



China South City Holdings Limited 華南城控股有限公司

(incorporated in Hong Kong with limited liability)
(於香港註冊成立的有限公司)

Stock Code 股份代號 : 1668



ANNUAL REPORT 年報
2017/18



華廟城



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Corporate Information

公司資料

Board of Directors

Executive Directors*

Mr. Cheng Chung Hing (*Chairman*)⁽²⁾⁽³⁾
Mr. Fung Sing Hong Stephen (*Vice Chairman*) (*FCPA*)
Mr. Song Chuan (*Chief Executive Officer*)
Ms. Cheng Ka Man Carman

Non-executive Directors*

Dr. Ma Kai Cheung *SBS, BBS*
Mr. Cheng Tai Po
Mr. Lin Ching Hua

Independent Non-executive Directors

Mr. Leung Kwan Yuen Andrew *GBS, SBS, JP*⁽¹⁾⁽²⁾⁽³⁾
Mr. Li Wai Keung⁽¹⁾⁽²⁾⁽³⁾
Mr. Hui Chiu Chung *JP*⁽¹⁾
Mr. Yung Wing Ki Samuel *SBS, MH, JP*⁽¹⁾

Chief Financial Officer**

Mr. Hui Chun Yip (*CPA*)

Company Secretary

Ms. Tse Man Yu Michelle (*FCPA*)

Auditor

Ernst & Young

Legal Advisors

As to Hong Kong law
Linklaters
Reed Smith Richards Butler

As to China law

Commerce & Finance Law Offices

- ⁽¹⁾ Member of Audit Committee
⁽²⁾ Member of Remuneration Committee
⁽³⁾ Member of Nomination Committee

* Mr. Leung Moon Lam was re-designated as a Non-executive Director of the Company from Executive Director of the Company with effect from 4 May 2017. Mr. Sun Kai Lit Cliff, Dr. Ma Wai Mo and Mr. Leung Moon Lam resigned as Non-executive Directors of the Company and have been appointed as Honorable Advisers of the Group with effect from 25 July 2017.

** Mr. Tsoi Yiu Ting resigned as Chief Financial Officer of the Group with effect from 1 April 2018.

Mr. Hui Chun Yip has been appointed as Chief Financial Officer of the Group with effect from 3 April 2018.

董事會

執行董事*

鄭松興先生(*主席*)⁽²⁾⁽³⁾
馮星航先生(*副主席*)(*FCPA*)
宋川先生(*行政總裁*)
鄭嘉汶女士

非執行董事*

馬介璋博士*銀紫荊星章、銅紫荊星章*
鄭大報先生
林璟驊先生

獨立非執行董事

梁君彥先生*金紫荊星章、銀紫荊星章、太平紳士*⁽¹⁾⁽²⁾⁽³⁾
李偉強先生⁽¹⁾⁽²⁾⁽³⁾
許照中先生*太平紳士*⁽¹⁾
容永祺先生*銀紫荊星章、榮譽勳章、太平紳士*⁽¹⁾

集團首席財務總監**

許進業先生(*CPA*)

公司秘書

謝文瑜女士(*FCPA*)

核數師

安永會計師事務所

法律顧問

香港法律
年利達律師事務所
禮德齊伯禮律師行

中國法律

通商律師事務所

- ⁽¹⁾ 審核委員會成員
⁽²⁾ 薪酬委員會成員
⁽³⁾ 提名委員會成員

* 梁滿林先生於2017年5月4日由本公司執行董事調任為本公司非執行董事。孫啟烈先生、馬偉武博士及梁滿林先生自2017年7月25日起辭任本公司之非執行董事，並獲委任為本集團之榮譽顧問。

** 蔡耀庭先生自2018年4月1日起辭任本集團首席財務總監。

許進業先生自2018年4月3日起獲委任為本集團首席財務總監。

Corporate Information (Continued)

公司資料(續)

Principal Bankers

Agricultural Bank of China Limited
Bank of China Limited
Bank of Communications Co., Ltd.
China CITIC Bank Corporation Limited
China Construction Bank Corporation
Industrial and Commercial Bank of China Limited
Industrial Bank Co., Ltd.
Shanghai Pudong Development Bank Co., Ltd.
The Export-Import Bank of China
The Hongkong and Shanghai Banking Corporation Limited

Registered Office

Room 2205, Sun Life Tower
The Gateway, 15 Canton Road
Tsimshatsui
Kowloon
Hong Kong

Share Registrar

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

Listing Information

Share Listing

The Stock Exchange of Hong Kong Limited
Stock code: 1668

Senior Notes Listing

The Company's 5.75% 3 years senior notes due 2020
The Company's 10.875% 2¼ years senior notes due 2020
The Company's 6.75% 5 years senior notes due 2021
The Company's 7.25% 3 years senior notes due 2021
The Company's 7.25% 5 years senior notes due 2022
The Singapore Exchange Securities Trading Limited

Website

www.chinasouthcity.com

Investor Relations

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Email: ir@chinasouthcity.com

主要往來銀行

中國農業銀行股份有限公司
中國銀行有限公司
交通銀行股份有限公司
中信銀行股份有限公司
中國建設銀行股份有限公司
中國工商銀行股份有限公司
興業銀行股份有限公司
上海浦東發展銀行股份有限公司
中國進出口銀行
香港上海滙豐銀行有限公司

註冊辦事處

香港
九龍
尖沙咀
廣東道15號港威大廈
永明金融大樓2205室

證券登記處

香港中央證券登記有限公司
香港
灣仔
皇后大道東183號
合和中心17樓1712–1716室

上市資料

股份上市

香港聯合交易所有限公司
股份代號：1668

優先票據上市

本公司於2020年到期的5.75% 3年期優先票據
本公司於2020年到期的10.875% 2¼年期優先票據
本公司於2021年到期的6.75% 5年期優先票據
本公司於2021年到期的7.25% 3年期優先票據
本公司於2022年到期的7.25% 5年期優先票據
新加坡證券交易所有限公司

網站

www.chinasouthcity.com

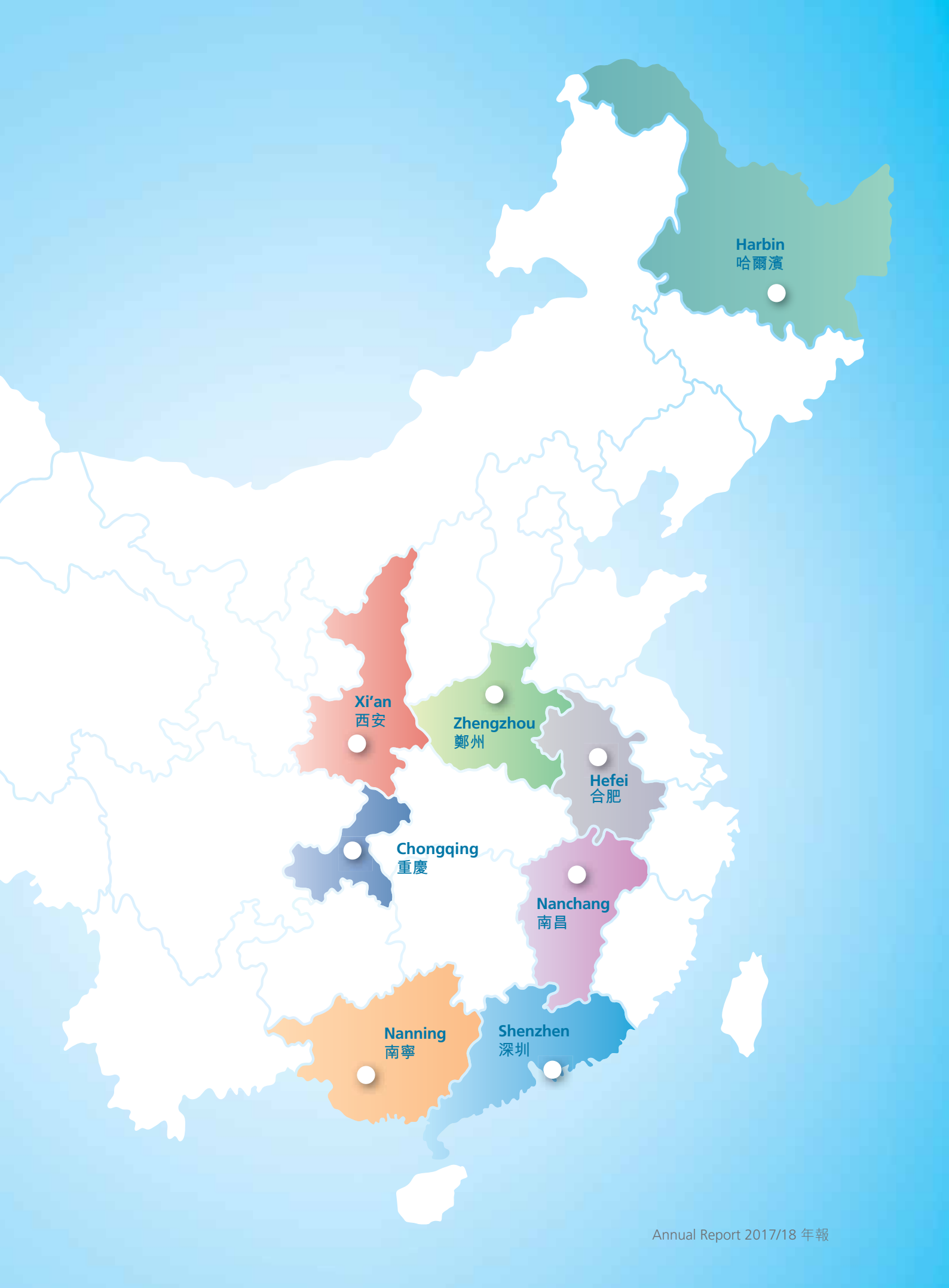
投資者關係

電話：(852) 3188-3111
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Project Portfolio

項目概況

八城聯動、全國布局
每一座華南城都
坐落於國家戰略
經濟區域



Harbin
哈爾濱

Xi'an
西安

Zhengzhou
鄭州

Hefei
合肥

Chongqing
重慶

Nanchang
南昌

Nanning
南寧

Shenzhen
深圳

華南城

CHINA SOUTH CITY

Shenzhen

深圳

立足深圳
依托珠三角
輻射全世界



HOBA Furnishing's store in CSC Shenzhen
於深圳華南城內的好百年家居店

China South City Shenzhen

China South City Shenzhen ("CSC Shenzhen"), the Group's first project, is strategically located at the heart of the Guangdong-Hong Kong-Macao Big Bay Area amid an extensive transportation network. The subway line 10 passing through CSC Shenzhen commenced construction in 2015 and is expected open for traffic by 2020.

The project is situated at the Pinghu Logistics Park in Longgang District of Shenzhen, occupying a site area of approximately 1.06 million square meters ("sq. m."). As at 31 March 2018, CSC Shenzhen had acquired 100% attributable gross floor area ("GFA") of its total planned GFA of approximately 2.64 million sq. m., and has completed approximately 2.39 million sq. m. of construction with phase I, phase II and part of its phase III properties in operation, covering industries such as textile and clothing, leather and accessories, electronic parts, printing, paper products and packaging, metals and chemicals, plastic materials, hotel supplies, tea and teaware, cross-border products, E-commerce, home furnishing, outlets, produce and flower market, etc.

Positioned as a modern large-scale integrated logistics and trading platform to serve the Guangdong-Hong Kong-Macao Big Bay Area, CSC Shenzhen covers a wide spectrum of product range, from raw materials to finished products of various industries and themed products, complemented by comprehensive ancillary facilities and services including offices, residential facilities, outlet mall, conference and exhibition facilities, both bonded and common warehousing, hotels and restaurants, banking and financial services, on-site logistics services in couple of quality testing services, property management, E-commerce platform and on-site government bodies, etc.

深圳華南城

深圳華南城為本集團旗下首個項目，策略性位處粵港澳大灣區核心地帶，坐擁完善的交通網絡。途經深圳華南城的地鐵10號線已於2015年開始建設，預計於2020年建成通車。

項目位於深圳龍崗區平湖物流園區，佔地面積約106萬平方米。截至2018年3月31日，深圳華南城已購得約264萬平方米總規劃建築面積100%的可建建築面積，並已完成約239萬平方米建設，項目一期、二期及部分三期物業已投入運營，經營業態包括紡織服裝、皮革皮具、電子配件、印刷、紙製品及包裝、五金化工、塑料、酒店用品、茶葉茶具、跨境商品、電子商務、家居家品、奧特萊斯、水果及花卉市場等。

作為服務粵港澳大灣區的現代化大型綜合商貿物流及商品交易平台，深圳華南城涵蓋廣泛產品種類，由多種行業的原材料到製成品及主題商品，並配以辦公樓、住宅、奧特萊斯商城、會議及展覽設施、保稅倉及普通倉儲、酒店及餐廳、銀行及金融服務、駐場物流及質檢服務、物業管理、電子商貿平台，以及駐場政府機構等綜合配套設施及服務。



China South
Development Tower in
CSC Shenzhen
於深圳華南城的
華南發展大廈



Integrated logistics area in CSC Shenzhen
於深圳華南城的綜合物流園區

7-9, 11-13, 15, 19, 21



Birdview-CSC Shenzhen
深圳華南城鳥瞰圖

華南城

CHINA SOUTH CITY

Nanchang

南昌

立足江西
推動中部崛起



Plaza 1 in CSC Nanchang
於南昌華南城的1號交易廣場

China South City Nanchang

China South City Nanchang (“CSC Nanchang”) is located at the transportation hub for the Yangtze River Delta and the Pearl River Delta Economic Zone. Situated in Honggutan New District of Nanchang, the capital of Jiangxi Province, the project is readily accessible to suppliers, manufacturers and merchants via major highways, the largest port on the Gan River and a complete freight network which includes a cargo marshal yard, a container terminus and an international airport, coupled with Nanchang West Railway Station – a principal high-speed rail station located just 1.2 kilometer (“km”) from CSC Nanchang.

The project has a total planned land area of approximately 2.61 million sq. m. with a total planned GFA of approximately 6.87 million sq.m.. As at 31 March 2018, CSC Nanchang had acquired land with approximately 4.79 million sq. m. planned GFA, and has completed approximately 2.40 million sq. m. of construction. Industries in operation in CSC Nanchang include building and decoration materials, small commodities, textile and clothing, leather and accessories, healthy and green products, outlets, etc.

As the first provincial-level E-commerce Model Base in Jiangxi Province and state-level University Students’ E-commerce Business Incubator in Nanchang, CSC Nanchang has successfully attracted numerous E-commerce enterprises to move in since its establishment and cooperated with tertiary institutes to proactively consolidate its resources in wholesale and E-commerce, so as to create a closer cooperation between the E-commerce startups and manufacturing enterprises, thereby helping small and medium-sized enterprises (“SMEs”) within the project to transform and upgrade.

南昌華南城

南昌華南城位於長三角及珠三角經濟區的交通樞紐。項目坐落於江西省省會南昌市的紅谷灘新區，毗連主要高速公路及贛江的最大港口，並擁有完善的貨運網絡，包括鐵路編組站、鐵海聯運集裝箱堆場及國際機場，且距離主要高鐵車站南昌西客站僅1.2公里，為供應商、生產商及商家提供方便的交通連接。

項目總規劃佔地面積約261萬平方米，總規劃建築面積約687萬平方米。截至2018年3月31日，南昌華南城已購得規劃建築面積約479萬平方米的土地，並已完成約240萬平方米建設。南昌華南城目前運營的業態包括家居建材、小商品、紡織服裝、皮革皮具、健康綠色產品及奧特萊斯等。

南昌華南城作為江西省首個省級電子商務示範基地及國家級南昌市大學生電子商務創業孵化基地，自成立以來已成功吸納眾多電商企業入駐，並與當地高等院校合作，通過積極整合批發及電商資源，創造電商創業企業與生產企業的緊密對接，協助項目內中小企業進行轉型及升級。

Plaza 5 in CSC Nanchang
於南昌華南城的5號交易廣場



E-commerce center in CSC Nanchang
於南昌華南城的電商基地



Residential properties in CSC Nanchang
於南昌華南城的住宅物業



華南城

CHINA SOUTH CITY

Nanning

南寧

立足南寧
服務西南
輻射東盟



Plaza 2 in CSC Nanning
於南寧華南城的2號廣場

China South City Nanning

China South City Nanning (“CSC Nanning”) is located at Nanning, the capital of the Guangxi Zhuang Autonomous Region and a critical gateway between China and the Association of Southeast Asian Nations (“ASEAN”) countries. It is easily accessible by railway stations, highways and an international airport. Strategically located in close proximity to Southeast Asia and enjoying the advantage of a tariff waiver on cross-border trade activities within the China-ASEAN Free Trade Area, CSC Nanning endeavors to serve as a key hub for cross-border trade catering to the demand from the Northern Bay Region and Southeast Asia.

The project has a planned net land area of approximately 1.83 million sq. m. with a total planned GFA of approximately 4.88 million sq. m.. As at 31 March 2018, CSC Nanning had acquired land with approximately 2.48 million sq. m. planned GFA, and has completed approximately 1.95 million sq. m. of construction. The project is in operation and covers industries such as textiles and clothing, small commodities, ASEAN products, home furnishing, tea and teaware, E-commerce, groceries, automobiles, eSports, logistics, outlets, etc.

Through organizing a series of exhibitions, such as the China-ASEAN Expo and Light Industrial Exhibition, and Ethnic and Cultural Festival, traffic flow to the project as well as regional brand recognition of the project were enhanced. With government bodies, major banks, hotels and cinema moving in, ancillary facilities and services of the project have been further enhanced.

南寧華南城

南寧華南城位於廣西壯族自治區首府南寧市，是中國與東南亞國家聯盟（「東盟」）成員國之間的重要窗口，項目與火車站、高速公路及國際機場接連，交通便利。坐擁毗鄰東南亞的策略性地理優勢，受惠於中國—東盟自由貿易區於跨境貿易活動豁免關稅，南寧華南城致力成為重要的跨境貿易樞紐，以滿足北部灣及東南亞地區的需求。

項目的規劃淨佔地面積約183萬平方米，總規劃建築面積約488萬平方米。截至2018年3月31日，南寧華南城已購得規劃建築面積約248萬平方米的土地，並已完成約195萬平方米建設。項目已展開運營，業態包括紡織服裝、小商品、東盟產品、家居家品、茶葉茶具、電子商貿、綜合食品、汽車、電競、物流及奧特萊斯等。

通過舉辦中國—東盟博覽會輕工展、民俗文化商貿節等一系列展會活動帶旺項目人氣，並提升品牌的區域知名度。隨著各政府機構、各大銀行、酒店及影院陸續入駐南寧華南城，項目的配套設施及服務得到進一步完善。



1668 square in CSC Nanning
於南寧華南城的1668廣場



CSC Nanning in operation
營運中的南寧華南城



Residential properties in CSC Nanning
於南寧華南城的住宅物業

華南城

CHINA SOUTH CITY

Xi'an

西安

輻射大西北
連通亞歐大陸橋



Hardware and machinery products trade center zone A in CSC Xi'an
於西安華南城的五金機電交易中心A區

China South City Xi'an

China South City Xi'an ("CSC Xi'an") is located at the Xi'an International Trade and Logistics Park ("the Park") in Shaanxi Province. As a local key project, the Park is an open economic pilot zone and a core area for modern service industry. It aims to be the largest international transit hub port and logistics distribution center along the Silk Road Economic Belt and an important strategic platform for the "Belt and Road" initiative. The Park is also one of the three largest clusters of China (Shaanxi) Pilot Free Trade Zone.

The project has a total planned land area of approximately 10.0 million sq. m. with a total planned GFA of approximately 17.5 million sq. m.. As at 31 March 2018, CSC Xi'an had acquired land with approximately 4.68 million sq. m. planned GFA, and has completed approximately 1.57 million sq. m. of construction. The industries CSC Xi'an in operation covers hardware and machinery, curtains and fabrics, textile and clothing, leather and fur, automobiles and parts, building and decoration materials, cross-border E-commerce, outlets, Central Asia and ASEAN product exhibition center, etc.

Benefitting from geographic advantages of the Park, CSC Xi'an is highly accessible. Apart from the intricate spider highway network to all directions, CSC Xi'an is connected to a railway container terminal and the largest bonded area in the northwestern region of China, along with two planned subway lines crossing the site, and among which subway line 3 has commenced operation.

西安華南城

西安華南城坐落於陝西省西安市國際港務區(「港務區」)內。港務區是當地政府重點打造的開放型經濟先導區與現代服務業核心功能區，旨在成為絲綢之路經濟帶上最大國際中轉樞紐港與商貿物流集散地，是聯接「一帶一路」戰略的重要平台。港務區亦是中國(陝西)自由貿易試驗區三大片區之一。

項目總規劃佔地面積約1,000萬平方米，總規劃建築面積約1,750萬平方米。截至2018年3月31日，西安華南城已購得規劃建築面積約468萬平方米的土地，並已完成約157萬平方米建設。西安華南城在運營的業態包括五金機電、窗簾布藝、紡織服裝、皮革皮革、汽摩汽配、家居建材、跨境電商、奧特萊斯及中亞與東盟產品展示中心等。

受惠港務區的優越地理位置，西安華南城交通便利，除通往全國的「米」字型高速公路網絡，亦接連通往鐵路裝箱中心及中國西北地區最大保稅區的龐大交通網絡，並處於兩條已規劃地下鐵路項目沿線，其中3號線已正式通車。



Plaza 2 in CSC Xi'an
於西安華南城的2號交易廣場



Subway line 3 passing through CSC Xi'an
地鐵3號線已於西安華南城開通



Hardware and machinery products trade center in CSC Xi'an
於西安華南城的五金機電交易中心

華南城

CHINA SOUTH CITY

Harbin

哈爾濱

立足東三省
輻射東北亞



Sales center in CSC Harbin
於哈爾濱華南城的招商中心

China South City Harbin

Located at the Daowai District of Harbin, the capital of Heilongjiang Province, China South City Harbin (“CSC Harbin”) fully utilizes its advantageous location in Northeast China, a premier hub for cross-border trade with countries in Northeast Asia.

The project has a planned land area of approximately 10.0 million sq. m. with a total planned GFA of approximately 12.0 million sq. m.. As at 31 March 2018, CSC Harbin had acquired land with approximately 5.04 million sq. m. planned GFA, and has completed approximately 1.53 million sq. m. of construction. Currently, the trial operations of CSC Harbin cover industries such as hardware and construction materials, green food, small commodities, hotel supplies, leather and fur, building and decoration materials, seed market, E-commerce, cultural tourism, outlets, etc.

Leveraging its proximity to the China-Russia border geographical location and local industries advantages, CSC Harbin will seize the opportunities arising from the area’s development potential and endeavor to become the largest integrated logistics and trade center in Northeast China.

哈爾濱華南城

哈爾濱華南城位於黑龍江省省會哈爾濱市道外區，盡享中國東北部的地理優勢，是東北亞國家的跨境貿易主要樞紐。

項目規劃佔地面積約1,000萬平方米，總規劃建築面積約1,200萬平方米。截至2018年3月31日，哈爾濱華南城已購得規劃建築面積約504萬平方米的土地，並已完成約153萬平方米建設。哈爾濱華南城目前試運營的業態包括五金建材、綠色食品、小商品、酒店用品、皮革皮草、家居建材、種子市場、電子商務、文化旅遊及奧特萊斯等。

利用自身毗鄰中俄邊境的地理位置及當地產業優勢，哈爾濱華南城將充分把握該區發展潛力所帶來的機遇，致力成為中國東北部最大的綜合物流及商品交易中心。



China-Russia trade building in CSC Harbin, 5A intelligent office
於哈爾濱華南城的中俄貿易大廈·5A智能寫字樓



Plaza 1 Huasheng outlet in CSC Harbin
於哈爾濱華南城的1號交易廣場華盛奧特萊斯



Birdview-CSC Harbin
哈爾濱華南城鳥瞰圖

華南城

CHINA SOUTH CITY

Zhengzhou

鄭州

中原商貿市場群



Automobile and parts trade center in CSC Zhengzhou
於鄭州華南城的汽摩配件交易中心

China South City Zhengzhou

China South City Zhengzhou (“CSC Zhengzhou”) is located in Zhengzhou, the capital of Henan Province, adjacent to the Airport Economy Zone (“AEZ”) of Zhengzhou, the only state-level AEZ with a complete network which includes an international airport, high-speed train, intercity train, metro and highway and acts as an integrated transport hub providing seamless connectivity. The project is highly accessible and enjoys extensive transportation links – it is a mere 16 km away from Zhengzhou Xinzheng International Airport and only a couple of kilometers away from the Beijing-Guangzhou Railway Freight Station and the Beijing-Hong Kong-Macao Highway. The south extension of subway line 2 connecting downtown area and the airport passing through CSC Zhengzhou with three stations, has commenced operation.

The project has a total planned net land area of approximately 7.0 million sq. m. with a total planned GFA of approximately 12.0 million sq. m.. As at 31 March 2018, CSC Zhengzhou had acquired land with approximately 8.90 million sq. m. planned GFA, and has completed approximately 2.86 million sq. m. of construction. The industries CSC Zhengzhou in operation cover building and decoration materials, small commodities, hardware and machinery, automobiles and parts, non-staple food, clothing, E-commerce, outlets, etc.

CSC Zhengzhou has received overwhelming support from the local government since its establishment. With more occupants moving in, CSC Zhengzhou will continue to strengthen its value-added services such as E-commerce, logistics and warehousing services and outlet operations to cater to the strong demand for integrated logistics and trade centers in China’s inland regions, and provide a convenient trading platform to promote trade among cities in Central China.

鄭州華南城

鄭州華南城位處河南省省會鄭州市，毗鄰鄭州航空港經濟綜合實驗區。該實驗區乃目前全國唯一一個國家級航空港經濟綜合實驗區，是集國際航空、高鐵、城際鐵路、地鐵及高速公路於一體，可實現綜合樞紐的無縫銜接。項目享有廣闊的運輸網絡，四通八達，與鄭州新鄭國際機場相距僅16公里，與京廣鐵路貨運站及京港澳高速公路亦只數公里之遙。沿鄭州華南城設有三個車站的地鐵2號線南延線亦已正式通車。

項目總規劃淨佔地面積共約700萬平方米，總規劃建築面積約1,200萬平方米。截至2018年3月31日，鄭州華南城已購得規劃建築面積約890萬平方米的土地，並已完成約286萬平方米建設。鄭州華南城目前運營的業態包括建材、小商品、五金機電、汽摩配件、副食品、服裝、電子商貿及奧特萊斯等。

鄭州華南城自成立以來一直獲當地政府的鼎力支持。隨著越來越多商家入駐，鄭州華南城將不斷豐富包括電子商貿、物流及倉儲服務及奧特萊斯運營等在內的增值服務，致力迎合中國內陸地區對綜合物流及商品交易中心的殷切需求，為華中地區提供便捷的交易平台，促進商貿活動。



Residential ancillary under construction in CSC Zhengzhou
於鄭州華南城在建住宅



Zhongyuan E-commerce building in CSC Zhengzhou
於鄭州華南城的中原電商大廈



Birdview – CSC Zhengzhou
鄭州華南城鳥瞰圖

華南城

CHINA SOUTH CITY

Hefei

合肥

立足安徽
輻射江浙滬



Residential properties in CSC Hefei
於合肥華南城的住宅物業

China South City Hefei

China South City Hefei (“CSC Hefei”) is located at Hefei, the capital of Anhui Province, and the transport and economic hub at the heart of Eastern China. CSC Hefei benefits from its strategic location in the Hefei Taohua Industrial Park, which is equipped with well-developed infrastructure, together with a planned transportation system of railways, highways and river transportation across China.

The project has a total planned net land area of approximately 10.0 million sq. m. with a total planned GFA of approximately 12.0 million sq. m.. As at 31 March 2018, CSC Hefei had acquired land with approximately 5.99 million sq. m. planned GFA, and has completed approximately 2.07 million sq. m. of construction. Currently, the planned operations of CSC Hefei cover industries such as automobiles and parts, hardware, building and decoration materials, textile and clothing, small commodities, non-staple food, etc. Outlet mall commenced operation during the Year.

As Hefei further plays its role as the political, economic, cultural and financial center at the heart of Eastern China, CSC Hefei aims to capture opportunities arising from the area and develop into a major large-scale integrated logistics and trade center in the region.

合肥華南城

合肥華南城位處安徽省省會合肥市，為華東地區心臟地帶的交通及經濟樞紐。坐落於桃花工業園，合肥華南城盡享完善基礎建設的策略地利，並配備規劃的鐵路、高速公路及河運運輸系統接連全中國。

項目總規劃淨佔地面積約1,000萬平方米，總規劃建築面積約1,200萬平方米。截至2018年3月31日，合肥華南城已購得規劃建築面積約599萬平方米的土地，並已完成約207萬平方米建設。合肥華南城目前規劃經營的業態包括汽摩汽配、五金、家居建材、紡織服裝、小商品、副食品等。奧特萊斯已於本年度開展營運。

隨著合肥進一步發揮其作為華東中心地帶的政治、經濟、文化及金融中心的功能，合肥華南城將積極把握該區湧現的機遇，發展成為該地區的主要大型綜合物流及商品交易中心。



Commodity trade center zone 2 –
building and decoration materials center
in CSC Hefei
於合肥華南城的精品交易市場2區 —
家居建材市場



Food court in CSC Hefei
於合肥華南城的美食街

華南城

CHINA SOUTH CITY

Chongqing

重慶

立足重慶
輻射西南



Automobiles and parts trade center in CSC Chongqing
於重慶華南城的汽摩配件交易中心

China South City Chongqing

China South City Chongqing (“CSC Chongqing”) is strategically located at the Banan District of Chongqing Municipality, the first Group’s project in municipality. The project is highly accessible to the city center and other regions given its strategic location in the Chongqing Highway Logistics Base, the state-level transportation infrastructure and large highway base in the western region.

The project has a total planned net land area of approximately 5.9 million sq. m. with a total GFA of approximately 13.1 million sq. m.. As at 31 March 2018, CSC Chongqing had acquired land with approximately 6.63 million sq. m. planned GFA, and has completed approximately 1.47 million sq. m. of construction. The planned operations of CSC Chongqing cover industries such as small commodities, hardware and machinery, hotel supplies, building and decoration materials, textiles and clothing, automobile and parts, lightings and lamps, metals, cultural tourism, etc. Outlets commenced trial operation in September 2017.

CSC Chongqing is currently under construction. The surrounding transportation network and the growing maturity of business circles in Banan District will lay a good foundation for the future transportation convenience and commercial environment of the project.

重慶華南城

重慶華南城策略性位處重慶市巴南區，為本集團首個落戶直轄市的項目。座擁西部國家級大型交通基建重慶公路物流基地的策略性地利，項目連接完善的高速公路網絡，可連接貫通市中心及全國其他地區。

項目總規劃淨佔地面積約590萬平方米，總規劃建築面積約1,310萬平方米。截至2018年3月31日，重慶華南城已購得規劃建築面積約663萬平方米的土地，並已完成約147萬平方米建設。重慶華南城目前規劃經營的業態包括小商品、五金機電、酒店用品、家居建材、紡織服裝、汽摩汽配、燈具燈飾、金屬材料及文化旅遊等。奧特萊斯已於2017年9月投入試營運。

重慶華南城目前仍在施工階段。項目周邊交通網絡的建設，及所處巴南區商圈的日漸成熟，將為重慶華南城未來的交通及商業氛圍的培養奠定良好的基礎。



The exhibition center in
CSC Chongqing
於重慶華南城的展覽中心



Building and decoration
trade center in CSC Chongqing
於重慶華南城的家居建材展示交易中心

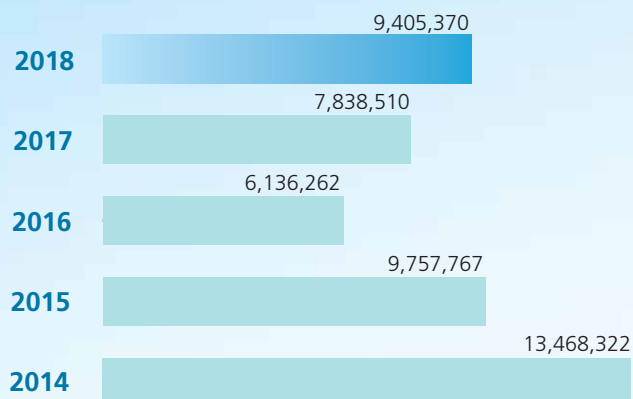
Financial Highlights

財務摘要

(in HK\$'000千港元)

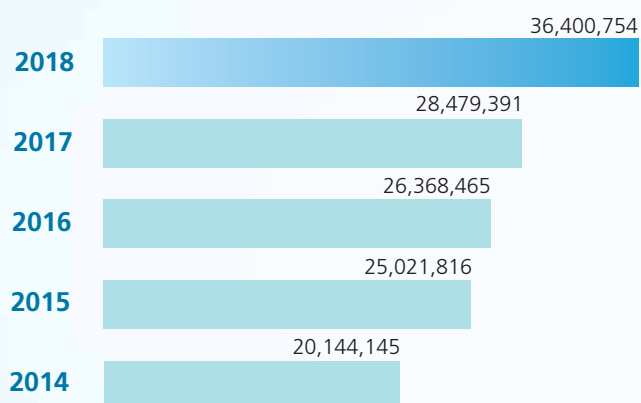
Revenue

收入



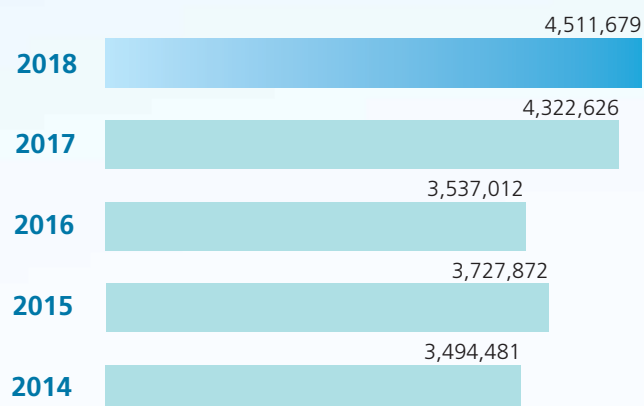
Net assets value

資產淨值



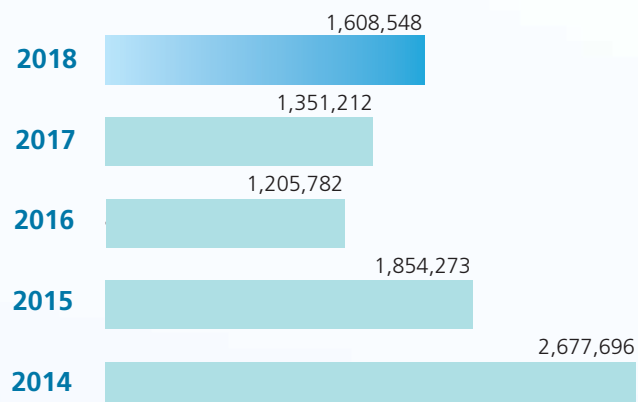
Profit attributable to owners of the parent

母公司擁有人應佔淨利潤



Core net profit attributable to owners of the parent

母公司擁有人應佔核心淨利潤



Financial Highlights (Continued)
財務摘要(續)

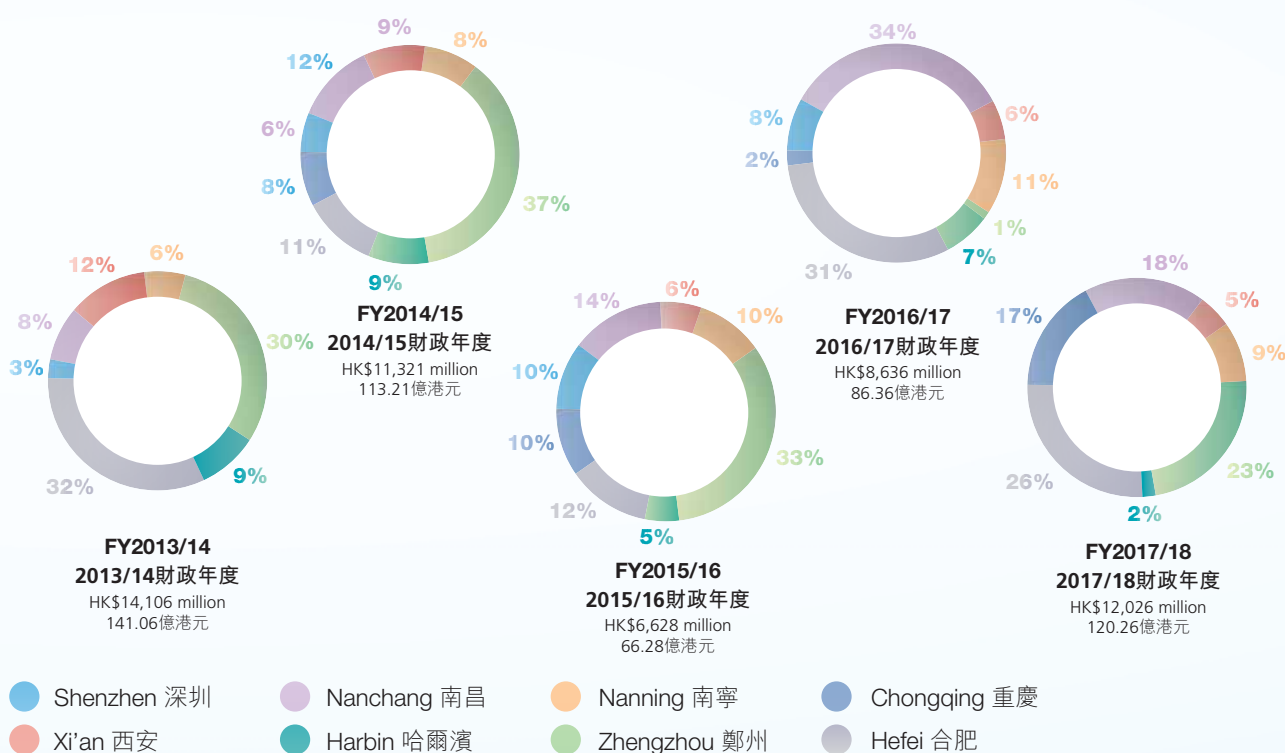
For the year ended 31 March 截至3月31日止年度		2018 HK\$'000 千港元	2017 HK\$'000 千港元	Approximate Change % 概約變幅%
Contracted sales	合約銷售	12,025,886	8,635,650	39.3
Revenue	收入	9,405,370	7,838,510	20.0
Among which, Recurring income	其中：持續性收入	2,019,976	1,597,957	26.4
Gross profit margin	毛利率	43%	45%	
Profit attributable to owners of the parent	母公司擁有人應佔淨利潤	4,511,679	4,322,626	4.4
Core net profit attributable to owners of the parent*	母公司擁有人應佔核心淨利潤*	1,608,548	1,351,212	19.0
Earnings per share – Basic	每股盈利 – 基本	HK56.35 cents港仙	HK53.99 cents港仙	4.4
Cash and bank balances**	現金及銀行存款**	10,655,692	10,490,909	
Proposed final dividend per share	擬派末期股息(每股)	HK5.0 cents港仙***	HK5.0 cents港仙	

* Represents the net profit attributable to owners of the parent excluding fair value gains on investment properties and related tax effects, provision for impairment loss of available-for-sale investments and loss on redemption of senior notes.
代表未計投資物業公平值收益及相關稅務影響、可供出售金融投資減值撥備和贖回優先票據之虧損的母公司擁有人應佔淨利潤。

** Represents cash and cash equivalents and restricted cash.
代表現金及現金等價物及受限制現金。

*** Scrip dividend alternative at a price of HK\$1.50 per Share was provided.
可選擇以股代息，每股為1.50港元。

Contracted Sales by Projects
按項目劃分合約銷售



Chairman's Statement

主席報告

On behalf of the Board of the Company, together with its subsidiaries, I report herewith the consolidated annual results of the Group for the fiscal year ended 31 March 2018.

Results and Dividend

China's macro-economy grew steadily the past year. As the central government continued to press ahead with supply-side structural reform, the economic foundation for China's high-quality development took shape with stable growth the past few quarters and positive changes in structure and sources of growth. In the first quarter of 2018, China posted a better-than-expected 6.8% GDP growth. The growth rate has stayed within the 6.7–6.9 percent range for the 11th straight quarter. China's manufacturing Purchasing Manager's Index ("PMI") stood at 51.4% in April 2018, sitting well above the expansionary threshold of 50%. It also marked the 21st straight month of expanding business conditions in China.

Capitalizing on China's resilient economic growth, the local governments' accelerated efforts in promoting industry upgrade, as well as the Company's maturing projects, China South City strategically increased sales of its residential ancillary and enhanced its value-added ancillary services to tap the robust demand from the tenants for its integrated logistics and trade centers and, with the improvements in transportation and infrastructure in and around our projects, the demand from people in the cities and counties near the relevant projects. As a result, the Group achieved a strong contracted sales growth of 39.3% to HK\$12,025.9 million (FY2016/17: HK\$8,635.7 million) during the Year. Its revenue also surged by 20.0% to HK\$9,405.4 million (FY2016/17: HK\$7,838.5 million), out of which recurring income grew by 26.4% to HK\$2,020.0 million (FY2016/17: HK\$1,598.0 million).

Net profit attributable to owners of the parent increased 4.4% to HK\$4,511.7 million (FY2016/17: HK\$4,322.6 million) while core net profit attributable to owners of the parent – excluding fair value gains on investment properties and related tax effects, provision for impairment loss of available-for-sale investments and loss on redemption of senior notes – increased by 19.0% to HK\$1,608.5 million (FY2016/17: HK\$1,351.2 million). Basic earnings per share increased to HK56.35 cents (FY2016/17: HK53.99 cents).

The Board recommend the payment of a final dividend of HK5.0 cents per share of the Company ("Share") for FY2017/18 (the "Final Dividend") (FY2016/17: HK5.0 cents per share) to shareholders of the Company (the "Shareholders") whose names appear on the register of members of the Company on 29 August 2018. Shareholders may elect to receive the Final Dividend in one of the following ways: (a) in cash; or (b) new fully paid Shares (the "New Shares") in lieu of cash; or (c) partly in cash and partly in New Shares in lieu of cash (the "Scrip Dividend Scheme").

本人謹代表本公司之董事會，連同其附屬公司，謹此呈報本集團截至2018年3月31日止財政年度之綜合年度業績。

業績及股息

去年，中國宏觀經濟穩步增長。由於中央政府繼續推進供給側結構性改革，中國高質量發展的經濟基礎成型，並於過去幾個季度穩步增長，增長結構及增長點均有正向改變。於2018年第一季度，中國發佈國內生產總值增長6.8%，超過預期，並連續11個季度穩定在6.7%–6.9%的區間。於2018年4月，中國製造業採購經理指數("PMI")為51.4%，高於50%的榮枯線，同樣標誌著中國商業狀況連續21個月擴張。

隨著中國經濟增長復甦、地方政府積極促進產業升級及本集團項目日趨成熟，華南城策略性增加住宅配套銷售及加強其增值配套服務，以配合綜合物流及商品交易中心商戶的快速增長需求，並改善項目及其周邊的交通及基礎建設，藉此滿足相關項目週邊城鄉居民的需求。因此，於本年度，本集團的合約銷售顯著增長39.3%至120.259億港元(2016/17財政年度：86.357億港元)；收入增加20.0%至94.054億港元(2016/17財政年度：78.385億港元)，其中持續性收入增長26.4%至20.200億港元(2016/17財政年度：15.980億港元)。

母公司擁有人應佔淨利潤增加4.4%至45.117億港元(2016/17財政年度：43.226億港元)，而母公司擁有人應佔核心淨利潤(未計投資物業公平值收益及相關稅務影響、可供出售金融投資減值撥備和贖回優先票據之虧損)增加19.0%至16.085億港元(2016/17財政年度：13.512億港元)。每股基本盈利增加至56.35港仙(2016/17財政年度：53.99港仙)。

董事會建議向於2018年8月29日名列本公司股東名冊的股東("股東")派發2017/18財政年度的末期股息每股5.0港仙(2016/17財政年度：5.0港仙)("末期股息")。股東可選擇以下其中一種方式收取末期股息：(a)以現金；或(b)以已繳足股本之本公司新股份("新股")代替現金；或(c)部份以現金及部份以新股代替現金("以股代息計劃")。

The Scrip Dividend Scheme is conditional upon (1) the approval of the proposed Final Dividend at the annual general meeting of the Company (the "AGM") to be held on 21 August 2018; and (2) the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the New Shares to be issued under the Scrip Dividend Scheme.

Review of the Market and Operations Set to Harvest and Reap Benefits from the Development of its Projects

As one of the leading developers and operators of large-scale integrated logistics and trade centers in China, China South City has developed a diversified and flexible business model to facilitate industry upgrade and transformation of the traditional economy and to support innovative and sustainable development. Its portfolio of projects, covering integrated logistics and trade centers, supported by commercial and residential ancillary facilities, occupy a strategic footprint in major provincial capitals and a municipality in China, through the success in replication of our business model, serving tenants from a wide range of industries and various business categories.

Leveraging the diversity of its properties and a wide variety of ancillary services offered to merchants and visitors, this unique business model enables the Group to tactically adjust its business focus according to the stage of development of the projects, and market demand in different localities. The offering of ancillary services also facilitates stable and recurring income streams for the Group to mitigate the impacts of cyclical fluctuations in order to ensure long-term business sustainability.

With more and more projects opening and scaling up after years of development, China South City has evolved into a new phase of development. In its early stage of development, significant investment was made in its core business to acquire land for construction of integrated logistics and trade centers. As its projects gradually came into operation with improved accessibility with increasingly elaborated infrastructure, there is robust market demand for residential ancillary of the Group during the Year. The Group has, therefore, strategically expedited the development and sales of its residential projects, especially in CSC Zhengzhou and CSC Chongqing. The Group recorded a 48.9% leap in residential properties sales in FY2017/18, accounting for 84.5% of total contracted sales (79.0% of total contracted sales in FY2016/17).

In addition, through the increase in residential support on our projects would increase on-site flow of people, and therefore attract more potential tenants, which promote the growth and prosperity of the logistics and trade centers, and subsequently complement the development path of "China South City Ecosystem".

以股代息計劃須待(1)於2018年8月21日舉行之本公司年度股東大會(「股東周年大會」)上批准建議末期股息；及(2)香港聯合交易所有限公司上市委員會批准根據以股代息計劃發行新股上市及買賣後，方可作實。

市場及運營回顧 項目發展的收成熟期

作為中國領先大型綜合物流及商品交易中心的開發商及運營商，華南城已發展出多元靈活的商業模式以促進產業升級及傳統經濟改造，並支持創新及可持續發展。其項目組合涵蓋綜合物流及商品交易中心，輔以商業及住宅配套設施，透過成功複製商業模式，戰略佈局於中國主要省會及直轄市，服務不同業態及多種業務類型的商戶。

藉著向商家及訪客提供多元化物業及配套服務的獨特商業模式，本集團按各項目的發展階段及當地市場需求戰略性調整業務重點。所提供的配套服務亦為本集團提供穩定持續性收入以減輕週期性波動的影響，從而確保業務長遠可持續發展。

經過多年隨著更多項目的開業及擴展，華南城已逐漸步入新的發展階段。於早期發展階段，本集團針對其核心業務進行主要投資包括購入土地以及建設綜合物流及商品交易中心。隨著項目逐步進入運營階段、交通及基礎設施日益便利完善，市場對本集團的住宅配套設施有著強大需求。因此，於本年度，本集團戰略性地加快其住宅項目的發展及銷售，尤其是鄭州華南城及重慶華南城項目。本集團於2017/18財政年度錄得住宅物業銷售增長48.9%，佔合約銷售總額的84.5%（於2016/17財政年度佔合約銷售總額的79.0%）。

另一方面，通過住宅配套的增加讓人氣聚集，能吸引更多新商戶入駐，促進整個園區內物流及商品交易中心的繁榮發展，從而刺激更多對園區各項配套設施及服務的需求，完善「華南城生態圈」的發展路徑。

Fostering Growth of Recurring Businesses and Stepping Up Development

For more than 15 years, China South City has had a strong market presence and established itself as a nationwide leading large-scale integrated logistics and trade center developer and operator in China. As the Group enters its next phase of development, it continues to leverage its success in trade center development and operation to step up the development of its recurring businesses which aim to stabilize its revenue stream and pursue sustainable growth.

The Group regards property management as a value-added service provided for its tenants to better address their needs. During the Year, the property management business of the Group became a stable revenue stream for the Group and registered an excellent growth attributable to the expanding scale and growing maturity of the projects. As the Group's property management arm, First Asia Pacific Group Company Limited ("First Asia Pacific") offers a wide range of quality and professional property management services for different types of residential and commercial properties of the Group, including trade centers, office buildings, hotels, residential ancillaries, etc. With the Group's existing projects continuously scaling up and maturing, this business segment is expected to maintain a visible growth in the coming years.

Outlet operations were again one of the strongest recurring revenue drivers for the Group during the Year. Driven by the rising middle class, growing consumption and urbanization in China, demand for value-for-money branded goods continued to grow. After years of development, the Group scaled up its operation by expanding its footprint as well as product offerings. As at 31 March 2018, the Group had set up a total of eight outlet malls in Shenzhen, Nanning, Nanchang, Xi'an, Harbin, Zhengzhou, Hefei and Chongqing, with a total GFA of 452,000 sq. m. and over 570 different brands. The Group is also currently building a one-stop and integrated "B2C+O2O" branded outlet platform to meet the rising demand of its customers.

"Internet Plus" remains a core strategy of China South City's fourth generation integrated logistics and trading platform. The Group continues to utilize E-commerce not only to improve the business of the tenants of its projects, but also to induce online B2B businesses to open physical stores in the Group's projects. During the Year, on the back of its existing E-commerce business, the Group jointly developed a new online B2B industrial metal hardware procurement and trading platform with JD Cloud to provide better one-stop solution to its clients. With a view to further strengthening the development of its E-commerce business, the Group will try to extend more co-operations with Tencent Holdings Limited ("Tencent") and its invested companies.

促進持續性業務增長及加快發展步伐

立足市場逾15年，華南城在全國各地已建立強大網絡，成為中國領先的大型綜合物流及商品交易中心的開發商及運營商。在步入下一個發展階段，本集團繼續藉著其於商品交易中心發展及運營方面的成功經驗，加快發展持續性業務，穩定收入來源並尋求可持續增長。

本集團將物業管理視為一項能更好滿足客戶需求的增值服務。於本年度，物業管理業務為本集團提供穩定收入來源，並隨項目規模擴展及日趨成熟錄得可觀增長。第一亞太集團有限公司(「第一亞太」)作為本集團的物業管理單位，為華南城各類住宅及商業物業，包括商品交易中心、寫字樓、酒店及住宅配套設施等，提供各類高質專業物業管理服務。隨著現有項目不斷擴大及成熟，預期此業務分部於未來數年將維持顯著增長。

本年度，奧特萊斯運營再次成為本集團持續性收入最強勁的增長點之一。受中產階級增多、消費能力增強及中國城市化進程所帶動，對物有所值的品牌產品需求持續增加。經過多年發展，本集團透過佈局及供應產品的擴張，達至擴大其運營規模。於2018年3月31日，本集團於深圳、南寧、南昌、西安、哈爾濱、鄭州、合肥及重慶合共成立八間奧特萊斯商城，總建築面積為452,000平方米，招徠570個不同品牌。本集團目前亦正打造一站式綜合「B2C+O2O」品牌奧特萊斯平台，以滿足客戶日益增長的需求。

「互聯網+」繼續是華南城第四代綜合商貿物流及商品交易平台的一項核心戰略。本集團將利用電子商貿優化項目內商戶的業務，同時吸引更多線上B2B企業落戶本集團的實體項目，加強線上和線下的融和，為企業創造更好的營商條件。在本年度，在原有電子商貿業務的基礎上，本集團與京東雲攜手打造一個全新的線上B2B五金工業產品MRO採購及交易平台，為客戶提供更好的一站式服務。為進一步加強電子商貿業務的發展，本集團將與騰訊控股有限公司(「騰訊」)以及其所投資的其他企業強強聯手，拓展更多合作領域。

Regarding the logistics and warehousing business, the Group adopts an operation model of "Internet + Industry Parks", aiming to realize a seamless connection between the logistics-end, i.e. transportation, warehousing, distribution, etc., and the customer-end, i.e. manufacturing, sales, E-commerce, etc., so as to establish a China South City pan-logistics network. Riding the wave of digitalization in China's logistics industry, the Group aims to set up an influential supply chain and big data platform in China with innovative technology such as big data and artificial intelligence, to further strengthen its supply chain service capabilities and enhance its ability to provide quality services with variety.

Following the pace of the times, China South City is also constantly seeking new developments and breakthroughs. CSC Shenzhen, the first-ever project of the Group, acting as an experimental field, intends to have its business model upgraded, striving to become the global supply chain technology innovation center, state-level E-commerce demonstration base, and the core engine of manufacturing transformation and upgrade amongst Guangdong-Hong Kong-Macao Greater Bay Area, so as to realize industry-project integration and mutual development.

Stable and Balanced Financial Management

During the Year, the Group continued to exercise a balanced approach in addressing both financial health and needs of development strategies to ensure its long-term sustainable growth. As the Group is gradually entering the next phase of development, there will be more capital allocation to residential ancillary expansion to meet the increasing market demand especially the demand from on-site tenants. Nevertheless, the Group will also aim to strike an optimal balance between liquidity and profitability while considering any major capital investment. Meanwhile, adhering to a balanced financial strategy, the Group continues to diversify and broaden its financing channels, including both onshore and offshore, so as to manage financing costs and enhance cash flows of the Group. As at 31 March 2018, gearing ratios of the Group had decreased slightly while cash and cash equivalents and restricted cash increased slightly compared year-on-year, maintaining a strong liquidity.

Future Prospects

China will further deepen structural reforms and curb risks while maintaining steady economic growth in 2018. It is commonly believed that the economy this year is registering a stable performance with good momentum for growth and the business environment is continuing to improve. In the manufacturing sector, China is encouraging industry transformation and upgrade, and will establish national-level demonstration areas in cities and city clusters in the eastern, central and western regions, which are expected to boost the vitality of the manufacturing sector and in turn benefiting the Group's development.

就倉儲物流業務而言，本集團採納「互聯網+產業園」營運模式，旨在實現物流終端(即運輸、倉儲及分銷等)與客戶終端(即製造、銷售及電子商貿等)的無縫連接，建立華南城泛物流網絡。把握中國物流行業數字化轉型的浪潮，本集團旨在透過使用大數據及人工智能等創新科技於中國設立具影響力的供應鏈及大數據平台，以進一步加強其供應鏈服務實力並強化其提供多樣化高質量服務的能力。

跟隨時代的步伐，華南城不斷尋求新的發展和突破。以最早建立的深圳華南城為試驗基地，進行業態升級，努力成為全球供應鏈科技創新中心、國家級電子商務示範基地和粵港澳大灣區製造業轉型升級的核心引擎，實現產城融合，協同發展。

穩定平衡的財務管理

於本年度，本集團持續兼顧財務穩健及發展的需要，以確保長期可持續增長。隨著本集團逐步進入下一發展階段，更多資金將分配於住宅及商業配套設施擴展以滿足日益增長的市場需求，特別是駐場商戶的需求。然而，於考慮任何重大資本投資時，本集團乃致力取得流動性與盈利能力間最佳平衡，並同時繼續多元發展及拓闊境內外的融資渠道，以管理本集團的融資成本及增強現金流。於2018年3月31日，本集團的資本負債比率與去年同期比較略有下調，而現金及現金等價物以及受限制現金則略有增加，保持良好的資金流動性。

未來前景

2018年，中國於維持經濟穩定增長的同時，將進一步深化結構性改革及控制風險。市場普遍認為今年經濟表現平穩、增長勢頭良好及業務環境持續改善。於製造領域，為鼓勵行業轉型升級，中國將於東部、中部及西部地區的城市及城市群創建國家級示範區，預期將激發製造業發展的活力，從而有助本集團發展。

Recurring businesses have long been part of the Group's key initiatives, contributing to its sustainable and long-term development. Forging ahead, the Group will further strengthen the development of its recurring businesses and accelerate their growth as the projects are scaling-up and maturing. In addition, China South City continuously reviews its strategic plans, including potential spin-off opportunities of its recurring businesses, as part of its long-term outlook to unlock greater value, and build a better, faster and stronger platform for their independent growth, along with developing their independent financing channels to support future development.

For FY2018/19, China South City will focus on strengthening its business operations, upgrading its service standards, and increasing the supply of various ancillary facilities, especially the commercial complexes featuring office buildings and apartments, are expected to attract more E-commerce or internet companies to move in. It will not only build up popularity, but also create a good business atmosphere for various ancillary services. At the same time, China South City will enhance the inputs on projects. Through industry upgrading, China South City would become a livable community also good for business and leisure.

The management expects the Group to achieve an annual sales target of HK\$16 billion for the fiscal year ending 31 March 2019 ("FY2018/19"). Regarding recurring business, the Group will strive to keep its growth momentum and develop more diverse and stable revenue streams.

Finally, on behalf of the Board, I wish to express my deepest gratitude to the Group's valued shareholders, customers and business partners for their trust and continued support of the Group. I would also like to thank the Management and staff for their dedication and wholehearted commitment, which have helped China South City grow from strength to strength.

Cheng Chung Hing
Chairman and Executive Director

Hong Kong, 28 June 2018

持續性業務一直為本集團長遠可持續發展重要助力。展望未來，隨著項目不斷擴展及趨向成熟，本集團將進一步加強持續性業務的發展及加快其增長步伐。此外，華南城持續檢討其策略，包括持續性業務的潛在分拆機會，以實現更大價值的遠景，為其獨立發展打造更好、更快、更強平台，並開發獨立的融資渠道以支持未來發展。

在2018/19財政年度，華南城將集中強化商業運營，提升企業的服務水準，增加多種配套設施的供給，尤其商業物業的開發—以寫字樓、公寓為標誌的商業綜合體，預期將以此吸引更多電商、互聯網類企業的加入。企業入駐不僅為華南城積聚人氣，亦可為各類商業配套服務營造良好的經營氛圍。同時，華南城也將加大對園區的投入，通過產業升級，促使華南城成為宜商、宜居、宜業的商貿大城。

管理層預期本集團截至2019年3月31日止財政年度（「2018/19財政年度」）將能實現160億港元的年度銷售目標。在持續性業務方面，本集團將致力保持其增長動力，繼續拓展多元化且穩定的收入來源。

最後，本人謹代表董事會，向本集團的尊貴股東、客戶以及業務夥伴一直以來對本集團的信任及支持致以最誠懇的感謝，同時亦感謝管理層及員工對協助華南城日益壯大所作的貢獻及全心投入。

鄭松興
主席兼執行董事

香港，2018年6月28日

Management Discussion and Analysis

管理層討論及分析

Business Review

Entering a New Stage of Growth

During the Year, the economy in China generally maintained a stable growth path while showing positive signs of development. Economic vitality, momentum and potential were constantly released with remarkable growth in stability, coordination and sustainability. The GDP of China increased by 6.9% year-on-year in 2017, reaching medium-to-high growth. The housing market was the backbone of GDP growth due to strong demand nationwide. Meanwhile, as China's economic transition continued, consumption was key for stable economic growth, which brought new opportunities to the Group and the SMEs in the projects.

Building on a unique and proven business model, China South City has developed a strategic and diversified portfolio of projects in eight provincial capitals and municipality in China. It aims to develop a modern, integrated logistics and trade center platform with ancillary services to support the SMEs within China South City projects to upgrade and become integrated physical and online businesses. To that end, the Group has made necessary and significant investments in the initial stage of project development, including land purchase and establishment of an integrated logistics and trading platform. To generate a stable and long term revenue stream, the Group selectively retains as investment properties a portion of its developments, including trade centers, commercial and other ancillary facilities.

As more and more projects have commenced operations and become accessible, the Group saw robust demand for its ancillary facilities and services by the occupants and its employees within China South City projects. The Group, therefore, strategically deployed more resources to ramp up the development of residential facilities to unlock the growth potential of its projects. Aiming to achieve long-term business sustainability, the Group stepped up the provision of ancillary services such as property management, warehousing and logistics services, outlets operations, E-commerce, trade fairs and exhibitions, as well as financial services in accordance with the increasing activities in and around the projects. With strategic expansion of the ancillary services, the Group has also successfully formed a unique "China South City Ecosystem" in its existing projects.

With an extensive land bank on-hand, the Group is able to adjust its strategy to generate a strong cash inflow from contracted sales of its residential facilities while driving a sustainable growth of its recurring income from investment properties and ancillary services. As ancillary services are businesses less capital intensive, the move is set to support the Group's development as it embarks on the next chapter of business growth.

業務回顧

邁入增長的新階段

於本年度，中國經濟延續了穩中有進、穩中向好的發展態勢。經濟活力、動力及潛力持續釋放，穩定性、協調性和可持續性明顯增長。於2017年，中國國內生產總值同比增長6.9%，實現中高速增长。由於全國的強勁需求，房屋市場為國內生產總值增長的支柱。同時，隨著中國持續的經濟轉型，消費為穩定經濟增長的關鍵要素，為本集團及項目的中小企業帶來新機遇。

憑藉獨特及成效卓越的商業模式，華南城於中國八個省會及直轄市已發展出具戰略價值的多元化項目組合。旨在發展一個現代化的綜合物流及交易中心平台，提供配套服務，以協助於華南城項目內經營的中小企業升級改造，成為實體加線上經營的綜合企業。因此，本集團於項目開發初期已作出必要且重大的資源投資，包括購買土地及打造綜合物流及商品交易平台。為提供穩定且長期的收入來源，本集團選擇性地保留一部分發展項目包括商品交易中心、商業及其他配套設施作為投資性物業。

隨著越來越多項目投入運營及可供使用，本集團體察到於華南城項目內經營的商家及其僱員對配套設施及服務的需求大幅增加。因此，本集團策略性地劃撥更多資源，加快住宅設施的開發，以開拓其項目的增長潛力。為實現業務的長遠可持續發展，本集團根據日益增加的項目活動，加強提供配套服務，例如物業管理、倉儲物流服務、奧特萊斯運營、電子商貿、貿易博覽會及展覽會，以及金融服務等。隨著配套服務的戰略性擴展，本集團亦已於其現有項目中成功構建起獨特的「華南城生態圈」。

藉著充裕的土地儲備，使本集團可以在策略上作出調整，透過其住宅設施的合約銷售產生強勁現金流入之餘，又能維持投資性物業及配套服務的經常性收入持續增長。由於配套服務業務的資本密集程度較低，此舉協助了本集團發展，開啟業務增長的新篇章。

In addition, as the first-ever and most mature project of the Group, CSC Shenzhen has been developed into the innovation base for pilot programs of transformation and upgrade. During the Year, the Group continued to replicate CSC Shenzhen's successful experience to other projects and delivered an outstanding performance in both contracted sales and recurring businesses.

During the Year, the Group's total revenue increased by 20.0% to HK\$9,405.4 million (FY2016/17: HK\$7,838.5 million). Its recurring income grew by 26.4% year-on-year to HK\$2,020.0 million from HK\$1,598.0 million in FY2016/17, accounting for 21.5% of the total revenue (FY2016/17: 20.4%). Gross profit margin was 43% (FY2016/17: 45%). Net profit attributable to owners of the parent was HK\$4,511.7 million (FY2016/17: HK\$4,322.6 million). Basic earnings per share amounted to HK56.35 cents (FY2016/17: HK53.99 cents).

Unlocking the Potential of the Ever-growing Recurring Businesses

Following years of projects development and expansion, China South City has gradually entered into phase of operation and started to see the fruits of rewards. During the Year, the Group recorded a growth in its total recurring income of HK\$2,020.0 million (FY2016/17: HK\$1,598.0 million), representing a significant increase of 26.4%. Revenue generated from rental, property management, E-commerce, logistics and warehousing services and outlet operations reached HK\$731.7 million, HK\$375.5 million, HK\$245.2 million, HK\$218.1 million and HK\$354.9 million respectively (FY2016/17: HK\$699.7 million, HK\$288.8 million, HK\$213.7 million, HK\$162.0 million and HK\$200.8 million respectively).

Property Management

The Group has always been striving to be a leading developer and operator of large-scale, integrated logistics and trade centers. In the past 15 years, in view of projects' growth and market demand, China South City has developed different types of properties, such as trade centers, residential premises, office towers, warehouses and other commercial complexes. All these properties, together with respective project spaces as a whole, are serviced by the Group's wholly-owned subsidiary, First Asia Pacific. The business scale and diversified industries contained in China South City model give First Asia Pacific an edge over its property management counterparts. First Asia Pacific is one of the very few capable of managing both trade center premises as well as residential properties, and has become a state-level First-Class qualification property management company in China for its 15 years of development. It has also been awarded "2018 China Top 100 Property Management Companies" and "2018 China Leading Property Management Companies in terms of Characteristic Service" by China Index Academy.

此外，深圳華南城作為集團首個項目，發展亦是最成熟的項目，已經發展成為本集團的轉型升級試點項目的創新基地。於本年度，本集團致力將深圳華南城的成功經驗複製至其他項目，並在合約銷售及持續性業務方面均有出色表現。

於本年度，本集團總收入增加20.0%至94.054億港元(2016/17財政年度：78.385億港元)。持續性收入由2016/17財政年度的15.980億港元按年增加26.4%至20.200億港元，佔總收入的21.5%(2016/17財政年度：20.4%)。毛利率為43%(2016/17財政年度：45%)。母公司擁有人應佔淨利潤為45.117億港元(2016/17財政年度：43.226億港元)。每股基本盈利為56.35港仙(2016/17財政年度：53.99港仙)。

發揮持續性業務不斷增長的潛力

隨著多年的項目建設及擴展，華南城已逐步進入運營階段並初嚐碩果。於本年度，本集團錄得持續性收入總額20.200億港元(2016/17財政年度：15.980億港元)，大幅增長26.4%。來自租金、物業管理、電子商貿、物流及倉儲服務以及奧特萊斯運營的收入分別為7.317億港元、3.755億港元、2.452億港元、2.181億港元及3.549億港元(2016/17財政年度：分別為6.997億港元、2.888億港元、2.137億港元、1.620億港元及2.008億港元)。

物業管理

本集團一直致力打造成為領先的大型綜合商貿物流及商品交易中心開發商和運營商。在過去逾15年間，華南城因應項目的發展和需要，在其各地項目內發展了不同的物業類型，包括商品交易中心、住宅、寫字樓、倉儲和其他商業物業，這些物業及項目園區內的管理主要均由本集團的全資附屬公司—第一亞太管理。華南城商圈規模大且業態多元，這豐富的環境造就了第一亞太在物業管理行業內的獨特。在這15年間，第一亞太已經發展成為國家一級資質物業服務企業，並獲中國指數研究院頒發「2018中國物業服務百強企業」及「2018中國特色物業服務領先企業」，是國內少數兼具管理商品交易中心以及住宅物業能力的物業管理公司。

Management Discussion and Analysis (Continued) 管理層討論及分析(續)

First Asia Pacific currently provides comprehensive property management services to the Group's projects, as well as bespoke services, such as event management and security, concierge service, on-site multimedia management, insurance agency, etc. In addition to China South City's projects, First Asia Pacific has started to expand its business outside the Group, further enhancing its core competitiveness in the industry. Following the technology trend, First Asia Pacific gradually has its service upgraded, going digitalised and mobile, including computerized management system and staff-end mobile App, as well as client-end WeChat public account, so as to improve effectiveness, reduce management costs and automate business procedures. In future, aiming to be a leading property management enterprise, First Asia Pacific will keep growing with the business environment, providing different and more client-oriented services to its clients.

第一亞太目前主要是為華南城商圈提供綜合物業管理，並提供定制服務如大型活動策劃及保安、禮賓服務、戶外及建築物多媒體管理、保險代理等。除了為各華南城商圈提供優質服務外，第一亞太也開始向外拓展其管理服務，進一步提升其在行業內的核心競爭力。隨著科技的發展，第一亞太逐漸實現其服務升級及數碼流動化，包括物業電子管理系統及員工端手機應用程式，客戶端微信公眾號等，以提高效率、降低管理成本及實現業務流程的自動化。在未來，第一亞太將隨著商業環境的變化，不斷創新改革、為不同的客戶提供更多更適切的服務，並銳意發展成一家領先的物業管理企業。



Services provided by First Asia Pacific
第一亞太服務範圍

During the Year, revenue generated from property management reached HK\$375.5 million (FY2016/17: HK\$288.8 million), an increase of 30.0% year-on-year. With more projects commencing operations, the Group believes that recurring income will continue to increase, bringing a stable cash flow to the Group.

於本年度內，物業管理產生的收入達3.755億港元(2016/17財政年度：2.888億港元)，同比增加30.0%。隨著更多項目投入運營，本集團認為持續性收入將繼續增加，為本集團帶來穩定的現金流。

Logistics & Warehousing Services

The Group's logistics and warehousing facilities in general are being developed along the projects of China South City, which are strategically located in major provincial capitals and municipality, and well connected to key domestic logistics nodes in the PRC. During the Year, revenue generated from logistics and warehousing services amounted to HK\$218.1 million (FY2016/17: HK\$162.0 million), an increase of 34.6% year-on-year.

物流與倉儲服務

本集團的物流及倉儲設施目前主要沿著華南城項目發展，戰略性地佈局於主要省會及直轄市，連接國內關鍵物流節點。於本年度，來自物流及倉儲服務的收入為2.181億港元(2016/17財政年度：1.620億港元)，同比增長34.6%。

With the growing maturity of the Group's projects, coupled with China's E-commerce boom, there is a strong demand on warehousing facilities and logistics services from on-site tenants, E-commerce companies and third-party logistics providers. In view of this, the Group, apart from its continuous betterment on facilities and service quality, intends to strengthen its nationwide warehousing network at several core locations, so as to create platforms that combine on-site logistics operation, warehousing, and forwarder distribution. These platforms aim to support diversified distribution channels that caters high-end enterprises. The Group also plans to provide logistics and inventory management services to its strategic clients in order to further enhance its scope of services and increase customer loyalty.

Outlet Operations

As the country shifts from an export-driven economy to a more consumption- and service-driven model, retail sales have contributed significantly to China's economic growth. Consumption contributed 58.8% of China's economic expansion in 2017 and will continue to play an integral role in boosting China's economic development. Furthermore, China's disposable income per capita surged 9% year on year in 2017. A consumption-driven economy together with greater disposable income is creating more opportunities for the Group's outlet business.

隨著本集團的項目日趨成熟，加上中國電子商貿發展蓬勃，令項目商戶、電商公司及第三方物流供貨商對倉儲設施及物流服務產生強勁需求。有見及此，除持續提升設施及服務質素，本集團亦擬於多個核心地點增強其全國性的倉庫網絡，打造出兼具園區營運服務、倉儲服務、集運配送的三大業務平台，以滿足和支持多樣化的配送渠道，迎合高端商家的需要。本集團亦計劃向部份戰略客戶提供物流及存貨管理服務，進一步深化服務範圍及加強客戶忠誠度。

奧特萊斯運營

隨著國家自出口導向經濟轉向更消費服務主導型模式，零售銷售已為中國經濟增長作出重大貢獻。於2017年，消費支出對中國經濟擴展的貢獻率為58.8%，並將繼續在推動中國經濟發展方面發揮重要作用。此外，於2017年，中國的人均可支配收入按年飆升9%。消費主導型經濟加上更多可支配收入，為本集團的奧特萊斯業務創造更多機遇。



Outlet mall in CSC Hefei
於合肥華南城的奧特萊斯商場



Outlet mall in CSC Chongqing
於重慶華南城的奧特萊斯商場

The outlet business generated strong recurring income for the Group during the Year. It continuously delivered value-for-money branded products and high-quality shopping experiences to customers. On the back of the well-established project portfolio and improved accessibility, the outlet business continued to record sustained growth and supported the Group's projects by driving a steady visitor flow. Its future development will be responsive to market changes and consumer demand and the Group will explore and select more brands suitable for the needs of the market.

Over the years, the Group has achieved a better-than-expected performance in its outlet operations and successively delivered satisfactory results. As at 31 March 2018, the Group operated eight outlet malls housed over 570 renowned domestic and international brands with total operating GFA of approximately 452,000 sq. m. in its existing projects. The new outlet projects located in CSC Zhengzhou, CSC Hefei and CSC Chongqing commenced operation with a steady rise in performance during the Year. Recognizing the inherent opportunity in China's strong domestic demand for affordable foreign luxury goods, the Group continued to operate its own luxury goods outlet chain shops based on the "direct oversea sourcing" model. Being well-received by the market the luxury goods outlet chain business expanded to Nanchang and Chongqing projects during the Year.

於本年度，奧特萊斯業務為本集團締造強勁的持續性收入。奧特萊斯業務不斷帶給客戶物有所值的品牌產品及優質購物體驗。憑藉完善的項目組合及日益便利的交通，奧特萊斯業務不斷錄得顯著增長並為本集團項目帶來穩定客流。其未來發展將順應市場轉變及客戶的需求，本集團亦將探索及選擇更多適合市場需要的品牌。

多年來，本集團在奧特萊斯運營方面的表現優於預期並連續取得令人滿意的業績。截至2018年3月31日，本集團共運營八家奧特萊斯商城，擁有國內外知名品牌逾570個，其現有項目的經營建築面積合共約452,000平方米。位於鄭州華南城、合肥華南城及重慶華南城的新奧特萊斯項目於本年度投入運營，且表現穩定增長。體察到中國對海外折扣奢侈品的強勁需求所帶來的商機，本集團持續以「海外直購」模式運營其奧特萊斯奢侈品連鎖店。於本年度，奢侈品連鎖店業務深受市場歡迎，亦已拓展至南昌及重慶。

During the Year, the Group's outlet operation recorded a gross mall sales turnover of approximately RMB1,690.7 million (FY2016/17: RMB1,072.1 million), representing a year-on-year increase of approximately 57.7% and generated a recurring income of HK\$354.9 million (FY2016/17: HK\$200.8 million), which was a year-on-year increase of approximately 76.7%. In terms of sales turnover, CSC Shenzhen remained the largest contributor.

E-commerce Development

With worldwide largest number of Internet users, the importance to implement "Internet Plus" strategy to enhance national economy and industries becomes indisputable. At the 19th CPC National Congress, General Secretary Xi Jinping proposed to speed up the transition to influential advanced manufacturing country. China will promote and intensify the integration of Internet, big data, artificial intelligence together with real economy. As "Internet Plus" remains a core strategy for China South City's fourth-generation integrated trade logistics and trading platform, the Group will strive to grasp the opportunities brought about by relevant policies.

A key initiative of the Group is to develop its online-offline ecosystem, while on one hand its E-commerce platform could be leveraged to optimize business of our on-site tenants, on the other its logistics and trade centers also provide brick-and-mortar space to online business to expand their offline presence.

In March 2018, the Group has launched its Maintenance, Repair and Operations ("MRO") e-commerce Mall (www.buy5j.com), a one-stop procurement platform for industrial products. The MRO Mall was jointly developed by www.csc86.com (華南城網), an e-commerce platform of the Group, and JD Cloud. Through the integration abundant offline resources of the Group and JD Cloud's advanced cloud technology, the MRO Mall is enabled to provide one-stop quality B2B industrial hardware procurement services for both enterprise clients and retailers.

於本年度，本集團的奧特萊斯運營錄得商城銷售總額約人民幣16.907億元(2016/17財政年度：人民幣10.721億元)，同比增長約57.7%，產生持續性收入3.549億港元(2016/17財政年度：2.008億港元)，同比增長約76.7%。就銷售額而言，深圳華南城仍為最大貢獻來源。

電子商貿發展

中國目前是擁有最多互聯網用戶的國家，證明實施「互聯網+」戰略以提升國家經濟及產業的重要性。於中共十九大上，習近平總書記提出要加快國家向強大先進製造國的轉型。中國將推動互聯網、大數據、人工智能與實體經濟的深度融合。由於「互聯網+」仍為華南城第四代綜合商貿物流及商品交易平台的一項核心戰略，故本集團將致力把握相關政策帶來的機遇。

發展在線上線下生態圈是本集團的重要舉措，利用電子商貿優化商戶業務的同時，也為擁有在綫業務的商戶提供實體空間，擴大其於我們綜合商貿物流及商品交易中心的綫下使用。

於2018年3月，本集團推出保養、維修及運營(「MRO」)電子商貿商城(www.buy5j.com)的一站式工業產品採購平台。MRO商城由本集團電子商貿平台www.csc86.com(華南城網)與京東雲聯合打造。通過整合本集團豐富的線下資源及京東雲的先進雲端技術，MRO商城能夠為企業客戶及零售商提供一站式優質B2B五金工業產品採購服務。

With a focus on MRO purchasing, the newly established platform covers industrial products including machinery hardware and consumables, industrial automation and security system, civil engineering equipment, etc. The Group is continuously optimizing and integrating various supply chain resources and aim to develop an efficient, effective and safe one-stop procurement solution for all industrial procurement enterprises.

Trade Fairs

Many of the Group's projects has been selected to host important trade fairs and exhibitions organized by various local governments. These events were well received by international and local exhibitors as well as visitors. The success of these events considerably raised the profile of the Group's projects, boosted visitor and business traffic as well as created more business opportunities for the tenants of its trade centers.

Events at a Glance

Ethnic and Cultural Festival cum Trade Fairs

The 4th Ethnic and Cultural Festival cum Trade Fairs was held in CSC Nanning in mid-April 2018. The festival has been successfully held for four consecutive years and attracts a large number of tourists to the project every year. The nine-day event has significantly boosted the sales of the tenants, generated tremendous visitor flow and business opportunities, and raised brand awareness of China South City within the region.

這新打造的平台以MRO採購為重點，涵蓋五金耗材、工控安防、土木建工等工業產品。本集團將不斷優化及整合各供應鏈資源，旨在為所有工業採購企業打造高效、有效及安全的一站式採購解決方案。

貿易博覽會

本集團多個項目均獲選舉辦由多個當地政府組織的重要貿易博覽會及展會。該等貿易博覽會及展會反應熱烈，吸引眾多國際及當地的參展商及訪客，而該等活動的成功亦大大提升了本集團項目的知名度，增加訪客及業務流量，同時為商品交易中心的商戶帶來更多商機。

活動回顧

民俗文化商貿節暨博覽會

華南城第四屆民俗文化商貿節於2018年4月中旬在南寧華南城舉辦，該活動已經連續四年成功舉辦，每屆活動都能吸引大量遊客。為期9天的活動不僅顯著帶動了華南城內商戶的銷售額，帶來大量客流與商機，亦替華南城在區內形成了巨大的文化品牌影響力。

Central China Commodities Trade Fair cum CSC Zhengzhou Spring Festival Fair 2018

The 3rd Central China Commodity Trade Fair cum CSC Zhengzhou Spring Festival Fair 2018 was held in CSC Zhengzhou in January 2018. The event has been successfully held for three consecutive years. Meanwhile, the event which aims to provide a seamless connection for suppliers and purchasers, both local and overseas, has also become a successful demonstration of China South City's operation model of "Trade Center + Trade Fair".

