

### RESULTS

#### Revenue

Revenue for the year ended 31st December, 2017 ("Year") amounted to HK\$1,516.7 million (2016: HK\$3,745.1 million), a decrease of 59.5% over last year and comprised gross rental income of HK\$505.8 million (2016: HK\$823.9 million), property sales of HK\$990.1 million (2016: HK\$2,943.4 million), sales of investments held-for-trading on a net basis was nil (2016: loss of HK\$37.4 million) and others of HK\$20.8 million (2016: HK\$15.2 million). The substantial decline in revenue was mainly due to the decrease in sales of trading properties and gross rental income.

#### Gross Profit

Gross profit for the Year amounted to HK\$969.8 million (2016: HK\$2,147.5 million), a decrease of 54.8% as compared with last year which was mainly due to the decrease in profit from property sales and net rental income of HK\$934.6 million and HK\$285.8 million respectively.

#### Property Leasing

For property leasing, the rental revenue in retail and non-retail section has decreased significantly by 70.8% to HK\$87.3 million and 20.3% to HK\$418.5 million respectively during the Year. The total rental income in revenue for the Year recorded a decrease of 38.6% to HK\$505.8 million as compared with last year of HK\$823.9 million.

Together with the attributable rental revenue generated from associates and an investee company of HK\$142.5 million (2016: HK\$135.1 million), the total attributable rental revenue to the Company and its subsidiaries (collectively "Group") after non-controlling interests amounted to HK\$647.1 million (2016: HK\$957.4 million), which representing a decline of 32.4% over last year.

Attributable net rental income for the Year showed HK\$588.3 million, a 34.7% decrease over HK\$900.9 million in last year.

### 業績

#### 收入

截至二零一七年十二月三十一日止年度（「本年度」）之收入為1,516,700,000港元（二零一六年：3,745,100,000港元），較去年減少59.5%，當中包括租金收入總額505,800,000港元（二零一六年：823,900,000港元）、物業銷售990,100,000港元（二零一六年：2,943,400,000港元）、按淨額基準呈報出售持作買賣之投資為零（二零一六年：虧損37,400,000港元）及其他收入為20,800,000港元（二零一六年：15,200,000港元）。該收入顯著下降主要由於買賣物業之銷售及租金收入總額減少。

#### 毛利

本年度之毛利為969,800,000港元（二零一六年：2,147,500,000港元），較去年減少54.8%，該減少主要由於物業銷售之溢利及租金收入淨額分別減少934,600,000港元及285,800,000港元。

#### 物業租賃

在物業租賃方面，於本年度零售部分及非零售部分之租金收入分別大幅下降70.8%至87,300,000港元及20.3%至418,500,000港元。於本年度之收入錄得之租金收入總額較去年之823,900,000港元減少38.6%至505,800,000港元。

連同應佔聯營公司及接受投資公司租金收入142,500,000港元（二零一六年：135,100,000港元），本公司與其附屬公司（統稱「本集團」）扣除非控股權益後應佔租金收入總額647,100,000港元（二零一六年：957,400,000港元），相對去年跌幅為32.4%。

本年度之應佔租金收入淨額為588,300,000港元，較去年之900,900,000港元減少34.7%。

## RESULTS (Cont'd)

### Property Leasing (Cont'd)

Notwithstanding the acquisitions of properties located in London, the United Kingdom (including a mixed use freehold building located in 11 and 12 St James's Square and 14 to 17 Ormond Yard in May 2017, mixed use freehold building located in 61-67 (odd) Oxford Street and 11-14 Soho Street in May 2016 and freehold office building located in 14 St George Street in April 2016) which contributed rental revenue and net rental income of HK\$140.0 million (2016: HK\$60.0 million) and HK\$137.9 million (2016: HK\$58.3 million) respectively during the Year, subsequent to completion of the disposals of subsidiaries holding certain shops of Lowu Commercial Plaza in Shenzhen, the People's Republic of China ("PRC") in February 2017, Windsor House in Causeway Bay in September 2016 and a property known as Evergo Tower at the time of disposal in Shanghai, the PRC in June 2016, it led to the decline in attributable rental revenue and net rental income.

### Property Development and Trading

During the Year, the attributable property sales revenue from the Group, its associates and an investee company recorded a decrease of 61.4% to HK\$887.2 million (2016: the Group and its associates had contributed HK\$2,298.9 million) and the relevant attributable profit from the Group and its associates recorded a decrease of 55.2% to HK\$454.2 million (2016: HK\$1,015.0 million), the attributable profit from investee company to be recognised in investment income upon receipt of dividend income.

Sales of One South Lane in the Western District (100% interest) generated profit of HK\$48.6 million (2016: HK\$53.2 million) was recorded in gross profit.

Sales of 55 Conduit Road in Mid-Levels West (70% interest) and commercial accommodation and units, hourly parking area and parking spaces at The Zenith in Wanchai (87.5% interest) had contributed an attributable profit to the Group of HK\$108.0 million (2016: HK\$954.4 million (including 1 unit and 1 parking space sold to a connected person)) and HK\$239.4 million (2016: HK\$2.7 million) respectively.

## 業績 (續)

### 物業租賃 (續)

儘管收購位於英國倫敦之物業(包括於二零一七年五月收購一幢位於St James's Square 11及12號以及Ormond Yard 14至17號之綜合用途永久業權樓宇、於二零一六年五月收購位於Oxford Street 61至67號(單號)及Soho Street 11至14號之綜合用途永久業權樓宇以及於二零一六年四月收購位於St George Street 14號之永久業權寫字樓)於本年度所帶來之租金收入及租金收入淨額分別為140,000,000港元(二零一六年: 60,000,000港元)及137,900,000港元(二零一六年: 58,300,000港元), 隨著於二零一七年二月完成出售持有位於中華人民共和國(「中國」)深圳市羅湖商業城若干商舖之附屬公司、於二零一六年九月完成出售持有位於銅鑼灣之皇室大廈之附屬公司及於二零一六年六月完成出售持有位於中國上海市於出售時物業名為愛美高大廈之附屬公司後, 導致應佔租金收入及租金收入淨額下降。

### 物業發展及買賣

於本年度, 本集團、其聯營公司及接受投資公司之應佔物業銷售收入錄得減少61.4%至887,200,000港元(二零一六年: 本集團及其聯營公司帶來2,298,900,000港元)以及本集團及其聯營公司之相關應佔溢利錄得減少55.2%至454,200,000港元(二零一六年: 1,015,000,000港元), 接受投資公司之應佔溢利將於收取股息收入後確認為投資收入。

銷售位於西區之南里壹號(佔100%權益)帶來溢利48,600,000港元(二零一六年: 53,200,000港元), 並列入毛利內。

銷售位於半山區西部之琥珀(佔70%權益)以及位於灣仔之尚翹峰商業部分及單位、時租車位及車位(佔87.5%權益)分別為本集團帶來應佔溢利108,000,000港元(二零一六年: 954,400,000港元(包括銷售一個單位及一個車位予一位關連人士))及239,400,000港元(二零一六年: 2,700,000港元)。

## RESULTS (Cont'd)

### Property Development and Trading (Cont'd)

In respect of properties held by associates, sales of parking spaces at Greenville Residence in Yuen Long (50% interest) and parking spaces at Mount Beacon in Kowloon Tong (33.33% interest) generated profit of HK\$1.1 million and HK\$57.1 million respectively (2016: sales of parking spaces at Greenville Residence and parking spaces at The Hermitage in West Kowloon (25% interest) generated profit of HK\$0.5 million and HK\$4.2 million respectively) as reflected in the share of results of associates.

During the Year, the forfeited deposit received for 55 Conduit Road of HK\$14.7 million (2016: deposits received for One South Lane of HK\$0.5 million) was recorded in other income.

In summary, the Group together with its associates and an investee company executed properties sale agreements, including contracted for sales agreements to third parties, recorded an attributable contracted sales of HK\$181.4 million (after cash rebate) (2016: the Group together with its associates of HK\$1,608.1 million (after cash rebate or discount)) during the Year. Total attributable property sales profit recognised for the Year was HK\$454.2 million (2016: HK\$1,015.0 million).

### Securities Investments

The Group has in the ordinary and normal course of business conducted its securities investment activities, as at 31st December, 2017, comprised of bonds and listed equity investment. During the Year, the gain recognised from listed securities investments and treasury products was HK\$1,708.7 million (2016: HK\$1,075.4 million), comprised gain on listed equity investments at fair value through other comprehensive income ("FVTOCI") of HK\$61.5 million (2016: HK\$170.5 million) and gain on listed investments and treasury products at fair value through profit or loss ("FVTPL") of HK\$1,647.2 million (2016: HK\$904.9 million).

