Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

LOGAN
龙光地产

Logan Property Holdings Company Limited
龍光地產控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 3380)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2017

2017 RESULTS HIGHLIGHTS

- Contracted sales increased by 51.2% to RMB43,420.6 million.
- Revenue increased by 34.8% to RMB27,689.7 million.
- Gross profit amounted to RMB9,517.2 million, representing an increase of 45.1%; gross profit margin was 34.4%.
- Net profit was RMB7,008.5 million, representing an increase of 34.8%.
- Profit attributable to the equity shareholders of the Company was RMB6,527.4 million, representing an increase of 45.4%.
- Core profit (excluding changes in fair value of investment properties and derivative financial instruments and the relevant deferred tax and share of changes in fair value of investment properties at an associate) amounted to RMB4,620.0 million, representing an increase of 48.7%; core profit margin was 16.7%.
- Basic earnings per share was RMB117.03 cents (equivalent to HK140.00 cents), representing an increase of 44.4%.
- The Board recommends the payment of a final dividend of HK17 cents per share and a special dividend of HK2 cents per share for the year ended 31 December 2017, together with an interim dividend of HK19 cents per share and a special dividend of HK3 cents per share for first-half of 2017, will amount to a total dividend of HK41 cents per share for 2017. The total dividend accounted for approximately 40% of the core profit attributable to the equity shareholders of the Company.
- Net debt-to-equity ratio was 67.9%, cash and bank balances (including restricted and pledged deposits) were RMB22,408.0 million as at 31 December 2017.

ANNUAL RESULTS

The board of directors (the "**Board**") of Logan Property Holdings Company Limited (the "**Company**") is pleased to announce the consolidated results of the Company and its subsidiaries (the "**Group**" or "**Logan Property**") for the year ended 31 December 2017 together with the comparative figures for the year ended 31 December 2016 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2017

	Notes	**2017** **RMB'000**	2016 *RMB'000*
REVENUE	*4*	**27,689,658**	20,538,838
Cost of sales		**(18,172,475)**	(13,979,010)
Gross profit		**9,517,183**	6,559,828
Other income and gains	*4*	**696,303**	423,523
Other expenses	*5*	**(10,056)**	(196,327)
Selling and marketing expenses		**(928,729)**	(714,249)
Administrative expenses		**(748,045)**	(556,700)
Net increase in fair value of investment properties		**2,942,276**	2,681,903
Net (decrease)/increase in fair value of derivative financial instruments		**(113,214)**	81,720
Share of profits of associates		**278,497**	31,723
Share of losses of joint ventures		**(73,097)**	(6,137)
PROFIT FROM OPERATIONS		**11,561,118**	8,305,284
Finance costs	*6*	**(672,154)**	(371,850)
PROFIT BEFORE TAX	*7*	**10,888,964**	7,933,434
Income tax expense	*8*	**(3,880,514)**	(2,733,551)
PROFIT FOR THE YEAR		**7,008,450**	5,199,883
Attributable to:			
Owners of the parent		**6,527,400**	4,487,736
Non-controlling interests		**481,050**	712,147
		7,008,450	5,199,883
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT *(RMB cents)*	*10*		
Basic		**117.03**	81.06
Diluted		**115.39**	80.82

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2017

	2017	2016
	RMB'000	*RMB'000*
PROFIT FOR THE YEAR	**7,008,450**	5,199,883
OTHER COMPREHENSIVE INCOME FOR THE YEAR (after tax and reclassification adjustments)		
Item that may be reclassified subsequently to profit and loss:		
Exchange differences on translation of financial statements of group entities	**80,000**	(75,234)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**7,088,450**	5,124,649
Attributable to:		
Owners of the parent	**6,607,400**	4,412,502
Non-controlling interests	**481,050**	712,147
	7,088,450	5,124,649

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 December 2017

	Notes	**2017** **RMB'000**	2016 RMB'000
NON-CURRENT ASSETS			
Investment properties		**15,664,830**	11,890,879
Other property, plant and equipment		**147,867**	184,317
Deferred tax assets		**330,206**	273,500
Investments in associates		**2,653,386**	3,019,480
Investments in joint ventures		**9,261,913**	12,384,833
Restricted and pledged deposits		**218,102**	227,304
Total non-current assets		**28,276,304**	27,980,313
CURRENT ASSETS			
Inventories		**38,457,739**	40,197,099
Trade and other receivables and prepayments	*11*	**20,448,286**	2,943,357
Tax recoverable		**753,256**	810,941
Assets under cross-border guarantee arrangements	*13*	**1,745,380**	—
Restricted and pledged deposits		**2,311,691**	1,010,172
Cash and cash equivalents		**19,878,192**	13,559,827
Total current assets		**83,594,544**	58,521,396
CURRENT LIABILITIES			
Trade and other payables	*12*	**37,275,788**	23,919,327
Liabilities under cross-border guarantee arrangements	*13*	**1,745,380**	—
Bank and other loans		**5,597,885**	3,370,501
Senior notes		**2,965,541**	1,747,637
Other current liabilities	*14*	**7,000,000**	—
Tax payable		**2,709,162**	2,017,405
Total current liabilities		**57,293,756**	31,054,870
NET CURRENT ASSETS		**26,300,788**	27,466,526
TOTAL ASSETS LESS CURRENT LIABILITIES		**54,577,092**	55,446,839

	Notes	**2017** *RMB'000*	2016 *RMB'000*
NON-CURRENT LIABILITIES			
Bank and other loans		**14,191,435**	11,707,510
Senior notes		**5,924,103**	3,960,889
Corporate bonds	*14*	**5,162,449**	12,400,000
Deferred tax liabilities		**2,135,296**	1,627,094
Total non-current liabilities		**27,413,283**	29,695,493
Net assets		**27,163,809**	25,751,346
EQUITY			
Equity attributable to owners of the parent			
Share capital		**433,828**	434,591
Perpetual capital securities		**2,363,346**	—
Reserves		**20,509,047**	18,992,258
		23,306,221	19,426,849
Non-controlling interests		**3,857,588**	6,324,497
Total equity		**27,163,809**	25,751,346

NOTES TO FINANCIAL STATEMENTS

31 December 2017

1. GENERAL INFORMATION

Logan Property Holdings Company Limited is incorporated in the Cayman Islands as an exempted company with limited liability. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company and its subsidiaries were principally engaged in property development, property investment and construction in the People's Republic of China (the "**PRC**") during the year.

In the opinion of the directors, the ultimate controlling party of the Company is Ms. Kei Perenna Hoi Ting, who is a non-executive director of the Company.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

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 disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and derivative financial instruments which have been measured at fair value.

These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand ("**RMB'000**") except when otherwise indicated.

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKAS 7	*Disclosure Initiative*
Amendments to HKAS 12	*Recognition of Deferred Tax Assets for Unrealised Losses*
Amendments to HKFRS 12 included in *Annual Improvements to HKFRSs 2014 – 2016 Cycle*	*Disclosure of Interests in Other Entities: Clarification of the Scope of HKFRS 12*

Other than as explained below regarding the impact of HKAS 7, the adoption of the above revised standards has had no significant financial effect on these financial statements.

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.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

(a) the property development segment develops and sells residential properties and retail shops;

(b) the property leasing segment leases office units and retail shops to generate rental income and to gain from the appreciation in the properties' values in the long term; and

(c) the construction contracts segment constructs office premises and residential buildings for external customers and for group companies.

