and purchase agreement at the stage the construction of the properties is still ongoing. Upon completion of the negotiation with the customers, the Group receives certain percentage of contract value as deposits from customers and recognised as contract liabilities under HKFRS 15. The Group may provide guarantee to banks in connection with mortgage granted to the customers to finance the advanced payment to the Group and the directors consider the amount of consideration allocated to this performance obligations not significant and no allocation of transaction price allocated to this performance obligation.

The Group considers the advance payment arrangement contain financing component and accordingly the amount of consideration will be adjusted for the effects of the time value of money taking into consideration the credit characteristics of the Group if it is significant. As this accrual may increase the amount of the contract liability during the period of construction, it increase the amount of revenue recognised when control of the completed property is transferred to the customer.

For contracts entered into with the customers on sales of properties, the Group recognises the revenue from sales of properties for sale at a point in time when the completed property is transferred to customers, being at the point that the customer obtains the control of the completed property.

Contract costs

Contract costs capitalised as at 31 December 2018 relate to the incremental sales commissions paid to property agents whose selling activities resulted in customers entering into sale and purchase agreements for the Group's properties which are still under construction at the reporting date. Contract costs are recognised as part of selling expenses in the consolidated statement of profit or loss in the period in which revenue from the related property sales is recognised. There was no impairment in relation to the costs or the costs capitalised during the year.

5. 收益(續)

本集團於物業建設仍在進行的階段訂立買賣協議。完成與客戶磋商後，本集團自客戶收取合約價值的若干百分比作為按金，並根據香港財務報告準則第15號確認為合約負債。本集團可能就向客戶授出的按揭而向銀行提供擔保，以撥付向本集團作出的墊款。董事認為，分配至此履約責任的代價金額並無重大，且並無將交易價格分配至此履約責任。

本集團認為墊款安排載有融資成分，故經計及本集團的信貸特徵(倘重大)後，代價的金額將就貨幣的時間值調整。由於此應計費用於工程期間可能增加合約負債的金額，於已竣工物業的控制權轉移至客戶時，其會增加已確認收益的金額。

就出售物業而與客戶訂立的合約而言，本集團於已竣工物業轉讓予客戶的時間點確認出售物業的收益，即客戶獲得已竣工物業的控制權。

合約成本

| | | 2018 二零一八年 RMB'000 人民幣千元 |
|---------------------------------------|-----------|-----------------------------------|
| Incremental costs to obtain contracts | 獲得合約的額外成本 | 75,625 |

於二零一八年十二月三十一日的資本化合約成本與支付予銷售活動導致客戶於報告日期就本集團在建物業訂立買賣協議的物業代理的增量銷售佣金有關。合約成本在確認相關物業銷售收入期間於綜合損益表中確認為銷售開支的一部分。年內並無與成本或資本化成本有關之減值。

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5. REVENUE (continued)

Contract costs (continued)

The Group applies the practical expedient and recognises the incremental costs of obtaining contracts relating to the sale of completed properties as an expense when incurred if the amortisation period of the assets that the Group otherwise would have recognised is one year or less.

Contract liabilities

| | | | |
|--|----------|------------|-----------|
| Deposits received in respect of pre-sale of properties | 已收預售物業按金 | | |
| | | 14,886,338 | 7,272,992 |

* The amounts in this column are after the adjustments from the application of HKFRS 15.

Contract liabilities are classified as current as they are expected to be settled within the Group's normal operating cycle.

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

| | | | |
|---|------------------|--|-----------|
| Revenue recognised that was included in the contract liabilities balance at the beginning of the year | 計入年初合約負債結餘之已確認收益 | | 7,011,219 |
|---|------------------|--|-----------|

6. SEGMENT INFORMATION

The Group has adopted HKFRS 8 "Operating Segments", which requires operating segments to be identified on the basis of internal report about the components of the Group that are regularly reviewed by the chief operating decision makers ("CODM") in order to allocate resources to segments and to assess their performance. The CODM is the Company's executive directors.

5. 收益(續)

合約成本(續)

本集團採用可行權宜方法，倘本集團原以其他方式確認的該等資產的攤銷期間為一年或以內，則於產生時將取得與銷售已落成物業的合約及服務有關的增量成本確認為開支。

合約負債

| 31.12.2018 二零一八年 十二月三十一日 RMB'000 人民幣千元 | 01.01.2018* 二零一八年 一月一日* RMB'000 人民幣千元 |
|--|---|
| 14,886,338 | 7,272,992 |

* 此欄的金額乃於應用香港財務報告準則第15號後作出調整。

倘合約負債預期於本集團一般營運週期內結算，則會分類為流動。

下表載列於本年度可確認有關結轉合約負債之收益金額。

Sales of properties for sale

銷售可供出售物業

RMB'000

人民幣千元

6. 分部資料

本集團已採納香港財務報告準則第8號「經營分部」，該準則規定經營分部按主要營運決策者（「主要營運決策者」）為分配資源至各分部及評估表現而定期審閱本集團各部門之內部報告為基準予以識別。主要營運決策者為本公司執行董事。

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6. SEGMENT INFORMATION (continued)

For the management purpose, the Group is currently organised into the following two operating and reportable segments: (i) Development and sales of properties and property leasing ("Properties Segment"); and (ii) sales of electronic and electrical related products and building related materials and equipment ("Trading Segment"). Each of which is considered as a separate operating segment by the CODM.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segments.

6. 分部資料(續)

為了管理的目的，本集團當前分類為以下兩個經營及可呈報分部：(i)物業開發及銷售與物業租賃(「物業分部」)；及(ii)電子及電器相關產品與建築相關材料及設備銷售(「貿易分部」)，該等分部各自被主要營運決策者視為獨立之經營分部。

分部收益及業績

以下為按可呈報及經營分部劃分之本集團收益及業績分析：

| | | Trading Segment 貿易分部 RMB'000 人民幣千元 | Properties Segment 物業分部 RMB'000 人民幣千元 | Consolidated 綜合 RMB'000 人民幣千元 |
|---|--------------------------|---|--|--|
| For the year ended 31 December 2018 | 截至二零一八年十二月三十一日止年度 | | | |
| Segment revenue | 分部收益 | | | |
| – external customers | – 外部客戶 | – | 11,955,899 | 11,955,899 |
| Segment results | 分部業績 | – | 4,372,678 | 4,372,678 |
| Net foreign exchange losses | 匯兌虧損淨額 | | | (143,575) |
| Unallocated income | 未分配收入 | | | 6,177 |
| Fair value losses on derivative financial instruments | 衍生金融工具之公平值虧損 | | | (27,696) |
| Unallocated expenses | 未分配支出 | | | (35,114) |
| Unallocated finance costs | 未分配融資成本 | | | (376,149) |
| Profit before tax | 除稅前溢利 | | | 3,796,321 |

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6. SEGMENT INFORMATION (continued) Segment revenue and results (continued)

6. 分部資料(續) 分部收益及業績(續)

| | | Trading Segment 貿易分部 RMB'000 人民幣千元 | Properties Segment 物業分部 RMB'000 人民幣千元 | Consolidated 綜合 RMB'000 人民幣千元 |
|--|-------------------------------|--|---|--|
| For the year ended 31 December 2017 | 截至二零一七年 十二月三十一日止年度 | | | |
| Segment revenue | 分部收益 | | | |
| – external customers | – 外部客戶 | – | 17,310,562 | 17,310,562 |
| Segment results | 分部業績 | – | 5,396,118 | 5,396,118 |
| Net foreign exchange gains | 匯兌收益淨額 | | | 198,638 |
| Unallocated income | 未分配收入 | | | 40,425 |
| Fair value losses on derivative financial instruments | 衍生金融工具之 公平值虧損 | | | (13,983) |
| Unallocated expenses | 未分配支出 | | | (35,909) |
| Unallocated finance costs | 未分配融資成本 | | | (283,811) |
| Profit before tax | 除稅前溢利 | | | 5,301,478 |

There was no inter-segment sales during both years.

兩個年度內並無分部間銷售。

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment results represent the profit earned by each segment without allocation of unallocated corporate costs, fair value loss on derivative financial instruments, net of certain finance costs, certain interest income and certain net foreign exchange losses/gains. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

經營分部之會計政策與附註3所述本集團之會計政策相同。分部業績指各分部在並無分配未分配公司成本、衍生金融工具之公平值虧損、若干融資成本淨額、若干利息收入及若干匯兌虧損／收益淨額前所產生之溢利。此乃向主要營運決策者匯報作資源分配及表現評估用途之衡量基準。

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6. SEGMENT INFORMATION (continued)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

6. 分部資料(續)

分部資產及負債

以下為按可呈報及經營分部劃分之本集團資產及負債分析：

| | | Trading Segment 貿易分部 RMB'000 人民幣千元 | Properties Segment 物業分部 RMB'000 人民幣千元 | Consolidated 綜合 RMB'000 人民幣千元 |
|-------------------------------|---------------------------|--|---|--|
| At 31 December 2018 | 於二零一八年 十二月三十一日 | | | |
| Segment assets | 分部資產 | – | 70,415,255 | 70,415,255 |
| Goodwill | 商譽 | | | 160,210 |
| Other unallocated assets | 其他未分配資產 | | | 695,200 |
| Total assets | 資產總值 | | | 71,270,665 |
| Segment liabilities | 分部負債 | – | 35,516,531 | 35,516,531 |
| Other unallocated liabilities | 其他未分配負債 | | | 11,957,106 |
| Total liabilities | 負債總額 | | | 47,473,637 |

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6. SEGMENT INFORMATION (continued)

Segment assets and liabilities (continued)

6. 分部資料(續)

分部資產及負債(續)

| | | Trading Segment 貿易分部 RMB'000 人民幣千元 | Properties Segment 物業分部 RMB'000 人民幣千元 | Consolidated 綜合 RMB'000 人民幣千元 |
|-------------------------------|---------------------------|--|---|--|
| At 31 December 2017 | 於二零一七年 十二月三十一日 | | | |
| Segment assets | 分部資產 | – | 56,886,277 | 56,886,277 |
| Goodwill | 商譽 | | | 160,210 |
| Other unallocated assets | 其他未分配資產 | | | 770,825 |
| Total assets | 資產總值 | | | 57,817,312 |
| Segment liabilities | 分部負債 | – | 25,829,938 | 25,829,938 |
| Other unallocated liabilities | 其他未分配負債 | | | 10,216,148 |
| Total liabilities | 負債總額 | | | 36,046,086 |

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets, other than derivative component of convertible bonds, goodwill and assets of the investment holding companies, are allocated to reportable and operating segments; and
- all liabilities, other than bonds payable, loans from intermediate holding company of the investment holding companies, liability component of convertible bonds, derivative component of convertible bonds and bank and other borrowings of the investment holding companies, are allocated to reportable and operating segments.

就監管分部表現及於分部間分配資源而言：

- 所有資產(不包括可換股債券之衍生工具部分、商譽及投資控股公司資產)均分配至可呈報及經營分部；及
- 所有負債(不包括應付債券、投資控股公司之間接控股公司貸款、可換股債券之負債部分、可換股債券之衍生工具部分及投資控股公司之銀行及其他借貸)均分配至可呈報及經營分部。

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6. SEGMENT INFORMATION (continued)

Other segment information

Amounts included in the measure of segment profit or loss or segment assets.

6. 分部資料(續)

其他分部資料

計算分部溢利或虧損或分部資產所計及之款項。

| | | Trading Segment 貿易分部 RMB'000 人民幣千元 | Properties Segment 物業分部 RMB'000 人民幣千元 | Consolidated 綜合 RMB'000 人民幣千元 |
|--|-------------------------------|---|--|--|
| For the year ended 31 December 2018 | 截至二零一八年 十二月三十一日止年度 | | | |
| Addition to non-current assets (Note) | 非流動資產添置(附註) | – | 2,139,752 | 2,139,752 |
| Interest income | 利息收入 | – | 272,277 | 272,277 |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | – | 17,249 | 17,249 |
| Depreciation of investment properties | 投資物業折舊 | – | 47,381 | 47,381 |
| For the year ended 31 December 2017 | 截至二零一七年 十二月三十一日止年度 | | | |
| Addition to non-current assets (Note) | 非流動資產添置(附註) | – | 1,880,568 | 1,880,568 |
| Interest income | 利息收入 | – | 132,641 | 132,641 |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | – | 10,795 | 10,795 |
| Depreciation of investment properties | 投資物業折舊 | – | 38,764 | 38,764 |

Note: Non-current assets exclude deferred tax assets, AFS investment and financial asset at FVTPL.

附註：非流動資產不包括遞延稅項資產、可供出售投資及按公平值計入損益的金融資產。

The Group's revenue from external customers is derived from the PRC, including Hong Kong. No single customer of the Group contributed 10% or more to the Group's revenue for both years.

本集團來自外部客戶之收益來源於中國(包括香港)。本集團並無單一客戶於本集團兩個年度之收益貢獻10%或以上。

Substantially all of the Group's non-current assets, excluding deferred tax assets and financial asset at FVTPL/AFS investments, are located in the PRC.

本集團絕大部分非流動資產(不包括遞延稅項資產及按公平值計入損益的金融資產/可供出售投資)位於中國。

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6. SEGMENT INFORMATION (continued)

Geographical information

The Group's Properties Segment is located in Foshan, Guangzhou, Nanjing and Jurong, Chongqing, Xi'an and Hong Kong.

Information about the revenue from external customers of Properties Segment and the assets of Properties Segment is presented based on the location of the assets.

6. 分部資料(續)

地理資料

本集團之物業分部位於佛山、廣州、南京及句容、重慶、西安及香港。

有關來自物業分部外部客戶之收益及物業分部之資產之資料按資產所在地呈列。

| | | Revenue from external customers 來自外部客戶之收益 | | Segment assets 分部資產 | |
|--------------------|-------|--|-----------------------------------|-----------------------------------|-----------------------------------|
| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
| Foshan | 佛山 | 3,928,201 | 3,872,741 | 15,210,485 | 16,674,902 |
| Guangzhou | 廣州 | 1,359,500 | 3,186,358 | 7,870,838 | 7,964,597 |
| Nanjing and Jurong | 南京及句容 | 2,579,408 | 5,663,082 | 24,564,880 | 16,809,335 |
| Chongqing | 重慶 | 3,880,841 | 3,075,552 | 18,674,530 | 14,063,967 |
| Xi'an | 西安 | 178,720 | 1,500,513 | 2,237,141 | 951,128 |
| Hong Kong | 香港 | 29,229 | 12,316 | 1,857,381 | 422,348 |
| | | 11,955,899 | 17,310,562 | 70,415,255 | 56,886,277 |

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7. OTHER INCOME

7. 其他收入

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|---|----------------|-----------------------------------|-----------------------------------|
| Bank interest income | 銀行利息收入 | 39,543 | 44,506 |
| Interest income from associates | 來自聯營公司之利息收入 | 30,205 | 76,714 |
| Interest income from joint ventures | 來自合營企業之利息收入 | 95,829 | 51,846 |
| Interest income from third parties (Note) | 來自第三方之利息收入(附註) | 85,593 | – |
| Gain on disposal of investment properties | 出售投資物業之收益 | – | 10,393 |
| Others | 其他 | 38,076 | 14,882 |
| | | 289,246 | 198,341 |

Note: The amount represented interest income of RMB85,593,000 (2017: Nil) which arose from advances to independent third parties for acquisitions of equity interests in their subsidiaries. These advances were unsecured and interest bearing ranging from 8% to 10% per annum. The acquisitions have subsequently been cancelled and the advances have been repaid from the third parties during the year ended 31 December 2018.

附註：有關金額指人民幣85,593,000元(二零一七年：零)的利息收入，乃產生自就收購獨立第三方的附屬公司之權益而向彼等提供的墊款。該等墊款為無抵押，並按8%至10%的年利率計息。收購其後經已取消，而第三方已於截至二零一八年十二月三十一日止年度償還墊款。

8. FINANCE COSTS

8. 融資成本

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|--|-------------------|-----------------------------------|-----------------------------------|
| Interest on: | 利息： | | |
| – bank and other borrowings | – 銀行及其他借貸 | 280,511 | 258,720 |
| – loans from an intermediate holding company | – 間接控股公司之貸款 | 157,861 | 95,161 |
| – loans from non-controlling interests | – 非控股權益之貸款 | 250,436 | 224,562 |
| – bonds | – 債券 | 170,764 | 163,784 |
| – convertible bonds | – 可換股債券 | 67,326 | 88,655 |
| Total borrowing costs | 總借貸成本 | 926,898 | 830,882 |
| Less: amounts capitalised in the cost of qualifying assets | 減：已資本化為合資格資產成本之款項 | (415,718) | (367,953) |
| | | 511,180 | 462,929 |

Borrowing costs capitalised to properties under development for sale were determined by the contracted interest rates of respective borrowings as disclosed in notes 26, 27, 28 and 29.

誠如附註26、27、28及29所披露，已資本化為可供出售發展中物業之借貸成本按各特定借貸之合約利率釐定。

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9. INCOME TAX EXPENSE

9. 所得稅支出

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|--|------------------|-----------------------------------|-----------------------------------|
| The income tax expenses (credits) comprise of: | 所得稅支付(抵免)包括： | | |
| PRC Enterprise Income Tax ("EIT") | 中國企業所得稅(「企業所得稅」) | | |
| – Current year | – 本年度 | 1,001,774 | 1,257,661 |
| – Under (over) provision in prior year | – 過往年度撥備不足(超額撥備) | 11 | (2,498) |
| LAT | 土地增值稅 | 733,504 | 1,168,684 |
| | | 1,735,289 | 2,423,847 |
| Deferred tax (Note 20) | 遞延稅項(附註20) | (144,480) | (61,352) |
| | | 1,590,809 | 2,362,495 |

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the statutory EIT rate of the subsidiaries incorporated in the PRC is 25%. Further, 5% or 10% withholding income tax is generally imposed on dividends relating to profits earned by the PRC entities that are owned by non-PRC entities within the Group.

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，於中國註冊成立之附屬公司之法定企業所得稅稅率為25%。此外，本集團旗下非中國實體所擁有之中國實體一般須就其所賺取溢利之股息繳納5%或10%之預提所得稅。

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9. INCOME TAX EXPENSE (continued)

LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less estimated deductible expenditures including cost of land use right, borrowing costs and all relevant property development expenditures.

No provision for Hong Kong Profits Tax has been made as the Group has no assessable profits in Hong Kong for both years.

The income tax expense for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

9. 所得稅支出(續)

土地增值稅按土地價值之增值以累進稅率30%至60%徵收，即銷售物業之所得款項減估計可扣減開支(包括土地使用權成本、借貸成本及所有相關物業發展開支)計算。

由於本集團於兩個年度均無香港應課稅溢利，故並無作出香港利得稅撥備。

本年度所得稅支出與綜合損益及其他全面收益表內除稅前溢利對賬如下：

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|---|----------------------|-----------------------------------|-----------------------------------|
| Profit before tax | 除稅前溢利 | 3,796,321 | 5,301,478 |
| Tax at the income tax rate of 25% (Note) | 按25%所得稅稅率計算之稅項(附註) | 949,080 | 1,325,370 |
| Tax effect of expenses not deductible for tax purposes | 不可扣稅之支出之稅務影響 | 158,363 | 285,723 |
| Tax effect of income not taxable for tax purposes | 毋須課稅之收入之稅務影響 | (153,679) | (253,216) |
| Tax effect of utilisation of tax losses previously not recognised | 動用過往未確認之稅項虧損之稅務影響 | (1,598) | (25,992) |
| Tax effect of tax losses not recognised | 未確認稅項虧損之稅務影響 | 5,079 | 14,346 |
| LAT | 土地增值稅 | 733,504 | 1,168,684 |
| Tax effect of LAT | 土地增值稅之稅務影響 | (183,376) | (292,171) |
| Under (over) provision in prior year | 過往年度撥備不足(超額撥備) | 11 | (2,498) |
| Tax effect of deductible temporary differences not recognised | 未確認可扣稅暫時差額之稅務影響 | 176,180 | 41,378 |
| Tax effect of utilisation of deductible temporary differences previously not recognised | 動用過往未確認之可扣稅暫時差額之稅務影響 | (25,384) | (35,513) |
| Dividend withholding tax expense | 股息預扣稅開支 | (74,190) | 108,817 |
| Effect of different tax rates in other jurisdictions | 其他司法權區不同稅率之影響 | 6,819 | 27,567 |
| Income tax expense | 所得稅支出 | 1,590,809 | 2,362,495 |

Note: 25% represents the tax rate where the operation of the Group is substantially based.

附註：25%為本集團大部分業務所在地之稅率。

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10. PROFIT BEFORE TAX

10. 除稅前溢利

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|--|----------------------|-----------------------------------|-----------------------------------|
| Profit before tax has been arrived at after charging (crediting): | 除稅前溢利經扣除(計及)下列各項後得出: | | |
| Employee benefits expenses (including directors' remuneration): | 僱員福利開支(包括董事薪酬): | | |
| Salaries and other allowances | 薪金及其他津貼 | 341,402 | 302,235 |
| Pension scheme contributions | 退休金計劃供款 | 26,538 | 18,945 |
| Total staff costs | 員工開支總額 | 367,940 | 321,180 |
| Less: Amounts capitalised to properties under development and for sale | 減: 已資本化為可供出售發展中物業之款項 | (208,797) | (178,049) |
| | | 159,143 | 143,131 |
| Gross rental income from investment properties (Note 5) | 投資物業總租金收入(附註5) | (153,913) | (86,118) |
| Less: Direct operating expenses incurred | 減: 所產生之直接經營開支 | 204,540 | 88,569 |
| | | 50,627 | 2,451 |
| Cost of properties for sale recognised as expenses | 確認作開支之可供出售物業成本 | 7,763,339 | 11,515,535 |
| Depreciation of investment properties | 投資物業折舊 | 47,381 | 38,764 |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 17,249 | 10,795 |
| Auditor's remuneration | 核數師酬金 | 3,783 | 3,842 |
| Impairment losses on properties for sale | 可供出售物業之減值虧損 | 419,650 | - |
| Loss on disposal of property, plant and equipment | 出售物業、廠房及設備虧損 | 9 | 156 |

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11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

(a) The emoluments paid or payable to each of the eleven (2017: eleven) directors were as follows:

For year ended 31 December 2018

11. 董事及僱員之薪酬

(a) 已付或應付11名(二零一七年：11名)董事之薪酬載列如下：

截至二零一八年十二月三十一日止年度

| | | Dr. So Shu Fai 蘇樹輝博士 RMB'000 人民幣千元 | Mr. Yu Zhiliang 余志良先生 RMB'000 人民幣千元 | Mr. Wong King Yuen 黃競源先生 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|---|-----------------------------------|--|---|--|---------------------------------|
| A. EXECUTIVE DIRECTORS: | A. 執行董事： | | | | |
| Fee paid or payable in respect of a person's services as a director, whether of the Company and its subsidiaries | 就作為本公司及其附屬公司董事所提供之服務而已付或應付的袍金 | - | - | - | - |
| Emoluments paid or payable in respect of a person's other services in connection with the management of the affairs of the Company and its subsidiaries | 就管理有關本公司及其附屬公司事務所提供之其他服務而已付或應付的薪酬 | | | | |
| Other emoluments: | 其他薪酬： | | | | |
| Salaries and allowances | 薪金及津貼 | 34 | 973 | 34 | 1,041 |
| Performance related incentive payments bonus (Note (i)) | 表現相關獎勵付款 花紅(附註(i)) | - | 785 | - | 785 |
| Retirement benefits scheme contributions | 退休福利計劃供款 | - | - | 2 | 2 |
| Sub-total | 小計 | 34 | 1,758 | 36 | 1,828 |

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11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (continued)

(a) The emoluments paid or payable to each of the eleven (2017: eleven) directors were as follows: (continued)

For year ended 31 December 2018 (continued)

11. 董事及僱員之薪酬(續)

(a) 已付或應付11名(二零一七年：11名)董事之薪酬載列如下：(續)

截至二零一八年十二月三十一日止年度(續)

| | Mr. Huang Junlong 黃均隆先生 RMB'000 人民幣千元 | Dr. Yan Chengda (note v) Yan Chengda 博士 (附註v) RMB'000 人民幣千元 | Mr. Xu Yongium 許永軍先生 RMB'000 人民幣千元 | Ms. Liu Ning 劉寧女士 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|---|--|---|---|--|---------------------------------|
| B. NON-EXECUTIVE DIRECTORS: Fees paid or payable in respect of a person's services as a director, whether of the Company and its subsidiaries | | | | | |
| B. 非執行董事： 就作為本公司及其附屬公司董事所提供之服務而已付或應付的袍金 | 34 | 21 | 34 | 34 | 123 |
| | | | | | |
| | | | | | |
| | | | | | |
| C. INDEPENDENT NON-EXECUTIVE DIRECTORS: Fees paid or payable in respect of a person's services as a director, whether of the Company and its subsidiaries | | | | | |
| C. 獨立非執行董事： 就作為本公司及其附屬公司董事所提供之服務而已付或應付的袍金 | 114 | 114 | 114 | 114 | 456 |
| Total emoluments | | | | | 2,407 |