## 業績 (續)

### 物業發展及買賣 (續)

至於由聯營公司所持有之物業，銷售位於元朗之逸翠軒車位（佔50%權益）及位於九龍塘之畢架山峰車位（佔33.33%權益）分別帶來溢利1,100,000港元及57,100,000港元（二零一六年：銷售逸翠軒車位及位於西九龍之帝峯•皇殿車位（佔25%權益）分別帶來溢利500,000港元及4,200,000港元），該溢利已列入攤佔聯營公司業績。

於本年度，其他收入包括沒收琥珀之已收取按金為14,700,000港元（二零一六年：南里壹號之已收取按金500,000港元）。

總括而言，本集團於本年度連同其聯營公司及接受投資公司已簽訂物業銷售協議（包括與第三者簽訂之已訂約銷售協議）之應佔訂約銷售額為181,400,000港元（扣除現金回贈後）（二零一六年：本集團連同其聯營公司1,608,100,000港元（扣除現金回贈或折扣後））。於本年度已確認之應佔物業銷售溢利總額為454,200,000港元（二零一六年：1,015,000,000港元）。

### 證券投資

本集團在一般及正常業務過程中進行證券投資活動，於二零一七年十二月三十一日包括債券及上市股本投資。於本年度，上市證券投資及財資產品確認之收益為1,708,700,000港元（二零一六年：1,075,400,000港元），包括來自通過其他全面收益以反映公平值（「通過其他全面收益以反映公平值」）之上市股本投資之收益為61,500,000港元（二零一六年：170,500,000港元）及通過損益以反映公平值（「通過損益以反映公平值」）之上市投資及財資產品之收益為1,647,200,000港元（二零一六年：904,900,000港元）。

## RESULTS (Cont'd)

### Securities Investments (Cont'd)

During the Year, the Group did not dispose of any listed investments held-for-trading (2016: realised loss of HK\$37.4 million was included in revenue), but a realised gain from sales of bonds of HK\$227.0 million (2016: HK\$142.9 million) was recognised. The net realised gain for the Year was HK\$227.0 million (2016: HK\$105.5 million). During the Year, the Group had acquired 29 bonds (2016: 132 bonds) in the sum of HK\$5,281.3 million (2016: HK\$15,347.1 million), and disposed of/redeemed 75 bonds (2016: 145 bonds) (including those with partial disposal) with carrying amounts in the sum of HK\$10,095.7 million (2016: HK\$11,337.3 million). Bonds acquired were mainly in the industries of overseas financial institutions (38.3%) (2016: 41.1%) and PRC-based real estate companies (60.5%) (2016: 15.4%). Realised gain from bonds disposed of/redeemed were mainly in the industries of overseas financial institutions (16.0%) (2016: 2.8%) and PRC-based real estate companies (38.9%) (2016: 3.7%).

Furthermore, the Group recorded an unrealised gain of HK\$600.3 million (2016: unrealised loss of HK\$126.2 million) representing the changes in fair value of bonds, which had no effect on the cash flow of the Group. The Group believes that the increase in bond price of bonds mainly issued by overseas financial institutions in the Year, among others, was owing to the European banking sector has been facing a more stable political environment and ongoing economic recovery during the Year. The unrealised gain (2016: unrealised loss) on bonds represented 39 bonds (2016: 73 bonds), mainly comprising unrealised gain from overseas financial institutions (93.8%) and PRC-based real estate companies (4.3%), and unrealised loss from insurance companies (1.4%) (2016: unrealised loss from insurance companies (135.9%) and overseas financial institutions (43.4%), and unrealised gain from PRC-based real estate companies (46.3%)).

Interest income from bonds amounted to HK\$910.9 million (2016: HK\$923.6 million), represented 7.71% (2016: 7.45%) return on average market value of bondholding during the Year.

Summing up the above and adding the net income from net dividend income, interest income, other net investment income and net finance costs of HK\$881.4 million (2016: HK\$1,096.1 million), the gain recognised from listed securities investments and treasury products was HK\$1,708.7 million (2016: HK\$1,075.4 million).

## 業績 (續)

### 證券投資 (續)

於本年度，本集團並無出售任何持作買賣之上市投資（二零一六年：計入於收入之已變現虧損為37,400,000港元），而出售債券則確認已變現收益為227,000,000港元（二零一六年：142,900,000港元）。本年度已變現收益淨額為227,000,000港元（二零一六年：105,500,000港元）。於本年度，本集團購入29隻（二零一六年：132隻）債券總額為5,281,300,000港元（二零一六年：15,347,100,000港元），及出售／贖回75隻（二零一六年：145隻）債券（包括部分出售之債券）賬面值總額為10,095,700,000港元（二零一六年：11,337,300,000港元）。購入之債券主要來自海外金融機構（38.3%）（二零一六年：41.1%）及中國房地產公司（60.5%）（二零一六年：15.4%）。出售／贖回債券產生之已變現收益主要來自海外金融機構（16.0%）（二零一六年：2.8%）及中國房地產公司（38.9%）（二零一六年：3.7%）。

此外，本集團錄得債券之公平值變動之未變現收益為600,300,000港元（二零一六年：未變現虧損為126,200,000港元），對本集團現金流量並無影響。本集團相信於本年度主要由海外金融機構發行之債券價格上升，乃因（其中包括）於本年度歐洲銀行業面對更穩定的政治環境及持續經濟復甦。債券之未變現收益（二零一六年：未變現虧損）乃來自39隻（二零一六年：73隻）債券，主要包括海外金融機構（93.8%）及中國房地產公司（4.3%）之未變現收益以及保險公司（1.4%）之未變現虧損（二零一六年：保險公司（135.9%）及海外金融機構（43.4%）之未變現虧損以及中國房地產公司（46.3%）之未變現收益）。

債券之利息收入為910,900,000港元（二零一六年：923,600,000港元），於本年度持有債券按平均市值計算之回報為7.71%（二零一六年：7.45%）。

總括以上及加入股息收入淨額、利息收入、其他投資收入淨額及財務費用淨額之收入淨額為881,400,000港元（二零一六年：1,096,100,000港元），上市證券投資及財資產品之確認收益為1,708,700,000港元（二零一六年：1,075,400,000港元）。

## RESULTS (Cont'd)

### Securities Investments (Cont'd)

The respective income/expense from securities investments under different categories are further elaborated below.

### Listed Equity Investments at Fair Value Through Other Comprehensive Income

The listed equity investments at FVTOCI recorded a net profit of HK\$61.5 million (2016: HK\$170.5 million) comprised after-expenses dividend income of HK\$163.0 million (2016: HK\$189.6 million) and the withholding tax of HK\$16.3 million (2016: HK\$19.1 million), making a net dividend income of HK\$146.7 million (2016: HK\$170.5 million) from the SJB Shares (as defined below), and net expenses from other net investment income and net finance costs of HK\$85.2 million (2016: nil).

During the Year, the Group has acquired 857,541,000 shares of China Evergrande Group (Stock Code: 3333) ("China Evergrande") ("Evergrande Shares") (representing approximately 6.51% of the total issued share capital of China Evergrande as at 31st December, 2017) at a total consideration (including transaction costs) of HK\$13,182.4 million.

During the Year, gains on fair value changes of listed equity investments at FVTOCI of HK\$12,054.3 million was recognised in other comprehensive income, which comprised realised gain on fair value change of 577,180,500 H shares of Shengjing Bank Co., Ltd. (Stock Code: 2066) ("SJB Shares") of HK\$2,126.0 million and unrealised gain on fair value change of the Evergrande Shares of HK\$9,928.3 million (2016: unrealised loss of HK\$2,366.5 million from the SJB Shares). Realised gain/loss on fair value change is a cash item while unrealised fair value change is a non-cash item and will not affect the cash flow of the Group. The Group believes that the increase in share price of China Evergrande from April to the end of December 2017, among others, was owing to the encouraging operating data and completion of redemption of all its perpetual bonds during the Year which implied improvement in profitability. In addition, the overall optimistic prospect in the PRC real estate industry was demonstrated by increase in share price of companies in the same industry during the Year.

## 業績 (續)

### 證券投資 (續)

以下就來自不同類型之證券投資收入／開支作進一步詳述。

### 通過其他全面收益以反映公平值之上市股本投資

通過其他全面收益以反映公平值之上市股本投資錄得溢利淨額61,500,000港元(二零一六年: 170,500,000港元), 包括來自盛京銀行股份(定義見下文)之股息收入163,000,000港元(扣除開支後)(二零一六年: 189,600,000港元)及扣除預提稅16,300,000港元(二零一六年: 19,100,000港元)後, 所得股息收入淨額為146,700,000港元(二零一六年: 170,500,000港元)以及其他投資收入淨額及財務費用淨額之開支淨額為85,200,000港元(二零一六年: 零)。

於本年度, 本集團以總代價13,182,400,000港元(包括交易成本)購買中國恆大集團(股份代號: 3333)(「中國恆大」)857,541,000股股份(「恆大股份」)(相當於中國恆大於二零一七年十二月三十一日已發行股本總數約6.51%)。

於本年度, 通過其他全面收益以反映公平值之上市股本投資之公平值變動之收益為12,054,300,000港元, 並於其他全面收益中確認, 其中包括盛京銀行股份有限公司577,180,500股H股股份(股份代號: 2066)(「盛京銀行股份」)之公平值變動之已變現收益2,126,000,000港元及恆大股份之公平值變動之未變現收益9,928,300,000港元(二零一六年: 來自盛京銀行股份之未變現虧損2,366,500,000港元)。已變現公平值變動之收益／虧損乃現金項目, 而未變現公平值變動乃非現金項目, 對本集團現金流量並無構成影響。本集團相信自二零一七年四月至十二月底, 中國恆大股價上升乃由於(其中包括)令人鼓舞之營運數據, 以及於本年度完成贖回其所有永續債券而意味著其盈利改善。此外, 於本年度同業其他公司之股價上升亦顯示對中國房地產行業整體之樂觀展望。

## RESULTS (Cont'd)

### Securities Investments (Cont'd)

#### Listed Investments and Treasury Products at Fair Value Through Profit or Loss

The listed investments and treasury products at FVTPL recorded a profit before and after finance costs of HK\$1,751.5 million and HK\$1,647.2 million (2016: HK\$921.0 million and HK\$904.9 million) respectively for the Year.

