C C LAND HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

ANNUAL REPORT

Stock Code: 1224

2014

Contents

Corporate Information

DIRECTORS

Executive directors
Mr. Cheung Chung Kiu *(Chairman)*
Dr. Lam How Mun Peter
(Deputy Chairman & Managing Director)
Mr. Tsang Wai Choi *(Deputy Chairman)*
Mr. Leung Chun Cheong
Mr. Leung Wai Fai

Non-executive director
Mr. Wong Yat Fai

Independent non-executive directors
Mr. Lam Kin Fung Jeffrey
Mr. Leung Yu Ming Steven
Dr. Wong Lung Tak Patrick

AUDIT COMMITTEE

Mr. Lam Kin Fung Jeffrey *(Chairman)*
Mr. Leung Yu Ming Steven
Dr. Wong Lung Tak Patrick

NOMINATION COMMITTEE

Mr. Cheung Chung Kiu *(Chairman)*
Dr. Lam How Mun Peter
Mr. Lam Kin Fung Jeffrey
Mr. Leung Yu Ming Steven
Dr. Wong Lung Tak Patrick

REMUNERATION COMMITTEE

Mr. Leung Yu Ming Steven *(Chairman)*
Mr. Cheung Chung Kiu
Dr. Lam How Mun Peter
Mr. Lam Kin Fung Jeffrey
Dr. Wong Lung Tak Patrick

AUTHORISED REPRESENTATIVES

Dr. Lam How Mun Peter
Mr. Leung Chun Cheong

COMPANY SECRETARY

Ms. Cheung Fung Yee

WEBSITE

www.ccland.com.hk

STOCK CODE

1224

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Rooms 3308-10, 33rd Floor
China Resources Building
26 Harbour Road
Wanchai, Hong Kong

BRANCH OFFICE

15th Floor
China United Centre
28 Marble Road
North Point, Hong Kong

INDEPENDENT AUDITORS

Ernst & Young
Certified Public Accountants

LEGAL ADVISORS

Hong Kong
Cheung, Tong & Rosa

Bermuda
Conyers Dill & Pearman

SHARE REGISTRARS AND TRANSFER OFFICES

Principal share registrar and transfer office
MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08, Bermuda

Hong Kong branch share registrar and transfer office
Tricor Secretaries Limited
Level 22
Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Bank of Chongqing Co., Ltd.
Bank of Communications Co., Ltd.
Chong Hing Bank Limited
Hang Seng Bank Limited
Industrial and Commercial Bank of China (Asia) Limited
The Bank of East Asia, Limited
Wing Lung Bank Limited

C C Land Holdings Limited (Stock Code: 1224) has been principally engaged in the property development and investment business in Western China since 2006. As at 31 December 2014, the accumulated completion area of the Group reached 4.9 million sqm. The Compound Average Growth Rate (CAGR) from 2009 to 2014 for contract sales is 27.6%.

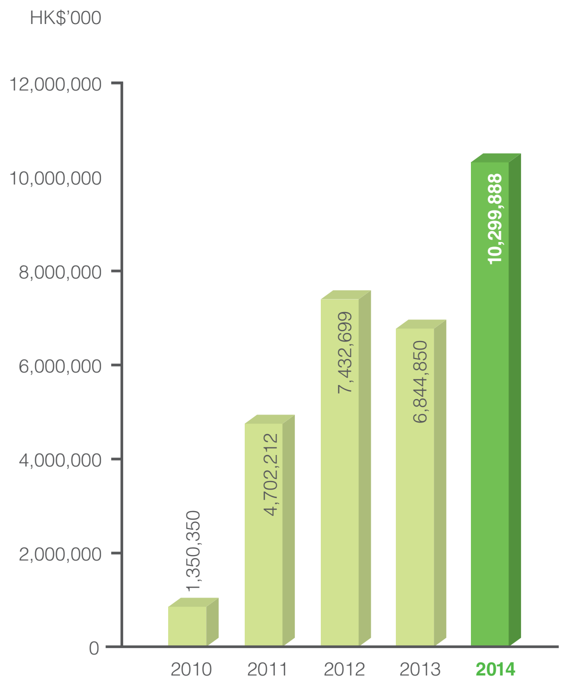
Listed on the main board of the Stock Exchange, the Company is a constituent stock of the MSCI Small Cap China Index Series.

As at the date of this report, the Group has a total land bank of about 12.3 million sqm in terms of GFA and about 8.5 million sqm in terms of attributable GFA, covering key Western China cities, namely Chongqing, Chengdu, Guiyang and Xi'an and most of them are provincial capitals in Western China with strong and sustainable economy growth.

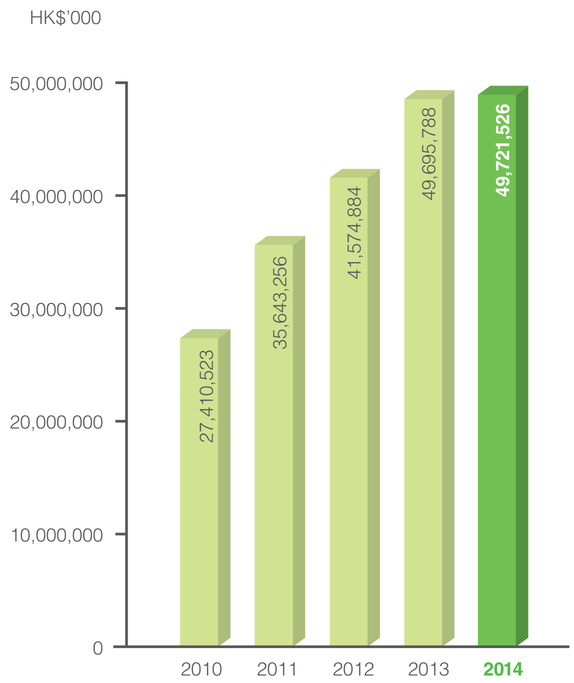
Through leveraging its management expertise, quality land banks, and solid financial position, it has established itself as one of the leading property developers in Western China.

Chongqing Zhong Yu participated in Chongqing Autumn Property Exhibition 2014

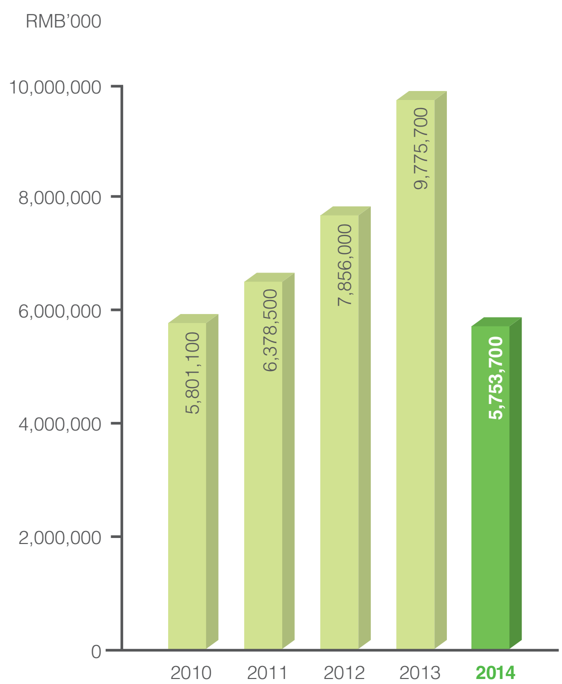
REVENUE
Year ended 31 December



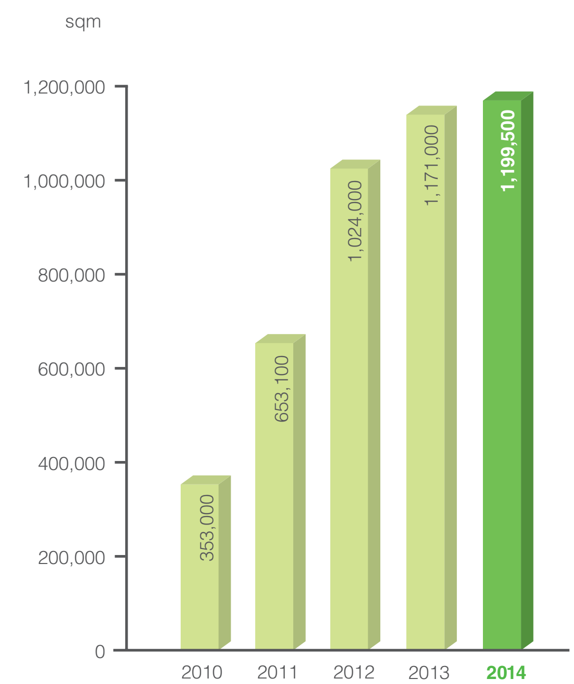
TOTAL ASSETS
As at 31 December



CONTRACT SALES
Year ended 31 December



COMPLETION AREA
Year ended 31 December



CORPORATE

CHONGQING ZHONG YU

1. Top 10 Property Developers in Yubei District 2013 **(July 2014)**
2. Enterprises with High Regard for Contracts and Credibility 2012-2013 **(June 2014)**
3. Advanced Units with After-sales Service 2013 **(May 2014)**
4. The 6th Top 50 Credible Property Developers in Chongqing 2013 **(2013)**

CHONGQING LUCKY BOOM

5. The Most Advanced Enterprise with Tax Contribution in Jiangnan New District of Wanzhou 2013 **(March 2014)**

XI'AN ZHONG YU

6. The Most Influential Brand Property Developer in Xi'an **(April 2014)**
7. Credible Units 2013 **(2013)**

CHONGQING VERAKIN REAL ESTATE

8. Certificate of Honour • Verakin Charity Fund of RMB100 Million to Chongqing Charity Federation **(November 2014)**
9. Top 10 Brand Value of Property Developers in Western China 2014 **(September 2014)**
10. Leading Brands of China Property Management Enterprises 2014 **(September 2014)**
11. 2014 China Top 100 Property Developers **(March 2014)**

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12. Chongqing Spring Property Exhibition 2014 cum the 6th Top 5 Commercial Landmarks with Contributions to the City **(April 2014)**

RESIDENCE SERENE

13. Five Functional Areas of "Metropolitan District" • Real Estate Complexes with Building Contributions **(September 2014)**
14. Top 10 Residential Projects in Yubei District 2013 **(July 2014)**
15. Star Project of the Autumn Property Exhibition 2014 **(2014)**

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16. The Best Urban Residential Project 2014 **(November 2014)**
17. The Most Valuable Brand Real Estate Operator 2014 **(November 2014)**
18. The Most Anticipated Project by Netizens 2014 **(2014)**
19. Urban Landmark of the Year • Annual Reputation Rankings of Sohu Focus 2014 **(2014)**

PHOENIX COUNTY

20. Top 10 Residential Projects in Yubei District 2013 **(July 2014)**

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21. Media Award • Chinese Sichuan's C21 Property Market • The Star Project of Urban District **(January 2015)**
22. Imperial Gardens Home Award 2014 **(July 2014)**

ZHONGYU METROPOL

23. Intercity Landmark Project 2014 **(January 2015)**

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Chongqing

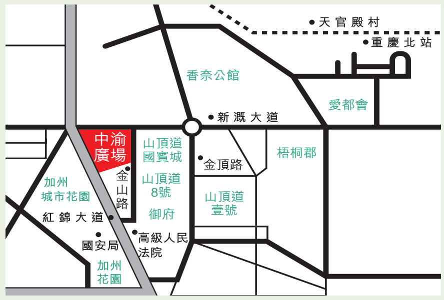
Area:	82,000 km^2
Population:	32,000,000
GDP Growth:	Year 2014 — 10.9% Year 2013 — 12.3% Year 2012 — 13.6% Year 2011 — 16.4%
Location:	In the Southwestern region of China, the confluence of Yangtze River and Jialing River, one of four directly governed municipalities in China

PROJECT NAME:

One Central Midtown (都會首站), 9 Central Midtown (都會9號) and Zhongyu Plaza (中渝廣場) — 92% interest

PROJECT LOCATION:

No.18 Jinshan Road, Xinpaifang, Yubei District, Chongqing



Total land area:	103,000 sqm	
Project GFA:	GFA above ground: GFA under ground: Total GFA:	424,000 sqm 185,000 sqm 609,000 sqm
Completion/Expected completion date and area:	Phase I (Completed): GFA: Phases II & III (1st batch) (Completed): GFA: Phases II & III (2nd batch): GFA:	2011 (including One Central Midtown and 9 Central Midtown) 180,000 sqm 2014 140,000 sqm second half of 2015 209,000 sqm

Project description:

The project is located at the core region of Yubei District, at the junction of Hongjin Road and Xingai Road which is one of the four land lots to make up "Chongqing Midtown", a mega residential and commercial project of the Group.

The project is positioned as one of the new city centre landmarks with planned high-end residential apartments, a 5-star hotel, Grade-A shopping mall, Grade-A and Grade-B offices, and SOHO building.

Zhongyu Plaza

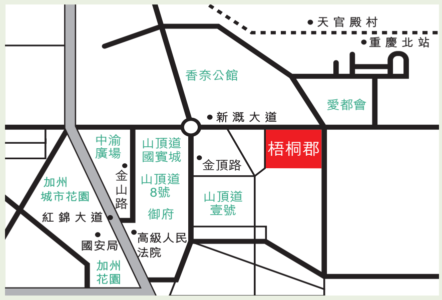
Project update:

Phase I comprising of One Central Midtown, 9 Central Midtown, retail spaces and car parking spaces with a total GFA of 180,000 sqm was completed in past years. Phases II and III, named "Zhongyu Plaza" with a total GFA of 429,000 sqm, comprising of a Grade-A shopping mall, a 5-star hotel, Grade-A and Grade-B office towers. Three office towers with a total GFA of 140,000 sqm were completed and started delivery during the year. The shopping mall is expected to be completed in 2015 of which pre-leasing received an overwhelming market response.

Project Overview

PROJECT NAME:
Phoenix County (梧桐郡) — 100% interest

PROJECT LOCATION:
No. 2, Xingsheng Branch, Longta Street, Yubei District, Chongqing



Total land area:	147,000 sqm	
Project GFA:	GFA above ground: GFA under ground: Total GFA:	335,000 sqm 63,000 sqm 398,000 sqm
Completion/Expected completion date and area:	Phase I (Completed): GFA: Phase II (1st batch) (Completed): GFA: Phase II (2nd batch): GFA: Phase III (1st batch) (Completed): GFA: Phase III (2nd batch): GFA:	2012 77,000 sqm 2013 17,000 sqm second half of 2015 76,000 sqm 2014 120,000 sqm second half of 2015 108,000 sqm
Project description:	The project is located at the Longtoushi area, near the centre of the "Big Triangle" of Wuhuangdazhuanpan (五黃大轉盤), Xinpaifangzhuanpan (新牌坊轉盤) and the Longtoushi Train Station, connecting Xinpaifang, Gailanxi and Huangnibang, which are three high-end residential areas in Chongqing. The project includes mainly low-rise condominiums with unique features and has a specially designed shopping boulevard. There are also low-rise apartments and high-rise blocks with a combination of Art-Deco design and Neo-Classical architecture style.	
Project update:	Phase I and Phase II (1st batch) of low-rise apartments development had been completed in past years. Phase III (1st batch) of high-rise apartments development was completed and started delivery during the year. Construction works of the 2nd batch of Phase II and Phase III with a GFA of 76,000 sqm and 108,000 sqm respectively were underway as at 31 December 2014. A GFA of 26,000 sqm of Phase II (2nd batch) was launched for pre-sales and 63% of the launched area was pre-sold at an ASP of RMB11,400 per sqm. About 46% of launched residential area with a GFA of 42,000 sqm of Phase III (2nd batch) was pre-sold at an ASP of RMB7,800 per sqm. The 2nd batch of Phase II and Phase III are expected to be completed in 2015.	


Phoenix County

PROJECT NAME:
Residence Serene (香奈公館) — 92% interest

PROJECT LOCATION:
The junction of Xingai Road and Jinshan Road, Yubei District, Chongqing (Opposite to the L'Ambassadeur project)

Total land area:	144,000 sqm	
Project GFA:	GFA above ground: GFA under ground: Total GFA:	220,000 sqm 76,000 sqm 296,000 sqm
Expected completion date and area:	Phase I (south zone): GFA: Phase II (north zone): GFA:	second half of 2015 116,000 sqm second half of 2016 180,000 sqm

Project description:

The project is situated at the core district of Xinpaifang, connecting Xingai Road (a main road) to the south and Kangyuan Road (a subsidiary road) to the east.


Virtual Perspective of Residence Serene

It is a two-phased high-end residential high-rise apartment and office project with a planned GFA of 296,000 sqm, and is divided into south and north zones for development. The south zone is a commercial and business area with a GFA of 116,000 sqm that consists of a complex of 5 blocks of office, a single commercial tower, a shopping street, shops, two art-malls and a fashion square. It forms a core area of high-end business living community in the city, comprising of business, commercial, residential, cultural, entertainment and gathering, etc. The north zone is a residential area that consists of 5 blocks of super high-rise residential towers, 5 kindergartens and auxiliary commercial with a GFA of 180,000 sqm.

Project update:

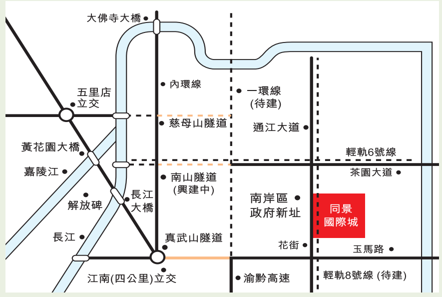
Both the south zone and north zone of the project were under construction during the year. As at 31 December 2014, around 2,000 sqm of office area and 1,600 sqm of retail area of the south zone had been pre-sold at an ASP of RMB14,300 per sqm and RMB38,300 per sqm respectively. During the year, 54,000 sqm high-rise residential area of the north zone was first launched for pre-sales and 26% of the launched area was pre-sold at an ASP of RMB7,100 per sqm. The south zone is scheduled for completion in 2015 and the north zone is expected to be completed in 2016.

Project honours:

- Top 10 Residential Projects in Yubei District 2013 (July 2014)
- Five Functional Areas of "Metropolitan District" • Real Estate Complexes with Building Contributions (September 2014)
- Star Project of the Autumn Property Exhibition 2014 (2014)

PROJECT NAME:
Verakin New Park City (同景國際城) — 51% interest

PROJECT LOCATION:
Tongjiang Avenue, New District of Chayuan, Nan'an District, Chongqing



Total land area:	907,000 sqm	
Project GFA:	GFA above ground: GFA under ground: Total GFA:	1,780,000 sqm 367,000 sqm 2,147,000 sqm
Completion/Expected completion date and area:	A,B,G,H & I Zones (Completed): GFA: J & W Zones (Completed): GFA: K,L,N & P Zones (Completed): GFA: O Zone (Completed): GFA: M Zone (1st batch) (Completed): GFA: M Zone (2nd batch): GFA: S Zone: GFA: U Zone: GFA:	2007-2011 503,000 sqm 2012 310,000 sqm 2013 453,000 sqm 2014 33,000 sqm 2014 64,000 sqm first half of 2015 170,000 sqm first half of 2016 97,000 sqm second half of 2016 103,000 sqm
Project description:	The project is located at the heart of the New District of Chayuan, close to the district's central axis, Tongjiang Avenue, adjacent to the new People's Government of Nan'an District, and next to the light rail line no. 6. The total GFA of the project is more than 2,000,000 sqm, of which 72% is zoned for residential use and the rest for commercial development. The properties comprise mainly of low-density low-rise apartments and townhouses. It comprises businesses of multiple natures, including retail shops, offices, shopping centres, boutique hotels and sports clubs, so as to meet the district's multi-functional demands for offices, residential flats and shopping centres, and to act as a hub for the overall consumer and business spending in the New District of Chayuan. With a forward-looking plan and an excellent location, the business centre of Verakin New Park City will become a commercial landmark of the second centre of the Chayuan district after its completion.	
Project update:	After deliveries of the earlier phases up to the date of this report, the remaining GFA is about 614,000 sqm for development. Zone M is a mixed villa and high-rise apartment development project with a total GFA of 234,000 sqm. Villas with a GFA of 64,000 sqm was completed and started delivery during the year. Construction works for other portions of Zone M are currently in progress and expected to be completed in the first half of 2015. All high-rise apartment units with a GFA of 127,000 sqm had been pre-sold at an ASP of RMB5,800 per sqm. Zones S, T and U are high-end office and retail developments with a total GFA of 97,000 sqm, 218,000 sqm and 103,000 sqm respectively. Both Zones S and U are under construction during the year. As at 31 December 2014, over 90% of Zone S office units had been pre-sold with a GFA of 44,000 sqm at an ASP of RMB7,700 per sqm. About 27,000 sqm Zone U office GFA had been pre-sold at an ASP of RMB7,500 per sqm. Both Zones S and U are planned for completion in 2016. Construction works of Zone T are expected to commence in 2015.	


Verakin New Park City — L Zone

PROJECT NAME:
Academic Heights (春華秋實) — 92% interest

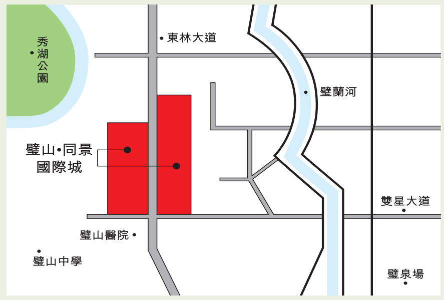
PROJECT LOCATION:
No. 17, Sixian Road, Xiyong University City, Shapingba District, Chongqing (Next to Science and Technology Institution)

Total land area:	133,000 sqm	
Project GFA:	GFA above ground: GFA under ground: Total GFA:	394,000 sqm 115,000 sqm 509,000 sqm
Completion/Expected completion date and area:	Phase I (Completed): GFA: Phase II (Completed: GFA: Phase III: GFA:	2013 138,000 sqm 2014 165,000 sqm second half of 2015 206,000 sqm
Project description:	The project is situated in the Xiyong University City, being one of the two newly planned deputy city centres of Chongqing. It can be accessed from the city centre via the Inner Ring Express and Yu-Sui Express. Phase I consists of 3 blocks of high-rise residential buildings, 1 block of apartments and 19 villas. Phase II consists of 5 blocks of high-rise residential buildings and 20 villas. Phase III consists of 6 blocks of high-rise residential buildings and 1 block of apartments.	
Project update:	Phases I and II are high-rise residential towers and villas developments. Phase I was completed in 2013 and Phase II was completed and started delivery during the year. Construction works of Phase III, with a total GFA of 206,000 sqm were underway as at 31 December 2014. About 82,000 sqm of Phase III high-rise residential area was launched for pre-sales and 65% of the launched area was pre-sold at an ASP of RMB4,500 per sqm as at 31 December 2014. Phase III is expected to be completed in 2015.	

Academic Heights

PROJECT NAME:
Bishan Verakin New Park City (璧山 • 同景國際城) — 26% interest

PROJECT LOCATION:
The junction of Shuangxing Avenue and Donglin Avenue, Ludao New District, Bishan County, Chongqing



Total land area:	254,000 sqm	
Project GFA:	Total GFA:	946,000 sqm
Completion/Expected completion date and area:	B Zone (Completed): GFA: A Zone: GFA: C Zone (1st batch): GFA: D Zone: GFA:	2014 155,000 sqm first half of 2015 92,000 sqm first half of 2016 95,000 sqm second half of 2016 119,000 sqm

Project description:

This project, situated at the junction of Shuangxing Avenue and Donglin Avenue, Ludao New District, the hub of Bishan County, Chongqing, is the core area for future development of Bishan County which may be upgraded as the tenth district of the main city of Chongqing.


Bishan Verakin New Park City

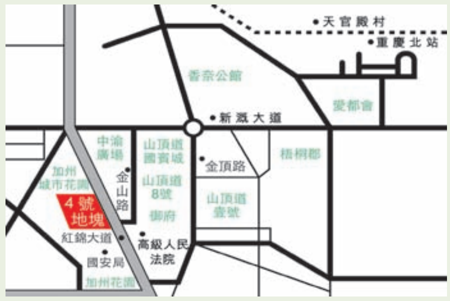
With a total GFA of 946,000 sqm, the project is developed on seven plots in two phases, covering high-end residential properties, boutique apartments, LOFT commercial properties and themed commercial streets. Apartments currently opened for pre-sales are mainly between 70-116 sqm in size. In addition to a neo-classical exterior facade design that provides an air of grandeur, and a convenient location in the central prime area of the Ludao New District, this project also enjoys a unique competitive advantage due to the presence of various supporting facilities.

Project update:

Zone B was completed and started delivery in December 2014. Construction works of Zone A with a total GFA of 92,000 sqm and Zone C (1st batch) with a total GFA of 95,000 sqm were underway during the year. As at 31 December 2014, 96% of residential area of Zone A with a GFA of 52,000 sqm had been pre-sold at an ASP of RMB5,100 per sqm. Zone A is planned for completion in 2015. For the first batch of Zone C, about 19,000 sqm residential area was launched for pre-sales and over 72% of launched area was pre-sold at an ASP of RMB5,000 per sqm as at 31 December 2014. Zone C (1st batch) is expected to be completed in 2016. Zone D with a total GFA of 119,000 sqm is planned to commence construction works in 2015.

PROJECT NAME:
Lot No. 4 (4號地塊) — 92% interest

PROJECT LOCATION:
Next to Jiazhou Station, Yubei District, Chongqing



Total land area:	97,000 sqm	
Project GFA:	GFA above ground: GFA under ground: Total GFA:	432,000 sqm 320,000 sqm 752,000 sqm
Expected completion date and area:	Phase I mega commercial (Shin Kong Place): GFA:	second half of 2016 250,000 sqm (approximate)

Project description:

The project, located within Yi Huan of Chongqing City and in the heart of the financial and business centre of Liangjiang New District, is one of the plots of "Chongqing Midtown" (a large commercial and residential project of the Group) developed by the Group. It is a diversified ultra-large urban complex comprising of mega-department stores, Grade A offices, entertainment complexes, medium-sized commercial streets and abundant carparking.

Construction Ceremony of Lot No. 4

The project is planned and designed to connect seamlessly to the Jiazhou Station on line no. 3 and Xinpaifang Station on line no. 4, forming easy access corridors of urban public spaces between commercial buildings above ground, and linking perfectly with urban planning's footbridges.

Project "Chongqing Midtown" is a conveniently located, eco-friendly and environmentally friendly mega-scale smart urban complex modelled according to the latest concept of a truly international metropolitan city centre. The mega-department store, "Shin Kong Place" to be operated by Shin Kong Mitsukoshi with a GFA of around 250,000 sqm. The project's high end shopping malls, multiple entertainment complexes, together with numerous renowned international retail brands and excellent transport facilities will make this district one of the most attractive and favoured central landmarks in Chongqing.

Project update:

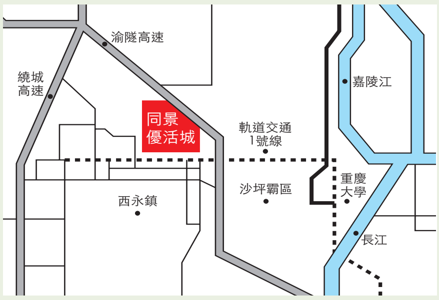
"Shin Kong Place", is expected to commence operation in late 2016 and will become one of the largest and the most up-scale shopping and entertainment centres in Western China and the upper Yangtze River region. Construction works of Phase I was underway during the year.

Project honours:

Chongqing Spring Property Exhibition 2014 cum the 6th Top 5 Commercial Landmarks with Contributions to the City (April 2014)

PROJECT NAME:
Verakin Joyful City (同景優活城) - 51% interest

PROJECT LOCATION:
No. 28 — 2 Xiyong Avenue, Shapingba District, Chongqing



Total land area:	206,000 sqm	
Project GFA:	GFA above ground: GFA under ground: Total GFA:	490,000 sqm 186,000 sqm 676,000 sqm
Expected completion date and area:	Phase I: GFA: Phase II: GFA:	first half of 2017 208,000 sqm first half of 2017 204,000 sqm

Project description:

The project is located at Xiyong, a leading industrial town west of Chongqing city, and adjacent to the eastern side of the university town. It is a key area in the government's future development plan to shape it into one of the six city sub-centres; one of the five new business districts and one of the ten major development zones of the main city of Chongqing.

With the completion and opening to traffic of the Shuangbei Bridge and Shuangbei Tunnel in 2014, and the upgrade and improvement of other traffic networks, this project has a great appeal to the customers from the three northern districts as the distance between this project and the three northern districts in Chongqing will be shortened to a 15-minutes' drive, and Jiangbei's Shimahe district will be easily accessible through another bridge.


Virtual Perspective of Verakin Joyful City

With a total GFA of 676,000 sqm and a comprehensive plot ratio of 2.3, this project is positioned as a residential development of mainly quality, economical condominiums and high-end compact villas. There is a focus on developing themed businesses in relation to wedding and setting up community neighbourhood centres. Xinhua Bookstore is signed up for the provision of cultural and educational support in the district, with efforts made to build a benchmark in the regional property market.

Project update:

The project will be developed in six phases. Phase I with a total GFA of 208,000 sqm was under construction during the year. About 71,000 sqm high-rise residential area was first launched for pre-sales during the year and 45% of the launched area was pre-sold at an ASP of RMB4,500 per sqm as at 31 December 2014. Phase I is planned for completion in 2017. Construction works of Phase II with a total GFA of 204,000 sqm will commence in the first half of 2015.

Sichuan

Area:	485,000 km^2
Population:	81,000,000
GDP Growth:	Year 2014 — 8.5% Year 2013 — 10.0% Year 2012 — 12.6% Year 2011 — 15.0%
Location:	Southwestern China, upstream of the Yangtze River

Project Overview

PROJECT NAME:
Brighton Place & Plaza (光華逸家及光華中心) — 51% interest

PROJECT LOCATION:
Section 1, Guang Hua Avenue, Xi San Huan, Chengdu, Sichuan

Total land area:	76,000 sqm	
Project GFA:	GFA above ground: GFA under ground: Total GFA:	274,000 sqm 95,000 sqm 369,000 sqm
Completion/Expected completion date and area:	Phases I, II, III and IV (1st batch) (Completed): GFA: Phases I, II, III and IV (2nd batch): GFA: Phase V: GFA:	2014 183,000 sqm first half of 2015 55,000 sqm first half of 2015 131,000 sqm

Project description:

The project is situated at Guanghua New City, the hub of the western new city under town planning to establish four new major districts in Qingyang, Chengdu. MTR line no. 4 will serve this district in late 2015.

The whole project is positioned as a high-end cosmopolitan city complex, adopting the planning principle of having separate commercial and residential areas. The western part is planned to have 4 office buildings, with a lower level business street; and the eastern part is planned to have 14 high-rise residential blocks.

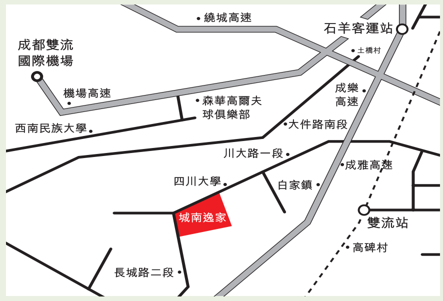
Virtual Perspective of Brighton Place & Plaza

Project update:

The project is composed of five phases of development. The first 4 phases are high-rise residential developments with a total GFA of 238,000 sqm. Residential and commercial areas of 183,000 sqm had been completed and started delivery during the year. Phase V, an office and commercial development with a GFA of 131,000 sqm was under construction during the year. Office units with a GFA of 43,000 sqm were launched for pre-sales with 63% of the launched office units pre-sold at an ASP of RMB9,000 per sqm. Phase V is expected to be completed in 2015.

PROJECT NAME:
Villa Royale (城南逸家) — 51% interest

PROJECT LOCATION:
Section 2, Chuandadao, Xinchengnan Region, Chengdu, Sichuan



Total land area:	205,000 sqm	
Project GFA:	GFA above ground: GFA under ground: Total GFA:	205,000 sqm 67,000 sqm 272,000 sqm
Completion/Expected completion date and area:	Clubhouse and show flats (Completed): GFA: Phases I and II (Completed): GFA: Phases III, IV and V: GFA:	2011 10,000 sqm 2012-2013 119,000 sqm first half of 2015 85,000 sqm

Project description:

The project is located in the section 2 of Chuandadao, Xinchengnan Region, Chengdu, with the government's new administration centre to the east, the international airport and airport economic development zone to the west, and the famous one hundred-year-old Sichuan University campus across the main road from its northern end, and within 10 minutes' drive to Chengdu city centre.


Villa Royale

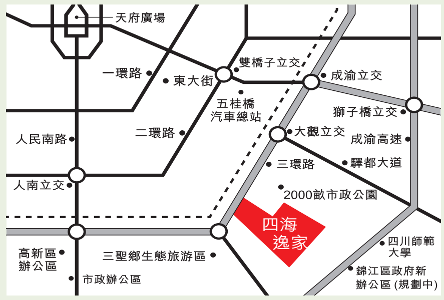
The project is developed in seven phases with a total GFA of 272,000 sqm, a comprehensive plot ratio of only 0.94 and a green area ratio as high as 65%. This high-end community, composing of only low density villas, is unique in the south side of the city. There are a total of 815 units, including riverside single detached villas, riverside townhouses and low-rise duplexes with courtyards.

Project update:

Phases I and II of the project were completed and delivered. Construction works of Phases III, IV and V with a total GFA of 85,000 sqm are currently in progress, and pre-sales had been launched during the year. Villa units with a GFA of 9,000 sqm were pre-sold at an ASP of RMB15,600 per sqm as at 31 December 2014. Phases III to V are scheduled for completion in 2015.

PROJECT NAME:
Sky Villa (四海逸家) — 51% interest

PROJECT LOCATION:
Next to Green Axis Park (綠軸公園), Chenglong Avenue, Section 1 of South Third Ring Road, Jinjiang District, Chengdu, Sichuan



Total land area:	108,000 sqm	
Project GFA:	GFA above ground: GFA under ground: Total GFA:	327,000 sqm 123,000 sqm 450,000 sqm
Completion/Expected completion date and area:	Phase I (Completed): GFA: Phase II (Completed): GFA: Phase III: GFA:	2010 90,000 sqm 2012-2013 145,000 sqm second half of 2015 215,000 sqm
Project description:	The project is located at the Chenglong Avenue, Section 1 of South Third Ring Road, Jinjiang District, Chengdu, in the neighbourhood of the new government office buildings to the east. Sky Villa combines the concepts of high-rises and villas, hence the name, and is unique in Chengdu. The six-metre ceiling height is a strong selling point of the project.	
Project update:	Phases I and II were completed in previous years. The construction works of Phase III with a total GFA of 215,000 sqm from 6 towers are currently in progress. Four towers of which with a total GFA of 105,000 sqm were launched for pre-sales, and 58% of the launched residential units with 61,000 sqm had been pre-sold at an ASP of RMB16,300 per sqm as at 31 December 2014. Phase III is expected to be completed in 2015.	