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11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (continued)

(a) The emoluments paid or payable to each of the eleven (2017: eleven) directors were as follows: (continued)

For year ended 31 December 2017

11. 董事及僱員之薪酬(續)

(a) 已付或應付11名(二零一七年：11名)董事之薪酬載列如下：(續)

截至二零一七年十二月三十一日止年度

| Dr. So Shu Fai 蘇樹輝博士 RMB'000 人民幣千元 | Mr. Yu Zhiliang 余志良先生 RMB'000 人民幣千元 | Mr. Wong King Yuen 黃競源先生 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|--|---|--|---------------------------------|
|--|---|--|---------------------------------|

A. EXECUTIVE DIRECTORS:

Fees paid or payable in respect of a person's services as a director, whether of the Company and its subsidiaries

A. 執行董事：

就作為本公司及其附屬公司董事所提供之服務而已付或應付之袍金

- - - -

Emoluments paid or payable in respect of a person's other services in connection with the management of the affairs of the Company and its subsidiaries

就董事管理有關本公司及其附屬公司事務所提供之其他服務而已付或應付之薪酬

Other emoluments:

其他薪酬：

Salaries and allowances

薪金及津貼

35 1,151 35 1,221

Performance related incentive payments bonus (Note (i))

表現相關獎勵
付款花紅(附註(i))

- 724 - 724

Retirement benefits scheme contributions

退休金計劃供款

- - 2 2

Sub-total

薪酬小計

35 1,875 37 1,947

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11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (continued)

- (a) The emoluments paid or payable to each of the eleven (2017: eleven) directors were as follows: (continued)

For year ended 31 December 2017 (continued)

11. 董事及僱員之薪酬(續)

- (a) 已付或應付11名(二零一七年: 11名)董事之薪酬載列如下:(續)

截至二零一七年十二月三十一日止年度(續)

| | | | | | |
|---|----------------------------------|-----------------------------------|--------------------|-----------------|---------|
| | Mr. Huang Junlong | Dr. Yan Chengda Yan Chengda | Mr. Xu Yongjun | Ms. Liu Ning | Total |
| | 黃均隆先生 | 博士 | 許永軍先生 | 劉寧女士 | 總計 |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| B. NON-EXECUTIVE DIRECTORS: | B. 非執行董事: | | | | |
| Fees paid or payable in respect of a person's services as a director, whether of the Company and its subsidiaries | 就作為本公司及其附屬公司董事之服務已付或應收袍金 | | | | |
| | 35 | 35 | 35 | 35 | 140 |
| | Dr. Wong Wing Kuen, Albert | Ms. Chen Yanping | Dr. Shi Xinping | Mr. He Qi | Total |
| | 王永權博士 | 陳燕萍女士 | 史新平博士 | 何琦先生 | 總計 |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| C. INDEPENDENT NON-EXECUTIVE DIRECTORS: | C. 獨立非執行董事: | | | | |
| Fees paid or payable in respect of a person's services as a director, whether of the Company and its subsidiaries | 就作為本公司及其附屬公司董事之服務已付或應收袍金 | | | | |
| | 104 | 104 | 104 | 104 | 416 |
| Total | 總薪酬 | | | | 2,503 |

Notes:

- (i) The discretionary bonus was determined with reference to the individual performance.
- (ii) The Company does not have any chief executive for which the functions are carried out by all the executive directors.
- (iii) There was no arrangement under which a director waived or agreed to waive any remuneration for both years.
- (iv) No emoluments were paid by the Group to any of the directors as inducement to join or upon joining the Group or as compensation for loss of office.
- (v) Resigned on 13 August 2018.

附註:

- (i) 酌情花紅乃按個人表現釐定。
- (ii) 本公司概無任何行政總裁(其職能由全體執行董事履行)。
- (iii) 於兩個年度內,概無董事據此放棄或同意放棄任何酬金之安排。
- (iv) 本集團概無向任何董事支付薪酬,以作為其加入或於加入本集團時之獎勵或作為其離職補償。
- (v) 於二零一八年八月十三日辭任。

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11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (continued)

(b) The five highest paid employees of the Group during the year included no director (2017: one director whose emoluments are included in the disclosures in note 11(a) above). Details of the emoluments for the year of the remaining five (2017: four) highest paid employees are as follows:

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|--|-------------|-----------------------------------|-----------------------------------|
| Salaries, allowances and other benefits | 薪金、津貼及其他福利 | 6,073 | 1,362 |
| Contributions to retirement benefits schemes | 退休計劃供款 | 500 | 383 |
| Discretionary and performance related incentive payments | 酌情及表現相關獎勵付款 | 6,217 | 5,043 |
| | | 12,790 | 6,788 |

No emoluments were paid by the Group to any of the five highest-paid employees as inducement to join or upon joining the Group or as compensation for loss of office.

Their emoluments were within the following bands:

| | | Number of employees 僱員人數 | |
|--|--|-----------------------------|---------------|
| | | 2018 二零一八年 | 2017 二零一七年 |
| HK\$1,500,001 to HK\$2,000,000 (2018: approximately RMB1,265,851 to RMB1,687,800; 2017: approximately RMB1,300,501 to RMB1,734,000) | 港幣1,500,001元至港幣2,000,000元 (二零一八年：約人民幣1,265,851元至人民幣1,687,800元； 二零一七年：約人民幣1,300,501元至人民幣1,734,000元) | - | 3 |
| HK\$2,500,001 to HK\$3,000,000 (2018: approximately RMB2,109,751 to RMB2,531,700; 2017: approximately RMB2,167,501 to RMB2,601,000) | 港幣2,500,001元至港幣3,000,000元 (二零一八年：約人民幣2,109,751元至人民幣2,531,700元； 二零一七年：約人民幣2,167,501元至人民幣2,601,000元) | 3 | 1 |
| HK\$3,000,001 to HK\$3,500,000 (2018: approximately RMB2,531,701 to RMB2,953,650; 2017: approximately RMB2,601,001 to RMB3,034,500 in 2017) | 港幣3,000,001元至港幣3,500,000元 (二零一八年：約人民幣2,531,701元至人民幣2,953,650元； 二零一七年：約人民幣2,601,001元至人民幣3,034,500元) | 1 | - |
| HK\$4,000,001 to HK\$4,500,000 (2018: approximately RMB3,375,601 to RMB3,797,550; 2017: approximately RMB3,468,001 to RMB3,901,500) | 港幣4,000,001元至港幣4,500,000元 (二零一八年：約人民幣3,375,601元至人民幣3,797,550元； 二零一七年：約人民幣3,468,001元至人民幣3,901,500元) | 1 | - |
| | | 5 | 4 |

11. 董事及僱員之薪酬(續)

(b) 本集團五位最高薪酬人士中，零名(二零一七年：一名)人士為薪酬於上文附註11(a)披露之本公司董事。餘下五名(二零一七年：四名)人士之薪酬如下：

本集團概無向任何五位最高薪酬人士支付薪酬，以作為其加入或於加入本集團時之獎勵或作為其離職補償。

彼等薪酬介乎以下範圍：

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12. DIVIDENDS

During the year ended 31 December 2018, a final dividend of Hong Kong dollars ("HK\$") HK\$0.1 per ordinary share in respect of the year ended 31 December 2017 (2017: HK\$0.045 per ordinary share in respect of the year ended 31 December 2016) was declared and paid to the shareholders of the Company. The aggregate amount of final dividend paid from share premium of the Company during the year amounted to approximately RMB401,004,000 (2017: RMB195,970,000).

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2018 of HK\$0.08 (equivalent to approximately RMB0.07) per share has been proposed by the directors of the Company and is subject to approval by the shareholders of the Company in the forthcoming general meeting.

13. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

12. 股息

於截至二零一八年十二月三十一日止年度，本公司宣派截至二零一七年十二月三十一日止年度之末期股息每股普通股港幣（「港幣」）0.1元（二零一七年：截至二零一六年十二月三十一日止年度每股普通股港幣0.045元），並向本公司股東派付。末期股息總金額約人民幣401,004,000元（二零一七年：人民幣195,970,000元）乃於年內自本公司股份溢價派付。

於報告期間結算日後，本公司董事已建議派付有關截至二零一八年十二月三十一日止年度之末期股息每股港幣0.08元（相當於約人民幣0.07元），惟須待股東於應屆股東大會批准後，方可作實。

13. 每股盈利

本公司擁有人應佔每股基本及攤薄盈利乃按下列數據計算：

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|---|----------------------------|-----------------------------------|-----------------------------------|
| Earnings | 盈利 | | |
| Earnings for the purpose of basic earnings per share, being profit for the year attributable to owners of the Company | 計算每股基本盈利（即本公司擁有人應佔年內溢利）之盈利 | 1,216,132 | 1,638,124 |
| Effect of dilutive potential ordinary shares: | 潛在攤薄普通股之影響： | | |
| – Fair value changes on convertible bonds | – 可換股債券之公平值變動 | 27,696 | 13,983 |
| – Interest on convertible bonds (Notes 8 and 29) | – 可換股債券利息 (附註8及29) | 67,326 | 88,655 |
| Earnings for the purpose of diluted earnings per share | 計算每股攤薄盈利之盈利 | 1,311,154 | 1,740,762 |
| | | 2018 二零一八年 | 2017 二零一七年 |
| Number of shares | 股份數目 | | |
| Weighted average number of ordinary shares for the purpose of basic earnings per share | 計算每股基本盈利之普通股加權平均數 | 4,905,257,860 | 4,905,257,860 |
| Effect of dilutive potential ordinary shares: Convertible bonds (Note 29) | 潛在攤薄普通股之影響：可換股債券(附註29) | 393,696,134 | 780,976,042 |
| Weighted average number of ordinary shares for the purpose of diluted earnings per share | 計算每股攤薄盈利之普通股加權平均數 | 5,298,953,994 | 5,686,233,902 |

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14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

| | | Land and buildings 土地及樓宇 RMB'000 人民幣千元 | Leasehold improvements 租賃物業裝修 RMB'000 人民幣千元 | Motor vehicles 汽車 RMB'000 人民幣千元 | Office equipment 辦公室設備 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|--|-------------------------|---|--|--|---|---------------------------------|
| COST | 成本 | | | | | |
| At 1 January 2017 | 於二零一七年一月一日 | 28,453 | 31,591 | 9,710 | 13,391 | 83,145 |
| Additions | 添置 | - | 82,803 | 1,055 | 2,288 | 86,146 |
| Disposals | 出售 | - | - | (1,622) | (2,107) | (3,729) |
| At 31 December 2017 and 1 January 2018 | 於二零一七年十二月三十一日及二零一八年一月一日 | 28,453 | 114,394 | 9,143 | 13,572 | 165,562 |
| Additions | 添置 | - | 99,486 | 941 | 3,112 | 103,539 |
| Disposals | 出售 | - | - | (539) | (312) | (851) |
| Disposal of subsidiaries (Note 31) | 出售附屬公司(附註31) | - | - | (561) | (238) | (799) |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 28,453 | 213,880 | 8,984 | 16,134 | 267,451 |
| ACCUMULATED DEPRECIATION | 累計折舊 | | | | | |
| At 1 January 2017 | 於二零一七年一月一日 | 5,213 | 2,519 | 5,572 | 7,928 | 21,232 |
| Provided for the year | 年內撥備 | 1,026 | 5,246 | 1,837 | 2,686 | 10,795 |
| Eliminated on disposals | 於出售時對銷 | - | - | (1,482) | (1,871) | (3,353) |
| At 31 December 2017 and 1 January 2018 | 於二零一七年十二月三十一日及二零一八年一月一日 | 6,239 | 7,765 | 5,927 | 8,743 | 28,674 |
| Provided for the year | 年內撥備 | 1,026 | 12,887 | 895 | 2,441 | 17,249 |
| Eliminated on disposals | 於出售時對銷 | - | - | (478) | (292) | (770) |
| Disposal of subsidiaries (Note 31) | 出售附屬公司(附註31) | - | - | (457) | (192) | (649) |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 7,265 | 20,652 | 5,887 | 10,700 | 44,504 |
| CARRYING VALUES | 賬面值 | | | | | |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 21,188 | 193,228 | 3,097 | 5,434 | 222,947 |
| At 31 December 2017 | 於二零一七年十二月三十一日 | 22,214 | 106,629 | 3,216 | 4,829 | 136,888 |

The Group's land and buildings are erected on land located in the PRC.

本集團土地及樓宇建於中國土地上。

The above items of property, plant and equipment are depreciated using the straight-line basis, after taking into account of their estimated residual values, at the following rates per annum:

上述物業、廠房及設備項目經考慮其估計餘值後按以下年率以直線法計算折舊：

| | | | |
|------------------------|---|--------|-----------------|
| Land and buildings | 5% or over the lease terms of the relevant land, if shorter | 土地及樓宇 | 5%或(倘較短)按相關土地租期 |
| Leasehold improvements | 5% or over the lease terms of the relevant properties, if shorter | 租賃物業裝修 | 5%或(倘較短)按相關物業租期 |
| Motor vehicles | 15% – 20% | 汽車 | 15%–20% |
| Office equipment | 15% – 20% | 辦公室設備 | 15%–20% |

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15. INVESTMENT PROPERTIES

15. 投資物業

| | | Total 總計 RMB'000 人民幣千元 |
|--|-----------------------------|---------------------------------|
| COST | 成本 | |
| At 1 January 2017 | 於二零一七年一月一日 | 802,899 |
| Additions through acquisition of assets (Note 32) | 透過收購資產之添置 (附註32) | 451,722 |
| Disposals | 出售 | (1,520) |
| Exchange realignment | 匯兌調整 | (29,594) |
| At 31 December 2017 and 1 January 2018 | 於二零一七年十二月三十一日及 二零一八年一月一日 | 1,223,507 |
| Additions through acquisition of assets (Note 32) | 透過收購資產之添置(附註32) | 488,370 |
| Additions | 添置 | 59,475 |
| Transfer from properties for sale | 轉自可供出售物業 | 825,338 |
| Exchange realignment | 匯兌調整 | 62,610 |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 2,659,300 |
| ACCUMULATED DEPRECIATION | 累計折舊 | |
| At 1 January 2017 | 於二零一七年一月一日 | 1,740 |
| Provided for the year | 年內撥備 | 38,764 |
| Eliminated on disposals | 於出售時對銷 | (279) |
| Exchange realignment | 匯兌調整 | (281) |
| At 31 December 2017 and 1 January 2018 | 於二零一七年十二月三十一日 及二零一八年一月一日 | 39,944 |
| Provided for the year | 年內撥備 | 47,381 |
| Exchange realignment | 匯兌調整 | 905 |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 88,230 |
| CARRYING VALUES | 賬面值 | |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 2,571,070 |
| At 31 December 2017 | 於二零一七年十二月三十一日 | 1,183,563 |

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15. INVESTMENT PROPERTIES (continued)

The Group's investment properties are erected on land located in the PRC and Hong Kong.

The fair values of investment properties as at 31 December 2018 and 2017 of RMB3,020,600,000 and RMB1,291,002,000, respectively, have been arrived at on the basis of valuations carried out on the respective dates by Jones Lang LaSalle Corporate Appraisal and Advisory Limited ("Jones Lang"), an independent qualified professional valuer, not connected to the Group.

As at 31 December 2018, the fair value of investment properties of RMB27,600,000 (2017: RMB31,678,000) in Guangzhou, the PRC, is determined with reference to recent market prices for similar properties in similar locations and conditions for both years.

As at 31 December 2018, the fair value of investment properties of RMB1,723,000,000 and RMB1,270,000,000 (2017: RMB828,000,000 and RMB431,324,000) in Nanjing, the PRC and Hong Kong respectively, are determined based on the income approach, by taking into account the net rental income of a property derived from its existing leases and/or achievable in the existing market with due allowance for the reversionary income potential of the leases which have then been capitalised to determine the fair value at an appropriate capitalisation rate.

During the year ended 31 December 2018, the Group had changed the use of certain properties, of which had commenced the operating lease to outsiders during the year. Accordingly, it results in a transfer from properties for sale to investment properties.

The fair value hierarchy as at 31 December 2018 and 2017 of the investment properties of the Group are at Level 3. There were no transfers between fair value hierarchies during both years. There has been no change to the valuation technique on the investment properties in Guangzhou, Nanjing and Hong Kong, used in the prior years. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

15. 投資物業(續)

本集團投資物業建於中國及香港土地上。

投資物業之公平值於二零一八年及二零一七年十二月三十一日分別為人民幣3,020,600,000元及人民幣1,291,002,000元，乃按與本集團並無關連之獨立合資格專業估值師仲量聯行企業評估及諮詢有限公司(「仲量聯行」)於相關日期所作估值達致。

於二零一八年十二月三十一日，中國廣州投資物業之公平值為人民幣27,600,000元(二零一七年：人民幣31,678,000元)，乃參考相似地點及狀況之相似物業於兩個年度之最近市價釐定。

於二零一八年十二月三十一日，中國南京及香港投資物業公平值分別為人民幣1,723,000,000元及人民幣1,270,000,000元(二零一七年：人民幣828,000,000元及人民幣431,324,000元)，乃按收入法釐定，計及一項物業來自其現有租賃及／或於現有市場上可收取之租金收入淨值，並就該等租賃之復歸收入潛力作適當撥備，且當時已按適當資本化比率予以資本化以釐定公平值。

截至二零一八年十二月三十一日止年度，本集團已更改若干物業的用途，當中於年內與外來人士訂立經營租約。因此，其導致可供出售物業轉為投資物業。

本集團投資物業之公平值級別於二零一八年及二零一七年十二月三十一日為第三級。於兩個年度內，公平值級別之間概無轉換。過往年度廣州、南京及香港投資物業所用之估值技術並無變動。估計該等物業之公平值時，該等物業目前之用途為其最高及最佳用途。

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15. INVESTMENT PROPERTIES (continued)

The above investment properties are depreciated on a straight-line basis at the following rates per annum:

| | |
|----------------|--|
| Leasehold land | Over the term of the lease |
| Buildings | Over the shorter of lease term or 25 years |

15. 投資物業(續)

上述投資物業按以下年率以直線法計算折舊：

| | |
|------|---------------|
| 租賃土地 | 按租期 |
| 樓宇 | 按租期與25年兩者之較短者 |

16. GOODWILL

16. 商譽

RMB'000
人民幣千元

| COST AND CARRYING VALUE | 成本及賬面值 | |
|---|--|---------|
| At 1 January 2017, 31 December 2017 and 31 December 2018 | 於二零一七年一月一日、二零一七年 十二月三十一日及二零一八年十二月三十一日 | 160,210 |

Goodwill was arising from the restructuring during the year ended 31 December 2013. Goodwill has been allocated to the group of cash generating units ("CGUs") comprising the Properties Segment, that is expected to benefit from the synergies of the acquisition in prior years.

商譽源自於截至二零一三年十二月三十一日止年度之重組。商譽已分配至預期受惠於過去年度收購之協同效益之組成物業分部之現金產生單位(「現金產生單位」)組別。

The directors of the Company have performed the assessment on impairment and determined that the recoverable amount of CGUs was higher than the carrying amount of goodwill based on the profitability of the CGUs.

本公司董事已就減值進行評估並按現金產生單位之盈利釐定現金產生單位可收回金額較商譽賬面值為高。

17. INTERESTS IN ASSOCIATES

17. 於聯營公司之權益

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|------------------------------------|-----------|-----------------------------------|-----------------------------------|
| Costs of investments in associates | 投資聯營公司之成本 | 328,681 | 273,500 |
| Share of post-acquisition results | 分佔收購後業績 | 382,866 | 56,864 |
| | | 711,547 | 330,364 |

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17. INTERESTS IN ASSOCIATES (continued)

Details of the associates as at 31 December 2018 and 2017 are as follows:

17. 於聯營公司之權益(續)

於二零一八年及二零一七年十二月三十一日之聯營公司詳情載列如下：

| Name of company 公司名稱 | Place of incorporation/ operation 註冊成立/ 營業地點 | Registered share capital 註冊股本 | Proportion of effective ownership interests indirectly held by the Group 本集團所持擁有權 權益比例 | | Proportion of voting power held 所投票權比例 | | Principal activity 主要業務 |
|--|---|-------------------------------------|--|------------|---|------------|------------------------------|
| | | | 2018 | 2017 | 2018 | 2017 | |
| | | | 二零一八年 % | 二零一七年 % | 二零一八年 % | 二零一七年 % | |
| Guangzhou Lianzhou Real Estate Company Limited* ("Guangzhou Lianzhou") 廣州聯洲房地產有限公司 (「廣州聯洲」) | The PRC 中國 | RMB200,000,000 人民幣200,000,000元 | 34 | 34 | 34 | 34 | Property development 物業發展 |
| Guangzhou Liansen Real Estate Company Limited* ("Guangzhou Liansen") 廣州聯森房地產有限公司 (「廣州聯森」) | The PRC 中國 | RMB200,000,000 人民幣200,000,000元 | 34 | 34 | 34 | 34 | Property development 物業發展 |
| Nanjing Shizhaoquansheng Property Company Limited* ("Nanjing Shizhao") 南京世招荃晟置業有限公司 (「南京世招」) | The PRC 中國 | RMB250,000,000 人民幣250,000,000元 | 25 | 25 | 49 | 49 | Property development 物業發展 |
| Gezhouba Nanjing Property Company Limited* ("Gezhouba Nanjing") 葛洲壩南京置業有限公司 (「葛洲壩南京」) | The PRC 中國 | RMB50,000,000 人民幣50,000,000元 | 15 | 15 | 30 | 30 | Property development 物業發展 |
| Nanjing Merchants Ningsheng Property Development Limited* ("Nanjing Ningsheng") (Note) 南京招商寧盛房地產有限公司 (「南京寧盛」)(附註) | The PRC 中國 | RMB60,000,000 人民幣60,000,000元 | 16 | 26 | 31 | 51 | Property development 物業發展 |

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17. INTERESTS IN ASSOCIATES (continued)

17. 於聯營公司之權益(續)

| Name of company 公司名稱 | Place of incorporation/ operation 註冊成立/ 營業地點 | Registered share capital 註冊股本 | Proportion of effective ownership interests indirectly held by the Group 本集團所持擁有權 權益比例 | | Proportion of voting power held 所持投票權比例 | | Principal activity 主要業務 |
|---|---|-------------------------------------|--|--------------------|--|--------------------|------------------------------|
| | | | 2018 二零一八年 % | 2017 二零一七年 % | 2018 二零一八年 % | 2017 二零一七年 % | |
| Nanjing Merchants Xingsheng Property Development Co., Ltd.* ("Nanjing Xingsheng") (Note) 南京招商興盛房地產有限公司 (「南京興盛」)(附註) | The PRC 中國 | RMB50,000,000 人民幣50,000,000元 | 16 | 26 | 31 | 51 | Property development 物業發展 |
| Xian Wocheng Property Development Co., Ltd.* 西安沃呈房地產開發有限公司 | The PRC 中國 | RMB10,860,000 人民幣10,860,000元 | 33 | – | 33 | – | Property development 物業發展 |

* Unofficial English translation denotes for identification purpose only.

* 非官方英文翻譯，僅供參考。

Note: Nanjing Ningsheng and Nanjing Xingsheng were subsidiaries indirectly held by the Group through a non-wholly owned subsidiary immediately before the Group disposed 20% of each of their equity interest ("20% Disposal") to an independent third party during the year ended 31 December 2018. After the 20% Disposal, the Group lost its control but retained significant influence over Nanjing Ningsheng and Nanjing Xingsheng. Immediately after the 20% Disposal, Nanjing Ningsheng and Nanjing Xingsheng were derecognised as subsidiaries of the Company and accounted for as associates of the Group.

附註：緊接本集團於截至二零一八年十二月三十一日止年度期間向一名獨立第三方出售南京寧盛及南京興盛各自之20%權益(「20%出售事項」)前，該兩間公司由本集團透過一間非全資附屬公司間接持有。於20%出售事項後，本集團失去南京寧盛及南京興盛的控制權，惟仍對兩間公司有重大影響力。緊隨20%出售事項後，南京寧盛及南京興盛取消確認為本公司的附屬公司，並以本集團的聯營公司入賬。

The associates are accounted for using the equity method in these consolidated financial statements. In the opinion of the directors of the Company, Nanjing Shizhao, Guangzhou Liansen and Gezhouba Nanjing are the material associates of the Group for the years ended 31 December 2018 and 2017. Summarised financial information of the Group's material associates are set out below, which represented amounts shown in the respective associates' financial statements prepared in accordance with the accounting policy of the Group.