China-ASEAN Expo and Light Industrial Exhibition

The 14th China-ASEAN Expo, co-hosted by Ministry of Commerce of the PRC, the Economic and Trade Departments of the ten ASEAN counterparts and the China-ASEAN Expo Secretariat, and organized by the Government of the Guangxi Zhuang Autonomous Region, took place in CSC Nanning in September 2017. The four-day event attracted exhibitors from 68 countries and regions and heavy visitor flow. During the event, China ASEAN Expo and Light Industrial Exhibition was hosted by CSC Nanning for the 8th consecutive year, which has firmly established CSC Nanning as a hub for light industrial products trading between China and ASEAN countries, strengthened trade links and cultural exchanges between both sides, and increased the Group's brand recognition in the region and among ASEAN countries.

China Commercial Vehicles Fair

The 2nd China Commercial Vehicles Fair was held in CSC Chongqing in September 2017. As a leading international fair for commercial vehicle industry, the event attracted a number of renowned international and local automobile brand exhibitors and significantly boosted their sales. The event not only promoted the development of the commercial vehicle industry in Chongqing, but also brought continuous flow of business, logistics, capital and information to CSC Chongqing, thus generating more business opportunities for on-site tenants.

中原商品交易博覽會暨鄭州華南城2018新春年貨會

於2018年1月，第三屆中原商品交易博覽會暨鄭州華南城2018新春年貨會在鄭州華南城盛大舉辦，中原商品交易博覽會連續三屆在鄭州華南城舉辦。同時，本屆展會也是華南城「專業市場+展會」運營模式的成功示範，旨在為海內外供應商和採購商提供了一個「零距離」的對接平台。

中國－東盟博覽會輕工展

第十四屆中國－東盟博覽會由中國商務部和東盟10國政府經貿主管部門及東盟秘書處共同主辦，並由廣西壯族自治區及承辦，於2017年9月在南寧華南城舉行。為期四天的展會共迎來68個國家和地區採購商及大量參展商。當中，中國－東盟博覽會輕工展已連續八年於南寧華南城舉辦，該展會使南寧華南城成為中國與東盟各國之間輕工產品商貿物流的重要平台，有力推動雙方貿易往來和人文互通，同時加強本集團品牌於區內乃至東盟成員國間的認受性。

中國商用車博覽會

2017年9月第二屆中國商用車博覽會於重慶華南城舉行，本屆商用車博覽會是商用車行業的全國性盛會，作為一個大型國際級展會，該次活動吸引了國內外眾多知名汽車品牌參展，顯著帶動了汽車參展商的銷售。展會的成功，不僅推動了商用車和各領域的合作，亦同時促進重慶商用車行業的發展：為重慶華南城帶來持續的商流、物流、資金流、信息流，及為華南城的商家帶來更多商機。

China-Russia Expo and Harbin International Economic and Trade Fair

The 4th China-Russia Expo and the 28th Harbin International Economic and Trade Fair – China South City sub-venue kicked off in CSC Harbin in June 2017. Harbin International Economic and Trade Fair has become the window of China to the world, laying the platform for the economic and trade cooperation with Northeast Asia and the world. It has been regarded as a leading exhibition for Sino-Russia on economic, trade and technology cooperation and received great attention from governments at all levels. Enterprises and institutions from both domestic and overseas participated actively in the exhibition, which brought tremendous visitors and business opportunities to CSC Harbin, and enhanced the status of CSC Harbin in Northeast Asia Economic Zone.

ITFCEWC cum the Silk Road International Expo

The 21st Investment and Trade Forum for Cooperation between East & West China (“ITFCEWC”) cum 2017 Silk Road International Expo was held in Xi’an in June 2017. The five-day event included the exhibition of electronic machinery and hardware products in the five northwestern provinces, International Food Festival, Silk Road Culture and Arts Festival, etc. During the event, the “Silk Road Commodity Trade Fair” hosted by CSC Xi’an exhibited numerous commodities produced by countries and regions along Silk Road. Leveraging its convention and exhibition facilities and easily accessible logistic network, CSC Xi’an not only integrated the resources of countries along the Silk Road but also promoted full cooperation, driving trade and logistics development in Xi’an.

中國－俄羅斯博覽會及哈爾濱國際經濟貿易洽談會

第四屆中國－俄羅斯博覽會暨第二十八屆哈爾濱國際經濟貿易洽談會－華南城分會場於2017年6月在哈爾濱華南城隆重舉辦。哈爾濱國際經濟貿易洽談會是中國對外開放的窗口和開展與東北亞及世界各國經貿合作的重要平台，是中俄經貿科技合作的重要展會，得到了各級政府的重視。海內外企業和機構參展踴躍，為哈爾濱華南城帶來大量客流與商機，並提升哈爾濱華南城在東北亞經濟區域內的地位。

西洽會暨絲博會

第二十一屆中國東西部合作與投資貿易洽談會暨2017絲綢之路國際博覽會(「西洽會暨絲博會」)於2017年6月在西安舉行。為期五天的博覽會包括西北五省智能五金機電精品展、國際美食節、絲綢之路文化藝術節等，當中，「絲博會絲綢之路商品貿易展」於西安華南城舉辦，展示絲綢之路沿線國家和地區之特色商品。西安華南城利用自身會議展覽與商貿物流的雙重優勢，一方面為絲綢沿線國家的資源整合，並且為全方位合作做出積極貢獻，推動西安商貿物流產業的發展。

Financial Management

The main objective of the Group's financial management is to ensure its long-run sustainable growth with a strong and stable capital base while addressing financial health at the same time. To achieve this, the Group actively manages its financing structure through different onshore and offshore bank loans as well as inter-bank and capital market instruments in order to achieve an optimal capital structure and maturity profile.

The Group proactively adjusted its business development strategies, together with the pace of land acquisition and other capital expenditures in concurrence with its cash flows from operating and financing activities, in order to preserve liquidity as well as to keep its growth momentum.

During the Year, the Group improved its gearing ratios and maintained a strong liquidity position which was supported by its satisfactory contracted sales performance as well as its growing recurring businesses. As at 31 March 2018, the Group's cash and cash equivalents and restricted cash amounted to HK\$10,655.7 million (as at 31 March 2017: HK\$10,490.9 million). In addition, selling and distribution expenses and administrative expenses reduced to 20.2% of revenue in FY2017/18 from 22.6% of revenue in FY2016/17 through various cost and staff rationalization measures.

Since the second half of the Year, China South City has grasped the chance to issue an aggregate of US\$800 million senior notes with a weighted average coupon rate of 8.38%, prepared for the tightening onshore financing resulting from factors like China's leverage reduction and US Federal Reserve's balance sheet reduction, to face up to capital market uncertainties with a safeguard. During the Year, the Group had offshore note arrangement as follows: the Group completed the issuance of US\$300 million senior notes due 2022 with an annual coupon rate of 7.25% in November 2017. In January 2018, the Group issued a US\$250 million senior notes due 2021 with an annual coupon rate of 7.25%. Thereafter, the Group completed the issuances of an aggregate of US\$250 million senior notes due 2020 with an annual coupon rate of 10.875% in May and June 2018.

The successful multi-channel financings reflected the recognition of the Group's credit profile amongst investors and banks both onshore and offshore. To date, China South City remains a constituent of Hang Seng Composite MidCap Index, which affirms the Group's proven business model and leading position in the market.

財務管理

本集團的財務管理目標主要是通過堅實穩定的資本基礎，確保其長遠可持續發展，並同時達至財務穩建。為此，本集團通過不同境內和境外銀行貸款以及銀行間及資本市場工具積極管理融資結構，以實現最佳資本架構及債務到期組合。

本集團積極調整其業務發展戰略、配合土地收購及其他資本開支的步伐，整合運營及融資活動的現金流，從而維持流動性及保持增長勢頭。

於本年度，由於合約銷售令人滿意的表現及持續性業務增長的支持，本集團資本負債比率略有下調，並維持穩健的流動資金狀況。於2018年3月31日，本集團的現金及現金等價物及受限制現金為106.557億港元（於2017年3月31日：104.909億港元）。此外，通過多項成本控制及精簡人員措施，使得銷售及分銷開支及行政開支從2016/17財政年度佔收入的22.6%降至2017/18財政年度的20.2%。

受國家去槓桿化、美元加息和美國聯儲局縮減資產負債表等因素影響，國內融資環境催緊，華南城自本財年下半年開始把握機會至今，共發行合共8億美元的優先票據，平均加權票面年利率約為8.38%，如為企業增添一份保障，以面對資本市場的不確定性。本財年內，本集團境外發行的債券安排如下：2017年11月完成發行於2022年到期的3億美元的優先票據，票面年利率為7.25%；於2018年1月，本集團發行於2021年到期的2.5億美元的優先票據，票面年利率為7.25%；此後，本集團於2018年5月及6月完成發行於2020年到期的合共2.5億美元的優先票據，票面利率為10.875%。

多渠道成功進行融資反映境內外投資者及銀行對本集團信貸狀況的認可。迄今，華南城仍為恒生綜合中型股指數成份股，足證本集團成功的商業模式及領先的市場地位。

Strengthening of the Senior Management Team

To cope with the pace of development and the increasingly complex environment, China South City continues to strengthen its management team to ensure an optimum mix of management resources and operational capabilities to deliver its business strategies.

During the Year, Mr. Cheng Chung Hing, one of the founders of the Group, was re-designated as Chairman from Co-Chairman, continuing to formulate the overall development planning and strategies of the Group. Former Chief Executive Officer, Mr. Fung Sing Hong Stephen, was promoted to Group Vice Chairman and Executive Director, responsible for formulating capital market financing, merger and acquisition strategies, as well as strategic alliances in operations of the Group, including extending cooperations with the fellow companies of Tencent.

During the Year, Mr. Song Chuan was appointed as Chief Executive Officer and Executive Director. Mr. Song, as former Chairman of CITIC Urban Development and Operation Company Limited and former Chief Executive Officer of CITIC Real Estate Company Limited, has extensive experiences in large-scale enterprise operations, property development and urban operations, and is expected to lead the Group to further develop its businesses. In addition, the Group has also appointed Ms. Cheng Ka Man Carman as Executive Director. Ms. Cheng, former executive director of Man Sang International Limited (SEHK: 938), primarily responsible for administration and operation of the Group.

The Group has also appointed Mr. Hui Chun Yip as Chief Financial Officer, responsible for the overall financial management, establishing and maintaining investor relations, as well as execution of the Group's capital market exercises. Mr. Hui was former Chief Financial Officer and Company Secretary of Yuzhou Properties Company Limited (SEHK: 1628), having over 16 years of experience in financial management.

Under the guidance of the Board, the strengthened senior management team will continue leading the Group to create additional value for shareholders.

強化高級管理層團隊

因應本集團的發展步伐及日益複雜的環境，華南城持續強化其管理團隊，確保以最佳的行政管理資源及營運能力組合實現其業務策略。

於本年度，本集團創辦人之一的鄭松興先生由聯席主席調任為本集團主席，繼續制定本集團整體發展規劃及策略布局。前任行政總裁馮星航先生獲晉升為本集團副主席兼執行董事，負責制定資本市場融資及併購策略，以及本集團業務上的戰略合作，包括深化與騰訊系內公司的合作。

於本年度，宋川先生獲委任為執行董事兼集團行政總裁。宋先生曾任中信城市開發運營有限責任公司之董事長及中信房地產股份有限公司之總裁，於大型企業營運、物業發展及城市經營方面具有豐富經驗，相信將能領導本集團進一步拓展業務。此外，本集團亦已委任鄭嘉汶女士為執行董事。鄭女士曾為民生國際有限公司(香港聯交所代號：938)之執行董事，現主要負責本集團的行政工作，並參與運營。

本集團亦委任許進業先生為首席財務總監，負責整體財務管理、建立及維持投資者關係及執行本集團的資本市場操作。許先生曾於禹洲地產股份有限公司(香港聯交所代號：1628)任職財務總監及公司秘書，擁有逾16年財務管理經驗。

在董事會的帶領下，強化後的高級管理團隊將繼續帶領本集團為股東創造更大價值。

Land Bank

With its unique and flexible business model, the Group intends to retain the commercial properties like logistics and warehousing facilities and hotels, as well as not less than 50% of the trade center units for self-use or long-term leasing purposes, while the remaining 50% of trade center units and residential properties will be sold progressively to generate cash flow for further development.

In order to support the Group's growth momentum and revenue base, the Group acquired new plots of land with GFA of approximately 2.31 million sq. m. at a consideration of approximately RMB4,792 million for projects in Hefei, Chongqing, Zhengzhou, Nanchang and Harbin during the Year. Most of these acquired lands were for residential purpose.

土地儲備

按其獨特且富靈活性的商業模式，本集團將保留物流及倉儲設施、酒店等商業物業及不少於50%的商品交易中心商舖作為自營或長期出租用途，而餘下的約50%商品交易中心商舖及住宅物業，本集團將逐步出售，為本集團發展提供所需的現金流。

為支持本集團增長勢頭和收入基礎，本集團於本年度內以人民幣約47.92億元為合肥、重慶、鄭州、南昌及哈爾濱等地的項目增購約231萬平方米可建築面積的土地，該等土地的用途以住宅為主。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

Details of the land bank as at 31 March 2018 are as follows:

截至2018年3月31日的土地儲備詳情如下：

Project		Completed Properties ⁽¹⁾		Properties under Development	Properties to be Completed by FY2018/19	Properties Planned for Future Development on GFA Acquired ⁽²⁾	Total Planned GFA ⁽³⁾	Total Planned GFA for Acquired Land ⁽⁴⁾	(% to Total Planned GFA)
		Sold	Unsold						
項目		已竣工物業 ⁽¹⁾	發展中物業	發展中物業	將於2018/19財政年度竣工的物業	未來發展物業 ⁽²⁾	總規劃建築面積 ⁽³⁾	已購土地規劃總建築面積 ⁽⁴⁾	%
(sq. m.)		Sold	Unsold		Estimated	Estimated	Estimated		
(平方米)		已售	未出售		估計	估計	估計		
CSC Shenzhen	深圳華南城	821,000	1,571,300	185,000	–	66,700	2,644,000	2,644,000	100%
CSC Nanchang	南昌華南城	1,395,200	1,005,700	263,800	–	2,129,700	6,866,000	4,794,400	70%
CSC Nanning	南寧華南城	605,900	1,347,200	–	–	526,900	4,880,000	2,480,000	51%
CSC Xi'an	西安華南城	720,600	845,000	499,800	228,500	2,611,200	17,500,000	4,676,600	27%
CSC Harbin	哈爾濱華南城	523,000	1,004,200	546,200	301,500	2,966,500	12,000,000	5,039,900	42%
CSC Zhengzhou	鄭州華南城	1,201,500	1,661,000	1,811,900	463,400	4,230,100	12,000,000	8,904,500	74%
CSC Hefei	合肥華南城	1,086,200	983,600	1,640,800	572,100	2,282,400	12,000,000	5,993,000	50%
CSC Chongqing	重慶華南城	248,600	1,190,200	552,700	552,700	4,634,500	13,100,000	6,626,000	51%
Total	總計	6,602,000	9,608,200	5,500,200	2,118,200	19,448,000	80,990,000	41,158,400	51%

Notes:

附註：

- | | |
|---|--|
| <p>(1) Represents the GFA for which the construction of all constituent buildings had been completed, including properties held for sales, warehouse, offices, hotels and trade centers properties held for rental purpose as well as self-use properties.</p> <p>(2) Represents the remaining GFA after deducting the completed properties and properties under development from the total planned GFA for acquired land.</p> <p>(3) Represents the GFA planned upon establishment of the projects. The actual land and GFA to be acquired or built are subject to different factors and may vary subsequently.</p> <p>(4) Represents the planned GFA for the land acquired including completed properties and properties under development. The actual GFA to be built may vary subsequently according to needs of the Group.</p> | <p>(1) 代表已完成建設的各類型物業的建築面積，包括持作銷售物業、倉儲、寫字樓、酒店及作出租的商品交易中心物業，以及自用物業。</p> <p>(2) 代表扣除已竣工物業及發展中物業後的已購土地的總規劃建築面積餘額。</p> <p>(3) 代表項目設立時的規劃建築面積，後續實際取得的土地和建設的面積受多種因素影響，可能會有所變更。</p> <p>(4) 代表已購得之土地的規劃建築面積包括已竣工物業及發展中物業，後續實際建設的面積可能會因應本集團的需要而有所變更。</p> |
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China South City Shenzhen

CSC Shenzhen, the Group's first project, is strategically located at the heart of the Guangdong-Hong Kong-Macao Big Bay Area amid an extensive transportation network. The project is situated at Pinghu Logistics Park in Longgang District of Shenzhen, occupying an area of approximately 1.06 million sq. m. and comprising a total planned GFA of approximately 2.64 million sq. m..

With the local government further advancing the development of Longgang District as an innovation center in the east of Shenzhen, its social and economic infrastructure such as logistics, health care and education will continue to improve, bringing more convenience to occupants of CSC Shenzhen. In addition, transportation around the project have been improving. According to Shenzhen Metro Planning, the subway line 10, passing through CSC Shenzhen, commenced construction in 2015 and is expected to be open for traffic by 2020. Upon completion, the accessibility to CSC Shenzhen will be further improved, which in turn, generate more business opportunities and uplift visitor traffic for the project. At present, operations of CSC Shenzhen cover industries such as textile and clothing, leather and accessories, electronic parts, printing, paper products and packaging, metals and chemicals, plastic materials, hotel supplies, tea and teawares, cross-border products, E-commerce, home furnishing, outlets, produce and flower market, etc. During the Year, CSC Shenzhen provided micro-credit service for on-site tenants, assisting them in resolving financing difficulties for business development.

As at 31 March 2018, trade centers and ancillary facilities at phase I, phase II and part of phase III with a total GFA of approximately 2.39 million sq. m. were in operation. The project is currently in phase III development. As at 31 March 2018, construction of GFA of approximately 185,000 sq. m. was underway.

In FY2017/18, CSC Shenzhen recorded total contracted sales of approximately HK\$1.9 million (FY2016/17: HK\$645.9 million), including a GFA of 100 sq. m. of residential ancillaries at an average selling price ("ASP") of HK\$19,400/sq. m.. There were no contracted sales in trade centers (FY2016/17: 300 sq. m. at an ASP of HK\$29,000/sq. m.) and office units (FY2016/17: 52,200 sq. m. at an ASP of HK\$12,200/sq. m.).

深圳華南城

深圳華南城為本集團旗下首個項目，策略性地位處粵港澳大灣區的核心地帶，坐擁完善的交通網絡。項目位於深圳龍崗區平湖物流園區，佔地面積約為106萬平方米，總規劃建築面積約264萬平方米。

隨著當地政府進一步推動龍崗區作為深圳東部創新中心的建設，區內包括物流、醫療、教育等配套設施將繼續完善，為深圳華南城商家的經營帶來更多便利。同時項目周邊的交通配套亦在進一步完善。根據深圳地鐵規劃，途經深圳華南城的地鐵10號線已於2015年開工建設，預計於2020年建成通車，屆時將進一步提升項目的交通便利，為深圳華南城的運營帶來更多的商機及客流。目前深圳華南城經營業態包括紡織服裝、皮革皮具、電子配件、印刷、紙製品及包裝、五金化工、塑料、酒店用品、茶葉茶具、跨境商品、電子商務、家居用品、奧特萊斯、水果及花卉市場等。於本年度，針對協助中小企解決運營上貸款困難的問題，深圳華南城為項目內中小企提供小額貸款服務。

截至2018年3月31日，總建築面積約239萬平方米的一期、二期及部分三期物業的商品交易中心及配套設施均已投入運營。項目現時正進行第三期發展。截至2018年3月31日，建築面積約185,000平方米的工程已展開建設。

於2017/18財政年度，深圳華南城錄得合約銷售總額190萬港元(2016/17財政年度：6.459億港元)，包括以平均售價19,400港元/平方米售出建築面積100平方米的住宅配套。本財政年度無商品交易中心(2016/17財政年度：以29,000港元/平方米出售300平方米)和辦公樓單位合約銷售(2016/17財政年度：以12,200港元/平方米售出建築面積52,200平方米)。

China South City Nanchang

CSC Nanchang is located at the transportation hub for the Yangtze River Delta and the Pearl River Delta Economic Zone. Situated in Honggutan New District of Nanchang, the capital of Jiangxi Province, the project is readily accessible to suppliers, manufacturers and merchants via major highways, the largest port on the Gan River and a complete freight network which includes a cargo marshal yard, a container terminus and an international airport, coupled with Nanchang West Railway Station – a principal high-speed rail station located just 1.2 km from CSC Nanchang. As a new business center of Nanchang, Honggutan New District is becoming more influential in administrative, commercial and cultural aspects by the day. In addition, the gradual completion of local amenities is driving visitor traffic and generating business opportunities, laying a solid foundation for the development of CSC Nanchang. There is a state-level University Students' E-commerce Business Incubator in CSC Nanchang indicating the achievement of CSC Nanchang in nurturing E-commerce start-ups and assisting SMEs to transform and upgrade their business.

CSC Nanchang has a total planned land area of approximately 2.61 million sq. m. and a total planned GFA of approximately 6.87 million sq. m.. Industries in operation in CSC Nanchang include building and decoration materials, small commodities, textile and clothing, leather and accessories, healthy and green products, outlets, etc. During the Year, coping with the market demand, CSC Nanchang sped up the development of ancillary facilities, among which the residential ancillary met with strong demands, contributing to a significant increase in sales.

As at 31 March 2018, CSC Nanchang has a total GFA of approximately 2.4 million sq. m. completed, including approximately 1.07 million sq. m. of trade centers, approximately 1.28 million sq. m. of residential ancillary and approximately 44,300 sq. m. of warehousing facilities. During the Year, construction of a GFA of approximately 536,200 sq. m. of residential ancillary facilities was completed. As at 31 March 2018, construction of a GFA of approximately 263,800 sq. m. was underway.

In FY2017/18, CSC Nanchang recorded total contracted sales of HK\$2,123.9 million (FY2016/17: HK\$2,948.6 million), including a GFA of 1,500 sq. m. of trade center (detached style) at an ASP of HK\$10,100/sq. m. (FY2016/17: 30,900 sq. m. at an ASP of HK\$9,000/sq. m.) and a GFA of 202,500 sq. m. of residential ancillary at an ASP of HK\$10,400/sq. m. (FY2016/17: 304,800 sq. m. at an ASP of HK\$8,800/sq. m.). There are no contracted sales in trade center (mall style) (FY2016/17: 200 sq. m. at an ASP of HK\$9,200/sq. m.) during the Year.

南昌華南城

南昌華南城位於長三角及珠三角經濟區的交通樞紐。項目坐落於江西省省會南昌市的紅谷灘新區，毗連主要高速公路及贛江的最大港口，並擁有完善的貨運網絡，包括鐵路編組站、鐵海聯運集裝箱堆場及國際機場，且距離主要高鐵車站－南昌西客站僅1.2公里，為供應商、生產商及商家提供方便的交通連接。紅谷灘新區作為南昌市新型商務中心，其行政、商業及文化功能日漸顯現，同時區內生活配套的逐步完善帶動了客流及商流的聚集，為南昌華南城的發展奠定基礎。南昌華南城的南昌市大學生電子商務創業孵化基地為國家級項目，標誌著南昌華南城在培育電子商貿初創企業及協助中小企業升級轉型的成績。

南昌華南城總規劃佔地面積約261萬平方米，總規劃建築面積約687萬平方米。目前運營的業態包括家居建材、小商品、紡織服裝、皮革皮具、健康綠色食品及奧特萊斯等。於本年度，南昌華南城因應市場需求，加快興建配套設施，其住宅配套項目受當地追捧，帶動銷售錄得顯著增長。

截至2018年3月31日，南昌華南城總建築面積約240萬平方米的建設已竣工，包括約107萬平方米的商品交易中心、約128萬平方米的住宅配套及約44,300平方米的倉儲設施。於本年度，建築面積約536,200平方米的住宅配套設施已竣工。截至2018年3月31日，建築面積約263,800平方米的工程已展開建設。

於2017/18財政年度，南昌華南城錄得合約銷售總額21.239億港元(2016/17財政年度：29.486億港元)，包括以平均售價10,100港元/平方米售出1,500平方米的商品交易中心單位(單棟式)(2016/17財政年度：以平均售價9,000港元/平方米售出30,900平方米)及以平均售價10,400港元/平方米售出建築面積202,500平方米的住宅配套(2016/17財政年度：以平均售價8,800港元/平方米售出304,800平方米)。本財政年度無商品交易中心(商場形式)合約銷售(2016/17財政年度：以平均售價9,200港元/平方米售出200平方米)。

China South City Nanning

CSC Nanning is located at Nanning, the capital of the Guangxi Zhuang Autonomous Region and a critical gateway between China and ASEAN countries. The project is easily accessible by railway stations, highways and an international airport. Strategically located in close proximity to Southeast Asia and enjoying the advantage of a tariff waiver on cross-border trade activities within the China-ASEAN Free Trade Area, CSC Nanning endeavors to serve as a key hub for cross-border trade catering to the demand from the Northern Bay Region and Southeast Asia.

CSC Nanning has a planned net land area of approximately 1.83 million sq. m. and a total planned GFA of approximately 4.88 million sq. m.. CSC Nanning was conferred as “China-ASEAN Plaza” in 2011, aiming to forge a regional trade and logistics hub. CSC Nanning was awarded as “National AAA Class Tourist Attraction” as well. The project is in operation and covers industries such as textile and clothing, small commodities, ASEAN products, home furnishing, tea and teawares, E-commerce, groceries, automobiles, eSports, logistics, outlets, etc. Through organizing a series of exhibitions, such as the China-ASEAN Expo and Light Industrial Exhibition, and Ethnic and Cultural Festival, traffic flow to, as well as regional brand recognition of the project were enhanced. With the Group’s nationwide project network becoming more mature, together with the further improvement of ancillary facilities and services, CSC Nanning has proactively enriched its tenant mix. During the Year, CSC Nanning further launched residential properties to accommodate the housing demand in and around the project. In addition, CSC Nanning provided micro-credit services for on-site SMEs, assisting them in resolving financing difficulties for business development during the Year.

The construction of CSC Nanning is still underway and has a total GFA of approximately 1.95 million sq. m. completed, including approximately 896,600 sq. m. of trade centers, approximately 814,100 sq. m. of residential ancillary, approximately 205,600 sq. m. of office facilities and approximately 36,800 sq. m. of warehousing facilities. During the Year, construction of a GFA of approximately 193,400 sq. m. of residential ancillary facility and approximately 205,600 sq. m. of office facilities was completed.

南寧華南城

南寧華南城位於廣西壯族自治區首府南寧市，是中國與東盟成員國之間的重要窗口，項目與火車站、高速公路及國際機場接連，交通便利。坐擁毗鄰東南亞的策略性地理優勢，受惠於中國—東盟自由貿易區於跨境貿易活動豁免關稅，南寧華南城致力成為重要的跨境貿易樞紐，以滿足北部灣及東南亞地區的需求。

南寧華南城的規劃淨佔地面積約183萬平方米，總規劃建築面積約488萬平方米。南寧華南城於2011年被授予「中國—東盟商品交易中心」，旨在打造成為區域性商貿物流基地。南寧華南城亦被評定為「國家AAA級旅遊景區」。項目已展開運營，業態包括紡織服裝、小商品、東盟產品、家居家品、茶葉茶具、電子商貿、綜合食品、汽車、電競、物流及奧特萊斯等。通過舉辦中國—東盟博覽會輕工展、民俗文化商貿節等一系列展會活動帶旺項目人氣並提升品牌的區域知名度。隨著本集團在全國的項目網絡佈局日漸成熟，配套設施及服務得到進一步完善，南寧華南城亦採取了積極的措施，豐富其租戶組合。於本年度，南寧華南城加推住宅項目以回應項目內及周邊的房屋需求。此外，為協助中小企解決運營上貸款困難的問題，南寧華南城為項目內中小企業提供小額貸款服務。

南寧華南城仍處於開發建設階段，其中總建築面積約195萬平方米的建設已竣工，包括約896,600平方米的商品交易中心、約814,100平方米的住宅配套、約205,600平方米的辦公樓設施及約36,800平方米的倉儲設施。於本年度，建築面積約193,400平方米的住宅配套設施和約205,600平方米的辦公樓設施已竣工。

In FY2017/18, CSC Nanning recorded total contracted sales of HK\$1,058.2 million (FY2016/17: HK\$923.4 million), including a GFA of 1,000 sq. m. of trade center (mall style) at an ASP of HK\$9,800/sq. m. (FY2016/17: 500 sq. m. at an ASP of HK\$15,700/sq. m.), a GFA of 103,000 sq. m. of residential ancillary at an ASP of HK\$9,600/sq. m. (FY2016/17: 130,300 sq. m. at an ASP of HK\$7,000/sq. m.), and a GFA of 6,200 sq. m. of office units at an ASP of HK\$10,100/sq. m. (FY2016/17: 800 sq. m. at an ASP of HK\$9,200/sq. m.).

China South City Xi'an

CSC Xi'an is located at the Xi'an International Trade and Logistics Park ("the Park") in Shaanxi Province. As a local key project, the Park is an open economic pilot zone and a core area for modern service industry, aiming to become the largest international transit hub and logistics distribution center along the Silk Road Economic Belt and an important strategic platform for the "Belt and Road" initiative. In addition, the Park is one of the three largest clusters of China (Shaanxi) Pilot Free Trade Zone.

Benefitting from geographic advantage of the Park, CSC Xi'an is highly accessible via the Xi'an City Expressway and Beijing-Kunming Expressway, Lianyungang-Khorgos Expressway, Shaanxi-Shanghai Expressway, Baotou-Maoming Expressway and other national highways, forming an intricate spider network which opens to all directions.

Besides, the strategic location of CSC Xi'an is connected to a railway container terminal and the largest bonded area in the north western region of China, along with two planned subway lines that cross the project site. According to Xi'an subway planning subway line 3, which passes through CSC Xi'an, has commenced operation. In addition, that a new stadium is slated to be built at the Park to host the 14th National Games of the People's Republic of China in 2021, together with the subway line connected to the venue have launched for development, it is expected visitor traffic will be boosted in the region. This subway line and the new stadium will generate more business opportunities and visitor traffic for the Park and thus further enhance value of CSC Xi'an.

於2017/18財政年度，南寧華南城錄得合約銷售總額10.582億港元(2016/17財政年度：9.234億港元)，包括以平均售價9,800港元/平方米售出建築面積1,000平方米的商品交易中心(商場形式)(2016/17財政年度：以平均售價15,700港元/平方米售出500平方米)，及以平均售價9,600港元/平方米售出103,000平方米的住宅配套設施(2016/17財政年度：以平均售價7,000港元/平方米售出130,300平方米)，及以平均售價10,100港元/平方米售出6,200平方米的辦公樓單位(2016/17財政年度：以平均售價9,200港元/平方米售出800平方米)。

西安華南城

西安華南城坐落於陝西省西安市港務區內。港務區是當地政府重點打造的開放型經濟先導區與現代服務業核心功能區，旨在成為絲綢之路經濟帶上最大國際中轉樞紐港與商貿物流集散地，是聯接「一帶一路」戰略的重要平台。同時，港務區為中國(陝西)自由貿易試驗區三大片區之一。

受惠港務區的優越地理位置，西安華南城交通便利，通往區內的西安繞城高速公路與京昆高速、連霍高速、陝滬高速、包茂高速等全國高速公路網緊密相連，形成「米」字型高速公路網絡。

此外，西安華南城的策略位置接連通往鐵路集裝箱中心及中國西北地區最大保稅區的龐大交通網絡，並處於兩條已規劃地下鐵路項目的沿線。根據西安地鐵規劃，途經西安華南城的地鐵3號線已正式通車。此外，用於舉辦2021年第十四屆中華人民共和國全運會的新體育中心將於港務區落成，連接場館的地鐵線的項目建設已展開。預期屆時將能帶來巨大客流。此地鐵線路和體育中心將有利於為港務區聚集更多客流與商機，並進一步增加西安華南城項目的價值。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

The industries CSC Xi'an in operation cover machinery and hardware, curtains and fabrics, textile and clothing, leather and fur, automobiles and parts, building and decoration materials, cross-border E-commerce, outlets, Central Asia and ASEAN product exhibition center, etc. Leveraging its geographical advantage in the starting point of the Silk Road Economic Belt, CSC Xi'an is actively poised to capture the immense opportunities arising from the "Belt and Road" initiative.

CSC Xi'an has a total planned land area of approximately 10.0 million sq. m. and a total planned GFA of approximately 17.5 million sq. m.. The project is currently under construction with a total GFA of approximately 1.57 million sq. m. completed, including approximately 1.49 million sq. m. of trade centers, approximately 55,800 sq. m. of warehousing facilities and approximately 23,300 sq. m. of ancillary facilities. As at 31 March 2018, construction of a GFA of approximately 499,800 sq. m. is underway, of which approximately 228,500 sq.m. is expected to complete in FY2018/19.

In FY2017/18, CSC Xi'an recorded total contracted sales of HK\$544.1 million (FY2016/17: HK\$508.5 million), including a GFA of 79,900 sq. m. of trade center (detached style) at an ASP of HK\$6,800/sq. m. (FY2016/17: 79,200 sq. m. at an ASP of HK\$6,400/sq. m.) and no contracted sales in trade centers (mall style) (FY2016/17: 300 sq. m. at an ASP of HK\$15,900/sq. m.).

西安華南城在運營的業態包括五金機電、窗簾布藝、紡織服裝、皮革皮草、汽摩汽配、家居建材、跨境電商、奧特萊斯及中亞與東盟產品展示中心等。憑藉作為絲綢之路經濟帶起點的地理位置優勢，西安華南城積極蓄勢，以把握「一帶一路」倡議帶來的龐大商機。

西安華南城總規劃佔地面積約1,000萬平方米，總規劃建築面積約1,750萬平方米。項目仍在建設階段，其中總建築面積約157萬平方米已竣工，包括約149萬平方米的商品交易中心、約55,800平方米的倉儲設施，及約23,300平方米的配套設施。截至2018年3月31日，建築面積約499,800平方米的工程已展開建設，其中約228,500平方米預期可於2018/19財政年度竣工。

於2017/18財政年度，西安華南城錄得合約銷售總額5.441億港元(2016/17財政年度：5.085億港元)，包括以平均售價6,800港元/平方米售出建築面積79,900平方米的商品交易中心單位(單幢式)(2016/17財政年度：以平均售價6,400港元/平方米售出79,200平方米)。本財政年度無商品交易中心單位(商場形式)合約銷售(2016/17財政年度：以15,900港元/平方米售出300平方米)。

China South City Harbin

Located at the Daowai District of Harbin, the capital of Heilongjiang Province, CSC Harbin fully utilizes its advantageous location in Northeast China, a premier hub for cross-border trade with countries in Northeast Asia. Its proximity to the China-Russia border helps to facilitate economic activities within the region. Leveraging the opportunities arising from the area's development potential, CSC Harbin endeavors to become the largest integrated logistics and trade center in Northeast China. The project has a total planned land area of approximately 10.0 million sq. m. and a total planned GFA of approximately 12.0 million sq. m..

Leveraging its own geographical location and advantages of local industries, CSC Harbin actively promotes the development of regional economy and trade, for example, the co-operation with Khabarovsk Russia, for the building of Northeast Asian green food exhibition and trading hub. Currently, the trial operations of CSC Harbin cover industries such as hardware and construction materials, green food, small commodities, hotel supplies, leather and fur, building and decoration materials, seed market, E-commerce, cultural tourism, outlets etc.

CSC Harbin is currently under construction and has a total GFA of approximately 1.53 million sq. m. completed, including approximately 1.13 million sq. m. of trade centers, approximately 317,700 sq. m. of residential ancillary, approximately 59,200 sq. m. of logistics and warehousing facilities and approximately 22,500 sq. m. of ancillary facilities. During the Year, construction of a GFA of approximately 358,000 sq. m. was completed. As at 31 March 2018, construction of a GFA of approximately 546,200 sq. m. is underway, of which approximately 301,500 sq. m. is expected to complete in FY2018/19.

In FY2017/18, CSC Harbin recorded total contracted sales of HK\$301.3 million (FY2016/17: HK\$602.8 million), including a GFA of 5,700 sq. m. of trade center (detached style) at an ASP of HK\$8,800/sq. m. (FY2016/17: 3,500 sq. m. at an ASP of HK\$8,700/sq. m.) and a GFA of 48,800 sq. m. of residential ancillary at an ASP of HK\$5,100/sq. m. (FY2016/17: 109,000 sq. m. at an ASP of HK\$5,200/sq. m.) and no contracted sales in trade center (mall style) (FY2016/17: 300 sq. m. at an ASP of HK\$11,200/sq. m.).

哈爾濱華南城

哈爾濱華南城位於黑龍江省省會哈爾濱市道外區，盡享中國東北部的地理優勢，是東北亞國家的跨境貿易主要樞紐。加上鄰近中俄邊界，配合該地區的經濟活動需要，哈爾濱華南城將充分把握該區發展潛力所帶來的機遇，致力成為中國東北部最大的綜合物流及商品交易中心。項目規劃佔地面積約1,000萬平方米，總規劃建築面積約1,200萬平方米。

哈爾濱華南城利用自身地理位置及當地產業優勢，積極推進區域經濟貿易的發展，如與俄羅斯哈巴羅夫斯克市等商戶合作，積極打造成東北亞綠色食品展示交易的核心樞紐。哈爾濱華南城目前試運營的業態包括五金建材、綠色食品、小商品、酒店用品、皮革皮革、家居建材、種子市場、電子商務、文化旅遊及奧特萊斯等。

哈爾濱華南城正處於建設期中，其中總建築面積約153萬平方米的建設已竣工，包括約113萬平方米的商品交易中心、約317,700平方米的住宅配套、約59,200平方米的物流和倉儲設施及約22,500平方米配套設施已竣工。於本年度，建築面積約358,000平方米已竣工。截至2018年3月31日，建築面積約546,200平方米的工程已展開建設，其中約301,500平方米預期可於2018/19財政年度竣工。

於2017/18財政年度，哈爾濱華南城錄得合約銷售總額3.013億港元(2016/17財政年度：6.028億港元)，包括以平均售價8,800港元/平方米售出建築面積約5,700平方米的商品交易中心單位(單幢式)(2016/17財政年度：以平均售價8,700港元/平方米售出3,500平方米)，及以平均售價5,100港元/平方米售出48,800平方米的住宅配套(2016/17財政年度：以平均售價5,200港元/平方米售出109,000平方米)。本財政年度無商品交易中心單位(商場形式)合約銷售(2016/17財政年度：以11,200港元/平方米售出300平方米)。

China South City Zhengzhou

CSC Zhengzhou is located in Zhengzhou, the capital of Henan Province, adjacent to the Airport Economy Zone (“AEZ”) of Zhengzhou, the only state-level AEZ with a complete network of international airport, high-speed train, intercity train, metro and highway to realize seamless connectivity within the transportation hub. The project is highly accessible with extensive transportation links – a mere 16 km away from Zhengzhou Xinzheng International Airport and only a couple of kilometers away from the Beijing-Guangzhou Railway Freight Station and the Beijing-Hong Kong-Macao Highway. The south extension of subway line 2, connecting downtown area to the airport and passing through CSC Zhengzhou with three stations, commenced operation, which will generate more business opportunities and visitor traffic for the project.

CSC Zhengzhou has a total planned net land area of approximately 7.0 million sq. m. and a total planned GFA of approximately 12.0 million sq. m.. CSC Zhengzhou continued to expand the logistics and warehousing facilities to meet the local demands. The industries of CSC Zhengzhou in operation cover building and decoration materials, small commodities, machinery and hardware, automobiles and parts, nonstaple food, clothing, E-commerce, outlets, etc.

CSC Zhengzhou is currently under development and has a total GFA of approximately 2.86 million sq. m. completed, including approximately 2.58 million sq. m. of trade centers, approximately 264,100 sq. m. of warehousing facilities and approximately 22,100 sq. m. of ancillary facilities. During the Year, construction of a GFA of approximately 221,400 sq. m. of trade centers was completed. As at 31 March 2018, construction of a GFA of approximately 1.81 million sq. m. is underway, of which approximately 463,400 sq. m. is expected to complete in FY2018/19.

In FY2017/18, CSC Zhengzhou recorded total contracted sales of HK\$2,748.3 million (FY2016/17: HK\$120.9 million), including a GFA of 13,100 sq. m. of trade center (mall style) at an ASP of HK\$10,100/sq. m. (FY2016/17: 4,200 sq. m. at an ASP of HK\$12,500/sq. m.), a GFA of 104,800 sq. m. of trade center (detached style) at an ASP of HK\$7,600/sq. m. (FY2016/17: 8,500 sq. m. at an ASP of HK\$8,100/sq. m.) and a GFA of 169,600 sq. m. of residential ancillary at an ASP of HK\$10,700/sq. m. (FY2016/17: no contracted sales in residential ancillaries).

鄭州華南城

鄭州華南城位於河南省省會鄭州市，毗鄰鄭州航空港經濟綜合實驗區。該實驗區乃目前全國唯一一個國家級航空港經濟綜合實驗區，是集國際航空、高鐵、城際鐵路、地鐵及高速公路於一體，可實現綜合樞紐的無縫銜接。項目享有廣闊的運輸網絡，四通八達，與鄭州新鄭國際機場相距僅16公里，與京廣鐵路貨運站及京港澳高速公路亦只有數公里之遙。沿鄭州華南城設有三個車站的地鐵2號線南延線已正式通車，為鄭州華南城聚集更多商流及客流。

鄭州華南城總規劃淨佔地面積約700萬平方米，總規劃建築面積約為1,200萬平方米。鄭州華南城將繼續加強其物流及倉儲等配套設施方面的業務，進一步滿足華南城及周邊市場的需求。鄭州華南城目前運營的業態包括建材、小商品、五金機電、汽摩配件、副食品、服裝、電子商貿及奧特萊斯等。

鄭州華南城正在發展階段，其中建築面積約286萬平方米的建設已竣工，包括約258萬平方米的商品交易中心、約264,100平方米的倉儲設施及約22,100平方米的配套設施。於本年度，建築面積約221,400平方米的商品交易中心已竣工。截至2018年3月31日，鄭州華南城已展開建築面積約181萬平方米的建設，其中約463,400平方米預期可於2018/19財政年度竣工。

於2017/18財政年度，鄭州華南城錄得合約銷售總額27.483億港元（2016/17財政年度：1.209億港元），包括以平均售價10,100港元/平方米售出建築面積13,100平方米的商品交易中心單位（商場形式）（2016/17財政年度：以平均售價12,500港元/平方米售出建築面積4,200平方米），以平均售價7,600港元/平方米售出建築面積104,800平方米的商品交易中心單位（單幢式）（2016/17財政年度：以平均售價8,100港元/平方米售出建築面積8,500平方米）及以平均售價10,700港元/平方米售出169,600平方米的住宅配套（2016/17財政年度：無）。

China South City Hefei

CSC Hefei is located at Hefei, the capital of Anhui Province, and the transport and economic hub at the heart of Eastern China. CSC Hefei benefits from its strategic location in the Hefei Taohua Industrial Park, which is equipped with well-developed infrastructure, together with a planned transportation system of railways, highways and river transportation across China. CSC Hefei has a total planned net land area of approximately 10.0 million sq. m. and a total planned GFA of approximately 12.0 million sq. m..

During the Year, CSC Hefei sped up the development of ancillary facilities, especially residential one, to cope with the strong demand, contributing to a significant increase in contracted sales. CSC Hefei also continues to strengthen its logistics and warehousing services to meet the demand in and around the project. During the Year, the outlet mall commenced operations. Currently, the planned operations of CSC Hefei cover industries such as automobiles and parts, hardware, building and decoration materials, textile and clothing, small commodities, non-staple food, outlets, etc.

CSC Hefei is currently under construction and has a total GFA of approximately 2.07 million sq. m. completed, including approximately 1.60 million sq. m. of trade centers, approximately 450,700 sq. m. of residential ancillary and approximately 20,800 sq. m. of ancillary facilities. During the Year, construction of a GFA of approximately 583,900 sq. m. of trade centers and residential ancillary were completed. As at 31 March 2018, construction of a GFA of approximately 1.64 million sq. m. is underway, of which approximately 572,100 sq. m. is expected to complete in FY2018/19.

In FY2017/18, CSC Hefei recorded total contracted sales of HK\$3,182.1 million (FY2016/17: HK\$2,711.1 million), including a GFA of 8,400 sq. m. of trade center (detached style) at an ASP of HK\$6,600/sq. m. (FY2016/17: 3,600 sq. m. at an ASP of HK\$8,700/sq. m.) and a GFA of 295,700 sq. m. of residential ancillary at an ASP of HK\$10,600/sq. m. (FY2016/17: 332,800 sq. m. at an ASP of HK\$8,100/sq. m.).

合肥華南城

合肥華南城位處安徽省省會合肥市，為華東地區心臟地帶的交通及經濟樞紐。坐落於桃花工業園，合肥華南城盡享完善基礎建設的策略地利，並配備規劃的鐵路、高速公路及河運運輸系統接連全中國。合肥華南城總規劃淨佔地面積約1,000萬平方米，總規劃建築面積約1,200萬平方米。

於本年度，合肥華南城於加強土地儲備的同時，亦因應市場需求，加快建設配套設施，尤其住宅配套方面，帶動合約銷售錄得強勁增長。合肥華南城亦繼續加強其在物流及倉儲的業務的發展，進一步滿足當地的需求。於本年度，奧特萊斯已順利開展營運。目前合肥華南城規劃經營的業態包括汽摩汽配、五金、家居建材、紡織服裝、小商品及副食品等。

合肥華南城正在建設中，其中總建築面積約207萬平方米的建設已竣工，包括約160萬平方米的商品交易中心及約450,700平方米的住宅配套，以及約20,800平方米的配套設施。於本年度，建築面積約583,900平方米的商品交易中心及住宅配套已竣工。截至2018年3月31日，建築面積約164萬平方米的工程已展開建設，其中約572,100平方米預期可於2018/19財政年度竣工。

於2017/18財政年度，合肥華南城錄得合約銷售總額31.821億港元(2016/17財政年度：27.111億港元)，以平均售價6,600港元/平方米售出建築面積8,400平方米的商品交易中心單位(單幢式)(2016/17財政年度：以平均售價8,700港元/平方米售出建築面積3,600平方米)及以平均售價10,600港元/平方米售出建築面積295,700平方米的住宅配套(2016/17財政年度：以平均售價8,100港元/平方米售出建築面積332,800平方米)。

China South City Chongqing

CSC Chongqing is strategically located at the Banan District of Chongqing Municipality, the first of the Group's municipal project. The project is highly accessible to the city center and other regions given its strategic location in the Chongqing Highway Logistics Base, the state-level transportation infrastructure and large highway base in the western region.

The transportation network around the project has been developed rapidly, coupled with the growing maturity of business circles in Banan district, laying good foundation for future transportation convenience and commercial environment of the project. Following Chongqing government's announcement that the development of South New District, where CSC Chongqing is located, it is expected the regional growth potential is on the rise.

The planned operations of CSC Chongqing cover industries such as small commodities, hardware and machinery, hotel supplies, building and decoration materials, textiles and clothing and automobiles and parts, lightings and lamps, metals, cultural tourism, etc. Outlets commenced trial operation in September 2017.

CSC Chongqing has a total planned net land area of approximately 5.94 million sq. m. and a total planned GFA of approximately 13.10 million sq. m.. The construction of CSC Chongqing is underway with a total GFA of approximately 1.44 million sq. m. completed, including approximately 1.26 million sq. m. of trade centers and approximately 34,000 sq. m. of ancillary facilities and approximately 145,600 sq. m. of warehousing facilities. During the Year, construction of a GFA of approximately 600 sq. m. of ancillary and warehousing facilities was completed. As at 31 March 2018, construction of a GFA of approximately 552,700 sq. m. is underway and expected to complete in FY2018/19.

In FY2017/18, CSC Chongqing recorded total contracted sales of HK\$2,066.1 million (FY2016/17: HK\$174.5 million), including a GFA of 21,000 sq. m. of trade center (detached style) at an ASP of HK\$9,100/sq. m. (FY2016/17: 21,900 sq. m. at an ASP of HK\$8,000/sq. m.) and a GFA of 256,900 sq. m. of residential ancillary at an ASP of HK\$7,300/sq. m. (FY2016/17: no contracted sales in residential ancillary).

重慶華南城

重慶華南城策略性地位處重慶市巴南區，為本集團首個落戶直轄市的項目。座擁西部國家級大型交通基建—重慶公路物流基地的策略性地利，項目連接完善的高速公路網絡，可連接貫通市中心及全國其他地區。

重慶華南城周邊的交通網絡建設發展快速，隨著巴南區商圈的發展漸趨成形，為項目未來的交通配套及商業環境奠定了良好的基礎。隨著重慶市政府宣佈於重慶華南城所處核心地區建立南部新城，預期該地區發展潛力進一步增加。

重慶華南城目前規劃經營的業態包括小商品、五金機電、酒店用品、家居建材、紡織服裝、汽摩汽配、燈具燈飾、金屬材料及文化旅遊等。奧特萊斯已於2017年9月投入試營運。

重慶華南城總規劃淨佔地面積約594萬平方米，總規劃建築面積約1,310萬平方米。重慶華南城正處於開發建設階段，其中總建築面積約144萬平方米的建設已竣工，包括約126萬平方米的商品交易中心及約34,000平方米配套設施及約145,600平方米倉儲設施。於本年度，建築面積約600平方米的配套及倉儲設施已竣工。截至2018年3月31日，建築面積約552,700平方米的工程已展開建設，預期可於2018/19財政年度竣工。

於2017/18財政年度，重慶華南城錄得合約銷售總額20.661億港元(2016/17財政年度：1.745億港元)，包括以平均售價9,100港元/平方米售出建築面積21,000平方米的商品交易中心單位(單幢式)(2016/17財政年度：以平均售價8,000港元/平方米售出建築面積21,900平方米)及以平均售價7,300港元/平方米售出建築面積256,900平方米的住宅配套(2016/17財政年度：無)。

Financial Review

For FY2017/18, the Group reported an increase in revenue of 20.0% to HK\$9,405.4 million (FY2016/17: HK\$7,838.5 million), and net profit attributable to owners of the parent increased by 4.4% to HK\$4,511.7 million (FY2016/17: HK\$4,322.6 million). Excluding the effects of fair value gains on investment properties and related tax effects, provision for impairment loss of available-for-sale investments and loss on redemption of senior notes, core net profit attributable to owners of the parent for the Year as adjusted increased by 19.0% to HK\$1,608.5 million (FY2016/17: HK\$1,351.2 million). Basic earnings per share increased to HK56.35 cents (FY2016/17: HK53.99 cents).

Revenue

Revenue for the Year increased by 20.0% to HK\$9,405.4 million (FY2016/17: HK\$7,838.5 million). The increase was mainly attributable to more properties were sold and delivered in CSC Nanning and CSC Nanchang during the Year and growing recurring income.

財務回顧

於2017/18財政年度，本集團的收入增加20.0%至94.054億港元(2016/17財政年度：78.385億港元)；母公司擁有人應佔淨利潤增加4.4%至45.117億港元(2016/17財政年度：43.226億港元)。撇除投資物業公平值收益及相關稅務影響、可供出售金融投資減值撥備和贖回優先票據之虧損，調整後的本年度母公司擁有人應佔核心淨利潤增加19.0%至16.085億港元(2016/17財政年度：13.512億港元)。每股基本盈利增加至56.35港仙(2016/17財政年度：53.99港仙)。

收入

本年度的收入增加20.0%至94.054億港元(2016/17財政年度：78.385億港元)，增加的主要原因是由於本年度內南寧華南城及南昌華南城有較多物業銷售及交付，以及持續性收入的增長。

		FY2017/18 財政年度 HK\$'000 千港元	FY2016/17 財政年度 HK\$'000 千港元	Change 變幅 %
Sales of properties and finance lease income	物業銷售及融資租賃收入	7,385,394	6,240,553	18.3
<i>Sales of trade center units</i>	銷售交易中心商舖	1,949,598	2,006,196	-2.8
<i>Sales of residential properties</i>	銷售住宅物業	5,213,890	3,788,019	37.6
<i>Sales of office units</i>	銷售辦公室單位	66,057	-	N/A不適用
<i>Finance lease income</i>	融資租賃收入	155,849	446,338	-65.1
Recurring income	持續性收入	2,019,976	1,597,957	26.4
<i>Rental income</i>	租金收入	731,716	699,716	4.6
<i>Property management service income</i>	物業管理服務收入	375,520	288,822	30.0
<i>E-commerce income</i>	電子商貿收入	245,241	213,674	14.8
<i>Other revenue</i>	其他收入	667,499	395,745	68.7
		9,405,370	7,838,510	20.0

Sales of Properties and Finance Lease income

Revenue from sales of properties increased by 24.8% to HK\$7,229.5 million (FY2016/17: HK\$5,794.2 million). The increase was mainly attributable to the sales and delivery of properties in CSC Nanning and CSC Nanchang during the Year. Sales for each project are as follows:

銷售物業及融資租賃收入

銷售物業收入增加24.8%至72.295億港元(2016/17財政年度：57.942億港元)。增加的主要原因是由於本年度內南寧華南城及南昌華南城的物業銷售及交付。各項目的銷售情況如下：

		Average selling price (before deduction of sales tax*) (HK\$/sq. m.) 平均售價 (扣除銷售稅前*) (港元/平方米)		GFA sold (sq. m.) 已售建築面積 (平方米)		Sales revenue (before deduction of sales tax*) HK\$ million 銷售收入 (扣除銷售稅前*) (百萬港元)		Sales revenue (net of sales tax*) HK\$ million 銷售收入 (扣除銷售稅後*) (百萬港元)	
		FY2017/18 財政年度	FY2016/17 財政年度	FY2017/18 財政年度	FY2016/17 財政年度	FY2017/18 財政年度	FY2016/17 財政年度	FY2017/18 財政年度	FY2016/17 財政年度
CSC Shenzhen	深圳華南城	-	32,400	-	200	-	8.1	-	7.6
CSC Nanchang	南昌華南城								
- Trade center units	- 交易中心商舖	19,900	8,000	7,100	79,300	142.0	632.7	135.0	582.5
- Residential properties	- 住宅物業	10,000	8,100	349,900	174,500	3,514.6	1,411.3	3,326.8	1,336.0
CSC Nanning	南寧華南城								
- Trade center units	- 交易中心商舖	10,700	18,000	1,800	300	18.9	6.0	18.1	4.1
- Residential properties	- 住宅物業	8,500	6,700	127,100	142,700	1,074.3	956.5	1,010.2	905.9
- Office units	- 辦公室單位	9,200	-	7,300	-	67.3	-	66.1	-
CSC Xi'an	西安華南城	6,100	5,700	50,800	69,000	312.1	392.0	284.8	356.3
CSC Harbin	哈爾濱華南城								
- Trade center units	- 交易中心商舖	7,600	9,300	52,900	6,200	402.0	57.5	383.6	53.3
- Residential properties	- 住宅物業	5,100	4,400	50,800	182,800	258.4	805.7	241.9	763.1
CSC Zhengzhou	鄭州華南城	11,100	10,800	84,600	65,000	936.5	700.7	864.2	663.3
CSC Hefei	合肥華南城								
- Trade center units	- 交易中心商舖	8,700	8,900	13,100	24,000	114.4	214.1	103.6	195.2
- Residential properties	- 住宅物業	7,400	5,700	94,500	142,700	696.4	819.0	635.0	783.0
CSC Chongqing	重慶華南城	7,900	7,200	21,000	21,100	165.5	152.0	160.2	143.9
Total	總計	N/A不適用	N/A不適用	860,900	907,800	7,702.4	6,155.6	7,229.5	5,794.2

* Sales tax represents business tax and surcharges on or before 30 April 2016 and value-added-tax and surcharges after 30 April 2016.

* 銷售稅指在2016年4月30日或之前為營業稅及附加，2016年4月30日後為增值稅及附加。

Finance lease income derived from the leasing of office towers decreased by 65.1% to HK\$155.8 million (FY2016/17: HK\$446.3 million). The decrease was primarily attributable to lower inventory level of office tower at CSC Shenzhen.

During the Year, the Group entered into finance lease arrangements with tenants for approximately 10,300 sq. m. (FY2016/17: 38,800 sq. m.) at an average price of HK\$16,000/sq. m. (FY2016/17: HK\$12,100/sq. m.).

Rental Income

The Group intends to retain not less than 50% of the trade center units for self-use or rental purposes. Therefore, rental income will continue to be an important component of the recurring income. CSC Shenzhen, being the Group's most matured project in its portfolio, contributed substantial part of the rental income. As at 31 March 2018, the total occupancy rate of the launched rentable GFA of different phases of CSC Shenzhen's trade centers and shops were approximately 83% to 98% (As at 31 March 2017: 76% to 96%). Along with the gradual extension of operations in other projects, these projects, start to contribute rental income and resulted in satisfactory growth in rental income. During the Year, rental income of the Group slightly increased by 4.6% to HK\$731.7 million (FY2016/17: HK\$699.7 million). However, due to expiry of tenancy, government demolition and business condition, HOBA Furnishing closed five stores during the Year. This resulted in perceptible drop in its revenue and affected the growth rate of the Groups revenue income. If rental income of HOBA excluded, rental income significantly increased by 24.2% to HK\$531.7 million (FY2016/17: HK\$428.1 million).

Property Management Service Income

Income from property management services increased by 30.0% to HK\$375.5 million (FY2016/17: HK\$288.8 million). The increase in property management service income was mainly attributable to the increasing GFA of trade centers, shops and residential properties delivered and put into use during the Year.

來自寫字樓租賃的融資租賃收入減少65.1%至1.558億港元(2016/17財政年度：4.463億港元)。減少的主因是深圳華南城餘下的寫字樓存量不多所致。

於本年度，本集團與承租人訂立的融資租賃合同約為10,300平方米(2016/17財政年度：38,800平方米)，平均單價為16,000港元/平方米(2016/17財政年度：12,100港元/平方米)。

租金收入

本集團規劃保留不少於50%的商品交易中心商舖作為自營和出租用途。因此，長遠而言，租金收入將繼續是本集團持續性收入的重要組成部分。深圳華南城是本集團項目組合中最成熟的項目，也是租金收入的主要貢獻單位。截至2018年3月31日，深圳華南城各期商品交易中心及商舖已推出面積的總佔用率大約介乎由83%至98%(截至2017年3月31日：76%至96%)。隨著其他項目陸續進入運營，這些項目也開始貢獻租金收入，並帶來不錯的租金收入增長。於本年度，本集團的租金收入與同期比較輕微增加4.6%至7.317億港元(2016/17財政年度：6.997億港元)。惟因為租約到期、政府拆遷及運營情況等因素，好百年家居在本年度關停了5家門店，這使其收入有較大的下調，同時也影響了本集團租金收入的增長率。若不包括好百年的租金收入，租金收入顯著上升24.2%至5.317億港元(2016/17財年：4.281億港元)。

物業管理服務收入

物業管理服務收入增加30.0%至3.755億港元(2016/17財政年度：2.888億港元)。物業管理服務收入增加主要是由於在本年度交付及投入使用的交易中心、商舖及住宅項目的面積不斷增加。

E-commerce Income

E-commerce income as derived from the E-commerce services provided to the Group's customers increased by 14.8% to HK\$245.2 million (FY2016/17: HK\$213.7 million) during the Year. The online membership program of the Group were well received by customers. By joining the program, the customers can enjoy a wide range of E-commerce services offered by the Group's E-commerce platform, CSC86.com.

Other Revenue

Other revenue increased by 68.7% to HK\$667.5 million (FY2016/17: HK\$395.7 million). The increase was mainly attributable to the continuous growth of the outlet operations and logistics and warehousing services, with revenue from outlet operations increased 76.7% to HK\$354.9 million (FY2016/17: HK\$200.8 million) while that of logistics and warehousing services increased 34.6% to HK\$218.1 million (FY2016/17: HK\$162.0 million) during the Year.

Increase in income from outlet operations was mainly due to the growth of outlet business and the increase in operating areas in the established outlets during the Year. During the Year, the gross mall sales turnover from the Group's outlet business increased by 57.7% to RMB1,690.7 million (FY2016/17: RMB1,072.1 million). The increase in income from logistics and warehousing services was mainly due to the increase in operating areas of warehousing during the Year.

Cost of Sales

The Group's cost of sales mainly includes construction costs of properties sold, construction costs of properties held for finance lease and operating costs for rental income. During the Year, cost of sales increased by 23.3% to HK\$5,336.2 million (FY2016/17: HK\$4,328.4 million). The increase in cost of sales was basically in line with the increase of GFA of properties sold during the Year.

Gross Profit

Gross profit increased by 15.9% to HK\$4,069.2 million (FY2016/17: HK\$3,510.1 million). During the Year, gross profit margin decreased to 43% (FY2016/17: 45%) which was mainly due to a higher portion of residential properties in our product mix of sales, which had a relatively lower profit margin when compared to that of trade centers.

電子商貿收入

來自為集團客戶提供電子商貿服務的收入於本年度增加14.8%至2.452億港元(2016/17財政年度: 2.137億港元)。本集團推出的線上會員計劃受到客戶的認可。參與計劃的商戶可專享本集團電子商貿平台(CSC86.com)－華南城網所提供的多方位電子商貿服務。

其他收入

其他收入增加68.7%至6.675億港元(2016/17財政年度: 3.957億港元)，增長主要是由於本年度奧特萊斯運營和物流及倉儲服務的持續增長所致。奧特萊斯運營的收入增加76.7%至3.549億港元(2016/17財政年度: 2.008億港元)，物流及倉儲服務的收入增加34.6%至2.181億港元(2016/17財政年度: 1.620億港元)。

奧特萊斯運營收入增加主要是歸因於其業務量增長及其運營面積增加。於本年度，本集團的奧特萊斯運營錄得商城銷售與同期比較增加57.7%至人民幣16.907億元(2016/17財政年度: 人民幣10.721億元)。另外，於本年度內，物流及倉儲服務收入增加主要是歸因於倉儲的運營面積的增長。

銷售成本

本集團的銷售成本主要包括已售物業建築成本、持作融資租賃物業建築成本及租金收入的營運成本。在本年度內，銷售成本增加23.3%至53.362億港元(2016/17財政年度: 43.284億港元)。銷售成本的增加與本年度已售物業的建築面積增加基本一致。

毛利

毛利增加15.9%至40.692億港元(2016/17財政年度: 35.101億港元)。於本年度，毛利率下降至43%(2016/17財政年度: 45%)，主要由於銷售產品組合中的住宅物業比例較高，而住宅物業的毛利率相對交易中心為低。

Other Income and Gains/(Losses)

Other income and gains/(losses) increased by 18.0% to HK\$857.0 million (FY2016/17: HK\$726.0 million), mainly attributable to the increase in exchanges gains (FY2017/18: HK\$56.3 million while FY2016/17: losses of HK\$64.0 million), decrease in loss on redemption of senior notes (FY2017/18: HK\$89.9 million while FY2016/17: HK\$178.3 million) and offset by the decrease in government grants (FY2017/18: HK\$783.9 million while FY2016/17: HK\$841.4 million).

Fair value Gains on Investment Properties

The fair value gains on investment properties decreased by 3.8% to HK\$4,378.5 million (FY2016/17: HK\$4,549.5 million). For each of interim and annual financial reporting date, the Group appoints an independent professional qualified valuer to determine the fair value of our investment properties. The change in fair value of our investment properties has been, and will be, significantly affected by a variety of internal and external factors, such as rental rate, rental area, the market prices of comparable properties.

Based on our business model, the Group may have new additions of investment properties every year and generate fair value gains. The fair value gains may fluctuate with time due to the addition of the investment properties, the changing market conditions and different construction phases of our projects. During the Year, the fair value gains was mainly contributed by the addition of new investment properties at the existing projects. However due to our projects are in different construction phases and the new addition of investment properties will fluctuate year by year, the amount of fair value gains will also fluctuate accordingly.

Selling and Distribution Expenses

Selling and distribution expenses increased by 9.0% to HK\$680.7 million (FY2016/17: HK\$624.6 million). The increase was mainly attributable to the marketing activities for promoting sales of properties during the Year.

Administrative Expenses

Administrative expenses increased by 6.1% to HK\$1,216.0 million (FY2016/17: HK\$1,146.3 million). The increase was primarily due to the increase in operating expenses resulting from our business growth and development. Besides, during the Year, the Group granted in aggregate 120,000,000 share options to two Executive Directors. Together with the share options granted in prior years, share options expenses of HK\$42.1 million (FY2016/17: HK\$30.6 million) were recorded.

其他收入及收益/(虧損)

其他收入及收益/(虧損)增加18.0%至8.570億港元(2016/17財政年度: 7.260億港元), 主要為匯兌收益的增加(2017/18財年: 0.563億港元; 2016/17財年: 虧損0.640億港元), 贖回優先票據虧損之減少(2017/18財年: 0.899億港元; 2016/17財年: 1.783億港元)及來自於政府的補貼的減少(2017/18財年: 7.839億港元; 2016/17財政年度: 8.414億港元)之互相抵銷。

投資物業公平值收益

投資物業公平值收益減少3.8%至43.785億港元(2016/17財政年度: 45.495億港元)。於中期及年度財務報告日, 集團均委聘一家獨立專業合資格估價師, 以確定投資物業的公平值。投資物業的公平值的改變, 已經並將於未來受到各種內部和外部因素的重大影響, 例如租金率、出租面積、可比物業的市場價格等。

按照本集團的商業模式, 每年可均會有新增的投資物業, 並產生公平值收益。公平值收益可能會隨著投資物業的增加、市場條件的動態和不同施工項目的階段之時間影響而波動。年內, 公允價值的增加主要得益於在現有項目中增加新的投資物業。但由於各項目處於不同施工的階段及新增之投資物業均會變動, 公平值收益亦將相應波動。

銷售及分銷開支

銷售及分銷開支增加9.0%至6.807億港元(2016/17財政年度: 6.246億港元), 主要由於本年度內在物業銷售推廣市場活動增加。

行政開支

行政開支增加6.1%至12.160億港元(2016/17財政年度: 11.463億港元), 主要由於隨著我們業務增長和發展而增加營運成本。另外, 於本年度, 本集團向兩名執行董事授出合共120,000,000份購股權, 連同以前年度授出的購股權, 購股權開支錄得4,210萬港元(2016/17財政年度: 3,060萬港元)。

Other Expenses

Other expenses increased by 124.2% to HK\$329.7 million (FY2016/17: HK\$147.0 million). The increase in other expenses is mainly attributable to the provision for impairment loss on investment in Makepolo Inc. in the amount of HK\$175.5 million. Considering Makepolo Inc. may have difficulties to continue its operation due to unsatisfactory financial performance, the Group decided to make provision against its investment during the Year.

Finance Costs

Finance costs increased by 7.0% to HK\$294.8 million (FY2016/17: HK\$275.5 million). It was due to more interest expenses incurred for increased borrowings during the year. As at 31 March 2018, the Group's weighted average financing cost was 6.68%, as compared with 6.16% at the end of March 2017.

Tax

Tax expenses recorded an increase of 0.5% to HK\$2,281.1 million (FY2016/17: HK\$2,269.3 million). The increase in tax expenses was basically in line with the increase of revenue and fair value increment on investment properties during the Year.

Prepayments, Deposits and Other Receivables

Prepayments, deposits and other receivables increased by 51.2% to HK\$1,613.2 million (31 March 2017: HK\$1,066.8 million), which was mainly due to the increase in deposits paid for construction of new projects and value-added-tax receivable.

Trade and Other Payables

Trade and other payables increased by 36.1% to HK\$22,807.8 million (31 March 2017: HK\$16,763.2 million). The increase was mainly due to the growth in contracted sales and hence increase in deposits and receipts in advance during the Year. As at 31 March 2018, the balances of construction fees and retention payable and deposits and receipts in advance were HK\$5,124.8 million and HK\$13,102.2 million, respectively.

Liquidity and Financial Resources

The Group finances its development and operations primarily through internally generated funds, bank and other borrowings, and the issuance of different notes on-shore and off-shore, which includes but not limited to senior notes, short-term notes, medium-term notes, corporate bonds and domestic company bonds. The Group will continue to explore different financing means and to extend its financing channels.

其他開支

其他開支增加124.2%至3.297億港元(2016/17財政年度: 1.470億港元)。其他開支的增加主要歸因於對馬可波羅之投資的減值撥備虧損, 金額為1.755億港元。於本年度, 集團考慮到馬可波羅可能因財務表現不理想而難以繼續經營, 決定對其投資進行撥備。

融資成本

融資成本增加7.0%至2.948億港元(2016/17財政年度: 2.755億港元), 主要歸因於本年度內的利息開支隨貸款同步增加。於2018年3月31日, 本集團的加權平均融資成本為6.68%, 而於2017年3月底的加權平均融資成本則為6.16%。

稅項

稅項開支錄得增加0.5%至22.811億港元(2016/17財政年度: 22.693億港元)。稅項開支的增加與本年度的收入及投資物業公平值收益增加基本一致。

預付款項、按金及其他應收款項

預付款項、按金及其他應收款項增加51.2%至16.132億港元(2017年3月31日: 10.668億港元), 這主要是歸因於新項目的工程款按金以及應收增值稅款的增加。

貿易及其他應付款項

貿易及其他應付款項增加36.1%至228.078億港元(2017年3月31日: 167.632億港元), 這主要是歸因於本年度內合約銷售增加致按金及預收款項的增加。於2018年3月31日, 應付建築費用及保留金以及按金及預收款項分別為51.248億港元及131.022億港元。

流動性及財務資源

本集團主要透過內部產生的資金、銀行及其他借貸、在境內和境外不同的票據發行, 包括但不限於優先票據、短期融資券、中期票據、企業債券和境內公司債券等融資撥付其業務發展及運營所需的資金。本集團將一如既往不斷探討不同的融資方式, 並拓展其融資渠道。

Cash and Cash Equivalents and Restricted Cash

As at 31 March 2018, the Group had HK\$10,655.7 million cash and cash equivalents and restricted cash (31 March 2017: HK\$10,490.9 million), among which non-restricted cash and cash equivalents amounted to HK\$8,204.3 million (31 March 2017: HK\$8,022.0 million). The Group's cash and cash equivalents and restricted cash were primarily denominated in Renminbi, HK dollars and US dollars.

Borrowing and Charges on the Group's Assets

As at 31 March 2018, the total interest bearing debts of the Group was HK\$38,827.7 million (31 March 2017: HK\$32,772.9 million) which included interest-bearing bank and other borrowings, senior notes, short-term notes, medium-term notes, corporate bonds and domestic company bonds.

Interest-bearing bank and other borrowings

The Group had aggregated interest-bearing bank and other borrowings of HK\$16,098.2 million as at 31 March 2018 (31 March 2017: HK\$13,412.5 million), of which HK\$7,098.5 million will be repayable within one year or on demand, HK\$3,702.7 million will be repayable in the second year, HK\$4,505.7 million will be repayable in the third to fifth years and HK\$791.3 million will be repayable after five years. As at 31 March 2018, the Group's interest-bearing bank and other borrowings of approximately HK\$14,785.3 million were secured by certain buildings, investment properties, properties under development, properties held for finance lease, properties held for sales and bank deposits with a total carrying value of approximately HK\$32,032.7 million.

Except for a bank loan with balance of HK\$400 million (31 March 2017: Nil) denominated in HK dollars and bearing interest at floating rates of HIBOR+2.5%, all interest-bearing bank and other borrowings of the Group were denominated in Renminbi with interest rates ranging from 4.1% to 9.0% (31 March 2017: 4.4% to 6.2%) per annum. Furthermore, as at 31 March 2018, the Group had unused banking facilities of approximately HK\$9,906.5 million. The Group will deploy these banking facilities as appropriate, depending on project development needs and working capital status.

現金及現金等價物及受限制現金

於2018年3月31日，本集團持有現金及現金等價物以及受限制現金106.557億港元(2017年3月31日：104.909億港元)，當中不受限制現金及現金等價物為82.043億港元(2017年3月31日：80.220億港元)。本集團持有的現金及現金等價物以及受限制現金主要以人民幣、港元及美元為單位。

借貸及本集團資產抵押

於2018年3月31日，本集團的計息債務總額為388.277億港元(2017年3月31日：327.729億港元)，其中包括計息銀行及其他借貸、優先票據、短期融資券、中期票據、企業債券以及境內公司債券。

計息銀行及其他借貸

本集團於2018年3月31日的計息銀行及其他借貸合計為160.982億港元(2017年3月31日：134.125億港元)，其中70.985億港元須於一年內或應要求償還、37.027億港元須於第二年償還、45.057億港元須於第三至第五年償還及7.913億港元須於五年後償還。於2018年3月31日，本集團的計息銀行及其他借貸中約147.853億港元是以若干樓宇、投資物業、發展中物業、持作融資租賃物業、持作銷售物業及銀行存款作抵押，其賬面總值約為320.327億港元。

除按香港銀行同業拆息加2.5%利率計息的4億港元(2017年3月31日：無)銀行貸款以港元為單位外，本集團所有計息銀行及其他借貸均以人民幣為單位，並按每年4.1%至9.0%的利率計息(2017年3月31日：4.4%至6.2%)。此外，於2018年3月31日，本集團持有備用銀行融資約99.065億港元。本集團將於適當時候視乎項目發展需要及營運資金狀況調配此等銀行融資。

Issuance of Notes

Senior Notes

In September and October 2016, the Company issued senior notes due in September 2021 with a nominal value of US\$200 million (equivalents to approximately HK\$1,560 million) and US\$150 million (equivalents to approximately HK\$1,170 million) respectively, in a total of US\$350 million (equivalents to approximately HK\$2,730 million). These notes were consolidated and formed a single series of “2016 Notes” at a coupon rate of 6.75% per annum. The net proceed of the issue was mainly for the purpose of refinancing existing indebtedness and for general corporate purposes.

In March 2017, the Company issued senior notes due in March 2020 with a nominal value of US\$300 million (equivalents to approximately HK\$2,340 million) at a coupon rate of 5.75% per annum. The net proceed of the issue was mainly for the purpose of refinancing existing indebtedness and for general corporate purposes.

In November 2017, the Company issued senior notes due in November 2022 with a nominal value of US\$300 million (equivalents to approximately HK\$2,340 million) at a coupon rate of 7.25% per annum. The net proceed of the issue was mainly for the purpose of refinancing existing indebtedness in relation to the construction and development of our projects and for general corporate purposes.

In January 2018, the Company issued senior notes due in January 2021 with a nominal value of US\$250 million (equivalents to approximately HK\$1,950 million) at a coupon rate of 7.25% per annum. The net proceed of the issue was mainly for the purpose of refinancing existing indebtedness in relation to the construction and development of our projects and for general corporate purposes.

In May and June 2018, the Company issued senior notes due in August 2020 with a nominal value of US\$150 million (equivalents to approximately HK\$1,170 million) and US\$100 million (equivalents to approximately HK\$780 million) respectively, in a total of US\$250 million (equivalents to approximately HK\$1,950 million). These notes were consolidated and formed a single series of “2018 May Notes” at a coupon rate of 10.875% per annum. The net proceed of the issue was mainly for the purpose of refinancing existing indebtedness in relation to the construction and development of our projects and for general corporate purposes.

As at 31 March 2018, the carrying value of senior notes were HK\$9,230.3 million. The senior notes are jointly guaranteed by certain subsidiaries and secured by pledges of share of certain subsidiaries.

票據之發行

優先票據

於2016年9月及10月，本公司分別發行於2021年9月到期面值2億美元(相當於約15.6億港元)及1.5億美元(相當於約11.7億港元)之優先票據，合共3.5億美元(相當於約27.3億港元)。兩者合併並組成為單一系列「2016年票據」，票據的票面年利率為6.75%。發行所得款淨額主要用作現有債務的再融資及一般公司用途。

於2017年3月，本公司發行於2020年3月到期面值3億美元(相當於約23.4億港元)之優先票據，票據的票面年利率為5.75%。發行所得款淨額主要用作現有債務的再融資及一般公司用途。

於2017年11月，本公司發行於2022年11月到期面值3億美元(相等於約23.4億港元)之優先票據，票據的票面年利率為7.25%。發行所得款淨額主要用作項目開發及發展有關的現有債務再融資及一般公司用途。

於2018年1月，本公司發行於2021年1月到期面值2.5億美元(相等於約19.5億港元)之優先票據，票據的票面年利率為7.25%。發行所得款淨額主要用作項目開發及發展有關的現有債務再融資及一般公司用途。

於2018年5月及6月，本公司分別發行於2020年8月到期面值1.5億美元(相當於約11.7億港元)及1億美元(相當於約7.8億港元)之優先票據，合共2.5億美元(相當於19.5億港元)。兩者合併並組成為單一系列「2018年5月票據」，票據的票面年利率為10.875%。發行所得款淨額主要用作項目開發及發展有關的現有債務再融資及一般公司用途。

於2018年3月31日，優先票據的賬面值為92.303億港元。優先票據由若干附屬公司共同擔保，並由若干附屬公司之股份作抵押擔保。

Short-Term Notes

In September 2014, China South International obtained the relevant approval for issuing the short-term notes in the national inter-bank market in the PRC with a maximum principal amount of RMB4.3 billion. In September 2016, China South International issued the first tranche of the short-term notes of 2016 ("2016 First Tranche STN") with a total principal amount of RMB1.2 billion with a maturity period of 1 year and at an interest rate of 4.9% per annum for general corporate purpose and repaying part of the bank loans of the Group. The 2016 First Tranche STN have been repaid in September 2017.

In October 2016, China South International obtained another approval for issuing the short-term notes with a maximum principal amount of RMB6.0 billion. In June and August 2017, China South International issued the first tranche and the second tranche of the short-term notes of 2017 with a total principal amount of RMB500 million with a maturity period of 270 days and at an interest rate of 6.5% per annum for each tranche, respectively. The proceeds thereof were to be used for general corporate purpose and repaying part of the bank loans of the Group. The first tranche and second tranche short-term notes have been repaid in March and May 2018, respectively.