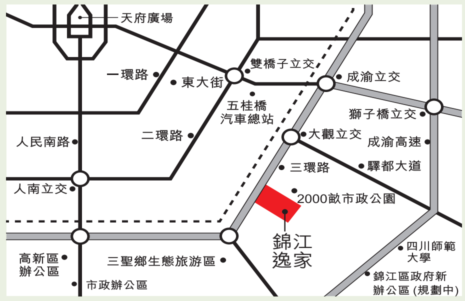
Sky Villa

PROJECT NAME:

Sky Villa Condominiums (錦江逸家) — 51% interest

PROJECT LOCATION:

Next to Green Axis Park (綠軸公園), Chenglong Avenue, Section 1 of South Third Ring Road, Jinjiang District, Chengdu, Sichuan

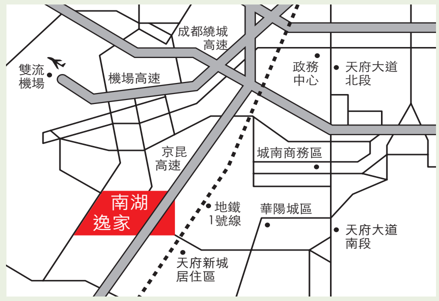


Total land area:	30,000 sqm	
Project GFA:	GFA above ground: GFA under ground: Total GFA:	88,000 sqm 37,000 sqm 125,000 sqm
Expected completion date and area:	Whole project (by batches): GFA:	second half of 2015 125,000 sqm
Project description:	The project is located at the Chenglong Avenue, Section 1 of South Third Ring Road of Jinjiang District in Chengdu, a 10-minute ride away from the international Southern City and Dongda Street. With a total GFA of approximately 125,000 sqm, it has six 29 to 33-storeyed high-rise residential towers and an independent commercial street "Jinjianghui". The condominiums are cosy 3-bedroom units, each with 60-90 sqm in area. This project is positioned as a up-scale boutique residential community targeting new buyers from the urban elites who demand a quality living environment.	
Project update:	Construction works were in progress during the year. All residential units with a GFA of 78,000 sqm had been pre-sold at an ASP of RMB10,400 sqm as at 31 December 2014. The project is expected to be completed in 2015.	

Show Flat of Sky Villa Condominiums

PROJECT NAME:
Residence du Lac (南湖逸家) — 51% interest

PROJECT LOCATION:
The junction of Extension Line of Jiannan Avenue and Mu Hua Road, Chengdu, Sichuan



Total land area:	100,000 sqm	
Project GFA:	GFA above ground: GFA under ground: Total GFA:	301,000 sqm 97,000 sqm 398,000 sqm
Expected completion date and area:	Phase I: GFA:	second half of 2015 210,000 sqm

Project description:

The project is situated at the junction of Extension Line of Jiannun Avenue and Mu Hua Road, in the neighbourhood of the Nanhu Scenic Area (南湖風景區) and the planned MTR line no. 5. By Tianfu Avenue, it takes about 20 minutes to enter into the City Centre of Chengdu, and reaches the Shuangliu Airport along the Tianfu Avenue or Mu Hua Road in about 25 minutes.


Residence du Lac

The project is made up of 19 high-rise residential buildings within a commercial street district "Nanhuhui" of 30,000 sqm, and are separated into a northern cluster and a southern cluster. With dual-atrium, the buildings are laid out with good distances to one another. Eighty percent of the flats are facing either north or south, and 30% of the units enjoys an open field of view that measures 1,000 metres across. This master layout has the benefits of open space between blocks, extra free areas and high efficiency, which will attract a lot of interest in the market.

Project update:

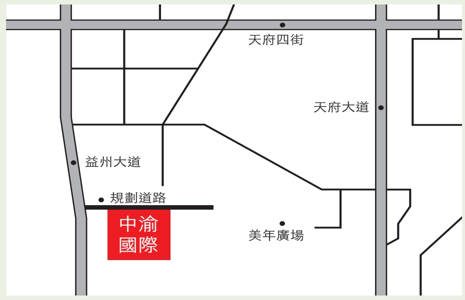
The project will be developed in two phases with a total planned GFA of 398,000 sqm. Phase I with a total GFA of 210,000 sqm was under construction, of which 110,000 sqm of residential area was launched for pre-sales as at 31 December 2014. About 78% of the launched residential area was pre-sold at an ASP of RMB6,400 per sqm. Phase I is scheduled for completion in 2015. Construction works of Phase II with a total GFA of 188,000 sqm is expected to commence in 2015.

Project honours:

- Media Award • Chinese Sichuan's C21 Property Market • The Star Project of Urban District (January 2015)
- Imperial Gardens Home Award 2014 (July 2014)

PROJECT NAME:
C C Land Plaza (中渝國際) — 51% interest

PROJECT LOCATION:
Near the midsection of Yizhou Avenue, Southern Chengdu, Sichuan



Total land area:	17,000 sqm	
Project GFA:	GFA above ground: GFA under ground: Total GFA:	88,000 sqm 29,000 sqm 117,000 sqm
Expected completion date and area:	Whole project (by batches): GFA:	2017 117,000 sqm
Project description:	The project is located in Shuangliu County, south of Chengdu City and is easily accessible via several major roads like Yizhou Avenue and Tianfu Avenue. The total GFA of the project is approximately 117,000 sqm with Grade-A offices and high-rise residential buildings. Development plans for the project are being submitted.	
Project update:	Construction works are expected to commence in 2015.	

Virtual Perspective of C C Land Plaza

PROJECT NAME:
Residence du Paradis (天府逸家) — 51% interest

PROJECT LOCATION:
Jinfeng Road, Damian Town, Long Quan Yi District,
Chengdu, Sichuan

Total land area:	100,000 sqm	
Project GFA:	GFA above ground: GFA under ground: Total GFA:	587,000 sqm 228,000 sqm 815,000 sqm
Expected completion date and area:	Phase I: GFA: Phase II: GFA:	second half of 2015 239,000 sqm second half of 2016 317,000 sqm
Project description:	The project is situated on Jinfeng Road, Damian Town, Long Quan Yi District. It has an excellent transportation network, which can be easily reached via several main roads such as Chenglong Avenue and Yidu Avenue, and is near to the Linjiadayan Station along the eastern MTR line no. 2. The project consists of 22 blocks of super high-rise residential buildings with apartment types ranging from 60-100 sqm in area and is supported by independent commercial facilities and a kindergarten.	 Show Flat of Residence du Paradis
Project update:	The project will be developed in three phases. Phase I with a total GFA of 239,000 sqm and Phase II with a total GFA of 317,000 sqm were under construction during the year. Over 83% of the Phase I residential area with a GFA of 135,000 sqm was pre-sold at an ASP of RMB6,400 per sqm as at 31 December 2014. Phase II residential area with a GFA of 32,000 sqm was first launched for pre-sales during the year with 70% of launched area pre-sold at an ASP of RMB5,800 per sqm as at 31 December 2014. Phases I and II are planned for completion in 2015 and 2016 respectively.	

PROJECT NAME:
Radiant Bay (雍河灣) — 100% interest

PROJECT LOCATION:
Chaoyang Road Central, Tongchuan District, Dazhou, Sichuan

Total land area:	73,000 sqm	
Project GFA:	GFA above ground: GFA under ground: Total GFA:	358,000 sqm 54,000 sqm 412,000 sqm
Completion/Expected completion date and area:	Phase I (1st batch) (Completed): GFA: Phase I (2nd batch): GFA: Phase II (1st batch): GFA: Phase II (2nd batch): GFA:	2013 165,000 sqm second half of 2015 10,000 sqm second half of 2015 40,000 sqm second half of 2016 42,000 sqm

Project description: The project is located at the Chaoyang Road Central in the Tongchuan District in Dazhou City in Sichuan outside the entrance of the newly emerged western district, with the old district in the east and rivers in the south, and has a convenient transportation network.

Project update: The first batch of Phase I with a GFA of 165,000 sqm was completed in 2013. Construction works of the second batch of Phase I with a GFA of 10,000 sqm and the first and second batches of Phase II with a GFA of 82,000 sqm were underway as at 31 December 2014. Residential area of Phase II with 41,000 sqm was pre-sold at an ASP of RMB5,100 per sqm. The second batch of Phase I and first batch of Phase II with a GFA of 50,000 sqm are expected to be completed in 2015.


Radiant Bay

Guiyang

Area:	8,034 km^2
Population:	4,690,000
GDP Growth:	Year 2014 — 13.9% Year 2013 — 16.0% Year 2012 — 15.9% Year 2011 — 17.1%
Location:	In the Southwestern region of China, the central part of Guizhou Province and the eastern part of Yungui Plateau. It is the provincial capital of Guizhou Province

PROJECT NAME:
First City, Guiyang (中渝 • 第一城) — 85% interest

PROJECT LOCATION:
North Wing of International Exhibition Centre, Guanshanhu District, Guiyang City, Guizhou Province

Total land area:	365,000 sqm	
Project GFA:	GFA above ground: GFA under ground: Total GFA:	1,080,000 sqm 294,000 sqm 1,374,000 sqm
Completion/Expected completion date and area:	Phase I (Completed): GFA: Phase II (1st batch): GFA: Phase III (1st batch): GFA: Phase III (2nd batch): GFA: Phase IV (1st batch): GFA:	2013 183,000 sqm second half of 2015 171,000 sqm 2015 188,000 sqm first half of 2016 60,000 sqm second half of 2015 138,000 sqm

Project description:

The project is situated at the Guanshanhu District in Guiyang City, which is a new urban district located 12 kilometres northwest of the city centre of Guiyang.

The project comprises of independent commercial streets, high-end business office buildings, high-end residences, fashionable streets with restaurants and bars, boutique hotels, and three major theme parks, etc, to distinguish itself from the traditional real estate projects and aims at building an international, eco-friendly and complete "Utopia for Living". The Group's reputation of delivery of well designed quality products is well recognized locally. This enables the Group to command a premium and gain a place among the top players in the Guiyang real estate market.


First City, Guiyang

Project update:

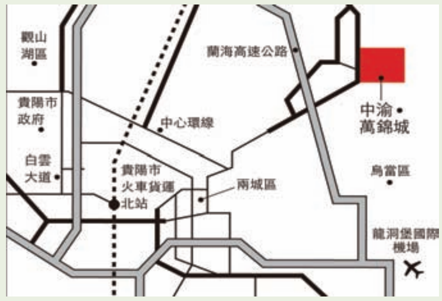
Phase I with a total GFA of 183,000 sqm comprising of townhouses and low-rise residential units had been completed in 2013. Phase II is an office development with a GFA of 542,000 sqm. As at 31 December 2014, about 37% of the launched pre-sales office units with a GFA of 42,000 sqm was pre-sold at an ASP of RMB9,400 per sqm. Phase III is developed as high-rise residential towers and an office tower with a total GFA of 248,000 sqm. As at 31 December 2014, about 141,000 sqm of residential area had been launched for pre-sales and 55% was pre-sold at an ASP of RMB5,400 per sqm. All office units with a GFA of 15,000 sqm were pre-sold at an ASP of RMB7,300 per sqm. Phase IV has a total GFA of 191,000 sqm comprising of high-rise and low-rise apartments units. Low-rise apartment units with a GFA of 36,000 sqm were launched for pre-sales during the year and 59% of the launched area were pre-sold at an ASP of RMB7,300 per sqm as at 31 December 2014. The first batch of Phases II to IV are expected to be completed in 2015.

PROJECT NAME:

Florentia Town (中渝 • 萬錦城) — 85% interest

PROJECT LOCATION:

Next to Zhenhua Square, Xintian Avenue North, Wudang District, Guiyang, Guizhou Province



Total land area:	132,000 sqm	
Project GFA:	GFA above ground: GFA under ground: Total GFA:	462,000 sqm 179,000 sqm 641,000 sqm
Expected completion date and area:	Phase I (1st batch): GFA:	first half of 2017 185,000 sqm

Project description:

The project is located in the traditional old city centre — Wudang District of Guiyang City, with a local population of approximately 300,000 and has a convenient transportation network. It can be accessed to the city centre by Xintian Avenue, Shuidong Road or Erhuan Road east currently. Light railway no. 3 will be operated in the future.


Virtual Perspective of Florentia Town

The project's total GFA is 641,000 sqm, with a plot ratio of 3.5 and a green area ratio of over 30%. The community is expected to house 3,700 units and 4,500 car parks. The project will be developed in three phases on four lots of land, which are referred to as A, B, C and D respectively. Land Lot A mainly consists of 11 nicely positioned villa- typed low-rise blocks and 5 high-rise buildings. Land Lot B will have 10 high-rise buildings. A shopping centre and a boutique apartment tower will be built on Land Lot C. It consists of fashion, jewelry, kids education, Hengdian Cinema and auto beauty all in one. It will fill the vacancy of mega shopping mall in Wudong district and will change the shopping habits of the local citizen completely. A kindergarten and a cultural activities hall are planned for Land Lot D. All the low-rise buildings consist of 17+1 duplex apartments, with floor areas of the units varying from 124 to 190 sqm. The high-rise buildings have 6 units to each floor, with floor areas of 66-97 sqm and are served by 2 elevators.

Project update:

Construction works of Phase I, the high-rise residential towers and low-rise apartments with a total GFA of 240,000 sqm were commenced during the year. As at 31 December 2014, 15,000 sqm low-rise and 16,000 sqm high-rise residential area were first launched for pre-sales and 18% and 82% of launched area were pre-sold at an ASP of RMB6,300 per sqm and RMB4,500 per sqm respectively. The first batch of Phase I is planned for completion in 2017.

PROJECT NAME:
Concordia City (中渝 • 萬熙城) — 85% interest

PROJECT LOCATION:
Huangjinweihe Port, Changling Road South, Beijing Road West and Hefei Road, Guanshanhu District, Guiyang, Guizhou Province

Total land area:	321,000 sqm	
Project GFA:	GFA above ground: GFA under ground: Total GFA:	963,000 sqm 350,000 sqm 1,313,000 sqm
Expected completion date and area:	Phase I: GFA:	first half of 2017 277,000 sqm

Project description:

The project is located at the core commercial region of Guanshanhu District. It is in the junction of Guanshanhu (觀山湖) and Yuyan (雲岩), a unique location with a million population. The project enjoys a convenient transportation network which is nearby Beijing Road West, Qianlingshan Road and Changling Road South. It can be easily accessed to the city centre via over ten bus lines and light railway no. 4, only takes 5 minutes to the core areas such as fountain, provincial government, municipal government and high-speed railway station etc.


Virtual Perspective of Concordia City

The project also enjoys a neighbourhood of the shopping mall "Century City". It is the most popular area in Guangshanhu District, which is a district with excellent auxiliary facilities of living, transport and commercial. The consumer group in this area has reached to 300,000, which make its commercial perspective outstanding in Guiyang.

The project has a total planned area of 1,313,000 sqm, including an office building; a shopping mall; a Guizhou Style commercial street; a large-scaled supermarket; high quality apartments and high-rise residential buildings.

Project Update:

Phase I with a total GFA of 277,000 sqm is expected to commence construction works in the first half of 2015.

Xi'an

Area:	1,280 km^2
Population:	8,460,000
GDP Growth:	Year 2014 — 9.9% Year 2013 — 11.1% Year 2012 — 11.8% Year 2011 — 13.8%
Location:	In Guanzhong Basin, the centre of Yellow River area and the heart of Mainland China, with Weihe River to the North and Qinling Mountain to the south. It is the provincial capital of Shaanxi Province

PROJECT NAME:

Zhongyu Metropol（中渝 • 國際城） — 100% interest

PROJECT LOCATION:

The junction of Shangji Road and Shanghong Road, Xi'an Economic Development District

Total land area:	154,000 sqm	
Project GFA:	GFA above ground: GFA under ground: Total GFA:	524,000 sqm 102,000 sqm 626,000 sqm
Expected completion date and area:	Phase I: GFA: Phase II: GFA:	first half of 2016 86,000 sqm first half of 2016 100,000 sqm
Project description:	The project is located northwest of the Xi'an North Railway Station in Weiyang District, bound by Shangji Road immediately on its south, Shanghong Road immediately on its west, North Ring Road on its north and the airport Expressway on its east. It is 15 km away from the Bell Tower District in the heart of Xi'an city, and 15 km from the Xianyang Airport, and 3 km away from Xi'an North Station, the largest high-speed railway station in Asia. It is the new city centre of Xi'an. The project targets mid-range end-user buyers, with 17 blocks of 31 to 34-storeyed high landscape high-rise apartments and 10 blocks of 7 to 10-storeyed garden apartment, and has 4,028 units primarily of apartment types ranging from 71 sqm to 130 sqm in area.	
Project update:	The project will be developed in three phases. Construction works of Phases I and II with a total GFA of 86,000 sqm and 100,000 sqm respectively were underway during the year. As at 31 December 2014, Phase I residential area with a GFA of 37,000 sqm and Phase II residential area with a GFA of 42,000 sqm were first launched for pre-sales, and 51% and 60% of launched area were pre-sold at an ASP of RMB5,000 per sqm and RMB4,700 per sqm respectively. Both Phases I and II are expected to be completed in 2016.	
Project honours:	Intercity Landmark Project 2014 (January 2015)	

Zhongyu Metropol

EXECUTIVE DIRECTORS

Mr. CHEUNG Chung Kiu, aged 50, was first appointed Executive Director of the Company on 22 June 2000 and became Chairman on 22 November 2006. He also serves as a Director of several subsidiaries of the Company. As Chairman, Mr. Cheung is mainly responsible for leading the Board and managing its work to ensure that the Board effectively operates and fully discharges its responsibilities. Mr. Cheung has a wide range of experience in investment and business management, including over 20 years of property development and investment experience in the PRC. Mr. Cheung is the founder and Chairman of Yugang International Limited ("Yugang"), Chairman of Y.T. Realty Group Limited ("Y.T. Realty") and Chairman of The Cross-Harbour (Holdings) Limited ("Cross-Harbour"), the shares of all these companies are listed on the Stock Exchange. He is also a Director of Regulator Holdings Limited, Yugang International (B.V.I.) Limited, Chongqing Industrial Limited, Palin Holdings Limited and Thrivetrade Limited, which are companies disclosed under the section headed "Discloseable Interests and Short Positions of Shareholders under the SFO" on page 60.

Dr. LAM How Mun Peter, aged 67, was first appointed Executive Director of the Company on 3 June 1998 and became Managing Director and Deputy Chairman on 9 April 1999 and 22 November 2006 respectively. Dr. Lam was one of the founders of our Group in 1989. He also serves as a Director of several subsidiaries of the Company. As Managing Director, Dr. Lam is responsible for the day-to-day management of the Group, recommending strategies to the Board, and determining and implementing operational decisions. Dr. Lam graduated from The University of Hong Kong with a bachelor's degree in Medicine and Surgery in 1972. He is a fellow of The Royal College of Surgeons of Edinburgh and the American College of Surgeons. In addition to his extensive experience in medical practice, Dr. Lam has over 20 years of extensive experience in corporate management, real estate and investment. Dr. Lam is the Chairman and a Non-executive Director of Qualipak International Holdings Limited, the shares of which are listed on the Stock Exchange.

Mr. TSANG Wai Choi, aged 66, was appointed Executive Director of the Company on 14 May 2007 and became Deputy Chairman on 1 June 2008. He also serves as a Director of several subsidiaries of the Company. Graduated from the Sichuan Construction Material College (四川省建築材料學校), Mr. Tsang has extensive experience in various segments of the construction industry in the PRC, including over 20 years of experience in property development as a professional project manager. As a front-runner in property development using private capital in the city of Chongqing, Mr. Tsang has been over-all in charge of a number of large-scale property development projects in the city since 1991.

Mr. LEUNG Chun Cheong, aged 65, was appointed Executive Director of the Company on 3 June 1998. He also serves as a Director of several subsidiaries of the Company. Mr. Leung has joined the Group since 1995. He is responsible for overseeing the financial management of the Group. Prior to joining the Group, Mr. Leung had held senior positions in various companies and in the professional field in Hong Kong. He has over 35 years of extensive experience in auditing and financial management. Mr. Leung is a fellow of the Association of Chartered Certified Accountants in the United Kingdom and an associate of the Hong Kong Institute of Certified Public Accountants.

Mr. LEUNG Wai Fai, aged 53, was appointed Executive Director of the Company on 3 December 1999. He also serves as a Director of several subsidiaries of the Company. Mr. Leung is responsible for overseeing the corporate finance and management of our Group. Graduated from the University of Wisconsin-Madison, the United States of America with a bachelor's degree in Business Administration in 1985, Mr. Leung is a fellow of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants in the United Kingdom. He has over 20 years of extensive experience in accounting and financial reporting. In addition, Mr. Leung is an Executive Director of Cross-Harbour, and a Group Financial Controller of Yugang.

NON-EXECUTIVE DIRECTOR

Mr. WONG Yat Fai, aged 55, was appointed Independent Non-executive Director of the Company on 20 September 2006 and was re-designated as Non-executive Director of the Company on 1 October 2007. Mr. Wong holds a professional diploma in banking from the Hong Kong Polytechnic University. He has over 13 years of working experience with an international banking group. Mr. Wong is currently an Executive Director of China Jinhai International Group Limited (formerly known as ICube Technology Holdings Limited), a Non-executive Director of Y.T. Realty and an Independent Non-executive Director of Mission Capital Holdings Limited, the shares of all of these companies are listed on the Stock Exchange.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LAM Kin Fung Jeffrey, GBS, JP, aged 63, was appointed Independent Non-executive Director of the Company on 3 June 1998. Mr. Lam holds a Bachelor Degree in Mechanical Engineering from Tufts University in the United States. He has over 30 years of experience in the toy industry and is currently the Managing Director of Forward Winsome Industries Limited which is engaged in toy manufacturing. Mr. Lam was awarded a Gold Bauhinia Star by the Government of the HKSAR in 2011. He also holds a number of other public and community service positions including Member of the National Committee of the Chinese People's Political Consultative Conference, Member of the Legislative Council and Non-Official Member of the Executive Council in Hong Kong, Chairman of Mega Events Funds Assessment Committee, Board Member of the Airport Authority Hong Kong, General Committee Member of the Hong Kong General Chamber of Commerce, Members of the Fight Crime Committee and Independent Commission Against Corruption Complaints Committee. In addition, Mr. Lam is an Independent Non-executive Director of Wynn Macau, Limited, China Overseas Grand Oceans Group Ltd., Bracell Limited (formerly known as Sateri Holdings Limited), Chow Tai Fook Jewellery Group Limited and Shougang Concord Technology Holdings Limited, the shares of all these companies are listed on the Stock Exchange.

Mr. LEUNG Yu Ming Steven, aged 55, was appointed Independent Non-executive Director of the Company on 1 October 2007. Mr. Leung holds a Degree of Master in Accountancy from Charles Sturt University in Australia and a Degree of Bachelor of Social Sciences from The Chinese University of Hong Kong. He is an associate of the Institute of Chartered Accountants in England and Wales, a certified practicing accountant of CPA Australia and a fellow of the Association of Chartered Certified Accountants in the United Kingdom, the Hong Kong Institute of Certified Public Accountants and the Taxation Institute of Hong Kong. Mr. Leung is a practicing certified public accountant in Hong Kong. He previously worked in Nomura International (Hong Kong) Limited as Assistant Vice-President in the International Finance and Corporate Finance Department. He commenced public practice in auditing and taxation in 1990 and is currently the senior partner of a firm of certified public accountants. He has over 25 years of experience in assurance, accounting, taxation, financial management and corporate finance. Mr. Leung is an Independent Non-executive Director of Suga International Holdings Limited, Yugang, Y.T. Realty and Cross-Harbour, the shares of all these companies are listed on the Stock Exchange.

Dr. WONG Lung Tak Patrick, BBS, JP, aged 67, was appointed Independent Non-executive Director of the Company on 1 October 2007. Dr. Wong is a Certified Public Accountant (Practicing) and a Certified Tax Adviser in Hong Kong and also a Chartered Secretary in the United Kingdom and in Hong Kong. He is currently the Managing Practising Director of Patrick Wong CPA Limited. He has over 30 years experience in the accountancy profession. Dr. Wong holds a Doctor of Philosophy in Business degree, was awarded a Badge of Honour by the Queen of England in 1993 and was appointed a Justice of the Peace in 1998. He was also awarded a Bronze Bauhinia Star by the Government of the HKSAR in 2010. Dr. Wong is an Independent Non-executive Director of Galaxy Entertainment Group Limited, China Precious Metal Resources Holdings Co., Ltd., Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited, Water Oasis Group Limited, Real Nutriceutical Group Limited, Sino Oil and Gas Holdings Limited, National Arts Entertainment and Culture Group Limited, Winox Holdings Limited, Excel Development (Holdings) Limited and 北京汽車股份有限公司 (BAIC Motor Corporation Limited), the shares of all these companies are listed on the Stock Exchange.

To our shareholders,

I am pleased to present the annual results of the Group for the year ended 31 December 2014.

For the year ended 31 December 2014, the Group achieved a record high consolidated revenue of HK$10,299.9 million, representing an increase of approximately 50.5% compared to HK$6,844.9 million in 2013. The Group's net profit surged by 64.4% year on year to a record high level of HK$1,090.1 million. The Group attained a profit attributable to shareholders of HK$1,068.3 million (2013: HK$505.4 million). The basic earnings per share for the year was HK41.27 cents (2013: HK19.53 cents) representing an increase of 111.3%.

BUSINESS REVIEW

In 2014, China's economy grew at its slowest pace because of external events such as deflation hitting parts of Europe and the US economy growing at only a modest pace which affected the real estate market sentiment. Both sales turnover and transaction volume dropped. In view of this environment, the Chinese Government had relaxed the tightening of housing policy at the end of 2014, such as relaxing its limits on home purchases and lowering the bank's lending interest rate. As a result, the real estate market became stabilized.

During the year, the Group continued to focus its property business in Western China. Most of the Group's property projects are located in the provincial capitals in the region. These provinces enjoyed an economy growth higher than the national average GDP growth of 7.4% in 2014. The projects of the Group are in Chongqing, Chengdu, Guiyang and Xi'an, where there is a strong end-user demand for new housing especially when the economy kept on growing.

The poor market sentiment during the year affected the contract sales result. Many developers cut price to push sales. It is the Group's strategy to protect the gross profit margin instead, thanks to its very healthy balance sheet. Therefore, the Group is very selective in price adjustment. As a result, the contract sales and contract GFA achieved were RMB5,753.7 million and 757,500 sqm respectively, representing an year-on-year decline of 41.1% and 33.1%. The contract sales achieved was approximately 47.7% below the full year sales target of RMB11 billion. Due to the change in project contribution and product mix, the ASP dropped to approximately RMB7,600 per sqm, representing a decrease of 11.9% as compared to last year.

The Group is committed to deliver its projects on schedule. During the year, the number of projects completed by the Group totalled 8, same as 2013. The GFA completed was 1,199,500 sqm (2013: 1,171,000 sqm). The revenue from property sales amounted to HK$10,244.1 million (2013: HK$6,798.4 million), representing an increase of 50.7% over the last year. During 2014, the booked ASP slightly decreased by 4.5% to RMB7,140 per sqm, which was attributable to different product mix, with the projects delivered in 2013 being from high-end residential projects which carried higher ASPs and higher gross profit margins. As a result, the booked gross profit margin declined from 33.7% of 2013 to 29.1% this year. Property sales revenue mainly came from the delivery of the property units of L'Ambassadeur, Verakin New Park City, Phoenix County, Brighton Place & Plaza and First City, Guiyang.

It is the Group's strategy to keep an optimal size of land bank which is sufficient for five to six years' development. Taking into consideration of the slow contract sales, the adverse market conditions, the uncertainties of possible changes in the environment, the Group did not make any new acquisition of land during 2014. As at the report date, the Group holds a quality land reserve with attractive land cost at the average of around RMB1,930 per sqm and has land lots in five cities, namely Chongqing, Chengdu, Guiyang, Dazhou and Xi'an. The total land bank was 12.3 million sqm or 8.5 million sqm on an attributable basis.

To diversify its source of revenue, the Group is developing certain substantial high-end commercial investment property on its core land bank in Yubei district, Chongqing. The total investment portfolio had a total GFA of approximately 961,000 sqm which will be completed in three years. The first shopping mall and car park area of Zhongyu Plaza with a GFA of about 209,000 sqm will start operation in the second half of 2015. Shin Kong Place with a total GFA of around 250,000 sqm is expected to commence operation in 2016. It is expected that the rental income will become a significant source of revenue of the Group. The Group is striving to maintain a healthy and balanced portfolio between properties held for rental and sale purposes.

The Group has always adopted a prudent and cautious investment strategy and will from time to time consider any investment and/or cooperation opportunities that may further improve its equity structure and cash flow and enhance returns from its projects in order to accelerate further growth of the Group as a whole. Accordingly, the Group has recently secured Mr. Tsang Wai Choi as a joint venture partner in one of the Group's main subsidiaries which holds the Group's core land bank in the Yubei district of Chongqing. The arrangement confers a strategic advantage to the Group by aligning the long-term interests of Mr. Tsang with that of the Group and securing his long-term commitment to the development of the core land bank which will accelerate returns from the Group's current developing and future development projects in the interests of the Company and its shareholders.

The Group believes a strong financial position is crucial to the long term development of the Group especially during adverse market conditions. The net gearing ratio as at 31 December 2014 was 17.3%. The Group has always maintained a prudent financial policy, emphasizing on funding management and risk control in order to provide sufficient working capital for its operations and financial resources to satisfy its funding requirements.

PROSPECTS

The global economic recovery continues but remains weak. The forecasts for the Euro Zone are still fairly dim. The US, however, appears to be building the underlying strength in its economy to support ongoing progress. China's economy is showing a sign of continuous improvement as a result of the impact of the government's stimulus moves.

In the long run, by looking at urbanization progress, population structures and economic acceleration, the Group believes that the property market is still well supported, and would rebound as the property market's pent up demand is released.

The target contract sales for 2015 is RMB8 billion against a GFA of 1.1 million sqm which is about 39% and 45% up from the contracts of 2014 respectively. This will be achieved from the sales of 21 projects in 5 cities. Completion of properties in 2015 will be 2.6 million sqm.

The high quality, low cost and well located land bank of the Group will facilitate its long term sustainable development. The Group will strategically select and develop land lots in line with economic environment in key cities in Western China to accelerate asset turnover, and to benefit from the economic growth in the region.

The Group has sufficient liquidity and strength in its financial resources to face the challenging environment and to identify favourable business opportunities.

The Group will continue put into effect strict cost-control, prudent investment strategy and market deployment to ensure its steady and sustainable growth, and provide satisfactory returns in the future.

ACKNOWLEDGEMENTS

I would like to express my sincere appreciation to the Board, management and staff for their diligence, loyalty and dedication. I am grateful to our shareholders, strategic partners and bankers for their support and confidence which have contributed towards the Group's success.

Cheung Chung Kiu
Chairman

Hong Kong, 25 March 2015

RESULTS

The Group achieved a record high revenue of approximately HK$10,299.9 million in 2014, up 50.5% year-on-year. Net profit surged by 64.4% year-on-year to a record high of HK$1,090.1 million. There are non-recurring gains from the disposal of the Zhaomu Mountain project and the Wanzhou project in Chongqing, which yielded profits before tax of approximately HK$457.4 million and HK$90.0 million respectively. The Group attained a profit attributable to shareholders for the year ended 31 December 2014 of HK$1,068.3 million (2013: HK$505.4 million), an increase of about 111.4% from that of last year. The basic earnings per share for the year rose by 111.3% to 41.27 HK cents (2013: 19.53 HK cents).

FINAL DIVIDEND

The directors are pleased to recommend a final dividend of HK$0.05 (2013: HK$0.045) per ordinary share to shareholders who are registered on the Register of Members of the Company at the close of business on 1 June 2015. Subject to approval at the forthcoming AGM, dividend warrants will be sent to shareholders on or about 10 June 2015.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Tuesday, 19 May 2015 to Thursday, 21 May 2015, both days inclusive, for determining the eligibility of shareholders for attending and voting at the AGM. In order to qualify for attending and voting at the AGM, all transfer documents accompanied by the relevant share certificates should be lodged with Tricor Secretaries Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration by 4:30 p.m. on Monday, 18 May 2015.

The Register of Members of the Company will also be closed from Thursday, 28 May 2015 to Monday, 1 June 2015, both days inclusive, for determining the eligibility of shareholders for the proposed final dividend. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates should be lodged with Tricor Secretaries Limited of the above address for registration by 4:30 p.m. on Wednesday, 27 May 2015.

BUSINESS REVIEW

The Group continued to focus its property development and investment business in Western China. Most of its projects are located in the provincial capitals of Western China where the GDP growth is higher than the national average. Last year the Chinese economy experienced a stage of adjustment in its economic and social development. The economic growth slowed to an actual GDP growth of 7.4% (2013: 7.7%). The poor sentiment for the real estate market resulted in a fall in both transaction volume and selling prices across the country.

In order to keep the property market on a healthy, balanced and sustainable growth, the Central Government has relaxed its tightening policies on the property sector, resulting in more buyers being granted better mortgage terms, thus promoting sales. At the end of 2014, in major cities, there were clear signs of stabilization of the property market which is expected to have little risk of a major downturn due to the underlying fundamentals in China.

Recognized Revenue

The property sales revenue was HK$10,244.1 million (RMB8,110.9 million) (2013: HK$6,798.4 million (RMB5,383.3 million)) against a total booked GFA sales of 1,135,500 sqm (2013: 719,700 sqm). The revenue from property sales and booked GFA represented an increase of 50.7% and 57.8% respectively from those of last year. The substantial increase in sales revenue and booked GFA was mainly attributable to more properties delivered and recognized as revenue in the year. The recognized revenue mainly came from 8 projects in Chongqing, 3 projects in Chengdu and 1 project in Guiyang. As most of the projects recognized revenues in the previous year 2013 were from high-end residential projects which carried higher ASP and gross profit margins, the ASP of recognized sales in 2014 slightly decreased by 4.5% from RMB7,480 per sqm in 2013 to RMB7,140 per sqm in 2014. However, the Group recorded a higher transaction volume of 44,900 sqm from the sale of office units with a higher ASP, which compensated for the lower ASP for residential apartments delivered in 2014, resulting in slightly similar ASP as in the previous year. The booked gross profit margin for 2014 was 29.1% (2013: 33.7%). A provision for impairment of HK$324.9 million was made in respect of certain development properties in the year (2013: HK$208.9 million). After the provision, the gross profit margin of the Group's property development and investment business in 2014 was 26.2% (2013: 30.9%).

Zhongyu Plaza

First City, Guiyang

The recognized sales revenues by projects for 2014 are as follows:

Projects	Usage	GFA (sqm)	Sales Revenue Net of Business Tax (RMB'000)	ASP Net of Business Tax (RMB)	The Group's Interest
Chongqing					
L'Ambassadeur Phases I, II, III & IV	Residential	93,200	700,500	7,520/sqm	92%
	Commercial	4,400	70,300	15,820/sqm	
	Car Park	16,100	54,100	133,850/unit	
Riverside One, Wanzhou Phases I, II & III	Residential	172,200	850,100	4,940/sqm	100%
	Commercial	6,000	69,500	11,510/sqm	
	Car Park	29,600	74,100	80,670/unit	
i-City Phases I, II & III	Residential	10,700	80,400	7,520/sqm	92%
	Commercial	4,300	61,000	14,350/sqm	
	Car Park	800	3,100	125,160/unit	
Zhongyu Plaza					
— Tower 6	Office	30,000	443,500	14,790/sqm	74%
— Tower 8	Office	14,900	245,200	16,470/sqm	92%
Phoenix County Phases I, II & III	Residential	98,400	723,700	7,350/sqm	100%
	Commercial	300	5,000	19,320/sqm	
	Car Park	500	1,900	129,730/unit	
Academic Heights Phases I & II	Residential	78,600	372,600	4,740/sqm	92%
	Commercial	500	10,400	21,350/sqm	
Verakin New Park City	Residential	85,900	775,500	9,030/sqm	51%
	Commercial	3,500	53,200	15,140/sqm	
	Car Park	35,700	74,500	74,380/unit	
Bishan Verakin New Park City — Zone B	Residential	100,300	475,300	4,740/sqm	26%
	Commercial	4,500	76,100	16,880/sqm	
Others	Residential/ Commercial/ Car Park	11,900	108,600		
Chengdu					
Brighton Place & Plaza Phases I, II, III & IV	Residential	167,400	1,218,700	7,280/sqm	51%
	Commercial	4,900	179,100	36,410/sqm	
Villa Royale Phases I & II	Residential	16,000	211,200	13,170/sqm	51%
	Car Park	3,800	14,100	140,660/unit	
Sky Villa Phases I & II	Residential	15,300	272,700	17,820/sqm	51%
	Car Park	11,900	40,800	122,040/unit	
Others	Residential	600	3,100	5,090/sqm	
Guiyang					
First City, Guiyang Phase I	Residential	79,600	576,200	7,240/sqm	85%
	Commercial	9,200	144,700	15,670/sqm	
Other districts					
Radiant Bay Phase I	Residential	21,300	100,100	4,710/sqm	100%
Silver Lining	Residential	2,100	16,200	7,750/sqm	64%
	Car Park	1,100	5,400	144,810/unit	
TOTAL		1,135,500	8,110,900		

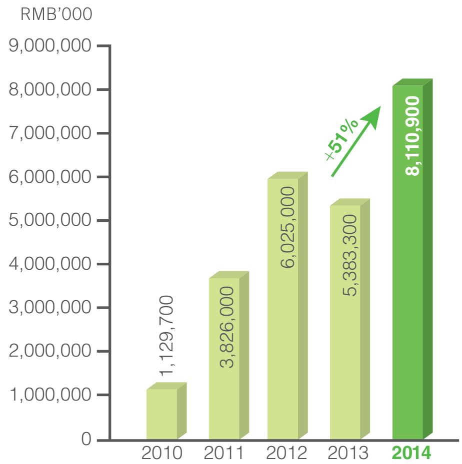
In terms of location, the contributions to recognized revenue and booked area in terms of percentage respectively were as follows:

	Recognized Revenue		Booked Area	
	2014	**2013**	**2014**	**2013**
Chongqing	65%	74%	71%	78%
Chengdu	24%	18%	19%	11%
Guiyang	9%	1%	8%	1%
Other districts	2%	7%	2%	10%
Total	100%	100%	100%	100%

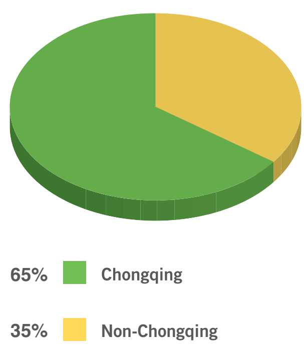
In terms of usage, about 79% (2013: 87%) is for residential and the balance for non-residential purposes.

