

## 主席報告 CHAIRMAN'S STATEMENT

本人欣然呈列香港國際建設投資管理集團有限公司(「本公司」)連同其附屬公司(「本集團」)截至二零一七年十二月三十一日止年度之年報。回顧年內，本集團錄得本公司股東應佔溢利6,000,000港元，相等於每股0.003港元(截至二零一六年十二月三十一日止年度：134,000,000港元，相等於每股0.129港元(經重列))，而營業額為3,290,000,000港元(截至二零一六年十二月三十一日止期間：3,031,000,000港元)。本集團截至二零一七年十二月三十一日止年度之溢利較二零一六年四月一日至二零一六年十二月三十一日止期間減少，主要是由於(i)市場競爭激烈導致地基打樁業務之利潤率下降；及(ii)天津為中華人民共和國四大直轄市之一，而本集團在該一線城市可獲得更高利潤率，故瀋陽項目物業銷售之利潤率低於天津項目。

### 股息

本公司董事局(「董事局」)議決建議向於二零一八年五月三十一日名列本公司股東名冊之股東派付末期股息每股0.10港元(截至二零一六年十二月三十一日止期間：0.10港元)。截至二零一七年六月三十日止六個月並無宣派中期股息(截至二零一六年九月三十日止期間：無)。待股東在應屆股東週年大會上批准後，建議之末期股息將於二零一八年七月三十一日或之前支付。

I am pleased to present the annual report of Hong Kong International Construction Investment Management Group Co., Limited (the "Company") together with its subsidiaries (the "Group") for the year ended 31 December 2017. During the year under review, the Group achieved a profit attributable to equity holders of the Company of HK\$6 million, equivalent to HK\$0.003 per share (year ended 31 December 2016: HK\$134 million, equivalent to HK\$0.129 per share (restated)) while turnover was HK\$3,290 million (period ended 31 December 2016: HK\$3,031 million). The decrease in the profit of the Group for the year ended 31 December 2017 as compared to that for the period from 1 April 2016 to 31 December 2016 was mainly attributable to (i) a decrease in profit margin of foundation piling business due to intense market competition; and (ii) a lower profit margin of property sales in the Shenyang project than the Tianjin project, due to Tianjin is one of four direct-controlled municipalities of the People's Republic of China and thus the Group can obtain higher profit margin in this first tier city.

### DIVIDEND

The board of directors of the Company (the "Board") has resolved to recommend a final dividend payment of HK\$0.10 (period ended 31 December 2016: HK\$0.10) per share to shareholders whose names appear on the Company's register of members on 31 May 2018. No interim dividend was declared for the six months ended 30 June 2017 (period ended 30 September 2016: Nil). Subject to the shareholders' approval at the forthcoming annual general meeting, the proposed final dividend will be paid on or before 31 July 2018.

## 業務回顧

### 香港市場

#### 地基打樁

於回顧年內，本集團地基打樁分類之營業額為2,494,000,000港元，其純利貢獻(即分類業績及應佔管理層獎勵花紅)為147,000,000港元，而往期則為226,000,000港元。於回顧年內，地基打樁分類之息稅折舊攤銷前盈利為189,000,000港元，而往期則為268,000,000港元。該分類於回顧年內之整體息稅折舊攤銷前盈利利潤率為8%。本集團手頭之主要合約包括(其中包括)黃大仙、白田邨及粉嶺之公屋發展項目、將軍澳、觀塘、北角及白石角之私人住宅發展項目，以及黃竹坑、觀塘、白石角及元朗之商業發展項目。

#### 物業發展及投資

香港住宅物業市場仍然蓬勃，物業價格穩步向上。二零一七年，本集團於啟德一帶、新九龍內地地段第6563、6564號之土地，連同同區兩個工程總承包(「工程總承包」)工程、採購及建築項目、新九龍內地地段第6562、6565號之土地之住宅項目的發展及建造如期進行。本集團對啟德發展區的發展及建造項目充滿信心，並相信在未來年度可帶來穩定回報。

## BUSINESS REVIEW

### Hong Kong Market

#### Foundation Piling

During the year under review, turnover of the Group's foundation piling segment was HK\$2,494 million. Its contribution to net profit was HK\$147 million as compared to HK\$226 million, representing segment result and share of management incentive bonus, last period. During the year under review, EBITDA for the foundation piling segment was HK\$189 million as compared to HK\$268 million last period. The overall EBITDA margin for the segment was 8% for the year under review. The Group's major contracts on hand include, inter alia, the public housing developments in Wong Tai Sin, Pak Tin Estates and Fanling, private residential developments in Tseung Kwan O, Kwun Tong, North Point, Pak Shek Kok, and commercial developments in Wong Chuk Hang, Kwun Tong, Pak Shek Kok and Yuen Long.

