恒大地產集團®
EVERGRANDE REAL ESTATE GROUP

Evergrande Real Estate Group Limited
恒 大 地 產 集 團 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3333)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

FINANCIAL HIGHLIGHTS

1. Revenue increased by 18.9% from RMB93.7 billion in 2013 to RMB111.4 billion, of which the revenue from the property development segment amounted to RMB107.5 billion, accounting for 96.5%.

2. Gross profit increased by 15.2% from RMB27.6 billion in 2013 to RMB31.8 billion, gross profit margin was 28.5%.

3. Net profit rose by 31.4% from RMB13.7 billion in 2013 to RMB18.0 billion.

4. Core business profit rose by 16.5% from RMB10.3 billion in 2013 to RMB12.0 billion.

5. Profit margin of core business is 10.8%.

6. Total assets increased by 36.3% from RMB348.1 billion as at the end of 2013 to RMB474.5 billion.

7. As at 31 December 2014, the Group had total cash (including cash and cash equivalents and restricted cash) of RMB59.5 billion, representing an increase of 10.8% as compared with the end of 2013; together with the unutilized banking facilities of RMB51.0 billion, the Group had available funds of RMB110.5 billion, which is sufficient.

8. Net assets attributable to shareholders per share increased by 15.9% from RMB3.02 as at the end of 2013 to RMB3.50 as at the end of 2014.

9. Contracted sales during the year amounted to RMB131.5 billion, representing a year-on-year increase of 31.0%; whereas the gross floor area of contracted sales was 18.20 million square meters, representing a year-on-year increase of 22.2%; the average price of contracted sales was RMB7,227 per square meter, representing a year-on-year increase of 7.2%.

10. Proposed dividend was RMB0.43 per share.

The board of directors (the "Board") of Evergrande Real Estate Group Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2014. The annual results have been reviewed by the audit committee of the Company.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Year ended 31 December	
		2014	2013
	Note	***RMB'000***	*RMB'000*
Revenue	*3*	**111,398,112**	93,671,780
Cost of sales	*4*	**(79,614,503)**	(66,023,022)
Gross profit		**31,783,609**	27,648,758
Fair value gains on investment properties		**9,392,928**	5,815,221
Other gains	*5*	**533,856**	—
Other income	*6*	**1,430,590**	1,041,322
Selling and marketing costs	*4*	**(9,153,524)**	(4,309,728)
Administrative expenses	*4*	**(4,038,437)**	(3,472,494)
Other operating expenses	*4*	**(1,396,449)**	(1,679,337)
Operating profit		**28,552,573**	25,043,742
Fair value gain on financial assets at fair value through profit or loss		**3,758,100**	—
Finance income	*7*	**—**	386,550
Finance costs	*7*	**(1,015,274)**	(33,932)
Share of loss of investments accounted for using the equity method		**(104,230)**	—
Profit before income tax		**31,191,169**	25,396,360
Income tax expenses	*8*	**(13,175,091)**	(11,687,328)
Profit for the year		**18,016,078**	13,709,032
Other comprehensive income			
Item that may be reclassified to profit or loss			
Change in value of available-for-sale financial assets, net of tax		**157,235**	(157,235)
Other comprehensive income for the year, net of tax		**157,235**	(157,235)
Total comprehensive income for the year		**18,173,313**	13,551,797

	Note	Year ended 31 December **2014** ***RMB'000***	 2013 *RMB'000*
Profit attributable to:			
Shareholders of the Company		**12,604,053**	12,611,778
Holders of perpetual capital instruments		**4,338,756**	656,559
Non-controlling interests		**1,073,269**	440,695
		18,016,078	13,709,032
Total comprehensive income attributable to:			
Shareholders of the Company		**12,761,288**	12,454,543
Holders of perpetual capital instruments		**4,338,756**	656,559
Non-controlling interests		**1,073,269**	440,695
		18,173,313	13,551,797
Earnings per share for profit attributable to shareholders of the Company for the year (expressed in RMB per share)			
—Basic earnings per share	*9*	**0.854**	0.789
—Diluted earnings per share	*9*	**0.849**	0.782
Dividends	*10*	**6,273,296**	6,337,987

CONSOLIDATED BALANCE SHEET

	Note	**31 December 2014** ***RMB'000***	31 December 2013 *RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**15,504,229**	11,377,719
Land use rights		**3,388,044**	2,796,471
Investment properties		**61,856,719**	36,038,688
Properties under development		**354,842**	354,842
Trade and other receivables	*11*	**5,221,424**	2,626,439
Intangible assets		**368,229**	439,600
Investment accounted for using the equity method		**1,062,092**	—
Available-for-sale financial assets		**123,006**	3,845,234
Deferred income tax assets		**2,447,413**	1,290,772
Goodwill		**486,004**	—
		90,812,002	58,769,765
Current assets			
Inventories		**578,482**	—
Properties under development		**210,793,173**	160,543,684
Completed properties held for sale		**35,682,401**	24,288,831
Trade and other receivables	*11*	**16,027,027**	9,511,811
Prepayments	*12*	**47,867,990**	39,632,002
Income tax recoverable		**2,252,960**	1,748,660
Financial assets at fair value through profit or loss		**10,949,858**	—
Restricted cash		**29,651,430**	13,534,985
Cash and cash equivalents		**29,846,770**	40,118,454
		383,650,091	289,378,427
Total assets		**474,462,093**	348,148,192
EQUITY			
Capital and reserves attributable to shareholders of the Company			
Share capital		**1,020,734**	1,109,703
Share premium		**—**	4,227,525
Reserves		**5,848,773**	4,232,261
Retained earnings		**44,250,284**	39,020,303
		51,119,791	48,589,792
Perpetual capital instruments		**52,852,179**	25,023,773
Non-controlling interests		**8,406,034**	5,729,069
Total equity		**112,378,004**	79,342,634

	Note	**31 December 2014** *RMB'000*	31 December 2013 *RMB'000*
LIABILITIES			
Non-current liabilities			
Borrowings		**76,401,319**	73,021,273
Other payables	*13*	**7,175,106**	870,475
Deferred income tax liabilities		**10,270,800**	6,716,307
		93,847,225	80,608,055
Current liabilities			
Borrowings		**79,663,300**	35,796,065
Trade and other payables	*13*	**123,672,865**	99,895,408
Receipt in advance from customers		**47,347,949**	39,000,386
Current income tax liabilities		**17,552,750**	13,505,644
		268,236,864	188,197,503
Total liabilities		**362,084,089**	268,805,558
Total equity and liabilities		**474,462,093**	348,148,192
Net current assets		**115,413,227**	101,180,924
Total assets less current liabilities		**206,225,229**	159,950,689

Notes:

1 GENERAL INFORMATION

Evergrande Real Estate Group Limited (the "Company") was incorporated in the Cayman Islands on 26 June 2006 as an exempted company with limited liability under the Companies Law, Cap. 22 (2009 Revision as consolidated and revised from time to time) of the Cayman Islands and is engaged in investment holding. The Company and its subsidiaries (the "Group") are principally engaged in the property development, property investment, property management, property construction, hotel, other property development related services and fast consuming industry in the People's Republic of China (the "PRC"). The address of its registered office is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company had its listing on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 5 November 2009.

2 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (the "HKFRS"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets at fair value through profit and loss, and investment properties which are carried at fair value.

The consolidated financial statements are prepared in accordance with the applicable requirements of the predecessor Companies Ordinance (Cap.32) for this financial year and the comparative period.

The preparation of financial statements in conformity with the HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

(i) New and amended standards adopted by the Group

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2014. The adoption of these new and amended standards does not have any significant impact to the results or financial position of the Group.