Reportable segment information

	Property development *RMB'000*	Property leasing *RMB'000*	Construction contracts *RMB'000*	Total *RMB'000*
For the year ended 31 December 2017				
Gross revenue from external customers	26,951,179	87,843	966,373	28,005,395
Less: Business tax and other sales related taxes	(309,102)	(4,460)	(2,175)	(315,737)
Net revenue from external customers	26,642,077	83,383	964,198	27,689,658
Inter-segment revenue	—	24,241	4,844,974	4,869,215
Reportable segment revenue	26,642,077	107,624	5,809,172	32,558,873
Reportable segment profit	8,083,576	93,283	932,552	9,109,411
Interest income				
— Cash at banks	31,311	2,146	2,537	35,994
Finance costs	(78,480)	—	(79,917)	(158,397)
Depreciation	(11,852)	(2,837)	—	(14,689)
Net increase in fair value of investment properties	—	2,942,276	—	2,942,276

	Property development RMB'000	Property leasing RMB'000	Construction contracts RMB'000	Total RMB'000
For the year ended 31 December 2016				
Gross revenue from external customers	21,104,999	83,932	212,105	21,401,036
Less: Business tax and other sales related taxes	(859,737)	(1,962)	(499)	(862,198)
Net revenue from external customers	20,245,262	81,970	211,606	20,538,838
Inter-segment revenue	—	11,023	4,197,558	4,208,581
Reportable segment revenue	20,245,262	92,993	4,409,164	24,747,419
Reportable segment profit	5,533,957	64,064	614,488	6,212,509
Interest income				
— Cash at banks	37,345	493	18,528	56,366
— Amounts due from an associate and joint ventures	—	—	13,501	13,501
Finance costs	(19,725)	—	(20,422)	(40,147)
Depreciation	(5,595)	(3,433)	(4)	(9,032)
Net increase in fair value of investment properties	—	2,681,903	—	2,681,903

Information about a major customer

During the years ended 31 December 2017 and 2016, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

Reconciliation of reportable segment revenue and profit or loss

	2017	2016
	RMB'000	*RMB'000*
Revenue		
Reportable segment revenue	**32,558,873**	24,747,419
Elimination of inter-segment revenue	**(4,869,215)**	(4,208,581)
Consolidated revenue	**27,689,658**	20,538,838
Profit		
Reportable segment profit	**9,109,411**	6,212,509
Elimination of inter-segment profits	**(865,450)**	(631,645)
Reportable segment profit derived from Group's external customers	**8,243,961**	5,580,864
Other income and gains	**696,303**	423,523
Other expenses	**(10,056)**	(196,327)
Depreciation	**(64,421)**	(37,265)
Finance costs	**(672,154)**	(371,850)
Share of profits of associates	**278,497**	31,723
Share of losses of joint ventures	**(73,097)**	(6,137)
Net increase in fair value of investment properties	**2,942,276**	2,681,903
Net (decrease)/increase in fair value of derivative financial instruments	**(113,214)**	81,720
Unallocated head office and corporate expenses	**(339,131)**	(254,720)
Consolidated profit before tax	**10,888,964**	7,933,434

Geographic information

No geographic information has been presented as the Group's operating activities are largely carried out in the PRC.

4. REVENUE, OTHER INCOME AND GAINS

Revenue represents income from the sale of properties, rental income and construction income earned during the year, before deduction of business tax and other sales related taxes.

An analysis of the Group's revenue, other income and gains is as follows:

	2017	2016
	RMB'000	*RMB'000*
Revenue		
Sale of properties*	**26,951,179**	21,104,999
Rental income	**87,843**	83,932
Construction income	**966,373**	212,105
	28,005,395	21,401,036
Less: Business tax and other sales related taxes	**(315,737)**	(862,198)
	27,689,658	20,538,838
Other income and gains		
Bank interest income	**102,863**	133,881
Interest income on amounts due from associates and joint ventures	**478,934**	256,787
Forfeiture income on deposits received	**13,309**	18,374
Government subsidies	**8,735**	5,927
Gain on disposal of subsidiaries, net	**36,128**	—
Foreign exchange differences, net	**21,374**	—
Others	**34,960**	8,554
	696,303	423,523

* The invoiced amount billed to buyers of properties was RMB28,503,441,000 (2016: RMB21,400,469,000) including value-added tax of RMB1,552,262,000 (2016: RMB295,470,000).

5. OTHER EXPENSES

	2017	2016
	RMB'000	*RMB'000*
Charitable donations	**4,072**	125,533
Foreign exchange differences, net	**—**	70,928
Net loss/(gain) on disposal of items of other property, plant and equipment	**65**	(181)
Gain on disposal of subsidiaries, net	**—**	(878)
Others	**5,919**	925
	10,056	196,327

6. FINANCE COSTS

An analysis of finance costs is as follows:

	2017	2016
	RMB'000	*RMB'000*
Interest on bank and other loans and other borrowing costs	**1,246,238**	903,430
Interest on senior notes	**680,162**	532,329
Interest on corporate bonds	**615,117**	482,294
	2,541,517	1,918,053
Less: Interest capitalised	**(1,869,363)**	(1,546,203)
	672,154	371,850

7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2017	2016
	RMB'000	*RMB'000*
Cost of properties sold	**17,329,719**	13,812,693
Cost of services provided	**842,756**	165,814
Depreciation	**67,105**	50,087
Less: Amount capitalised	**(2,684)**	(12,822)
	64,421	37,265
Minimum lease payments under operating leases for land and buildings	**15,486**	10,805
Auditor's remuneration	**6,800**	4,180
Employee benefit expenses (including directors' remuneration):		
Salaries and other staff costs	**1,142,211**	615,645
Equity-settled share option expense	**14,237**	23,731
Pension scheme contributions	**57,418**	38,682
Less: Amount capitalised	**(471,897)**	(260,183)
	741,969	417,875
Net foreign exchange differences, net	**(21,374)**	70,928
Gain on disposal of subsidiaries, net	**(36,128)**	(878)
Net loss/(gain) on disposal of items of other property, plant and equipment	**65**	(181)

8. INCOME TAX

	2017	2016
	RMB'000	*RMB'000*
Current charge for the year:		
PRC Corporate Income Tax (the "CIT")	**1,910,435**	1,212,341
PRC Land Appreciation Tax (the "LAT")	**1,454,355**	971,606
Under provision/(overprovision) in prior years, net:		
PRC CIT	**64,228**	(21,459)
	3,429,018	2,162,488
Deferred	**451,496**	571,063
Total tax charge for the year	**3,880,514**	2,733,551

9. DIVIDENDS

	2017	2016
	RMB'000	*RMB'000*
Interim and special dividends — HK19 cents and HK3 cents respectively (2016: Nil) per ordinary share	**1,010,458**	—
Proposed final and special dividends — HK17 cents and HK2 cents respectively (2016: HK22 cents and HK3 cents) per ordinary share	**842,076**	1,148,248
	1,852,534	1,148,248

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to owners of the parent, adjusted for the distribution related to perpetual capital securities, and the weighted average number of ordinary shares of 5,495,128,000 (2016: 5,536,242,000) in issue during the year.

The calculation of the diluted earnings per share amounts is based on the profit for the year attributable to owners of the parent, adjusted for the distribution related to perpetual capital securities. 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 of all the dilutive potential ordinary shares into ordinary shares.