Profit from the listed investments and treasury products at FVTPL reflected in the consolidated statement of comprehensive income for the Year comprised a realised gain on bonds of HK\$227.0 million, an unrealised gain on fair value changes of bonds of HK\$600.3 million and interest income and other net investment income of HK\$924.2 million (2016: a realised loss on listed investments held-for-trading of HK\$37.4 million, a realised gain on bonds of HK\$142.9 million, an unrealised loss on fair value changes of bonds of HK\$126.2 million and net dividend income, interest income and other net investment income of HK\$941.7 million). Net relevant finance costs for the Year was HK\$104.3 million (2016: HK\$16.1 million) including interest expense of HK\$60.4 million and exchange loss of HK\$43.9 million (2016: including interest expense of HK\$77.3 million and exchange gain of HK\$61.2 million).

### Other Income and Expenses

Other income for the Year, which mainly came from net building management fee income, rental services income, property management services, leasing administration services and property administration services income, consultancy fee income, exchange gain, net and forfeiture of deposits received on sales of stock of properties, increased to HK\$132.0 million (2016: HK\$102.9 million), representing an increase of 28.3% as compared with last year.

During the Year, administrative expenses decreased by 15.8% to HK\$279.3 million (2016: HK\$331.5 million). Finance costs increased by 67.2% to HK\$295.2 million (2016: HK\$176.5 million) during the Year, including exchange loss of HK\$52.2 million (2016: exchange gain of HK\$61.2 million) on foreign currency other borrowings hedged for foreign currency securities investments. The decrease in administrative expenses was mainly due to the disposals of subsidiaries during the Year and the year of 2016 and absence of exchange loss, net during the Year. The increase in finance costs was mainly due to the exchange loss (2016: exchange gain) on translation of foreign currency other borrowings.

## 業績 (續)

### 證券投資 (續)

#### 通過損益以反映公平值之上市投資及財資產品

通過損益以反映公平值之上市投資及財資產品於本年度計入財務費用前／後分別錄得溢利1,751,500,000港元及1,647,200,000港元(二零一六年: 921,000,000港元及904,900,000港元)。

於本年度，反映於綜合全面收益報表內之通過損益以反映公平值之上市投資及財資產品之溢利，包括債券之已變現收益227,000,000港元、債券之公平值變動之未變現收益600,300,000港元以及利息收入與其他投資收入淨額924,200,000港元(二零一六年: 持作買賣之上市投資之已變現虧損37,400,000港元、債券之已變現收益142,900,000港元、債券之公平值變動之未變現虧損126,200,000港元以及股息收入淨額、利息收入與其他投資收入淨額941,700,000港元)。於本年度，相關財務費用淨額為104,300,000港元(二零一六年: 16,100,000港元)，包括利息開支60,400,000港元及匯兌虧損43,900,000港元(二零一六年: 包括利息開支77,300,000港元及匯兌收益61,200,000港元)。

### 其他收入及開支

本年度之其他收入主要來自樓宇管理費收入淨額、租賃服務收入、物業管理服務、租務行政服務及物業行政服務收入、顧問費收入、匯兌收益淨額以及沒收銷售物業存貨按金，增加至132,000,000港元(二零一六年: 102,900,000港元)，較去年增加28.3%。

於本年度，行政開支減少15.8%至279,300,000港元(二零一六年: 331,500,000港元)。財務費用於本年度增加67.2%至295,200,000港元(二零一六年: 176,500,000港元)，當中包括外幣其他借貸用以對沖外幣計值之證券投資之匯兌虧損52,200,000港元(二零一六年: 匯兌收益61,200,000港元)。行政開支之減少主要由於於本年度及二零一六年出售附屬公司以及於本年度並無匯兌虧損淨額所致。而財務費用之增加主要由於外幣其他借貸所產生之匯兌虧損(二零一六年: 匯兌收益)所致。

## RESULTS (Cont'd)

### Other Income and Expenses (Cont'd)

Other gains and losses recorded a net gain of HK\$140.3 million mainly comprised gains on disposals of the Group's entire issued share capital of (i) Pinecrest International Limited, an indirect wholly-owned subsidiary of the Company, and its subsidiaries (collectively "Pinecrest Group") ("Pinecrest Disposal") and (ii) Win Kings Holding Ltd., an indirect wholly-owned subsidiary of the Company, and its subsidiary (collectively "Win Kings Group") ("Win Kings Disposal") of HK\$143.3 million in total (2016: HK\$2,176.4 million mainly comprised gains on disposals of the Group's entire issued share capital of (i) Pioneer Time Investment Limited, an indirect wholly-owned subsidiary of the Company; (ii) Evergo Real Estate (Shanghai) Company Limited, an indirect wholly-owned subsidiary of the Company; and (iii) Keep Speed Company Limited and Jumbo Grace Limited ("Jumbo Grace"), both are indirect wholly-owned subsidiaries of the Company, and Jumbo Grace's subsidiary of HK\$2,311.1 million in total) and write-down of stock of properties of HK\$3.8 million (2016: HK\$128.5 million).

### Disposals of Subsidiaries to Connected Persons

- (a) The Pinecrest Disposal and the Win Kings Disposal were completed on 10th February, 2017 at a consideration of HK\$352.2 million and HK\$889.6 million respectively. Upon completion, the Pinecrest Group and the Win Kings Group ceased to be subsidiaries of the Company and their respective consolidated results, assets and liabilities were ceased to be consolidated with those of the Group.

Details of the Pinecrest Disposal and the Win Kings Disposal were set out in the announcements of the Company dated 5th December, 2016, 13th January, 2017 and 10th February, 2017 and the circular of the Company dated 28th December, 2016.

## 業績 (續)

### 其他收入及開支 (續)

其他收益及虧損錄得收益淨額140,300,000港元，主要包括出售本集團於(i) Pinecrest International Limited (本公司之一間間接全資擁有附屬公司)之全部已發行股本及其附屬公司(統稱「Pinecrest集團」)(「Pinecrest出售」)及(ii) Win Kings Holding Ltd. (本公司之一間間接全資擁有附屬公司)之全部已發行股本及其附屬公司(統稱「Win Kings集團」)(「Win Kings出售」)之收益合共為143,300,000港元(二零一六年：2,176,400,000港元，主要包括出售本集團於(i) Pioneer Time Investment Limited (本公司之一間間接全資擁有附屬公司)之全部已發行股本；(ii) 愛美高房地產(上海)有限公司(本公司之一間間接全資擁有附屬公司)之全部已發行股本；及(iii) Keep Speed Company Limited及Jumbo Grace Limited (「Jumbo Grace」)(彼等均為本公司之間接全資擁有附屬公司)之全部已發行股本以及Jumbo Grace之附屬公司之收益合共為2,311,100,000港元)以及物業存貨之減值為3,800,000港元(二零一六年：128,500,000港元)。

### 出售附屬公司予關連人士

- (a) Pinecrest出售及Win Kings出售於二零一七年二月十日完成，代價分別為352,200,000港元及889,600,000港元。於完成後，Pinecrest集團及Win Kings集團不再為本公司之附屬公司，彼等各自之綜合業績、資產及負債已不再計入本集團之綜合業績、資產及負債內。

Pinecrest出售及Win Kings出售之詳情已載列於本公司日期為二零一六年十二月五日、二零一七年一月十三日及二零一七年二月十日之公布以及二零一六年十二月二十八日之通函內。

## RESULTS (Cont'd)

### Disposals of Subsidiaries to Connected Persons (Cont'd)

(b) The disposal of the Group's entire issued share capital of Great Captain Limited ("Great Captain"), an indirect wholly-owned subsidiary of the Company ("Great Captain Disposal") was completed on 23rd June, 2017 at a consideration of HK\$5,567.7 million. Upon completion, Great Captain ceased to be a subsidiary of the Company and its results, assets and liabilities were ceased to be consolidated with those of the Group.

Details of the Great Captain Disposal were set out in the announcements of the Company dated 15th March, 2017, 4th May, 2017 and 23rd June, 2017 and the circular of the Company dated 13th April, 2017.

### Associates

The share of results of associates for the Year was a profit of HK\$189.9 million as compared to HK\$161.2 million for last year, the increase was mainly due to the increase in profit from property sales.

