TIMES PROPERTY HOLDINGS LIMITED
時代地產控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1233)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

ANNUAL RESULTS HIGHLIGHTS

– Contracted sales for the year increased to RMB15.2 billion, representing an increase of 37.8%;

– Profit for the year increased to RMB1,353.7 million, representing an increase of 39.0%;

– Core net profit for the year (profit for the year excluding changes in fair value of investment properties and the impact of the related deferred tax) increased to RMB1,310.3 million, representing an increase of 39.0%;

– Gross profit margin and net core profit margin for the year improved to 30.6% and 12.6% respectively;

– Recognised revenue for the year increased to RMB10,418.9 million, representing an increase of 7.5%;

– Basic earnings per share for the year of RMB74 cents;

– Cash and bank balances of RMB5.4 billion as of 31 December 2014;

– Short-term interest-bearing bank loans and other borrowings of RMB1,786.3 million as of 31 December 2014.

– The Board proposed a final dividend of RMB14.34 cents per share for the year ended 31 December 2014, a total of approximately RMB247 million, representing approximately 20% of the profit for the year attributable to owners of the Company (excluding changes in fair value of investment properties and the impact of the related deferred tax).

RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Times Property Holdings Limited (the "**Times Property**" or the "**Company**") is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2014 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2014

	Notes	**2014**	2013
		RMB'000	*RMB'000*
REVENUE	4	**10,418,948**	9,694,735
Cost of sales		**(7,232,639)**	(7,354,711)
GROSS PROFIT		**3,186,309**	2,340,024
Other income and gains	4	**104,526**	78,700
Selling and marketing costs		**(483,398)**	(411,137)
Administrative expenses		**(304,343)**	(285,629)
Other expenses		**(40,482)**	(16,493)
Finance costs	6	**(231,959)**	(87,706)
Share of profits and losses of associates		**4,160**	2,371
PROFIT BEFORE TAX	5	**2,234,813**	1,620,130
Income tax expense	7	**(881,131)**	(646,200)
PROFIT FOR THE YEAR		**1,353,682**	973,930
Attributable to:			
Owners of the Company	8	**1,279,026**	987,022
Non-controlling interests		**74,656**	(13,092)
		1,353,682	973,930
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	8		
Basic		**RMB74 cents**	RMB75 cents
Diluted		**RMB72 cents**	RMB75 cents

Details of the dividends payable and proposed for the year are disclosed in note 9.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2014

	2014	2013
	RMB'000	*RMB'000*
PROFIT FOR THE YEAR	**1,353,682**	973,930
OTHER COMPREHENSIVE INCOME		
Other comprehensive loss to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(21,562)**	(9,748)
OTHER COMPREHENSIVE LOSS FOR THE YEAR	**(21,562)**	(9,748)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**1,332,120**	964,182
Attributable to:		
Owners of the Company	**1,257,464**	977,274
Non-controlling interests	**74,656**	(13,092)
	1,332,120	964,182

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

	Notes	**2014**	2013
		RMB'000	*RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**885,012**	633,806
Prepaid land lease payments		**1,385,474**	1,385,474
Investment properties		**1,397,940**	1,582,000
Investments in associates		**49,465**	45,304
Available-for-sale investment		**20,000**	—
Deferred tax assets		**209,574**	84,737
Total non-current assets		**3,947,465**	3,731,321
CURRENT ASSETS			
Prepaid land lease payments		**1,041,121**	755,881
Properties under development		**17,304,980**	13,217,733
Completed properties held for sale		**1,777,273**	803,464
Trade receivables	10	**1,224,877**	472,532
Prepayments, deposits and other receivables		**1,872,581**	1,895,624
Amount due from an associate		**222,110**	70,210
Available-for-sale investments		**—**	3,100
Tax prepayments		**276,560**	222,349
Restricted bank deposits		**2,691,848**	1,946,083
Cash and cash equivalents		**2,725,737**	1,721,481
Total current assets		**29,137,087**	21,108,457
CURRENT LIABILITIES			
Trade payables	11	**3,556,068**	2,413,862
Other payables and accruals		**10,717,343**	9,392,801
Interest-bearing bank loans and other borrowings		**1,786,277**	1,977,494
Tax payable		**937,256**	397,896
Total current liabilities		**16,996,944**	14,182,053
NET CURRENT ASSETS		**12,140,143**	6,926,404
TOTAL ASSETS LESS CURRENT LIABILITIES		**16,087,608**	10,657,725