As at 31 December 2014, the unrecognized revenue was approximately RMB11.3 billion, representing a pre-sold area of 1.3 million sqm, out of which, about RMB9.6 billion are from projects which are completed or expected to be completed in 2015. The revenue can be recognized only when the relevant property has been completed, occupation permit issued and the property delivered to the purchaser.

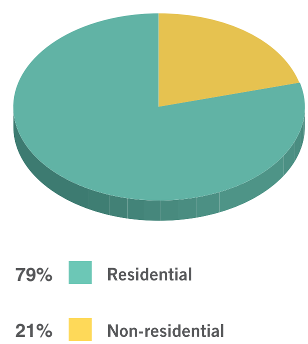
Property Sales Revenue



Analyzed by City



Analyzed by Usage



Eight projects were completed on schedule in 2014. The total GFA completed by the Group in the year amounted to approximately 1,199,500 sqm (2013: 1,171,000 sqm). Details are as follows:

Projects	Usage	GFA (sqm)	Percentage of Area Sold as at 31 December 2014	The Group's Interest
Chongqing				
L'Ambassadeur Phase IV	Residential	71,100	99%	92%
	Commercial	17,200		
	Others	13,500		
Zhongyu Plaza				
— Tower 6	Office	34,100	91%	74%
— Towers 8 & 9	Office	106,100	20%	92%
Riverside One, Wanzhou Phase III	Residential	182,600	98%	100%
	Commercial	22,500	58%	
	Others	34,200	85%	
Phoenix County Phase III	Residential	97,400	100%	100%
	Others	22,600		
Academic Heights Phase II	Residential	118,100	69%	92%
	Commercial	3,600		
	Others	42,900		
Verakin New Park City				51%
— Zone O	Residential	21,800	99%	
	Commercial	800		
	Others	9,800		
— Zone M	Residential	64,800	92%	
Bishan Verakin New Park City				26%
— Zone B	Residential	119,300	90%	
	Commercial	11,800	64%	
	Others	22,500		
Chengdu				
Brighton Place & Plaza Phases I, II, III & IV	Residential	169,100	99%	51%
	Commercial	10,500	56%	
	Others	3,200		
TOTAL		1,199,500		

Academic Heights

Brighton Place & Plaza

Contract Sales

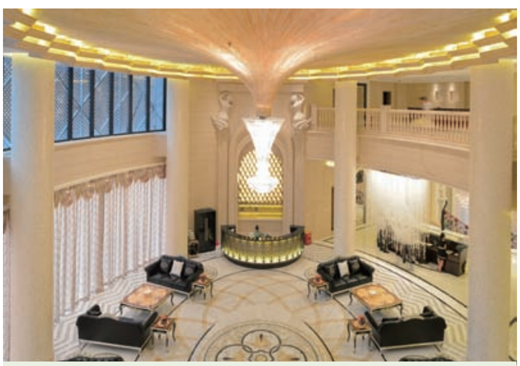
In the first few months of 2014, the Central Government continued to implement the restrictive measures on the real estate market. A strong wait-and-see sentiment in the market had dampened the buying desire from first-time home buyers and from up-graders. With this adverse market sentiment, the Group recorded decreases in both the contract volume and floor area sold compared with last year.

In 2014, the group launched its first project in Xi'an which recorded satisfactory sales performance.

The total contract sales achieved during the year was RMB5,753.7 million (2013: RMB9,775.7 million) from 26 projects in 6 cities, with a pre-sold area totaling 757,500 sqm (2013: 1,132,400 sqm), representing a decrease of 41.1% and 33.1% respectively when compared with those of last year, and was 47.7% below the annual sales target of RMB11 billion. The overall ASP decreased by 11.9% to RMB7,600 per sqm from RMB8,630 per sqm in 2013. The decrease was mainly attributed to the change in project contribution and product mix when compared with those of last year.

In addition to the contract sales above, as at 31 December 2014, a total of 139,000 sqm at a value of RMB1,300 million was subscribed for, which will be converted to contract sales in the coming months.

Twenty six projects were launched for presales in 2014. Of this total, five were new projects, namely Residence Serene and Verakin Joyful City in Chongqing, Residence du Lac in Chengdu, Zhongyu Metropol in Xi'an and Florentia Town in Guiyang.



Sales Centre of Residence Serene

Sales Centre of Academic Heights

The breakdown of the contract sales in 2014 is as follows:

Projects	**Usage**	**Approximate Contract Sales Area** (sqm)	**Approximate Contract Sales Revenue** (RMB'000)	**Approximate Contract ASP Before Business Tax** (RMB)
Chongqing				
L'Ambassadeur	Residential	8,900	83,000	9,380/sqm
Phases I, II, III & IV	Commercial	600	18,700	31,820/sqm
	Car Park	15,700	55,600	141,150/unit
Verakin New Park City	Residential	36,100	383,200	10,620/sqm
	Commercial	12,500	300,200	24,030/sqm
	Office	51,700	396,100	7,650/sqm
	Car Park	35,000	77,200	78,750/unit
Bishan Verakin New Park City	Residential	36,800	181,900	4,920/sqm
— Zones A, B & C	Commercial	5,200	98,300	18,800/sqm
Verakin Joyful City	Residential	31,800	142,100	4,460/sqm
Phase I	Commercial	200	5,200	23,740/sqm
Riverside One, Wanzhou	Residential	27,000	122,200	4,530/sqm
Phases I, II & III	Commercial	2,200	24,100	10,730/sqm
	Car Park	9,600	24,600	81,590/unit
Phoenix County	Residential	62,100	539,600	8,690/sqm
Phases I, II & III	Commercial	1,600	40,300	24,790/sqm
	Car Park	500	2,100	137,270/unit
Academic Heights	Residential	45,300	197,600	4,370/sqm
Phases I, II & III	Commercial	900	20,300	23,170/sqm
Residence Serene	Residential	14,100	100,600	7,130/sqm
Phases I & II	Commercial	100	6,400	54,810/sqm
	Office	1,200	17,800	14,350/sqm
Mansions on the Peak	Residential	700	30,000	42,980/sqm
Others	Residential/ Commercial/ Car park	10,600	51,700	
		410,400	2,918,800	


Grand Launch of Sky Villa Condominiums

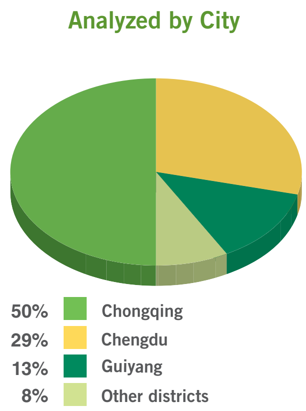

Villa Royale

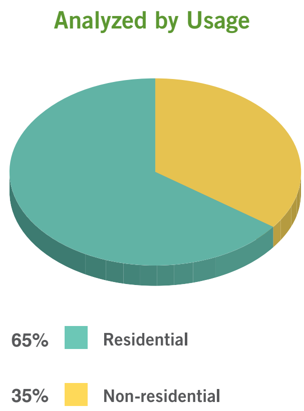
Projects	Usage	Approximate Contract Sales Area (sqm)	Approximate Contract Sales Revenue (RMB'000)	Approximate Contract ASP Before Business Tax (RMB)
Chengdu				
Sky Villa Phases II & III	Residential	18,500	317,200	17,160/sqm
	Car Park	1,900	7,900	147,040/unit
Sky Villa Condominiums	Residential	5,700	63,900	11,250/sqm
	Commercial	2,400	107,900	44,820/sqm
Brighton Place & Plaza Phases II, IV & V	Residential	800	6,500	7,880/sqm
	Commercial	3,800	156,200	40,730/sqm
	Office	11,200	104,400	9,310/sqm
Villa Royale Phases I, II, III & V	Residential	14,000	206,500	14,730/sqm
	Car Park	1,900	8,400	150,000/unit
Residence du Paradis Phases I & II	Residential	53,900	324,200	6,020/sqm
	Commercial	1,900	40,400	21,400/sqm
Residence du Lac Phase I	Residential	41,800	262,100	6,280/sqm
	Commercial	2,900	51,900	18,130/sqm
Others	Residential	600	3,200	
		161,300	1,660,700	
Guiyang				
First City, Guiyang Phases I, II, III & IV	Residential	51,200	311,300	6,080/sqm
	Commercial	26,400	336,900	12,790/sqm
	Car Park	8,000	3,500	120,620/unit
Florentia Town Phase I	Residential	16,200	77,600	4,790/sqm
	Commercial	1,500	33,600	22,970/sqm
		103,300	762,900	
Xi'an				
Zhongyu Metropol Phases I & II	Residential	43,400	209,600	4,830/sqm
Other Districts				
Silver Lining	Residential	1,400	10,900	8,010/sqm
	Car Park	200	1,100	150,000/unit
Radiant Bay Phases I & II	Residential	37,500	189,700	5,060/sqm
		39,100	201,700	
TOTAL		757,500	5,753,700	


Show Flat of Residence du Lac


Sales Centre of Zhongyu Metropol


Radiant Bay





The breakdown of the contract sales for 2014 from Chongqing, Chengdu, Guiyang, Xi'an and other districts were 50%, 29%, 13%, 4% and 4% respectively. The ASPs breakdown by location is as follows:

ASP (RMB per sqm)	2014	2013	Percentage change
Chongqing	7,110	8,330	-14.6%
Chengdu	10,290	9,890	+4.0%
Guiyang	7,390	8,920	-17.2%
Xi'an	4,830	N/A	N/A
Others	5,170	5,160	—
Overall for the Group	7,600	8,630	-11.9%

In terms of usage, about 65% (2013: 66%) were for residential and 35% (2013: 34%) for non-residential properties. The ASPs breakdown by usage is as follow:

ASP (RMB)	2014	2013	Percentage change
Residential (per sqm)	6,880	7,530	-8.6%
Commercial (per sqm)	22,000	20,110	+9.4%
Office (per sqm)	7,810	11,890	-34.3%
Carparks (per unit)	101,150	136,010	-25.6%

Land Bank

The Group has continued its strategy to develop its business in key cities of Western China. After taking into consideration the macro-economic condition, market change and sales results, the Group decided not to make any new land acquisition in year 2014.

As at the report date, the Group was in possession of a land bank of 12.3 million sqm GFA (attributable GFA amounting to about 8.5 million sqm) which is sufficient for 5-6 years' of development. The projects are in five cities namely Chongqing, Chengdu, Guiyang, Dazhou and Xi'an. The average GFA land cost is around RMB1,930 per sqm.

To further consolidate its land bank resources, the Group completed the disposal of its projects in Zhaomu Mountain and Wanzhou District, Chongqing, at the considerations of about RMB1,425.5 million and RMB459 million respectively. The disposal enabled the Group to pool more resources to step up the development of its commercial property portfolio in the Jiazhou Zone in the Yubei District, Chongqing. The disposal for these two projects resulted in a total pre-tax gain of approximately HK$547.4 million.

As at the report date, the Group's land bank has a well-diversified portfolio. The breakdown by usage is as follows:

Usage	Completed Properties held for Investment GFA (sqm)	Properties held for Own Use GFA (sqm)	Completed Properties held for Sale GFA (sqm)	Land held for Development GFA (sqm)		Total GFA (sqm)	Percentage of Total GFA
				Total	Attributable		
Commercial	28,000	11,000	164,000	1,717,000	1,283,000	1,920,000	14.1
Residential	2,000		296,000	5,251,000	3,329,000	5,549,000	40.6
Office			98,000	1,568,000	1,198,000	1,666,000	12.2
Hotel & serviced apartment			6,000	234,000	113,000	240,000	1.8
Townhouse & villa			134,000	327,000	222,000	461,000	3.4
Others (Car-park spaces and other auxiliary facilities)	53,000	11,000	501,000	3,247,000	2,382,000	3,812,000	27.9
TOTAL	83,000	22,000	1,199,000	12,344,000	8,527,000	13,648,000	100.0

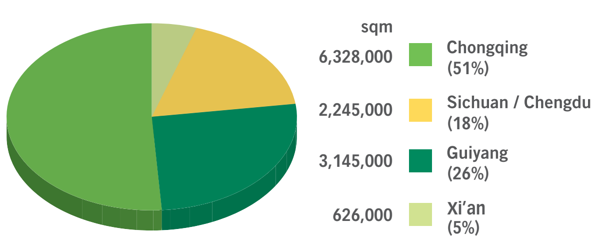
In terms of usage, about 47% of the land held for development is for residential, hotel and serviced apartments as well as townhouse and villa use and the remaining 53% for office, commercial and other developments. In respect of the total 430,000 sqm completed residential, townhouse and villa properties held for sale, about 51% have been pre-sold and are pending delivery.

Chongqing Zhong Yu participated in Chongqing Autumn Property Exhibition 2014

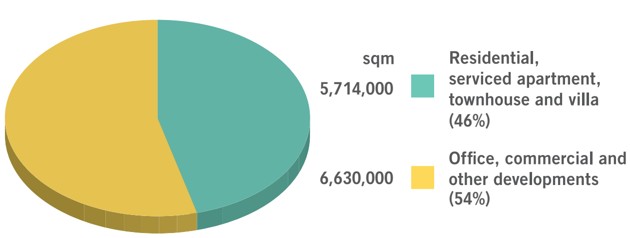
The breakdown of the land bank held for development by location is as follows:

Locations	Total GFA (sqm)	Attributable GFA (sqm)	Percentage of Total GFA
Chongqing	6,328,000	3,961,000	51.2
Sichuan			
— Chengdu	1,998,000	1,019,000	16.2
— Dazhou	247,000	247,000	2.0
Guiyang	3,145,000	2,674,000	25.5
Xi'an	626,000	626,000	5.1
TOTAL	12,344,000	8,527,000	100.0

By Location



By Usage



Around 51% and 16% of the land bank held for development are located in Chongqing and Chengdu respectively, whilst 33% is in Dazhou, Guiyang and Xi'an.

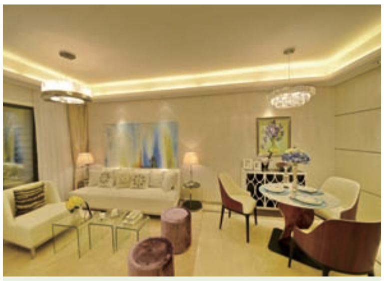
There were 20 projects in different stages of development during the year. The total area under construction as at 31 December 2014 was about 4.8 million sqm which is about 39% of the Group's total land bank.

As at the report date, details of the Group's land bank held for development are as follows:

Locations/Project Names	Expected Completion Date	GFA (sqm)	The Group's Interest
Chongqing, Yubei District			
— Phoenix County	2015	184,000	100%
— Zhongyu Plaza			
— Hotel portion	2017	80,000	46%
— Others	2015	209,000	92%
— Residence Serene	2015 – 2016	296,000	92%
— Lot #17-1	2017 or after	210,000	92%
— Lot #9	2017 or after	657,000	92%
— Lot #4	2016 or after	752,000	92%
— Lot #3-1	2017 or after	361,000	92%
— Xinpaifang	2017 or after	26,000	92%
— Others	2017 or after	91,000	92%
Chongqing, Jiangbei District	2015 or after	1,029,000	25%
Chongqing, Nan'an District			
— Verakin New Park City	2016 or after	614,000	51%
Chongqing, Shapingba District			
— Academic Heights	2015	206,000	92%
— Verakin Joyful City	2017 or after	676,000	51%
Chongqing, Bishan County, Ludao New District			
— Bishan Verakin New Park City	2015 or after	791,000	26%
Chongqing, Rongchang County			
— Verakin Riviera	2015	146,000	25%
Chengdu, Jinjiang District			
— Sky Villa	2015	215,000	51%
— Sky Villa Condominiums	2015	125,000	51%
Chengdu, Shuangliu County			
— Villa Royale	2015 or after	142,000	51%
Chengdu, Qingyang District			
— Brighton Place & Plaza	2015	186,000	51%
Chengdu, Yizhou Avenue			
— C C Land Plaza	2017 or after	117,000	51%
Chengdu, Huafu Avenue			
— Residence du Lac	2015 or after	398,000	51%
Chengdu, LongQuan Yi District			
— Residence du Paradis	2015 or after	815,000	51%
Sichuan, Dazhou, Tongchuan District			
— Radiant Bay	2015 or after	247,000	100%
Guiyang, Guanshanhu District			
— First City, Guiyang	2015 or after	1,191,000	85%
Guiyang, WuDang District			
— Florentia Town	2017 or after	641,000	85%
Guiyang, Hefei Road			
— Concordia City	2017 or after	1,313,000	85%
Xi'an, Weiyang District			
— Zhongyu Metropol	2016 or after	626,000	100%
TOTAL		12,344,000	

To support its sustainable development, the Group will continue to seize opportunities to expand its land bank at best value and will determine its investment scale based on the sales performance and financial resources on hand.

Sky Villa Phase III



Show Flat of Verakin Joyful City

Investment Property

Chongqing, the Southwest China's economic hub, has established itself as a manufacturing centre for key industries, and an active business center in the upper Yangtze River region. Chongqing achieved a GDP growth rate of 10.9% in 2014 which topped all the provinces in China. Chongqing will benefit from China's new urbanization drive which is expected to increase in population. It had just announced a 1.6 trillion Renminbi funding for the construction of massive infrastructure projects. The broadened economic base will create employment, good opportunities for economic growth, and commercial property developments in the region. The Group stands to benefit greatly from these developments as its base is established in the region.

Construction Ceremony of Lot No. 4

As at 31 December 2014, the book value of the investment properties of the Group measured at fair value with a total GFA of approximately 83,107 sqm was HK$421.7 million (2013: HK$411.3 million) of which HK$5.9 million arose from the increase in fair value during the year under review. The fair value was determined by an independent professional valuer based on its current operation mode adopted by the Group in respect of investment properties and the expected rental income to be generated. The valuation gains on investment properties were mainly a result of the increased value of the commercial portion held by the Group during the year.

The Group's property investment in the core land bank in the Yubei district is developing into one of the most important centers in Chongqing. Four commercial land lots are situated in the core land bank, namely, Lot Nos. 3, 4, 9 and 10, which are being developed into hotels, commercial and residential complexes.

As of 31 December 2014, Lot Nos. 4 & 10 with a total leasable and saleable GFA of about 961,000 sqm was under construction. The portfolio consists of the following projects:

a. the shopping mall and the car park area of "Zhongyu Plaza" in Lot No. 10 is expected to be completed in 2015 with a total leasable and saleable GFA of about 209,000 sqm.

b. construction work has commenced for Lot No.4, which will be developed to be one of the largest and high-end shopping and entertainment centers in Western China with a total leasable and saleable GFA of about 752,000 sqm. The Group has entered into a pre-leasing agreement with Taiwan Shin Kong Mitsukoshi, operator of a chain of department stores in Taiwan and China, to lease a GFA of approximately 250,000 sqm of the project's commercial space. The mode of co-operation is purely based on lease arrangements consisting of rental fee levied on two factors, namely, area occupied and monthly turnover amount. The department store is expected to commence operation in 2016.

It is the intention of the Group to lease out the Group's investment properties, although the possibility of selling some units should attractive offers arise cannot be ruled out. The Group will assess the market environment from time to time to determine the appropriate proportion of the investment properties for lease and sale respectively.

The rental income for investment properties in the year was approximately HK$23.1 million, as compared with approximately HK$20.0 million last year. The rental income was generated from the existing investment properties, representing an annual growth of 15.5%.

Chongqing Zhong Yu & Taiwan Shin Kong Mitsukoshi signed the pre-leasing agreement

Treasury Investment Business

The treasury investments segment recorded a profit for the year of HK$172.9 million (2013: HK$67.4 million). There was a gain of HK$97.8 million (2013: HK$83.2 million) realized on the disposal of available-for-sale investments held by the Group. The realized losses and unrealized gains on listed securities amounted to HK$4.5 million and HK$60.5 million respectively (2013: realized gains and unrealized losses on listed securities were HK$0.8 million and HK$27.9 million respectively). Dividend income and interest income from investment in notes receivable totaled HK$22.9 million (2013: HK$15.0 million).

Financial Position

The Group has maintained a healthy financial position during the year. As of 31 December 2014, the Group had aggregate cash and bank balances and time deposits amounting to HK$9,519.0 million (2013: HK$9,636.3 million). The Group monitors its capital on the basis of the gearing ratio. The net gearing ratio of the Group as at 31 December 2014 was 17.3% (2013: 10.3%) calculated by total borrowings less cash and bank balances and time deposits divided by owners' equity. The increase in gearing ratio was mainly due to the payment of land premium and related costs as well as construction costs of RMB553.4 million and RMB4,983.6 million respectively. These payments were mainly financed by internal resources generated from cash received from property presales and external bank borrowings. The slow down in contract sales has affected the receipt of pre-sale proceeds. The average borrowing interest rate for the year ended 31 December 2014 was 6.58% (2013: 6.73%) per annum which is relatively low in the market.

The cash collection ratio for the property business was 118% during the year.

CORPORATE STRATEGY AND OUTLOOK

The macro-regulatory environment had deterred potential homebuyers. As the market momentum slowed in 2014, homebuyers adopted a 'wait-and-see' attitude and continued to stay away from the property market. Housing supply and turnover in most cities reached a historic low. Government measures aimed at attracting homebuyers began to surface in September. These included improving the availability of mortgages and better mortgage terms for first-time homebuyers, as well as for second-time buyers who have repaid their first mortgage. It is expected that China will continue to adopt a prudent monetary policy and ensure economic drive in implementing reforms. The favorable policies boosted consumer confidence and are likely to provide some support to sales. The fall in housing sales eased in the last quarter of 2014, and was particularly evident in the first-tier cities. These changes should help activity in the housing market to regain momentum in the months ahead if the economic background continues to improve. The Group believes that, due to the progress of urbanization, return of strong demand from the increase in disposable income of residents, and the release of demand from upgraders, which are the driving forces for the sustainable growth of the real estate market, there is still room for growth for the real estate industry.


Show Flat of Bishan Verakin New Park City

In respect of land acquisitions, the Group will carefully screen and assess each and every opportunity based on future market supply and consumption preferences of home buyers. To ensure sustainable growth, the Group continues to ensure that it always has sufficient funding to expand resources land reserves with high potential profitability. The Group believes maintaining a land bank which is sufficient for five to six years' of development is an optimal size to support the future growth of the Group.

Chongqing will benefit from China's new urbanization drive, and is expected to result in population increase. The outlook for the office and retail market is expected to remain stable. The Group will continue to develop and keep its trophy commercial properties for rental purposes.

With more new launches, the contract sales performance is expected to pick up accordingly. The contract sales target for 2015 is RMB8 billion, approximately 39% more than its 2014 contract sales. This will be achieved from the sales of 21 projects in 5 cities. The unrecognized contract sales amounted to RMB11.3 billion representing a pre-sold GFA of 1.3 million sqm. Together with the contract sales for the first two months of 2015, the total unrecognized contract sales to be delivered in 2015 and beyond amounted to RMB12 billion.


Phoenix County Phase II


Academic Heights

Completion of properties in 2015 and 2016 will be 2,584,000 sqm and 1,449,000 sqm respectively with details set out below:

Locations	**Projects**	**Residential Area** (sqm)	**Commercial/ Car park/ Other Area** (sqm)	**Total Area** (sqm)	**The Group's Interests**
Year 2015					
Chongqing	Phoenix County Phases II & III	143,000	41,000	184,000	100%
	Zhongyu Plaza	—	209,000	209,000	92%
	Academic Heights Phase III	124,000	82,000	206,000	92%
	Residence Serene Phase I	—	116,000	116,000	92%
	Verakin New Park City — Zone M	128,000	42,000	170,000	51%
	Bishan Verakin New Park City — Zone A	54,000	38,000	92,000	26%
Chengdu	Sky Villa Phase III	157,000	58,000	215,000	51%
	Sky Villa Condominiums	80,000	45,000	125,000	51%
	Brighton Place & Plaza Phases I, II, III, IV & V	—	186,000	186,000	51%
	Residence du Paradis Phase I	162,000	77,000	239,000	51%
	Residence du Lac Phase I	142,000	68,000	210,000	51%
	Villa Royale Phases III, IV & V	75,000	10,000	85,000	51%
Dazhou	Radiant Bay Phases I & II	50,000	—	50,000	100%
Guiyang	First City, Guiyang Phases II, III & IV	155,000	342,000	497,000	85%
TOTAL		1,270,000	1,314,000	2,584,000	
Year 2016					
Chongqing	Residence Serene Phase II	132,000	48,000	180,000	92%
	Lot No. 4	—	250,000	250,000	92%
	Verakin New Park City				
	— Zone S	—	97,000	97,000	51%
	— Zone U	—	103,000	103,000	51%
	Bishan Verakin New Park City				
	— Zone C	72,000	23,000	95,000	26%
	— Zone D	90,000	29,000	119,000	26%
Chengdu	Residence du Paradis Phase II	186,000	131,000	317,000	51%
Dazhou	Radiant Bay Phase II	36,000	6,000	42,000	100%
Guiyang	First City, Guiyang Phase III	60,000	—	60,000	85%
Xi'an	Zhongyu Metropol Phases I & II	164,000	22,000	186,000	100%
TOTAL		740,000	709,000	1,449,000	

For 2015 and 2016 respectively, 65% and 18% of the target completion residential areas have been pre-sold as at 28 February 2015. The target completion area for year 2015 are 2,584,000 sqm, which is about 115% higher when compared with the 2014 completion area of 1,199,500 sqm.


Zhongyu Plaza

As at 31 December 2014, the Group has a total of 20 projects under development. Based on the existing development schedule, the Group expects the total area for construction start-up in 2015 to be around 2.6 million sqm. Together with the area under construction of 4.8 million sqm as at 31 December 2014, the total area under development at the end of 2015 is expected to be over 7.4 million sqm — about 60% of the Group's total land bank.

As at 31 December 2014, the outstanding land premium is about RMB542 million. The expected construction cost for 2015 is about RMB7.5 billion.

The Group will continue to adopt a prudent and cautious investment strategy and will from time to time consider any investment and/or cooperation opportunities that may lower the Group's financial commitments and enhance returns from its projects in order to accelerate further growth of the Group. The Group will closely monitor changes of the market condition and demand, making timely and appropriate adjustment to the development plan in order to maintain satisfactory sales progress, maximize the performance of its operation and generate the greatest returns for its shareholders.

FINANCIAL REVIEW

Investments

For the sake of strategic investment with growth potential, and in view of the shrinking interest returns on bank deposits, the Group instead has identified certain investment opportunities and invested its unused cash in a portfolio of listed and unlisted equity securities and unlisted investment funds. To maintain a prudent investment portfolio, the value of the portfolio is limited to no more than 10% of the total asset of the Group.

At 31 December 2014, the Group held a portfolio of listed and unlisted equity securities and notes receivable (issued by companies listed on the Stock Exchange) with a carrying value of HK$1,577.3 million (31 December 2013: HK$906.7 million) which is about 3.2% of the total assets of the Group. The Group will monitor closely the usage of unused cash and adjust the size of its investment portfolio. Owing to the price fluctuation in the Hong Kong stock market during the year, the Group recorded an unrealized fair value gains of HK$60.5 million on listed investment (2013: unrealized fair value losses of HK$27.9 million). The amount of dividends and interest income from investments for the year was HK$37.2 million (2013: HK$25.6 million).

Chongqing Zhong Yu participated in Chongqing Autumn Property Exhibition 2014

Liquidity and Financial Resources

The Group will continue to adopt a prudent financial policy. Finance and fund utilization activities are subject to effective centralized management and supervision. While continuing to maintain the current relationship with major bankers, the Group is also exploring other funding channels and optimizing its capital structure so as to enhance its risk resistance capabilities.

As of 31 December 2014, the Group's financial position is healthy, ready for future capital expansion while maintaining a sufficiently high level of fixed deposits and bank balances amounting to HK$9,519.0 million (31 December 2013: HK$9,636.3 million) which included HK$1,880.8 million (31 December 2013: HK$781.2 million) of deposit pledged to banks. Of the cash and bank balances, the carrying amount of restricted cash was approximately HK$1,357.3 million (31 December 2013: approximately HK$3,079.1 million). According to the relevant laws and regulations of the PRC, the Group was required to place certain amount of pre-sales proceeds into designated bank accounts as guarantees for the development of the relevant properties.

An analysis by currency denomination of the cash and bank balances is as follows:

	2014		2013	
	HK$'M	**Percentage**	**HK$'M**	**Percentage**
Renminbi	8,506.2	89.3	8,321.6	86.4
Hong Kong Dollars	1,010.0	10.6	1,302.7	13.5
United States Dollars	2.8	0.1	12.0	0.1
Total	9,519.0	100.0	9,636.3	100.0

As at 31 December 2014 the Group's working capital (current assets less current liabilities) amounted to approximately HK$13,515.3 million (31 December 2013: HK$11,107.0 million). The Group's current ratio (current assets over current liabilities) was 1.6 times (31 December 2013: 1.4 times). The unutilized banking facilities of the Group amounted to HK$1,982 million as at 31 December 2014 (31 December 2013: HK$678 million), most of which are arranged on a medium to long term basis, which helps to minimize refinancing risk. The Group mainly relies upon internally generated funds as well as bank borrowings to ensure long term stability and healthy development of the Group whilst monitoring the gearing position from time to time to minimize the risks.

Total borrowings amounted to HK$12,082.0 million (31 December 2013: HK$11,094.0 million). The average borrowing interest rate for the year ended 31 December 2014 was 6.58% (31 December 2013: 6.73%) per annum. The total finance costs increased by approximately 77.0 % as compared to last year and amounted to HK$159.8 million (31 December 2013: HK$90.3 million), after capitalization of HK$636.4 million (31 December 2013: HK$643.7 million) into the cost of properties under development. Secured debts accounted for approximately 71% of total borrowings as at 31 December 2014 (31 December 2013: 66%). As at 31 December 2014, the Group was at a net borrowing position of HK$2,563.0 million after netting off total bank borrowings against cash balance (31 December 2013: net borrowing position of HK$1,457.7 million). The increase in the net borrowing balance was mainly due to the funding required for the payment of land premium and related costs of about RMB553.4 million and the payment of construction costs of about RMB5.0 billion during the year.

The maturity profile of the bank borrowings, and the cash and bank balances and time deposits as at 31 December 2014 were as follows:

Currency of Bank Loans	RMB HK$'M	HK$ HK$'M	US$ HK$'M	Total HK$'M	Percentage
Bank borrowings repayable:					
— Within 1 year or on demand	2,317.5	1,835.1	—	4,152.6	34.4
— In the second year	3,560.9	2,911.0	—	6,471.9	53.5
— In the third to fifth years, inclusive	730.3	660.0	—	1,390.3	11.5
— Beyond five years	67.2	—	—	67.2	0.6
Total bank borrowings	6,675.9	5,406.1	—	12,082.0	100.0
Less: Cash and bank balances and time deposits	(8,506.2)	(1,010.0)	(2.8)	(9,519.0)	
Net borrowing position	(1,830.3)	4,396.1	(2.8)	2,563.0	

The owners' equity was HK$14.8 billion (31 December 2013: HK$14.2 billion) and the net assets value per share was HK$5.72 (31 December 2013: HK$5.48).

Contingent Liabilities/Financial Guarantees

At 31 December 2014, the Group had the following contingent liabilities/financial guarantees:

a. Guarantees given to banks in connection with facilities granted to an associate in the amount of HK$526.1 million (31 December 2013: HK$526.1 million).

b. Guarantees given to banks in respect of mortgage facilities granted to certain purchasers of the Group's property units in the amount of HK$7,072.7 million (31 December 2013: HK$7,492.6 million).

Pledge of Assets

At 31 December 2014, the Group has pledged the following assets:

a.	Leasehold properties as security for general banking facilities granted to the Group.	HK$84.3 million
b.	Bank balances and time deposits as security for general banking facilities granted to the Group.	HK$1,880.8 million
c.	Properties under development, completed properties held for sales and investment properties pledged to secure banking facilities granted to the Group.	RMB13,169.2 million
d.	100% equity holdings of a subsidiary of the Group in the PRC.	RMB202.1 million

Exchange Risks

As the Group's property business operates in the PRC, its revenue and most of its expenses are denominated in RMB. Therefore the property business is not exposed to material foreign exchange risks. The directors expect that any fluctuation of RMB's exchange rate will not have any material adverse effects on the operation of the Group. No currency hedging arrangements were made as at 31 December 2014. The Group will continue to closely monitor and manage its exposure to fluctuation in foreign exchange rates.

EMPLOYEES

As of 31 December 2014, the Group had approximately 2,206 employees in China and Hong Kong (31 December 2013: 1,932 employees) and incurred employee costs in the amount of approximately HK$377 million (31 December 2013: HK$358 million). The Group reviews the remuneration policies and packages on a regular basis and remunerates its employees based on their merit, qualification, competence and the prevailing market condition. In order to attract, retain and motivate employees, the Group has also established an incentive bonus scheme to reward employees based on their performance and the Group's performance as a whole. Employees are also eligible for share options under the Company's share option scheme at the discretion of the Board. For the years ended 31 December 2014 and 31 December 2013, no equity-settled share option expense was charged off to the consolidated statement of profit or loss. Other employee benefits include contributions to mandatory provident funds and medical insurance.

The Group adopts a proactive approach on investor relations and strives to provide investors with updates and accurate information on the Group's latest development. The Group has an open-minded attitude and believes effective communication is two-ways and therefore also encourages investors to give feedback to the Group. To enable easy access to information on the Company's latest major development, measures have been taken to ensure all necessary information and appropriate updates are made available to investors in a timely manner through the Company's website, www.ccland.com.hk, under the column of "Investor Relations".

INVESTOR RELATIONS ACTIVITIES

To facilitate on-going and timely dialogues with the investment community, the Group held analyst briefings after the results announcement. Global roadshows were conducted during the year to enable overseas investors to better understand the Group's performance and the outlook of the Group. The management of the Group also actively participated in investment forums organized by leading international investment banks. Site visits were arranged to give institutional investors a better understanding of the Group's property projects.

Besides the company's business development, the Company also updates the investors about the latest national and local government policy on the China property market.

To keep the investors updated on the sales progress of the Group, property sales figures were released every month. A long-term and close relationship has been established between the Company and the investment community. The Group also maintains a current distribution list of investors to provide them with corporate news and announcements through e-mails. The Group believes continuous communication is extremely important to let investors have a timely update on the latest development of the Group.