The calculations of the basic and diluted earnings per share are based on:

	2017	2016
	RMB'000	*RMB'000*
Earnings		
Profit attributable to owners of the parent	**6,527,400**	4,487,736
Distribution related to perpetual capital securities	**(96,503)**	—
Profit used in the basic and diluted earnings per share calculations	**6,430,897**	4,487,736

	Number of shares	
	2017	2016
	'000	*'000*
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	**5,495,128**	5,536,242
Effect of dilution — weighted average number of ordinary shares:		
Share options	**77,848**	16,834
Weighted average number of ordinary shares in issue during the year used in the diluted earnings per share calculation	**5,572,976**	5,553,076

11. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

		2017	2016
	Notes	***RMB'000***	*RMB'000*
Trade receivables	(i)	**486,042**	129,292
Prepayments and other receivables		**3,929,825**	1,742,443
Land deposits	(ii)	**1,230,892**	725,620
Amounts due from related companies	(iii)	**130,751**	140,944
Amount due from a non-controlling shareholder	(iii)	**—**	14
Amounts due from associates	(iv)	**3,606,723**	14,320
Amounts due from joint ventures	(iv)	**11,045,375**	55,563
Derivative financial instruments:			
Senior notes redemption call options		**18,678**	135,161
		20,448,286	2,943,357

Notes:

(i) The Group's trade receivables arise from the sales of properties, leasing of investment properties and provision of construction services.

Consideration in respect of properties is payable by the purchasers in accordance with the terms of the related sale and purchase agreements. The Group normally requires its customers to make payment of monthly/quarterly charges in advance in relation to the leasing of investment properties and provision of construction services.

Since the Group's trade receivables are related to a number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. All trade receivables are non-interest-bearing.

An aging analysis of the trade receivables as at the end of the reporting period, based on the revenue recognition date and invoice date, is as follows:

	2017	2016
	RMB'000	*RMB'000*
Current to 30 days	**317,566**	94,272
31 days to 90 days	**800**	149
91 to 180 days	**138,454**	5,064
181 to 365 days	**27,990**	11,272
Over 365 days	**1,232**	18,535
	486,042	129,292

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of diversified customers with no recent history of default and have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

(ii) The amount represented deposits for the acquisition of land.

(iii) The amounts due from related companies and a non-controlling shareholder are unsecured, interest-free and repayable on demand.

(iv) The amounts due from associates and joint ventures are unsecured, interest-free and repayable on demand.

12. TRADE AND OTHER PAYABLES

	Notes	2017 RMB'000	2016 RMB'000
Trade payables	(i)	**7,304,745**	4,675,389
Other payables and accrued charges	(ii)	**2,904,694**	1,241,533
Customer deposits received		**68,421**	12,368
Rental and other deposits received		**86,563**	99,511
Receipts in advance	(iii)	**19,614,745**	16,049,478
Proceeds from asset-backed securities	(iv)	**1,570,128**	—
Amounts due to related companies	(v)	**7,401**	497,488
Amounts due to joint ventures	(vi)	**5,719,091**	1,343,560
		37,275,788	23,919,327

Notes:

(i) An aging analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2017 RMB'000	2016 RMB'000
Current to 30 days	**2,385,566**	2,866,163
31 to 90 days	**757,914**	269,849
91 to 180 days	**383,827**	391,516
181 to 365 days	**2,435,913**	392,494
Over 365 days	**1,341,525**	755,367
	7,304,745	4,675,389

The trade payables are non-interest-bearing.

(ii) Other payables are non-interest-bearing and are expected to be settled within one year.

(iii) Receipts in advance represent sales proceeds received from buyers in connection with the Group's pre-sales of properties.

(iv) The balance represented proceeds received from specific purpose entity ("SPE") set up by a financial institution in the PRC for issuance of asset-backed securities, to which the Group has transferred the right of receipt of the remaining sale proceeds of certain properties to be delivered by the Group. Under an assignment arrangement between the Group and the SPE, as and when the Group receives the sale proceeds from customers, the Group would remit any cash flows it collects on behalf of the SPE.

(v) The amounts due to related companies are unsecured, interest-free and repayable on demand.

(vi) The amounts due to joint ventures are unsecured, interest-free and repayable on demand.

13. ASSETS AND LIABILITIES UNDER CROSS-BORDER GUARANTEE ARRANGEMENTS

In 2017, the Group entered into some cross-border guarantee arrangements with certain financial institutions, whereby certain onshore funding (i.e. in the PRC) has been used as a pledge against advances to offshore (i.e. in Hong Kong) for the Group's general working capital.

Pursuant to these arrangements which are made in compliance with the relevant rules and regulations promulgated by the State Administration of Foreign Exchange, the Group's subsidiaries in the PRC deposited funds in the relevant financial institutions, which in turn advanced the same amount of funds to the Group's subsidiaries in Hong Kong. The net cost of such arrangements is 0.47% per annum of the total funds advanced.

	2017	2016
	RMB'000	*RMB'000*
Assets under cross-border guarantee arrangements	**1,745,380**	—
Liabilities under cross-border guarantee arrangements	**1,745,380**	—

14. CORPORATE BONDS

	2017	2016
	RMB'000	*RMB'000*
Corporate bonds due in 2019	**3,262,449**	3,500,000
Corporate bonds due in 2020	**4,500,000**	4,500,000
Corporate bonds due in 2021	**4,400,000**	4,400,000
	12,162,449	12,400,000
Portion classified as current liabilities	**(7,000,000)**	—
Non-current liabilities	**5,162,449**	12,400,000

Notes:

(i) On 19 August 2015 and 27 August 2015 respectively, Shenzhen Logan Holdings Co., Ltd. ("Shenzhen Logan"), a company established in the PRC and a wholly-owned subsidiary of the Company, issued domestic corporate bonds on the Shanghai Stock Exchange. The coupon rates of the first and second tranche with a principal amount of RMB4,000,000,000 and RMB1,000,000,000 were fixed at 5% per annum and 4.77% per annum respectively. The terms of the first and second tranche of corporate bonds were 5 years and 4 years. At the end of third year and second year, Shenzhen Logan shall be entitled to adjust the coupon rate of first and second tranche of corporate bonds respectively and the bond holders shall be entitled to sell back the bonds to Shenzhen Logan. On 28 August 2017, Shenzhen Logan had adjusted the coupon rate of second tranche of corporate bonds from 4.77% per annum to 5.35% per annum and the second tranche of corporate bonds with an aggregate principal amount of RMB237,551,000 was sold back to Shenzhen Logan. The first tranche of the corporate bonds with a principal amount of RMB4,000,000,000 is classified as a current liability as at 31 December 2017.

(ii) On 13 January 2016 and 16 May 2016 respectively, Shenzhen Logan issued non-public domestic corporate bonds on Shanghai Stock Exchange. The coupon rates of the first and second tranche with a principal amount of RMB2,500,000,000 and RMB500,000,000 were fixed at 5.8% per annum and 5.2% per annum respectively. The terms of the first and second tranche of corporate bonds were 3 years and 4 years. At the end of second year, Shenzhen Logan shall be entitled to adjust the coupon rate of first and second tranche of corporate bonds respectively and the bond holders shall be entitled to sell back the bonds to Shenzhen Logan.

The first tranche with a principal amount of RMB2,500,000,000 is classified as a current liability as at 31 December 2017. Subsequent to the end of the reporting period, in January 2018, the coupon rate of the first tranche is adjusted to 6.88% per annum; the first tranche with a principal amount of RMB10,000,000 were sold back to Shenzhen Logan; and the corporate bonds with a remaining principal amount of RMB2,490,000,000 are due in 2019.

The second tranche of the corporate bonds with a principal amount of RMB500,000,000 is classified as a current liability as at 31 December 2017.

(iii) On 25 July 2016, Shenzhen Logan issued non-public domestic corporate bonds on Shenzhen Stock Exchange. The coupon rate of the domestic corporate bonds with a principal amount of RMB3,000,000,000 was 5.15% per annum. The terms of the domestic corporate bonds were 5 years. At the end of third year, Shenzhen Logan shall be entitled to adjust the coupon rate of domestic corporate bonds and bond holders shall be entitled to sell back the bonds to Shenzhen Logan.