HKAS 32 (Amendment)	'Financial instruments: Presentation' on offsetting financial assets and financial liabilities
HKFRS 10, HKFRS 12 and HKAS 27 (2011) (Amendment)	Consolidation for investment entities
HKAS 36 (Amendment)	'Impairment of assets' on the recoverable amount disclosures for non-financial assets
HKAS 39 (Amendment)	'Financial Instruments: Recognition and measurement' on the novation of derivatives and the continuation of hedge accounting
HK(IFRIC) - Int 21	Levies

(ii) New and amended standards and interpretations have been issued but are not effective for the financial year beginning 1 January 2014 and have not been early adopted by the Group:

Standards/Amendments/ Interpretation	Subject of amendment	Effective for annual periods beginning on or after
HKFRSs (Amendment)	Annual improvements 2010–2012 cycle	1 July 2014
HKAS 19 (Amendment)	Defined benefit plans: Employee contribution	1 July 2014
HKFRS (Amendments)	Annual improvements 2012 and 2013	1 July 2014
HKAS 16 (Amendment) and HKAS 41 (Amendment)	Bearer	1 January 2016
HKFRS 14	Regulatory deferral accounts	1 January 2016
HKFRS 11 (Amendment)	Accounting for acquisitions of interests in joint operations	1 January 2016
HKAS 16 (Amendment) and HKAS 38 (Amendment)	Clarification of acceptable methods of depreciation and amortisation	1 January 2016
HKFRS 10 (Amendment) and HKAS 28(Amendment)	Sale or contribution of assets between an investor and its associate or joint venture	1 January 2016
HKAS 27 (Amendments)	Equity method in separate financial statements	1 January 2016
HKAS 1 (Amendments)	Clarify guidance on some disclosure initiative	1 January 2016
HKFRS 10 (Amendment), HKFRS 12 (Amendment) and HKAS 28 (Amendment)	Investment entities: applying the consolidation exception	1 January 2016
Annual improvements 2014	Annual improvements 2012–2014	1 July 2016
HKFRS 15	Revenue from contracts with customers	1 January 2017
HKFRS 9	Financial instruments	1 January 2018

The management is in the process of making an assessment on the impact of these new standards and amendments to existing standards and is not yet in a position to state whether any substantial changes to the Group's significant accounting policies and presentation of the financial information will be resulted.

(iii) New Hong Kong Companies Ordinance (Cap. 622)

In addition, the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation as from the Company's first financial year commencing on or after 3 March 2014 in accordance with section 358 of that Ordinance. The Group is in the process of making an assessment of expected impact of the changes in the Companies Ordinance on the consolidated financial statements in the period of initial application of Part 9 of the new Hong Kong Companies Ordinance (Cap. 622). So far it has concluded that the impact is unlikely to be significant and only the presentation and the disclosure of information in the consolidated financial statements will be affected.

3 SEGMENT INFORMATION

The chief operating decision-maker ("CODM") of the Group has been identified as the executive directors of the Company who are responsible for reviewing the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports. The Group is organised into four business segments: property development, property investment, property management and other businesses which mainly include property construction, hotel, other property development related services and fast consuming products business. As the CODM of the Group considers most of the revenue and results of the Group are attributable to the market in the PRC, and only an immaterial part (less than 10%) of the Group's assets are located outside the PRC, no geographical segment information is presented.

The directors of the Company assess the performance of the operating segments based on a measure of segment results. Fair value gain on financial assets at fair value through profit or loss, dividend income of available-for-sale financial assets, loss on disposal of available-for-sale financial assets and finance cost and income are not included in the result for each operating segment.

Revenue for the year ended 31 December 2014 consists of sales of properties, rental income of investment properties, property management services and income from other businesses, which are set out below:

	Year ended 31 December	
	2014	2013
	RMB'000	*RMB'000*
Sales of properties	**107,450,063**	92,234,923
Rental income of investment properties	**144,058**	125,890
Property management services	**1,258,895**	742,027
Other businesses	**2,545,096**	568,940
	111,398,112	93,671,780

The segment results and other segment items included in the consolidated statement of comprehensive income for the year ended 31 December 2014 are as follows:

	Property development *RMB'000*	Property investment *RMB'000*	Property management services *RMB'000*	Other businesses *RMB'000*	Group *RMB'000*
Gross segment revenue	**107,450,063**	**252,473**	**2,346,372**	**12,892,185**	**122,941,093**
Inter-segment revenue	**—**	**(108,415)**	**(1,087,477)**	**(10,347,089)**	**(11,542,981)**
Revenue	**107,450,063**	**144,058**	**1,258,895**	**2,545,096**	**111,398,112**
Share of post-tax loss of associates	**(50,398)**	**—**	**—**	**—**	**(50,398)**
Share of post-tax loss of joint venture	**—**	**—**	**—**	**(53,832)**	**(53,832)**
Segment results	**21,684,419**	**9,820,102**	**45,213**	**(3,125,777)**	**28,423,957**
Fair value gain on financial assets at fair value through profit or loss					**3,758,100**
Dividend income of available-for-sale financial assets					**209,945**
Loss on disposal of available-for-sale financial assets					**(185,559)**
Finance cost					**(1,015,274)**
Profit before income tax					**31,191,169**
Income tax expenses					**(13,175,091)**
Profit for the year					**18,016,078**
Depreciation and amortisation	**546,089**	**—**	**6,771**	**583,555**	**1,136,415**
Fair value gains on investment properties	**—**	**9,392,928**	**—**	**—**	**9,392,928**

The segment results and other segment items included in the consolidated statement of comprehensive income for the year ended 31 December 2013 are as follows:

	Property development *RMB'000*	Property investment *RMB'000*	Property management services *RMB'000*	Other businesses *RMB'000*	Group *RMB'000*
Gross segment revenue	92,234,923	151,803	1,284,872	11,198,075	104,869,673
Inter-segment revenue	—	(25,913)	(542,845)	(10,629,135)	(11,197,893)
Revenue	92,234,923	125,890	742,027	568,940	93,671,780
Segment results	19,514,283	6,260,443	(57,947)	(673,037)	25,043,742
Finance income					352,618
Profit before income tax					25,396,360
Income tax expenses					(11,687,328)
Profit for the year					13,709,032
Depreciation and amortisation	354,550	—	5,752	666,662	1,026,964
Fair value gains on investment properties	—	5,815,221	—	—	5,815,221

Segment assets and liabilities as at 31 December 2014 are as follows:

	Property development ***RMB'000***	**Property investment** ***RMB'000***	**Property management services** ***RMB'000***	**Other businesses** ***RMB'000***	**Group** ***RMB'000***
Segment assets	**381,636,825**	**61,856,719**	**702,126**	**14,493,186**	**458,688,856**
Unallocated assets					**15,773,237**
Total assets					**474,462,093**
Segment liabilities	**165,785,295**	**—**	**644,648**	**11,765,977**	**178,195,920**
Unallocated liabilities					**183,888,169**
Total liabilities					**362,084,089**
Capital expenditure	**3,556,830**	**17,566,233**	**9,382**	**1,849,036**	**22,981,481**

Segment assets and liabilities as at 31 December 2013 are as follows:

	Property development *RMB'000*	Property investment *RMB'000*	Property management services *RMB'000*	Other businesses *RMB'000*	Group *RMB'000*
Segment assets	291,031,738	36,038,688	635,147	13,557,953	341,263,526
Unallocated assets					6,884,666
Total assets					348,148,192
Segment liabilities	131,914,156	—	669,159	7,182,954	139,766,269
Unallocated liabilities					129,039,289
Total liabilities					268,805,558
Capital expenditure	1,053,556	8,302,428	10,440	3,087,896	12,454,320

Sales between segments are carried out at agreed terms amongst relevant parties. The revenue from external parties reported to the management is measured in a manner consistent with that in the consolidated statement of comprehensive income.

Segment assets consist primarily of property, plant and equipment, investment properties, land use rights, properties under development, completed properties held for sale, receivables, prepayments and cash balances. They exclude deferred tax assets, income tax recoverable, available-for-sale financial assets and financial assets at fair value through profit or loss.

Segment liabilities consist of operating liabilities. Unallocated liabilities comprise taxation and borrowings.

Capital expenditure comprises additions to property, plant and equipment, investment properties, land use rights and intangible assets.