ACHIEVEMENT AND AWARD

With the aim to strike for excellence in delivering the investor relations work, the Company achieved award of "*Asia's Outstanding Company on Corporate Governance*" in The Best of Asia 2014 organized by Corporate Governance Asia Magazine.

Looking ahead, the Company will continue to maintain a strong relationship with investors in order to enhance the Company's strength and corporate governance quality, promoting the long-term development of the Company.

2013 Annual Results Announcement

The Company is committed to maintaining a high standard of corporate governance. The Board considers that sound corporate management and governance practices are essential to the Company's healthy growth under all business environments.

CORPORATE GOVERNANCE PRACTICES

During the year, the Company has complied with the code provisions of the CG Code.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding securities transactions by directors. Specific enquiries have been made on all directors who have confirmed that they have complied with the required standard set out in the Model Code throughout the year.

BOARD OF DIRECTORS

Currently, the Board is chaired by Mr. Cheung Chung Kiu. It consists of five executive directors and four non-executive directors, three of whom are independent. Names and other biographical details of the members of the Board are set out under the heading of "Directors' Profile" on pages 30 to 31. The Board determines and keeps under review the objectives of the Group. It makes decisions on overall strategies and actions necessary for achieving these objectives, monitors and controls financial and operating performance, formulates appropriate policies, and identifies and ensures best practices of corporate governance. The current structure and composition of the Board have provided it with an appropriate mix of skills, knowledge, experience and diversity. The Board reviews its structure and composition from time to time to ensure that appropriate expertise and independence are maintained.

The Company has received confirmation from each director that he has given sufficient time and attention to the affairs of the Company during the year. Directors have also disclosed to the Company the changes, if any, in the number and nature of offices they held in public companies or organizations and other significant commitment, including the identity of the public companies or organizations and an indication of the time involved.

Set out below are details of directors' attendance of board, committees and general meetings in 2014:

	Attendance/Number of meetings held					
Name of directors	**Regular Board Meeting**	**Audit Committee Meeting**	**Remuneration Committee Meeting**	**Nomination Committee Meeting**	**Annual General Meeting**	**Special General Meeting**
Executive Directors						
Cheung Chung Kiu *(Chairman)*	4/4	—	1/1	1/1	1/1	1/1
Lam How Mun Peter *(Deputy Chairman & Managing Director)*	4/4	—	1/1	1/1	1/1	1/1
Tsang Wai Choi *(Deputy Chairman)*	4/4	—	—	—	1/1	1/1
Leung Chun Cheong	4/4	—	—	—	1/1	1/1
Leung Wai Fai	4/4	—	—	—	1/1	1/1
Non-executive Director						
Wong Yat Fai	4/4	—	—	—	1/1	1/1
Independent Non-executive Directors						
Lam Kin Fung Jeffrey	4/4	3/3	1/1	1/1	1/1	1/1
Leung Yu Ming Steven	4/4	3/3	1/1	1/1	1/1	1/1
Wong Lung Tak Patrick	4/4	3/3	1/1	1/1	1/1	1/1

During the year, the non-executive directors (including the independent non-executive directors) have met once with the Chairman without the presence of the executive directors, to consider and discuss various matters in respect of the management and corporate governance of the Company.

The Chairman takes the primary responsibility for ensuring that good corporate governance practices and procedures are established. He sets the agenda for the Board and takes the lead in the formulation of objectives, strategies and actions at the directorate level. He ensures that members of the Board receive accurate, timely and clear information, and that matters to be taken into consideration are given their due weight, so that sound decisions can be made. With the assistance of the Company Secretary, the Chairman ensures that the Board properly exercises its powers, holds its meetings and implements procedures in compliance with all rules and requirements, and full and proper records are maintained. Procedures are also put in place for each director to have access to supporting papers and relevant information for each scheduled meeting. All directors also have access to the services of the Company Secretary and her team, and may take independent professional advice upon request, at the Company's expense.

The day-to-day management of the Group is delegated by the Board to the Managing Director who is supported by the various committees of the Board and management of the Company for recommending strategies to the Board, and determining and implementing operational decisions. The Managing Director assumes full accountability for the day-to-day management of the Group. All committees of the Board have specific terms of reference clearly defining their respective powers and responsibilities. All committees are required by their terms of reference to report to the Board in relation to their decisions or recommendations. Through participating in the Company's board meetings and committees meetings, attending general meetings, and participating in continuous professional development, all directors are able to make contribution required from them to the Board and to the development of the Company.

The Company provides directors with regular updates on changes to and developments of the Group's business, and on the latest developments in the laws, rules and regulations relating to directors' duties and responsibilities to help them make informed decisions and discharge their duties and responsibilities as directors of the Company.

During the year under review, all directors have participated in continuous professional development to develop and refresh their knowledge and skills as listed company directors. All directors have provided the Company with their records of the training they received for the year. A summary of the records of their training is as follows:

Name of Directors	Training Received
Cheung Chung Kiu	Attending seminar regarding updates on rules and regulations relating to listed companies and operation and management of listed companies; reading materials regarding updates on rules and regulations relating to listed companies, corporate governance and finance
Lam How Mun Peter	Attending seminar regarding updates on rules and regulations relating to listed companies
Tsang Wai Choi	Attending seminars regarding corporate governance and finance; e-learning regarding ethics and code of conduct and operation and management of listed companies and reading materials regarding relevant industry
Leung Chun Cheong	Attending seminars regarding updates on rules and regulations relating to listed companies, corporate governance and finance; e-learning regarding corporate governance and finance
Leung Wai Fai	Attending seminar regarding updates on rules and regulations relating to listed companies; e-learning regarding operation and management of listed companies and finance
Wong Yat Fai	Attending seminar regarding updates on rules and regulations relating to listed companies
Lam Kin Fung Jeffrey	Attending seminars regarding updates on rules and regulations relating to listed companies, finance and relevant industry; reading materials regarding updates on rules and regulations relating to listed companies, ethics and code of conduct and operation and management of listed companies
Leung Yu Ming Steven	Attending seminars regarding updates on rules and regulations relating to listed companies, corporate governance, ethics and code of conduct, operation and management of listed companies and finance
Wong Lung Tak Patrick	Attending seminars regarding updates on rules and regulations relating to listed companies, corporate governance, ethics and code of conduct, operation and management of listed companies and finance

CHAIRMAN AND MANAGING DIRECTOR

The roles of Chairman and Managing Director are separate. The main responsibility of Chairman is to lead the Board and manage its work to ensure that it effectively operates and fully discharges its responsibilities. Supported by the members of the committees of the Board, Managing Director is responsible for the day-to-day management of the Group, recommending strategies to the Board, and determining and implementing operational decisions.

NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive directors an annual written confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Board has reviewed their independence based on such confirmation and considers all of them remaining independent. All non-executive directors are appointed for a specific term of not more than three years and are subject to retirement by rotation and re-election at the annual general meeting at least once every three years pursuant to the Bye-laws.

BOARD COMMITTEES

The Board has set up the Executive Committee which comprises all executive directors on the Board. Under its terms of reference, the Executive Committee is responsible for overseeing the management and daily operations of the Group and any other matters delegated by the Board. In addition to the Executive Committee, the Board has set up the Audit Committee, the Remuneration Committee and the Nomination Committee. The Board does not have a Corporate Governance Committee and its functions would be carried out by the Board as a whole.

AUDIT COMMITTEE

The Audit Committee currently comprises three independent non-executive directors, Mr. Lam Kin Fung Jeffrey, Mr. Leung Yu Ming Steven and Dr. Wong Lung Tak Patrick. It is chaired by Mr. Lam Kin Fung Jeffrey. The major roles and functions of the Audit Committee are set out in the terms of reference which include duties specified in the CG Code and are posted on the Company's website in the section of "Corporate Governance" under the column of "Investor Relations" and on the Stock Exchange's website.

The Audit Committee has reviewed together with the management and independent auditors the accounting policies and practices adopted by the Group and discussed auditing, internal control and financial reporting matters, including reviewing the Group's consolidated results for the year ended 31 December 2014. When reviewing the Company's interim and annual reports, the Audit Committee has focused not only on the impact of the changes in accounting policies and practices, but also on the compliance with applicable accounting standards, the Listing Rules and relevant legal requirements. It has also reviewed the financial statements before submission to the Board.

The Audit Committee has reviewed with the management, among other matters, the system of internal control covering all material controls, including financial, operational and compliance controls and risk management functions and the arrangements for employees to raise concerns in confidence about possible improprieties in financial reporting, internal control and other matters. It has also reviewed the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function. The Audit Committee has reviewed the engagement of independent auditors and the effectiveness of the audit process.

REMUNERATION COMMITTEE

The Remuneration Committee currently comprises two executive directors, Mr. Cheung Chung Kiu and Dr. Lam How Mun Peter, and three independent non-executive directors, Mr. Lam Kin Fung Jeffrey, Mr. Leung Yu Ming Steven and Dr. Wong Lung Tak Patrick. It is chaired by Mr. Leung Yu Ming Steven. The major roles and functions of the Remuneration Committee are set out in the terms of reference which include duties specified in the CG Code and are posted on the Company's website in the section of "Corporate Governance" under the column of "Investor Relations" and on the Stock Exchange's website.

The Remuneration Policy for executive directors of the Company is determined with reference to the Group's operating results, duties and level of responsibility of the executive directors and the prevailing market conditions which are reviewed annually in order to provide remuneration and compensation packages competitive to attract, retain and motivate high quality executives to serve the Group. The fee for non-executive directors is determined with reference to each of their duties and level of responsibility with the Company and is reviewed on an annual basis. Details of the directors' remuneration for 2014 are set out in note 9 to the financial statements on pages 91 to 92.

During 2014, the Remuneration Committee has assessed the performance of the executive directors, reviewed and discussed, among other matters, the remuneration packages (including the annual performance bonus policy) of the executive directors, the remuneration of the non-executive directors, the existing share option scheme, the retirement benefit scheme, and the long-term incentive arrangement. It has also reviewed the Remuneration Policy and its implementation. Being given the delegated responsibility, the Remuneration Committee has determined the remuneration packages of the executive directors of the Company.

NOMINATION COMMITTEE

The Nomination Committee currently comprises two executive directors, Mr. Cheung Chung Kiu and Dr. Lam How Mun Peter, and three independent non-executive directors, Mr. Lam Kin Fung Jeffrey, Mr. Leung Yu Ming Steven and Dr. Wong Lung Tak Patrick. It is chaired by Mr. Cheung Chung Kiu. The major roles and functions of the Nomination Committee are set out in the terms of reference which include duties specified in the CG Code and are posted on the Company's website in the section of "Corporate Governance" under the column of "Investor Relations" and on the Stock Exchange's website.

The Nomination Policy for directors is formulated with reference to the skills and experience of the Board appropriate for the requirements of the Group's business. The Nomination Committee will review the Board's structure, size and composition (including the skills, knowledge and experience) and diversity. It will assess the independence of independent non-executive directors. It will also make recommendations on any proposed changes to the Board to complement the Company's corporate strategy, and make recommendations on the appointment or re-appointment of directors and succession planning for directors, including the Chairman as appropriate. It is responsible for identifying individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships.

The Company has adopted a Board Diversity Policy setting out the approach to achieve a diverse Board. Taking into account factors including the size of the Board, its composition of executive and non-executive directors, and the Company's principal activities and needs, selection of candidates shall be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

During 2014, the Nomination Committee has reviewed and discussed, among other matters, the structure, size and composition including the skills, knowledge, experience and diversity of the Board and also assessed the independence of independent non-executive directors of the Board. It has also reviewed the Nomination Policy and the Board Diversity Policy and their implementation.

CORPORATE GOVERNANCE FUNCTION

The Board does not have a Corporate Governance Committee. The functions that would be carried out by a Corporate Governance Committee are performed by the Board as a whole and are as follows:

1. to develop and review the Company's policies and practices on corporate governance;
2. to review and monitor the training and continuous professional development of directors and senior management;
3. to review and monitor the Company's policies and practices in compliance with legal and regulatory requirements;
4. to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and
5. to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

The Corporate Governance Policy is formulated with an emphasis on the Board's quality, effective internal control, stringent disclosure practices and transparency and accountability to all shareholders of the Company. The Board strives to comply with the code provisions and reviews its Corporate Governance Policy regularly in order to maintain high standards of business ethics and corporate governance, and to ensure the full compliance of our operations with applicable laws and regulations.

During the year, members of the Board have reviewed and discussed, among other things, the Company's policies and practices on corporate governance at regular board meetings. They have also reviewed and monitored the training and continuous professional development of directors, and the Company's policies and practices on compliance with legal and regulatory requirements as well as its disclosure in the Corporate Governance Report. The Board has reviewed the code of conduct applicable to employees and directors setting out the standards of behaviour that the Company expects from them and the guidelines on how they should handle different situations in business dealings with the Group.

INDEPENDENT AUDITORS' REMUNERATION

During the year under review, the remuneration paid/payable to the Company's independent auditors, Messrs Ernst & Young amounted to a total of HK$7,441,000, of which HK$6,890,000 was for audit services and HK$551,000 for non-audit services including agreed-upon procedures on the interim financial report and tax services.

COMPANY SECRETARY

The Company Secretary has undertaken not less than 15 hours of relevant professional training during 2014.

SHAREHOLDERS' RIGHTS

The following is a brief summary of certain rights of shareholders, which are subject to applicable laws and regulations, including without limitation, the Companies Act, the Listing Rules and the Bye-laws.

1. Convening special general meeting

Members of the Company may, by a written requisition, require the Directors to convene an SGM for the transaction of any business specified in such requisition. A valid requisition may be made by a member or members of the Company holding at the date of deposit of the requisition not less than one-tenth of the paid-up capital of the Company which at that date carries voting rights at general meetings of the Company. The requisition must state the purpose(s) of the requisitioned SGM, and must be signed by the requisitionist(s). The requisition may consist of several documents in like form each signed by one or more requisitionists, which must be deposited at the Company's registered office in Bermuda at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. To ensure that it is received by the Company at the earliest opportunity, a copy of the signed requisition may also be deposited at the Company's principal place of business in Hong Kong at Rooms 3308-10, 33rd Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong, for the attention of the Board or the Company Secretary.

If the Directors fail to proceed to convene an SGM within 21 days from the date of deposit of the requisition, the requisitionist(s) (or any of them representing more than one-half of their total voting rights) may himself/themselves convene an SGM, which must be held within 3 months of the date of deposit of the requisition. The SGM must be convened by the requisitionist(s) in the same manner as nearly as possible as that in which SGM is to be convened by the Directors. The requisitionist(s) is/are entitled to be repaid any reasonable expenses he/they incur(s) as a result of the failure of Directors duly to convene an SGM. These expenses will be payable by the Company and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration to such defaulting Directors in respect of their services.

2. Putting forward proposals at shareholders' meetings

Members of the Company may by a written requisition and at their expense (unless the Company otherwise resolves) require the Company to:

(a) give to members of the Company entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at the next annual general meeting of the Company; and/or
(b) circulate to members of the Company entitled to receive notice of any general meeting any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that general meeting.

A valid requisition may be made by either:

(a) any number of members of the Company representing not less than one-twentieth of the total voting rights of all the members having at the date of the requisition the right to vote at the meeting to which the requisition relates; or
(b) not less than 100 members of the Company.

The requisition signed by the requisitionists (or two or more copies which between them bear the signatures of all the requisitionists) must be deposited at the Company's registered office in Bermuda at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. To ensure that it is received by the Company at the earliest opportunity, a copy of the signed requisition may also be deposited at the Company's principal place of business in Hong Kong at Rooms 3308-10, 33rd Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong, for the attention of the Board or the Company Secretary and,

(a) in the case of a requisition requiring notice of a resolution to be moved at an annual general meeting, not less than six weeks before the annual general meeting; and
(b) in the case of any other requisition, not less than one week before the general meeting.

The requisitionists must deposit or tender with the requisition a sum which is reasonably sufficient to meet the Company's expenses in giving effect to the requisition.

3. Proposing a person for election as director

Shareholders may propose a person for election as director, the procedures for which are available on the Company's website in the section of "Corporate Governance" under the column of "Investor Relations".

4. Sending enquiries to the Board

Shareholders may send any enquiries to the Board by mail, email or telephone to the Company's Head of Investor Relations, whose contact details are as follows:

Address: Rooms 3308-10, 33rd Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong
Email: ccland@ccland.com.hk
Telephone: +852 2820 7315

INVESTOR RELATIONS

The Company has adopted a Shareholders Communication Policy. The use and effectiveness of such policy are monitored and reviewed regularly by the Board. The Company recognises the importance of shareholders' privacy and therefore will not disclose shareholders' information without their consent, unless required by law to do so. To achieve equal access to information on the Company's latest major developments, measures have been taken to ensure all necessary information and appropriate updates are made available to investors in a timely manner through the Company's website under the column of "Investor Relations". In addition to financial reports, all announcements and circulars of the Company including results announcements, notices of general meetings and associated explanatory documents released by the Company to the Stock Exchange are posted on the Company's website. Other information such as presentation materials and press releases to be issued to shareholders and potential investors of the Company will also be made available on the Company's website. Shareholders should direct their questions about their shareholdings to the Company's share registrars. For enquiry about the information of the Company, shareholders may contact our Head of Investor Relations, whose contact details are set out under the heading of "Sending enquiries to the Board" above. Shareholders are encouraged to participate in the Company's general meetings where members of the Board will be available to answer their questions.

The Company has also adopted a Disclosure of Inside Information Policy. It sets out a framework for the release and control of inside information to ensure that the Company is able to meet its legal and regulatory obligations and requirements as a listed corporation. The Board is generally responsible for ensuring that the Group complies with its disclosure obligations regarding inside information and has established a disclosure group comprising certain directors and management to assist it in determining whether any particular information is inside information and overseeing and coordinating disclosure of inside information of the Group. Inside information should be disclosed by way of an announcement in accordance with the requirements of the SFO and the Listing Rules. Before relevant information is fully disclosed to the public, the disclosure group will help the Board to ensure that such information is kept strictly confidential.

The Company's constitutional documents are made available on the Company's website in the section of "Corporate Governance" under the column of "Investor Relations" and on the Stock Exchange's website. During the year, there was no significant change in them.

INTERNAL CONTROLS

The Board is responsible for the Group's internal control system and for reviewing its effectiveness. The Company has maintained an internal audit function which forms part of the permanent establishment of the Group and is internally resourced and staffed by qualified accounting personnel with suitable experience.

The internal audit function monitors the adequacy and effectiveness of the internal control system established within the Company and its subsidiaries for safeguarding assets against unauthorized use, for maintaining proper accounting records, and for ensuring the reliability of financial information. Functional reporting and financial reporting procedures appropriate to the business of the Company's subsidiaries are established for application within the Group. These procedures are designed to enable timely and reliable functional and financial reporting by subsidiaries of the Group and to provide reasonable assurance against material misstatement, errors, losses or fraud. The work of the internal audit function is generally focused on identifying, monitoring and reporting on major risks faced by the Group, including those related to business operations, compliance with laws and regulations and financial reporting. The Board is responsible for ensuring that recommendations made by the internal audit function are properly implemented.

The Board recognizes that the Group's internal control system plays a key role in both the management of risks and the assurance of continued compliance with laws and regulations by the Group. The Audit Committee has kept under review the Group's internal control system. The Board has also conducted an annual review of the effectiveness of the Group's internal control system. Based on its review, the Audit Committee will advise the Board on the adequacy of the Group's internal control system, including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function.

During the year under review, the Board considers that the Group has complied with the provisions on internal controls as stipulated in the CG Code. The Board is satisfied that the Group's internal control system including financial, operational and compliance controls and risk management functions as appropriate to the Group have been put in place and that no significant areas of improvement which are required to be brought to the attention of the Audit Committee have been revealed.

DIRECTORS' RESPONSIBILITY FOR PREPARING THE FINANCIAL STATEMENTS

The Board acknowledges that it is responsible for the preparation of financial statements of the Group and for ensuring that financial statements are prepared in accordance with statutory requirements and applicable accounting standards. The Board also ensures the timely publication of financial statements of the Group. The directors confirm that, to the best of their knowledge, information and belief, having made all reasonable enquiries, they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the independent auditors of the Company, Messrs Ernst & Young, about their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditors' Report on page 63.

The directors present their report and the audited financial statements of the Company and of the Group for the year ended 31 December 2014.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of corporate management services. The principal activities of its subsidiaries focus on property development and investment, as well as treasury investments, details of which are set out in note 20 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2014 and the state of affairs of the Company and of the Group at that date are set out in the financial statements on pages 64 to 133.

The directors recommend the payment of a final dividend of HK$0.05 per ordinary share in respect of the year to the shareholders on the Company's register of members at the close of business on 1 June 2015.

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the audited financial statements, is set out on page 134. The summary does not form part of the audited financial statements.

PROPERTY AND EQUIPMENT, INVESTMENT PROPERTIES AND PROPERTIES UNDER DEVELOPMENT

Details of movements in the property and equipment of the Company and of the Group and investment properties and properties under development of the Group during the year are set out in notes 16, 17 and 24.1 to the financial statements. Further details of the Group's major properties are set out on pages 135 to 137.

SHARE CAPITAL

Details of movements in the Company's share capital during the year are set out in note 34 to the financial statements.

PRE-EMPTIVE RIGHTS

There is no pre-emptive rights provision in the Companies Act or in the Bye-laws.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

RESERVES

Details of movements in the reserves of the Company and of the Group during the year are set out in note 35(b) to the financial statements and in the consolidated statement of changes in equity respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2014, the Company's reserves available for distribution to shareholders, calculated in accordance with the Companies Act, amounted to HK$676,578,000, of which HK$129,411,000 has been proposed as a final dividend for the year. In addition, the Company's share premium account in the amount of HK$9,524,823,000 may be distributed in form of fully paid bonus shares.

CHARITABLE CONTRIBUTIONS

During the year, the Group had made charitable contributions amounting to HK$5,704,000.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, less than 30% of the Group's revenues and less than 30% of the Group's purchases were attributable to the Group's five largest customers and five largest suppliers, respectively.

During the years, none of the directors, their close associates or shareholders, who to the knowledge of the directors own more than 5% of the Company's issued share capital, had any interest in any of the Group's five largest customers and suppliers.

DIRECTORS

The directors during the year and up to the date of this report were as follows:

Executive directors:
Mr. Cheung Chung Kiu *(Chairman)*
Dr. Lam How Mun Peter *(Deputy Chairman and Managing Director)*
Mr. Tsang Wai Choi *(Deputy Chairman)*
Mr. Leung Chun Cheong
Mr. Leung Wai Fai

Non-executive director:
Mr. Wong Yat Fai

Independent non-executive directors:
Mr. Lam Kin Fung Jeffrey
Mr. Leung Yu Ming Steven
Dr. Wong Lung Tak Patrick

In accordance with the Bye-laws, Messrs Leung Wai Fai, Wong Yat Fai and Lam Kin Fung Jeffrey will retire and, being eligible, will offer themselves for re-election at the AGM. All other directors will continue to be in office.

The Company has received from each of the independent non-executive directors, Messrs Lam Kin Fung Jeffrey, Leung Yu Ming Steven and Wong Lung Tak Patrick, an annual written confirmation of their independence pursuant to Rule 3.13 of the Listing Rules. The Board has reviewed their independence based on such confirmation and considers all of them remaining independent.

DIRECTORS' BIOGRAPHIES

Updated biographical details of the directors are set out on pages 30 to 31.

Mr. Leung Chun Cheong ceased to be an executive director and Mr. Leung Wai Fai ceased to be a non-executive director of Qualipak International Holdings Limited from 26 November 2014 respectively.

Mr. Wong Yat Fai was appointed on 14 November 2014 as an independent non-executive director of Mission Capital Holdings Limited, the shares of which are listed on the Stock Exchange.

Mr. Lam Kin Fung Jeffrey ceased to be an independent non-executive director of Hsin Chong Construction Group Ltd. from 10 May 2014 and ceased to be a member of the board of the West Kowloon Cultural District Authority from 22 October 2014.

Dr. Wong Lung Tak Patrick was appointed on 2 December 2014 as an independent non-executive director of 北京汽車股份有限公司 (BAIC Motor Corporation Limited), the shares of which are listed on the Stock Exchange.

DIRECTORS' SERVICE CONTRACTS

No director offering for re-election at the AGM has a service contract with any company in the Group which is not terminable by such company within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in note 20 to the financial statements and the section headed "Connected Transactions" below, no director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

REMUNERATION DETAILS

Details of the directors' remuneration and the five highest-paid individuals in the Group are set out in notes 9 and 10 to the financial statements respectively.

REMUNERATION POLICY

The remuneration policy for employees of the Group is formulated based on the merit, qualifications and competence of individual employee which are reviewed regularly in order to provide compensation packages at market rates sufficient to reward successful performance and attract, retain and motivate employees. The Company has adopted a share option scheme as a long-term incentive to eligible employees and directors, details of which are set out in note 38 to the financial statements.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS

As at 31 December 2014, details of the interests and short positions of each of the directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) required to be recorded in the register kept by the Company under Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Interests in shares of the Company (long positions)

	Interests in shares				
Name of directors	Personal interests	Corporate interests	Interests in underlying shares pursuant to share options granted by the Company [3]	Aggregate interests	Approximate percentage [4]
Cheung Chung Kiu	—	1,331,205,790 [1&2]	—	1,331,205,790	51.43
Lam How Mun Peter	324,502	—	43,039,000	43,363,502	1.68
Tsang Wai Choi	3,394,242	—	—	3,394,242	0.13
Leung Chun Cheong	666,948	—	1,500,000	2,166,948	0.08
Leung Wai Fai	—	—	3,000,000	3,000,000	0.12

Notes:

1. 1,070,810,231 of such shares were held through Thrivetrade Limited ("Thrivetrade"), a company wholly-owned by Mr. Cheung Chung Kiu ("Mr. Cheung"). Accordingly, Mr. Cheung was deemed to be interested in the same number of shares held through Thrivetrade.

2. 260,395,559 of such shares were held through Regulator Holdings Limited ("Regulator"), a direct wholly-owned subsidiary of Yugang International (B.V.I.) Limited ("Yugang-BVI"), which is in turn a direct wholly-owned subsidiary of Yugang International Limited ("Yugang"). Yugang was owned by Chongqing Industrial Limited ("CIL"), Timmex Investment Limited ("Timmex") and Mr. Cheung as to approximately 44.06% in aggregate. CIL was owned as to 35%, 30%, 5% and 30% by Mr. Cheung, Peking Palace Limited ("Peking Palace"), Miraculous Services Limited ("Miraculous Services") and Prize Winner Limited ("Prize Winner") respectively. Mr. Cheung had 100% beneficial interest in Timmex. Prize Winner was beneficially owned by Mr. Cheung and his associates. Peking Palace and Miraculous Services were held by Palin Holdings Limited ("Palin") as the trustee for Palin Discretionary Trust, a family discretionary trust, the objects of which included Mr. Cheung and his family. Accordingly, Mr. Cheung was also deemed to be interested in the same number of shares held through Regulator.

3. Details of the directors' interests in the underlying shares of the Company pursuant to share options granted by the Company are set out in the section headed "Share Options" below.

4. Approximate percentage refers to the aggregate interests of the director in the shares of the Company expressed as a percentage (rounded to two decimal places) of the issued share capital of the Company as at 31 December 2014.

Interests in shares of the Company's associated corporation (long positions)

Name of director	Name of associated corporation	Capacity	Number of shares	Approximate percentage [2]
Tsang Wai Choi ("Mr. Tsang")	Starthigh International Limited ("Starthigh")	Beneficial owner and Interest of controlled corporations	1,840 [1]	61.33

Notes:

1. Mr. Tsang's interest in 1,840 shares in Starthigh comprises (a) 240 shares in Starthigh held by Happy Yield Holdings Limited ("Happy Yield"), a direct wholly-owned subsidiary of Harvest Top Holdings Limited, which is in turn directly wholly owned by Mr. Tsang; and (b) 1,600 shares in Starthigh which have yet to be subscribed by Happy Yield in accordance with the terms of an investment agreement dated 7 April 2014, details of which were disclosed in the Company's announcement dated 7 April 2014 and the Company's circular dated 13 November 2014.

2. Approximate percentage refers to the aggregate interests of the director in the shares of the relevant associated corporation of the Company expressed as a percentage (rounded to two decimal places) of the issued share capital of the relevant associated corporation as at 31 December 2014.

Save as disclosed above, as at 31 December 2014, the Company had not been notified of any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) required to be recorded in the register kept by the Company under Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the sections headed "Directors' and Chief Executive's Interests and Short Positions" above and "Share Options" below, and in the share option scheme disclosures set out in note 38 to the financial statements, at no time during the year was the Company, or any of its subsidiaries, a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the directors, or any of their associates, had any rights to subscribe for shares of the Company, or had exercised any such rights during the year.

SHARE OPTIONS

The Company adopted a share option scheme (the "Scheme") on 29 April 2005 and will be expiring on 29 April 2015, details of which were disclosed in the Company's circular dated 13 April 2005 and are set out in note 38 to the financial statements. Details of the share options granted under the Scheme and their movements during the year are set out below:

Name or category of participants	Number of share options: At 1 January 2014	Granted during the year	Exercised during the year	Cancelled during the year	Lapsed during the year	At 31 December 2014	Date of grant [1] (dd-mm-yyyy)	Exercise period (dd-mm-yyyy)	Exercise price [2] HK$ per share	Closing price immediately before date of grant HK$ per share
Directors										
Lam How Mun Peter	17,500,000	—	—	—	—	17,500,000	07-05-2009	07-05-2009 to 06-05-2019	3.27	3.47
	21,539,000	—	—	—	—	21,539,000	03-09-2010	03-09-2010 to 02-09-2020	3.31	3.19
	4,000,000	—	—	—	—	4,000,000	03-09-2010	01-01-2011 to 02-09-2020	3.31	3.19
	43,039,000	—	—	—	—	43,039,000				
Leung Chun Cheong	1,500,000	—	—	—	—	1,500,000	03-09-2010	03-09-2010 to 02-09-2020	3.31	3.19
Leung Wai Fai	3,000,000	—	—	—	—	3,000,000	03-09-2010	03-09-2010 to 02-09-2020	3.31	3.19
	47,539,000	—	—	—	—	47,539,000				
Employees										
In aggregate	10,100,000	—	—	—	—	10,100,000	03-09-2010	03-09-2010 to 02-09-2020	3.31	3.19
	800,000	—	—	—	—	800,000	03-09-2010	01-01-2011 to 02-09-2020	3.31	3.19
	10,900,000	—	—	—	—	10,900,000				
Others										
In aggregate	7,475,000	—	—	—	(2,675,000)	4,800,000	03-09-2010	03-09-2010 to 02-09-2020	3.31	3.19
Total	65,914,000	—	—	—	(2,675,000)	63,239,000				

Notes:

1. Certain share options granted are subject to a vesting period beginning from the date of grant until the commencement of the exercise period.

2. The exercise price of the share options is subject to adjustment in case of any rights issues or bonus issues, or any other changes in the Company's share capital.

DISCLOSEABLE INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS UNDER THE SFO

As at 31 December 2014, details of the interests and short positions of every person, other than directors or the chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of shareholders	Capacity in which interests are held	Number of shares held	Approximate percentage [3]
Thrivetrade	Beneficial owner	1,070,810,231 [1]	41.37
Regulator	Beneficial owner	260,395,559 [2]	10.06
Yugang-BVI	Interest of controlled corporation	260,395,559 [2]	10.06
Yugang	Interest of controlled corporation	260,395,559 [2]	10.06
CIL	Interest of controlled corporation	260,395,559 [2]	10.06
Palin	Interest of controlled corporation	260,395,559 [2]	10.06

Notes:

1. These shares were included in the interests of Mr. Cheung in the shares of the Company as disclosed under the paragraph "Interests in shares of the Company (long positions)" of the section headed "Directors' and Chief Executive's Interests and Short Positions" above.

2. The interests held by Regulator, Yugang-BVI, Yugang, CIL and Palin respectively as shown above refer to interests in the same block of shares. The said shares were also included in the interests of Mr. Cheung in the shares of the Company as disclosed under the paragraph "Interests in shares of the Company (long positions)" of the section headed "Directors' and Chief Executive's Interests and Short Positions" above.

3. Approximate percentage refers to the aggregate interests which the shareholder held or had short positions in the shares of the Company expressed as a percentage (rounded to two decimal places) of the issued share capital of the Company as at 31 December 2014.

4. All of the interests disclosed above represent long positions.

Save as disclosed above, as at 31 December 2014, the Company had not been notified of any interests or short positions of any other person, other than directors or the chief executive of the Company, in the shares or underlying shares of the Company required to be recorded in the register kept by the Company under Section 336 of the SFO.

CONNECTED TRANSACTIONS

During the year and up to the date of this report, the Group had entered into the following connected transactions:

On 7 April 2014, Marvel Leader Investments Limited (a direct wholly-owned subsidiary of the Company, "Marvel Leader"), Starthigh (currently an indirect non-wholly owned subsidiary of the Company) and Mr. Tsang entered into an investment agreement ("Investment Agreement"), pursuant to which Mr. Tsang would invest in Starthigh by (a) Marvel Leader conditionally agreeing to sell, and Mr. Tsang conditionally agreeing to purchase, or procure the purchase of, 240 ordinary shares in Starthigh owned by Marvel Leader ("Share Sale"); and (b) Starthigh conditionally agreeing to issue and allot, and Mr. Tsang conditionally agreeing to subscribe, or procure the subscription of, 1,600 ordinary shares in Starthigh ("Subscription"), at a total consideration of HK$717,600,000. Completion of the Share Sale has already taken place during the year, whereas completion of the Subscription will take place in accordance with the terms of the Investment Agreement. As at 31 December 2014, Starthigh was owned as to 92% directly by Marvel Leader and 8% indirectly by Mr. Tsang. Upon completion of the Subscription, Starthigh will be owned in the aggregate as to 60% directly by Marvel Leader and 40% indirectly by Mr. Tsang. As a director of the Company and holding approximately 0.13% of the issued shares of the Company as at the date of the Investment Agreement, Mr. Tsang and his nominee (being his associate) were and are regarded as connected persons of the Company, and the Share Sale and the Subscription constituted connected transactions of the Company. Details of the Investment Agreement were disclosed in the Company's announcement dated 7 April 2014 and the Company's circular dated 13 November 2014.

DISCLOSURE UNDER RULES 13.18 AND 13.21 OF THE LISTING RULES

1. On 24 August 2010, an associated company held as to 25% by the Company entered into a facility agreement (the "JV Facility Agreement") as borrower with, among others, various financial institutions as lenders for a 3-year term loan facility in an aggregate principal amount of HK$1,000,000,000. On 22 December 2010, a supplement to the JV Facility Agreement was executed whereby the facility was enlarged to HK$1,400,000,000 by an additional term loan facility in the aggregate principal amount of HK$400,000,000 for a term of 36 months from the date of the JV Facility Agreement. On 31 October 2012, a second supplement to the JV Facility Agreement was executed whereby the enlarged facility was further enlarged to HK$1,830,000,000 by an additional term loan facility in the aggregate principal amount of up to HK$430,000,000 with a final maturity date falling 36 months from the date of the JV Facility Agreement. On 23 August 2013, a third supplement to the JV Facility Agreement was executed whereby the final maturity date under the JV Facility Agreement was extended to 24 August 2016. On 17 December 2013, a fourth supplement to the JV Facility Agreement was executed whereby the facility was further enlarged by an amount of HK$300,000,000 to an aggregate amount up to HK$2,130,000,000 with the same final maturity date on 24 August 2016. Under the JV Facility Agreement, it is (among other matters) an event of default if Mr. Cheung Chung Kiu ("Mr. Cheung") ceases to (i) save for certain exceptions, own beneficially (directly or indirectly, through any other entity or entities wholly and beneficially owned by him or by virtue of his entitlement as beneficiary under any family trust arrangement(s)) at least 35% of the issued share capital of the Company; or (ii) exercise management control over the Company. On and at any time after the occurrence of an event of default which is continuing, commitments of the lenders under the JV Facility Agreement may immediately be cancelled, and/or all or any part of the loans together with accrued interest and all other amounts accrued or outstanding under certain finance documents defined in the JV Facility Agreement may become immediately due and payable or payable on demand, and/or certain security documents defined in the JV Facility Agreement or any of them may become immediately enforceable.