(iv) On 21 October 2016, Shenzhen Logan issued domestic corporate bonds on the Shenzhen Stock Exchange. The coupon rate of the domestic corporate bonds with a principal amount of RMB1,400,000,000 was 3.4% per annum. The terms of the domestic corporate bonds were 5 years. At the end of third year, Shenzhen Logan shall be entitled to adjust the coupon rate of domestic corporate bonds and bond holders shall be entitled to sell back the bonds to Shenzhen Logan.

15. EVENT AFTER THE REPORTING PERIOD

On 7 March 2018, the Company issued senior notes with a principal amount of US$250,000,000 due in 2021. The senior notes are interest bearing at 6.375% per annum. The maturity date of the senior notes is 7 March 2021. At any time and from time to time before the maturity date, the Company may at its option redeem the senior notes, at a pre-determined redemption price.

CHAIRMAN STATEMENT

Dear shareholders,

On behalf of the Board of the Company (the "Board"), I hereby present the annual results of the Group for the financial year ended 31 December 2017.

Introduction

Over the past year, the Group still maintained a high quality of development momentum under the situation that the Central Government has taken differentiated measures on the real estate policy. For the year ended 31 December 2017, the Group achieved a contract sales of approximately RMB43.42 billion, representing an increase of approximately 51.2% as compared with last year, which exceeded the increased sales target of the Group for the year. The GFA of contracted sales of 2,426,000 sq.m. with an average contracted selling price of RMB17,096. During the year, the Group's revenue amounted to RMB27,689.7 million, representing an increase of approximately 34.8% as compared with last year, while gross profit amounted to RMB9,517.2 million, representing an increase of 45.1%. In addition, the gross profit margin was 34.4%, representing an increase of 2.5 percentage points as compared with that of last year. Profit attributable to equity shareholders amounted to RMB6,527.4 million, representing a significant increase of approximately 45.4% as compared with last year. Core profit amounted to approximately RMB4,620.0 million, representing a significant increase of approximately 48.7% as compared with last year. Core profit margin was 16.7%, representing a further year-on-year increase of 1.6 percentage points. In terms of profitability, the Group continued to beat the industry level.

During the year under review, Logan Property continued to be highly recognized by industry players and the capital market due to its prospective layout in the Guangdong-Hong Kong-Macao Greater Bay Area (the "Greater Bay Area"), rapid and healthy performance growth, better-than-peer profitability and outstanding brand value. During the year under review, in terms of honors and awards, the Group was selected as the China Top 100 Real Estate Developers (中國房地產百強企業) jointly announced by Enterprise Research Institute of Development Research Center of the State Council (國務院發展研究中心企業研究所), The Institute of Real Estate Studies of Tsinghua University (清華大學地產研究所) and China Index Academy (中國指數研究院) for the seventh consecutive year, with its ranking moving up from 32nd in 2016 to 29th in 2017. The Group also ranked the 4th in the "Top 10 Real Estate Enterprises by Profitability in 2017". In addition, Logan Property was also awarded the "2017 China Property Award of Supreme Excellence" (「優質中國房地產企業大獎 2017」) issued by the organizing committee of China Property Award of Supreme Excellence (優質中國房地產企業大獎籌委會) and the two prizes of the "Most Valuable Domestic Real Estate Stock Company" (最具價值內房股公司) and the "Management Listing Company with the Best Market Capitalization" (最佳市值管理上市公司) in the "2016 Golden Hong Kong Shares Section" (2016金港股評選) jointly organized by Zhitongcaijing (智通財經)

and Hithink Flush (同花順), and obtained the golden prize of the "2017 Treasury Enterprise Awards" organized by The Asset (one of the most influential financial magazines in Asia) for the first time. For the capital market, by virtue of its attractive investment value, Logan Property was successively included in the research by a number of renowned banks and securities dealers such as Citibank, Deutsche Bank AG, Morgan Stanley, HSBC, CMB International, Essence International, Goldman Sachs Gao Hua, DBS Vickers, BOCOM International, Haitong International and unanimously ranked as "buy" for investment ranking by the above institutions. Meanwhile, Logan Property was included in the FTSE Shariah Global Equity Index Series in September 2017. The healthy financial indicators of Logan Property was recognized by rating agencies, as Shenzhen Logan Holdings Co., Ltd. (深圳市龍光控股有限公司), the principal domestic operating subsidiary of the Group, was upgraded to the highest "AAA" credit rating by United Credit Rating Co., Ltd and China Cheng Xin Securities Credit Rating Co., Ltd., renowned domestic rating agencies.

MARKET REVIEW

In 2017, China's economy has grown steadily with GDP growth reaching 6.9%. The Central Government adhered to the principle of steady progress, adopted new development concepts, and pushed forward the supply-side structural reform. As for the property market in 2017, according to the data published by the National Bureau of Statistics, the accumulative saleable GFA of commodity houses and the accumulative saleable amounts amounted to 1,694.08 million sq.m. and RMB13,370.1 billion, respectively, representing a year-on-year increase of approximately 7.7% and approximately 13.7%, respectively. Therefore, our sales volume reached a new high. Large property developers with sales of over RMB10 billion increased significantly in number, according to the monitoring statistics by the China Index Academy, a total of 144 property developers reached sales of RMB10 billion in 2017, representing an increase of 13 enterprises compared with that of 2016 and accounting for a market share of more than 60%. As a result, industrial concentration increased at an accelerated pace. The housing policies followed the guideline of "Housing Should Be for Living In, Not for Speculation" with the features of the "different policies for different cities" and the categorized regulation. While encouraging home purchases for self-occupation, the government paid more attention to curbing the demands in investment and speculation, and efforts were intensified to strengthen financial regulation, so as to prevent the bubble risks and the excessive fluctuation in the popular cities. Under the effective housing regulation, the overall market remained stable, while the transaction price tended to stabilize, creating a good condition for the long-term development of the industry.

As for the development of the Greater Bay Area, the Central Government mentioned the concept of "the Guangdong-Hong Kong-Macao Greater Bay Area" for the first time in the Report on the Work of the Central Government at the beginning of the year. As a result, the development of the Greater Bay Area integrated into the national strategic planning. In 2017, the aggregate economic value of the Greater Bay Area exceeded RMB 10 trillion, accounting for approximately 12% of the gross domestic product. Its aggregate economic value outpaced that of San Francisco Bay Area, and approaches the level of the Tokyo Bay Area and the New York Bay Area, with its import and export volumes three time as much as that of the Tokyo Bay Area. In terms of regional container throughput, the Greater Bay Area is 4.5 times as many as the sum of the top three bay areas in the world. The future development trend of the Greater Bay Area was determined at the macrocosmic level with a specific framework. It is expected that a pipeline of projects will be implemented in line with the introduction and implementation of the planning documents in the future.

BUSINESS REVIEW

During the year under review, the Group continued to benefit from the policies rolled out for the Greater Bay Area. As a highly recognized pioneering brand that always focuses on its development in the Greater Bay Area, Logan Property accumulated extensive sales experience in Shenzhen with an accurate understanding of the local market. Last year, the Group launched various projects, such as Logan • Carat Complex, Masterpiece and Logan • Acesite Park, along the metro line, were well received by the market, which was evidenced by our outstanding sales performance. According to the statistics available on www.szhome.com, by the number of completed transactions, the Group ranked first in Shenzhen with 4,416 completed transactions. In addition, Logan Property strategically established its business footprint in other key cities in the Greater Bay Area, particularly cities that have enormous development potential and strong sales, including Zhuhai, Foshan, Huizhou, and Zhongshan. As the railway transportation system is expected to extend in the future, the market demand will expand beyond the core areas, in which case, the Group will definitely become the leading property developer in Greater Bay Area.