#### Property Development and Investment

The Hong Kong residential market remained robust with a stable increase in property's prices. The development and construction of the residential projects of the Group in the Kai Tak area, New Kowloon Inland Lot No. 6563 and No. 6564, together with the two Engineering Procurement Construction ("EPC") projects in the same district, New Kowloon Inland Lot No. 6562 and No. 6565 progressed as scheduled in 2017. The Group remained confident with the development and construction projects in the Kai Tak Development Area and believed it would bring steady return in the coming years.

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### 中國市場

#### 泰欣嘉園

於回顧年內，本集團在上海之住宅項目泰欣嘉園確認收益8,000,000港元，而上一期間之收益則為30,000,000港元，純利貢獻為4,000,000港元(截至二零一六年十二月三十一日止期間：11,000,000港元)。於回顧年內，本集團亦就其於泰欣嘉園之投資物業錄得公平值盈利23,000,000港元(截至二零一六年十二月三十一日止期間：23,000,000港元)。

#### 泰悅豪庭

本集團在天津之住宅項目泰悅豪庭包括總樓面面積(「樓面面積」)約為75,000平方米之六幢大廈。於回顧年內，確認收益57,000,000港元，上一期間之收益則為569,000,000港元，而純利貢獻為15,000,000港元(截至二零一六年十二月三十一日止期間：305,000,000港元)。

#### 泰和龍庭

於回顧年內，本集團位於瀋陽皇姑區之物業發展項目確認收益666,000,000港元，上一期間之收益為286,000,000港元，而純利貢獻約為49,000,000港元(截至二零一六年十二月三十一日止期間：3,000,000港元)。於回顧年內，物業發展分類之息稅折舊攤銷前盈利為89,000,000港元，而往期則為330,000,000港元。回顧年內之整體息稅折舊攤銷前盈利利潤率為12%。

### PRC Market

#### *The Waterfront*

During the year under review, the Group's residential project in Shanghai, The Waterfront, recognized a revenue of HK\$8 million as compared to HK\$30 million last period and contribution to net profit of HK\$4 million (period ended 31 December 2016: HK\$11 million). During the year under review, the Group also recorded a fair value gain of its investment properties at The Waterfront of HK\$23 million (period ended 31 December 2016: HK\$23 million).

#### *The Riverside*

The Group's residential project in Tianjin, The Riverside, comprises 6 towers with a total gross floor area ("GFA") of about 75,000 sqm. During the year under review, a revenue of HK\$57 million was recognized as compared to HK\$569 million last period and contribution to net profit of HK\$15 million (period ended 31 December 2016: HK\$305 million).

#### *The Pinnacle*

During the year under review, the Group's property development project in Huanggu District in Shenyang recognized a revenue of HK\$666 million as compared to HK\$286 million last period and contribution to net profit was about HK\$49 million (period ended 31 December 2016: HK\$3 million). During the year under review, EBITDA for the property development and investment segment was HK\$89 million as compared to HK\$330 million last period. The overall EBITDA margin was 12% for the year under review.

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出售持有泰欣嘉園、泰悅豪庭及泰和龍庭之附屬公司

於二零一七年十一月十三日，剛毅投資有限公司、上海長寧頓肯房地產經紀有限公司、紅光投資有限公司及佳利威有限公司(各為本公司之全資附屬公司)，與海南海航首府投資有限公司(「海航首府投資」，為海航集團有限公司(「海航集團」)之附屬公司)訂立股權轉讓協議，以現金代價人民幣585,800,000元出售泰昇房地產(上海)有限公司(持有泰欣嘉園)之全部股權(「上海出售」)。