Medium-Term Notes

In April 2014, China South International obtained the relevant approval for issuing the medium-term notes in the national inter-bank market in the PRC with a maximum principal amount of RMB4.0 billion. In May 2014, China South International issued the first tranche of the medium-term notes of 2014 with a total principal amount of RMB1.0 billion with a maturity period of 5 years and at an interest rate of 7.5% per annum. The proceeds thereof were to be used for repaying part of short-term bank loans of the Group. In September 2014, China South International issued the second tranche of the medium-term notes of 2014 with a total principal amount of RMB1.0 billion with a maturity period of 5 years and at an interest rate of 8.4% per annum. The proceeds thereof were to be used for repaying part of bank loans of the Group. In July 2015, China South International issued the first tranche of the medium-term notes of 2015 with a total principal amount of RMB2.0 billion with a maturity period of 3 years and at an interest rate of 7.0% per annum. The proceeds thereof were to be used for replacement of bank loans of the Group and the construction of CSC Nanning project. In April 2017, China South International obtained another approval for issuing the medium-term notes with a maximum principal amount of RMB3.0 billion. China South International may issue new medium-term notes when appropriate.

短期融資券

於2014年9月，華南國際取得於中國銀行間市場發行本金總額最高為人民幣43億元之短期融資券的相關批准。於2016年9月，華南國際發行2016年第一期短期融資券，本金總額為人民幣12億元，期限為1年，年利率為4.9%，該發行所得款項主要用作補充流動資金及償還本集團的部份銀行貸款。於2017年9月，本公司已全數償還2016年第一期短期融資券。

於2016年10月，華南國際取得另一個發行短期融資券的批准，最高發行額度為人民幣60億元。於2017年6月及8月，華南國際分別發行2017年第一期及第二期短期融資券，本金總額為各人民幣5億元，期限為270天，年利率為6.5%。該等發行所得款項主要用作補充流動資金及償還本集團的部份銀行貸款。於2018年3月及5月，本公司已分別全數償還2017年第一期及第二期短期融資券。

中期票據

於2014年4月，華南國際取得於中國銀行間市場發行本金總額最高為人民幣40億元之中期票據的相關批准。於2014年5月，華南國際發行2014年第一期中期票據，本金總額為人民幣10億元，期限為5年，年利率為7.5%，該發行所得款項主要用作償還本集團的部分短期銀行貸款。於2014年9月，華南國際發行2014年第二期中期票據，本金總額為人民幣10億元，期限為5年，年利率為8.4%，該發行所得款項主要用作償還本集團的部分銀行貸款。於2015年7月，華南國際發行2015年第一期中期票據，本金總額為人民幣20億元，期限為3年，年利率為7.0%，該發行所得款項主要用作置換本集團的銀行貸款及南寧華南城項目之發展。於2017年4月，華南國際取得另一個發行中期票據的批准，最高發行額度為人民幣30億元。華南國際將於合適時機發行有關中期票據。

Corporate Bonds

In March 2015, China South International obtained the relevant approval for issuing the corporate bonds in a maximum principal amount of RMB1.5 billion in the PRC. In April 2015, China South International issued the corporate bonds with a total principal amount of RMB1.5 billion with a term of up to 6 years in maximum and at an interest rate of 7.0% per annum. The proceeds thereof were to be used for funding the development of CSC Zhengzhou project. In April 2018, China South International redeemed approximately RMB1.499 billion of corporate bonds, the remaining portion of RMB482,000 will be matured at April 2021 at an interest rate of 8.05% per annum.

Further details of the corporate bonds are set out in note 33 to the financial statements.

Domestic Company Bonds

In December 2015, China South International obtained the relevant approval for issuing the domestic company bonds in a maximum principal amount of RMB4.4 billion in the PRC. In January 2016, China South International issued the first tranche of the domestic company bonds of 2016 with a total principal amount of RMB3.0 billion with a term of 3 years and at an interest rate of 5.98% per annum. The proceeds thereof were to be used for repaying part of bank loans of the Group and for general working capital. In May 2016, China South International issued the second tranche of the domestic company bonds of 2016 with a total principal amount of RMB1.4 billion with a term of 3 years and at an interest rate of 6.85% per annum. The proceeds thereof were to be used for repaying part of bank loans of the Group and for general working capital.

As at 31 March 2018, the carrying value of China South International's short-term notes were HK\$625.1 million, medium-term notes were HK\$5,251.6 million, corporate bonds were HK\$1,978.3 million and domestic company bonds were HK\$5,644.2 million respectively.

Further details of the domestic company bonds are set out in note 34 to the financial statements.

Gearing Ratio

The Group's gearing ratio (net debt divided by total equity) was 77.4% as at 31 March 2018 and 78.2% as at 31 March 2017. The total liabilities over total assets ratio was 67.4% as at 31 March 2018 (31 March 2017: 68.0%).

企業債券

於2015年3月，華南國際取得於中國發行本金總額最高為人民幣15億元之企業債券的相關批准。於2015年4月，華南國際發行該企業債券，本金總額為人民幣15億元，期限為最長6年，年利率為7.0%，該發行所得款項主要用作興建鄭州華南城項目之發展。於2018年4月，華南國際贖回本金總額約為人民幣14.99億元之企業債券，剩餘本金總額為人民幣482,000元之企業債券將於2021年4月到期，年利率為8.05%。

企業債券之進一步詳情載於財務報表附註33。

境內公司債券

於2015年12月，華南國際取得於中國發行本金總額最高為人民幣44億元之境內公司債券的相關批准。於2016年1月，華南國際發行2016年第一期境內公司債券，本金總額為人民幣30億元，期限為3年，年利率為5.98%。該發行所得款項主要用作置換本集團的銀行貸款及一般營運資金。於2016年5月，華南國際發行2016年第二期境內公司債券，本金總額為人民幣14億元，期限為3年，年利率為6.85%。該發行所得款項主要用作置換本集團的銀行貸款及一般營運資金。

於2018年3月31日，華南國際短期融資券的賬面值為6.251億港元、中期票據的賬面值為52.516億港元、企業債券的賬面值為19.783億港元及境內公司債券的賬面值為56.442億港元。

境內公司債券之進一步詳情載於財務報表附註34。

資本負債比率

本集團於2018年3月31日和2017年3月31日的資本負債比率(債務淨額除權益總額)分別為77.4%和78.2%。2018年3月31日，總負債對總資產比率為67.4%(2017年3月31日：68.0%)。

Net Current Assets and Current Ratio

As at 31 March 2018, the Group had net current assets of HK\$8,368.8 million (31 March 2017: HK\$7,485.0 million) at a current ratio of 1.19 (31 March 2017: 1.25).

Contingent Liabilities

The Group has provided guarantees with respect to banking facilities granted by certain banks in connection with mortgage loans entered into by purchasers of the Group's trade centers and residential properties and bank loans entered into by lessees of the Group's residential and commercial properties. The guarantees granted to purchasers of trade centers and residential properties will be released when the purchasers obtain building ownership certificates, which will then be pledged to the banks. For leased residential and commercial properties, the guarantees will be released accordingly when the lessees repaid the loan. As at 31 March 2018, the guarantees amounted to HK\$12,574.5 million (31 March 2017: HK\$9,396.3 million).

Commitments

As at 31 March 2018, the Group had future capital expenditure contracted but not yet provided for in the amount of HK\$10,725.3 million (31 March 2017: HK\$8,787.7 million).

Acquisition and Disposal of Subsidiary and Associated Companies

The Group had no material acquisitions and disposals of subsidiaries and associated companies during the Year.

Foreign Exchange Risk

The Group conducts its business primarily in Renminbi. The income and bank deposits of the Group were substantially denominated in Renminbi to meet the Group's development and operation needs in the PRC. Other than the foreign currency denominated bank deposits, bank borrowings and senior notes, the Group does not have any other material exposure to foreign exchange risk and no foreign currency hedging was done during the Year. To mitigate foreign exchange exposure for the purpose of minimizing adverse effect on the operation of the Group, the Group continues to adopt a proactive approach to closely monitor the foreign currency market, as well as explore the domestic capital market for financing opportunities and consider hedging arrangement if such need arise.

流動資產淨值及流動比率

於2018年3月31日，本集團流動資產淨值為83.688億港元(2017年3月31日：74.850億港元)，流動比率為1.19(2017年3月31日：1.25)。

或然負債

本集團為其交易中心及住宅物業買家與銀行訂立的按揭貸款以及其住宅及商業物業承租人與銀行訂立的銀行貸款提供擔保。授予買家的擔保將於買家取得房地產所有權證，並於其後抵押予銀行時解除。就租賃住宅及商業物業而言，擔保將於承租人償還貸款時相應解除。於2018年3月31日，擔保金額為125.745億港元(2017年3月31日：93.963億港元)。

承擔

於2018年3月31日，本集團的已訂約但未計提撥備的未來資本開支金額為107.253億港元(2017年3月31日：87.877億港元)。

收購及出售附屬公司及聯營公司

本集團於本年度並無任何收購及出售附屬公司及聯營公司的重大項目。

外匯風險

本集團之業務主要以人民幣進行。本集團之收入及銀行存款大部分為人民幣，以滿足其在國內的發展和運營所需。除以外幣計值的銀行存款、銀行借貸、優先票據外，本集團並沒有其他重大的外匯風險，在本年度內並沒有進行匯率對沖之安排。為緩和及外匯風險以減低本集團營運的重大不利影響，本集團繼續採納積極態度密切監察外幣市場，同時開拓國內資本市場以爭取融資機會，並在需要時適時作出匯率對沖之安排。

Economic, Commercial and Other Risks

The Group may be exposed to the risk of negative developments in national and regional economies, property and financial markets. It may result in reductions in sales and selling prices of the properties, rental rates and occupancy rates of properties, and demand for ancillary services and facilities it provides. It may also result in recession, inflation, deflation and currency fluctuations as well as restrictions in the availability of credit, increases in financing and other operating costs. The development of the Group's projects may subject to market risks as it usually takes time to complete. Though the Group appoints quality partners for the development of its projects, it may still be subject to associated risk of the quality and safety of the products and services provided by the Group. The Group may also be subject to a number of regulatory environments in the territories in which it operates. Changes in the regulatory approach to such matters as ownership of assets and businesses, regulations related to development and operations, exchange controls, tax rules and employment legislation may impact the business of the Group. Changes in the political environment in such territories may also affect the Group. The management of the Group will keep abreast of the environment and policy changes and make the necessary adjustments in response to such changes, if any. Further steps taken by the Group to manage the financial risk are set out in note 47 to the financial statements.

Land for Projects and Restriction on Sales

The Group signs project agreements with local governments prior to the development of all projects in order to outline the long term blueprints of relevant projects. These agreements generally set out the size and use of lands and the related development plans. However, the actual acquisition of lands, land area and terms and conditions of such acquisition are subject to the relevant regulations and local governments' requirements, the Group's development plans and the results of the relevant public tender, auction and listing. Since the development of each of these projects may last for more than ten years, the Group and the local government may agree to adjust the details of these agreements to align with the actual needs of project developments.

The progress of the land acquisition and project development depends on the progress of the Group's planning, as well as the procedural formalities as determined by the local government departments. As the procedures and requirements set by different local governments vary, the Group may adjust the development of each project according to relevant conditions. In view of its substantial land bank and flexibility in project planning, the Group believes such circumstances will not have material impact on its development as a whole.

經濟、商業及其他風險

本集團或會受到來自國家與區域經濟、房地產及金融市場負面發展風險的影響。該等風險或會導致物業銷售及其價格、物業租金及佔有率下降，以及對其提供的配套服務與設施需求的下降。其亦或會導致經濟衰退、通貨膨脹、通貨緊縮及匯價波動，以及信貸受限、融資及其他運營成本上升。由於本集團的項目開發需時，其或受到市場風險影響。儘管本集團委聘優質合作夥伴進行項目開發，但仍可能受其提供產品與服務之品質及安全性所帶來風險的影響。本集團於其運營的地區亦可能受一系列監管環境影響，包括資產及業務的擁有權、涉及開發及運營的法規、外匯管制、稅收規則及勞動法規等監管方式的變化或會影響本集團的業務。當地政策環境的變化亦可能會影響本集團的業務。本集團管理層將因應該等變化作出適時調整，以與市場環境及政策變化保持一致。本集團進一步管理財務風險的辦法載於財務報表附註47內。

項目土地及銷售限制

本集團在發展各項目前均與當地政府簽訂項目協議，以勾劃相關項目長遠的概要藍圖，該等協議一般會就項目土地規模、性質及發展作概要約定，但實質土地的取得、土地面積及取得之條款將按相關規定、當地政府要求、本集團的發展規劃及招拍掛的結果為準。由於各項目的發展期間可能超過十年，本集團及當地政府可能會因應項目發展的需要而協商調整協議內容。

本集團項目土地的取得及建設的進度，除視乎內部之規劃外，亦視乎項目當地政府部門各程序之手續。各地政府的程序和要求各異，因此，本集團對各項目的發展將視乎有關情況而作相應的調整和配合，但由於本集團的項目用地充裕，規劃上具較強的彈性，本集團認為有關情況對本集團的整體發展影響不大。

Pursuant to certain project and land related contracts and documents, some of the land acquired by the Group may have sales restrictions on properties built on it. These include the saleable area of trade centers of CSC Shenzhen is limited to 30% of the total buildable GFA of properties built on the relevant parcels of land. The saleable area of trade centers and warehousing facilities built on certain parcels of land acquired by CSC Nanchang and CSC Nanning in 2010 are limited to 60% of the relevant total buildable GFA. The saleable area of trade centers or commercial properties built by CSC Hefei and CSC Chongqing are limited to 50% of their relevant total buildable GFA. The saleable area of trade centers or commercial properties of phase I and future phases of CSC Zhengzhou are limited to 60% and 50% respectively of its relevant total buildable GFA. According to the Group's business model, the Group intends to hold not less than 50% of trade centers and commercial facilities for leasing and self-use, the related sales restrictions will not have significant impact to the Group.

Human Resources

As at 31 March 2018, the Group had a workforce of approximately 5,640 people. The number of the Group's staff decreased by approximately 12.1% from 6,420 people as at 31 March 2017. The Group aims to recruit, retain and develop competent individuals who are committed to the Group's long-term success and growth. Remunerations and other benefits of employees are reviewed annually in response to both market conditions and trends, and are based on qualifications, experience, responsibilities and performance. In addition to basic salaries and other staff benefits, discretionary bonuses and share options may be awarded to employees who display outstanding performance and contributions to the Group. During the Year, the Company granted in aggregate 120,000,000 share options to two Executive Directors of the Group.

根據若干項目及土地相關合同和文件，部分項目土地所建之物業存在銷售限制，包括深圳華南城相關地塊上的交易中心的可銷售面積限於總可建建築面積的30%；南昌華南城和南寧華南城於2010年取得的若干土地，其上建設的交易中心及倉儲設施的可銷售面積限於該等物業總可建建築面積的60%；合肥華南城及重慶華南城建設的交易中心或商業物業的可銷售面積限於該等物業總可建建築面積的50%；鄭州華南城建設的一期及以後各期的交易中心或商業物業的可銷售面積分別限於該等物業總可建建築面積的60%及50%。按本集團商業模式，本集團規劃持有不少於50%交易中心及商業配套設施作租賃和自用，有關銷售限制對本集團的影響不大。

人力資源

於2018年3月31日，本集團有僱員約5,640人。本集團僱員人數較2017年3月31日的6,420人減少約12.1%。本集團旨在招聘、挽留及培訓該等致力於本集團長遠成功及增長的人員。僱員的薪酬及其他福利乃參考市況及市場趨勢，以及按彼等的資歷、經驗、職責及表現每年進行檢討。除基本薪金及其他員工福利外，表現優秀且為本集團作出貢獻的僱員亦可獲獎勵酌情花紅及購股權。於本年度，本公司向兩名執行董事授出合共120,000,000份購股權。

Project Portfolio

項目組合

Properties held for sale/finance lease 持作銷售/融資租賃物業

Project	Location	Group's Interest	Acquired land	Description	Approx. GFA (sq. m.)	Completion Year
			area (sq. m.)			
項目	地點	本集團權益	已購土地面積 (平方米)	內容	概約建築面積 (平方米)	竣工年份
China South City Shenzhen 深圳華南城	No. 1 Hua Nan Main Road, Pinghu, Longgang District, Shenzhen, China 中國深圳市龍崗區平湖華南大道一號	100%	1,060,000	Phase I trade centers 一期交易中心	1,000	2004
				Phase II residential facilities 二期住宅配套設施	1,200	2008
				Phase II commercial and other ancillary facilities 二期商業及其他配套設施		
				Phase II trade centers 二期交易中心	200	2009
				Phase III commercial and other ancillary facilities 三期商業及其他配套設施		
				Phase III trade centers 三期交易中心	42,500	2016
China South City Nanchang 南昌華南城	No. 1, Huanan Avenue, Honggutan New District, Nanchang City, Jiangxi Province, China 中國江西省南昌市紅谷灘新區華南大道一號	100%	1,807,800	Logistics zone commercial and other ancillary facilities 物流園區商業及其他配套設施	33,600	2015, 2016
				— Office tower — 辦公樓		
				Phase I trade centers 一期交易中心	369,300	2012, 2014, 2015, 2016
				Phase I residential facilities 一期住宅配套設施	10,600	2012, 2015, 2017, 2018

Project Portfolio (Continued)
項目組合(續)

Properties held for sale/finance lease
持作銷售/融資租賃物業

Project	Location	Group's Interest	Acquired land	Description	Approx. GFA (sq. m.)	Completion Year
			area (sq. m.)			
項目	地點	本集團權益	已購土地面積 (平方米)	內容	概約建築面積 (平方米)	竣工年份
China South City Nanning 南寧華南城	No. 56, Shajing Avenue, Jiangnan District, Nanning City, Guangxi Zhuang Autonomous Region, China 中國廣西壯族自治區南寧市江南區沙井大道56號	100%	890,000	Phase I trade centers 一期交易中心	216,500	2012
				Phase I offices 一期寫字樓	155,000	2018
				Phase I residential facilities 一期住宅配套設施	123,200	2013, 2017, 2018
China South City Xi'an 西安華南城	No. 8, Port Avenue, Xi'an International Trade and Logistics Park, Xi'an City, Shaanxi Province, China 中國陝西省西安市西安國際港務區港務大道8號	100%	1,926,000	Phase I trade centers 一期交易中心	518,300	2013, 2015, 2017
China South City Harbin 哈爾濱華南城	Tuanjie Town, Daowei District, Harbin City, Heilongjiang Province, China 中國黑龍江省哈爾濱市道外區團結鎮	100%	2,035,300	Phase I trade centers 一期交易中心	694,300	2014, 2017
				Phase I residential facilities 一期住宅配套設施	7,100	2016
China South City Zhengzhou 鄭州華南城	Longhu Town, Xinzheng City, Zhengzhou City, Henan Province, China 中國河南省鄭州市新鄭市龍湖鎮	100%	3,223,100	Phase I trade centers 一期交易中心	746,400	2014, 2016, 2018
China South City Hefei 合肥華南城	Fanhua Avenue, Taohua Industrial Park, Feixi County of Hefei City, Anhui Province, China 中國安徽省合肥市肥西桃花工業園繁華大道	100%	2,450,100	Phase I trade centers 一期交易中心	214,000	2014, 2015, 2018
				Phase I residential facilities 一期住宅配套設施	200	2016, 2018
China South City Chongqing 重慶華南城	No. 1 Dongcheng Avenue, Nanpeng, Banan District, Chongqing Municipality, China 中國重慶市巴南區南彭東城大道一號	100%	2,751,400	Phase I trade centers 一期交易中心	609,100	2015, 2016

Properties for Investment
投資物業

Project	Location	Group's Interest	Description	Approx. GFA ⁽¹⁾ (sq. m.) 概約建築面積 ⁽¹⁾ (平方米)	Lease Term
項目	地點	本集團權益	內容		契約年期
China South City Shenzhen 深圳華南城	No. 1 Hua Nan Main Road, Pinghu, Longgang District, Shenzhen, China 中國深圳市龍崗區平湖 華南大道一號	100%	Phase I trade centers 一期交易中心	167,100	Medium Term Lease 中期契約
			Phase I commercial and other ancillary facilities 一期商業及其他配套設施		
			— Business centers — 商務中心	22,400	Medium Term Lease 中期契約
			— Hotel properties — 酒店物業	32,100	Medium Term Lease 中期契約
			Phase II trade centers 二期交易中心	352,800	Medium Term Lease 中期契約
			Phase II commercial and other ancillary facilities 二期商業及其他配套設施		
			— Office tower — 辦公樓	15,100	Medium Term Lease 中期契約
			— Shopping plaza — 商場	15,200	Medium Term Lease 中期契約
			Phase III trade centers 三期交易中心	267,400	Medium Term Lease 中期契約
			Phase III commercial and other ancillary facilities 三期商業及其他配套設施		
— Office tower — 辦公樓	4,400	Medium Term Lease 中期契約			
— Residential properties — 住宅物業	32,100	Medium Term Lease 中期契約			

Project Portfolio (Continued)
項目組合(續)

Properties for Investment
投資物業

Project	Location	Group's Interest	Description	Approx. GFA ⁽¹⁾ (sq. m.) 概約建築面積 ⁽¹⁾ (平方米)	Lease Term
項目	地點	本集團權益	內容		契約年期
China South City Nanchang 南昌華南城	No. 1 Huanan Avenue, Honggutan New District, Nanchang City, Jiangxi Province, China 中國江西省南昌市紅谷灘新區 華南大道一號	100%	Phase I trade centers 一期交易中心	45,600	Medium Term Lease 中期契約
China South City Nanning 南寧華南城	No. 56 Shajing Avenue, Jiangnan District, Nanning City, Guangxi Zhuang Autonomous Region, China 中國廣西壯族自治區南寧市 江南區沙井大道56號	100%	Phase I trade centers, commercial and hotels 一期交易中心·商業和酒店	515,600	Medium Term Lease 中期契約
China South City Xi'an 西安華南城	No. 8, Port Avenue, Xi'an International Trade and Logistics Park, Xi'an City, Shaanxi Province, China 中國陝西省西安市 西安國際港務區 港務大道8號	100%	Phase I trade centers 一期交易中心	112,700	Medium Term Lease 中期契約
China South City Harbin 哈爾濱華南城	Tuanjie Town, Daowei District, Harbin City, Heilongjiang Province, China 中國黑龍江省哈爾濱市道外區 團結鎮	100%	Phase I trade centers, commercial, offices and hotels 一期交易中心·商業·寫字樓和 酒店	439,000	Medium Term Lease 中期契約
China South City Zhengzhou 鄭州華南城	Longhu Town, Xinzheng City, Zhengzhou City, Henan Province, China 中國河南省鄭州市新鄭市 龍湖鎮	100%	Phase I trade centers 一期交易中心	492,000	Medium Term Lease 中期契約
China South City Hefei 合肥華南城	Fanhua Avenue, Taohua Industrial Park, Feixi County of Hefei City, Auhui Province, China 中國安徽省合肥市肥西桃花工業園 繁華大道	100%	Phase I trade centers and warehouse 一期交易中心和倉儲	915,800	Medium Term Lease 中期契約
China South City Chongqing 重慶華南城	No. 1 Dongcheng Avenue, Nanpeng, Banan District, Chongqing Municipality, China 中國重慶市巴南區 南彭東城大道一號	100%	Phase I trade centers 一期交易中心	316,900	Medium Term Lease 中期契約

Note:

(1) The approximate GFA does not include the area of underground facilities.

附註：

(1) 概約建築面積不包括地底設施面積。

Project Portfolio (Continued)
項目組合(續)

Properties under Development – with Land use Rights Certificates
發展中物業 – 具備土地使用權證書

Project/Location	Group's Interest	Approx. Acquired land area ⁽¹⁾ (sq. m.) 概約已購土地面積 ⁽¹⁾ (平方米)	Total Planned GFA ⁽²⁾ (sq. m.) 規劃總建築面積 ⁽²⁾ (平方米)	Description	Properties under Development (sq. m.)	Stage of completion	Estimated completion calendar year
項目/地點	本集團權益			內容	發展中物業 (平方米)	完成階段	預計竣工曆年
1. China South City Shenzhen 深圳華南城 No. 1 Hua Nan Main Road, Pinghu, Longgang District, Shenzhen, China 中國深圳市龍崗區平湖 華南大道一號	100%	1,060,000	2,644,000	a. Trade centers, warehouse and other ancillary facilities 交易中心·倉儲及其他配套設施	185,000	Foundation work and superstructure in progress 地基工程及上蓋工程進行中	2019-2021
				b. Remaining portions 餘下部分	–	Planning 規劃中	–
2. China South City Nanchang 南昌華南城 No. 1, Huanan Avenue, Honggutan New District, Nanchang City, Jiangxi Province, China 中國江西省南昌市紅谷灘新區 華南大道一號	100%	1,807,800	4,794,400	a. Trade centers, residential, commercial, warehouse and other ancillary facilities 交易中心·住宅·商業·倉儲及其他配套設施	263,800	Foundation work and superstructure in progress 地基工程及上蓋工程進行中	2019-2020
				b. Remaining portions 餘下部分	–	Planning 規劃中	–
3. China South City Nanning 南寧華南城 No. 56, Shajing Avenue, Jiangnan District, Nanning City, Guangxi Zhuang Autonomous Region, China 中國廣西壯族自治區南寧市 江南區沙井大道56號	100%	890,000	2,480,000	–	–	Planning 規劃中	–
4. China South City Xi'an 西安華南城 No.8, Port Avenue, Xi'an International Trade and Logistics Park, Xi'an City, Shaanxi Province, China 中國陝西省西安市西安國際港務區 港務大道8號	100%	1,926,000	4,676,600	a. Trade centers, commercial, warehouse and other ancillary facilities 交易中心·商業·倉儲及其他配套設施	499,800	Foundation work and superstructure in progress 地基工程及上蓋工程進行中	2018-2020
				b. Remaining portions 餘下部分	–	Planning 規劃中	–
5. China South City Harbin 哈爾濱華南城 Tuanjie Town, Daowei District, Harbin City, Heilongjiang Province, China 中國黑龍江省哈爾濱市道外區團結鎮	100%	2,035,300	5,039,900	a. Trade centers, residential, commercial, hotels, warehouse and other ancillary facilities 交易中心·住宅·商業·酒店·倉儲及其他配套設施	546,200	Foundation work and superstructure in progress 地基工程及上蓋工程進行中	2018-2020
				b. Remaining portions 餘下部分	–	Planning 規劃中	–

Properties under Development – with Land use Rights Certificates
發展中物業 – 具備土地使用權證書

Project/Location	Group's Interest	Approx. Acquired land area ⁽¹⁾ (sq. m.) 概約已購土地面積 ⁽¹⁾ (平方米)	Total Planned GFA ⁽²⁾ (sq. m.) 規劃總建築面積 ⁽²⁾ (平方米)	Description	Properties under Development (sq. m.)	Stage of completion	Estimated completion calendar year
項目/地點	本集團權益			內容	發展中物業 (平方米)	完成階段	預計竣工曆年
6. China South City Zhengzhou 鄭州華南城 Longhu Town, Xinzheng City, Zhengzhou City, Henan Province, China 中國河南省鄭州市新鄭市 龍湖鎮	100%	3,223,100	8,904,500	a. Trade centers, residential, commercial, warehouse and other ancillary facilities 交易中心、住宅、商業、倉儲及其他配套設施	1,811,900	Foundation work and superstructure in progress 地基工程及上蓋工程進行中	2018-2020
				b. Remaining portions 餘下部分	–	Planning 規劃中	–
7. China South City Hefei 合肥華南城 Fanhua Avenue, Taohua Industrial Park, Feixi County of Hefei City, Anhui Province, China 中國安徽省合肥市肥西 桃花工業園繁華大道	100%	2,450,100	5,993,000	a. Trade centers, residential, commercial, warehouse and other ancillary facilities 交易中心、住宅、商業、倉儲及其他配套設施	1,640,800	Foundation work and superstructure in progress 地基工程及上蓋工程進行中	2018-2021
				b. Remaining portions 餘下部分	–	Planning 規劃中	–
8. China South City Chongqing 重慶華南城 No. 1 Dongcheng Avenue, Nanpeng, Banan District, Chongqing Municipality, China 中國重慶市巴南區南彭東城大道一號	100%	2,751,400	6,626,000	a. Trade centers, residential, commercial, warehouse and other ancillary facilities 交易中心、住宅、商業、倉儲及其他配套設施	552,700	Foundation work and superstructure in progress 地基工程及上蓋工程進行中	2018-2020
				b. Remaining portions 餘下部分	–	Planning 規劃中	–

Notes:

- (1) Represents the land area acquired by the Group as at 31 March 2018.
- (2) Represents the planned GFA for the land acquired including completed properties and properties under development. The actual GFA to be built may vary subsequently according to needs of the Group.

附註：

- (1) 代表本集團於2018年3月31日已購得之土地。
- (2) 代表已購得之土地的規劃建築面積包括已竣工物業及發展中物業，後續實際建設的面積可能會因應本集團的需要而有所變更。

Five Years' Financial Summary

五年財務概要

		Year ended 31 March 截至3月31日止年度				
		2018 HK\$'000 千港元	2017 HK\$'000 千港元	2016 HK\$'000 千港元	2015 HK\$'000 千港元	2014 HK\$'000 千港元
RESULTS	業績					
Revenue	收入	9,405,370	7,838,510	6,136,262	9,757,767	13,468,322
Gross Profit	毛利	4,069,179	3,510,145	2,959,053	5,175,530	6,547,164
Profit before tax	稅前利潤	6,783,465	6,592,254	4,904,233	5,859,489	6,168,828
Income tax expenses	所得稅開支	(2,281,133)	(2,269,292)	(1,370,457)	(2,144,709)	(2,472,478)
Profit for the year	本年度利潤	4,502,332	4,322,962	3,533,776	3,714,780	3,696,350
Attributable to:	下列各方應佔：					
Owners of the parent	母公司擁有人	4,511,679	4,322,626	3,537,012	3,727,872	3,494,481
Non-controlling interests	非控股權益	(9,347)	336	(3,236)	(13,092)	201,869
Core net profit attributable to owners of the parent*	母公司擁有人應佔核心淨利潤*	1,608,548	1,351,212	1,205,782	1,854,273	2,677,696
ASSETS AND LIABILITIES	資產及負債					
Non-current assets	非流動資產	59,267,098	51,889,666	44,393,168	38,990,032	29,918,774
Current assets	流動資產	52,278,868	37,086,167	38,992,163	34,263,939	30,042,168
Total assets	資產總值	111,545,966	88,975,833	83,385,331	73,253,971	59,960,942
Current liabilities	流動負債	43,910,048	29,601,179	28,021,173	28,345,624	24,243,429
Non-current liabilities	非流動負債	31,235,164	30,895,263	28,995,693	19,886,531	15,573,368
Total liabilities	負債總額	75,145,212	60,496,442	57,016,866	48,232,155	39,816,797
Equity attributable to owners of parent	母公司擁有人應佔權益	36,218,344	28,298,254	26,178,517	24,866,969	19,969,505
Non-controlling interests	非控股權益	182,410	181,137	189,948	154,847	174,640
Total equity	權益總額	36,400,754	28,479,391	26,368,465	25,021,816	20,144,145
Earnings per share attributable to ordinary equity holders of the parent	歸屬於母公司普通股權益持有人之每股盈利					
Basic	基本	HK56.35 cents 港仙	HK53.99 cents 港仙	HK44.22 cents 港仙	HK48.73 cents 港仙	HK55.71 cents 港仙
Diluted	攤薄	HK56.19 cents 港仙	HK53.96 cents 港仙	HK44.05 cents 港仙	HK45.27 cents 港仙	HK47.93 cents 港仙

* Represents the net profit attributable to owners of the parent excluding fair value gains on investment properties and related tax effects, provision for impairment loss of available-for-sale investments, fair value gain on derivative financial instrument and loss on redemption of senior notes.

* 代表未計投資物業公平值收益及相關稅務影響、可供出售金融投資減值撥備、衍生金融工具公平值收益和贖回優先票據之虧損的母公司擁有人應佔淨利潤。

Biographical Details of Directors and Key Management

董事及主要管理層履歷

Executive Directors

Mr. CHENG Chung Hing, aged 57, is our Chairman and an Executive Director. He is a co-founder of our Group and has been a Director since 2 August 2002. He acted as Co-Chairman of the Group from 30 September 2009 until he was re-designated as Chairman of the Group on 25 July 2017. Mr. Cheng is primarily responsible for formulating the overall strategies and assessing the performance of the Group as well as providing leadership for the Board. He has more than 35 years of management experience in the manufacturing, wholesale and distribution businesses. Mr. Cheng has been awarded the “Young Industrialist Awards of Hong Kong 1997” from the Federation of Hong Kong Industries, the Distinguished International Entrepreneur of the Year Award 1997 from San Francisco State University and the Chinese Outstanding Entrepreneur Award 2008 from the China Enterprise Confederation and the China Enterprise Directors Association. Mr. Cheng is the vice chairman of the China Chamber of International Commerce, a member of the 10th and a standing member of the 11th Guangxi Zhuang Autonomous Region Committee of the Chinese People’s Political Consultative Conference and a member of the 3rd, the 4th and the 5th Shenzhen Committee of the Chinese People’s Political Consultative Conference. Mr. Cheng is also presently the foundation honorary chairman of Gem and Jewelry Committee of China General Chamber of Commerce, a standing member of the China Enterprise Confederation and the China Enterprise Directors Association, vice president of the China Federation of Logistics and Purchasing, vice president of the Guangxi Zhuang Autonomous Region Federation of Industry and Commerce, vice president of the Guangxi Overseas Friendship Association, vice president of the China Chamber of International Commerce Shenzhen, Honorary chairman of the Shenzhen Logistics and Supply Chain Management Association, vice chairman of the Federation of Shenzhen Industries, honorary life president of the Hong Kong Gemstone Manufacturers’ Association Limited, honorary chairman of Zhejiang Pearl Trade Association and member of the Shenzhen Overseas Friendship Association. Mr. Cheng was the chairman and non-executive director of Man Sang Jewellery Holdings Limited, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (“The Hong Kong Stock Exchange”) (stock code: 1466) until 10 December 2016 and he was the chairman and non-executive director of Man Sang International Limited, a company listed on the Main Board of The Hong Kong Stock Exchange (stock code: 938) until 16 October 2014. He was also the director of China Metro-Rural Holdings Limited (formerly known as Man Sang International (B.V.I.) Limited), a company listed on the New York Stock Exchange MKT (ticker symbol: CNR) until 5 December 2013. Mr. Cheng is the father of Ms. Cheng Ka Man Carman, an Executive Director, and a younger brother of Mr. Cheng Tai Po, a Non-executive Director.

執行董事

鄭松興先生，57歲，主席兼執行董事。彼為本集團的創辦人之一，自2002年8月2日獲委任為董事。彼由2009年9月30日起擔任集團聯席主席至2017年7月25日調任為集團主席。鄭先生主要負責制定本集團的整體策略及評估本集團的業績，並領導董事會。彼在製造及批發分銷業務方面擁有逾35年管理經驗。鄭先生獲香港工業總會頒發1997年香港青年工業家獎、獲三藩市州立大學頒發Distinguished International Entrepreneur of the Year Award 1997，以及獲中國企業聯合會及中國企業家協會頒發2008年中國優秀企業家獎。鄭先生為中國國際商會副會長、中國人民政治協商會廣西壯族自治區委員會第十屆委員及第十一屆常務委員以及中國人民政治協商會議廣東省深圳市委員會第三屆、第四屆及第五屆委員。彼現時亦為中國商業聯合會珠寶首飾委員會名譽創會會長、中國企業聯合會及中國企業家協會常務委員、中國物流與採購聯合會副會長、廣西壯族自治區工商聯副主席、廣西海外聯誼會副會長、深圳國際商會副會長、深圳市物流與供應鏈管理協會名譽會長、深圳工業總會副會長、香港寶石廠商會永遠名譽會長、浙江省珍珠行業協會名譽會長及深圳海外聯誼會會員。鄭先生曾為民生珠寶控股有限公司（一家於香港聯合交易所有限公司（「香港聯交所」）主板上市之公司，股份代號：1466）之主席兼非執行董事至2016年12月10日止，及彼曾為民生國際有限公司（一家於香港聯交所主板上市之公司，股份代號：938）的主席兼非執行董事至2014年10月16日止。彼亦曾為China Metro-Rural Holdings Limited（前稱Man Sang International (B.V.I.) Limited）（一家於紐約交易所MKT上市之公司，股份代號：CNR）的董事至2013年12月5日止。鄭先生為執行董事鄭嘉汶女士之父親，非執行董事鄭大報先生之胞弟。

Biographical Details of Directors and Key Management (Continued)

董事及主要管理層履歷(續)

Mr. FUNG Sing Hong Stephen, aged 53, is our Group Vice Chairman and Executive Director. Mr. Fung joined our Group in July 2006 and since then he acted as the Group's Chief Financial Officer until 19 May 2016. He has been an Executive Director since August 2014. Mr. Fung had been the Chief Executive Officer of the Group since 1 January 2016 until he was appointed as the Group Vice Chairman on 4 May 2017. Mr. Fung is primarily responsible for assisting the Chairman in formulating the overall development planning and strategies and will be responsible for formulating capital market financing, merger and acquisition strategies, as well as strategic cooperations in e-commerce, logistics and commercial operations, including extending the cooperations with Tencent. Mr. Fung graduated from the University of Wales, United Kingdom with a Master degree in Business Administration. He is a fellow member of the Hong Kong Institute of Certified Public Accountants, a member of the American Institute of Certified Public Accountants and the Chartered Global Management Accountants and a fellow member of the Hong Kong Institute of Directors. Mr. Fung has more than 25 years of experience in financial management, mergers and acquisitions, capital markets financing and corporate restructuring. Mr. Fung is a member of the 5th Chongqing Committee of the Chinese People's Political Consultative Conference. He also holds the position of the director & vice president of Hong Kong Business Accountants Association and the vice president of Hong Kong Chongqing Friendship Federation. Prior to joining our Group, Mr. Fung was an executive director and the chief financial officer of Guangdong Investment Limited ("GDI"). Before joining GDI, Mr. Fung served as an executive director and the chief financial officer of Guangdong Land Holdings Limited (formerly known as Kingway Brewery Holdings Limited) ("GDL"). Both GDI and GDL are companies listed on the Main Board of The Hong Kong Stock Exchange (stock codes: 270 and 124, respectively). Mr. Fung was also a key member of the Guangdong Enterprises (Holdings) Limited ("GDE") restructuring team and has been extensively involved in the US\$5.3 billion debt restructuring of GDE.

Mr. SONG Chuan, aged 53, has been an Executive Director and Chief Executive Officer of the Group since 4 May 2017. He is primarily responsible for the overall operations and management of the Group. Mr. Song graduated from the PRC National University of Defense Technology, Department of Electronic Science and Technology, with a Master degree in Communication and Electronic Systems. Mr. Song has extensive experience in property development, urban operations, large-scaled enterprises operations and executive management as well as business management. Prior to joining the Group, Mr. Song was the chairman of CITIC Urban Development & Operation Co. Limited and the chief executive officer of CITIC Real Estate Co. Limited.

馮星航先生，53歲，集團副主席兼執行董事。馮先生於2006年7月加入本集團，並由加入本集團至2016年5月19日擔任本集團首席財務總監。馮先生由2014年8月出任執行董事，並於2016年1月1日至2017年5月4日期間擔任本集團行政總裁。馮先生於2017年5月4日晉升為集團副主席。馮先生主要負責協助主席制定集團發展規劃和戰略佈局，並負責制定資本市場融資及收購合併策略，以及本集團在電子商務、物流、商業運作等方面的戰略合作，包括深化與騰訊系公司的合作。馮先生畢業於英國威爾斯大學，持有工商管理碩士學位。彼為香港會計師公會資深會員、美國執業會計師公會會員、全球特許管理會計師公會會員及香港董事學會資深會員。馮先生於財務管理、合併及收購、資本市場融資及企業重組方面擁有超過25年經驗。馮先生為中國人民政治協商會議重慶市第五屆委員會委員、香港商界會計師協會之董事兼副會長及香港重慶總會副會長。加入本集團之前，馮先生為粵海投資有限公司（「粵海投資」）執行董事及財務總監。在加入粵海投資前，馮先生擔任粵海置地控股有限公司（前稱金威啤酒集團有限公司）（「粵海置地」）執行董事及財務總監。粵海投資及粵海置地均為香港聯交所主板上市的公司（股份代號分別為270及124）。馮先生亦曾為粵海企業（集團）有限公司（「粵海企業」）重組隊伍的主要成員，廣泛地參與粵海企業涉及53億美元的債務重組。

宋川先生，53歲，自2017年5月4日獲委任為本集團行政總裁兼執行董事，主要負責本集團之整體運營及行政管理。宋先生畢業於中國國防科學技術大學電子技術系，持通信與電子系統專業碩士學位。宋先生於房地產開發、城市運營、大型企業運營和行政管理，及商業管理等方面擁有豐富經驗。於加入本集團前，宋先生歷任中信城市開發運營有限責任公司之董事長及中信房地產股份有限公司之總裁等職務。

Biographical Details of Directors and Key Management (Continued)

董事及主要管理層履歷(續)

Ms. CHENG Ka Man Carman, aged 29, has been an Executive Director since 4 May 2017. She is primarily responsible for the administration and operations of the Group. Ms. Cheng graduated from the University of London with a Bachelor of Science degree in Financial and Business Economics. She also obtained a Master of Science degree in Management from the Imperial College London and a Master of Philosophy degree in Real Estate Finance from the University of Cambridge. Prior to joining the Group, Ms. Cheng was an executive director of Man Sang International Limited, a company listed on the Main Board of The Hong Kong Stock Exchange (stock code: 938). She had also worked in a leading investment firm in Asia. Ms. Cheng is the daughter of Mr. Cheng Chung Hing, the Chairman and Executive Director and the niece of Mr. Cheng Tai Po, a Non-executive Director.

Non-executive Directors

Dr. MA Kai Cheung, SBS, BBS, aged 76, is our Non-executive Director. He is a co-founder of our Group and has been a Director since 2 August 2002. He acted as Co-Chairman of the Group from 30 September 2009 to 25 July 2017. He is primarily responsible for advising on the formulation of the Group's general business models, development strategies and the resolution of major issues. Dr. Ma has more than 46 years of management experience in garment distribution and manufacturing businesses. Dr. Ma was awarded a Bronze Bauhinia Star (BBS) and a Silver Bauhinia Star (SBS) by the Government of Hong Kong Special Administrative Region in 2003 and 2009 respectively. He was also a member of the 9th, the 10th and the 11th National Committee of the Chinese People's Political Consultative Conference. Dr. Ma is currently the permanent honorary president of Shenzhen Overseas Chinese International Association, the permanent honorary president of Hong Kong Chiu Chow Chamber of Commerce Limited, the chairman of Federation of Hong Kong Guangdong Community Organizations, the permanent honorary president of Hong Kong & Kowloon Chiu Chow Public Association and the permanent honorary chairman of Federation of Hong Kong Chiu Chow Community Organizations. Dr. Ma received an Honorary Doctoral degree in Philosophy from the Morrison University in the United States in 2004. He received a fellowship from the Asian Knowledge Management Association in 2008. Dr. Ma is also the honorary chairman and non-executive director of Carrianna Group Holdings Company Limited, a company listed on the Main Board of The Hong Kong Stock Exchange (stock code: 126).

鄭嘉汶女士，29歲，自2017年5月4日獲委任為執行董事，主要負責本集團的行政工作，並參與本集團的運營工作。鄭女士畢業於英國倫敦大學取得金融及商業經濟學學士學位，彼亦取得英國帝國理工學院之管理學碩士學位及英國劍橋大學之房產金融碩士學位。於加盟本集團前，鄭女士為民生國際有限公司(一家於香港聯交所主板上市的公司，股份代號：938)之執行董事。彼亦曾於一間亞洲領先的投資公司任職。鄭女士為主席兼執行董事鄭松興先生之女兒，及非執行董事鄭大報先生之侄女。

非執行董事

馬介璋博士，銀紫荊星章、銅紫荊星章，76歲，非執行董事。彼為本集團的創辦人之一，自2002年8月2日獲委任為董事。彼由2009年9月30日至2017年7月25日期間擔任集團聯席主席。彼主要負責就制定本集團的整體業務模式、發展策略及重大事項提供意見。馬博士在成衣分銷及製造業方面擁有逾46年管理經驗。馬博士分別於2003年及2009年獲香港特別行政區政府頒授銅紫荊星章及銀紫荊星章，並為中國人民政治協商會議全國委員會第九屆、第十屆及第十一屆委員。馬博士現為深圳市僑商國際聯合會永遠名譽會長、香港潮州商會永遠名譽會長、香港廣東社團總會會長、香港九龍潮州公會永遠榮譽主席及香港潮屬社團總會永遠名譽主席。馬博士於2004年獲美國莫里森大學頒授榮譽哲學博士學位。彼於2008年獲亞洲知識管理協會頒授院士名銜。馬博士亦為佳寧娜集團控股有限公司(一家於香港聯交所主板上市的公司，股份代號：126)之名譽主席兼非執行董事。

Biographical Details of Directors and Key Management (Continued)

董事及主要管理層履歷(續)

Mr. CHENG Tai Po, aged 66, is a Non-executive Director. He has been a Director since 30 April 2010 and is primarily responsible for advising on the formulation of the Group's general business models, development strategies and the resolution of major issues. Mr. Cheng has over 35 years of experience in manufacturing, wholesale and distribution businesses. He is a board member of the Zhanjiang Ocean University, China, a general committee member of the Hong Kong Jewelry Manufacturers' Association, the chairman of Hong Kong Overseas Puning Sheshan Clansmen Association and the permanent honorary president of Hong Kong Association of Jie Yang Federation of Returned Overseas Chinese Limited. Mr. Cheng has been the executive director and deputy chairman of Man Sang International Limited, a company listed on the Main Board of The Hong Kong Stock Exchange (stock code: 938), since August 1997 and has been re-designated as chairman and non-executive director since 16 October 2014 until his retirement effective from 31 March 2016, and the director and vice-chairman of China Metro-Rural Holdings Limited (formerly known as Man Sang International (B.V.I) Limited), a company listed on the New York Stock Exchange MKT (ticker symbol: CNR) until his retirement effective from 5 September 2014. Mr. Cheng is an elder brother of Mr. Cheng Chung Hing, the Chairman and Executive Director, and is an uncle of Ms. Cheng Ka Man Carman, the Executive Director.

Mr. LIN Ching Hua, aged 45, has been a Non-executive Director since 28 June 2014. He is primarily responsible for advising on the formulation of the Group's general business models, development strategies and the resolution of major issues. Mr. Lin joined Tencent Group ("Tencent Group" includes Tencent Holdings Limited, shares of which are listed on the Main Board of The Hong Kong Stock Exchange with stock code no. 700, and its subsidiaries) in April 2013. He is currently the vice president of Tencent Group and is the general manager of Strategy Development Department and Social and Performance Advertisement Department. Mr. Lin is mainly responsible to establish the strategic platform of Tencent, to formulate the business development strategies of the Tencent Group, and to lead the research and development of various business models in the Tencent Group and the business cooperation with external strategic partners who the Tencent Group has equity investments. Mr. Lin has taken a crucial and leading role in promoting Tencent's strategic initiatives, including Weixin commercialization, important strategic investments and cooperations, and the business planning and development in internet finance, and resources integration and product innovation on social advertisement. Before joining Tencent, Mr. Lin was a partner at McKinsey & Company, Inc. ("McKinsey") and general manager of its branch in Taiwan. Mr. Lin mainly served clients and performed research in technology sector, including hi-tech manufacturing, internet service, telecommunication and media during his 12 years with McKinsey. His various research received wide coverage in a number of Business and Financial media in China. Before joining McKinsey, Mr. Lin worked at Deloitte Consulting Inc., Taiwan Office, as a consultant. He received his Master of Business Administration degree from Harvard Business School in 2001.

鄭大報先生，66歲，非執行董事。自2010年4月30日獲委任為董事，主要負責就制定本集團的整體業務模式、發展策略及重大事項提供意見。鄭先生於製造及批發分銷業務方面擁有逾35年的經驗。彼為中國湛江海洋大學校董、香港珠寶製造業廠商會之理事、香港海外普寧社山同鄉聯會會長及香港揭陽僑聯聯誼會之永遠名譽主席。鄭先生自1997年8月出任民生國際有限公司(一家於香港聯交所主板上市的公司，股份代號：938)之執行董事及副主席，並於2014年10月16日獲調任為主席兼非執行董事至2016年3月31日退任為止，以及為China Metro-Rural Holdings Limited(前稱Man Sang International (B.V.I) Limited)(一家於紐約交易所MKT上市之公司，股份代號：CNR)之董事及副主席至2014年9月5日退任為止。鄭先生為主席兼執行董事鄭松興先生之胞兄，及執行董事鄭嘉汶女士之伯父。

林環驊先生，45歲，自2014年6月28日獲委任為非執行董事，主要負責就制定本集團的整體業務模式、發展策略及重大事項提供意見。林先生於2013年4月加入騰訊集團(「騰訊集團」包括其股份於香港聯交所主板上市，股份代號為700之騰訊控股有限公司及其附屬公司)。彼現任騰訊集團副總裁，並兼任戰略發展部及社交與效果廣告部總經理。林先生主要負責騰訊戰略平台的構建、業務發展戰略的擬定，主導騰訊集團各項商業模式的創新以及對外投資的業務合作等工作。林先生在近期的騰訊微信商業化、重要的戰略投資合作、互聯網金融業務規劃與推進，以及在騰訊集團社交廣告整合與產品創新等關鍵領域均承擔主要推動領導職責。在加入騰訊前，林先生為麥肯錫全球合夥人及台灣分公司的總經理。在麥肯錫的12年間，林先生主要服務和研究的領域包括高科技產品、互聯網、通信和媒體等行業，其領導的多項研究成果在國內的多家財經與商業經營權威媒體發表。在加入麥肯錫前，林先生曾在台灣的勤業管理顧問公司擔任諮詢師，並於2001年取得哈佛大學商學院的工商管理碩士學位。

Independent Non-executive Director

Mr. LEUNG Kwan Yuen Andrew, *GBS, SBS, JP*, aged 67, has been an Independent Non-executive Director since 4 September 2009. He has more than 38 years of management experience in the textile manufacturing, wholesale and distribution businesses. Mr. Leung was elected as the President of the Sixth Legislative Council of Hong Kong on 12 October 2016 and he is currently a member of the Industrial (First) Functional Constituency of the Legislative Council of Hong Kong and is also a member of the National Committee of the Chinese People's Political Consultative Conference. Mr. Leung is currently the honorary chairman of Textile Council of Hong Kong, the honorary president of the Federation of Hong Kong Industries, a fellow member of the Textiles Institute as well as the Clothing and Footwear Institute in the United Kingdom. He was a council member of the Hong Kong Trade Development Council. In addition, Mr. Leung is an independent non-executive director of Wharf Real Estate Investment Company Limited (stock code 1997) and Dah Sing Financial Holdings Limited (stock code 440), both are companies listed on the Main Board of The Hong Kong Stock Exchange. Mr. Leung was an independent non-executive director of Dah Sing Banking Group Limited (stock code: 2356) and Harbour Centre Development Limited (stock code: 51) until his resignation effective from 20 December 2017 and 4 May 2018 respectively. He was the chairman and director of Sun Hing Knitting Factory Limited until his resignation effective from 28 February 2017.

Mr. LI Wai Keung, aged 61, has been an Independent Non-executive Director since 4 September 2009. Mr. Li has more than 40 years of experience in financial management. Mr. Li graduated from the Hong Kong Polytechnic and holds a Master degree in Business Administration from the University of East Asia, Macau, currently known as the University of Macau. He was appointed a member of the Chinese People's Political Consultative Conference Guangdong Provincial Committee on 17 January 2018 and was subsequently appointed a standing member on 27 January 2018. He is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants, and the president of Hong Kong Business Accountants Association. Mr. Li is the executive director and chief financial officer of Guangdong Holdings Limited, executive director of Guangdong Land Holdings Limited (formerly known as Kingway Brewery Holdings Limited) ("GDL"), non-executive director of Guangdong Investment Limited ("GDI") and an independent non-executive director of Shenzhen Investment Limited ("SZ Investment") and Hans Energy Company Limited ("Hans"). GDL, GDI, SZ Investment and Hans are companies listed on the Main Board of The Hong Kong Stock Exchange (stock codes: 124, 270, 604 and 554 respectively). He is the chairman of the Council of the Hong Kong Chinese Orchestra Limited, a member of China Overseas Friendship Association and the vice chairman and secretary of the Financial and Accounting Affairs Steering Committee of the Hong Kong Chinese Enterprises Association. He was appointed as Advisor of Management Accounting of the Ministry of Finance, PRC since 21 July 2014. Mr. Li had worked for Henderson Land Development Company Limited (stock code: 12).

獨立非執行董事

梁君彥先生，*金紫荊星章、銀紫荊星章、太平紳士*，67歲，自2009年9月4日獲委任為獨立非執行董事。彼於紡織品製造、批發及分銷業務方面擁有逾38年管理經驗。梁先生於2016年10月12日獲當選為第六屆香港立法會主席，彼現為香港立法會工業界(第一)功能界別成員，亦為中國人民政治協商會議全國委員會委員。梁先生同時亦為香港紡織業聯會理事委員會名譽會長、香港工業總會名譽會長、英國的紡織學會以及製衣業及鞋類學會資深會員。彼曾為香港貿易發展局理事會成員。此外，梁先生為於香港聯交所主板上市之九龍倉置業地產投資有限公司(股份代號：1997)及大新金融集團有限公司(股份代號：440)之獨立非執行董事。梁先生曾為大新銀行集團有限公司(股份代號：2356)及海港企業有限公司(股份代號：51)之獨立非執行董事分別至2017年12月20日及2018年5月4日辭任為止。彼曾為新興織造廠有限公司主席及董事至2017年2月28日辭任為止。

李偉強先生，61歲，自2009年9月4日獲委任為獨立非執行董事。李先生擁有逾40年財務管理經驗。李先生畢業於香港理工學院，並持有澳門東亞大學(現稱為澳門大學)工商管理碩士學位。李先生於2018年1月17日獲委任為中國人民政治協商會議廣東省委員會委員，並隨後於2018年1月27日獲委任為該委員會常務委員。彼為英國特許公認會計師公會及香港會計師公會資深會員，以及香港商界會計師協會會長。李先生現為粵海控股集團有限公司的執行董事兼財務總監，粵海置地控股有限公司(前稱金威啤酒集團有限公司)(「粵海置地」)執行董事，同時亦為粵海投資有限公司(「粵海投資」)之非執行董事、深圳控股有限公司(「深圳控股」)及漢思能源有限公司(「漢思」)之獨立非執行董事。粵海置地、粵海投資、深圳控股及漢思均為在香港聯交所主板上市的公司(股份代號分別為124、270、604及554)。彼為香港中樂團有限公司理事會主席、中華海外聯誼會理事及香港中國企業協會財會專業委員會副主任委員兼副秘書長，於2014年7月21日獲聘為中華人民共和國財政部管理會計諮詢專家。李先生曾任職於恒基兆業地產公司(股份代號：12)。

Biographical Details of Directors and Key Management (Continued)

董事及主要管理層履歷(續)

Mr. HUI Chiu Chung, JP, aged 71, has been an Independent Non-executive Director since 11 April 2011. Mr. Hui has over 47 years of experience in the securities and investment industry. He has served as a council member and vice chairman of The Hong Kong Stock Exchange, a member of the Advisory Committee of the Hong Kong Securities and Futures Commission, a director of the Hong Kong Securities Clearing Company Limited, a member of the Listing Committee of the Hong Kong Exchanges and Clearing Limited, an appointed member of the Securities and Futures Appeal Tribunal, a member of the Standing Committee on Company Law Reform and an appointed member of the Hong Kong Institute of Certified Public Accountants Investigation Panel A for a number of years. He was also a member of the Committee on Real Estate Investment Trusts of the Hong Kong Securities and Futures Commission and a member of Government "Appointees" (independent member) of Appeal Panel of the Travel Industry Council of Hong Kong. Mr. Hui was appointed by the Government of the Hong Kong Special Administrative Region a Justice of the Peace (JP) in 2004 and was also appointed as a member of the Zhuhai Municipal Committee of the Chinese People's Political Consultative Conference from 2006 to 2017. He is a fellow member of The Hong Kong Institute of Directors and a senior fellow member of Hong Kong Securities and Investment Institute. Mr. Hui also serves as a non-executive director of Luk Fook Holdings (International) Limited (stock code: 590) and an independent non-executive director of Zhuhai Holdings Investment Group Limited (formerly known as Jiuzhou Development Company Limited) (stock code: 908), Lifestyle International Holdings Limited (stock code: 1212), Gemdale Properties and Investment Corporation Limited (formerly known as Frasers Property (China) Limited) (stock code: 535), SINOPEC Engineering (Group) Co., Limited (stock code: 2386), Agile Property Holdings Limited (stock code: 3383) and FSE Engineering Holdings Limited (stock code: 331), whose shares are listed on The Hong Kong Stock Exchange. He was an independent non-executive director of Chun Wo Development Holdings Limited (now known as Asia Allied Infrastructure Holdings Limited) (stock code: 711) and Hong Kong Exchanges and Clearing Limited (stock code: 388) until his resignation effective from 1 February 2015 and his retirement effective from 29 April 2015 respectively.

許照中先生，太平紳士，71歲，自2011年4月11日獲委任為獨立非執行董事。許先生具備逾47年之證券及投資經驗。彼多年來曾出任香港聯交所理事會理事及副主席、香港證券及期貨事務監察委員會諮詢委員會委員、香港中央結算有限公司董事、香港交易及結算所有有限公司上市委員會委員、證券及期貨事務上訴審裁處委員、公司法改革常務委員會委員及香港會計師公會調查小組A組委員。彼曾為香港證券及期貨事務監察委員會房地產投資信託基金委員會委員及香港旅遊業議會上訴委員會獨立委員。許先生於2004年獲香港特區政府頒授太平紳士榮銜，並由2006年至2017年獲中國珠海市人民政治協商會議委任為政協委員。彼為香港董事學會資深會員和香港證券及投資學會傑出資深會員。許先生亦為股份於香港聯交所上市之六福集團(國際)有限公司(股份代號：590)之非執行董事，以及為珠海控股投資集團有限公司(前稱九洲發展有限公司)(股份代號：908)、利福國際集團有限公司(股份代號：1212)、金地商置集團有限公司(前稱星獅地產(中國)有限公司)(股份代號：535)、中石化煉化工程(集團)股份有限公司(股份代號：2386)、雅居樂地產控股有限公司(股份代號：3383)及豐盛機電控股有限公司(股份代號：331)之獨立非執行董事。彼曾為俊和發展集團有限公司(現稱亞洲聯合基建控股有限公司)(股份代號：711)和香港交易及結算所有有限公司(股份代號：388)之獨立非執行董事，分別至2015年2月1日退任及2015年4月29日任滿為止。

Biographical Details of Directors and Key Management (Continued)

董事及主要管理層履歷(續)

Mr. YUNG Wing Ki Samuel, SBS, MH, JP, aged 59, has been an Independent Non-executive Director since 1 March 2013. Mr. Yung has over 36 years of experience in insurance sector. He was awarded an EMBA from the Hong Kong University of Science and Technology and has attained certain professional qualifications, including Certified Financial Planner, Registered Financial Consultant, Fellow Chartered Financial Practitioner, Chartered Life Practitioner, Certified Manager of Financial Advisor and Chartered Insurance Agency Manager. Mr. Yung is currently an executive district director of AIA International Limited and an independent non-executive director of China Overseas Insurance Limited, a wholly-owned subsidiary of China Overseas Holdings Group, and is also an independent non-executive director of China Overseas Property Holdings Limited (stock code: 2669), a company listed on the Main Board of The Hong Kong Stock Exchange. He was an independent non-executive director of Camsing International Holding Limited (formerly known as Fitec International Group Limited) (stock code: 2662) until his resignation effective from 31 May 2016, a company listed on the Main Board of The Hong Kong Stock Exchange. Mr. Yung is also presently a member of the National Committee of the Chinese People's Political Consultative Conference, the vice chairman of the Committee for Economic Affairs (CEA) of the CPPCC National Committee, the founding president of Hong Kong Professionals and Senior Executives Association and the chairman or committee member of several Government committees and non-governmental organizations. Mr. Yung was elected the "Ten Outstanding Young Persons Award" in 1994. He was also a Municipal Commission standing member of the Chinese People's Political Consultative Conference of Jilin, Standing Committee member of All-China Youth Federation, member of Commission on Strategic Development of the HKSAR, member of Central Policy Unit, chairman of Hong Kong United Youth Association, chairman of The Outstanding Young Persons' Association, director and chairman of International Committee of General Agents & Managers Association International, co-chairman of the Asia Pacific Financial Services Association and president of The Life Underwriters Association of Hong Kong, president of General Agents and Managers Association of Hong Kong and chairman of Betting and Lotteries Commission.

容永祺先生，銀紫荊星章、榮譽勳章、太平紳士，59歲，自2013年3月1日獲委任為獨立非執行董事。容先生於保險業方面擁有逾36年經驗，獲香港科技大學頒授高層管理人員工商管理碩士，並取得若干專業資格，包括認可財務策劃師、認證財務顧問師、註冊特許財務策劃師、特許壽險策劃師、認可財務經理顧問及特許壽險營業經理等。容先生現為友邦保險(國際)有限公司區域執行總監，以及中國海外保險有限公司(中國海外集團旗下一間全資附屬公司)之獨立非執行董事，彼亦為一家在香港聯交所主板上市之中海物業集團有限公司(股份代號：2669)之獨立非執行董事。彼曾為一家在香港聯交所之主板上市之承興國際控股有限公司(前稱奕達國際集團有限公司)(股份代號：2662)之獨立非執行董事至2016年5月31日辭任為止。此外，容先生亦現為中國人民政治協商會議全國委員會委員、全國政協經濟委員會副主任、香港專業及資深行政人員協會創會會長及其他多個政府委員會及社會服務團體的主席或委員。容先生曾於1994年獲選為香港「十大傑出青年」，亦曾任吉林省政協常委、全國青聯常委、特區政府策略發展委員會委員、中央政策組成員、香港青年聯會主席、傑出青年協會主席、國際人壽保險經理協會董事兼國際委員會主席、亞太財務策劃聯會聯席主席、香港人壽保險從業員協會會長、香港人壽保險經理協會會長及博彩及獎券事務委員會主席等。

Key Management

Mr. HUI Chun Yip, aged 38, has been appointed as the Group's Chief Financial Officer since 3 April 2018. Mr. Hui is primarily responsible for the overall financial management of the Group, establishing and maintaining investor relations and executing the Group's capital market financing, mergers and acquisitions and business cooperation. Mr. Hui has more than 16 years of experience in financial management which include auditing, accounting and financial management, corporate finance and investor relations. During the period from March 2007 to February 2015, Mr. Hui held various senior financial management positions of the Group, which included the Group's chief accountant and general manager of account department. Before rejoined the Group on 3 April 2018, Mr. Hui was the chief financial officer and company secretary of Yuzhou Properties Company Limited, a company listed on the Main Board of The Hong Kong Stock Exchange (stock code: 1628), from 31 March 2015 to 9 February 2018. Mr. Hui also had worked in Ernst & Young before. Mr. Hui graduated from the Chinese University of Hong Kong with a Bachelor of Business Administration degree. Mr. Hui is a member of the Hong Kong Institute of Certified Public Accountants.

Ms. TSE Man Yu, aged 47, is the Company Secretary and the Group's Deputy Chief Financial Officer. Ms. Tse joined our Group in February 2008. She assists the Chief Financial Officer in offshore financing, merger and acquisition, business cooperation of the Group, and responsible for company secretarial duties and investor relations. Ms. Tse is also a director of certain subsidiaries of the Group. Ms. Tse graduated from the City University of Hong Kong with a Bachelor of Science (Honors) degree in Finance. She is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. Ms. Tse has more than 22 years of experience in financial management, mergers and acquisitions, corporate finance and asset management. Prior to joining our Group, Ms. Tse was the assistant chief financial officer of GDI which is a company listed on the Main Board of The Hong Kong Stock Exchange (stock code: 270). Ms. Tse was an alternate director of Guangdong Development Fund Limited ("GDF"), which is a company listed on the London Stock Exchange (code: gdf), and a director of Guangdong Investment Management Limited, which is the fund manager of GDF. Ms. Tse had also been a senior corporate finance executive of Tung Fong Hung (Holdings) Limited (stock code: 279) and Sing Pao Media Group Limited (stock code: 164), both companies were listed on the Main Board of The Hong Kong Stock Exchange.

主要管理層

許進業先生，38歲，於2018年4月3日獲委任集團首席財務總監。許先生主要負責本集團的整體財務管理、建立和維護投資者關係、執行本集團資本市場融資、收購合併及業務合作項目等。許先生擁有逾16年財務管理經驗，於企業的審計、會計及財務管理、企業融資、投資者關係等方面擁有豐富經驗。許先生由2007年3月至2015年2月期間歷任本集團高級財務管理職位，包括集團總會會計師及計財部總經理，於2018年4月3日再次加入本集團前，許先生於2015年3月31日至2018年2月9日期間為禹洲地產股份有限公司(一家於香港聯合交易所上市公司，股份代號：1628)之財務總監及公司秘書。許先生曾於安永會計師事務所工作。許先生畢業於香港中文大學，取得工商管理學士學位。許先生現為香港會計師公會的會員。

謝文瑜女士，47歲，公司秘書及集團副財務總監。謝女士於2008年2月加入本集團。彼協助集團首席財務總監進行本集團的境外融資、收購合併和業務合作項目，並負責公司秘書事務和投資者關係。謝女士現亦為本集團若干附屬公司之董事。謝女士畢業於香港城市大學，取得財務學榮譽理學士學位。彼為英國特許公認會計師公會及香港會計師公會資深會員。謝女士於財務管理、合併及收購、企業財務及資產管理方面擁有超過22年經驗。加入本集團之前，謝女士為粵海投資有限公司(一家於香港聯交所主板上市的公司，股份代號：270)的助理財務總監。謝女士曾為Guangdong Development Fund Limited(「GDF」)(一家於倫敦證券交易所上市的公司，代號：gdf)替任董事及Guangdong Investment Management Limited(GDF的基金經理)董事。謝女士亦曾任在香港聯交所主板上市之東方紅集團有限公司(股份代號：279)及成報傳媒集團有限公司(股份代號：164)的高級企業融資人員。

Biographical Details of Directors and Key Management (Continued)

董事及主要管理層履歷(續)

Ms. JIANG Ling, aged 45, is the Group's Vice President. Ms. Jiang joined our Group in November 2003, and is responsible for the Group's strategic development, including policy research, project planning, land resources planning and management and public relations. Ms. Jiang graduated from the Department of Journalism, Huazhong University of Science and Technology in 1994. She later completed Advanced Business Management Course at HSBC Business School, Peking University in 2009, the postgraduate course in fashion buying at Hong Kong Institute of Fashion Buying in 2011, and the Advanced Capital Management (Investment and Financing) Course at Shenzhen Tsinghua University Research Institute in 2016. She has also attained the qualification of senior planner from the Ministry of Labor and Social Security of the People's Republic of China (which has been renamed as the Ministry of Human Resources and Social Security of the People's Republic of China). Ms. Jiang has over 18 years of management experience in the property industry and has experience in the media industry. She was the manager of the development department of Shanghai Chenghuang Temple Fuyoumen Small-Commodities Market Corporation Limited, the director of Shenzhen Column Editorial Department, Hong Kong Ta Kung Pao and the general manager of Shenzhen Tongyuan Nanling Cultural and Creative Park Corporation Limited.

Mr. ZHANG Xue Fang, aged 54, is the Group's Vice President. Mr. Zhang joined our Group in May 2007, and is responsible for the overall operation and daily management of CSC Nanchang and CSC Harbin. Mr. Zhang graduated from Jinggangshan University in 1981, majoring in Chinese and also completed a postgraduate program at the School of International Politics in Shandong University in 1999. He is currently the member of Jiangxi Writers Association and the chairman of Jiangxi Electronic Commerce Association, the vice president of Jiangxi Management Society and the vice chairman of Jiangxi Enterprise Federation of Literature. Prior to joining our Group, Mr. Zhang held senior managerial positions with a large-scale national defense industrial corporation in Jiangxi, was a chancellor of Jiangxi National Defense Industrial Staff University, an adjunct professor of Jiangxi Normal University and a general manager of Yuan Wang Group. He was also engaged in property development education, and was an executive council member of China Market Economics Society.

姜玲女士，45歲，集團副總裁。姜女士於2003年11月加入本集團，彼負責本集團的戰略發展工作，包括政策研究、項目策劃、土地資源規劃與管理及公共關係等事務。姜女士於1994年畢業於華中理工大學(現為華中科技大學)新聞系，並於2009年於北京大學匯豐商學院完成高級工商管理課程，其後於2011年於香港時尚買手學院修畢時尚買手研究生課程，於2016年於深圳清華大學研究院完成資本經營(投融資)高級研修班(第29期)課程，並持有中華人民共和國勞動和社會保障部(現稱中華人民共和國人力資源和社會保障部)頒發的高級策劃師資格。姜女士於產業地產行業擁有愈18年管理經驗，亦擁有傳媒行業經驗。姜女士曾擔任上海市城隍廟福佑門小商品批發市場有限公司開發部經理、香港大公報深圳專欄採編部主任及深圳市同源南嶺文化創意園有限公司總經理。

章學方先生，54歲，集團副總裁。章先生於2007年5月加入本集團，負責南昌華南城及哈爾濱華南城的整體運營及日常工作。章先生於1981年畢業於井崗山大學，主修中文，並於1999年於山東大學國政學院修畢研究生課程。彼現為江西省作家協會會員，並擔任江西省電子商務協會理事長、江西省管理學會副會長及江西省企業文聯副主席等社會職務。在加入本集團前，章先生曾先後擔任江西國防工業大型企業的高管職位、江西國防工業職工大學校長、江西師範大學的客座教授，以及遠望集團公司總經理。彼亦曾從事有關教育的地產開發工作及曾為中國市場經濟研究會的常務理事。

Biographical Details of Directors and Key Management (Continued)

董事及主要管理層履歷(續)

Mr. DUAN Bin, aged 49, is the Group's Vice President. Mr. Duan joined our Group in May 2015, and is responsible for the Group's architectural design and planning, including project overall planning, architectural design and technique and residential property development. Mr. Duan graduated from Southeast University with a Bachelor degree in Architecture. He holds the qualifications of PRC Class 1 Registered Architect and Senior Engineer (Professor grade). Mr. Duan has many years of management experience in the architectural planning and design and the property development industry. Before joining the Group, he was the deputy architect of Institute of Shanghai Architectural Design and Research Co., Ltd., the deputy general manager of the technology management and product research and development department of the Greenland Group, the deputy general manager of Liaoning real estate business unit of the Greenland Group, and the vice president of Nanjing Central Emporium (Group) Stocks Co., Ltd.

Mr. XIAO Hui, aged 58, is the Group's Vice President. Mr. Xiao joined our Group in January 2016, and is responsible for the Group's trade center management, including trade center related policies setting, product pricing, sales, marketing and operations. Mr. Xiao has many years of managerial experience in industrial and domestic and foreign trade, electronic business and textile business. Before joining the Group, Mr. Xiao was the general manager of Shantou Textile Industry Import and Export Corporation, the deputy general manager of Guangdong Shantou Textile Industry Corporation, the general manager of Shenzhen Huaqiang Electronic World Development Co., Ltd., the chairman of Shenzhen Xinyontong Internet Technology Co., Ltd., the general manager of Shenzhen Baoan Saige Electronic Market Management Co., Ltd., the president of Jinshuifeng Industrial Co., Ltd..

段斌先生，49歲，集團副總裁。段先生於2015年5月加入本集團，負責本集團的建築規劃設計管理工作，包括項目總體規劃、建築設計、工程技術及住宅地產開發等事務。段先生畢業於東南大學建築系，並持有中華人民共和國一級註冊建築師及高級工程師(教授級)資格。段先生於建築規劃設計及房地產行業擁有多年管理經驗。於加入本集團前，他曾擔任上海建築設計研究院有限公司副建築師、綠地集團技術管理產品研發部副總經理、綠地集團遼寧房地產事務部副總經理及南京中央商場(集團)股份有限公司副總裁。

肖暉先生，58歲，集團副總裁。肖先生於2016年1月加入本集團，負責本集團的專業市場管理工作，包括專業市場相關政策制定、產品定價、行銷及招商運營等事務。肖先生於工業及國內外貿易，電子商務、紡織企業擁有多年管理運營經驗。於加入本集團前，肖先生曾擔任汕頭紡織工業進出口公司總經理、汕頭紡織工業總公司副總經理、深圳華強電子世界發展有限公司總經理、深圳市信用通網絡技術有限公司董事長、深圳市寶安賽格電子市場管理有限公司總經理、廣東金穗豐實業有限公司總裁。

Report of the Directors

董事會報告

The Board hereby presents this annual report and the audited consolidated financial statements of the Group for the fiscal year ended 31 March 2018.

Principal Activities

The principal activities of the Group is developing and operating large-scale integrated logistics and trade centers in China, providing a comprehensive trading platform of raw materials and finished products for domestic and international wholesale suppliers, traders, manufacturers, distributors and retail clients. With its unique business model, the Group not only sells and leases well-designed, high quality trade center units for businesses to display and sell their products, but also provides trade center occupants and their customers with a full range of facilities and services such as property management, logistics and warehousing services, E-commerce services, outlet operations, offices, residential facilities, convention and exhibition facilities, hotels, restaurants, banking services, on-site government services in a bid to offer one-stop convenient supply chain solutions. The successful business model was first pioneered by CSC Shenzhen and has been replicated to other provincial capitals and municipality across China such as Nanchang, Nanning, Xi'an, Harbin, Zhengzhou, Hefei and Chongqing, forming a strategic network covering key domestic logistic nodes. At the same time, through the cooperation with Tencent, the Group is actively building an O2O business eco-system to facilitate the industrial upgrade of the occupants. Details of the principal activities of the principal subsidiaries and associates are set out under Management Discussion and Analysis as well as in notes 1 and 18 to the financial statements of this annual report respectively.

Results and Dividends

The Group's results for the fiscal year ended 31 March 2018 and the state of affairs of the Company and the Group at that date are set out under Chairman's Statement as well as in the consolidated financial statements on pages 136 to 256 of this annual report respectively.

The Board recommends the payment of a final dividend of HK5.0 cents per Share with scrip option for FY2017/18 (FY2016/17: HK5.0 cents per share) to Shareholders whose names appear on the register of members of the Company on 29 August 2018. Subject to the approval of the Shareholders of the Company at the forthcoming AGM to be held on 21 August 2018, the proposed final dividend will be distributed on or about 10 October 2018.

董事會謹此呈列本集團截至2018年3月31日止財政年度的年報及經審核綜合財務報表。

主要業務

本集團的主要業務為在中國開發及經營大型綜合物流及商品交易中心，為內地和國際批發供應商、貿易商、製造商、分銷商及零售客戶提供原材料和製成品的全方位交易平台。憑藉其獨特的業務模式，本集團不僅銷售及出租設計優良、高質的交易中心商舖，供企業展示和出售其產品，亦為交易中心商戶與其客戶提供完善的設施及服務，包括物業管理、倉儲物流服務、電子商貿服務、奧特萊斯運營、辦公樓、住宅設施、會議展覽設施、酒店、餐廳、銀行服務、駐場政府服務等，藉此提供一站式便捷供應鏈解決方案。這源自深圳華南城的成功業務模式已複製至南昌、南寧、西安、哈爾濱、鄭州、合肥及重慶等中國省會及直轄城市，形成一個覆蓋中國關鍵物流節點的戰略網絡。與此同時，通過與騰訊的合作，本集團正在積極打造O2O商貿生態圈，從而促進商戶的產業升級。主要附屬公司及聯營公司的主要業務之詳情分別載於本年報內的管理層討論及分析，以及財務報表附註1及18。

業績及股息

本集團截至2018年3月31日止財政年度的業績及本公司與本集團於該日的事務狀況已分別載於本年報內的主席報告，以及第136至256頁之綜合財務報表。

董事會建議向2018年8月29日名列本公司股東名冊的股東派付2017/18財政年度的末期股息每股5.0港仙附以有以股代息選擇(2016/17財政年度：每股5.0港仙)。待本公司股東於2018年8月21日舉行的應屆股東周年大會上批准後，建議末期股息將於2018年10月10日或其前後派付。

Scrip Dividend Scheme Details and Closure of Register of Members

Subject to the approval conditions of the Scrip Dividend Scheme, for the purpose of calculating the number of New Share to be allotted pursuant to the Scrip Dividend Scheme, the price for a New Share is HK\$1.50 per Share, which is calculated as the average of the closing prices of the existing Shares on The Stock Exchange of Hong Kong from 22 June 2018, Friday to 28 June 2018, Thursday (both days inclusive). Accordingly, the number of New Shares which a Shareholder electing for New Shares is entitled to receive in respect of the Final Dividend will be calculated as follows:

$$\begin{array}{rcl} \text{Number of New Shares} & & \\ \text{to be received} & = & \\ \text{應收新股數量} & & \\ & & \text{Number of existing} \\ & & \text{Shares for which} \\ & & \text{election for} \\ & & \text{New Shares is made} \\ & & \text{選擇收取新股的} \\ & & \text{現有股份數量} \\ & \times & \\ & & \text{HK5.0 cents} \\ & & \text{(Final Dividend per Share)} \\ & & \text{5.0港仙} \\ & & \text{(每股末期股息)} \\ & & \text{HK\$1.50} \\ & & \text{(price per New Share)} \\ & & \text{1.50港元} \\ & & \text{(每股新股股價)} \end{array}$$

The number of New Shares to be received will be rounded down to the nearest whole number of New Shares. Fractional entitlements to New Shares will be refunded in cash to the respective Shareholders concerned. The New Shares will, on issue not be entitled to the Final Dividend, but will rank pari passu in all other respects with the existing Shares.

Details of the Scrip Dividend Scheme together with the relevant form of election will be sent to the Shareholders on or around 6 September 2018.

The register of members of the Company will be closed from 27 August 2018 to 29 August 2018, both days inclusive, during which period no transfer of shares of the Company will be effected. The ex-dividend date will be on 23 August 2018. In order to qualify for the proposed final dividend, all properly completed transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 24 August 2018.