Logan Property accurately gauged different cycles of the property market at home and abroad, and increased our premier land bank through diverse channels. As of 31 December 2017, the Group's land bank had a total gross floor area over 27.43 million sq.m. Furthermore, we continue to have various merger projects and city upgrade projects in the pipeline. It is expected that these projects in the next few years will transform into our land bank. During the year, Logan Property prudently looked to overseas property markets. Following our collaboration with KWG Property on investing in Ap Lei Chau in February 2017, the Group also strategically secured two projects along the metro lines in Queenstown and Hougang, Singapore, respectively.

The Group believes that prudent financial strategies will not only build confidence of the shareholders and investors, but also will lay a stronger foundation for the long-term development of the Group. To this end, the Group will constantly commit itself to improving its debt structure and lowering financing costs. During the first half of 2017, Logan Property issued two tranches of senior notes with an aggregate principle amount of US$650 million bearing comparatively low coupon rates of 5.75% and 5.25%, respectively. In June and December, the 2019 due senior notes with a principal amount of US$ 300 million bearing a coupon interest rate of 11.25%, as well as the 2017 due senior notes with a principal amount of US$ 250 million bearing a coupon interest rate of 9.75%, was redeemed. As of 31 December 2017, the Group had cash and bank balances (including restricted and pledged deposits) of approximately RMB 22.41 billion, and the net debt-to-equity ratio of approximately 67.9% decreased by 3.5 percentage points as compared to 2016. The average weighted borrowing interest rate of the Group was 5.8% (2016: 6.1%). In the future, the Group will continue to explore and diversify financing channels at lower costs so that various financial indicators will head towards a healthier and more reasonable level.

PROSPECTS

In 2018, stablized growth of economy is still the main keynote of future development with the direction of positive financial policies remaining unchanged. Meanwhile, China's economy has shifted from fast growth to quality growth, and the supply-side structural reform will remain as the keynote in the future. Furthermore, opening-up reforms will be accelerated, while the development of real economy will be advanced. On the other hand, the housing policies continue to focus on the theme of "Housing Should Be for Living In, Not for Speculation", and therefore the government will expedite an effective mechanism to regulate the property market in a long run, which ensures supply from multiple sources, provides housing support through multiple channels, and encourages both home purchases and rentals. This mechanism will aim to stabilize the property market and prevent risks from the property bubble. Therefore, it is anticipated that the entire property market will continue its stable growth.

As Premier Li Keqiang pointed out in his Report on the Work of the Central Government delivered at the NPC, the development plan for the Greater Bay Area will be introduced and implemented in the near future for the purposes of advancing full-scale collaboration between Mainland China, Hong Kong and Macau for mutual benefits. The Greater Bay Area was included in the Report on the Work of the Central Government for a second time, and therefore it is expected that the development of the Greater Bay Area will commence the stages of concrete planning, implementation, and construction, and further development details will be laid out along with the relevant timetable and roadmap for the Greater Bay Area. Six major working policies, including faster infrastructure development, greater efforts to enhance market integration, and wider-range participation in the "Belt and Road" initiative, will be carried out and enable the Greater Bay Area to join the first-rate bay areas and city clusters across the globe. The Group believes that the development of the Greater Bay Area will further strengthen the industrial cluster effects, build a greater talent pool, attract more capital, and amass ample resources, as a result of which, the asset appreciation within the area will continue in the long run.

By constantly consolidating its business network in the Greater Bay Area, as well as utilizing its visionary strategies and extensive experience in the Greater Bay Area, the Group will enjoy a high penetration rate in major cities in the Greater Bay Area and thus benefit from the property policies. By targeting attributable contract sales of RMB 66 billion in 2018, the Group will fully strive to achieve quality growth at a faster pace by maintaining an annual growth of over 50% for two consecutive years. With ample sellable resources on hand, the Group anticipates that its valuation of sellable resources will exceed RMB 130 billion, 65% of which will take place in the Greater Bay Area, as it is anticipated that more than 30 new projects located in Zhuhai, Huizhou, Foshan, Shantou, and other cities will be launched to the market. Therefore, the Group is confident in achieving the annual sales target. The Group will fully seize the opportunities arising from the fast development of the Greater Bay Area to accommodate the market demand for property ownership in the region, which in return will help the Group secure more market shares and achieve fast growth in both business scale and profitability.

As the industrial integration will accelerate in the next three years with a fast increase in the market concentration, massive corporate merger and acquisition activities will take place in the real estate industry, during which more opportunities of public tendering, auction and listing will emerge in the land market. By utilizing our years of operation experience in the real estate industry, the Group will continue to gauge land acquisition opportunities in the Greater Bay Area, East Guangdong region and West Guangdong region in the future, and acquire more premier land bank through various channels. Furthermore, the Group will secure more land with a higher return rate at the lowest cost, and expedite its sales.

In the future, the Group will continue to enhance product competitiveness in our projects. By upholding the tenet that quality builds a brand, the Group will incessantly strengthen the Group's market competitiveness and penetration. The Group will also adjust its sales and development strategies in a timely manner in response to the supply and demand of the market, so as to improve the brand image of Logan Property and consolidate its leading position in the industry.

ACKNOWLEDGMENTS

On behalf of the Board, I hereby express my heartfelt gratitude to all shareholders, investors, partners, customers, and community for their support and trust. In the past year, thanks to the guidance given from the management of the Company, together with the efforts and contributions from all staff, the Group succeeded stable development. In the future, the Company will continue to seek improvement and strive to create a higher return for all of its shareholders.

Kei Hoi Pang
Chairman

Hong Kong

22 March 2018

MANAGEMENT DISCUSSION AND ANALYSIS

Performance Highlights

	2017	2016	Changes per year
	RMB'000	*RMB'000*	*%*
Revenue	**27,689,658**	20,538,838	34.8%
Among which: Sales of properties			
— Income from properties delivered	**26,642,077**	20,245,262	31.6%
— GFA[1] of properties delivered *(sq.m.)*	**2,293,611**	1,859,412	23.4%
— ASP[1] of properties delivered *(RMB)*	**11,093**	10,810	2.6%
Rental income	**83,383**	81,970	1.7%
Construction income	**964,198**	211,606	355.7%
Gross profit	**9,517,183**	6,559,828	45.1%
Profit for the year			
— Attributable to equity shareholders	**6,527,400**	4,487,736	45.4%
— Attributable to non-controlling shareholders	**481,050**	712,147	-32.5%
Core profit[(1)]			
— Attributable to equity shareholders	**4,628,372**	3,056,915	51.4%
— Attributable to non-controlling shareholders	**(8,384)**	49,821	—
Total assets	**111,870,848**	86,501,709	29.3%
Cash and bank balances (including cash and cash equivalents and restricted and pledged deposits)	**22,407,985**	14,797,303	51.4%
Total bank and other borrowings[2]	**40,841,413**	33,186,537	23.1%
Total equity	**27,163,809**	25,751,346	5.5%
Total equity attributable to equity shareholders	**23,306,221**	19,426,849	20.0%
Key financial ratios			
Gross profit margin[(2)]	**34.4%**	31.9%	
Core profit margin[(3)]	**16.7%**	15.1%	
Net debt-to-equity ratio[(4)]	**67.9%**	71.4%	
Liability to asset ratio[(5)]	**75.7%**	70.2%	

Notes: 1. Excluding the car parking portion

2. Including bank and other loans, senior notes and corporate bonds

(1) Core profit: excluding changes in fair value of investment properties and derivatives and deferred tax and share of changes in fair value of investment properties at an associate.