該等聯營公司於此等綜合財務報表使用權益法入賬。本公司董事認為，於截至二零一八年及二零一七年十二月三十一日止年度，南京世招、廣州聯森及葛洲壩南京均為本集團之重大聯營公司。本集團重大聯營公司之財務資料概要載列如下(為根據本集團會計政策編製之各聯營公司財務報表內之金額)。

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17. INTERESTS IN ASSOCIATES (continued)

17. 於聯營公司之權益(續)

| Gezhouba Nanjing 葛洲壩南京 | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|--|-------------------------|-----------------------------------|-----------------------------------|
| Current assets | 流動資產 | 4,971,743 | 5,612,953 |
| Non-current assets | 非流動資產 | 626 | 688 |
| Current liabilities | 流動負債 | 3,943,616 | 4,639,811 |
| Non-current liabilities | 非流動負債 | 600,000 | 980,000 |
| Revenue | 收益 | 2,613,112 | 433 |
| Profit (loss) and other comprehensive income (expense) for the year | 年內溢利(虧損)及 其他全面收入(支出) | 434,923 | (20,325) |

Reconciliation of the summarised financial information presented above to the carrying amount of the interest in Gezhouba Nanjing was set out below:

上文所示財務資料概要與於葛洲壩南京權益之賬面值對賬載列如下：

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|---|-----------------------|-----------------------------------|-----------------------------------|
| Net assets (liabilities) of Gezhouba Nanjing | 葛洲壩南京之資產(負債)淨值 | 428,753 | (6,170) |
| Proportion of the Group's ownership interest in Gezhouba Nanjing | 本集團所持葛洲壩南京擁有權 權益比例 | 30% | 30% |
| Carrying amount of the Group's interest in Gezhouba Nanjing | 本集團所持葛洲壩南京權益 之賬面值 | 128,626 | — |

| Guangzhou Liansen 廣州聯森 | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|--|-------------------------|-----------------------------------|-----------------------------------|
| Current assets | 流動資產 | 2,290,057 | 2,334,855 |
| Non-current assets | 非流動資產 | 51,141 | 22,643 |
| Current liabilities | 流動負債 | 1,675,607 | 2,277,630 |
| Revenue | 收益 | 2,365,587 | — |
| Profit (loss) and other comprehensive income (expense) for the year | 年內溢利(虧損)及其他全面 收入(支出) | 585,723 | (38,794) |

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17. INTERESTS IN ASSOCIATES (continued)

Reconciliation of the summarised financial information presented above to the carrying amount of the interest in Guangzhou Liansen was set out below:

17. 於聯營公司之權益(續)

上文所呈示財務資料概要與於廣州聯森權益之賬面值對賬載列如下：

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|---|-----------------|-----------------------------------|-----------------------------------|
| Net assets of Guangzhou Liansen | 廣州聯森之資產淨值 | 665,591 | 79,868 |
| Proportion of the Group's ownership interest in Guangzhou Liansen | 本集團所持廣州聯森擁有權益比例 | 34% | 34% |
| Carrying amount of the Group's interest in Guangzhou Liansen | 本集團所持廣州聯森權益之賬面值 | 226,301 | 27,155 |
| Nanjing Shizhao | | | |
| 南京世招 | | | |
| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
| Current assets | 流動資產 | 645,054 | 677,772 |
| Non-current assets | 非流動資產 | 19,552 | 17,165 |
| Current liabilities | 流動負債 | 103,989 | 138,027 |
| Revenue | 收益 | 14,439 | 1,750,914 |
| Profit and other comprehensive income for the year | 年內溢利及其他全面收入 | 3,707 | 344,092 |

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17. INTERESTS IN ASSOCIATES (continued)

Reconciliation of the summarised financial information presented above to the carrying amount of the interest in Nanjing Shizhao was set out below:

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|---|-----------------|-----------------------------------|-----------------------------------|
| Net assets of Nanjing Shizhao | 南京世招之資產淨值 | 560,617 | 556,910 |
| Proportion of the Group's ownership interest in Nanjing Shizhao | 本集團所持南京世招擁有權益比例 | 49% | 49% |
| Carrying amount of the Group's interest in Nanjing Shizhao | 本集團所持南京世招權益之賬面值 | 274,702 | 272,886 |

The financial information and carrying amount, in aggregate, of the Group's interests in associates, that are not individually material and are accounted for using the equity method are set out below:

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|---|---------------------|-----------------------------------|-----------------------------------|
| The Group's shares of losses and total comprehensive expenses | 本集團分佔虧損及全面支出總額 | (3,586) | (13,789) |
| Aggregate carrying amount of the Group's interests in immaterial associates | 本集團於非重大聯營公司權益之賬面值總額 | 81,918 | 30,323 |

17. 於聯營公司之權益(續)

上文所示財務資料概要與於南京世招權益之賬面值對賬載列如下：

個別而言並不重大及按權益法入賬之本集團於聯營公司權益之匯總財務資料及賬面值載列如下：

18. INTERESTS IN JOINT VENTURES

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|--|-----------|-----------------------------------|-----------------------------------|
| Costs of investments in joint ventures | 投資合營企業之成本 | 3,400,681 | 1,479,124 |
| Share of post-acquisition results | 應佔收購後業績 | 360,899 | (25,610) |
| | | 3,761,580 | 1,453,514 |

18. 於合營企業之權益

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18. INTERESTS IN JOINT VENTURES (continued)

Details of the joint ventures as at 31 December 2018 and 2017 are as follows:

| Name of company 公司名稱 | Place of incorporation/ operation 註冊成立/ 營業地點 | Registered share capital 註冊股本 | Proportion of ownership interests indirectly held by the Group 本集團所持擁有權益比例 | | Proportion of voting power held 所持投票權比例 | | Principal activity 主要業務 |
|---|---|---------------------------------------|---|------------|--|------------|------------------------------|
| | | | 2018 | 2017 | 2018 | 2017 | |
| | | | 二零一八年 % | 二零一七年 % | 二零一八年 % | 二零一七年 % | |
| Nanjing Aojian Property Company Limited* ("Nanjing Aojian") (Note) 南京奧建置業有限公司(「南京奧建」)(附註) | The PRC 中國 | RMB2,000,000,000 人民幣2,000,000,000元 | 3 | 3 | 6 | 6 | Property development 物業發展 |
| Nanjing Zhaoyang Property Development Company Limited* ("Nanjing Zhaoyang") 南京招陽房地產開發有限公司(「南京招陽」) | The PRC 中國 | RMB20,000,000 人民幣20,000,000元 | 24 | 24 | 46 | 46 | Property development 物業發展 |
| Nanjing Huilong Real Estate Company Limited* ("Nanjing Huilong") (Note) 南京匯隆房地產有限公司(「南京匯隆」)(附註) | The PRC 中國 | RMB1,500,000,000 人民幣1,500,000,000元 | 17 | 17 | 33 | 33 | Property development 物業發展 |
| Foshan Dingtū Property Development Co., Ltd.* ("Foshan Dingtū") 佛山鼎圖房地產有限公司(「佛山鼎圖」) | The PRC 中國 | RMB1,100,000,000 人民幣1,100,000,000元 | 50 | 50 | 50 | 50 | Property development 物業發展 |
| Guangzhou Xinhe Property Development Company Limited* ("Guangzhou Xinhe") 廣州新合房地產有限責任公司(「廣州新合」) | The PRC 中國 | RMB100,000,000 人民幣100,000,000元 | 34 | 34 | 34 | 34 | Property development 物業發展 |
| Nanjing Hongweisheng Property Development Co., Ltd.* ("Nanjing Hongweisheng") (Note) 南京弘威盛房地產開發有限公司(「南京弘威盛」)(附註) | The PRC 中國 | RMB765,000,000 人民幣765,000,000元 | 17 | 17 | 34 | 34 | Property development 物業發展 |

18. 於合營企業之權益(續)

於二零一八年及二零一七年十二月三十一日之合營企業詳情如下：

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18. INTERESTS IN JOINT VENTURES (continued)

18. 於合營企業之權益(續)

| Name of company 公司名稱 | Place of incorporation/ operation 註冊成立/ 營業地點 | Registered share capital 註冊股本 | Proportion of ownership interests indirectly held by the Group 本集團所持 擁有權益比例 | | Proportion of voting power held 所持投票權比例 | | Principal activity 主要業務 |
|---|---|---------------------------------------|---|--------------------|--|--------------------|------------------------------|
| | | | 2018 二零一八年 % | 2017 二零一七年 % | 2018 二零一八年 % | 2017 二零一七年 % | |
| Nanjing Shengxiang Yuan Property Development Limited* ("Nanjing Shengxiang Yuan") (Note) 南京盛香園房地產開發有限公司 (「南京盛香園」)(附註) | The PRC 中國 | RMB3,000,000,000 人民幣3,000,000,000元 | 17 | 17 | 34 | 34 | Property development 物業發展 |
| Chongqing Hanzhi Merchants Property Development Co., Ltd.* ("Chongqing Hanzhi") 重慶瀚置招商房地產開發有限公司(「重慶瀚置」) | The PRC 中國 | RMB440,000,000 人民幣440,000,000元 | 50 | 50 | 50 | 50 | Property development 物業發展 |
| Nanjing Huihe Zhiye Co., Ltd.* ("Nanjing Huihe") (Note) 南京薈合置業有限公司(「南京薈合」)(附註) | The PRC 中國 | RMB10,000,000 人民幣10,000,000元 | 7 | 7 | 14 | 14 | Property development 物業發展 |
| Nanjing Tiesheng Business Management Co., Ltd.* 京鐵盛商業管理有限公司 | The PRC 中國 | RMB10,000,000 人民幣10,000,000元 | 28 | – | 55 | – | Property development 物業發展 |
| Nanjing Ximao Zhiye Co., Ltd.* 南京溪茂置業有限公司 | The PRC 中國 | RMB20,000,000 人民幣20,000,000元 | 7 | – | 13 | – | Property development 物業發展 |
| Nanjing Zhaohui Place Management Co., Ltd.* 南京招匯公寓管理有限公司 | The PRC 中國 | RMB10,000,000 人民幣10,000,000元 | 26 | – | 51 | – | Property development 物業發展 |
| Nanjing Dingjiazhuang Trading Co., Ltd.* 南京丁家莊商貿有限公司 | The PRC 中國 | RMB891,400,000 人民幣891,400,000元 | 31 | – | 60 | – | Property development 物業發展 |

* Unofficial English translation denotes for identification purpose only.

* 非官方英文翻譯，僅供參考。

Notes: The decision making process about the relevant activities of these companies requires unanimous consent from the Group and other parties pursuant to the signed agreements and accordingly, these entities are accounted for as joint ventures of the Group.

附註：根據已簽訂的協議，該等公司的相關活動之決策程序需要本集團及其他訂約方的一致同意，故該等實體乃作為本集團的合營企業入賬。

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18. INTERESTS IN JOINT VENTURES (continued)

The joint ventures are accounted for using the equity method in these consolidated financial statements. In the opinion of the directors of the Company, Foshan Dingtu, Nanjing Zhaoyang, Nanjing Huilong and Nanjing Shengxiang Yuan are the material joint ventures of the Group for the years ended 31 December 2018 and 2017. Summarised financial information of the Group's material joint ventures are set out below, which represented amounts shown in the respective joint ventures' financial statements prepared in accordance with the accounting policy of the Group.

Foshan Dingtu

佛山鼎圖

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|--|-------------------|-----------------------------------|-----------------------------------|
| Current assets | 流動資產 | 2,086,196 | 1,176,054 |
| Non-current assets | 非流動資產 | 44 | 1,227 |
| Current liabilities | 流動負債 | 718,043 | 31,060 |
| Non-current liabilities | 非流動負債 | 280,000 | 50,000 |
| Revenue | 收益 | — | — |
| Loss and other comprehensive expense for the year | 年內虧損及 其他全面支出總額 | (8,024) | (3,779) |

Reconciliation of the summarised financial information presented above to the carrying amount of the interest in Foshan Dingtu was set out below:

上文所示財務資料概要與於佛山鼎圖之賬面值對賬載列如下：

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|--|-----------------|-----------------------------------|-----------------------------------|
| Net assets of Foshan Dingtu | 佛山鼎圖之資產淨值 | 1,088,197 | 1,096,221 |
| Proportion of the Group's ownership interest in Foshan Dingtu | 本集團於佛山鼎圖擁有權權益比例 | 50% | 50% |
| Carrying amount of the Group's interest in Foshan Dingtu | 本集團於佛山鼎圖權益之賬面值 | 544,098 | 548,110 |

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18. INTERESTS IN JOINT VENTURES (continued)

18. 於合營企業之權益(續)

| Nanjing Zhaoyang 南京招陽 | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|---|-------------------------|-----------------------------------|-----------------------------------|
| Current assets | 流動資產 | 610,184 | 1,727,627 |
| Non-current assets | 非流動資產 | 8 | 18 |
| Current liabilities | 流動負債 | 245,877 | 1,753,032 |
| Revenue | 收益 | 1,715,430 | — |
| Profit (loss) and other comprehensive income (expense) for the year | 年內溢利(虧損)及 其他全面收入(支出) | 389,702 | (10,912) |

Reconciliation of the summarised financial information presented above to the carrying amount of the interest in Nanjing Zhaoyang was set out below:

上文所示財務資料概要與於南京招陽之賬面值對賬載列如下：

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|---|------------------------|-----------------------------------|-----------------------------------|
| Net assets (liabilities) of Nanjing Zhaoyang | 南京招陽之資產(負債)淨值 | 364,315 | (25,387) |
| Proportion of the Group's ownership interest in Nanjing Zhaoyang (Note) | 本集團於南京招陽擁有權益比例 (附註) | 100% | 100% |
| Carrying amount of the Group's interest in Nanjing Zhaoyang | 本集團於南京招陽權益之賬面值 | 364,315 | — |

Note: Nanjing Zhaoyang owned two pieces of lands and pursuant to the respective cooperation agreement, the Group and its joint venture partner are responsible for the development on each piece of land on its own and the account records for these two lands are to be maintained separately. The directors of the Company have accounted for Nanjing Zhaoyang as its joint venture as they considered that Nanjing Zhaoyang is one single entity in its legal form. The financial information presented above only represented the piece of land owned by the Group and hence the Group's share of result on Nanjing Zhaoyang is calculated at 100%.

附註：南京招陽擁有兩塊地塊，根據相關合作協議，本集團及其合營企業夥伴負責各自開發各地塊，而該兩塊地塊的會計記錄將分開存置。本公司董事已將南京招陽入賬為其合營企業，乃由於南京招陽的法定形式為單一實體。上文呈列的財務資料指本集團擁有的地塊，故本集團分佔南京招陽的溢利以100%計算。

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18. INTERESTS IN JOINT VENTURES (continued)

18. 於合營企業之權益(續)

| Nanjing Huilong 南京匯隆 | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|--|-------------|---|-----------------------------------|
| Current assets | 流動資產 | 4,213,658 | 3,913,773 |
| Non-current assets | 非流動資產 | 837 | 716 |
| Current liabilities | 流動負債 | 2,057,616 | 2,086,854 |
| Non-current liabilities | 非流動負債 | 660,000 | 330,000 |
| Revenue | 收益 | – | – |
| Loss and other comprehensive expense for the year | 年內虧損及全面支出總額 | (756) | (1,089) |

Reconciliation of the summarised financial information presented above to the carrying amount of the interest in Nanjing Huilong was set out below:

上文所示財務資料概要與於南京匯隆之賬面值對賬載列如下：

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|--|----------------|---|-----------------------------------|
| Net assets of Nanjing Huilong | 南京匯隆之資產淨值 | 1,496,879 | 1,497,635 |
| Proportion of the Group's ownership interest in Nanjing Huilong | 本集團於南京匯隆擁有權益比例 | 33% | 33% |
| Carrying amount of the Group's interest in Nanjing Huilong | 本集團於南京匯隆權益之賬面值 | 493,970 | 494,220 |

| Nanjing Shengxiang Yuan 南京盛香園 | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|--|-------------|---|-----------------------------------|
| Current assets | 流動資產 | 10,806,995 | 10,654,122 |
| Non-current assets | 非流動資產 | 5,682 | 578 |
| Current liabilities | 流動負債 | 7,826,609 | 10,623,938 |
| Revenue | 收益 | – | – |
| Loss and other comprehensive expense for the year | 年內虧損及全面開支總額 | (14,694) | (1,526) |

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18. INTERESTS IN JOINT VENTURES (continued)

Reconciliation of the summarised financial information presented above to the carrying amount of the interest in Nanjing Shengxiang Yuan was set out below:

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|---|------------------|-----------------------------------|-----------------------------------|
| Net assets of Nanjing Shengxiang Yuan | 南京盛香園之資產淨值 | 2,986,068 | 30,762 |
| Proportion of the Group's ownership interest in Nanjing Shengxiang Yuan | 本集團於南京盛香園擁有權權益比例 | 34% | 34% |
| Carrying amount of the Group's interest in Nanjing Shengxiang Yuan | 本集團於南京盛香園權益之賬面值 | 1,015,263 | 10,459 |

The aggregate information of the Group's interests in joint ventures that are not individually material that are accounted for using the equity method are set out below:

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|---|---------------------|-----------------------------------|-----------------------------------|
| The Group's shares of profits and total comprehensive income | 本集團分佔溢利及全面收入總額 | 31,451 | 3,907 |
| Aggregate carrying amount of the Group's interests in immaterial joint ventures | 本集團於非重大聯營公司權益之賬面值總額 | 1,343,934 | 400,725 |

18. 於合營企業之權益(續)

上文所示財務資料概要與於南京盛香園之賬面值對賬載列如下：

本集團於合營企業個別並不重大並使用權益法入賬的權益之總資料載列如下：

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19. AVAILABLE-FOR-SALE INVESTMENT/ FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

The amounts represented the Group's investment in 15% equity interest in the registered capital of an unlisted company incorporated in the PRC, which is engaged in property development.

In prior years, the amount was measured at cost less impairment at the end of the reporting period. Upon the application of HKFRS 9 in current year, the investment of RMB18,750,000 were reclassified from AFS investment to financial asset at FVTPL.

During the year ended 31 December 2018, a fair value loss of RMB2,039,000 has been recognised.

19. 可供出售投資／按公平值計入損益 的金融資產

有關金額指本集團於一間在中國註冊成立的非上市公司註冊資本中15%權益的投資，該公司從事物業發展。

於過往年度，有關金額於報告期末按成本減減值計量。於本年度應用香港財務報告準則第9號後，人民幣18,750,000元的投資乃由可供出售投資重新分類為按公平值計入損益的金融資產。

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20. DEFERRED TAXATION

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

20. 遞延稅項

以下為遞延稅項結餘之分析以作財務申報之用：

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|--------------------------|--------|-----------------------------------|-----------------------------------|
| Deferred tax assets | 遞延稅項資產 | 741,121 | 670,831 |
| Deferred tax liabilities | 遞延稅項負債 | (180,104) | (254,294) |
| | | 561,017 | 416,537 |

The followings are the deferred tax assets (liabilities) recognised and movements thereon during the year:

以下為於年內確認之主要遞延稅項資產(負債)及有關變動：

| | | Temporary differences on LAT provision 土地增值稅撥備之暫時差額 RMB'000 人民幣千元 | Tax losses 稅項虧損 RMB'000 人民幣千元 | Dividend withholding tax 股息預扣稅 RMB'000 人民幣千元 | Others – temporary differences on deposits received in respect of pre-sale of properties 其他—已收預售物業按金之暫時性差異 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|--|-----------------------------|--|--|---|---|---------------------------------|
| At 1 January 2017 | 於二零一七年一月一日 | 361,061 | 122,222 | (145,477) | 17,379 | 355,185 |
| Credit (charge) to profit or loss (Note 9) | 於損益計入(扣除)(附註9) | 178,353 | (66,068) | (108,817) | 57,884 | 61,352 |
| At 31 December 2017 and 1 January 2018 | 於二零一七年十二月三十一日 及二零一八年一月一日 | 539,414 | 56,154 | (254,294) | 75,263 | 416,537 |
| Credit (charge) to profit or loss (Note 9) | 於損益計入(扣除)(附註9) | (29,403) | 39,263 | 74,190 | 60,430 | 144,480 |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 510,011 | 95,417 | (180,104) | 135,693 | 561,017 |

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20. DEFERRED TAXATION (continued)

At 31 December 2018, the Group had unused tax losses of approximately RMB424,092,000 (2017: RMB246,727,000), available to offset against future profits. Deferred tax assets have been recognised in respect of such losses of RMB381,665,000 (2017: RMB224,615,000) at 31 December 2018. No deferred tax asset has been recognised in respect of the remaining RMB42,427,000 (2017: RMB22,112,000) as at 31 December 2018 due to the unpredictability of future profits streams. Included in unrecognised tax losses are losses of RMB2,271,000 (2017: RMB525,000) as at 31 December 2018 that will expire in five years from the dates they were incurred. Other losses may be carried forward indefinitely.

As at 31 December 2018, the Group had unrecognised deductible temporary differences of RMB614,046,000 (2017: RMB430,515,000) attributable to the capitalised interest expenses arising from the intra-group borrowings and RMB419,650,000 (2017: Nil) attributable to the impairment losses on properties for sale respectively. No deferred tax assets have been recognised due to the unpredictability of future profit streams.

21. PROPERTIES FOR SALE

| | |
|---------------------------------------|-----------|
| Completed properties for sale | 已竣工可供出售物業 |
| Properties under development for sale | 可供出售發展中物業 |

Included in the properties under development for sale as at 31 December 2018 is carrying value of approximately RMB23,858,605,000 (2017: RMB19,290,566,000), which represents the carrying value of the properties expected to be completed and available for sale after twelve months from the end of the reporting period.

20. 遞延稅項(續)

於二零一八年十二月三十一日，本集團擁有未動用稅項虧損約人民幣424,092,000元(二零一七年：人民幣246,727,000元)，可供抵銷日後溢利。有關虧損人民幣381,665,000元(二零一七年：人民幣224,615,000元)，已於二零一八年十二月三十一日確認遞延稅項資產。由於不可預測未來溢利來源，因此於二零一八年十二月三十一日並無就餘下人民幣42,427,000元(二零一七年：人民幣22,112,000元)確認遞延稅項資產。於二零一八年十二月三十一日計入未確認稅項虧損之虧損人民幣2,271,000元(二零一七年：人民幣525,000元)將於產生日期起計五年後屆滿。其他虧損可作無限期結轉。

於二零一八年十二月三十一日，本集團有未確認可予扣減暫時差額人民幣614,046,000元(二零一七年：人民幣430,515,000元)，此乃歸因於集團公司間借貸產生之資本化利息開支；以及人民幣419,650,000元(二零一七年：零)，此乃歸因於集團計提的可供出售物業之減值虧損。由於不可預測未來溢利來源，故並無確認遞延稅項資產。

21. 可供出售物業

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|---------------------------------------|-----------|-----------------------------------|-----------------------------------|
| Completed properties for sale | 已竣工可供出售物業 | 6,947,704 | 7,311,498 |
| Properties under development for sale | 可供出售發展中物業 | 34,215,775 | 25,982,273 |
| | | 41,163,479 | 33,293,771 |

於二零一八年十二月三十一日可供出售發展中物業中，賬面值約人民幣23,858,605,000元(二零一七年：人民幣19,290,566,000元)之物業，指預期自報告期間結算日起計十二個月後竣工及可供出售物業之賬面值。

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21. PROPERTIES FOR SALE (continued)

As at 31 December 2018, land with carrying values of approximately RMB4,549,627,000 (2017: RMB430,008,000) have been pledged to secure bank borrowings amounting to RMB1,216,586,000 (2017: RMB152,000,000) granted to the Group (see Note 27).

As at 31 December 2018, the directors of the Company conducted a review of the Group's properties under development and for sale. Due to a decrease in the expected selling price as referenced to the actual selling price during pre-sale of the relevant properties during the year, the directors of the Company determined that the net realisable values of certain of the Group's properties under development for sale, located in Foshan, the PRC, are lower than their carrying amounts by RMB 419,650,000, in aggregate. Accordingly, the carrying amounts of the relevant properties under development are written down by RMB419,650,000, in aggregate, to their net realisable values.