	2014	2013
	RMB'000	*RMB'000*
NON-CURRENT LIABILITIES		
Interest-bearing bank loans and other borrowings	**9,005,104**	5,425,054
Convertible Bonds	**318,105**	—
Deferred tax liabilities	**1,047,344**	1,224,250
Total non-current liabilities	**10,370,553**	6,649,304
Net assets	**5,717,055**	4,008,421
EQUITY		
Equity attributable to owners of the Company		
Share capital	**135,778**	135,778
Reserves	**5,055,304**	3,669,965
Proposed final dividend	**247,135**	188,486
	5,438,217	3,994,229
Non-controlling interests	**278,838**	14,192
Total equity	**5,717,055**	4,008,421

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2014

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands on 14 November 2007 under the name of Times Property (Holdings) Co., Limited as an exempted company with limited liability under the Companies Law, Cap 22 of the Cayman Islands. Pursuant to a special resolution passed on 24 January 2008, the Company's name was changed from Times Property (Holdings) Co., Limited to Times Property Holdings Limited. The registered office address is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. During the year, the Company's subsidiaries were mainly involved in property development, property leasing and property management in the People's Republic of China (the "PRC").

In the opinion of the directors, the immediate holding company of the Company is Asiaciti Enterprises Ltd. ("Asiaciti"), which was incorporated in the British Virgin Islands ("BVI") and the ultimate holding company is Renowned Brand Investments Limited ("Renowned Brand"), which was incorporated in BVI. Renowned Brand is wholly owned by Mr. Shum Chiu Hung ("Mr. Shum"), the Founder of the Group.

The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited ("SEHK") on 11 December 2013.

2.1 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRSs") (which comprise all International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations) issued by the International Accounting Standards Boards Committee and accounting principles generally accepted in Hong Kong. These consolidated 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 consolidated financial statements have been prepared under the historical cost convention, except for investment properties, the embedded financial derivative component of the Convertible Bonds and certain available-for-sale investments, which have been measured at fair value. The consolidated financial statements are presented in Renminbi ("RMB") 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 (collectively referred to as the "Group") 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 IFRS 10, IFRS 12 and IAS 27 (2011)	*Investment Entities*
Amendments to IAS 32	*Offsetting Financial Assets and Financial Liabilities*
Amendments to IAS 39	*Novation of Derivatives and Continuation of Hedge Accounting*
IFRIC 21	*Levies*
Amendments to IFRS 2 included in *Annual Improvements 2010-2012 Cycle*	*Definition of Vesting Condition*[1]
Amendments to IFRS 3 included in *Annual Improvements 2010-2012 Cycle*	*Accounting for Contingent Consideration in a Business Combination*[1]
Amendments to IFRS 13 included in *Annual Improvements 2010-2012 Cycle*	*Short-term Receivable and Payables*
Amendments to IFRS 1 included in *Annual Improvements 2011-2013 Cycle*	*Meaning of Effective IFRSs*

[1] Effective from 1 July 2014

The adoption of the revised standards and new interpretation has had no significant financial effect on these financial statements.