### Fair Value Changes on Investment Properties

Investment properties of the Group in Hong Kong and Mainland China were revalued at 31st December, 2017 by B.I. Appraisals Limited ("B.I. Appraisals") whereas investment properties in the United Kingdom were revalued by Peak Vision Appraisals Limited ("Peak Vision Appraisals"). B.I. Appraisals and Peak Vision Appraisals are independent property valuers. A gain on fair value changes of investment properties of HK\$564.5 million (2016: HK\$139.2 million) was recorded during the Year. The unrealised fair value changes will not affect the cash flow of the Group.

## 業績 (續)

### 出售附屬公司予關連人士 (續)

(b) 出售本集團於Great Captain Limited (「Great Captain」) (本公司之一間間接全資擁有附屬公司)之全部已發行股本(「Great Captain出售」)於二零一七年六月二十三日完成，代價為5,567,700,000港元。於完成後，Great Captain不再為本公司之一間附屬公司，其業績、資產及負債已不再計入本集團之綜合業績、資產及負債內。

Great Captain出售之詳情已載列於本公司日期為二零一七年三月十五日、二零一七年五月四日及二零一七年六月二十三日之公布以及二零一七年四月十三日之通函內。

### 聯營公司

本年度之攤佔聯營公司業績之溢利為189,900,000港元，相比去年為161,200,000港元，該增加主要由於物業銷售之溢利增加。

### 投資物業之公平值變動

保柏國際評估有限公司(「保柏國際評估」)已就本集團位於香港及中國大陸之投資物業進行於二零一七年十二月三十一日之物業估值。至於本集團位於英國之投資物業，由漂鋒評估有限公司(「漂鋒評估」)進行物業估值。保柏國際評估及漂鋒評估均為獨立物業估值師。於本年度錄得投資物業之公平值變動之收益為564,500,000港元(二零一六年：139,200,000港元)。未變現之公平值變動對本集團現金流量並無構成影響。



## PROFIT, CORE PROFIT, DIVIDENDS, REPURCHASE, CASH PAYMENT RATIO AND TOTAL COMPREHENSIVE INCOME

### Profit

Profit for the Year attributable to owners of the Company was HK\$3,708.9 million as compared to HK\$6,360.3 million for last year. The decrease in profit of 41.7% for the Year was mainly arising from (i) decrease in attributable net rental income; (ii) decrease in attributable property sales profit; (iii) decrease in gains on disposals of subsidiaries; (iv) decrease in imputed interest income from deferred consideration receivables; despite (v) increase in fair value gain on investment properties; and (vi) increase in net profit from the segment of the listed investments and treasury products at FVTPL. Earnings per share for the Year was HK\$1.94 (2016: HK\$3.33).

### Core Profit

The Group disposed of certain investment properties through disposals of subsidiaries during the Year, the costs of which are stated at fair value. In addition, the Group disposed of stock of properties which were classified as investment properties and/or land and building in prior years. Before disposal, such gain/loss on fair value change is unrealised and recognised at the end of each reporting period, but excluded from core profit as non-cash items. In the year of disposal, such unrealised gain/loss has become realised; and in computing core profit, accumulated fair value gain/loss from prior years and current year are included as cash items.

If the net gain on the major non-cash items of HK\$646.4 million (2016: HK\$577.5 million) are excluded, but the major accumulated net realised fair value gain together with their respective deferred tax on disposals of investment properties and stock of properties from the Group recognised in prior years of HK\$336.2 million (2016: the accumulated realised fair value gain together with their respective deferred tax on disposals of investment properties and stock of properties from the Group and its associates recognised in prior years of HK\$17,248.7 million) (including those recognised in properties revaluation reserve) are included, the Group will have a core profit for the Year attributable to owners of the Company of HK\$3,398.7 million (2016: HK\$23,031.5 million) and a core earnings per share of HK\$1.78 (2016: HK\$12.07), which were both decreased by 85.2% to those in the year of 2016.

## 溢利、核心溢利、股息、回購、現金支出比率及全面收益總額

### 溢利

本公司擁有人應佔本年度之溢利為3,708,900,000港元，相比去年為6,360,300,000港元。本年度之溢利減少41.7%主要由於(i)應佔租金收入淨額減少；(ii)應佔物業銷售溢利減少；(iii)出售附屬公司之收益減少；(iv)應收遞延代價所產生之名義利息收入減少；儘管(v)投資物業之公平值收益增加；及(vi)分類為通過損益以反映公平值之上市投資及財資產品之溢利淨額增加。本年度之每股盈利為1.94港元（二零一六年：3.33港元）。

### 核心溢利

本集團於本年度透過出售附屬公司而出售若干投資物業（其成本以公平值列賬）。此外，本集團出售之物業存貨（於過往年度分類為投資物業及／或土地及樓宇）。於出售前，該公平值變動收益／虧損為未變現並於每個報告期末確認，但列為非現金項目並不包括在核心溢利內。於出售年度，該未變現之收益／虧損成為已變現；並於計算核心溢利時，會包括於過往年度及本年度之累積公平值收益／虧損並列為現金項目。

如撇除主要非現金項目收益淨額646,400,000港元（二零一六年：577,500,000港元），但計入本集團就出售投資物業及物業存貨於過往年度確認之主要累積已變現公平值收益連同其相關之遞延稅項之淨額為336,200,000港元（二零一六年：計入本集團及其聯營公司就出售投資物業及物業存貨於過往年度確認之累積已變現公平值收益連同其相關之遞延稅項為17,248,700,000港元）（包括其確認於物業重估儲備），本集團將錄得本公司擁有人應佔本年度之核心溢利3,398,700,000港元（二零一六年：23,031,500,000港元）及每股核心盈利為1.78港元（二零一六年：12.07港元），兩者均較二零一六年減少85.2%。

## PROFIT, CORE PROFIT, DIVIDENDS, REPURCHASE, CASH PAYMENT RATIO AND TOTAL COMPREHENSIVE INCOME (Cont'd)

### Core Profit (Cont'd)

The major non-cash items represented the attributable unrealised fair value gain on investment properties together with their respective deferred tax from the Group and its associates of HK\$646.4 million (2016: HK\$577.5 million).

### Dividends

Final dividend of HK1 cent (year ended 31st December, 2015: HK1 cent) per share in total amount of HK\$19.1 million for the year ended 31st December, 2016 was paid in cash on 12th June, 2017.

Interim dividend of HK20 cents (half year ended 30th June, 2016: HK1 cent) per share in total amount of HK\$381.5 million for the half year ended 30th June, 2017 was paid in cash on 13th September, 2017.

Special interim dividends of HK\$2 in aggregate per share in total amount of HK\$3,815.2 million and HK\$2.91 per share in total amount of HK\$5,551.2 million were paid in cash on 10th February, 2017 and 23rd June, 2017 respectively (2016: a conditional special interim dividend of HK\$2 per share in total amount of HK\$3,815.2 million was paid in cash on 20th January, 2016 and special interim dividends of HK\$2.1 per share in total amount of HK\$4,006.0 million and HK\$3.23 per share in total amount of HK\$6,161.6 million were paid in cash on 11th August, 2016 and 1st September, 2016 respectively).

Total dividends of HK\$9,767.0 million were paid in cash during the Year.

## 溢利、核心溢利、股息、回購、現金支出比率及全面收益總額 (續)

### 核心溢利 (續)

主要非現金項目乃指來自本集團及其聯營公司之應佔投資物業之未變現公平值收益連同其相關之遞延稅項共646,400,000港元(二零一六年: 577,500,000港元)。

### 股息

截至二零一六年十二月三十一日止年度之每股1港仙(截至二零一五年十二月三十一日止年度: 每股1港仙)總額為19,100,000港元之末期股息, 已於二零一七年六月十二日以現金派付。

截至二零一七年六月三十日止半年度之每股20港仙(截至二零一六年六月三十日止半年度: 每股1港仙)總額為381,500,000港元之中期股息, 已於二零一七年九月十三日以現金派付。

每股合共2港元總額為3,815,200,000港元及每股2.91港元總額為5,551,200,000港元之特別中期股息, 已分別於二零一七年二月十日及二零一七年六月二十三日以現金派付(二零一六年: 每股2港元總額為3,815,200,000港元之附有條件之特別中期股息已於二零一六年一月二十日以現金派付以及每股2.1港元總額為4,006,000,000港元及每股3.23港元總額為6,161,600,000港元之特別中期股息已分別於二零一六年八月十一日及二零一六年九月一日以現金派付)。

於本年度, 以現金派付之股息總額為9,767,000,000港元。

## PROFIT, CORE PROFIT, DIVIDENDS, REPURCHASE, CASH PAYMENT RATIO AND TOTAL COMPREHENSIVE INCOME (Cont'd)

### Repurchase

During the Year, the Company had not repurchased any of the Company's share.

### Cash Payment Ratio

Based on (a) the core profit for the Year of HK\$3,398.7 million (2016: HK\$23,031.5 million) or HK\$1.78 (2016: HK\$12.07) per share; (b) cash final dividend for the Year of HK10 cents (2016: HK1 cent) per share proposed; (c) cash interim dividend for 2017 of HK20 cents (2016: HK1 cent) per share; and (d) cash special interim dividends of HK64 cents in aggregate per share and HK\$2.91 per share were paid (2016: HK\$2, HK\$2.1 and HK\$3.23 per share were paid and HK\$1.36 per share was declared), the ratio of such cash payment to the core profit is 216.3% (2016: 72.2%).