4 EXPENSES BY NATURE

Major expenses included in cost of sales, selling and marketing costs, administrative expenses and other operating expenses are analysed as follows:

	Year ended 31 December	
	2014	2013
	RMB'000	*RMB'000*
Cost of properties sold	**70,611,167**	59,673,649
Business tax and other levies	**6,375,488**	5,350,119
Staff costs — including directors' emoluments	**7,882,171**	5,886,797
Advertising costs	**5,070,340**	2,336,670
Sales commissions	**583,095**	513,246
Consultancy fees	**246,651**	202,730
Depreciation	**982,958**	753,577
Amortisation	**153,457**	273,387
Auditors' remuneration	**16,000**	14,913
Operating lease expenses	**227,542**	182,789
Donations	**310,936**	262,086

5 OTHER GAIN — NET

	Year ended 31 December	
	2014	2013
	RMB'000	*RMB'000*
Gains on disposal of a subsidiary *(note (a))*	**719,415**	—
Loss on disposal of available-for-sale financial assets	**(185,559)**	—
	533,856	—

(a) Pursuant to the shareholders' agreement and capital injection agreement of Guangzhou Evergrande Football Club Co., Ltd. (the "Football Club", 100% held by the Group before the said transaction) entered into between the Group and an independent third party (the "Investor"), the Investor has injected capital of RMB1,200 million, in terms of cash, to the Football Club and obtained 50% equity interest in the Football Club. The Football Club became a joint venture of the Group and a gain of RMB719 million has been recognised for this disposal.

6 OTHER INCOME

	Year ended 31 December	
	2014	2013
	RMB'000	*RMB'000*
Interest income from bank deposits	**312,007**	120,396
Interest income from non-current receivables	**—**	2,059
Forfeited customer deposits	**26,502**	70,878
Advertising revenue *(note (a))*	**215,168**	363,077
Gain on disposal of investment properties	**305,599**	342,765
Dividend income of available-for-sale financial assets	**209,945**	—
Others	**361,369**	142,147
	1,430,590	1,041,322

(a) Amounts represented the advertising revenue generated from operation of football and volleyball clubs.

7 FINANCE INCOME AND FINANCE COSTS

	Year ended 31 December	
	2014	2013
	RMB'000	*RMB'000*
Finance income		
Exchange gain	**—**	386,550
Finance costs		
Exchange loss	**(47,140)**	—
Other finance costs	**(952,734)**	—
Interest expense from borrowings	**(13,648,627)**	(8,114,955)
Less: interest capitalized	**13,633,227**	8,081,023
	(15,400)	(33,932)
	(1,015,274)	(33,932)

8 INCOME TAX EXPENSES

	Year ended 31 December	
	2014	2013
	RMB'000	*RMB'000*
Current income tax		
— PRC corporate income tax	**6,628,082**	5,255,211
— PRC land appreciation tax	**4,222,834**	4,871,522
Deferred income tax		
— PRC corporate income tax	**831,435**	903,854
— PRC land appreciation tax	**1,492,740**	656,741
	13,175,091	11,687,328

The income tax on the Group's profit before income tax differs from the theoretical amount that would arise using the enacted tax rate of the home country of the group entities as follows:

	Year ended 31 December	
	2014	2013
	RMB'000	*RMB'000*
Profit before income tax	**31,191,169**	25,396,360
Calculated at PRC corporate income tax rate	**7,797,792**	6,349,090
PRC land appreciation tax deductible for PRC corporate income tax purposes	**(1,428,893)**	(1,382,066)
Income not subject to tax *(note (a))*	**(1,180,021)**	(97,152)
Expenses not deductible for tax purposes *(note (b))*	**761,490**	719,542
Tax losses for which no deferred income tax asset was recognised	**172,659**	264,228
PRC corporate income tax	**6,123,027**	5,853,642
PRC withholding income tax	**1,336,490**	305,423
PRC land appreciation tax	**5,715,574**	5,528,263
	13,175,091	11,687,328

(a) Income not subject to tax for the year ended 31 December 2014 mainly comprised fair value gain on financial assets at fair value through profit or loss.

(b) Expenses not deductible for tax purpose for the year ended 31 December 2014 mainly comprised: (i) the cost of land premium without official invoices resulting from the land acquisitions through acquisitions of companies; and (ii) expenses incurred by offshore group companies.

(c) The applicable PRC corporate income tax rate for the year ended 31 December 2014 is 25% (2013: 25%).

Overseas income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap. 22 (2009 Revision as consolidated and revised from time to time) of the Cayman Islands and accordingly, is exempted from Cayman Islands income tax. The group companies in the British Virgin Islands were incorporated under the International Business Companies Act of the British Virgin Islands and, accordingly, exempted from British Virgin Islands income tax.

Hong Kong profits tax

No Hong Kong profits tax has been provided for as there is no business operation that is subject to Hong Kong profits tax during the year ended 31 December 2014 (2013: nil).

PRC corporate income tax

The income tax provision of the Group in respect of operations in Mainland China has been calculated at the applicable tax rate of 25% (2013: 25%) on the estimated assessable profits for the year, based on the existing legislation, interpretations and practices in respect thereof.

PRC withholding income tax

According to the new Corporate Income Tax Law of the PRC, starting from 1 January 2008, a withholding tax of 10% will be levied on the immediate holding companies outside the PRC when their PRC subsidiaries declare dividend out of profits earned after 1 January 2008. A lower 5% withholding tax rate may be applied when the immediate holding companies of the PRC subsidiaries are established in Hong Kong according to the tax treaty arrangements between the PRC and Hong Kong.

PRC land appreciation tax

PRC land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including land use rights and all property development expenditures.

9 EARNINGS PER SHARE

(a) Basic

Basic earnings per share are calculated by dividing the profits attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

	Year ended 31 December	
	2014	2013
Profit attributable to shareholders of the Company *(RMB'000)*	**12,604,053**	12,611,778
Weighted average number of ordinary shares in issue *(thousands)*	**14,762,147**	15,980,880
Basic earnings per share *(RMB)*	**0.854**	0.789

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company's dilutive potential ordinary shares consist of share options. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	Year ended 31 December	
	2014	2013
Profit attributable to equity holders of the Company *(RMB'000)*	**12,604,053**	12,611,778
Weighted average number of ordinary shares in issue *(thousands)*	**14,762,147**	15,980,880
Adjustments for share options *(thousands)*	**85,634**	143,360
Weighted average number of ordinary shares for diluted earnings per share *(thousands)*	**14,847,781**	16,124,240
Diluted earnings per share *(RMB)*	**0.849**	0.782

10 DIVIDENDS

The Company did not distribute an interim dividend for the six months ended 30 June 2014 (2013: nil).

A final dividend in respect of the year ended 31 December 2014 of RMB0.43 per share totaling RMB6,273,296,000 has been proposed by the Board on 30 March 2015, which is to be approved by the shareholders in the forthcoming Annual General Meeting. These financial statements have not reflected this dividend payable.

A final dividend in respect of the year ended 31 December 2013 of RMB0.43 per share totaling RMB6,337,987,000 was paid on 3 July 2014.

The aggregate amounts of the dividends paid and proposed during 2013 and 2014 have been disclosed in the consolidated statement of comprehensive income in accordance with the Hong Kong Companies Ordinance.

11 TRADE AND OTHER RECEIVABLES

	31 December 2014	2013
	RMB'000	*RMB'000*
Trade receivables — third parties *(note (a))*	**12,218,770**	7,207,708
Other receivables:	**9,029,681**	4,930,542
— subsidiaries	**—**	—
— associate	**1,774,107**	—
— joint venture	**1,349**	—
— non-controlling interests *(note (b))*	**999,147**	919,241
— third parties	**6,255,078**	4,011,301
	21,248,451	12,138,250
Less: non-current portion	**(5,221,424)**	(2,626,439)
Trade receivables — third parties *(note (a))*	**(4,837,117)**	(2,255,742)
Other receivables — third parties	**(384,307)**	(370,697)
Current portion	**16,027,027**	9,511,811

As at 31 December 2014 and 2013, the fair value of trade and other receivables approximated their carrying amounts.

(a) Trade receivables mainly arose from sales of properties. Proceeds in respect of sales of properties are to be received in accordance with the terms of the related sales and purchase agreements.