於二零一七年十一月十三日，本公司之全資附屬公司曜基有限公司與海南海航基礎設施投資集團股份有限公司(「海航基礎設施投資」，現稱海航基礎設施投資集團股份有限公司，為海航集團之附屬公司，其股份於上海證券交易所上市)訂立股權轉讓協議，以現金代價人民幣762,000,000元出售泰昇房地產(瀋陽)有限公司(持有泰和龍庭)之全部股權(「瀋陽出售」)。

於二零一七年十一月十三日，本公司之全資附屬公司興懋有限公司與海航首府投資訂立股權轉讓協議，以現金代價人民幣435,800,000元出售泰昇房地產開發(天津)有限公司(持有泰悅豪庭)之全部股權(「天津出售」)。

海航首府投資與海航基礎設施投資均為海航集團之附屬公司，海航集團為本公司控股股東HNA Finance I Co., Ltd. (「HNA Finance I」)之控股公司。

上海出售、瀋陽出售及天津出售預期於二零一八年上半年完成。上海出售、瀋陽出售及天津出售之詳細資料，分別載於本公司日期為二零一七年十一月十三日、二零一七年十二月四日及二零一七年十二月二十七日之公告及二零一七年十二月七日之通函內。

*Disposal of subsidiaries which are holding The Waterfront, The Riverside and The Pinnacle*

On 13 November 2017, Great Regent Investments Limited, Shanghai Changning Duncan Property Consulting Company Limited, Red Shine Investment Limited and Carriway Limited, each being a wholly-owned subsidiary of the Company, entered into an equity transfer agreement with Hainan HNA Shou Fu Investment Co., Ltd. ("HNA Shou Fu"), a subsidiary of HNA Group Co., Ltd. ("HNA Group"), for disposal of the entire equity interests in Tysan Land (Shanghai) Limited which is holding The Waterfront, at a cash consideration of RMB585.8 million (the "Shanghai Disposal").

On 13 November 2017, Sparkle Key Limited, a wholly-owned subsidiary of the Company, entered into an equity transfer agreement with Hainan HNA Infrastructure Investment Group Co., Ltd. ("HNA Infrastructure", now known as HNA Infrastructure Investment Group Co., Ltd.), a subsidiary of HNA Group, whose shares are listed on the Shanghai Stock Exchange, for the disposal of the entire equity interests in Tysan Land (Shenyang) Limited which is holding The Pinnacle, at a cash consideration of RMB762 million (the "Shenyang Disposal").

On 13 November 2017, Great Prosper Limited, a wholly-owned subsidiary of the Company, entered into an equity transfer agreement with HNA Shou Fu for disposal of the entire equity interests in Tysan Property Development (Tianjin) Co. Ltd. which is holding The Riverside, at a cash consideration of RMB435.8 million (the "Tianjin Disposal").

Both HNA Shou Fu and HNA Infrastructure are subsidiaries of HNA Group, which in turn is the holding company of HNA Finance I Co., Ltd. ("HNA Finance I"), the controlling shareholder of the Company.

The Shanghai Disposal, the Shenyang Disposal and the Tianjin Disposal are expected to be completed in the first half of 2018. Further details of the Shanghai Disposal, the Shenyang Disposal and the Tianjin Disposal are set out in the Company's announcements dated 13 November 2017, 4 December 2017 and 27 December 2017, and a circular dated 7 December 2017, respectively.

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### 不動產投資及資產管理

本集團不動產投資及資產管理業務始於二零一七年底推出兩項分別名為HKICIM Fund II, L.P.及HKICIM Fund III, L.P.之開曼群島投資基金(統稱「該等基金」)，於二零一七年十二月三十一日兩項基金管理之資產總值為9,851,000,000港元，總管理費約為6,443,000港元。

#### HKICIM Fund II, L.P.之成立

於二零一七年十月十三日，海實國際有限公司(「海實國際」，為海航實業集團有限公司之全資附屬公司，海航實業集團有限公司為本公司控股股東HNA Finance I之控股公司)、Benefit Developments Limited(「BDL」，本公司之全資附屬公司)及HKICIM (GP) II Limited(「HKICIM (GP) II」，本公司之全資附屬公司)就成立HKICIM Fund II, L.P.(「基金II」)訂立經修訂及重列之獲豁免有限合伙協議(「基金II合夥協議」)；並就BDL對基金II的出資承擔訂立認購協議(「基金II認購協議」)。根據基金II合夥協議及基金II認購協議，BDL及HKICIM (GP) II有條件同意向基金II合共注資約728,000,000港元，佔承擔基金規模約12.07%(「基金II認購」)。