### Total Comprehensive Income

Total comprehensive income for the Year attributable to owners of the Company was HK\$16,348.7 million (2016: HK\$3,418.7 million) or HK\$8.57 (2016: HK\$1.79) per share, an increase of 3.8 times over last year which comprised (a) profit for the Year attributable to owners of the Company of HK\$3,708.9 million (2016: HK\$6,360.3 million); and (b) other comprehensive income for the Year attributable to owners of the Company of HK\$12,639.8 million (2016: expenses of HK\$2,941.6 million) which mainly included gains on fair value changes of listed equity investments at FVTOCI of HK\$12,054.3 million (2016: unrealised loss of HK\$2,366.5 million), details are disclosed in the sub-paragraph headed "Listed Equity Investments at Fair Value Through Other Comprehensive Income" of paragraph headed "Securities Investments" above.

## 溢利、核心溢利、股息、回購、現金支出比率及全面收益總額 (續)

### 回購

於本年度，本公司並無回購本公司之任何股份。

### 現金支出比率

根據(a)本年度之核心溢利3,398,700,000港元(二零一六年: 23,031,500,000港元)或每股1.78港元(二零一六年: 12.07港元); (b)建議宣派以現金派付本年度之末期股息每股10港仙(二零一六年: 1港仙); (c)以現金已派付二零一七年之中期股息每股20港仙(二零一六年: 1港仙); 以及(d)以現金已派付每股合共64港仙及每股2.91港元之特別中期股息(二零一六年: 已派付每股2港元、2.1港元及3.23港元以及已宣派每股1.36港元), 該現金支出與核心溢利之比率為216.3%(二零一六年: 72.2%)。

### 全面收益總額

本公司擁有人應佔本年度之全面收益總額為16,348,700,000港元(二零一六年: 3,418,700,000港元)或每股8.57港元(二零一六年: 1.79港元), 相比去年增加3.8倍, 其中包括(a)本公司擁有人應佔本年度之溢利3,708,900,000港元(二零一六年: 6,360,300,000港元); 及(b)本公司擁有人應佔本年度之其他全面收益12,639,800,000港元(二零一六年: 支出2,941,600,000港元), 主要包括通過其他全面收益以反映公平值之上市股本投資之公平值變動收益12,054,300,000港元(二零一六年: 未變現虧損2,366,500,000港元), 詳情已於上述「證券投資」一段中之「通過其他全面收益以反映公平值之上市股本投資」副段落內披露。

## NET ASSET VALUE

As at 31st December, 2017, the Group's net asset attributable to owners of the Company amounted to HK\$36,385.9 million (2016: HK\$29,804.2 million), an increase of HK\$6,581.7 million or 22.1% when compared with 31st December, 2016. With the total number of ordinary shares in issue of 1,907,619,079 as at 31st December, 2017 and 2016, the net asset value per share attributable to owners of the Company was HK\$19.07 (2016: HK\$15.62). The movement in net asset value was mainly due to (a) total comprehensive income for the Year attributable to owners of the Company of HK\$16,348.7 million; and (b) final, interim and special interim dividends recognised as distribution during the Year totaling HK\$9,767.0 million.

During the Year, gains on fair value changes on the listed equity investments categorised as financial assets measured at FVTOCI of HK\$12,054.3 million (2016: unrealised loss of HK\$2,366.5 million) as well as the transaction costs of the Great Captain Disposal of HK\$1.7 million were recorded in other comprehensive income. Upon completion of the Great Captain Disposal, the Group transferred the negative balance of financial assets measured at FVTOCI reserve of HK\$242.2 million to retained profits. The carrying amount of the gain on fair value change of listed equity investment included in financial assets measured at FVTOCI reserve was HK\$9,928.3 million as at 31st December, 2017 (2016: loss of HK\$2,366.5 million).

Other than the existing projects and those disclosed in the final results, the Group did not have material acquisition or disposal of assets and any future plans for material investment or capital assets.

## 資產淨值

於二零一七年十二月三十一日，本公司擁有人應佔本集團之資產淨值為36,385,900,000港元（二零一六年：29,804,200,000港元），較二零一六年十二月三十一日增加6,581,700,000港元或22.1%。根據二零一七年及二零一六年十二月三十一日之已發行普通股總數1,907,619,079股計算，本公司擁有人應佔之每股資產淨值為19.07港元（二零一六年：15.62港元）。資產淨值變動主要與(a)本公司擁有人應佔本年度之全面收益總額16,348,700,000港元；及(b)於本年度已確認派發之末期、中期及特別中期股息合共9,767,000,000港元有關。

於本年度，本集團分類為通過其他全面收益以反映公平值計量之金融資產之上市股本投資，其公平值變動收益為12,054,300,000港元（二零一六年：未變現虧損為2,366,500,000港元）以及Great Captain出售之交易成本1,700,000港元，並錄入為其他全面收益。於Great Captain出售完成後，本集團將242,200,000港元之負值餘額由通過其他全面收益以反映公平值計量之金融資產之儲備轉撥至保留溢利。於二零一七年十二月三十一日，上市股本投資之公平值變動收益之賬面值9,928,300,000港元（二零一六年：虧損2,366,500,000港元）已包括在通過其他全面收益以反映公平值計量之金融資產之儲備內。

除現有項目及於全年業績內所披露者外，本集團並無重大收購或出售資產及重大投資或資本資產之未來計劃。

## NET CURRENT LIABILITIES

The Group recorded net current liabilities as at 31st December, 2017 of HK\$2,804.8 million (2016: net current assets of HK\$11,207.6 million), of which current assets were HK\$10,978.6 million and current liabilities were HK\$13,783.4 million. The position was mainly due to certain of the Group's current liabilities had been utilised to finance the Group's non-current assets.

In the consolidated statement of financial position and within securities investment activities, which comprised of bonds and listed equity investment, the total carrying amount as at 31st December, 2017 was HK\$33,849.5 million. Included in non-current assets were part of the bonds in the sum of HK\$1,979.4 million presented as financial assets measured at FVTPL and listed equity investment in the sum of HK\$23,110.7 million presented as financial assets measured at FVTOCI. Included in current assets were part of the bonds in the sum of HK\$8,759.4 million presented as financial assets measured at FVTPL. Margin loans utilised to finance the securities investments in both non-current and current assets in the sum of HK\$9,873.7 million were presented as borrowings in current liabilities.

If the margin loans of HK\$9,873.7 million were allocated into the securities investments secured according to the respective non-current and current assets presentation, HK\$5,221.0 million and HK\$4,652.7 million were secured by the non-current assets securities investments and current assets securities investments respectively.

If the margin loans secured by the non-current assets securities investments of HK\$5,221.0 million were reclassified as non-current liabilities, the net current liabilities position of the Group would become net current assets position of HK\$2,416.2 million as at 31st December, 2017.

## 流動負債淨值

於二零一七年十二月三十一日，本集團錄得流動負債淨值2,804,800,000港元（二零一六年：流動資產淨值11,207,600,000港元），其中流動資產為10,978,600,000港元及流動負債為13,783,400,000港元。該狀況主要由於本集團若干流動負債用作融資本集團非流動資產所致。

於二零一七年十二月三十一日綜合財務狀況報表及證券投資活動（包括債券及上市股本投資）中之賬面值總額為33,849,500,000港元。非流動資產當中包括呈列為通過損益以反映公平值計量之金融資產之部分債券1,979,400,000港元及呈列為通過其他全面收益以反映公平值計量之金融資產之上市股本投資23,110,700,000港元。流動資產當中包括呈列為通過損益以反映公平值計量之金融資產之部分債券8,759,400,000港元。用作融資非流動及流動資產中之證券投資之保證金貸款合共9,873,700,000港元，呈列為流動負債中之借貸。

倘將保證金貸款9,873,700,000港元以相關呈列於非流動及流動資產中之抵押證券投資分配，5,221,000,000港元及4,652,700,000港元之保證金貸款分別以非流動資產及流動資產證券投資作為抵押。

倘以非流動資產證券投資作為抵押之保證金貸款5,221,000,000港元被重新分類為非流動負債，本集團於二零一七年十二月三十一日之流動負債淨值狀況將變為流動資產淨值狀況2,416,200,000港元。

## NET CURRENT LIABILITIES (Cont'd)

The ratio of margin loans against securities investments was loan-to-value ratio, which was 29.2% as at 31st December, 2017. In accordance with the terms and conditions of margin loans facility agreements of the Group with financial institutions, among others, as long as the securities investments maintained market value which is in excess of pre-defined loan-to-value ratios as set out by the financial institutions, the margin loans upon interest payment due date would be roll-overed month-for-month, and repayment of margin loans by the Group to financial institutions would not be required. As such, very often margin loans of the Group which were presented as current liabilities would not be current and would be repayable over one year. In the event that the Group intends to reduce or repay part of the margin loans, the Group might, among others, dispose of some of the securities investments to effect the payment.