The ageing analysis of trade receivables as at the respective balance sheet dates is as follows:

	31 December 2014	2013
	RMB'000	*RMB'000*
Within 90 days	**4,965,824**	2,780,845
Over 90 days and within 180 days	**518,740**	2,496,617
Over 180 days and within 365 days	**4,183,408**	1,886,747
Over 365 days	**2,550,798**	43,499
	12,218,770	7,207,708

As of 31 December 2014, trade receivables of RMB273,645,000 (31 December 2013: RMB43,499,000) were past due but not impaired. These accounts are mainly related to a number of customers who did not have a recent history of default, and the Group normally holds collateral of the properties before collection of the outstanding balances and pass the titles to the purchasers, the Directors consider that the past due trade receivables would be recovered and no provision was made against past due receivables as at 31 December 2014 (2013: nil). The ageing analysis of these trade receivables is as follows:

	31 December	
	2014	2013
	RMB'000	*RMB'000*
Within 1 year	**273,645**	—
Over 365 days	**—**	43,499
	273,645	43,499

The maximum exposure to credit risk at each balance sheet date is the carrying value of each class of receivables mentioned above. The Group has retained the legal titles of the properties sold to these customers before the trade receivables are settled.

(b) Amounts are unsecured and interest free.

12 PREPAYMENTS

	31 December	
	2014	2013
	RMB'000	*RMB'000*
Prepaid business taxes and other taxes	**1,825,948**	1,462,913
Prepayments and advances to third parties:	**46,042,042**	38,169,089
— for acquisition of land use rights	**44,887,471**	37,605,691
— others	**1,154,571**	563,398
	47,867,990	39,632,002

13 TRADE AND OTHER PAYABLES

	31 December 2014 *RMB'000*	2013 *RMB'000*
Trade payables		
— third parties	**91,889,003**	65,836,287
Other payables:	**35,661,581**	32,605,660
— subsidiaries	**—**	—
— associates	**1,101,446**	—
— joint venture	**121**	—
— amounts owing to non-controlling interests *(note (i))*	**6,037,001**	13,772,753
— payable to the units holders of consolidated investment entities *(note (ii))*	**5,620,065**	—
— third parties	**14,356,555**	10,083,844
— payables for acquisition of land use rights	**8,546,393**	8,749,063
Accrued expenses	**2,186,319**	1,586,543
Other taxes payable	**1,111,068**	737,393
	130,847,971	100,765,883
Less: non-current portion		
Other payables:	**(7,175,106)**	(870,475)
— third parties	**(256,439)**	(78,893)
— payable to the units holders of consolidated investment entities *(note (ii))*	**(5,620,065)**	—
— amounts owing to non-controlling interests *(note (i))*	**(1,298,602)**	(791,582)
Current portion	**123,672,865**	99,895,408

(i) Amounts included certain cash advances from non-controlling interests of approximately RMB690,000,000 (2013: RMB1,665,800,000) which bear interest at rate of 12% per annum (2013: 12.49%) in average.

(ii) Amounts included certain cash advances from the units holders of consolidated investment entities of approximately RMB5,620,065,000 (2013: nil) which bear interest at average 8% per annum (2013: nil) and repayable in 2017.

The ageing analysis of trade payables of the Group as follows:

	31 December	
	2014	2013
	RMB'000	*RMB'000*
Within one year	**81,223,433**	58,571,367
Over one year	**10,665,570**	7,264,920
	91,889,003	65,836,287

BUSINESS REVIEW

In 2014, the real estate market in the PRC continued to run at a vigorous momentum. The transaction volume of commodity housing nationwide reached RMB7,629.2 billion[1], the second highest record in the history and only lower than that in 2013. However, as a result of the accelerated decrease of the GDP growth, tightened currency policy and restrictions on purchase and borrowing in the PRC, the transaction volume failed to exceed that in last year, which indicates a sign of adjustments and transformations and a signal of bottlenecks. The area of commodity housing sold nationwide dropped by 7.6%, sales volume dropped by 6.3%, while the average transaction price increased by 1.4% and the area for sale increased by 26.1%[2] as compared with the corresponding period of the previous year.

Facing to the declining transaction trend, local governments loosened the policy of restriction on purchase and borrowing successively since May. As at the end of 2014, among the 46 cities that had published the policy of restriction on purchase and borrowing, only 5 cities, namely Beijing, Shanghai, Guangzhou, Shenzhen and Sanya, still continued implementing such policy. At the end of September 2014, the central government started to cultivate the rigid demand for purchasing house and subsequently loosened the definition of first time buyers, relaxed conditions for housing provident fund loans and lowered interest rates for deposits and loans. The market began to recover and transaction volume increased by virtue of those measures. However, differentiation trend among cities further deepened. The area sold in major cities has reached a new record in December 2014, increased by 21.2% as compared to that in November 2014 and 9.8% as compared to the corresponding period of 2013. 34 of the major cities realized an increase as compared to November 2014, and some cities still recorded a decrease[3].

Encountering the unusual and significant adjustment and the complicated condition which is rapidly changing, the Board was devoted to capture the opportunities in the market through constantly strengthening the principal business and foundation of real estate and optimizing the regional layout of residential property projects by leveraging the strong execution of the Group. The major operation indicators continued to increase: contracted sales for the whole year set a new record of RMB131.5 billion, representing an increase of 31.0% as compared to the previous year and 119.6% of the annual target; GFA of contracted sales was 18.20 million square meters throughout the year, representing a year-on-year growth of 22.2%; the GFA on the land reserves of the Group was 147 million square meters and the accumulated average cost was RMB997 per square meter. The area under construction was 41.35 million square meters while 274 projects were under construction as at 31 December 2014. As at 31 December 2014, the Group had total cash (including cash and cash equivalents and restricted cash) of RMB59.5 billion.

1 Source: "National Real Estate Development and Sales for 2014" issued by the National Bureau of Statistics of China

2 Source: "National Real Estate Development and Sales for 2014" issued by the National Bureau of Statistics of China

3 Source: "China and Major Cities Real Estate Market Report in 2014" issued by China Index Academy

Land Reserves

The Group focused on sustainable profitability, selected quality land reserves for replenishment, and balanced the regional layout of its projects among first-, second- and third-tier cities better.

During the year, the Group acquired a gross floor area of 8.41 million square meters as land reserves for its new projects. The Group acquired 17 new projects, and is also making further acquisition for the land in the surrounding area of 7 of its existing projects. Among the newly acquired projects, 3 are located in first-tier cities, and 10 in second-tier cities. The number of the new projects in the first- and second- tiers cities account for 76.5% of the number of all the new projects, representing an increase of 25 percentage points as compared to that of 2013. The main purpose of these acquisitions was to further optimize the regional layout of the projects among first- to third-tier cities, with an objective of improving our overall profitability. Newly acquired projects cover 14 cities, with a majority of them located in Beijing, Shenzhen, Chengdu, Taiyuan, Changsha, Nanchang, Changchun, Lanzhou, Dalian, Dongguan and Chaozhou. The cost of newly acquired land reserves increased to RMB2,588 per square meter as the new projects are all located in the centre area of the cities.

Completed construction occupied 20.63 million square meters of the Group's land reserves, and the total land reserves balance at the end of the period was 147 million square meters, representing a 2.6% year-on-year decrease with decreased area of 3.62 million square meters. The land reserves of the Group are located in 147 cities in China and cover all of the first-tier cities and most provincial capital cities in China. We have 305 projects, with 46.9% of them located in the first and second-tier cities. The accumulated average cost of land reserves was approximately RMB997 per square meter, which was relatively low in the industry.

The Group leverages on cooperations with other parties to acquire new projects for the purpose of enhancing the capital utilization rate. As at 31 December 2014, 78 projects were carried out through cooperations with other parties which resulted in an accumulative reduction in land premium payment of RMB59.8 billion.

Contracted Sales

With the increasing contracted sales price, volume and record-breaking sales amount, the Group successfully achieved its full-year target.

