



RESULTS

Revenue

Revenue for the year ended 31st December, 2016 (the "Year") amounted to HK\$3,745.1 million (2015: HK\$1,542.4 million), an increase of 142.8% over last year and comprised gross rental income of HK\$823.9 million (2015: HK\$1,325.9 million), property sales of HK\$2,943.4 million (2015: HK\$151.6 million), loss on sales of investments held-for-trading on a net basis of HK\$37.4 million (2015: HK\$2.4 million) and others of HK\$15.2 million (2015: HK\$67.3 million). The increase in revenue was mainly due to the increase in sales of trading properties.

Gross Profit

Gross profit for the Year amounted to HK\$2,147.5 million (2015: HK\$1,286.9 million), an increase of 66.9% as compared with last year which was mainly due to the increase in profit from property sales of HK\$1,337.3 million while the decrease in net rental income of HK\$454.8 million.

Property Leasing

For property leasing, the rental revenue in retail and non-retail section has decreased significantly by 54.1% to HK\$298.7 million and 22.1% to HK\$525.2 million respectively during the Year. The total rental income in revenue for the Year recorded a decrease of 37.9% to HK\$823.9 million as compared with last year of HK\$1,325.9 million.

Together with the attributable rental revenue generated from associates and an investee company of HK\$135.1 million (2015: HK\$196.0 million), the total attributable rental revenue to the Company and its subsidiaries (collectively, the "Group") after non-controlling interests amounted to HK\$957.4 million (2015: HK\$1,520.2 million), which representing a decline of 37.0% over last year.

Attributable net rental income for the Year showed HK\$900.9 million, a 34.5% decrease over HK\$1,374.9 million in last year.

業績

收入

截至二零一六年十二月三十一日止年度（「本年度」）之收入為3,745,100,000港元（二零一五年：1,542,400,000港元），較去年增加142.8%，當中包括租金收入總額823,900,000港元（二零一五年：1,325,900,000港元），物業銷售2,943,400,000港元（二零一五年：151,600,000港元），按淨額基準呈報出售持作買賣之投資之虧損為37,400,000港元（二零一五年：2,400,000港元）及其他收入為15,200,000港元（二零一五年：67,300,000港元）。該收入增加主要來自買賣物業之銷售增加。

毛利

本年度之毛利為2,147,500,000港元（二零一五年：1,286,900,000港元），較去年增加66.9%，該增加主要來自物業銷售之溢利增加1,337,300,000港元而租金收入淨額則減少454,800,000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54.1%至298,700,000港元及22.1%至525,200,000港元。本年度錄得之租金收入總額較去年之1,325,900,000港元減少37.9%至823,900,000港元。

連同應佔聯營公司及接受投資公司租金收入135,100,000港元（二零一五年：196,000,000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957,400,000港元（二零一五年：1,520,200,000港元），相對去年跌幅為37.0%。

本年度之應佔租金收入淨額為900,900,000港元，較去年之1,374,900,000港元減少34.5%。



RESULTS (Cont'd)

Property Leasing (Cont'd)

The decline in attributable rental revenue and net rental income were mainly due to the disposals of subsidiaries holding Windsor House, Evergo Tower in Shanghai, the People's Republic of China ("PRC"), MassMutual Tower (now known as China Evergrande Centre) and The ONE in September 2016, June 2016, January 2016 and July 2015 respectively, since then the results of those subsidiaries were not consolidated to the Group. For those properties remained as at 31st December, 2016, the attributable rental revenue and net rental income maintained stable performance over last year. In addition, the newly acquired properties in the United Kingdom contributed rental revenue and net rental income of HK\$60.0 million and HK\$58.3 million respectively during the Year.

Property Development and Trading

During the Year, the attributable property sales revenue and the relevant attributable profit from the Group and its associates reached HK\$2,298.9 million (2015: HK\$248.2 million) and HK\$1,015.0 million (2015: HK\$66.0 million), which were 9.3 times and 15.4 times to last year respectively.

Sales of One South Lane in the Western District (100% interest) generated profit of HK\$53.2 million (2015: sales of Phase I, Phase II and parking spaces of Splendid City in Chengdu, the PRC (100% interest) generated profit of HK\$0.4 million, HK\$2.1 million and HK\$7.7 million respectively and Tower 1 of The Metropolis in Chengdu, the PRC (100% interest) generated profit of HK\$22.0 million).

Sales of 55 Conduit Road in Mid-Levels West (70% interest) (including 1 unit and 1 parking space of 55 Conduit Road sold to a connected person (as disclosed in the paragraph headed "Other Information and Events After the Reporting Period" in the section headed "Chairman's Statement" of this annual report)) and sales of parking spaces at The Zenith in Wanchai (87.5% interest) had contributed an attributable profit to the Group of HK\$954.4 million and HK\$2.7 million respectively (2015: sales of One WanChai and parking spaces at The Zenith in Wanchai (both 87.5% interest) had contributed an attributable profit of HK\$23.9 million and HK\$4.7 million respectively).

業績 (續)

物業租賃 (續)

應佔租金收入及租金收入淨額之下降主要由於本集團分別於二零一六年九月、二零一六年六月、二零一六年一月及二零一五年七月出售持有皇室大廈、位於中華人民共和國(「中國」)上海之愛美高大廈、美國萬通大廈(現稱為中國恆大中心)及The ONE之附屬公司後，自此彼等業績已不再計入本集團所致。就於二零一六年十二月三十一日之餘下投資物業而言，應佔租金收入及租金收入淨額與去年維持穩定表現。此外，位於英國之新購入物業於本年度帶來租金收入及租金收入淨額分別為60,000,000港元及58,300,000港元。

物業發展及買賣

於本年度，本集團及其聯營公司之應佔物業銷售收入為2,298,900,000港元(二零一五年：248,200,000港元)及相關應佔溢利為1,015,000,000港元(二零一五年：66,000,000港元)分別為去年之9.3倍及15.4倍。

銷售位於西區之南里壹號(佔100%權益)錄得溢利53,200,000港元(二零一五年：銷售位於中國成都之華置·西錦城第一期、第二期及車位(佔100%權益)分別錄得溢利400,000港元、2,100,000港元及7,700,000港元以及位於中國成都之華置·都匯華庭第一座(佔100%權益)錄得溢利22,000,000港元)。

銷售位於半山區西部之琥珀(佔70%權益)(包括銷售琥珀一個單位及一個車位予一位關連人士(於本年報「主席報告書」一節中「其他資料及報告期末後事項」一段內披露))及銷售位於灣仔之尚翹峰車位(佔87.5%權益)分別為本集團帶來應佔溢利954,400,000港元及2,700,000港元(二零一五年：銷售位於灣仔之壹環及尚翹峰車位(皆佔87.5%權益)分別帶來應佔溢利23,900,000港元及4,700,000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 The Hermitage in West Kowloon (25% interest) generated profit of HK\$0.5 million and HK\$4.2 million respectively (2015: sales of Hing Wai Centre in Aberdeen (50% interest) and The Coronation in Chongqing, the PRC (25% interest) generated profit of HK\$0.1 million and HK\$5.1 million respectively) as reflected in the share of results of associates.