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

IFRS 9	*Financial Instruments*[4]
Amendments to IFRS 10 and IAS 28	*Sales or Contribution of Assets between an Investor and its Associate or Joint Venture*[2]
Amendments to IFRS 11	*Accounting for Acquisitions of Interests in Joint Operation*[2]
IFRS 14	*Regulatory Deferral Accounts*[5]
IFRS 15	*Revenue from Contracts with Customers*[3]
Amendments to IAS 16 and IAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*[2]
Amendments to IAS 16 and IAS 41	*Agriculture: Bearer Plants*[2]
Amendments to IAS 19	*Defined Benefit Plans: Employee Contributions*[1]
Amendments to IAS 27	*Equity Method in Separate Financial Statements*[2]
Amendments to IAS 1	*Disclosure Initiative*[2]
Amendments to IFRS 10, IFRS 12 and IAS 28 (2011)	*Investment Entities: Applying the Consolidation Exception*[2]
Annual Improvements 2010-2012 Cycle	*Amendments to a number of IFRSs*[1]
Annual Improvements 2011-2013 Cycle	*Amendments to a number of IFRSs*[1]
Annual Improvements 2012-2014 Cycle	*Amendments to a number of IFRSs*[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 IFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Group

The Group is in the process of making an assessment of the impact of these new and revised IFRSs upon initial application. So far, the Group considers that these new and revised IFRSs may result in changes in accounting policies but are unlikely to have a significant impact on the Group's results of operations and financial position.

In addition, the new 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 assessment of the impact of these change.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into the following reportable operating segments:

(a) Property development: Development and sale of properties

(b) Property leasing: Property leasing (including lease of self-owned properties and sublease of leased properties)

(c) Property management: Provision of property and hotel management services

(d) Others: Supermarket operation, an incidental and non-core business of the Group[#]

[#] Foshan Zhide Wangu Supermarket Co., Ltd., the subsidiary of the Group operating the supermarket, was disposed in the first quarter of 2013.

The property development projects undertaken by the Group during the year were all located in the PRC.

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 interest income, finance costs, share of profits and losses of associates, as well as head office and corporate income and expenses are excluded from this measurement.

The Group's revenue from external customers is derived solely from its operations in the PRC, and no non-current assets of the Group are located outside the PRC.

Segment assets exclude deferred tax assets, tax prepayments, available-for-sale investment, restricted bank deposits, cash and cash equivalents and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude tax payable, deferred tax liabilities, interest-bearing bank loans and other borrowings, Convertible Bonds and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

During the year, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

Year ended 31 December 2014	Property development	Property leasing	Property management	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Segment revenue				
Sales to external customers	**10,094,519**	**196,545**	**127,884**	**10,418,948**
Segment results	**2,402,009**	**72,299**	**(2,002)**	**2,472,306**
Reconciliation:				
Interest income				**17,900**
Unallocated corporate expense				**(27,594)**
Finance costs				**(231,959)**
Share of profits and losses of associates				**4,160**
Profit before tax				**2,234,813**
Segment assets	**24,569,232**	**2,296,916**	**23,110**	**26,889,258**
Reconciliation:				
Unallocated assets				**6,195,294**
Total assets				**33,084,552**
Segment liabilities	**13,909,081**	**274,437**	**89,893**	**14,273,411**
Reconciliation:				
Unallocated liabilities				**13,094,086**
Total liabilities				**27,367,497**
Other segment information				
Depreciation	**(18,804)**	**(42,390)**	**(320)**	**(61,514)**
Fair value gains on investment properties	**—**	**57,800**	**—**	**57,800**

Year ended 31 December 2013	Property development	Property leasing	Property management	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Segment revenue					
Sales to external customers	9,443,320	154,412	97,003	—	9,694,735
Segment results	1,707,737	30,856	4,990	676	1,744,259
Reconciliation:					
Interest income					9,574
Unallocated corporate expense					(48,368)
Finance costs					(87,706)
Share of profits and losses of associates					2,371
Profit before tax					1,620,130
Segment assets	18,540,619	2,185,019	20,876	—	20,746,514
Reconciliation:					
Unallocated assets					4,093,264
Total assets					24,839,778
Segment liabilities	11,506,794	247,485	52,384	—	11,806,663
Reconciliation:					
Unallocated liabilities					9,024,694
Total liabilities					20,831,357
Other segment information					
Depreciation	(14,529)	(40,853)	(266)	—	(55,648)
Fair value gains on investment properties	—	42,000	—	—	42,000

4. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the gross proceeds from the sale of properties, gross rental income received and receivables and property management fee income, net of business tax and surcharges during the year.