During the year, the volume and the area of the Group's contracted sales increased by 31.0% and 22.2%, respectively, as compared with the corresponding period of the last year. The average transaction price increased by 7.2% to RMB7,227 per square meter as compared with the corresponding period of the last year.

The unrivalled sales performance is mainly attributable to the Group's far-sighted optimization of the regional layout of its projects, upgrading of its products, the standardization of decoration as well as its flexible and practical sales strategy and selling price. In addition, the Group marketed certain retail stores and parking lots at appropriate timings, which contributed to the increase in the sales volume and price as compared with the corresponding period of last year. The average single-month trading price of the Group exceeded RMB6,500 per square meter in 11 months in 2014, and the price further increased to RMB8,347 per square meter in June 2014. The single-month sales volume exceeded RMB10 billion in 8 months in 2014. The Board believes that the increasing selling price and sales amount are favorable for maintaining the net profit margins of the major businesses of the Group.

During the year, the Group launched 53 new projects for sale located in 39 cities, including Beijing, Guangzhou, Hangzhou, Hefei, Changsha, Chengdu, Chongqing, Haikou, Wuhan, Hangzhou, Shenyang, Harbin, Xi'an, Lanzhou, Dalian, Ningbo, Dongguan and Yangzhou. It entered into 16 of the 39 cities for the first time. We have 276 projects for sale, which are located in 141 different cities, including 3 first-tier cities, 26 second-tier cities and 112 third-tier cities.

For the whole year, the contracted sales amounted to RMB131.5 billion, with RMB12.4 billion in the first-tier cities, accounting for 9.4% of the total contracted sales, and RMB60.6 billion in the second-tier cities, accounting for 46.1% of the total contracted sales. The aggregate sales volume in the first and second-tier cities as a percentage of the sales volume of the Group increased by 11.4 percentage points as compared to the corresponding period of last year, which surpassed the sales volume in the third-tier cities again. The above data indicates a more balanced distribution of sales amount among first-, second- and third-tier cities as well as the significant effect of the strategy of optimizing regional layout of the projects since last year yielded remarkable results.

Property Development

The Group arranged reasonable construction planning and focused on the coordination between sales planning and construction completion planning. Moreover, the Group vigorously promoted product upgrades, implemented the standardization strategy, and enhanced its market competitiveness.

During the year, the newly constructed GFA, completed GFA and GFA under construction was 22.50 million square meters, 20.63 million square meters and 41.35 million square meters, representing an increase of 13.2%, 6.5% and 4.7%, respectively, as compared to the previous year.

During the year, the Group launched 53 new projects, representing a year-on-year rise of 20.5%. Most of the new projects are premium projects acquired during the year of 2013. The Group delivered a total of 238 projects for the whole year with a transaction amount of RMB107.5 billion. The GFA of properties delivered was 16.83 million square meters. The precise and rigorous development plan provided adequate resources for sales, accelerated the turnover of capital and secured recognition of income after the delivery.

As at 31 December 2014, the Group obtained construction certificates for 274 of its 305 projects. 38 projects have not yet been launched for sale, a majority of which will be ready for launching for sale in 2015. The Board considers that its industry-leading scale of development and construction and the saleable area will provide a solid foundation for the Group to realize income after delivery and ensure strong contracted sales in the next stage.

Financial Resource

The Group continues to uphold a prudent financial policy of "cash is king" and endeavors to raise the total amount of cash and repay the principal and interest of overseas senior notes by batch.

Given that the industry entered into adjustment period during the year, the Group continuously strengthen its capital strength so as to prevent potential market risk. In 2014, the Group realized sales proceeds of over RMB112.0 billion and issued project-based perpetual bonds, which provided an additional cash flow of over RMB26.3 billion and effectively satisfied the capital needs for the new projects in the first- and second-tier cities and provided resources for further enhancement of sales scale and profit. Moreover, the Group lowered the pressure of capital payment by leveraging its reputable brand image to clinch better contract terms, payment methods and payment conditions.

Through rigorous and practical capital program, the Group repaid the principal and interest of the senior notes of RMB5.55 billion which were denominated in RMB and settled by US dollar in January 2014 as planned. In addition, the Group redeemed the senior notes of US$1.35 billion due on 27 January 2015 with its own capital in December 2014 at redemption price, demonstrating the Group's strong financial position.

As at 31 December 2014, the total cash of the Group amounted to RMB59.5 billion, representing a year-on-year increase of 10.8%. Leveraging the solid cooperative relationships with large-scale commercial banks in China, the Group obtained new borrowings of RMB47.3 billion during the year with unutilized banking facilities reaching RMB51.0 billion as at 31 December 2014. Together with the total cash of RMB59.5 billion as at 31 December 2014, the Group's available funds amounted to RMB110.5 billion.

Premium Standardization

During the year, in order to respond to the recent changes in the market, the Group further enriched its product mix and comprehensively upgraded its standards for layouts, facades and decoration. The Group carried out 108 standardization projects, including 7 compilation projects for its design and technique documents, development of 20 standardized units, upgrading of 20 decoration plans and construction plans, 10 standardization projects for public facilities and 10 large-scale investigation and research projects of standardization with respect to intellectual households, interior decoration and floor heating design, and compiled and revised 42 individual design standards. The product designs after optimization are more tailored to end user market demand and housing improvement needs. The approaches adopted in architectural design, material supply and construction methods function in an "assembly-line" style, and helped to shorten the design cycle, guaranteed the design quality and improved the development efficiency.

The Group aggregately reduced approximately RMB1.657 billion in construction costs and operation expenses during the year by optimizing over 5,140 design solutions involving significant costs. The Group also reduced its procurement cost by RMB335 million when the procurement prices of decoration materials experienced a steady decrease of 2.75% as compared to the prices in 2013. At the same time, we established closer cooperative relationships with 17 suppliers, and expect to further reduce its procurement costs by approximately RMB350 million in the next three years. The successful implementation of the above standardization strategy represents the premium strategy alliance established by the Group entered into the harvest period. This helped to reduce the impact of increased costs over the gross profit margin and to contribute values for shareholders.

Corporate Governance

The Group has been conducting its business according to the principles of the Corporate Governance Code (the "Code") set out in Appendix 14 to the Listing Rules, and the Group has complied with all of the applicable standards of the Code during the year.

The Group places emphasis on strengthening internal monitoring systems and cost controls, increasing the overall transparency of the Company, perfecting corporate internal control mechanisms and risk management. During the year, the Group completed 28 internal financial audits, and revised an amount of RMB90 million in respect of engineering management, financial management, marketing management and comprehensive cost control. As regards to the auditing of project settlement and progress payment, we reduced RMB110 million of project settlement payment and RMB317 million of unreasonable calculated output value. As regards to internal review, the Group supervised the price of bidding, procurement, day-to-day external operation activities through our monitoring system. We carry out monthly inspection to the compliance and rationality of the important administration procedures, including bidding, procurement, marketing and engineering, which avoided a direct economic loss of RMB110 million for the year.

For information disclosure and transparency of the Company, various methods, such as sales briefings and investor meetings, are employed on a monthly basis to deliver comprehensive information about the Group to the public, including its latest development strategies, development progress, sales results and market prospects. Currently, the regular recipients of emails and circulars from the Group include 890 international investment institutions and involve 1,243 person. Since January 2013, the Group also regularly publishes voluntary announcements on the Hong Kong Stock Exchange to announce its annual contracted sales target and monthly progress.

The Board believes that the efforts mentioned above will help to maximize the financial performance of the Group, so as to maximize shareholder value and implement strong and sustainable development strategies.

BUSINESS OUTLOOK

Premier Li Keqiang emphasized that the urban population in the PRC increased by 18 million and the urbanization rate increased by 1.04% to around 55% in 2014; the modernization of China is coupled with urbanization, which will definitely lead to a rigid demand for real estate in the long term, and adjustment to the real estate market within a certain period is normal.