以股代息計劃細節及暫停辦理股份過戶登記

受限於以股代息的批准條件，為計算根據以股代息計劃配發的新股數量，新股的價格為每股1.50港元，此乃按本公司現有股份由2018年6月22日(星期五)至2018年6月28日(星期四)(包括首尾兩天)在香港聯交所之平均收市價計算。因此，股東就其應收取的末期股息選擇收取新股而將獲發之新股數量將計算如下：

將收取的新股數量將向下調整至最接近之整數。應收之零碎新股將以現金退還予有關股東。該等新股將不會享有本次末期股息，惟在其他方面與本公司現有股份享有同等地位。

有關以股代息計劃的詳情連同有關選擇表格將於2018年9月6日或前後寄發予股東。

本公司將由2018年8月27日至2018年8月29日(包括首尾兩天)止期間暫停辦理股份過戶登記。期內，本公司將不會辦理股份過戶登記。股息除淨日期為2018年8月23日。為符合資格獲派付建議末期股息，所有填妥之股份過戶文件連同相關股票證書最遲須於2018年8月24日下午4時30分前送達本公司之股份過戶登記處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716室。

Business Overview

The business overview of the Group for the year ended 31 March 2018 are provided in the Chairman's Statement, the Management Discussion and Analysis and the Environmental, Social and Governance Report of this annual report.

Share Capital

Details of the movements in the share capital of the Company during the Year are set out in note 36 to the financial statements.

Reserves

Details of the reserves are disclosed in note 38 to the financial statements.

Details of movements in the reserves of the Group and the Company during the Year are set out in the section headed "Consolidated Statement of Changes in Equity" and in note 49 to the financial statements, respectively.

Distributable Reserves

Details of the Company's reserves available for distribution as at 31 March 2018, calculated in accordance with Part 6 of the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong), amounted to approximately HK\$763.1 million (31 March 2017: HK\$584.7 million), of which HK\$400.5 million (31 March 2017: HK\$400.3 million), subject to the adjustment with the number of shares which may be allotted after the date of this report but before the date of book close, has been proposed as final dividend for the fiscal year under review, are disclosed in notes 11 and 49 to the financial statements.

Senior Notes

The information of the outstanding senior notes issued by the Company during the reporting period is as below:

In September and October 2016, the Company issued senior notes due in September 2021 with a nominal value of US\$200 million (equivalents to approximately HK\$1,560 million) and US\$150 million (equivalents to approximately HK\$1,170 million) respectively, in a total of US\$350 million (equivalents to approximately HK\$2,730 million). These notes were consolidated and form a single series of "2016 Notes" at a coupon rate of 6.75% per annum. The net proceed of the issue was mainly for the purpose of refinancing existing indebtedness and for general corporate purposes.

In March 2017, the Company issued senior notes due in March 2020 with a nominal value of US\$300 million (equivalents to approximately HK\$2,340 million) at a coupon rate of 5.75% per annum ("2017 March Notes"). The net proceed of the issue was mainly for the purpose of refinancing existing indebtedness and for general corporate purposes.

業務回顧

本集團截至2018年3月31日止年度的業務回顧已於本年報內的主席報告、管理層討論及分析，以及環境、社會與管治報告闡述。

股本

本公司於本年度內的股本變動詳情載於財務報表附註36。

儲備

有關儲備詳情載於財務報表附註38。

本集團及本公司於本年度內的儲備變動詳情分別載於「綜合權益變動表」及財務報表附註49。

可分派儲備

本公司按照香港公司條例(香港法例第622章)第6部計算於2018年3月31日的可分派儲備約為7.631億港元(2017年3月31日: 5.847億港元)，並建議動用當中4.005億港元(2017年3月31日: 4.003億港元)作本年度末期股息(股票數目可能會於本報告發佈後並在股份暫停辦理股份過戶登記前因應配發股份而有所調整)，有關詳情載於財務報表附註11及49。

優先票據

於本年報期內，本公司已發行的優先票據情況如下：

本公司分別於2016年9月及10月發行於2021年9月到期面值2億美元(相等於約15.6億港元)及1.5億美元(相等於約11.7億港元)之優先票據，合共3.5億美元(相當於約27.3億港元)。兩者合併並組成單一系列「2016年票據」，票據的票面年利率為6.75%。發行所得款淨額主要用作現有債務的再融資及一般公司用途。

本公司於2017年3月發行於2020年3月到期面值3億美元(相等於約23.4億港元)之優先票據，票據的票面年利率為5.75%([2017年3月票據])。發行所得款淨額主要用作現有債務的再融資及一般公司用途。

In November 2017, the Company issued senior notes due in November 2022 with a nominal value of US\$300 million (equivalents to approximately HK\$2,340 million) at a coupon rate of 7.25% per annum (“2017 November Notes”). The net proceed of the issue was mainly for the purpose of refinancing existing indebtedness in relation to the construction and development of our projects and for general corporate purposes.

In January 2018, the Company issued senior notes due in January 2021 with a nominal value of US\$250 million (equivalents to approximately HK\$1,950 million) at a coupon rate of 7.25% per annum (“2018 January Notes”). The net proceed of the issue was mainly for the purpose of refinancing existing indebtedness in relation to the construction and development of our projects and for general corporate purposes.

In May and June 2018, the Company issued senior notes due in August 2020 with a nominal value of US\$150 million (equivalents to approximately HK\$1,170 million) and US\$100 million (equivalents to approximately HK\$780 million) respectively, in a total of US\$250 million (equivalents to approximately HK\$1,950 million). These notes were consolidated and form a single series of “2018 May Notes” at a coupon rate of 10.875% per annum. The net proceed of the issue was mainly for the purpose of refinancing existing indebtedness in relation to the construction and development of our projects and for general corporate purposes.

Further details of the Senior Notes are set out in note 31 to the financial statements.

Property, Plant and Equipment

Details of movements in the property, plant and equipment of the Group during the Year are set out in note 13 to the financial statements.

Donations

During the Year, in order to care about the society where the Group operates its business, the Group made charitable donations totaling approximately HK\$34.49 million (FY2016/17: HK\$14.3 million) to various charitable organizations.

Subsidiaries

Details of the Company’s principal subsidiaries as at 31 March 2018 are set out in note 1 to the financial statements.

本公司於2017年11月發行於2022年11月到期面值3億美元(相等於約23.4億港元)之優先票據，票據的票面年利率為7.25%([2017年11月票據])。發行所得款淨額主要用作項目開發及發展有關的現有債務再融資及一般公司用途。

本公司於2018年1月發行於2021年1月到期面值2.5億美元(相等於約19.5億港元)之優先票據，票據的票面年利率為7.25%([2018年1月票據])。發行所得款淨額主要用作項目開發及發展有關的現有債務再融資及一般公司用途。

本公司於2018年5月及6月發行於2020年8月到期面值1.5億美元(相等於約11.7億港元)及1.0億美元(相等於約7.8億港元)之優先票據，合共2.5億美元(相等於19.5億港元)。兩者合併並組成為單一系列「2018年5月票據」，票據的票面年利率為10.875%。發行所得款淨額主要用作項目開發及發展有關的現有債務再融資及一般公司用途。

優先票據之進一步詳情載於財務報表附註31。

物業、廠房及設備

本集團於本年度內的物業、廠房及設備變動詳情載於財務報表附註13。

捐款

於本年度內，本集團向各慈善機構合共捐出約3,449萬港元(2016/17財政年度：1,430萬港元)的慈善捐款，以關顧本集團有業務營運的社區。

附屬公司

本公司於2018年3月31日的主要附屬公司詳情載於財務報表附註1。

Directors

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

Executive Directors*

Mr. Cheng Chung Hing (*Chairman*)
Mr. Fung Sing Hong Stephen (*Vice Chairman*)
Mr. Song Chuan (*Chief Executive Officer*)
Ms. Cheng Ka Man Carman

Non-executive Directors*

Dr. Ma Kai Cheung
Mr. Cheng Tai Po
Mr. Lin Ching Hua

Independent Non-executive Directors

Mr. Leung Kwan Yuen Andrew
Mr. Li Wai Keung
Mr. Hui Chiu Chung
Mr. Yung Wing Ki Samuel

Notes:

- * Mr. Leung Moon Lam was re-designated as a Non-executive Director of the Company from Executive Director of the Company with effect from 4 May 2017. Mr. Sun Kai Lit Cliff, Dr. Ma Wai Mo and Mr. Leung Moon Lam resigned as Non-executive Directors of the Company and have been appointed as Honorable Advisers of the Group with effect from 25 July 2017.

董事

於本年度內及截至本報告日期之董事包括：

執行董事*

鄭松興先生(*主席*)
馮星航先生(*副主席*)
宋川先生(*行政總裁*)
鄭嘉汶女士

非執行董事*

馬介璋博士
鄭大報先生
林璟驊先生

獨立非執行董事

梁君彥先生
李偉強先生
許照中先生
容永祺先生

註：

- * 梁滿林先生於2017年5月4日由本公司執行董事調任為本公司非執行董事。孫啟烈先生、馬偉武博士及梁滿林先生自2017年7月25日起辭任本公司之非執行董事，並獲委任為本集團之榮譽顧問。

Report of the Directors (Continued)

董事會報告(續)

The Company's Articles provide rotation and re-election for all Directors. In accordance with the Articles, at each annual general meeting of the Company, one-third of the Directors for the time being, or if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation. The Articles also provide that any Director appointed by the Board to fill a casual vacancy on the Board shall hold office only until the next following general meeting of the Company and shall then be eligible to offer for re-election, and any Director appointed by the Board as an addition to the Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible to offer for re-election.

The Board has received an annual confirmation of independence from each of the Independent Non-executive Directors pursuant to Rule 3.13 of the Rules governing the Listing of Securities on The Hong Kong Stock Exchange (the "Listing Rules"). The Board considers all Independent Non-executive Directors to be independent.

The list of names of all Directors who have served on the boards of the subsidiaries of the Company during the Year and up to the date of this report is available on the Company's website.

Directors' Service Contracts

Each of the Executive Directors has entered into service contract with the Company while each of the Non-executive Directors and Independent Non-executive Directors has entered into letter of appointment with the Company for a term of three years. The service contract and the letter of appointment may be terminated by either party thereto by giving not less than one month's prior written notice.

None of the Directors has entered into any service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

Directors' Interests in Contracts of Significance

None of the Directors had a material beneficial interest, whether directly or indirectly, in any significant contract to which the Company or any of its subsidiaries, its holding companies or a subsidiary of its holding companies was a party during the Year or as at 31 March 2018.

Biographical Information of Directors and Key Management

The biographical information of the Directors and Key Management of the Company is set out in the section headed "Biographical Details of Directors and Key Management" on pages 71 to 80 of this annual report.

本公司章程規定全體董事須輪席退任及重選連任。根據章程規定，於本公司各屆股東周年大會上，當時三分之一的董事(或倘人數並非三或三的倍數，則為最接近但不少於三分之一的人數)須輪席退任。章程亦規定任何由董事會委任的董事若是為填補董事會臨時空缺，其任期僅直至本公司下次股東大會，屆時將符合資格重選連任；而任何由董事會委任的董事以作為董事會新增成員，其任期僅直至本公司下次股東周年大會，屆時將符合資格重選連任。

本公司已接獲各獨立非執行董事根據香港聯交所證券上市規則(「上市規則」)第3.13條編製的年度獨立確認書。董事會認為全體獨立非執行董事均屬獨立人士。

於本年度內及截至本報告日期，所有出任本公司附屬公司董事會的董事姓名名單已載於本公司網站。

董事服務合約

各執行董事已與本公司訂立服務合約，而本公司亦與各非執行董事及獨立非執行董事訂立委任函，該服務合約及委任函為期三年。任何一方可向對方事先發出不少於一個月書面通知終止該合約或委任函。

董事與本公司概無訂立任何本公司於一年內不作賠償(法定賠償除外)而不可終止的服務合約。

董事於重大合約的權益

於本年度內或於2018年3月31日，概無董事於本公司或其任何附屬公司、其控股公司或其控股公司的附屬公司訂立的任何重大合約中直接或間接擁有重大實際權益。

董事及主要管理層履歷

本公司董事及主要管理層的履歷資料載於本年報第71至80頁「董事及主要管理層履歷」一節。

Enforcement of the Deed of Non-Competition

Pursuant to the deed of non-competition dated 4 September 2009 (“Non-Competition Undertaking”) entered into by each of Mr. Cheng Chung Hing and Mr. Leung Moon Lam each of them has undertaken with the Company (for itself and on behalf of each other member of the Group) that so long as the Company is listed on the Main Board of the Hong Kong Stock Exchange and so long as any of:

- (i) in respect of Mr. Cheng Chung Hing, he remains as the controlling Shareholder or a Director of the Company;
- (ii) in respect of Mr. Leung Moon Lam, he remains as a Director of the Company;

that he shall not, and shall procure his associates not to, either alone or jointly with any other person or entity, or for any other person, firm or company, or as principal, partner, director, employee, consultant or agent through any body corporate, partnership, joint venture or other contractual arrangement, be engaged, invested, or otherwise involved, whether as a shareholder, director, employee, partner, agent or otherwise, directly or indirectly, in the carrying on of any business in any form or manner in China that is in competition or is likely to be in competition, directly or indirectly, with the business of the Group, unless those business opportunities have been first offered to the Group upon terms which are fair and reasonable and the Board has declined such opportunities, in accordance with the provisions of the Non-Competition Undertaking, Mr. Cheng Chung Hing and Mr. Leung Moon Lam or any of them or their respective associates may pursue such opportunities.

The Company has received an annual confirmation from Mr. Cheng Chung Hing confirming his compliance with the Non-Competition Undertaking during the Year. Mr. Leung Moon Lam has ceased to be a Director of the Company since 25 July 2017 and ceased to be bound by the provisions of the Non-Competition Undertaking accordingly. The Company has received a confirmation from Mr. Leung Moon Lam confirming his compliance with the Non-Competition Undertaking during the period of 1 April, 2017 to 24 July, 2017.

Directors’ Emoluments

Particulars of the Directors’ emoluments for the fiscal year ended 31 March 2018 are set out in note 8 to the financial statements.

履行不競爭契據

根據鄭松興先生及梁滿林先生各自於2009年9月4日訂立的不競爭契據(「不競爭承諾」)，彼等各自向本公司(就其本身及代表本集團各其他成員公司)承諾，只要本公司仍於香港聯交所主板上市，且以下其中一項仍生效：

- (i) 有關鄭松興先生，當彼仍為本公司之控股股東或董事；
- (ii) 有關梁滿林先生，當彼仍為本公司之董事；

彼等各自將不會及促使其聯繫人不會就其本身或聯同任何其他人士或實體或代任何人士、企業或公司，或以其主事人、合夥人、董事、僱員、顧問或代理身分透過任何法人團體、合作夥伴、合營企業或其他合約安排，以股東、董事、僱員、合夥人、代理或其他身份直接或間接於中國以任何形式或方式經營、投資或以其他方式涉足與本集團業務直接或間接構成競爭或可能構成競爭的任何業務，除非該等商機按公平合理的條款首先向本集團提出及由董事會拒絕該等商機後，根據不競爭承諾的條文，鄭松興先生及梁滿林先生或彼等任何一方或彼等各自的聯繫人才可尋求該等商機。

本公司已接獲鄭松興先生確認有關彼於本年度內已遵守不競爭承諾。梁滿林先生自2017年7月25日起不再任本公司的董事，彼據此不再受限於不競爭承諾條款之約束。本公司已接獲梁滿林先生確認彼於2017年4月1日至2017年7月24日期間已遵守不競爭承諾。

董事酬金

截至2018年3月31日止財政年度之董事酬金詳情載於財務報表附註8。

Directors' Interests in Competing Business

Save as disclosed above, the Company has received confirmations from all Directors that none of them have engaged or were interested in any business which were in competition or were likely to compete, either directly or indirectly, with the business of the Group during the Year.

Directors' and Chief Executive's Interests in Securities

As at 31 March 2018, the interests and short positions of the Directors in the shares of the Company (the "Shares"), underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register maintained by the Company under section 352 of the SFO or as notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

Long Position in the Shares and Underlying Shares of the Company

董事於競爭業務之權益

除上文披露者外，本公司已接獲所有董事確認彼等於本年度內，並無從事與本集團業務直接或間接競爭之業務或於可能存在競爭之業務中擁有權益。

董事及主要行政人員於證券的權益

於2018年3月31日，董事於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的本公司股份（「股份」）、相關股份及債權證中擁有載入本公司根據證券及期貨條例第352條須予存置的登記冊，或根據上市發行人董事進行證券交易的標準守則（「標準守則」）須知會本公司及香港聯交所的權益及淡倉如下：

於本公司股份及相關股份的好倉

Name of Directors ⁽⁶⁾⁽⁷⁾⁽⁸⁾	Class of Shares	Number of Shares held 所持有股份數目				Total	Approximate percentage of the Company's total number of issued Shares ⁽⁵⁾ 佔本公司已發行股份總數概約百分比 ⁽⁵⁾
		Corporate interest	Personal interest	Family interest	Share options		
董事姓名 ⁽⁶⁾⁽⁷⁾⁽⁸⁾	股份類別	公司權益	個人權益	家族權益	購股權	總計	
Cheng Chung Hing 鄭松興	Ordinary Shares 普通股	2,153,148,831 ⁽¹⁾	79,000,000	-	-	2,232,148,831	27.86%
Cheng Tai Po 鄭大報	Ordinary Shares 普通股	588,984,145 ⁽²⁾	4,936,000	-	-	593,920,145	7.41%
Ma Kai Cheung 馬介璋	Ordinary Shares 普通股	138,966,649 ⁽³⁾	-	-	-	138,966,649	1.73%
Fung Sing Hong Stephen 馮星航	Ordinary Shares/Share Options 普通股/購股權	-	9,200,000	-	235,990,000 ⁽⁴⁾	245,190,000	3.06%
Song Chuan 宋川	Share Options 購股權	-	-	-	40,000,000 ⁽⁴⁾	40,000,000	0.49%
Li Wai Keung 李偉強	Share Options 購股權	-	-	-	2,000,000 ⁽⁴⁾	2,000,000	0.02%
Leung Kwan Yuen Andrew 梁君彥	Share Options 購股權	-	-	-	2,000,000 ⁽⁴⁾	2,000,000	0.02%
Hui Chiu Chung 許照中	Share Options 購股權	-	-	-	2,000,000 ⁽⁴⁾	2,000,000	0.02%
Yung Wing Ki Samuel 容永祺	Share Options 購股權	-	-	-	2,000,000 ⁽⁴⁾	2,000,000	0.02%

Notes:

- (1) Mr. Cheng Chung Hing is interested in 100% of the issued share capital of Accurate Gain Developments Limited which in turn interested in 2,153,148,831 Shares and is therefore deemed to be interested in the aforesaid 2,153,148,831 Shares. Mr. Cheng is a director of Accurate Gain Developments Limited. Mr. Cheng Chung Hing is the father of Ms. Cheng Ka Man Carman and the younger brother of Mr. Cheng Tai Po.

Together with Mr. Cheng Chung Hing's personal interests, Mr. Cheng was deemed to have 27.86% of the voting rights of the Company.

- (2) Mr. Cheng Tai Po is interested in 100% of the issued share capital of Proficient Success Limited which in turn holds 588,984,145 Shares and is therefore deemed to be interested in the aforesaid 588,984,145 Shares. Mr. Cheng is a director of Proficient Success Limited. Mr. Cheng Tai Po is the elder brother of Mr. Cheng Chung Hing and the uncle of Ms. Cheng Ka Man Carman.

- (3) Dr. Ma Kai Cheung, as beneficial owner and beneficiary of trust and through the interest of his spouse, being interested in 42.23% of the issued share capital of Carrianna Group Holdings Company Limited which through a number of intermediaries, wholly owns Carrianna Development Limited, Dr. Ma Kai Cheung is therefore deemed to be interested and duplicated interests in an aggregate of 138,966,649 Shares held by Carrianna Development Limited via its holding company. Dr. Ma is a director of each of Carrianna Group Holdings Company Limited, Carrianna Development Limited, Sincere United Holdings Limited, Carrianna Holdings Limited, Gartrend Development Limited and Carrianna (BVI) Limited.

- (4) The relevant interests are share options granted to Mr. Fung Sing Hong Stephen, Mr. Song Chuan, Mr. Leung Kwan Yuen Andrew, Mr. Li Wai Keung, Mr. Hui Chiu Chung and Mr. Yung Wing Ki Samuel pursuant to the Company's share option scheme adopted on 4 September 2009. Further details of the share option scheme are set out in the section headed "Share Option Scheme" in this report.

- (5) The percentage shareholding is calculated on the basis of 8,009,571,999 Shares issued as at 31 March 2018.

附註：

- (1) 由於鄭松興先生擁有 Accurate Gain Developments Limited 已發行股本的100%股份權益，而該公司持有 2,153,148,831 股股份之權益，故鄭先生被視為擁有上述 2,153,148,831 股股份之權益。鄭先生為 Accurate Gain Developments Limited 的董事。鄭松興先生為鄭嘉汶之父親及鄭大報先生之胞弟。

連同鄭松興先生的個人權益，鄭先生被視為持有本公司 27.86% 投票權。

- (2) 由於鄭大報先生擁有 Proficient Success Limited 已發行股本的100%股份權益，而該公司持有 588,984,145 股股份，故鄭先生被視為持有上述 588,984,145 股股份的權益。鄭先生為 Proficient Success Limited 的董事。鄭大報先生為鄭松興先生之胞兄及鄭嘉汶女士之伯父。

- (3) 由於馬介璋博士為實益擁有人及信託受益人，並透過其配偶的權益，持有佳寧娜集團控股有限公司已發行股本中 42.23% 之股份權益，而佳寧娜集團控股有限公司透過若干中間控股公司全資擁有 Carrianna Development Limited，馬介璋博士故被視為透過其控股公司於 Carrianna Development Limited 持有合共 138,966,649 股股份中擁有權益及權益重疊。馬博士為佳寧娜集團控股有限公司、Carrianna Development Limited、Sincere United Holdings Limited、佳寧娜集團有限公司、嘉堅發展有限公司及 Carrianna (BVI) Limited 的董事。

- (4) 有關之權益是指根據本公司於 2009 年 9 月 4 日採納之購股權計劃而授予馮星航先生、宋川先生、梁君彥先生、李偉強先生、許照中先生及容永祺先生之購股權。購股權計劃之進一步詳情載於本報告之「購股權計劃」一節內。

- (5) 股本百分比乃根據於 2018 年 3 月 31 日已發行之 8,009,571,999 股股份計算。

- (6) Mr. Leung Moon Lam owns 100% of the issued share capital of Kings Faith International Limited which in turn holds 213,899,770 Shares and is therefore deemed to be interested in the aforesaid 213,899,770 Shares. Mr. Leung is a director of Kings Faith International Limited.

Together with Mr. Leung Moon Lam's family interests, Mr. Leung was deemed to have 2.69% of the voting rights of the Company.

Mr. Leung Moon Lam resigned as Non-executive Director of the Company and was appointed as Honorable Adviser of the Group with effect from 25 July 2017. The interests presented above was the deemed interests of Mr. Leung Moon Lam as at 25 July 2017.

- (7) By virtue of Dr. Ma Wai Mo's 50% shareholding interests in Luk Ka Overseas Investments Limited which is interested in 100% interests in Luk Ka International Limited, Dr. Ma is therefore deemed to be interested and duplicate in the interest in the same 126,197,662 Shares held by Luk Ka International Limited.

Dr. Ma Wai Mo resigned as Non-executive Director of the Company and was appointed as Honorable Adviser of the Group with effect from 25 July 2017. The interests presented above was the deemed interests of Mr. Ma Wai Mo as at 25 July 2017.

- (8) Mr. Sun Kai Lit Cliff owns the entire interests in Kinox Holdings Limited and is therefore deemed to be interested in the 125,241,662 Shares held by Kinox Holdings Limited.

Mr. Sun Kai Lit Cliff resigned as Non-executive Director of the Company and was appointed as Honorable Adviser of the Group with effect from 25 July 2017. The interests presented above was the deemed interests of Mr. Sun Kai Lit Cliff as at 25 July 2017.

Save as disclosed above, as at 31 March 2018, to the knowledge of the Directors, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be: (i) notified to the Company and The Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive were taken or deemed to have under such provisions of the SFO); (ii) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and The Hong Kong Stock Exchange pursuant to the Model Code.

- (6) 由於梁滿林先生擁有京暉國際有限公司已發行股本的100%股份權益，而該公司持有213,899,770股股份，故梁先生被視為持有上述213,899,770股股份的權益。梁先生為京暉國際有限公司之董事。

連同梁滿林先生的家族權益，梁先生被視為持有本公司2.69%投票權。

梁滿林先生已辭任本公司非執行董事，並獲委任為本集團之榮譽顧問，由2017年7月25日起生效。以上權益為梁滿林先生於2017年7月25日持有或被視為持有之權益情況。

- (7) 由於馬偉武博士擁有 Luk Ka Overseas Investments Limited的50%股份權益，而該公司擁有力嘉國際集團有限公司的100%權益，故馬博士被視為於力嘉國際集團有限公司所持的126,197,662股股份中擁有權益及權益重疊。

馬偉武博士已辭任本公司非執行董事，並獲委任為本集團之榮譽顧問，由2017年7月25日起生效。以上權益為馬偉武先生於2017年7月25日被視為持有之權益情況。

- (8) 由於孫啟烈先生擁有 Kinox Holdings Limited之全部權益，故被視為於 Kinox Holdings Limited 所持的125,241,662股股份中擁有權益。

孫啟烈先生已辭任本公司非執行董事，並獲委任為本集團之榮譽顧問，由2017年7月25日起生效。以上權益為孫啟烈先生於2017年7月25日被視為持有之權益情況。

除上文所披露者外，於2018年3月31日，據董事所知，概無董事或本公司主要行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債權證中擁有：(i)根據證券及期貨條例第XV部第7及第8分部須知會本公司及香港聯交所的權益或淡倉(包括董事及主要行政人員根據證券及期貨條例相關條文被當作或被視為擁有之權益及淡倉)；(ii)本公司根據證券及期貨條例第352條須記錄於登記冊的權益或淡倉；或(iii)根據標準守則須知會本公司及香港聯交所之任何權益或淡倉。

Substantial Shareholders' Interests in Securities

As at 31 March 2018, to the knowledge of the Directors, the following persons (other than a Director or chief executive of the Company) had or were deemed or taken to have interests or short position in the Shares or underlying Shares which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register kept by the Company pursuant to Section 336 of the SFO:

Long Position in the Shares

主要股東於證券的權益

於2018年3月31日，據董事所知，以下人士(董事或本公司主要行政人員除外)於股份或相關股份中擁有或被視為或當作擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司披露，或載入本公司根據證券及期貨條例第336條須予存置的登記冊的權益或淡倉：

於股份中的好倉

Name	Nature of interest	Number of Shares or underlying Shares held	Approximate percentage of the Company's total number of issued Shares ⁽⁴⁾
姓名/名稱	權益性質	所持股份或相關股份數目	佔本公司已發行股份總數概約百分比 ⁽⁴⁾
Accurate Gain Developments Limited	Beneficial owner 實益擁有人	2,153,148,831 ⁽¹⁾	26.88%
Tencent Holdings Limited 騰訊控股有限公司	Deemed interest in controlled corporation 被視作受控制法團權益	925,100,000 ⁽²⁾	11.55%
THL H Limited	Beneficial owner 實益擁有人	925,100,000 ⁽²⁾	11.55%
Proficient Success Limited	Beneficial owner 實益擁有人	588,984,145 ⁽³⁾	7.35%

Notes:

- (1) Mr. Cheng Chung Hing owns 100% of the issued share capital of Accurate Gain Developments Limited.
- (2) THL H Limited is wholly owned by Tencent Holdings Limited.
- (3) Mr. Cheng Tai Po owns 100% of the issued share capital of Proficient Success Limited.
- (4) The percentage shareholding is calculated on the basis of 8,009,571,999 Shares issued as at 31 March 2018.

附註：

- (1) 鄭松興先生擁有Accurate Gain Developments Limited已發行股本的100%股份權益。
- (2) THL H Limited由騰訊控股有限公司全資擁有。
- (3) 鄭大報先生擁有Proficient Success Limited已發行股本的100%股份權益。
- (4) 股本百分比乃根據於2018年3月31日已發行之8,009,571,999股股份計算。

Save as disclosed above, as at 31 March 2018, to the knowledge of the Directors or chief executive of the Company, no other person (other than a Director or chief executive of the Company) had, or were deemed or taken to have interest or short position in the Shares or underlying Shares which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register kept by the Company pursuant to Section 336 of the SFO.

Information on Share Options Share Option Scheme

The Company has adopted a share option scheme on 4 September 2009 (the "Share Option Scheme"). The major terms of the Share Option Scheme are summarized as follows:

1. The purpose of the Share Option Scheme is to provide incentives to eligible persons for their contribution to the Group and to enable the Group to recruit high-caliber employees and attract human resources that are valuable to the Group.
2. The Board may at its discretion grant options to Directors, employees, officers, agents, consultants or representatives of the Group.
3. The total number of Shares which may be issued upon exercise of all share options granted and yet to be exercised under the Share Option Scheme must not exceed 30% of the Shares in issue from time to time. The total number of Shares in respect of which options may be granted under the Share Option Scheme is not permitted to exceed 10% in nominal amount of the issued Shares as at the date of commencement of the listing of Shares on The Hong Kong Stock Exchange unless with the prior approval from the Shareholders. The Share Option Scheme limit was refreshed at the annual general meeting of the Company held on 21 August 2013, and hence the maximum number of the Shares available for issue upon exercise of all share options which may be granted under the Share Option Scheme is 227,132,400 Shares, representing approximately 2.84% of the total number of issued Shares of the Company as at 31 March 2018.

除上文所披露者外，於2018年3月31日，據董事或本公司主要行政人員所知，概無其他人士(董事或本公司主要行政人員除外)於股份或相關股份中擁有或被視為或被當作擁有根據證券及期貨條例第XV部第2及3分部之條文須向本公司披露，或根據證券及期貨條例第336條載入本公司存置的登記冊之權益或淡倉。

有關購股權的資料 購股權計劃

本公司已於2009年9月4日採納了一套購股權計劃(「購股權計劃」)，購股權計劃的主要條款摘錄如下：

1. 該購股權計劃旨在獎勵合資格人士對本集團所作貢獻，並使本集團得以招聘優秀員工及吸引人才。
2. 董事會有權酌情向本集團之董事、僱員、高級職員、代理、顧問或代表授出購股權。
3. 因購股權計劃項下已授出但尚未行使之所有購股權獲行使而可予發行的股份總數，不得超過不時已發行股份的30%。除獲本公司股東預先批准，否則根據購股權計劃可予授出的購股權所涉及股份總數，不得超過股份於香港聯交所上市之日期的已發行股份面值的10%。購股權計劃上限已於2013年8月21日舉行之本公司股東周年大會上更新，因此根據購股權計劃項下可予授出的所有購股權獲行使而可供發行的股份總數為227,132,400股，相當於本公司於2018年3月31日已發行股份總數約2.84%。

4. The total number of Shares issued and to be issued upon the exercise of share options granted under the Share Option Scheme (including exercised, canceled and outstanding share options) to each grantee in any 12-month period up to the date of grant shall not exceed 1% of the issued share capital of the Company as at the date of grant. Any further grant of share options in excess of this limit is subject to approval of the Shareholders.
 5. The period during which a share option may be exercised will be determined by the Directors at their absolute discretion, save that no share option may be exercised more than 10 years after grant.
 6. The consideration paid by each grantee for each grant of options is HK\$1.
 7. The exercise price in relation to each share option will be determined by the Directors at their absolute discretion and shall not be less than the highest of: (i) the official closing price of the Shares as stated in the daily quotation sheet of the Hong Kong Stock Exchange on the date of grant; (ii) the average closing prices of the Shares as stated in the daily quotation sheets of The Hong Kong Stock Exchange for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Shares on the date of grant.
 8. The Share Option Scheme will expire on 29 September 2019 after which no further options will be granted under the Share Option Scheme. In respect of the options granted and accepted prior to such expiration and not then exercised, they shall continue to be valid and exercisable subject to and in accordance with the Share Option Scheme.
4. 因購股權計劃項下已授出購股權(包括已行使、註銷及未行使之購股權)獲行使而於任何12個月期間至授出日期止向各承授人發行及即將發行的股份總數，不得超過本公司於授出日期已發行股本的1%。如要進一步授出超過此限額的購股權，須獲股東批准。
 5. 董事可全權酌情決定購股權的行使期，惟以購股權獲授出後10年為限。
 6. 各承授人須支付1港元作為每次獲授購股權的代價。
 7. 董事可全權酌情決定各購股權的行使價，惟不得低於下列各項的最高者：(i)股份於授出日期在香港聯交所每日報價表所列官方收市價；(ii)股份於緊接授出日期前五個營業日在香港聯交所每日報價表所列平均收市價；及(iii)股份於授出日期的面值。
 8. 購股權計劃將於2019年9月29日終止，其後將不能根據購股權計劃進一步授出購股權。根據購股權計劃並在其規限下，於該終止前已授出並獲接納惟當時並未行使之購股權將仍然有效及可行使。

Report of the Directors (Continued)
董事會報告(續)

The table below summarized the details of the movements in the share options granted pursuant to the Share Option Scheme during the Year:

於本年度內根據購股權計劃授出購股權的變動詳情摘錄於下表之內：

Name	Date of Grant	Number of Share Options 購股權數目					As at 31 March 2018 於 2018 年 3 月 31 日	Exercise Price HK\$ 港元	Exercisable Period
		As at 1 April 2017 於 2017 年 4 月 1 日	Granted 已授出	Exercised 已行使	Canceled/ Lapsed 已註銷/失效	As at 31 March 2018 於 2018 年 3 月 31 日			
Directors									
董事									
Fung Sing Hong Stephen 馮星航	27/6/2013	8,000,000	-	-	-	8,000,000	1.69	27/6/2014-26/6/2018	
	17/2/2014	19,000,000	-	-	-	19,000,000	4.14	17/2/2014-16/2/2019	
		19,000,000	-	-	-	19,000,000	4.14	17/2/2015-16/2/2019	
	30/6/2014	15,000,000	-	-	-	15,000,000	4.07	30/6/2014-29/6/2019	
		15,000,000	-	-	-	15,000,000	4.07	30/6/2015-29/6/2019	
	13/1/2016	39,995,000	-	-	-	39,995,000	1.528	13/1/2016-12/1/2021	
		39,995,000	-	-	-	39,995,000	1.528	13/1/2017-12/1/2022	
	3/7/2017	-	40,000,000	-	-	40,000,000	1.52	3/7/2017-2/7/2022	
		-	40,000,000	-	-	40,000,000	1.52	3/7/2018-2/7/2023	
Song Chuan 宋川	3/7/2017	-	20,000,000	-	-	20,000,000	1.52	3/7/2018-2/7/2023	
		-	10,000,000	-	-	10,000,000	1.52	3/7/2019-2/7/2024	
		-	10,000,000	-	-	10,000,000	1.52	3/7/2020-2/7/2025	
Leung Kwan Yuen Andrew 梁君彥	17/2/2014	1,000,000	-	-	-	1,000,000	4.14	17/2/2014-16/2/2019	
		1,000,000	-	-	-	1,000,000	4.14	17/2/2015-16/2/2019	
Li Wai Keung 李偉強	17/2/2014	1,000,000	-	-	-	1,000,000	4.14	17/2/2014-16/2/2019	
		1,000,000	-	-	-	1,000,000	4.14	17/2/2015-16/2/2019	
Hui Chiu Chung 許照中	17/2/2014	1,000,000	-	-	-	1,000,000	4.14	17/2/2014-16/2/2019	
		1,000,000	-	-	-	1,000,000	4.14	17/2/2015-16/2/2019	
Yung Wing Ki Samuel 容永祺	17/2/2014	1,000,000	-	-	-	1,000,000	4.14	17/2/2015-16/2/2019	
		1,000,000	-	-	-	1,000,000	4.14	17/2/2016-16/2/2019	
Employees/Advisers 僱員/顧問	27/6/2013	1,500,000	-	(500,000)	-	1,000,000	1.69	27/6/2013-26/6/2018	
		2,500,000	-	(1,000,000)	-	1,500,000	1.69	27/6/2014-26/6/2018	
		1,250,000	-	-	(250,000)	1,000,000	1.69	27/6/2015-26/6/2018	
	17/2/2014	1,000,000	-	-	-	1,000,000	4.14	17/2/2015-16/2/2019	
		1,000,000	-	-	-	1,000,000	4.14	17/2/2016-16/2/2019	
	30/6/2014 ⁽²⁾	35,650,000	-	-	(1,000,000)	34,650,000	4.07	30/6/2015-29/6/2019	
		35,650,000	-	-	(1,000,000)	34,650,000	4.07	30/6/2016-29/6/2019	
	22/8/2016	22,250,000	-	(500,000)	(4,250,000)	17,500,000	1.75	22/8/2016-21/8/2021	
		34,000,000	-	(1,250,000)	(4,750,000)	28,000,000	1.75	22/8/2017-21/8/2022	
		11,750,000	-	-	(7,250,000)	4,500,000	1.75	22/8/2018-21/8/2023	
		310,540,000	120,000,000	(3,250,000)	(18,500,000)	408,790,000			

Notes:

1. The closing price of the Shares immediately before the date on which the share options granted on 3 July 2017 was HK\$1.45 per share.
2. Mr. Leung Moon Lam resigned as Non-executive Director of the Company and was appointed as Honorable Adviser of the Group with effect from 25 July 2017. His interests in share options was included in the category of Employees/Advisers.
3. Details of the Share Option Scheme is set out in note 37 to the financial statements.

附註：

1. 緊接於2017年7月3日授出購股權日期前本公司股份收市價為每股1.45港元。
2. 梁滿林先生已辭任本公司非執行董事，並獲委任為本集團之榮譽顧問，由2017年7月25日起生效，其購股權權益已包括在僱員／顧問分類之中。
3. 購股權計劃的詳情載於財務報表附註37。

Directors' Rights to Acquire Shares or Debt Securities

Save as disclosed in the sections headed "Directors' and Chief Executive's Interests in Securities" and "Information on Share Options" in this report and in note 37 to the financial statements, at no time during the Year was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or chief executives of the Company (including their spouses or children under 18 years of age) to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

Issuance of Debt Securities by a Subsidiary Short-Term Notes

In September 2014, China South International obtained the relevant approval for issuing the short-term notes in the national inter-bank market in the PRC with a maximum principal amount of RMB4.3 billion. In September 2016, China South International issued the first tranche of the short-term notes of 2016 ("2016 First Tranche STN") with a total principal amount of RMB1.2 billion with a maturity period of 1 year and at an interest rate of 4.9% per annum for general corporate purpose and repaying part of the bank loans of the Group. The 2016 First Tranche STN have been repaid in full in September 2017.

In October 2016, China South International obtained another approval for issuing the short-term notes in the national inter-bank market in the PRC with a maximum principal amount of RMB6.0 billion. In June and August 2017, China South City International issued the first tranche and the second tranche of the short-term notes of 2017 with a principal amount of RMB500 million with a maturity period of 270 days and at an interest rate of 6.5% per annum for each tranche, respectively. The proceeds thereof were to be used for general corporate purpose and repaying part of the bank loans of the Group. The first tranche and the second trench of the short-term notes of 2017 have been repaid in full in March and May 2018 respectively.

董事認購股份或債務證券的權利

除本報告「董事及主要行政人員於證券的權益」及「有關購股權的資料」章節及財務報表附註37所披露者外，本公司或其任何附屬公司於本年度內任何時候概無進行任何安排，致使董事或本公司主要行政人員（包括彼等的配偶或18歲以下的子女）透過收購本公司或任何其他法人團體的股份或債權證獲取利益。

附屬公司發行債務證券 短期融資券

於2014年9月，華南國際取得於中國銀行間市場發行本金總額最高為人民幣43億元之短期融資券的相關批准。於2016年9月，華南國際發行2016年第一期短期融資券，本金總額為人民幣12億元，期限為1年，年利率為4.9%，該發行所得款項主要用作補充流動資金及償還本集團的部份銀行貸款。2016年第一期短期融資券已於2017年9月被悉數償還。

於2016年10月，華南國際取得另一個於中國銀行間市場發行本金總額最高為人民幣60億元之短期融資券的相關批准。於2017年6月及8月，華南國際分別發行2017年第一期及第二期短期融資券，本金額各為人民幣5億元，期限為270天，年利率為6.5%。該等發行所得款項主要用作補充流動資金及償還本集團的部份銀行貸款。2017年第一期及第二期短期融資券已分別於2018年3月及5月被悉數償還。

As at 31 March 2018, the carrying value of China South International's short-term notes was HK\$625.1 million.

Further details of the short-term notes are set out in note 30 to the financial statements.

Medium-Term Notes

In April 2014, China South International obtained the relevant approval for issuing the medium-term notes in the national inter-bank market in the PRC with a maximum principal amount of RMB4.0 billion. In May 2014, China South International issued the first tranche of the medium-term notes of 2014 with a total principal amount of RMB1.0 billion with a maturity period of 5 years and at an interest rate of 7.5% per annum. The proceeds thereof were to be used for repaying part of short-term bank loans of the Group. In September 2014, China South International issued the second tranche of the medium-term notes of 2014 with a total principal amount of RMB1.0 billion with a maturity period of 5 years and at an interest rate of 8.4% per annum. The proceeds thereof were to be used for repaying part of bank loans of the Group. In July 2015, China South International issued the first tranche of the medium-term notes of 2015 with a total principal amount of RMB2.0 billion with a maturity period of 3 years and at an interest rate of 7.0% per annum. The proceeds thereof were to be used for replacement of bank loans of the Group and the development of CSC Nanning project. In April 2017, China South International obtained another approval for issuing the medium-term notes with a maximum principal amount of RMB3.0 billion. China South International may issue new medium-term notes when appropriate.

As at 31 March 2018, the carrying value of China South International's medium-term notes was HK\$5,251.6 million. As assessed by Dagong Global, China South International, and the first tranche and second tranche of the medium-term notes both were given "AA" rating.

Further details of the medium-term notes are set out in note 32 to the financial statements.

於2018年3月31日，華南國際短期融資券的賬面值為6.251億港元。

短期融資券之進一步詳情載於財務報表附註30。

中期票據

於2014年4月，華南國際取得於中國銀行間市場發行本金總額最高為人民幣40億元之中期票據的相關批准。於2014年5月，華南國際發行2014年第一期中期票據，本金總額為人民幣10億元，期限為5年，年利率為7.5%。該發行所得款項主要用作償還本集團的部份短期銀行貸款。於2014年9月，華南國際發行2014年第二期中期票據，本金總額為人民幣10億元，期限為5年，年利率為8.4%，該發行所得款項主要用作償還本集團的部分銀行貸款。於2015年7月，華南國際發行2015年第一期中期票據，本金總額為人民幣20億元，期限為3年，年利率為7.0%。該發行所得款項主要用作置換本集團的銀行貸款及南寧華南城項目之發展。於2017年4月，華南國際取得另一個發行中期票據的批准，最高發行額度為人民幣30億元。華南國際將於合適時機發行有關中期票據。

於2018年3月31日，華南國際中期票據的賬面值為52.516億港元。經大公國際評定，華南國際、第一期及第二期中期票據的信用評級兩者均為「AA」級。

中期票據之進一步詳情載於財務報表附註32。

Corporate Bonds

In March 2015, China South International obtained the relevant approval for issuing the corporate bonds in a maximum principal amount of RMB1.5 billion in the PRC. In April 2015, China South International issued the corporate bonds with a total principal amount of RMB1.5 billion with a term of up to 6 years in maximum and at an interest rate of 7.0% per annum. The proceeds thereof were to be used for funding the construction of CSC Zhengzhou project. In April 2018, China South International redeemed approximately RMB1.499 billion of corporate bonds, the remaining portion of RMB482,000 will be matured at April 2021 at an interest rate of 8.05% per annum.

As at 31 March 2018, the carrying value of China South International's corporate bonds was HK\$1,978.3 million. As assessed by Pengyuan Credit Rating Co., Ltd., China South International and the corporate bonds were given "AA" and "AA+" rating respectively.

Further details of the corporate bonds are set out in note 33 to the financial statements.

Domestic Company Bonds

In December 2015, China South International obtained the relevant approval for issuing the domestic company bonds in a maximum principal amount of RMB4.4 billion in the PRC. In January 2016, China South International issued the first tranche of the domestic company bonds of 2016 with a total principal amount of RMB3.0 billion with a term of 3 years and at an interest rate of 5.98% per annum. The proceeds thereof were to be used for repaying part of the bank loans of the Group and for general working capital. In May 2016, China South International issued the second tranche of the domestic company bonds of 2016 with a total principal amount of RMB1.4 billion with a term of 3 years and at an interest rate of 6.85% per annum. The proceeds thereof were to be used for repaying part of bank loans of the Group and for general working capital.

As at 31 March 2018, the carrying value of China South International's domestic company bonds was HK\$5,644.2 million. As assessed by Golden Credit Rating International Co., Ltd., China South International and the domestic company bonds both were given "AA+".

Further details of the domestic company bonds are set out in note 34 to the financial statements.

企業債券

於2015年3月，華南國際取得於中國發行本金總額最高為人民幣15億元之企業債券的相關批准。於2015年4月，華南國際發行該企業債券，本金總額為人民幣15億元，期限為最長6年，年利率為7.0%。該發行所得款項主要用作興建鄭州華南城項目。於2018年4月，華南國際贖回本金額約為人民幣14.99億元之企業債券，剩餘本金額人民幣482,000元之企業債券將於2021年4月到期，其年利率為8.05%。

於2018年3月31日，華南國際企業債券的賬面值為19.783億港元。經鵬元資信評估有限公司評定，華南國際及企業債券的信用評級分別為「AA」級及「AA+」級。

企業債券之進一步詳情載於財務報表附註33。

境內公司債券

於2015年12月，華南國際取得於中國發行本金總額最高為人民幣44億元之境內公司債券的相關批准。於2016年1月，華南國際發行2016年第一期境內公司債券，本金總額為人民幣30億元，期限為3年，年利率為5.98%。該發行所得款項主要用作置換本集團的銀行貸款及一般營運資金。於2016年5月，華南國際發行2016年第二期境內公司債券，本金總額為人民幣14億元，期限為3年，年利率為6.85%。該發行所得款項主要用作置換本集團的銀行貸款及一般營運資金。

於2018年3月31日，華南國際境內公司債券的賬面值為56.442億港元。經東方金誠國際信用評估有限公司評定，華南國際及境內公司債券的信用評級兩者均為「AA+」級。

境內公司債券之進一步詳情載於財務報表附註34。

Purchase, Sale or Redemption of Listed Securities

In February and April 2017, the Company has early redeemed in full the 2014 Notes at the redemption price equal to 104.125% of the principal amount thereof, plus accrued and unpaid interest to (but not including) the redemption date. In April 2017, the 2014 Notes were fully redeemed, were canceled and delisted from the Singapore Exchange accordingly.

Further information of the senior notes is set out in the section headed "Senior Notes" and note 31 to the financial statements of this report.

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

Bank Borrowings

Details of the Group's bank borrowings as at 31 March 2018 are set out in note 29 to the financial statements.

Major Customers and Suppliers

The aggregate sales to the Group's five largest customers were less than 10% of the Group's total revenue. The aggregate purchases from the five largest suppliers of the Group accounted for approximately 58% (FY2016/17: 54%) of the Group's total purchases and purchases from the largest supplier accounted for approximately 26% (FY2016/17: 15%) of the Group's total purchases for the fiscal year ended 31 March 2018.

None of the Directors, their associates, or any Shareholders which to the knowledge of the Directors own more than 5% of the Company's total number of issued Shares has any interests in the Group's five largest suppliers or customers.

Corporate Governance

The Company is committed to achieving high standard of corporate governance. Detailed information on the Company's corporate governance principles and practices are set out in the Corporate Governance Report as contained in this annual report.

購買、出售或贖回上市證券

於2017年2月及4月本公司提早全數贖回2014年票據，贖回價為相等於該票據本金的104.125%，另加截至贖回日期(但不包括該日)的累計及未支付的利息。於2017年4月，2014年票據已全數贖回，並自新加坡證券交易所有限公司的官方名單中刪除。

優先票據的進一步資料載於本年報「優先票據」一節內及財務報表附註31。

除上述披露者外，本公司及其任何附屬公司於本年度概無購買、出售或贖回本公司任何上市證券。

銀行借貸

於2018年3月31日，本集團銀行借貸詳情載於財務報表附註29。

主要客戶及供應商

本集團五大客戶總銷售額佔本集團總收入少於10%。截至2018年3月31日止財政年度，本集團五大供應商總採購額約佔本集團總採購額約58% (2016/17財政年度：54%)，而最大供應商採購額約佔本集團總採購額26% (2016/17財政年度：15%)。

董事知悉，概無擁有本公司已發行股份總數超過5%的董事、其聯繫人或任何股東於本集團五大供應商或客戶中擁有任何權益。

企業管治

本公司致力實現高標準的企業管治。有關本公司之企業管治原則及常規載於本年報的企業管治報告內。

Environmental, Social and Governance

The Group is committed to fulfilling its corporate social responsibility in community affairs, environmental protection and corporate governance during its business operation in order to achieve its sustainable development. The Company's Environmental, Social and Governance Report is set out in this annual report.

Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the latest practicable date prior to the issue of this report, the Company has maintained a sufficient public float as required under the Listing Rules.

Five Year's Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five fiscal years is set out on page 70 of this annual report.

Management Contract

During the Year, no contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year.

Events after the Reporting Period

The events after the reporting period are set out in note 48 to the financial statements.

Auditor

The financial statements have been audited by Messrs. Ernst & Young who will retire and being eligible, offer themselves for re-appointment at the forthcoming AGM. A resolution for the re-appointment of Messrs. Ernst & Young as auditor of the Company is to be proposed at the forthcoming AGM.

For and on behalf of the Board
CHENG CHUNG HING
Chairman and Executive Director

Hong Kong, 28 June 2018

環境、社會與管治

本集團在運營過程中致力履行自身在參與社會活動、環境保護及公司管治的企業社會責任，以達至集團的可持續發展。本公司之環境、社會與管治報告載於本年報內。

公眾持股量

根據本公司的公開資料及據董事於本報告刊發前之最後實際可行日期所知，本公司已根據上市規則維持本公司股份足夠的公眾持股量。

五年財務概要

本集團過去五個財政年度的業績及資產與負債摘要載於本年報第70頁。

管理合約

於本年度內，本公司並無就全盤業務或其中任何重要部分簽訂或存有任何管理及行政合約。

報告期間結束後事項

本報告日期後事項詳情載於財務報表附註48。

核數師

財務報表由安永會計師事務所審核，其將退任並符合資格於應屆股東周年大會重選連任。續聘安永會計師事務所為本公司獨立核數師之決議案將於應屆股東周年大會提呈。

代表董事會
鄭松興
主席兼執行董事

香港，2018年6月28日

Corporate Governance Report

企業管治報告

The Company recognizes the value and importance of achieving high standard of corporate governance to enhance the corporate performance accountability and is committed to doing so. To the best knowledge and belief of the Directors, the Company has complied with the applicable code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Hong Kong Stock Exchange (the “Listing Rules”) during the year, save and except for the following deviation:

Code provision A.6.7 provides that Independent Non-executive Directors and other Non-executive Directors, are equal board members, should attend general meetings of the Company. During the Year, a Non-executive Director of the Company was unable to attend the last annual general meeting of the Company held on 21 August 2017 as he had other prior business engagement.

Pursuant to Rule 3.10A of the Listing Rules, the Independent Non-executive Directors of a listed issuer must represent at least one-third of the Board of Directors of such listed issuer. Upon the appointment of Mr. Song Chuan and Ms. Cheng Ka Man Carman as Executive Directors on 4 May 2017, the number of Independent Non-executive Directors was less than one-third of the Board as required under Rule 3.10A of the Listing Rules during the period from 4 May 2017 to 24 July 2017. Mr. Sun Kai Lit Cliff, Dr. Ma Wai Mo and Mr. Leung Moon Lam resigned as Non-executive Directors of the Company and were appointed as Honorable Advisers of the Group on 25 July 2017. Since then, the Company is in compliance with Rule 3.10A.

The Board of Directors

Board Composition

As at 31 March 2018, the Board comprises eleven Directors, including four Executive Directors, three Non-executive Directors and four Independent Non-executive Directors.

The brief biographical details of the Directors are set out in the section headed “Biographical Details of the Directors and Key Management” on pages 71 to 80 of this annual report.

本公司認同實現高標準的企業管治以提高企業業績的問責制的價值及重要性，並會致力達成此目標。據本公司董事深知及確信，本公司於本年度內已遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄14所載企業管治守則（「管治守則」）之適用守則條文，惟以下守則條文除外：

根據守則條文第A.6.7，獨立非執行董事及其他非執行董事作為與其他董事擁有同等地位的董事會成員，應出席本公司的股東大會。於本年度，本公司一位非執行董事因有其他先前的事務在身而未能出席本公司於2017年8月21日舉行之股東周年大會。

根據上市規則第3.10A條，上市發行人的獨立非執行董事必須佔該上市發行人的董事會成員人數至少三分之一。自2017年5月4日委任宋川先生及鄭嘉汶女士為執行董事後，於2017年5月4日至2017年7月24日期間，本公司獨立非執行董事之人數少於上市規則第3.10A條所規定。孫啟烈先生、馬偉武博士及梁滿林先生於2017年7月25日辭任本公司非執行董事，並獲委任為本集團之榮譽顧問。自此，本公司已符合上市規則第3.10A條之規定。

董事會

董事會組成

於2018年3月31日，董事會由十一名董事組成，包括四名執行董事、三名非執行董事及四名獨立非執行董事。

董事履歷詳情載於本年報第71至80頁「董事及主要管理層履歷」一節。

Independent Non-executive Director

Save as disclosed above, during the Year, the Board has at all times met the requirements of Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules relating to the appointment of at least three Independent Non-executive Directors and representing at least one-third of the board with at least one Independent Non-executive Director possessing appropriate professional qualifications, or accounting or related financial management expertise.

During the Year, all existing Independent Non-executive Directors have made an annual confirmation of independence in accordance with Rule 3.13 of the Listing Rules. The Company considers that each of the Independent Non-executive Directors to be independent.

Role and Function

The Board is responsible for overall strategic formulation and performance monitoring of the Group. It delegates day-to-day operations of the Group to the Executive Directors and key senior management within the control and authority framework set by the Board. In addition, the Board has also delegated various responsibilities to the Audit Committee, the Remuneration Committee and the Nomination Committee. Further details of these committees are set out in this report.

Relationship between Directors

- Mr. Cheng Tai Po is an elder brother of Mr. Cheng Chung Hing and the uncle of Ms. Cheng Ka Man Carman.
- Ms. Cheng Ka Man Carman is the daughter of Mr. Cheng Chung Hing and the niece of Mr. Cheng Tai Po.

Change in Information of Directors

The change in the information of Directors since the publication of the 2017/18 interim report up to the date of this annual report is set out below pursuant to Rule 13.51(B)(1) of the Listing Rules:

- Mr. Fung Sing Hong Stephen has been appointed as a member of the 5th Chongqing Committee of the Chinese People's Political Consultative Conference with effect from 18 January 2018; and has appointed the vice president of Hong Kong Chongqing Friendship Federation.

獨立非執行董事

除上之所披露者外，於本年度內，董事會於任何時間一直符合上市規則第3.10(1)、3.10(2)及3.10A條的要求，委任最少三名獨立非執行董事並佔董事會成員人數至少三分之一，而最少一名獨立非執行董事須具備適當專業資格，或會計或相關財務管理專業知識。

於本年度內，全體獨立非執行董事已根據上市規則第3.13條之規定，各自就其獨立性作出年度確認。本公司認為各獨立非執行董事均為獨立人士。

角色及職能

董事會負責制定本集團的整體策略及監察其表現，並委派執行董事及主要高級管理人員在董事會設定的控制範圍及職權框架內處理本集團的日常運作。此外，董事會亦將若干責任委派予審核委員會、薪酬委員會及提名委員會。該等委員會的進一步詳情載於本年報內。

與董事的關係

- 鄭大報先生為鄭松興先生的胞兄，及鄭嘉汶女士的伯父。
- 鄭嘉汶女士為鄭松興先生的女兒，及鄭大報先生的侄女。

董事資料變動

根據上市規則第13.51(B)(1)條，於2017/18中期報告刊發後至本年報日期的董事資料變動載列如下：

- 馮星航先生自2018年1月18日起獲委任為中國人民政治協商會議重慶市第五屆委員會常務委員；及獲委任為香港重慶總會副會長。

- Mr. Leung Kwan Yuen Andrew has been appointed as an independent non-executive director of Dah Sing Financial Holdings Limited on 20 December 2017; Mr. Leung has resigned as an independent non-executive director of Dah Sing Banking Group Limited with effect from 20 December 2017; Mr. Leung has resigned as an independent non-executive director of Harbour Centre Development Limited with effect from 4 May 2018; Mr. Leung has been appointed as an independent non-executive director of Wharf Real Estate Investment Company Limited with effect from 1 June 2018; these four companies are listed on the Main Board of The Hong Kong Stock Exchange (Stock Code: 440, 2356, 51 and 1997 respectively).
- Mr. Li Wai Keung was appointed a member of the Chinese People's Political Consultative Conference Guangdong Provincial Committee on 17 January 2018 and was subsequently appointed a standing member on 27 January 2018.
- Mr. Yung Wing Ki Samuel has been appointed as a vice chairman of Committee for Economic Affairs (CEA) of the CPPCC National Committee with effect from 16 March 2018.
- Ms. Cheng Ka Man Carman is entitled to a performance based bonus of an amount of 0.2% of the core net profit attributable to owners of the parent of the relevant financial year (in addition to any discretionary bonus (if any)) since FY2017/18.
- 梁君彥先生自2017年12月20日起獲委任為大新金融集團有限公司之獨立非執行董事；梁先生由2017年12月20日起辭任大新銀行集團有限公司之獨立非執行董事；梁先生由2018年5月4日起辭任海港企業有限公司之獨立非執行董事；及梁先生自2018年6月1日起獲委任為九龍倉置業地產投資有限公司之獨立非執行董事；這四家公司均為香港聯交所主板上市的公司(股份代號分別為440, 2356, 51及1997)。
- 李偉強先生於2018年1月17日獲委任為中國人民政治協商會議廣東省委員會委員，並隨後於2018年1月27日獲委任為該委員會常務委員。
- 容永祺先生自2018年3月16日起獲委任為全國政協經濟委員會副主任。
- 董事會於2018年6月28日會議批准，鄭嘉汶女士自2017/18財政年度起有權收取有關財政年度母公司擁有人應佔核心淨利潤之0.2%的表現花紅(另加酌情花紅(如有))。

Compliance with the Model Code for Securities Transactions

The Company has adopted the Model Code of the Listing Rules as a code of conduct of the Company for Directors' securities transactions. Having made specific enquiry of all Directors, the Directors have complied with the required standard set out in the Model Code throughout the relevant period of the fiscal year ended 31 March 2018. Employees who are, or likely to be, in possession of unpublished price sensitive information in relation to the Company or its Shares are required to prohibit from dealing in shares of the Company during the black-out period.

遵守董事進行證券交易之標準守則

本公司已採納上市規則所載的標準守則，作為本公司董事進行證券交易的標準。本公司已向全體董事作出具體查詢後，董事於截至2018年3月31日止財政年度相應期間內一直遵守標準守則所載的規定準則。擁有或可能擁有有關本公司或其股份的未公佈股價敏感資料的僱員不得於禁制期內買賣本公司股份。

Board Meetings

During the Year, four Board meetings were convened by the Company. The attendance of the Directors at the Board meetings was as follows:

董事會會議

於本年度內，本公司共召開四次董事會會議，董事會會議的董事出席情況如下：

Directors	董事	Number of Attendance/ meeting held ⁽²⁾ 出席／舉行 會議次數 ⁽³⁾
Executive Directors ⁽¹⁾	執行董事⁽¹⁾	
Mr. Cheng Chung Hing (<i>Chairman</i>)	鄭松興先生(主席)	4/4
Mr. Fung Sing Hong Stephen (<i>Vice Chairman</i>)	馮星航先生(副主席)	4/4
Mr. Song Chuan (<i>Chief Executive Officer</i>)	宋川先生(行政總裁)	3/3
Ms. Cheng Ka Man Carman	鄭嘉汶女士	3/3
Non-executive Directors ⁽²⁾	非執行董事⁽²⁾	
Dr. Ma Kai Cheung	馬介璋博士	1/4
Mr. Sun Kai Lit Cliff	孫啟烈先生	2/2
Dr. Ma Wai Mo	馬偉武博士	2/2
Mr. Cheng Tai Po	鄭大報先生	4/4
Mr. Leung Moon Lam	梁滿林先生	2/2
Mr. Lin Ching Hua	林璟驊先生	3/4
Independent Non-executive Directors	獨立非執行董事	
Mr. Leung Kwan Yuen Andrew	梁君彥先生	4/4
Mr. Li Wai Keung	李偉強先生	4/4
Mr. Hui Chiu Chung	許照中先生	4/4
Mr. Yung Wing Ki Samuel	容永祺先生	3/4

Notes:

附註：

- (1) Mr. Song Chuan and Ms. Cheng Ka Man Carman has been appointed as Executive Directors of the Company with effect on 4 May 2017.
- (2) Mr. Sun Kai Lit Cliff, Dr. Ma Wai Mo and Mr. Leung Moon Lam have resigned as Non-executive Directors of the Company and have been appointed as Honorable Advisers of the Group with effect from 25 July 2017.
- (3) The attendance figure represents actual attendance/the number of meetings a Director is entitled to attend.

- (1) 宋川先生及鄭嘉汶女士自2017年5月4日起獲委任為本公司執行董事。
- (2) 孫啟烈先生、馬偉武博士及梁滿林先生已辭任本公司非執行董事，並獲委任為本集團之榮譽顧問，自2017年7月25日起生效。
- (3) 出席數字為董事實際出席有關會議的次數／有資格出席的次數。

The Directors are provided with agenda and relevant Board materials related to the agenda in advance before the meeting. They can access to the senior management and the company secretary of the Company at all time and, upon reasonable request, seek independent professional advice at the Company's expense.

會議舉行前，董事預先獲提供議程及與議程相關的董事會資料。彼等可隨時與本公司高級管理人員及公司秘書接洽，在合理情況下尋求獨立專業意見，費用由本公司承擔。

Appointment and Re-election of Directors

Each of the Executive Directors has entered into service contract with the Company while each of the Non-executive Directors and Independent Non-executive Directors has entered into a letter of appointment with the Company for a term of three years.

The Company's Articles provide rotation and re-election for all Directors. In accordance with the Articles, at each annual general meeting of the Company, one-third of the Directors for the time being, or if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation. The Articles also provide that any Director appointed by the Board to fill a casual vacancy on the Board shall hold office only until the next following general meeting of the Company and shall then be eligible to offer for re-election, and any Director appointed by the Board as an addition to the Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible to offer for re-election. Accordingly, four Directors, namely, Mr. Fung Sing Hong Stephen, Dr. Ma Kai Cheung, Mr. Leung Kwan Yuen Andrew and Mr. Yung Wing Ki, shall retire from office and are eligible to offer themselves for re-election at the forthcoming AGM of the Company.

Chairman and Chief Executive Officer

To ensure a balance of power and authority, the roles of the Chairman and the Chief Executive Officer are segregated. Mr. Cheng Chung Hing was Co-Chairman of the Company until he was re-designated as Chairman on 25 July 2017, he provides leadership for the Board and ensure the proper and effective functioning of the Board in the discharge of its responsibilities, while Mr. Fung Sing Hong Stephen during his tenure of office as the Chief Executive Officer from 1 April 2017 to 4 May 2017, and Mr. Song Chuan during his tenure of office as the Chief Executive Officer since 4 May 2017, is accountable to the Board for the overall implementation of the Company's strategies and the coordination of overall business operations of the Group.

Board Committees

The Board has established three committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee, to handle particular responsibilities of the Board and the Company's affairs. All board committees of the Company are established with specific written terms of reference which have been published at the websites of The Hong Kong Stock Exchange and the Company respectively. The board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice at the Company's expense.

委任及重選董事

各執行董事已與本公司訂立服務合約，而各非執行董事及獨立非執行董事已與本公司訂立委任函，為期三年。

本公司章程規定全體董事須輪席退任及重選連任。根據章程規定，於本公司各屆股東周年大會上，當時三分之一的董事(或倘人數並非三或三的倍數，則為最接近但不少於三分之一的人數)須輪席退任。章程亦規定任何由董事會委任的董事若是為填補董事會臨時空缺，其任期僅直至本公司下次股東大會，屆時將符合資格重選連任；而任何由董事會委任的董事以作為董事會新增成員，其任期僅直至本公司下次股東周年大會，屆時將符合資格重選連任。據此，馮星航先生、馬介璋博士、梁君彥先生及容永祺先生等四名董事須退任，並符合資格於本公司應屆股東周年大會上膺選連任。

主席及行政總裁

為確保權力及職權平衡，主席及行政總裁的職責有所區分。鄭松興先生為本公司的聯席主席直至2017年7月25日調任為主席，彼領導董事會，並確保董事會於履行其職責時能正確有效地運作，而馮星航先生於2017年4月1日至2017年5月4日期間出任本集團行政總裁，及宋川先生自2017年5月4日起出任本集團行政總裁，期間行政總裁就履行本公司整體策略及協調本集團的整體業務運作向董事會負責。

董事委員會

董事會成立三個委員會，包括審核委員會、薪酬委員會及提名委員會，負責處理董事會及本公司的特定事務。本公司所有董事委員會均訂有明確的書面職權範圍，相關職權範圍書已分別刊發於香港聯交所及本公司網站。董事委員會獲提供足夠資源以履行其職責，並可提出合理要情況下尋求獨立專業意見，費用由本公司承擔。

Audit Committee

The Audit Committee is responsible for the review and supervision of the Group's financial reporting process, risk management and internal controls system and review of the Company's financial statements. The written terms of reference are in line with the provisions under the CG Code and the roles and the responsibilities delegated to the Audit Committee by the Board, which include to determine the appropriate corporate governance practices applicable to the Group's circumstances and to ensure processes and procedures are in place to achieve the Group's corporate governance objectives.

During the Year, the Audit Committee consists of Mr. Li Wai Keung as chairman, Mr. Leung Kwan Yuen Andrew, Mr. Hui Chiu Chung and Mr. Yung Wing Ki Samuel. All the Audit Committee members are Independent Non-executive Directors. During the Year, two meetings of Audit Committee were held to review the FY2016/17 annual results and the FY2017/18 interim results of the Group before submission to the Board.

During FY2017/18, the Audit Committee had reviewed the risk management and internal control system, connected transactions, interim results and annual results of the Group and the accounting principles and practices adopted by the Group. The attendance of the Directors at the Audit Committee meetings was as follows:

審核委員會

審核委員會負責檢討及監察本集團的財務申報程序、風險管理及內部監控系統及審閱本公司的財務報表。其書面職權範圍與管治守則項下規定及董事會指派審核委員會的職責及職務相符，其中包括負責釐定適用於本集團情況的恰當企業管治常規、並確保現時流程及程序可達致本集團企業管治的目的。

於本年度內，審核委員會由李偉強先生(主席)、梁君彥先生、許照中先生及容永祺先生組成。審核委員會所有成員均為獨立非執行董事。於本年度內，曾召開兩次審核委員會會議，於提交董事會前已審閱本集團2016/17財政年度業績及2017/18財政年度中期業績。

於2017/18財政年度，審核委員會已審閱本集團的風險及內部監控系統、關連交易、中期業績及全年業績以及本集團採納的會計原則及慣例。審核委員會會議的董事出席情況如下：

Directors	董事	Number of attendance/ meeting held 出席／舉行 會議次數
Mr. Li Wai Keung (Chairman)	李偉強先生(主席)	2/2
Mr. Leung Kwan Yuen Andrew	梁君彥先生	2/2
Mr. Hui Chiu Chung	許照中先生	2/2
Mr. Yung Wing Ki Samuel	容永祺先生	1/2

Remuneration Committee

The Remuneration Committee is responsible for making recommendations on the Directors' and senior management's remuneration and other benefits. The remuneration of all Directors and senior management is subject to regular monitoring by the Remuneration Committee so as to ensure that the level of their remuneration and compensation are reasonable. The specific written terms of reference are in line with the provisions of the CG Code.

The Remuneration Committee comprises two Independent Non-executive Directors and one Executive Director, including Mr. Li Wai Keung as chairman, Mr. Leung Kwan Yuen Andrew and Mr. Cheng Chung Hing.

The primary goal of the Group's remuneration policy for Executive Directors is to enable the Company to retain and motivate Executive Directors by linking their compensation with their individual performance as measured against the Group's corporate objectives and operating results, taking into account also the comparable market conditions. The principal elements of the remuneration package of an Executive Director include basic salary, performance and/or discretionary bonus, participation in the Share Option Scheme and other benefits. The remuneration of Non-executive Directors (including Independent Non-executive Directors) includes mainly the director's fee and participation in the Share Option Scheme which is a matter for the Board to decide by reference to their duties and responsibilities and the comparable market conditions.

During the Year, one Remuneration Committee meeting was held to review the structure of the remunerations for Directors of the Company and the grant of share options under the Share Option Scheme to Director of the Company. The attendance of the Directors at the Remuneration Committee meeting was as follows:

薪酬委員會

薪酬委員會負責就董事及高級管理人員薪酬及其他福利提出建議。薪酬委員會定期監察全體董事及高級管理人員的薪酬，確保彼等的薪酬水平及補償屬合理。其明確書面職權範圍符合管治守則規定。

薪酬委員會由兩名獨立非執行董事及一名執行董事組成，包括李偉強先生(主席)、梁君彥先生及鄭松興先生。

本集團的執行董事薪酬政策主要目的為讓本公司執行董事的酬金與彼等的個人表現及本集團的企業目標和經營業績掛鉤，同時考慮可資比較市場情況，藉以挽留及激勵執行董事。執行董事的薪酬待遇主要包括基本薪金、績效及/或酌定花紅，參與購股權計劃及其他福利。非執行董事(包括獨立非執行董事)的薪酬主要包括董事袍金及參與購股權計劃，並由董事會經參照彼等的職責及可資比較市場情況後釐定。

於本年度內，曾召開一次薪酬委員會會議，以審閱本公司董事的薪酬架構以及根據購股權計劃授予董事購股權事宜。薪酬委員會會議的董事出席情況如下：

**Number of
attendance/
meeting held**
出席/舉行
會議次數

Directors

董事

Mr. Li Wai Keung (<i>Chairman</i>)	李偉強先生(主席)	1/1
Mr. Leung Kwan Yuen Andrew	梁君彥先生	1/1
Mr. Cheng Chung Hing	鄭松興先生	1/1

Nomination Committee

The Nomination Committee is responsible for making recommendation to the nomination of Directors with a view for the appointment of suitable individuals with relevant expertise and experience to enhance the constitution of the Board and to contribute to the Board. The specific written terms of reference are in line with the provisions of the CG Code.

The Nomination Committee comprises two Independent Non-executive Directors and one Executive Director, including Mr. Leung Kwan Yuen Andrew as chairman, Mr. Li Wai Keung and Mr. Cheng Chung Hing. During the Year, one Nomination Committee meeting was held to review the structure, size and composition of the Board, including the skill, knowledge, experience and diversity of background of its members, and the re-designation of senior management of the Company. The attendance of the Directors at the Nomination Committee meeting was as follows:

提名委員會

提名委員會負責就董事提名提供建議，以委任具備相關專業知識及經驗的適當人選，以強化董事會成員架構，為董事會作出貢獻。其明確書面職權範圍符合管治守則規定。

提名委員會由兩名獨立非執行董事及一名執行董事組成，包括梁君彥先生(主席)、李偉強先生及鄭松興先生。於本年度內，提名委員會曾召開一次會議，以檢討董事會結構、人數及構成，包括董事會成員的技能、知識、經驗及背景的多樣性，以及本公司高級管理層之調任。提名委員會會議的董事出席情況如下：

Number of
attendance/
meeting held
出席／舉行
會議次數

Directors	董事	
Mr. Leung Kwan Yuen Andrew (<i>Chairman</i>)	梁君彥先生(主席)	1/1
Mr. Li Wai Keung	李偉強先生	1/1
Mr. Cheng Chung Hing	鄭松興先生	1/1

Board Diversity Policy

The Company seeks to achieve Board diversity by adopting a board diversity policy which stipulates that when identifying individuals suitably qualified to become Directors, the Nomination Committee will consider the benefits of all aspects of diversity including, but not limited to, a number of factors, such as age, race, cultural and educational background, professional and business-related experience, reputation of candidates for integrity and his/her accomplishment, skills, knowledge and length of service, in order to maintain an appropriate range of balance of skills, experience and background on the Board. The appointments of Directors will base on meritocracy and take into account the aforesaid factors as a whole for the benefits of the Company, as well as taking into consideration its own business model and specific needs from time to time.

董事會成員多元化政策

為達至董事會成員多元化，本公司採納董事會成員多元化政策，當提名委員會物色具備合適資格擔任董事之人士時，將考慮多元化在各方面的裨益，包括但不限於一些因素例如年齡、種族、文化及教育背景、專業及業務相關經驗、候選人的誠信度及彼之成就、技能、知識及服務任期，以使董事會具備合適且比例均稱的專門技術、經驗及背景。董事之委任將以有能者居之為原則，並就本公司的利益整體考慮上述因素，及不時考慮本公司本身的業務模式及具體需要。

Directors' and Officers' Insurance

During the Year, the Company has arranged appropriate Directors' and Officers' liabilities insurance coverage in respect of legal action against its Directors and officers.

董事及要員責任保險

於本年度內，本公司就董事及高級職員可能會面對的法律行動，已安排投保適當的董事及高級職員責任保險。

Risk Management and Internal Control

The Board is responsible for overseeing the risk management and internal control systems of the Group and reviewing its effectiveness. A defined management structure with specified limits of authority and responsibilities is developed for safeguarding assets against unauthorized use or disposition, the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publications and the compliance of applicable laws, rules and regulations.

An internal audit department has been established to perform regular financial and operational reviews and recommend necessary actions to the relevant management. The works carried out by the internal audit department ensure the risk management and internal control systems are in place and function properly as intended. The results of the internal audit and reviews are reported to the Executive Directors and Audit Committee of the Company. The Directors have reviewed the effectiveness of the Group's risk management and internal control systems and are satisfied with the adequacy of the systems of risk management and internal control of the Group during the Year.

For the annual review on the risk management and internal controls, the Audit Committee considered the internal control report and risk management report were satisfied as to effectiveness of the Group's risk management and internal control systems. There were no matters of material concerns relating to financial, operational or compliance controls. The Board is satisfied with the adequacy and the effectiveness of the systems of the risk management and internal control of the Group during the Year.

Independent Auditor's Remuneration

The Group's independent auditor are Messrs. Ernst & Young. For FY2017/18, the remuneration paid and payable by the Group to the independent auditor in respect of audit and non-audit services provided by them were as follows:

		HK\$'000 千港元
Audit and review services	審核及審查服務	4,220
Non-audit services	非審核服務	1,100

風險管理及內部監控

董事會負責本集團之風險管理及內部監控系統，並檢討其有效性。本公司已制定明確界定的管理架構，並訂明職權範圍及職責，以防止未經授權使用或處置資產、確保維持妥善會計記錄，以提供可靠財務資料供內部使用或刊發，並遵守適用法例、規則及法規。

內部審核部門已經成立，以定期進行財務及運營檢討，並向有關管理人員建議所需行動。內部審核部門所進行的工作乃為確保風險管理及內部監控系統合適地進行，並按擬定功能有效運作。內部審核及審閱的結果會向本公司執行董事及審核委員會報告。董事已審閱本集團風險管理及內部監控系統的有效性，並信納本集團於本年度內的風險管理及內部監控系統屬足夠。

就風險及內部監控的年度審閱而言，審核委員會審議內部監控報告及風險管理報告，並信納本集團風險及內部監控系統屬有效，且並無有關財務、運營或合規監控而須高度關注的事宜。董事會信納本集團於本年度的風險管理及內部監控系統屬足夠及有效性。

獨立核數師酬金

本集團的獨立核數師為安永會計師事務所。截至2017/18財政年度，本集團向獨立核數師就彼等所提供審核及非審核服務已付及應付的酬金如下：

Directors' Responsibility

Every newly appointed Director will receive briefings and comprehensive induction on appointment to ensure understanding of the Directors' responsibilities and obligations under the Listing Rules and relevant regulatory requirements. Directors are encouraged to participate in continuous professional development to refresh their knowledge and skills and the Company organizes appropriate directors' training to Directors to help ensure they are apprised of the role, functions and duties being a director of the Company.

The Directors are aware that they should give sufficient time and attention to the affairs of the Company and they are continually adapted with regulatory developments and business development of the Group to discharge their responsibilities. The Directors' knowledge and skills are continuously developed and refreshed by, inter alia, the following means:

- (1) Attending training session organized by and/or reading materials provided by the Company, as regards to legal and regulatory changes and matters relevant to the Directors in discharging their duties, including the laws, rules and regulations relating to the corporate governance;
- (2) Participating in continuous professional training seminars/conferences/courses/workshops on subjects relating to directors' duties and corporate governance, and rules and regulatory changes, organized by the other companies, professional bodies or government authorities; and
- (3) Reading news, journal, magazine or other reading materials from time to time as regards to legal and regulatory changes, economics and matters relevant to the Directors in discharging their duties.