(2) Gross profit margin: Gross profit ÷ Revenue × 100%

(3) Core profit margin: Core profit ÷ Revenue × 100%

(4) Net debt-to-equity ratio: (Total bank and other borrowings — cash and cash equivalents — restricted and pledged deposits) ÷ total equity × 100%

(5) Liability to asset ratio: Total liabilities ÷ Total assets × 100%

Property Development

Contract Sales

In 2017, the Company continued to focus on the Guangdong-Hong Kong-Macao Greater Bay Area (the "**Greater Bay Area**") as its core development strategy. Projects in Shenzhen Region contributed RMB17.43 billion for the year, while the other regions in the Greater Bay Area contributed RMB9.19 billion. For the year 2018, the Company will launch more projects with high gross profit margins in the Shenzhen Region, including Logan • Carat Complex and Logan City, while other projects to be launched will concentrate on other regions of the Greater Bay Area.

During the year ended 31 December 2017, the Group recorded contracted sales of approximately RMB43,420.6 million, representing an increase of approximately 51.2% as compared with RMB28,716.0 million in 2016. Shenzhen Region, other regions of the Greater Bay Area, Shantou Region, Nanning Region and other regions accounted for approximately 40.1%, 21.2%, 20.7%, 16.5% and 1.5% of the Group's contracted sales in 2017, respectively.

	Summary of contracted sales in 2017				
	Amount	**Percentage**	**GFA[1]**	**Percentage**	**ASP[1]**
	(RMB million)		*(sq.m.)*		*(RMB per sq.m.)*
Shenzhen region	17,433	40.1%	389,705	16.1%	44,733
Other regions of the Greater Bay Area	9,185	21.2%	548,267	22.6%	15,554
Shantou region	8,980	20.7%	626,318	25.8%	12,867
Nanning region	7,179	16.5%	801,506	33.0%	8,547
Other regions	644	1.5%	60,190	2.5%	10,066
Total	43,421	100%	2,425,986	100.0%	17,096

1. Excluding the car parking portion

Revenue from sales of properties

During the year ended 31 December 2017, revenue from sales of properties amounted to approximately RMB26,642.1 million, representing an increase of approximately 31.6% as compared with RMB20,245.3 million in 2016, and accounted for approximately 96.2% of the Group's total revenue. GFA delivered (excluding car parking spaces) increased by approximately 23.4% to 2,293,611 sq.m. during the year 2017 from 1,859,412 sq.m. for the year 2016.

Shenzhen Region, other regions of the Greater Bay Area, Shantou Region, Nanning Region and other regions contributed to the Group's revenue from sales of properties of 2017, accounting for approximately 39.3%, 11.0%, 32.7%, 10.6% and 6.4%, respectively.

	2017				
	Amount	**Percentage**	**GFA[1]**	**Percentage**	**ASP[1]**
	(RMB million)		*(sq.m.)*		*(RMB per sq.m.)*
Shenzhen region	10,595	39.3%	590,938	25.8%	17,841
Other regions of the Greater Bay Area	2,961	11.0%	285,937	12.4%	9,077
Shantou region	8,819	32.7%	757,269	33.0%	10,454
Nanning region	2,848	10.6%	446,631	19.5%	6,043
Other regions	1,728	6.4%	212,836	9.3%	7,932
Total	26,951	100%	2,293,611	100%	11,093
Less: Business tax and sales related taxes	309				
Revenue from sales of properties	26,642				

1. Excluding the car parking portion

Newly developed projects

As at 31 December 2017, the Group commenced construction of a total of 27 projects or new project phases, with a total planned GFA of approximately 5,698,230 sq.m.

Developing projects

As at 31 December 2017, the Group had a total of 34 projects or project phases under construction, with a total GFA of approximately 7,943,401 sq.m.

Land reserves

In 2017, the Group acquired 21 new projects through public tendering, auction and listing with a total GFA of 5,698,290 sq.m.

As at 31 December 2017, the total GFA of the land reserve of the Group amounted to approximately 27,430,447 sq.m. of which land reserve of 17,310,329 sq.m. was acquired through public tendering, auction and listing. The average cost of land reserve was RMB4,086 per sq.m. Excluding projects in Hongkong and Singapore, an average cost of land reserve was RMB3,231 per sq.m.

Property Investments

Rental income

As at 31 December 2017, the rental income of the Group amounted to RMB83.4 million, representing an increase of approximately 1.7%, and accounted for approximately 0.3% of the Group's total revenue.

Investment properties

As at 31 December 2017, the Group had 28 investment properties with a total GFA of approximately 484,157 sq.m. As for this investment property portfolio, 23 investment properties with a total GFA of approximately 238,184 sq.m. were completed, while the remaining five projects are still under development.

Financial Review

(I) Revenue

Revenue of the Group for the year ended 31 December 2017 increased to RMB27,689.7 million by approximately RMB7,150.8 million, or approximately 34.8%, as compared with 2016, primarily due to an increase of RMB6,396.8 million in revenue from sales of properties. Revenue from sales of properties, income from the leasing business and income from the construction business for the year ended 31 December 2017 amounted to approximately RMB26,642.1 million, RMB83.4 million and RMB964.2 million (2016: approximately RMB20,245.3 million, RMB82.0 million and RMB211.6 million, respectively), respectively.

Details of the revenue from sales of properties by project are as follows:

Project name	2017 Area[1] (sq.m.)	2017 Amount[2] (RMB'000)	2016 Area[1] (sq.m.)	2016 Amount[2] (RMB'000)
Logan City (龍光城)	**481,660**	**6,778,817**	143,479	1,635,772
Huizhou Sky Palace (惠州天悦龍庭)	**948**	**11,971**	6,018	42,892
Huizhou Grand Riverside Bay (惠州水悦龍灣)	**1,590**	**49,191**	16,981	140,408
Shantou Seaward Sunshine (汕頭尚海陽光)	**36,993**	**548,553**	29,959	367,643
Shantou Sunshine Castle (汕頭陽光華府)	**—**	**—**	—	408
Shantou Flying Dragon Garden (汕頭龍騰熙園)	**—**	**400**	—	5,674
Shantou Logan Flying Dragon Landscape (汕頭龍騰嘉園)	**76,145**	**619,284**	295,500	1,838,713
Shantou Royal Sea Sunshine (汕頭御海陽光)	**233,127**	**3,037,060**	252,468	2,513,094
Shantou Royal & Seaward Jubilee Garden (汕頭禦海禧園)	**223,359**	**1,958,204**	—	—
Shantou Royal & Seaward Heaven Garden (汕頭禦海天禧花園)	**131,478**	**2,065,052**	—	—
Shantou Sea & Sunshine (汕頭碧海陽光)	**56,167**	**590,196**	—	—
Foshan Grand Riverside Bay (佛山水悦龍灣)	**59,017**	**508,466**	109,837	757,659
Foshan Joy Palace (佛山君悦龍庭)	**12,377**	**104,043**	24,373	259,404
Foshan Sky Lake Castle (佛山天湖華府)	**67,254**	**1,031,439**	—	—
Foshan Grand Joy Castle (佛山君悦華府)	**1,442**	**19,848**	1,417	61,343
Foshan Shin Street Building (佛山尚街大廈)	**2,749**	**37,715**	19,495	226,950
Foshan Grand Garden (佛山水悦熙園)	**140,994**	**1,151,559**	48,631	333,531
Zhongshan Ocean Grange (中山海悦熙園)	**—**	**—**	907	12,499
Zhongshan Grand Garden (中山水悦熙園)	**—**	**8,471**	4,153	47,608
Zhongshan Grasse Vieille Ville (中山海悦城邦)	**81**	**828**	—	—
Zhongshan Ocean Vista Residence (中山海悦華庭)	**239**	**8,939**	3,588	80,262
Zhuhai Easy Life (珠海海悦雲天)	**—**	**2,993**	—	1,818
Zhongshan Grand Joy Garden (中山水悦馨園)	**148**	**33,821**	145,610	927,587
Dongguan Imperial Summit Sky Villa (東莞君御旗峰)	**—**	**14,399**	11,182	136,114
Dongguan Royal Castle (東莞君御華府)	**—**	**10,969**	288	5,477