Looking forward to 2015, Chinese real estate market will enter into a new normal position under the combined effect of law of supply and demand, pricing and affordability. Administrative intervening measures may be loosened continuously, and differentiation in regional markets will coexist with inventory reduction activities of real estate developers to promote a "soft landing" of the industry. After the cap of demand is ascertained, the internal forces of the market will gradually drive the supply and demand towards a balance, keep the transaction volume at a high level in the near few years and restore the stability and rationality of the industry. In this historical process, enterprises with resources strength and advanced management operation will expect a new round of leaping development.

Based on the research on the "new normal mode" between China's economy and the real estate industry, the Board will adopt comprehensive measures to optimize the regional layout of its residential real estate projects of the Group. The Group is determined to strengthen the sales and collection of sales proceeds as well as to control costs and expenses strictly, endeavour to increase profit margins and control its debt ratio, improve the profitability steadily and achieve a quality and balanced development.

LAND RESERVES

In 2015, the Group will further optimize the regional layout of its residential real estate projects and acquire high quality projects progressively, with an objective to maintain its leading position in terms of land reserves in the industry. The project expansion will continue to focus on the first- and second-tier cities, and in particular, the central urban areas. New land acquisitions in the third-tier cities will be carried out based on stricter quantifiable criteria to raise the premium level of products.

As at 31 December 2014, the aggregate land premium payable before due date by the Group amounted to RMB220.01 billion, with RMB195.55 billion paid and RMB24.46 billion outstanding and undue, of which RMB9.05 billion is payable on due in 2015; RMB6.62 billion is payable on due in 2016; and RMB8.79 billion is payable after 2017.

Contracted Sales

The Group foresees a relatively loose policy environment with severe divisions in regional markets in 2015. As such, the Group will follow the market trends, ensure adequate inventories, formulate a project marketing plan focusing on certain regions. In particular, the Group breaks down its annual sales target by project, and commenced an active marketing since the beginning of the year to ensure the achievement of its annual sales target.

The Group determines its contracted sales target in 2015, amounted to RMB150 billion, 36.4% higher than its 2014 contracted sales target in 2014. The Group has 38 new residential projects available for sale. Most of these projects are located in major cities, such as Beijing, Shanghai, Shenzhen, Tianjin, Chongqing, Chengdu, Taiyuan, Haikou, Dongguan and Dalian. The Group plans to market these new projects at an appropriate timing based on the overall market needs. In addition, the Group has put into sales several residential and commercial complex projects and a large number of stores and parking lots in the residential projects, which are expected to supplement the contracted sales of this year.

As the Group continuously promotes the strategy of optimizing the regional layout of its projects, the average transaction price for the year is expected to increase further. As to the specific pricing strategy, the Group will continue to balance between its sales price and sales volume and between its operation scale and gross profit. Sales target is designated on a quarterly basis, and the progress will be reviewed on a monthly basis. The monthly sales results are reported to shareholders and investors by voluntary announcements. Given the adequate inventories, strong execution capability and product strengths of the Group, the Board is very confident that the Group can achieve its full-year contracted sales target.

Financial Capital

The Group will continue to maintain its steady financial policies, endeavor to raise the total amount of cash and maintain its net profit margin for its main operations. To accomplish this, the Group will further enhance the collection of sales proceeds, set reasonable sales price, increase the turnover of inventories, sell part of the commercial premises and continue to expand project cooperation. Meanwhile, the Group will formulate more reasonable plans for commencement, completion and payment, and rationally control expenditure in land and construction.

With respect to capital arrangement, the Group issued US$1 billion senior notes due 2020 in February 2015. The Company intends to use the proceeds to refinance the existing debts of the Group to improve its debt structure and enrich the cash flows. The Group also plans to implement strict payment management plan with leveraging diversified financing channels and managing the dynamic balance between capital inflow and outflow.

With respect to the control of costs and expenses, the Group will continue to fully implement reforms of product upgrades and standardization to ensure product quality and reduce costs. The Group will also utilize new promotion channels to lower its selling expenses, develop leading SAP and ERP systems in the industry and make full use of information technology to reduce operating expenses.

MANAGEMENT DISCUSSION AND ANALYSIS

Overall Performance

The Group recorded revenue of RMB111.4 billion for the year of 2014 (2013: RMB93.7 billion), representing a year-on-year growth of 18.9%. Gross profit amounted to RMB31.8 billion (2013: RMB27.6 billion), representing an increase of 15.2% over last year. Profit attributable to shareholders was RMB12.6 billion which was mostly consistent with that of 2013. Diluted earnings per share amounted to RMB0.849 (2013: RMB0.782), representing a year-on-year growth of 8.6%.

Equity attributable to shareholders of the Group as at 31 December 2014 was RMB51.1 billion (31 December 2013: RMB48.6 billion), representing a year-on-year increase of 5.2%.

Revenue

During the year, revenue of the Group amounted to RMB111.4 billion, representing a growth of 18.9%, of which revenue generated from the property business amounted to RMB107.5 billion, representing a year-on-year growth of 16.5%, the increase was mainly due to the recognized sales income of the property area increased by 12.5% as compared to 2013 and the average selling price of the property increased by 3.5% as compared to 2013; revenue generated from property management amounted to RMB1.3 billion, an increase of 69.7% from last year; revenue generated from investment properties, hotel operation and other property development related business amounted to RMB2.7 billion, representing an increase of 287.0%.

Gross Profit

Gross profit of the Group was RMB31.8 billion for the year of 2014, representing an increase of 15.2% as compared to the last year. The increase in gross profit was mainly attributable to a significant increase in sales of properties. The gross profit margin was 28.5%, remaining relatively stable comparing to last year.

Fair Value Gains on Investment Properties

Fair value of investment properties of the Group at the end of 2014 appreciated RMB9.4 billion in value, representing an increase of 61.5% as compared to the gains of last year. Investment properties of the Group mainly include commercial podiums and offices with gross floor area of 2.67 million square meters and approximately 250,000 car park spaces.

Selling and Marketing Costs

During the year, selling and marketing costs of the Group rose from RMB4.3 billion for the year of 2013 to RMB9.2 billion, which was mainly attributable to an increase in the number of projects launched and significant expansion in scale which led to the corresponding increase in nationwide marketing and brand publicity activities during the year. This portion of costs was incurred in relation to the pre-sales, and corresponding pre-sale revenue had to be recognized after the delivery of possession.

Administrative Expenses

During the year, administrative expenses of the Group increased to RMB4.0 billion from RMB3.5 billion for the year of 2013, which was mainly attributable to the continuous expansion of the Group's national business and achieved significant growth in operation results in 2014, meanwhile the corresponding increase in the number of employees and the level of their remuneration.

Fair Value Gains on Financial Assets

Gains on fair value change of financial assets was RMB3.8 billion for the year of 2014. In 2014, the Group has successfully invested in securities which appreciated in value at the end of 2014.

Financial Review

Borrowings

As at 31 December 2014, the borrowings of the Group amounted to RMB156.1 billion, with the following maturities.

	31 December 2014 ***(RMB billion)***	**As percentage of total borrowings**	31 December 2013 *(RMB billion)*	As percentage of total borrowings
Less than 1 year	**79.66**	**51.0%**	35.80	32.9%
1–2 years	**55.86**	**35.8%**	44.34	40.7%
2–5 years	**19.63**	**12.6%**	27.88	25.6%
More than 5 years	**0.91**	**0.6%**	0.80	0.8%
	156.06	**100%**	108.82	100%

The borrowings were pledged against the property and equipment, land use rights, investment properties, properties under development, completed properties held for sale, cash at bank and the equity interests of certain subsidiaries of the Group at an average effective interest rate of 9.74% per annum (2013: 9.52%).

Foreign Exchange Exposure

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

Liquidity

As at 31 December 2014, the total amount of cash and cash equivalents and restricted cash of the Group was RMB59.5 billion, together with unutilized banking facilities of RMB51.0 billion. The abundant working capital provided possibility for the Group to seek the best business opportunities and provided significant financial support for rapid development.

Land Reserve

During the year, the Group acquired 17 pieces of additional land for reserve in 14 cities, namely Beijing, Shenzhen, Chengdu, Taiyuan, Changsha, Nanchang, Changchun, Lanzhou, Dalian, Dongguan and Chaozhou. In 2014, the gross floor area of the newly acquired land reserve was approximately 8.41 million square meters, the average cost of which was RMB2,588 per square meter.