As at 31st December, 2016, deposits received from stock of properties contracted to be sold amounted to HK\$84.5 million. Of which, deposits of HK\$2.9 million were received for One South Lane with contracted sales of HK\$29.0 million (after discount), deposits of HK\$25.2 million were received for 55 Conduit Road with contracted sales of HK\$265.1 million (after cash rebate) and its attributable interest of sales to the Group amounted to HK\$185.6 million, together with deposits of HK\$56.4 million were received for The Zenith with contracted sales of HK\$564.2 million and its attributable interest of sales to the Group amounted to HK\$493.7 million.

In summary, the Group together with associates executed properties sale agreements, including contracted for sales agreements to third parties, recorded an attributable contracted sales of HK\$1,608.1 million (after cash rebate or discount) (2015: together with a connected person totaling HK\$1,457.1 million) during the Year. Total attributable property sales profit recognised for the Year was HK\$1,015.0 million (2015: HK\$66.0 million).

Securities Investments

The Group has in the ordinary and normal course of business conducted its securities investment activities. During the Year, the Group recorded a realised loss of HK\$37.4 million (2015: HK\$2.4 million) on disposal of listed investments held-for-trading (the gain/loss of which was included in revenue) with gross proceeds of HK\$608.6 million (2015: HK\$720.1 million). However, a realised gain from sale of bonds of HK\$142.9 million (2015: realised loss of HK\$33.7 million) was recognised. The net realised gain for the Year was HK\$105.5 million (2015: net realised loss of HK\$36.1 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）及位於西九龍之帝峯·皇殿之車位（佔25%權益）分別帶來溢利500,000港元及4,200,000港元（二零一五年：銷售位於香港仔之興偉中心（佔50%權益）及位於中國重慶之御龍天峰（佔25%權益）分別帶來溢利100,000港元及5,100,000港元），該溢利已列入攤佔聯營公司業績。

於二零一六年十二月三十一日，從已訂約出售之物業存貨中已收取之按金為84,500,000港元。當中包括從已訂約出售南里壹號收取之按金為2,900,000港元，其銷售額為29,000,000港元（扣除折扣後），已訂約出售璵珀收取之按金為25,200,000港元，其銷售額為265,100,000港元（扣除現金回贈後）及本集團應佔銷售額為185,600,000港元，以及從已訂約出售尚翹峰收取之按金為56,400,000港元，其銷售額為564,200,000港元及本集團應佔銷售額為493,700,000港元。

總括而言，本集團於本年度連同聯營公司已簽訂物業買賣協議（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1,608,100,000港元（扣除現金回贈或折扣後）（二零一五年：連同一位關連人士合共1,457,100,000港元）。於本年度已確認之應佔物業銷售溢利總額為1,015,000,000港元（二零一五年：66,000,000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。於本年度，本集團錄得出售持作買賣之上市投資之已變現虧損為37,400,000港元（二零一五年：2,400,000港元）（其收益／虧損已包括於收入內），所得銷售總額為608,600,000港元（二零一五年：720,100,000港元）。然而，出售債券確認已變現收益為142,900,000港元（二零一五年：已變現虧損33,700,000港元）。於本年度已變現收益淨額為105,500,000港元（二零一五年：已變現虧損淨額為36,100,000港元）。

RESULTS (Cont'd)

Securities Investments (Cont'd)

Furthermore, the Group recorded an unrealised loss of HK\$126.2 million representing the changes in fair value of bonds (2015: unrealised gain of HK\$333.5 million representing the changes in fair value of listed investments held-for-trading and bonds), which had no effect on the cash flow of the Group. The Group believes that the unrealised loss on fair value changes of bonds during the Year was mainly, among other things, due to an increase of federal funds rate from 0.5% to 0.75% in December 2016.

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\$1,096.1 million (2015: HK\$562.9 million), the gain recognised on securities investments was HK\$1,075.4 million (2015: HK\$860.3 million).

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

Listed Equity Investment at Fair Value Through Other Comprehensive Income

In May 2016, the Group acquired 577,180,500 H shares of Shengjing Bank Co., Ltd. (Stock Code: 2066) ("Shengjing Bank") at a consideration of HK\$6,926.2 million included in financial assets measured at fair value through other comprehensive income ("FVTOCI"). During the Year, the after-expenses dividend income of HK\$189.6 million and the withholding tax of HK\$19.1 million, making a net dividend income of HK\$170.5 million was recognised in the consolidated statement of comprehensive income and an unrealised loss on fair value change of HK\$2,366.5 million was recorded as an other comprehensive expense. The Group believes that the decrease in share price of Shengjing Bank from May to the end of December 2016, among other things, was because of the slowdown in the PRC economic growth and the challenging environment on risk management in the PRC banking industry. The fair value change is a non-cash item and will not affect the cash flow of the Group.

Shengjing Bank is a joint stock company and a commercial bank incorporated in the PRC and is principally engaged in corporate banking, retail banking and treasury business. Its corporate banking products and services include corporate loans and advances, trade financing and deposit taking activities, agency services, and remittance and settlement services. The H shares of Shengjing Bank are listed on the main board of The Stock Exchange of Hong Kong Limited. Its headquarters are located in Shenyang, Liaoning Province, the PRC, which is a leading commercial bank in Northeast China.

業績 (續)

證券投資 (續)

此外，本集團錄得來自債券之公平值變動之未變現虧損為126,200,000港元（二零一五年：來自持作買賣之上市投資及債券之公平值變動之未變現收益333,500,000港元），對本集團現金流量並無構成影響。本集團相信本年度債券之公平值變動之未變現虧損主要由於（其中包括）於二零一六年十二月聯邦基金利率由0.5%上調至0.75%所致。

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1,096,100,000港元（二零一五年：562,900,000港元），證券投資之確認收益為1,075,400,000港元（二零一五年：860,300,000港元）。

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

於二零一六年五月，本集團以代價6,926,200,000港元收購盛京銀行股份有限公司（「盛京銀行」）577,180,500股H股股份（股份代號：2066），並計入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」）計量之金融資產內。於本年度，股息收入189,600,000港元（扣除開支後）及扣除預提稅19,100,000港元後，所得之股息收入淨額為170,500,000港元並於綜合全面收益報表中確認，以及公平值變動之未變現虧損2,366,500,000港元計入為其他全面支出。本集團相信盛京銀行股價由二零一六年五月至十二月底之下跌，乃由於（其中包括）中國經濟增長放緩及中國銀行業風險管理具挑戰之環境下所致。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。

盛京銀行為一間於中國註冊成立之股份有限公司及商業銀行，主要從事公司銀行業務、零售銀行業務及資金業務。其公司銀行業務之產品及服務包括企業貸款及墊款、貿易融資及存款服務、代理服務以及匯款及結算服務。盛京銀行之H股股份於香港聯合交易所有限公司主板上市。其總部設於中國遼寧省瀋陽市，為一間於中國東北地區領先之商業銀行。



RESULTS (Cont'd)

Securities Investments (Cont'd)

Listed Investments Held-for-trading and Treasury Products

The listed investments held-for-trading and treasury products recorded a profit before and after finance costs of HK\$921.0 million and HK\$904.9 million (2015: HK\$868.3 million and HK\$860.3 million) respectively for the Year.