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

	2014	2013
	RMB'000	*RMB'000*
Revenue		
Sale of properties	**10,094,519**	9,443,320
Gross rental income		
from: lease of self- owned properties	**42,574**	40,112
sublease of leased properties	**153,971**	114,300
Property management fee income	**127,884**	97,003
	10,418,948	9,694,735
Other income		
Bank interest income	**17,900**	6,435
Other interest income	**—**	3,139
Others	**11,374**	8,310
	29,274	17,884
Gains, net		
Gain on acquisition of a subsidiary	**—**	7,685
Gain on disposal of subsidiaries	**—**	1,414
Fair value gains on investment properties	**57,800**	42,000
Foreign exchange gain, net	**6,714**	9,717
Gain on early repayment of debts to independent investors (note)	**10,738**	—
	75,252	60,816
	104,526	78,700

Note: On 6 January 2014, the Company settled all outstanding instalments under the restructuring deed dated 12 July 2013 entered into by and among the Company, Mr. Shum, Asiaciti, Renowned Brand, East Profit Management Limited and Highup Holdings Limited in full ahead of the repayment schedule, the details of which were set out in the announcement made by the board of directors of the Company on 7 January 2014.

5. PROFIT BEFORE TAX

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

	2014	2013
	RMB'000	*RMB'000*
Cost of properties sold	**7,006,867**	7,201,640
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	**3,146**	3,922
Direct operating expenses (including rental and depreciation of leasehold improvements) arising on the subleasing business	**102,154**	69,674
Cost of property management service provided	**120,472**	81,140
Depreciation	**61,514**	55,648
Changes in fair value of investment properties	**(57,800)**	(42,000)
Auditors' remuneration	**4,911**	3,588
Employee benefit expense (excluding directors' remuneration):		
Wages and salaries	**299,462**	229,223
Pension scheme contributions	**13,408**	13,039
Less: Amount capitalised in properties under development	**(166,176)**	(148,894)
	146,694	93,368
Minimum lease payments under operating leases regarding office premises and leased properties for the subleasing business	**90,906**	81,318
Reversal of impairment of completed properties held for sale	**—**	(1,665)
Reversal of impairment of prepayments, deposits and other receivables	**—**	(1,000)
Loss on disposal of items of property, plant and equipment	**235**	34
Gain on acquisition of a subsidiary	**—**	(7,685)
Gain on early repayment of debts to independent investors	**(10,738)**	—
Rental income on investment properties less direct operating expenses of RMB3,146,000 (2013: RMB3,922,000)	**(39,428)**	(36,190)
Fair value loss on available-for-sale investments (transfer from equity on disposal)	**646**	—
Fair value loss on derivative component of the Convertible Bonds	**4,767**	—

6. FINANCE COSTS

	2014	2013
	RMB'000	*RMB'000*
Interest expense	**1,189,069**	612,016
Less: Interest capitalised	**(957,110)**	(524,310)
	231,959	87,706

7. INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and BVI, the entities of the Group which were incorporated in the Cayman Islands and BVI are not subject to any income tax. The Group was not liable for income tax in Hong Kong as the Group did not have any assessable income arising in Hong Kong during the year.

PRC corporate income tax

The PRC corporate income tax ("CIT") in respect of operations in Mainland China has been calculated at the applicable tax rate on the estimated assessable profits for each of the year, based on the existing legislation, interpretations and practices in respect thereof.