董事責任

每位新獲委任董事將會接獲一份有關委任的綜合資料，藉此可確保其瞭解在上市規則和相關監管規定下之董事責任和義務。董事鼓勵參與持續專業發展以更新其知識和技能，而本公司亦會在適當時組織及安排董事培訓，藉以確保他們瞭解作為本公司董事之角色、職能及責任。

董事知悉彼等須付出足夠時間及注意力以處理本公司事務，及彼等獲持續提供最新的上市規則發展及本集團的業務發展，以助彼等履行職務。透過(其中包括)以下形式以持續發展並更新董事之知識及技能：

- (1) 參加由本公司舉辦之董事培訓講座和閱覽所提供的相關資料，內容有關法律及規管變動，以及董事履行其職責之相關事項，包括企業管治事項之法例、規則及規例；
- (2) 參與由其他公司、專業團體或政府機構舉辦有關董事職責和企業管治，及法規和監管變更有關的課題或持續專業培訓講座、會議、課程或研討會；及
- (3) 不時閱讀就有關法律及規管變更、經濟，以及其他有關董事履行其責任相關事宜之新聞、期刊、雜誌或其他閱讀資料。

According to the records provided by the Directors, the Directors received the following trainings during the Year:

根據董事所提供的記錄，於本年度內，董事參與之培訓如下：

Directors	董事	Type of Training 培訓類型
Executive Directors⁽¹⁾		
Mr. Cheng Chung Hing (<i>Chairman</i>)	鄭松興先生(主席)	(1) and (3)
Mr. Fung Sing Hong Stephen (<i>Vice Chairman</i>)	馮星航先生(副主席)	(1) and (3)
Mr. Song Chuan (<i>Chief Executive Officer</i>)	宋川先生(行政總裁)	(1) and (3)
Ms. Cheng Ka Man Carman	鄭嘉汶女士	(1)
Non-executive Directors		
Dr. Ma Kai Cheung	馬介璋博士	(1)
Mr. Cheng Tai Po	鄭大報先生	(1)
Mr. Lin Ching Hua	林璟驊先生	(1) and (3)
Independent Non-executive Directors		
Mr. Leung Kwan Yuen Andrew	梁君彥先生	(1)
Mr. Li Wai Keung	李偉強先生	(1)
Mr. Hui Chiu Chung	許照中先生	(1), (2) and (3)
Mr. Yung Wing Ki Samuel	容永祺先生	(1) and (3)

Notes:

(1) Mr. Song Chuan and Ms. Cheng Ka Man Carman have been appointed as Executive Directors of the Company with effect on 4 May 2017.

附註：

(1) 宋川先生及鄭嘉汶女士自2017年5月4日起獲委任為本公司執行董事。

Directors' and Auditor's Responsibilities for the Financial Statements

The Directors acknowledge their responsibility for the preparation of the consolidated financial statements of the Group for FY2017/18 which were prepared in accordance with statutory requirements and applicable accounting standards.

The reporting responsibility of the independent auditors of the Company on the consolidated financial statements of the Group is set out in the independent auditors' report on pages 129 to 135.

董事及核數師就財務報表承擔的責任

董事及核數師確認其對編製本集團2017/18財政年度綜合財務報表的責任，並已按照法定規定及適用會計準則編製。

本公司獨立核數師對本集團綜合財務報表的申報責任載於第129至135頁的獨立核數師報告內。

Company Secretary

Ms. Tse Man Yu has been the Company Secretary of the Company since 2008. She is a full time employee of the Company with professional qualifications and extensive experience, and has adequate working knowledge on the Company to discharge her duty as the Company Secretary. During the Year, Ms. Tse confirmed that she has received relevant professional training of not less than 15 hours to update her skills and knowledge.

Communication with Shareholders and Noteholders

The Company believes that effective communication with shareholders, noteholders and other investment community is essential. During the Year, the Executive Directors, Chief Financial Officer and team of investor relations of the Group held regular briefings, press conferences and analysts meetings of interim and annual results, attended investor forums and participated in roadshows, conducted meetings and visits to projects of the Group with the institutional investors and financial analysts in China, Hong Kong and overseas countries to keep them abreast of the Group's business and development. Investors can also communicate with the Company through email at ir@chinasouthcity.com.

The shareholders' meeting provides a useful platform for the shareholders to exchange views with the Board. The Directors and Chief Financial Officer of the Group will attend the shareholders' meetings to answer the questions raised by the shareholders. Shareholders can also direct their enquiries and proposals to the Company. The contact details of the Company are set out in the "Contact Us" section of the Company's website at www.chinasouthcity.com.

Shareholders' Right

Pursuant to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), shareholders of the Company holding not less than 5% of the total voting rights of all the members having a right to vote at general meeting may request the Directors to call a general meeting. The request must state the general nature of business to be dealt with at the meeting and may be sent to the Company in hard copy form or in electronic form and must be authenticated by the person or persons making it in accordance with the provisions under sections 566 to 568 of the New Companies Ordinance and the Company's Articles.

公司秘書

謝文瑜女士自2008年起出任本公司之公司秘書。彼為本公司全職僱員，具有專業資格和資深經驗，及具備足夠的工作經驗，以履行公司秘書的職責。於本年度內，謝女士確認彼已接受不少於15小時之相關專業培訓以更新其技能和知識。

與股東及票據持有人溝通

本公司認為，與股東、票據持有人及其他投資團體作出有效溝通乃至關重要。於本年度內，執行董事、集團首席財務總監及投資者關係團隊定期舉行簡報會、新聞發佈會以及中期及年度業績分析會議、於中國、香港及海外國家出席投資者論壇，與機構投資者及財務分析員參與路演、舉行會議及參觀本集團之項目，讓彼等能了解本集團的業務及最新發展。投資者亦可透過電郵 ir@chinasouthcity.com 與本公司聯絡。

股東會議提供具裨益的平台，供股東與董事會互相交流意見。董事及集團首席財務總監將出席股東大會解答股東提出的提問。股東亦可以向本公司提出諮詢及建議。本公司的聯絡詳情載於本公司網站 www.chinasouthcity.com 「聯絡我們」一節。

股東權利

根據《公司條例》(香港法例第622章)，本公司全體有權於股東會議上投票並持有本公司總投票權不少於5%的股東均可要求董事召開股東會議。有關請求需明述將會於會上處理之事務，並獲該提出要求的人士認證後，可採用書面或電子形式送交予本公司，並須根據新《公司條例》第566至568條的規定以及本公司章程進行。

Attendance of the Directors at the annual general meeting of the Company which was held on 21 August 2017 was as follows:

董事於2017年8月21日舉行之本公司股東周年大會的出席情況如下：

Directors	董事	Number of attendance/ meeting held 出席／舉 會議次數
Executive Directors		
Mr. Cheng Chung Hing (<i>Chairman</i>)	鄭松興先生(主席)	1/1
Mr. Fung Sing Hong Stephen (<i>Vice-Chairman</i>)	馮星航先生(副主席)	1/1
Mr. Song Chuan (<i>Chief Executive Officer</i>)	宋川先生(行政總裁)	1/1
Ms. Cheng Ka Man Carman	鄭嘉汶女士	1/1
Non-executive Directors		
Dr. Ma Kai Cheung	馬介璋博士	1/1
Mr. Cheng Tai Po	鄭大報先生	1/1
Mr. Lin Ching Hua	林環驊先生	0/1
Independent Non-executive Directors		
Mr. Leung Kwan Yuen Andrew	梁君彥先生	1/1
Mr. Li Wai Keung	李偉強先生	1/1
Mr. Hui Chiu Chung	許照中先生	1/1
Mr. Yung Wing Ki Samuel	容永祺先生	1/1

Published documents together with the latest corporate information and news are available on the Company's website at www.chinasouthcity.com.

有關發佈文件連同最新的公司資料及新聞，可瀏覽本公司網站www.chinasouthcity.com

Environmental, Social and Governance Report

環境、社會與管治報告

Our Philosophy

China South City is a leading developer and operator of large-scale integrated logistics and trade centers in China. Throughout years of operation and development, China South City has adhered to its business philosophy of “Integrity, Harmony, Win-win and Sharing” and has endeavored to provide an integrated logistics and trade ecosystem for SMEs. On one hand, it assists local governments in upgrading old markets by providing modern wholesale marketplaces that promote regional economic transformation and development. On the other hand, it provides one-stop comprehensive value-added services for SMEs in China South City projects, thereby helping such businesses reduce their operating costs and enhance their competitiveness through business initiatives aimed at “Sustaining, Supporting, Assisting and Promoting Enterprises”.

The Group strives to keep close communication with its stakeholders in operation, in order to raise the level of corporate governance. The Group endeavors to attain sustainable development by creating a favorable working environment for its employees, assisting its customers in improving their competitiveness and continuously minimizing environmental impact in the course of operation.

Workplace Quality

Talents is the prime impetus to sustainable corporate development. Adhering to its “people-oriented” management philosophy, China South City aims to attract and cultivate talents by providing them with an extensive platform to grow. The Group complies with national and local labor laws and regulations, upholding the principle of equitability and fairness. During the Year, the Group continued its efforts to achieve a win-win situation for both employees and corporate development, by effectively allocating human resources and standardizing collaborative relationships among employees.

Employee Overview

China South City strives to best allocate its resources and adjust its team structure according to the actual needs of business development. During the Year, the Group optimized its employee structure by retrenching employees not in line with business development and engaging qualified candidates through public recruitment as well as internal referrals for the expounding business need. The Group upheld the principle of fairness and equitability in the course of these processes.

集團理念

華南城是中國領先的大型綜合商貿物流及商品交易中心的開發商及營運商。經過多年的經營和發展，華南城一直堅持「誠信、和諧、共贏、分享」的經營理念，致力為中小企業提供商貿物流的一體化生態系統。本集團一方面通過建設現代化的批發市場，協助項目當地政府進行舊市場改造升級，振興區域經濟轉型與發展，另一方面亦向入駐華南城項目的中小企提供一站式的全面增值服務，通過「穩商、助商、扶商、富商」的營商措施，協助中小企業降低成本，以提升競爭力。

本集團在運營過程中致力與持份者保持緊密溝通，以提升企業管治水平。本集團通過為員工提供良好的工作環境，協助客戶提升運營競爭力，不斷努力將業務運營對環境的影響減至最低，以達至可持續發展的目標。

工作環境質素

人才是推動企業實現可持續發展的原動力。華南城貫徹「以人為本」的管理理念，以吸納及培養人才為目標，為員工成長創造廣闊的平台。同時，本集團遵守國家及相關公司所在地的勞動法律法規，堅持公正和公平的原則。於本年度內，本集團繼續致力於通過有效配置人力資源，規範員工協作關係，實現員工和企業發展的雙贏。

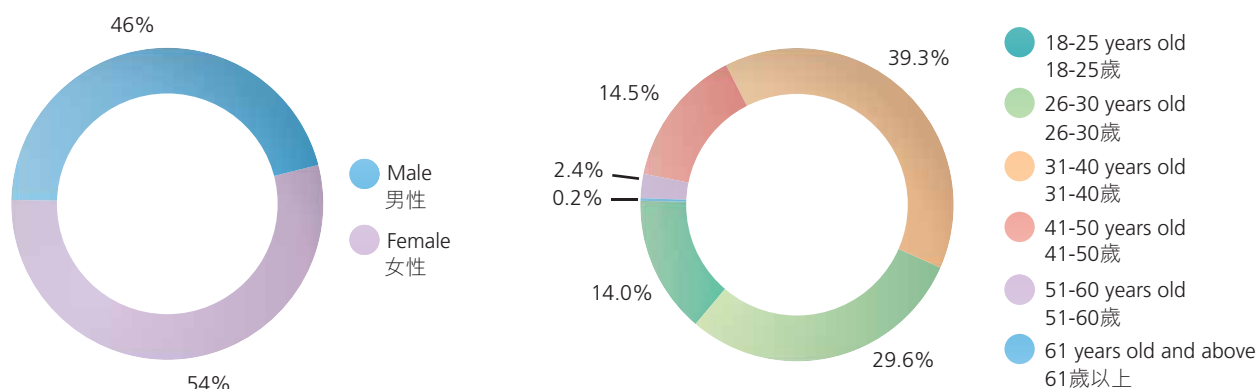
員工概況

華南城根據業務發展的實際需要來分配資源及調整團隊架構。於本年度內，本集團因應業務的需要精簡員工架構，解聘了部分與業務發展不相配的員工，同時，就擴展中的業務，本集團分別通過社會招聘、公開招聘及內部推薦等不同方式聘用符合資格的人士。在這些過程中，本集團堅持公平公正的原則。

Total Number of Employees (by type of Engagement) as at 31 March 2018:
 截至2018年3月31日止，按聘用類型劃分的僱員人數：

Total 總人數	Full-time 全職	Part-time 兼職
5,638	5,627	11

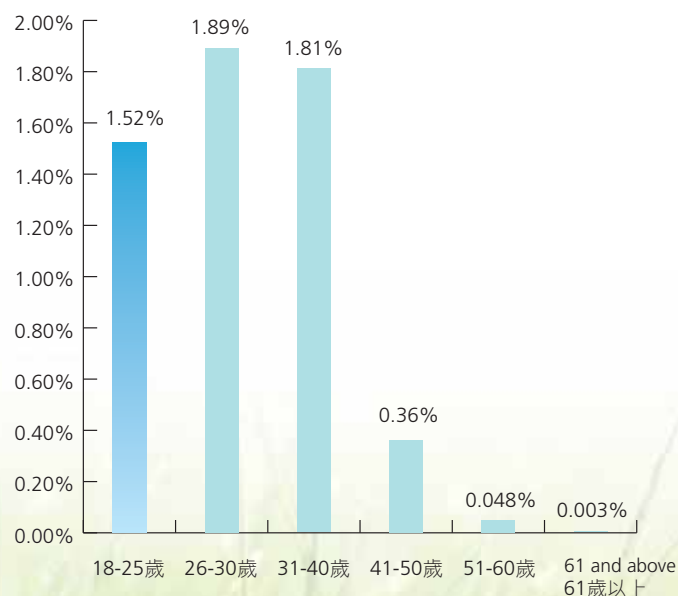
Total Number of Employees (by Gender) as at 31 March 2018 Total Number of Employees (by Age) as at 31 March 2018
 截至2018年3月31日按性別劃分的僱員總數 截至2018年3月31日按年齡劃分的僱員總數



During the Year, the monthly employee turnover rate by gender of the Group was 2.74% for female employees and 2.89% for male employees; while the monthly employee turnover rate by region was 5.61% in Mainland China regions and 0.02% in Hong Kong.

於本年度，本集團按性別劃分月度僱員流失率，女性僱員流失率為2.74%，男性僱員流失率為2.89%；按地區劃分月度僱員流失率，國內地區僱員流失率為5.61%，香港地區僱員流失率為0.02%。

Average Monthly Employee Turnover (by Age) during the Year
 本年度按年齡組別劃分平均月度僱員流失率



Employee Development and Training

China South City believes that talent be the most important driving force to its sustainable development. Learning serves as the principal means for employees' sustainable development and creativity. Therefore, it is the responsibility of a corporate to provide employees with opportunities of continuous improvement.

During the Year, the Group continued to enhance its staff training system by developing a four-part system that incorporated orientation, professional skills training, capability development and professional competence for managers. Apart from that, the Group provided adequate on-the-job training for its employees through a wide array of activities, such as lectures and seminars, outward bound, sharing, etc. In addition, to record and monitor the effect of training, the Group made attained training hours as one of the departmental appraisal criteria, in order to create a positive and encouraging training environment of employees. During the Year, average employee training hours were 24 hours.

員工發展及培訓

華南城相信，人才是企業最重要的持續發展動力。學習是使員工具備持續性發展及創造能力的主要途徑，因此企業有責任為員工創造不斷提升的機遇。

於本年度內，本集團繼續深化員工培訓制度，為各級員工提供包括新入職培訓、職業技能發展、管理生培訓、管理層能力發展等四部分內容在內的培訓體系，並通過包括知識講座、戶外拓展及經驗分享計劃等豐富多樣的實地培訓，為員工提供充分的在職教育。同時，為記錄和監察培訓效果，本集團將培訓時數納入部門考核的標準，以鼓勵員工積極學習，致力營造良好的員工培訓環境。於本年度內，本集團員工整體的平均培訓時數為24小時。



Outward bound training for fresh graduates in 2017
2017年度應屆畢業生參與野外拓展訓練



Internal training at CSC Nanchang
於南昌華南城舉行的內部培訓

Training Hours (by Grade of Staff) in FY2017/18 2017/18財政年度按員工級別劃分的培訓時數

		Entry Level 基層	Middle Level 中層	Senior Level 高層	Total 合計
Number of Hours	小時	114,990	27,080	2,870	144,940
Percentage	百分比	79.34%	18.68%	1.98%	100%

In respect of remuneration and fringe benefits, externally the Group takes reference to general economic environment and pay level of the industry, while internally it upholds the principles of fairness and competitiveness, with reference to position, capability, performance, as well as educational and professional qualifications. According to employee's position, responsibility and job nature, the Company applies three different categories of remuneration, including an annual scheme with reference to operating results of the year, a performance-based scheme with reference to annual and quarterly performance, and a commission-based scheme with reference to sales performance. Furthermore, the Group grants share option as incentive for Senior Management to share the Group's business achievements.

In respect of career development and promotion opportunity, the Group maintains fair competition and diversified personnel development scheme, assuring no discrimination against, or even dismissal of, employees on the grounds of gender, age, marital status, religious belief, ethnicity, nationality and health. The Group has a leave system in place in accordance with local labor laws and regulations. In the meantime, its is to enhance employees' sense of belonging in all-round manner through the continuously improving fringe benefit cares and concerns of employees, as well as the enriched variety of corporate culture events.

In addition, the Group has provided its employees with various cultural and recreational activities during the Year, so as to foster the sense of belonging and team spirit among employees and develop a harmonious corporate culture. Such activities include:

- Employee birthday parties
- Spring Dinner (春茗會) – the feeling of home in CSC
- Sports events, such as fun sports day
- Employee dormitories equipped with gyms, to encourage employees to have regular fitness and healthy training at leisure

本集團僱員的薪酬和福利水平，對外結合整體經濟環境與同行業薪酬水平，對內保持公平及競爭性，並結合職位、個人能力、業績、學歷及專業資格等而釐定。根據職位、職責和工作性質的不同，公司採用三種不同薪酬類別，包括與企業年度經營業績相關的年薪制、與年度及季度績效相關的崗位績效工資制及與銷售業績相關的提成工資制，並為集團高級管理人員提供購股權，讓集團的高級管理人員共享集團的經營成果。

在職業發展及晉升機會方面，本集團保持內部公平競爭及員工多元化發展計劃，不因性別、年齡、婚姻狀況、宗教信仰、種族、國籍及身體狀況而歧視甚至解聘任何員工。本集團及相關公司按照所在地勞動法建立假期制度。同時，通過不斷完善員工福利體系，關愛員工，豐富企業文化活動，全方位提升員工的歸屬感。

此外，本集團於本財年內繼續為員工提供形式多樣的文化康樂活動，以提升其企業歸屬感及團隊精神，從而建立和睦共事的企業文化，包括：

- 員工生日慶祝活動
- 春茗會—感受企業「家」的氛圍
- 趣味運動會、拔河比賽等體育活動
- 員工宿舍配備健身房，鼓勵員工運動健身



Spring dinner during the Year
本財年春茗會



Fun Sports Day
趣味運動會

Effective Communication

China South City values and encourages the opinion and suggestion from its employees in their career development. The Group is committed to pro-active response to employees' feedback through various channels and solutions to continuously improve its working environment. The Group has set up a hotline through which employees can express their views; employees can timely express their views through public e-mail, WeChat, hotline, employee satisfaction surveys and a suggestions box.

To facilitate effective mutual communication, the Group, based on human resources policy such as "Performance Management Proposal", and "Rewards and Punishments on Employee Conduct", regularly assess employees' performance and feedback the Group's expectation. To enhance employees' performance and the Group's core competitiveness by motivating employees' constant self-improvement and breakthroughs, which in turn will achieve a win-win situation for both the Group and its employees.

Occupational Safety and Health for Employees

The Group endeavors to provide a healthy and safe working environment for its employees, and encourages them to strike a work life balance. To further facilitate its safety management in construction, operation and development, the Group provides regular courses and training on occupational safety for its employees, particularly for those involved in construction and fire services, so as to raise the awareness of safety precautions. With a robust coping mechanism in place, the Group provides advance medical payment for the wounded or sick employees in the first instance, and timely reports to Human Resources and Social Security Bureau (人力資源和社會保障局). The Group also delegates its labor union personnel to visit the affected employees, console their family members, and seek the best treatment plan with medical institutions in multiple ways.

有效溝通

華南城重視員工在職業發展中提出的意見及建議，並鼓勵員工提供反饋，通過主動提供多樣化的渠道聆聽員工訴求，並積極尋求解決方案以不斷改善工作環境。集團已設立聆聽熱線，員工可直接撥打熱線表達訴求。員工亦可通過公開郵箱、微信平台、電話熱線、員工滿意度問卷調查及意見箱等形式及時反映其訴求。

為促進有效的雙向溝通，本集團通過《績效管理方案》、及《員工日常行為獎懲》等人力資源政策，定期評估員工表現，並向員工反饋企業期望，促進員工個人崗位業績及提升集團核心競爭力，以督促員工不斷實現自我提升及突破，從而達到企業與員工發展共贏的局面。

員工職業安全及健康

本集團致力於為員工提供一個健康與安全的工作環境，並鼓勵員工尋求工作與健康生活的平衡。為進一步統籌規劃並促進本集團在建設、運營及發展中的安全管理工作，本集團通過定期向涉及施工、消防的相關員工，提供職業安全教育課程及培訓，以提升其自我安全防範意識。本集團亦通過一套完善的應對系統，於事故的第一時間為傷病員工墊付工傷醫療費用，並及時向人力資源和社會保障局溝通申報。同時本集團亦派出公會人員進行傷病員工慰問探訪，做好員工家屬的心理輔導，並與醫療機構配合，多方尋求最佳治療方案。

		Male 男性	Female 女性	Total 整體
Rate of work-related injuries per thousand employees	每千名員工的工傷率	1.60%	0.88%	2.48%
Number of working days lost due to work-related injuries	因工傷損失工作日數	380	210	590

Our Awards and Accreditation

During the Year, China South City obtained the following honors for its human resources management:

企業獎項及認證

本財年內，華南城總部及項目獲得的人力資源管理獎項如下：

Award Winner 獲獎機構	Award 獎項	Institutions 頒發機構
CSC Harbin 哈爾濱華南城	Top Human Resources Management Awards 2018年人力資源管理傑出獎	51job.com 前程無憂網
CSC Hefei 合肥華南城	2017 Best Learning-oriented Organization in Anhui 2017安徽企業評選最佳學習型組織	Department of Human Resources and Social Security of Anhui Province and goodjobs.cn 安徽省人力資源和社會保障廳及新安人才網
CSC Chongqing 重慶華南城	2017 Extraordinary Employer 2017年度非凡僱主	liepin.com 獵聘網
Shenzhen First Asia Pacific 深圳第一亞太	Top 50 Comprehensive Shenzhen Property Service (2016) 2016深圳市物業服務綜合實力50強 Three (ISO) system of property management 物業管理三體系	Shenzhen Property Management Association 深圳市物業管理行業協會 Hong Kong Quality Assurance Agency 香港品質保證局



Labor Standards

The Group strictly complies with China's "Provisions on the Prohibition of Child Labor" and does not hire any employees under the age of 16. During the Year, there was no incident of child labor, forced labor and harassment.

Environmental Protection

China South City is aware of potential impact on eco-environment which may be possibly brought by the development of business. Therefore, to ensure sustainable development and protect the environment, the Group adheres the philosophy of energy saving and emissions reduction into the entire process of its development and operation, ensuring its compliance with applicable laws and regulations on environmental protection. In addition, the Group has rolled out multiple recycling and reuse projects throughout its daily operation, to raise the environmental awareness of employees, business tenants and residents. From product design, green construction to operation, China South City is committed to reducing its environmental impact through various green measures.

Environmentally Friendly Design

All design and construction of China South City are complied with the national standards on energy-saving buildings and have passed third-party inspection, as well as energy-saving acceptance checks by the government upon project completion. During its project design, the Group maximizes the application of energy-saving and environmental friendly materials, and adopts energy-saving solutions to reduce carbon emissions. For instance, at CSC Zhengzhou, residential projects are designed with an integrated insulation structure which combines insulation and enclosure functions of a building. Such design, with its greater durability and new fire prevention technology, serves as an important solution to the quality and fire safety issues commonly seen in the projects of energy-saving insulation buildings. Also in line with the national measures of energy saving and emissions reduction, the design is of great significance in ramping up the energy-saving capacity of buildings and facilitating the transformation and upgrade of the construction sector.

勞工準則

本集團嚴格遵守中國《禁止使用童工條例》，並不會僱用任何16歲以下的人士。於本年度內，本集團並未發生僱用童工和強迫勞工及騷擾相關事件。

環境保護

華南城深明企業發展可能對生態環境造成影響。為確保可持續發展及保護生態環境，本集團將節能減排的理念貫穿於開發運營的過程，確保符合所適用的環境保護法律法規。本集團在日常運營中推行多項循環再用計劃以提高員工、商戶及住戶的環保意識。華南城致力通過從產品的設計到綠色施工及運營等各項環保舉措減低對環境的影響。

環保設計

華南城的建築設計及施工均按照國家節能建築標準及通過第三方節能審查，項目竣工時亦會通過政府節能驗收。本集團在項目設計過程中，均盡量選用節能環保材料；及採用節能方案以減少碳排放。以鄭州華南城為例，鄭州住宅項目採用保溫與結構一體化設計，實現建築保溫功能與建築圍護功能於一體，具有較強的耐久性且兼備先端的防火技術，能有效解決建築節能保溫工程上遇到的質量和消防安全問題，並符合國家節能減排的政策，對於提高建築節能水平、促進建築領域轉型升級具有重要意義。

In response to the advocate of green construction, the Group applied the national standards on energy-saving buildings to its building design and construction in its projects. Several projects of the Group obtained the National Award for Green Building Design (One Star & two Star) (國家一星級、二星級綠色建築設計獎項) and a partial list is as follows:

為響應綠色建築，本集團的項目建築均按照國家節能建築標準進行設計、施工。本集團多個項目均獲得國家一星級、二星級綠色建築設計獎項，部份如下列表：

Subsidiary 子公司	Project Name 項目名稱	Approximate Construction Scale (1,000 sq.m.) 建築規模(千平方米)	Certificate/Verification Letter 獲取證書／審查意見書
CSC Shenzhen 深圳華南城	Logistic Park Phase II (Public Buildings) 物流園二期(公共建築)	310	Certificate of Green Building Design Label (One Star) 一星級綠色建築設計
	Plaza 4 4號交易廣場		Certificate of Green Building Design Label (One Star) 一星級綠色建築設計
CSC Nanchang 南昌華南城	E04 E04(精品市場)	170	Certificate of Green Building Design Label (One Star) 一星級綠色建築設計
	F02 (Public Buildings) F02(公共建築)	10	Certificate of Green Building Design Label (One Star) 一星級綠色建築設計
	F02 (Residential Buildings) F02(居住建築)	680	Certificate of Green Building Design Label (One Star) 一星級綠色建築設計
CSC Xi'an 西安華南城	Boutique Zone E 精品E區	680	Certificate of Green Building Design Label (One Star) 一星級綠色建築設計
	Boutique Zone D 精品D區	230	Certificate of Green Building Design Label (One Star) 一星級綠色建築設計
CSC Hefei 合肥華南城	Zijinmingdu Phase 4 (Residential Buildings) 紫荊名都4期住宅		Verification Letter of Green Building Design Label (One Star) 一星級綠色建築設計
	Community Center 社區中心		Verification Letter of Green Building Design Label (Two Star) 二星級綠色建築設計

Environmental Friendly Facilities

To better incorporate the philosophy of sustainable development into its daily operation and management, the Group proactively promotes application of energy-saving equipment in each project.

For instance, in CSC Shenzhen, in terms of the measures for saving electricity, energy-saving lamps have been installed in Plazas 1 and 2, phase 1 of the wholesale market and administrative building, expected saving approximately 5,600,000 kWh of electricity during the Year.

During the Year, the Group continued its energy-saving cooperation with Singyes Solar Technologies Holdings Limited. In terms of electricity-saving measures, a 2MW photovoltaic system was installed at the roof top of Plaza 4 of CSC Shenzhen, expected generating over 1,700,000 kWh of electricity during the Year.

During the Year, other CSC projects has also implemented different energy-saving measures for environmental protection. For instance, LED Lamps are used in underground parking of Plaza 2 of CSC Harbin, timer setup for outdoor lighting and signboard and usage control of air conditioning system based on the season and outdoor temperature. Besides, photovoltaic lighting system was adopted in the underground parking of Plaza 3 of CSC Hefei. Through every small improvement in daily operation, the Group practically carries out sustainable development.

During the Year, there is no incident of breach in laws and regulations in relation to emitting exhaust and greenhouse gases, discharging sewage into water or land, and generating hazardous or non-hazardous wastes.

In respect of environmental protection of the community, the Group also requires its contractors to establish relevant non-instructive construction measures preventing dust, noise and light pollution and traffic congestion at the construction sites, in order to minimize the impact on the community.

Education on Environmental Protection

To make the best use of resources, the Group is proactive in implementing a green office in its daily management and operation. Employees have been educated to boost their environmental awareness. They have been encouraged to protect the environment by managing office supplies consumption, water and energy saving and workflow simplification.

環保設施

為將可持續發展的理念更融入日常運營及管理，本集團積極推動各項目使用節能設備。

以深圳項目為例，於節電措施方面，深圳華南城一號交易廣場、二號交易廣場、專業批發市場一期及行政樓通過安裝LED節能燈，估計年度內有效節電約560萬度。

於本年度內，本集團與興業太陽能技術控股有限公司就節約能源領域展開合作繼續合作，於深圳華南城四號交易廣場屋頂設置了2MW太陽能光伏發電項目，估計該項目年度內發電逾170萬度。

於本年度內，本集團其他項目亦陸續推出不同的環保節能措施。如哈爾濱華南城二號交易廣場地下停車場在保證照明亮度情況下均採用LED燈；室外照明及招牌燈箱設定定時開關；空調系統亦按季節、室外溫度控制使用時間。合肥華南城三號交易廣場地下停車場照明系統，亦改用光伏發電。透過日常運營上的小改善，切實推進持續發展的理念。

於本年度內，本集團並無有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生的法律及規例的違規行為。

於小區環保方面，本集團亦要求承建商制定相關施工不擾民措施，做好施工現場的防粉塵、防噪音、防光污染及防交通擁塞，從而進一步降低對小區居民生活的影響。

環保教育

為善用資源，本集團於日常管理以及運營操作方面積極實行綠色辦公，持續教育員工提高其環保意識，並鼓勵員工通過在辦公用品消耗管理、節水節能及簡化工作流程方面積極實踐環保。

Civilized Construction

Highly attentive to the impact on the environment and communities during its project development, the Group strictly complies with applicable laws and regulations on environmental protection and has formulated a set of civilized construction standards and monitoring measures, including the "Construction Sites Safety and Civilized Construction Standard of China South City" (《華南城集團施工現場安全文明施工管理標準》) and the "Construction Project Safety and Civilized Construction Evaluation Methods of China South City (Trial)" (《華南城建設工程安全文明施工專項評比辦法(試行)》), in order to advocates civilized and green construction and strives to establish a better business environment in a more environmental friendly manner.

In respect of managing dust pollution, green management has taken place at construction sites. Cement and other construction materials which are easily blown into the air are sealed and stored; and construction waste is discharged and transported through special airtight refuse passages or containers. Construction sites are also equipped with enclosed waste stations where construction waste and domestic waste are classified and stored.

In respect of managing sewage discharge, sedimentation tanks has been built at the cleaning space for concrete carrier vehicles. Sewage goes through technical treatment before being recycled. The remainder of processed water is discharged into municipal sewage pipelines or recycled for dust-removal sprinkling. Oil, thinner and paint in construction sites must be placed in store rooms whose ground must have received anti-seepage treatment preventing any groundwater pollution.

In respect of managing solid waste discharge, the Group requires the constructor to timely remove the solid waste generated during its construction process and utilize or dispose of such wastes according to the regulations. Furthermore, the Group enhances the recycling and reuse of construction and demolition wastes during on-site operations.

文明施工

本集團非常重視項目開發過程中對環境及小區造成的影響，嚴格遵守所適用的環境保護法律法規，並制定了文明施工的準則，包括《華南城集團施工現場安全文明施工管理標準》及《華南城建設工程安全文明施工專項評比辦法(試行)》等，以倡導文明及綠色施工，致力採用更為環保的方式以建立一個更好的營商環境。

於廢氣揚塵污染管理方面，施工現場已進行綠化管理。水泥和其他易飛揚顆粒建築材料密閉存放，施工垃圾清運採用封閉式專用垃圾通道或封閉式容器吊運。施工現場設密閉式垃圾站，施工垃圾及生活垃圾分類存放。

於污水排放管理方面，混凝土運輸車清洗處設沉澱池，廢水經技術處理後回收使用，使用不完的方可排入市政污水管綫或回收用於灑水除塵。施工現場的油料、稀料、油漆等，必須存放於庫房內，庫房地面必須進行防滲處理，避免污染地下水體。

於固體廢棄物排放管理方面，本集團要求施工單位及時清運工程施工過程中產生的固體廢物，並按照法規進行利用或者處置，並在現場操作中加強建築垃圾和建築物拆除產生的廢棄物的回收及再利用。

Operating Practices

Through close cooperation with its suppliers and contractors, the Group endeavors to provide its customers with high quality products and services. All employees are required to comply with the Group's anti-bribery and anti-corruption policies lest violations of laws and regulations.

Supply Chain Management

The Group attaches great importance to product quality and cost control, with most of its procurement going through a tendering process. The Group implements a series of unbiased, fair, just and transparent tendering processes and a supervisory mechanism, to ensure quality of products and services, and professionalism during performance of agreements. In selecting contractors, the Group also takes into account of contractor's environmental awareness and social responsibility.

The following chart details the number of the Group's construction-related suppliers by region during the Year:

運營慣例

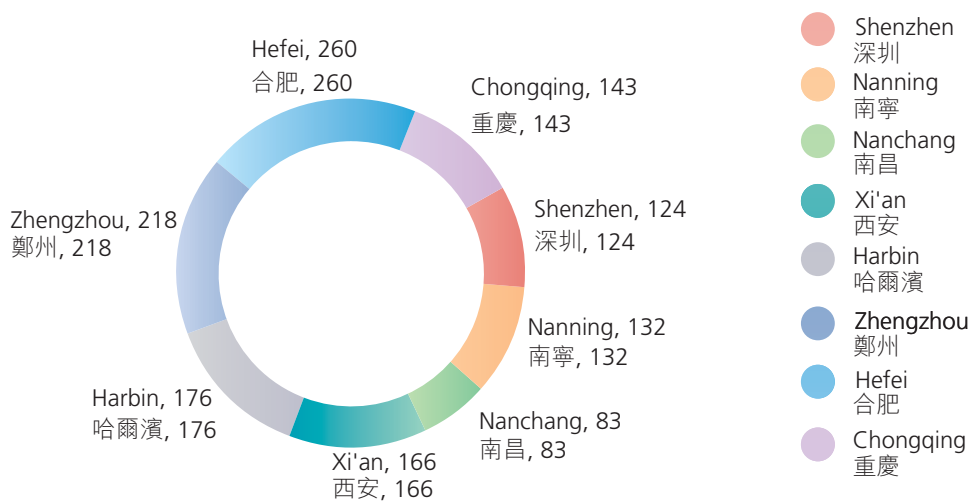
本集團通過與供貨商及承建商緊密合作，竭誠為客戶提供高效優質的產品及服務，並要求員工時刻遵守公司反貪污及賄賂的政策，以避免違規行為。

供應鏈管理

本集團重視產品的質量及成本的控制，大部分的採購均通過招標進行。本集團採用一系列不偏不倚、公平、公正、公開的招投標流程及監督機制，確保其供應產品與服務的質量以及履約過程的專業性。在選擇承建商時，本集團亦會將承建商的環保意識及社會責任感納入考慮範圍。

於本年度內，集團按地區劃分的工程相關供應商數目詳見如下：

Number of Construction-related Suppliers by Region
按地區劃分的工程相關供應商數目



Product Liabilities

Apart from developing properties, China South City actively cultivates the market in order to provide a favorable business environment for its tenants. In this regard, the Group values the advice and suggestions from its tenants and seeks to communicate with them through different channels. During the Year, the Group further refined the implementation rules of customer satisfaction surveys for its regional subsidiaries. The Group can learn the extent of customer satisfaction of China South City in respect of product planning and design, construction quality, business operation, property management and customer service through the customer satisfaction surveys. Accordingly, specific targets are set, to drive the continuous improvement of management and services, so as to raise customer satisfaction and loyalty. According to the "Group Complaint Management and Handling Control Procedure" (《集團投訴管理及處理控制程序》), the general complaint will be closed within two working days from the date of acceptance. During the Year, the Group's customer service center received a total of 874 complaints. All of them have been closed in the Year.

In addition, along with business development, the Group has successively set up departments or chambers of commerce at its project companies, aiming to build a platform for smooth communication, and to enhance mutual understanding and trust between China South City and its tenants.

Regarding the protection of customer information and privacy, the Group uploads its customers' personal information to the CRM System, and assigns special personnel to be responsible for the usage of CRM accounts, any access to information must go through a multi-levels approval procedure.

In respect of product quality control, the Group's commercial operation and management department organizes regular product safety training to promote the national laws and regulations on quality control. The Group also invites quality control authorities for regular sampling inspection.

In addition, the Group has also formulated its after-sales service policies. The customer service center has assigned customer representatives to be responsible for handling the after-sales issues with reference to the "Customer Complaint Handling System". In case of unexpected incident, the customer representatives will immediately report the incident to the Company's management for further action.

In respect of protection of intellectual property rights, the Group's operating systems are formally authorized by relevant products. The Group has also issued the "China South City Management Information Backup and Recovery Standards" to effectively protect the completeness of core business information.

產品責任

華南城在開發物業之餘亦積極培育市場，為入駐商戶提供良好的營商環境。為此本集團十分重視商戶的意見及建議，並通過各種渠道尋求與商戶的溝通。本年度內，本集團進一步細化完善了地區公司客戶滿意度調查實施細則，通過進行客戶滿意度的調查，瞭解客戶對華南城產品在規劃設計與工程質量、商業經營、物業管理及客戶服務等方面的滿意度，制訂專項提升目標，以促進管理與服務的持續改善，提升客戶滿意度和忠誠度。根據《集團投訴管理及處理控制程序》規定，一般投訴在受理投訴日起兩個工作日內結案。本年度內，本集團客戶服務中心總共收到874宗投訴。已全部於本財年內處理完結。

此外，隨著業務的發展，本集團各地的項目公司陸續成立為商戶服務的部門或商會組織，旨在為華南城與商戶之間建立有效溝通的平台及增進彼此之間的理解與信任。

本集團於保障消費者資料及私隱方面，將客戶個人私隱資料均上傳明源系統，並由專人負責明源賬戶的使用。如需存取任何相關信息，需取得多重審批同意。

於產品質量檢定方面，本集團商業運營管理部定期組織「商品安全培訓」，宣傳國家質檢的相關法律規條，並邀請質檢部門，定期進行抽樣檢查。

此外，本集團亦制定售後服務政策，由客戶服務中心委派客戶代表負責處理客戶的售後問題，處理流程參照《客戶投訴處理制度》執行。如遇特殊事項，由客戶代表立即請示上報，由公司管理層決議處理。

於保障知識產權方面，本集團所使用的操作系統都有相關產品的正式授權，並發布《華南城數據備份與恢復管理規範》有效保障核心業務數據的完整性。



Fire drill
防火演習



The armed-police fire department promoted fire safety knowledge and training to China South City employees
武警消防部門向華南城員工進行消防知識宣傳與培訓

As more and more CSC projects are put into operation, safety management has become an important part of the Group's development. During the Year, the Group continued to intensify its fire safety and prevention management, and specifically formulated the "China South City Manual of Fire Safety and Prevention System and Standards". The specialists of Production Safety Supervision and Management Office also participates in safety related work such as project planning, blueprint design, construction, inspection and acceptance and fire safety, so that the implementation rules can be applied throughout the project operation. The Group has set up fire brigades in all eight projects, also arranged safety teams for regular inspection and safety assessment. During the Year, the Group, together with the armed-police fire department, promoted fire safety knowledge and training to its employees, tenants and residents, and held fire drills with fire authorities during which participants were introduced to the usage of firefighting equipment and firefighting methods, precautions against safety hazards, and self-rescue knowledge.

Professional Ethics

The Group strictly prohibits any acts of bribery and corruption within its business operation. The staff handbook applicable to the Group is prepared in accordance with national laws and regulations, and ethical requirements of the industry, to regulate any abuse of power, malpractice, bribery and corruption. For proper risk prevention, the Group has set up the mailboxes for collecting public complaints and reporting at each subsidiaries, and provided an email account and a telephone number for complaints and reporting on the homepage of the official website. All the complaints and reporting are then handled and investigated by dedicated personnel from the Group's customer service center or the inspection and auditing department after categorizing the cases. If criminal behavior is involved in the reported case, it will be referred to the Police.

隨著華南城越來越多的項目投入運營，安全管理成為本集團發展中的重要一環。於本年度內，本集團繼續深化消防安全管理工作，制定《華南城集團安全消防制度標準手冊》。安全生產監督管理辦公室專員亦參與工程規劃、圖紙設計、施工、驗收及消防安全等安全相關專項工作，將實施細則貫穿到項目整體運營中。本集團在八個項目均設有消防隊，同時安排安全小組定期巡查及進行安全考核。於本年度內，本集團亦聯同武警消防部門向華南城員工、商家及住戶進行消防知識宣傳與培訓，並聯合消防部門進行聯合演習，介紹消防器材的使用、滅火方法及安全隱患注意事項、應急自救常識等。

職業道德

本集團嚴禁在運營過程中有任何賄賂及貪腐行為。本集團根據國家法律法規及行業道德要求制定員工手冊，規範濫用職權、營私舞弊、行賄受賄等行為。為做好風險防範工作，本集團在各附屬公司設立公開投訴舉報信箱，並於辦公系統首頁設立投訴舉報郵箱及舉報受理電話。所有投訴舉報，由本集團的客服中心或督查審計部的監察專門崗位，於接收彙報後，區別情況調查處理。若被舉報行為涉及犯罪的，將依法移送司法機關處理。



Donation to Southwestern University Middle and Primary Division
from CSC Chongqing
重慶華南城向西南大學附小、附中教育捐贈

Community Engagement

Over the years, the Group has been actively engaged in community charity affairs to fulfill its corporate social responsibility and strive for harmonious development between enterprises and the community.

Charity Donations

The Group cares about the society it projects located and made an aggregate charitable donation of approximately HK\$34.49 million to various charitable organizations and educational bodies during the Year. China South City, together with Shenzhen Charity Foundation, established Shenzhen Charity Foundation – China South City Charity Fund, aiming to “Promote Community Development, Improve Community Environment”. The foundation focuses on people’s livelihood, poverty relief, disaster relief, environmental protection, education, medical assistance, children care and other charitable items. It obtained awards such as the “Glorious Enterprise Award in Guangdong Province”, “Pengcheng Charity Corporate Donor: Silver Award” and “Outstanding Company for Fulfilling Corporate Social Responsibility”. During the Year, the foundation participated in the following major charity activities:

- Poverty Alleviation Day of Guangdong Province
- Poverty Alleviation Day of Guangxi Province
- Sponsoring the office expenses of Hefei City forty-second middle school China South City Campus
- Donation to Southwestern University Middle and Primary Division from CSC Chongqing

Cultural and Recreational Activities

1. CSC Shenzhen – Pinghu Street cadre activity center “door-to-door show”

In order to improve the quality of life of the elderly by helping them to create a united, friendly, mutual aid and respect atmosphere, so as to enhance their self-confidence and pride, and let them show their talent on stage. On 21 September 2017, Pinghu Street Old University (Pinghu Street Cadre Activity Center) conducted “Door-to-door” activities in Plaza 2 of CSC Shenzhen.

社區參與

本集團多年來一直積極參與小區公益事務，體現企業社會責任，致力推動企業與小區的和諧發展。

慈善捐助

本集團關愛其所處之社區，並於本年度內向各慈善機構和教育團體共捐出約3,449萬港元的慈善捐款。華南城與深圳市慈善會攜手成立深圳市慈善會·華南城慈善基金，該慈善基金堅持「推動社會發展，改善社會環境」的宗旨，致力關注民生、扶貧濟困、賑災救援、環境保護、教育事業、醫療救助、兒童關愛等公益慈善項目。並先後獲得「廣東省光彩事業獎」、「鵬城慈善捐贈企業銀獎」、「履行社會責任優秀企業」等榮譽。於本年度內，深圳市慈善會·華南城慈善基金參與以下主要的活動：

- 廣東省扶貧濟困日
- 廣西省扶貧濟困日
- 贊助合肥市第四十二中學華南城校區辦公經費
- 重慶華南城西南大學附小、附中教育捐贈

文化康樂活動

1. 深圳華南城—平湖街道老幹中心「上門送戲」

為了改善老年人的生活質素，營造出團結友愛、互助互敬氛圍，增強老年學員的自信心與自豪感，讓他們在舞臺上展示才華，於2017年9月21日平湖街道老年大學(平湖街道老幹部活動中心)在深圳華南城2號交易廣場開展了「上門送戲」活動。



Pinghu Street cadre activity center “door-to-door” show in CSC Shenzhen
於深圳華南城舉辦的平湖街道老幹中心「上門送戲」

Community Services

1. CSC Shenzhen – Pinghu Street Party Table Tennis Competition

To further promote cultural building of the “Two New” party organizations in Pinghu Street, to enrich the amateur cultural life of party members in the “Two New” organizations, and to enhance communications between party members and party activists, the activity of “Pinghu Street Party Member Table Tennis Competition” hosted by the Organization Department of Working Committee of the Pinghu Street, being co-organized by the CSC campus Committee of the CPC, and being strongly sponsored by the CSC Xu Zhihui Tea Trade Center, was held in atrium on the first floor of Plaza 2 of CSC Shenzhen on 25 November 2017.

服務社區

1. 深圳華南城－平湖街道黨員乒乓球賽

為進一步推動平湖街道「兩新」黨組織文化建設，豐富廣大「兩新」組織黨員的業餘文化生活，促進各黨組織黨員及入黨積極分子的交流。由中共平湖街道工委組織部主辦，中共華南城園區委員會協辦、華南城旭之輝茶業交易中心大力贊助的「平湖街道黨員乒乓球比賽」活動於2017年11月25在深圳華南城2號廣場首一層中庭舉行。



Pinghu Street Party table tennis competition in CSC Shenzhen
於深圳華南城舉辦的平湖街道黨員乒乓球賽

2. CSC Nanchang – Clean and compulsory labor

Turning a new year, to improve the environmental quality of the park, to ensure that the park's environment is clean, tidy and orderly, on 9 February 2018, Jiangxi branch of the First Asia Pacific carried out the activity of “Welcome the New Year, Voluntary Labor for Clean Environment of Park”. All employees of the branch office, party members of CSC Nanchang, outsourcing security and cleaners, total more than 160 people participated in this event.

2. 南昌華南城－清潔義務勞動

辭舊迎新，提高園區環境品質，為確保園區環境乾淨、整潔、規範有序，2018年2月9日，第一亞太江西分公司開展了「迎新春，園區環境清潔義務勞動」活動，分公司全體員工、南昌華南城黨員、外包保安、保潔共計160餘人參與此次活動。



Clean and compulsory labor in CSC Nanchang
 於南昌華南城舉辦的清潔義務勞動

3. CSC Shenzhen gratitude and encouragement tour for the disabled

On 15 March 2018, Plaza 2 of CSC Shenzhen was in a rhapsodic atmosphere. The disabled thankful and motivational tour with the topic of “China Dream, Motivational Tour”, which was supported by the leading group of Shenzhen Special Fund for Cultural Publicity and Development, Shenzhen Yi Ya Tong Supply Chain Co., Ltd. and Shenzhen Olive Tree Disabled Mutual Aid Center, and jointly organized by the space Incubator, Shenzhen Post Office of Longgang District, Shenzhen Lions Club, Shenzhen Volunteer Service Foundation, Shenzhen Disabled Volunteers Federation, Shenzhen Metro Volunteers Association, CSC Shenzhen, etc, was grandly launched. Through the inspirational performance on the motherland by the disabled, it has enlightened people’s dream and passion of life.

3. 深圳華南城殘疾人感恩勵志巡講

於2018年3月15日，深圳華南城二號交易廣場歡歌如潮，由深圳市宣傳文化事業發展專項基金領導小組支持，深圳市怡亞通供應鏈股份有限公司、深圳市橄欖樹殘友互助中心，並聯合殘創空間孵化器、深圳市龍崗區郵政局、深圳市獅子會、深圳市志願服務基金會、深圳市助殘志願者聯合會、深圳市地鐵義工聯合會、深圳華南城等共同舉辦的「中國夢·勵志行」殘疾人感恩勵志巡演在這裏隆重開演，通過殘疾人勵志表演活動，歌頌祖國，喚醒人們心中的夢想，點燃人們對生活的熱情。



Gratitude and encouragement tour for the disabled in CSC Shenzhen
 於深圳華南城舉辦的殘疾人感恩勵志巡講

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



To the members of China South City Holdings Limited
(Incorporated in Hong Kong with limited liability)

Opinion

We have audited the consolidated financial statements of China South City Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 136 to 256, which comprise the consolidated statement of financial position as at 31 March 2018, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAAs") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

致華南城控股有限公司各股東
(於香港註冊成立之有限公司)

意見

我們已審核華南城控股有限公司(「貴公司」)及其附屬公司(「貴集團」)載於第136至256頁的綜合財務報表，當中載有於2018年3月31日的綜合財務狀況表、及截至該日止年度的綜合損益表、綜合全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒布之香港財務報告準則(「香港財務報告準則」)真實而公允地反映了貴集團於2018年3月31日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港公司條例妥為編制。

意見之基礎

我們根據香港會計師公會頒布之香港審計準則(「香港審計準則」)進行審核。根據該等準則下，我們的責任於本報告內核數師就審核綜合財務報表須承擔之責任一節中進一步闡述。根據香港會計師公會之專業會計師操守守則(「守則」)，我們獨立於貴集團，並已根據守則履行其他道德責任。我們相信，我們所獲得的審核憑證能足夠及能適當地為我們的審核意見提供基礎。

關鍵審核事項

關鍵審核事項根據我們的專業判斷，認為對我們審核本期間綜合財務報表最為重要之事項。該等事項是在我們對綜合財務報表整體進行審核並形成意見之背景下處理，我們不會對該等事項提供單獨意見。我們對下述每一事項在審核中是如何處理之描述亦以此為背景。

Key audit matters (Continued)

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter

Fair value of investment properties

As of 31 March 2018, the carrying amount of investment properties was HK\$48,135,043,000. Fair value gains on investment properties amounted to HK\$4,378,474,000, which accounted for 64.5% of profit before tax of the Group. The Group engaged an external valuation expert to perform valuation of the Group's investment properties to estimate their fair values as at 31 March 2018. The fair values of investment properties were determined principally using the income capitalization method by capitalizing the rental income derived from the existing tenancies with due provisions for the reversionary income potential of the properties. The determination of application of the valuation technique, future rental income and renting rate involved significant management judgment and estimates.

The related disclosures are included in notes 3 and 14 to the consolidated financial statements.

How our audit addressed the key audit matter

Our audit procedures included evaluating the valuation process and the independence and expertise of the external valuation expert. We assessed the related data of the properties as used by the external valuation expert as inputs for the valuations by comparing to the historical data and market index. We also involved our valuation specialists to assist us in evaluating the valuation methodology and the underlying assumptions which principally included the market unit rental rate and capitalization rate. We further assessed the adequacy of the disclosures of the valuations of investment properties in the consolidated financial statements.

關鍵審核事項(續)

我們已履行本報告中核數師審核綜合財務報表之責任一節中所述的責任，包括有關該等事項之責任。因此，我們的審核包括執行旨在應對綜合財務報表存有重大錯誤陳述風險評估而設定之程序。審核程序的結果包括處理以下事項的程序，為我們就隨附的綜合財務報表的審核意見提供基礎。

關鍵審核事項

投資物業之公平值

於2018年3月31日，投資物業的賬面值為48,135,043,000港元。投資物業之公平值收益為4,378,474,000港元，佔貴集團稅前利潤之64.5%。貴集團委聘外部估值專家進行貴集團投資物業於2018年3月31日的估值。投資物業公平值主要按收入資本化法釐定，方法是將現有租賃所得的租金收入資本化，並就物業的潛在可復歸收入計提適當撥備。決定估值技術的運用、未來租金收入及出租率涉及重大的管理層判斷及估計。

相關披露載於綜合財務報表附註3及14。

該事項在審計中如何處理

我們的審核程序包括評估估值程序及外部估值專家的獨立性及專業性。我們比較歷史數據及市場指數，從而評估外部估價專家用於估值中有關物業資料投入。我們亦委託我們的評估專家協助評定評估的方法及包括市場單位租金率及資本化比率等主要基礎假設。我們亦評估在綜合財務報表中對投資物業估值披露的充分性。

Key audit matters (Continued)

Key audit matter

Impairment of trade receivable balances

As at 31 March 2018, the carrying amount of trade receivables was HK\$1,185,378,000. The Group estimates the impairment allowances for trade receivables by assessing the recoverability based on historical recovery of the overdue trade receivables of respective ages and related prevailing market conditions. This requires the use of significant estimates and judgments.

The related disclosures are included in notes 3 and 24 to the consolidated financial statements.

How our audit addressed the key audit matter

We obtained an understanding of management's analysis of the recoverability of trade receivables. We evaluated the accuracy of the aging analysis prepared by management by checking to the related sales invoices, and the credit terms specified in the related sales contracts. We also assessed the historical settlement history and checked the settlement received subsequent to the year end with respective bank slips on a sampling basis.

關鍵審核事項(續)

關鍵審核事項

應收貿易賬款減值

於2018年3月31日，應收貿易賬款賬面值為1,185,378,000港元。貴集團以個別賬齡的逾期賬款之歷史回收紀錄及普遍的市場條件評估應收貿易賬款的可回收性，從而估計應收貿易賬款減值撥備。此涉及重大判斷及估計之使用。

相關披露載於綜合財務報表附註3及24。

該事項在審計中如何處理

我們對管理層對應收貿易賬款可回收性分析作出了解。我們核對有關的銷售發票及銷售合同上的信貸期，以評估管理層編制的賬齡分析的準確性。我們亦分析過往還款紀錄及以樣本方式核對期後回款的銀行賬單。

Other information included in the Annual Report

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

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

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

Responsibilities of the Directors for the consolidated financial statements

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

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

The Directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

年報中所載之其他資料

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

我們對綜合財務報表作出之意見並不涵蓋其他資料，我們亦不會就其他資料發表任何形式之鑒證結論。

就審核綜合財務報表而言，我們的責任為閱讀其他資料，及在此過程中，考慮其他資料是否與綜合財務報表或我們在審核過程中所了解的情況有重大不符，或者似乎有重大錯誤陳述。基於我們已執行之工作，如我們認為其他資料出現重大錯誤陳述，我們需要報告有關事實。就此而言，我們並無需報告任何事項。

董事就綜合財務報表須承擔之責任

貴公司董事須負責根據香港會計師公會頒布之香港財務報告準則及香港公司條例規定編製綜合財務報表使其真實而公允地列報，及制訂董事認為必要之相關內部監控，以使綜合財務報表之編製不會存在由於欺詐或錯誤而導致之重大錯誤陳述。

在編製綜合財務報表時，貴公司董事須負責評估貴集團持續經營之能力，並在適用情況下披露與持續經營有關之事項。除非貴公司董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

貴公司董事在審核委員會協助下履行監督貴集團財務報告過程之責任。

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

核數師就審核綜合財務報表須承擔之責任

我們的目標為對整體綜合財務報表是否不存在由於欺詐或錯誤而導致之任何重大錯誤陳述取得合理保證，並發出載有我們意見的核數師報告。我們根據香港公司條例第405條，僅向整體股東報告，而不作其他用途。我們概不就本報告之內容對任何其他人士承擔任何責任或負責。

合理保證是高水平的保證，惟根據香港審計準則進行之審核工作不能保證總能察覺所存在之重大錯誤陳述。錯誤陳述可因欺詐或錯誤產生，如按合理預期情況下可影響使用者根據綜合財務報表作出之經濟決定時，則被視為重大錯誤陳述。

在根據香港審計準則進行審核之過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述之風險、設計及執行審核程序以應對該等風險，以及獲取充足和適當之審核憑證，作為我們意見之基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或凌駕內部監控之情況，因此未能發現因欺詐而導致之重大錯誤陳述之風險較因錯誤而導致之重大錯誤陳述之風險為高。
- 了解與審核相關之內部監控，以設計適當之審核程序，但目的並非對 貴集團內部監控之有效性發表意見。
- 評估董事所採用會計政策之恰當性及作出會計估計和相關披露之合理性。

Auditor's responsibilities for the audit of the consolidated financial statements (Continued)

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

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

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

核數師就審核綜合財務報表須承擔之責任(續)

- 對董事採用持續經營會計基礎之恰當性作出結論，並根據所獲取之審核憑證，決定是否存在與事件或情況有關之重大不確定性，而可能對貴集團持續經營之能力構成重大疑慮。如我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中之相關披露，或倘有關之披露不足，則修改吾等之意見。我們的結論是基於截至核數師報告日期止所取得的審核憑證。然而，未來事件或情況可能導致貴集團無法持續經營。
- 評價綜合財務報表之整體列報方式、結構及內容，包括披露資料，以及綜合財務報表是否公允反映相關交易和事項。
- 就貴集團實體或業務活動之財務資料獲取充分及適當的審核憑證，以對綜合財務報表發表意見。我們負責指導、監督和執行集團審核。我們對審核意見承擔全部責任。

我們與審核委員會溝通計劃審計範圍、時間安排及重大審核發現等事項，包括我們在審核期間識別出內部監控之任何重大缺陷。

我們亦向審核委員會提交聲明，說明我們已符合有關獨立性之相關道德要求，並與彼等溝通所有合理地被認為會影響我們獨立性之關係及其他事宜，以及相關防範措施(如適用)。

Auditor's responsibilities for the audit of the consolidated financial statements (Continued)

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

The engagement partner on the audit resulting in this independent auditor's report is Law Kwok Kee.

核數師就審核綜合財務報表須承擔之責任
(續)

就與審核委員會溝通之事項中，我們釐定對本期綜合財務報表之審核最為重要之事項，因而構成關鍵審核事項。我們於核數師報告中描述該等事項，除非法律法規不允許公開披露該等事項，或在極端罕見之情況下，若合理預期下於我們報告中溝通某事項造成之負面後果將會超過其產生之公眾利益，我們將不會在報告中溝通該事項。

本獨立核數師報告之審核項目合伙人為羅國基。

Ernst & Young
Certified Public Accountants
22/F, CITIC Tower
1 Tim Mei Avenue
Central
Hong Kong

28 June 2018

安永會計師事務所
執業會計師
香港
中環
添美道1號
中信大廈22樓

2018年6月28日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

Year ended 31 March 2018 截至2018年3月31日止年度

		For the year ended 31 March		
		截至3月31日止年度		
			2018	2017
		Notes	HK\$'000	HK\$'000
		附註	千港元	千港元
Revenue	收入	5	9,405,370	7,838,510
Cost of sales	銷售成本		(5,336,191)	(4,328,365)
Gross profit	毛利		4,069,179	3,510,145
Other income and gains/(losses)	其他收入及收益/(虧損)	5	856,965	726,027
Fair value gains on investment properties	投資物業公平值收益	5	4,378,474	4,549,509
Selling and distribution expenses	銷售及分銷開支		(680,691)	(624,629)
Administrative expenses	行政開支		(1,216,023)	(1,146,292)
Other expenses	其他開支		(329,668)	(147,028)
Finance costs	融資成本	7	(294,771)	(275,478)
PROFIT BEFORE TAX	稅前利潤	6	6,783,465	6,592,254
Income tax expenses	所得稅開支	10	(2,281,133)	(2,269,292)
PROFIT FOR THE YEAR	本年度利潤		4,502,332	4,322,962
Attributable to:	下列各方應佔：			
Owners of the parent	母公司擁有人		4,511,679	4,322,626
Non-controlling interests	非控股權益		(9,347)	336
			4,502,332	4,322,962
EARNINGS PER SHARE	歸屬於母公司普通股			
ATTRIBUTABLE TO ORDINARY	權益持有人之			
EQUITY HOLDERS OF THE PARENT	每股盈利	12		
Basic	基本			
– for profit for the year	– 本年度利潤		HK56.35 cents港仙	HK53.99 cents港仙
Diluted	攤薄			
– for profit for the year	– 本年度利潤		HK56.19 cents港仙	HK53.96 cents港仙

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

Year ended 31 March 2018 截至2018年3月31日止年度

		For the year ended 31 March	
		截至3月31日止年度	
		2018	2017
		HK\$'000	HK\$'000
		千港元	千港元
PROFIT FOR THE YEAR	本年度利潤	4,502,332	4,322,962
OTHER COMPREHENSIVE INCOME/(LOSS)	其他全面收入／(虧損)		
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:	將於其後期間重分類至損益的其他全面收入／(虧損)：		
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	3,776,276	(1,853,190)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	本年度除稅後其他全面收入／(虧損)	3,776,276	(1,853,190)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	本年度總全面收入	8,278,608	2,469,772
Attributable to:	下列各方應佔：		
Owners of the parent	母公司擁有人	8,271,536	2,482,231
Non-controlling interests	非控股權益	7,072	(12,459)
		8,278,608	2,469,772

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

31 March 2018 2018年3月31日

			31 March 2018 2018年3月31日	31 March 2017 2017年3月31日
		Notes 附註	HK\$'000 千港元	HK\$'000 千港元
NON-CURRENT ASSETS				
非流動資產				
Property, plant and equipment	物業、廠房及設備	13	1,749,787	1,454,909
Investment properties	投資物業	14	48,135,043	42,191,542
Properties under development	發展中物業	15	3,451,245	4,493,810
Prepaid land lease payments	預付土地出租金	16	1,449,228	1,146,108
Goodwill	商譽	17	34,128	34,128
Investments in associates	於聯營公司的投資	18	142,112	82,497
Available-for-sale investments	可供出售金融投資	19	138	175,512
Other long-term receivables	其他長期應收款項	20	15,684	5,926
Deposits paid for purchase of land use rights and property	購買土地使用權及物業支付的按金	21	1,149,909	15,235
Deferred tax assets	遞延稅項資產	35	3,139,824	2,289,999
Total non-current assets	非流動資產總值		59,267,098	51,889,666
CURRENT ASSETS				
流動資產				
Properties held for finance lease	持作融資租賃物業	22	333,514	305,240
Properties held for sale	持作銷售物業	22	38,108,017	23,847,433
Inventories	存貨	23	177,095	137,555
Trade receivables	應收貿易賬款	24	1,185,378	1,238,228
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	25	1,613,206	1,066,802
Held-for-trading investments at fair value through profit or loss	透過損益以公平值列賬之持作買賣投資	26	205,966	-
Cash and cash equivalents and restricted cash	現金及現金等價物及受限制現金	27	10,655,692	10,490,909
Total current assets	流動資產總值		52,278,868	37,086,167
CURRENT LIABILITIES				
流動負債				
Trade and other payables	貿易及其他應付款項	28	22,807,754	16,763,218
Interest-bearing bank and other borrowings	計息銀行及其他借貸	29	7,098,504	7,042,625
Short-term notes	短期融資券	30	625,100	1,353,240
Medium-term notes	中期票據	32	2,622,149	-
Corporate bonds	企業債券	33	1,978,294	-
Domestic company bonds	境內公司債券	34	3,789,933	-
Tax payables	應付稅項		4,988,314	4,442,096
Total current liabilities	流動負債總額		43,910,048	29,601,179
NET CURRENT ASSETS	流動資產淨值		8,368,820	7,484,988
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		67,635,918	59,374,654

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)
綜合財務狀況表(續)

31 March 2018 2018年3月31日

			31 March 2018	31 March 2017
		Notes	2018年3月31日	2017年3月31日
		附註	HK\$'000	HK\$'000
			千港元	千港元
NON-CURRENT LIABILITIES	非流動負債			
Interest-bearing bank and other borrowings	計息銀行及其他借貸	29	8,999,701	6,369,837
Senior notes	優先票據	31	9,230,272	6,425,992
Medium-term notes	中期票據	32	2,629,495	4,723,000
Corporate bonds	企業債券	33	–	1,778,744
Domestic company bonds	境內公司債券	34	1,854,236	5,079,429
Deferred tax liabilities	遞延稅項負債	35	8,521,460	6,518,261
			31,235,164	30,895,263
Total non-current liabilities	非流動負債總額		31,235,164	30,895,263
Net assets	資產淨值		36,400,754	28,479,391
EQUITY	權益			
Equity attributable to owners of the parent	母公司擁有人應佔權益			
Share capital	股本	36	7,060,973	7,054,362
Other reserves	其他儲備	38	29,157,371	21,243,892
			36,218,344	28,298,254
Non-controlling interests	非控股權益		182,410	181,137
Total equity	權益總額		36,400,754	28,479,391

CHENG CHUNG HING 鄭松興
Director 董事

SONG CHUAN 宋川
Director 董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

Year ended 31 March 2018 截至2018年3月31日止年度

		Attributable to owners of the parent 母公司擁有人應佔									
		Share capital	Statutory surplus reserve	Share option reserve	Exchange fluctuation reserve	Capital reserve	Revaluation reserve	Retained profits	Total	Non-controlling interests	Total equity
		股本	法定盈餘儲備	購股權儲備	匯兌波動儲備	資本儲備	重估儲備	保留利潤	總計	非控股權益	權益總額
Note		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
附註		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		Note (i) 附註(i)									
At 1 April 2016	於2016年4月1日	7,043,784	1,344,766	140,818	374,180	(274,021)	286,456	17,262,534	26,178,517	189,948	26,368,465
Profit for the year	本年度利潤	-	-	-	-	-	-	4,322,626	4,322,626	336	4,322,962
Other comprehensive loss for the year:	本年度其他全面虧損：										
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	-	-	-	(1,840,395)	-	-	-	(1,840,395)	(12,795)	(1,853,190)
Total comprehensive income for the year	本年度總全面收入	-	-	-	(1,840,395)	-	-	4,322,626	2,482,231	(12,459)	2,469,772
Capital contribution from non-controlling shareholders	非控股股東的資本出資	-	-	-	-	-	-	-	-	36,676	36,676
Acquisition of non-controlling interests	收購非控股權益	-	-	-	-	(1,820)	-	-	(1,820)	(33,028)	(34,848)
Exercise of share options	行使購股權	37	10,578	(1,548)	-	-	-	-	9,030	-	9,030
Lapse of share options	購股權失效	-	-	(637)	-	-	-	637	-	-	-
Equity-settled share option arrangement	以權益結算的購股權安排	37	-	30,612	-	-	-	-	30,612	-	30,612
Final 2016 dividend paid	已付2016年末期股息	-	-	-	-	-	-	(400,316)	(400,316)	-	(400,316)
Transfer from retained profits	轉撥自保留利潤	-	246,281	-	-	-	-	(246,281)	-	-	-
At 31 March 2017	於2017年3月31日	7,054,362	1,591,047*	169,245*	(1,466,215)*	(275,841)*	286,456*	20,939,200*	28,298,254	181,137	28,479,391

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)
綜合權益變動表(續)

Year ended 31 March 2018 截至2018年3月31日止年度

		Attributable to owners of the parent 母公司擁有人應佔							Non-controlling interests		Total equity
	Note	Share capital	Statutory surplus reserve	Share option reserve	Exchange fluctuation reserve	Capital reserve	Revaluation reserve	Retained profits	Total	Non-controlling interests	Total equity
	附註	股本	法定盈餘儲備	購股權儲備	匯兌波動儲備	資本儲備	重估儲備	保留利潤	總計	非控股權益	權益總額
	附註	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
			Note (i) 附註(i)								
At 1 April 2017	於2017年4月1日	7,054,362	1,591,047	169,245	(1,466,215)	(275,841)	286,456	20,939,200	28,298,254	181,137	28,479,391
Profit for the year	本年度利潤	-	-	-	-	-	-	4,511,679	4,511,679	(9,347)	4,502,332
Other comprehensive income for the year:	本年度其他全面收入：										
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	-	-	-	3,759,857	-	-	-	3,759,857	16,419	3,776,276
Total comprehensive income for the year	本年度總全面收入	-	-	-	3,759,857	-	-	4,511,679	8,271,536	7,072	8,278,608
Disposal of subsidiaries	處置附屬公司	-	(371)	-	1,579	-	-	-	1,208	(5,799)	(4,591)
Exercise of share options	行使購股權	37	6,611	(1,014)	-	-	-	-	5,597	-	5,597
Lapse of share options	購股權失效	-	-	(7,501)	-	-	-	7,501	-	-	-
Equity-settled share option arrangement	以權益結算的購股權安排	37	-	42,065	-	-	-	-	42,065	-	42,065
Final 2017 dividend paid	已付2017年末期股息	-	-	-	-	-	-	(400,316)	(400,316)	-	(400,316)
Transfer from retained profits	轉撥自保留利潤	-	411,035	-	-	-	-	(411,035)	-	-	-
At 31 March 2018	於2018年3月31日	7,060,973	2,001,711*	202,795*	2,295,221*	(275,841)*	286,456*	24,647,029*	36,218,344	182,410	36,400,754

* These reserve accounts comprise the consolidated other reserves of HK\$29,157,371,000 (31 March 2017: HK\$21,243,892,000) in the consolidated statement of financial position.

* 該等儲備賬包括綜合財務狀況表所載的綜合其他儲備29,157,371,000港元(2017年3月31日: 21,243,892,000港元)。

Note:

附註:

(i) In accordance with the PRC Company Law, the Company's subsidiaries registered in the PRC are required to appropriate 10% of the annual statutory profit after tax (after offsetting any prior years' losses) to the statutory surplus reserve. When the balance of this reserve fund reaches 50% of the entity's registered capital, any further appropriation is optional. The statutory surplus reserve can be utilized to offset prior years' losses or to increase capital. However, the balance of the statutory surplus reserve must be maintained at a minimum of 25% of the registered capital after such usages.

(i) 根據中國公司法，本公司於中國註冊的附屬公司須將年度法定稅後利潤(經抵銷任何過往年度虧損後)的10%撥入法定盈餘儲備。當儲備資金結餘達至實體註冊資本的50%時，可以選擇是否再次撥入資金。法定盈餘儲備可用於抵銷過往年度虧損或增加資本。然而，法定盈餘儲備於作出該等用途後的結餘必須最少維持於註冊資本的25%。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

Year ended 31 March 2018 截至2018年3月31日止年度

		For the year ended 31 March		
		截至3月31日止年度		
		2018	2017	
		HK\$'000	HK\$'000	
		千港元	千港元	
	Notes			
	附註			
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動現金流量			
Profit before tax	稅前利潤	6,783,465		6,592,254
Adjustments for:	調整：			
Finance costs	融資成本	7	294,771	275,478
Interest income	利息收入	5	(77,945)	(71,603)
(Gain)/loss on disposal of items of property, plant and equipment	出售物業、廠房及設備項目 (收益)/虧損	6	(113)	1,708
Depreciation	折舊	6	130,309	137,317
Amortization of prepaid land lease payments	預付土地出租金攤銷	6	28,269	27,020
Changes in fair value of investment properties	投資物業公平值變動	5	(4,378,474)	(4,549,509)
Provision for impairment of trade receivables	應收貿易賬款減值撥備	6	112,134	73,885
Provision for impairment loss of available-for-sale investments	可供出售金融投資 減值撥備	6	175,500	–
Gain on disposal of subsidiaries	處置附屬公司收益	6	(1,142)	–
Loss on redemption of the 2012 Notes and 2014 Notes	贖回2012年票據及 2014年票據之虧損	5	89,876	178,317
Gain on purchase of the 2014 Notes	購買2014年票據之收益	5	–	(597)
Fair value losses/(gains) on held-for-trading investments at fair value through profit or loss, net	透過損益以公平值列賬之 持作買賣投資的公平值 虧損/(收益)，淨額	5	4,461	(3,770)
Dividend income from held-for-trading investments at fair value through profit or loss	透過損益以公平值列賬之 持作買賣投資的股息收入		–	(1,014)
Equity-settled share option expense	以權益結算的購股權開支	6	42,065	30,612
			3,203,176	2,690,098
Increase in properties held for sale	持作銷售物業增加		(349,935)	(1,687,649)
Decrease in properties held for finance lease	持作融資租賃物業減少		4,884	135,524
Increase in inventories	存貨增加		(24,597)	(100,187)
Increase in other long-term receivables	其他長期應收款項增加		(8,883)	(1,469)
Decrease/(increase) in trade receivables	應收貿易賬款減少/(增加)		75,107	(234,419)
Increase in prepayments, deposits and other receivables	預付款項、按金及其他 應收款項增加		(420,124)	(8,768)
Decrease/(increase) in restricted cash	受限現金減少/(增加)		285,721	(256,917)
Increase in trade and other payables	貿易及其他應付款項 增加		2,721,755	3,622,321
Cash generated from operations	經營所得的現金		5,487,104	4,158,534
Overseas taxes paid	已付海外稅項		(1,543,899)	(875,766)
Net cash flows from operating activities	經營活動現金流入淨額		3,943,205	3,282,768

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)
綜合現金流量表(續)

Year ended 31 March 2018 截至2018年3月31日止年度

		For the year ended 31 March 截至3月31日止年度	
		2018	2017
		HK\$'000	HK\$'000
		千港元	千港元
	Notes 附註		
Net cash flows from operating activities	經營活動現金流入淨額	3,943,205	3,282,768
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動現金流量		
Purchases of items of property, plant and equipment	購買物業、廠房及設備項目	(50,342)	(39,284)
Dividends received from held-for-trading investments at fair value through profit or loss	透過損益以公平值列賬之持作買賣投資已收股息	-	1,014
Net cash (outflow)/inflow on purchase/disposal of held-for-trading investments at fair value through profit or loss transactions	透過損益以公平值列賬之持作買賣投資交易現金(流出)/流入淨額	(210,431)	31,135
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及設備項目所得款項	34,058	11,826
Purchase of an available-for-sale investment	購買一可供出售金融投資	(126)	-
Increase in amounts due from associates	應收聯營公司增加	(50,654)	(25,943)
Acquisition of non-controlling interests	收購非控股權益	-	(34,848)
Cash outflow from disposal of subsidiaries, net	處置附屬公司現金流出淨額	(11,805)	-
Deposits paid for purchase of land use rights and property	購買土地使用權及物業支付的按金	(1,133,019)	-
Additions to properties under development	發展中物業添置	(3,613,317)	(2,105,868)
Additions to prepaid land lease payments	預付土地出租金增加	-	(210,642)
Interest received	已收利息	74,654	71,603
Net cash flows used in investing activities	投資活動現金流出淨額	(4,960,982)	(2,301,007)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動現金流量		
Issue of short-term notes	發行短期融資券	1,163,784	1,395,187
Payment for interest on short-term notes	短期融資券利息付款	(97,686)	(111,524)
Repayment of short-term notes	償還短期融資券	(2,016,970)	(2,446,897)
Issue of senior notes	發行優先票據	4,149,512	4,930,000
Payment for interest on senior notes	優先票據利息付款	(318,825)	(336,667)
Redemption of the 2012 Notes and 2014 Notes	贖回2012年票據及2014年票據	(1,568,994)	(2,652,420)
Purchase of the 2014 Notes	購買2014年票據	-	(154,128)
Payment of a consent fee for the 2014 Notes	支付2014年票據同意費	-	(23,193)
Payment for interest on medium-term notes	中期票據利息付款	(352,581)	(350,637)
Payment for interest on corporate bonds	企業債券利息付款	(123,816)	(123,134)
Issue of domestic company bonds	發行境內公司債券	-	1,615,390
Payment for interest on domestic company bonds	境內公司債券利息付款	(324,633)	(206,830)
New bank and other borrowings	新借銀行及其他貸款	9,612,905	6,218,187
Repayment of bank and other borrowings	償還銀行及其他貸款	(8,428,673)	(8,393,172)
Exercise of share options	行使購股權	5,597	9,030
Capital contribution from a non-controlling shareholder	非控股股東出資	-	36,676
Dividends paid	分派股息	(400,316)	(400,316)
Interest paid	已付利息	(841,138)	(784,145)
Net cash flows from/(used in) financing activities	融資活動現金流入/(流出)淨額	458,166	(1,778,593)
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物減少淨額	(559,611)	(796,832)
Cash and cash equivalents at the beginning of year	年初的現金及現金等價物	8,022,020	9,327,807
Effect of foreign exchange rate changes, net	匯率變動影響淨額	741,924	(508,955)
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	年終的現金及現金等價物	8,204,333	8,022,020
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物結餘分析		
Cash and cash equivalents	現金及現金等價物	8,204,333	8,022,020

NOTES TO FINANCIAL STATEMENTS

財務報表附註

31 March 2018 2018年3月31日

1. Corporate and Group Information

China South City Holdings Limited (the "Company") is a limited liability company incorporated in Hong Kong. The registered office of the Company is located at Room 2205, 22/F, Sun Life Tower, The Gateway, 15 Canton Road, Tsimshatsui, Kowloon, Hong Kong.

During the year, the Company and its subsidiaries (collectively referred to as the "Group") were principally engaged in the development and operation of large-scale integrated logistics and trade centers, development of residential and commercial ancillary facilities, property management and the provision of E-commerce, outlet operations, logistics and warehousing services.