21. 可供出售物業(續)

於二零一八年十二月三十一日，本集團已抵押賬面值約為人民幣4,549,627,000元(二零一七年：人民幣430,008,000元)之土地，以就授予本集團之銀行借貸人民幣1,216,586,000元(二零一七年：人民幣152,000,000元)作出擔保(見附註27)。

於二零一八年十二月三十一日，本公司董事就本集團的發展中及可供出售物業進行審閱。由於參考年內預售相關物業的實際售價而估計售價下降，本公司董事釐定本集團位於中國佛山的若干發展中可供出售物業之可變現淨值合共較其賬面值低人民幣419,650,000元。因此，相關發展中物業的賬面值已合共撇減人民幣419,650,000元至其可變現淨值。

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22. TRADE AND OTHER RECEIVABLES

22. 業務及其他應收款項

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|---|-------------------|-----------------------------------|-----------------------------------|
| Trade receivables (Note i) | 業務應收款項(附註i) | 2,386 | 5,550 |
| Other receivables | 其他應收款項 | | |
| Other prepaid non-income tax | 其他預付非所得稅 | 683,375 | 352,272 |
| Other receivables and prepayments | 其他應收款項及預付款項 | 226,651 | 1,443,758 |
| Amounts due from intermediate holding companies (Note ii) | 應收間接控股公司款項(附註ii) | 376 | 590 |
| Amounts due from non-controlling interests (Note ii) | 應收非控股權益款項(附註ii) | 5,384,063 | 4,473,767 |
| Amounts due from fellow subsidiaries (Note ii) | 應收同系附屬公司款項(附註ii) | 17,990 | 11,824 |
| Amounts due from associates (Note iii) | 應收聯營公司款項(附註iii) | 777,922 | 801,200 |
| Amounts due from joint ventures (Note iv) | 應收合營企業款項(附註iv) | 6,856,282 | 6,522,458 |
| Amount due from an investee | 應收投資對象款項 | 84,750 | 84,750 |
| | | 14,031,409 | 13,690,619 |
| Less: amounts expected to be received after one year: | 減：預計將於一年後收取的款項： | | |
| Amounts due from joint ventures (Note iv) | 應收合營企業款項(附註iv) | 4,904,194 | — |
| Amount due from an associate (Note iii) | 應收一間聯營公司款項(附註iii) | 704,107 | — |
| | | 5,608,301 | — |
| | | 8,423,108 | 13,690,619 |
| | | 8,425,494 | 13,696,169 |

Notes:

- (i) Trade receivables mainly arise from properties operation income and rental income from the Properties Segment.

The Group's credit terms with its trade customers are generally within 30 days. The Group seeks to maintain strict control over its outstanding receivables in order to minimise credit risk. Overdue balances are reviewed regularly by senior management.

Considerations in respect of properties sold are paid in accordance with the terms of the related sales and purchase agreements, normally within 60 days from the date of agreement.

附註：

- (i) 業務應收款項主要產生自物業分部的物業營運收入及租金收入。

本集團與其貿易客戶之信貸期一般為30日內。本集團力求嚴格控制其未收回之應收款項，以減低信貸風險。高級管理人員定期審閱逾期結餘。

已售物業之代價根據相關買賣協議條款一般於協議日期起計60日內支付。

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22. TRADE AND OTHER RECEIVABLES (continued)

Notes: (continued)

(i) (continued)

The ageing analysis of trade receivables at the end of the reporting period, based on the invoice date, is as follows:

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|----------------|-----------|-----------------------------------|-----------------------------------|
| 0 – 180 days | 180日或以下 | 1,678 | 4,809 |
| 181 – 365 days | 181日至365日 | 5 | 38 |
| Over 1 year | 超過365日 | 703 | 703 |
| | | 2,386 | 5,550 |

Included in the Group's trade receivables balance are customers with aggregate carrying amount of RMB703,000 (2017: RMB703,000) which are aged over one year and past due at the end of the reporting period for which the Group has not provided for impairment loss. Before accepting any new customers, the Group assessed the credit quality of trade and other receivables based on historical default rates and the repayment records and considered adequate allowance has been made at the end of the reporting period.

- (ii) The amounts are unsecured, interest-free and repayable on demand.
- (iii) Included in the balances as at 31 December 2018, amounts of approximately RMB704,107,000 are unsecured, interest-free and repayable over one year. The remaining balances as at 31 December 2018 are unsecured, interest-free and repayable on demand.

Included in the balances as at 31 December 2017, amounts of approximately RMB333,229,000 and RMB275,204,000 were due from Guangzhou Liansen and Guangzhou Lianzhou respectively, which were unsecured, interest bearing at 6.6% per annum and repayable in November 2018. The remaining balances as at 31 December 2017 of approximately RMB192,767,000 were unsecured, interest bearing at fixed interest rate at 7.8% per annum and repayable on demand.

As at 31 December 2017, the effective interest rates on the Group's amounts due from associates ranged from 6.6% to 7.8% per annum.

- (iv) Included in the non-current receivables as at 31 December 2018, amounts of approximately RMB568,980,000 and RMB951,776,000 are due from Nanjing Huilong and Chongqing Hanzhi respectively, which are unsecured and repayable over one year. The amount due from Nanjing Huilong is interest bearing at RMB Benchmark Loan Rates offered by the People's Bank of China and the amount due from Chongqing Hanzhi is interest bearing at 4.9% per annum. The remaining amounts of non-current receivables are unsecured, interest-free and repayable over one year.

Included in the current receivables as at 31 December 2018, the amounts are unsecured and repayable on demand. Except for amount of approximately RMB1,678,942,000 is interest bearing at 5.7% per annum, the remaining amounts are interest-free.

Included in the balances as at 31 December 2017, amounts of approximately RMB505,505,000 and RMB148,660,000 were due from Nanjing Huilong and Nanjing Hongweisheng respectively, which are unsecured and repayable on demand. The amount due from Nanjing Huilong is interest bearing at RMB Benchmark Loan Rates offered by the People's Bank of China and the amount due from Nanjing Hongweisheng is interest bearing at RMB Benchmark Loan Rates offered by the People's Bank of China times 110% per annum. The remaining balances as at 31 December 2017 of approximately RMB5,868,293,000 were unsecured, interest free and repayable on demand.

22. 業務及其他應收款項(續)

附註：(續)

(i) (續)

於報告期間結算日按發票日期計算之業務應收款項賬齡分析如下：

| | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|----------------|-----------------------------------|-----------------------------------|
| 0 – 180 days | 1,678 | 4,809 |
| 181 – 365 days | 5 | 38 |
| Over 1 year | 703 | 703 |
| | 2,386 | 5,550 |

本集團業務應收款項結餘內賬面值總額約人民幣703,000元(二零一七年：人民幣703,000元)，賬齡超過一年，於報告期末已逾期，而本集團並未作出減值虧損撥備。於接納任何新客戶前，本集團基於過往之違約率及還款紀錄評估業務及其他應收款項之信貸質素，並認為已於報告期末作出充分撥備。

- (ii) 金額為無抵押、免息及按要求償還。
- (iii) 於二零一八年十二月三十一日的結餘內，約人民幣704,107,000元的款項為無抵押、免息及於一年後償還。於二零一八年十二月三十一日的結餘為無抵押、免息及按要求償還。

於二零一七年十二月三十一日，約人民幣333,229,000元及人民幣275,204,000元之金額分別為應收廣州聯森及廣州聯洲款項，為無抵押、按年利率6.6%計息並須於二零一八年十一月償還。於二零一七年十二月三十一日之餘額約人民幣192,767,000元為無抵押、按7.8%的固定年利率計息並按要求償還。

於二零一七年十二月三十一日，本集團應收聯營公司款項之實際年利率介乎6.6%至7.8%。

- (iv) 於二零一八年十二月三十一日的非流動應收款項內，約人民幣568,980,000元及人民幣951,776,000元之金額分別為應收南京匯隆及重慶瀚置款項，其為無抵押及於一年後償還。應收南京匯隆款項乃以中國人民銀行提供的人民幣基準貸款利率計息，而應收重慶瀚置款項則以4.9%的年利率計息。非流動應收款項的結餘為無抵押、免息及於一年後償還。

於二零一八年十二月三十一日的流動應收款項內，金額為無抵押及按要求償還。除約人民幣1,678,942,000元的款項以5.7%的年利率計息外，餘額為免息。

於二零一七年十二月三十一日的結餘內，約人民幣505,505,000元及人民幣148,660,000元之金額分別為應收南京匯隆及南京弘威盛款項，其為無抵押及按要求償還。應收南京匯隆款項乃以中國人民銀行提供的人民幣基準貸款利率計息，而應收南京弘威盛款項則以中國人民銀行提供的人民幣基準貸款利率每年乘110%計息。於二零一七年十二月三十一日的結餘內，約人民幣5,868,293,000元為無抵押、免息及按要求償還。

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23. BANK BALANCES AND CASH

Bank balances and cash comprise cash and short-term bank deposits with an original maturity of three months or less. The bank balances carry variable interest rates from 0.001% to 1.5% (2017: 0.001% to 1.7%) per annum.

Cash and cash equivalents include the following for the purposes of the consolidated statement of cash flows:

23. 銀行結餘及現金

銀行結餘及現金包括現金及原到期日為三個月或以下之短期銀行存款。銀行結餘按年利率介乎0.001%至1.5%（二零一七年：0.001%至1.7%）之浮動利率計息。

就綜合現金流量表而言，現金及等同現金項目包括以下各項：

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|--|--------------------------|-----------------------------------|-----------------------------------|
| Bank balances and cash | 銀行結餘及現金 | 6,866,261 | 5,100,692 |
| Less: Restricted bank deposits not classified as cash and cash equivalents | 減：不被分類為現金及等同現金項目之受限制銀行存款 | - | (69,890) |
| | | 6,866,261 | 5,030,802 |

Analysis of bank balances and cash denominated in currencies other than the functional currency of the entities of the Group to which they relate:

以本集團相關實體功能貨幣以外貨幣計值之銀行結餘及現金分析如下：

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|---|-------------|-----------------------------------|-----------------------------------|
| Denominated in HK\$ | 以港幣計值 | 87,902 | 2,252 |
| Denominated in United States dollars ("US\$") | 以美元(「美元」)計值 | 272,625 | 3,001 |

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24. TRADE AND OTHER PAYABLES

24. 業務及其他應付款項

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|---|------------------|-----------------------------------|-----------------------------------|
| Trade payables (Note i) | 業務應付款項(附註i) | 4,294,917 | 4,562,561 |
| Other payables | 其他應付款項 | | |
| Other non-income tax payables | 其他非所得稅應付款項 | 255,101 | 305,250 |
| Other payables and accrued charges | 其他應付款項及應計開支 | 882,620 | 480,003 |
| Amounts due to intermediate holding companies (Note ii) | 應付間接控股公司款項(附註ii) | 2,838,266 | 833,865 |
| Amounts due to non-controlling interests (Note ii) | 應付非控股權益款項(附註ii) | 109,471 | 427,613 |
| Amounts due to fellow subsidiaries (Note ii) | 應付同系附屬公司款項(附註ii) | 168,547 | 1,802,104 |
| Amounts due to joint ventures (Note ii) | 應付合營企業款項(附註ii) | 1,070,952 | 443,679 |
| Amounts due to associates (Note ii) | 應付聯營公司款項(附註ii) | 433,884 | 284,543 |
| Dividend payable to non-controlling interests (Note ii) | 應付非控股權益股息(附註ii) | 962,033 | 962,031 |
| | | 6,720,874 | 5,539,088 |
| | | 11,015,791 | 10,101,649 |

Notes:

- (i) Trade payables arise from Properties Segment comprise construction costs and other project-related expenses which are payable based on project progress and the average credit period of these trade payables is 60 days. The Group has financial risk management policies in place to ensure that all payables are within the credit timeframe.

The following is an aging analysis of trade payables, based on the invoice date, at the end of the reporting period:

附註：

- (i) 物業分部之業務應付款項包括建築成本及其他項目相關開支，乃根據項目進度支付，且該等業務應付款項之平均信貸期為60日。本集團已制定財務風險管理政策，以確保所有應付款項均在信貸期內。

以下為於報告期間結算日按發票日期計算之業務應付款項賬齡分析：

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|-----------------|----------|-----------------------------------|-----------------------------------|
| 0 to 60 days | 0至60日 | 1,434,640 | 2,223,239 |
| 61 to 180 days | 61至180日 | 319,582 | 949,020 |
| 181 to 365 days | 181至365日 | 1,546,752 | 574,129 |
| Over 365 days | 超過365日 | 993,943 | 816,173 |
| | | 4,294,917 | 4,562,561 |

- (ii) The amounts are unsecured, interest-free and repayable on demand.

- (ii) 該金額為無抵押、免息並須按要求償還。

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25. LOANS FROM NON-CONTROLLING INTERESTS

Amounts represent loans from non-controlling equity holder of subsidiaries of the Group.

The maturity of the loans from non-controlling interests is analysed as follows:

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|---|--------------------------|-----------------------------------|-----------------------------------|
| Within 1 year | 一年內 | 1,408,924 | 2,591,329 |
| Between 1 and 2 years | 一至兩年 | 1,255,843 | 22,122 |
| Over 2 years | 超過兩年 | 3,680,888 | 2,457,944 |
| | | 6,345,655 | 5,071,395 |
| Less: amounts due within 1 year shown under current liabilities | 減：於一年內到期的款項 (於流動負債列示) | (1,408,924) | (2,591,329) |
| Amounts due after 1 year shown as non-current liabilities | 於一年後到期的款項 (於非流動負債列示) | 4,936,731 | 2,480,066 |

The loans from non-controlling interests are denominated in the following currencies:

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|------|-----|-----------------------------------|-----------------------------------|
| RMB | 人民幣 | 5,652,438 | 4,414,890 |
| US\$ | 美元 | 693,217 | 656,505 |
| | | 6,345,655 | 5,071,395 |

25. 非控股權益貸款

有關金額指本集團附屬公司的非控股權益持有人貸款。

非控股權益貸款的到期情況分析如下：

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|---|--------------------------|-----------------------------------|-----------------------------------|
| Within 1 year | 一年內 | 1,408,924 | 2,591,329 |
| Between 1 and 2 years | 一至兩年 | 1,255,843 | 22,122 |
| Over 2 years | 超過兩年 | 3,680,888 | 2,457,944 |
| | | 6,345,655 | 5,071,395 |
| Less: amounts due within 1 year shown under current liabilities | 減：於一年內到期的款項 (於流動負債列示) | (1,408,924) | (2,591,329) |
| Amounts due after 1 year shown as non-current liabilities | 於一年後到期的款項 (於非流動負債列示) | 4,936,731 | 2,480,066 |

非控股權益貸款乃以下列貨幣計值：

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|------|-----|-----------------------------------|-----------------------------------|
| RMB | 人民幣 | 5,652,438 | 4,414,890 |
| US\$ | 美元 | 693,217 | 656,505 |
| | | 6,345,655 | 5,071,395 |

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25. LOANS FROM NON-CONTROLLING INTERESTS (continued)

Details of the terms of the loans are set out as below:

25. 非控股權益貸款(續)

貸款條款的詳情如下：

| | | Effective interest rate per annum 實際年利率 RMB'000 人民幣千元 | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|-------------------------------------|---------------|--|-----------------------------------|-----------------------------------|
| Fixed-rate loans denominated in: | 以下列貨幣計值的定息貸款： | | | |
| RMB | 人民幣 | 4.75 to 6.6% (2017: 4.35% to 6.6%) 4.75至6.6% (二零一七年：4.35%至6.6%) | 4,455,146 | 2,496,716 |
| US\$ | 美元 | 4% (2017: 4%) 4% (二零一七年：4%) | 693,217 | 656,505 |
| Variable-rate loans denominated in: | 以下列貨幣計值的浮息貸款： | | 5,148,363 | 3,153,221 |
| RMB | 人民幣 | RMB Benchmark Loan Rates offered by the People's Bank of China 中國人民銀行提供的人民幣基準貸款利率 | 1,197,292 | 1,918,174 |
| | | | 6,345,655 | 5,071,395 |

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26. LOANS FROM AN INTERMEDIATE HOLDING COMPANY

For the year ended 31 December 2018 and 2017, the current portion of loans from an intermediate holding company are unsecured, interest bearing at RMB Benchmark Loan Rates offered by the People's Bank of China and repayable on demand.

For the year ended 31 December 2018, the non-current portion of loan from an intermediate holding company are unsecured, interest bearing at RMB Benchmark Loan Rates offered by the People's Bank of China and repayable in 2020.

26. 間接控股公司貸款

截至二零一八年及二零一七年十二月三十一日止年度，間接控股公司貸款之流動部分為無抵押、按中國人民銀行提供之人民幣基準貸款利率利息，並按要求償還。

截至二零一八年十二月三十一日止年度，間接控股公司貸款之非流動部分為無抵押、按中國人民銀行提供之人民幣基準貸款利率利息，並須於二零二零年償還。

27. BANK AND OTHER BORROWINGS

27. 銀行及其他借貸

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|--|----------------|-----------------------------------|-----------------------------------|
| Bank borrowings (Note i) | 銀行借貸(附註i) | 5,698,284 | 2,999,029 |
| Other borrowings (Note ii) | 其他借貸(附註ii) | - | 600,000 |
| Total unsecured borrowings | 無抵押借貸總額 | 5,698,284 | 3,599,029 |
| Bank borrowings, secured (Note iii) | 有抵押銀行借貸(附註iii) | 1,216,586 | 152,000 |
| Less: Amounts classified as current liabilities | 減：分類為流動負債之金額 | (1,095,980) | (1,773,095) |
| Amounts classified as non-current liabilities | 分類為非流動資產之金額 | 5,818,890 | 1,977,934 |
| Carrying amount repayable:* | 應償還賬面值：* | | |
| Within one year | 一年內 | 1,095,980 | 1,773,095 |
| More than one year but not more than two years | 超過一年但不超過兩年 | 894,700 | 873,995 |
| More than two years but not more than five years | 超過兩年但不超過五年 | 4,924,190 | 1,103,939 |
| | | 6,914,870 | 3,751,029 |

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

* 到期款項乃以載於貸款協議內之原定還款日期為基準。

The Group's bank and other borrowings were subject to variable-rate interest at RMB Benchmark Loan Rates offered by the People's Bank of China, London Interbank offered Rate ("LIBOR") + 2.1% per annum or fixed-rate interest at RMB Benchmark Loan Rates offered by the People's Bank of China at the respective date of borrowings' agreements. The effective interest rates on the Group's bank and other borrowings ranged from 4.1% to 5.7% (2017: 3.8% to 5.4%) per annum.

本集團之銀行及其他借貸按於各自之借貸協議日期以中國人民銀行提供之人民幣基準貸款利率、倫敦銀行同業拆息(「倫敦銀行同業拆息」)加年利率2.1%為基礎之浮動息率或以中國人民銀行提供之人民幣貸款利率為基礎之固定息率計息。本集團銀行及其他借貸之實際年利率介乎4.1%至5.7%(二零一七年：3.8%至5.4%)。

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27. BANK AND OTHER BORROWINGS (continued)

Notes:

- (i) Amounts of RMB650,000,000 (2017: RMB262,790,000) are bank borrowings from China Merchants Bank ("CMB") which is an associate of CMG. Also, included in the balance was borrowings of approximately RMB401,906,000 (2017: RMB493,229,000) that are guaranteed by the non-controlling interests and by the Company.
- (ii) At 31 December 2017, the amount of approximately RMB600,000,000 was borrowing from ABC-CA Fund Management, which was repaid upon maturity in 2018. The loan was guaranteed by an intermediate holding company of the Company.
- (iii) As at 31 December 2018, land with carrying values of approximately RMB4,549,627,000 (2017: RMB430,008,000) have been pledged to secure bank borrowings amounting to RMB1,216,586,000 (2017: RMB152,000,000) granted to the Group.

28. BONDS PAYABLE

Notes:

- (i) The credit enhanced bonds (the "Bonds") issued by the Company at 31 December 2017 bear fixed interest at 4.021% per annum, payable semi-annually each year and matured in December 2018.
- (ii) In December 2018, the Company issued a bond with aggregated principal amounted to RMB1,900,000,000, interest bearing at 4.6% per annum, payable quarterly and will be mature in 2021.

27. 銀行及其他借貸(續)

附註：

- (i) 金額人民幣650,000,000元(二零一七年：人民幣262,790,000元)為自招商局集團之聯營公司招商銀行(「招商銀行」)之銀行借貸。此外，有關結餘內約人民幣401,906,000元(二零一七年：人民幣493,229,000元)乃由非控股權益及本公司擔保之借貸。
- (ii) 於二零一七年十二月三十一日，有關金額為由農銀匯理基金提供之借貸約人民幣600,000,000元，須於二零一八年到期時償付。貸款由本公司一家間接控股公司作擔保。
- (iii) 於二零一八年十二月三十一日，本集團已抵押賬面值約為人民幣4,549,627,000元(二零一七年：人民幣430,008,000元)之土地，以就授予本集團之銀行借貸人民幣1,216,586,000元(二零一七年：人民幣152,000,000元)作出擔保。

28. 應付債券

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|----------------------------|------------|-----------------------------------|-----------------------------------|
| Carrying amount repayable: | 應償還賬面值： | | |
| Within one year (Note i) | 一年內(附註i) | - | 3,231,826 |
| Over one year (Note ii) | 超過一年(附註ii) | 1,900,000 | - |
| | | 1,900,000 | 3,231,826 |

附註：

- (i) 於二零一七年十二月三十一日，本公司發行的信用增強債券(「債券」)按固定年利率4.021%計息，每半年派息及於二零一八年十二月到期。
- (ii) 於二零一八年十二月，本公司發行本金總額為人民幣1,900,000,000元的債券，按年利率4.6%計息，每季派息及將於二零二一年到期。

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29. CONVERTIBLE BONDS

On 23 June 2015, the Company's wholly owned subsidiary, Cosmos Boom Investment Limited ("Cosmos") issued 0.50% convertible bonds ("CBs") which will be due on 23 June 2020 with an aggregate principal amount of US\$290,000,000. The CBs were denominated in US\$ and entitle the holders to convert them into ordinary shares of the Company at a conversion price of HK\$2.9875 per share (subject to adjustment) with fixed exchange rate of HK\$7.7559 equal to US\$1.00 at any time on or after 2 August 2015 and thereafter up to the close of business on the tenth day prior to the maturity date or if such bonds shall have been called for redemption by Cosmos before maturity date, then up to and including the close of business on a date no later than 15 days prior to the date fixed for redemption thereof. The conversion price of the CBs was adjusted to HK\$2.8800 per share with effect from 10 May 2017, pursuant to the terms and conditions of the CBs, as a result of the approval by the shareholders of the final dividend of HK\$0.045 per share for the year ended 31 December 2016. The conversion price of the CBs was further adjusted to HK\$2.70 per share with effect from 10 May 2018, pursuant to the terms and conditions of the CBs, as a result of the approval by the shareholders of the final dividend of HK\$0.1 per share for the year ended 31 December 2017. Unless previously redeemed, converted, purchased and cancelled, all CBs outstanding on maturity date shall be repaid by Cosmos at its principal amount outstanding on maturity date plus accrued interest. Cosmos may, on giving not less than 30 nor more than 90 days' notice to bondholders at any time on or after 23 December 2016 prior to the maturity date redeem all the outstanding CBs in whole at the outstanding principal amount and accrued interest. The bondholders have the right to require the Group to redeem all or some of the CBs on 23 June 2018 afterwards at their principal amount together with accrued and unpaid interest to the respective dates fixed for redemption.

At the issue date, the CBs were bifurcated into liability, equity and derivative components. The equity element is presented in equity under "Convertible bonds equity reserve" at initial recognition. The effective interest rate of the liability component is 5.196% per annum.