The following table sets out the details of the additional land acquired in 2014.

	Project name	City	Site area	GFA	Land Reserve GFA	Actual shareholding
			(m^2)	*(m^2)*	*(m^2)*	
	Beijing					
1	Evergrande Emerald Court Beijing	Beijing	46,011	263,091	263,091	100%
2	Evergrande Metropolis Beijing	Beijing	35,000	174,310	174,310	100%
	Guangdong					
3	Shenzhen Huaqiang North Project	Shenzhen	10,423	121,536	121,536	100%
4	Evergrande Oasis Dongguan	Dongguan	69,955	252,178	252,178	100%
5	Evergrande Palace Chaozhou	Chaozhou	245,369	767,535	767,535	55%
	Hunan					
6	Evergrande Royal Scenic Peninsular Changsha	Changsha	270,283	1,272,504	1,184,262	51%
	Shanxi					
7	Evergrande Royal Scenic Bay Taiyuan	Taiyuan	334,679	1,233,158	1,233,158	100%
	Jiangxi					
8	Evergrande Royal View Garden Nanchang	Nanchang	88,492	228,081	228,081	100.0%
9	Evergrande Royal Scenic Yingtan	Yingtan	96,706	221,071	221,071	100%
	Henan					
10	Evergrande Scenic Garden Zhengzhou	Zhengzhou (Xingyang)	205,751	209,821	209,821	51%

Project name		City	Site area	GFA	Land Reserve GFA	Actual shareholding
			(m^2)	*(m^2)*	*(m^2)*	
	Hubei					
11	Evergrande Atrium Yichang	Yichang	168,138	490,286	490,285	60.0%
	Gansu					
12	Evergrande Metropolis Lanzhou	Lanzhou	86,683	357,515	45,304	100.0%
	Liaoning					
13	Evergrande Royal View Garden Dalian	Dalian	152,704	314,040	314,040	100%
14	Evergrande Royal Scenic Bay Dalian	Dalian	28,400	126,517	126,517	60%
	Sichuan					
15	Evergrande Emerald Court Chengdu	Chengdu	45,924	222,132	222,132	100.0%
16	Evergrande Impression Cao Lane Chengdu	Chengdu	111,786	962,294	962,294	62.5%
	Jilin					
17	Evergrande Royal View Garden Changchun	Changchun	199,970	527,489	527,489	100.0%
*	Evergrande Royal View Garden Xi'an (Phase II)	Xi'an	45,760	160,162	160,162	100%
*	Evergrande Splendor Xinxiang (Commercial center of Phase I)	Xinxiang	43,307	21,653	21,653	100%
*	Evergrande Oasis Changsha Phase II	Changsha	47,196	271,907	271,907	100%
*	Evergrande Metropolis Qujing (Residential Expansion Land)	Kunming	15,425	40,376	40,376	100%
*	Evergrande City Hengshui (Expansion Land Phase II)	Hengshui	69,598	369,791	369,791	70%
*	Evergrande Splendor Chongqing Phase III	Chongqing	205,505	89,726	89,726	100%
*	Evergrande City Shijiazhuang (Police Court)	Shijiazhuang	25,422	113,435	113,435	100%
	Total		2,648,487	8,810,608	8,410,154	

* *Surrounding land reserves acquired for current projects*

Contracted Sales

During the year, the Group successfully satisfied its sales target with contracted sales of RMB131.5 billion, completed 119.6% of its annual sales plan; the GFA of contracted sales was 18.20 million square meters, and the average contract selling price was RMB7,227 per square meter. The Group started 53 new projects during the year, as of 31 December 2014, there are 276 projects are under sale, and distributed in 29 areas and covered 141 cities in China.

The following table sets out the geographical distribution of contracted sales of the Group in 2014.

Province	**Contracted Sales amount** *(in million of RMB)*	**Percentage of the contracted sales amount**
Guangdong	10,811.9	8.2%
Shandong	10,780.8	8.1%
Henan	9,815.5	7.5%
Anhui	9,590.1	7.3%
Beijing	9,465.3	7.2%
Jiangsu	8,912.3	6.8%
Hebei	6,102.2	4.6%
Hunan	5,801.4	4.4%
Shanxi	5,765.8	4.3%
Jiangxi	5,364.5	4.1%
Chongqing	4,977.4	3.8%
Liaoning	4,808.7	3.7%
Hubei	4,745.5	3.6%
Sichuan	4,362.2	3.3%
Heilongjiang	4,081.9	3.1%
Jilin	3,511.3	2.7%
Guangxi Zhuang Autonomous Region	3,490.2	2.7%
Hainan	3,429.1	2.6%
Zhejiang	3,384.8	2.6%
Gansu	2,190.9	1.7%
Shaanxi	2,178.5	1.7%
Guizhou	1,811.0	1.4%
Inner Mongolia	1,522.8	1.2%
Ningxia Hui Autonomous Region	1,236.0	0.9%
Tianjin	1,057.9	0.8%
Xinjiang uygur autonomous region	833.8	0.6%
Yunnan	688.3	0.5%

Province	Contracted Sales amount *(in million of RMB)*	Percentage of the contracted sales amount
Fujian	399.7	0.3%
Qinghai	394	0.3%
Total	**131,513.8**	**100.0%**

Property Development

During the year, the Group has a total of 205 projects completed or partially completed, distributed in 27 major areas of China, with completed aggregated gross floor area of 20.63 million square meters.

The following table sets out the distribution of completed areas of the Group.

List of completed projects of the Group for 2014

No.	Province	Area *('000 m^2)*	Percentage
1	Jiangsu	1,915.2	9.3%
2	Shandong	1,864.9	9.0%
3	Anhui	1,703.0	8.3%
4	Guangdong	1,455.4	7.1%
5	Henan	1,390.5	6.7%
6	Jiangxi	1,280.2	6.2%
7	Hunan	1,122.2	5.4%
8	Heilongjiang	926.3	4.5%
9	Chongqing	848.0	4.1%
10	Liaoning	846.2	4.1%
11	Shanxi	813.4	3.9%
12	Hubei	781.5	3.8%
13	Sichuan	780.1	3.8%
14	Jilin	670.2	3.2%
15	Hebei	654.9	3.2%
16	Zhejiang	567.3	2.7%
17	Inner Mongolia	492.0	2.4%
18	Gansu	444.5	2.2%
19	Guangxi Zhuang Autonomous Region	364.0	1.8%
20	Shaanxi	352.5	1.7%

List of completed projects of the Group for 2014

No.	Province	Area ('000 m^2)	Percentage
21	Hainan	257.9	1.2%
22	Xinjiang uygur autonomous region	243.5	1.2%
23	Tianjin	227.9	1.1%
24	Guizhou	226.7	1.1%
25	Ningxia Hui Autonomous Region	185.4	0.9%
26	Yunnan	146.7	0.7%
27	Qinghai	74.3	0.4%
	Total	20,634.7	100%

CORPORATE SOCIAL RESPONSIBILITY

The Group accumulatively provided high quality residential properties with good value for hundreds and thousands of households in the past 17 years, and has completed an aggregated gross floor area of more than 70 million square meters of various properties. While developing its own business, the Group has also agreed to donate over RMB2 billion to charitable activities. Just for the year of 2014, the project under construction with a gross floor area of 43 million square meters provided more than 700,000 job positions for workers in China and made a contribution to the local economic development and employment.

In 2014, the Group has always been actively committed to social responsibilities and deeply devoted to fully supporting charitable activities, such as livelihood, sports and environmental protection. In March, the Group donated RMB30 million to China Children and Teenagers' Fund to support the development of child charities in China, which shows the Group's perseverance in fighting poverty and helping needy people. The Group also actively participated in disaster relief activities. The Group donated and delivered 12,000,000 bottles of Evergrande spring water in 500,000 cartons to victims in the disaster area in Lanzhou immediately after the occurrence of the water Pollution incidents, and all bottled water were distributed within 65 hours; in July, Hainan province suffered a disaster of typhoon, the Group donated RMB10 million immediately after the disaster to help the home rebuilding for victims; in August, Yunnan Province suffered from an earthquake, the Group donated RMB10 million in cash and 2 million bottles of Evergrande spring water to victims in disaster area in Ludian County, Zhaotong City, Yunnan Province through China Foundation for Poverty Alleviation.