Except for Guangzhou Ruixian Landscaping Co., Ltd. ("Guangzhou Ruixian"), Fogang Shengxin Water and Electricity Garden Engineering Co., Ltd. ("Fogang Shengxin") and Fogang Bairui Decoration Engineering Co., Ltd. ("Fogang Bairui"), other subsidiaries of the Group operating in Mainland China are subject to the PRC corporate income tax rate of 25% during the year. Corporate income tax for Guangzhou Ruixian, Fogang Shengxin and Fogang Bairui is levied on a deemed basis at a rate of 2.5% of their respective revenue amounts.

PRC land appreciation tax

According to the requirements of the Provisional Regulations of the PRC on Land Appreciation Tax ("LAT") (中華人民共和國土地增值稅暫行條例) effective from 1 January 1994 and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT (中華人民共和國土地增值稅暫行條例實施細則) effective from 27 January 1995, all income from the sale or transfer of state-owned land use rights and buildings in the PRC (being the proceeds of sales of properties less deductible expenditures including borrowing costs and property development expenditures) is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation of land value with an exemption provided for property sales of ordinary residential properties (普通標準住宅) if their appreciation values do not exceed 20% of the sum of the total deductible items.

During the year, the Group estimated and made provision for LAT according to the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon completion of the property development projects and the LAT determined by the tax authorities might be different from the basis on which the provision for LAT is calculated.

	2014	2013
	RMB'000	*RMB'000*
Current:		
PRC CIT	**677,864**	490,815
LAT	**538,414**	244,216
Overprovision of LAT in prior periods	**(33,404)**	—
Deferred	**(301,743)**	(88,831)
Total tax charge for the year	**881,131**	646,200

A reconciliation of the tax expense applicable to profit before tax using the statutory tax rate to the tax expense at the effective tax rate, and a reconciliation of the applicable rate (i.e., the statutory tax rate) to the effective tax rate, are as follows:

	2014		2013	
	RMB'000	*%*	*RMB'000*	*%*
Profit before tax	**2,234,813**		1,620,130	
Tax at the PRC statutory tax rate	**558,703**	**25.0**	405,033	25.0
Effect of different income tax regimes of certain companies	**177**	**—**	2,822	0.2
Income not subject to tax	**(1,471)**	**(0.1)**	(1,921)	(0.1)
Expenses not deductible for tax	**39,157**	**1.8**	14,702	0.9
Provision for LAT	**361,202**	**16.1**	244,216	15.1
Tax effect of LAT	**(90,300)**	**(4.0)**	(61,054)	(3.8)
Tax losses not recognised	**30,385**	**1.4**	14,483	0.9
Tax losses utilised from previous periods	**(31,052)**	**(1.4)**	—	—
Profits and losses attributable to associates	**(1,040)**	**(0.1)**	(593)	—
Withholding taxes on undistributed profits of the subsidiaries in the PRC	**15,370**	**0.7**	28,512	1.8
Tax charge at the Group's effective rate	**881,131**	**39.4**	646,200	40.0

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amounts is based on the profit attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares of 1,722,960,000 (2013: 1,315,822,000) in issue during the year.

	2014	2013
Profit attributable to ordinary equity holders of the Company (RMB'000)	**1,279,026**	987,022
Weighted average number of ordinary shares in issue (in thousands)	**1,722,960**	1,315,822
Basic earnings per share (RMB cents per share)	**74**	75

The weighted average number of shares in issue during the year ended 31 December 2013 is based on the assumption that 1,292,220,000 shares were in issue as if the 1,292,219,799 shares issued by capitalisation of share premium account for allotment and issue to Asiaciti on 11 December 2013 were outstanding throughout the entire period presented.

The diluted earnings per share amount is calculated by adjusting the profit attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares into ordinary shares. The Company's dilutive potential ordinary shares are derived from the Convertible Bonds. In calculating the diluted earnings per share, the Convertible Bonds are assumed to have been converted into ordinary shares, and the net profit is adjusted to eliminate the interest expenses charged to the consolidated statement of profit or loss and the fair value loss on embedded financial derivatives less the tax effect, if applicable.