29. 可換股債券

於二零一五年六月二十三日，本公司之全資附屬公司天盛投資有限公司（「天盛」）發行本金總額290,000,000美元於二零二零年六月二十三日到期之0.50厘可換股債券（「可換股債券」）。可換股債券以美元計值，並授予持有人權利可於二零一五年八月二日或之後直至到期日前第十日營業時間結束止任何時間或倘天盛於到期日前要求贖回該等債券，則直至及包括不遲於指定贖回日期前十五日之日期之營業時間結束止，以每股港幣2.9875元之轉換價按港幣7.7559元兌1.00美元之固定匯率將可換股債券轉換為本公司普通股。由於股東批准就截至二零一六年十二月三十一日止年度派付末期股息每股港幣0.045元，故根據可換股債券的條款及條件，可換股債券之轉換價已調整為每股港幣2.8800元，自二零一七年五月十日起生效。根據可換股債券之條款及條件，由於股東批准宣派截至二零一七年十二月三十一日止年度每股港幣0.1元之末期股息，故可換股債券之換股價自二零一八年五月起進一步調整至每股港幣2.70元。除非先前已贖回、轉換、購買及註銷，否則天盛將以到期日尚未轉換之本金額加應計利息償還到期日尚未轉換之所有可換股債券。天盛可於二零一六年十二月二十三日或之後但於到期日前任何時間通過向債券持有人發出不少於30日亦不超過90日之通知後，按尚未轉換之本金額連同應計利息全數贖回尚未轉換之所有可換股債券。債券持有人有權要求本集團於二零一八年六月二十三日後以本金額連同截至指定贖回之相關日期之應計及未付利息贖回所有或部分可換股債券。

於發行日期，可換股債券分為負債、權益及衍生部分。於初步確認時權益部分在權益項下「可換股債券權益儲備」呈列。負債部分之實際年利率為5.196%。

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29. CONVERTIBLE BONDS (continued)

The movements of the liability components of the CBs set out below:

29. 可換股債券(續)

可換股債券之負債變動載列如下：

| | | Liability component of CBs 可換股債券之負債部分 RMB'000 人民幣千元 |
|---|----------------|--|
| At 1 January 2017 | 於二零一七年一月一日 | 1,714,915 |
| Effective interest expense (Notes 8 and 13) | 實際利息開支(附註8及13) | 88,655 |
| Interest paid | 已付利息 | (9,797) |
| Exchange realignment | 外匯調整 | (102,169) |
| At and 31 December 2017 | 於二零一七年十二月三十一日 | 1,691,604 |
| Effective interest expense (Notes 8 and 13) | 實際利息開支(附註8及13) | 67,326 |
| Interest paid | 已付利息 | (6,768) |
| Derecognition upon redemption | 贖回後取消確認 | (1,924,119) |
| Exchange realignment | 外匯調整 | 171,957 |
| At 31 December 2018 | 於二零一八年十二月三十一日 | — |

No CBs were converted into ordinary shares of the Company during the year ended 31 December 2018 and 2017. During the year, the bondholders have requested Cosmos to redeem the CBs at the principal amounts of US\$269,800,000 (together with interest due) and US\$20,200,000 (together with interest due) on 23 June 2018 and 27 September 2018 respectively.

截至二零一八年及二零一七年十二月三十一日止年度，概無可換股債券已轉換為本公司普通股。於年內，債券持有人已分別要求天盛於二零一八年六月二十三日及二零一八年九月二十七日贖回本金額為269,800,000美元(連同到期利息)及20,200,000美元(連同到期利息)之可換股債券。

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30. SHARE CAPITAL

Ordinary share capital of the Company

30. 股本

本公司之普通股股本

| | | Number of shares 股份數目 | Amount 金額 HK\$'000 港幣千元 |
|---|--|-----------------------------|----------------------------------|
| Ordinary share of HK\$0.01 each | 每股面值港幣0.01元之普通股 | | |
| Authorised: | 法定： | | |
| At 1 January 2017, 31 December 2017 and 31 December 2018 | 於二零一七年一月一日、 二零一七年十二月三十一日及 二零一八年十二月三十一日 | 30,000,000,000 | 300,000 |

| | | Number of shares 股份數目 | Equivalent to 相當於 HK\$'000 港幣千元 | RMB'000 人民幣千元 |
|---|--|-----------------------------|--|------------------|
| Issued and fully paid: | 已發行及繳足： | | | |
| At 1 January 2017, 31 December 2017 and 31 December 2018 | 於二零一七年一月一日、 二零一七年十二月三十一日及 二零一八年十二月三十一日 | 4,905,257,860 | 49,053 | 39,132 |

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31. DEEMED DISPOSAL AND PARTIAL DISPOSAL OF INTERESTS IN SUBSIDIARIES

(I) For the year ended 31 December 2018

- (i) On 18 December 2017, Foshan Merchants Property Development Co., Ltd* (“Foshan Merchants”), a wholly-owned subsidiary of the Company, entered into an equity interest transfer agreement (“Agreement I”) with Foshan Yi Yun Property Development Co., Ltd. * (“Foshan Yi Yun”), a non wholly-owned subsidiary of the Company to which the Group has 50% interest of its equity. Pursuant to Agreement I among other things, Foshan Yi Yun has conditionally agreed to purchase 100% of the equity interest in Foshan Merchants Brilliant Property Development Co., Ltd. (“Foshan Brilliant”), a then wholly-owned subsidiary of Foshan Merchants, at a consideration of RMB2,110,201,000. The equity interest transfer was completed on 19 January 2018. Upon completion of the equity interest transfer, Foshan Yi Yun holds directly the entire equity interest in Foshan Brilliant and the Group holds, indirectly through Foshan Yi Yun, 50% of the equity interest in Foshan Brilliant. As the Group remains its control over Foshan Brilliant through its control over Foshan Yi Yun, Foshan Brilliant remains as a subsidiary of the Company after the transaction which is then accounted for as an equity transaction.

The difference between the fair value of the portion of consideration paid by Foshan Yi Yun, to the extent of interest not related to the Group, and 50% of net assets in Foshan Brilliant amounted to approximately RMB6,087,000 was recognised by the Group in equity transaction reserve.

31. 視作出售及出售部分附屬公司之權益

(I) 截至二零一八年十二月三十一日止年度

- (i) 於二零一七年十二月十八日，本公司全資附屬公司佛山招商房地產有限公司（「佛山招商」）與本公司非全資附屬公司佛山依雲房地產有限公司（「佛山依雲」，本集團於其權益中擁有50%權益）訂立股權轉讓協議（「第一份協議」）。根據第一份協議，其中包括，佛山依雲有條件同意購買佛山招商當時的全資附屬公司佛山招商光華房地產有限公司（「佛山光華」）100%股權，代價為人民幣2,110,201,000元。股權轉讓已於二零一八年一月十九日完成。於股權轉讓完成後，佛山依雲直接持有佛山光華全部股權，而本集團間接透過佛山依雲持有佛山光華50%股權。由於本集團透過其對佛山依雲的控制權仍然保留其對佛山光華的控制權，故佛山光華於交易（當時作為股權交易入賬）後仍然為本公司的附屬公司。

就與本集團無關的權益而言，佛山依雲所支付代價部分之公平值與分佔佛山光華50%資產淨值之間之差額約人民幣6,087,000元獲本集團確認為權益交易儲備。

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31. DEEMED DISPOSAL AND PARTIAL DISPOSAL OF INTERESTS IN SUBSIDIARIES (continued)

(i) For the year ended 31 December 2018 (continued)

- (ii) On 25 April 2018, Foshan Merchants entered into an equity interest transfer agreement (“Agreement II”) with Foshan Yi Yun, pursuant to which among other things, Foshan Yi Yun has conditionally agreed to purchase 100% of the equity interest in Foshan Merchants Zhonghuan Property Development Co., Ltd. (“Foshan Zhonghuan”), a then wholly-owned subsidiary of Foshan Merchants, at a consideration of RMB1,735,041,000. The equity interest transfer was completed on 9 May 2018. Upon completion of the equity interest transfer, Foshan Yi Yun holds directly the entire equity interest in Foshan Zhonghuan and the Group holds, indirectly through Foshan Yi Yun, 50% of the equity interest in Foshan Zhonghuan. As the Group remains its control over Foshan Zhonghuan through its control over Foshan Yi Yun, Foshan Zhonghuan remains as a subsidiary of the Company after the transaction which is then accounted for as an equity transaction.

The difference between the fair value of the portion of consideration paid by Foshan Yi Yun, to the extent of interest not related to the Group, and the 50% of net assets in Foshan Zhonghuan amounted to approximately RMB4,093,000 was recognised by the Group in equity transaction reserve.

31. 視作出售及出售部份附屬公司之權益(續)

(i) 截至二零一八年十二月三十一日止年度(續)

- (ii) 於二零一八年四月二十五日，佛山招商與佛山依雲訂立股權轉讓協議(「第二份協議」)，據此，其中包括，佛山依雲有條件同意購買佛山招商中環房地產開發有限公司(「佛山中環」，為佛山招商當時的全資附屬公司)100%股權，代價為人民幣1,735,041,000元。股權轉讓已於二零一八年五月九日完成。於股權轉讓完成後，佛山依雲直接持有佛山中環全部股權，而本集團間接透過佛山依雲持有佛山中環50%股權。由於本集團透過其對佛山依雲的控制權仍然保留其對佛山中環的控制權，故佛山中環於交易(當時作為股權交易入賬)後仍然為本公司的附屬公司。

就與本集團無關的權益而言，佛山依雲所支付代價部分之公平值與分佔佛山中環50%資產淨值之間之差額約人民幣4,093,000元獲本集團確認為權益交易儲備。

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31. DEEMED DISPOSAL AND PARTIAL DISPOSAL OF INTERESTS IN SUBSIDIARIES (continued)

(i) For the year ended 31 December 2018 (continued)

- (iii) On 26 November 2018, the Group disposed of 20% equity interests in Nanjing Ningsheng and Nanjing Xingsheng respectively to an independent third party, and leading to loss of control upon completion of the transaction. The transaction was accounted for as disposal of partial interests in subsidiaries resulting in loss of control. After the completion of the partial disposal, Nanjing Ningsheng and Nanjing Xingsheng became the associates of the Group. The fair value of the 31% retained interests in Nanjing Ningsheng and Nanjing Xingsheng at the date on which control was lost were regarded as the cost in initial recognition of the Group's interests in associates.

Assets and liabilities derecognised at the date in loss of control of Nanjing Ningsheng and Nanjing Xingsheng are as follows:

31. 視作出售及出售部份附屬公司之權益(續)

(i) 截至二零一八年十二月三十一日止年度(續)

- (iii) 於二零一八年十一月二十六日，本集團向一名獨立第三方分別出售南京寧盛及南京興盛20%權益，導致於交易完成後失去控制權。交易乃以出售附屬公司部分權益以致失去控制權入賬。於部分出售完成後，南京寧盛及南京興盛成為本集團的聯營公司。於失去控制權當日在南京寧盛及南京興盛的31%保留權益之公平值視為首次確認本集團於聯營公司的權益之成本。

失去南京寧盛及南京興盛的控制權當日取消確認的資產及負債如下：

| | | RMB'000 人民幣千元 |
|---|-----------------------|------------------|
| Property, plant and equipment (note 14) | 物業、廠房及設備(附註14) | 150 |
| Properties for sale | 可供出售物業 | 23,868 |
| Trade and other receivables, prepayments and deposits | 業務及其他應收款項、 預付款項及按金 | 125,457 |
| Cash and bank balances | 現金及銀行結餘 | 64,485 |
| Trade and other payables | 業務及其他應付款項 | (54,672) |
| | | 159,288 |
| Less: Fair values of 31% retained equity interest held by the Group | 減：本集團持有的31%保留權益之公平值 | |
| – classified as interests in associates | – 分類為於聯營公司的權益 | 51,866 |
| Non-controlling interests | 非控股權益 | 78,053 |
| Consideration received by cash | 以現金收取的代價 | 31,187 |
| Gain on disposal of subsidiaries | 出售附屬公司的收益 | (1,818) |
| Net cash outflow arising on disposal: | 出售時產生的現金流出淨額： | |
| Consideration received by cash | 以現金收取的代價 | 31,187 |
| Cash and bank balance disposed of | 已出售的現金及銀行結餘 | (64,485) |
| | | (33,298) |

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31. DEEMED DISPOSAL AND PARTIAL DISPOSAL OF INTERESTS IN SUBSIDIARIES (continued)

(II) For the year ended 31 December 2017

- (i) On 31 May 2017, Foshan Merchants entered into a cooperation agreement with Foshan Yi Yun, pursuant to which among other things, Foshan Yi Yun subscribed for the registered capital of 佛山招商果嶺房地產有限公司 (“佛山果嶺”) of RMB40,000,000. As a result, the registered capital of 佛山果嶺 increased from RMB10,000,000 to RMB50,000,000 and the proportion effective ownership interest held by the Group decreased from 100% to 60%. As the Group remains its control over 佛山果嶺 through its control over 佛山果嶺, 佛山果嶺 remains as a subsidiary of the Company after the transaction which is then accounted for as an equity transaction.

The difference between the fair value of consideration paid by Foshan Yi Yun and the share of net assets in 佛山果嶺 of approximately RMB3,393,000 was recognised by the Group in equity transaction reserve.

* Unofficial English translation denotes for identification purpose only

32. ACQUISITION OF SUBSIDIARY ACCOUNTED FOR AS ASSET ACQUISITION

(i) Cheuk Tat Acquisition

On 18 August 2016, the Company entered into an agreement (the “Acquisition Agreement”) with China Merchants Properties Development Limited (“CM Properties”), a fellow subsidiary of the Company, to acquire the entire share capital of Cheuk Tat Development Limited (“Cheuk Tat”), a subsidiary of CM Properties, and all outstanding shareholder loan of approximately HK\$239,681,000 (equivalent to approximately RMB194,118,000) owing by Cheuk Tat to CM Properties at the date of completion of the aforesaid acquisition for a total consideration of approximately HK\$608,000,000 (equivalent to approximately RMB492,000,000) (the consideration is subject to adjustment as defined in the Acquisition Agreement but capped at HK\$609,000,000 (equivalent to approximately RMB493,121,000)) (the “Cheuk Tat Acquisition”). The adjusted consideration was approximately HK\$609,000,000 (equivalent to approximately RMB492,924,000) which was paid by cash. The Cheuk Tat Acquisition was completed on 28 February 2018. Upon completion, the Company holds 100% equity interest in Cheuk Tat, which became a wholly-owned subsidiary of the Company.

31. 視作出售及出售部份附屬公司之權益(續)

(II) 截至二零一七年十二月三十一日止年度

- (i) 於二零一七年五月三十一日，佛山招商與佛山依雲訂立合作協議，據此，其中包括，佛山依雲認購佛山招商果嶺房地產有限公司(「佛山果嶺」)註冊資本人民幣40,000,000元。因此，佛山果嶺之註冊資本由人民幣10,000,000元增加至人民幣50,000,000元，而本集團所持實際所有權權益比例由100%減少至60%。由於本集團透過其對佛山果嶺之控制權保留其對佛山果嶺之控制權，故佛山果嶺於其後以權益交易入賬之交易完成後仍然為本公司之附屬公司。

佛山依雲所支付代價之公平值與分佔佛山果嶺資產淨值之間之差額約人民幣3,393,000元獲本集團確認為權益交易儲備。

32. 收購附屬公司並入賬列作資產收購

(i) 卓得收購事項

於二零一六年八月十八日，本公司與招商局置業有限公司(「招商置業」)(本公司之同系附屬公司)訂立協議(「收購協議」)，以收購招商置業之附屬公司卓得發展有限公司(「卓得」)之全部股本以及於上述收購完成日期卓得結欠招商置業之全部未償還股東貸款約港幣239,681,000元(相當於約人民幣194,118,000元)，總代價約為港幣608,000,000元(相當於約人民幣492,000,000元)，惟代價可按收購協議界定者予以調整，但以港幣609,000,000元(相當於約人民幣493,121,000元)為上限(「卓得收購事項」)。經調整代價約港幣609,000,000元(相當於約人民幣492,924,000元)已以現金支付。卓得收購事項於二零一八年二月二十八日完成。於完成後，本公司擁有卓得全部股權，而卓得成為本公司之全資附屬公司。

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32. ACQUISITION OF SUBSIDIARY ACCOUNTED FOR AS ASSET ACQUISITION (continued)

(i) Cheuk Tat Acquisition (continued)

Cheuk Tat is principally engaged in property investment in Hong Kong and up to the date of acquisition, Cheuk Tat has not carried out any significant business transaction except for holding certain completed properties in Hong Kong. The Cheuk Tat Acquisition has been accounted for by the Group as acquisition of assets.

Net assets of Cheuk Tat acquired:

32. 收購附屬公司並入賬列作資產收購 (續)

(i) 卓得收購事項(續)

卓得主要於香港從事物業投資，而直至收購日期，除於香港持有若干已竣工物業外，卓得並無進行任何實質業務交易。卓得收購事項已入賬列為本集團資產收購。

所收購卓得之資產淨值：

| | | RMB'000 人民幣千元 |
|--|--------------|------------------|
| Other receivables | 其他應收款項 | 309 |
| Investment properties (Note 15) | 投資物業(附註15) | 488,370 |
| Bank balances and cash | 銀行結餘及現金 | 4,247 |
| Other payables | 其他應付款項 | (2) |
| Shareholder loan | 股東貸款 | (194,118) |
| | | 298,806 |
| Satisfied by cash consideration for Shareholder loan | 以現金代價結算股東貸款 | 194,118 |
| Net assets of Cheuk Tat | 卓得之資產淨值 | 298,806 |
| | | 492,924 |
| Consideration | 代價 | |
| Cash paid | 已付現金 | 443,520 |
| Deposit paid in previous year | 於前一年度已付按金 | 49,404 |
| | | 492,924 |
| Net cash outflow arising from acquisition | 收購產生之現金流出淨額 | |
| Cash paid | 已付現金 | 443,520 |
| Less: Bank balances and cash acquired | 減：已收購銀行結餘及現金 | (4,247) |
| | | 439,273 |

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32. ACQUISITION OF SUBSIDIARY ACCOUNTED FOR AS ASSET ACQUISITION (continued)

(ii) Coming Wealth Acquisition

On 18 August 2016, the Company entered into an agreement with CM Properties, a fellow subsidiary of the Company, to acquire the entire equity interest of Coming Wealth Limited (“Coming Wealth”), a subsidiary of CM Properties, and all outstanding shareholder loan of approximately HK\$281,125,000 (equivalent to RMB251,467,000) owing by Coming Wealth to CM Properties at the date of completion of the aforesaid acquisition for a total consideration of approximately HK\$504,000,000 (equivalent to approximately RMB451,101,000) which was paid by cash (the “Coming Wealth Acquisition”). The Coming Wealth Acquisition was completed on 5 January 2017. Upon completion, the Company holds 100% equity interest in Coming Wealth, which became a wholly-owned subsidiary of the Company.

Coming Wealth is principally engaged in property investment in Hong Kong and up to the date of acquisition, Coming Wealth has not carried out any significant business transaction except for holding certain completed properties in Hong Kong. The Coming Wealth Acquisition has been accounted for by the Group as acquisition of assets.

32. 收購附屬公司並入賬列作資產收購 (續)

(ii) 佳臨收購事項

於二零一六年八月十八日，本公司與招商置業（為本公司之同系附屬公司）訂立一份協議，以收購招商置業之附屬公司佳臨興業有限公司（「佳臨」）之全部股權，以及於上述收購完成日期佳臨結欠招商置業之全部未償還股東貸款約港幣281,125,000元（相當於人民幣251,467,000元），總代價約為港幣504,000,000元（相當於約人民幣451,101,000元），以現金支付（「佳臨收購事項」）。佳臨收購事項已於二零一七年一月五日完成。完成後，本公司持有佳臨全部股本權益，佳臨因而成為本公司之全資附屬公司。

佳臨主要於香港從事物業投資業務，而直至收購日期，除於香港持有若干已竣工物業外，佳臨並未開展任何實質性業務交易。佳臨收購事項已入賬為本集團資產收購。

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32. ACQUISITION OF SUBSIDIARY ACCOUNTED FOR AS ASSET ACQUISITION (continued)

(ii) Coming Wealth Acquisition (continued)

Net assets of Coming Wealth acquired:

32. 收購附屬公司並入賬列作資產收購 (續)

(ii) 佳臨收購事項 (續)

所收購佳臨之資產淨值：

| | | RMB'000 人民幣千元 |
|---|------------------|------------------|
| Other receivables | 其他應收款項 | 435 |
| Investment properties (Note 15) | 投資物業(附註15) | 451,722 |
| Bank balances and cash | 銀行結餘及現金 | 126 |
| Other payables | 其他應付款項 | (1,182) |
| Shareholder loan | 股東貸款 | (251,467) |
| | | 199,634 |
| Satisfied by cash consideration for Shareholder loan | 以現金收取的代價 股東貸款 | 251,467 |
| Net assets of Coming Wealth | 佳臨之資產淨值 | 199,634 |
| Cash consideration | 現金代價 | 451,101 |
| Net cash outflow arising from acquisition | 收購產生的現金流出淨額 | |
| Cash paid | 已付現金 | (451,101) |
| Less: Bank balances and cash acquired | 減：已收購的銀行結餘及現金 | 126 |
| | | (450,975) |

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33. RETIREMENT BENEFITS PLAN

(i) Plans for Hong Kong employees

The Group participates in the MPF Scheme for all its qualifying employees in Hong Kong. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the scheme. No forfeited contribution is available to reduce the contribution payable in the future years.

(ii) Plans for PRC employees

The employees employed in the PRC are members of the state-managed retirement benefit schemes operated by the PRC government. The PRC subsidiaries are required to contribute certain percentage of their payroll to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit schemes is to make the required contributions under the schemes.

33. 退休福利計劃

(i) 香港僱員計劃

本集團為香港所有合資格僱員參與強積金計劃。強積金計劃之資產透過一名獨立信託人控制之基金與本集團所持資產分開持有。本集團對強積金計劃之唯一責任為根據該計劃作出規定供款。概無已沒收供款可供扣減未來年度應付供款。

(ii) 中國僱員計劃

中國僱員參與中國政府所運作之國家管理退休福利計劃。中國附屬公司須向該退休福利計劃支付僱員薪酬若干百分比之供款，為該等福利提供資金。本集團對退休福利計劃之唯一責任為根據該計劃作出規定供款。

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34. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of loans from non-controlling interests and an intermediate holding company, bonds payable, bank and other borrowings and liability component of convertible bonds, net of cash and cash equivalents and equity, comprising share capital, share premium, various reserves and non-controlling interests.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors of the Company consider the cost of capital, cost of debts, gearing ratios and the risks associated with each class of capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through new share issues, the payment of dividends as well as the issue of new debts or the repayment of existing debts.

Group entities which were established in the PRC maintained RMB denominated bank balances, the remittance of these funds out of the PRC is subject to exchange restrictions imposed by the PRC government.

34. 資金風險管理

本集團管理其資金，以確保本集團之實體將能夠以持續經營方式營運，同時亦透過達致平衡債務與股本之最佳狀況而為股東爭取最大回報。本集團整體策略與去年保持不變。

本集團之資本架構包括非控股權益及間接控股公司貸款、應付債券、銀行及其他借貸以及可換股債券之負債部分，經扣除現金及等同現金項目以及權益(包括股本、股份溢價、各種儲備及非控股權益)。

本公司董事定期檢討資本結構。作為檢討一部分，本公司董事考慮資本成本、債務成本、資產負債比率及各類資本相關之風險。按照本公司董事之推薦意見，本集團將藉發行新股、派付股息以及發行新債或償還現有債務，平衡其整體資本結構。

於中國成立之本集團實體持有以人民幣計值之銀行結餘，自中國匯出該等款項須遵守中國政府實施之匯兌限制。

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34. CAPITAL RISK MANAGEMENT (continued)

The gearing ratio of the Group at the end of the reporting period was as follows:

34. 資金風險管理(續)

本集團於報告期間結算日之資本負債比率如下：

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|--------------------------|----------|-----------------------------------|-----------------------------------|
| Debt (Note i) | 債務(附註i) | 18,648,136 | 15,233,460 |
| Bank balances and cash | 銀行結餘及現金 | (6,866,261) | (5,100,692) |
| Net debt | 淨債務 | 11,781,875 | 10,132,768 |
| Equity (Note ii) | 權益(附註ii) | 23,797,028 | 21,771,226 |
| Net debt to equity ratio | 淨債務對權益比率 | 0.50 | 0.47 |

Notes:

- (i) Debt is defined as loans from non-controlling interests and an intermediate holding company, bonds payable, liability component of convertible bonds and bank and other borrowings.
- (ii) Equity includes all capital and reserves of the Group and non-controlling interests.

附註:

- (i) 債務乃定義為非控股權益及間接控股公司貸款、應付債券、可換股債券之負債部分以及銀行及其他借貸。
- (ii) 權益包括本集團所有資本及儲備以及非控股權益。

35. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

35. 金融工具

(a) 金融工具分類

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|--|--------------------|-----------------------------------|-----------------------------------|
| Financial assets | 金融資產 | | |
| FVTPL | 按公平值計入損益 | 16,711 | 83,254 |
| Loans and receivables (including bank balances and cash) | 貸款及應收款項(包括銀行結餘及現金) | 20,187,623 | 18,406,122 |
| Available-for-sales investment | 可供出售投資 | - | 18,750 |
| Financial liabilities | 金融負債 | | |
| FVTPL | 按公平值計入損益 | - | 55,892 |
| Other financial liabilities at amortised cost | 以攤銷成本入賬之其他金融負債 | 29,336,970 | 25,029,859 |

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35. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, bank balances and cash, financial assets at FVTPL, available-for-sales investments, loans from non-controlling interests and an intermediate holding company, trade and other payables, bank and other borrowings, convertible bonds and bonds payable. Details of the financial instruments are disclosed in respective notes.