根據基金II合夥協議，HKICIM (GP) II作為基金II之普通合夥人(「普通合夥人II」)，負責基金II之日常運作及管理工作，並將收取相當於基金II於各曆年十二月三十一日承諾注資總額1%的年度管理費，作為管理基金II事宜之報酬。年內，HKICIM (GP) II向基金II收取管理費約6,443,000港元。

### REAL ESTATE INVESTMENT AND ASSET MANAGEMENT

The Group's Real Estate Investment and Asset Management business was started in late 2017 with the launch of two Cayman Islands investment funds, namely HKICIM Fund II, L.P. and HKICIM Fund III, L.P. (collectively, the "Funds"), with a total asset under management of HK\$9,851 million and a total management fee of approximately HK\$6,443,000 was generated as of 31 December 2017.

#### Formation of HKICIM Fund II, L.P.

On 13 October 2017, a amended and restated exempted limited partnership agreement (the "Fund II Partnership Agreement") was entered into between Hisea International Co., Ltd. ("Hisea") (a wholly-owned subsidiary of HNA Holding Group Co., Ltd., which in turn is the holding company of HNA Finance I, the controlling shareholder of the Company), Benefit Developments Limited ("BDL") (a wholly-owned subsidiary of the Company) and HKICIM (GP) II Limited ("HKICIM (GP) II") (a wholly-owned subsidiary of the Company) in relation to the formation of HKICIM Fund II, L.P. ("Fund II") and a subscription agreement (the "Fund II Subscription Agreement") was entered into in relation to the capital commitment of BDL to Fund II. Pursuant to the Fund II Partnership Agreement and the Fund II Subscription Agreement, both BDL and HKICIM (GP) II have conditionally agreed to make a capital commitment in an aggregated amount of approximately HK\$728 million to Fund II, representing approximately 12.07% of the committed fund size (the "Fund II Subscription").

Pursuant to the Fund II Partnership Agreement, HKICIM (GP) II, as a general partner of Fund II ("General Partner II"), is responsible for the day-to-day operation and management of Fund II, and will receive an annual management fee equal to 1% of the aggregate capital commitments of Fund II as at 31 December of each calendar year as compensation for managing affairs of Fund II. During the year, HKICIM (GP) II received management fee of approximately HK\$6,443,000 from Fund II.

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基金II之用途主要為(i)投資於一塊稱為新九龍內地段第6565號之土地(「6565號地塊」)，以產生收益及獲得資本增值，(ii)管理、監管及出售該等投資，及(iii)根據普通合夥人II全權酌情下進行其他附帶或相關之活動。

基金II詳細資料載於本公司日期為二零一七年十月十三日、二零一七年十月十六日、二零一七年十一月三日及二零一七年十一月二十一日之公告以及二零一七年十一月四日之通函內。

### HKICIM Fund III, L.P. 之成立

於二零一七年十一月三十日，海實國際、Benefit Developments III Limited(「BDL III」，本公司之全資附屬公司)及HKICIM (GP) III Limited(「HKICIM (GP) III」，本公司之全資附屬公司)就成立HKICIM Fund III, L.P.(「基金III」)訂立經修訂及重列之獲豁免有限合夥協議(「基金III合夥協議」)；並就BDL III對基金III的出資承擔訂立認購協議(「基金III認購協議」)。根據基金III合夥協議及基金III認購協議，BDL III及HKICIM (GP) III有條件同意向基金III合共注資約633,160,000港元，佔承擔基金規模約16.57%(「基金III認購」)。

根據基金III合夥協議，HKICIM (GP) III作為基金III之普通合夥人(「普通合夥人III」)，負責基金III之日常運作及管理工作，並將收取相當於基金III於各曆年十二月三十一日承諾注資總額1%的年度管理費，作為管理基金III事宜之報酬。

基金III之用途主要為(i)投資於一塊稱為新九龍內地段第6562號之土地(「6562號地塊」)，以產生收益及獲得資本增值，(ii)管理、監管及出售該等投資，及(iii)根據普通合夥人III全權酌情下進行其他附帶或相關之活動。

基金III詳細資料載於本公司日期為二零一七年十一月三十日及二零一八年一月十一日之公告以及二零一七年十二月二十一日之通函內。

The purpose of Fund II is primarily to (i) invest in a piece of land parcel known as New Kowloon Inland Lot No. 6565 ("6565 Land Parcel"), with a view to generating income and capital appreciation, (ii) manage, supervise and dispose of such investments, and (iii) engage in such other activities incidental or ancillary thereto in the sole discretion of General Partner II.