Listed securities investments and treasury products of the Group were frequently traded in the market, and formed part of the Group's treasury management. They were presented as non-current assets and current assets according to their intended holding periods.

If the entire listed securities investments and treasury products of the Group as at 31st December, 2017 were presented as current assets, current assets would be increased by HK\$25,090.1 million, and net current liabilities position of HK\$2,804.8 million would become net current assets position of HK\$22,285.3 million.

The Group believes that the net current liabilities position as at 31st December, 2017 would not have adverse financial effect to the Group's liquidity or gearing position and the Group has ability to continue as a going concern.

## 流動負債淨值 (續)

貸款價值比率乃保證金貸款除以證券投資之比率，於二零一七年十二月三十一日為29.2%。根據本集團與金融機構之保證金貸款融資協議之條款及條件（其中包括），只要證券投資之市值維持超過金融機構規定之貸款價值比率，到期支付利息之保證金貸款將按月滾存，本集團無需向金融機構償還保證金貸款。因此，本集團慣常將保證金貸款呈列為流動負債，然而並非流動以及將於一年後償還。倘本集團有意減少或償還部分保證金貸款，則本集團可能（其中包括）出售部分證券投資以支付貸款。

本集團之上市證券投資及財資產品經常於市場買賣，及成為本集團資金管理之一部分。上市證券投資及財資產品乃按擬定持有期呈列為非流動資產及流動資產。

倘將本集團於二零一七年十二月三十一日之全部上市證券投資及財資產品呈列為流動資產，流動資產將會增加25,090,100,000港元，及流動負債淨值狀況2,804,800,000港元將變為流動資產淨值狀況22,285,300,000港元。

本集團相信，於二零一七年十二月三十一日之流動負債淨值狀況將不會對本集團之流動資金或負債狀況造成不利之財務影響，且本集團能夠繼續持續經營。

## SECURITIES INVESTMENTS

The Group's strategy is to maintain securities investment portfolio for treasury management and invest in listed securities investments and treasury products with attractive yield and good prospect in order to bring stable and satisfactory return in long run. During the Year, the Group made a substantial investment in shares of China Evergrande owing to its encouraging operating data and completion of redemption of all its perpetual bonds during the Year which implied improvement in the profitability of China Evergrande. The Group also acquired bonds mainly issued by overseas financial institutions and PRC-based real estate companies. It is expected that the European banking sector has been facing a more stable political environment and ongoing economic recovery and PRC-based real estate companies will continue to benefit from a strong property market with an apparently rising macroeconomic growth in the PRC. Meanwhile, the Group divested the SJB Shares because the Group believes that, among other things, the challenging environment on risk management and the reduction of local enterprises' debt burdens in the PRC banking industry which led to the plummet in market price of the SJB Shares.

The respective securities investments under different categories are elaborated below.

### Listed Equity Investments at Fair Value Through Other Comprehensive Income

During the Year, the Group disposed of the SJB Shares through disposal of a subsidiary, details of the Great Captain Disposal are disclosed in paragraph headed "Disposals of Subsidiaries to Connected Persons" above.

During the Year, the Group has acquired 857,541,000 shares of China Evergrande at a total consideration (including transaction costs) of HK\$13,182.4 million, after adding the fair value gain of HK\$9,928.3 million for the Year, the carrying amount of listed equity investment categorised as financial assets measured at FVTOCI was HK\$23,110.7 million as at 31st December, 2017. China Evergrande is principally engaged in development of large scale residential properties and integrated commercial properties in the PRC.

## 證券投資

本集團之策略是維持證券投資組合之財資管理以及投資具吸引收益率及良好前景之上市證券投資及財資產品，以確保長遠帶來穩定及滿意之回報。於本年度，本集團對中國恆大股份作出巨額投資，乃因其令人鼓舞之營運數據，以及於本年度完成贖回其所有永續債券而意味著其盈利改善。本集團亦購入主要由海外金融機構及中國房地產公司發行之債券。預期歐洲銀行業面對更穩定之政治環境及持續經濟復甦，以及中國房地產公司將會繼續受惠於暢旺之中國物業市場及宏觀經濟增長。與此同時，本集團出售盛京銀行股份乃由於本集團相信（其中包括）中國銀行業風險管理具挑戰之環境及當地企業貸款需求減弱以致盛京銀行股份市價下挫。

以下就不同類型之證券投資作出詳述。

### 通過其他全面收益以反映公平值之上市股本投資

於本年度，本集團透過出售一間附屬公司出售盛京銀行股份，有關Great Captain出售之詳情已於上述「出售附屬公司予關連人士」一段內披露。

於本年度，本集團以總代價13,182,400,000港元（包括交易成本）購買中國恆大857,541,000股股份，經計入本年度公平值收益9,928,300,000港元後，於二零一七年十二月三十一日分類為通過其他全面收益以反映公平值計量之金融資產之上市股本投資賬面值為23,110,700,000港元。中國恆大主要在中國從事大型住宅物業及綜合商用物業發展。

## SECURITIES INVESTMENTS (Cont'd)

### Listed Investments and Treasury Products at Fair Value Through Profit or Loss

As at 31st December, 2016, the carrying amounts of the bonds presented as financial assets measured at FVTPL was HK\$14,952.9 million. During the Year, the bonds portfolio was decreased by a net disposal of HK\$4,814.4 million. After adding the fair value gain of HK\$600.3 million for the Year, the bonds portfolio of the Group became HK\$10,738.8 million as at 31st December, 2017, which formed part of the Group's cash management activities. As at 31st December, 2017, the bonds portfolio comprised of bonds issued by overseas financial institutions of 62.7%, PRC-based real estate companies of 30.2% and other industries of 7.1%. They are denominated in different currencies with 95.5% in United States dollar ("US\$"), 4.3% in Pound Sterling ("GBP") and 0.2% in Euro ("EUR"). The bonds denominated in US\$ carry at fixed rate range from 4.750% to 13.250% per annum of which notional amount of US\$1,181.0 million are callable, the bonds denominated in GBP carry at fixed rate range from 5.875% to 7.250% per annum are callable and the bond denominated in EUR carries at fixed rate of 12.500% per annum is callable. As at 31st December, 2017, the bonds portfolio comprised of 39 bonds (2016: 73 bonds); in terms of credit rating, investment grade, non-investment grade and unrated were 10 bonds, 22 bonds and 7 bonds (2016: 30 bonds, 28 bonds and 15 bonds) respectively. In terms of maturity, 27 bonds (2016: 32 bonds) were contingent convertible bonds issued by overseas financial institutions of which 25 bonds (2016: 28 bonds) were perpetual and the remaining 2 bonds (2016: 4 bonds) will mature in 2023 (2016: between 2022 to 2026). 12 bonds (2016: 41 bonds) were issued by issuers other than overseas financial institutions of which 4 bonds (2016: 17 bonds) were perpetual and the remaining 8 bonds (2016: 24 bonds) will mature between 2018 to 2046 (2016: between 2018 to 2075).

As at 31st December, 2017, the portfolio of listed securities investments and treasury products of HK\$33,849.5 million (2016: HK\$19,512.6 million) comprised (a) bonds (financial assets measured at FVTPL (non-current and current assets in aggregate)) of HK\$10,738.8 million (2016: HK\$14,952.9 million); and (b) listed equity investment (financial assets measured at FVTOCI) of HK\$23,110.7 million (2016: HK\$4,559.7 million), representing 60.4% (2016: 42.6%) of total assets.

## 證券投資 (續)

### 通過損益以反映公平值之上市投資及財資產品

於二零一六年十二月三十一日，呈列於通過損益以反映公平值計量之金融資產之債券賬面值為14,952,900,000港元。於本年度，該債券組合已就出售淨額減少4,814,400,000港元。加上本年度公平值收益600,300,000港元後，本集團於二零一七年十二月三十一日債券組合為10,738,800,000港元，該組合為本集團資金管理活動之一部分。於二零一七年十二月三十一日，該債券組合包括62.7%由海外金融機構發行、30.2%由中國房地產公司發行及7.1%由其他行業之公司發行之債券。該等債券以美元（「美元」）（95.5%）、英鎊（「英鎊」）（4.3%）及歐元（「歐元」）（0.2%）之不同貨幣計值。以美元計值之債券固定年利率為4.750厘至13.250厘，其中名義金額為1,181,000,000美元之債券為可贖回、以英鎊計值之債券固定年利率為5.875厘至7.250厘為可贖回及以歐元計值之債券固定年利率為12.500厘為可贖回。於二零一七年十二月三十一日，該債券組合包括39隻（二零一六年：73隻）債券，以信貸評級分類，10隻、22隻及7隻（二零一六年：30隻、28隻及15隻）債券分別為投資評級、非投資評級及未獲評級。以到期日分類，27隻（二零一六年：32隻）由海外金融機構發行之或然可換股債券中，其中25隻（二零一六年：28隻）債券為永續債券，其餘2隻（二零一六年：4隻）債券將於二零二三年（二零一六年：二零二二年至二零二六年）到期。12隻（二零一六年：41隻）由海外金融機構以外之發行人發行之債券中，其中4隻（二零一六年：17隻）債券為永續債券，其餘8隻（二零一六年：24隻）債券將於二零一八年至二零四六年（二零一六年：二零一八年至二零七五年）到期。