The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

(i) Currency risk

The Group has foreign currency denominated trade and other receivables, bank balances, trade and other payables, loans from non-controlling interests, loans from an intermediate holding company and bonds payable, which expose the Group to foreign currency risk. The management has closely monitored foreign exchange exposure and will undertake necessary procedures to mitigate the currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

35. 金融工具(續)

(b) 財務風險管理目標及政策

本集團主要金融工具包括業務及其他應收款項、銀行結餘及現金、按公平值計入損益之金融資產、可供出售投資、非控股權益及間接控股公司貸款、業務及其他應付款項、銀行及其他借貸、可換股債券及應付債券。金融工具之詳情於相關附註披露。

該等金融工具相關風險包括市場風險(貨幣風險及利率風險)、信貸風險及流動資金風險。有關如何減輕該等風險之政策載於下文。管理層管理並監察該等風險，以確保及時並有效實施合宜措施。

市場風險

(i) 貨幣風險

本集團之業務及其他應收款項、銀行結餘、業務及其他應付款項、非控股權益貸款、間接控股公司貸款及應付債券以外幣計值，導致本集團面對外幣風險。管理層密切監察外幣風險，並將採取適當程序緩和貨幣風險。

本集團以外幣計值之貨幣資產及貨幣負債於報告期間結算日之賬面值如下：

| | | Assets 資產 | | Liabilities 負債 | |
|------|----|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
| HK\$ | 港幣 | 100,427 | 6,237 | 101,788 | 2,860 |
| US\$ | 美元 | 272,625 | 3,001 | 2,466,705 | 4,081,110 |

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35. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

(i) Currency risk (continued)

Sensitivity analysis

The Group is mainly exposed to the currency of HK\$ and US\$. No sensitivity analysis is presented for RMB, the functional currency of respective group entities, against HK\$ because the risk is considered insignificant.

The following table details the Group's sensitivity to a 5% (2017: 5%) increase and decrease in RMB, the functional currency of respective group entities, against US\$ which represents management's assessment of the reasonably possible change in foreign exchange rate. The sensitivity analysis includes only outstanding US\$ denominated monetary items and adjusts their translation at the end of the reporting period for a 5% (2017: 5%) change in foreign currency rate. A positive number below indicates an increase in post-tax profit where RMB strengthen 5% (2017: 5%) against US\$ and vice versa.

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|----------------|----|-----------------------------------|-----------------------------------|
| Profit or loss | 損益 | 91,603 | 170,261 |

35. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

(i) 貨幣風險(續)

敏感度分析

本集團主要承受港幣及美元的風險。敏感度分析並未以人民幣(相關集團實體之功能貨幣)兌港幣呈列，因為風險並不重大。

下表詳述本集團就人民幣(相關集團實體之功能貨幣)兌美元升值及貶值5%(二零一七年: 5%)之敏感度，該敏感度乃管理層對外幣匯率可能出現之合理變動之評估。敏感度分析僅包括以美元計值之未結算貨幣項目，並於報告期間結算日按外幣匯率之5%(二零一七年: 5%)變動調整其換算。以下正數顯示當人民幣兌美元上升5%(二零一七年: 5%)時除稅後溢利之增加金額，反之亦然。

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35. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

(ii) Interest rate risk

The Group is primarily exposed to cash flow interest rate risk in relation to variable-rate interest bearing receivables and payables, including amounts due from joint ventures, bank balances, bank and other borrowings, loans from an intermediate holding company and loans from non-controlling interests.

The Group's fair value interest rate risk relates primarily to its fixed-rate loans from non-controlling interests, amounts due from associates, convertible bonds, bank and other borrowings and bonds payable.

The Group currently does not have an interest rate hedging policy in relation to fair value interest rate risk and cash flow interest rate risk. However, management of the Group monitors interest rate exposure on an on-going basis and will consider hedging significant interest rate exposure should the need arise.

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of RMB Benchmark Loan Rates offered by the People's Bank of China or LIBOR.

35. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

(ii) 利率風險

本集團主要面對與浮息計息應收款項及應付款項現金流量利率風險，包括應收合營企業款項、銀行結餘、銀行及其他借貸、間接控股公司貸款及非控股權益貸款。

本集團之公平值利率風險主要與其非控股權益之定息貸款、應收聯營公司款項、可換股債券、銀行及其他借貸以及應付債券有關。

本集團現時並無有關公平值利率風險及現金流量利率風險之利率對沖政策。然而，本集團管理層持續監察利率風險，並將於需要時考慮對沖重大利率風險。

本集團現金流量利率風險主要集中於中國人民銀行提供之人民幣基準貸款利率或倫敦銀行同業拆息之波動風險。

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35. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

(ii) Interest rate risk (continued)

Sensitivity analysis

The sensitivity analyses below have been prepared assuming these financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis points (2017: 50 basis points) increase or decrease is used when reporting interest rate risk internally to key management personnel and reasonably possible change in interest rates.

If interest rate had been 50 basis points (2017: 50 basis points) higher/lower for variable-rate interest bearing financial assets/liabilities and all other variables were held constant, the Group's post-tax profit for the year would decrease/increase by RMB3,513,000 (2017: RMB5,262,000).

Credit risk

The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from:

- the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position at the end of each reporting period; and
- the amount of financial guarantees provided by the Group as disclosed in note 39.

35. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

(ii) 利率風險管理(續)

敏感度分析

以下敏感度分析乃假設於報告期間結算日之該等未償還金融工具於整年未償還而編製。內部向主要管理人員報告利率風險時採用上升或下降50個基點(二零一七年: 50個基點), 此乃利率之合理可能變動。

倘以浮動利率計息之金融資產/負債利率上升/下降50個基點(二零一七年: 50個基點)而所有其他變數保持不變, 本集團年內除稅後溢利將會減少/增加人民幣3,513,000元(二零一七年: 人民幣5,262,000元)。

信貸風險

本集團因交易對手未能履行其責任而引致本集團產生財務損失之最大信貸風險為:

- 各報告期間結算日綜合財務狀況表內所列載相關已確認金融資產之賬面值; 及
- 有關附註39所披露由本集團提供之財務擔保金額。

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35. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk (continued)

The Group has concentration of credit risk in respect of bank balances. At 31 December 2018, approximately 35% (2017: 45%) of the bank balances were deposited at CMB. Except for approximately 24% (2017: 14%) of the bank balances deposited at China Construction Bank (Asia) Limited and approximately 10% (2017: 7%) of the bank balances deposited at Agricultural Bank of China, deposits in other banks are individually less than 10% of total bank deposits and bank balances. The credit risk of these liquid funds is limited because the counterparties are either state-owned banks located in the PRC or banks with high credit ratings.

The Group has concentration of credit risk in respect of amounts due from intermediate holding companies, non-controlling interests, fellow subsidiaries, associates, joint ventures and an investee. In order to minimise the credit risk on these amounts, the management of the Company continuously monitors the credit quality and financial conditions of intermediate holding companies, non-controlling interests, fellow subsidiaries, associates and joint ventures, and the investee of the Group and the level of exposure to ensure that follow up action is taken to recover overdue debts. Under such circumstances, the directors of Company consider that the Group's credit risk is insignificant.

The Group provides guarantees to banks in connection with certain customers' borrowing of mortgage loans to finance their purchase of the Group's properties. If a purchaser defaults on the payment of its mortgage during the period of guarantee, the bank holding the mortgage may demand the Group to repay the outstanding loan and any interest accrued thereon. Under such circumstances, the Group is able to repossess the properties for resale. Therefore, the management of the Company consider it would likely recover any loss incurred arising from the guarantee provided by the Group. No such repossession of properties occurred during the year ended 31 December 2018 (2017: nil).

35. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險(續)

本集團之銀行結餘有信貸風險集中情況。於二零一八年十二月三十一日，銀行結餘約35% (二零一七年：45%) 存放於招商銀行。除銀行結餘約24% (二零一七年：14%) 及10% (二零一七年：7%) 存放於中國建設銀行(亞洲)有限公司及中國農業銀行外，個別其他銀行存款少於銀行存款及銀行結餘總額之10%。由於交易對手為位於中國之國有銀行或具高信貸評級之銀行，故此等流動資金之信貸風險有限。

本集團於應收間接控股公司、非控股權益、同系附屬公司、聯營公司、合營企業及一名投資對象之款項中有信貸風險集中情況。為將此等款項之信貸風險降至最低，本公司管理層持續監控本集團間接控股公司、非控股權益、同系附屬公司、聯營公司及合營企業以及投資對象之信貸質素及財務狀況以及風險水平，確保採取跟進措施收回過期債務。在此種情況下，本公司董事認為本集團之信貸風險輕微。

本集團就若干客戶之按揭貸款向銀行提供擔保，以提供資金予彼等購買本集團物業。倘買家於擔保期間內無法支付其按揭，持有按揭之銀行可要求本集團償還未償還貸款及其任何累計利息。於該等情況下，本集團可重新擁有該等物業作轉售。因此，本公司管理層認為，本集團很可能可以填補因由其提供擔保所產生之任何虧損。截至二零一八年十二月三十一日止年度，並無此等重新擁有之物業(二零一七年：無)。

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35. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk (continued)

The Group's internal credit risk grading assessment comprises the following categories:

35. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險(續)

本集團的內部信貸風險評級評估包括以下類別：

| Internal credit rating 內部信貸評級 | Description 描述 | Trade receivables/ contract assets 業務應收款項／合約資產 | Other financial assets/ other items 其他金融資產／其他項目 |
|----------------------------------|--|---|---|
| Low risk 低風險 | The counterparty has a low risk of default and does not have any past-due amounts 對手方的違約風險較低，且並無任何違約款項 | Lifetime ECL – not credit-impaired 全期預期信貸虧損－ 未信貸減值 | 12-month ECL 12個月預期信貸虧損 |
| Watch list 觀察名單 | Debtor frequently repays after due dates but usually settles in full 債務人經常於到期日後還款，惟通常於到期日後全數歸還 | Lifetime ECL – not credit-impaired 全期預期信貸虧損－ 未信貸減值 | 12-month ECL 12個月預期信貸虧損 |
| Doubtful 存疑 | There have been significant increases in credit risk since initial recognition through information developed internally 內部制訂的資料顯示信貸風險自初次確認起大幅增加 | Lifetime ECL – not credit-impaired 全期預期信貸虧損－ 未信貸減值 | Lifetime ECL – not credit-impaired 全期預期信貸虧損－ 未信貸減值 |
| Loss 虧損 | There is evidence indicating the asset is credit-impaired 有證據表明資產已信貸減值 | Lifetime ECL – credit-impaired 全期預期信貸虧損－ 已信貸減值 | Lifetime ECL – credit-impaired 全期預期信貸虧損－ 已信貸減值 |
| Write-off 撇銷 | There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery 有證明表明債務人處於嚴重財務困難，而本集團收回款額的前景渺茫 | Amount is written off 撇銷有關款項 | Amount is written off 撇銷有關款項 |

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35. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk (continued)

The tables below detail the credit risk exposures of the Group's financial assets which are subject to ECL assessment:

| 2018 | | Internal credit rating | 12-month or lifetime ECL | Gross carrying amount |
|----------------------------------|------|------------------------|--------------------------|-----------------------|
| 2018年 | | 內部信貸評級 | 12個月或全期預期信貸虧損 | 總賬面值 |
| | Note | | | RMB'000 |
| | 附註 | | | 人民幣千元 |
| Amounts due from related parties | 22 | Note | 12-month ECL | 13,121,383 |
| 應收關聯方款項 | | 附註 | 12個月預期信貸虧損 | |
| Bank balances | 23 | N/A | 12-month ECL | 6,866,261 |
| 銀行結餘 | | 不適用 | 12個月預期信貸虧損 | |
| Other receivables | 22 | Note | 12-month ECL | 197,593 |
| 其他應收款項 | | 附註 | 12個月預期信貸虧損 | |
| Trade receivables | 22 | Low risk | Lifetime ECL | 2,386 |
| 業務應收款項 | | 低風險 | 全期預期信貸虧損 | |

Note: For the purpose of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition. In the opinion of the directors of the Company, there is no significant increase in credit risk of the amounts as the amounts are either not past due or with no fixed repayment terms.

35. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險(續)

下表詳述本集團的金融資產(均須接受預期信貸風險評估)的信貸風險敞口:

附註: 就內部信貸風險管理而言, 本集團使用逾期資料以評估信貸風險自初次確認起有否大幅上升。本公司董事認為, 有關款項的信貸風險並無大幅上升, 乃由於有關款項並未逾期或並無固定還款期限。

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35. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding generated from operating activities and the flexibility through the use of borrowings and issue of new debts. The directors of the Company closely monitor the liquidity position and expect to have adequate sources of funding to finance the Group's projects and operations.

The following table details the Group's expected remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of non-derivative financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

35. 金融工具(續)

(b) 財務風險管理目標及政策(續)

流動資金風險

本集團的目標為透過使用借款及發行新債務，維持經營活動產生的資金之持續性及靈活性之間的平衡。本公司董事密切監察流動資金狀況，並預期將有充足資金來源以撥付本集團的項目及營運。

下表詳述本集團非衍生金融負債的預計剩餘合約到期情況。該表根據本集團可被要求支付非衍生金融負債之最早日期當日編製，以反映金融負債之未貼現現金流量。該表包括利息及本金現金流量。當利息流為浮動利率時，於報告期末的未貼現金額乃來自利率曲線。

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35. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk (continued)

35. 金融工具(續)

(b) 財務風險管理目標及政策(續)

流動資金風險(續)

| | | Weighted average interest rate 加權 平均利率 | On demand or within 60 days 按要求或 於60日內 RMB'000 人民幣千元 | 61 to 180 days 61至180日 RMB'000 人民幣千元 | 181 to 365 days 181至365日 RMB'000 人民幣千元 | 1-2 years 1至2年 RMB'000 人民幣千元 | 2-3 years 2至3年 RMB'000 人民幣千元 | Over 3 years 超過3年 RMB'000 人民幣千元 | Total undiscounted cash flows 未貼現現金 流量總額 RMB'000 人民幣千元 | Carrying amount 賬面值 RMB'000 人民幣千元 |
|--|---------------|--|--|--|--|--|--|---|--|---|
| At 31 December 2018 | 於二零一八年十二月三十一日 | | | | | | | | | |
| Trade and other payables | 業務及其他應付款項 | - | 10,688,834 | - | - | - | - | - | 10,688,834 | 10,688,834 |
| Loans from non-controlling interests | 非控股權益貸款 | 4.69% | - | 1,438,455 | 219,754 | 1,431,826 | 1,176,671 | 2,780,424 | 7,047,130 | 6,345,655 |
| Loans from an intermediate holding company | 間接控股公司貸款 | 4.75% | 3,313,281 | - | 9,500 | 209,500 | - | - | 3,532,281 | 3,487,611 |
| Bank and other borrowings | 銀行及其他借貸 | | | | | | | | | |
| - fixed rate | - 定息 | 5.08% | 20,142 | 650,855 | 72,879 | 785,234 | 2,056,475 | 403,273 | 3,988,858 | 3,632,591 |
| - variable rate | - 浮息 | 5.22% | - | 150,527 | 226,591 | 180,255 | 2,722,050 | 446,475 | 3,725,898 | 3,282,279 |
| Bonds payable | 應付債券 | 4.60% | - | 43,700 | 43,700 | 87,400 | 1,987,400 | - | 2,162,200 | 1,900,000 |
| | | | 14,022,257 | 2,283,537 | 572,424 | 2,694,215 | 7,942,596 | 3,630,172 | 31,145,201 | 29,336,970 |
| Financial guarantee contracts | 財務擔保合約 | | 4,172,353 | - | - | - | - | - | 4,172,353 | - |
| At 31 December 2017 | 於二零一七年十二月三十一日 | | | | | | | | | |
| Trade and other payables | 業務及其他應付款項 | - | 9,796,399 | - | - | - | - | - | 9,796,399 | 9,796,399 |
| Loans from non-controlling interests | 非控股權益貸款 | 4.49% | - | 120,031 | 2,583,177 | 23,655 | 2,737,958 | - | 5,464,821 | 5,071,395 |
| Loans from an intermediate holding company | 間接控股公司貸款 | 4.35% | 1,498,243 | - | - | - | - | - | 1,498,243 | 1,487,606 |
| Bank and other borrowings | 銀行及其他借貸 | | | | | | | | | |
| - fixed rate | - 定息 | 4.67% | 295,499 | 143,117 | 674,045 | 831,768 | 1,134,178 | - | 3,078,607 | 2,834,290 |
| - variable rate | - 浮息 | 4.97% | 366,872 | 266,278 | 72,115 | 73,630 | 178,737 | - | 957,632 | 916,739 |
| Bonds payable | 應付債券 | 4.02% | 22,617 | 45,233 | 3,446,000 | - | - | - | 3,513,850 | 3,231,826 |
| Convertible bonds | 可換股債券 | 0.50% | 1,633 | 3,266 | 4,898 | 9,797 | 1,964,225 | - | 1,983,819 | 1,691,604 |
| | | | 11,981,263 | 577,925 | 6,780,235 | 938,850 | 6,015,098 | - | 26,293,371 | 25,029,859 |
| Financial guarantee contracts | 財務擔保合約 | | 3,572,819 | - | - | - | - | - | 3,572,819 | - |

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35. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk (continued)

The amounts included above for financial guarantee contracts are the maximum amounts the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantors. Based on the expectations at the end of the reporting period, the Group considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee, which is a function of the likelihood that the financial receivables held by the counterparties that are guaranteed by the Group suffer any credit losses.

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

35. 金融工具(續)

(b) 財務風險管理目標及政策(續)

流動資金風險(續)

上表所載財務擔保合約之金額為倘交易對手向擔保人提出申索，則根據悉數擔保金額安排可能要求本集團清償之最高金額。基於在報告期間結算日之預測，本集團認為很可能毋須根據該安排支付任何款項。然而，該估計可能會改變，視乎本集團擔保交易對手所持應收財務款項遭受任何信貸虧損而根據擔保提出申索之可能性而定。

倘浮動利率變動與於報告期間結算日釐定之利率估計有別，則上述就非衍生金融負債之浮動利率工具所計入之金額亦會有變。

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35. FINANCIAL INSTRUMENTS (continued)

(c) Fair value

Except bonds payable as at 31 December 2017, as set out below, the directors of the Company consider that the carrying amounts of financial assets and financial liabilities as at 31 December 2018 and 2017 recorded at amortised cost in the consolidated financial statements approximate their fair values.

35. 金融工具(續)

(c) 公平值

除須於二零一七年十二月三十一日償還的債券外，本公司董事認為，於二零一八年及二零一七年十二月三十一日，於綜合財務報表以攤銷成本入賬之金融資產及金融負債之賬面值與其公平值相若。

| | Financial liability 金融負債 | Fair value hierarchy 公平值層級 | Carrying amount 賬面值 RMB'000 人民幣千元 | Fair value 公平值 RMB'000 人民幣千元 |
|---|-----------------------------|-------------------------------|--|---------------------------------------|
| As at 31 December 2017 於二零一七年十二月三十一日 | Bonds payable 應付債券 | Level 2 第二級 | 3,231,826 | 3,299,376 |

The fair values of derivative components of convertible bonds as at 31 December 2017 are estimated using Binomial model.

於二零一七年十二月三十一日，可換股債券之衍生工具部分公平值乃使用二項式模式估計。

The below tables summarised the financial instruments measured at fair value:

下表概述按公平值計量的金融工具：

2018

二零一八年

| Financial instrument 金融工具 | Fair value 公平值 RMB'000 人民幣千元 | Fair value hierarchy 公平值層級 | Valuation techniques and significant key or unobservable inputs 估值方法及重大主要或不可觀察輸入數據 |
|---|---------------------------------------|-------------------------------|--|
| Financial asset at FVTPL 按公平值計入損益的金融資產 | 16,711 | Level 3 第三級 | Valuation technique 估值方法 Key unobservable inputs: 主要不可觀察輸入數據： Discount rate 貼現率 |
| | | | Discounted cash flow 貼現現金流量 5.89% |

Note: A slight increase/decrease in the discount rate used in valuation would not result in a significant change in the fair value of the financial asset at FVTPL.

附註：估值所用之貼現率出現輕微上升/下降將不會導致按公平值計入損益的金融資產之公平值出現重大變動。

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35. FINANCIAL INSTRUMENTS (continued)

(c) Fair value (continued)

2017

| Financial instrument 金融工具 | Fair value 公平值 RMB'000 人民幣千元 | Fair value hierarchy 公平值層級 | Valuation techniques and significant key or unobservable inputs 估值方法及重大主要或不可觀察輸入數據 |
|--|---------------------------------------|----------------------------------|--|
| Derivative component of convertible bonds 可換股債券之衍生工具部分 | | | |
| – Financial assets – 金融資產 | 83,254 | Level 3 第三級 | Valuation technique: Binomial method 估值方法：二項式估值模式 Key observable inputs: 主要可觀察輸入數據： Risk-free rate 1.94% 無風險利率 Effective interest rate 5.196% 實際利率 Key unobservable inputs: 主要不可觀察輸入數據： Volatility 51% 波幅 |
| – Financial liabilities – 金融負債 | (55,892) | Level 3 第三級 | Valuation technique: Binomial method 估值方法：二項式估值模式 Key observable inputs: 主要可觀察輸入數據： Risk-free rate 1.94% 無風險利率 Effective interest rate 5.196% 實際利率 Key unobservable inputs: 主要不可觀察輸入數據： Volatility 51% 波幅 |

Note: A 10% increase in the volatility with all other variables constant would decrease the fair value of the derivative financial assets and increase the fair value of derivative financial liabilities by approximately RMB7,513,000 and RMB3,756,000 respectively.

35. 金融工具(續)

(c) 公平值(續)

二零一七年

附註：波幅增加10%而所有其他變量維持不變將導致衍生金融資產公平值減少約人民幣7,513,000元及衍生金融負債公平值增加人民幣3,756,000元。

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35. FINANCIAL INSTRUMENTS (continued)

(c) Fair value (continued)

There were no transfers into or out of Level 3 during the years ended 31 December 2018 and 2017.

The fair values of other financial assets and financial liabilities have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis.

Valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The appropriate valuation techniques and inputs for fair value measurements are determined by the directors of the Company or the independent qualified valuers.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages independent qualified valuers to perform the valuation when considered necessary. The directors of the Company work closely with the independent qualified valuers to establish the appropriate valuation techniques and inputs to the model. The directors of the Company review the cause of fluctuations in fair value of the assets and liabilities semi-annually.

35. 金融工具(續)

(c) 公平值(續)

截至二零一八年及二零一七年十二月三十一日止年度，並無轉入或轉出第三級。

其他金融資產及金融負債之公平值乃根據公認定價模式按貼現現金流量分析釐定。

估值過程

本集團若干資產及負債按公平值計量，以作財務報告用途。公平值計量之適用估值方法及輸入數據乃由本公司董事及獨立合資格估值師釐定。

估計資產或負債之公平值時，本集團盡可能使用可觀察市場數據。在並無第一級輸入數據之情況下，本集團於有需要時委聘獨立合資格估值師進行估值。本公司董事會與獨立合資格估值師緊密合作設立模式適用之估值方法及輸入數據。本公司董事每半年審閱資產及負債公平值波動之原因。

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36. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the consolidated statement of cash flows as cash flows from financing activities.