Further details of Fund II are set out in the Company's announcements dated 13 October 2017, 16 October 2017, 3 November 2017 and 21 November 2017, and a circular dated 4 November 2017.

### Formation of HKICIM Fund III, L.P.

On 30 November 2017, an amended and restated exempted limited partnership agreement (the "Fund III Partnership Agreement") was entered into between Hisea, Benefit Developments III Limited ("BDL III") (a wholly-owned subsidiary of the Company) and HKICIM (GP) III Limited ("HKICIM (GP) III") (a wholly-owned subsidiary of the Company) in relation to the formation of HKICIM Fund III, L.P. ("Fund III") and a subscription agreement (the "Fund III Subscription Agreement") was entered into in relation to the capital commitment of BDL III to Fund III. Pursuant to the Fund III Partnership Agreement and the Fund III Subscription Agreement, both BDL III and HKICIM (GP) III have conditionally agreed to make a capital commitment in an aggregated amount of approximately HK\$633.16 million to Fund III, representing approximately 16.57% of the committed fund size (the "Fund III Subscription").

Pursuant to the Fund III Partnership Agreement, HKICIM (GP) III, as a general partner of Fund III ("General Partner III"), is responsible for the day-to-day operation and management of Fund III, and will receive an annual management fee equal to 1% of the aggregate capital commitments of Fund III as at 31 December of each calendar year as compensation for managing affairs of Fund III.

The purpose of Fund III is primarily to (i) invest in a piece of land parcel known as New Kowloon Inland Lot No. 6562 ("6562 Land Parcel"), with a view to generating income and capital appreciation, (ii) manage, supervise and dispose of such investments, and (iii) engage in such other activities incidental or ancillary thereto in the sole discretion of General Partner III.

Further details of Fund III are set out in the Company's announcements dated 30 November 2017 and 11 January 2018, and a circular dated 21 December 2017.

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### 透過該等基金出售 6565 號地塊及 6562 號地塊

於二零一八年二月十二日，該等基金就出售自各於 Sky Hero Developments Limited 及 Total Thrive Holdings Limited (該兩家公司透過中間控股公司分別持有 6562 號地塊及 6565 號地塊) 之全部股權，與 Easco Investment Limited 及 Shibo Investment Limited (兩者同為恒基兆業地產有限公司之全資附屬公司) 訂立獨立買賣協議，首次代價約為 15,959,410,000 港元。出售事項於二零一八年二月十四日完成。

本公司透過其全資附屬公司分別對基金 II 及基金 III 出資 12.07% 及 16.57%。根據該等基金各自之合夥協議，該等基金將於出售事項完成後隨即向其有限合夥人及普通合夥人分派所得現金淨額全額。截至本年報日期，該等基金已返還本集團資本總額 1,361,160,000 港元。

出售事項詳情載於本公司日期為二零一八年二月十二日之公告內。

於二零一八年二月十二日出售該等基金於 6565 號地塊及 6562 號地塊之間接權益後，將根據本集團於該等基金的權益作出本金及回報分派，而該等基金將予清盤。由於該等基金進行之出售較收購價獲得溢利，本集團預期在管理費收入之外可獲得正面投資回報。

### Disposal of 6565 Land Parcel and 6562 Land Parcel through the Funds

On 12 February 2018, the Funds entered into separate sale and purchase agreements in relation to the disposal of their respective entire equity interests in Sky Hero Developments Limited and Total Thrive Holdings Limited (which, through intermediate holding companies, hold the 6562 Land Parcel and 6565 Land Parcel respectively) with Easco Investment Limited and Shibo Investment Limited, wholly-owned subsidiaries of Henderson Land Development Company Limited at an initial consideration of approximately HK\$15,959,410,000. The disposals were completed on 14 February 2018.