	2014	2013
Profit attributable to ordinary equity holders of the Company (RMB'000)	**1,279,026**	987,022
Interest expenses charged to the consolidated statements of profit or loss for the year (RMB'000)	**—**	—
Change in fair value of the derivatives component of the Convertible Bonds (RMB'000)	**4,767**	—
Profit used to determine diluted earnings per share (RMB'000)	**1,283,793**	987,022
Weighted average number of ordinary shares in issue (in thousands)	**1,722,960**	1,315,822
Assumed conversion of Convertible Bonds (in thousands)	**48,291**	—
Weighted average number of ordinary shares for diluted earnings per share (in thousands)	**1,771,251**	1,315,822
Diluted earnings per share (RMB cents per share)	**72**	75

9. DIVIDENDS

The 2013 proposed a final dividend totalling RMB188,486,000 of RMB10.94 cents per share was approved by the Company's shareholders at the annual general meeting on 30 April 2014 and was distributed in May 2014.

The board of directors recommended the payment of a final dividend of RMB14.34 cents per share for the year ended 31 December 2014 (2013: RMB10.94 cents).

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

10. TRADE RECEIVABLES

The Group's trade receivables mainly arise from the sale of properties. Considerations in respect of the properties sold are payable by the purchasers in accordance with the terms of the related sale and purchase agreements. Trade receivables are non-interest-bearing. The carrying amounts of trade receivables approximate to their fair values due to their short-term maturity.

An aged analysis of the trade receivables as at the end of the reporting period is as follows:

	2014	2013
	RMB'000	*RMB'000*
Within 3 months	**1,087,096**	461,843
4 to 6 months	**6,148**	796
7 to 12 months	**13,612**	6,870
Over 1 year	**118,021**	3,023
	1,224,877	472,532

The balances of the trade receivables as at 31 December 2014 and 2013 were neither past due nor impaired and related to a large number of diversified customers for whom there was no recent history of default.

11. TRADE PAYABLES

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

	2014	2013
	RMB'000	*RMB'000*
Within 1 year	**2,681,934**	1,906,519
Over 1 year	**874,134**	507,343
	3,556,068	2,413,862

The trade payables are unsecured, non-interest-bearing and repayable within the normal operating cycle or on demand.

The fair values of trade payables at the end of the reporting period approximated to their corresponding carrying amounts due to their relatively short maturity terms.

CHAIRMAN'S STATEMENT

Dear Shareholders,

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

1. PERFORMANCE

For the year ended 31 December 2014, the Group recorded revenue of RMB10,419 million, profit for the year amounted to RMB1,354 million, earnings attributable to owners of the Company as high as RMB1,279 million and basic earnings per share of RMB74 cents. The Board recommends the payment of a final dividend of RMB14.34 cents per share. During 2014, the Group achieved contracted sales of RMB15.2 billion, representing an increase of 37.8% over the last year.

2. REVIEW OF YEAR 2014

Year 2014 marked the entering into a new norm of China's marco economy and adjustment of the cyclical fluctuations of the property market. For the property market of China, it was also a year of transitioning from central administration to a more market oriented operation. In the past year, despite of a relatively weak market sentiment across the country, the Group managed to achieve satisfactory results due to its clearly-defined strategy, efficient execution of the strategy and proactive marketing efforts.

Facing restructuring of the industry, the Group achieved rapid growth in sales and profit. For the year ended 31 December 2014, the Group recorded contracted sales of RMB15.2 billion, overfulfilling its annual sales target and representing a year-on-year growth of 37.8%. In addition, profit for the year significantly increased by RMB380 million, representing an increase of 39% over the last year.

The Group adhered to its strategy of deepening its foothold in the key cities in the Pearl River Delta such as Guangzhou, Foshan and Zhuhai. The sales in respect of the Pearl River Delta Metropolitan Area accounted for 98.6% of total sales of the Group. The sales in respect of the tier-one city, Guangzhou increased by 56.1% year-on-year, accounting for 51.7% of the total sales of the Group.