Profit from the listed investments held-for-trading and treasury products reflected in the consolidated statement of comprehensive income for the Year comprised a realised loss on listed securities of HK\$37.4 million (2015: HK\$2.4 million), a realised gain on bonds of HK\$142.9 million (2015: realised loss of HK\$33.7 million), an unrealised loss on fair value changes of bonds of HK\$126.2 million (2015: unrealised gain on fair value changes of listed investments held-for-trading and bonds of HK\$333.5 million) and net dividend income, interest income and other net investment income of HK\$941.7 million (2015: HK\$570.9 million). Net relevant finance costs for the Year was HK\$16.1 million (2015: HK\$8.0 million) including interest expense of HK\$77.3 million (2015: HK\$17.3 million) and exchange gain of HK\$61.2 million (2015: HK\$9.3 million).

Other Income and Expenses

Other income for the Year, which mainly came from net building management fee income, asset management and maintenance services income, property management services, leasing administration services and property administration services income, advisory and consultancy services income and rental services income, decreased to HK\$102.9 million (2015: HK\$134.9 million), representing a decrease of 23.7% as compared with last year.

During the Year, administrative expenses decreased by 3.9% to HK\$331.5 million (2015: HK\$344.8 million). Finance costs decreased by 44.3% to HK\$176.5 million (2015: HK\$316.9 million) during the Year, including exchange gain of HK\$61.2 million (2015: HK\$9.3 million) on foreign currency loans hedged for foreign currency securities investments. The decrease in finance costs was mainly due to decrease in interest rates and the disposals of subsidiaries during the Year and the year 2015.

業績 (續)

證券投資 (續)

持作買賣之上市投資及財資產品

持作買賣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921,000,000港元及904,900,000港元(二零一五年: 868,300,000港元及860,300,000港元)。

於本年度,反映於綜合全面收益報表內之持作買賣之上市投資及財資產品之溢利,包括上市證券之已變現虧損37,400,000港元(二零一五年: 2,400,000港元)、債券之已變現收益142,900,000港元(二零一五年: 已變現虧損33,700,000港元)、債券之公平值變動之未變現虧損126,200,000港元(二零一五年: 持作買賣之上市投資及債券之公平值變動之未變現收益333,500,000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(二零一五年: 570,900,000港元)。於本年度,相關財務費用淨額為16,100,000港元(二零一五年: 8,000,000港元),當中包括利息開支77,300,000港元(二零一五年: 17,300,000港元)及匯兌收益61,200,000港元(二零一五年: 9,300,000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、資產管理及保養服務收入、物業管理服務、租務行政服務及物業行政服務收入、諮詢及顧問服務收入以及租賃服務收入,減少至102,900,000港元(二零一五年: 134,900,000港元),較去年減少23.7%。

於本年度,行政開支減少3.9%至331,500,000港元(二零一五年: 344,800,000港元)。財務費用於本年度減少44.3%至176,500,000港元(二零一五年: 316,900,000港元),當中包括外幣貸款用以對沖外幣計值之證券投資之匯兌收益61,200,000港元(二零一五年: 9,300,000港元)。財務費用之減少主要由於利率下降及於本年度及二零一五年出售附屬公司所致。



RESULTS (Cont'd)

Other Income and Expenses (Cont'd)

Other gains and losses recorded a net gain of HK\$2,176.4 million mainly comprised (a) gains on the disposal of the Group's entire issued share capital of (i) Pioneer Time Investment Limited ("Pioneer Time"), an indirect wholly-owned subsidiary of the Company ("Pioneer Time Disposal"); (ii) Evergo Real Estate (Shanghai) Company Limited ("Evergo Shanghai"), an indirect wholly-owned subsidiary of the Company ("Evergo Shanghai Disposal"); and (iii) Keep Speed Company Limited ("Keep Speed") and Jumbo Grace Limited ("Jumbo Grace"), both are indirect wholly-owned subsidiaries of the Company, and Jumbo Grace's subsidiary (collectively "Windsor Group") ("Windsor Disposal") of HK\$1,276.9 million, HK\$721.3 million and HK\$312.9 million respectively and (b) write-down of stock of properties of HK\$128.5 million (2015: HK\$940.9 million mainly comprised (a) gains on the disposal of the Group's entire issued share capital of (i) Asian East Limited, an indirect wholly-owned subsidiary of the Company, and its subsidiaries; (ii) Lucky Benefit Limited and Rising Sheen Limited, both are indirect wholly-owned subsidiaries of the Company, and their respective subsidiaries; and (iii) Million Castle Investments Limited, an indirect wholly-owned subsidiary of the Company of HK\$212.3 million, HK\$707.5 million and HK\$118.4 million respectively and (b) loss on disposals of the Group's entire issued share capital of Brass Ring Limited, Union Leader Limited and Chinese Estates and Finance, Limited (now known as Silvercord Finance Limited), all are indirect wholly-owned subsidiaries of the Company, and their respective subsidiaries of HK\$97.2 million).

業績 (續)

其他收入及開支 (續)

其他收益及虧損錄得收益淨額2,176,400,000港元。主要包括(a)出售本集團於(i) Pioneer Time Investment Limited (「Pioneer Time」) (本公司之一間間接全資擁有附屬公司)之全部已發行股本(「Pioneer Time出售」); (ii) 愛美高房地產(上海)有限公司(「愛美高上海」) (本公司之一間間接全資擁有附屬公司)之全部已發行股本(「愛美高上海出售」); 及(iii) Keep Speed Company Limited (「Keep Speed」) 及 Jumbo Grace Limited (「Jumbo Grace」) (彼等均為本公司之間接全資擁有附屬公司)之全部已發行股本及 Jumbo Grace 之附屬公司(統稱「Windsor集團」) (「皇室大廈出售」)之收益分別為1,276,900,000港元、721,300,000港元及312,900,000港元。以及(b)物業存貨之減值為128,500,000港元(二零一五年: 940,900,000港元。主要包括(a)出售本集團於(i) Asian East 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; (ii) Lucky Benefit Limited 及 升亮有限公司(彼等均為本公司之間接全資擁有附屬公司)之全部已發行股本及彼等各自之附屬公司; 及(iii) Million Castle Investments Limited (本公司之一間間接全資擁有附屬公司)之全部已發行股本之收益分別為212,300,000港元、707,500,000港元及118,400,000港元。以及(b)出售本集團於Brass Ring Limited、Union Leader Limited及中華財務有限公司(現稱為銀高財務有限公司)(彼等均為本公司之間接全資擁有附屬公司)之全部已發行股本及彼等各自之附屬公司之虧損為97,200,000港元)。



RESULTS (Cont'd)

Disposals of Subsidiaries to Connected Persons

On 23rd December, 2015 (i) China Entertainment and Land Investment Company, Limited (“CELIC”), a direct wholly-owned subsidiary of the Company; (ii) the Company, being the guarantor of CELIC; (iii) Magic Square Limited (“Magic Square”), a company wholly-owned by Mr. Joseph Lau, Luen-hung (“Mr. Joseph Lau”), the then substantial shareholder and controlling shareholder of the Company; and (iv) Mr. Joseph Lau, being the guarantor of Magic Square, entered into a sale and purchase agreement, pursuant to which CELIC agreed to sell and Magic Square agreed to acquire the entire issued share capital of Keep Speed.