Project name	**2017** Area[1] (sq.m.)	**2017** Amount[2] (RMB'000)	2016 Area[1] (sq.m.)	2016 Amount[2] (RMB'000)
Guangzhou Palm Waterfront (廣州棕櫚水岸)	**1,637**	**39,502**	7,733	160,546
Guangzhou Landscape Residence (廣州峰景華庭)	**—**	**13,162**	2,201	25,966
Shenzhen Masterpiece (深圳玖雲著)	**94,194**	**2,672,341**	—	—
Acesite Mansion (深圳玖龍璽)	**12,546**	**1,057,523**	116,392	7,554,276
Nanning Provence (南寧普羅旺斯)	**56,439**	**483,809**	95,504	751,377
Nanning Grand Riverside Bay (南寧水悦龍灣)	**614**	**21,536**	7,189	82,621
Nanning Royal Castle (南寧君御華府)	**2,531**	**53,687**	55,146	606,789
Nanning Joy Residence (南寧君悦華庭)	**—**	**8,122**	135,133	871,253
Nanning Sunshine Royal Lake (南寧禦湖陽光)	**130,514**	**1,065,587**	—	—
Fangchenggang Sunshine Seaward (防城港陽光海岸)	**189,713**	**848,787**	145,185	623,803
Chengdu Sky Palace (成都天悦龍庭)	**72**	**18,994**	880	35,545
Chengdu Joy Residence (成都君悦華庭)	**126,594**	**868,493**	76,714	403,264
Guilin Provence (桂林普羅旺斯)	**66,819**	**366,139**	80,168	398,840
Haikou Sea and City (海南海雲天)	**86,170**	**841,279**	23,281	195,863
Total	**2,293,611**	**26,951,179**	1,859,412	21,104,999
Less: Business tax and sales related taxes		**309,102**		859,737
Revenue from sales of properties		**26,642,077**		20,245,262

Notes: 1. Excluding the GFA attributable to the car parking spaces.

2. Including revenue from sales of car parking spaces, but before deduction of business tax and other sales related taxes.

(II) Cost of sales

The cost of sales of the Group for the year ended 31 December 2017 increased to RMB18,172.5 million by approximately RMB4,193.5 million, or approximately 30.0%, as compared with 2016, primarily due to the increase in cost of sales from sales of properties resulting from an increase in the area of delivered properties and the expansion of business scale. Key components of costs are as follows:

	2017 *RMB'000*	2016 *RMB'000*	Changes per year *%*
Costs	**18,172,475**	13,979,010	30.0%
— Costs of sales of properties	**17,329,719**	13,812,693	25.5%
— Costs of construction business and rental business	**842,756**	166,317	406.7%

(III) Selling and marketing expenses and administrative expenses

The selling and marketing expenses of the Group for the year ended 31 December 2017 amounted to approximately RMB928.7 million (2016: RMB714.2 million). As the Group further increased its property marketing efforts in response to the challenging market environment in 2017, the selling and marketing expenses had increased by approximately 30.0% as compared with 2016.

The administrative expenses of the Group for 2017 amounted to approximately RMB748.0 million (2016: RMB556.7 million), representing an increase of approximately 34.4% as compared with 2016, which was mainly attributable to an increase in the labor costs.

(IV) Profit from operations

The profit from operations of the Group for 2017 amounted to approximately RMB11,561.1 million (2016: RMB8,305.3 million), representing an increase of approximately 39.2% over the corresponding period. As the revenue and other income and gains of the Group increased by approximately RMB7,423.6 million as compared with 2016, the relevant cost of sales, selling and marketing expenses and administrative expenses increased by approximately RMB4,599.3 million as compared with 2016, whereas other expenses, net gain in the fair value of investment properties and changes in the fair value of derivative financial instruments, and share of profits of associates and joint ventures increased by approximately RMB431.5 million as compared with 2016. As a result, the profit from operations of the Group increased by approximately RMB3,255.8 million as compared with 2016.

(V) Net finance costs

The net finance costs of the Group for 2017 increased to approximately RMB672.2 million (2016: RMB371.9 million), primarily due to the increase in loans and senior notes.

(VI) Tax

Taxes of the Group for the year ended 31 December 2017 included CIT and LAT. Taking into account the impact of the relevant changes in deferred tax, the net CIT and LAT amounted to approximately RMB2,426.1 million and RMB1,454.4 million, respectively (2016: approximately RMB1,762.0 million and RMB971.6 million).

(VII) Core Profit

The Core Profit of the Group for the year ended 31 December 2017 amounted to approximately RMB4,620.0 million, representing an increase of approximately RMB1,513.3 million as compared with 2016. The Core Profit margin of the Group for the year ended 31 December 2017 was approximately 16.7% (2016: approximately 15.1%), representing an increase of approximately 1.6 percentage points as compared with 2016.

(VIII) Liquidity and financial resources

As at 31 December 2017, total assets of the Group amounted to approximately RMB111,870.8 million (31 December 2016: RMB86,501.7 million), of which current assets amounted to approximately RMB83,594.5 million (31 December 2016: RMB58,521.4 million). Total liabilities amounted to approximately RMB84,707.0 million (31 December 2016: RMB60,750.4 million), of which non-current liabilities amounted to approximately RMB27,413.3 million (31 December 2016: RMB29,695.5 million). Total equity amounted to approximately RMB27,163.8 million (31 December 2016: RMB25,751.3 million).

As at 31 December 2017, the Group had cash and bank balances (including restricted and pledged deposits) of approximately RMB22,408.0 million (31 December 2016: RMB14,797.3 million) and total borrowings of approximately RMB40,841.4 million (31 December 2016: RMB33,186.5 million). As at 31 December 2017, total net borrowings of the Group amounted to approximately RMB18,433.4 million (31 December 2016: RMB18,389.2 million), the net debt-to-equity ratio of the Group was 67.9% (31 December 2016: 71.4%).

(IX) Financing activities

In 2017, the Group successfully issued four senior notes with aggregate principal of US$1,106,000,000. The first tranche of senior notes amounted to US$200,000,000, with a coupon rate of 5.75% and a maturity date on 3 January 2022. The second tranche of senior notes amounted to US$450,000,000, with a coupon rate of 5.25% and a maturity date on 23 February 2023. The third tranche of senior notes amounted to US$256,000,000, with a coupon rate of 5.125% and a maturity date on 2 November 2018. The fourth tranche of senior notes amounted to US$200,000,000, with a coupon rate of 5.375% and a maturity date on 3 December 2018.

(X) Foreign Exchange Exposure

The Group's businesses are principally conducted in Renminbi. Other than the bank deposits denominated in foreign currencies, bank borrowings and the senior notes denominated in US dollar and HK dollar, the Group does not have any material exposure directly due to foreign exchange fluctuations. The Group has not entered into any material forward exchange contract to hedge its exposure to foreign exchange risk. The Group will continue to monitor foreign exchange changes to best preserve the Group's cash value.

(XI) Employees and Remuneration Policy

As at 31 December 2017, the Group had approximately 2,618 employees (2016: 2,350). Compensation for the employees includes basic wages, variable wages, bonuses and other staff benefits. The remuneration policy of the Group is to provide remuneration packages, including basic salary, short term bonuses and long term rewards such as options, so as to attract and retain top quality staff. The remuneration committee of the Company reviews such packages annually, or when occasion requires.

The Company has also adopted 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. Further details in relation to the Share Option Scheme will be set out in the Company's annual report for the year ended 31 December 2017, which will be published on or before end of April 2018.