2. On 28 December 2011, the Company was granted a 3-year term loan facility for an aggregate amount of HK$600,000,000 under a facility agreement, pursuant to which it is (among other matters) an event of default if Mr. Cheung (i) save for certain exceptions, does not or ceases to hold (directly or indirectly) 35% or more of the beneficial shareholding interest, carrying 35% or more of the voting rights, in the issued share capital of the Company; (ii) directly or indirectly, is not or ceases to be the single largest shareholder of the Company; or (iii) does not or ceases to have management control of the Company. Upon occurrence of an event of default, commitments of the lenders or any part thereof under the facility agreement may be cancelled, and/or all or any part of the loan together with accrued interest and all other amounts accrued or outstanding under the facility may become immediately due and payable, and/or all or any part of the loan under the facility may become payable on demand. During the year, the outstanding loan amount under the facility letter was repaid in full.

3. On 25 January 2013, the Company was granted a 3-year term loan facility for an aggregate amount of HK$3,400,000,000 under a facility agreement, pursuant to which it is (among other matters) an event of default if Mr. Cheung (i) save for certain exceptions, does not or ceases to hold (directly or indirectly) 35% or more of the beneficial shareholding interest, carrying 35% or more of the voting rights, in the issued share capital of the Company; (ii) directly or indirectly, is not or ceases to be the single largest shareholder of the Company; or (iii) does not or ceases to have management control of the Company. Upon occurrence of an event of default, commitments of the lenders or any part thereof under the facility agreement may be cancelled, and/or all or any part of the loan together with accrued interest and all other amounts accrued or outstanding under the facility may become immediately due and payable, and/or all or any part of the loan under the facility may become payable on demand.

4. On 27 June 2013, the Company accepted the offer in a facility letter dated 25 June 2013, pursuant to which a 3-year term loan facility for an amount of HK$500,000,000 or its equivalent is made available for drawdown by the Company. Under the facility letter, it is (among other matters) an event of default if Mr. Cheung save for certain exceptions, does not or ceases to hold (directly or indirectly) 35% or more of the beneficial shareholding interest, carrying 35% or more of the voting rights, in the issued share capital of the Company. Upon occurrence of an event of default during the committed period from the date of acceptance of the facility letter to the date falling 2 years after the date of such acceptance (whether or not it is continuing), the lender may at any time by notice to the Company declare that the lender's obligation to make the facility available be terminated, whereupon the amount available under the facility shall be reduced to zero forthwith; and/or that if any advance is outstanding, each advance and all interest accrued and all other sums payable under the facility letter be immediately due and payable whereupon the same shall become so due and payable. On or at any time after the making of the aforesaid declaration, the lender shall be entitled, to the exclusion of the Company, to select the duration of interest period(s) until the facility is repaid in full.

5. On 13 August 2013, the Company accepted the offer in a facility letter dated 23 July 2013, pursuant to which a 3-year term loan facility for an amount of HK$500,000,000 or its equivalent in USD is made available for drawdown within 6 months from the acceptance date of the facility letter. Under the facility letter, it is (among other matters) an event of default if Mr. Cheung (i) save for certain exceptions, does not or ceases to hold (directly or indirectly) 35% or more of the beneficial shareholding interest, carrying 35% or more of the voting rights, in the issued capital of the Company; (ii) directly or indirectly, is not or ceases to be the single largest shareholder of the Company; and (iii) does not or ceases to have management control of the Company. After the occurrence of an event of default which is continuing, the lender may on and at any time by notice in writing to the Company declare that the facility has become immediately due and payable, whereupon the facility shall become immediately due and payable and any undrawn balance of the facility shall automatically be cancelled and no longer be available to the Company.

6. On 15 December 2014, the Company was granted a 36-month term loan facility for an aggregate amount of HK$600,000,000 under a facility agreement, pursuant to which (among other matters) an event of default if Mr. Cheung (i) save for certain exceptions, does not or ceases to hold (directly or indirectly) 35% or more of the beneficial shareholding interest, carrying 35% or more of the voting rights, in the issued share capital of the Company; (ii) directly or indirectly, is not or ceases to be the single largest shareholder of the Company; or (iii) does not or ceases to have management control over the Company. Upon occurrence of an event of default, commitments of the lenders or any part thereof under the Facility Agreement may be cancelled, and/or all or any part of the loan together with accrued interest and all other amounts accrued or outstanding under the Facility may become immediately due and payable, and/or all or any part of the loan under the Facility may become payable on demand.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors, the Company has maintained a sufficient public float throughout the year ended 31 December 2014 and up to the date of this report as required under the Listing Rules.

INDEPENDENT AUDITORS

Ernst & Young will retire and a resolution for their re-appointment as independent auditors of the Company will be proposed at the AGM.

On behalf of the Board

Cheung Chung Kiu
Chairman

Hong Kong, 25 March 2015

To the shareholders of C C Land Holdings Limited
(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of C C Land Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 64 to 133, which comprise the consolidated and company statements of financial position as at 31 December 2014, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. Our report is made solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2014, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Ernst & Young
Certified Public Accountants
22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

25 March 2015

Consolidated Statement of Profit or Loss

Year ended 31 December 2014

	Notes	2014 HK$'000	2013 HK$'000
REVENUE	5	**10,299,888**	6,844,850
Cost of sales		**(7,587,444)**	(4,720,846)
Gross profit		**2,712,444**	2,124,004
Other income and gains	5	**844,041**	480,307
Selling and distribution expenses		**(397,620)**	(387,256)
Administrative expenses		**(463,806)**	(451,969)
Other expenses	6	**(18,640)**	(27,942)
Finance costs	7	**(159,763)**	(90,293)
Share of profits and losses of:			
Joint ventures		**(24,173)**	(13,913)
Associates		**(13,448)**	(14,571)
PROFIT BEFORE TAX	8	**2,479,035**	1,618,367
Income tax expense	11	**(1,388,923)**	(955,449)
PROFIT FOR THE YEAR		**1,090,112**	662,918
Attributable to:			
Owners of the parent	12	**1,068,280**	505,395
Non-controlling interests		**21,832**	157,523
		1,090,112	662,918
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	15		
Basic and diluted		**HK41.27 cents**	HK19.53 cents

Details of dividends are disclosed in note 14 to the financial statements.

	2014 HK$'000	2013 HK$'000
PROFIT FOR THE YEAR	**1,090,112**	662,918
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Available-for-sale investments:		
Changes in fair value	**133,193**	91,277
Deferred tax	**(23,863)**	945
Reclassification adjustment for a gain on disposal of available-for-sale investments included in the consolidated statement of profit or loss	**(97,806)**	—
	11,524	92,222
Exchange fluctuation reserve:		
Release upon disposal of subsidiaries (notes 37(a),(b) and (e))	**(81,132)**	(12,562)
Exchange differences on translation of foreign operations	**(47,025)**	489,007
	(128,157)	476,445
Share of other comprehensive income of joint ventures	**4,807**	(2,143)
Share of other comprehensive income of associates	**(5,866)**	48,363
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	**(117,692)**	614,887
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**(117,692)**	614,887
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**972,420**	1,277,805
Attributable to:		
Owners of the parent	**957,226**	1,057,787
Non-controlling interests	**15,194**	220,018
	972,420	1,277,805

Consolidated Statement of Financial Position

31 December 2014

	Notes	2014 HK$'000	2013 HK$'000
NON-CURRENT ASSETS			
Property and equipment	16	**184,099**	169,884
Investment properties	17	**421,666**	411,330
Prepaid land lease payments	18	**121,068**	124,048
Golf club membership	19	**10,540**	10,540
Investments in joint ventures	21	**439,947**	30,576
Investments in associates	22	**1,503,311**	1,280,688
Available-for-sale investments	23	**690,448**	593,865
Properties under development	24.1	**7,324,735**	8,817,886
Interests in land use rights for property development	24.2	**961,336**	2,169,803
Consideration receivable on disposal of a subsidiary	25	**290,922**	—
Deferred tax assets	33	**147,076**	63,724
Total non-current assets		**12,095,148**	13,672,344
CURRENT ASSETS			
Properties under development	24.1	**18,993,862**	17,008,302
Completed properties held for sale	24.3	**6,084,612**	5,450,528
Prepaid land lease payments	18	**2,565**	2,574
Prepayments, deposits and other receivables	25	**1,965,948**	1,949,268
Equity investments at fair value through profit or loss	26	**848,057**	312,864
Available-for-sale investments	23	**38,789**	—
Prepaid income tax and land appreciation tax		**115,525**	170,534
Deposits with brokerage companies	27	**58,030**	1,652
Pledged deposits	28	**1,880,790**	781,247
Restricted bank balances	28	**1,357,267**	3,079,115
Time deposits with original maturity over three months	28	—	69,074
Cash and cash equivalents	28	**6,280,933**	5,706,852
		37,626,378	34,532,010
Non-current assets classified as held for sale	13	—	1,491,434
Total current assets		**37,626,378**	36,023,444
CURRENT LIABILITIES			
Trade and bills payables	29	**4,510,638**	3,597,205
Other payables and accruals	30	**11,930,179**	14,220,545
Loans from non-controlling shareholders of subsidiaries	31	**559,821**	1,088,971
Interest-bearing bank borrowings	32	**4,152,564**	3,563,358
Tax payable		**2,939,012**	2,244,193
Consideration payable on acquisition of subsidiaries		**18,847**	202,125
Total current liabilities		**24,111,061**	24,916,397

	Notes	2014 HK$'000	2013 HK$'000
NET CURRENT ASSETS		**13,515,317**	11,107,047
TOTAL ASSETS LESS CURRENT LIABILITIES		**25,610,465**	24,779,391
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	32	**7,929,438**	7,530,630
Deferred tax liabilities	33	**1,136,902**	1,297,838
Consideration payable on acquisition of subsidiaries		**—**	100,513
Total non-current liabilities		**9,066,340**	8,928,981
Net assets		**16,544,125**	15,850,410
EQUITY			
Equity attributable to owners of the parent			
Issued capital	34	**258,822**	258,822
Reserves	35(a)	**14,538,245**	13,926,337
		14,797,067	14,185,159
Non-controlling interests		**1,747,058**	1,665,251
Total equity		**16,544,125**	15,850,410

Cheung Chung Kiu
Director

Lam How Mun Peter
Director

Consolidated Statement of Changes in Equity

Year ended 31 December 2014

	Notes	Issued capital HK$'000	Share premium account HK$'000	Exchange fluctuation reserve HK$'000	Available-for-sale investment revaluation reserve HK$'000	Retained profits HK$'000	Share option reserve HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
		Attributable to owners of the parent								
At 1 January 2013		258,780	9,523,849	1,886,254	59,829	1,339,508	174,587	13,242,807	1,708,727	14,951,534
Profit for the year		—	—	—	—	505,395	—	505,395	157,523	662,918
Other comprehensive income for the year:										
Changes in fair value of available-for-sale investments, net of tax		—	—	—	92,222	—	—	92,222	—	92,222
Share of other comprehensive income of joint ventures		—	—	(2,143)	—	—	—	(2,143)	—	(2,143)
Share of other comprehensive income of associates		—	—	48,363	—	—	—	48,363	—	48,363
Release of exchange fluctuation reserve upon disposal of subsidiaries	37(e)	—	—	(12,562)	—	—	—	(12,562)	—	(12,562)
Exchange differences on translation of foreign operations		—	—	426,512	—	—	—	426,512	62,495	489,007
Total comprehensive income for the year		—	—	460,170	92,222	505,395	—	1,057,787	220,018	1,277,805
Disposal of subsidiaries	37(e)	—	—	—	—	—	—	—	(75,942)	(75,942)
Contribution by a non-controlling shareholder		—	—	—	—	—	—	—	3,115	3,115
Dividend paid to a non-controlling shareholder		—	—	—	—	—	—	—	(190,667)	(190,667)
Final 2012 dividend approved		—	—	—	—	(116,451)	—	(116,451)	—	(116,451)
Shares issued as scrip dividends	34	42	974	—	—	—	—	1,016	—	1,016
At 31 December 2013 and at 1 January 2014		**258,822**	**9,524,823***	**2,346,424***	**152,051***	**1,728,452***	**174,587***	**14,185,159**	**1,665,251**	**15,850,410**
Profit for the year		**—**	**—**	**—**	**—**	**1,068,280**	**—**	**1,068,280**	**21,832**	**1,090,112**
Other comprehensive income for the year:										
Changes in fair value of available-for-sale investments, net of tax		**—**	**—**	**—**	**109,330**	**—**	**—**	**109,330**	**—**	**109,330**
Share of other comprehensive income of joint ventures		**—**	**—**	**4,807**	**—**	**—**	**—**	**4,807**	**—**	**4,807**
Share of other comprehensive income of associates		**—**	**—**	**(5,866)**	**—**	**—**	**—**	**(5,866)**	**—**	**(5,866)**
Reclassification adjustment for a gain on disposal of available-for-sale investments included in the consolidated statement of profit or loss		**—**	**—**	**—**	**(97,806)**	**—**	**—**	**(97,806)**	**—**	**(97,806)**
Release of exchange fluctuation reserve upon disposal of subsidiaries	37(a),(b)	**—**	**—**	**(81,132)**	**—**	**—**	**—**	**(81,132)**	**—**	**(81,132)**
Exchange differences on translation of foreign operations		**—**	**—**	**(40,387)**	**—**	**—**	**—**	**(40,387)**	**(6,638)**	**(47,025)**
Total comprehensive income for the year		**—**	**—**	**(122,578)**	**11,524**	**1,068,280**	**—**	**957,226**	**15,194**	**972,420**
Disposal of subsidiaries	37(d)	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(40,556)**	**(40,556)**
Partial disposal of equity interest in subsidiaries	20	**—**	**—**	**(116,338)**	**(11,100)**	**(101,410)**	**—**	**(228,848)**	**322,448**	**93,600**
Dividends paid to non-controlling shareholders		**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(215,279)**	**(215,279)**
Forfeiture of share options	35(b)	**—**	**—**	**—**	**—**	**9,315**	**(9,315)**	**—**	**—**	**—**
Final 2013 dividend approved	14	**—**	**—**	**—**	**—**	**(116,470)**	**—**	**(116,470)**	**—**	**(116,470)**
At 31 December 2014		**258,822**	**9,524,823***	**2,107,508***	**152,475***	**2,588,167***	**165,272***	**14,797,067**	**1,747,058**	**16,544,125**

* These reserve accounts comprise the consolidated reserves of HK$14,538,245,000 (2013: HK$13,926,337,000) in the consolidated statement of financial position.

	Notes	2014 HK$'000	2013 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**2,479,035**	1,618,367
Adjustments for:			
Write-down of completed properties held for sale to net realisable value	8	**91,661**	208,925
Write-down of properties under development to net realisable value	8	**233,277**	—
Depreciation	8	**24,002**	25,956
Amortisation of prepaid land lease payments	8	**2,554**	12,634
Impairment of an other receivable	6	**12,676**	—
Finance costs	7	**159,763**	90,293
Share of profits and losses of joint ventures	4	**24,173**	13,913
Share of profits and losses of associates	4	**13,448**	14,571
Interest income from bank deposits	5	**(83,474)**	(85,618)
Interest income from unlisted debt investments	5	**(5,008)**	(5,032)
Other interest income	5	**(89,321)**	(54,867)
Fair value (gains)/losses on equity investments at fair value through profit or loss, net	5,6	**(60,517)**	27,942
Fair value gains on investment properties	5	**(5,950)**	(18,260)
Gain on disposal of available-for-sale investments	5	**(97,806)**	(83,168)
Dividend income from listed equity investments	5	**(27,994)**	(19,290)
Dividend income from unlisted equity investments	5	**(4,174)**	(1,303)
Gain on disposal of items of property and equipment	5	**(133)**	—
Gain on disposal of subsidiaries, net	5	**(497,523)**	(171,910)
		2,168,689	1,573,153
Increase in properties under development		**(7,237,290)**	(6,463,848)
Decrease in completed properties held for sale	24.3	**7,258,456**	4,507,743
Decrease/(increase) in prepayments, deposits and other receivables		**(186,628)**	326,532
Increase in equity investments at fair value through profit or loss		**(474,676)**	(155,861)
Increase in deposits with brokerage companies		**(56,378)**	(449)
Decrease/(increase) in restricted bank balances		**1,711,544**	(32,715)
Increase/(decrease) in trade, bills and other payables and accruals		**(666,971)**	4,585,861
Cash generated from operations		**2,516,746**	4,340,416
Tax paid, net		**(901,874)**	(848,554)
Interest paid		**(703,765)**	(690,738)
Net cash flows from operating activities		**911,107**	2,801,124

Consolidated Statement of Cash Flows

Year ended 31 December 2014

	Notes	2014 HK$'000	2013 HK$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of subsidiaries that are not a business		**(300,183)**	(385,540)
Loans to a joint venture		**(170,903)**	(11,662)
Investment in an associate		**(230,561)**	(94,439)
Decrease in balances with associates		**41,699**	95,105
Decrease/(increase) in pledged time deposits		**(1,102,158)**	840,416
Decrease/(increase) in non-pledged time deposits with original maturity of more than three months when acquired		**68,843**	(69,074)
Increase in loans to non-controlling shareholders		**(13,188)**	—
Payment of land premium and related transaction costs		**(701,498)**	(3,431,202)
Re-possession of lands by local government	24.2	**—**	479,414
Purchases of items of property and equipment	16	**(44,090)**	(17,065)
Purchases of unlisted equity investments		**(158,875)**	(40,000)
Purchases of investment properties		**(5,676)**	—
Purchases of golf club membership		**—**	(10,540)
Interest received from bank deposits		**83,474**	85,618
Interest received from unlisted debt investments		**5,008**	5,032
Other interest received		**89,321**	54,867
Dividend income from listed equity investments		**27,994**	19,290
Dividend income from unlisted equity investments		**4,174**	1,303
Proceeds from disposal of items of property and equipment		**3,102**	122
Proceeds from disposal of subsidiaries		**1,771,625**	407,496
Proceeds from disposal of unlisted equity investments		**155,987**	141,350
Proceeds from partial disposal of interest in a subsidiary		**93,600**	—
Deposits received in respect of disposal of subsidiaries		**—**	382,044
Net cash flows used in investing activities		**(382,305)**	(1,547,465)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		**(116,470)**	(115,435)
Dividends paid to non-controlling shareholders		**(215,279)**	(190,667)
Capital contribution by a non-controlling shareholder		**—**	3,115
Decrease in loans from non-controlling shareholders		**(574,762)**	(34,441)
Additions of bank borrowings, net		**966,609**	1,157,769
Payment of a loan procurement fee		**—**	(115,171)
Net cash flows from financing activities		**60,098**	705,170
NET INCREASE IN CASH AND CASH EQUIVALENTS		**588,900**	1,958,829
Cash and cash equivalents at beginning of year		**5,706,852**	3,647,228
Effect of foreign exchange rate changes, net		**(14,819)**	100,795
CASH AND CASH EQUIVALENTS AT END OF YEAR		**6,280,933**	5,706,852
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		**5,569,155**	5,126,168
Non-pledged time deposits with original maturity of less than three months when acquired		**711,778**	580,684
Cash and cash equivalents as stated in the consolidated statement of cash flows		**6,280,933**	5,706,852

	Notes	2014 HK$'000	2013 HK$'000
NON-CURRENT ASSETS			
Property and equipment	16	**170**	234
Golf club membership	19	**10,540**	10,540
Investments in subsidiaries	20	**1,000,390**	1,000,390
Total non-current assets		**1,011,100**	1,011,164
CURRENT ASSETS			
Prepayments, deposits and other receivables	25	**906**	760
Due from subsidiaries	20	**13,638,239**	13,513,935
Cash and cash equivalents	28	**405,277**	202,897
Total current assets		**14,044,422**	13,717,592
CURRENT LIABILITIES			
Other payables and accruals	30	**22,378**	30,181
Due to a subsidiary	20	**1,550**	950
Interest-bearing bank borrowings	32	**835,110**	1,113,751
Total current liabilities		**859,038**	1,144,882
NET CURRENT ASSETS		**13,185,384**	12,572,710
TOTAL ASSETS LESS CURRENT LIABILITIES		**14,196,484**	13,583,874
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	32	**3,570,989**	3,469,153
Total non-current liabilities		**3,570,989**	3,469,153
Net assets		**10,625,495**	10,114,721
EQUITY			
Issued capital	34	**258,822**	258,822
Reserves	35(b)	**10,366,673**	9,855,899
Total equity		**10,625,495**	10,114,721

Cheung Chung Kiu
Director

Lam How Mun Peter
Director

1. CORPORATE INFORMATION

C C Land Holdings Limited (the "Company") is incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda (as amended). The address of the principal place of business of the Company is Rooms 3308-10, 33/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong.

During the year, the Company and its subsidiaries (collectively referred to as the "Group") were involved in the following principal activities:

(i) property development and investment; and

(ii) treasury investment.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and accounting principles generally accepted in Hong Kong. These financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance relating to the preparation of financial statements, which for this financial year and the comparative period continue to be those of the predecessor Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 to that Ordinance. The financial statements have been prepared under the historical cost convention, except for investment properties and certain equity and debt investments which have been measured at fair value. Non-current assets classified as held for sale are stated at the lower of their carrying amounts and fair values less costs to sell as further explained in note 2.4. These financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2014. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries below. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised standards and new interpretation for the first time for the current year's financial statements.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	*Investment Entities*
Amendments to HKAS 32	*Offsetting Financial Assets and Financial Liabilities*
Amendments to HKAS 39	*Novation of Derivatives and Continuation of Hedge Accounting*
HK(IFRIC)-Int 21	*Levies*
Amendment to HKFRS 2 included in *Annual Improvements 2010-2012 Cycle*	*Definition of Vesting Condition*[1]
Amendment to HKFRS 3 included in *Annual Improvements 2010-2012 Cycle*	*Accounting for Contingent Consideration in a Business Combination*[1]
Amendment to HKFRS 13 included in *Annual Improvements 2010-2012 Cycle*	*Short-term Receivables and Payables*
Amendment to HKFRS 1 included in *Annual Improvements 2011-2013 Cycle*	*Meaning of Effective HKFRSs*

[1] Effective from 1 July 2014

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(continued)*

Except for the amendment to HKFRS 1 which is only relevant to an entity's first HKFRS financial statements, the nature and the impact of each amendment and interpretation is described below:

(a) Amendments to HKFRS 10 include a definition of an investment entity and provide an exception to the consolidation requirement for entities that meet the definition of an investment entity. Investment entities are required to account for subsidiaries at fair value through profit or loss rather than consolidate them. Consequential amendments were made to HKFRS 12 and HKAS 27 (2011). The amendments to HKFRS 12 also set out the disclosure requirements for investment entities. The amendments have had no impact on the Group as the Company does not qualify as an investment entity as defined in HKFRS 10.

(b) The HKAS 32 Amendments clarify the meaning of "currently has a legally enforceable right to set off" for offsetting financial assets and financial liabilities. The amendments also clarify the application of the offsetting criteria in HKAS 32 to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments have had no impact on the Group as the Group does not have any offsetting arrangement.

(c) The HKAS 39 Amendments provide an exception to the requirement of discontinuing hedge accounting in situations where over-the-counter derivatives designated in hedging relationships are directly or indirectly, novated to a central counterparty as a consequence of laws or regulations, or the introduction of laws or regulations. For continuance of hedge accounting under this exception, all of the following criteria must be met: (i) the novations must arise as a consequence of laws or regulations, or the introduction of laws or regulations; (ii) the parties to the hedging instrument agree that one or more clearing counterparties replace their original counterparty to become the new counterparty to each of the parties; and (iii) the novations do not result in changes to the terms of the original derivative other than changes directly attributable to the change in counterparty to achieve clearing. The amendments have had no impact on the Group as the Group has not novated any derivatives during the current and prior years.

(d) HK(IFRIC)-Int 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. The interpretation also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be recognised before the specified minimum threshold is reached. The interpretation has had no impact on the Group as the Group applied, in prior years, the recognition principles under HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* which for the levies incurred by the Group are consistent with the requirements of HK(IFRIC)-Int 21.

(e) The HKFRS 2 Amendment clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including (i) a performance condition must contain a service condition; (ii) a performance target must be met while the counterparty is rendering service; (iii) a performance target may relate to the operations or activities of an entity, or to those of another entity in the same group; (iv) a performance condition may be a market or non-market condition; and (v) if the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied. The amendment has had no impact on the Group.

(f) The HKFRS 3 Amendment clarifies that contingent consideration arrangements arising from a business combination that are not classified as equity should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of HKFRS 9 or HKAS 39. The amendment has had no impact on the Group.

(g) The HKFRS 13 Amendment clarifies that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. The amendment has had no impact on the Group.

2.3 NEW AND REVISED HKFRSs AND NEW DISCLOSURE REQUIREMENTS UNDER THE HONG KONG COMPANIES ORDINANCE NOT YET ADOPTED

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 9	*Financial Instruments*[4]
Amendments to HKFRS 10 and HKAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[2]
Amendments to HKFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*[2]
HKFRS 14	*Regulatory Deferral Accounts*[5]
HKFRS 15	*Revenue from Contracts with Customers*[3]
Amendments to HKAS 16 and HKAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*[2]
Amendments to HKAS 16 and HKAS 41	*Agriculture: Bearer Plants*[2]
Amendments to HKAS 19	*Defined Benefit Plans: Employee Contributions*[1]
Amendments to HKAS 27 (2011)	*Equity Method in Separate Financial Statements*[2]
Amendments to HKAS 1	*Disclosure Initiative*[2]
Amendments to HKFRS 10 and HKFRS 12 and HKAS 28 (2011)	*Investment Entities: Applying the Consolidation Exception*[2]
Annual Improvements 2010-2012 Cycle	Amendments to a number of HKFRSs[1]
Annual Improvements 2011-2013 Cycle	Amendments to a number of HKFRSs[1]
Annual Improvements 2012-2014 Cycle	Amendments to a number of HKFRSs[2]

1 Effective for annual periods beginning on or after 1 July 2014
2 Effective for annual periods beginning on or after 1 January 2016
3 Effective for annual periods beginning on or after 1 January 2017
4 Effective for annual periods beginning on or after 1 January 2018
5 Effective for an entity that first adopts HKFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Group

The amendments to HKAS 1 are designed to further encourage companies to apply professional judgement in determining what information to disclose in their financial statements. For Example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that companies should use professional judgement in determining where and in what order information is presented in the financial disclosures.

The narrow-scope amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011) introduce clarifications to the requirements when accounting for investment entities. The amendments also provide relief in particular circumstances, which will reduce the costs of applying the standards.

In addition, the Hong Kong Companies Ordinance (Cap.622) will affect the presentation and disclosure of certain information in the consolidated financial statements for the year ending 31 December 2015. The Group is in the process of making an assessment of the impact of these changes.

Further information about those HKFRSs that are expected to be applicable to the Group is as follows:

In September 2014, the HKICPA issued the final version of HKFRS 9, bringing together all phases of the financial instruments project to replace HKAS 39 and all previous versions of HKFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group expects to adopt HKFRS 9 from 1 January 2018. The Group expects that the adoption of HKFRS 9 will have an impact on the classification and measurement of the Group's financial assets. Further information about the impact will be available nearer the implementation date of the standard.

The amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The Group expects to adopt the amendments from 1 January 2016.

2.3 NEW AND REVISED HKFRSs AND NEW DISCLOSURE REQUIREMENTS UNDER THE HONG KONG COMPANIES ORDINANCE NOT YET ADOPTED *(continued)*

The amendments to HKFRS 11 require that an acquirer of an interest in a joint operation in which the activity of the joint operation constitutes a business must apply the relevant principles for business combinations in HKFRS 3. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to HKFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party. The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation. The Group expects to adopt the amendments from 1 January 2016.

HKFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under HKFRSs. The Group expects to adopt HKFRS 15 on 1 January 2017 and is currently assessing the impact of HKFRS 15 upon adoption.

Amendments to HKAS 16 and HKAS 38 clarify the principle in HKAS 16 and HKAS 38 that revenue reflects a pattern of economic benefits that are generated from operating business (of which the asset is part) rather than the economic benefits that are consumed through the use of the asset. As a result, a revenue-based method cannot be used to depreciate property and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are to be applied prospectively. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1 January 2016 as the Group has not used a revenue-based method for the calculation of depreciation of its non-current assets.

The *Annual Improvements to HKFRSs 2010-2012 Cycle* issued in January 2014 sets out amendments to a number of HKFRSs. Except for those described in note 2.2, the Group expects to adopt the amendments from 1 January 2015. None of the amendments are expected to have a significant financial impact on the Group. Details of the amendment most applicable to the Group are as follows:

HKFRS 8 *Operating Segments:* Clarifies that an entity must disclose the judgements made by management in applying the aggregation criteria in HKFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics used to assess whether the segments are similar. The amendments also clarify that a reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Subsidiaries

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;
(b) rights arising from other contractual arrangements; and
(c) the Group's voting rights and potential voting rights.

The results of subsidiaries are included in the Company's statement of profit or loss to the extent of dividends received and receivable. The Company's investments in subsidiaries that are not classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations are stated at cost less any impairment losses.

Investments in associates and joint ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Investments in associates and joint ventures *(continued)*

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with HKFRS 5.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of HKAS 39 is measured at fair value with changes in fair value either recognised in profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of HKAS 39, it is measured in accordance with the appropriate HKFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Fair value measurement

The Group measures its investment properties, available-for-sale investments and equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than properties under development, completed properties held for sale, financial assets, investment properties and non-current assets classified as held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a); and

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Property and equipment and depreciation

Property and equipment are stated at cost less accumulated depreciation and any impairment losses. When an item of property and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with HKFRS 5, as further explained in the accounting policy for "Non-current assets held for sale". The cost of an item of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Land and buildings	2% to 5% or over the unexpired terms of the leases if less than 50 years
Leasehold improvements	20% or over the unexpired terms of the leases if less than 5 years
Furniture, fixtures and equipment	10% to 20%
Motor vehicles	20% to 25%

Where parts of an item of property and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Investment properties

Investment properties are interests in land and buildings (including the leasehold interest under an operating lease for a property which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of the retirement or disposal.

Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets and its sale must be highly probable.

Non-current assets (other than investment properties and financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property and equipment classified as held for sale are not depreciated or amortised.

Golf club membership

Golf club membership acquired is measured on initial recognition at cost and its useful life is assessed to be indefinite.

Golf club membership is tested for impairment annually and not amortised. Its useful life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the statement of profit or loss so as to provide a constant periodic rate of charge over the lease terms.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the statement of profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to the statement of profit or loss on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

Properties under development

Properties under development are stated at the lower of cost and net realisable value and comprise construction costs, borrowing costs, professional fees, payments for land use rights and other costs directly attributable to such properties incurred during the development period.

Properties under development are classified as current assets unless the construction of the relevant property development project is expected to complete beyond the normal operating cycle. On completion, the properties are transferred to completed properties held for sale.

Sales deposits/instalments received and receivable from purchasers in respect of pre-sale of properties under development prior to completion of the development are included in current liabilities.

Completed properties held for sale

Completed properties held for sale are stated at the lower of cost and net realisable value. Cost is determined by an apportionment of the total land and building costs attributable to unsold properties. Net realisable value is estimated by the directors based on the prevailing market prices on an individual property basis.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial investments, as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. These net fair value changes do not include any dividends on these financial assets, which are recognised in accordance with the policy set out for "Revenue recognition" below.

Financial assets designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in HKAS 39 are satisfied.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in the statement of profit or loss. The loss arising from impairment is recognised in the statement of profit or loss in finance costs for loans and in other expenses for receivables.

Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets in listed and unlisted equity investments and debt securities. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated as at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale investment revaluation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in the statement of profit or loss in other income, or until the investment is determined to be impaired, when the cumulative gain or loss is reclassified from the available-for-sale investment revaluation reserve to the statement of profit or loss in other gains or losses. Interest and dividends earned whilst holding the available-for-sale financial investments are reported as interest income and dividend income, respectively and are recognised in the statement of profit or loss as other income in accordance with the policies set out for "Revenue recognition" below.

When the fair value of unlisted equity investments cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such investments are stated at cost less any impairment losses.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity.

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the statement of profit or loss.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the statement of profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in the statement of profit or loss.

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the statement of profit or loss, is removed from other comprehensive income and recognised in the statement of profit or loss.

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss — is removed from other comprehensive income and recognised in the statement of profit or loss. Impairment losses on equity instruments classified as available for sale are not reversed through the statement of profit or loss. Increases in their fair value after impairment are recognised directly in other comprehensive income.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Impairment of financial assets *(continued)*

Available-for-sale financial investments *(continued)*

The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

In the case of debt instruments classified available for sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of revenue. Impairment losses on debt instruments are reversed through the statement of profit or loss if the subsequent increase in fair value of the instruments can be objectively related to an event occurring after the impairment loss was recognised in the statement of profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and bills payables, other payables and accruals, financial guarantee contracts, loans from non-controlling shareholders of subsidiaries, consideration payable on acquisition of subsidiaries and interest-bearing bank borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise and settle the liabilities simultaneously.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

(a) from the sale of properties, when the risks and rewards of the properties are transferred to the purchasers, which is when the construction of the relevant properties has been completed and the properties have been delivered to the purchasers pursuant to the sales agreement, and the collectibility of related receivables is reasonably assured;

(b) rental income from properties, in the period in which the properties are let and on a straight-line basis over the lease terms;

(c) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset;

(d) dividend income, when the shareholders' right to receive payment has been established; and

(e) income from the sale of listed securities, on the trade date.

Share-based payments

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees for grants after 7 November 2002 is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 38 to the financial statements.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefit expense. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Other employee benefits

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in central pension schemes operated by the local municipal governments. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension schemes. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension schemes.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Other employee benefits *(continued)*

Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs involving the payment of termination benefits.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Where funds have been borrowed generally, and used for the purpose of obtaining qualifying assets, a capitalisation rate of 5.62% (2013: 4.46%) has been applied to the expenditure on the individual assets.

Dividends

When final dividends proposed by the directors have been approved by the shareholders and declared in a general meeting, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of certain subsidiaries, joint ventures and associates in Mainland China are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates prevailing at the end of the reporting period and, their statements of profit or loss are translated into Hong Kong dollars at the weighted average exchange rates for the year. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of an operation in Mainland China, the component of other comprehensive income relating to that particular operation is recognised in the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of subsidiaries in Mainland China are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of subsidiaries in Mainland China which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(continued)*

Judgements *(continued)*

Operating lease commitments — Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes.

If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

Classification between investment properties and properties held for sale

The Group develops properties held for sale and properties held to earn rentals and/or for capital appreciation. Judgement is made by management on determining whether a property is designated as an investment property or a property held for sale. The Group considers its intention for holding the properties at the early development stage of the related properties. During the course of construction, the related properties under construction are accounted for as properties under development included in current assets if the properties are intended for sale after its completion, whereas, the properties are accounted for as investment properties under construction included in investment properties if the properties are intended to be held to earn rentals and/or for capital appreciation. Upon completion of the properties, the properties held for sale are transferred to completed properties held for sale and are stated at cost, while the properties held to earn rental and/or for capital appreciation are transferred to completed investment properties. Investment properties, both under construction or completed, are subject to revaluation at the end of each reporting period.