The Company, through its wholly-owned subsidiaries, has contributed capital of 12.07% and 16.57% in Fund II and Fund III, respectively. Pursuant to the respective partnership agreements of the Funds, the Funds will distribute the full net cash proceeds from the disposals promptly after completion to the limited partners and general partner. Up to the date of this Annual Report, the Funds have returned to the Group the capital of an aggregate amount of HK\$1,361.16 million.

Further details of the disposals were set out in the Company's announcement dated 12 February 2018.

Following the disposals of the Funds' indirect interests in 6565 Land Parcel and 6562 Land Parcel on 12 February 2018, distribution of principals and returns will be made according to the Group's interests in the Funds, and the Funds will be liquidated. As the disposals by the Funds were made at a premium to the acquisition costs, the Group is expected to have a positive investment return in addition to the management fee income.

## 集資活動

## 供股

於二零一七年，本公司透過購入新九龍內地段第6563號及新九龍內地段第6564號之土地多元化其業務，將業務擴展至包括更多香港大型物業投資及發展。收購上述地塊的資金來自本集團的內部資源、銀行貸款以及向本公司控股股東HNA Finance I作股東借貸。鑑於公司的融資需求，董事局考慮了多種籌資方案。本公司進行了供股（「供股」）。根據供股，本公司按於二零一七年五月二十六日每股已發行現有股份獲發兩股供股股份的基準，以認購價每股供股股份4.08港元發行2,268,331,806股供股股份。供股所得款項淨額約9,250,000,000港元中，約6,931,000,000港元用以抵銷本公司於二零一七年六月供股完成時欠HNA Finance I的等值款項，約958,000,000港元用於償還本集團截至本年報日期之銀行貸款，而約1,361,000,000港元用於投資該等基金。供股之詳情載於本公司日期為二零一七年三月二十八日、二零一七年四月二十七日及二零一七年六月十九日之公佈，以及日期為二零一七年四月二十九日之通函及日期為二零一七年五月二十九日之供股章程內。

## 中期票據計劃

於二零一七年年間，Silverbell Asia Limited（「發行人」，為本公司之全資附屬公司）根據其於二零一七年四月七日成立之本金總額最高為1,000,000,000美元之有擔保中期票據計劃（「中期票據計劃」），向專業投資者發行本金總額305,000,000港元之有擔保票據（「有擔保票據」）。有擔保票據的固定年息票率為7%，每半年派息一次，到期日為二零二零年七月二十六日。根據中期票據計劃，發行人可不時發行擔保票據，擔保票據由本公司無條件及不可撤回地擔保。

擔保票據所得款項總額已用於本集團的一般公司用途。

## FUND RAISING ACTIVITIES

*Rights Issue*

In 2017, the Company has diversified its business operations and expanded its business to include more substantive property investment and development in Hong Kong through its acquisition of two parcels of land, New Kowloon Inland Lot no. 6563 and New Kowloon Inland Lot no. 6564. The acquisitions of the said land parcels had been financed by the Group's internal resources, by bank borrowings as well as by way of shareholder's loans from HNA Finance I, the Company's controlling shareholder. In view of the Company's financing needs, the Board has considered various fund raising options. The Company has proceeded with the rights issue (the "Rights Issue"). Pursuant to the Rights Issue, the Company issued 2,268,331,806 rights shares at the subscription price of HK\$4.08 per rights share based on two rights shares for every one existing share in issue on 26 May 2017. Out of the net proceeds of HK\$9,250 million raised, about HK\$6,931 million was used to set off against the amount due from the Company to HNA Finance I on a dollar-to-dollar basis upon the completion of the Rights Issue in June 2017, about HK\$958 million was used to repay the Group's bank loans up to the date of this Annual Report and about HK\$1,361 million was used to invest in the Funds. For details of the Rights Issue, please refer to the Company's announcements dated 28 March 2017, 27 April 2017 and 19 June 2017, the circular dated 29 April 2017 and the prospectus dated 29 May 2017.