DIVIDEND

The Board recommends the payment of a final dividend of HK17 cents per share and a special dividend of HK2 cents per share for the year ended 31 December 2017 (2016: a final dividend of HK22 cents per share and a special dividend of HK3 cents per share), subject to the approval by shareholders at the forthcoming annual general meeting of the Company to be held on Wednesday, 20 June 2018 (the "**AGM**"). The final dividend, if approved by the Company's shareholders at the AGM, will be paid in cash on Thursday, 19 July 2018 to the shareholders whose names appear on the register of members of the Company on Friday, 29 June 2018.

ANNUAL GENERAL MEETING

The AGM will be held at PLAZA Room, Regus Conference Centre, 35/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Wednesday, 20 June 2018 at 4:00 p.m..

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed for the following periods:

(a) To ascertain the shareholders' entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Thursday, 14 June 2018 to Wednesday, 20 June 2018, both days inclusive. In order to qualify for attending and voting at the AGM, all transfer documents should be lodged for registration with Company's Hong Kong branch share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 13 June 2018.

(b) To ascertain the shareholders' entitlement to the proposed final dividend, the register of members of the Company will be closed from Wednesday, 27 June 2018 to Friday, 29 June 2018, both days inclusive. In order to qualify for the proposed final dividend, all transfer documents should be lodged for registration with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Tuesday, 26 June 2018.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

Save as disclosed below, the Company has applied the principles and complied with all the 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 Stock Exchange of Hong Kong Limited (the "**HKEx**") throughout the year 2017.

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. During the year ended 31 December 2017, the functions of chairman and chief executive officer of the Company ("**CEO**") were performed by Mr. Kei Hoi Pang, an executive director of the Company, who is also the founder of the Company. In order to enhance the Company's corporate governance practices and enable the Company to better comply with the code provision in the CG Code, Mr. Kei resigned from the position as CEO and Mr. Ji Jiande, an executive director of the Company, has been appointed as CEO with effect from 29 January 2018.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive directors, namely Dr. Liu Ka Ying, Rebecca, Mr. Zhang Huaqiao and Mr. Cai Suisheng. The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing, risk management, internal control and financial reporting matters including the review of the 2017 annual results announcement and the consolidated financial statements for the year ended 31 December 2017.

SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2017 as set out in the preliminary announcement have been agreed by the Group's auditors, Ernst & Young ("**EY**"), to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by EY in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by EY on the preliminary announcement.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following is an extract of the independent auditor's report on the Group's consolidated financial statements for the year ended 31 December 2017. The report includes an emphasis of matter, without modification.

"Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2017, 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 disclosure requirements of the Hong Kong Companies Ordinance.

Emphasis of matter

Without modifying our opinion, we draw attention that the predecessor auditor expressed a qualified opinion in their report dated 30 March 2017 on the Group's consolidated financial statements for the year ended 31 December 2016 in respect of certain transactions with Shenzhen Pingan Dahua Huitong Wealth Management Co., Ltd. (深圳平安大華滙通財富管理有限公司) ("Pingan Dahua"), an independent third party of the Group, in 2014, 2015 and 2016. As disclosed in note 32 to the consolidated financial statements, the Group entered into project cooperation agreements with Pingan Dahua, pursuant to which Pingan Dahua has made capital contributions to three subsidiaries of the Group, namely Shenzhen Jinjun Property Co., Ltd. (深圳市金駿房地產有限公司) ("Shenzhen Jinjun"), Shenzhen Logan Junjing Real Estate Development Co., Ltd. (深圳市龍光駿景房地產開發有限公司) ("Shenzhen Logan Junjing") and Huizhou Daya Bay Dongzhen Property Co., Ltd. (惠州大亞灣東圳房地產有限公司) ("Huizhou Dongzhen") in the amounts of RMB2,000 million, RMB4,800 million and RMB3,960 million, respectively. As also disclosed in notes 32 and 34 to the consolidated financial statements, in 2016, Pingan Dahua received RMB2,086 million from the Group on the repurchase of Pingan Dahua's 49% interest in Shenzhen Jinjun which has thereafter become a wholly-owned subsidiary of the Group. These transactions have been accounted for by the Group as equity transactions which have been recorded in other reserves and non-controlling interests in the Group's consolidated statement of changes in equity during the year ended 31 December 2016.

Certain of the agreements entered into between the Group and Pingan Dahua contained obligations for the Group to repurchase the non-controlling interests of Shenzhen Jinjun, Shenzhen Logan Junjing and Huizhou Dongzhen in certain circumstances. As disclosed in note 32 to the consolidated financial statements, management of the Group believes that notwithstanding these terms, it is appropriate for the transactions to be accounted for as equity transactions. However, as the agreements contained repurchase obligations for the Group, these capital contributions by Pingan Dahua should have been accounted for as liabilities and accounting for these capital contributions as equity is not in accordance with the requirements of Hong Kong Accounting Standard 32 *Financial Instruments: Presentation*.

Had the aforementioned transactions between the Group and Pingan Dahua been accounted for as liabilities and not as equity transactions, the profit for the year, the profit attributable to owners of the parent and the profit attributable to non-controlling interests in the Group's consolidated statement of profit or loss for the year ended 31 December 2016 would have been reduced by approximately RMB167 million, increased by approximately RMB480 million and reduced by approximately RMB647 million, respectively; and the carrying amounts of the total bank and other loans, the equity attributable to owners of the parent and the non-controlling interests in the Group's consolidated statement of financial position as at 31 December 2016 would have been increased by approximately RMB8,779 million, reduced by approximately RMB2,910 million and reduced by approximately RMB6,012 million, respectively. The financial effect on the significant financial information of the Group in respect of the year ended 31 December 2016 is set out in note 32 to the consolidated financial statements."

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

During the year ended 31 December 2017, the Company had repurchased from the market a total of 15,652,000 shares of the Company. All the shares repurchased had been cancelled.

Details of the repurchases of the shares of the Company are as follows:

Month of repurchase	**Number of shares repurchased**	**Highest price per share** *(HK$)*	**Lowest price per share** *(HK$)*	**Aggregate consideration** *(HK$)*
October	4,090,000	8.02	7.20	32,036,800
November	10,526,000	7.30	6.64	72,417,820
December	1,036,000	7.15	6.98	7,354,120

On 19 June 2017, the Company has redeemed the 11.25% senior notes due 2019 with an aggregate principal amount of US$300,000,000, the redemption price equal to 105.625% of the principal amount thereof, being US$316,875,000, plus accrued and unpaid interest of US$1,406,250. The total redemption price paid by the Company amounted to US$318,281,250.

On 28 August 2017, there was 5.35% corporate bonds due 27 August 2019 were partially sold back to Shenzhen Logan Holdings Company Limited (深圳市龍光控股有限公司), an indirect wholly-owned subsidiary of the Company, representing an aggregate principal amount of RMB237,551,000. The notes are listed and traded on the Shanghai Stock Exchange.

On 8 December 2017, the Company has redeemed the 9.75% senior notes due 2017 in full in accordance with the terms and conditions of the notes. The total redemption price was US$262,187,500, representing 100% of the aggregate principal amount of US$250,000,000 of all of the outstanding notes, plus accrued and unpaid interest of US$12,187,500.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the financial year ended 31 December 2017.

By order of the Board
Logan Property Holdings Company Limited
Kei Hoi Pang
Chairman

Hong Kong, 22 March 2018

As at the date of this announcement, the executive Directors are Mr. Kei Hoi Pang, Mr. Ji Jiande, Mr. Xiao Xu and Mr. Lai Zhuobin; the non-executive Director is Ms. Kei Perenna Hoi Ting; and the independent non-executive Directors are Mr. Zhang Huaqiao, Dr. Liu Ka Ying, Rebecca and Mr. Cai Suisheng.