Investment properties stated at fair value are recovered through sale or through use

The Group has investment properties located in the PRC which are measured at fair value. Investment property is property held to earn rentals or for capital appreciation or both. In considering whether the presumption made in HKAS 12 Income Taxes that an investment property measured at fair value will be recovered through sale is rebutted in determining deferred tax, the Group has developed certain criteria in making that judgement, such as whether an investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time or through sale. The presumption is rebutted only in the circumstance that there is sufficient evidence such as historical transaction, future development plan and management's intention to demonstrate that the investment property is held with the objective to consume substantially all of the economic benefits over time, rather than through sale. Continuous assessments on the presumption will be made by management at each reporting date.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Estimation of fair value of investment properties

In the absence of current prices in an active market for similar properties, the Group considers information from a variety of sources, including:

(a) current prices in an active market for properties of a different nature, condition or location, adjusted to reflect those differences;

(b) recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and

(c) discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contract and (when possible) by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

The carrying amount of investment properties at 31 December 2014 was HK$421,666,000 (2013: HK$411,330,000). Further details, including the key assumptions used for fair value measurement and a sensitivity analysis, are disclosed in note 17 to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(continued)*

Estimation uncertainty *(continued)*

Valuation of properties under development and completed properties held for sale

Properties under development and completed properties held for sale are stated at the lower of cost and net realisable value. The estimated net realisable value is the estimated selling price less selling expenses and the estimated cost to completion (if any), which are estimated based on the best available information.

Impairment loss on other receivables

In determining whether an impairment loss on other receivables is required, the Group takes into consideration the ageing status and the likelihood of collection. Following the identification of doubtful debts, the Group's responsible personnel discusses with the relevant counterparties and reports to management on the recoverability. An impairment loss is only made for receivables that are unlikely to be collected.

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment of all non-financial assets at each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Fair value of an unlisted equity investment

One of the unlisted equity investments of the Group has been valued based on the market value of its H-shares traded in Hong Kong after applying a marketability discount rate. The valuation requires the Group to make an estimate about the marketability discount rate and hence is subject to uncertainty. The fair value of this unlisted equity investment recorded in the available-for-sale investments as at 31 December 2014 was HK$66,540,000 (2013: HK$60,915,000).

Fair value of a loaned listed equity investment

A loaned listed equity investment of the Group has been valued based on the market value of its shares listed in Shanghai after applying a marketability discount rate. The valuation requires the Group to make an estimate about the marketability discount rate and hence is subject to uncertainty. The fair value of this listed equity investment recorded in the available-for-sale investment as at 31 December 2014 was HK$240,577,000 (2013: Nil). Further details are disclosed in note 23 to the financial statements.

Impairment of available-for-sale financial assets

The Group classifies certain assets as available for sale and recognises movements of their fair values in equity. When the fair value declines, management makes assumptions about the decline in value to determine whether there is an impairment that should be recognised in the statement of profit or loss.

Land appreciation taxes

Land appreciation tax in the PRC is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sale of properties less deductible expenditures including land costs, borrowing costs and other property development expenditures.

The subsidiaries of the Group engaging in the property development business in Mainland China are subject to land appreciation taxes. However, the implementation of these taxes varies amongst various cities in Mainland China and the Group has not finalised its land appreciation tax returns for some of its completed property development projects with various tax authorities. Accordingly, significant judgement is required in determining the amount of land appreciation and its related taxes. The ultimate tax determination is uncertain during the ordinary course of business. The Group recognises these liabilities based on management's best estimates. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the statement of profit or loss and the provision for land appreciation taxes in the period in which such determination is made.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are disclosed in note 33 to the financial statements.

4. OPERATING SEGMENT INFORMATION

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

Property development and investment segment — Development and investment of properties located in Mainland China

Treasury investment segment — Investments in securities and notes receivable, and provision of financial services

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss before tax. The adjusted profit or loss before tax is measured consistently with the Group's profit before tax except that finance costs and head office and corporate income and expenses are excluded from such measurement.

Information regarding the reportable segments is presented below.

Reportable segment information

Year ended 31 December 2014

	Property development and investment HK$'000	Treasury investment HK$'000	Total HK$'000
Segment revenue			
Sales to external customers	10,281,514	18,374	10,299,888
Segment results	2,500,698	173,025	2,673,723
Corporate and unallocated income			5,500
Corporate and unallocated expenses			(40,425)
Finance costs			(159,763)
Profit before tax			2,479,035
Other segment information:			
Share of profits and losses of:			
Joint ventures	(24,173)	—	(24,173)
Associates	(13,448)	—	(13,448)
Capital expenditure in respect of items of property and equipment	44,090	—	44,090
Depreciation	26,388	10	26,398
Amortisation of prepaid land lease payments	2,554	—	2,554
Fair value gains on investment properties	5,950	—	5,950
Fair value gains on equity investments at fair value through profit or loss, net	—	60,517	60,517
Write-down of completed properties held for sale to net realisable value	91,661	—	91,661
Write-down of properties under development to net realisable value	233,277	—	233,277
Impairment of an other receivable	12,676	—	12,676
Investments in joint ventures	439,947	—	439,947
Investments in associates	1,503,311	—	1,503,311

4. OPERATING SEGMENT INFORMATION *(continued)*

Reportable segment information *(continued)*

Year ended 31 December 2013

	Property development and investment HK$'000	Treasury investment HK$'000	Total HK$'000
Segment revenue			
Sales to external customers	6,829,073	15,777	6,844,850
Segment results	1,679,976	68,091	1,748,067
Corporate and unallocated income			2,088
Corporate and unallocated expenses			(41,495)
Finance costs			(90,293)
Profit before tax			1,618,367
Other segment information:			
Share of profits and losses of:			
Joint ventures	(13,913)	—	(13,913)
Associates	(14,571)	—	(14,571)
Capital expenditure in respect of items of property and equipment	17,065	—	17,065
Depreciation	28,428	21	28,449
Amortisation of prepaid land lease payments	12,634	—	12,634
Fair value gains on investment properties	18,260	—	18,260
Fair value losses on equity investments at fair value through profit or loss, net	—	27,942	27,942
Write-down of completed properties held for sale to net realisable value	208,925	—	208,925
Investments in joint ventures	30,576	—	30,576
Investments in associates	1,280,688	—	1,280,688

Geographical information

(a) Revenue from external customers

Over 90% of the Group's revenue is derived from external customers of the Group's operations in Mainland China.

(b) Non-current assets

Over 90% of the Group's non-current assets are located in Mainland China.

Information about major customer

For the years ended 31 December 2013 and 2014, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

5. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents gross proceeds from sale of properties, net of business tax and other sales related taxes from the sale of properties; gains/losses on disposal of equity investments at fair value through profit or loss, net; gross rental income received and receivable from leased properties; and dividend and interest income from listed and unlisted investments during the year.

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

	2014 HK$'000	2013 HK$'000
Revenue		
Sale of properties	**10,244,128**	6,798,444
Gross rental income	**23,080**	19,986
Gains/(losses) on disposal of equity investments at fair value through profit or loss, net	**(4,496)**	795
Dividend income from listed equity investments	**27,994**	19,290
Dividend income from unlisted equity investments	**4,174**	1,303
Interest income from unlisted debt investments	**5,008**	5,032
	10,299,888	6,844,850
Other income and gains		
Bank interest income	**83,474**	85,618
Other interest income	**89,321**	54,867
Exchange gains, net	**—**	19,503
Gains on disposal of subsidiaries, net (note 37)	**497,523**	171,910
Gain on disposal of available-for-sale investments	**97,806**	83,168
Gain on disposal of land quota	**—**	40,222
Fair value gains on investment properties (note 17)	**5,950**	18,260
Fair value gains on equity investments at fair value through profit or loss, net	**60,517**	—
Gain on disposal of items of property and equipment	**133**	—
Others	**9,317**	6,759
	844,041	480,307

6. OTHER EXPENSES

An analysis of other expenses is as follows:

	Group	
	2014 HK$'000	2013 HK$'000
Fair value losses on equity investments at fair value through profit or loss, net	**—**	27,942
Impairment of an other receivable	**12,676**	—
Exchange losses, net	**5,964**	—
	18,640	27,942

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Group	
	2014 HK$'000	2013 HK$'000
Interest on bank loans wholly repayable within five years	**728,738**	642,762
Interest on bank loans wholly repayable beyond five years	**18,203**	15,567
Interest on other loan wholly repayable within five years	**49,220**	75,660
	796,161	733,989
Less: Interest capitalised	**(636,398)**	(643,696)
	159,763	90,293

8. PROFIT BEFORE TAX

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

	Notes	**2014 HK$'000**	2013 HK$'000
Cost of properties sold	24.3	**7,258,456**	4,507,743
Write-down of completed properties held for sale to net realisable value	24.3	**91,661**	208,925
Write-down of properties under development to net realisable value	24.1	**233,277**	—
Depreciation	16	**26,398**	28,449
Less: Amount capitalised		**(2,396)**	(2,493)
		24,002	25,956
Amortisation of prepaid land lease payments	18	**2,554**	12,634
Minimum lease payments under operating leases in respect of land and buildings		**14,290**	9,459
Auditors' remuneration		**6,890**	6,290
Impairment of an other receivable		**12,676**	—
Employee benefit expense (including directors' remuneration (note 9)):			
Wages and salaries		**362,141**	346,653
Pension scheme contributions		**15,223**	11,307
Less: Amount capitalised		**(124,918)**	(109,878)
		252,446	248,082
Foreign exchange differences, net		**5,964**	(19,503)
Gross rental income, net of business tax		**(23,080)**	(19,986)
Direct operating expenses (including repairs and maintenance) arising on rental-earning properties		**4,050**	4,178
Net rental income		**(19,030)**	(15,808)

9. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and section 78 of Schedule 11 to the Hong Kong Companies Ordinance (Cap.622), with reference to section 161 of the predecessor Hong Kong Companies Ordinance (Cap.32), is as follows:

	Group	
	2014 HK$'000	2013 HK$'000
Fees	**2,190**	2,100
Other emoluments:		
Salaries, allowances and benefits in kind	**17,175**	15,810
Performance related bonuses*	**17,870**	16,700
Pension scheme contributions	**765**	702
	35,810	33,212
	38,000	35,312

* Certain executive directors of the Company are entitled to bonus payments which are determined with reference to the Company's operating results, individual performance of the directors and comparable market statistics during the year.

During the year, the Group provided a leasehold property in Hong Kong as a staff quarter for one of the executive directors of the Company. The estimated monetary value of such accommodation, included in the amount disclosed above, using the rateable value as an approximation, was HK$600,000 (2013: HK$600,000).

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2013: Nil).

9. DIRECTORS' REMUNERATION *(continued)*

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year are as follows:

	2014 HK$'000	2013 HK$'000
Mr. Lam Kin Fung Jeffrey	630	600
Mr. Leung Yu Ming Steven	520	500
Dr. Wong Lung Tak Patrick	520	500
	1,670	1,600

There were no other emoluments payable to the independent non-executive directors during the year (2013: Nil).

(b) Executive directors and a non-executive director

	Fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Performance related bonuses HK$'000	Pension scheme contributions HK$'000	Total remuneration HK$'000
2014					
Executive directors:					
Mr. Cheung Chung Kiu	—	—	—	—	—
Dr. Lam How Mun Peter	—	8,400	9,350	360	18,110
Mr. Tsang Wai Choi ("Mr. Tsang")	—	4,940	5,000	228	10,168
Mr. Leung Chun Cheong	—	1,625	1,320	75	3,020
Mr. Leung Wai Fai	—	2,210	2,200	102	4,512
	—	17,175	17,870	765	35,810
Non-executive director:					
Mr. Wong Yat Fai	520	—	—	—	520
	520	17,175	17,870	765	36,330
2013					
Executive directors:					
Mr. Cheung Chung Kiu	—	—	—	—	—
Dr. Lam How Mun Peter	—	7,750	8,500	330	16,580
Mr. Tsang Wai Choi	—	4,550	5,000	210	9,760
Mr. Leung Chun Cheong	—	1,495	1,200	69	2,764
Mr. Leung Wai Fai	—	2,015	2,000	93	4,108
	—	15,810	16,700	702	33,212
Non-executive director:					
Mr. Wong Yat Fai	500	—	—	—	500
	500	15,810	16,700	702	33,712

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three (2013: three) directors, details of whose remuneration are set out in note 9 above. Details of the remuneration for the year of the remaining two (2013: two) non-director, highest paid employees are as follows:

	Group 2014 HK$'000	2013 HK$'000
Salaries, allowances, and benefits in kind	4,550	4,030
Performance related bonuses	9,000	8,000
Pension scheme contributions	210	186
	13,760	12,216

The number of non-director, highest paid employees whose remuneration fell within the following bands is as follows:

	No. of individuals 2014	2013
HK$4,500,001 to HK$5,000,000	—	1
HK$5,500,001 to HK$6,000,000	1	—
HK$7,000,001 to HK$7,500,000	—	1
HK$8,000,001 to HK$8,500,000	1	—
	2	2

11. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2013: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable in Mainland China have been calculated at the rates of tax prevailing in Mainland China.

	2014 **HK$'000**	2013 HK$'000
Group:		
Current charge for the year		
Hong Kong	**103**	667
Mainland China	**844,443**	655,413
	844,546	656,080
Underprovision in prior years		
Hong Kong	**—**	61
Mainland China	**546**	4,904
	546	4,965
Land appreciation tax charge for the year	**806,610**	639,806
Deferred tax (note 33)	**(262,779)**	(345,402)
Total tax charge for the year	**1,388,923**	955,449

A reconciliation of the tax expense applicable to profit before tax at the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates is as follows:

	Group	
	2014 **HK$'000**	2013 HK$'000
Profit before tax	**2,479,035**	1,618,367
Tax at the statutory tax rates of different jurisdictions	**590,590**	417,030
Adjustments in respect of current tax of previous periods	**546**	4,965
Profits and losses attributable to joint ventures	**3,989**	2,296
Profits and losses attributable to associates	**3,362**	3,643
Income not subject to tax	**(104,430)**	(14,046)
Expenses not deductible for tax	**174,920**	74,143
Effect of withholding tax at 10% on the disposal of the Group's PRC subsidiary	**26,122**	—
Tax losses utilised from previous periods	**(11,409)**	(20,874)
Tax losses not recognised	**100,276**	9,022
Land appreciation tax	**806,610**	639,806
Tax effect of land appreciation tax	**(201,653)**	(159,952)
Others	**—**	(584)
Tax expense at the Group's effective rate	**1,388,923**	955,449

There was no share of tax expense attributable to joint ventures during the year ended 31 December 2014 (2013: Nil).

The share of tax expense attributable to associates amounting to HK$4,843,000 (2013: HK$3,134,000) is included in "Share of profits and losses of associates" on the face of the consolidated statement of profit or loss.

12. PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

The consolidated profit attributable to owners of the parent for the year ended 31 December 2014 includes a profit of HK$37,548,000 (2013: loss of HK$39,265,000) which has been dealt with in the financial statements of the Company. In addition, the Company also recorded dividend income of HK$589,696,000 (2013: Nil) from a subsidiary attributable to previous year's profits. In aggregate, the Company's profit for the year ended 31 December 2014 amounted to HK$627,244,000 (2013: loss of HK$39,265,000) (note 35(b)).

13. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Details of the non-current assets classified as held for sale are as follows:

	Notes	**2014 HK$'000**	2013 HK$'000
Assets			
Interests in land use rights for property development	13(a)	—	1,452,133
Investment in an associate	13(b)	—	39,301
Non-current assets classified as held for sale		—	1,491,434

Notes:

(a) Interests in land use rights for property development classified as held for sale — Ho Yeung Group

On 13 November 2013, the Group entered into a sale and purchase agreement with an independent third party to dispose of its entire 100% equity interest in Ho Yeung Group Limited ("Ho Yeung", and together with its subsidiary, the "Ho Yeung Group") and a shareholder's loan owed by the Ho Yeung Group to the Group for a total consideration of HK$1,827,747,000.

The Ho Yeung Group is principally engaged in property development and investment in Mainland China. The disposal of the Ho Yeung Group was completed on 15 January 2014 (note 37(a)). The major assets of the Ho Yeung Group comprised interests in land use rights for property development amounting to HK$1,452,133,000 (note 24.2) which were classified as non-current assets held for sale and were presented separately in the consolidated statement of financial position as at 31 December 2013. Further details of the disposal of the Ho Yeung Group are disclosed in note 37(a) to the financial statements.

(b) Investment in an associate classified as held for sale — Sichuan Hengchen

On 30 November 2010, the Group entered into a share transfer agreement with a non-controlling shareholder of Sichuan Hengchen Real Estate Development Company Limited ("Sichuan Hengchen") to dispose of its entire 60% equity interest in Sichuan Hengchen. Sichuan Hengchen is principally engaged in property development and investment in Mainland China. The partial disposal of a 30% equity interest in Sichuan Hengchen was completed on 30 March 2011.

Upon completion of the first 30% disposal, the Group ceased to have control over Sichuan Hengchen thereafter. The Group has accounted for the investment retained in Sichuan Hengchen as an associate held for sale which was stated at its fair value at the date the control was lost and was presented as a non-current asset held for sale as at 31 December 2013. The disposal of this remaining 30% equity interest in Sichuan Hengchen was completed in 2014.

14. DIVIDENDS

	2014 HK$'000	2013 HK$'000
Proposed final — HK$0.05 (2013: HK$0.045) per ordinary share	**129,411**	116,470

The final dividend for the year ended 31 December 2014 proposed subsequent to the reporting period has not been recognised as a liability at the end of the reporting period and is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

No interim dividend was declared in respect of the years ended 31 December 2013 and 2014.

15. 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 ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the year.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2013 and 2014 in respect of a dilution as the share options outstanding had no dilutive effect on the basic earnings per share amounts presented.

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

	2014 HK$'000	2013 HK$'000
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation	**1,068,280**	505,395

	Number of shares 2014	 2013
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted earnings per share calculation	**2,588,223,112**	2,588,010,924

16. PROPERTY AND EQUIPMENT

Group

	Land and buildings HK$'000	Leasehold improvements HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
31 December 2014					
At 1 January 2014:					
Cost	158,038	1,918	50,729	64,592	275,277
Accumulated depreciation	(36,522)	(1,700)	(30,246)	(36,925)	(105,393)
Net carrying amount	121,516	218	20,483	27,667	169,884
At 1 January 2014, net of accumulated depreciation	121,516	218	20,483	27,667	169,884
Additions	17,980	17	15,807	10,286	44,090
Disposals	(2,493)	—	(348)	(128)	(2,969)
Depreciation provided during the year	(8,432)	(65)	(8,872)	(9,029)	(26,398)
Exchange realignment	(359)	—	(67)	(82)	(508)
At 31 December 2014, net of accumulated depreciation	128,212	170	27,003	28,714	184,099
At 31 December 2014:					
Cost	172,618	1,935	66,046	72,631	313,230
Accumulated depreciation	(44,406)	(1,765)	(39,043)	(43,917)	(129,131)
Net carrying amount	128,212	170	27,003	28,714	184,099

16. PROPERTY AND EQUIPMENT *(continued)*

Group *(continued)*

	Land and buildings HK$'000	Leasehold improvements HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
31 December 2013					
At 1 January 2013:					
Cost	149,402	1,911	39,926	54,030	245,269
Accumulated depreciation	(25,249)	(1,635)	(21,126)	(26,574)	(74,584)
Net carrying amount	124,153	276	18,800	27,456	170,685
At 1 January 2013, net of accumulated depreciation	124,153	276	18,800	27,456	170,685
Additions	—	7	9,717	7,341	17,065
Transfer from completed properties held for sale (note 24.3)	4,524	—	—	—	4,524
Acquisition of subsidiaries that are not a business (note 36(b))	—	—	633	768	1,401
Disposals	—	—	(70)	(52)	(122)
Depreciation provided during the year	(10,605)	(65)	(8,732)	(9,047)	(28,449)
Exchange realignment	3,444	—	135	1,201	4,780
At 31 December 2013, net of accumulated depreciation	121,516	218	20,483	27,667	169,884
At 31 December 2013:					
Cost	158,038	1,918	50,729	64,592	275,277
Accumulated depreciation	(36,522)	(1,700)	(30,246)	(36,925)	(105,393)
Net carrying amount	121,516	218	20,483	27,667	169,884

As at 31 December 2014, certain of the Group's leasehold land and buildings with an aggregate carrying value of HK$84,346,000 (2013: HK$93,001,000) were pledged to banks to secure banking facilities granted to the Group (note 32(a)).

The carrying value of the Group's land and buildings shown above comprises:

	2014 HK$'000	2013 HK$'000
Land and buildings held under medium term leases situated in:		
Hong Kong	**13,912**	14,284
Mainland China	**114,300**	107,232
	128,212	121,516

16. PROPERTY AND EQUIPMENT *(continued)*

Company

	Leasehold improvements HK$'000	Furniture, fixtures and equipment HK$'000	Total HK$'000
31 December 2014			
At 1 January 2014:			
Cost	**1,566**	**644**	**2,210**
Accumulated depreciation	**(1,566)**	**(410)**	**(1,976)**
Net carrying amount	**—**	**234**	**234**
At 1 January 2014, net of accumulated depreciation	**—**	**234**	**234**
Depreciation provided during the year	**—**	**(64)**	**(64)**
At 31 December 2014, net of accumulated depreciation	**—**	**170**	**170**
At 31 December 2014:			
Cost	**1,566**	**644**	**2,210**
Accumulated depreciation	**(1,566)**	**(474)**	**(2,040)**
Net carrying amount	**—**	**170**	**170**
31 December 2013			
At 1 January 2013:			
Cost	1,566	644	2,210
Accumulated depreciation	(1,566)	(345)	(1,911)
Net carrying amount	—	299	299
At 1 January 2013, net of accumulated depreciation	—	299	299
Depreciation provided during the year	—	(65)	(65)
At 31 December 2013, net of accumulated depreciation	—	234	234
At 31 December 2013:			
Cost	1,566	644	2,210
Accumulated depreciation	(1,566)	(410)	(1,976)
Net carrying amount	—	234	234

17. INVESTMENT PROPERTIES

	Group	
	2014 HK$'000	2013 HK$'000
Carrying amount at 1 January	**411,330**	379,946
Addition during the year	**5,676**	—
Net gain from a fair value adjustment (note 5)	**5,950**	18,260
Exchange realignment	**(1,290)**	13,124
Carrying amount at 31 December	**421,666**	411,330

17. INVESTMENT PROPERTIES *(continued)*

The Group's investment properties are situated in Mainland China and are held under medium term leases.

At 31 December 2014, certain of the Group's investment properties with an aggregate carrying value of HK$193,605,000 (2013: HK$189,418,000) were pledged to banks to secure banking facilities granted to the Group (note 32(a)).

The Group's investment properties are leased to third parties under operating leases, further summary details of which are included in note 39(a) to the financial statements.

The Group's investments properties were revalued at the end of the reporting period by Greater China Appraisal Limited, independent professionally qualified valuers. The valuations were based on the capitalisation of net rental income derived from the existing tenancies with due allowance for the reversionary income potential of the properties.

In the opinion of the directors, for all investment properties that are measured at fair value, the current use of the properties is their highest and best use.

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

	Residential properties HK$'000	Non-residential properties HK$'000	Car parking spaces HK$'000	Total HK$'000
At 1 January 2013	11,790	226,231	141,925	379,946
Net gain/(loss) from fair value adjustments	(83)	(1,347)	19,690	18,260
Exchange realignment	364	6,994	5,766	13,124
At 31 December 2013 and 1 January 2014	12,071	231,878	167,381	411,330
Additions	—	5,676	—	5,676
Net gain/(loss) from fair value adjustments	(469)	7,573	(1,154)	5,950
Exchange realignment	(41)	(689)	(560)	(1,290)
At 31 December 2014	11,561	244,438	165,667	421,666

Unrealised gains included in the consolidated statement of profit or loss for investment properties for the year ended 31 December 2014 were HK$5,950,000 (2013: HK$18,260,000).

Description of valuation techniques used and key inputs to valuation on investment properties are as follows:

	Valuation technique	Significant unobservable inputs	Range 2014	Range 2013
Residential properties	Income capitalisation method	Estimated monthly rental value per square meter (RMB)	**14.5 to 17**	15 to 17.5
		Capitalisation rate	**4%**	4%
Non-residential properties	Income capitalisation method	Estimated monthly rental value per square meter (RMB)	**9 to 130**	9 to 84
		Capitalisation rate	**5.5% to 6.5%**	5.5% to 6.5%
Car parking spaces	Income capitalisation method	Estimated monthly rental value per unit (RMB)	**360 to 420**	360 to 420
		Capitalisation rate	**4%**	4%

Significant increase/(decrease) in the estimated rental value per square meter or per unit in isolation would result in a significantly higher/(lower) fair value of the investment properties. Significant increase/(decrease) in the capitalisation rate in isolation would result in a significantly lower/(higher) fair value of the investment properties.

18. PREPAID LAND LEASE PAYMENTS

	Group 2014 HK$'000	2013 HK$'000
Carrying amount at 1 January	**126,622**	1,158,850
Acquisition of subsidiaries that are not a business (note 36(b))	**—**	741,671
Transfer from interests in land use rights for property development (note 24.2)	**—**	65,441
Transfer to properties under development (note 24.1)	**—**	(1,862,717)
Amortised during the year (note 8)	**(2,554)**	(12,634)
Exchange realignment	**(435)**	36,011
Carrying amount at 31 December	**123,633**	126,622
Current portion	**(2,565)**	(2,574)
Non-current portion	**121,068**	124,048

The Group's leasehold lands are situated in Mainland China and are held under the following lease terms:

	Group 2014 HK$'000	2013 HK$'000
Long term leases	**—**	92,755
Medium term leases	**123,633**	33,867
	123,633	126,622

19. GOLF CLUB MEMBERSHIP

	Group and Company 2014 HK$'000	2013 HK$'000
Cost at 1 January	**10,540**	—
Addition	**—**	10,540
Cost at 31 December	**10,540**	10,540

20. INVESTMENTS IN SUBSIDIARIES

	Company 2014 HK$'000	2013 HK$'000
Unlisted shares, at cost	**1,000,390**	1,000,390

The amounts due from and due to subsidiaries included in the Company's current assets and current liabilities of HK$13,638,239,000 (2013: HK$13,513,935,000) and HK$1,550,000 (2013: HK$950,000), respectively, are unsecured, interest-free and have no fixed terms of repayment, except for an amount due from a subsidiary of HK$4,406,099,000 (2013: HK$4,582,904,000) that bears interest at floating rates ranging from HIBOR + 3.15% to HIBOR + 4.25% per annum (2013: fixed rate of 3.475% or floating rates ranging from HIBOR + 2% to HIBOR + 4.25% per annum).

20. INVESTMENTS IN SUBSIDIARIES *(continued)*

Particulars of the Company's principal subsidiaries as at 31 December 2014 are as follows:

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company	Principal activities
Ample Win Limited	Hong Kong	Ordinary HK$1	100	Investment holding
C C Land Management Limited	Hong Kong	Ordinary HK$1	100	Corporate management
Charm Best Investment Limited	Hong Kong	Ordinary HK$1	92	Investment holding
Cheer Gain Development Limited	Hong Kong	Ordinary HK$1	100	Investment holding
Dragon Pioneer Development Limited	Hong Kong	Ordinary HK$1	100	Investment holding
Ever Channel Investments Limited#	British Virgin Islands ("BVI")	Ordinary US$1	100	Investment holding
Excel Sky (Hong Kong) Limited	Hong Kong	Ordinary HK$1	100	Investment holding
Global Palace Investments Limited	BVI/ Hong Kong	Ordinary US$1,000	100	Property holding
Good Wave International Limited#	BVI	Ordinary US$1	100	Investment holding
Grand Fortune Enterprises Limited	Hong Kong	Ordinary HK$1	100	Investment holding
Harbour Crest Holdings Limited#	BVI	Ordinary US$1	100	Investment holding
Join Wise Enterprises Limited	Hong Kong	Ordinary HK$1	100	Treasury management
Joy Wealthy Investment Limited	Hong Kong	Ordinary HK$1	85	Investment holding
Joyview Group Limited#	BVI	Ordinary US$1	100	Investment holding
Jubilee Summer Limited#	BVI	Ordinary US$1	100	Investment holding
Marvel Leader Investments Limited#	BVI	Ordinary US$50,000	100	Investment holding
Massive Vast Group Limited#	BVI	Ordinary US$1	100	Investment holding
Mega Star International Investment Limited	Hong Kong	Ordinary HK$1	100	Investment holding
Merry Full Investments Limited#	BVI	Ordinary US$1	100	Investment holding
Mighty Gain Enterprises Limited#	BVI	Ordinary US$1	100	Investment holding
Starthigh International Limited ("Starthigh")#	BVI	Ordinary US$3,000	92 (Note)	Investment holding
Wealthy New Limited#	BVI	Ordinary US$1	100	Investment holding
Win Harbour Investments Limited ("Win Harbour")#	BVI	Ordinary US$5,000	85	Investment holding
Win Peak Group Limited#	BVI	Ordinary US$1	100	Investment holding
Worthwell Investments Limited	BVI/Hong Kong	Ordinary US$50,000	100	Treasury investment

20. INVESTMENTS IN SUBSIDIARIES *(continued)*

Particulars of the Company's principal subsidiaries as at 31 December 2014 are as follows: *(continued)*

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company	Principal activities
Chengdu Guojia Cheer Gain Property Company Limited ("Chengdu Guojia")*/### (成都國嘉志得置業有限公司)	PRC/Mainland China	Registered RMB1,375,000,000	51	Property development and investment
Chengdu Guojia Zhong Yu Real Estate Company Limited* (成都國嘉中渝置業有限公司)	PRC/Mainland China	Registered RMB50,000,000	51	Property development and investment
Chengdu Yongping Real Estate Company Limited* (成都市永平置業有限公司)	PRC/Mainland China	Registered RMB20,000,000	51	Property development and investment
Chengdu Zhongyi Property Development Company Limited*/## (成都眾怡房地產開發有限公司)	PRC/Mainland China	Registered RMB200,000,000	51	Property development and investment
Chengdu Hejia Real Estate Company Limited ("Chengdu Hejia")* (成都和佳置業有限公司)	PRC/Mainland China	Registered RMB8,000,000	51	Property development and investment
Chongqing Juxin Property Development (Group) Company Limited*/## (重慶聚信房地產開發(集團)有限公司)	PRC/Mainland China	Registered RMB469,200,000	100	Property development and investment
Chongqing Lian Xing Investment Company Limited* (重慶聯星投資有限公司)	PRC/Mainland China	Registered RMB320,000,000	51	Property development and investment
Chongqing Lucky Boom Realty Company## (重慶瑞昌房地產有限公司)	PRC/Mainland China	Registered US$50,000,000	100	Property development and investment
Chongqing Verakin Gonghao Real Estate Company Limited ("Chongqing Gonghao")*/** (重慶同景共好置地有限公司)	PRC/Mainland China	Registered RMB300,000,000	26	Property development and investment
Chongqing Verakin Real Estate Company Limited ("Chongqing Verakin")* (重慶同景置業有限公司)	PRC/Mainland China	Registered RMB302,800,000	51	Property development and investment
Chongqing Verakin Hong Hang Real Estate Company Limited* (重慶同景宏航置地有限公司)	PRC/Mainland China	Registered RMB220,000,000	51	Property development and investment
Chongqing Verakin Wenlong Real Estate Company Limited*/** (重慶同景文龍置地有限公司)	PRC/Mainland China	Registered RMB50,000,000	26	Property development and investment

20. INVESTMENTS IN SUBSIDIARIES *(continued)*

Particulars of the Company's principal subsidiaries as at 31 December 2014 are as follows: *(continued)*

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company	Principal activities
Chongqing Zhong Yu Property Development Company Limited## (重慶中渝物業發展有限公司)	PRC/Mainland China	Registered US$131,000,000	92	Property development and investment
Guiyang Zhong Yu Real Estate Development Company Limited*/## (貴陽中渝置地房地產開發有限公司)	PRC/Mainland China	Registered US$130,000,000	85	Property development and investment
Sichuan Senxin Real Estate Company Limited*/## (四川森信置業有限公司)	PRC/Mainland China	Registered US$29,800,000	100	Property development and investment
Sichuan Zhong Yu Real Estate Company Limited*/## (四川中渝置地有限公司)	PRC/Mainland China	Registered US$15,000,000	100	Property development and investment
Sichuan Yongqiao Land Company Limited* (四川雍橋置業有限公司)	PRC/Mainland China	Registered RMB100,000,000	100	Property development and investment
Xian Yuansheng Enterprises Limited ("Xian Yuansheng")* (西安遠聲實業有限公司)	PRC/Mainland China	Registered RMB120,000,000	100	Property development and investment
Yunnan Zhong Yu Land Development Company Limited* (雲南中渝置地發展有限公司)	PRC/Mainland China	Registered RMB50,000,000	64	Property development and investment

\# These are investment holding companies which have no specific principal place of operations.

\## These companies are registered as wholly-owned foreign enterprises under PRC law.

\### This company is registered as a Sino-foreign joint venture under PRC law.

* Direct translation from the Chinese names which are for identification purposes only.

** These companies are subsidiaries of a non-wholly-owned subsidiary of the Company and, accordingly, are accounted for as subsidiaries by virtue of the Company's control over them.

Except for Marvel Leader Investments Limited and Mighty Gain Enterprises Limited, the equity interests of all principal subsidiaries are indirectly held by the Company.

Note:

As set out in the Company's announcement dated 7 April 2014, the Group and Mr. Tsang entered into an investment agreement, pursuant to which, Mr. Tsang would invest in Starthigh (a then wholly-owned subsidiary of the Company) by acquiring 240 shares in Starthigh (the "Starthigh Share Acquisition") at a consideration of HK$93,600,000 and subscribing 1,600 shares in Starthigh (the "Starthigh Share Subscription") at a subscription price of HK$624,000,000. Starthigh, together with its subsidiaries, are principally engaged in the property development business in Mainland China. On 17 December 2014, the Starthigh Share Acquisition was completed and the Group's equity interest in Starthigh was reduced from 100% to 92%. As at 31 December 2014, the Starthigh Share Subscription has not been completed. Immediately following the completion of the Starthigh Share Subscription, the Group's equity interest in Starthigh would be further diluted from 92% to 60%.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

20. INVESTMENTS IN SUBSIDIARIES *(continued)*

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

Name of subsidiary	Percentage of equity interests held by non-controlling interests		Profit/(loss) for the year allocated to non-controlling interests		Dividends paid to non-controlling interests		Accumulated balances of non-controlling interests at the reporting dates	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
	%	%	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Chongqing Verakin	**49**	49	**(29,787)**	82,724	**192,668**	190,667	**329,026**	552,987
Chengdu Guojia	**49**	49	**163,044**	83,588	**—**	—	**766,222**	606,145
Chongqing Gonghao	**49**	49	**(162,461)**	(13,981)	**—**	—	**2,971**	166,033
Win Harbour	**15**	15	**16,270**	1,605	**—**	—	**196,505**	180,816
Starthigh	**8**	—	**—**	N/A	**—**	N/A	**322,448**	N/A

The following tables illustrate the summarised financial information of each of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

Chongqing Verakin

	2014 **HK$'000**	2013 HK$'000
Revenue	**1,847,053**	2,904,416
Total expenses	**(2,141,213)**	(2,824,590)
Profit/(loss) for the year	**(254,047)**	173,776
Total comprehensive income for the year	**(254,047)**	173,776
Current assets	**6,479,366**	6,695,095
Non-current assets	**2,716,780**	2,271,575
Current liabilities	**(7,071,400)**	(7,052,481)
Non-current liabilities	**(1,413,302)**	(585,741)
Net cash flows used in operating activities	**(170,375)**	(40,893)
Net cash flows used in investing activities	**(497,208)**	(136,508)
Net cash flows from financing activities	**788,311**	215,976
Net increase in cash and cash equivalents	**120,728**	38,575

Chengdu Guojia

	2014 **HK$'000**	2013 HK$'000
Revenue	**2,444,832**	1,238,457
Total expenses	**(2,129,932)**	(1,079,709)
Profit for the year	**332,743**	170,588
Total comprehensive income for the year	**326,687**	231,050
Current assets	**10,158,373**	10,439,534
Non-current assets	**651,690**	1,579,081
Current liabilities	**(6,829,392)**	(7,721,002)
Non-current liabilities	**(1,517,360)**	(2,160,989)
Net cash flows from operating activities	**708,296**	2,446,488
Net cash flows used in investing activities	**(943,035)**	(1,320,092)
Net cash flows from/(used in) financing activities	**(755,656)**	82,386
Net increase/(decrease) in cash and cash equivalents	**(990,395)**	1,208,782

20. INVESTMENTS IN SUBSIDIARIES *(continued)*

Chongqing Gonghao

	2014 HK$'000	2013 HK$'000
Revenue	**699,072**	—
Total expenses	**(1,031,923)**	(29,400)
Loss for the year	**(331,553)**	(28,533)
Total comprehensive income for the year	**(331,553)**	(28,533)
Current assets	**1,671,745**	2,129,751
Non-current assets	**1,061,293**	959,352
Current liabilities	**(2,170,990)**	(2,298,866)
Non-current liabilities	**(555,985)**	(451,394)
Net cash flows from/(used in) operating activities	**264,012**	(403,352)
Net cash flows used in investing activities	**(415,280)**	(96,819)
Net cash flows from financing activities	**177,144**	490,246
Net increase/(decrease) in cash and cash equivalents	**25,876**	(9,925)

Win Harbour

	2014 HK$'000	2013 HK$'000
Revenue	**916,034**	81,559
Total expenses	**(808,188)**	(71,852)
Profit for the year	**108,468**	10,702
Total comprehensive income for the year	**104,589**	41,278
Current assets	**2,553,183**	2,560,075
Non-current assets	**1,370,259**	1,301,799
Current liabilities	**(2,124,103)**	(2,137,501)
Non-current liabilities	**(489,307)**	(518,932)
Net cash flows from operating activities	**83,563**	295,804
Net cash flows used in investing activities	**(33,319)**	(623,911)
Net cash flows from/(used in) financing activities	**(43,892)**	150,083
Net increase/(decrease) in cash and cash equivalents	**6,352**	(178,024)

Starthigh

	2014 HK$'000
Revenue	**2,766,416**
Total expenses	**(2,590,805)**
Profit for the year	**215,439**
Total comprehensive income for the year	**191,277**
Current assets	**10,530,439**
Non-current assets	**4,095,590**
Current liabilities	**(5,459,893)**
Non-current liabilities	**(1,810,114)**
Net cash flows used in operating activities	**(34,400)**
Net cash flows from investing activities	**348,757**
Net cash flows used in financing activities	**(680,387)**
Net decrease in cash and cash equivalents	**(366,030)**

21. INVESTMENTS IN JOINT VENTURES

	Group 2014 HK$'000	Group 2013 HK$'000
Share of net assets/(liabilities)	**46,354**	(63,518)
Loans to joint ventures	**393,593**	94,094
	439,947	30,576

The loans to joint ventures are unsecured, interest-free and have no fixed terms of repayment. In the opinion of the directors, these loans are considered as part of the Group's net investments in the joint ventures.