On the same date, (i) Good Top Limited (“Good Top”), an indirect wholly-owned subsidiary of the Company; (ii) the Company, being the guarantor of Good Top; (iii) Best Range Limited (“Best Range”), a company wholly-owned by Mr. Joseph Lau; and (iv) Mr. Joseph Lau, being the guarantor of Best Range, entered into a sale and purchase agreement (“Windsor SP Agreement”), pursuant to which Good Top agreed to sell and Best Range agreed to acquire the entire issued share capital of Jumbo Grace.

The Windsor Disposal was completed on 1st September, 2016 at a total consideration of HK\$6,187.4 million. Upon completion, the Windsor Group ceased to be subsidiaries of the Company and its consolidated results, assets and liabilities were ceased to be consolidated with those of the Group.

Upon completion of the Windsor Disposal, the Group recorded gain on disposals of subsidiaries of HK\$312.9 million. The gain was mainly derived from (i) the decrease in fair value of the investment properties of HK\$343.8 million due to revaluation of the investment properties as at 30th June, 2016 as compared with the property valuation under the Windsor SP Agreement; (ii) additions of investment properties during the Year of HK\$26.8 million; and (iii) increase in fair value of the club debenture of HK\$2.2 million due to the revaluation of the financial assets measured at fair value through profit or loss (“FVTPL”) as at 30th June, 2016 as compared with the valuation under the Windsor SP Agreement.

Details of the Windsor Disposal were set out in the announcements of the Company dated 23rd December, 2015, 2nd February, 2016, 1st September, 2016 and 5th October, 2016 and the circular of the Company dated 15th January, 2016.

業績 (續)

出售附屬公司予關連人士

於二零一五年十二月二十三日，(i)中華娛樂置業有限公司(「中娛置業」)(本公司之一間直接全資擁有附屬公司)；(ii)本公司，作為中娛置業擔保人；(iii) Magic Square Limited (「Magic Square」) (一間由劉鑾雄先生(「劉鑾雄先生」)(本公司當時之主要股東及控股股東)全資擁有之公司)；及(iv)劉鑾雄先生，作為Magic Square擔保人，訂立一項買賣協議。據此，中娛置業同意出售及Magic Square同意購買Keep Speed之全部已發行股本。

於同日，(i) Good Top Limited (「Good Top」) (本公司之一間間接全資擁有附屬公司)；(ii)本公司，作為Good Top擔保人；(iii) Best Range Limited (「Best Range」) (一間由劉鑾雄先生全資擁有之公司)；及(iv)劉鑾雄先生，作為Best Range擔保人，訂立一項買賣協議(「皇室大廈買賣協議」)。據此，Good Top同意出售及Best Range同意購買Jumbo Grace之全部已發行股本。

皇室大廈出售於二零一六年九月一日完成，總代價為6,187,400,000港元。於完成後，Windsor集團不再為本公司之附屬公司，其綜合業績、資產及負債已不再計入本集團之綜合業績、資產及負債內。

於皇室大廈出售完成後，本集團錄得出售附屬公司之收益為312,900,000港元。該收益主要來自(i)於二零一六年六月三十日就投資物業進行重估，較皇室大廈買賣協議內之物業估值，投資物業公平值減少為343,800,000港元；(ii)於本年度投資物業之添置為26,800,000港元；以及(iii)於二零一六年六月三十日就通過損益以反映公平值(「通過損益以反映公平值」)計量之金融資產進行重估，較皇室大廈買賣協議內之估值，會籍債券公平值增加為2,200,000港元。

皇室大廈出售之詳情已載列於本公司日期為二零一五年十二月二十三日、二零一六年二月二日、二零一六年九月一日及二零一六年十月五日之公布及二零一六年一月十五日之通函內。

RESULTS (Cont'd)

Disposals of Subsidiaries

(a) On 12th November, 2015, Great System Investment Limited ("Great System"), an indirect wholly-owned subsidiary of the Company, and Shengyu (BVI) Limited ("Shengyu"), a wholly-owned subsidiary of Evergrande Real Estate Group Limited (now known as China Evergrande Group) which is independent of and not connected with the Company, entered into an equity and debt transfer agreement, pursuant to which Great System agreed to sell and Shengyu agreed to acquire the entire issued share capital of Pioneer Time. The Pioneer Time Disposal was completed on 15th January, 2016 at a consideration of HK\$12,448.3 million (after adjustment). Upon completion, Pioneer Time ceased to be a subsidiary of the Company and its results, assets and liabilities were ceased to be consolidated with those of the Group. The Group recorded a gain on the Pioneer Time Disposal of HK\$1,276.9 million.

Details of the Pioneer Time Disposal were set out in the announcements of the Company dated 12th November, 2015 and 15th January, 2016 and the circular of the Company dated 3rd December, 2015.

(b) On 19th May, 2016, Digi-Star Limited, an indirect wholly-owned subsidiary of the Company, entered into an equity transfer agreement with an independent third party to dispose of the entire issued share capital of Evergo Shanghai. The Evergo Shanghai Disposal was completed on 22nd June, 2016 at a consideration equivalent to HK\$1,355.8 million. Upon completion, Evergo Shanghai ceased to be a subsidiary of the Company and its results, assets and liabilities were ceased to be consolidated with those of the Group. The Group recorded a gain on the Evergo Shanghai Disposal of HK\$721.3 million.

Associates

The share of results of associates for the Year was a profit of HK\$161.2 million as compared to HK\$649.7 million for last year. In the year 2015, an associate (50% interest) disposed of a company that ultimately held the office building namely Platinum located at Shanghai, the PRC and the Group recorded a share of the associate's gain on disposal of subsidiaries (net of tax) of HK\$514.1 million. However, no such profit was generated in the Year.

業績 (續)

出售附屬公司

(a) 於二零一五年十一月十二日，開程投資有限公司（「開程」）（本公司之一間間接全資擁有附屬公司）與盛譽（BVI）有限公司（「盛譽」）（為恆大地產集團有限公司（現稱為中國恆大集團）之一間全資擁有附屬公司（獨立於本公司且與其概無關連））訂立一項股權及債權轉讓協議。據此，開程同意出售及盛譽同意購買 Pioneer Time 之全部已發行股本。Pioneer Time 出售於二零一六年一月十五日完成，代價為 12,448,300,000 港元（經調整後）。於完成後，Pioneer Time 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。本集團就 Pioneer Time 出售錄得之收益為 1,276,900,000 港元。

Pioneer Time 出售之詳情已載列於本公司日期為二零一五年十一月十二日及二零一六年一月十五日之公布以及二零一五年十二月三日之通函內。

(b) 於二零一六年五月十九日，數碼星有限公司（本公司之一間間接全資擁有附屬公司）與獨立第三方訂立一項股權轉讓協議，出售愛美高上海之全部已發行股本。愛美高上海出售於二零一六年六月二十二日完成，代價相當於 1,355,800,000 港元。於完成後，愛美高上海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。本集團就愛美高上海出售錄得之收益為 721,300,000 港元。

聯營公司

本年度之攤佔聯營公司業績為溢利 161,200,000 港元，相比去年為 649,700,000 港元。於二零一五年，一間聯營公司（佔 50% 權益）出售最終持有位於中國上海名為新茂大廈之辦公樓之公司，而本集團錄得攤佔聯營公司有關出售附屬公司之收益（除稅後）514,100,000 港元。然而，於本年度並無產生類似之溢利。



RESULTS (Cont'd)

Fair Value Changes on Investment Properties

Investment properties of the Group in Hong Kong and Mainland China were revalued at 31st December, 2016 by B.I. Appraisals Limited ("B.I. Appraisals") whereas the 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. An increase in fair value of investment properties of HK\$139.2 million (2015: HK\$4,689.2 million) was recorded during the Year. The unrealised fair value changes will not affect the cash flow of the Group.