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name 名稱	Place of incorporation/ registration and business 註冊成立/註冊及 經營地點	Nominal value of issued ordinary/ registered share capital as at 31 March 2018 於2018年3月31日 已發行普通/註冊 股本面值	Date of incorporation/ registration 註冊成立/ 註冊日期	Percentage of equity attributable to the		Principal activities 主要業務
				Company 本公司應佔 權益百分比		
				Direct 直接 %	Indirect 間接 %	
China South International Industrial Materials City (Shenzhen) Company Limited (ii)(iv) ("China South International") 華南國際工業原料城(深圳)有限公司(ii)(iv) (「華南國際」)	The People's Republic of China ("PRC")/ Mainland China 中國/中國大陸	HK\$2,200,000,000 2,200,000,000港元	18 December 2002 18-12-2002	100	-	Development and operation of integrated logistics and trade centers 綜合商貿物流及商品交易中心 開發及運營
Nanchang China South City Company Limited (i)(iv) ("CSC Nanchang") 南昌華南城有限公司(i)(iv) (「南昌華南城」)	PRC/Mainland China 中國/中國大陸	Renminbi ("RMB") 1,100,000,000 人民幣1,100,000,000元	16 November 2007 16-11-2007	-	100	Development and operation of integrated logistics and trade centers 綜合商貿物流及商品交易中心 開發及運營
Nanning China South City Company Limited (iii)(iv) ("CSC Nanning") 南寧華南城有限公司(iii)(iv) (「南寧華南城」)	PRC/Mainland China 中國/中國大陸	RMB1,000,000,000 人民幣1,000,000,000元	28 August 2009 28-08-2009	-	100	Development and operation of integrated logistics and trade centers 綜合商貿物流及商品交易中心 開發及運營

1. 公司及本集團資料

華南城控股有限公司(「本公司」)在香港註冊成立為有限公司。本公司註冊辦事處位於香港九龍尖沙咀廣東道15號港威大廈永明金融大樓22樓2205室。

年內，本公司及其附屬公司(統稱「本集團」)主要從事發展及經營大型綜合物流及商品交易中心、開發商住配套設施、物業管理以及提供電子商貿、奧特萊斯運營、物流及倉儲服務。

附屬公司資料

本公司的主要附屬公司詳情如下：

NOTES TO FINANCIAL STATEMENTS (Continued)
財務報表附註(續)

31 March 2018 2018年3月31日

1. Corporate and Group Information (Continued)
Information about subsidiaries (Continued)

1. 公司及本集團資料(續)
附屬公司資料(續)

Name 名稱	Place of incorporation/ registration and business 註冊成立/註冊及 經營地點	Nominal value of issued ordinary/ registered share capital as at 31 March 2018 於2018年3月31日 已發行普通/註冊 股本面值	Date of incorporation/ registration 註冊成立/ 註冊日期	Percentage of equity attributable to the		Principal activities 主要業務
				Company 本公司應佔 權益百分比		
				Direct 直接 %	Indirect 間接 %	
Xi'an China South City Company Limited (iii) 西安華南城有限公司(iii)	PRC/Mainland China 中國/中國大陸	RMB1,000,000,000 人民幣1,000,000,000元	12 November 2009 12-11-2009	-	100	Development and operation of integrated logistics and trade centers 綜合商貿物流及商品交易中心 開發及運營
Harbin China South City Company Limited (iii) 哈爾濱華南城有限公司(iii)	PRC/Mainland China 中國/中國大陸	RMB1,500,000,000 人民幣1,500,000,000元	9 January 2012 09-01-2012	-	100	Development and operation of integrated logistics and trade centers 綜合商貿物流及商品交易中心 開發及運營
Harbin Baoliton Market Development Management Company Limited (iii) 哈爾濱寶力通市場開發管理有限公司(iii)	PRC/Mainland China 中國/中國大陸	RMB500,000,000 人民幣500,000,000元	22 December 2011 22-12-2011	-	100	Development and operation of integrated logistics and trade centers 綜合商貿物流及商品交易中心 開發及運營
Zhengzhou China South City Company Limited (iii)(iv) ("CSC Zhengzhou") 鄭州華南城有限公司(iii)(iv) (「鄭州華南城」)	PRC/Mainland China 中國/中國大陸	RMB1,000,000,000 人民幣1,000,000,000元	17 May 2012 17-05-2012	-	100	Development and operation of integrated logistics and trade centers 綜合商貿物流及商品交易中心 開發及運營
Hefei China South City Company Limited (ii)(iv) ("CSC Hefei") 合肥華南城有限公司(ii)(iv) (「合肥華南城」)	PRC/Mainland China 中國/中國大陸	RMB1,000,000,000 人民幣1,000,000,000元	25 December 2012 25-12-2012	-	100	Development and operation of integrated logistics and trade centers 綜合商貿物流及商品交易中心 開發及運營
Chongqing China South City Company Limited (ii)(iv) ("CSC Chongqing") 重慶華南城有限公司(ii)(iv) (「重慶華南城」)	PRC/Mainland China 中國/中國大陸	RMB1,000,000,000 人民幣1,000,000,000元	27 December 2013 27-12-2013	-	100	Development and operation of integrated logistics and trade centers 綜合商貿物流及商品交易中心 開發及運營

NOTES TO FINANCIAL STATEMENTS (Continued)
財務報表附註(續)

31 March 2018 2018年3月31日

1. Corporate and Group Information (Continued)
Information about subsidiaries (Continued)

1. 公司及本集團資料(續)
附屬公司資料(續)

Name 名稱	Place of incorporation/ registration and business 註冊成立/註冊及 經營地點	Nominal value of issued ordinary/ registered share capital as at 31 March 2018 於2018年3月31日 已發行普通/註冊 股本面值	Date of incorporation/ registration 註冊成立/ 註冊日期	Percentage of equity attributable to the		Principal activities 主要業務
				Company 本公司應佔 權益百分比		
				Direct 直接 %	Indirect 間接 %	
Shenzhen Huasheng Commercial Development Company Limited (iii) 深圳華盛商業發展有限公司(iii)	PRC/Mainland China 中國/中國大陸	RMB50,000,000/ RMB100,000,000 人民幣50,000,000元/ 人民幣100,000,000元	19 November 2010 19-11-2010	-	100	Management of outlet operations 奧特萊斯商場運營管理
Shenzhen China South City E-Commerce Technology Company Limited (ii) 深圳華南城網科技有限公司(ii)	PRC/Mainland China 中國/中國大陸	RMB100,000,000 人民幣100,000,000元	19 April 2012 19-04-2012	-	100	Development, operation and management of an E-commerce platform 電子商貿平台開發、運營及管理
Shenzhen First Asia Pacific Property Management Company Limited (i) 深圳第一亞太物業管理有限公司(i)	PRC/Mainland China 中國/中國大陸	RMB50,000,000 人民幣50,000,000元	31 December 2003 31-12-2003	-	100	Provision of property management services 提供物業管理服務
Qianlong Logistics Group Limited (iii) 乾龍物流集團有限公司(iii)	PRC/Mainland China 中國/中國大陸	RMB200,000,000 人民幣200,000,000元	2 July 2004 02-07-2004	-	100	Provision of logistics services 提供物流服務
Shenzhen HOBA Home Furnishing Chain Store Company Limited (iii) 深圳市好百年家居連鎖股份有限公司(iii)	PRC/Mainland China 中國/中國大陸	RMB480,000,000 人民幣480,000,000元	12 October 2001 12-10-2001	-	75	Furnishing market operation 家居廣場運營

NOTES TO FINANCIAL STATEMENTS (Continued)
財務報表附註(續)

31 March 2018 2018年3月31日

1. Corporate and Group Information (Continued)
Information about subsidiaries (Continued)

1. 公司及本集團資料(續)
附屬公司資料(續)

Name 名稱	Place of incorporation/ registration and business 註冊成立/註冊及 經營地點	Nominal value of issued ordinary/ registered share capital as at 31 March 2018 於2018年3月31日 已發行普通/註冊 股本面值	Date of incorporation/ registration 註冊日期	Percentage of equity attributable to the		Principal activities 主要業務
				Company 本公司應佔 權益百分比		
				Direct 直接 %	Indirect 間接 %	
China South City Management Company Limited 華南城管理有限公司	Hong Kong 香港	HK\$1 1港元	9 November 2007 09-11-2007	-	100	Provision of management services 提供管理服務
China South City Group Company Limited (iii) 華南城集團有限公司(iii)	PRC/Mainland China 中國/中國大陸	RMB300,000,000 人民幣300,000,000元	20 July 2004 20-07-2004	-	100	Investment holding 投資控股

Notes:

- (i) Sino-foreign equity joint ventures under PRC law.
- (ii) Wholly-foreign-owned enterprises under PRC law.
- (iii) Limited companies under PRC law.
- (iv) Pursuant to certain project and land related contracts signed by the subsidiaries of the Group and the local governments, as well as pursuant to the requirements of the local governments and the local authorities related to the relevant public tender, auction and listing, some of the land acquired have sales restrictions on properties built on it. The saleable area of trade centers of China South International is limited to 30% of the total buildable gross floor area ("GFA") of properties built on the relevant parcels of land. The saleable area of trade centers and logistics facilities built on certain parcels of land acquired by CSC Nanchang and CSC Nanning in 2010 is limited to 60% of the relevant total buildable GFA. The saleable area of trade centers or commercial properties built by CSC Hefei and CSC Chongqing is limited to 50% of their relevant total buildable GFA. The saleable area of trade centers or commercial properties of phase I and future phases of CSC Zhengzhou is limited to 60% and 50% respectively of the relevant total buildable GFA. Except for the restrictions mentioned herein, there is no sales restriction on other parcels of land acquired by the Group.

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

附註：

- (i) 中國法律下的中外合資經營公司。
- (ii) 中國法律下的外商獨資企業。
- (iii) 中國法律下的有限公司。
- (iv) 根據本集團附屬公司與當地政府簽訂的若干項目及土地相關合同，以及根據當地政府或招拍掛相關部門的文件要求，部分項目所建物業存在銷售限制，包括華南國際相關地塊上的交易中心的可銷售面積限於總可建建築面積的30%；南昌華南城和南寧華南城於2010年取得的若干土地，其上建設的交易中心及倉儲設施的可銷售面積限於該等物業總可建建築面積的60%；合肥華南城及重慶華南城建設的交易中心或商業物業的可銷售面積限於該等物業總可建建築面積的50%；鄭州華南城建設的一期及以後各期的交易中心或商業物業的可銷售面積分別限於該等物業總可建建築面積的60%及50%。除上述情況之外，本集團的其他土地並沒有銷售限制。

上表所列乃董事認為對本年度業績有重大影響或構成本集團資產淨值主要部分之本公司附屬公司。董事認為提供其他附屬公司之詳情將過於冗長。

31 March 2018 2018年3月31日

2.1 Basis of Preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and held-for-trading investments at fair value through profit or loss, which have been measured at fair value. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 March 2018. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangement; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the dates on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2.1 編製基準

該等財務報表乃根據香港會計師公會(「香港會計師公會」)頒布之香港財務報告準則(「香港財務報告準則」)(當中包括所有香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋)、香港公認會計原則及香港公司條例之規定而編製，並按歷史成本法編製，惟投資物業及透過損益以公平值列賬之持作買賣投資按公平值計量則除外。除另有說明外，此等財務報表以港元呈列，所有數值均已四捨五入至最接近千位數。

綜合基準

合併財務報表包括本集團截至2018年3月31日止年度的財務報表。附屬公司為本公司直接或間接控制的實體(包括結構性實體)。當本集團承受或享有參與投資對象業務所得的可變回報，且能透過對投資對象的權力(即賦予本集團現有有能力主導投資對象相關活動的既存權利)影響該等回報時，即取得控制權。

倘本公司直接或間接擁有少於投資對象大多數的投票或類似權利，則本集團於評估其是否擁有對投資對象的權力時，會考慮一切相關事實及情況，包括：

- (a) 與投資對象其他投票持有人的合約安排；
- (b) 其他合約安排所產生的權利；及
- (c) 本集團的投票權及潛在投票權。

附屬公司的財務報表乃就與本公司相同的報告期間採納一致的會計政策編製。附屬公司的業績由本集團取得控制權當日起綜合計算，並會繼續綜合，直至該等控制權終止。

31 March 2018 2018年3月31日

2.1 Basis of Preparation (Continued)

Basis of consolidation (Continued)

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognizes (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognized in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.1 編製基準(續)

綜合基準(續)

即使會導致非控股權益出現虧蝕結餘，損益及其他全面收入的各個組成部分仍會歸屬於本集團母公司擁有人及非控股權益。

所有集團內公司間資產、負債、權益、收入及開支以及與本集團成員公司間交易有關的現金流，將於綜合時悉數對銷。

倘事實或情況顯示上文所述三個控制因素中有一個或以上出現變動，則本集團將重新評估其是否仍控制該投資對象。於附屬公司擁有權權益的變動(並無喪失控制權)於入賬時列作權益交易。

倘本集團失去附屬公司的控制權，則會終止確認(i)該附屬公司的資產(包括商譽)及負債；(ii)任何非控股權益的賬面值；及(iii)計入權益的累計匯兌差額；並確認(i)已收代價的公平值；(ii)任何獲保留投資的公平值；及(iii)其因而產生計入損益的盈餘或虧蝕。先前已於其他全面收入確認的本集團應佔部分，乃按照本集團直接出售相關資產及負債時所規定的相同基準，在適當的情況下重新分類至損益或保留利潤。

31 March 2018 2018年3月31日

2.2 Changes in Accounting Policies and Disclosures

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKAS 7	<i>Disclosure Initiative</i>
Amendments to HKAS 12	<i>Recognition of Deferred Tax Assets for Unrealized Losses</i>
Amendments to HKFRS 12 included in <i>Annual Improvements to HKFRSs 2014-2016 Cycle</i>	<i>Disclosure of Interests in Other Entities: Clarification of the Scope of HKFRS 12</i>

None of the above amendments to HKFRSs has had a significant financial effect on these financial statements. Disclosure has been made in note 39 to the financial statements upon the adoption of amendments to HKAS 7, which require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The nature and the impact of the amendments are described below:

- (a) Amendments to HKAS 7 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. Disclosure of the changes in liabilities arising from financing activities is provided in note 39 to the financial statements.

2.2 會計政策的變更及披露

本集團已於本年度之財務報表中首次採納以下經修訂香港財務報告準則。

香港會計準則第7號之修訂	<i>披露計劃</i>
香港會計準則第12號之修訂	<i>就未實現虧損確認遞延稅項資產</i>
香港財務報告準則第12號之修訂 (納入2014至2016年週期之年度改進)	<i>其他實體權益披露： 釐清香港財務報告準則第12號之範疇</i>

上述香港財務報告準則修訂本概無對該等財務報表造成重大財務影響。採納香港會計準則第7號之修訂後已於財務報表附註39作出披露，該準則要求實體提供披露，使財務報表使用者能夠評估融資活動產生的負債變動，包括現金流變動及非現金變動。

該等修訂本的性質及影響載述如下：

- (a) 香港會計準則第7號之修訂本要求實體作出披露，以使財務報表之使用者可評估融資活動所產生之負債變動，包括現金流所產生之變動及非現金變動。有關融資活動產生的負債變動的披露載於財務報表附註39。

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2.2 Changes in Accounting Policies and Disclosures (Continued)

- (b) Amendments to HKAS 12 clarify that an entity, when assessing whether taxable profits will be available against which it can utilize a deductible temporary difference, needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. The amendments have had no impact on the financial position or performance of the Group as the Group has no deductible temporary differences or assets that are in the scope of the amendments.
- (c) Amendments to HKFRS 12 clarify that the disclosure requirements in HKFRS 12, other than those disclosure requirements in paragraphs B10 to B16 of HKFRS 12, apply to an entity's interest in a subsidiary, a joint venture or an associate, or a portion of its interest in a joint venture or an associate that is classified as held for sale or included in a disposal group classified as held for sale. The amendments have had no impact on the Group's financial statements as the Group has no subsidiaries classified as a disposal group held for sale as at 31 March 2018.

2.2 會計政策的變更及披露(續)

- (b) 香港會計準則第12號之修訂本澄清實體於評估是否將有應課稅利潤可用於抵銷可扣稅暫時性差額時，需要考慮稅法有否對於可扣減暫時性差額轉回時可作扣減之應課稅利潤來源有所限制。此外，該等修訂本就實體應如何釐定日後應課稅利潤提供指引，並解釋應課稅利潤可包括收回超過賬面金額之部分資產的情況。由於本集團並無列入修訂本範圍內的可扣稅暫時性差額或資產，故該等修訂本並無對本集團的財務狀況或表現造成影響。
- (c) 香港財務報告準則第12號之修訂本澄清香港財務報告準則第12號之披露規定(惟香港財務報告準則第12號第B10至B16段之披露規定除外)適用於分類為持作銷售或計入分類為持作銷售出售組別之實體於附屬公司、合營企業或聯營公司之權益或其於合營企業或聯營公司之部分權益。由於本集團於2018年3月31日並無分類為持作銷售出售組別的附屬公司，故該等修訂本並無對本集團的財務報表造成影響。

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2.3 Issued but not yet effective Hong Kong Financial Reporting Standards

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to HKFRS 2	<i>Classification and Measurement of Share-based Payment Transactions</i> ¹
Amendments to HKFRS 4	<i>Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts</i> ¹
HKFRS 9	<i>Financial Instruments</i> ¹
Amendments to HKFRS 9	<i>Prepayment Features with Negative Compensation</i> ²
Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴
HKFRS 15	<i>Revenue from Contracts with Customers</i> ¹
Amendments to HKFRS 15	<i>Clarifications to HKFRS 15 Revenue from Contracts with Customers</i> ¹
HKFRS 16	<i>Leases</i> ²
HKFRS 17	<i>Insurance Contracts</i> ³
Amendments to HKAS 19	<i>Plan Amendment, Curtailment or Settlement</i> ²
Amendments to HKAS 28	<i>Long-term Interests in Associates and Joint Ventures</i> ²
Amendments to HKAS 40	<i>Transfers of Investment Property</i> ¹
HK(IFRIC)-Int 22	<i>Foreign Currency Transactions and Advance Consideration</i> ¹
HK(IFRIC)-Int 23	<i>Uncertainty over Income Tax Treatments</i> ²
Annual Improvements 2014-2016 Cycle	<i>Amendments to HKFRS 1 and HKAS 28</i> ¹
Annual Improvements 2015-2017 Cycle	<i>Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23</i> ²

- ¹ Effective for annual periods beginning on or after 1 January 2018
- ² Effective for annual periods beginning on or after 1 January 2019
- ³ Effective for annual periods beginning on or after 1 January 2021
- ⁴ No mandatory effective date yet determined but available for adoption

2.3 已頒布但尚未生效的香港財務報告準則

本集團並未於此等財務報表中採納以下已頒布但尚未生效之新訂及經修訂香港財務報告準則：

香港財務報告準則第2號之修訂	釐清及計量以股份為基礎付款之交易 ¹
香港財務報告準則第4號之修訂	採用香港財務報告準則第4號保險合約時一併應用香港財務報告準則第9號金融工具 ¹
香港財務報告準則第9號	金融工具 ¹
香港財務報告準則第9號之修訂	具有負補償的提前償付特徵 ²
香港財務報告準則第10號及香港會計準則第28號(2011年)之修訂	投資者與其聯營公司或合營企業之間的資產出售或注資 ⁴
香港財務報告準則第15號	客戶合約收益 ¹
香港財務報告準則第15號之修訂	對香港財務報告準則第15號客戶合約收益之澄清 ¹
香港財務報告準則第16號	租賃 ²
香港財務報告準則第17號	保險合約 ³
香港會計準則第19號之修訂	計劃修訂、縮減或結清 ²
香港會計準則第28號之修訂	於聯營公司及合營企業的長期權益 ²
香港會計準則第40號之修訂	投資物業轉讓 ¹
香港(國際財務報告詮釋委員會) — 詮釋第22號	外幣交易及預付代價 ¹
香港(國際財務報告詮釋委員會) — 詮釋第23號	所得稅處理的不確定性 ²
2014年至2016年週期之年度改進	香港財務報告準則第1號及香港會計準則第28號之修訂 ¹
2015年至2017年週期之年度改進	香港財務報告準則第3號、香港財務報告準則第11號、香港會計準則第12號及香港會計準則第23號之修訂 ²

- ¹ 於2018年1月1日或之後開始之年度期間生效
- ² 於2019年1月1日或之後開始之年度期間生效
- ³ 於2021年1月1日或之後開始之年度期間生效
- ⁴ 尚未釐定強制生效日期惟可予以採納

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2.3 Issued but not yet effective Hong Kong Financial Reporting Standards (Continued)

Further information about those HKFRSs that are expected to be applicable to the Group is described below.

The HKICPA issued amendments to HKFRS 2 in August 2016 that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding a certain amount in order to meet an employee's tax obligation associated with the share-based payment; and the accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled. The amendments clarify that the approach used to account for vesting conditions when measuring equity-settled share-based payments also applies to cash-settled share-based payments. The amendments introduce an exception so that a share-based payment transaction with net share settlement features for withholding a certain amount in order to meet the employee's tax obligation is classified in its entirety as an equity-settled share-based payment transaction when certain conditions are met. Furthermore, the amendments clarify that if the terms and conditions of a cash-settled share-based payment transaction are modified, with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as an equity-settled transaction from the date of the modification. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if they elect to adopt for all three amendments and other criteria are met. The Group will adopt the amendments from 1 April 2018. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 已頒布但尚未生效的香港財務報告準則(續)

預期將適用於本集團的香港財務報告準則的進一步資料如下：

香港會計師公會於2016年8月頒布的香港財務報告準則第2號之修訂本闡述三大範疇：歸屬條件對計量以股份為基礎的現金結算付款交易的影響；為僱員履行其以股份為基礎付款的稅務責任而預扣若干金額的以股份為基礎付款交易(附有淨額結算特質)的分類；以及對以股份為基礎付款交易的條款及條件作出修訂令其分類由現金結算變為權益結算的會計處理方法。該等修訂明確說明計量以股份為基礎的權益結算付款時歸屬條件的入賬方法亦適用於以股份為基礎的現金結算付款。該等修訂引入一個例外情況，在符合若干條件時，為僱員履行稅務責任而預扣若干金額的以股份為基礎付款交易(附有淨額結算特質)，將整項分類為以股份為基礎的權益結算付款交易。此外，該等修訂明確說明，倘以股份為基礎的現金結算付款交易的條款及條件有所修訂，令其成為以股份為基礎的權益結算付款交易，該交易自修訂日期起作為以權益結算的交易入賬。採納修訂時，實體須在不重述過往期間的情況下應用該等修訂，惟倘彼等選擇採納全部三項修訂，且符合其他準則，則可獲准作出追溯應用。本集團將自2018年4月1日起採納該等修訂。該等修訂預期不會對本集團財務報表產生任何重大影響。

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2.3 Issued but not yet effective Hong Kong Financial Reporting Standards (Continued)

In September 2014, the HKICPA issued the final version of HKFRS 9, bringing together all phases of the financial instruments to replace HKAS 39 and all previous versions of HKFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group will adopt HKFRS 9 from 1 April 2018. The Group will not restate comparative information and will recognize any transition adjustments against the opening balance of equity at 1 April 2018. During the year, the Group has performed a detailed assessment of the impact of the adoption of HKFRS 9. The expected impacts relate to the classification and measurement and the impairment requirements and are summarized as follows:

(a) Classification and measurement

The Group does not expect that the adoption of HKFRS 9 will have a significant impact on the classification and measurement of its financial assets. It expects to continue measuring at fair value all financial assets currently held at fair value. Equity investments currently held as available for sale will be measured at fair value through other comprehensive income as the investments are intended to be held for the foreseeable future and the Group expects to apply the option to present fair value changes in other comprehensive income. Gains and losses recorded in other comprehensive income for the equity investments cannot be recycled to profit or loss when the investments are derecognized.

2.3 已頒布但尚未生效的香港財務報告準則(續)

於2014年9月，香港會計師公會頒布香港財務報告準則第9號的最終版本，將金融工具項目的所有階段集於一起以代替香港會計準則第39號及香港財務報告準則第9號的全部先前版本。該準則引入分類及計量、減值及對沖會計處理的新規定。本集團將自2018年4月1日起採納香港財務報告準則第9號。本集團不會重述比較資料，而會確認對2018年4月1日權益年初結餘的任何過渡性調整。於本財年內，本集團已詳細評估採納香港財務報告準則第9號的影響。涉及分類及計量以及減值規定的預期影響概述如下：

(a) 分類及計量

本集團預期採納香港財務報告準則第9號不會對其金融資產的分類及計量造成重大影響。本集團預期繼續按公平值計量現時按公平值計量的所有金融資產。現時持作出售的股本投資將按公平值透過其他全面收益計量，此乃由於該等投資擬於可見未來持有，且本集團預期選擇於其他全面收益呈列公平值變動。該等投資終止確認時，於其他全面收益表列賬的股本投資收益及虧損不得重新計入損益。

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2.3 Issued but not yet effective Hong Kong Financial Reporting Standards (Continued)

(b) Impairment

HKFRS 9 requires an impairment on debt instruments recorded at amortized cost or at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts that are not accounted for at fair value through profit or loss under HKFRS 9, to be recorded based on an expected credit loss model either on a twelve-month basis or a lifetime basis. The Group will apply the simplified approach and record lifetime expected losses that are estimated based on the present values of all cash shortfalls over the remaining life of all of its trade receivables. Furthermore, the Group will apply the general approach and record twelve-month expected credit losses that are estimated based on the possible default events on its other receivables within the next twelve months. The Group does not expect that the adoption of HKFRS 9 will have a significant impact on the impairment assessment of its financial assets.

Amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognized in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 (2011) was removed by the HKICPA in January 2016 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

2.3 已頒布但尚未生效的香港財務報告準則(續)

(b) 減值

香港財務報告準則第9號規定，按攤銷成本或公平值計入其他全面收益的債務工具、應收租金、貸款承諾及並非根據香港財務報告準則第9號按公平值計入損益的財務擔保合約的減值，須基於12個月或整個期間的預期信貸虧損模型入賬。本集團將應用簡化方法，將基於所有現金缺口的現值估計的整個期間預期虧損，在其所有應收貿易賬款的餘下年期內入賬。此外，本集團將應用一般方法，將基於未來12個月內其他應收賬款的可能違約事件估計的12個月預期信貸虧損入賬。本集團預期採納香港財務報告準則第9號不會對其金融資產的減值評估有重大影響。

香港財務報告準則第10號及香港會計準則第28號(2011年)之修訂本針對香港財務報告準則第10號及香港會計準則第28號(2011年)的規定於處理投資者與其聯營公司或合營企業之間的資產出售或注資時的不一致性。該等修訂規定投資者與其聯營公司或合營企業之間的資產出售或注資構成一項業務時，須全數確認盈虧。至於涉及不構成業務的資產的交易，交易產生的盈虧於投資者的損益確認，惟僅以非關連投資者於該聯營公司或合營企業的權益為限。該等修訂將以未來適用基準應用。香港會計師公會於2016年1月取消香港財務報告準則第10號及香港會計準則第28號(2011年)之修訂本先前的強制性生效日期，新的強制性生效日期將於對聯營公司及合營企業之會計處理的更全面檢討完成後釐定。然而，該等修訂現時可予採納。

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2.3 Issued but not yet effective Hong Kong Financial Reporting Standards (Continued)

HKFRS 15, issued in July 2014, establishes a new five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognizing revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgments and estimates. The standard will supersede all current revenue recognition requirements under HKFRSs. Either a full retrospective application or a modified retrospective adoption is required on the initial application of the standard. In June 2016, the HKICPA issued amendments to HKFRS 15 to address the implementation issues on identifying performance obligations, application guidance on principal versus agent and licenses of intellectual property, and transition. The amendments are also intended to help ensure a more consistent application when entities adopt HKFRS 15 and decrease the cost and complexity of applying the standard. The Group plans to adopt the transitional provisions in HKFRS 15 to recognize the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 April 2018. In addition, the Group plans to apply the new requirements only to contracts that are not completed before 1 April 2018. The expected changes in accounting policies, as further explained below, will have a material impact on the Group's financial statements from 2018 onwards. During the year, the Group has performed a detailed assessment on the impact of the adoption of HKFRS 15.

2.3 已頒布但尚未生效的香港財務報告準則(續)

於2014年7月頒布的香港財務報告準則第15號訂立新五步驟模型，以將來自客戶合約的收入列賬。根據香港財務報告準則第15號，收入按反映實體預期向客戶交付貨品或服務而有權換取的代價金額確認。香港財務報告準則第15號的原則為計量及確認收入提供更有條理的方法。該項準則亦引入大量定性及定量披露規定，包括分拆總收入、有關履約責任的資料、合約資產及負債賬目結餘於各期間的變動以及主要判斷及估計。該項準則將取代香港財務報告準則的所有現行收入確認規定。首次應用該準則時，需按全面追溯基準或經修訂追溯基準應用。於2016年6月，香港會計師公會頒布香港財務報告準則第15號修訂本，以應對有關識別履約責任、委託人及代理人的應用指引及知識產權許可，以及過渡的實行問題。該等修訂亦旨在確保實體更貫徹一致地應用香港財務報告準則第15號，並減低應用該準則的成本及複雜程度。本集團計劃採納香港財務報告準則第15號的過渡性條文，以將首次採納的累計影響確認為對2018年4月1日期初保留利潤結餘的調整。此外，本集團計劃僅對2018年4月1日前尚未完成的合約採納新規定。本集團預期，於2018年4月1日因首次採納香港財務報告準則第15號而將作出的過渡性調整並不重大。然而，會計政策的預期變動(詳情於下文闡釋)將對本集團2018年起的財務報表造成重大影響。於本財年，本集團已對採納香港財務報告準則第15號的影響作出詳細評估。

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2.3 Issued but not yet effective Hong Kong Financial Reporting Standards (Continued)

The Group's principal activities consist of property development, property investment, property management and E-commerce. The expected impacts arising from the adoption of HKFRS 15 on the Group are summarized as follows:

(a) Sale of completed properties

During the year and in prior years, the Group accounted for sales of completed properties when the significant risks and rewards of ownership of the properties were transferred to the purchasers, which is when the construction of the relevant properties has been completed and the properties have been delivered to the purchasers pursuant to the sales agreement, and the collectability of related receivables is reasonably assured. Under HKFRS 15, for the sale of completed properties, the control of the property is transferred at a point in time, and revenue is recognized when the customer obtains the physical possession or the legal title of the completed property and the Group has present rights to payment and the collection of the consideration is probable. The Group has determined that when HKFRS 15 is adopted, there would be no impact on the revenue recognition from the sale of completed properties based on the current contracts terms.

For contract where the period between the payment by the customer and the transfer of the promised property or service exceeds one year, the transaction price is adjusted for the effects of a significant financing component. The transaction price is determined by discounting the amount of promised considerations. The Group uses the same discount rate that it would use if it were to enter into a separate financing transaction with the customer. The discount rate reflects the credit characteristics of the borrower in the arrangement. The Group has determined that when HKFRS 15 is adopted, there would be no significant impact on the amount of revenue from sale of completed properties.

2.3 已頒布但尚未生效的香港財務報告準則(續)

本集團的主要業務包括物業開發、物業投資、物業管理及電子商貿。採納香港財務報告準則第15號對本集團造成的預計影響概述如下：

(a) 銷售已竣工物業

於本年度及過往年度，當物業的重大風險及擁有權回報轉移予買家時，即相關物業已完成建設且根據銷售協議交付予買家，且可合理保證能收回相關應收款項時，本集團會將已竣工物業的銷售入賬。根據香港財務報告準則第15號，對於在某一時點轉移物業控制權的已竣工物業銷售而言，收入於客戶取得已竣工物業的實物擁有權或法定業權，且本集團獲得現時收款權且很可能收取代價時確認。本集團認為，採納香港財務報告準則第15號時，按照現有合約條款，銷售已竣工物業的收入確認將不會受影響。

就客戶付款與轉移已承諾物業或服務之間的期限超過一年的合約，交易價格會就重大融資部分的影響作出調整。交易價格乃貼現已承諾代價金額後釐定。本集團所使用的貼現率為與客戶訂立個別融資交易時將使用的相同貼現率。貼現率反映該安排中借款人的信貸特徵。本集團預期採納香港財務報告準則第15號對本集團銷售物業收益並無重大影響。

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2.3 Issued but not yet effective Hong Kong Financial Reporting Standards (Continued)

(a) Sale of completed properties (Continued)

Under HKFRS 15, incremental costs of obtaining contracts (i.e., costs that would not have been incurred if the contract had not been obtained) are recognized as contract assets if they are recoverable and subsequently amortized on a systematic basis consistent with the pattern of transfer of the services to which the asset is related when the related revenue is recognized. Recovery can be direct (i.e., through reimbursement under the contract) or indirect (i.e., through the margin inherent in the contract). Upon the adoption of HKFRS 15, sale commissions that are directly related to sales achieved during a time period would represent incremental costs that would require capitalization and amortized when the related revenue is recognized. The Group has determined that when HKFRS 15 is adopted, there would be no significant impact on the profit or loss of the Group.

(b) Presentation and disclosure

The presentation and disclosure requirements in HKFRS 15 are more detailed than those under the current HKAS 18. The presentation requirements represent a significant change from current practice and will significantly increase the volume of disclosures required in the Group's financial statements.

2.3 已頒布但尚未生效的香港財務報告準則(續)

(a) 銷售已竣工物業(續)

根據香港財務報告準則第15號，倘取得合約的增量成本(即未能取得合約時不會產生的成本)可收回，則確認為合約資產，其後按照符合於確認相關收入時與資產有關的服務轉移模式有系統地攤銷。補償可為直接(即根據合約作出補償)或間接(即合約固有的利潤)。採納香港財務報告準則第15號後，於某一期間所完成銷售直接相關的銷售佣金，須於確認相關收入資本化及攤銷的增量成本。本集團預期採納香港財務報告準則第15號對本集團損益表並無重大影響。

(b) 呈列及披露

香港財務報告準則第15號的呈列及披露規定較現有香港會計準則第18號所規定者更為詳盡。呈列規定要求大幅改變現有慣例，並將大幅增加須在本集團財務報表作出的披露量。

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2.3 Issued but not yet effective Hong Kong Financial Reporting Standards (Continued)

(b) Presentation and disclosure (Continued)

HKFRS 16, issued in May 2016, replaces HKAS 17 *Leases*, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases – Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognize assets and liabilities for most leases. The standard includes two recognition exemptions for lessees – leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in HKAS 40, or relates to a class of property, plant and equipment to which the revaluation model is applied. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognize the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under HKFRS 16 is substantially unchanged from the accounting under HKAS 17. Lessors will continue to classify all leases using the same classification principle as in HKAS 17 and distinguish between operating leases and finance leases. HKFRS 16 requires lessees and lessors to make more extensive disclosures than under HKAS 17. Lessees can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group expects to adopt HKFRS 16 from 1 April 2019. The Group is currently assessing the impact of HKFRS 16 upon adoption and is considering whether it will choose to take advantage of the practical expedients available and which transition approach and reliefs will be adopted. As disclosed in note 42 to the financial statements, as at 31 March 2018, the Group had future minimum lease payments under non-cancellable operating leases in aggregate of approximately HK\$293,355,000. Upon adoption of HKAS 16, certain amounts included therein may need to be recognized as new right-of-use assets and lease liabilities. Further analysis, however, will be needed to determine the amount of new rights of use assets and lease liabilities to be recognized, including, but not limited to, any amounts relating to leases of low-value assets and short-term leases, other practical expedients and reliefs chosen, and new leases entered into before the date of adoption.

2.3 已頒布但尚未生效的香港財務報告準則(續)

(b) 呈列及披露(續)

於2016年5月頒布的香港財務報告準則第16號取代香港會計準則第17號「租賃」、香港(國際財務報告詮釋委員會)–詮釋第4號「釐定安排是否包括租賃」、香港(準則詮釋委員會)–詮釋第15號「經營租賃優惠」及香港(準則詮釋委員會)–詮釋第27號「評估涉及租賃法律形式交易的內容」。該準則載列確認、計量、呈列及披露租賃的原則，並要求承租人就大多數租賃確認資產及負債。該準則包括給予承租人兩項確認豁免低價值資產租賃及短期租賃。於租賃開始日期，承租人將確認於租賃期作出租賃付款為負債(即租賃負債)及代表可使用相關資產的權利為資產(即有使用權資產)。除非有使用權資產符合香港會計準則第40號投資物業的定義，或與重估模式適用的物業、廠房及設備類別相關，否則有使用權資產其後按成本減累計折舊及任何減值虧損計量。租賃負債其後會就反映租賃負債利息而增加及因租賃付款而減少。承租人將須分別確認租賃負債的利息開支及有使用權資產的折舊開支。承租人亦須於若干事件發生時重新計量租賃負債，例如租賃期變更或用於釐定該等付款的一項指數或比率變更而引致未來租賃付款變更。承租人一般將重新計量租賃負債的數額確認為有使用權資產的調整。香港財務報告準則第16號大致沿用香港會計準則第17號內出租人的會計處理方式。出租人將繼續使用與香港會計準則第17號相同的分類原則對所有租賃進行分類，並將之分為經營租賃及融資租賃。香港財務報告準則第16號要求承租人及出租人作出較香港會計準則第17號更為詳盡的披露。承租人可選擇以全面追溯基準或經修訂追溯基準應用該準則。本集團預期自2019年4月1日起採納香港財務報告準則第16號。本集團目前正評估採納香港財務報告準則第16號的影響，並正考慮是否選擇得益於可得的實際權宜之舉，以及將採納的過渡性方案及寬免。誠如財務報表附註42披露，於2018年3月31日，本集團根據不可撤銷經營租賃的未來最低租賃付款合共約為293,355,000港元。於採納香港財務報告準則第16號後，當中計入的若干金額或需確認為新有使用權資產及租賃負債。然而，本集團仍需作出進一步分析，以釐定將確認的新有使用權資產及租賃負債金額，包括但不限於有關租賃低價值資產及短期租約、所選擇的其他實際權宜之舉及寬免，以及於採納日期前訂立的新租約的任何金額。

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2.3 Issued but not yet effective Hong Kong Financial Reporting Standards (Continued)

Amendments to HKAS 40, issued in April 2017, clarify when an entity should transfer property, including property under construction or development, into or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments should be applied prospectively to the changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at the date that it first applies the amendments and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application is only permitted if it is possible without the use of hindsight. The Group expects to adopt the amendments prospectively from 1 April 2018. The Group has assessed that the amendments would not have any significant impact on the Group's financial statements.

HK(IFRIC)-Int 22, issued in June 2017, provides guidance on how to determine the date of the transaction when applying HKAS 21 to the situation where an entity receives or pays advance consideration in a foreign currency and recognizes a non-monetary asset or liability. The interpretation clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognizes the non-monetary asset (such as a prepayment) or non-monetary liability (such as deferred income) arising from the payment or receipt of the advance consideration. If there are multiple payments or receipts in advance of recognizing the related item, the entity must determine the transaction date for each payment or receipt of the advance consideration. Entities may apply the interpretation on a full retrospective basis or on a prospective basis, either from the beginning of the reporting period in which the entity first applies the interpretation or the beginning of the prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation. The Group expects to adopt the interpretation prospectively from 1 April 2018. The interpretation is not expected to have any significant impact on the Group's financial statements.

2.3 已頒布但尚未生效的香港財務報告準則(續)

於2017年4月頒布的香港會計準則第40號之修訂本澄清實體應將物業(包括在建或發展中物業)轉入或轉出投資物業的時間。該等修訂載述,當物業符合或不再符合投資物業的定義,且有證據顯示用途有變時,即發生用途變更。單單管理層對物業擬定用途的改變,並不會提供用途有變的證據。該等修訂本應按未來適用基準應用於實體首次應用該等修訂本的年度報告期初或之後發生的用途變更。實體應重新評估於首次應用該等修訂本當日已持有的物業分類,並(如適用)將物業重新分類,以反映在該日存在的情況。倘毋須採用事後確認,方可追溯應用。本集團預期自2018年4月1日起以未來適用基準採納該等修訂本。本集團已評估該等修訂將不會對本集團的財務報表產生任何重大影響。

香港(國際財務報告詮釋委員會)一詮釋第22號於2017年6月頒布,就實體以外幣收取或支付預付代價及確認非貨幣性資產或負債的情況下應用香港會計準則第21號時如何釐定交易日期提供指引。該詮釋澄清,就釐定於初步確認有關資產、開支或收入(或其中部分)所用的匯率時,交易日期為實體初步確認因支付或收取預付代價而產生的非貨幣性資產(如預付款項)或非貨幣性負債(如遞延收入)之日。倘確認有關項目前存在多筆預付款或預收款,實體應就預付代價的每筆付款或收款釐定交易日期。實體可按全面追溯基準或未來適用基準應用該詮釋,時間為自實體首次應用該詮釋的報告期初或於實體首次應用該詮釋的報告期財務報表中呈列為比較資料的先前報告期初開始。本集團預期自2018年4月1日起按未來適用基準採納該詮釋。該等詮釋預期不會對本集團的財務報表產生任何重大影響。

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2.3 Issued but not yet effective Hong Kong Financial Reporting Standards (Continued)

HK(IFRIC)-Int 23, issued in July 2017, addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of HKAS 12 (often referred to as “uncertain tax positions”). The interpretation does not apply to taxes or levies outside the scope of HKAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. The interpretation is to be applied retrospectively, either fully retrospectively without the use of hindsight or retrospectively with the cumulative effect of application as an adjustment to the opening equity at the date of initial application, without the restatement of comparative information. The Group expects to adopt the interpretation from 1 April 2019. The interpretation is not expected to have any significant impact on the Group’s financial statements.

2.4 Summary of Significant Accounting Policies Investments in associates

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

2.3 已頒布但尚未生效的香港財務報告準則(續)

香港(國際財務報告詮釋委員會)一詮釋第23號於2017年7月頒布,提供倘稅項處理涉及影響香港會計準則第12號的應用的不確定性(通常稱之為「不確定稅務狀況」),對所得稅(即期及遞延)的會計處理方法。該詮釋不適用於香港會計準則第12號範圍外的稅項或徵稅,尤其亦不包括與不確定稅項處理相關的權益及處罰相關規定。該詮釋具體處理(i)實體是否考慮對不確定稅項進行單獨處理;(ii)實體對稅務機關的稅項處理檢查所作的假設;(iii)實體如何釐定應課稅利潤或稅項虧損、稅基、未動用稅項虧損、未動用稅收抵免及稅率;及(iv)實體如何考慮事實及情況變動。該詮釋須追溯應用(倘毋須採用事後確認,則可全面追溯應用;或追溯應用,則應用的累計影響將作為於首次應用日期的期初權益的調整,而毋須重列比較資料)。本集團預期自2019年4月1日起採納該詮釋。該等詮釋預期不會對本集團的財務報表產生任何重大影響。

2.4 重大會計政策概要 於聯營公司的投資

聯營公司為本集團一般擁有不少於20%股本投票權的長期權益,並能對其發揮重大影響力的實體。重大影響力為參與投資對象財政及經營政策決策的權力,但並非控制或共同控制該等政策。

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2.4 Summary of Significant Accounting Policies (Continued)

Investments in associates (Continued)

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of associates are included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates, except where unrealized losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates is included as part of the Group's investments in associates.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

When an investment in an associate is classified as held for sale, it is accounted for in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

2.4 重大會計政策概要(續)

於聯營公司的投資(續)

本集團於聯營公司的投資乃按以權益會計法計算之本集團應佔資產淨值減任何減值虧損於綜合財務狀況表內列賬。

倘出現任何不相符的會計政策，即會作出調整加以修正。

本集團應佔聯營公司收購後業績和其他全面收入分別計入綜合損益表及綜合其他全面收益內。此外，倘直接於聯營公司的權益確認變動，則本集團會於綜合權益變動表確認其應佔的任何變動(如適用)。本集團與其聯營公司進行交易而出現的未實現利益及虧損會互相抵銷，金額以本集團於聯營公司的投資為限，但如果未實現虧損證明所轉讓資產發生減值則除外。收購聯營公司產生的商譽計入本集團於聯營公司的投資的一部分。

倘於聯營公司的投資變為於合營企業的投資或出現相反情況，則不會重新計量保留權益。反之，該投資繼續根據權益法入賬。在所有其他情況下，對聯營公司失去重大影響力或對合營企業失去共同控制後，本集團按其公平值計量及確認任何保留投資。於失去重大影響力或共同控制後聯營公司的賬面值與保留投資及來自出售所得款項之公平值之間的差額於損益內確認。

當聯營公司的投資被視為持作銷售，將會以香港財務報告準則第5號持作待售之非流動資產及非持續業務計量。

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2.4 Summary of Significant Accounting Policies (Continued)

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognized in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognized for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognized in profit or loss as a gain on bargain purchase.

2.4 重大會計政策概要(續)

業務併購及商譽

業務併購乃使用收購法入賬。所轉讓之代價乃以收購日期之公平值計量，該公平值為本集團所轉讓之資產於收購日期之公平值、本集團自被收購方之前年度擁有人承擔之負債，及本集團發行以換取被收購方控制權之股權之總和。就各業務合併而言，本集團選擇以公平值或被收購方可識別資產淨值之應佔比例，計算於被收購方中現時屬擁有權權益並賦予其持有人權利可於清盤時按比例分佔資產淨值之非控股權益。非控股權益之所有其他部分按公平值計量。有關收購成本於產生時支銷。

當本集團收購一項業務時，會根據合約條款、於收購日期之經濟環境及相關條件，評估將承接之金融資產及負債，以作出適合之分類及指定用途。此包括將被收購方主合約中之嵌入式衍生工具分開計算。

倘業務併購分階段進行，先前持有股權應按收購日期公平值計入收益表重新計量及任何產生之收益或虧損確認於損益。

由收購方將予轉讓的任何或然代價將按收購日期的公平值確認。分類為資產或負債之或然代價按公平值計量，而公平值變動於損益確認。倘或然代價歸類為權益毋須重新計量，其日後結算於權益列賬。

商譽起初按成本計量，即已轉讓代價、已確認非控股權益及本集團先前持有的被收購方股權之公平值之總和，超逾與所收購可識別資產淨值及所承擔負債的差額。倘此代價及其他項目的總和低於所收購資產淨值的公平值，於評估後其差額將於收益表內確認為議價購買收益。

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2.4 Summary of Significant Accounting Policies (Continued)

Business combinations and goodwill (Continued)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 March. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognized. An impairment loss recognized for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures its investment properties and held-for-trading investments at fair value through profit or loss at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

2.4 重大會計政策概要(續)

業務併購及商譽(續)

於初始確認後，商譽按成本減任何累計減值虧損計量。商譽須每年作減值測試，倘有事件發生或情況改變顯示賬面值有可能減值，則會更頻密地進行檢討。本集團於3月31日進行商譽的年度減值測試。為進行減值測試，因業務合併而購入的商譽自購入之日被分配至預期可從合併產生的協同效益中獲益的本集團各個現金產生單位或現金產生單位組別，而無論本集團其他資產或負債是否已分配予該等單位或單位組別。

減值乃通過評估與商譽相關之現金產生單位(或現金產生單位組別)之可收回金額釐定。倘現金產生單位(或現金產生單位組別)之可收回金額低於賬面值時，減值虧損則予以確認。已就商譽確認之減值虧損不得於其後期間撥回。

倘商譽被分配為現金產生單位(或現金產生單位組別)之一部分，而該單位內部分業務被出售，則出售業務相關商譽於釐定出售業務收益或虧損時列入業務之賬面值。在這些情況下出售之商譽根據已出售業務及所保留現金產生單位部分之相對價值計算。

公平值計量

本集團於各報告期末透過損益以公平值計量投資物業及持作買賣投資。公平值為市場參與者於計量日期在有序交易中出售資產所收取的價格或轉讓負債所支付的價格。公平值計量乃假設出售資產或轉讓負債的交易於資產或負債主要市場或(在無主要市場情況下)最具優勢市場進行而作出。主要或最具優勢市場須為本集團可進入之市場。資產或負債的公平值乃基於市場參與者於資產或負債定價所用的假設計量(即假設市場參與者會以最佳經濟利益行事)。

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2.4 Summary of Significant Accounting Policies

(Continued)

Fair value measurement (Continued)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.4 重大會計政策概要(續)

公平值計量(續)

非金融資產的公平值計量須計及市場參與者透過最大限度使用該資產達致最佳用途，或將該資產出售予將最大限度使用該資產達致最佳用途的其他市場參與者以產生經濟利益的能力。

本集團採納適用於不同情況且具備充分數據以供計量公平值的估值方法，以盡量使用相關可觀察元素及盡量減少使用不可觀察元素。

所有於財務報表計量或披露公平值的資產及負債乃基於對公平值計量整體而言屬重大的最低層輸入數據按以下公平值層級分類：

- 第一級 – 基於相同資產或負債於活躍市場的報價(未經調整)
- 第二級 – 按估值技術計量，而對公平值計量而言屬重大的最低層元素可直接或間接觀察得出
- 第三級 – 按估值技術計量，而對公平值計量而言屬重大的最低層元素不可觀察得出

就按經常性基準於財務報表確認的資產及負債而言，本集團透過於各報告期末重新評估分類(基於對公平值計量整體而言屬重大的最低層元素)確定是否發生不同層級轉移。

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2.4 Summary of Significant Accounting Policies

(Continued)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, financial assets, investment properties and goodwill), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognized only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognized impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognized impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortization) had no impairment loss been recognized for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

2.4 重大會計政策概要(續)

非金融資產減值

倘有跡象顯示減值存在，或當必須為資產(存貨、金融資產、投資物業及商譽除外)作出年度減值測試時，則會估計資產的可收回金額。資產的可收回金額為資產或現金產生單位的使用價值與其公平值減出售成本兩者的較高者，並就個別資產而釐定，惟不可產生大體上獨立於其他資產或資產組別的現金流入的資產則除外，在此情況下，可收回金額就資產所屬的現金產生單位而釐定。

僅於資產的賬面值超逾其可收回金額時，減值虧損方予確認。評估使用價值時，估計日後現金流量乃使用可反映金額時間值的現行市場評估及該資產特有的風險的稅前折現率折現至現值。減值虧損於其產生期間自收益表與該減值資產功能一致的該等費用類別內扣除。

於各申報日期結束時均評估是否有任何跡象顯示於過往確認的減值虧損可能不再存在或可能已經減少。如該等跡象存在，則會估計可收回金額。僅於用作釐定資產的可收回金額的估計出現變動時，資產(商譽除外)過往確認的減值虧損方可撥回；惟撥回金額不得高於(倘該資產於過往年度未有確認減值虧損)將可釐定的賬面值(扣除任何折舊/攤銷)。有關減值虧損的撥回於產生期間計入損益表，但如該資產按重估金額列賬，則減值損失撥回會根據該重估資產的有關會計政策列賬。

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2.4 Summary of Significant Accounting Policies

(Continued)

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2.4 重大會計政策概要(續)

關連人士

有關人士在下列情況下被視為與本集團有關連：

- (a) 該人士為一名人士或該人士之近親，而該人士：
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本集團母公司的其中一名主要管理層成員；

或

- (b) 該人士為符合下列任何一項條件之實體：
 - (i) 該實體與本集團屬同一集團之成員公司；
 - (ii) 該實體為另一家實體之聯營公司或合營企業(或另一家實體之母公司、附屬公司或同系附屬公司)；
 - (iii) 該實體與本集團均為同一第三方之合營企業；
 - (iv) 該實體為第三方實體之合營企業，而另一家實體則為該第三方實體的聯營公司；
 - (v) 該實體為就本集團或與本集團有關連之實體之僱員之利益而設之離職後福利計劃；
 - (vi) 該實體受(a)項所識別之人士控制或共同控制；
 - (vii) 於(a)(i)項所識別之人士對該實體有重大影響力或屬該實體(或該實體之母公司)之主要管理層成員之一；及
 - (viii) 實體或實體作為集團任何成員公司其中一部分向本集團或本集團的母公司提供主要管理人員服務。

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2.4 Summary of Significant Accounting Policies (Continued)

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalized in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	3% to 9%
Furniture, fixtures and equipment	9% to 18%
Motor vehicles	9% to 18%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognized in the statement of profit or loss in the year the asset is derecognized is the difference between the net sales proceeds and the carrying amount of the relevant asset.

2.4 重大會計政策概要(續)

物業、廠房和設備及折舊

物業、廠房及設備(除在建工程外)乃按成本減累計折舊及任何減值虧損列賬。物業、廠房及設備項目的成本包括其購買價及使其投入現時運作狀況及將其運往擬定用途地點的任何直接應佔成本。

物業、廠房及設備項目投入使用後所產生的開支，如維修保養費用，通常於產生期間在收益表扣除。在符合確認條件的情況下，大的檢修開支於資產賬面值資本化，作為置換。倘大部分物業、廠房及設備須定期置換，本集團確認該等部分為具備特定可使用年期及據此折舊之個別資產。

折舊乃以直線法於估計可使用年期撇銷各物業、廠房及設備項目的成本至其剩餘價值計算。就此而言使用的主要年率如下：

樓宇	3%至9%
傢俬、裝置及設備	9%至18%
汽車	9%至18%

倘物業、廠房及設備項目的部分有不同的可使用年期，則該項目的成本以合理基準在該等部分之間分配，而各部分將會分開折舊。至少於各財政年結日檢討剩餘價值、可使用年期及折舊方法，並在適當情況下調整。

物業、廠房及設備項目包括初步確認之任何重大部分於出售或預期不會從使用或出售有關項目而取得未來經濟利益時終止確認。於終止確認資產的年度內在損益表確認的任何出售或報廢該等項目的盈虧乃指銷售所得款項淨額與有關資產賬面值的差額。

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2.4 Summary of Significant Accounting Policies

(Continued)

Property, plant and equipment and depreciation

(Continued)

Construction in progress represents buildings under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalized borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Investment properties

Investment properties are interests in land and buildings (including the leasehold interest under an operating lease for a property which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognized in the statement of profit or loss in the year of the retirement or disposal.

For a transfer from investment properties to owner-occupied properties or inventories, the deemed cost of a property for subsequent accounting is its fair value at the date of change in use. For a transfer from inventories to investment properties, any difference between the fair value of the property at that date and its previous carrying amount is recognized in the statement of profit or loss.

2.4 重大會計政策概要(續)

物業、廠房和設備及折舊(續)

在建工程指在建中的大廈，以成本減去任何減值虧損列賬，且不予折舊。成本包括直接建築成本及建築期間相關借貸的資本化借貸成本。在建工程於落成及可予使用時，會重新分類至適當的類別，如物業、廠房及設備。

投資物業

投資物業指為賺取租金收入及/或資本增值目的而持有的土地及樓宇權益(包括符合投資物業定義的物業以經營租賃下的租賃權益)，但不包括用作生產或供應貨品或提供服務或行政管理用途；或用作於日常業務過程中出售的土地及樓宇權益。該等物業初步按成本(包括交易成本)計量。初步確認後，投資物業按反映於報告期末市場狀況的公平值列賬。

投資物業公平值變動產生的盈虧，會於產生年度計入損益表。

報廢或出售投資物業產生的任何盈虧，會於報廢或出售的年度在損益表確認。

就投資物業轉撥至業主自用物業或存貨而言，物業日後視作會計處理的成本為用途變更當日的公平值。就將存貨轉為投資物業而言，物業在該日的公平值與其先前賬面值之間的差額於損益表確認。

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2.4 Summary of Significant Accounting Policies (Continued)

Properties under development

Properties under development are stated at the lower of cost and net realizable value. Cost comprises the land costs, construction costs, capitalized borrowing costs and other costs directly attributed to such properties during the period of construction.

Properties under development are initially classified as non-current assets and transferred to current assets under the category of properties held for sale when the construction of the relevant properties commences and the construction period of the relevant property development project is expected to complete within normal operating cycle.

Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalized at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalized finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the statement of profit or loss so as to provide a constant periodic rate of charge over the lease terms.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the statement of profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to the statement of profit or loss on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognized on the straight-line basis over the lease terms.

2.4 重大會計政策概要(續)

發展中物業

發展中物業按成本值及可變現淨值兩者的較低者列賬。成本包括土地成本、發展開支、借貸成本及其他於建築期間該等物業應佔的直接成本。

起始時發展中物業分類為非流動資產，並於有關物業的建設開始及有關發展項目之預計施工期於正常營運週期內結轉至流動資產中的持作銷售物業。

租賃

凡資產所有權(除法定業權外)的絕大部分回報及風險轉移予本集團，均列為融資租賃。於融資租賃生效時，租賃資產之成本按最低應付租金之現值資本化，並連同承擔(不包括利息部分)入賬，以反映購入及融資情況。根據資本化融資租約持有之資產(包括融資租約項下之預付土地租賃款項)均計入物業、廠房及設備，並於租期與資產之估計可使用年期(以較短者為準)內折舊。有關租賃之融資成本於收益表扣除，以便於租期內按固定比率扣除。

凡資產所有權的絕大部分回報及風險仍歸出租人所有，則有關租賃列為經營租賃。倘本集團為出租人，則本集團根據經營租賃出租的資產計入非流動資產，而經營租賃下的應收租金則以直線法於租賃期內計入損益表。倘本集團為承租人，則經營租賃下的應付租金以直線法於租賃期內在收益表扣除。

經營租賃下的預付土地出租金初步按成本列賬，其後則以直線法於租賃期內確認。

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2.4 Summary of Significant Accounting Policies

(Continued)

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss and available-for-sale financial investments, or loans and receivables. When financial assets are recognized initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognized on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held-for-trading. Financial assets are classified as held-for-trading if they are acquired for the purpose of sale in the near term.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented as other income and gains. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognized in accordance with the policies set out for "Revenue recognition" below.

Financial assets designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in HKAS 39 are satisfied.

2.4 重大會計政策概要(續)

投資及其他金融資產

初次確認及計量

金融資產於初始確認時分類為以公平值列值計入損益表的金融資產及可供出售金融投資，或貸款及應收賬款。金融資產於初次確認時以公平值及收購金融資產應佔交易成本計量，惟以公平值列值計入損益表的金融資產除外。

所有金融資產常規買賣均於交易日確認，即本集團承諾購買或出售該項資產的日期。常規買賣乃指需按法規規定或市場慣例在一定期間內轉移資產的金融資產買賣交易。

其後計量

金融資產的其後計量視其以下分類而定：

透過損益以公平值列賬的金融資產

透過損益以公平值列賬之金融資產，包括持作買賣的金融資產。倘金融資產的收購目的為於短期內出售，則分類為持作買賣。

透過損益以公平值列賬之金融資產於財務狀況表按公平值列賬，而公平值之正變動淨額列為其他收入及收益。該等公平淨值變動並未包括根據下文「收入確認」所載政策確認的該等金融資產的任何股息或所賺取的利息。

僅當符合香港會計準則第39號的條件時，在初步確認時指定為按公平值計入損益的金融資產方於初步確認日期指定。

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2.4 Summary of Significant Accounting Policies

(Continued)

Investments and other financial assets (Continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortized cost using the effective interest rate method less any allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in other income and gains in the statement of profit or loss. The loss arising from impairment is recognized in the statement of profit or loss in finance costs for loans and in other expenses for receivables.

Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets in listed and unlisted equity investments and debt securities. Equity investments classified as available for sale are those which are neither classified as held-for-trading nor designated as at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealized gains or losses recognized as other comprehensive income in the available-for-sale investments revaluation reserve until the investment is derecognized, at which time the cumulative gain or loss is recognized in the statement of profit or loss as other income, or until the investment is determined to be impaired, when the cumulative gain or loss is reclassified from the available-for-sale investments revaluation reserve to the statement of profit or loss in other gains or losses. Interest and dividends earned whilst holding the available-for-sale financial investments are reported as interest income and dividend income, respectively and are recognized in the statement of profit or loss as other income in accordance with the policies set out for "Revenue recognition" below.

2.4 重大會計政策概要(續)

投資及其他金融資產(續)

貸款及應收款項

貸款及應收款項指具有固定或可確定收回金額但無活躍市場報價的非衍生性金融資產。初步計量後，該等資產其後以實際利率法計算的攤銷成本減去任何減值撥備計量。計量攤銷成本時已考慮到收取時產生的任何折價或溢價，包括構成實際利率一部分的費用或成本。實際利率攤銷計入收益表中的其他收入及收益內。減值產生之虧損在損益表中確認為貸款的融資成本及應收款項的其他開支。

可供出售金融投資

可供出售金融投資指上市及非上市的權益投資及債權證券的非衍生金融資產。分類為可供出售的權益投資即未被分類為持作買賣亦非被指定為公平值計入損益的金融資產。該分類中的債權證券乃以並無具體到期日持有為意圖且根據流動性需要和市場行情變化而出售。

於首次確認後，可供出售金融投資按公平值計量，而有關盈虧確認為其他全面收益中的可供出售投資重估儲備，直至投資終止確認為止，屆時過往在權益入賬的累計盈虧均計入損益表作其他收入，或者直至該投資被確定減值為止，屆時該等投資的累計盈虧將由可供出售投資重估儲備轉撥至損益表作其他收入或虧損。所賺取的利息及股息分別列報為利息收入及股息收入，並根據下文「收入確認」一段所載的政策於綜合收益表中確認為其他收入。

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2.4 Summary of Significant Accounting Policies

(Continued)

Investments and other financial assets (Continued)

Available-for-sale financial investments (Continued)

When the fair value of unlisted equity investments cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such investments are stated at cost less any impairment losses.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity.

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortized cost and any previous gain or loss on that asset that has been recognized in equity is amortized to the statement of profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortized cost and the maturity amount is also amortized over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the statement of profit or loss.

2.4 重大會計政策概要(續)

投資及其他金融資產(續)

可供出售金融投資(續)

倘基於(a)該項投資的合理公平值估計範圍廣闊或(b)於估計公平值時無法合理評估並使用該範圍內不同估計的可能性而未能可靠衡量非上市權益投資的公平值，則該等投資均按成本減任何減值虧損入賬。

本集團評估可供出售的金融資產以判斷其於短期內出售的能力和意圖是否恰當。當本集團由於市場喪失活躍性而無法交易該金融資產本集團將重分類這些金融資產(極少情況)，僅當實體有能力 and 意圖在可見將來或到期日持有該金融資產。

當金融資產被分類出可供出售金融資產類別，該等資產任何原計入權益的盈虧須在該投資的剩餘年限內按實際利率法攤銷入損益。任何新攤銷成本與原預期現金流的差異亦須在資產的剩餘年限內按實際利率法予以攤銷。若該資產於其後被確定減值，原計入權益的金額被分類至損益表。

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2.4 Summary of Significant Accounting Policies

(Continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2.4 重大會計政策概要(續)

終止確認金融資產

金融資產(或(如適用)金融資產的一部分或同類金融資產組別的一部分)在下列情況下終止確認(從本集團綜合財務狀況表移除):

- 從資產收取現金流量的權利屆滿時;或
- 本集團已轉讓其收取該項資產所得現金流量的權利,或須根據一項「轉付」安排,有責任在無重大延誤情況下將所收取現金流量悉數付予第三方;及(a)本集團已轉讓該項資產的絕大部分風險及回報,或(b)本集團並無轉讓或保留該項資產的絕大部分風險及回報,但已轉讓該項資產的控制權。

當本集團已轉讓其收取該項資產所得現金流量的權利或已訂立一項轉付安排,會評估其是否保留該項資產所有權的風險及回報以及其程度。倘並無轉讓或保留該項資產的絕大部分風險及回報,且並無轉讓該項資產的控制權,該項資產將按本集團於資產的持續參與而確認入賬。在此情況下,本集團亦確認相關負債。已轉讓的資產及相關負債按反映本集團已保留的權利及責任的基準計量。

持續涉及指本集團就已轉讓資產作出之保證,已轉讓資產乃以該項資產之原賬面值及本集團或須償還之代價數額上限(以較低者為準)計算。

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2.4 Summary of Significant Accounting Policies (Continued)

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortized cost

For financial assets carried at amortized cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognized in the statement of profit or loss. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Group.

2.4 重大會計政策概要(續)

金融資產減值

本集團於各報告期末時對資產進行評估，以判斷是否存在客觀證據表明某項金融資產或某組金融資產可能已減值。倘於初步確認資產後發生一個或多個事件，而該事件對該項或該組金融資產的估計未來現金流量所造成的影響乃能夠可靠地估計，即存在減值。減值證據可能包括債務人或一組債務人出現重大財政困難、違約或拖欠利息或本金付款，有面臨破產或進行其他財務重組之可能以及有公開資料表明其預計未來現金流量已出現可計量之減幅，如債務人支付能力或所處經濟環境惡化。

按攤銷成本入賬的金融資產

對於按攤銷成本列賬的金融資產，本集團首先對個別金額屬重大的金融資產單獨評估是否有客觀減值證據，或對個別金額屬不重大的金融資產共同進行評估。倘本集團認定單獨評估的金融資產並不存在客觀減值證據，無論其金額是否重大，亦應當包括具有類似信貸風險特性的金融資產組合內的資產進行集體減值評估。已個別進行減值測試及已確認減值虧損或繼續確認減值虧損的資產不應進行集體減值評估。

已發生減值虧損的金額按該資產的賬面值與所估計未來現金流量(不包括尚未發生的未來信貸虧損)的現值之差額計算。估計未來現金流量的現值按該金融資產的原實際利率(即初始確認時使用的實際利率)折現。

該資產的賬面值乃透過使用撥備賬扣減，而虧損金額則於收益表確認。利息收入應繼續按照計量減值虧損時對未來現金流量進行折現採用的折現率為基準按扣減後的賬面值計算。當未來收回並無實質展望時，則撇銷貸款及應收款項及任何有關撥備，且所有抵押品已變現或轉讓予本集團。

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2.4 Summary of Significant Accounting Policies

(Continued)

Impairment of financial assets (Continued)

Financial assets carried at amortized cost (Continued)

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in the statement of profit or loss.

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortization) and its current fair value, less any impairment loss previously recognized in the statement of profit or loss, is removed from other comprehensive income and recognized in the statement of profit or loss.

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized in the statement of profit or loss – is removed from other comprehensive income and recognized in the statement of profit or loss. Impairment losses on equity instruments classified as available for sale are not reversed through the statement of profit or loss. Increases in their fair value after impairment are recognized directly in other comprehensive income.

2.4 重大會計政策概要(續)

金融資產減值(續)

按攤銷成本入賬的金融資產(續)

倘在後續期間，確認減值後發生致使估計減值虧損金額增加或減少的事件，則調整撥備賬以增加或減少先前確認的減值虧損。倘撇銷款項其後收回，則收回金額於損益表以其他開支入賬。

可供出售金融投資

對於可供出售金融投資，本集團於各報告期末進行評估，確定是否存在單項投資或一組投資減值的客觀證據。

如果可供出售的資產發生減值，則將按其成本(減去已償還的本金和攤銷額)與當前公平值之間的差額，減去任何以前在損益中確認的減值損失，從其他全面收入轉出並於損益表中確認。

對於分類為可供出售的權益投資，若一項投資的公平值大幅或長期下跌至低於其成本價，即屬客觀減值證據。「大幅」乃相對於投資的成本原值而評估，「長期」相對於公平值低於成本原值的期間。如出現減值證據，累計損失(購入成本與目前公平值的差額，減該項投資先前在損益表中確認的任何減值損失)將從其他全面收入轉出並於損益表中確認。分類為可供出售的權益工具的減值損失，不會在損益表中撥回，減值後公平值如有增加，則直接在其他全面收入確認。

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2.4 Summary of Significant Accounting Policies

(Continued)

Impairment of financial assets (Continued)

Available-for-sale financial investments (Continued)

The determination of what is “significant” or “prolonged” requires judgment. In making this judgment, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, or loans and borrowings.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group’s financial liabilities include trade and other payables, interest-bearing bank and other borrowings, short-term notes, senior notes, medium-term notes, corporate bonds and domestic company bonds.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Loans and borrowings

After initial recognition, interest-bearing bank and other borrowings, short-term notes, senior notes, medium-term notes, corporate bonds and domestic company bonds are subsequently measured at amortized cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognized in the statement of profit or loss when the liabilities are derecognized as well as through the effective interest rate amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in finance costs in the statement of profit or loss.

2.4 重大會計政策概要(續)

金融資產減值(續)

可供出售金融投資(續)

何謂「大幅」或「長期」則需運用判斷決定。在作出此項判斷時，本集團評估某項投資的公平價值低於其成本的持續時間或程度，及其他因素。

金融負債

初始確認及計量

金融負債於初始確認時分類為以公平值列值計入損益表的金融負債、或貸款及借貸。

所有金融負債乃按公平值初步確認，而倘為貸款及借貸，則扣除直接計入應佔交易成本。

本集團的金融負債包括貿易及其他應付款項、計息銀行及其他借貸、短期融資券、優先票據、中期票據、企業債券及境內公司債券。

其後計量

金融負債的其後計量視其以下分類而定：

貸款及借貸

於初步確認後，計息銀行及其他借貸、短期融資券、優先票據、中期票據、企業債券及境內公司債券其後用實際利率法按攤銷成本計量，惟倘貼現影響並不重大，則於該情況下，金融負債按成本列賬。損益乃於負債終止確認時及於實際利率法攤銷過程中於損益表中確認。

攤銷成本乃計算自收購的任何折扣或溢價及屬於實際利率構成部分的費用或成本。實際利率攤銷乃計入損益表中的融資成本內。

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2.4 Summary of Significant Accounting Policies

(Continued)

Financial liabilities (Continued)

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognized initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period; and (ii) the amount initially recognized less, when appropriate, cumulative amortization.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or canceled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

2.4 重大會計政策概要(續)

金融負債(續)

財務擔保合同

本集團發行的財務擔保合同乃規定於特定債務人未能按照債務票據條款於到期時支付款項時須支付款項以補償持有人所蒙受損失。財務擔保合同初步以公平值確認為負債，並按與發出財務擔保合同有直接關係的交易成本予以調整。在初步確認後，本集團對財務擔保合同的計量以(i)於報告期末時履行有關責任的最佳估計開支金額；及(ii)按初步確認金額減(如適用)累計攤銷，兩者之較高者計算。

終止確認金融負債

當負債項下的責任已解除、取消或期滿，則終止確認金融負債。

如現有金融負債被同一貸款人按條款大部分不同的另一項金融負債取代，或現有負債的條款被大幅修改，有關置換或修改會被視作終止確認原有負債並確認新負債，而其各自賬面值間的差額於損益表確認。

金融工具的抵銷

當目前有可執行法定權利以抵銷已確認金額並擬按淨額基準結算，或將資產變現及償還負債時，金融資產及金融負債會互相抵銷，並在財務狀況表內以淨額列示。

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2.4 Summary of Significant Accounting Policies

(Continued)

Properties held for sale and held for finance lease

Properties held for sale and held for finance lease include completed properties held for sale and held for finance lease and properties under development expected to be completed within the normal operating cycle. Properties held for sale and held for finance lease are stated at the lower of cost and net realizable value. Cost includes land costs, all development expenditure, applicable borrowing costs and other direct costs attributable to such properties. Net realizable value is determined by reference to the prevailing market prices, on an individual property basis.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined on the first-in, first-out basis and, in the case of work in progress and finished goods, comprises direct materials, direct labor and an appropriate proportion of overheads. Net realizable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognized when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognized for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

2.4 重大會計政策概要(續)

持作銷售及持作融資租賃物業

持作銷售及持作融資租賃物業包括持作銷售及持作融資租賃已落成物業及建築期間預計在正常經營週期內的发展中物業。持作銷售及持作融資租賃物業按成本值及可變現淨值兩者的較低者列賬。成本包括土地成本、所有發展開支、適用的借貸成本及該等物業應佔的其他直接成本。可變現淨值乃參考當前市價按個別物業基準釐定。

存貨

存貨按成本或可變現淨值兩者較低者列賬。成本以先入先出方法釐定，就在製品和製成品而言，成本包括直接材料、直接勞工及適當分攤的經常性費用。可變現淨值按估計售價減任何尚需投入的完成生產及出售的估計成本計算。

現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手頭現金及活期存款，以及可隨時轉換為已知金額現金的短期高流動性投資，該筆現金承受價值轉變的較低風險，一般於收購起計三個月內到期，並已減去須應要求償還的銀行透支，而成為本集團現金管理的一部分。

就綜合財務狀況表而言，現金及現金等價物包括手頭現金及銀行存款，當中包括定期存款及性質與現金相類的資產，該等存款用途不受限制。

撥備

撥備乃於本集團因以往的事件導致現行的責任(不論法定或推定)產生，並將有可能需要於日後作出資源流出以履行責任時確認，惟須可靠地估計有關責任的金額。

倘折現的影響重大，確認為撥備的金額則為預期須用作履行責任的日後開支於報告期末的現值。折現的現值因時間流逝而產生的升幅，乃於損益表中列作融資成本。

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2.4 Summary of Significant Accounting Policies

(Continued)

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognized outside profit or loss is recognized outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilized, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

2.4 重大會計政策概要(續)

所得稅

所得稅包括即期及遞延稅項。於損益以外確認項目相關的所得稅於損益以外之其他全面收入或直接於權益確認。

即期稅項資產和負債按預期可自稅務機關收回或須支付予稅務機關的金額，基於報告期末時已頒布或實際已頒布的稅率(和稅法)，計及本集團營運所在國家現行詮釋及慣例計量。

在報告期末時，資產與負債的稅基與作為財務報告用途的資產與負債賬面值之間的全部暫時性差異，須按負債法計提遞延稅項撥備。

所有應課稅暫時性差異均確認為遞延稅項負債，惟下列各項除外：

- 倘若遞延稅項負債的起因，是由於商譽而產生，或在一宗非屬業務合併的交易中初步確認資產或負債，而於進行交易時，對會計利潤或應課稅利潤或虧損均無影響；及
- 對於與於附屬公司及聯營公司的投資的權益有關的應課稅暫時性差異而言，倘若撥回暫時性差異的時間可以控制，而暫時性差異不甚可能在可見將來撥回。

對於所有可扣減暫時性差異、結轉未動用稅項抵免及任何未動用稅項虧損，若日後有可能出現應課稅利潤，可用以抵銷該等可扣減暫時性差異、結轉未動用稅項抵免及未動用稅項虧損，則遞延稅項資產確認入賬，惟下列各項除外：

- 倘若有關可扣減暫時性差異的遞延稅項資產的起因，是由於在一宗非屬業務合併的交易中初步確認資產或負債，而於進行交易時，對會計利潤或應課稅利潤或虧損均無影響；及

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2.4 Summary of Significant Accounting Policies

(Continued)

Income tax (Continued)

- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognized at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual installments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge or over the benefits received by the Group related to such assets.

2.4 重大會計政策概要(續)

所得稅(續)

- 對於與於附屬公司及聯營公司的投資的權益有關的可扣減暫時性差異而言，只有在暫時性差異有可能在可見將來撥回，而且日後有可能出現應課稅利潤，可用以抵銷該等暫時性差異時，方會確認遞延稅項資產。

遞延稅項資產的賬面值，在各報告期末時予以審閱，若不再可能有足夠應課稅利潤可用以抵扣全部或部分遞延稅項資產，則扣減遞延稅項資產賬面值。過往未予確認的遞延稅項資產於各報告期末時重新評估，而在可能有足夠應課稅利潤可用以抵扣全部或部分遞延稅項資產，則確認過往未予確認的遞延稅項資產。

變現資產或清償負債的期間預期適用的稅率，會用作計量遞延稅項資產及負債，並以報告期末時已經頒布或實際已經頒布的稅率(及税法)為基準。

當及僅當本集團有法定可強制執行權力抵銷即期稅項資產及即期稅項負債，而遞延稅項資產及遞延稅項負債與同一稅務當局向同一應課稅實體或不同應課稅實體徵收之所得稅有關，且計劃在預期待有重大金額的遞延稅項負債或資產須予清償或收回的每個未來期間，按淨額基準清償即期稅項負債及資產，或同時變現該資產及清償該負債，將抵銷遞延稅項資產及遞延稅項負債。

政府補助

政府補助於合理地確保本集團將取得該補助並將可符合所有隨附條件時按公平值確認。與開支項目有關的補助，則有系統地於擬作成本開銷期間確認為收入。

當該補助與資產有關時，則以其公平值記錄於遞延收入中，再於有關資產之預計可使用年期內，分期每年分攤計入損益表，或在資產之賬面值扣除，並以扣減折舊費用方式或本集團從該資產得到的得益之攤分方式計入損益表。

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2.4 Summary of Significant Accounting Policies

(Continued)

Revenue recognition

Revenue is recognized when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from the sale of properties, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the properties sold;
- (b) rental income, on a time proportion basis over the lease terms;
- (c) finance lease income, when the significant risks and rewards incidental to ownership of the properties have been transferred to the lessee;
- (d) property management service and other revenue, when the services have been rendered;
- (e) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset;
- (f) income from outlet operations, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold, or when the services have been rendered; and
- (g) income from E-commerce and the provision of logistics and warehousing services, when the services have been rendered.

2.4 重大會計政策概要(續)

收入確認

收入乃於經濟利益有可能流入本集團，並能夠可靠地計量收入之時，按下列基準確認：

- (a) 來自銷售物業的收入，於所有權的重大風險及回報已轉移予買家，而本集團並不保留通常與所有權有關的管理權或對已售物業的有效控制；
- (b) 租金收入，在租賃期內按時間比例基準；
- (c) 融資租賃收入，當物業擁有權相關的主要風險及回報已轉移予承租人；
- (d) 物業管理服務及其他收入，於提供服務時；
- (e) 利息收入，以計提基準，於金融工具的預期年期或較短期間(如適用)內採用實際利息法按估計未來現金收入準確折現至金融資產賬面淨額的折現率；
- (f) 奧特萊斯運營收入，於所有權的重大風險及回報已轉移予買家，而本集團並不保留通常與所有權有關的管理權或對已售貨品的有效控制或於提供服務時；及
- (g) 電子商貿及提供物流倉儲服務收入，於提供服務時。

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2.4 Summary of Significant Accounting Policies (Continued)

Share-based payments

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including Directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees for grants after 7 November 2002 is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using an appropriate pricing model, further details of which are given in note 37 to the financial statements.

The cost of equity-settled transactions is recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefit expense. The cumulative expense recognized for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognized as at the beginning and end of that period.