Particulars of the Group's joint ventures are as follows:

Name	Particulars of issued shares held	Place of incorporation/ registration and business	Percentage of Ownership interest	Percentage of Voting power	Percentage of Profit sharing
Sun Vessel Global Limited ("Sun Vessel")	Ordinary shares of US$1 each	BVI	50	50	50
Oceanic Front Limited ("Oceanic Front")	Ordinary shares of US$1 each	BVI	50	50	50
Fancy Style Investments Limited ("Fancy Style")	Ordinary shares of US$1 each	BVI	50	50	50
Chongqing Zhong Yu Property Development Company Limited New World Platinum Five Star Hotel Branch Company ("CQZY Hotel JV")* 重慶中渝物業發展有限公司 新世界白金五星酒店分公司	N/A	PRC/Mainland China	50	50	50

* Direct translation from the Chinese name which is for identification purposes only

Sun Vessel and Oceanic Front are vessel holding companies while Fancy Style is principally engaged in vessel operation and maintenance services. CQZY Hotel JV is principally engaged in the development and operation of a hotel in Mainland China.

All the joint ventures are unlisted and indirectly held by the Company.

21. INVESTMENTS IN JOINT VENTURES *(continued)*

Sun Vessel and CQZY Hotel JV are considered as material joint ventures of the Group and are accounted for using the equity method. Sun Vessel was established on 6 January 2014 while CQZY Hotel JV has been accounted for as a joint venture since 16 October 2014 and further details of which are included in note 37(d) to the financial statements.

The following table illustrate the summarised financial information in respect of Sun Vessel and CQZY Hotel JV, and reconciled to the carrying amount in the consolidated financial statements:

	Sun Vessel 2014 HK$'000	**CQZY Hotel JV 2014 HK$'000**
Current assets	**390**	**—**
Non-current assets	**257,458**	**622,368**
Financial liabilities, excluding trade and other payables	**(274,294)**	**(371,705)**
Other current liabilities	**—**	**(50,687)**
Current liabilities	**(274,294)**	**(422,392)**
Net assets/(liabilities)	**(16,446)**	**199,976**
Reconciliation to the Group's interest		
Proportion of the Group's ownership	**50%**	**50%**
Group's share of net assets/(liabilities)	**(8,223)**	**99,988**
Shareholder's loans	**136,913**	**194,235**
Carrying amounts of the investments	**128,690**	**294,223**
Depreciation	**(15,926)**	**—**
Loss for the year	**(16,406)**	**—**
Other comprehensive income for the year	**(40)**	**—**
Total comprehensive income for the year	**(16,446)**	**—**

The following table illustrates the aggregate financial information of the Group's joint ventures that are not individually material:

	2014 HK$'000	2013 HK$'000
Share of the joint ventures' loss for the year	**(15,970)**	(13,913)
Share of the joint ventures' other comprehensive income	**4,827**	(2,144)
Share of the joint ventures' total comprehensive income	**(11,143)**	(16,057)
Aggregate carrying amount of the Group's investments in joint ventures	**17,034**	30,576

22. INVESTMENTS IN ASSOCIATES

	Group	
	2014 HK$'000	2013 HK$'000
Share of net assets	**568,210**	303,926
Loans to an associate	**997,897**	987,560
Due to associates	**(62,796)**	(10,798)
	1,503,311	1,280,688

The loans to an associate and amounts due to associates are unsecured, interest-free and have no fixed terms of repayment. In the opinion of the directors, the loans to an associate are considered as part of the Group's net investment in the associate.

22. INVESTMENTS IN ASSOCIATES *(continued)*

Particulars of the associates are as follows:

Name	Place of incorporation/ registration and business	Particulars of shares held	Percentage of ownership interest attributable to the Group 2014	2013	Principal activities
Benefit East Investments Limited ("Benefit East")	BVI	Ordinary share of US$1 each	**25**	25	Investment holding
Chongqing Verakin Wenhao Real Estate Company Limited ("Verakin Wenhao")* (重慶同景文浩置業有限公司)	PRC/ Mainland China	Registered RMB100,000,000	**24.99**	24.99	Property development and investment
Chongqing Verakin Wenhong Real Estate Company Limited ("Verakin Wenhong")* (重慶同景文宏置地有限公司)	PRC/ Mainland China	Registered RMB20,000,000	**24.99**	24.99	Property development and investment
China Technology Finance Leasing Company Limited ("China Technology Finance Leasing") (華科融資租賃有限公司)	PRC/ Mainland China	Registered RMB300,000,000	**39**	25	Finance leasing business
PRECP Development Venture I Limited ("PRECP")	Cayman Islands	Ordinary shares of US$1 each	**31.75**	—	Investment holding

* Direct translation from the Chinese names which are for identification purposes only

The Group's shareholdings in these associates comprise equity shares held through subsidiaries of the Company.

The Group's voting power held in relation to China Technology Finance Leasing is 14.29% (2013: 14.29%).

Benefit East, Verakin Wenhao and its wholly-owned subsidiary, Verakin Wenhong (collectively the "Verakin Wenhao Group"), China Technology Finance Leasing and PRECP, are considered as material associates of the Group and are accounted for using the equity method.

The following table illustrates the summarised financial information in respect of Benefit East and reconciled to the carrying amount in the consolidated financial statements:

	2014 HK$'000	2013 HK$'000
Current assets	**7,391,259**	6,828,601
Non-current assets	**2,065**	1,372
Current liabilities	**(4,734,118)**	(4,101,676)
Non-current liabilities	**(2,094,260)**	(2,088,093)
Net assets	**564,946**	640,204
Reconciliation to the Group's interest in Benefit East:		
Proportion of the Group's ownership	**25%**	25%
Group's share of net assets of Benefit East	**141,237**	160,051
Loans to Benefit East	**997,897**	987,560
Carrying amount of the investment in Benefit East	**1,139,134**	1,147,611
Loss for the year	**(53,105)**	(16,561)
Other comprehensive income for the year	**(22,153)**	189,602
Total comprehensive income for the year	**(75,258)**	173,041

22. INVESTMENTS IN ASSOCIATES *(continued)*

The following table illustrates the summarised financial information in respect of Verakin Wenhao Group and reconciled to the carrying amount in the consolidated financial statements:

	2014 **HK$'000**	2013 HK$'000
Current assets	**809,195**	739,863
Non-current assets	**504**	630
Current liabilities	**(763,914)**	(646,430)
Net assets	**45,785**	94,063
Reconciliation to the Group's interest in Verakin Wenhao Group:		
Proportion of the Group's ownership held through a 51%-owned subsidiary	**49%**	49%
Group's share of net assets of Verakin Wenhao Group	**22,434**	46,091
Due to Verakin Wenhao Group	**(60,335)**	(10,798)
Carrying amount of the investment in Verakin Wenhao Group	**(37,901)**	35,293
Loss for the year	**(47,864)**	(26,148)
Total comprehensive income for the year	**(47,864)**	(26,148)

The following table illustrates the summarised financial information in respect of China Technology Finance Leasing and reconciled to the carrying amount in the consolidated financial statements:

	2014 **HK$'000**	2013 HK$'000
Current assets	**1,014,174**	199,709
Non-current assets	**1,617,121**	216,818
Current liabilities	**(1,220,714)**	(25,389)
Non-current liabilities	**(939,772)**	—
Net assets	**470,809**	391,138
Reconciliation to the Group's interest in China Technology Finance Leasing:		
Proportion of the Group's ownership	**39%**	25%
Group's share of net assets of China Technology Finance Leasing	**183,616**	97,784
Fair value loss recognised for acquisition of 14% equity interest during the year	**(8,893)**	—
Carrying amount of the investment in China Technology Finance Leasing	**174,723**	97,784
Revenue	**114,623**	17,676
Profit for the year	**80,983**	9,529
Other comprehensive income for the year	**(1,311)**	3,852
Total comprehensive income for the year	**79,672**	13,381

22. INVESTMENTS IN ASSOCIATES *(continued)*

The following table illustrates the summarised financial information in respect of PRECP and reconciled to the carrying amount in the consolidated financial statements:

	2014 HK$'000
Current assets	**11,223**
Non-current assets	**712,615**
Current liabilities	**(8)**
Net assets	**723,830**
Reconciliation to the Group's interest in PRECP:	
Proportion of the Group's ownership	**31.75%**
Group's share of net assets of PRECP	**229,816**
Due to PRECP	**(2,461)**
Carrying amount of the investment in PRECP	**227,355**
Loss for the year	**(2,345)**
Total comprehensive income for the year	**(2,345)**

23. AVAILABLE-FOR-SALE INVESTMENTS

	Group	
	2014 HK$'000	2013 HK$'000
Listed equity investment in Mainland China, at fair value	**—**	151,457
Loaned listed equity investment in Mainland China, at fair value (Note)	**240,577**	—
Unlisted equity investments, at fair value	**449,871**	412,356
Unlisted debt investments, at fair value	**38,789**	30,052
Carrying amount at 31 December	**729,237**	593,865
Current portion	**(38,789)**	—
Non-current portion	**690,448**	593,865

During the year, the gross gain in respect of the Group's available-for-sale investments recognised in other comprehensive income amounted to HK$133,193,000 (2013: HK$91,277,000). The above investments consist of investments in equity securities which were designated as available-for-sale financial assets with no fixed maturity date or coupon rate and investments in debt securities with a fixed interest rate at 12% per annum which will mature in 2015.

Note:

On 29 July 2014, the Group loaned a listed equity investment in Mainland China to an independent securities company established in the PRC with a fixed interest rate at 3% per annum. The loan arrangement is renewable each year and up to a period of three years and the Group is entitled to any dividends receivable from the loaned listed equity investments and the Group earns a return of 3% per annum on the loaned balance during the period of the arrangement.

24.1 PROPERTIES UNDER DEVELOPMENT

	Group 2014 HK$'000	2013 HK$'000
At beginning of year	**25,826,188**	21,223,336
Additions (including development costs and capitalised interests and expenses)	**7,876,085**	7,064,630
Transfer from prepaid land lease payments (note 18)	**—**	1,862,717
Transfer from interests in land use rights for property development (note 24.2)	**2,046,125**	2,133,258
Transfer to completed properties held for sale (note 24.3)	**(8,027,099)**	(7,120,252)
Disposal of subsidiaries (notes 37(c) and (d))	**(1,083,988)**	—
Write-down to net realisable value (note 8)	**(233,277)**	—
Exchange realignment	**(85,437)**	662,499
At end of year	**26,318,597**	25,826,188

Properties under development expected to be completed:

	Group 2014 HK$'000	2013 HK$'000
Beyond normal operating cycle included under non-current assets	**7,324,735**	8,817,886
Within normal operating cycle included under current assets	**18,993,862**	17,008,302
	26,318,597	25,826,188

Properties under development expected to be completed within normal operating cycle and recovered:

	Group 2014 HK$'000	2013 HK$'000
Within one year	**11,267,401**	8,699,732
After one year	**7,726,461**	8,308,570
	18,993,862	17,008,302

The Group's properties under development are situated in Mainland China and are held under the following leases:

	2014 HK$'000	2013 HK$'000
Long term leases	**9,974,708**	8,947,641
Medium term leases	**16,343,889**	16,878,547
	26,318,597	25,826,188

At 31 December 2014, certain of the Group's properties under development with an aggregate carrying amount of HK$16,019,055,000 (2013: HK$12,149,652,000) were pledged to banks to secure banking facilities granted to the Group (note 32(a)).

24.2 INTERESTS IN LAND USE RIGHTS FOR PROPERTY DEVELOPMENT

	Group	
	2014	2013
	HK$'000	HK$'000
At beginning of year	**2,169,803**	2,737,739
Additions	**701,498**	3,476,609
Assets classified as held for sale (note 13(a))	**—**	(1,452,133)
Acquisition of subsidiaries that are not a business (note 36(a))	**143,422**	—
Transfer to prepaid land lease payments (note 18)	**—**	(65,441)
Transfer to properties under development (note 24.1)	**(2,046,125)**	(2,133,258)
Re-possession of lands by local government	**—**	(479,414)
Exchange realignment	**(7,262)**	85,701
At end of year	**961,336**	2,169,803

The Group's interests in land use rights for property development comprised the rights to use certain lands situated in Mainland China under the following leases:

	2014	2013
	HK$'000	HK$'000
Long term leases	**874,756**	1,030,838
Medium term leases	**86,580**	1,138,965
	961,336	2,169,803

At the end of the reporting period, the Group was in the process of obtaining the relevant certificates of the above land use rights.

24.3 COMPLETED PROPERTIES HELD FOR SALE

	Group	
	2014	2013
	HK$'000	HK$'000
At beginning of year	**5,450,528**	2,988,501
Transfer from properties under development (note 24.1)	**8,027,099**	7,120,252
Transfer to property and equipment (note 16)	**—**	(4,524)
Properties sold (note 8)	**(7,258,456)**	(4,507,743)
Write-down to net realisable value (note 8)	**(91,661)**	(208,925)
Exchange realignment	**(42,898)**	62,967
At end of year	**6,084,612**	5,450,528

The Group's completed properties held for sale are situated in Mainland China and are held under the following leases:

	2014	2013
	HK$'000	HK$'000
Long term leases	**1,410,907**	2,279,691
Medium term leases	**4,673,705**	3,170,837
	6,084,612	5,450,528

At 31 December 2014, certain of the Group's completed properties held for sale with an aggregate carrying amount of HK$481,152,000 (2013: HK$114,029,000) were pledged to banks to secure banking facilities granted to the Group (note 32(a)).

25. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

		Group		Company	
	Note	**2014** **HK$'000**	2013 HK$'000	**2014** **HK$'000**	2013 HK$'000
Non-current					
Consideration receivable on disposal of a subsidiary	37(c)	**290,922**	—	**—**	—
Current					
Prepayments		**717,932**	769,900	**663**	618
Deposits and other receivables		**646,269**	588,833	**243**	142
Amounts due from non-controlling shareholders of subsidiaries		**601,747**	590,535	**—**	—
		1,965,948	1,949,268	**906**	760

As at 31 December 2014, consideration receivable on disposal of a subsidiary is interest-bearing at 15% per annum, secured by the 100% equity interest in Chongqing Rui Fan Enterprises Limited* ("Chongqing Rui Fan", 重慶瑞繁實業有限公司) and repayable on or before 1 December 2016.

* Direct translation from the Chinese name which is for identification purposes only

As at 31 December 2014, business tax and other tax surcharges on deposits received from pre-sale of properties levied by the relevant PRC tax authorities amounted to HK$521,609,000 (2013: HK$496,548,000). Such tax and surcharges are classified as and included in "Prepayments" above.

Except for an amount of HK$388,836,000 (2013: HK$390,142,000) which bears interest at 12% per annum, the amounts due from non-controlling shareholders of subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

26. EQUITY INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group	
	2014 **HK$'000**	2013 HK$'000
Listed equity investments in Hong Kong, at market value	**848,057**	312,864

The above investments at 31 December 2013 and 2014 were classified as held for trading and were, upon initial recognition, designated by the Group as financial assets as at fair value through profit or loss.

The market value of the Group's equity investments at fair value through profit or loss at the date of approval of these financial statements was approximately HK$887,471,000.

27. DEPOSITS WITH BROKERAGE COMPANIES

Deposits with brokerage companies are carried at an average interest rate of 0.002% per annum (2013: 0.152% per annum).

28. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

		Group		Company	
	Notes	**2014 HK$'000**	2013 HK$'000	**2014 HK$'000**	2013 HK$'000
Cash and bank balances		**7,282,956**	8,405,276	**138**	2,604
Time deposits		**2,236,034**	1,231,012	**405,139**	200,293
		9,518,990	9,636,288	**405,277**	202,897
Less: Pledged bank balances and time deposits	(a)	**(1,880,790)**	(781,247)	**—**	—
Restricted bank balances	(b)	**(1,357,267)**	(3,079,115)	**—**	—
Time deposits with original maturity over three months		**—**	(69,074)	**—**	—
Cash and cash equivalents		**6,280,933**	5,706,852	**405,277**	202,897

Notes:

(a) The bank balances and time deposits were pledged to banks to secure general banking facilities granted to the Group (note 32(a)).

(b) The restricted bank balances represented deposits placed with certain PRC banks and the usages of which are restricted to PRC property development activities.

At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to HK$8,506,246,000 (2013: HK$8,321,571,000). RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between seven days and six months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

29. TRADE AND BILLS PAYABLES

An aged analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	Group	
	2014 HK$'000	2013 HK$'000
Within 1 year	**4,510,638**	3,597,205

The trade and bills payables are non-interest-bearing and repayable within the normal operating cycle.

30. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2014 HK$'000	2013 HK$'000	**2014 HK$'000**	2013 HK$'000
Deposits received	**11,402,368**	13,700,113	**—**	—
Other payables	**448,864**	427,974	**1,270**	6,528
Accruals	**78,947**	92,458	**21,108**	23,653
	11,930,179	14,220,545	**22,378**	30,181

Other payables are non-interest-bearing and are normally settled within one year.

31. LOANS FROM NON-CONTROLLING SHAREHOLDERS OF SUBSIDIARIES

Except for an amount of HK$336,372,000 (2013: HK$540,114,000) which bears interest at 12% per annum (2013: 12% per annum), the amounts are unsecured, interest-free and have no fixed terms of repayment.

32. INTEREST-BEARING BANK BORROWINGS

Group

	2014			2013		
	Contractual interest rate	**Maturity**	**HK$'000**	Contractual interest rate	Maturity	HK$'000
Current						
Bank loans — secured	**RMB base lending rate × (1 + 5% to 1 + 62%)/ HIBOR + 0.73% to HIBOR + 3.5%/ fixed rate of 7.39%**	**2015**	**3,295,056**	RMB base lending rate/ RMB base lending rate × (1 + 5% to 1 + 42%)/ HIBOR + 2% to HIBOR + 3.5%/ fixed rate of 3.475%	2014	2,859,607
Bank loans — unsecured	**HIBOR + 4% to HIBOR + 4.25%**	**2015**	**685,110**	HIBOR + 4% to HIBOR + 4.25%	2014	703,751
Entrustment loan — secured	**fixed rate of 9.68%**	**2015**	**172,398**	N/A	N/A	—
			4,152,564			3,563,358
Non-current						
Bank loans — secured	**RMB base lending rate × (1 + 10% to 1 + 62%)/ HIBOR + 3.15% to HIBOR + 3.5%/ fixed rate of 7.38% to 7.5%**	**2016 - 2022**	**4,443,502**	RMB base lending rate × (1 + 5% to 1 + 30%)/ HIBOR + 2.375% to HIBOR + 3.5%/ fixed rate of 7.38% to 7.5%	2015 - 2022	4,511,477
Bank loans — unsecured	**HIBOR + 4 % to HIBOR + 4.25%**	**2016 - 2017**	**2,770,989**	HIBOR + 4.25%	2016	3,019,153
Entrustment loan — secured	**fixed rate of 9.68%**	**2016**	**714,947**	N/A	N/A	—
			7,929,438			7,530,630
			12,082,002			11,093,988
Analysed into:						
Bank borrowings repayable:						
Within one year or on demand			**4,152,564**			3,563,358
In the second year			**6,471,974**			1,696,658
In the third to fifth years, inclusive			**1,390,280**			5,742,396
Beyond five years			**67,184**			91,576
			12,082,002			11,093,988

32. INTEREST-BEARING BANK BORROWINGS *(continued)*

Company

	2014			2013		
	Contractual interest rate	**Maturity**	**HK$'000**	Contractual interest rate	Maturity	HK$'000
Current						
Bank loans — secured	**HIBOR + 3.15% to HIBOR + 3.5%**	**2015**	**150,000**	HIBOR + 2% to HIBOR + 3.5%/ fixed rate of 3.475%	2014	410,000
Bank loans — unsecured	**HIBOR + 4% to HIBOR + 4.25%**	**2015**	**685,110**	HIBOR + 4% to HIBOR + 4.25%	2014	703,751
			835,110			1,113,751
Non-current						
Bank loans — secured	**HIBOR + 3.15% to HIBOR + 3.5%**	**2016 - 2017**	**800,000**	HIBOR + 2.375% to HIBOR + 3.5%	2016	450,000
Bank loans — unsecured	**HIBOR + 4% to HIBOR + 4.25%**	**2016 - 2017**	**2,770,989**	HIBOR + 4.25%	2016	3,019,153
			3,570,989			3,469,153
			4,406,099			4,582,904
Analysed into:						
Bank borrowings repayable:						
Within one year or on demand			**835,110**			1,113,751
In the second year			**2,911,033**			741,651
In the third to fifth years, inclusive			**659,956**			2,727,502
			4,406,099			4,582,904

32. INTEREST-BEARING BANK BORROWINGS *(continued)*

Notes:

(a) Certain of the Group's bank borrowings are secured by certain of the Group's assets with aggregate carrying amounts as listed below:

	Notes	**2014 HK$'000**	2013 HK$'000
Property and equipment	16	**84,346**	93,001
Investment properties	17	**193,605**	189,418
Properties under development	24.1	**16,019,055**	12,149,652
Completed properties held for sale	24.3	**481,152**	114,029
Pledged bank balance and time deposits	28(a)	**1,880,790**	781,247

In addition to the above, as at 31 December 2013, a bank loan of HK$96,664,000 is secured by a land use right owned by Verakin Wenhong, an associate of the Group.

(b) During the year, the Group and an independent third party entered into an entrustment loan arrangement (the ''Entrustment Loan Arrangement") with a bank in the PRC to borrow an entrusted loan for a term of 2 years commencing from 11 July 2014 with early repayment in accordance with the relevant project's per-sale status. Pursuant to the Entrustment Loan Arrangement, the entrustment loan of HK$887,345,000 is secured by the Group's properties under development of HK$1,656,952,000 and the pledge of the 100% equity holding of a subsidiary of the Group with a corresponding net asset value of HK$230,872,000. Moreover, a non-controlling shareholder and a director of a subsidiary of the Group each agreed to provide a guarantee of an amount up to the entrustment loan amount.

(c) As at 31 December 2014, apart from the entrustment loan, a non-controlling shareholder and a director of a subsidiary of the Group have each guaranteed a Group's bank loan up to HK$253,527,000 (2013: HK$254,378,000).

(d) Except for bank borrowings with an aggregate amount of HK$2,154,981,000 (2013: HK$1,899,082,000) which bear interest at fixed rates, all bank borrowings bear interest at floating interest rates.

(e) The carrying amounts of the Group's bank borrowings which are denominated in the following currencies:

	2014 HK$'000	2013 HK$'000
HK$	**5,406,099**	4,582,904
RMB	**6,675,903**	6,511,084
	12,082,002	11,093,988

(f) Certain subsidiaries of the Company have guaranteed the Company's bank loans up to HK$4,460,000,000 (2013: HK$4,680,000,000). The Company's bank loans are also secured by time deposits of HK$385,361,000 (2013: HK$581,255,000) placed by its subsidiary and/or a specific performance obligation imposed on Mr. Cheung, pursuant to which Mr. Cheung is required to control 35% or more of the beneficial shareholding interest in the issued capital of the Company, to carry 35% or more of the voting rights and to have management control of the Company. Non-compliance with the aforesaid obligation by Mr. Cheung would constitute an event of default under the relevant loan agreement.

33. DEFERRED TAX

The movements in deferred tax liabilities and assets during the year are as follows:

Deferred tax liabilities

Group

	Revaluation of properties HK$'000	Depreciation allowance in excess of related depreciation HK$'000	Development cost HK$'000	Revaluation of available-for-sale investments HK$'000	Total HK$'000
At 1 January 2013	1,718,093	332	47,047	32,867	1,798,339
Deferred tax credited to other comprehensive income during the year	—	—	—	(945)	(945)
Deferred tax credited to the statement of profit or loss during the year (note 11)	(187,117)	—	(21,973)	—	(209,090)
Exchange realignment	69,459	—	(1,843)	1,029	68,645
At 31 December 2013 and 1 January 2014	**1,600,435**	**332**	**23,231**	**32,951**	**1,656,949**
Deferred tax charged to other comprehensive income during the year	**—**	**—**	**—**	**23,863**	**23,863**
Deferred tax charge/(credited) to the statement of profit or loss during the year (note 11)	**(117,754)**	**—**	**6,717**	**—**	**(111,037)**
Exchange realignment	**(5,912)**	**—**	**(46)**	**(110)**	**(6,068)**
At 31 December 2014	**1,476,769**	**332**	**29,902**	**56,704**	**1,563,707**

Deferred tax assets

Group

	Provision for land appreciation tax HK$'000	Losses available for offsetting taxable profits HK$'000	Total HK$'000
At 1 January 2013	261,322	2,343	263,665
Deferred tax credited to the statement of profit or loss during the year (note 11)	112,162	24,150	136,312
Exchange realignment	20,984	1,874	22,858
At 31 December 2013 and 1 January 2014	**394,468**	**28,367**	**422,835**
Deferred tax credited to the statement of profit or loss during the year (note 11)	**125,765**	**25,977**	**151,742**
Exchange realignment	**(725)**	**29**	**(696)**
At 31 December 2014	**519,508**	**54,373**	**573,881**

33. DEFERRED TAX *(continued)*

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2014 **HK$'000**	2013 HK$'000
Deferred tax assets recognised in the consolidated statement of financial position	**147,076**	63,724
Deferred tax liabilities recognised in the consolidated statement of financial position	**(1,136,902)**	(1,297,838)
	(989,826)	(1,234,114)

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5% or 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries and associates established in Mainland China in respect of earnings generated from 1 January 2008.

At 31 December 2014, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries, associates and joint venture established in Mainland China. In the opinion of the directors, it is not probable that these subsidiaries, associates and joint venture will distribute such earnings in the foreseeable future. The aggregate amount of temporary difference associated with investments in subsidiaries, associates and joint venture in Mainland China for which deferred tax liabilities have not been recognised totally approximately HK$4,576,072,000 as at 31 December 2014 (2013: HK$3,470,246,000).

The Group has tax losses arising in Hong Kong of HK$74,436,000 (2013: HK$113,587,000), subject to the agreement by the Hong Kong Inland Revenue Department, that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. The Group also has tax losses arising in Mainland China of HK$464,965,000 (2013: HK$110,108,000) that will expire in five years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

34. SHARE CAPITAL

Shares

	2014 **HK$'000**	2013 HK$'000
Authorised: 5,000,000,000 (2013: 5,000,000,000) ordinary shares of HK$0.10 (2013: HK$0.10) each	**500,000**	500,000
Issued and fully paid: 2,588,223,112 (2013: 2,588,223,112) ordinary shares of HK$0.10 (2013: HK$0.10) each	**258,822**	258,822

During the year ended 31 December 2013, 423,217 ordinary shares of HK$0.10 each in the Company were issued at HK$2.40 per share as scrip dividends.

A summary of movements in the Company's issued ordinary share capital is as follows:

	Number of shares in issue	**Issued capital** HK$'000	**Share premium account** HK$'000	**Total** HK$'000
At 1 January 2013	2,587,799,895	258,780	9,523,849	9,782,629
Shares issued as scrip dividends	423,217	42	974	1,016
At 31 December 2013, 1 January 2014 and 31 December 2014	2,588,223,112	258,822	9,524,823	9,783,645

Share options

Details of the Company's share option scheme are set out in note 38 to the financial statements.

35. RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 68.

(b) Company

	Notes	Share premium account HK$'000	Retained profits HK$'000	Share option reserve HK$'000	Total HK$'000
At 1 January 2013		9,523,849	312,205	174,587	10,010,641
Total comprehensive income for the year		—	(39,265)	—	(39,265)
Final 2012 dividend approved		—	(116,451)	—	(116,451)
Shares issued as scrip dividends	34	974	—	—	974
At 31 December 2013 and 1 January 2014		**9,524,823**	**156,489**	**174,587**	**9,855,899**
Total comprehensive income for the year		**—**	**627,244**	**—**	**627,244**
Forfeiture of share options		**—**	**9,315**	**(9,315)**	**—**
Final 2013 dividend approved	14	**—**	**(116,470)**	**—**	**(116,470)**
At 31 December 2014		**9,524,823**	**676,578**	**165,272**	**10,366,673**

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in note 2.4 to the financial statements. The amount will either be transferred to the share premium account when the related options are exercised, or be transferred to retained profits should the related options expire or be forfeited after the vesting period.

36. ACQUISITION OF SUBSIDIARIES THAT ARE NOT A BUSINESS

Year ended 31 December 2014

(a) On 7 November 2012, the Group entered into an acquisition agreement with certain independent third parties to acquire the 100% equity interest in Chengdu Hejia at an aggregate cash consideration of RMB100,000,000 (equivalent to HK$126,763,000). The acquisition of Chengdu Hejia was completed on 4 December 2014.

Chengdu Hejia is a property development company in Mainland China. On the date of the acquisition, Chengdu Hejia had not carried out any significant business transactions except for holding two parcels of land in Chengdu. The above acquisition has been accounted for by the Group as an acquisition of assets as the entity acquired by the Group does not constitute a business.

The net assets acquired by the Group in the above acquisition are as follows:

	Note	2014 HK$'000
Net assets acquired:		
Interests in land use rights for property development	24.2	**143,422**
Cash and bank balances		**1,355**
Other payables		**(18,014)**
		126,763
Satisfied by:		
Cash		**126,763**

An analysis of the cash flows for the year in respect of the acquisition of Chengdu Hejia is as follows:

	2014 HK$'000
Cash consideration	**(126,763)**
Deposit paid in prior years	**109,016**
Consideration payable	**17,747**
Cash and bank balances acquired	**1,355**
Net inflow of cash and cash equivalents included in cash flows from investing activities for the year	**1,355**

36. ACQUISITION OF SUBSIDIARIES THAT ARE NOT A BUSINESS *(continued)*

Year ended 31 December 2013

(b) On 9 May 2013, the Group entered into two acquisition agreements with certain independent third parties to acquire the 100% equity interest in Xian Xingchuang Estate Limited ("Xian Xingchuang") and the 100% equity interest in Allywing Investments Limited ("Allywing") at an aggregate cash consideration of RMB550,000,000 (equivalent to HK$691,224,000). Xian Xingchuang and Allywing are investment holding companies and hold respectively 40% and 60% equity interest in Xian Yuansheng Enterprises Limited ("Xian Yuansheng"). The acquisitions of Xian Xingchuang and Allywing were completed on 21 May 2013 and 3 September 2013, respectively.

Xian Yuansheng is a property development company in Mainland China. On the date of the acquisitions, Xian Yuansheng had not carried out any significant business transactions except for holding two parcels of land in Xian. The above acquisitions have been accounted for by the Group as acquisition of assets as the entities acquired by the Group do not constitute a business.

The net assets acquired by the Group in the above acquisitions are as follows:

	Notes	2013 HK$'000
Net assets acquired:		
Property and equipment	16	1,401
Prepaid land lease payments	18	741,671
Prepayments, deposits and other receivables		2,370
Cash and bank balances		4,146
Other payables		(58,364)
		691,224
Satisfied by:		
Cash		691,224

An analysis of the cash flows for the prior year in respect of the acquisitions of Xian Xingchuang, Allywing and Xian Yuansheng is as follows:

	2013 HK$'000
Cash consideration	(691,224)
Consideration payable	301,538
Cash and bank balances acquired	4,146
Net outflow of cash and cash equivalents included in cash flows from investing activities for the prior year	(385,540)

37. DISPOSAL OF SUBSIDIARIES

Year ended 31 December 2014

(a) On 13 November 2013, the Group entered into a sale and purchase agreement with an independent third party to dispose of its entire 100% equity interest in the Ho Yeung Group and a shareholder's loan owed by the Ho Yeung Group to the Group at a total consideration of RMB1,425,480,000 (equivalent to HK$1,827,747,000). The disposal of the Ho Yeung Group was completed on 15 January 2014.

Details of the net assets of the Ho Yeung Group disposed of and their financial impacts are summarised below:

	Notes	2014 HK$'000
Net assets disposed of:		
Interests in land use rights for property development	13(a)	**1,452,133**
Exchange reserve released upon the disposal of the Ho Yeung Group		**(81,747)**
Gain on disposal of subsidiaries	5	**457,361**
		1,827,747
Satisfied by:		
Cash		**1,827,747**

An analysis of the net inflow of cash and cash equivalents for the year in respect of the disposal of the Ho Yeung Group is as follows:

	2014 HK$'000
Cash consideration	**1,827,747**
Deposit received in the prior year	**(382,044)**
Net inflow of cash and cash equivalents in respect of the disposal of the Ho Yeung Group for the year	**1,445,703**

(b) On 27 June 2014, the Group transferred its entire 100% equity interest in the Victory Joy Investments Limited ("Victory Joy", and together with its joint venture, the "Victory Joy Group") to an independent third party at a total consideration of HK$35,000,000. The disposal was completed on the same date.