PROFIT, CORE PROFIT, DIVIDENDS, REPURCHASE AND CASH PAYMENT RATIO

Profit

Profit attributable to owners of the Company for the Year was HK\$6,360.3 million as compared to HK\$7,727.2 million for last year. The decrease in profit for the Year was mainly arising from (i) decrease in attributable net rental income; (ii) decrease in fair value gain on investment properties; (iii) decrease in share of results of associates; despite (iv) increase in attributable property sales profit; (v) gains on the Pioneer Time Disposal, the Evergo Shanghai Disposal and the Windsor Disposal; (vi) increase in net profit from the segment of the listed investments held-for-trading and treasury products and dividend income from listed equity investment at FVTOCI; and (vii) imputed interest income from deferred consideration receivables which were included in investment income, net. Earnings per share for the Year was HK\$3.33 (2015: HK\$4.05).

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 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.

業績 (續)

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」)已於二零一六年十二月三十一日就本集團位於香港及中國大陸之投資物業進行物業估值。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。本年度錄得投資物業之公平值增加139,200,000港元(二零一五年:4,689,200,000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。

溢利、核心溢利、股息、回購及現金支出比率

溢利

本公司擁有人於本年度之應佔溢利為6,360,300,000港元，相比去年為7,727,200,000港元。本年度之溢利減少主要由於(i)應佔租金收入淨額減少；(ii)投資物業之公平值收益減少；(iii)攤佔聯營公司業績減少；儘管(iv)應佔物業銷售溢利增加；(v) Pioneer Time出售、愛美高上海出售及皇室大廈出售之收益；(vi)分類為持作買賣之上市投資及財資產品之溢利淨額增加以及來自通過其他全面收益以反映公平值之上市股本投資之股息收入；及(vii)應收遞延代價所產生之名義利息收入(計入投資收入淨額內)。本年度之每股盈利為3.33港元(二零一五年:4.05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土地及樓宇)。於出售前，該公平值變動之收益/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，會包括於過往年度累積及本年度之公平值收益/虧損並列為現金項目。

PROFIT, CORE PROFIT, DIVIDENDS, REPURCHASE AND CASH PAYMENT RATIO

(Cont'd)

Core Profit (Cont'd)

If the net gain on the major non-cash items of HK\$577.5 million (2015: HK\$4,785.1 million) are excluded, but the net realised fair value loss on disposals of investment properties from the Group and its associates in current year recognised for the Year of HK\$372.7 million (2015: together with their respective deferred tax totaling HK\$154.6 million) is retained and 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) (2015: disposals of investment properties of HK\$13,843.7 million) is included, the Group will have a core profit attributable to owners of the Company for the Year of HK\$23,031.5 million (2015: HK\$16,785.8 million) and a core earnings per share of HK\$12.07 (2015: HK\$8.80), which were both increased by 37.2% to those in the year 2015.

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\$577.5 million (2015: HK\$4,785.1 million).

Dividends

Final dividend for the year ended 31st December, 2015 of HK1 cent (year ended 31st December, 2014: HK1 cent) per share in total amount of HK\$19.1 million was paid in cash on 6th June, 2016.

Interim dividend for the half year ended 30th June, 2016 of HK1 cent (half year ended 30th June, 2015: HK30 cents) per share in total amount of HK\$19.1 million was paid in cash on 23rd September, 2016.

溢利、核心溢利、股息、回購及現金支出比率 (續)

核心溢利 (續)

如撇除主要非現金項目收益淨額577,500,000港元(二零一五年: 4,785,100,000港元), 但保留本集團及其聯營公司就出售投資物業於本年度確認之已變現公平值虧損淨額372,700,000港元(二零一五年: 連同其相關之遞延稅項共154,600,000港元)及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共17,248,700,000港元(包括其確認於物業重估儲備)(二零一五年: 就出售投資物業13,843,700,000港元), 本集團將錄得本公司擁有人應佔本年度之核心溢利23,031,500,000港元(二零一五年: 16,785,800,000港元)及每股核心盈利為12.07港元(二零一五年: 8.80港元), 兩者均較二零一五年增加37.2%。

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577,500,000港元(二零一五年: 4,785,100,000港元)。

股息

截至二零一五年十二月三十一日止年度之每股1港仙(截至二零一四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, 已於二零一六年六月六日以現金派付。

截至二零一六年六月三十日止半年度之每股1港仙(截至二零一五年六月三十日止半年度: 每股30港仙)總額為19,100,000港元之中期股息, 已於二零一六年九月二十三日以現金派付。



PROFIT, CORE PROFIT, DIVIDENDS, REPURCHASE AND CASH PAYMENT RATIO

(Cont'd)

Dividends (Cont'd)

Conditional special interim dividend of HK\$2 per share, which was conditional upon completion of the Pioneer Time Disposal in total amount of HK\$3,815.2 million was paid in cash on 20th January, 2016, 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 (2015: special interim dividends of HK\$4 per share, HK\$2.6 per share and HK\$1.2 per share were paid in cash on 13th January, 2015, 15th July, 2015 and 14th September, 2015 respectively).

Total dividends of HK\$14,021.0 million were paid in cash during the Year.

On 16th January, 2017, the board of directors of the Company has declared special interim dividends of HK\$2 in aggregate per share, which consist of (i) HK\$1.36 per share for the year ended 31st December, 2016; and (ii) HK\$0.46 per share and HK\$0.18 per share in connection with the completion of the respective disposal transaction occurred in February 2017, which were paid in cash on 10th February, 2017.

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\$23,031.5 million (2015: HK\$16,785.8 million) or HK\$12.07 (2015: HK\$8.80) per share; (b) cash final dividend for the Year of HK1 cent (2015: HK1 cent) per share proposed; (c) cash interim dividend for 2016 of HK1 cent (2015: HK30 cents) per share; (d) cash special interim dividends of HK\$2, HK\$2.1 and HK\$3.23 (2015: HK\$4, HK\$2.6 and HK\$1.2) per share were paid during the Year; and (e) cash special interim dividend of HK\$1.36 per share declared, the ratio of such cash payment to the core profit is 72.2% (2015: 92.2%).