36. 融資活動之負債對賬

下表詳列本集團融資活動之負債變動，包括現金及非現金變動。融資活動產生之負債乃指其現金流量及未來現金流量於綜合現金流量表中分類為融資活動現金流量之負債。

| | | Non-cash changes 非現金變動 | | | | | |
|--|-------------------|--|--|--|---|--|---|
| | | 1 January 2018 二零一八年 一月一日 RMB'000 人民幣千元 | Financing cash flow 融資 現金流量 RMB'000 人民幣千元 | Exchange adjustment 匯兌調整 RMB'000 人民幣千元 | Finance costs incurred 所產生的 融資成本 RMB'000 人民幣千元 | Non-cash transactions (Note 43) 非現金交易 (附註43) RMB'000 人民幣千元 | 31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元 |
| Amounts due to intermediate holding companies | 應付間接控股公司款項 | 833,865 | 2,004,401 | - | - | - | 2,838,266 |
| Amounts due to non-controlling interests | 應付非控股權益款項 | 427,613 | (318,142) | - | - | - | 109,471 |
| Amounts due to fellow subsidiaries | 應付同系附屬公司款項 | 1,802,104 | (1,633,557) | - | - | - | 168,547 |
| Amounts due to joint ventures | 應付合營企業款項 | 443,679 | 627,273 | - | - | - | 1,070,952 |
| Amounts due to associates | 應付聯營公司款項 | 284,543 | 149,341 | - | - | - | 433,884 |
| Loans from non-controlling interests | 非控股權益貸款 | 5,071,395 | 1,433,548 | 36,712 | - | (196,000) | 6,345,655 |
| Loans from an intermediate holding company | 間接控股公司貸款 | 1,487,606 | 2,000,005 | - | - | - | 3,487,611 |
| Bank and other borrowings | 銀行及其他借貸 | 3,751,029 | 3,163,841 | - | - | - | 6,914,870 |
| Bonds payable | 應付債券 | 3,231,826 | (1,546,811) | 214,985 | - | - | 1,900,000 |
| Convertible bonds | 可換股債券 | 1,691,604 | (1,930,887) | 171,957 | 67,326 | - | - |
| Interest payables (included in trade and other payables) | 應付利息(計入業務及其他應收款項) | 9,677 | (788,366) | - | 859,572 | - | 80,883 |
| | | 19,034,941 | 3,160,646 | 423,654 | 926,898 | (196,000) | 23,350,139 |

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36. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (continued)

36. 融資活動之負債對賬(續)

| | 1 January 2017 二零一七年 一月一日 RMB'000 人民幣千元 | Financing cash flow 融資 現金流量 RMB'000 人民幣千元 | Non-cash changes 非現金變動 | | | 31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元 |
|--|--|--|--|---|--|---|
| | | | Exchange adjustment 匯兌調整 RMB'000 人民幣千元 | Finance costs incurred 所產生的 融資成本 RMB'000 人民幣千元 | Non-cash transactions (Note 43) 非現金交易 (附註43) RMB'000 人民幣千元 | |
| Amounts due to intermediate holding companies | 82,926 | 750,939 | - | - | - | 833,865 |
| Amounts due to non-controlling interests | 288,170 | 139,443 | - | - | - | 427,613 |
| Amounts due to fellow subsidiaries | 16,707 | 1,785,397 | - | - | - | 1,802,104 |
| Amounts due to joint ventures | 173,800 | 269,879 | - | - | - | 443,679 |
| Amounts due to associates | 266,159 | 18,384 | - | - | - | 284,543 |
| Loans from non-controlling interests | 4,072,966 | 1,282,478 | (40,470) | - | (243,579) | 5,071,395 |
| Loans from an intermediate holding company | 2,601,184 | (1,113,578) | - | - | - | 1,487,606 |
| Bank and other borrowings | 5,277,590 | (1,526,561) | - | - | - | 3,751,029 |
| Bonds payable | 3,426,732 | - | (199,539) | 4,633 | - | 3,231,826 |
| Convertible bonds | 1,714,915 | (9,797) | (102,169) | 88,655 | - | 1,691,604 |
| Interest payables (included in trade and other payables) | 74,643 | (802,560) | - | 737,594 | - | 9,677 |
| | 17,995,792 | 794,024 | (342,178) | 830,882 | (243,579) | 19,034,941 |

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37. OPERATING LEASES

The Group as a lessor

Rental income from investment properties earned during the year was RMB153,913,000 (2017: RMB86,118,000). All of the investment properties held have committed tenants for the next one to twelve years.

At the end of the reporting period, the Group had contracted with tenants for the future minimum lease payments as follows:

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|---------------------------------------|---------------|-----------------------------------|-----------------------------------|
| Within one year | 一年內 | 158,949 | 70,395 |
| In the second to fifth year inclusive | 二至五年內(包括首尾兩年) | 630,030 | 175,254 |
| After five years | 五年後 | 351,916 | 59,861 |
| | | 1,140,895 | 305,510 |

The Group as a lessee

The Group's minimum lease payments paid under operating leases during the year ended 31 December 2018 under operating leases in respect of rented premises amounted to approximately RMB44,013,000 (2017: RMB8,827,000).

37. 經營租賃

本集團作為出租人

於本年度投資物業租金收入盈利為人民幣153,913,000元(二零一七年:人民幣86,118,000元)。所持有之全部物業之租戶承諾於下一年至十二年期間租用。

於報告期間結算日,本集團已與租客就未來最低租賃款項訂約,情況如下:

本集團作為承租人

截至二零一八年十二月三十一日止年度,本集團根據經營租賃就已租賃物業支付之最低租賃款項約為人民幣44,013,000元(二零一七年:人民幣8,827,000元)。

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37. OPERATING LEASES (continued)

The Group as a lessee (continued)

At the end of the reporting period, the Group had future minimum lease payments under non-cancellable operating leases in respect of leased properties are fall due as follows:

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|---------------------------------------|---------------|-----------------------------------|-----------------------------------|
| Within one year | 一年內 | 39,372 | 23,651 |
| In the second to fifth year inclusive | 二至五年內(包括首尾兩年) | 123,994 | 93,465 |
| After five years | 五年後 | 241,381 | 183,634 |
| | | 404,747 | 300,750 |

Operating lease payments represent rentals payable by the Group for certain of its office premises and sub-leasing business. Leases are negotiated for an average term of two to fifteen years (2017: two to fifteen years) and rentals are fixed at the date of signing of lease agreements.

37. 經營租賃(續)

本集團作為承租人(續)

於報告期間結算日，本集團根據不可撤回經營租賃就已租賃物業之未來最低租賃款項如下所示：

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|---------------------------------------|---------------|-----------------------------------|-----------------------------------|
| Within one year | 一年內 | 39,372 | 23,651 |
| In the second to fifth year inclusive | 二至五年內(包括首尾兩年) | 123,994 | 93,465 |
| After five years | 五年後 | 241,381 | 183,634 |
| | | 404,747 | 300,750 |

經營租賃款項指本集團就其若干辦公室物業及分租業務應支付之租金。租約平均每兩年至十五年(二零一七年：兩年至十五年)釐定一次，而租金於簽訂租賃協議當日確定。

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38. COMMITMENTS

At the end of the reporting period, the Group had the following commitments contracted for but not provided in the consolidated financial statements in respect of:

38. 承擔

於報告期末，本集團有關以下各項已訂約但並未於綜合財務報表撥備之承擔如下：

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|--|----------------------|-----------------------------------|-----------------------------------|
| Construction of properties under development for sale | 建造可供出售發展中物業 | 7,314,457 | 7,322,319 |
| Capital injection to a joint venture | 於合營企業之注資 | 225,000 | 10,000 |
| Acquisition of land use rights for properties under development for sale | 收購可供出售發展中物業土地 使用權 | 281,400 | 1,125,000 |
| Leasehold improvements | 租賃物業裝修 | 18,802 | 25,906 |
| | | 7,839,659 | 8,483,225 |

39. CONTINGENT LIABILITIES

39. 或然負債

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|---|----------------------|-----------------------------------|-----------------------------------|
| Guarantee given to banks in connection with facilities granted to customers | 就授予客戶之融資而給予銀行 之擔保 | 4,172,353 | 3,527,819 |

The Group acted as the guarantor to the mortgage loans granted to certain purchasers of the Group's properties and agreed to repay the outstanding loan and interest accrual thereon, if the purchasers default the repayment of loan before the issue of the property certificate. The directors of the Company consider that the fair value of the financial guarantee contracts is not significant as the default rate is low.

本集團就授予若干本集團物業買家之按揭貸款而擔任擔保人，並同意倘買家未能於發出物業證書前償還貸款，本集團會償還尚未償還貸款及其應計利息。由於違約率低，本公司董事認為財務擔保合約之公平值並不重大。

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40. RELATED PARTY DISCLOSURES

(a) Related party transactions

Other than as disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with related parties:

40. 關連人士披露

(a) 關連人士交易

除於綜合財務報表其他章節所披露者外，本集團與關連人士擁有以下交易：

| Related party | 關連人士 | Nature of transaction | 交易性質 | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|--|-------------|------------------------------------|----------|-----------------------------------|-----------------------------------|
| Ultimate holding company | 最終控股公司 | Rental income | 租金收入 | 687 | – |
| Fellow subsidiaries | 同系附屬公司 | Property management fee expenses | 物業管理費支出 | 129,535 | 103,479 |
| | | Construction service fee | 工程服務費用 | 4,033 | 2,043 |
| | | Rental income | 租金收入 | 427 | – |
| | | Operational support service income | 運營支持服務收入 | 2,722 | 5,624 |
| | | Other expenses | 其他費用 | 79 | 244 |
| An associate of ultimate holding company | 最終控股公司之聯營公司 | Finance costs | 融資成本 | 30,654 | 29,433 |
| | | Bank interest income | 銀行利息收入 | 14,141 | 20,748 |
| | | Rental income | 租金收入 | 4,436 | – |
| | | Site management income | 場地管理收入 | 140 | 24 |
| An associate | 聯營公司 | Properties operation income | 物業營運收入 | – | 9,274 |

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40. RELATED PARTY DISCLOSURES (continued)

(b) Related party balances

Details of the Group's balances with related parties are disclosed in notes 22, 24, 25, 26 and 27.

As at 31 December 2018, bank balances of approximately RMB2,379,278,000 (2017: RMB2,291,216,000) were deposited at CMB, an associate of the ultimate holding company.

(c) Compensation of key management personnel

| | |
|------------------------------|--------|
| Short-term employee benefits | 短期僱員福利 |
| Post-employment benefits | 退休福利 |

| | | |
|--|---------------|-------|
| | 15,197 | 9,291 |
|--|---------------|-------|

(d) Transactions with other government-related entities in the PRC

The Group itself is part of a larger group of companies under CMG which is controlled by the PRC government. Thus, the directors of the Company consider that the Group is ultimately controlled by the PRC government. In addition, the Group operates in an economic environment currently pre-denominated by entities controlled, jointly controlled or significantly influenced by the PRC government ("PRC government-related entities"). Apart from the transactions with the related parties as set out in (a) and (b) above, the Group also conducts businesses with other PRC government-related entities in the ordinary course of business. The Group's restricted bank deposits, bank deposits and bank borrowings are entered into with certain banks which are PRC government-related entities in its ordinary course of business. In addition, the Group entered into various transactions, including purchases of land use rights, construction of properties and other operating expenses with other PRC government-related entities in the ordinary course of business. In view of the nature of those transactions, the directors of the Company are of the opinion that separate disclosures would not be meaningful.

40. 關連人士披露(續)

(b) 關連人士結餘

本集團與關連人士之結餘詳情披露於附註22、24、25、26及27。

於二零一八年十二月三十一日，銀行結餘約人民幣2,379,278,000元(二零一七年：人民幣2,291,216,000元)存放於招商銀行(為最終控股公司之聯營公司)。

(c) 主要管理人員之補償

| 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|-----------------------------------|-----------------------------------|
| 14,695 | 8,906 |
| 502 | 385 |
| 15,197 | 9,291 |

(d) 與其他中國政府關連實體之交易

本集團為由中國政府控制之招商局集團旗下規模較大集團公司之一部分。因此，本公司董事認為，本集團受中國政府最終控制。此外，本集團所經營經濟環境現時受中國政府所控制、共同控制或於當中具重大影響力之實體(「中國政府關連實體」)主導。除上文(a)及(b)所載與關聯方之交易外，本集團亦於日常業務過程中與其他中國政府關連實體進行業務。本集團受限制銀行存款、銀行存款及銀行借貸乃於日常業務過程中與屬中國政府關連實體之若干銀行訂立。此外，本集團已訂立多項交易，包括於日常業務過程中與其他中國政府關連實體購買土地使用權、建造物業及其他經營開支。因該等交易性質使然，本公司董事認為另行披露並無意義。

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40. RELATED PARTY DISCLOSURES (continued)

(e) Management services

The Group's activities were planned, directed and controlled by the management of China Merchants Shekou, which did not charge any fee for services rendered during both years.

40. 關連人士披露(續)

(e) 管理服務

本集團之活動由招商蛇口管理層規劃、指導及控制，於兩個年度內招商蛇口並無就所提供之服務收取任何費用。

41. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Particulars of the Company's principal subsidiaries as at 31 December 2018 and 2017 are as follows:

41. 本公司附屬公司之詳情

於二零一八年及二零一七年十二月三十一日，本公司主要附屬公司之詳情如下：

| Name of subsidiary 附屬公司名稱 | Place of incorporation/ establishment 註冊成立/ 成立地點 | Issued and fully paid share capital/ registered capital 已發行及實繳股本/ 註冊股本 | Proportion effective ownership interest held by the Company 本公司所持實際所有權 權益比例 | | Principal activities 主要業務 |
|---|---|--|---|--------------------|------------------------------|
| | | | 2018 二零一八年 % | 2017 二零一七年 % | |
| Directly owned 直接擁有 | | | | | |
| Champion Apex Limited 華先有限公司 | Hong Kong 香港 | HK\$10,000 港幣10,000元 | 100 | 100 | Investment holding 投資控股 |
| Harvest Allied Investments Limited 滙泰投資有限公司 | Hong Kong 香港 | HK\$10,000 港幣10,000元 | 100 | 100 | Investment holding 投資控股 |
| Cosmos 天盛 | The BVI 英屬處女群島 | US\$100 100美元 | 100 | 100 | Investment holding 投資控股 |

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41. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

41. 本公司附屬公司之詳情(續)

| Name of subsidiary 附屬公司名稱 | Place of incorporation/ establishment 註冊成立/ 成立地點 | Issued and fully paid share capital/ registered capital 已發行及實繳股本/ 註冊股本 | Proportion effective ownership interest held by the Company 本公司所持實際所有權 權益比例 | | Principal activities 主要業務 |
|--|---|--|---|--------------------|------------------------------|
| | | | 2018 二零一八年 % | 2017 二零一七年 % | |
| Indirectly owned 間接擁有 | | | | | |
| China Merchants Land (Shenzhen)* (Note 1) 招商局置地(深圳)有限公司 (附註1) | The PRC 中國 | RMB1,000,000 人民幣1,000,000元 | 100 | 100 | Investment holding 投資控股 |
| China West Premier Housing Development Co., Ltd.* (Notes 1,4 and 5) 重慶招商置地開發有限公司 (附註1、4及5) | The PRC 中國 | US\$533,960,015 533,960,015美元 | 50 | 50 | Property development 物業發展 |
| Converge Holdings Limited 匯聚控股有限公司 | The BVI 英屬處女群島 | US\$2 2美元 | 100 | 100 | Investment holding 投資控股 |
| Cosmo City Limited (Notes 4 and 5) 譽越有限公司(附註4及5) | Hong Kong 香港 | HK\$4,640,010,000 港幣4,640,010,000元 | 50 | 50 | Investment holding 投資控股 |
| Foshan Merchants Wharf Property Development Co., Ltd.* ("Foshan Merchants Wharf") (Notes 1 and 4) 佛山招商九龍倉房地產有限公司 (「佛山招商九龍倉」) (附註1及4) | The PRC 中國 | US\$109,898,000 109,898,000美元 | 50 | 50 | Property development 物業發展 |

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41. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

41. 本公司附屬公司之詳情(續)

| Name of subsidiary 附屬公司名稱 | Place of incorporation/ establishment 註冊成立/ 成立地點 | Issued and fully paid share capital/ registered capital 已發行及實繳股本/ 註冊股本 | Proportion effective ownership interest held by the Company 本公司所持實際所有權 權益比例 | | Principal activities 主要業務 |
|--|---|--|---|--------------------|------------------------------|
| | | | 2018 二零一八年 % | 2017 二零一七年 % | |
| Foshan Xin Jie Property Development Co., Ltd.* (Notes 1, 4 and 7) 佛山信捷房地產有限公司 (附註1、4及7) | The PRC 中國 | US\$250,123,443 250,123,443美元 | 50 | 50 | Property development 物業發展 |
| Foshan Yi Yun* (Notes 3, 4 and 8) 佛山依雲(附註3、4及8) | The PRC 中國 | RMB30,000,000 人民幣30,000,000元 | 50 | 50 | Property development 物業發展 |
| Foshan Merchants* (Notes 3 and 8) 佛山招商(附註3及8) | The PRC 中國 | RMB10,000,000 人民幣10,000,000元 | 100 | 100 | Property development 物業發展 |
| Foshan Kai Da Cheng Development Co., Ltd.* ("Foshan Kai Da Cheng") (Notes 3 and 8) 佛山市凱達城發展有限公司 (「佛山凱達城」)(附註3及8) | The PRC 中國 | RMB507,100,000 人民幣507,100,000元 | 51 | 51 | Property development 物業發展 |
| Happy City Investments Limited 樂富投資有限公司 | Hong Kong 香港 | HK\$100 港幣100元 | 100 | 100 | Investment holding 投資控股 |
| Harpen Company Limited ("Harpen") (Note 4) 會鵬房地產發展有限公司 (「會鵬」)(附註4) | Hong Kong 香港 | HK\$10,000 港幣10,000元 | 50 | 50 | Investment holding 投資控股 |
| Merchants Nanjing Real Estate Co., Ltd.* ("Merchants Nanjing") (Note 2) 招商局地產(南京)有限公司 (「招商南京」)(附註2) | The PRC 中國 | RMB158,380,817 人民幣158,380,817元 | 51 | 51 | Property development 物業發展 |

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41. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

41. 本公司附屬公司之詳情(續)

| Name of subsidiary 附屬公司名稱 | Place of incorporation/ establishment 註冊成立/ 成立地點 | Issued and fully paid share capital/ registered capital 已發行及實繳股本/ 註冊股本 | Proportion effective ownership interest held by the Company 本公司所持實際所有權 權益比例 | | Principal activities 主要業務 |
|---|---|--|---|--------------------|------------------------------|
| | | | 2018 二零一八年 % | 2017 二零一七年 % | |
| Merchants Property Development (Guangzhou) Limited* (“Merchants Guangzhou”) (Note 2) 廣州招商房地產有限公司 (「招商廣州」)(附註2) | The PRC 中國 | RMB200,000,000 人民幣200,000,000元 | 100 | 100 | Property development 物業發展 |
| Pride Oasis Limited (“Pride Oasis”) (Note 4) 茵榮有限公司(「茵榮」)(附註4) | The BVI 英屬處女群島 | US\$599,095,420 599,095,420美元 | 50 | 50 | Investment holding 投資控股 |
| Sino Action Investments Limited 華敏投資有限公司 | Hong Kong 香港 | HK\$100 港幣100元 | 100 | 100 | Investment holding 投資控股 |
| Chongqing China Merchants Yi Yun Property Co., Ltd.* (Notes 3 and 8) 重慶招商依雲房地產有限公司 (附註3及8) | The PRC 中國 | RMB20,000,000 人民幣20,000,000元 | 100 | 100 | Property development 物業發展 |
| Foshan Yi Yun Zhen Yuan Property Development Co., Ltd.* (Notes 3 and 8) 佛山依雲臻園房地產有限公司 (附註3及8) | The PRC 中國 | RMB10,000,000 人民幣10,000,000元 | 55 | 55 | Property development 物業發展 |
| Foshan Yi Yun Shang Yuan Property Development Co., Ltd.* (Notes 3 and 10) 佛山依雲上園房地產有限公司 (附註3及10) | The PRC 中國 | RMB10,500,000 人民幣10,500,000元 | 50 | 50 | Property development 物業發展 |

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41. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

41. 本公司附屬公司之詳情(續)

| Name of subsidiary 附屬公司名稱 | Place of incorporation/ establishment 註冊成立/ 成立地點 | Issued and fully paid share capital/ registered capital 已發行及實繳股本/ 註冊股本 | Proportion effective ownership interest held by the Company 本公司所持實際所有權 權益比例 | | Principal activities 主要業務 |
|--|---|--|---|--------------------|------------------------------|
| | | | 2018 二零一八年 % | 2017 二零一七年 % | |
| Chongqing Central Park Company Limited* (Notes 1 and 5) 重慶怡置招商房地產開發有限公司 (附註1及5) | The PRC 中國 | RMB3,666,249,600 人民幣3,666,249,600元 | 50 | 50 | Property development 物業發展 |
| Cyber Light Investment Limited 光鴻投資有限公司 | Hong Kong 香港 | HK\$100 港幣100元 | 51 | 51 | Investment holding 投資控股 |
| Nanjing Merchants Qisheng Property Development Limited* (Note 1) 南京招商啟盛房地產有限公司 (附註1) | The PRC 中國 | US\$205,000,000 205,000,000美元 | 51 | 51 | Property development 物業發展 |
| Runray Holdings Limited 威榮控股有限公司 | The BVI 英屬處女群島 | US\$100 100美元 | 100 | 100 | Investment holding 投資控股 |
| Xi'an Multi On Property Development Company Limited* (Note 1) 西安茂安房地產有限公司(附註1) | The PRC 中國 | US\$172,000,000 172,000,000美元 | 100 | 100 | Property development 物業發展 |
| Zhenjiang Torch Zhidi Property Development Co., Ltd.* (Note 1) 鎮江火炬置地發展有限公司(附註1) | The PRC 中國 | US\$29,900,000 29,900,000美元 | 70 | 70 | Property development 物業發展 |
| Guangzhou Yi Yun Property Development Co., Ltd.* (Notes 3 and 8) 廣州依雲房地產有限公司 (附註3及8) | The PRC 中國 | RMB100,000,000 人民幣100,000,000元 | 51 | 51 | Property development 物業發展 |

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41. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

41. 本公司附屬公司之詳情(續)

| Name of subsidiary 附屬公司名稱 | Place of incorporation/ establishment 註冊成立/ 成立地點 | Issued and fully paid share capital/ registered capital 已發行及實繳股本/ 註冊股本 | Proportion effective ownership interest held by the Company 本公司所持實際所有權 權益比例 | | Principal activities 主要業務 |
|---|---|--|---|--------------------|------------------------------|
| | | | 2018 二零一八年 % | 2017 二零一七年 % | |
| Foshan Yi Yun Xiao De Property Development Co., Ltd.* (Notes 1, 4 and 7) 佛山依雲孝德房地產有限公司 (附註1、4及7) | The PRC 中國 | US\$172,500,000 172,500,000美元 | 50 | 50 | Property development 物業發展 |
| Foshan Yi Yuan Guan Yuan Property Development Co., Ltd.* (Notes 3, 4 and 10) 佛山依雲觀園房地產有限公司 (附註3、4及10) | The PRC 中國 | RMB100,000,000 人民幣100,000,000元 | 50 | 40 | Property development 物業發展 |
| Nanjing Merchants Zhaosheng Property Development Co., Ltd.* ("Nanjing Zhaosheng") (Notes 3 and 9) 南京招商招盛房地產有限公司 (「南京招盛」)(附註3及9) | The PRC 中國 | RMB400,000,000 人民幣400,000,000元 | 51 | 51 | Property development 物業發展 |
| Chongqing Merchants Yi Cheng Property Development Co., Ltd.* (Notes 3) 重慶招商依城房地產開發有限公司 (附註3) | The PRC 中國 | RMB27,000,000 人民幣27,000,000元 | 100 | 100 | Property development 物業發展 |
| Poly Field International Investments Limited 輝寶國際投資有限公司 | Hong Kong 香港 | RMB500,500,400 人民幣500,500,400元 | 60 | 60 | Investment holding 投資控股 |

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41. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

41. 本公司附屬公司之詳情(續)

| Name of subsidiary 附屬公司名稱 | Place of incorporation/ establishment 註冊成立/ 成立地點 | Issued and fully paid share capital/ registered capital 已發行及實繳股本/ 註冊股本 | Proportion effective ownership interest held by the Company 本公司所持實際所有權 權益比例 | | Principal activities 主要業務 |
|---|---|--|---|--------------------|------------------------------|
| | | | 2018 二零一八年 % | 2017 二零一七年 % | |
| Tian Jiao (Guangzhou) Property Development Co., Limited.* (Note 1) 天驕(廣州)房地產開發有限公司 (附註1) | The PRC 中國 | RMB500,000,000 人民幣500,000,000元 | 60 | 60 | Property development 物業發展 |
| Foshan Merchants Hanlin Property Development Co., Ltd.* (Notes 3 and 8) 佛山招商翰林房地產有限公司 (附註3及8) | The PRC 中國 | RMB192,000,000 人民幣192,000,000元 | 100 | 100 | Property development 物業發展 |
| Foshan Zhonghuan* (Notes 3, 4 and 10) 佛山中環(附註3、4及10) | The PRC 中國 | RMB10,000,000 人民幣10,000,000元 | 50 | 100 | Property development 物業發展 |
| Foshan Guolin* (Notes 3 and 10) 佛山果嶺(附註3及10) | The PRC 中國 | RMB50,000,000 人民幣50,000,000元 | 60 | 60 | Property development 物業發展 |
| Foshan Brilliant* (Notes 3, 4 and 11) 佛山光華(附註3、4及11) | The PRC 中國 | RMB10,000,000 人民幣10,000,000元 | 50 | 100 | Property development 物業發展 |
| Nanjing Zhaorong Property Development Co., Ltd.* ("Nanjing Zhaorong") (Notes 3 and 8) 南京招榮房地產開發有限公司 (「南京招榮」)(附註3及8) | The PRC 中國 | RMB1,200,000,000 人民幣1,200,000,000元 | 51 | – | Property development 物業發展 |
| Chongqing Yizhi Business Management Co., Ltd.* (Notes 1, 4 and 5) 重慶怡置商業管理有限公司 (附註1、4及5) | The PRC 中國 | US\$200,000 200,000美元 | 50 | 50 | Property development 物業發展 |

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41. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

41. 本公司附屬公司之詳情(續)

| Name of subsidiary 附屬公司名稱 | Place of incorporation/ establishment 註冊成立/ 成立地點 | Issued and fully paid share capital/ registered capital 已發行及實繳股本/ 註冊股本 | Proportion effective ownership interest held by the Company 本公司所持實際所有權 權益比例 | | Principal activities 主要業務 |
|---|---|--|---|--------------------|------------------------------|
| | | | 2018 二零一八年 % | 2017 二零一七年 % | |
| Nanjing Zhao Ping Li Sheng Investment Limited* ("Nanjing Zhao Ping Li Sheng") (Note 2) 南京招平利盛投資有限公司 (「南京招平利盛」)(附註2) | The PRC 中國 | RMB100,000,000 人民幣10,000,000元 | 51 | 51 | Investment holding 投資控股 |
| Cheuk Tat Development Limited (Note 1) 卓得發展有限公司(附註1) | Hong Kong 香港 | HKD2 港幣2元 | 100 | – | Property investment 物業發展 |
| Coming Wealth Limited (Note 1) 佳臨興業有限公司(附註1) | Hong Kong 香港 | HKD2 港幣2元 | 100 | 100 | Property investment 物業發展 |
| Chongqing Merchants Jinshan Yi Ku Business Management Co., Ltd.* (Note 2) 重慶招商金山意庫商業管理有限公司(附註2) | The PRC 中國 | RMB4,000,000 人民幣4,000,000元 | 40 | 40 | Property development 物業發展 |
| Chongqing Merchants Yi Gang Property Development Co., Ltd.* (Note 3) 重慶招商依港房地產開發有限公司(附註3) | The PRC 中國 | RMB20,000,000 人民幣20,000,000元 | 100 | 100 | Property development 物業發展 |
| Foshan Merchants Luhui Property Development Co., Ltd.* (Notes 3 and 10) 佛山招商綠湖房地產有限公司 (附註3及10) | The PRC 中國 | RMB10,000,000 人民幣10,000,000元 | 50 | 50 | Property development 物業發展 |
| Nanjing Shengtong Property Development Co., Ltd.* (Note 2) 南京盛通房地產開發有限公司 (附註2) | The PRC 中國 | RMB765,000,000 人民幣765,000,000元 | 51 | 51 | Property development 物業發展 |

* The English name is for identification only. The official name of the entity is in Chinese.