Details of the net assets of the Victory Joy Group disposed of and their financial impacts are summarised below:

	Note	2014 HK$'000
Net assets disposed of:		
Investment in a joint venture		**24,794**
Exchange reserve released upon the disposal of the Victory Joy Group		**615**
Gain on disposal of a subsidiary	5	**9,591**
		35,000
Satisfied by:		
Cash		**35,000**

An analysis of the net inflow of cash and cash equivalents for the year in respect of the disposal of the Victory Joy Group is as follows:

	2014 HK$'000
Cash consideration and net inflow of cash and cash equivalents in respect of the disposal of the Victory Joy Group	**35,000**

37. DISPOSAL OF SUBSIDIARIES *(continued)*

Year ended 31 December 2014 *(continued)*

(c) On 24 November 2014, the Group entered into a sale and purchase agreement with an independent third party to dispose of its entire 100% equity interest in Chongqing Rui Fan and the shareholder's loan owed by Chongqing Rui Fan to the Group for a total consideration of RMB459,000,000 (equivalent to HK$581,844,000). The disposal of Chongqing Rui Fan was completed on 2 December 2014.

Details of the net assets of Chongqing Rui Fan disposed of and their financial impacts are summarised below:

	Notes	**2014 HK$'000**
Net assets disposed of:		
Properties under development	24.1	**490,146**
Prepayments, deposits and other receivables		**1,696**
Gain on disposal of a subsidiary	5	**90,002**
		581,844
Satisfied by:		
Cash		**581,844**

An analysis of the net inflow of cash and cash equivalents for the year in respect of the disposal of Chongqing Rui Fan is as follows:

	Note	**2014 HK$'000**
Cash consideration		**581,844**
Consideration receivable	25	**(290,922)**
Net inflow of cash and cash equivalents in respect of the disposal of Chongqing Rui Fan for the year		**290,922**

(d) On 16 October 2014, the Group entered into a supplemental joint development agreement with the non-controlling shareholder of CQZY Hotel JV (the "Joint Shareholder") to adjust the Group's and the Joint Shareholder's ratio of their respective interest in CQZY Hotel JV from 80% and 20% to 50% and 50%. The transaction was completed on the same date.

Upon the completion of the transaction, the Group's interest in CQZY Hotel JV decreased from 80% to 50% and the Group ceased to have control over CQZY Hotel JV and shared joint control with the Joint Shareholder over CQZY Hotel JV. The Group has accounted for the transaction as a disposal of a subsidiary and the investment retained in CQZY Hotel JV as a joint venture which was stated at its fair value at the date the control was lost and accounted for it thereafter using the equity method.

Details of the net assets of the CQZY Hotel JV disposed of and their financial impacts are summarised below:

	Notes	**2014 HK$'000**
Net assets disposed of:		
Properties under development	24.1	**593,842**
Trade payable		**(33,755)**
Shareholder's loan		**(360,112)**
Non-controlling interests		**(40,556)**
		159,419
Loss on disposal of a subsidiary	5	**(59,431)**
Fair value of retained investment in a joint venture		**(99,988)**
		—

37. DISPOSAL OF SUBSIDIARIES *(continued)*

Year ended 31 December 2013

(e) On 23 April 2012, the Group entered into a sale and purchase agreement with an independent third party to dispose of its entire 100% equity interest in Keen Star Limited ("Keen Star") and a shareholder's loan owed by Keen Star to the Group for a total consideration of HK$408,212,000. The disposal of Keen Star and its subsidiary (collectively "Keen Star Group") was completed on 3 January 2013.

Details of the aggregate net assets of Keen Star Group disposed of in the prior year and their financial impacts are summarised below:

	Note	2013 HK$'000
Net assets disposed of:		
Property and equipment		2,009
Properties under development		358,528
Prepayments, deposits and other receivables		41,908
Cash and cash equivalents		716
Other payables and accruals		(1,744)
Loans from a non-controlling shareholder		(76,611)
Non-controlling interests		(75,942)
		248,864
Exchange reserve released upon disposal of Keen Star Group		(12,562)
Gain on disposal of subsidiaries	5	171,910
		408,212
Satisfied by:		
Cash		408,212

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of Keen Star Group is as follows:

	2013 HK$'000
Cash consideration	408,212
Cash and bank balances disposed of	(716)
Net inflow of cash and cash equivalents in respect of the disposal of Keen Star Group	407,496

38. SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") which was adopted at the special general meeting of the Company held on 29 April 2005. Under the Scheme, share options may be granted to directors and employees of the Group and those who have contributed or will contribute to the Group, at any time within 10 years after its adoption, at the discretion of the Board. The following is a summary of the Scheme.

For the purpose of this section, reference to the "Eligible Group" means (i) the Company and each of its substantial shareholders; (ii) each associate or substantial shareholder or direct or indirect associated company or joint venture of the Company or any substantial shareholder referred to in (i) above; (iii) each associate or substantial shareholder or direct or indirect associated company or joint venture of any of the foregoing entities referred to in (ii) above; (iv) each associate or substantial shareholder or direct or indirect associated company or joint venture of any of the foregoing entities referred to in (iii) above; and (v) each associate or substantial shareholder or direct or indirect associated company or joint venture of any of the foregoing entities referred to in (iv) above; and reference to "Employee" means any full-time or part-time employee (including any executive and non-executive director, proposed executive and non-executive director) of any member of the Eligible Group.

Purpose

The purposes of the Scheme are to recognise the contribution of and to motivate Employees and other person(s) who may make a contribution to the Group, to provide incentives and to help the Group retain its existing Employees and recruit additional Employees and to provide them with a direct economic interest in attaining the long-time business objectives of the Group.

38. SHARE OPTION SCHEME *(continued)*

Participants

The participants include any director, officer and Employee of any member of the Eligible Group; and any executive, officer or employee of any business, consultant, professional and other advisers to any member of the Eligible Group or any person proposed to be appointed to any of the aforesaid positions who, in the sole opinion of the Board, has contributed or is expected to contribute to the Group.

Maximum number of shares available for subscription

The maximum number of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Scheme and any other schemes of the Company shall not exceed 30% of the issued share capital of the Company from time to time.

Maximum entitlement of each participant

Unless approved by the shareholders of the Company at a general meeting, the total number of shares issued and to be issued upon the exercise of options granted to each participant (including exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the issued share capital of the Company.

Maximum period for exercising an option

An option may be exercised in accordance with the terms of the Scheme at any time during a period to be notified by the Board to each grantee. Such period of time shall not exceed 10 years from the date of grant of the option.

Basis of determining the exercise price

The exercise price per share shall be determined by the Board and shall be at least the higher of:

(i) the closing price of shares as stated in the daily quotation sheet of the Stock Exchange on the date on which the option is offered, which must be a trading day;

(ii) the average closing price of shares as stated in daily quotation sheets of the Stock Exchange for the five trading days immediately preceding the date as mentioned in (i) above; and

(iii) the nominal value of the shares.

A consideration of HK$1 is payable on acceptance of the offer of grant of an option.

Life of the Scheme

The Scheme shall remain in force for a period of 10 years from 29 April 2005 to 28 April 2015.

The movement of share options under the Scheme during the year is as follows:

	2014		2013	
	Weighted average exercise price HK$ per share	**Number of options '000**	Weighted average exercise price HK$ per share	Number of options '000
At 1 January	**3.30**	**65,914**	3.30	65,914
Forfeited during the year	**3.31**	**(2,675)**	—	—
At 31 December	**3.30**	**63,239**	3.30	65,914

There were no share options exercised during the years ended 31 December 2013 and 2014.

38. SHARE OPTION SCHEME *(continued)*

Life of the Scheme *(continued)*

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

2014

Number of options '000	Exercise price* HK$ per share	Exercise period
17,500	**3.27**	07-05-2009 to 06-05-2019
40,939	**3.31**	03-09-2010 to 02-09-2020
4,800	**3.31**	01-01-2011 to 02-09-2020
63,239		

2013

Number of options '000	Exercise price* HK$ per share	Exercise period
17,500	3.27	07-05-2009 to 06-05-2019
43,614	3.31	03-09-2010 to 02-09-2020
4,800	3.31	01-01-2011 to 02-09-2020
65,914		

* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

There was no share options granted during the years ended 31 December 2013 and 2014. There was no share option expense recognised during the year (2013: Nil).

At the end of the reporting period, the Company had 63,239,000 (2013: 65,914,000) share options outstanding under the Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 63,239,000 (2013: 65,914,000) additional ordinary shares of the Company and additional share capital of HK$6,324,000 (2013: HK$6,591,000) and share premium of HK$202,297,000 (2013: HK$210,884,000) (before issue expenses).

At the date of approval of these financial statements, the Company had 63,239,000 share options outstanding under the Scheme, which represented approximately 2.4% of the Company's shares in issue as at that date.

39. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its investment properties (note 17) and some other properties under operating lease arrangements, with leases negotiated for terms ranging from one to twenty years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

At 31 December 2014, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	Group	
	2014	2013
	HK$'000	HK$'000
Within one year	**48,631**	12,556
In the second to fifth years, inclusive	**625,751**	501,406
After five years	**5,637,821**	5,754,510
	6,312,203	6,268,472

During the year, no contingent rental receivable was recognised by the Group (2013: Nil).

39. OPERATING LEASE ARRANGEMENTS *(continued)*

(b) As lessee

The Group leases certain of its office properties and quarters under operating lease arrangements. The leases for the office properties and quarters are negotiated for terms of one to three years.

As at 31 December 2014, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	Group	
	2014	2013
	HK$'000	HK$'000
Within one year	**12,689**	9,917
In the second to fifth years, inclusive	**7,741**	11,808
	20,430	21,725

40. COMMITMENTS

In addition to the operating lease commitments detailed in note 39(b) above, the Group had the following commitments in respect of property development expenditures at the end of the reporting period:

	Group	
	2014	2013
	HK$'000	HK$'000
Contracted, but not provided for	**7,857,548**	8,655,469

The Group had the following share of a joint venture's own commitments in respect of property development expenditures, which is not included in the above, at the end of the reporting period:

	Group	
	2014	2013
	HK$'000	HK$'000
Contracted, but not provided for	**87,891**	—

At the end of the reporting period, the Company did not have any significant commitments.

41. CONTINGENT LIABILITIES

At the end of the reporting period, contingent liabilities not provided for in the financial statements were as follows:

	Group		Company	
	2014	2013	**2014**	2013
	HK$'000	HK$'000	**HK$'000**	HK$'000
Guarantees given to banks in connection with facilities granted to:				
Subsidiaries	**—**	—	**173,660**	160,258
Associate	**526,092**	526,092	**526,092**	526,092
	526,092	526,092	**699,752**	686,350

As at 31 December 2014, banking facilities granted to subsidiaries subject to guarantees given to banks by the Company were utilised to the extent of approximately HK$173,660,000 (2013: HK$160,258,000), and the banking facilities guaranteed by the Group to an associate were utilised to the extent of approximately HK$526,092,000 (2013: HK$526,092,000).

42. FINANCIAL GUARANTEES

At the end of the reporting period, the Group had the following financial guarantees:

	Group	
	2014	2013
	HK$'000	HK$'000
Guarantees in respect of mortgage facilities provided for certain customers	**7,072,739**	7,492,646

The Group have arranged bank financing for certain purchasers of their property units and provided guarantees to secure the obligations of these purchasers for repayments. The guarantees terminate upon the earlier of (i) issuance of the real estate ownership certificates which will generally be available within one year upon the completion of guarantee registration; and (ii) the satisfaction of mortgaged loans by the purchasers of properties.

Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible for repaying the outstanding mortgage principals together with any accrued interest and penalty owed by the defaulted purchasers to the banks and the banks are entitled to take over the legal titles and possession of the related properties. The guarantee period starts from the dates of grant of the mortgages. The directors of the Company consider that the fair value of the guarantees is not significant and in the case of default on payments, the net realisable value of the related properties will exceed the repayment of the outstanding mortgage principals together with the accrued interest and penalties. Therefore no provision has been made in the financial statements for the guarantees.

43. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions disclosed elsewhere in the financial statements, the Group paid rental expense of HK$717,000 (2013: HK$960,000) to a company which was under common control of a controlling shareholder of the Company, for the year ended 31 December 2014. The rental was charged at rate mutually agreed between the Group and the related company. This company has been no longer related to the Group since 29 September 2014.

(b) Details of the Group's loans to its joint ventures and associate and balances with associates as at the end of the reporting period are set out in notes 21 and 22 to the financial statements.

(c) During the year, certain of the Group's buildings and prepaid land lease payments with an aggregate carrying amount of HK$11,934,000 (2013: HK$13,104,000) were provided to a family member of a director for the operation of a school free of charge.

(d) Details of the disposal of Starthigh to Mr. Tsang are set out in note 20 to the financial statements.

(e) Compensation of key management personnel of the Group

	2014	2013
	HK$'000	HK$'000
Short term employee benefits paid to key management personnel	**38,000**	35,312

Further details of directors' emoluments are included in note 9 to the financial statements.

The related party transactions in respect of items (a) and (d) above also constitute connected transactions as defined in Chapter 14A of the Listing Rules.

44. FINANCIAL INSTRUMENTS BY CATEGORY

Except for available-for-sale investments and equity investments at fair value through profit or loss, which are measured at fair value, other financial assets and liabilities of the Company and the Group as at 31 December 2013 and 2014 are loans and receivables and financial liabilities at amortised cost.

45. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, restricted bank balances, time deposits with original maturity over three months, deposits with brokerage companies, trade and bills payables, financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables and accruals, loans from non-controlling shareholders of subsidiaries, amounts due from/to subsidiaries, joint ventures and associates, and the current portion of interest-bearing bank borrowings and consideration payable on acquisition of subsidiaries and approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department headed by the director is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the director and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the director. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The methods and assumptions were used to estimate the fair values are summarised below.

The fair values of the non-current portion of interest-bearing bank borrowings and consideration payable on acquisition of subsidiaries have been calculated by discounting the expected future cash flows using rates currently available for instruments on with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for interest-bearing bank borrowings and consideration payable on acquisition of subsidiaries as at 31 December 2014 was assessed to be insignificant. Management has assessed that the fair values of the non-current portion of interest-bearing bank borrowings and consideration payable on acquisition of subsidiaries approximate to their carrying amounts.

The fair values of listed available-for-sale equity investments and unlisted available-for-sale debt investments are based on quoted market prices. The fair value of the Group's loaned listed available-for-sale equity investment has been estimated based on its quoted market price with a marketability discount. The fair value of one of the Group's unlisted available-for-sale equity investments has been estimated based on its H-shares traded in Hong Kong with a marketability discount. For the rest of the unlisted equity available-for-sale investments measured at fair value, their fair values are derived from the net asset value per share of the investment. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable, and that they were the most appropriate values at the end of the reporting period.

Below is a summary of significant unobservable input to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2013 and 2014:

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unlisted available-for-sale equity investments	Discounted market value	Discount for lack of marketability	2014: 25% (2013: 25%)	5% (2013:5%) increase/(decrease) in marketability discount would result in decrease/(increase) in fair value by HK$4,436,000 (2013:HK$4,063,000)
Loaned listed available-for-sale equity investment	Discounted market value	Discount for lack of marketability	2014: 10% (2013: N/A)	5% increase/(decrease) in marketability discount would result in decrease/(increase) in fair value by HK$13,365,000 (2013: N/A)

The discount for lack of marketability represents the amounts of premiums and discounts determined by the Group that market participants would take into account when pricing the investments.

45. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(continued)*

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

Group

	Fair value measurement using			
	Quoted prices in active markets (Level 1) HK$'000	Significant observable inputs (Level 2) HK$'000	Significant unobservable inputs (Level 3) HK$'000	Total HK$'000
As at 31 December 2014				
Available-for-sale investments:				
Equity investments	**383,331**	**—**	**307,117**	**690,448**
Debt investments	**38,789**	**—**	**—**	**38,789**
Equity investments at fair value through profit or loss	**848,057**	**—**	**—**	**848,057**
	1,270,177	**—**	**307,117**	**1,577,294**
As at 31 December 2013				
Available-for-sale investments:				
Equity investments	502,898	—	60,915	563,813
Debt investments	30,052	—	—	30,052
Equity investments at fair value through profit or loss	312,864	—	—	312,864
	845,814	—	60,915	906,729

The movements in fair value measurements in Level 3 during the year are as follows:

	HK$'000
Available-for-sale investments:	
At 1 January 2013	—
Addition	20,662
Total gains recognised in other comprehensive income	40,253
At 31 December 2013 and 1 January 2014	**60,915**
Transfer into level 3	**240,577**
Total gains recognised in other comprehensive income	**5,625**
At 31 December 2014	**307,117**

The Group did not have any financial liabilities measured at fair value as at 31 December 2013 and 2014.

The Company did not have any financial assets and financial liabilities measured at fair value as at 31 December 2013 and 2014.

During the year, the Group transferred an available-for-sale investment from level 1 to level 3 amounted to HK$240,577,000 (2013: Nil). This is because the Group loaned the listed available-for-sale equity investment in Mainland China to an independent securities company established in the PRC during the year and the available-for-sale investment cannot be sold by the Group during the loaned period. The fair value of the available-for-sale investment has been estimated based on its quoted market price with a marketability discount, which is not based on observable inputs. Significant increase/(decrease) in the marketability discount would result in a significantly lower/(higher) fair value of the available-for-sale investment.

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments include equity investments at fair value through profit or loss, available-for-sale investments, deposits and other receivables, trade and other payables, loans from non-controlling shareholders of subsidiaries, consideration payable on acquisition of subsidiaries, interest-bearing bank borrowings, and cash and bank balances. Details of the major financial instruments and the Group's relevant accounting policies are disclosed in note 2.4 to the financial statements.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk, equity price risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's cash and bank balances and bank borrowings with floating interest rates. The Group has not used any interest rate swaps to hedge its interest rate risk, and will consider hedging significant interest rate risk should the need arise.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax. There is no material impact on other components of the Group's equity.

	Increase/ (decrease) in basis points	Increase/ (decrease) in profit before tax HK$'000
2014		
HK$	**100**	**(33,961)**
RMB	**150**	**44,780**
HK$	**(100)**	**33,961**
RMB	**(150)**	**(44,780)**
2013		
HK$	100	(32,802)
RMB	150	48,144
HK$	(100)	32,802
RMB	(150)	(48,144)

Foreign currency risk

The Group's property development and investment business are mainly operated in Mainland China and sales transactions and all major cost items are denominated in RMB. RMB is not a freely convertible currency. The PRC Government imposes controls on the convertibility of RMB into foreign currencies and in certain cases the remittance of currency out of Mainland China.

The Group currently does not have any foreign currency hedging policy. However, management of the Group monitors the foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the exchange rates of currencies other than the functional currencies of the relevant operating units, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities). There is no material impact on other components of the Group's equity.

	Increase/ (decrease) in rates	Increase/ (decrease) in profit before tax HK$'000
2014		
If HK$ weakens against RMB	**3%**	**23,687**
If HK$ strengthens against RMB	**(3%)**	**(23,687)**
2013		
If HK$ weakens against RMB	3%	15,186
If HK$ strengthens against RMB	(3%)	(15,186)

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Credit risk

No credit terms are granted to the customers of the Group's property development and investment business.

The Group has arranged bank financing for certain purchasers of property units and provided guarantees to secure the obligation of such purchasers for repayments. Details of these guarantees are disclosed in note 42 to the financial statements.

Equity price risk

Equity price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the value of individual securities. The Group is exposed to equity price risk arising from individual listed equity investments classified as available-for-sale investments (note 23) and equity investments at fair value through profit or loss (note 26) as at 31 December 2014. The Group's listed investments are listed on the Hong Kong and Shanghai stock exchanges and are valued at quoted market prices at the end of the reporting period.

The market equity indices for the following stock exchanges at the close of business of the nearest trading day in the year to the end of the reporting period, and their respective highest and lowest points during the year are as follows:

	31 December 2014	**High/low 2014**	31 December 2013	High/low 2013
Hong Kong — Hang Seng Index	**23,605**	**25,363/ 21,138**	23,306	24,112/ 19,426
Shanghai — A Share Index	**3,235**	**3,239/ 1,974**	2,116	2,445/ 1,850

The following table demonstrates the sensitivity to every 10% decrease (2013: 10% decrease) in the fair values of the listed equity investments, with all other variables held constant and before any impact on tax, based on their carrying amounts at the end of the reporting period. For the purpose of this analysis, the impact on the available-for-sale investments is on the available-for-sale investment revaluation reserve and no account is given for factors such as impairment which might impact on the statement of profit or loss.

	Carrying amount of equity investments HK$'000	**Decrease in profit before tax HK$'000**	**Decrease in other components of equity HK$'000**
2014			
Equity investments at fair value through profit or loss listed in Hong Kong	**848,057**	**(84,806)**	**—**
An available-for-sale investment listed in Shanghai	**240,577**	**—**	**(24,058)**
Total	**1,088,634**	**(84,806)**	**(24,058)**
2013			
Equity investments at fair value through profit or loss listed in Hong Kong	312,864	(31,286)	—
An available-for-sale investment listed in Shanghai	151,457	—	(15,146)
Total	464,321	(31,286)	(15,146)

The Group's management manages the above exposure by maintaining a well-diversified investment portfolio.

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Liquidity risk

Management of the Group aims to maintain sufficient cash and cash equivalents and available funding through an adequate amount of committed credit facilities to meet its construction commitments and other business operations.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, was as follows:

Group

			2014		
	On demand or less than 1 year HK$'000	1 to 2 years HK$'000	3 to 5 years HK$'000	Over 5 years HK$'000	Total HK$'000
Interest-bearing bank borrowings	4,786,499	6,711,279	1,437,584	74,588	13,009,950
Loans from non-controlling shareholders	559,821	—	—	—	559,821
Trade and bills payables	4,510,638	—	—	—	4,510,638
Financial liabilities included in other payables and accruals	448,864	—	—	—	448,864
Consideration payable on acquisition of subsidiaries	18,847	—	—	—	18,847
	10,324,669	6,711,279	1,437,584	74,588	18,548,120
Financial guarantees issued: Maximum amount guaranteed	7,598,831	—	—	—	7,598,831

			2013		
	On demand or less than 1 year HK$'000	1 to 2 years HK$'000	3 to 5 years HK$'000	Over 5 years HK$'000	Total HK$'000
Interest-bearing bank borrowings	4,119,436	2,104,100	5,888,451	107,247	12,219,234
Loans from non-controlling shareholders	1,088,971	—	—	—	1,088,971
Trade and bills payables	3,597,205	—	—	—	3,597,205
Financial liabilities included in other payables and accruals	427,974	—	—	—	427,974
Consideration payable on acquisition of subsidiaries	202,125	100,513	—	—	302,638
	9,435,711	2,204,613	5,888,451	107,247	17,636,022
Financial guarantees issued: Maximum amount guaranteed	8,018,738	—	—	—	8,018,738

46. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Liquidity risk *(continued)*

The maturity profile of the Company's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, was as follows:

Company

	2014			
	On demand or less than 1 year HK$'000	**1 to 2 years HK$'000**	**3 to 5 years HK$'000**	**Total HK$'000**
Interest-bearing bank borrowings	**995,631**	**2,958,993**	**681,277**	**4,635,901**
Other payables	**1,270**	**—**	**—**	**1,270**
Due to a subsidiary	**1,550**	**—**	**—**	**1,550**
	998,451	**2,958,993**	**681,277**	**4,638,721**
Financial guarantees issued:				
Maximum amount guaranteed	**699,752**	**—**	**—**	**699,752**

	2013			
	On demand or less than 1 year HK$'000	1 to 2 years HK$'000	3 to 5 years HK$'000	Total HK$'000
Interest-bearing bank borrowings	1,285,472	865,191	2,743,882	4,894,545
Other payables	6,528	—	—	6,528
Due to a subsidiary	950	—	—	950
	1,292,950	865,191	2,743,882	4,902,023
Financial guarantees issued:				
Maximum amount guaranteed	686,350	—	—	686,350

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2013 and 2014.

The Group monitors capital using net gearing ratio, which is net debts divided by equity attributable to owners of the parent. Net debts include interest-bearing bank borrowings less cash and bank balances and time deposits. The net gearing ratios as at the end of the reporting periods were as follow:

Group

	2014 HK$'000	2013 HK$'000
Interest-bearing bank borrowings (note 32)	**12,082,002**	11,093,988
Less: Cash and bank balances and time deposits (note 28)	**(9,518,990)**	(9,636,288)
Net debts	**2,563,012**	1,457,700
Equity attributable to owners of the parent	**14,797,067**	14,185,159
Net gearing ratio	**17.3%**	10.3%

47. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board on 25 March 2015.

Five-Year Financial Summary

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial year as extracted from the published audited financial statements is set out below.

RESULTS

	Year ended 31 December				
	2014 HK$'000	2013 HK$'000	2012 HK$'000	2011 HK$'000	2010 HK$'000
CONTINUING OPERATIONS					
REVENUE	**10,299,888**	6,844,850	7,432,699	4,702,212	1,350,350
PROFIT BEFORE TAX	**2,479,035**	1,618,367	1,955,939	1,032,252	365,059
Income tax expense	**(1,388,923)**	(955,449)	(1,295,913)	(649,698)	(142,607)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	**1,090,112**	662,918	660,026	382,554	222,452
DISCONTINUED OPERATIONS					
Profit for the year from discontinued operations	**—**	—	12,220	34,241	33,109
PROFIT FOR THE YEAR	**1,090,112**	662,918	672,246	416,795	255,561
Attributable to:					
Owners of the parent	**1,068,280**	505,395	529,237	300,995	260,082
Non-controlling interests	**21,832**	157,523	143,009	115,800	(4,521)
	1,090,112	662,918	672,246	416,795	255,561

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

	At 31 December				
	2014 HK$'000	2013 HK$'000	2012 HK$'000	2011 HK$'000	2010 HK$'000
Property and equipment	**184,099**	169,884	170,685	155,907	266,935
Investment properties	**421,666**	411,330	379,946	372,949	338,323
Prepaid land lease payments	**121,068**	124,048	1,136,304	784,860	1,899,345
Golf club membership	**10,540**	10,540	—	—	—
Investments in joint ventures	**439,947**	30,576	34,971	41,467	55,933
Investments in associates	**1,503,311**	1,280,688	1,244,445	1,087,782	1,027,799
Held-to-maturity investments	**—**	—	—	115,391	114,969
Available-for-sale investments	**690,448**	593,865	514,207	696,920	822,491
Properties under development	**7,324,735**	8,817,886	7,736,592	7,350,068	7,164,334
Interests in land use rights for property development	**961,336**	2,169,803	2,737,739	3,150,527	—
Consideration receivable on disposal of a subsidiary	**290,922**	—	—	—	—
Deferred tax assets	**147,076**	63,724	16,557	—	—
Non-current assets	**12,095,148**	13,672,344	13,971,446	13,755,871	11,690,129
Current assets	**37,626,378**	36,023,444	27,603,438	21,887,385	15,720,394
Current liabilities	**(24,111,061)**	(24,916,397)	(22,134,450)	(14,167,566)	(9,315,552)
Net current assets	**13,515,317**	11,107,047	5,468,988	7,719,819	6,404,842
Non-current liabilities	**(9,066,340)**	(8,928,981)	(4,488,900)	(6,870,030)	(4,879,147)
Non-controlling interests	**(1,747,058)**	(1,665,251)	(1,708,727)	(1,623,871)	(950,098)
Equity attributable to owners of the parent	**14,797,067**	14,185,159	13,242,807	12,981,789	12,265,726

GROUP I — PROPERTY INTEREST HELD BY THE GROUP UNDER DEVELOPMENT

Property Location	Intended Use	Approximate Site Area (in sqm)	Approximate GFA to be Carried Forward or Under Development (in sqm)	Completion/ Expected Completion Date (Year)	The Group's Interest
A site (Lot No. 17-1) located to the south of Xingai Road, Chongqing International Finance and Trade Development Area, Longxi Jie Dao, Yubei District, Chongqing, PRC	Residential, Commercial and Car Park	41,500	210,000	2017 or after	92%
A site (Lot No. 9) located to the east of Songpai Road, Chongqing International Finance and Trade Development Area, Longxi Jie Dao, Yubei District, Chongqing, PRC	Residential, Commercial, Office and Car Park	81,300	657,000	2017 or after	92%
A site (Lot No. 10) located to the southeast of the junction of Xingai Road and Hongjin Road, Chongqing International Finance and Trade Development Area,Longxi Jie Dao, Yubei District, Chongqing, PRC	Commercial, Auxiliary Facilities and Car Park	72,400	209,000	2015	92%
	Hotel		80,000	2017	46%
Three parcels of land (Lot No. 19) located in the junction of Xingai Road and Jinshan Road, Chongqing International Finance and Trade Development Area, Longxi Jie Dao, Yubei District, Chongqing, PRC	Residential, Commercial, Office, Auxiliary Facilities and Car Park	143,900	296,000	2015-2016	92%
A site (Lot No. 3-1) located to the east of Hongjin Road, Chongqing International Finance and Trade Development Area, Longxi Jie Dao, Yubei District, Chongqing, PRC	Residential, Commercial, Office and Car Park	47,900	361,000	2017 or after	92%
A site (Lot No. 4) located to the west of Hongjin Road, Chongqing International Finance and Trade Development Area, Longxi Jie Dao, Yubei District, Chongqing, PRC	Residential, Commercial, Office and Car Park	96,900	752,000	2016 or after	92%
Two sites (Lot No. 20 and Lot No. 11-1) located in Chongqing International Finance and Trade Development Area, Longxi Jie Dao, Yubei District, Chongqing, PRC	Residential and Car Park	19,900	60,000	2017 or after	92%
A site (Lot No. 22) located in Chongqing International Finance and Trade Development Area, Longxi Jie Dao, Yubei District, Chongqing, PRC	Residential and Car Park	5,300	20,000	2017 or after	92%
A site (Lot No. 7-1) located in Chongqing International Finance and Trade Development Area, Longxi Jie Dao, Yubei District, Chongqing, PRC	Residential and Car Park	5,200	11,000	2017 or after	92%

GROUP I — PROPERTY INTEREST HELD BY THE GROUP UNDER DEVELOPMENT *(Continued)*

Property Location	Intended Use	Approximate Site Area (in sqm)	Approximate GFA to be Carried Forward or Under Development (in sqm)	Completion/ Expected Completion Date (Year)	The Group's Interest
A site located in No. 2, Xingsheng Branch, Longta Street, Longxi Jie Dao, Yubei District, Chongqing, PRC	Residential, Commercial and Car Park	91,400	184,000	2015	100%
A site located in No. 1 Zhongxin Section, Huaxin Street Jie Dao, Qiao Bei Village, Jiangbei District, Chongqing, PRC	Residential, Commercial, Office and Car Park	205,000	1,029,000	2015 or after	25%
A site located in Tongjiang Avenue, Chayuan New District, Nan'an District, Chongqing, PRC	Residential, Commercial Office and Car Park	115,300	614,000	2016 or after	51%
Two parcels of land located next to Green Axis Park, Chenglong Avenue, Section 1 of South Third Ring Road, Jinjiang District, Chengdu, Sichuan, PRC	Residential, and Car Park	82,100	340,000	2015	51%
A site located in Chaoyang Road Central, Tongchuan District, Dazhou, Sichuan, PRC	Residential, Commercial and Car Park	43,900	247,000	2015 or after	100%
A site located in Section 2, Chuandadao, Xinchengnan Region, Chengdu, Sichuan, PRC	Residential, and Car Park	121,100	142,000	2015 or after	51%
A site located in No. 17, Sixian Road, Xiyong University City, Shapingba District, Chongqing, PRC	Residential, Commercial and Car Park	47,300	206,000	2015	92%
A site located in North Wing of International Exhibition Centre, Guanshanhu District, Guiyang, Guizhou Province, PRC	Residential, Commercial, Office and Car Park	274,000	1,191,000	2015 or after	85%
Two parcels of land located in the junction of Shuangxing Avenue and Donglin Avenue, Ludao New District, Bishan County, Chongqing, PRC	Residential, Commercial and Car Park	217,600	791,000	2015 or after	26%
A site located in Section 1, Guang Hua Avenue, Xi San Huan, Chengdu, Sichuan, PRC	Commercial, Office and Car Park	21,200	186,000	2015	51%
A site located in Right side of Exit Rongchang, Chengyu Highway, Beibu New District (Administrative Centre), Rongchang County, Chongqing, PRC	Residential, Commercial and Car Park	52,000	146,000	2015	25%

GROUP I — PROPERTY INTEREST HELD BY THE GROUP UNDER DEVELOPMENT *(Continued)*

Property Location	Intended Use	Approximate Site Area (in sqm)	Approximate GFA to be Carried Forward or Under Development (in sqm)	Completion/ Expected Completion Date (Year)	The Group's Interest
A site located near the midsection of Yizhou Avenue, Southern Chengdu, Sichuan, PRC	Residential, Commercial and Car Park	16,800	117,000	2017 or after	51%
A site located in the junction of Extension Line of Jiannan Avenue and Mu Hua Road, Shuangliu County, Chengdu, Sichuan, PRC	Residential, Commercial and Car Park	99,900	398,000	2015 or after	51%
A site located in Xinpaifang, Yubei District, Chongqing, PRC	Commercial, Office and Car Park	8,600	26,000	2017 or after	92%
A site located in Jinfeng Road, Damian Town, Long Quan Yi District, Chengdu, Sichuan, PRC	Residential, Commercial and Car Park	99,600	815,000	2015 or after	51%
A site located next to Zhenhua Square, Xintian Avenue North, Wudang District, Guiyang, Guizhou Province, PRC	Residential, Commercial and Car Park	131,700	641,000	2017 or after	85%
A site located in Huangjinweihe Port, Changling Road South, Beijing Road West and Hefei Road, Guanshanhu District, Guiyang, Guizhou Province, PRC	Residential, Commercial and Car Park	321,000	1,313,000	2017 or after	85%
A site located in the junction of Shangji Road and Shanghong Road, Xi'an Economic Development District, Xi'an, Shannxi Province, PRC	Residential, Commercial and Car Park	154,100	626,000	2016 or after	100%
A site located in No. 28-2 Xiyong Avenue, Shapingba District, Chongqing, PRC	Residential, Commercial and Car Park	206,000	676,000	2017 or after	51%

GROUP II — PROPERTY INTEREST HELD BY THE GROUP FOR INVESTMENT

Property Location	Usage	Attributable GFA (sqm)	Tenure	The Group's Interest
California Garden, Longxi Jie Dao, Yubei District, Chongqing, PRC	Commercial Residential Car parking spaces	22,060 2,323 15,646	Medium term lease Medium term lease Medium term lease	92% 92% 92%
California City Garden, Longxi Jie Dao, Yubei District, Chongqing, PRC	Commercial Car parking spaces Auxiliary facilities	4,685 12,094 2,565	Medium term lease Medium term lease Medium term lease	92% 92% 92%
Kechuang Building, No. 8 Jinshan Road, Longxi Jie Dao, Yubei District, Chongqing, PRC	Car parking spaces	2,823	Medium term lease	92%
Huijingtai, No. 3 Jinshan Road, Longxi Jie Dao, Yubei District, Chongqing, PRC	Commercial Car parking spaces	1,541 10,951	Medium term lease Medium term lease	92% 92%
Underground Carpark, No. 2 Xingai Road, Longxi Jie Dao, Yubei District, Chongqing, PRC	Car parking spaces	8,236	Medium term lease	92%
9 Central Midtown, No. 6 Xingai Road, Longxi Jie Dao, Yubei District, Chongqing, PRC	Commercial	184	Medium term lease	92%

Definitions

"AGM"	the annual general meeting of the Company to be held on 21 May 2015
"ASP"	average selling price
"Board"	the board of Directors
"Bye-laws"	the bye-laws of the Company
"CG Code"	Corporate Governance Code as set out in Appendix 14 to the Listing Rules
"Companies Act"	Companies Act 1981 of Bermuda as amended from time to time
"Company" or "C C Land"	C C Land Holdings Limited
"Director(s)"	the director(s) of the Company
"GDP"	gross domestic product
"GFA"	gross floor area
"Group"	the Company and its subsidiaries
"Hong Kong" or "HKSAR"	the Hong Kong Special Administrative Region of the PRC
"HIBOR"	Hong Kong Inter-bank Offered Rate
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers as set out in the Appendix 10 to the Listing Rules
"PRC" or "China" or "Mainland China"	The People's Republic of China
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"SGM"	the special general meeting of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"sqm"	square meters
"US$"	United States dollars, the lawful currency of the United States of America
"%"	per cent