溢利、核心溢利、股息、回購及現金支出比率 (續)

股息 (續)

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(須待Pioneer Time出售成交後方可作實)·已於二零一六年一月二十日以現金派付·而每股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(二零一五年:每股4港元、每股2.6港元及每股1.2港元之特別中期股息已分別於二零一五年一月十三日、二零一五年七月十五日及二零一五年九月十四日以現金派付)。

於本年度·以現金派付之股息總額為14,021,000,000港元。

於二零一七年一月十六日·本公司董事會宣派每股合共2港元之特別中期股息·當中包括(i)截至二零一六年十二月三十一日止年度每股1.36港元;及(ii)有關於二零一七年二月完成相關出售交易之特別中期股息每股0.46港元及每股0.18港元·已於二零一七年二月十日以現金派付。

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23,031,500,000港元(二零一五年:16,785,800,000港元)或每股12.07港元(二零一五年:8.80港元);(b)建議宣派以現金派付本年度之末期股息每股1港仙(二零一五年:1港仙);(c)本年度以現金已派付二零一六年之中期股息每股1港仙(二零一五年:30港仙);(d)本年度以現金已派付之特別中期股息每股2港元、2.1港元及3.23港元(二零一五年:4港元、2.6港元及1.2港元);以及(e)已宣派以現金派付之特別中期股息每股1.36港元·該現金支出與核心溢利之比率為72.2%(二零一五年:92.2%)。

NET ASSET VALUE

As at 31st December, 2016, the Group's net asset attributable to owners of the Company amounted to HK\$29,804.2 million (2015: HK\$40,247.6 million), a decrease of HK\$10,443.4 million or 25.9% when compared with 31st December, 2015. With the total number of ordinary shares in issue of 1,907,619,079 as at 31st December, 2016 and 2015, the net asset value per share attributable to owners of the Company was HK\$15.62 (2015: HK\$21.10). 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\$3,418.7 million; (b) increase in net asset upon early adoption of HKFRS 9 (2014) of HK\$158.9 million (net of tax); and (c) final, interim and special interim dividends recognised as distribution during the Year totaling HK\$14,021.0 million.

During the Year, the Group acquired a listed equity investment categorised as financial assets measured at FVTOCI and an unrealised loss on fair value changes of HK\$2,366.5 million was recorded as an other comprehensive expense. The carrying amount of the loss on fair value change of listed equity investment included in financial assets measured at FVTOCI reserve was HK\$2,366.5 million as at 31st December, 2016 (2015: in securities investments reserve of nil).

Other than disposals of subsidiaries holding the property development situated at No. 12 Shiu Fai Terrace, Mid-Levels East, Hong Kong and certain shops of Lowu Commercial Plaza situated in Shenzhen, the PRC (as disclosed in the paragraph headed "Other Information and Events After the Reporting Period" in the section headed "Chairman's Statement" of this annual report), 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.

SECURITIES INVESTMENTS

Listed Equity Investment at Fair Value Through Other Comprehensive Income

During the Year, the Group acquired 577,180,500 H shares of Shengjing Bank at a consideration of HK\$6,926.2 million, after deducting the fair value loss of HK\$2,366.5 million for the Year, the carrying amount of listed equity investment categorised as financial assets measured at FVTOCI as at 31st December, 2016 was HK\$4,559.7 million.

資產淨值

於二零一六年十二月三十一日，本公司擁有人應佔本集團之資產淨值約29,804,200,000港元（二零一五年：40,247,600,000港元），較二零一五年十二月三十一日減少10,443,400,000港元或25.9%。根據二零一六年及二零一五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15.62港元（二零一五年：21.10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3,418,700,000港元；(b)由於提早採納香港財務報告準則第9號（2014年）而增加之資產淨額158,900,000港元（除稅後）；及(c)於本年度已確認派發之末期、中期及特別中期股息合共14,021,000,000港元有關。

於本年度，本集團購入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，其公平值變動之未變現虧損2,366,500,000港元錄入為其他全面支出。於二零一六年十二月三十一日，上市股本投資之公平值變動虧損賬面值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（二零一五年：包括在證券投資儲備內為零）。

除出售持有位於香港半山區東部肇輝臺12號之物業發展及位於中國深圳羅湖商業城之若干商舖之附屬公司（於本年報「主席報告書」一節中「其他資料及報告期末後事項」一段內披露），現有項目及於全年業績內所披露外，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。

證券投資

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，本集團以代價6,926,200,000港元收購盛京銀行577,180,500股H股股份，扣除本年度公平值虧損2,366,500,000港元後，於二零一六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4,559,700,000港元。



SECURITIES INVESTMENTS (Cont'd)

Listed Investments Held-for-trading and Treasury Products

As at 31st December, 2015, the carrying amount of the listed investments held-for-trading and treasury products was HK\$11,433.5 million. During the Year, the portfolio was increased by a net purchase of HK\$3,645.6 million. After deducting the fair value loss of HK\$126.2 million for the Year, the listed investments held-for-trading and treasury products portfolio of the Group became HK\$14,952.9 million as at 31st December, 2016, which formed part of the Group's cash management activities. As at 31st December, 2016, entire portfolio comprised bonds (of which issued by financial institutions of 41.0%, PRC-based real estate companies of 29.6% and other industries of 29.4%). They are denominated in different currencies with 95.9% in United States dollar ("US\$"), 1.9% in Euro ("EUR"), 1.5% in Singapore dollar ("SGD") and 0.7% in Pound Sterling ("GBP"). The bonds denominated in US\$ carry at fixed rate range from 3.50% to 13.25% per annum of which notional amount of US\$1,603,786,000 are callable, the bonds denominated in EUR carry at fixed rate range from 4.50% to 12.50% per annum of which notional amount of EUR28,600,000 are callable, the bonds denominated in SGD carry at fixed rate range from 5.75% to 5.90% per annum are callable and the bonds denominated in GBP carry at fixed rate range from 7.00% to 14.00% per annum are callable.

As at 31st December, 2016, the portfolio of listed securities investments and treasury products of HK\$19,512.6 million (2015: HK\$11,433.5 million) comprised (a) bonds (financial assets measured at FVTPL) of HK\$14,952.9 million (2015: listed equity securities (investments held-for-trading) of HK\$364.2 million and bonds (financial assets designated as at fair value through profit or loss) of HK\$11,069.3 million); and (b) listed equity investment (financial assets measured at FVTOCI) of HK\$4,559.7 million (2015: nil), representing 42.6% of total assets.

Unlisted Securities Investments

The Group had committed to make a capital contribution of US\$100.0 million (equivalent to approximately HK\$775.5 million) in an exempted limited partnership formed under the Exempted Limited Partnership Law (Revised) of the Cayman Islands. As at 31st December, 2016, the Group has contributed US\$83.8 million (equivalent to approximately HK\$649.8 million) (net of recallable distribution) less received distribution of US\$1.0 million (equivalent to approximately HK\$8.1 million), which was included in financial assets measured at FVTOCI, after adjustment for remeasurement upon early adopted HKFRS 9 (2014) and fair value gain for the Year totaling net loss of HK\$57.2 million was recognised in financial assets measured at FVTOCI reserve, the carrying amount was HK\$584.5 million, representing 1.3% of total assets.