*Medium Term Note Programme*

During the year of 2017, Silverbell Asia Limited (the "Issuer"), a wholly-owned subsidiary of the Company, has issued guaranteed notes to professional investors with an aggregate principal amount of HK\$305,000,000 (the "Guaranteed Notes") under the US\$1,000,000,000 medium term note programme (the "MTN Programme") established by the Issuer on 7 April 2017. The Guaranteed Notes bear fixed interest rate at 7% per annum payable semi-annually in arrears and will mature on 26 July 2020. Under the MTN Programme, the Issuer may from time to time issue the Guaranteed Notes which are unconditionally and irrevocably guaranteed by the Company.

The gross proceeds from the Guaranteed Notes have been used for general corporate purposes of the Group.



## 主席報告 CHAIRMAN'S STATEMENT

### 法定股本之增加

於二零一七年五月十八日，本公司透過額外增加4,000,000,000股普通股，將其法定股本由200,000,000港元(分為2,000,000,000股每股面值0.10港元之普通股)增至600,000,000港元(分為6,000,000,000股每股面值0.10港元之普通股)。

### 前景

公司將繼續以創造股東價值最大化為核心目標，在繼續鞏固發展已有核心業務的同時，大力拓展不動產投資和資產管理業務，實現公司發展轉型，在風險及收益方面保持平衡，實現公司長遠發展目標。在具體業務的發展策略方面：

### 地基打樁及建築業務

就地基打樁及建築業務而言，由於市場參與者增加以及可供選擇項目減少，預期短期內競爭仍屬激烈。鑒於勞工短缺、營運成本上升及競爭加劇等市場因素，整體利潤率會受到負面影響，影響到本集團地基打樁之分類業績。預期此趨勢將影響本集團截至二零一八年十二月三十一日止財政年度之表現。

繼續鞏固發展地基打樁業務，在持續保持港澳市場行業龍頭地位的同時，進一步提升公司在行業內的影響力，為公司長遠發展做出貢獻。

### 物業發展及投資

地產業務方面，持續提升地產開發業務的效益水準，拓展地產開發產品，結合宏觀調控環境，尋找以粵港澳大灣區以及一帶一路重點地區的地產開發業務機會，著力發展工程總承包業務，以輕資產重品牌的模式，引進合資格投資者資金共同參與物業開發業務。

### *Increase of Authorised Share Capital*

On 18 May 2017, the Company increased the authorised share capital of the Company from HK\$200 million divided into 2,000,000,000 ordinary shares of par value of HK\$0.10 each to HK\$600 million divided into 6,000,000,000 ordinary shares of par value of HK\$0.10 each by the creation of an additional 4,000,000,000 ordinary shares.

### PROSPECTS

The Company will continue to pursue the core objective of creating maximized value for shareholders. While continuing to consolidate the development of existing principal businesses, we will dedicate strong efforts to expand the real estate investment and asset management business, in order to realize the transformational development of the Company, and to strike a balance between risk and revenue to achieve the long-term development objective of the Company. The development strategies of the Group are set out below:

### *Foundation piling and construction*

Regarding the foundation piling and construction business, competition is expected to remain keen in the near future due to the growing number of market players and reduced available projects. Profit margins as a whole have been negatively affected given market factors such as labour shortages, rising operating costs and intensification of competition, causing an impact on segment results for the foundation piling business of the Group. This trend is expected to affect the Group's performance for the financial year ending 31 December 2018.

We will continue to reinforce development in the foundation piling business. While constantly maintaining our industry leading position in the Hong Kong and Macau markets, we will further enhance the influence of the Company in the industry and contribute to the long-term development of the Company.

### *Property Development and Investment*

In relation to property development business, we will continue to enhance the efficiency level, seeking different mix of our property development portfolio, to go along with the macro environment, focus on the property development opportunities in the Guangdong-Hong Kong-Macau Greater Bay Area and the key areas of The Belt and Road Initiative, channel our efforts to develop the EPC business, and adopt the light asset and heavy branding model to attract capital from qualified investors for joint participation in the property development business.