With respect to environmental construction, the Group always adopts strategies in combination of technology innovation and industrial development, insisting on delivering well-decorated properties to purchasers in order to reduce the second environment pollution due to decoration. By cooperation with hundreds of strategic partners in upstream and downstream industry chains, the Group applied advanced technologies for all procedures from design to construction, thus promoted the product quality and environment protection. In 2014, the Group further optimized the major types of unit and successfully designed 20 new types of unit conformed to modern requirements, and enhanced regional suitability, quality and efficiency of environmental protection of properties. The Group also established Harvard - Evergrande Environmental Construction Research Center (哈佛恒大綠色建築研究中心) with Harvard University, and jointly established a research institute with Tsinghua University to carry out study on sustainable and efficient environmental construction.

With respect to sports and culture aspects, the Group strategically cooperates with Alibaba and established an international first-class football club. Evergrande Football Club is the first football team which has obtained four consecutive championships in China Football Association Super League. Evergrande Football School established a college in Spain and adopted educational pattern used in Royal Madrid Soccer School to cultivate talents for the country. For the cultural industry, cultural companies under the Group has produced several blockbuster movies, and successfully held 24 "Evergrande Starlight" music carnivals and large-scale parties under the name of Evergrande Spring, which promoted the development of China's cultural undertakings.

AWARDS

During the year, the Group, again, won multiple awards. In the assessment of the Top 500 China Real Estate Developers, the Group ranked second in the Top 500 China Real Estate Developers for four consecutive years, first in China Real Estate Development Enterprise Comprehensive Development Top 10, first in the Top 10 City Coverage's Real Estate Developers in China, first in Top 10 Real Estate Development Enterprises in China in terms of Innovation Capability, first in China Real Estate Development Enterprise Tourism Real Estate Top 10 and first in the Top 10 China Real Estate Developers by Corporate Social Responsibility. In the selection of the "Top 10 Listed Real Estate Developers in China by Integrated Capability 2014" jointly held by the corporate research institute under the State Development Research Centre of the State Council, the real estate research institute of Tsinghua University and the China Index Academy, the Group is one of the companies in Top 10 China Real Estate Brand Value, and ranked in the first in the Top 10 China Real Estate Companies Listed in Hong Kong by Integrated Capability for three consecutive years and first in the Top 10 Investment Value for the third time.

HUMAN RESOURCES

As at 31 December 2014, the Group had a total of 77,057 employees, of which approximately 90% from property development stream are graduates with bachelor's degree or above.

During 2014, the Group hired a total of 1,807 fresh graduates, among which, 357 were from the top 10 domestic universities in terms of comprehensive ranking including Peking University and Tsinghua University. An aggregate of 9,270 talents with management and technology skills were hired from the society during the year. Each department of the Group organized approximately 346 training sessions and professional seminars for staffs throughout the year and trained approximately 22,083 staffs in aggregate. The total trainings amounted to approximately 1,381 hours with approximately 4 hours per session.

The Group firmly believes that talents are the most important corporate resources, and has been adhering to a people-oriented human resources development strategy. This helped the Group in creating a harmonious working environment and positive interaction between the Group and its staffs. During the year, total staff cost (including directors' emoluments) of the Group was approximately RMB7.9 billion (corresponding period of 2013: approximately RMB5.9 billion).

FINAL DIVIDEND

The Board recommended a final dividend for the year ended 31 December 2014 of RMB0.43 per share to shareholders whose names appear on the register of members on 18 June 2015. The final dividend will be paid on or before 3 July 2015.

The payment of the Final Dividend is subject to the approval by the shareholders of the Company at the forthcoming annual general meeting.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held on 12 June 2015. A notice convening the annual general meeting of the Company will be published and dispatched to the shareholders of the Company in the manner required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the annual general meeting, the register of members of the Company will be closed from 10 June 2015 to 12 June 2015, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the annual general meeting, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 9 June 2015.

For determining entitlement to the proposed final dividend, the register of members of the Company will be closed from 18 June 2015 to 23 June 2015, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the final dividend, all share transfers, accompanied by the relevant share certificates must be lodged with the Company's share registrar and transfer office, Computershare Hong Kong Investor Services Limited, Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on 17 June 2015.

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

During 2014, the Company had repurchased from the market a total of 1,763,128,100 shares of the Company at price ranging from HK$2.80 to HK$3.64 per share with an aggregate consideration of HK$5,849,782,895. All the repurchased shares have been cancelled. The Directors believe that the repurchases of shares would lead to an enhancement of the net value of the Group and its assets and/or its earnings per share. Details of the repurchases of the shares of the Company are as follows:

Month of repurchase	Number of shares repurchased	Highest price per share *(HK$)*	Lowest price per share *(HK$)*	Aggregate purchase price *(HK$)*
January 2014	354,447,000	3.10	2.80	968,497,350
February 2014	1,248,399,100	3.64	3.11	4,335,964,013
July 2014	160,282,000	3.51	3.25	545,321,532
	1,763,128,100			5,849,782,895

During the year, the Company has early redeemed in full the US$1,350,000,000 13% senior notes due 2015, which were listed on the Singapore Stock Exchange, at a redemption amount equals to 100% of its principal amount (plus accrued and unpaid interests of US$50.92 on the note of US$1,000 each). Please refer to the announcement of the Company dated 16 October 2014 for details of the early redemption.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2014.

SUBSEQUENT EVENTS

On 10 February 2015, the Company announced the issue of US$1 billion 12% senior notes due 2020. The notes are listed on the Singapore Stock Exchange. The issue of the notes raised fund of approximately US$995 million and was used to refinance the existing indebtedness of the Group.

On 27 February 2015, the Group acquired 647,950,000 shares of a Hong Kong listed company, New Media Group Holdings Limited ("New Media"), which representing approximately 74.99% of the existing issued shares of the New Media, at a consideration of HK$950,000,000 (approximately equivalent to RMB753,017,000).

MODEL CODE ON SECURITIES TRANSACTIONS CONDUCTED BY THE DIRECTORS

The Group has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set forth in Appendix 10 of the Listing Rules as the code of conduct for securities transactions conducted by the directors. Having made due and careful enquiries with the directors, the Company confirmed that for the year ended 31 December 2014, all directors always abided by the Model Code.

REVIEW OF CONSOLIDATED FINANCIAL INFORMATION

The Audit Committee of the Company consists of all of the independent non-executive directors of the Company, Mr. Chau Shing Yim, David, Mr. He Qi and Ms. Xie Hongxi. The Audit Committee assists the Board in providing an independent review of the completeness, accuracy and fairness of the financial statements of the Group, as well as the efficiency and effectiveness of the Group' s operations and internal controls. The Audit Committee has reviewed the annual results of the Group for the year ended 31 December 2014.

ANNOUNCEMENT OF FULL YEAR RESULTS ON THE STOCK EXCHANGE' S WEBSITE AND THE COMPANY' S WEBSITE

The announcement of full year results has been published on the Company's website (http://www.evergrande.com) and the website designated by the Stock Exchange (http://www.hkexnews.hk).

ACKNOWLEDGEMENT

The steady development of the Group has always been trusted and supported by its shareholders, investors and business partners as well as the loyalty of our staff members. On behalf of the Board, I express my heartfelt gratitude.

By order of the Board
Evergrande Real Estate Group Limited
Hui Ka Yan
Chairman

Hong Kong, 30 March 2015

As at the date of this announcement, the executive directors are Mr. Hui Ka Yan, Mr. Xia Haijun, Ms. He Miaoling, Mr. Tse Wai Wah, Mr. Xu Wen and Mr. Huang Xiangui, and the independent non-executive directors are Mr. Chau Shing Yim, David, Mr. He Qi and Ms. Xie Hongxi.