證券投資 (續)

持作買賣之上市投資及財資產品

於二零一五年十二月三十一日，持作買賣之上市投資及財資產品賬面值為11,433,500,000港元。於本年度，該組合已就購入淨額增加3,645,600,000港元。扣除本年度公平值虧損126,200,000港元後，本集團於二零一六年十二月三十一日持作買賣之上市投資及財資產品組合為14,952,900,000港元，該組合為本集團資金管理活動之一部分。於二零一六年十二月三十一日，該組合全為債券（其中41.0%由財務機構發行、29.6%由中國房地產公司發行及29.4%由其他行業之公司發行）。該等債券以美元（「美元」）（95.9%）、歐元（「歐元」）（1.9%）、新加坡元（「新加坡元」）（1.5%）及英鎊（「英鎊」）（0.7%）之不同貨幣計值。以美元計值之債券固定年利率為3.50厘至13.25厘，其中名義金額為1,603,786,000美元之債券為可贖回，以歐元計值之債券固定年利率為4.50厘至12.50厘，其中名義金額為28,600,000歐元之債券為可贖回，以新加坡元計值之債券固定年利率為5.75厘至5.90厘為可贖回及以英鎊計值之債券固定年利率為7.00厘至14.00厘為可贖回。

於二零一六年十二月三十一日，上市證券投資及財資產品組合19,512,600,000港元（二零一五年：11,433,500,000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）14,952,900,000港元（二零一五年：上市股本證券（持作買賣之投資）364,200,000港元及債券（指定為通過損益以反映公平值之金融資產）11,069,300,000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）4,559,700,000港元（二零一五年：無），佔資產總額42.6%。

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775,500,000港元）之資本注資。於二零一六年十二月三十一日，本集團已注資83,800,000美元（相當於約649,800,000港元）（扣除可召回之分派後）減收到分派1,000,000美元（相當於約8,100,000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內，經調整提早採納香港財務報告準則第9號（2014年）之重新計量及本年度公平值收益合共為虧損淨額57,200,000港元並於通過其他全面收益以反映公平值計量之金融資產儲備內確認後，賬面值為584,500,000港元，佔資產總額1.3%。

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, 2016 and 2015 were 1,907,619,079.

DEBT AND GEARING

As at 31st December, 2016, the Group's bank and other borrowings amounted to HK\$14,591.4 million (2015: HK\$14,531.8 million (excluding bank borrowing presented as liabilities directly associated with assets classified as held for sale)). Cash and bank balances amounted to HK\$1,070.5 million (2015: HK\$2,849.8 million (excluding cash and bank balances presented as assets classified as held for sale)), pledged deposits amounted to HK\$943.7 million (2015: HK\$202.8 million (excluding pledged deposits presented as assets classified as held for sale)) and net borrowings amounted to HK\$12,577.2 million (2015: HK\$11,479.2 million).

Total debt to equity ratio was 48.8% (2015: 36.0%) and net debt to equity ratio was 42.1% (2015: 28.5%), which are expressed as a percentage of total borrowings, and net borrowings, respectively, over the total equity of HK\$29,899.9 million (2015: HK\$40,325.4 million). The increase in the total debt to equity ratio and the net debt to equity ratio were mainly due to a decrease in equity as a result of payments of dividends and fair value loss on listed equity investment included in financial assets measured at FVTOCI reserve.

If the listed securities investments and treasury products of HK\$19,512.6 million (2015: HK\$11,433.5 million) are included, there would be a net cash position of HK\$6,935.4 million (2015: net debt of HK\$45.7 million and net debt to equity ratio of 0.1%).

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

於二零一六年及二零一五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

於二零一六年十二月三十一日，本集團之銀行及其他借貸為14,591,400,000港元（二零一五年：14,531,800,000港元（不包括呈列於與列為持作出售之資產直接相關之負債中之銀行借貸））。現金及銀行結餘為1,070,500,000港元（二零一五年：2,849,800,000港元（不包括呈列於列為持作出售之資產中之現金及銀行結餘）），抵押存款為943,700,000港元（二零一五年：202,800,000港元（不包括呈列於列為持作出售之資產中之抵押存款）），而借貸淨額為12,577,200,000港元（二零一五年：11,479,200,000港元）。

債務總額與股本權益比率為48.8%（二零一五年：36.0%），而債務淨額與股本權益比率為42.1%（二零一五年：28.5%），乃分別將借貸總額及借貸淨額除以股本權益總額29,899,900,000港元（二零一五年：40,325,400,000港元）得出之百分比。債務總額與股本權益比率及債務淨額與股本權益比率增加主要由於派付股息及上市股本投資之公平值虧損（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）以致股本權益減少所致。

如計入上市證券投資及財資產品19,512,600,000港元（二零一五年：11,433,500,000港元），則狀況將會為現金淨額6,935,400,000港元（二零一五年：債務淨額45,700,000港元及債務淨額與股本權益比率為0.1%）。



DEBT AND GEARING (Cont'd)

As at 31st December, 2016, the Group's bank and other borrowings of HK\$14,591.4 million, 74.0%, 8.8%, 8.6% and 8.6% 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\$ (21.1%), US\$ (53.7%), GBP (22.7%), SGD (1.4%) and EUR (1.1%). HK\$, US\$, SGD and EUR securities investments were hedged by HK\$, US\$, SGD and EUR borrowings. The Group's bank borrowings in HK\$ and other borrowings were carried at interest rates calculated mainly with reference to Hong Kong Interbank Offered Rate and cost of funds; bank borrowings in GBP were carried at interest rates calculated with reference to London Interbank Offered Rate. As at 31st December, 2016, all the Group's borrowings were on floating rate basis. No hedging for interest rate is subsisted at the end of the reporting period.

PLEDGE OF ASSETS

As at 31st December, 2016, the Group had pledged the following assets with their respective carrying amounts:

- (a) The Group's investment properties of HK\$10,231.4 million, stock of properties of HK\$858.4 million and bank deposits of HK\$77.3 million (2015: investment properties of HK\$26,527.8 million (including investment properties presented as assets classified as held for sale), properties of HK\$505.5 million (presented as assets classified as held for sale), stock of properties of HK\$958.0 million and bank deposits of HK\$253.4 million (including bank deposits presented as assets classified as held for sale)) were pledged to the Group's bankers to secure general banking and loan facilities granted to the Group.
- (b) The Group's bonds and listed equity investment at FVTOCI with carrying amounts of HK\$18,713.3 million (2015: investments held-for-trading and bonds of HK\$11,433.5 million) and cash deposits of HK\$866.4 million (2015: HK\$8.6 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\$9,893.3 million (2015: HK\$5,389.8 million) was utilised as at 31st December, 2016 as borrowings due within one year.
- (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.

債務及資本與負債比率 (續)

於二零一六年十二月三十一日，本集團之銀行及其他借貸14,591,400,000港元中，74.0%、8.8%、8.6%及8.6%須分別於一年內、一年至兩年內、兩年至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(21.1%)、美元(53.7%)、英鎊(22.7%)、新加坡元(1.4%)及歐元(1.1%)計值。港元、美元、新加坡元及歐元之證券投資以港元、美元、新加坡元及歐元借貸對沖。本集團之港元之銀行借貸及其他借貸主要參照香港銀行同業拆息及資金成本計算利率；而英鎊之銀行借貸參照倫敦銀行同業拆息計算利率。於二零一六年十二月三十一日，本集團所有借貸均為浮息借貸。於報告期末並無就利率作出對沖。

資產抵押

於二零一六年十二月三十一日，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(二零一五年：投資物業26,527,800,000港元(包括呈列於列為持作出售之資產中之投資物業)、物業505,500,000港元(呈列於列為持作出售之資產)、物業存貨958,000,000港元及銀行存款253,400,000港元(包括呈列於列為持作出售之資產中之銀行存款))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18,713,300,000港元(二零一五年：持作買賣之投資及債券11,433,500,000港元)及現金存款866,400,000港元(二零一五年：8,600,000港元)已抵押予本集團之財務機構。而本集團於二零一六年十二月三十一日已動用於一年內到期之借貸9,893,300,000港元(二零一五年：5,389,800,000港元)。
- (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。

FINANCIAL AND INTEREST INCOME/ EXPENSES

Interest income was included in revenue, other income and investment income. Interest income for the Year was HK\$2,766.6 million, representing an increase of 260.9% over last year of HK\$766.5 million.