於二零一七年十二月三十一日，上市證券投資及財資產品組合33,849,500,000港元（二零一六年：19,512,600,000港元）中包括(a)債券（通過損益以反映公平值計量之金融資產（合共於非流動及流動資產））10,738,800,000港元（二零一六年：14,952,900,000港元）；及(b)上市股本投資（通過其他全面收益以反映公平值計量之金融資產）23,110,700,000港元（二零一六年：4,559,700,000港元），佔資產總額60.4%（二零一六年：42.6%）。



## SECURITIES INVESTMENTS (Cont'd)

### Unlisted Securities Investments

The Group had committed to make a capital contribution of US\$100.0 million (equivalent to approximately HK\$781.7 million) in an exempted limited partnership formed under the Exempted Limited Partnership Law (Revised) of the Cayman Islands. As at 31st December, 2016, the carrying amount was HK\$584.5 million. During the Year, the Group has contributed US\$0.9 million (equivalent to approximately HK\$7.2 million) (net of recallable distribution) less received distribution of US\$3.0 million (equivalent to approximately HK\$23.4 million) (which was included in financial assets measured at FVTOCI), after adding the fair value gain for the Year of HK\$9.9 million (which was recognised in financial assets measured at FVTOCI reserve), the carrying amount was HK\$578.2 million as at 31st December, 2017, representing 1.0% (2016: 1.3%) of total assets.

## RISK MANAGEMENT

The Group has established adequate risk management procedures that enable it to identify, measure, monitor and control various types of risk it faces. This is supplemented by active management involvement, effective internal controls and adequate internal audit in the best interests of the Group.

## EQUITY

The number of issued ordinary shares as at 31st December, 2017 and 2016 were 1,907,619,079.

## DEBT AND GEARING

As at 31st December, 2017, the Group's bank and other borrowings (including loan from a director) amounted to HK\$18,308.5 million (2016: HK\$14,591.4 million). Cash and deposits at banks amounted to HK\$659.4 million (2016: HK\$1,070.5 million), pledged deposits amounted to HK\$263.5 million (2016: HK\$943.7 million) and net borrowings amounted to HK\$17,385.6 million (2016: HK\$12,577.2 million).

Total debt to equity ratio was 50.2% (2016: 48.8%) and net debt to equity ratio was 47.6% (2016: 42.1%), which are expressed as a percentage of total borrowings, and net borrowings, respectively, over the total equity of HK\$36,493.0 million (2016: HK\$29,899.9 million). The increase in both ratios was mainly due to increase in total debt and net debt during the Year.

## 證券投資 (續)

### 非上市證券投資

本集團就一間按開曼群島獲豁免有限合夥企業法(經修訂)成立之獲豁免有限合夥企業承諾作出100,000,000美元(相當於約781,700,000港元)之資本注資。於二零一六年十二月三十一日,賬面值為584,500,000港元。於本年度,本集團已注資900,000美元(相當於約7,200,000港元)(扣除可召回之分派後)減已收分派3,000,000美元(相當於約23,400,000港元)(計入通過其他全面收益以反映公平值計量之金融資產),經計入本年度公平值收益9,900,000港元(於通過其他全面收益以反映公平值計量之金融資產之儲備內確認)後,於二零一七年十二月三十一日賬面值為578,200,000港元,佔資產總額1.0%(二零一六年:1.3%)。

## 風險管理

本集團設有一套完善的風險管理程序,以識別、衡量、監察及控制其面對的各種風險,同時輔以積極管理、有效的內部監控及足夠的內部審核,以保障本集團的最佳利益。

## 股本

於二零一七年及二零一六年十二月三十一日的已發行普通股數目為1,907,619,079股。

## 債務及資本與負債比率

於二零一七年十二月三十一日,本集團之銀行及其他借貸(包括董事貸款)為18,308,500,000港元(二零一六年:14,591,400,000港元)。現金及銀行存款為659,400,000港元(二零一六年:1,070,500,000港元),抵押存款為263,500,000港元(二零一六年:943,700,000港元),而借貸淨額為17,385,600,000港元(二零一六年:12,577,200,000港元)。

債務總額與股本權益比率為50.2%(二零一六年:48.8%),而債務淨額與股本權益比率為47.6%(二零一六年:42.1%),乃分別將借貸總額及借貸淨額除以股本權益總額36,493,000,000港元(二零一六年:29,899,900,000港元)得出之百分比。兩個比率增加主要由於本年度債務總額及債務淨額增加所致。

## DEBT AND GEARING (Cont'd)

If the listed securities investments and treasury products of HK\$33,849.5 million (2016: HK\$19,512.6 million) are included, there would be a net cash position of HK\$16,463.9 million (2016: HK\$6,935.4 million).

As at 31st December, 2017, the Group's bank and other borrowings (including loan from a director) of HK\$18,308.5 million, 69.7%, 10.6%, 12.9% and 6.8% were repayable within 1 year, 1 to 2 years, 2 to 5 years and over 5 years respectively. Of which the Group's bank and other borrowings were denominated in HK\$ (71.7%), GBP (26.4%) and US\$ (1.9%). HK\$, GBP and US\$ securities investments were hedged by HK\$, GBP and US\$ borrowings. The Group's bank borrowings in HK\$ and GBP were carried at interest rates calculated mainly with reference to Hong Kong Interbank Offered Rate ("HIBOR") and London Interbank Offered Rate respectively; other borrowings were carried at interest rates calculated with reference to cost of funds and HIBOR; and loan from a director was interest-free. As at 31st December, 2017, all the Group's borrowings were on floating rate basis (except for loan from a director). No hedging for interest rate is subsisted at the end of the reporting period.

## PLEDGE OF ASSETS

As at 31st December, 2017, the Group had pledged the following assets with their respective carrying amounts:

- (a) The Group's investment properties of HK\$14,234.3 million and bank deposits of HK\$209.7 million (2016: investment properties of HK\$10,231.4 million, stock of properties of HK\$858.4 million and bank deposits of HK\$77.3 million) were pledged to the Group's banks to secure general banking and loan facilities granted to the Group.
- (b) The Group's bonds and listed equity investments at FVTOCI with carrying amounts of HK\$33,176.6 million (2016: HK\$18,713.3 million) and cash deposits of HK\$53.8 million (2016: HK\$866.4 million) were pledged to the Group's financial institutions to secure margin and securities facilities granted to the Group in respect of securities transactions, of which HK\$9,873.7 million (2016: HK\$9,893.3 million) was utilised as at 31st December, 2017 as borrowings due within one year.

## 債務及資本與負債比率 (續)

如計入上市證券投資及財資產品33,849,500,000港元(二零一六年: 19,512,600,000港元), 則狀況將會為現金淨額16,463,900,000港元(二零一六年: 6,935,400,000港元)。

於二零一七年十二月三十一日, 本集團之銀行及其他借貸(包括董事貸款) 18,308,500,000港元中, 69.7%、10.6%、12.9%及6.8%須分別於一年內、一年至兩年內、兩年五年內及五年後償還。於本集團之銀行及其他借貸中, 以港元(71.7%)、英鎊(26.4%)及美元(1.9%)計值。港元、英鎊及美元之證券投資以港元、英鎊及美元借貸對沖。本集團之港元及英鎊之銀行借貸主要分別參照香港銀行同業拆息(「香港銀行同業拆息」)及倫敦銀行同業拆息計算利率; 其他借貸參照資金成本及香港銀行同業拆息計算利率; 以及董事貸款為免息。於二零一七年十二月三十一日, 本集團所有借貸均為浮息借貸(惟董事貸款除外)。於報告期末並無就利率作出對沖。

## 資產抵押

於二零一七年十二月三十一日, 本集團已抵押以下資產連同其相關之賬面值:

- (a) 就本集團獲授之一般銀行及貸款融資, 本集團之投資物業14,234,300,000港元及銀行存款209,700,000港元(二零一六年: 投資物業10,231,400,000港元、物業存貨858,400,000港元及銀行存款77,300,000港元)已抵押予本集團之往來銀行。
- (b) 就本集團有關證券交易獲授之保證金及證券融資, 本集團之債券及通過其他全面收益以反映公平值之上市股本投資之賬面值33,176,600,000港元(二零一六年: 18,713,300,000港元)及現金存款53,800,000港元(二零一六年: 866,400,000港元)已抵押予本集團之金融機構。而本集團於二零一七年十二月三十一日已動用融資並於一年內到期之借貸為9,873,700,000港元(二零一六年: 9,893,300,000港元)。

## PLEDGE OF ASSETS (Cont'd)

(c) Interests in certain subsidiaries of the Company have been pledged as part of the security to secure certain bank borrowings granted to the Group.

## FINANCIAL AND INTEREST INCOME/ EXPENSES

Interest income was included in revenue, other income and investment income. Interest income for the Year was HK\$1,691.7 million, representing a decrease of 38.9% over last year of HK\$2,766.6 million.