The Group actively expanded its land reserve through various means, including participation in government's land auctions, city redevelopment projects, greenfield development projects, cooperation with other parties and acquisition of target companies, which laid a solid foundation for obtaining sufficient supply of land. During the last year, the Group adhered to our prudent strategy of investing in the economically developed cities in the Pearl River Delta region such as Guangzhou and Foshan. During the year, the Group acquired a total of 9 land parcels of a planned gross floor area ("GFA") of 1.1 million square meters.

Meanwhile, the Group continued its prudent financial strategy while ensuring sufficient land reserve and units available for sale. It also expanded its financing channels by leveraging on overseas platforms, which helped improve our debt structure. In 2014, the Group raised approximately USD600 million by issuance of senior notes and convertible bonds. Such expansion of financing channels helped guarantee the provision of sufficient funds for the Group and therefore was favorable to our continuous growth of business size and profitability. As of 31 December 2014, the proportion of the Group's short-term borrowings out of total borrowings decreased to 16.6% from 27% in 2013.

3. OUTLOOK FOR YEAR 2015

At the end of 2014, with the central government's stabilizing economic measures stepping up and the property market picking up, the outlook is positive for the Group's overall performance in 2015. Looking forward into 2015, the growth of China economy will remain stable. It is expected that with improving credit and market sentiments, the real estate market will present a more favorable growth environment in 2015.

Technological innovations will bring changes to all industries in the future. The development of big data, mobile internet and smart technology will change our lives fundamentally in the future. I strongly believe that brand new development opportunities lie ahead of the real estate industry. In 2015, the Group will continue to adhere to the strategies of focusing on selected regions, residential business and customers with robust demands and improvement-oriented demands, and to achieve sustainable growth in size in such way with high turnover rate and high sell-through rate. In addition, the Group will actively take part in the redevelopment of the cities in the Pearl River Delta region in a bid to obtain quality land reserve. The Group will also put more efforts to enhance our community services. In particular, we will adopt online and offline operation modes to provide better and more convenient services to the purchasers of our projects.

4. ACKNOWLEDGMENT

Year 2014 marked the 15th anniversary of the establishment of our Group. On behalf of the Board, I would like to take this opportunity to extend our gratitude to the purchasers of our projects, all employees, business partners and investors of Times Property for their support and trust.

Looking ahead, Times Property will adhere to its mission of "empowering more people to live with a lifestyle they are seeking for" and continue to pursue its operational philosophy of "surprising our customers with quality and moving our customers with our services". Meanwhile, we will strive to create the highest value for our shareholders and provide better products and services to the purchasers of our projects.

Shum Chiu Hung
Chairman of the Board, Executive Director and Chief Executive Officer

6 February 2015

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the year ended 31 December 2014, the Group recorded a total revenue of RMB10,418.9 million, representing an increase of 7.5% when compared with that of the year ended 31 December 2013. Profit for the year amounted to RMB1,353.7 million, representing an increase of 39% when compared with year 2013. The net profit for the year ended 31 December 2014, excluding change in fair values of investment properties and net of deferred tax, increased to RMB1,310.3 million, representing an increase of 39% when compared with that of year 2013. Profit attributable to owners of the Company amounted to RMB1,279.0 million, representing an increase of 29.6% as compared to that in 2013. Basic earnings per share were RMB74 cents (2013: RMB75 cents).

The Board recommended the payment of a final dividend of RMB14.34 cents per share.