Finance costs included interest expenses on bank loans and other loans; exchange difference on translation of foreign currency loans; and arrangement fee and facility and commitment fee expenses. Interest expenses for the Year amounted to HK\$227.5 million, representing a decrease of 21.6% over last year of HK\$290.0 million. Interest capitalised for the Year was HK\$2.5 million as compared to HK\$68.3 million for last year. The decrease in interest expenses and interest capitalised were mainly due to decrease in interest rates and decrease in bank loans following certain disposals of subsidiaries during the Year and the year 2015. The average interest rate over the year under review was 1.52% (2015: 2.39%), which was expressed as a percentage of total interest paid over the average total borrowings.

REMUNERATION POLICIES, SHARE OPTION SCHEME AND SHARE AWARD SCHEME

As at 31st December, 2016, the Group employed a total of 552 staff (2015: 582 staff) in Hong Kong including about 257 staff (2015: 269 staff) employed under the estate management company in Hong Kong and 4 staff (2015: 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.

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.

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2,766,600,000港元，較去年之766,500,000港元增加260.9%。

財務費用包括銀行貸款及其他貸款之利息開支；外幣貸款所產生之匯兌差額；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227,500,000港元，較去年之290,000,000港元減少21.6%。本年度之資本化利息為2,500,000港元，而去年則為68,300,000港元。利息開支及資本化利息減少主要由於利率下降及隨著本年度及二零一五年出售若干附屬公司後以致銀行貸款減少。於回顧年內之平均利率為1.52%（二零一五年：2.39%），乃以利息支付總額除以平均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

於二零一六年十二月三十一日，本集團於香港共有僱員552人（二零一五年：582人），包括受僱於香港之物業管理公司之員工約257人（二零一五年：269人）及位於中國大陸辦事處之僱員4人（二零一五年：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。

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。



MAINLAND CHINA AND UNITED KINGDOM

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 a subsidiary, share of results of associates and taxation) for the Year amounted to HK\$566.4 million (2015: HK\$1,340.6 million also included gain on disposals of subsidiaries and share of associate's gain on disposal of subsidiaries (net of tax)). Renminbi exchange loss of foreign operations included in other comprehensive expenses for the Year amounted to HK\$28.1 million (2015: HK\$121.6 million (included exchange loss related to subsidiaries and associates disposed of HK\$70.1 million)). The Group's net investment in Mainland China as at 31st December, 2016 amounted to HK\$749.5 million (2015: HK\$1,772.9 million) representing 2.5% of the Group's total equity.

The Group acquired two more investment properties in the United Kingdom in April and May 2016. As at 31st December, 2016, the Group's investment properties in the United Kingdom with carrying amount of GBP690.7 million (equivalent to approximately HK\$6,586.0 million) (2015: GBP351.5 million (equivalent to approximately HK\$4,037.1 million)) contributed a net profit of HK\$507.6 million (2015: net loss of HK\$392.7 million) to the Group for the Year, the profit mainly included in gross profit and fair value changes on investment properties. GBP exchange loss of foreign operations included in other comprehensive expenses for the Year amounted to HK\$554.0 million (2015: HK\$72.8 million). As at 31st December, 2016, the Group's net investment in the United Kingdom amounted to HK\$3,609.2 million (2015: HK\$1,613.1 million) representing 12.1% of the Group's total equity.

LISTED SUBSIDIARY

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

中國大陸及英國

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、出售一間附屬公司之收益、攤佔聯營公司業績及稅項）566,400,000港元（二零一五年：1,340,600,000港元亦包括出售附屬公司之收益及攤佔聯營公司有關出售附屬公司之收益（除稅後））。境外業務之人民幣匯兌虧損已計入本年度之其他全面支出為28,100,000港元（二零一五年：121,600,000港元，當中包括有關已出售之附屬公司及聯營公司之匯兌虧損70,100,000港元）。於二零一六年十二月三十一日本集團於中國大陸之投資淨額為749,500,000港元（二零一五年：1,772,900,000港元），佔本集團股本權益總額2.5%。

本集團於二零一六年四月及五月購入兩幢位於英國之投資物業。本集團位於英國之投資物業於二零一六年十二月三十一日之賬面值為690,700,000英鎊（相當於約6,586,000,000港元）（二零一五年：351,500,000英鎊（相當於約4,037,100,000港元））並為本集團於本年度帶來溢利淨額507,600,000港元（二零一五年：虧損淨額為392,700,000港元），而該溢利主要包括毛利及投資物業之公平值變動收益。境外業務之英鎊匯兌虧損已計入本年度之其他全面支出為554,000,000港元（二零一五年：72,800,000港元）。於二零一六年十二月三十一日，本集團於英國之投資淨額為3,609,200,000港元（二零一五年：1,613,100,000港元），佔本集團股本權益總額約12.1%。

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 have been carried out by B.I. Appraisals as at 31st December, 2016 (2015: B.I. Appraisals and Vigers Appraisal and Consulting Limited), independent qualified professional valuer. For the investment properties in the United Kingdom, the valuations as at 31st December, 2016 and 2015 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 2016 final results.

The Group's investment properties were valued at HK\$12,887.3 million (2015: HK\$30,598.9 million (including those presented as assets classified as held for sale)), a 6.3% increase over 2015 after adjusted for the additions, disposals and exchange adjustments of investment properties during the Year. The increase in fair value of HK\$139.2 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\$96.5 million (adjusted deferred tax credit of HK\$0.9 million) for the Year.

The increase in fair value of HK\$139.2 million was mainly derived from Harcourt House, while in 2015 it was mainly derived from MassMutual Tower (now known as China Evergrande Centre) and 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

於二零一六年十二月三十一日，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（二零一五年：保柏國際評估及威格斯資產評估顧問有限公司）進行物業估值。至於位於英國之投資物業，由另一獨立合資格專業估值師漂鋒評估於二零一六年及二零一五年十二月三十一日進行物業估值。所有評估皆採納投資法及／或直接比較法作為估值方法，並已用於編製二零一六年全年業績。

本集團投資物業之估值為12,887,300,000港元（二零一五年：30,598,900,000港元（包括呈列於列為持作出售之資產中之投資物業）），經作出本年度調整投資物業之添置、出售及匯兌調整後，較二零一五年增加6.3%。於本年度公平值增加139,200,000港元已計入綜合全面收益報表內。本集團亦攤佔本年度聯營公司投資物業之公平值增加96,500,000港元（已調整遞延稅項撥回900,000港元）。

公平值增加139,200,000港元乃主要來自夏慤大廈，而二零一五年則主要來自美國萬通大廈（現稱為中國恆大中心）及夏慤大廈。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。