Where an equity-settled award is canceled, it is treated as if it had vested on the date of cancelation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the canceled award, and is designated as a replacement award on the date that it is granted, the canceled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

2.4 重大會計政策概要(續)

以股份形式付款

本公司營運購股權計劃，向為本集團業務成就作出貢獻的合資格參與者提供獎勵及報酬。本集團僱員(包括董事)按以股份形式付款方式收取薪酬，僱員以提供服務作為權益工具的代價(「以權益結算的交易」)。

與僱員之間於2002年11月7日後的以權益結算的交易成本乃參考授出日期的公平值計量。公平值乃由外聘估值師採用適當定價模式釐定，進一步詳情載於財務報表附註37。

權益結算交易之成本在績效及/或服務條件達成之期間，連同權益之相應升幅一併確認。就權益結算交易於各告期間結束時至歸屬日期確認之累計開支，反映歸屬期屆滿之程度以及本集團就最終歸屬之權益工具數目之最佳估計。期內在損益表扣除或計入之金額，指於該期間期初及期終所確認之累計開支變動。

當一項以權益結算的獎勵註銷，會被視作猶如於註銷當日歸屬，及並未就獎勵確認的任何開支將即時確認。此乃包括受本集團或僱員控制的非歸屬條件未能達成的任何獎勵。然而，如一項新獎勵取代一項註銷獎勵，並於授出當日界定為取替的獎勵，如上段所述，註銷及新獎勵兩者會被視為原有獎勵的改動。

尚未行使購股權的攤薄影響用於計算每股盈利時反映為額外股份攤薄。

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2.4 Summary of Significant Accounting Policies

(Continued)

Share-based payments (Continued)

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognized. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognized as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognized for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

2.4 重大會計政策概要(續)

以股份形式付款(續)

釐定獎勵獲授當日之公平值時，並不計及服務及非市場績效條件，惟在有可能符合條件的情況下，則評估為本集團對最終將會歸屬權益工具數目最佳估計之一部分。市場績效條件反映於獎勵獲授當日之公平值。獎勵之任何其他附帶條件（但不帶有服務要求）視作非歸屬條件。非歸屬條件反映於獎勵之公平值，除非同時具服務及/或績效條件，否則獎勵即時支銷。

因非市場績效及/或服務條件未能達成而最終無歸屬之獎勵並不確認為支出。凡獎勵包含市場或非歸屬條件，無論市場條件或非歸屬條件獲履行與否，而所有其他績效及/或服務條件均獲履行，則交易仍被視為一項歸屬。

當以權益結算的獎勵的條款經修改，倘符合獎勵的原有條款，則會確認最低額度的開支，猶如條款未經修改。此外，就引致以股份形式付款的總公平值上升或以其他方式對僱員有利的任何改動（以改動當日的計量為準）確認開支。

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2.4 Summary of Significant Accounting Policies (Continued)

Other employee benefits

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees’ basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group’s subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their respective payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalized as part of the cost of those assets. The capitalization of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalized. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.4 重大會計政策概要(續)

其他僱員福利

退休金計劃

本集團根據強制性公積金計劃條例為其所有香港僱員參與強制性公積金計劃(「強積金計劃」)營運一項定額供款強積金計劃。供款按僱員基本薪金的若干百分比作出，並於根據強積金計劃規則的規定於應付時自收益表扣除。強積金計劃的資產乃與本集團資產分開以獨立管理基金持有。本集團對強積金計劃作出的僱主供款，在供款作出時全數歸屬僱員。

本集團旗下在中國大陸營運的附屬公司的僱員，須參與由地方市政府營運的中央公積金計劃。該等附屬公司須按彼等各自的支薪成本的若干百分比向中央公積金計劃作出供款。供款須按照中央公積金計劃規則的規定於應付時在損益表內扣除。

借貸成本

因收購、建設或生產合資格資產(即須頗長期間準備方可用作其擬定用途或銷售的資產)直接產生的借貸成本，乃作為該等資產的部分成本予以資本化。當資產大致達到擬定用途或銷售時，該等借貸成本則不再予以資本化。待作出合資格資產開支的特定借貸臨時投資所賺取的投資收入於借貸成本資本化時扣除。所有其他借貸成本會於發生當期支銷。借貸成本包括利息及其他由公司借貸資金而產生之費用。

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2.4 Summary of Significant Accounting Policies

(Continued)

Dividends

Final dividends are recognized as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the note 11 to the financial statements.

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognized in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measures at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognized in other comprehensive income or profit or loss is also recognized in other comprehensive income or profit or loss, respectively).

2.4 重大會計政策概要(續)

股息

當末期股息於股東大會上獲股東批准，該等股息則被確認為負債。擬派末期股息於財務報表附註11披露。

外幣

此等財務報表按港元呈列，而港元為本公司的功能貨幣。本集團內各實體決定其本身的功能貨幣，而各實體的財務報表內各項目均使用該功能貨幣計量。本集團實體所入賬的外幣交易初步普遍按交易日期其各自的功能貨幣匯率入賬。以外幣為單位的貨幣資產及負債，乃按報告期末的功能貨幣匯率換算。因結算或換算貨幣項目產生的一切差額乃於損益表入賬。

按外幣的歷史成本計量的非貨幣項目按最初交易當日的匯率換算。按外幣公平值計量的非貨幣項目按釐定公平值當日的匯率換算。換算非貨幣項目產生的收益或虧損乃按與確認該項目的公平值變動產生按公平值的收益或虧損一致的方法處理（即公平值收益或虧損於其他全面收入或損益確認的項目的換算差額，亦分別於其他全面收入或損益確認）。

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2.4 Summary of Significant Accounting Policies (Continued)

Foreign currencies (Continued)

The functional currencies of certain overseas subsidiaries and associates are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into Hong Kong dollars at the weighted average exchange rates for the year.

The resulting exchange differences are recognized in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in the statement of profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

3. Significant Accounting Judgments and Estimates

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements:

Operating lease commitments – Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

2.4 重大會計政策概要(續)

外幣(續)

若干海外附屬公司及聯營公司的功能貨幣為港元以外的貨幣。於報告期末時，該等實體的資產及負債按報告期末時的匯率換算為港元，而該等公司的損益表按該年度普遍的平均匯率換算為港元。

所產生的匯兌差額確認為其他全面收入，並累計於匯兌波動儲備。出售海外實體時，在其他全面收入有關該特定海外業務的金額在損益表確認。

就綜合現金流量表而言，海外附屬公司的現金流量按現金流量日期的匯率換算為港元。海外附屬公司於年內經常產生的現金流量則按該年度的加權平均匯率換算為港元。

3. 重大會計判斷及估計

編製本集團財務報表時需管理層作出影響於報告期末的收入、費用、資產及負債及其隨附披露事項以及或然負債之呈報金額的判斷、估計及假設。然而，此等假設及估計的不明朗因素將引致受影響之資產或負債賬面值於將來或作出重大調整。

判斷

在應用本集團的會計政策的過程中，除該等涉及估計者外，管理層已作出下列對財務報表確認的金額有最重大影響的判斷：

經營租賃承擔 – 本集團作為出租人

本集團已就其投資物業組合訂立商業物業租賃。本集團已根據對該等安排的條款及條件作出的評估來釐定，本集團仍保留該等按照經營租賃出租的物業之所有權的所有重大風險及回報。

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3. Significant Accounting Judgments and Estimates

(Continued)

Judgments (Continued)

Transfer from properties under development to investment properties

Properties under development are transferred to investment properties when there is a change in use with sufficient evidence. The Group determines whether a change in use has occurred based on an assessment of all relevant facts and circumstances, which include but are not limited to: (a) a business plan that reflects the future rental income generated by the property; (b) the resources to hold and manage an investment property; (c) legal permissibility for the change in use; and (d) the commencement of development if the property requires further development for the change in use. Any excess of fair value over the original carrying amount of such properties at the date of transfer was recognized as current year profit or loss.

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgment. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independent of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgment is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

3. 重大會計判斷及估計(續)

判斷(續)

發展中物業轉移至投資物業

當有充足證明用途轉變時，發展中物業轉移至投資物業。本集團乃基於所有相關事實及情況的評估釐定用途有否轉變，其中包括但不限於：(a) 反映此物業將來產生租金收入的商業計劃；(b) 持有及經營投資物業所需的資源；(c) 容許改變有關用途的法律許可；及(d) 如物業改變用途需其他開發，有關開發需開始進行。於轉移日期該等物業的公平值超出原賬面值的任何金額確認為本年度損益。

投資物業與業主自用物業之間的分類

本集團釐定物業是否符合投資物業的條件，並已制定出一套判斷準則。投資物業是持作賺取租金或資本增值或兩者俱備的物業。因此，本集團考慮物業產生現金流量時是否大體獨立於本集團持有的其他資產。某些物業的部分是為賺取租金或資本增值而持有，而另一部分是為用於生產或供應貨品或服務或作行政用途而持有。倘若此等部分可以分開出售或根據融資租賃分開出租，本集團將把有關部分分開入賬。倘若該等部分無法分開出售，則僅在非主要部分持作生產或供應貨品或服務或作行政用途時，有關物業方會列作投資物業。本集團按基準對個別物業作出判斷，以決定配套服務是否重要，以致物業不符合作為投資物業的條件。

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3. Significant Accounting Judgments and Estimates (Continued)

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at 31 March 2018 was HK\$34,128,000 (2017: HK\$34,128,000). Further details are given in note 17.

Estimation of fair value of investment properties

The Group engaged Savills Valuation and Professional Services Limited ("Savills"), an independent professional qualified valuer, to perform the valuation of the Group's investment properties at the end of the reporting period. The carrying amount of investment properties as at 31 March 2018 was HK\$48,135,043,000 (2017: HK\$42,191,542,000). Further details are given in note 14.

Impairment allowances for trade receivables and other receivables

The Group estimates the impairment allowances for trade receivables and other receivables by assessing the recoverability based on historical recovery of the overdue trade receivables of respective ages and related prevailing market conditions. This requires the use of significant estimates and judgments. Allowances are applied to trade receivables and other receivables where events or changes in circumstances indicate that the balances may not be collectible. Where the expectation is different from the original estimate, the difference will affect the carrying amounts of trade receivables and other receivables and thus the impairment loss in the period in which the estimate is changed. The Group reassesses the impairment allowance at the end of each reporting period. As at 31 March 2018, the aggregate carrying amounts of trade receivables and other receivables were HK\$2,392,026,000 (2017: HK\$1,897,459,000).

3. 重大會計判斷及估計(續)

估計的不確定因素

有關未來的主要假設以及於報告期末時存在重大風險導致於下一個財政年度對資產及負債的賬面值作出重大調整的其他主要估計不確定因素來源在下文論述。

商譽減值

本集團至少每年釐定商譽是否減值。這需要對獲分配商譽的現金產生單位的使用價值作出估計。估計使用價值時，本集團須對現金產生單位的預期未來現金流量作出估計，亦須選擇適當的折現率以計算該等現金流量的現值。於2018年3月31日，商譽的賬面值為34,128,000港元(2017年：34,128,000港元)。詳情載於附註17。

投資物業公平值估計

本集團委聘獨立專業合資格估值師第一太平戴維斯估值及專業顧問有限公司(「第一太平戴維斯」)進行本集團投資物業於報告期末時的估值。於2018年3月31日，投資物業的賬面值為48,135,043,000港元(2017年：42,191,542,000港元)。詳情載於附註14。

應收貿易賬款及其他應收款項的減值撥備

本集團估計應收貿易賬款及其他應收款項的減值撥備，方法是透過基於不同賬齡的逾期賬款之歷史回收紀錄及相關的現行市況來評估可收回性。此舉需要使用重大估計及判斷。倘事件或情況變動顯示結餘不可收回，則須就應收貿易賬款及其他應收款項作出撥備。倘預計數額與原先估計有所不同，則此差額將影響有關估計變動期間的應收貿易賬款及其他應收款項的賬面值以及減值虧損。本集團於各報告期末時重新評估減值撥備。於2018年3月31日，應收貿易賬款及其他應收款項的賬面總值為2,392,026,000港元(2017年：1,897,459,000港元)。

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3. Significant Accounting Judgments and Estimates

(Continued)

Estimation uncertainty (Continued)

Land appreciation tax

Under the Provisional Regulations on Land Appreciation Tax ("LAT") implemented upon the issuance of the Provisional Regulations of the PRC on 27 January 1995, all gains arising from the transfer of real estate properties in Mainland China with effect from 1 January 1994 are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including land use rights, borrowing costs and all property development expenditures.

The subsidiaries of the Group engaging in the property development business in Mainland China are subject to LAT, which has been included in income tax. However, the implementation of these taxes varies amongst various Mainland China cities and the Group has not finalized its LAT returns with various tax authorities. Accordingly, significant judgment is required in determining the amount of land appreciation and its related taxes. The ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes these liabilities based on management's best estimates. When the final tax outcome of these matters is different from the amounts that were initially recorded, the differences will impact the income tax and provisions for land appreciation taxes in the period in which the determination is made.

Withholding tax arising from the distribution of dividends

The PRC New Corporate Income Tax Law, which became effective on 1 January 2008, states that the distribution of dividends by a foreign-invested enterprise established in Mainland China to its foreign investors, from its earnings of 2008 or thereafter, shall be subject to withholding taxes at an applicable rate of 5% or 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008. Further details are given in note 35 to the financial statements.

3. 重大會計判斷及估計(續)

估計的不確定因素(續)

土地增值稅

根據於1995年1月27日頒布實施的中華人民共和國土地增值稅(「土地增值稅」)暫行條例實施細則，於中國大陸轉讓房地產物業產生的所有收益自1994年1月1日起須按介乎土地增值的30%至60%之累進稅率繳納土地增值稅。土地增值指出售物業所得款項減應課稅開支，包括土地使用權、借貸成本及所有物業開發開支。

本集團附屬公司於中國大陸從事物業開發業務，須繳納土地增值稅(計入所得稅)。然而，中國大陸的不同城市對土地增值稅的實施不盡相同，故本集團並未完成向不同稅務機關申報土地增值稅。因此，有關釐定土地增值及相關稅項須作出重大判斷。於日常業務中釐定的最終稅項金額並不確定。本集團基於管理層之最佳估計確認該等負債。當該等事宜之最終稅項支出與初步列賬之數額出現差異時，該等差額將影響釐定稅項期間之所得稅及土地增值稅撥備。

股息分派產生的預扣稅

新的中國企業所得稅法於2008年1月1日起生效，規定在中國內地成立之外資企業從其於2008年或以後的利潤中向外國投資者派發股息時，須繳納適用稅率為5%或10%的扣繳稅。因此，本集團須為於中國內地成立的附屬公司就2008年1月1日起產生之盈利分派股息而繳納預扣稅。進一步詳情載於財務報表附註35。

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3. Significant Accounting Judgments and Estimates

(Continued)

Estimation uncertainty (Continued)

Deferred tax assets

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of deferred tax assets relating to recognized tax losses as at 31 March 2018 was HK\$545,359,000 (2017: HK\$425,650,000). The amount of unrecognized tax losses as at 31 March 2018 was HK\$1,141,314,000 (2017: HK\$772,673,000). Further details are contained in note 35 to the financial statements.

4. Operating Segment Information

For management purposes, the Group is organized into business units based on their products and services and has five reportable operating segments as follows:

- (a) the property development segment engages in the development of integrated logistics and trade centers and residential and commercial ancillary facilities;
- (b) the property investment segment invests in integrated logistics and trade centers and residential and commercial ancillary facilities;
- (c) the property management segment engages in the management of the Group's developed properties;
- (d) the E-commerce segment engages in the development, operations and maintenance of an E-commerce platform; and
- (e) the "others" segment comprises, principally, the provision of advertising, exhibition, logistics and warehousing services, outlet operations, micro-credit services and other services.

3. 重大會計判斷及估計(續)

估計的不確定因素(續)

遞延稅項資產

僅在可能取得應課稅利潤作扣減虧損的情況下，方確認由所有未動用稅項虧損產生的遞延稅項資產。在釐定可予確認的遞延稅項資產款項時，管理層須根據可能的時間、未來應課稅利潤的水平連同未來稅項計劃策略，作出重大的判斷。於2018年3月31日，有關因稅項虧損而確認的遞延稅項資產的賬面值為545,359,000港元(2017年：425,650,000港元)。於2018年3月31日，未確認的稅項虧損為1,141,314,000港元(2017年：772,673,000港元)。詳情載於財務報表附註35。

4. 經營分部資料

就管理而言，本集團按其產品及服務劃分為不同的業務單位，並具備以下五個可申報營運分部：

- (a) 物業發展分部從事發展綜合物流及商品交易中心及住宅及商業配套設施；
- (b) 物業投資分部投資綜合物流及商品交易中心及住宅及商業配套設施；
- (c) 物業管理分部從事管理本集團的已建成物業；
- (d) 電子商貿分部從事發展、經營及維持電子商貿平台；及
- (e) 「其他」分部基本上包括提供廣告、展覽、物流及倉儲服務、奧特萊斯運營、小額貸款服務及其他服務。

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4. Operating Segment Information (Continued)

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit before tax except that interest income, finance costs, fair value gains/(losses) from the Group's financial instruments, head office, corporate expenses and unallocated cost of sales are excluded from this measurement.

Segment assets exclude cash and cash equivalents and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank and other borrowings, senior notes, medium-term notes, corporate bonds, domestic company bonds, short-term notes, tax payables and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

No geographical segment analysis is presented as the majority of the assets and operations of the Group are located in the PRC, which is considered as one geographical location in an economic environment with similar risks and returns.

There were no sales to a single customer which amounted to 10% or more of the Group's revenue during the year ended 31 March 2018 (2017: Nil).

4. 經營分部資料(續)

管理層會獨立監察營運分部之業績而作出資源分配決定及評定其表現。分部表現乃根據可呈報分部利潤/(虧損)(即經調整稅前利潤/(虧損))來評估。經調整稅前利潤/(虧損)與本集團稅前利潤計量方式一致，惟利息收入、融資成本、本集團金融工具公平值收益/(虧損)以及總辦事處、公司開支及未分配銷售成本均無計算在內。

分部資產不包括現金及現金等價物及其他未分配總辦事處及公司資產，原因為該等資產按集團整體管理。

分部負債不包括計息銀行及其他借貸、優先票據、中期票據、企業債券、境內公司債券、短期融資券、應付稅項及其他未分配總辦事處及公司負債，原因為該等負債按集團整體管理。

分部間銷售及轉讓乃參考當時向第三方按市價作出銷售的售價進行。

由於本集團的大部分資產及經營均位於中國(被視為處於具類似風險及回報的經濟環境的一個地理位置)，本集團並無呈列地理分部分析。

截至2018年3月31日止年度，並無單一客戶的銷售為本集團收入貢獻10%或以上(2017年：無)。

NOTES TO FINANCIAL STATEMENTS (Continued)
財務報表附註(續)

31 March 2018 2018年3月31日

4. Operating Segment Information (Continued)

4. 經營分部資料(續)

Year ended 31 March 2018 截至2018年3月31日止年度		Property development 物業發展 HK\$'000 千港元	Property investment 物業投資 HK\$'000 千港元	Property management 物業管理 HK\$'000 千港元	E-commerce 電子商貿 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Segment revenue:	分部收入:						
Sales to external customers	對外部客戶銷售	7,385,394	731,716	375,520	245,241	667,499	9,405,370
Intersegment sales	分部間銷售	–	214,403	343,825	174,452	63,391	796,071
		7,385,394	946,119	719,345	419,693	730,890	10,201,441
Elimination of intersegment sales	分部間銷售對銷						(796,071)
Revenue	收入						9,405,370
Segment results before increase in fair value of investment properties	投資物業公平值增加前 分部業績	3,301,780	532,524	145,143	243,293	305,615	4,528,355
Increase in fair value of investment properties	投資物業公平值增加	–	4,378,474	–	–	–	4,378,474
Segment results after increase in fair value of investment properties	投資物業公平值增加後 分部業績	3,301,780	4,910,998	145,143	243,293	305,615	8,906,829
Unallocated cost of sales	未分配銷售成本						(459,176)
Interest income	利息收入						77,945
Fair value losses on held-for-trading investments at fair value through profit or loss, net	透過損益以公平值列賬之 持作買賣投資的公平值虧損 淨額						(4,461)
Unallocated income and gains	未分配收入及收益						783,481
Unallocated expenses	未分配開支						(2,226,382)
Finance costs	融資成本						(294,771)
Profit before tax	稅前利潤						6,783,465
Segment assets	分部資產	40,436,305	56,423,392	167,412	76,789	1,553,674	98,657,572
<i>Reconciliation:</i>	<i>對賬:</i>						
Investments in associates	於聯營公司的投資						142,112
Unallocated assets	未分配資產						12,746,282
Total assets	資產總值						111,545,966
Segment liabilities	分部負債	15,594,034	8,082,782	149,545	272,118	651,634	24,750,113
<i>Reconciliation:</i>	<i>對賬:</i>						
Unallocated liabilities	未分配負債						50,395,099
Total liabilities	負債總額						75,145,212
Other segment information:	其他分部資料:						
Depreciation	折舊	91,370	1,813	448	4,965	23,190	121,786
Corporate and other unallocated amounts	公司及其他未分配金額						8,523
							130,309
Increase in fair value of investment properties	投資物業公平值增加	–	4,378,474	–	–	–	4,378,474
Capital expenditure*	資本開支*	11,411,922	316,592	399	9,019	54,718	11,792,650

NOTES TO FINANCIAL STATEMENTS (Continued)
財務報表附註(續)

31 March 2018 2018年3月31日

4. Operating Segment Information (Continued)

4. 經營分部資料(續)

Year ended 31 March 2017 截至2017年3月31日止年度		Property development 物業發展 HK\$'000 千港元	Property investment 物業投資 HK\$'000 千港元	Property management 物業管理 HK\$'000 千港元	E-commerce 電子商貿 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Segment revenue:	分部收入：						
Sales to external customers	對外部客戶銷售	6,240,553	699,716	288,822	213,674	395,745	7,838,510
Intersegment sales	分部間銷售	–	92,965	59,450	268,469	71,556	492,440
		6,240,553	792,681	348,272	482,143	467,301	8,330,950
Elimination of intersegment sales	分部間銷售對銷						(492,440)
Revenue	收入						7,838,510
Segment results before increase in fair value of investment properties	投資物業公平值增加前 分部業績	2,925,144	484,560	15,622	213,276	228,499	3,867,101
Increase in fair value of investment properties	投資物業公平值增加	–	4,549,509	–	–	–	4,549,509
Segment results after increase in fair value of investment properties	投資物業公平值增加後 分部業績	2,925,144	5,034,069	15,622	213,276	228,499	8,416,610
Unallocated cost of sales	未分配銷售成本						(356,956)
Interest income	利息收入						71,603
Fair value gains on held-for-trading investments at fair value through profit or loss, net	透過損益以公平值列賬之 持作買賣投資的公平值收益 淨額						3,770
Unallocated income and gains	未分配收入及收益						650,654
Unallocated expenses	未分配開支						(1,917,949)
Finance costs	融資成本						(275,478)
Profit before tax	稅前利潤						6,592,254
Segment assets	分部資產	31,976,084	43,001,921	71,402	80,726	1,479,843	76,609,976
Reconciliation:	對賬：						
Investments in associates	於聯營公司的投資						82,497
Unallocated assets	未分配資產						12,283,360
Total assets	資產總值						88,975,833
Segment liabilities	分部負債	10,158,100	4,945,321	68,785	310,860	382,242	15,865,308
Reconciliation:	對賬：						
Unallocated liabilities	未分配負債						44,631,134
Total liabilities	負債總額						60,496,442
Other segment information:	其他分部資料：						
Depreciation	折舊	98,238	1,529	376	5,243	17,651	123,037
Corporate and other unallocated amounts	公司及其他未分配金額						14,280
							137,317
Increase in fair value of investment properties	投資物業公平值增加	–	4,549,509	–	–	–	4,549,509
Capital expenditure*	資本開支*	10,715,927	1,745	527	7,853	19,912	10,745,964

* Capital expenditure consists of additions to property, plant and equipment, prepaid land lease payments, properties under development and investment properties.

* 資本開支包括物業、廠房及設備、預付土地出租金、發展中物業及投資物業添置。

NOTES TO FINANCIAL STATEMENTS (Continued)
財務報表附註(續)

31 March 2018 2018年3月31日

5. Revenue, Other Income and Gains/(Losses), and Fair value gains on Investment Properties

Revenue represents the net sales of completed properties, finance lease income, rental income, income from the provision of property management services, E-commerce income and other revenue, net of sales tax and other sales related tax.

An analysis of revenue, other income and gains/(losses) is as follows:

5. 收入、其他收入及收益/(虧損)，及投資物業公平值收益

收入指扣除營業稅後竣工物業銷售淨額、融資租賃收入、租金收入、提供物業管理服務收入、電子商貿收入及其他收入(扣除銷售稅及其他銷售相關稅項)。

收入、其他收入及收益/(虧損)分析如下：

		For the year ended 31 March 截至3月31日止年度	
		2018 HK\$'000 千港元	2017 HK\$'000 千港元
	Notes 附註		
Revenue	收入		
Sales of properties	物業銷售	7,229,545	5,794,215
Finance lease income	融資租賃收入	155,849	446,338
Rental income	租金收入	731,716	699,716
Property management service income	物業管理服務收入	375,520	288,822
E-commerce income	電子商貿收入	245,241	213,674
Other revenue*	其他收入*	667,499	395,745
		9,405,370	7,838,510
Other income	其他收入		
Interest income	利息收入	77,945	71,603
Government grants**	政府補貼**	783,912	841,427
Others	其他	31,917	50,978
		893,774	964,008
Gains/(losses)	收益/(虧損)		
Gain on disposal of items of property, plant and equipment	處置物業、廠房及設備項目收益	113	-
Fair value (losses)/gains on held-for-trading investments at fair value through profit or loss, net	透過損益以公平值列賬之持作買賣投資的公平值(虧損)/收益·淨額	(4,461)	3,770
Loss on redemption of the 2012 Notes and 2014 Notes	贖回2012年票據及2014年票據之虧損	(89,876)	(178,317)
Gain on purchase of the 2014 Notes	購買2014年票據之收益	-	597
Gain on disposal of subsidiaries	處置附屬公司收益	1,142	-
Exchange gains/(losses), net	滙兌收益/(虧損)·淨額	56,273	(64,031)
		(36,809)	(237,981)
		856,965	726,027
Fair value gains on investment properties	投資物業公平值收益	4,378,474	4,549,509

* Other revenue includes amounts of HK\$354,885,000 (2017: HK\$200,829,000) related to income from outlet operations and HK\$218,066,000 (2017: HK\$161,984,000) related to income from logistics and warehousing services.

** Various government grants have been received from the relevant government authorities to foster and support the development of the relevant projects of the Group in Mainland China. There are no unfulfilled conditions or contingencies relating to these grants.

* 其他收入已包括奧特萊斯運營收入354,885,000港元(2017年: 200,829,000港元)及物流及倉儲服務收入218,066,000港元(2017年: 161,984,000港元)。

** 若干政府補貼為相關政府部門給予本集團·以培育及扶持本集團於中國大陸項目的發展。該等補貼沒有未履行之條件或或然事件。

NOTES TO FINANCIAL STATEMENTS (Continued)
財務報表附註(續)

31 March 2018 2018年3月31日

6. Profit Before Tax

The Group's profit before tax is arrived at after charging/(crediting):

6. 稅前利潤

本集團的稅前利潤已扣除/(計入)下列各項：

		For the year ended 31 March 截至3月31日止年度		
		2018 HK\$'000 千港元	2017 HK\$'000 千港元	
		Notes 附註		
Cost of properties sold	已售物業成本		4,024,550	3,107,738
Cost of properties held for finance lease	融資租賃物業成本		59,064	207,671
Depreciation	折舊	13	131,147	138,630
Less: Depreciation capitalized in respect of properties under development	減：就發展中物業的資本化折舊		(838)	(1,313)
			130,309	137,317
Amortization of prepaid land lease payments	預付土地出租金攤銷	16	28,269	27,020
Minimum lease payments under operating leases in respect of land and buildings and vehicles	土地及樓宇及汽車於經營租賃下的最低租金		11,732	10,008
Auditor's remuneration	核數師薪酬		4,220	4,100
Employee benefit expense (including Directors' remuneration):	僱員福利開支(包括董事薪酬)：			
Wages and salaries*	工資及薪金*		746,465	711,042
Equity-settled share option expense	以權益結算的購股權開支		42,065	30,612
Pension scheme contributions	退休金計劃供款		106,144	104,741
			894,674	846,395
Provision for impairment of trade receivables**	應收貿易賬款減值撥備**	24	112,134	73,885
Provision for impairment loss of available-for-sale investments**	可供出售金融投資減值撥備**	19	175,500	-
Gain on disposal of subsidiaries	處置附屬公司收益		(1,142)	-
(Gain)/Loss on disposal of items of property, plant and equipment	出售物業、廠房及設備項目(收益)/虧損		(113)	1,708

* Included an amount of HK\$71,569,000 for the year ended 31 March 2018 (2017: HK\$89,885,000), which was capitalized under properties under development.

** Included in "Other expenses" in the consolidated statement of profit or loss.

* 包括截至2018年3月31日止年度的金額71,569,000港元(2017年：89,885,000港元)，已予以資本化計入發展中物業。

** 計入綜合損益表「其他開支」項內。

NOTES TO FINANCIAL STATEMENTS (Continued)
財務報表附註(續)

31 March 2018 2018年3月31日

7. Finance Costs

An analysis of finance costs is as follows:

		For the year ended 31 March 截至3月31日止年度	
		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Interest on bank and other borrowings (including senior notes, medium-term notes, corporate bonds, domestic company bonds and short-term notes)	銀行及其他借貸利息(包括優先票據、中期票據、企業債券、境內公司債券及短期融資券)	2,209,896	2,061,894
Less: Interest capitalized	減：資本化利息	(1,915,125)	(1,786,416)
Total	總計	294,771	275,478

7. 融資成本

融資成本之分析如下：

8. Directors' Emoluments

Directors' remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "Listing Rules"), section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

		For the year ended 31 March 截至3月31日止年度	
		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Fees	袍金	3,591	4,640
Other emoluments:	其他酬金：		
Salaries, allowances, and benefits in kind	薪金、津貼及實物福利	23,602	18,150
Performance-related bonuses*	與表現掛鉤的花紅*	38,642	32,576
Equity-settled share option expense	以權益結算的購股權開支	34,366	12,102
Pension scheme contributions	退休金計劃供款	73	54
		100,274	67,522

8. 董事酬金

根據香港聯交所證券上市規則(「上市規則」)、香港公司條例第383(1)(a), (b), (c)及(f)條及公司(披露董事利益資料)規例第2部，於本年度的董事酬金披露如下：

* Certain Executive Directors of the Company are entitled to performance based bonus payments which are determined as a percentage of the Group's consolidated net profit attributable to owners of the parent excluding fair value gains on investment properties and related tax effects, provision for impairment loss of available-for-sale investments and loss on redemption of senior notes (in addition to any discretionary bonus (if any)) of the financial year.

* 本公司若干執行董事有權收取按該財政年度的未計投資物業公平值收益及相關稅務影響、可供出售金融投資減值準備和贖回優先票據的虧損的母公司擁有人應佔淨利潤百分比釐定基於表現之花紅(除任何酌情花紅(如有))。

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8. Directors' Emoluments (Continued)

(a) Independent Non-executive Directors

The fees paid to Independent Non-executive Directors during the year were as follows:

		Fees	Equity-settled share option expense	Total
		袍金	以權益結算的 購股權開支	總計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
2018	2018年			
Leung Kwan Yuen Andrew	梁君彥	380	–	380
Li Wai Keung	李偉強	380	–	380
Hui Chiu Chung	許照中	380	–	380
Yung Wing Ki Samuel	容永祺	380	–	380
		1,520	–	1,520

		Fees	Equity-settled share option expense	Total
		袍金	以權益結算的 購股權開支	總計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
2017	2017年			
Leung Kwan Yuen Andrew	梁君彥	380	–	380
Li Wai Keung	李偉強	380	–	380
Hui Chiu Chung	許照中	380	–	380
Yung Wing Ki Samuel	容永祺	380	–	380
		1,520	–	1,520

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8. Directors' Emoluments (Continued)
(b) Executive Directors and Non-executive Directors

8. 董事酬金(續)
(b) 執行董事及非執行董事

		Fees	Salaries, allowances, and benefits in kind	Performance-related bonuses	Equity-settled share option expense	Pension scheme contributions	Total
		袍金	薪金、津貼及實物福利	與表現掛鈎的花紅	以權益結算的購股權開支	退休金計劃供款	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
2018	2018年						
Executive Directors:	執行董事：						
Cheng Chung Hing	鄭松興	-	5,850	15,921	-	18	21,789
Leung Moon Lam*	梁滿林*	-	503	-	-	3	506
Fung Sing Hong Stephen	馮星航	-	6,800	11,941	26,255	18	45,014
Song Chuan*	宋川*	-	9,086	7,700	8,111	17	24,914
Cheng Ka Man Carman*	鄭嘉汶*	-	1,363	3,080	-	17	4,460
		-	23,602	38,642	34,366	73	96,683
Non-executive Directors:	非執行董事：						
Ma Kai Cheung	馬介璋	807	-	-	-	-	807
Sun Kai Lit Cliff*	孫啟烈*	216	-	-	-	-	216
Ma Wai Mo*	馬偉武*	216	-	-	-	-	216
Cheng Tai Po	鄭大報	680	-	-	-	-	680
Leung Moon Lam*	梁滿林*	152	-	-	-	-	152
Lin Ching Hua**	林瓊驊**	-	-	-	-	-	-
		2,071	-	-	-	-	2,071
		2,071	23,602	38,642	34,366	73	98,754

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8. Directors' Emoluments (Continued)
(b) Executive Directors and Non-executive Directors (Continued)

8. 董事酬金(續)
(b) 執行董事及非執行董事(續)

		Salaries, allowances, and benefits Fees 袍金 HK\$'000 千港元	in kind 薪金、津貼及 實物福利 HK\$'000 千港元	Performance- related bonuses 與表現掛鈎 的花紅 HK\$'000 千港元	Equity- settled share option expense 以權益結算的 購股權開支 HK\$'000 千港元	Pension scheme contributions 退休金計劃 供款 HK\$'000 千港元	Total 總計 HK\$'000 千港元
2017	2017年						
Executive Directors:	執行董事：						
Cheng Chung Hing	鄭松興	-	5,850	14,478	-	18	20,346
Leung Moon Lam*	梁滿林*	-	5,500	7,239	-	18	12,757
Fung Sing Hong Stephen	馮星航	-	6,800	10,859	12,102	18	29,779
		-	18,150	32,576	12,102	54	62,882
Non-executive Directors:	非執行董事：						
Ma Kai Cheung	馬介璋	1,080	-	-	-	-	1,080
Sun Kai Lit Cliff*	孫啟烈*	680	-	-	-	-	680
Ma Wai Mo*	馬偉武*	680	-	-	-	-	680
Cheng Tai Po	鄭大報	680	-	-	-	-	680
Lin Ching Hua**	林璟驊**	-	-	-	-	-	-
		3,120	-	-	-	-	3,120
		3,120	18,150	32,576	12,102	54	66,002

* On 4 May 2017, Mr. Leung Moon Lam was re-designated from an Executive Director to a Non-executive Director of the Company, and Mr. Song Chuan and Ms. Cheng Ka Man Carman have been appointed as Executive Director of the Company. On 25 July 2017, Mr. Sun Kai Lit Cliff, Dr. Ma Wai Mo and Mr. Leung Moon Lam have resigned as Non-executive Director of the Company.

** Mr. Lin Ching Hua, a Non-executive Director of the Company, has voluntarily decided not to receive any director's emolument in the future from the Company since his appointment on 28 June 2014, including a director's fee of HK\$380,000 per annum. Apart from this, there was no arrangement under which a director waived or agreed to waive any remuneration during the year.

* 於2017年5月4日，梁滿林先生由本公司之執行董事調任為非執行董事，而宋川先生及鄭嘉汶女士獲委任為本公司之執行董事。於2017年7月25日，孫啟烈先生、馬偉武博士及梁滿林先生已辭任本公司之非執行董事。

** 本公司之非執行董事林璟驊先生自願不收取自2014年6月28日上任以後的任何本公司之董事酬金，包括董事酬金380,000港元。除此之外，於本年內無董事放棄或同意放棄酬金的安排。

NOTES TO FINANCIAL STATEMENTS (Continued)
財務報表附註(續)

31 March 2018 2018年3月31日

9. Five Highest Paid Employees

The five highest paid employees during the year included three (2017: three) Directors, details of whose remuneration are set out in note 8 above. Details of the remuneration of the five highest paid employees for the year are as follows:

9. 五位最高薪人士

年內，五位最高薪僱員分別包括三名董事(2017年：三名)，其酬金已載於上文附註8。年內五名最高薪僱員酬金的詳情如下：

		For the year ended 31 March 截至3月31日止年度	
		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	27,690	23,762
Performance-related bonuses	與表現掛鈎的花紅	37,768	37,172
Equity-settled share option expense	以權益結算的購股權開支	36,985	15,099
Pension scheme contributions	退休金計劃供款	89	54
		102,532	76,087

The number of the five highest paid employees whose remuneration fell within the following bands is as follows:

介乎以下範圍的五名最高薪僱員人數如下：

		Number of employees 僱員人數	
		2018	2017
HK\$5,000,001 to HK\$10,000,000	5,000,001港元至10,000,000港元	2	2
HK\$10,000,001 to HK\$20,000,000	10,000,001港元至20,000,000港元	–	1
HK\$20,000,001 to HK\$30,000,000	20,000,001港元至30,000,000港元	2	2
HK\$30,000,001 to HK\$40,000,000	30,000,001港元至40,000,000港元	–	–
HK\$40,000,001 to HK\$50,000,000	40,000,001港元至50,000,000港元	1	–
		5	5

During the year and in prior years, share options were granted to non-director, highest paid employees in respect of their services to the Group, further details of which are included in the disclosure in note 37 to the financial statements. The fair value of those options, which is recognized in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above five highest paid employees' remuneration disclosures.

年內及以前年度，非董事及最高薪僱員就其向本集團提供之服務而獲授購股權，其進一步詳情載於財務報表附註37。該等購股權的公平值(已於歸屬期間於損益表確認)乃於授出日期釐定，而載於本年度財務報表的金額已包括於上文五名最高薪僱員酬金的披露資料。

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10. Income Tax

Hong Kong profits tax has been provided at the rate of 16.5% (2017: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in Hong Kong during the year (2017: Nil).

Taxes on profits assessable in Mainland China are calculated at the rates of tax prevailing in the provinces in which the Group operates.

Under the relevant income tax law, the PRC subsidiaries are subject to corporate income tax ("CIT") at the statutory rate of 25% (2017: 25%) on their respective taxable income during the year.

The PRC LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from the sale of properties less deductible expenditures including land costs, borrowing costs and all property development expenditures.

The major components of income tax expenses for the year are as follows:

10. 所得稅

年內，於香港產生的估計應課稅溢利乃按16.5% (2017年：16.5%)的稅率計提。年內，由於本集團概無源自香港的應課稅利潤，故並無計提香港利得稅撥備(2017年：無)。

中國大陸的應課稅溢利稅項乃按本集團營運所在省份的現行稅率計提。

根據相關所得稅法，年內，中國附屬公司須就各自應課稅收入按法定稅率25%(2017年：25%)繳納企業所得稅。

中國土地增值稅按30%至60%不等的累進稅率就土地價值(即物業銷售所得款項減包括土地成本、借貸成本及所有物業發展開支在內的可扣減開支)增值徵收。

年內，所得稅開支主要部分如下：

		For the year ended 31 March 截至3月31日止年度	
	Note	2018 HK\$'000 千港元	2017 HK\$'000 千港元
Current — Mainland China		920,093	535,734
LAT in Mainland China		687,487	499,504
Deferred Mainland China corporate income tax	35	673,553	1,234,054
Total tax charge for the year		2,281,133	2,269,292

NOTES TO FINANCIAL STATEMENTS (Continued)
財務報表附註(續)

31 March 2018 2018年3月31日

10. Income Tax (Continued)

A reconciliation of the tax expense applicable to profit before tax at the statutory rate to the tax expense at the Group's effective income tax rate is as follows:

10. 所得稅(續)

按法定稅率計算適用於稅前利潤的稅項開支與按本集團本年度實際稅率計算的稅項開支的對賬如下：

		For the year ended 31 March 截至3月31日止年度	
		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Profit before tax	稅前利潤	6,783,465	6,592,254
Tax at the statutory tax rate of 16.5%	按16.5%法定稅率計算的稅項	1,119,272	1,087,722
Higher tax rates enacted by local authorities	地方機關制定的較高稅率	608,503	561,293
Income not subject to tax	毋須繳稅收入	(54,522)	(4,146)
Expenses not deductible for tax	不可扣稅開支	87,768	150,390
Tax losses utilized from previous years	動用過往年度的稅項虧損	(4,041)	(1,875)
Tax losses not recognized	未確認的稅項虧損	68,017	52,360
LAT	土地增值稅	687,487	499,504
Tax effect of LAT	土地增值稅的稅務影響	(171,871)	(124,875)
Adjustments in respect of current tax of previous years	過往年度稅項調整	723	2,600
Effect of withholding tax on the distributable profits of the Group's PRC subsidiaries	按本集團的中國附屬公司的可分配利潤而計算預扣所得稅的影響	(60,203)	46,319
Tax charge at the Group's effective rate	按本集團實際稅率計算的稅項支出	2,281,133	2,269,292

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11. Dividend

11. 股息

For the year ended 31 March
截至3月31日止年度

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Proposed final dividend (with scrip option) — HK5.0 cents per ordinary share (2017: HK5.0 cents per ordinary share)	建議末期股息(附有以股代息選擇權) — 每股普通股5.0港仙(2017年: 每股普通股5.0港仙)	400,479	400,316

The proposed final dividend is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

擬派末期股息須待本公司股東於應屆股東周年大會批准後，方可作實。

12. Earnings Per Share Attributable to Ordinary Equity Holders of the Parent

The calculation of the basic earnings per share is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 8,007,198,026 (2017: 8,006,206,931) in issue during the year.

The calculation of the diluted earnings per share is based on the profit for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

12. 歸屬於母公司普通股權益持有人之每股盈利

每股基本盈利乃根據母公司普通股權益持有人應佔年內利潤及年內已發行8,007,198,026股(2017年: 8,006,206,931股)普通股的加權平均數計算。

每股攤薄盈利乃根據母公司普通股權益持有人應佔年內利潤計算。計算所用的普通股加權平均數乃為計算每股基本盈利所用的年內已發行普通股股數，而加權平均普通股數目乃假設行使或轉換所有具潛在攤薄性的普通股為普通股按無償發行。

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12. Earnings Per Share Attributable to Ordinary Equity Holders of the Parent (Continued)

The calculations of basic and diluted earnings per share are based on:

12. 歸屬於母公司普通股權益持有人的每股盈利(續)

每股基本及攤薄盈利的計算乃基於：

		For the year ended 31 March 截至3月31日止年度	
		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Earnings	盈利		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation	用於計算每股基本及攤薄盈利之母公司普通股權益持有人應佔利潤	4,511,679	4,322,626
		Number of shares 股數	
		2018	2017
Shares	股份		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	用於計算每股基本盈利之年內已發行普通股的加權平均數	8,007,198,026	8,006,206,931
Effect of dilution — weighted average number of ordinary shares: Share options	攤薄影響 — 普通股加權平均數： 購股權	22,635,257	4,562,237
		8,029,833,283	8,010,769,168

NOTES TO FINANCIAL STATEMENTS (Continued)
財務報表附註(續)

31 March 2018 2018年3月31日

13. Property, Plant and Equipment

13. 物業、廠房及設備

			Buildings	Furniture, fixtures and equipment	Motor vehicles	Total
			樓宇	傢俬、 裝置及設備	汽車	總計
31 March 2018	2018年3月31日	Notes 附註	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 April 2017:	於2017年4月1日：					
Cost	成本		1,706,052	202,401	83,597	1,992,050
Accumulated depreciation	累計折舊		(339,546)	(141,175)	(56,420)	(537,141)
Net carrying amount	賬面淨額		1,366,506	61,226	27,177	1,454,909
At 1 April 2017, net of accumulated depreciation	於2017年4月1日，已扣除累計折舊		1,366,506	61,226	27,177	1,454,909
Additions	添置		27,891	18,141	4,310	50,342
Transfer from properties under development	轉撥自發展中物業	15	244,017	-	-	244,017
Disposals	出售		(10,857)	(19,004)	(4,084)	(33,945)
Depreciation provided during the year	年度折舊撥備	6	(115,581)	(9,212)	(6,354)	(131,147)
Exchange realignment	匯兌調整		157,200	6,008	2,403	165,611
At 31 March 2018, net of accumulated depreciation	於2018年3月31日，已扣除累計折舊		1,669,176	57,159	23,452	1,749,787
At 31 March 2018:	於2018年3月31日：					
Cost	成本		2,168,145	223,246	91,960	2,483,351
Accumulated depreciation	累計折舊		(498,969)	(166,087)	(68,508)	(733,564)
Net carrying amount	賬面淨額		1,669,176	57,159	23,452	1,749,787

NOTES TO FINANCIAL STATEMENTS (Continued)
財務報表附註(續)

31 March 2018 2018年3月31日

13. Property, Plant and Equipment (Continued)

13. 物業、廠房及設備(續)

			Buildings	Furniture, fixtures and equipment	Motor vehicles	Total
		Notes	樓宇	傢私、 裝置及設備	汽車	總計
31 March 2017	2017年3月31日	附註	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 April 2016:	於2016年4月1日：					
Cost	成本		1,648,029	191,041	95,342	1,934,412
Accumulated depreciation	累計折舊		(257,837)	(116,222)	(53,198)	(427,257)
Net carrying amount	賬面淨額		1,390,192	74,819	42,144	1,507,155
At 1 April 2016, net of accumulated depreciation	於2016年4月1日，已扣除累計折舊		1,390,192	74,819	42,144	1,507,155
Additions	添置		9,392	25,920	3,972	39,284
Transfer from properties under development	轉撥自發展中物業	15	153,687	–	–	153,687
Disposals	出售		(869)	(2,159)	(10,506)	(13,534)
Depreciation provided during the year	年度折舊撥備	6	(99,583)	(32,785)	(6,262)	(138,630)
Exchange realignment	匯兌調整		(86,313)	(4,569)	(2,171)	(93,053)
At 31 March 2017, net of accumulated depreciation	於2017年3月31日，已扣除累計折舊		1,366,506	61,226	27,177	1,454,909
At 31 March 2017:	於2017年3月31日：					
Cost	成本		1,706,052	202,401	83,597	1,992,050
Accumulated depreciation	累計折舊		(339,546)	(141,175)	(56,420)	(537,141)
Net carrying amount	賬面淨額		1,366,506	61,226	27,177	1,454,909

31 March 2018 2018年3月31日

13. Property, Plant and Equipment (Continued)

Certain of the Group's buildings with an aggregate carrying value of approximately HK\$732,660,000 as at 31 March 2018 (2017: HK\$416,046,000) were pledged to secure general banking facilities granted to the Group (note 29).

As at 31 March 2018, certificates of ownership in respect of certain buildings of the Group in the PRC with an aggregate carrying value of approximately HK\$1,235,520,000 (2017: HK\$1,091,174,000) had not been issued by the relevant PRC authorities. The Group is in the process of obtaining the relevant certificates of ownership.

14. Investment Properties

The Group's investment properties were revalued on 31 March 2018 by Savills at RMB38,501,874,000 (equivalent to approximately HK\$48,135,043,000) (2017: RMB37,413,800,000 (equivalent to HK\$42,191,542,000)), on an open market, existing use basis.

The Group's investment properties with an aggregate carrying value of approximately HK\$22,399,725,000 as at 31 March 2018 (2017: HK\$21,221,695,000), were pledged to secure general banking facilities granted to the Group (note 29).

The Group's investment properties with an aggregate carrying value of approximately HK\$42,381,123,000 as at 31 March 2018 (2017: HK\$35,866,724,000), are subject to sales restriction (note 1(iv)).

13. 物業、廠房及設備(續)

於2018年3月31日，本集團賬面總值約732,660,000港元(2017年：416,046,000港元)的若干樓宇已抵押作為本集團獲授一般銀行融資的擔保(附註29)。

於2018年3月31日，本集團於中國賬面總值合共約1,235,520,000港元(2017年：1,091,174,000港元)的若干樓宇未獲相關中國機關發出所有權證。本集團正在領取相關所有權證。

14. 投資物業

	Notes 附註	2018 HK\$'000 千港元	2017 HK\$'000 千港元
Carrying amount at the beginning of year		42,191,542	34,814,188
Additions		266,742	263,180
Transfer from properties under development	15	3,149,463	2,591,775
Transfer from completed properties held for sale		1,046,404	2,495,481
Transfer to completed properties held for sale		(7,752,240)	(254,860)
Net gain from a fair value adjustment	5	4,378,474	4,549,509
Exchange realignment		4,854,658	(2,267,731)
Carrying amount at the end of year		48,135,043	42,191,542

第一太平戴維斯於2018年3月31日重估本集團的投資物業，按公開市場現有用途基準的價值為人民幣38,501,874,000元(相等於約48,135,043,000港元(2017年：人民幣37,413,800,000元(相等於約42,191,542,000港元)))。

於2018年3月31日，本集團賬面總值約22,399,725,000港元(2017年：21,221,695,000港元)的投資物業已抵押作為本集團獲授一般銀行融資的擔保(附註29)。

於2018年3月31日，本集團賬面總值約42,381,123,000港元(2017年：35,866,724,000港元)的投資物業受到銷售限制(附註1(iv))。

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14. Investment Properties (Continued)

The Group's investment properties consist of trade centers, commercial and other ancillary facilities in Mainland China. The Group's investment properties were revalued on 31 March 2018 based on valuations performed by Savills, an independent professional qualified valuer, at HK\$48,135,043,000 on an open market, existing use basis. Each year, the Group's management decides to appoint which external valuer to be responsible for the external valuations of the Group's properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group's finance department has discussions with the valuer on the valuation assumptions and valuation results twice a year when the valuation is performed for interim and annual financial reporting.

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

14. 投資物業(續)

本集團的投資物業包括在中國的交易中心、商業及其他配套設施。根據一家獨立專業合資格估值師第一太平戴維斯進行的估值，本集團的投資物業於2018年3月31日的按公開市場現有用途基準重估價值達48,135,043,000港元。本集團的管理層每年決定委任負責對本集團物業進行外部估值的外聘估值師人選。篩選準則包括市場知識、聲譽、獨立性，以及是否維持專業水平。就中期及年度財務報告進行估值時，本集團的財務部與估值師每年就估值假設及估值結果進行兩次討論。

公平值層級

本集團投資物業的公平值計量層級載於下表：

		Fair value measurement as at 31 March 2018 using significant unobservable inputs (Level 3) 於2018年3月31日 使用重大不可觀察元素 的公平值計量 (第3級) HK\$'000 千港元
Recurring fair value measurement for:	就以下各項的經常性公平值計量：	
Trade centers, commercial and other ancillary facilities	交易中心、商業及 其他配套設施	48,135,043

NOTES TO FINANCIAL STATEMENTS (Continued)
財務報表附註(續)

31 March 2018 2018年3月31日

14. Investment Properties (Continued)
Fair value hierarchy (Continued)

14. 投資物業(續)
公平值層級(續)

Fair value measurement
as at 31 March 2017
using significant
unobservable inputs
(Level 3)
於2017年3月31日
使用重大不可觀察元素
的公平值計量
(第3級)
HK\$'000
千港元

Recurring fair value measurement for: Trade centers, commercial and other ancillary facilities	就以下各項的經常性公平值計量： 交易中心、商業及 其他配套設施	42,191,542
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During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2017: Nil).

年內，第1級與第2級之間概無發生公平值計量的轉移，第3級亦無公平值計量轉入或轉出(2017年：無)。

Below is a summary of the valuation technique used and the key inputs to the valuation of investment properties:

以下為投資物業估值所用的估值技術及主要元素的概要：

Valuation technique 估值技術	Significant unobservable inputs 重大不可觀察元素	Range 範圍		
		As at 31 March 2018 於2018年3月31日	As at 31 March 2017 於2017年3月31日	
Trade centers, commercial and other ancillary facilities 交易中心、商業及 其他配套設施	Income capitalization method 收入資本化法	Market unit rental rate (RMB/sq. m./month) 市場單位租金 (人民幣/平方米/月)	27-154	27-149
		Capitalization rate 資本化率	3.00%-8.25%	3.00%-8.25%

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14. Investment Properties (Continued) Fair value hierarchy (Continued)

The fair values of investment properties are determined principally using the income capitalization method by capitalizing the rental income derived from the existing tenancies with due provisions for the reversionary income potential of the properties. The fair value measurement is positively correlated to the market unit rental rate and negatively correlated to the capitalization rate. For the portions which were under construction, the expended construction costs and the costs that are expected to be expended to complete the properties have also been taken into account in arriving at their fair values.

15. Properties Under Development

14. 投資物業(續) 公平值層級(續)

投資物業公平值主要按收入資本化法釐定，方法是將現有租賃所得的租金收入資本化，並就物業的潛在可復歸收入計提適當撥備。公平值計量與市場租金成正比且與資本化率成反比。就正在建造之部分，在確定公平值時，已支銷的建築成本及完成開發項目預計將支銷的成本亦已被考慮在內。

15. 發展中物業

	Notes 附註	2018 HK\$'000 千港元	2017 HK\$'000 千港元
Carrying amount at the beginning of year	年初的賬面值	4,493,810	4,252,854
Additions	添置	11,475,566	10,232,858
Transfer to property, plant and equipment	轉撥至物業、 廠房及設備	13 (244,017)	(153,687)
Transfer to investment properties	轉撥至投資物業	14 (3,149,463)	(2,591,775)
Transfer to prepaid land lease payments	轉撥至預付土地出租金	16 (196,745)	(31,564)
Transfer to completed properties held for sale and properties under development held for sale	轉撥至已竣工持作 銷售物業及發展中持作 銷售物業	(9,308,198)	(6,694,359)
Transfer to properties held for finance lease	轉撥至融資租賃物業	–	(282,736)
Exchange realignment	匯兌調整	380,292	(237,781)
Carrying amount at the end of year	年終的賬面值	3,451,245	4,493,810

Certain of the Group's properties under development with an aggregate carrying values of approximately HK\$2,251,941,000 as at 31 March 2018 (2017: HK\$614,012,000), were pledged to secure general banking facilities granted to the Group (note 29).

The government grants of approximately RMB272,491,000 (equivalent to HK\$321,321,000) (2017: RMB1,043,679,000 (equivalent to HK\$1,203,258,000)), which were provided by the local government authorities to support infrastructure construction and development activities in connection with the Group's property development projects and were previously deducted from the additions of properties under development, have been credited to the cost of properties sold during the current year.

於2018年3月31日，本集團賬面總值約2,251,941,000港元(2017年：614,012,000港元)的若干發展中物業已抵押作為本集團獲授一般銀行融資的擔保(附註29)。

約人民幣272,491,000元(相等於321,321,000港元)(2017年：人民幣1,043,679,000元(相等於1,203,258,000港元))由地方政府機關提供，旨在為集團物業發展項目中有關於基礎建設工程及發展活動提供支持的政府補貼，並於以前已在添置發展中物業中扣除，而在年內於已售物業成本扣除。

NOTES TO FINANCIAL STATEMENTS (Continued)
財務報表附註(續)

31 March 2018 2018年3月31日

16. Prepaid Land Lease Payments

16. 預付土地出租金

		Notes	2018	2017
		附註	HK\$'000	HK\$'000
			千港元	千港元
Carrying amount at the beginning of year	年初的賬面值		1,173,128	1,019,969
Additions	添置		–	210,642
Transfer from properties under development	轉撥自發展中物業	15	196,745	31,564
Recognized during the year	年內確認	6	(28,269)	(27,020)
Exchange realignment	匯兌調整		135,893	(62,027)
Carrying amount at the end of year	年終的賬面值		1,477,497	1,173,128
Current portion included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收款項的即期部分		(28,269)	(27,020)
Non-current portion	非即期部分		1,449,228	1,146,108

17. Goodwill

17. 商譽

		HK\$'000
		千港元
At 31 March 2017 and 31 March 2018:	於2017年3月31日及2018年3月31日：	
Cost	成本	54,194
Accumulated impairment	累計減值	(20,066)
Net carrying amount	賬面淨額	34,128

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17. Goodwill (Continued)

Impairment testing of goodwill

Goodwill acquired through business combinations have been allocated to the hotel cash-generating unit and the property leasing operation cash-generating unit for impairment testing.

- Hotel cash-generating unit; and
- Property leasing operation cash-generating unit

The carrying amount of goodwill allocated to each of the cash-generating units is as follows:

	Hotel		Property leasing operation		Total	
	酒店		物業租賃經營		總額	
	2018	2017	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元
Carrying amount of goodwill 商譽賬面值	-	-	34,128	34,128	34,128	34,128

The Group has leased its hotel properties to an independent party. Full impairment loss of HK\$20,066,000 was provided on the goodwill related to the hotel operation of the Group in the previous year.

The recoverable amount of the property leasing operation cash-generating unit is determined based on a value-in-use calculation using cash flow projections based on financial budgets approved by senior management covering a five-year period.

The key assumptions adopted on the growth rate and discount rate used in the value-in-use calculation are based on management's best estimates. The growth rate of 5% is determined by considering both internal and external factors relating to the property leasing segment and does not exceed the average long-term growth rate for the relevant industry. The discount rate applied to the cash flow projections is 15%, which is before tax and reflecting specific risks relating to the relevant units.

Management believes that any reasonably possible change in the key assumptions on which the recoverable amounts of goodwill are based would not cause the carrying amounts of goodwill to exceed their recoverable amounts.

17. 商譽(續)

商譽減值測試

透過業務合併收購的商譽已分配至酒店的現金產生單位及物業租賃經營的現金產生單位作減值測試。

- 酒店的現金產生單位；及
- 物業租賃經營的現金產生單位

分配於各現金產生單位的商譽賬面值如下：

本集團已出租其酒店物業予一個獨立第三方。有關本集團的酒店營運的商譽在以前年度已計提了全部的減值虧損，金額為20,066,000港元。

物業租賃經營的現金產生單位的可收回金額使用價值計算法確定。該計算法使用以高級管理層批准為期五年的財務預算為基準的現金流量預測。

價值計算法中的增長率及貼現率採用的主要假設是以管理層的最佳預測為基準。5%的增長率是考慮有關物業租賃分部的內部及外部因素而確定並不會超過與現金產生單位有關之行業之長期平均增長率。除稅前的現金流量預測的貼現率為15%，及反映現金產生單位特定風險。

管理層相信商譽可收回金額的主要假設，如有任何合理性的可能改變，都不會引致商譽賬面值大於其可收回金額。

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18. Investments in Associates

18. 於聯營公司的投資

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Due from associates	應收聯營公司款項	142,112	82,497

The amounts due from associates included in investments in associates above are unsecured, interest-free and are not expected to be repaid in one year.

計入上述於聯營公司的投資的應收聯營公司款項為無抵押、免息及預期不會在一年內償還。

Particulars of the associates are as follows:

聯營公司詳情如下：

Names 名稱	Place of registration and business 註冊及經營地點	Nominal value of issued and fully paid- up registered capital 已發行及繳足 註冊資本面值	Date of registration 註冊日期	Percentage of equity attributable to the Group as at 31 March 於3月31日 本集團應佔 權益百分比		Principal activities 主要業務
				2018 %	2017 %	
China South Intimex Technology (Shenzhen) Co., Ltd. 華南泰美科技(深圳)有限公司	PRC/Mainland China 中國/中國大陸	RMB10,000,000 人民幣10,000,000元	18 January 2004 18-01-2004	30	30	Website and software development 網站及軟件開發
Harbin Huayilong Fur Market Co., Ltd. 哈爾濱華億龍皮革城有限公司	PRC/Mainland China 中國/中國大陸	RMB21,000,000 人民幣21,000,000元	17 January 2014 17-01-2014	25	25	Property leasing 物業租賃

The associates have a financial year end of 31 December. The consolidated financial statements are adjusted for the material transactions between the associates and the group companies between 1 January and 31 March annually.

聯營公司的財政年度乃截至12月31日止。綜合財務報表就每年1月1日至3月31日期間聯營公司與集團成員公司之間的重大交易作出調整。

The associates have been accounted for using the equity method in these financial statements.

聯營公司乃以權益法於此等財務報表入賬。

The Group has discontinued the recognition of its share of losses of the aforesaid associates because the share of losses of these associates exceeded the Group's interest in the associates and the Group has no obligation to take up further losses. The amounts of the Group's unrecognized share of losses of these associates for the current year and cumulatively were HK\$8,311,000 (2017: HK\$7,280,000) and HK\$39,685,000 (2017: HK\$31,374,000), respectively.

因應佔聯營公司之虧損之超過本集團於聯營公司的投資及本集團並無義務承擔其他虧損，所以本集團已停止確認其對於以上聯營公司的應佔之虧損。本集團於本年度及累計並無確認之應佔聯營公司之虧損金額分別為8,311,000港元(2017年：7,280,000港元)及39,685,000港元(2017年：31,374,000港元)。

NOTES TO FINANCIAL STATEMENTS (Continued)
財務報表附註(續)

31 March 2018 2018年3月31日

18. Investments in Associates (Continued)

The following table illustrates the aggregate financial information of the Group's associates:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Assets	資產	15,636	9,270
Liabilities	負債	145,531	94,646
Revenue	收入	9,294	12,941
Loss	虧損	(33,243)	(29,119)

19. Available-for-sale Investments

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Unlisted equity investments, net	非上市權益投資，淨額	138	175,512

As at 31 March 2018, unlisted equity investments with a total carrying amount of HK\$138,000 (2017: HK\$175,512,000) were stated at cost less impairment because the range of reasonable fair value estimates is so significant that the Directors are of the opinion that their fair value cannot be measured reliably. The Group does not intend to dispose of them in the near future.

During the year, the Group carried out reviews of an unlisted equity investment in Makepolo Inc. which has been persistently making losses. An impairment loss of HK\$175,500,000 in relation to the available-for-sale investment was recognized in "Other expenses" in the consolidated statement of profit or loss (note 6).

20. Other Long-term Receivables

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Finance lease receivables*	融資租賃應收款項*	-	1,105
Other long-term receivables	其他長期應收款項	15,684	4,821
		15,684	5,926

* The balance represents entrusted loans provided by the Group to lessees through Shanghai Pudong Development Bank in connection with the finance lease of its properties. The finance lease receivables, which bear interest at rates ranging from 6.534% to 8.613% per annum, are repayable by monthly installments within 10 years. The carrying amounts of the finance lease receivables approximate to their fair values. The amount of the current portion of the finance lease receivables as at 31 March 2018 was HK\$3,041,000 (2017: HK\$3,438,000) which was included in prepayments, deposits and other receivables (note 25).

18. 於聯營公司的投資(續)

下表列示摘錄本集團聯營公司的財務資料概要：

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Assets	資產	15,636	9,270
Liabilities	負債	145,531	94,646
Revenue	收入	9,294	12,941
Loss	虧損	(33,243)	(29,119)

19. 可供出售金融投資

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Unlisted equity investments, net	非上市權益投資，淨額	138	175,512

由於賬面總值為138,000港元(2017年：175,512,000港元)的可供出售金融投資的合理公平值估計範圍頗大，致使董事認為其公平值不能可靠地計量，故於2018年3月31日按成本減去減值計量。本集團並無意向於不久將來出售此等投資。

於本年度，本集團對於持續虧損的非上市權益投資一馬可波羅進行審視，其可供出售金融投資賬面值175,500,000港元已計提減值撥備並計入綜合損益表「其他開支」項內(附註6)。

20. 其他長期應收款項

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Finance lease receivables*	融資租賃應收款項*	-	1,105
Other long-term receivables	其他長期應收款項	15,684	4,821
		15,684	5,926

* 結餘指本集團就其物業的融資租賃，透過上海浦東發展銀行向承租人提供的委託貸款。融資租賃應收款項按年利率介乎6.534%至8.613%計息，並須於10年內每月分期償還。融資租賃應收款項的賬面值與其公平值相若。於2018年3月31日，融資租賃應收款項的即期部分金額為3,041,000港元(2017年：3,438,000港元)並已計入預付款項、按金及其他應收款項(附註25)。

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21. Deposits Paid for Purchase of Land Use Rights and Property

The balance represents deposits paid for acquisitions of land use rights for parcels of land and property in Mainland China. The carrying amounts of the deposits paid for the purchase of land use rights and property approximate to their fair values.

21. 購買土地使用權及物業支付的按金

該結餘指在中國大陸收購地塊的土地使用權及物業所支付的按金。購買土地使用權及物業支付的按金的賬面值與其公平值相若。

22. Properties Held for Finance Lease and Sale

22. 持作融資租賃及銷售物業

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Completed properties held for finance lease	持作融資租賃物業	333,514	305,240
Completed properties held for sale	持作銷售竣工物業	20,831,313	11,861,981
Properties under development expected to be completed within the normal operating cycle	預期於正常營運週期內竣工的發展中物業	17,276,704	11,985,452
		38,108,017	23,847,433
Properties under development expected to be completed and ready for sale	發展中物業預期竣工及可作銷售		
Within one year	一年內	6,954,970	5,452,105
Beyond one year	一年後	10,321,734	6,533,347
Total	總值	17,276,704	11,985,452

Certain of the Group's properties held for finance lease and properties held for sale with aggregate carrying values of HK\$40,778,000 (2017: Nil) and HK\$6,352,132,000 (2017: HK\$2,922,085,000) at the end of the reporting period, respectively, were pledged to secure general banking facilities granted to the Group (note 29).

於報告期末時，本集團的若干持作融資租賃物業及持作銷售物業賬面總值分別為40,778,000港元(2017：無)及6,352,132,000港元(2017：2,922,085,000港元)已抵押作為本集團獲授一般銀行融資的擔保(附註29)。

23. Inventories

23. 存貨

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Finished goods	成品	177,095	137,555

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24. Trade Receivables

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Trade receivables	應收貿易賬款	1,598,286	1,534,478
Impairment	減值	(412,908)	(296,250)
		1,185,378	1,238,228

Trade receivables represent sales income, rental receivables and service income receivables from customers which are payable on issuance of invoices or in accordance with the terms of the related sale and purchase agreements. The Group generally allows a credit period of not exceeding 60 days to its customers. Overdue balances are reviewed regularly by senior management. In view of this and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing. The carrying amounts of the trade receivables approximate to their fair values.

An aging analysis of the trade receivables based on the payment due date as at the end of the reporting period, net of provision, is as follows:

24. 應收貿易賬款

應收貿易賬款指於出具發票時應收或根據相關買賣協議條款應收客戶的銷售收入、應收租金及服務收入。本集團一般提供不超過60天信貸期予客戶。高級管理層定期審閱逾期結餘。有鑑於此及本集團的應收貿易賬款與大量不同客戶有關，故並無重大集中信貸風險。應收貿易賬款為免息。應收貿易賬款賬面值與其公平值相若。

於報告期末時，根據付款到期日，應收貿易賬款扣除撥備後的賬齡分析如下：

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Within 1 month	1個月以內	716,256	799,741
1 to 2 months	1至2個月	37,059	36,535
2 to 3 months	2至3個月	28,940	38,633
Over 3 months	逾3個月	403,123	363,319
		1,185,378	1,238,228

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財務報表附註(續)

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24. Trade Receivables (Continued)

The movements in provision for impairment of trade receivables are as follows:

		Note	2018 HK\$'000 千港元	2017 HK\$'000 千港元
		附註		
Carrying amount at the beginning of year	年初的賬面值		296,250	238,856
Provision for impairment of trade receivables	應收貿易賬款減值撥備	6	112,134	73,885
Write-off of trade receivables	應收貿易賬款撇銷		(16,102)	-
Exchange realignment	匯兌調整		20,626	(16,491)
Carrying amount at the end of year	年終的賬面值		412,908	296,250

The aging analysis of the trade receivables that are not individually nor collectively considered to be impaired is as follows:

			2018 HK\$'000 千港元	2017 HK\$'000 千港元
Neither past due nor impaired	未逾期及未減值		626,433	719,415
Less than 1 month past due	逾期少於1個月		89,823	80,326
1 to 3 months past due	逾期1至3個月		65,999	75,168
Over 3 months past due	逾期3個月以上		403,123	363,319
			1,185,378	1,238,228

Receivables that were neither past due nor impaired and past due but not impaired relate to a large number of diversified customers for whom there was no recent history of default. The Group would not release the property ownership certificates to the buyers before the buyers fully settle the payment.

24. 應收貿易賬款(續)

應收貿易賬款的減值撥備變動如下：

個別或合計均不被視為減值的應收貿易賬款的賬齡分析如下：

未逾期及未減值以及已逾期但未減值的應收款項與大量不同客戶有關，彼等最近並無欠款記錄。在買家全數清償付款前，本集團不會向其發出房產證。

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25. Prepayments, Deposits and Other Receivables

25. 預付款項、按金及其他應收款項

		2018	2017
	Note	HK\$'000	HK\$'000
	附註	千港元	千港元
Prepayments		422,242	413,497
Deposits and other receivables		1,187,923	649,867
Current portion of finance lease receivables	20	3,041	3,438
		1,613,206	1,066,802

The financial assets included in the above balances relate to receivables for which there was no recent history of default.

於上述結餘入賬的金融資產最近並無欠款記錄。

26. Held-for-Trading Investments at Fair Value Through Profit or Loss

26. 透過損益以公平值列賬之持作買賣投資

		2018	2017
		HK\$'000	HK\$'000
		千港元	千港元
Listed investment at market value	按市值計算的上市投資	205,966	-

The above listed investment as at 31 March 2018 were classified as held-for-trading upon initial recognition, and designated by the Group as financial assets at fair value through profit or loss since they were acquired or incurred principally for the purpose of selling or repurchasing in the near term.

於2018年3月31日，上述上市投資初步確認時分類為持作買賣，由於收購或產生主要為於短期內銷售或購回，故本集團將其指定為透過損益以公平值列賬的金融資產。

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27. Cash and Cash Equivalents and Restricted Cash

27. 現金及現金等價物及受限制現金

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Cash and bank balances	現金及銀行結餘	10,655,692	10,490,909
Less: Restricted cash*	減：受限制現金*	(2,451,359)	(2,468,889)
Cash and cash equivalents	現金及現金等價物	8,204,333	8,022,020

* Restricted cash mainly comprises: (i) guarantee deposits for the mortgage loan facilities granted by the banks to purchasers of the Group's properties; (ii) guarantee funds of construction projects to meet local authorities' requirements; (iii) certain amounts of pre-sale proceeds from properties placed as guarantee deposits for the construction of related properties; (iv) certain amounts of proceeds from lease of properties which have been placed as guarantee deposits for the borrowings; and (v) pledged deposits to secure general banking facilities granted to the Group.

At the end of the reporting period, the cash and cash equivalents of the Group denominated in RMB amounted to HK\$5,431,388,000 (2017: HK\$4,628,388,000). RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorized to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and restricted cash are deposited with creditworthy banks with no recent history of default.

Certain of the Group's bank deposits with a carrying amount of HK\$255,416,000 as at 31 March 2018 (2017: HK\$450,801,000), were pledged to secure general banking facilities granted to the Group (note 29).

* 受限制現金主要包括：(i)就購買本集團物業之買家獲銀行授予的按揭貸款融資的保證按金；(ii)建設項目的保證金，以符合當地機關的要求；(iii)物業預售的若干所得款項金額，以作為相關物業建設的保證按金；(iv)租賃物業的若干出租所得款項金額以作為借貸保證的保證按金；及(v)已質押銀行存款作為本集團獲授一般銀行融資擔保。

於報告期末，本集團以人民幣為單位的現金及現金等價物達5,431,388,000港元(2017年：4,628,388,000港元)。人民幣並不可自由兌換為其他貨幣，然而，根據中國大陸的外匯管制條例及結匯、付匯及售匯規定，本集團可以透過獲准進行外匯業務的銀行將人民幣兌換為其他貨幣。

存於銀行之現金根據每日銀行存款利率之浮動利率賺取利息。短期定期存款的存款期各異，由一天至三個月不等，視乎本集團即時的現金需求而定，而利息則按各個短期定期存款利率賺取。銀行結餘及受限制現金乃存放於信譽良好且近期並無欠款記錄的銀行。

於2018年3月31日，本集團賬面總值為255,416,000港元(2017年：450,801,000港元)的若干存款已抵押作為本集團獲授一般銀行融資的擔保(附註29)。

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28. Trade and Other Payables

28. 貿易及其他應付款項

		Notes 附註	2018 HK\$'000 千港元	2017 HK\$'000 千港元
Other payables and accruals	其他應付款項及應計項目		3,973,463	2,069,844
Notes payable	應付票據	(i)	607,291	604,917
Deposits and receipts in advance	按金及預收款項		13,102,175	8,099,540
Construction fee and retention payables	應付建築費用及保留金	(ii)	5,124,825	5,988,917
			22,807,754	16,763,218

(i) An aging analysis of the Group's notes payable presented based on the invoice date at the end of the reporting period is as follows:

(i) 於報告期末本集團基於發票日之應付票據的賬齡分析如下：

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
1 to 3 months	1至3個月	–	50,264
Over 3 months	超過3個月	607,291	554,653
		607,291	604,917

(ii) An aging analysis of the construction fee and retention payables as at the end of the reporting period is as follows:

(ii) 於報告期末建築費用及保留金應付款項的賬齡分析如下：

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Within 1 year	1年內	4,147,578	5,595,795
Over 1 year	超過1年	977,247	393,122
		5,124,825	5,988,917

The construction fee and retention payables are non-interest-bearing and repayable within the normal operating cycle or on demand.

應付建築費用及保留金為免息及須於一般業務週期或應要求償還。

The other payables are non-interest-bearing.

其他應付款項為免息。

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財務報表附註(續)

31 March 2018 2018年3月31日

29. Interest-Bearing Bank and Other Borrowings

29. 計息銀行及其他借貸

		2018			2017		
		Effective interest rate (%)	Maturity	HK\$'000	Effective interest rate (%)	Maturity	HK\$'000
		實際利率 (%)	到期	千港元	實際利率 (%)	到期	千港元
Current	即期						
Bank and other borrowings – unsecured	銀行貸款 – 無抵押	4.79%–6.50% HIBOR+ 2.5%	2018–2019	906,581	4.35%–5.66%	2017–2018	1,930,622
Bank and other borrowings – secured	銀行貸款 – 有抵押	4.08%–7.00%	2018–2019	1,574,490	4.79%–5.22%	2017–2018	806,306
Current portion of long term bank and other borrowings:	長期銀行及其他借貸的即期部分：						
Bank and other borrowings – unsecured	銀行貸款 – 無抵押	5.15%–5.70%	2018–2019	325,052	4.55%–5.70%	2017–2018	592,043
Bank and other borrowings – secured	銀行貸款 – 有抵押	4.75%–8.50%	2018–2019	4,292,381	4.41%–6.18%	2017–2018	3,713,654
				7,098,504			7,042,625
Non-current	非即期						
Bank and other borrowings – unsecured	銀行貸款 – 無抵押	5.15%–5.70%	2020	81,264	4.55%–5.70%	2018–2020	310,118
Bank and other borrowings – secured	銀行貸款 – 有抵押	4.75%–9.00%	2019–2027	8,918,437	4.41%–6.18%	2018–2025	6,059,719
				8,999,701			6,369,837
				16,098,205			13,412,462

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Analyzed into:	分析列為：		
Bank loans repayable:	須於以下期間償還的銀行貸款：		
Within one year or on demand	一年內或應要求	7,098,504	7,042,625
In the second year	第二年	3,702,696	3,571,816
In the third to fifth years, inclusive	第三至第五年 (包括首尾兩年在內)	4,505,663	2,545,191
Beyond five years	五年後	791,342	252,830
		16,098,205	13,412,462

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29. Interest-Bearing Bank and Other Borrowings (Continued)

The Group has entered into an asset-backed securities (“ABS”) arrangement with an independent third party by pledging of the future six years’ right of receiving management fees for certain properties under its management in a maximum of 6 years. As at 31 March 2018, an aggregate amount of RMB390,000,000 are priority portion of the ABS which had been purchased by the third parties. The net proceeds from the ABS, after deducting the issuance costs, amounted to approximately RMB381,710,000 (equivalent to HK\$450,075,000), which are repayable from one year to six years. Interest is payable quarterly in arrears. On the twelfth interest payment date, the Group is eligible to redeem all the undue priority securities as of the interest payment date at one time. Holders of the priority portions of the ABS are entitled to receive interests which are varying interest rates ranging from 6.2% to 7.2% per annum based on the terms and dates of redemption. As at 31 March 2018, amounts of HK\$150,024,000 and HK\$330,839,000 of the ABS are included in current and non-current portions of secured bank and other borrowings, respectively.

Bank loans with a total amount of HK\$14,785,308,000 (2017: HK\$10,579,679,000) are secured by:

- (i) Certain of the Group’s buildings with an aggregate carrying value of approximately HK\$732,660,000 as at 31 March 2018 (2017: HK\$416,046,000) (note 13);
- (ii) Certain of the Group’s investment properties situated in Mainland China with an aggregate carrying value of approximately HK\$22,399,725,000 as at 31 March 2018 (2017: HK\$21,221,695,000) (note 14);
- (iii) Certain of the Group’s properties under development situated in Mainland China with an aggregate carrying value of approximately HK\$2,251,941,000 as at 31 March 2018 (2017: HK\$614,012,000) (note 15);
- (iv) Certain of the Group’s properties held for finance lease and sale with an aggregate carrying value of approximately HK\$6,392,910,000 as at 31 March 2018 (2017: HK\$2,922,085,000) (note 22); and
- (v) Certain of Group’s bank deposits with a carrying amount of HK\$255,416,000 as at 31 March 2018 (2017: HK\$450,801,000) (note 27).

All interest-bearing borrowings of the Group are denominated in RMB and bear interest at floating rates ranging from 4.08% to 9.00% per annum (2017: 4.35% to 6.18% per annum), except for bank loan equivalent to HK\$400,000,000 as at 31 March 2018 (31 March 2017: Nil) which is denominated in Hong Kong dollars and bears interest at a floating rate of HIBOR+ 2.5%.

29. 計息銀行及其他借貸(續)

本集團與一獨立第三方訂立最長為期6年的資產支持證券(「資產支持證券」)安排，以未來6年若干物業收取管理費用權利作抵押。於2018年3月31日，第三方已購買總值為人民幣390,000,000元的優先級資產支持證券。扣除發行成本後，資產支持證券所得款項淨額約為人民幣381,710,000元(相當於約450,075,000港元)，於一至六年償還。利息於每季支付。於第十二個利息支付日，本集團有權於利息支付日行使一次性贖回所有未到期資產支持證券的權利。優先級資產支持證券持有人，根據不同期限及贖回日期，可享有介乎年利率6.2%至7.2%之利息。截至2018年3月31日，150,024,000港元和330,839,000港元的資產支持證券分別包括在有抵押銀行及其他借貸的即期和非即期部份。

總共14,785,308,000港元(2017年：10,579,679,000港元)的銀行貸款以下列各項抵押：

- (i) 於2018年3月31日賬面總值約732,660,000港元的本集團若干樓宇(2017年：416,046,000港元)(附註13)；
- (ii) 於2018年3月31日賬面總值約22,399,725,000港元的本集團位於中國大陸的若干投資物業(2017年：21,221,695,000港元)(附註14)；
- (iii) 於2018年3月31日賬面總值約2,251,941,000港元的本集團位於中國大陸的若干發展中物業(2017年：614,012,000港元)(附註15)；
- (iv) 於2018年3月31日賬面總值6,392,910,000港元的本集團若干持作融資租賃及銷售物業(2017年：2,922,085,000港元)(附註22)；及
- (v) 於2018年3月31日賬面總值達255,416,000港元的本集團若干銀行存款(2017年：450,801,000港元)(附註27)。

除於2018年3月31日一筆400,000,000港元(2017年3月31日：無)銀行貸款以港元為單位及按香港銀行同業拆息加2.5%之浮動利率計息外，本集團所有計息借貸均以人民幣為單位，並按每年4.08%至9.00%的浮動利率計息(2017年：每年4.35%至6.18%的浮動利率)。

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29. Interest-Bearing Bank and Other Borrowings (Continued)

The carrying amounts of the Group's bank and other borrowings approximate to their fair values, which have been calculated by discounting the expected future cash flows at the prevailing interest rates.