Finance costs included interest expenses on bank and other borrowings; exchange difference on translation of foreign currency other borrowings; and arrangement fee and facility and commitment fee expenses. Interest expenses for the Year amounted to HK\$234.6 million, representing an increase of 3.1% over last year of HK\$227.5 million. Interest capitalised for the Year was HK\$0.1 million as compared to HK\$2.5 million for last year. The increase in interest expenses was mainly due to increase in average balance of other borrowings despite of the decrease in bank borrowings following certain disposals of subsidiaries during the Year and the year of 2016. The average interest rate over the year under review was 1.55% (2016: 1.52%), which was expressed as a percentage of total interest paid over the average total interest-bearing borrowings.

## REMUNERATION POLICIES, SHARE OPTION SCHEME AND SHARE AWARD SCHEME

As at 31st December, 2017, the Group employed a total of 528 staff (2016: 552 staff) in Hong Kong including about 254 staff (2016: 257 staff) employed under the estate management company in Hong Kong and no employee (2016: 4 staff) in the offices in Mainland China.

Employees were remunerated on the basis of their performance, experience and prevailing industry practice. Remuneration packages comprised salary and year-end discretionary bonus based on market conditions and individual performance. The executive directors of the Company continued to review employees' contributions and to provide them with necessary incentives and flexibility for their better commitment and performance. No share option scheme was adopted during the Year.

## 資產抵押 (續)

(c) 本公司若干附屬公司之權益已質押為本集團獲授若干銀行借貸之部分抵押品。

## 財務及利息收入／開支

收入、其他收入及投資收入包括利息收入。本年度之利息收入為1,691,700,000港元，較去年之2,766,600,000港元減少38.9%。

財務費用包括銀行借貸及其他借貸之利息開支；外幣其他借貸所產生之匯兌差額；以及安排費用與信貸及承擔費用開支。本年度之利息開支為234,600,000港元，較去年之227,500,000港元增加3.1%。本年度之資本化利息為100,000港元，而去年則為2,500,000港元。利息開支增加主要由於其他借貸平均結餘增加，儘管隨著本年度及二零一六年出售若干附屬公司後以致銀行借貸減少。於回顧年內之平均利率為1.55%（二零一六年：1.52%），乃以利息支付總額除以平均計息借貸總額得出之百分比。

## 酬金政策、購股權計劃及股份獎勵計劃

於二零一七年十二月三十一日，本集團於香港共有僱員528人（二零一六年：552人），包括受僱於香港之物業管理公司之員工約254人（二零一六年：257人）及並無位於中國大陸辦事處之僱員（二零一六年：4人）。

僱員薪金乃根據其表現、經驗及目前業內慣例釐定。酬金包括薪金以及按市況及個人表現釐定之年終酌情花紅。本公司之執行董事持續檢討僱員之貢獻及向彼等提供所需之獎勵及彈性，使其更投入工作及有更佳表現。本年度並無採納購股權計劃。

## REMUNERATION POLICIES, SHARE OPTION SCHEME AND SHARE AWARD SCHEME (Cont'd)

The Company had adopted a share award scheme ("Share Award Scheme") in 2009. The Share Award Scheme is to recognise and reward certain employees for their contributions to the Group and to give long-term incentives for retaining them for the continued operations and development of the Group. Details of the Share Award Scheme were set out in the Company's circular dated 23rd December, 2008. No share was granted under the Share Award Scheme during the Year.

## UNITED KINGDOM AND MAINLAND CHINA

The Group further acquired an investment property in the United Kingdom in May 2017. As at 31st December, 2017, the Group's investment properties in the United Kingdom with carrying amount of GBP878.3 million (equivalent to approximately HK\$9,231.2 million) (2016: GBP690.7 million (equivalent to approximately HK\$6,586.0 million)) contributed a net profit of HK\$291.5 million (2016: HK\$507.6 million) to the Group for the Year, the profit mainly included in gross profit, fair value changes on investment properties, finance costs and taxation. GBP exchange gain of foreign operations included in other comprehensive income for the Year amounted to HK\$385.6 million (2016: loss of HK\$554.0 million). As at 31st December, 2017, the Group's net investment in the United Kingdom amounted to HK\$5,095.2 million (2016: HK\$3,609.2 million) representing 14.0% (2016: 12.1%) of the Group's total equity.

Profit contribution from the Group's investment in Mainland China (mainly included in gross profit, fair value changes on investment properties, gain on disposal of subsidiaries, share of results of associates and taxation) for the Year amounted to HK\$68.6 million (2016: HK\$566.4 million). Renminbi exchange gain of foreign operations included in other comprehensive income (including share of an associate) for the Year amounted to HK\$34.0 million (2016: loss of HK\$28.1 million). The Group's net investment in Mainland China as at 31st December, 2017 amounted to HK\$533.3 million (2016: HK\$749.5 million) representing 1.5% (2016: 2.5%) of the Group's total equity.

## LISTED SUBSIDIARY

The Group did not own any listed subsidiary at the end of the reporting period.

## 酬金政策、購股權計劃及股份獎勵計劃 (續)

本公司於二零零九年採納股份獎勵計劃（「股份獎勵計劃」）。該股份獎勵計劃旨在向為本集團作出貢獻之若干僱員給予肯定及回報，並作為吸引其留效本集團，繼續為本集團之持續營運及發展而努力之長期獎勵。有關股份獎勵計劃之詳情已刊載於本公司日期為二零零八年十二月二十三日之通函。本年度並無就該股份獎勵計劃授出任何股份。

## 英國及中國大陸

本集團於二零一七年五月進一步購入一幢位於英國之投資物業。本集團位於英國之投資物業於二零一七年十二月三十一日之賬面值為878,300,000英鎊（相當於約9,231,200,000港元）（二零一六年：690,700,000英鎊（相當於約6,586,000,000港元））並為本集團於本年度帶來溢利淨額291,500,000港元（二零一六年：507,600,000港元），而該溢利主要包括毛利、投資物業之公平值變動、財務費用及稅項。境外業務之英鎊匯兌收益已計入本年度之其他全面收益為385,600,000港元（二零一六年：虧損為554,000,000港元）。於二零一七年十二月三十一日，本集團於英國之投資淨額為5,095,200,000港元（二零一六年：3,609,200,000港元），佔本集團股本權益總額14.0%（二零一六年：12.1%）。

本集團於中國大陸之投資為本年度帶來溢利（主要包括毛利、投資物業之公平值變動、出售附屬公司之收益、攤佔聯營公司業績及稅項）68,600,000港元（二零一六年：566,400,000港元）。境外業務之人民幣匯兌收益已計入本年度之其他全面收益（包括攤佔聯營公司）為34,000,000港元（二零一六年：虧損為28,100,000港元）。於二零一七年十二月三十一日，本集團於中國大陸之投資淨額為533,300,000港元（二零一六年：749,500,000港元），佔本集團股本權益總額1.5%（二零一六年：2.5%）。

## 上市附屬公司

於報告期末，本集團並無持有任何上市附屬公司。

## PROPERTY VALUATION

Property valuations in respect of the Group's investment properties in Hong Kong and Mainland China as at 31st December, 2017 and 2016 were carried out by B.I. Appraisals, independent qualified professional valuer. For the investment properties in the United Kingdom, the property valuations as at 31st December, 2017 and 2016 were carried out by Peak Vision Appraisals, another independent qualified professional valuer. Their valuations were based on investment method and/or direct comparison method as the valuation methodologies and were used in preparing 2017 final results.

The Group's investment properties were valued at HK\$15,650.0 million (2016: HK\$12,887.3 million), a 4.2% increase over 2016 after adjusted for the additions, disposals and exchange adjustments of investment properties during the Year. The increase in fair value of HK\$564.5 million was recognised in the consolidated statement of comprehensive income for the Year. The Group also shared an increase in fair value of investment properties of associates of HK\$84.0 million (adjusted deferred tax credit of HK\$1.8 million) for the Year.

The increase in fair value of HK\$564.5 million was mainly derived from increase in fair value of Harcourt House. The fair value change is a non-cash item and will not affect the cash flow of the Group.

## 物業估值

本集團位於香港及中國大陸之投資物業由獨立合資格專業估值師保柏國際評估進行於二零一七年及二零一六年十二月三十一日之物業估值。至於位於英國之投資物業，由另一獨立合資格專業估值師瀑鋒評估進行於二零一七年及二零一六年十二月三十一日之物業估值。所有評估皆採納投資法及／或直接比較法作為估值方法，並已用於編製二零一七年全年業績。

本集團投資物業之估值為15,650,000,000港元（二零一六年：12,887,300,000港元），經作出調整本年度投資物業之添置、出售及匯兌調整後，較二零一六年增加4.2%。於本年度公平值增加564,500,000港元已計入綜合全面收益報表內。本集團亦於本年度攤估聯營公司投資物業之公平值增加84,000,000港元（已調整遞延稅項撥回1,800,000港元）。

公平值增加564,500,000港元乃主要來自夏慤大廈之公平值增加。公平值變動乃非現金項目，對本集團現金流量並無構成影響。