## 主席報告 CHAIRMAN'S STATEMENT

### 不動產投資及資產管理

大力拓展不動產投資和資產管理業務，重點尋求物流倉儲、商業等領域的投資機會，以構建現金流穩定且具升值潛力的不動產資產組合，實現公司發展轉型。

### 財務回顧

本集團繼續採取審慎理財政策，維持穩健資本結構與現金流量充沛。於二零一七年十二月三十一日，本集團持有現金約2,369,000,000港元(二零一六年十二月三十一日：1,858,000,000港元)，而資產總值及資產淨值(經扣除非控股股東權益後)分別約為19,769,000,000港元(二零一六年十二月三十一日：5,527,000,000港元)及12,218,000,000港元(二零一六年十二月三十一日：2,949,000,000港元)。於二零一七年十二月三十一日，本集團之流動資產淨值為12,432,000,000港元(二零一六年十二月三十一日：2,830,000,000港元)。於二零一七年十二月三十一日，本集團之淨負債結餘及淨負債權益(包括非控股股東權益)比率分別為3,806,000,000港元及31%，而於二零一六年十二月三十一日，本集團錄得淨現金結餘1,383,000,000港元。與履約保證書擔保有關之或然負債由二零一六年十二月三十一日之344,000,000港元減至二零一七年十二月三十一日之256,000,000港元，而為買家按揭貸款作出之擔保為22,000,000港元(二零一六年十二月三十一日：42,000,000港元)。本集團賬面值約13,376,000,000港元之若干資產已予質押作為本集團取得若干銀行融資之保證。本集團之銀行借款主要以港元計值。貨幣風險已獲監控，並將在必要時考慮遠期合約。

### Real Estate Investment and Asset Management

We will dedicate efforts to expand the real estate investment and asset management business, and focus on seeking investment opportunities in the areas of, inter alia, logistics, warehousing and commerce to create a real estate portfolio with stable cash flow and value appreciation potential to realize the transformational development of the Company.

### FINANCIAL REVIEW

The Group continues to adopt a prudent financial policy and sustain a sound capital structure with healthy cashflow. As at 31 December 2017, the Group's cash on hand was approximately HK\$2,369 million (31 December 2016: HK\$1,858 million) while total assets and net assets (after deducting non-controlling interests) were approximately HK\$19,769 million (31 December 2016: HK\$5,527 million) and HK\$12,218 million (31 December 2016: HK\$2,949 million), respectively. As at 31 December 2017, the Group's net current assets amounted to HK\$12,432 million (31 December 2016: HK\$2,830 million). As at 31 December 2017, the Group's net debt balance and net debt to equity (including non-controlling interests) ratio were HK\$3,806 million and 31% respectively, while the Group recorded a net cash balance of HK\$1,383 million as at 31 December 2016. Contingent liabilities in relation to guarantees of performance bonds decreased from HK\$344 million as at 31 December 2016 to HK\$256 million as at 31 December 2017 while guarantees for end user mortgage loans amounted to HK\$22 million (31 December 2016: HK\$42 million). Certain of the Group's assets with an aggregate carrying amount of approximately HK\$13,376 million have been pledged to secure certain banking facilities of the Group. The Group's bank borrowings were primarily denominated in Hong Kong dollars. Currency exposure has been monitored and forward contracts will be considered as required.

## 主席報告 CHAIRMAN'S STATEMENT

### 聘用及薪酬政策

於二零一七年十二月三十一日，本集團(包括其位於香港、澳門及中國之附屬公司)合共聘用約1,051名僱員。本集團之薪酬政策主要根據現行市場薪金水平及各公司及有關僱員之表現而釐定。本集團亦提供其他福利，包括公積金、醫療保險及培訓等。此外，僱員亦可根據本集團經批准之購股權計劃條款獲授購股權。

### 致謝

本人謹代表董事局，對全體員工在年內竭誠服務、努力不懈及盡心貢獻致以衷心感謝，並感謝全體股東對本集團之支持。

代表董事局

黃琪璠  
主席

香港  
二零一八年三月二十三日

### EMPLOYMENT AND REMUNERATION POLICIES

The Group, including its subsidiaries in Hong Kong, Macau and the PRC, employed approximately 1,051 employees as at 31 December 2017. The Group's remuneration policies are primarily based on prevailing market salary levels and the performance of the respective companies and individuals concerned. Fringe benefits include provident fund, medical insurance and training. In addition, share options may also be granted in accordance with the terms of the Group's approved share option scheme.

### APPRECIATION

On behalf of the Board, I would also like to express my sincere gratitude to all our staff for their dedication, hard work and contribution during the year and to thank all our shareholders for their support.

On behalf of the Board

HUANG Qijun  
Chairman

Hong Kong  
23 March 2018