* 英文名稱僅供識別。實體之正式名稱為中文。

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41. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

- Note 1: The entity is a wholly foreign owned enterprise.
- Note 2: The entity is a sino-foreign joint venture.
- Note 3: The entity is a wholly-domestic owned enterprise.
- Note 4: This entity is considered to be a subsidiary of the Company despite the Company holds directly and indirectly not more than half of the equity interest therein as the Company has the power to cast the majority of votes at meetings of the board of directors of this entity, which has power to affect the returns of this entity.
- Note 5: The entity is a subsidiary of Pride Oasis.
- Note 6: This entity was considered to be a subsidiary of the Company despite the Company indirectly holds not more than half of the equity interest therein as Merchants Nanjing, a subsidiary of the Company, controlled the majority of the board composition of this entity, thus it had power to affect the returns of this entity. During the year ended 31 December 2018, Merchants Nanjing disposed 20% of this entity's equity interest to an independent third party. After the disposal, Merchants Nanjing lost its control but retained significant influence over the entity. The entity is therefore derecognised as a subsidiary of the Company and accounted for as an associate of the Group.
- Note 7: The entity is a subsidiary of Harpen.
- Note 8: The entity is a subsidiary of Merchants Guangzhou.
- Note 9: The entity is a subsidiary of Merchants Nanjing.
- Note 10: The entity is a subsidiary of Foshan Yi Yun.
- Note 11: The entity is a subsidiary of Foshan Merchants.

Other than as disclosed in notes 28 and 29, none of the subsidiaries had any debt securities outstanding as at the end of the year or at any time during the year which is held by the Group.

41. 本公司附屬公司之詳情(續)

- 附註1： 實體為外商獨資企業。
- 附註2： 實體為中外合資企業。
- 附註3： 實體為全內資企業。
- 附註4： 該實體被視為本公司之附屬公司，雖然本公司直接及間接持有該實體不多於一半股權，但本公司於該實體之董事會會議擁有大多數投票權，故對該實體之回報有影響力。
- 附註5： 實體為茵榮之附屬公司。
- 附註6： 該實體被視為本公司之附屬公司，雖然本公司間接持有該實體不多於一半股權，但本公司附屬公司招商南京對該實體之董事會大部分成員組成擁有控制權，故對該實體之回報有影響力。截至二零一八年十二月三十一日止年度，招商南京向一名獨立第三方出售於該實體的20%股權。於出售後，招商南京失去其控制權，惟仍對該實體有重大影響力。因此，該實體已取消確認為本公司的附屬公司，並以本集團聯營公司入賬。
- 附註7： 實體為會鵬之附屬公司。
- 附註8： 實體為廣州招商房地產之附屬公司。
- 附註9： 實體為招商南京之附屬公司。
- 附註10： 實體為佛山依雲之附屬公司。
- 附註11： 實體為佛山招商之附屬公司。

除附註28及29所披露者外，於年末或年內任何時間，概無董事持有任何由本集團持有之未行使債務證券。

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42. DETAILS OF NON-WHOLLY OWNED SUBSIDIARIES OF THE GROUP THAT HAVE MATERIAL NON-CONTROLLING INTERESTS

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

42. 擁有重大非控股權益之本集團非全資附屬公司詳情

下表載列擁有重大非控股權益之本集團非全資附屬公司詳情：

| Name of entity 實體名稱 | Place of incorporation/ establishment and principal place of business 註冊成立/成立地點及 主要營業地點 | Voting rights held by non-controlling interests 非控股權益所持投票權 | | Profit (loss) allocated to non-controlling interests 分配予非控股權益之溢利(虧損) | | Accumulated non-controlling interests 累計非控股權益 | |
|---|--|--|---------------|--|-----------------------------------|---|-----------------------------------|
| | | 2018 二零一八年 | 2017 二零一七年 | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
| Foshan Merchants Wharf 佛山招商九龍倉 | The PRC 中國 | 50% | 50% | 25,472 | 45,867 | 429,854 | 544,718 |
| Harpen 會鵬 | Hong Kong 香港 | 50% | 50% | 197,144 | 52,141 | 1,629,947 | 1,432,803 |
| Pride Oasis 茵榮 | Hong Kong 香港 | 50% | 50% | 447,427 | 164,881 | 4,307,694 | 3,860,267 |
| Nanjing Zhaorong 南京招榮 | The PRC 中國 | 49.35% | – | (15,155) | – | 576,987 | – |
| Nanjing Merchants 南京招商 | The PRC 中國 | 49% | 49% | 78,001 | 517,735 | 6,650,286 | 6,717,321 |
| Individually immaterial subsidiaries with non-controlling interests 擁有非控股權益之個別不屬重大附屬公司 | | | | 256,491 | 520,235 | 2,084,367 | 1,801,519 |
| | | | | 989,380 | 1,300,859 | 15,679,135 | 14,356,628 |

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42. DETAILS OF NON-WHOLLY OWNED SUBSIDIARIES OF THE GROUP THAT HAVE MATERIAL NON-CONTROLLING INTERESTS (continued)

Summarised consolidated financial information in respect of each of the Group's entities that has material non-controlling interests is set out below. The summarised consolidated financial information below represents amounts before intra-group eliminations.

Notes:

42. 擁有重大非控股權益之本集團非全資附屬公司詳情(續)

就每間擁有重大非控股權益之本集團實體之綜合財務資料概要載於下文。下文綜合財務資料概要指集團內部對銷前之金額。

附註：

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|---|-------------------|-----------------------------------|-----------------------------------|
| Foshan Merchants Wharf | 佛山招商九龍倉 | | |
| Non-current assets | 非流動資產 | 250 | 9,157 |
| Current assets | 流動資產 | 922,570 | 1,328,475 |
| Current liabilities | 流動負債 | 63,112 | 248,196 |
| Equity attributable to owners of the Company | 本公司擁有人應佔權益 | 429,854 | 544,718 |
| Non-controlling interests | 非控股權益 | 429,854 | 544,718 |
| Revenue | 收益 | 79,419 | 556,482 |
| Profit and total comprehensive income attributable to owners of the Company | 本公司擁有人應佔溢利及全面收入總額 | 25,472 | 45,867 |
| Profit and total comprehensive income attributable to non-controlling interests | 非控股權益應佔溢利及全面收入總額 | 25,472 | 45,867 |
| Profit and total comprehensive income for the year | 本年度溢利及全面收入總額 | 50,944 | 91,734 |
| Dividends paid to non-controlling interests | 已付非控股權益股息 | 140,336 | 101,011 |
| Net cash (outflow) inflow from operating activities | 經營業務之現金(流出)流入淨額 | (36,284) | 86,513 |
| Net cash outflow from investing activities | 投資業務之現金流出淨額 | 335,000 | - |
| Net cash outflow from financing activities | 融資業務之現金流出淨額 | (266,637) | (202,022) |
| Net cash inflow (outflow) | 現金流入(流出)淨額 | 32,079 | (115,509) |

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42. DETAILS OF NON-WHOLLY OWNED SUBSIDIARIES OF THE GROUP THAT HAVE MATERIAL NON-CONTROLLING INTERESTS

(continued)

Notes: (continued)

42. 擁有重大非控股權益之本集團非全資附屬公司詳情(續)

附註：(續)

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|---|-------------------|-----------------------------------|-----------------------------------|
| Harpen | 會鵬 | | |
| Non-current assets | 非流動資產 | 21,680 | 4,485 |
| Current assets | 流動資產 | 3,966,382 | 4,430,639 |
| Current liabilities | 流動負債 | 716,751 | 1,502,985 |
| Non-current liabilities | 非流動負債 | 11,417 | 66,533 |
| Equity attributable to owners of the Company | 本公司擁有人應佔權益 | 1,629,947 | 1,432,803 |
| Non-controlling interests | 非控股權益 | 1,629,947 | 1,432,803 |
| Revenue | 收益 | 1,127,080 | 382,317 |
| Profit and total comprehensive income attributable to owners of the Company | 本公司擁有人應佔溢利及全面收入總額 | 197,144 | 52,141 |
| Profit and total comprehensive income attributable to non-controlling interests | 非控股權益應佔溢利及全面收入總額 | 197,144 | 52,141 |
| Profit and total comprehensive income for the year | 本年度溢利及全面收入總額 | 394,288 | 104,282 |
| Dividends paid to non-controlling interests | 已付非控股權益股息 | - | - |
| Net cash inflow from operating activities | 經營業務之現金流入淨額 | 99,313 | 812,339 |
| Net cash outflow from investing activities | 投資業務之現金流出淨額 | 455 | (889,885) |
| Net cash (outflow) inflow from financing activities | 融資業務之現金(流出)流入淨額 | (216,727) | 67,265 |
| Effect of changes in exchange rate | 匯率變動影響 | 7 | - |
| Net cash outflow | 現金流出淨額 | (116,952) | (10,281) |

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42. DETAILS OF NON-WHOLLY OWNED SUBSIDIARIES OF THE GROUP THAT HAVE MATERIAL NON-CONTROLLING INTERESTS

(continued)

Notes: (continued)

42. 擁有重大非控股權益之本集團非全資附屬公司詳情(續)

附註：(續)

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|---|-------------------|-----------------------------------|-----------------------------------|
| Pride Oasis | 茵榮 | | |
| Non-current assets | 非流動資產 | 124,538 | 76,491 |
| Current assets | 流動資產 | 13,412,059 | 11,610,398 |
| Current liabilities | 流動負債 | 4,512,175 | 3,942,946 |
| Non-current liabilities | 非流動負債 | 409,034 | 23,409 |
| Equity attributable to owners of the Company | 本公司擁有人應佔權益 | 4,307,694 | 3,860,267 |
| Non-controlling interests | 非控股權益 | 4,307,694 | 3,860,267 |
| Revenue | 收益 | 3,667,249 | 2,108,357 |
| Profit and total comprehensive income attributable to owners of the Company | 本公司擁有人應佔溢利及全面收入總額 | 447,427 | 164,881 |
| Profit and total comprehensive income attributable to non-controlling interests | 非控股權益應佔溢利及全面收入總額 | 447,427 | 164,881 |
| Profit and total comprehensive income for the year | 本年度溢利及全面收入總額 | 894,854 | 329,762 |
| Dividends paid to non-controlling interests | 已付非控股權益股息 | - | - |
| Net cash (outflow) inflow from operating activities | 經營業務之現金(流出)流入淨額 | (243,319) | 208,947 |
| Net cash outflow from investing activities | 投資業務之現金流出淨額 | (427,375) | (482) |
| Net cash inflow from financing activities | 融資業務之現金流入淨額 | 512,218 | - |
| Effect of changes in exchange rate | 匯率變動影響 | 282 | (16) |
| Net cash (outflow) inflow | 現金(流出)流入淨額 | (158,194) | 208,449 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

42. DETAILS OF NON-WHOLLY OWNED SUBSIDIARIES OF THE GROUP THAT HAVE MATERIAL NON-CONTROLLING INTERESTS

(continued)

Notes: (continued)

42. 擁有重大非控股權益之本集團非全資附屬公司詳情(續)

附註：(續)

| | | 2018 二零一八年 RMB'000 人民幣千元 |
|--|-------------------|-----------------------------------|
| Nanjing Zhaorong | 南京招榮 | |
| Non-current assets | 非流動資產 | 10,846 |
| Current assets | 流動資產 | 3,285,625 |
| Current liabilities | 流動負債 | 1,927,179 |
| Non-current liabilities | 非流動負債 | 200,000 |
| Equity attributable to owners of the Company | 本公司擁有人應佔權益 | 592,305 |
| Non-controlling interests | 非控股權益 | 576,987 |
| Revenue | 收益 | - |
| Loss and total comprehensive expense attributable to owners of the Company | 本公司擁有人應佔虧損及全面支出總額 | 15,557 |
| Loss and total comprehensive expense attributable to non-controlling interests | 非控股權益應佔虧損及全面支出總額 | 15,155 |
| Loss and total comprehensive expense for the year | 年內虧損及全面支出總額 | 30,712 |
| Dividends paid to non-controlling interests | 已付非控股權益股息 | - |
| Net cash outflow from operating activities | 經營業務之現金流出淨額 | (553,518) |
| Net cash inflow from financing activities | 融資業務之現金流入淨額 | 1,212,702 |
| Net cash inflow | 現金流入淨額 | 659,184 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

42. DETAILS OF NON-WHOLLY OWNED SUBSIDIARIES OF THE GROUP THAT HAVE MATERIAL NON-CONTROLLING INTERESTS

(continued)

Notes: (continued)

42. 擁有重大非控股權益之本集團非全資附屬公司詳情(續)

附註：(續)

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|---|-------------------|-----------------------------------|-----------------------------------|
| Merchants Nanjing | 南京招商 | | |
| Non-current assets | 非流動資產 | 3,781,532 | 1,957,069 |
| Current assets | 流動資產 | 17,320,902 | 19,855,892 |
| Current liabilities | 流動負債 | 8,362,998 | 8,585,930 |
| Non-current liabilities | 非流動負債 | 116,700 | 600,000 |
| Equity attributable to owners of the Company | 本公司擁有人應佔權益 | 5,972,450 | 5,909,710 |
| Non-controlling interests | 非控股權益 | 6,650,286 | 6,717,321 |
| Revenue | 收益 | 1,017,336 | 3,543,463 |
| Profit and total comprehensive income attributable to owners of the Company | 本公司擁有人應佔溢利及全面收入總額 | 62,740 | 426,863 |
| Profit and total comprehensive income attributable to non-controlling interests | 非控股權益應佔溢利及全面收入總額 | 78,001 | 517,735 |
| Profit and total comprehensive income for the year | 本年度溢利及全面收入總額 | 140,741 | 944,598 |
| Dividends paid to non-controlling interests | 已付非控股權益股息 | 71,068 | 98,000 |
| Net cash inflow (outflow) from operating activities | 經營業務之現金流入(流出)淨額 | 822,786 | (3,282,206) |
| Net cash inflow (outflow) from investing activities | 投資業務之現金流入(流出)淨額 | 2,210,932 | (758,868) |
| Net cash (outflow) inflow from financing activities | 融資業務之現金流出(流入)淨額 | (2,464,969) | 3,795,011 |
| Net cash inflow (outflow) | 現金流入(流出)淨額 | 568,749 | (246,063) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

43. MAJOR NON-CASH TRANSACTIONS

On 10 September 2018, 南京正榮正升置業發展有限公司, the non-controlling interest of Nanjing Zhaorong, had signed an agreement to capitalise advance to Nanjing Zhaorong of approximately RMB196,000,000 as its registered capital. Accordingly, there is no contractual cash outflow to the Group.

During the year ended 31 December 2018, advances to Nanjing Huihe, Nanjing Shengxiang Yuan and Chongqing Hanzhi of approximately RMB142,800,000, RMB1,009,800,000 and RMB218,837,000 respectively had capitalised as the investment costs in these joint ventures. Accordingly, there is no contractual cash inflow to the Group.

On 30 June 2017, Merchants Guangzhou, 廣東新南達電纜實業有限公司 and 佛山市金城速凍食品有限公司, non-controlling interest holders of Foshan Kai Da Cheng, had signed an agreement to capitalise advances to Foshan Kai Da Cheng of approximately RMB253,521,000, RMB69,594,000 and RMB173,985,000 respectively as its registered capital. As a result, the registered capital of Foshan Kai Da Cheng increased from RMB10,000,000 to RMB507,100,000. There is no contractual cash inflow to the Group.

43. 重大非現金交易

於二零一八年九月十日，南京正榮正升置業發展有限公司（南京招榮之非控股權益）已簽訂協議，將向南京招榮約人民幣196,000,000元之墊款資本化為其註冊資本。因此，並無合約現金流出本集團。

截至二零一八年十二月三十一日止年度，向南京薈合、南京盛香園及重慶瀚置分別約人民幣142,800,000元、人民幣1,009,800,000元及人民幣218,837,000元之墊款已資本化為該等合營企業之投資成本。因此，並無合約現金流入本集團。

於二零一七年六月三十日，佛山市凱達城的非控股權益招商廣州、廣東新南達電纜實業有限公司與佛山市金城速凍食品有限公司簽署協議，將向佛山市凱達城給予的墊款分別約人民幣253,521,000元、人民幣69,594,000元及人民幣173,985,000資本化為其註冊資本。因此，佛山市凱達城的註冊資本由人民幣10,000,000元增加至人民幣507,100,000元。並無任何合約現金流入本集團。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

44. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

44. 有關本公司財務狀況表之資料

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 |
|---|-------------------|-----------------------------------|-----------------------------------|
| Non-current assets | 非流動資產 | | |
| Property, plant and equipment | 物業、廠房及設備 | 1,331 | 1,681 |
| Investments in subsidiaries | 於附屬公司之投資 | 16 | 16 |
| Amounts due from subsidiaries | 應收附屬公司款項 | 13,324,103 | - |
| Prepayments | 預付款項 | - | 1,280 |
| | | 13,325,450 | 2,977 |
| Current Assets | 流動資產 | | |
| Prepayments, deposits and other receivables | 預付款項、按金及其他應收款項 | 2,642 | 4,062 |
| Amounts due from subsidiaries | 應收附屬公司款項 | 145,091 | 12,277,966 |
| Amount due from an intermediate holding company | 應收間接控股公司款項 | - | 112 |
| Amounts due from fellow subsidiaries | 應收同系附屬公司款項 | 477 | 407 |
| Bank balances and cash | 銀行結餘及現金 | 201,112 | 236,410 |
| | | 349,322 | 12,518,957 |
| Current liabilities | 流動負債 | | |
| Other payables and accruals | 其他應付款項及應計費用 | 28,658 | 8,704 |
| Amounts due to subsidiaries | 應付附屬公司款項 | 435,284 | 2,107,044 |
| Amount due to ultimate holding company | 應付最終控股公司款項 | - | 614 |
| Amount due to an intermediate holding company | 應付間接控股公司款項 | 1,915,522 | - |
| Amounts due to fellow subsidiaries | 應付同系附屬公司款項 | 102,019 | 167 |
| Bank and other borrowings | 銀行及其他借貸 | 665,000 | 658,300 |
| Bonds payable | 應付債券 | - | 3,231,826 |
| | | 3,146,483 | 6,006,655 |
| Net current (liabilities) assets | 流動(負債)資產淨值 | (2,797,161) | 6,512,302 |
| Total assets less current liabilities | 總資產減流動負債 | 10,528,289 | 6,515,279 |
| Non-current liabilities | 非流動負債 | | |
| Bank and other borrowings | 銀行及其他借貸 | 3,735,000 | 1,240,000 |
| Bonds payable | 應付債券 | 1,900,000 | - |
| | | 5,635,000 | 1,240,000 |
| Net assets | 資產淨值 | 4,893,289 | 5,275,279 |
| Capital and reserves | 資本及儲備 | | |
| Share capital | 股本 | 39,132 | 39,132 |
| Reserves (Note) | 儲備(附註) | 4,854,157 | 5,236,147 |
| Total equity | 權益總額 | 4,893,289 | 5,275,279 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

44. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note: Reserves

44. 有關本公司財務狀況表之資料(續)

附註：儲備

| | | Share premium 股份溢價 RMB'000 人民幣千元 | Translation reserve 匯兌儲備 RMB'000 人民幣千元 | Contributed reserve 繳入儲備 RMB'000 人民幣千元 | Accumulated losses 累計虧損 RMB'000 人民幣千元 | Total reserves 儲備總額 RMB'000 人民幣千元 |
|--|---------------|---|---|---|--|--|
| At 1 January 2017 | 於二零一七年一月一日 | 6,121,534 | 8,076 | 46,004 | (6,416) | 6,169,198 |
| Loss and total comprehensive expense for the year | 年內虧損及全面支出總額 | - | - | - | (737,081) | (737,081) |
| Dividend declared | 已宣派股息 | (195,970) | - | - | - | (195,970) |
| At 31 December 2017 | 於二零一七年十二月三十一日 | 5,925,564 | 8,076 | 46,004 | (743,497) | 5,236,147 |
| Profit and total comprehensive income for the year | 年內溢利及全面收入總額 | - | - | - | 19,014 | 19,014 |
| Dividend declared | 已宣派股息 | (401,004) | - | - | - | (401,004) |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 5,524,560 | 8,076 | 46,004 | (724,483) | 4,854,157 |

45. COMPARATIVE FIGURES

Certain prior year amounts have been reclassified to conform with the current year presentation.

45. 比較數字

若干過往年度之金額已重新分類，以符合本年度之列示。

FIVE-YEAR FINANCIAL SUMMARY

五年財務資料概要

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the published audited financial statements for the year ended 31 December 2014, 2015, 2016, 2017 and 2018, as below.

以下載列本集團過去五個財政年度之業績、資產及負債概要，乃摘錄自截至二零一四年、二零一五年、二零一六年、二零一七年及二零一八年十二月三十一日止年度之已刊發經審核財務報表。

RESULTS

業績

Year ended 31 December 截至十二月三十一日止年度

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 | 2014 二零一四年 RMB'000 人民幣千元 |
|---------------------|-------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| REVENUE | 收入 | 11,955,899 | 17,310,562 | 11,606,442 | 6,394,944 | 7,440,436 |
| PROFIT BEFORE TAX | 除稅前溢利 | 3,796,321 | 5,301,478 | 2,542,319 | 927,413 | 1,624,110 |
| Income tax | 所得稅 | (1,590,809) | (2,362,495) | (1,427,265) | (571,946) | (789,741) |
| PROFIT FOR THE YEAR | 本年度溢利 | 2,205,512 | 2,938,983 | 1,115,054 | 355,467 | 834,369 |

ASSETS AND LIABILITIES

資產及負債

As at 31 December 於十二月三十一日

| | | 2018 二零一八年 RMB'000 人民幣千元 | 2017 二零一七年 RMB'000 人民幣千元 | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 | 2014 二零一四年 RMB'000 人民幣千元 |
|-------------------|------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| TOTAL ASSETS | 資產總值 | 71,270,665 | 57,817,312 | 48,446,368 | 38,863,715 | 33,599,922 |
| TOTAL LIABILITIES | 負債總額 | 47,473,637 | 36,046,086 | 34,338,398 | 27,178,625 | 22,675,205 |
| Net assets | 資產淨值 | 23,797,028 | 21,771,226 | 14,107,970 | 11,685,090 | 10,924,717 |



招商局置地有限公司

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