30. Short-Term Notes

The Group issued the following short-term notes in the current and prior years:

- (i) On 13 September 2016, China South International completed the issuance of the first tranche of short-term notes of 2016 (the "2016 First tranche STN") with a total principal amount of RMB1,200,000,000 (equivalent to HK\$1,395,187,000) in the national inter-bank market of the PRC. The 2016 First tranche STN carried interest at the rate of 4.9% per annum, payable on 13 September in arrears and matured on 13 September 2017. The amount was fully settled in 13 September 2017.
- (ii) On 22 June 2017, China South International completed the issuance of the first tranche of short-term notes of 2017 (the "2017 First Tranche STN") with a total principal amount of RMB500,000,000 (equivalent to HK\$571,886,000) in the national inter-bank market of the PRC. The 2017 First Tranche STN carried interest at the rate of 6.5% per annum, payable on 23 March in arrears, and matured on 23 March 2018. The amount was fully settled in 23 March 2018.
- (iii) On 30 August 2017, China South International completed the issuance of the second tranche of short-term notes of 2017 (the "2017 Second Tranche STN") with a total principal amount of RMB500,000,000 (equivalent to HK\$591,898,000) in the national inter-bank market of the PRC. The 2017 Second Tranche STN carried interest at the rate of 6.5% per annum, payable on 28 May in arrears, and will mature on 28 May 2018. The amount was fully settled on 28 May 2018.

The fair value of the short-term notes as at 31 March 2018 amounted to HK\$647,446,000 (2017: HK\$1,385,038,000). The fair value was calculated using the quoted market price of the short-term notes on 31 March 2018.

29. 計息銀行及其他借貸(續)

本集團計息銀行及其他借貸的賬面值與其公平值相若，乃按預期日後現金流量以當時利率貼現計算。

30. 短期融資券

本集團於本年及以前年度發行以下短期融資券：

- (i) 華南國際於2016年9月13日完成在中國銀行間市場發行2016年第一期短期融資券，本金總額為人民幣1,200,000,000元(相等於1,395,187,000港元)。2016年第一期短期融資券年利率為4.9%，每年於9月13日支付，並於2017年9月13日到期。其金額已於2017年9月13日全數支付。
- (ii) 華南國際於2017年6月22日完成在中國銀行間市場發行2017年第一期短期融資券，本金總額為人民幣500,000,000元(相等於571,886,000港元)。2017年第一期短期融資券年利率為6.5%，每年於3月23日支付，並於2018年3月23日到期。其金額已於2018年3月23日全數支付。
- (iii) 華南國際於2017年8月30日完成在中國銀行間市場發行2017年第二期短期融資券，本金總額為人民幣500,000,000元(相等於591,898,000港元)。2017年第二期短期融資券年利率為6.5%，每年於5月28日支付，並將於2018年5月28日到期。其金額已於2018年5月28日全數支付。

於2018年3月31日，短期融資券的公平值達647,446,000港元(2017年：1,385,038,000港元)。公平值乃使用短期融資券於2018年3月31日的市場價格之報價計算。

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31. Senior Notes

The Group issued the following senior notes in the current and prior years:

- (i) On 29 January 2014, the Company issued senior notes with an aggregate principal amount of US\$400,000,000 (the "2014 Notes"). The 2014 Notes are listed on the Singapore Exchange Securities Trading Limited. The 2014 Notes carry interest at the rate of 8.25% per annum, payable semi-annually on 29 January and 29 July in arrears, and will mature on 29 January 2019, unless redeemed earlier. The offering price was at 98.999% of the principal amount of the 2014 Notes.
- (ii) On 13 September 2016 and 3 October 2016, the Company issued senior notes with the aggregate principal amounts of US\$200,000,000 and US\$150,000,000 respectively (collectively known as, the "2016 Notes"). The 2016 Notes are listed on the Singapore Exchange Securities Trading Limited. The 2016 Notes carry interest at the rate of 6.75% per annum, payable semi-annually on 13 September and 13 March in arrears, and will mature on 13 September 2021, unless redeemed earlier. The offering price were at 98.960% and 98.964% of the principal amount of the 2016 Notes of US\$200,000,000 and US\$150,000,000, respectively.

At any time and from time to time on or after 13 September 2019, the Company may redeem the 2016 Notes, in whole or in part, at a redemption price equal to the percentage of the principal amount set forth below plus accrued and unpaid interest as of (but not including) the redemption date if redeemed during the twelve-month period beginning on 13 September of each of the years indicated below:

Period	Redemption price
2019	103.3750%
2020 and thereafter	101.6875%

At any time prior to 13 September 2019, the Company may at its option redeem the 2016 Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the 2016 Notes plus the applicable premium and accrued and unpaid interest, if any, as of (but not including) the redemption date.

31. 優先票據

本集團於本年及以前年度發行以下優先票據：

- (i) 於2014年1月29日，本公司發行本金總額400,000,000美元的優先票據（「2014年票據」）。2014年票據於新加坡證券交易所有限公司上市。2014年票據按年利率8.25%計息，每半年於1月29日及7月29日支付，並將於2019年1月29日到期（除非提早贖回）。發售價為2014年票據本金總額的98.999%。
- (ii) 於2016年9月13日及2016年10月3日，本公司分別發行本金總額200,000,000美元及150,000,000美元的優先票據（統稱為「2016年票據」）。2016年票據於新加坡證券交易所有限公司上市。2016年票據按年利率6.75%計息，每半年於9月13日及3月13日支付，並將於2021年9月13日到期（除非提早贖回）。發售價分別為200,000,000美元及150,000,000美元的2016年票據本金總額的98.960%及98.964%。

於2019年9月13日或之後任何時候，本公司可按相等於下述本金總額百分比的贖回價，另加截至贖回日期（但不包括該日）的累計及未付利息，贖回全部或部分2016年票據（倘於下文所示各年度9月13日開始的12個月期間內贖回）：

期間	贖回價
2019	103.3750%
2020及之後	101.6875%

於2019年9月13日前任何時間，本公司可按相等於2016年票據本金總額100%的贖回價，另加截至贖回日期（但不包括該日）2016年票據的適用溢價以及累計及未付利息（如有），贖回全部但非部分2016年票據。

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31. Senior Notes (Continued)

(ii) (Continued)

At any time and from time to time prior to 13 September 2019, the Company may redeem up to 35% of the aggregate principal amount of the 2016 Notes with the net cash proceeds of one or more sales of common stock of the Company in an equity offering at a redemption price of 106.75% of the principal amount of the 2016 Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date, provided that at least 65% of the aggregate principal amount of the 2016 Notes originally issued remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related sales of the Company's capital stock and is subject to certain conditions.

(iii) On 9 March 2017, the Company issued senior notes with the aggregate principal amount of US\$300,000,000 (the "2017 March Notes"). The 2017 March Notes are listed on the Singapore Exchange Securities Trading Limited. The 2017 March Notes carry interest at the rate of 5.75% per annum, payable semi-annually on 9 March and 9 September in arrears, and will mature on 9 March 2020, unless redeemed earlier. The offering price was at 98.986% of the principal amount of the 2017 March Notes.

At any time prior to 9 March 2020, the Company may at its option redeem the 2017 March Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the 2017 March Notes plus the applicable premium and accrued and unpaid interest, if any, as of (but not including) the redemption date.

At any time and from time to time prior to 9 March 2020, the Company may redeem up to 35% of the aggregate principal amount of the 2017 March Notes at a redemption price of 105.75% of the principal amount of the 2017 March Notes, plus accrued and unpaid interest, if any, as of (but not including) the redemption date, with the proceeds from sales of certain kinds of capital stock of the Company.

31. 優先票據(續)

(ii) (續)

於2019年9月13日前任何時間，本公司可以在股份發售中進行一次或多次銷售本公司普通股所得的現金款項淨額，按2016年票據本金額106.75%的贖回價，另加截至贖回日期(但不包括該日)的累計及未付利息(如有)，贖回最多2016年票據本金總額的35%，惟每次贖回後2016年票據原發行本金總額最少65%須仍未贖回，且任何有關贖回須於相關本公司股本銷售結束後60日內進行及受限於若干條件。

(iii) 於2017年3月9日，本公司發行本金總額300,000,000美元的優先票據(「2017年3月票據」)。2017年3月票據於新加坡證券交易所有限公司上市。2017年3月票據按年利率5.75%計息，每半年於3月9日及9月9日支付，並將於2020年3月9日到期(除提早贖回)。發售價為2017年3月票據本金總額的98.986%。

於2020年3月9日前任何時間，本公司可按相等於2017年3月票據本金總額100%的贖回價，另加截至贖回日期(但不包括該日)2017年3月票據的適用溢價以及累計及未付利息(如有)，贖回全部但非部分2017年3月票據。

於2020年3月9日前任何時間，本公司可以在銷售本公司任何股份中所得的款項，按2017年3月票據本金額105.75%的贖回價，另加截至贖回日期(但不包括該日)的累計及未付利息(如有)，贖回最多2017年3月票據本金總額的35%。

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31. Senior Notes (Continued)

- (iv) On 20 November 2017, the Company issued senior notes with the aggregate principal amount of US\$300,000,000 (the "2017 November Notes"). The 2017 November Notes are listed on the Singapore Exchange Securities Trading Limited. The 2017 November Notes carry interest at the rate of 7.25% per annum, payable semi-annually on 20 May and 20 November in arrears, and will mature on 20 November 2022, unless redeemed earlier. The offering price was at 97.96% of the principal amount of the 2017 November Notes.

At any time prior to 20 November 2022, the Company may at its option redeem the 2017 November Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the 2017 November Notes plus the applicable premium and accrued and unpaid interest, if any, as of (but not including) the redemption date.

At any time and from time to time prior to 20 November 2022, the Company may redeem up to 35% of the aggregate principal amount of the 2017 November Notes at a redemption price of 107.25% of the principal amount of the 2017 November Notes, plus accrued and unpaid interest, if any, as of (but not including) the redemption date, with the proceeds from sales of certain kinds of capital stock of the Company.

- (v) On 25 January 2018, the Company issued senior notes with the aggregate principal amount of US\$250,000,000 (the "2018 January Notes"). The 2018 January Notes are listed on the Singapore Exchange Securities Trading Limited. The 2018 January Notes carry interest at the rate of 7.25% per annum, payable semi-annually on 25 January and 25 July in arrears, and will mature on 25 January 2021, unless redeemed earlier. The offering price was at 99.011% of the principal amount of the 2018 January Notes.

At any time prior to 25 January 2021, the Company may at its option redeem the 2018 January Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the 2018 January Notes plus the applicable premium and accrued and unpaid interest, if any, as of (but not including) the redemption date.

At any time and from time to time prior to 25 January 2021, the Company may redeem up to 35% of the aggregate principal amount of the 2018 January Notes at a redemption price of 107.25% of the principal amount of the 2018 January Notes, plus accrued and unpaid interest, if any, as of (but not including) the redemption date, with the proceeds from sales of certain kinds of capital stock of the Company.

31. 優先票據(續)

- (iv) 於2017年11月20日，本公司發行本金總額300,000,000美元的優先票據(「2017年11月票據」)。2017年11月票據於新加坡證券交易所有限公司上市。2017年11月票據按年利率7.25%計息，每半年於5月20日及11月20日支付，並將於2020年11月20日到期(除非提早贖回)。發售價為2017年11月票據本金總額的97.96%。

於2022年11月20日前任何時間，本公司可按相等於2017年11月票據本金總額100%的贖回價，另加截至贖回日期(但不包括該日)2017年11月票據的適用溢價以及累計及未付利息(如有)，贖回全部但非部分2017年11月票據。

於2022年11月20日前任何時間，本公司可以在銷售本公司任何股份中所得的款項，按2017年11月票據本金總額107.25%的贖回價，另加截至贖回日期(但不包括該日)的累計及未付利息(如有)，贖回最多2017年11月票據本金總額的35%。

- (v) 於2018年1月25日，本公司發行本金總額250,000,000美元的優先票據(「2018年1月票據」)。2018年1月票據於新加坡證券交易所有限公司上市。2018年1月票據按年利率7.25%計息，每半年於1月25日及7月25日支付，並將於2021年1月25日到期(除非提早贖回)。發售價為2018年1月票據本金總額的99.011%。

於2021年1月25日前任何時間，本公司可按相等於2018年1月票據本金總額100%的贖回價，另加截至贖回日期(但不包括該日)2018年1月票據的適用溢價以及累計及未付利息(如有)，贖回全部但非部分2018年1月票據。

於2021年1月25日前任何時間，本公司可以在銷售本公司任何股份中所得的款項，按2018年1月票據本金總額107.25%的贖回價，另加截至贖回日期(但不包括該日)的累計及未付利息(如有)，贖回最多2018年1月票據本金總額的35%。

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31. Senior Notes (Continued)

On 13 April 2017, the Company redeemed the remaining outstanding 2014 Notes in full with a principal amount of US\$200,000,000 from the open market, including the principal amount of US\$10,000,000 purchased by a subsidiary of the Company in May 2016. The total consideration of the redemption, after elimination of the notes purchased by a subsidiary of the Company, was US\$201,153,000 (equivalent to HK\$1,568,994,000), which includes a redemption price at 104.125% of the principal amount and pro-rata accrued and unpaid interest. The carrying amount of the redeemed 2014 Notes was US\$189,631,000 (equivalent to HK\$1,479,118,000), resulting in a loss on redemption of the 2014 Notes amounting to HK\$89,876,000 in the current year.

At the end of the reporting period, 2016 Notes, 2017 March Notes, 2017 November Notes and 2018 January Notes (collectively named as the "Senior Notes") contain liability components and early redemption options as follow:

- (i) The liability component represents the present value of the contractually determined stream of future cash flows discounted at the prevailing market interest rate at that time applicable to instruments with comparable credit status that provided substantially the same cash flows, on the same terms, but without the embedded derivatives.

Interest charged for the period is calculated by applying effective interest rates of approximately 7.46%, 6.76%, 8.16% and 8.06% per annum to the liability components of the 2016 Notes, 2017 March Notes, 2017 November Notes and 2018 January Notes, respectively, since they were issued.

- (ii) Early redemption options are regarded as embedded derivatives not closely related to the host contract. The Directors consider that the fair value of the above early redemption options is insignificant on initial recognition and as at 31 March 2018.

31. 優先票據(續)

於2017年4月13日，本公司於市場贖回剩餘未償還本金總額為200,000,000美元之2014年票據，包括以上所提及的由一間本公司之附屬公司於2016年5月購買的本金10,000,000美元。總贖回代價為201,153,000美元(相等於1,568,994,000港元)，包括以本金金額104.125%計算的贖回價及按比例計算的累計及未付利息。所贖回之2014年票據的賬面值為189,631,000美元(相等於1,479,118,000港元)，導致於本年度錄得89,876,000港元虧損。

於報告期末，2016年票據、2017年3月票據、2017年11月票據及2018年1月票據(統稱為「優先票據」)含有下列負債部分及上述提早贖回權：

- (i) 負債部分指合約所釐定未來現金流量按具有可資比較信貸評級並按相同條款提供大致相同現金流量但無嵌入衍生工具的工具當時適用的現行市場利率折現的現值。

期內的利息費用乃按2016年票據、2017年3月票據、2017年11月票據及2018年1月票據發行以來的負債部分分別按實際年利率約7.46%、6.76%、8.16%及8.06%計算。

- (ii) 提早贖回權被視為並非與主合約有密切關係的嵌入衍生工具。董事認為於初始確認及在2018年3月31日，上述提早贖回權的公平值不大。

NOTES TO FINANCIAL STATEMENTS (Continued)
財務報表附註(續)

31 March 2018 2018年3月31日

31. Senior Notes (Continued)

The Senior Notes recognized in the statement of financial position were calculated as follows:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Carrying amount at the beginning of year	於年初的賬面值	6,425,992	4,113,363
Additions	新增	4,149,512	4,930,000
Interest expenses	利息開支	452,711	371,317
Payment for interest	支付利息	(318,825)	(336,667)
Redemption of the 2012 Notes and 2014 Notes	贖回2012年票據及2014年票據	(1,479,118)	(2,474,103)
Purchase of the 2014 Notes	購買2014年票據	-	(154,725)
Consent fee for the 2014 Notes	2014年票據同意費	-	(23,193)
Carrying amount at the end of year	於年終的賬面值	9,230,272	6,425,992

The fair value of the Senior Notes as at 31 March 2018 amounted to HK\$8,894,383,000 (2017: HK\$6,587,532,000). The fair value was calculated using the quoted market price of the Senior Notes on 31 March 2018.

32. Medium-Term Notes

The Group had the following medium-term notes remain in issue at the end of the reporting period:

- (i) On 9 May 2014, China South International completed the issuance of the first tranche of medium-term notes of 2014 (the "2014 First tranche MTN") with a total principal amount of RMB1,000,000,000 in the national inter-bank market of the PRC. The 2014 First tranche MTN carry interest at the rate of 7.5% per annum, payable annually on 9 May in arrears, and will mature on 9 May 2019.
- (ii) On 12 September 2014, China South International completed the issuance of the second tranche of medium-term notes of 2014 (the "2014 Second tranche MTN") with a total principal amount of RMB1,000,000,000 in the national inter-bank market of the PRC. The 2014 Second tranche MTN carry interest at the rate of 8.4% per annum, payable annually on 12 September in arrears, and will mature on 12 September 2019.
- (iii) On 13 July 2015, China South International completed the issuance of the first tranche of medium-term notes of 2015 (the "2015 First tranche MTN") with a total principal amount of RMB2,000,000,000 in the national inter-bank market of the PRC. The 2015 First tranche MTN carry interest at the rate of 7.0% per annum, payable annually on 13 July in arrears, and will mature on 13 July 2018.

31. 優先票據(續)

已於財務狀況表確認的優先票據計算如下：

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Carrying amount at the beginning of year	於年初的賬面值	6,425,992	4,113,363
Additions	新增	4,149,512	4,930,000
Interest expenses	利息開支	452,711	371,317
Payment for interest	支付利息	(318,825)	(336,667)
Redemption of the 2012 Notes and 2014 Notes	贖回2012年票據及2014年票據	(1,479,118)	(2,474,103)
Purchase of the 2014 Notes	購買2014年票據	-	(154,725)
Consent fee for the 2014 Notes	2014年票據同意費	-	(23,193)
Carrying amount at the end of year	於年終的賬面值	9,230,272	6,425,992

於2018年3月31日，優先票據的公平值達8,894,383,000港元(2017年：6,587,532,000港元)。公平值乃使用優先票據於2018年3月31日的市場價格之報價計算。

32. 中期票據

本集團於報告期末尚有以下中期票據在發行：

- (i) 華南國際於2014年5月9日完成在中國銀行間市場發行2014年第一期中期票據，本金總額為人民幣1,000,000,000元。2014年第一期票據年利率為7.5%，每年於5月9日支付，並將於2019年5月9日到期。
- (ii) 華南國際於2014年9月12日完成在中國銀行間市場發行2014年第二期中期票據，本金總額為人民幣1,000,000,000元。2014年第二期票據年利率為8.4%，每年於9月12日支付，並將於2019年9月12日到期。
- (iii) 華南國際於2015年7月13日完成在中國銀行間市場發行2015年第一期中期票據，本金總額為人民幣2,000,000,000元。2015年第一期中期票據年利率為7.0%，每年於7月13日支付，並將於2018年7月13日到期。

NOTES TO FINANCIAL STATEMENTS (Continued)
財務報表附註(續)

31 March 2018 2018年3月31日

32. Medium-Term Notes (Continued)

The medium-term notes recognized in the statement of financial position were calculated as follows:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Carrying amount at the beginning of year	於年初的賬面值	4,723,000	5,026,696
Interest expenses	利息開支	367,288	358,056
Payment for interest	支付利息	(352,581)	(350,637)
Exchange realignment	匯兌調整	513,937	(311,115)
Carrying amount at the end of year	於年終的賬面值	5,251,644	4,723,000
Current portion	即期部份	(2,622,149)	-
Non-current portion	非即期部份	2,629,495	4,723,000

The fair value of the medium-term notes as at 31 March 2018 amounted to HK\$5,261,155,000 (2017: HK\$4,856,191,000). The fair value was calculated using the quoted market price of the medium-term notes on 31 March 2018.

33. Corporate Bonds

On 13 April 2015, China South International completed the issuance of the corporate bonds with a total principal amount of RMB1,500,000,000 on the Shanghai Stock Exchange of the PRC. The corporate bonds carry interest at the rate of 7.0% per annum, payable annually on 13 April in arrears, and have a term of up to 6 years at maximum.

The corporate bonds recognized in the statement of financial position were calculated as follows:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Carrying amount at the beginning of year	於年初的賬面值	1,778,744	1,891,219
Interest expenses	利息開支	129,785	126,486
Payment of interest	支付利息	(123,816)	(123,134)
Exchange realignment	匯兌調整	193,581	(115,827)
Carrying amount at the end of year	於年終的賬面值	1,978,294	1,778,744

The fair value of the corporate bonds as at 31 March 2018 amounted to HK\$1,874,550,000 (2017: HK\$1,743,988,000). The fair value was calculated using the quoted market price of the corporate bonds on 31 March 2018.

32. 中期票據(續)

已於財務狀況表確認的中期票據計算如下：

	2018 HK\$'000 千港元	2017 HK\$'000 千港元
Carrying amount at the beginning of year	4,723,000	5,026,696
Interest expenses	367,288	358,056
Payment for interest	(352,581)	(350,637)
Exchange realignment	513,937	(311,115)
Carrying amount at the end of year	5,251,644	4,723,000
Current portion	(2,622,149)	-
Non-current portion	2,629,495	4,723,000

於2018年3月31日，中期票據的公平值達5,261,155,000港元(2017年：4,856,191,000港元)。公平值乃使用中期票據於2018年3月31日的市場價格之報價計算。

33. 企業債券

華南國際於2015年4月13日完成於中國上海證券交易所發行本金總額為人民幣1,500,000,000元的企業債券。企業債券年利率為7.0%，每年於4月13日支付，期限最高為6年。

已於財務狀況表確認的企業債券計算如下：

	2018 HK\$'000 千港元	2017 HK\$'000 千港元
Carrying amount at the beginning of year	1,778,744	1,891,219
Interest expenses	129,785	126,486
Payment of interest	(123,816)	(123,134)
Exchange realignment	193,581	(115,827)
Carrying amount at the end of year	1,978,294	1,778,744

於2018年3月31日，企業債券的公平值達1,874,550,000港元(2017年：1,743,988,000港元)。公平值乃使用企業債券於2018年3月31日的市場價格之報價計算。

31 March 2018 2018年3月31日

33. Corporate Bonds (Continued)

On 13 April 2018, China South International had redeemed the above corporate bonds with total principal amount of RMB1,499,518,000, and the remaining portion carry interest at the rate of 8.05% per annum, payable annually on 13 April in arrears, and have a term of 3 years.

34. Domestic Company Bonds

The Group had the following domestic company bonds remain in issue at the end of the reporting period:

- (i) On 14 January 2016, China South International completed the issuance of the first tranche of domestic company bonds of 2016 (the "2016 First Tranche DCB") with a total principal amount of RMB3,000,000,000 on the Shenzhen Stock Exchange of the PRC. The 2016 First Tranche DCB carry interest at the rate of 5.98% per annum, payable annually on 13 January in arrears, and will mature on 13 January 2019.
- (ii) On 4 May 2016, China South International completed the issuance of the second tranche of domestic company bonds of 2016 (the "2016 Second Tranche DCB") with a total principal amount of RMB1,400,000,000 on the Shenzhen Stock Exchange of the PRC. The 2016 Second Tranche DCB carry interest at the rate of 6.85% per annum, payable annually on 3 May in arrears, and will mature on 3 May 2019.

The domestic company bonds recognized in the statement of financial position were calculated as follows:

		2018	2017
		HK\$'000	HK\$'000
		千港元	千港元
Carrying amount at the beginning of year	於年初的賬面值	5,079,429	3,629,086
Additions	新增	–	1,615,390
Interest expenses	利息開支	336,868	317,783
Payment for interest	支付利息	(324,633)	(206,830)
Exchange realignment	匯兌調整	552,505	(276,000)
Carrying amount at the end of year	於年終的賬面值	5,644,169	5,079,429
Current portion	即期部份	(3,789,933)	–
Non-current portion	非即期部份	1,854,236	5,079,429

The fair value of the domestic company bonds as at 31 March 2018 amounted to HK\$5,169,152,000 (2017: HK\$4,991,584,000). The fair value was calculated using the quoted market price of the domestic company bonds on 31 March 2018.

33. 企業債券(續)

於2018年4月13日，華南國際贖回本金總額為人民幣1,499,518,000元，剩餘部份年利率為8.05%，每年於4月13日支付，期限為3年。

34. 境內公司債券

本集團於報告期末尚有以下境內公司債券在發行：

- (i) 華南國際於2016年1月14日完成於深圳證券交易所發行本金總額為人民幣3,000,000,000元的2016年第一期境內公司債券。2016年第一期境內公司債券年利率為5.98%，每年於1月13日支付，並將於2019年1月13日到期。
- (ii) 華南國際於2016年5月4日完成於深圳證券交易所發行本金總額為人民幣1,400,000,000元的2016年第二期境內公司債券。2016年第二期境內公司債券年利率為6.85%，每年於5月3日支付，並將於2019年5月3日到期。

已於財務狀況表確認的境內公司債券計算如下：

於2018年3月31日，境內公司債券的公平值達5,169,152,000港元(2017年：4,991,584,000港元)。公平值乃使用境內公司債券於2018年3月31日的市場價格之報價計算。

NOTES TO FINANCIAL STATEMENTS (Continued)
財務報表附註(續)

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35. Deferred Tax

The movements in deferred tax liabilities and assets during the year are as follows:

Deferred tax liabilities

	Note 附註	Accelerated tax depreciation 加速稅項折舊	Revaluation of investment properties 投資物業重估	Withholding tax 預扣稅	Revaluation	Capitalized interest expense 資本化利息	Total 總計
					of property, plant and equipment 物業、廠房及 設備重估		
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 April 2017	於2017年4月1日	456,351	5,355,369	365,400	83,998	257,143	6,518,261
Deferred tax charged/(credited) to the statement of profit or loss during the year	年內於損益表內計入/ (扣除)的遞延稅項	115,218	1,081,351	(60,203)	–	105,174	1,241,540
Exchange realignment	匯兌調整	56,510	625,690	36,068	9,125	34,266	761,659
At 31 March 2018	於2018年3月31日	628,079	7,062,410	341,265	93,123	396,583	8,521,460

35. 遞延稅項

年內遞延稅項負債及資產之變動如下：

遞延稅項負債

Deferred tax assets

	Note 附註	Tax effect of LAT 土地增值稅的 稅務影響	Losses available	Provision for impairment of trade receivables 應收賬款 減值撥備	Tax effect of government grants relating to assets 有關資產之 政府補助的 稅務影響	Total 總計
			for offsetting against future taxable profits 可供抵銷未來 應課稅利潤的 虧損		HK\$'000 千港元	
At 1 April 2017	於2017年4月1日	1,032,799	425,650	75,605	755,945	2,289,999
Deferred tax credited/(charged) to the statement of profit or loss during the year	年內於損益表內計入/ (扣除)的遞延稅項	171,871	70,337	(10,715)	336,494	567,987
Exchange realignment	匯兌調整	122,520	49,372	7,568	102,378	281,838
At 31 March 2018	於2018年3月31日	1,327,190	545,359	72,458	1,194,817	3,139,824

遞延稅項資產

NOTES TO FINANCIAL STATEMENTS (Continued)
財務報表附註(續)

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35. Deferred Tax (Continued)
Deferred tax liabilities

35. 遞延稅項(續)
遞延稅項負債

		Accelerated tax depreciation 加速稅項折舊	Revaluation of investment properties 投資物業重估	Withholding tax 預扣稅	Revaluation of property, plant and equipment 物業、廠房及 設備重估	Capitalized interest expense 資本化利息	Total 總計
	Note 附註	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 April 2016	於2016年4月1日	338,378	4,400,729	341,355	91,871	197,133	5,369,466
Deferred tax charged to the statement of profit or loss during the year	年內於損益表內扣除的 遞延稅項	10 142,154	1,256,181	46,319	-	73,903	1,518,557
Exchange realignment	匯兌調整	(24,181)	(301,541)	(22,274)	(7,873)	(13,893)	(369,762)
At 31 March 2017	於2017年3月31日	456,351	5,355,369	365,400	83,998	257,143	6,518,261

Deferred tax assets

遞延稅項資產

		Tax effect of LAT 土地增值稅的 稅務影響	Losses available for offsetting against future taxable profits 可供抵銷未來 應課稅利潤的 虧損	Provision for impairment of trade receivables 應收賬款 減值撥備	Tax effect of government grants relating to assets 有關資產之 政府補助的 稅務影響	Total 總計	
	Note 附註	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
At 1 April 2016	於2016年4月1日		971,154	355,795	61,358	757,040	2,145,347
Deferred tax credited to the statement of profit or loss during the year	年內於損益表內計入的 遞延稅項	10 124,875	94,071	18,471	47,086	284,503	
Exchange realignment	匯兌調整	(63,230)	(24,216)	(4,224)	(48,181)	(139,851)	
At 31 March 2017	於2017年3月31日		1,032,799	425,650	75,605	755,945	2,289,999

The Group has tax losses arising in Hong Kong of HK\$474,912,000 (2017: HK\$211,112,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

本集團於香港產生的稅項虧損為474,912,000港元(2017年: 211,112,000港元), 可無限期結轉, 以抵銷產生虧損的公司未來應課稅溢利。

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35. Deferred Tax (Continued)

The Group also has tax losses in Mainland China of HK\$666,402,000 (2017: HK\$561,561,000) that will expire in one to five years for offsetting against future taxable profits.

Deferred tax assets have not been recognized in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilized.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings generated from 1 January 2008. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5% or 10%. The Group is therefore liable for withholding taxes on dividends distributed by subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008. In the current year, the Group reversed withholding tax of HK\$60,203,000 (2017: accrued of HK\$46,319,000) for those subsidiaries established in Mainland China.

As at 31 March 2018, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognized was HK\$6,115,313,000 (2017: HK\$3,849,211,000). No liability has been recognized in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

36. Share Capital Shares

35. 遞延稅項(續)

本集團亦於中國大陸產生稅項虧損為666,402,000港元(2017年:561,561,000港元),將於一至五年內屆滿,可用以抵銷未來應課稅溢利。

由於該等虧損由已出現虧損一段時期的附屬公司產生,且被認為並不可能有充足應課稅溢利以抵銷該等可動用的稅項虧損,故並無就該等虧損確認遞延稅項資產。

根據中國企業所得稅法,凡於中國內地成立的外商投資企業向海外投資者宣派的股息須繳納10%預扣所得稅。該規定自2008年1月1日起生效,並適用於2008年1月1日後所賺取盈利之盈利。倘中國與海外投資者所處司法權區訂有稅務條約,則可採用較低預扣所得稅率。本集團的適用稅率為5%或10%。因此,本集團須就於中國內地成立的附屬公司分派2008年1月1日後所賺取盈利的股息而繳納預扣所得稅。於本年度,本集團撥回預扣所得稅60,203,000港元(2017年:計提46,319,000港元)。

於2018年3月31日,與附屬公司之投資相關而尚未確認遞延稅項負債之暫時性差額總額合共約為6,115,313,000港元(2017年:3,849,211,000港元)。概無就有關差額確認負債乃由於本集團可控制撥回暫時性差額之時間及暫時性差額於可預見之將來可能不會撥回。

36. 股本股份

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Issued and fully paid: 8,009,571,999 (31 March 2017: 8,006,321,999) ordinary shares	已發行及繳足: 8,009,571,999股 (2017年3月31日: 8,006,321,999股)普通股	7,060,973	7,054,362

NOTES TO FINANCIAL STATEMENTS (Continued)
財務報表附註(續)

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36. Share Capital (Continued)

A summary of the movements in the Company's share capital is as follows:

		Number of shares in issue 已發行股份數目	Share capital 股本 HK\$'000 千港元
At 1 April 2016	於2016年4月1日	7,999,321,999	7,043,784
Exercise of share options (note)	行使購股權(附註)	7,000,000	10,578
At 31 March 2017	於2017年3月31日	8,006,321,999	7,054,362
At 1 April 2017	於2017年4月1日	8,006,321,999	7,054,362
Exercise of share options (note)	行使購股權(附註)	3,250,000	6,611
At 31 March 2018	於2018年3月31日	8,009,571,999	7,060,973

Note:

The subscription rights attaching to 3,250,000 (2017: 7,000,000) share options were exercised at the average subscription price of approximately HK\$1.7223 (2017: HK\$1.2900) per share (note 37), resulting in issue of 3,250,000 (2017: 7,000,000) shares at a total cash consideration, before expenses, of HK\$5,597,000 (2017: HK\$9,030,000). An amount of approximately HK\$1,014,000 (2017: HK\$1,548,000) was transferred from the share option reserve to share capital upon the exercise of the share options.

Share options

Details of the Company's share option scheme and the share options issued under the scheme are included in note 37 to the financial statements.

36. 股本(續)

本公司的股本變動摘要如下：

		Number of shares in issue 已發行股份數目	Share capital 股本 HK\$'000 千港元
At 1 April 2016	於2016年4月1日	7,999,321,999	7,043,784
Exercise of share options (note)	行使購股權(附註)	7,000,000	10,578
At 31 March 2017	於2017年3月31日	8,006,321,999	7,054,362
At 1 April 2017	於2017年4月1日	8,006,321,999	7,054,362
Exercise of share options (note)	行使購股權(附註)	3,250,000	6,611
At 31 March 2018	於2018年3月31日	8,009,571,999	7,060,973

附註：

附於3,250,000(2017年：7,000,000)份購股權之認購權益於年內以每股平均行使價約1.7223港元(2017年：1.2900港元)(附註37)被行使，導致本公司發行3,250,000股(2017年：7,000,000股)(扣除發行開支前價值5,597,000港元(2017年：9,030,000港元))的股本。當購股權行使，約1,014,000港元(2017年：1,548,000港元)由購股權儲備轉撥到發行股本。

購股權

關於本公司的購股權計劃及於計劃下已發行的購股權已詳載於財務報表的附註37。

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37. Share Options

The Company has adopted a share option scheme on 4 September 2009 (the "Share Option Scheme") to provide incentives and reward to selected eligible persons which include Directors, employees, officers, agents, consultants or representatives of the Group for their contribution or potential contribution to the Company or its subsidiaries. The Share Option Scheme became effective on 30 September 2009 and, unless otherwise canceled or amended, will remain in force for 10 years from that date. Further details of the Share Option Scheme are set out in the "Report of the Directors" in the Company's annual report.

On 27 June 2013, a total of 186,300,000 share options under the Share Option Scheme were granted. These share options have an exercise price of HK\$1.69 per share and an exercise period ranging from 27 June 2013 to 26 June 2018. Of the total 186,300,000 share options, 70,800,000 share options were granted to certain Executive Directors of the Company, and 115,500,000 share options were granted to certain employees of the Group.

The fair value of the 186,300,000 share options granted was HK\$44,470,000, of which no share option expense was recognized during the current year (2017: Nil).

On 17 February 2014, a total of 48,000,000 share options under the Share Option Scheme were granted. These share options have an exercise price of HK\$4.14 per share and an exercise period ranging from 17 February 2014 to 16 February 2019. Of the total 48,000,000 share options, 8,000,000 share options were granted to certain Independent Non-executive Directors of the Company, and 40,000,000 share options were granted to certain employees of the Group.

The fair value of the 48,000,000 share options granted was HK\$36,470,000, of which no share option expense was recognized during the current year (2017: Nil).

On 30 June 2014, a total of 103,300,000 share options under the Share Option Scheme were granted to certain Directors, senior management and certain other employees of the Company and its subsidiaries in respect of their services to the Group. These share options have an exercise price of HK\$4.07 per share and an exercise period ranging from 30 June 2014 to 29 June 2019.

The fair value of the 103,300,000 share options granted was HK\$83,552,000, of which no share option expense was recognized during the current year (2017: HK\$100,000).

37. 購股權

本公司已於2009年9月4日採納購股權計劃(「購股權計劃」)，向對本公司或其附屬公司作出貢獻或潛在貢獻的經甄選合資格人士(包括本集團董事、僱員、高級職員、代理、顧問或代表)提供獎勵及回報，購股權計劃自2009年9月30日起生效，並由當日起持續十年(除非取消或作出修訂)。購股權計劃的進一步詳情載於公司年報中的「董事會報告」。

於2013年6月27日，根據購股權計劃授出合共186,300,000份購股權。該等購股權的行使價為每股1.69港元，行使期為2013年6月27日至2018年6月26日。於合共186,300,000份購股權中，70,800,000份購股權已授予本公司若干本公司之執行董事，另115,500,000份購股權則授予本集團若干僱員。

所授出的186,300,000份購股權之公平值為44,470,000港元，本集團於本年度並無確認購股權開支(2017年：無)。

於2014年2月17日，根據購股權計劃授出合共48,000,000份購股權。該等購股權的行使價為每股4.14港元，行使期為2014年2月17日至2019年2月16日。於合共48,000,000份購股權中，8,000,000份購股權已授予本公司若干本公司之獨立非執行董事，另40,000,000份購股權則授予本集團若干僱員。

所授出的48,000,000份購股權的公平值為36,470,000港元，本集團於本年度並無確認購股權開支(2017年：無)。

於2014年6月30日，根據購股權計劃向本公司若干本公司之董事、高級管理層及本公司及其附屬公司若干僱員就彼等向本集團所提供的服務授出合共103,300,000份購股權。該等購股權的行使價為每股4.07港元，行使期為2014年6月30日至2019年6月29日。

所授出的103,300,000份購股權之公平值為83,552,000港元，本集團於本年度並無確認購股權開支(2017年：100,000港元)。

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37. Share Options (Continued)

On 13 January 2016, a total of 79,990,000 share options under the Share Option Scheme were granted to a Director of the Company in respect of his services to the Group. These share options have an exercise price of HK\$1.528 per share and an exercise period ranging from 13 January 2016 to 12 January 2022.

The fair value of the 79,990,000 share options granted was HK\$29,802,000, of which no share option expense was recognized during the current year (2017: HK\$12,102,000).

On 22 August 2016, a total of 70,500,000 share options under the Share Option Scheme were granted to certain senior management and other employees of the Company and its subsidiaries in respect of their services to the Group. These share options have an exercise price of HK\$1.75 per share and an exercise period ranging from 22 August 2016 to 21 August 2023.

The fair value of the 70,500,000 share options granted was HK\$27,739,000, of which the Group recognized a share option expense of HK\$7,699,000 during the current year (2017: HK\$18,410,000).

On 3 July 2017, a total of 120,000,000 share options under the Share Option Scheme were granted to certain Directors of the Company in respect of their services to the Group. These share options have an exercise price of HK\$1.52 per share and an exercise period ranging from 3 July 2017 to 2 July 2025.

The fair value of the 120,000,000 share options granted was HK\$45,599,000, of which the Group recognized a share option expense of HK\$34,366,000 during the current year.

The fair value of the share options granted on 3 July 2017 was estimated as at the date of grant by Vigers Appraisal and Consulting Limited, using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model:

Share price at the date of grant (HK\$)	1.52
Exercise price (HK\$)	1.52
Dividend yield (%)	4.98
Expected volatility (%)	38.0–40.0
Risk-free interest rate (%)	1.22–1.42
Exercise multiple	2.90

37. 購股權(續)

於2016年1月13日，根據購股權計劃向本公司一名董事就彼等向本集團所提供的服務授出合共79,990,000份購股權。該等購股權的行使價為每股1.528港元，行使期為2016年1月13日至2022年1月12日。

所授出79,990,000份購股權之公平值為29,802,000港元，本集團於本年度並無確認購股權開支(2017年：12,102,000港元)。

於2016年8月22日，根據購股權計劃向本公司若干本公司之高級管理層及本公司及其附屬公司若干僱員就彼等向本集團所提供的服務授出合共70,500,000份購股權。該等購股權的行使價為每股1.75港元，行使期為2016年8月22日至2023年8月21日。

所授出70,500,000份購股權之公平值為27,739,000元，其中本集團於本年度內確認購股權開支合共7,699,000港元(2017年：18,410,000港元)。

於2017年7月3日，根據購股權計劃向本公司若干本公司之董事就彼等向本集團所提供的服務授出合共120,000,000份購股權。該等購股權的行使價為每股1.52港元，行使期為2017年7月3日至2025年7月2日。

所授出120,000,000份購股權之公平值為45,599,000港元，其中本集團已於本年度內確認購股權開支合共34,366,000港元。

於2017年7月3日授出的購股權的公平值，威格斯資產評估有限公司於授出日期採用二項式模式對該等購股權進行估計，當中已考慮購股權獲授出時的條款及條件。下表列示所用模式的主要元素：

於授出日之股價(港元)	1.52
行使價(港元)	1.52
股息率(%)	4.98
預期波動性(%)	38.0–40.0
無風險利率(%)	1.22–1.42
行使倍數	2.90

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37. Share Options (Continued)

The expected life of the options is based on historical data and is not necessarily indicative of the exercise patterns that may occur. The expected volatility was determined based on the movement of the share price of the Company since its listing, which may also not necessarily be the actual outcome. No other feature of the options granted was incorporated into the measurement of fair value.

The following share options were outstanding under the Share Option Scheme during the year:

37. 購股權(續)

購股權的預期年期乃按歷史數據得出，及未必顯示可能發生的行使情況。預期波動性乃按自上市日期起本公司股價之變動而釐定，未必是實際結果。計量公平值時，並無考慮所授出的購股權的其他特性。

於年內根據購股權計劃尚未行使之購股權如下：

		Year ended 31 March 截至3月31日止年度			
		2018		2017	
		Weighted average exercise price per share 每股加權 平均行使價 HK\$ 港元	Number of options 購股權數目 '000 千份	Weighted average exercise price per share 每股加權 平均行使價 HK\$ 港元	Number of options 購股權數目 '000 千份
At the beginning of year	於年初	2.8165	310,540	3.0604	250,240
Granted during the year	年內授出	1.5200	120,000	1.7500	70,500
Lapsed during the year	年內失效	2.0000	(18,500)	1.7285	(1,950)
Exercised during the year	年內行使	1.7223	(3,250)	1.2900	(7,000)
Forfeited during the year	年內沒收	—	—	1.7500	(1,250)
At the end of year	於年終	2.4815	408,790	2.8165	310,540

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財務報表附註(續)

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37. Share Options (Continued)

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

2018

37. 購股權(續)

於報告期末，未行使購股權的行使價及行使期如下：

2018年

Number of options 購股權數目 '000 千股	Exercise price 行使價 HK\$ per share 每股港元	Exercise period 行使期
10,250	1.69	27-06-2014 to 26-06-2018 2014年6月27日至2018年6月26日
1,250	1.69	27-06-2015 to 26-06-2018 2015年6月27日至2018年6月26日
22,000	4.14	17-02-2014 to 16-02-2019 2014年2月17日至2019年2月16日
24,000	4.14	17-02-2015 to 16-02-2019 2015年2月17日至2019年2月16日
2,000	4.14	17-02-2016 to 16-02-2019 2016年2月17日至2019年2月16日
47,650	4.07	30-06-2014 to 29-06-2019 2014年6月30日至2019年6月29日
50,650	4.07	30-06-2015 to 29-06-2019 2015年6月30日至2019年6月29日
1,000	4.07	30-06-2016 to 29-06-2019 2016年6月30日至2019年6月29日
39,995	1.528	13-01-2016 to 12-01-2021 2016年1月13日至2021年1月12日
39,995	1.528	13-01-2017 to 12-01-2022 2017年1月13日至2022年1月12日
10,250	1.75	22-08-2016 to 21-08-2021 2016年8月22日至2021年8月21日
34,000	1.75	22-08-2017 to 21-08-2022 2017年8月22日至2022年8月21日
5,750	1.75	22-08-2018 to 21-08-2023 2018年8月22日至2023年8月21日
40,000	1.52	03-07-2017 to 02-07-2022 2017年7月3日至2022年7月2日
60,000	1.52	03-07-2018 to 02-07-2023 2018年7月3日至2023年7月2日
10,000	1.52	03-07-2019 to 02-07-2024 2019年7月3日至2024年7月2日
10,000	1.52	03-07-2020 to 02-07-2025 2020年7月3日至2025年7月2日
408,790		

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37. Share Options (Continued)

2017		2017年	
Number of options 購股權數目 '000 千股	Exercise price 行使價 HK\$ per share 每股港元	Exercise period 行使期	
1,500	1.69	27-06-2013 to 26-06-2018 2013年6月27日至2018年6月26日	
10,500	1.69	27-06-2014 to 26-06-2018 2014年6月27日至2018年6月26日	
1,250	1.69	27-06-2015 to 26-06-2018 2015年6月27日至2018年6月26日	
22,000	4.14	17-02-2014 to 16-02-2019 2014年2月17日至2019年2月16日	
24,000	4.14	17-02-2015 to 16-02-2019 2015年2月17日至2019年2月16日	
2,000	4.14	17-02-2016 to 16-02-2019 2016年2月17日至2019年2月16日	
49,650	4.07	30-06-2014 to 29-06-2019 2014年6月30日至2019年6月29日	
50,650	4.07	30-06-2015 to 29-06-2019 2015年6月30日至2019年6月29日	
1,000	4.07	30-06-2016 to 29-06-2019 2016年6月30日至2019年6月29日	
39,995	1.528	13-01-2016 to 12-01-2021 2016年1月13日至2021年1月12日	
39,995	1.528	13-01-2017 to 12-01-2022 2017年1月13日至2022年1月12日	
22,250	1.75	22-08-2016 to 21-08-2021 2016年8月22日至2021年8月21日	
34,000	1.75	22-08-2017 to 21-08-2022 2017年8月22日至2022年8月21日	
11,750	1.75	22-08-2018 to 21-08-2023 2018年8月22日至2023年8月21日	
310,540			

At the end of the reporting period, the Company had 408,790,000 share options outstanding under the Share Option Scheme, which represented approximately 5.10% of the Company's shares in issue as at that date. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 408,790,000 additional ordinary shares of the Company and additional share capital of HK\$1,217,223,000 (before issue expenses).

於報告期末時，根據購股權計劃，本公司有408,790,000份未行使購股權，相當於本公司當日已發行股份約5.10%。根據本公司現時的資本結構而言，全數行使未行使購股權將會導致本公司發行408,790,000股額外普通股及額外股本1,217,223,000港元(扣除發行開支前)。

NOTES TO FINANCIAL STATEMENTS (Continued)
財務報表附註(續)

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37. Share Options (Continued)

At the date of approval of these financial statements, the Company had 408,290,000 share options outstanding under the Share Option Scheme, which represented approximately 5.10% of the Company's shares in issue as at that date.

38. Other Reserves

The amounts of the Group's reserves and the movements therein for the current year and the prior year are presented in the consolidated statement of changes in equity on pages 140 and 141 of the financial statements.

Pursuant to the relevant laws and regulations for Sino-foreign joint venture enterprises, a portion of the profits of the Group's subsidiaries which are established in the PRC has been transferred to the statutory reserve which is restricted as to use.

Capital reserve represents additional contribution made by the shareholders of the Company's subsidiaries and, in the case of an acquisition of an additional equity interest in a non-wholly-owned subsidiary, the difference between the cost of acquisition and the non-controlling interests acquired.

Revaluation reserve represents the difference arising from change in use from owner-occupied properties to investment properties carried at fair value.

39. Note to the Consolidated Statement of Cash Flows

(a) Changes in liabilities arising from financing activities

37. 購股權(續)

於該等財務報表批准當日，根據購股權計劃，本公司有408,290,000份未行使購股權，相當於本公司當日已發行股份約5.10%。

38. 其他儲備

有關本集團於本年度及過往年度的儲備及其變動已呈列於財務報表第140及141頁的綜合權益變動表內。

根據中外合營企業相關法律及法規，本集團旗下在中國成立的附屬公司的部分利潤已轉撥至用途受限制的法定儲備金。

資本儲備指本公司子公司之股東作出的額外注資，以及在收購一家非全資子公司的額外股權後，收購成本與所收購非控制權益兩者之差額。

重估儲備指因用途變更而由自用物業轉為以公平值列賬的投資物業而產生的差額。

39. 綜合現金流量表附註

(a) 融資活動產生的負債變動

		Interest-bearing bank and other borrowings		Short-term notes	Senior notes	Medium-term notes	Corporate bonds	Domestic company bonds	Interest payable included in trade and other payables
		計息銀行及其他借貸	其他借貸	短期融資券	優先票據	中期票據	企業債券	境內公司債券	貿易及其他應付款項內的應付利息
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 April 2017	於2017年4月1日	13,412,462	1,353,240	6,425,992	4,723,000	1,778,744	5,079,429	59,398	
Interest expense	利息開支	-	-	452,711	367,288	129,785	336,868	923,244	
Changes from financing cash flows	融資現金流變動	1,184,232	(853,186)	2,261,693	(352,581)	(123,816)	(324,633)	(938,824)	
Loss on redemption of the 2014 Notes	贖回2014年票據之虧損	-	-	89,876	-	-	-	-	
Exchange movement	匯兌變動	1,501,511	125,046	-	513,937	193,581	552,505	2,111	
At 31 March 2018	於2018年3月31日	16,098,205	625,100	9,230,272	5,251,644	1,978,294	5,644,169	45,929	

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39. Note to the Consolidated Statement of Cash Flows (Continued)

(b) Analysis of the net outflow of cash and cash equivalents in respect of the disposal of subsidiaries

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Cash consideration	現金代價	8,867	-
Cash and bank balances disposed of	已出售現金及銀行結餘	(20,672)	-
Net outflow of cash and cash equivalents in respect of the disposal of subsidiaries	處置附屬公司之現金及現金等價物流出淨額	(11,805)	-

40. Pledge of Assets

Details of the Group's bank and other borrowings, which are secured by the assets of the Group, are included in notes 13, 14, 15, 22, 27 and 29 to the financial statements.

41. Contingent Liabilities

At the end of each reporting period, contingent liabilities not provided for in the financial statements were as follows:

39. 綜合現金流量表附註(續)

(b) 就處置附屬公司之現金及現金等價物流出淨額分析

40. 資產抵押

以本集團的資產作抵押的銀行及其他借貸詳情載於財務報表附註13、14、15、22、27及29。

41. 或然負債

於各報告期末，財務報表內未有撥備的或然負債如下：

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Guarantees given to banks in connection with facilities granted to: Third parties	就以下各方獲授的融資而向銀行提供的擔保： 第三方	12,574,525	9,396,341

The Group has provided guarantees in respect of banking facilities granted by certain banks to the purchasers of the Group's properties held for sale and held for finance lease. Pursuant to the terms of the guarantees, if there is default of the loan payments by the purchasers and lessees, the Group is responsible to repay the outstanding loans together with accrued interest thereon and any penalty owed by the defaulted purchasers and lessees to banks. The Group is then entitled to take over the legal titles and usage rights of the related properties. For trade center units and residential properties sold, the guarantee period commences from the dates of grant of the relevant loans and ends when the purchasers obtain the building ownership certificates which will then be pledged with the banks. For residential and commercial properties under finance leases, the guarantees will be released along with the full repayment of loan principals by the lessees.

本集團就若干銀行授予持作銷售物業及融資租賃物業的買家的銀行信貸提供擔保。根據該等擔保條款，倘該等買家及承租人拖欠貸款還款，本集團負責償還未付貸款，連同應計利息，以及欠款買家及承租人結欠銀行的任何罰金。其後，本集團有權接管相關物業的法律業權及使用權。已售交易中心商舖及住宅物業方面，擔保期由相關貸款授出日期起至買家取得其後抵押予銀行的房地產權證日期止。就融資租賃下的住宅及商業物業而言，擔保將隨承租人償還貸款本金解除。

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41. Contingent Liabilities (Continued)

The Group did not incur any material losses during the financial year in respect of the guarantees provided for mortgage facilities granted to the purchasers and lessees of the Group's properties. The Directors consider that in case of default on payments, the net realizable value of the related properties can cover the repayment of the outstanding mortgage loans together with any accrued interest and penalty, and therefore the fair value of the guarantees is not significant.

42. Operating Lease Arrangements

(a) As lessor

The Group leases its investment properties (note 14) and properties sold with cooperation and leasing arrangements with the purchasers under operating lease arrangements negotiated for terms ranging from one to twenty years. The terms of the leases also require the tenants to pay security deposits.

At the end of each reporting period, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

41. 或然負債(續)

本集團於財政年度內並無因向本集團物業的買家及承租人於獲授按揭融資時所提供擔保而錄得任何重大虧損。董事認為，倘出現拖欠款項的情況，相關物業的可變現淨值足以支付未償還按揭貸款連同任何應計利息及罰款，故擔保之公平值並不重大。

42. 經營租賃安排

(a) 作為出租人

本集團根據經營租賃安排租賃其投資物業(附註14)及與買家的合作及租賃安排的已出售物業，並磋商一至二十年的租賃期。租賃條款亦規定租戶需支付押金。

於各報告期末，本集團根據與租戶訂立的不可註銷經營租賃按下列年度到期之未來最低應收租金總額如下：

		2018	2017
		HK\$'000	HK\$'000
		千港元	千港元
Within one year	一年內	754,836	760,049
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)	1,575,985	1,537,821
After five years	五年後	488,270	416,518
Total	總計	2,819,091	2,714,388

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42. Operating Lease Arrangements (Continued) (b) As lessee

The Group leases certain of its land and buildings and vehicles under operating lease arrangements. Leases are negotiated for terms ranging from one to twenty years.

At the end of each reporting period, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Within one year	一年內	133,205	268,729
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)	127,817	396,533
After five years	五年後	32,333	40,906
Total	總計	293,355	706,168

43. Commitments

In addition to the operating lease commitments detailed in note 42(b) above, the Group had the following commitments at the end of each reporting period:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Contracted, but not provided for:	已訂約但未撥備：		
Properties under development	發展中物業	10,470,922	8,787,653
Prepaid land lease payments	預付土地出租金	254,416	-
Total	總計	10,725,338	8,787,653

42. 經營租賃安排(續) (b) 作為承租人

本集團以經營租賃安排租用若干土地及房屋及汽車，並磋商一至二十年的租賃期。

於各報告期末，本集團根據不可註銷經營租賃按下列年度到期之未來最低租金總額如下：

43. 承擔

除上文附註42(b)詳述的經營租賃承擔外，於各報告期末，本集團有下列承擔：

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44. Related Party Transactions

- (a) In addition to the transactions disclosed elsewhere in the financial statements, the Group had the following material transactions with related parties during the year:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Rental expense and related service fees for an office property paid to: A company of which a Director of the Company was a controlling shareholder (note)	辦公樓的租金開支及相關服務費用支付予： 本公司董事擔任控股股東的一間公司(附註)	–	1,959

Note:

During the prior year, the Group leased the office property of a company of which a Director of the Company was a controlling shareholder. The rental and related service fees were based on terms mutually agreed between both parties.

(b) Outstanding balances with related parties

Details of the Group's amounts due from associates as at the end of each reporting period are disclosed in note 18.

(c) Compensation of key management personnel of the Group

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Short term employee benefits	短期僱員福利	65,835	55,366
Post-employment benefits	離職後福利	73	54
Share-based payments	以權益結算的購股權開支	34,366	12,102
Total compensation paid to key management personnel	支付予主要管理人員的薪酬總額	100,274	67,522

Further details of Directors' emoluments are included in note 8 to the financial statements.

In prior year, the rental expense for office properties paid to the related parties above also constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.

44. 關連人士交易

- (a) 除財務報表其他部分另有披露的交易外，於年內，本集團與關連人士進行下列重大交易：

	2018 HK\$'000 千港元	2017 HK\$'000 千港元
Rental expense and related service fees for an office property paid to: A company of which a Director of the Company was a controlling shareholder (note)	–	1,959

附註：

於以前年度，本集團向本公司董事擔任控股股東一間公司租入辦公樓。租金及有關費用根據雙方協定條款計算。

(b) 與關連人士之間的未結付結餘

本集團於各報告期末的應收聯營企業之款項詳情於附註18披露。

(c) 本集團主要管理人員薪酬

	2018 HK\$'000 千港元	2017 HK\$'000 千港元
Short term employee benefits	65,835	55,366
Post-employment benefits	73	54
Share-based payments	34,366	12,102
Total compensation paid to key management personnel	100,274	67,522

董事酬金的進一步詳情載於財務報表附註8。

於過往年度，上述有關支付辦公樓的租金開支的關連人士交易亦構成上市規則第14A章定義的持續關連交易。

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45. Financial Instruments by Category

Other than the held-for-trading investments at fair value through profit or loss as disclosed in note 26 which are stated at fair value and the available-for-sale investments in note 19 which are stated at historical cost, all financial assets and liabilities of the Group as at 31 March 2018 and 2017 are loans and receivables and financial liabilities stated at amortized cost, respectively.

46. Fair Value and Fair Value Hierarchy of Financial Instruments

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

45. 金融工具分類

除附註26所披露的透過損益以公平值列賬之持作買賣投資及附註19所披露的以歷史成本列賬之可供出售金融投資外，於2018年及2017年3月31日，本集團的所有金融資產和負債分別為貸款與應收款項及按攤銷成本入賬的金融負債。

46. 金融工具之公平值及公平值等級架構

本集團之金融工具之賬面值及公平值(賬面值與公平值極其相近者除外)如下：

		Carrying amounts		Fair values	
		賬面值		公平值	
		2018	2017	2018	2017
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Short-term notes	短期融資券	625,100	1,353,240	647,446	1,385,038
Senior notes	優先票據	9,230,272	6,425,992	8,894,383	6,587,532
Medium-term notes	中期票據	5,251,644	4,723,000	5,261,155	4,856,191
Corporate bonds	企業債券	1,978,294	1,778,744	1,874,550	1,743,988
Domestic company bonds	境內公司債券	5,644,169	5,079,429	5,169,152	4,991,584
		22,729,479	19,360,405	21,846,686	19,564,333

Management has assessed that the fair values of cash and cash equivalents, trade receivables, financial assets included in prepayments, deposits and other receivables, financial liabilities included in trade and other payables, current portion of interest-bearing bank and other borrowings and amounts due from associates, approximate to their carrying amounts largely due to the short term maturities of these instruments.

管理層已評估現金及現金等價物、應收賬款、金融資產包括預付款、訂金及其他應收款項、金融負債包括貿易及其他應付款項、計息銀行及其他借貸的即期部分及應收聯營公司款項之公平值與其各自之賬面值相若，主要因為該等工具於短期內到期。

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46. Fair Value and Fair Value Hierarchy of Financial Instruments (Continued)

The Group's management is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The management reports directly to the Directors and the audit committee. At each reporting date, the management analyzes the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the Directors. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of other long-term receivables and interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk in interest-bearing bank and other borrowings as at 31 March 2018 was assessed to be insignificant. The fair values of the non-current portion of other long-term receivables and interest-bearing bank and other borrowings are not materially different from their carrying amounts.

The fair values of short-term notes, senior notes, medium-term notes, corporate bonds and domestic company bonds are calculated using the quoted market prices on 31 March 2018.

46. 金融工具之公平值及公平值等級架構(續)

本集團管理層負責釐定金融工具公平值計量之政策及程序。管理層直接向董事及審核委員會報告。於各報告日期，管理層分析金融工具之價值變動並釐定估值中適用的主要元素。估值由董事審核及批准。估值過程及結果由審核委員會每年討論兩次，以便呈列於中期及年度財務報告。

金融資產及負債的公平值按可在自願雙方(強迫或清盤銷售除外)在現有交易中進行交換的工具之金額入賬。估計公平值時所用之方法及假設載述如下：

其他長期應收款項、計息銀行及其他借貸之非即期部分的公平值乃透過使用當前可供金融工具使用之現行利率按類似條款、信用風險及餘下到期日，折讓預期未來現金流量而計算。於2018年3月31日，本集團自身於計息銀行及其他借貸之不履約風險被評定為並不重大。其他長期應收款項及計息銀行及其他借貸非即期部分的公平值與賬面值相差不大。

短期融資券、優先票據、中期票據、企業債券及境內公司債券之公平值乃根據2018年3月31日的市場價格之報價釐定。

31 March 2018 2018年3月31日

46. Fair Value and Fair Value Hierarchy of Financial Instruments (Continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 March 2018

		Fair value measurement using quoted prices in active markets (Level 1) 使用於活躍市場之報價 的公平值計量 (第1級) HK\$'000 千港元
Held-for-trading investments at fair value through profit or loss	透過損益以公平值列賬之 持作買賣投資	205,966

As at 31 March 2017

於2017年3月31日

		Fair value measurement using quoted prices in active markets (Level 1) 使用於活躍市場之報價 的公平值計量 (第1級) HK\$'000 千港元
Held-for-trading investments at fair value through profit or loss	透過損益以公平值列賬之 持作買賣投資	-

46. 金融工具之公平值及公平值等級架構 (續)

公平值等級

下表列示本集團金融工具之公平值計量層級：

按公平值計量之資產：

於2018年3月31日

NOTES TO FINANCIAL STATEMENTS (Continued)
財務報表附註(續)

31 March 2018 2018年3月31日

46. Fair Value and Fair Value Hierarchy of Financial Instruments (Continued)

Fair value hierarchy (Continued)

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfer into or out of Level 3 (2017: Nil).

Liabilities for which fair values are disclosed:

As at 31 March 2018

46. 金融工具之公平值及公平值等級架構 (續)

公平值等級 (續)

本年內，公平值計量於第1級別與第2級別之間並無轉換及無轉入或轉出至第3級別(2017年：無)。

已披露公平值之金融負債：

於2018年3月31日

		Fair value measurement using quoted prices in active markets (Level 1) 使用於活躍市場之 報價的公平值計量 (第一級) HK\$'000 千港元
Short-term notes	短期融資券	647,446
Senior notes	優先票據	8,894,383
Medium-term notes	中期票據	5,261,155
Corporate bonds	企業債券	1,874,550
Domestic company bonds	境內公司債券	5,169,152
		21,846,686

As at 31 March 2017

於2017年3月31日

		Fair value measurement using quoted prices in active markets (Level 1) 使用於活躍市場之 報價的公平值計量 (第一級) HK\$'000 千港元
Short-term notes	短期融資券	1,385,038
Senior notes	優先票據	6,587,532
Medium-term notes	中期票據	4,856,191
Corporate bonds	企業債券	1,743,988
Domestic company bonds	境內公司債券	4,991,584
		19,564,333

31 March 2018 2018年3月31日

47. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise bank and other borrowings, short-term notes, senior notes, medium-term notes, corporate bonds, domestic company bonds and cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets such as trade receivables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk, liquidity risk and foreign exchange risk. The Board of Directors reviews and agrees policies for managing each of these risks and they are summarized below.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to the Group's borrowings. The interest rates and terms of repayment of the Group's borrowings are disclosed in notes 29, 30, 31, 32, 33 and 34 to the financial statements. The Group's policy is to obtain the most favorable interest rates available for its borrowings.

The Group will constantly assess the interest rate risk it encounters to decide whether it is required to hedge against the possible interest rate risk that may arise.

On 31 March 2018, if the interest rate of bank borrowings had increased/decreased by 0.5% and all other factors remained unchanged, the profit after tax for the year of the Group would have decreased/increased by approximately HK\$51,217,000 (2017: HK\$50,297,000).

47. 財務風險管理目標及政策

本集團主要金融工具包括銀行及其他借貸、短期融資券、優先票據、中期票據、企業債券、境內公司債券及現金及短期存款。該等金融工具主要為本集團業務籌集資金。本集團亦擁有多項其他金融資產，例如直接從業務營運產生的應收貿易賬款。

本集團金融工具所產生的主要風險包括利率風險、信貸風險、流動資金風險及外匯風險。董事會對管理上述各項風險的政策進行檢討及協定，該等風險概述如下。

利率風險

本集團面臨的利率風險主要與本集團的借貸相關。本集團借貸的利率及還款期於財務報表附註29、30、31、32、33及34中披露。本集團的政策是為其借貸取得最有利的利率。

本集團將持續評估所遇到的利率風險以決定是否需要對沖可能產生的利率風險。

於2018年3月31日，倘銀行借貸的利率上升/下降0.5%及所有其他因素保持不變，則本集團本年度稅後利潤將會減少/增加約51,217,000港元（2017年：50,297,000港元）。

31 March 2018 2018年3月31日

47. Financial Risk Management Objectives and Policies (Continued)

Credit risk

The credit risk of the Group's financial assets, which comprise cash and cash equivalents, trade and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments. The Group is also exposed to credit risk through the granting of financial guarantees, further details of which are disclosed in note 41 to the financial statements.

To manage the risk, deposits are mainly placed with banks with high credit quality. The Group trades only with recognized and creditworthy third parties. For the sales of properties, the Group has policies in place to ensure that sales are made to buyers with appropriate financial strength and appropriate percentage of down payments. The Group would not release the property ownership certificates to the buyers before the buyers fully settle the payment. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews regularly the recoverable amount of each individual trade receivable to ensure that adequate impairment losses are made for irrecoverable amounts. With exposure spread over a number of counterparties and customers, the Group has no significant concentration of credit risk.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 24 to the financial statements.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank and other borrowings, short-term notes, senior notes, medium-term notes, corporate bonds and domestic company bonds.

47. 財務風險管理目標及政策(續)

信貸風險

本集團金融資產包括現金及現金等價物、應收貿易賬款及其他應收款項的信貸風險來自對方拖欠付款，而可能拖欠的最高金額等於此等工具的賬面值。本集團亦因提供財務擔保而面對信貸風險，有關詳情於財務報表附註41中披露。

為管理風險，本集團主要將存款存入高信貸質素的銀行。本集團僅與知名及具信譽的第三方進行交易。就出售物業方面，本集團已實行政策確保向具有適當財務實力及支付適當百分比首期付款的買家作出銷售。在買家全數清償付款前，本集團不會向其發出房產證。本集團亦擁有其他監控程序以確保採取跟進措施收回逾期款項。此外，本集團定期審閱每名個人的貿易應收賬款的可收回金額，以確保就不可收回金額作出足夠的減值虧損列賬。本集團並無任何重大集中信貸風險，而所面對的風險分散到多名交易對手及客戶。

有關本集團就貿易應收賬款的信貸風險所承擔的風險的進一步量化數據於財務報表附註24中披露。

流動資金風險

本集團的目標是透過使用銀行及其他借貸、短期融資券、優先票據、中期票據、企業債券及境內公司債券，維持資金持續性與靈活性之間的平衡。

NOTES TO FINANCIAL STATEMENTS (Continued)
財務報表附註(續)

31 March 2018 2018年3月31日

47. Financial Risk Management Objectives and Policies (Continued) 47. 財務風險管理目標及政策(續)

Liquidity risk (Continued)

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, was as follows:

流動資金風險(續)

本集團於報告期末時的金融負債的到期狀況(按照合同未折現付款)如下：

		2018					Total 總計 HK\$'000 千港元	
		On demand 應要求 HK\$'000 千港元	Within one year 一年內 HK\$'000 千港元	One to two years 第一至二年 HK\$'000 千港元	Two to five years 第二至五年 HK\$'000 千港元	Beyond five years 五年後 HK\$'000 千港元		
Interest-bearing bank and other borrowings	計息銀行及其他借貸	-	7,892,373	4,193,177	4,933,369	864,157		17,883,076
Short-term notes	短期融資券	-	665,732	-	-	-		665,732
Senior notes	優先票據	-	787,438	3,712,906	9,935,011	-	14,435,355	
Medium-term notes	中期票據	-	2,874,210	2,699,182	-	-	5,573,392	
Corporate bonds	企業債券	-	1,978,294	-	-	-	1,978,294	
Domestic company bonds	境內公司債券	-	4,094,780	1,870,174	-	-	5,964,954	
Financial liabilities included in trade and other payables	計入應付貿易及其他應付款項的金融負債	-	9,705,579	-	-	-	9,705,579	
Financial guarantees granted to third parties	對第三方授予財務擔保	12,574,525	-	-	-	-	12,574,525	
Total	總計	12,574,525	27,998,406	12,475,439	14,868,380	864,157	68,780,907	

		2017					Total 總計 HK\$'000 千港元	
		On demand 應要求 HK\$'000 千港元	Within one year 一年內 HK\$'000 千港元	One to two years 第一至二年 HK\$'000 千港元	Two to five years 第二至五年 HK\$'000 千港元	Beyond five years 五年後 HK\$'000 千港元		
Interest-bearing bank and other borrowings	計息銀行及其他借貸	-	7,554,399	3,795,546	2,726,861	273,223		14,350,029
Short-term notes	短期融資券	-	1,419,549	-	-	-		1,419,549
Senior notes	優先票據	-	649,809	359,539	6,388,688	-	7,398,036	
Medium-term notes	中期票據	-	337,182	2,592,582	2,434,704	-	5,364,468	
Corporate bonds	企業債券	-	118,409	118,409	2,046,776	-	2,283,594	
Domestic company bonds	境內公司債券	-	310,456	3,693,556	1,686,926	-	5,690,938	
Financial liabilities included in trade and other payables	計入應付貿易及其他應付款項的金融負債	-	8,663,678	-	-	-	8,663,678	
Financial guarantees granted to third parties	對第三方授予財務擔保	9,396,341	-	-	-	-	9,396,341	
Total	總計	9,396,341	19,053,482	10,559,632	15,283,955	273,223	54,566,633	

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47. Financial Risk Management Objectives and Policies (Continued)

Foreign exchange risk

The Group only conducts business within Mainland China. Except for interest payables, repayment of foreign currency loans obtained to finance the Group's operations and any potential future dividends of its subsidiaries that might be declared to their shareholders, the bulk of the Group's revenue, capital investment and expenses are denominated in RMB. At the date of approval of the financial statements, the Group has not experienced any difficulties in obtaining government approval for its necessary foreign exchange purchases. During the year, the Group did not issue any financial instruments for hedging purposes.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the RMB exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities).

		RMB rate	Changes in RMB rate 人民幣匯率變動	Increase/ (decrease) in profit before tax 稅前利潤增加/ (減少)
		%	%	HK\$'000 千港元
2018	2018年			
If Hong Kong dollar weakens against RMB	倘港元兌人民幣轉弱	5	5	55,206
If Hong Kong dollar strengthens against RMB	倘港元兌人民幣轉強	5	5	(55,206)
2017	2017年			
If Hong Kong dollar weakens against RMB	倘港元兌人民幣轉弱	5	5	53,316
If Hong Kong dollar strengthens against RMB	倘港元兌人民幣轉強	5	5	(53,316)

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximize shareholders' value.

47. 財務風險管理目標及政策(續)

外匯風險

本集團僅在中國大陸經營業務。除應付利息、本集團撥資營運所需而取得的外幣貸款的還款以及其附屬公司可能向其股東宣派的任何潛在股息外，本集團大部分收入、資本投資及開支均以人民幣為單位。於財務報表批准日期，本集團在申領政府批文以購買所需外匯方面，從未遇上任何困難。年內，本集團並無為對沖目的而發行任何金融工具。

下表顯示在所有其他變量維持不變的情況下，本集團稅前利潤於報告期末對人民幣匯率的可能合理變動的敏感度，有關稅前利潤的變動乃因貨幣資產及負債的公平值出現變動所致。

資本管理

本集團資本管理的首要目標是為了確保本集團持續發展及穩健資本比率的能力，以支持其業務運作及實現最大股東價值。

31 March 2018 2018年3月31日

47. Financial Risk Management Objectives and Policies (Continued)

Capital management (Continued)

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017.

The Group monitors capital using a gearing ratio (net debt to the total equity) and total liabilities to total assets ratio. Net debt includes interest-bearing bank and other borrowings, short-term notes, senior notes, medium-term notes, corporate bonds and domestic company bonds, less cash and cash equivalents and restricted cash. The gearing ratios as at the end of the reporting periods were as follows:

		Notes 附註	2018 HK\$'000 千港元	2017 HK\$'000 千港元
Interest-bearing bank and other borrowings	計息銀行及其他借貸	29	16,098,205	13,412,462
Short-term notes	短期融資券	30	625,100	1,353,240
Senior notes	優先票據	31	9,230,272	6,425,992
Medium-term notes	中期票據	32	5,251,644	4,723,000
Corporate bonds	企業債券	33	1,978,294	1,778,744
Domestic company bonds	境內公司債券	34	5,644,169	5,079,429
Less: Cash and cash equivalents and restricted cash	減：現金及現金等價物及受限制現金	27	(10,655,692)	(10,490,909)
Net debt	債務淨額		28,171,992	22,281,958
Total equity	權益總額		36,400,754	28,479,391
Total assets	總資產		111,545,966	88,975,833
Total liabilities	總負債		75,145,212	60,496,442
Net debt/Total equity	資本負債比率		77%	78%
Total liabilities/Total assets	負債對資產比率		67%	68%

48. Event After the Reporting Period

On 24 May 2018 and 4 June 2018, the Company issued senior notes with an aggregate principal amounts of US\$150,000,000 and US\$100,000,000, respectively (collectively known as, the "2018 May Notes"). The 2018 May Notes are listed on the Singapore Exchange Securities Trading Limited. The 2018 May Notes carry interest at the rate of 10.875% per annum, payable semi-annually on 24 February and 24 August in arrears, and will mature on 24 August 2020, unless redeemed earlier. The offering price was at 99.654% and 99.649% of the principal amount of the 2018 May Notes of US\$150,000,000 and US\$100,000,000, respectively.

47. 財務風險管理目標及政策(續)

資本管理(續)

本集團根據經濟情況的變動及相關資產的風險特點，管理其資本結構並對其作出調整。為維持或調整資本結構，本集團可能會調整向股東派發的股息付款、向股東返還資本或發行新股。本集團毋須遵守任何外界施加的資本規定。截至2018年3月31日及2017年3月31日止年度，並無更改資本管理的目標、政策或程序。

本集團採用資本負債比率(債務淨額除以權益總額)和負債對資產比率監控資本情況。債務淨額包括計息銀行及其他借貸、短期融資券、優先票據、中期票據、企業債券及境內公司債券減現金及現金等價物及受限制現金。於報告期末，資本負債比率如下：

48. 報告期間結束後事項

於2018年5月24日及2018年6月4日，本公司分別發行本金總額150,000,000美元及100,000,000美元的優先票據(統稱為「2018年5月票據」)。2018年5月票據於新加坡證券交易所有限公司上市。2018年5月票據按年利率10.875%計息，每半年於2月24日及8月24日支付，並將於2020年8月24日到期(除非提早贖回)。發售價分別為150,000,000美元及100,000,000美元2018年5月票據本金總額的99.654%及99.649%。

NOTES TO FINANCIAL STATEMENTS (Continued)
財務報表附註(續)

31 March 2018 2018年3月31日

49. Statement of Financial Position of the Company 49. 公司財務狀況表

		31 March 2018 2018年 3月31日 HK\$'000 千港元	31 March 2017 2017年 3月31日 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產		
Property, plant and equipment	物業、廠房及設備	1,177	909
Investments in subsidiaries	於附屬公司的投資	3,246,958	3,246,958
Total non-current assets	非流動資產總額	3,248,135	3,247,867
CURRENT ASSETS	流動資產		
Due from subsidiaries	應收附屬公司款項	13,521,584	8,767,553
Prepayments, deposits and other receivables	預付款項、按金及 其他應收款項	514	514
Cash and cash equivalents	現金及現金等價物	631,113	2,429,336
Total current assets	流動資產總額	14,153,211	11,197,403
CURRENT LIABILITIES	流動負債		
Other payables, accruals and deposits received	其他應付款項、應計項目及 已收按金	144,184	133,337
Total current liabilities	流動負債總額	144,184	133,337
NET CURRENT ASSETS	流動資產淨值	14,009,027	11,064,066
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總額減流動負債	17,257,162	14,311,933
NON-CURRENT LIABILITIES	非流動負債		
Senior notes	優先票據	9,230,272	6,503,653
Total non-current liabilities	非流動負債總額	9,230,272	6,503,653
Net assets	資產淨值	8,026,890	7,808,280
EQUITY	權益		
Share capital	股本	7,060,973	7,054,362
Reserves (note)	其他儲備(附註)	965,917	753,918
Total equity	權益總額	8,026,890	7,808,280

CHENG CHUNG HING 鄭松興
Director 董事

SONG CHUAN 宋川
Director 董事

NOTES TO FINANCIAL STATEMENTS (Continued)
財務報表附註(續)

31 March 2018 2018年3月31日

49. Statement of Financial Position of the Company (Continued) 49. 公司財務狀況表(續)

Note:

A summary of the Company's reserves is as follows:

		Share option reserve 購股權儲備 HK\$'000 千港元	Retained profits 保留利潤 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2016	於2016年4月1日	140,818	888,212	1,029,030
Profit for the year	年內利潤	–	96,140	96,140
Equity-settled share option arrangement	以權益結算的購股權安排	30,612	–	30,612
Exercise of share options	行使購股權	(1,548)	–	(1,548)
Lapse of share options	購股權失效	(637)	637	–
Final 2016 dividend paid	已付2016末期股息	–	(400,316)	(400,316)
At 31 March 2017	於2017年3月31日	169,245	584,673	753,918

		Share option reserve 購股權儲備 HK\$'000 千港元	Retained profits 保留利潤 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 April 2017	於2017年4月1日	169,245	584,673	753,918
Profit for the year	年內利潤	–	571,264	571,264
Equity-settled share option arrangement	以權益結算的購股權安排	42,065	–	42,065
Exercise of share options	行使購股權	(1,014)	–	(1,014)
Lapse of share options	購股權失效	(7,501)	7,501	–
Final 2017 dividend paid	已付2017末期股息	–	(400,316)	(400,316)
At 31 March 2018	於2018年3月31日	202,795	763,122	965,917

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in note 2.4 to the financial statements. The amount will either be transferred to the share capital when the related options are exercised, or be transferred to retained profits should the related options expire.

附註：

公司之儲備變動詳情如下：

購股權儲備包含已授出但未行使之購股權的公平值，其會計政策已詳載於財務報表附註2.4內，當有關購股權被行使，此金額會轉入股本，或者當有關購股權失效，此金額會轉至保留利潤。

50. Approval of the Financial Statements

The financial statements were approved and authorized for issue by the Board of Directors on 28 June 2018.

50. 批核財務報表

董事會於2018年6月28日批准及授權刊發財務報表。



華廟城