Property Development

The Group has established an extensive foothold in Guangdong Province and brought successful product to Changsha of Hunan Province. During year 2014, the Group had in total 27 major projects on various stages, including 26 projects in major cities of Guangdong Province, namely, Guangzhou, Foshan, Zhongshan, Zhuhai and Qingyuan, and 1 project in Changsha, Hunan Province. For the year ended 31 December 2014, although there were obvious signs showing the real estate market of China had entered into a phase of correction with structural imbalance of demand and supply and tighter bank liquidity, with projects situated in prime locations delivered with property quality and monitored by experienced management team, the Group still managed to accomplish expected contracted sales for the year. For the year ended 31 December 2014, the Group's contracted sales(1) amounted to approximately RMB15.2 billion with total GFA of approximately 1,396,333 sq.m.. The Group focuses in its projects on peripheral facilities, seeking to enhance customers' experience in art and to fulfill needs of the middle to upper class households. The table below illustrates the contracted sales achieved by the Group by region for the year ended 31 December 2014:

Note 1: Contracted sales is summarised based on sale and purchase agreements and purchase confirmation agreements.

Region	Available for sales project numbers	Contracted sales area	Contracted sales area	Contracted sales amount	Contracted sales amount
		(sq.m.)	*(%)*	*(RMB million)*	*(%)*
Guangzhou	9	473,175	34	7,850.7	52
Foshan	5	334,041	24	2,737.6	18
Zhuhai	5	245,574	18	2,415.5	16
Zhongshan	3	196,429	14	1,414.7	9
Changsha	1	112,109	8	598.0	4
Qingyuan	1	35,005	2	217.6	1
Total	**24**	**1,396,333**	**100**	**15,234.1**	**100**

The total targeted contracted sales is anticipated to be approximately RMB16.5 billon for the year ending 31 December 2015.

Land Reserves

As of 31 December 2014, we had completed projects with a total GFA of approximately 0.7 million sq.m. and projects under development and projects for future development with a total GFA of approximately 8.7 million sq.m..

The following table sets forth the GFA breakdown of our land reserves by planned use under various stages of development as of 31 December 2014:

Planned Use	Saleable GFA	GFA Under Development and Held For Future Development
	(sq.m.)	*(sq.m.)*
Residential	59,812	7,270,806
Commercial	67,900	315,768
Others[(1)]	568,730	1,148,264
Total GFA	**696,442**	**8,734,838**
Total attributable GFA[(2)]	**683,824**	**8,697,475**

Notes:

(1) "Others" mainly represents car park and saleable ancillary facilities.

(2) "Total attributable GFA" comprises the portion of the total GFA that is attributable to the Group, based on the Group's effective interest in the relevant project.

Portfolio of Property Development Projects

The table below is a summary of the portfolio of property development projects as of 31 December 2014[1].

				Completed		Under development/ future development			
Projects	Project types	Actual/Expected completion dates	Site area	GFA for sale[2] [4]	Other GFA[3]	GFA[4]	Other GFA[3]	Pre-sold	Ownership interest[5]
			(sq.m.)	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(%)*
Guangzhou									
Times Bund	Residential and commercial	2013-2015	92,123	27,787	77,687	31,273	–	5,169	99
Ocean Times	Residential and commercial	2011-2015	354,156	15,484	21,597	217,894	52,985	136,663	100
Times Peanut II	Residential and commercial	2014	30,965	6,691	31,853	–	–	–	70
Times King City (Guangzhou)	Residential and commercial	2014-2015	60,238	932	58,182	98,725	–	98,725	100
Guangzhou Tianhe Project (Pige Factory Project)	Industrial[6]	–	34,325	–	–	–	–	–	100
Guangzhou Tiansi Project (Qingchu Shiliu Gang Project)	Industrial[7]	–	45,579	–	–	–	–	–	70
Guangzhou Wuyang Paint Factory Project	Apartment and commercial	2015	17,480	–	–	59,432	14,668	61,687	50
Times Cloud Atlas (Guangzhou)	Residential and commercial	2016-2017	45,593	–	–	139,519	48,182	61,630	100
Foshan									
Times King City (Shunde)	Residential and commercial	2016-2017	125,782	–	–	320,318	83,952	41,228	100
Times City	Residential and commercial	2010-2017	505,776	3,597	106,772	428,045	89,151	166,819	100
Foshan Stainless Steel Factory Project (phase VII of Times City)	Residential and commercial	2016	12,860	–	–	32,686	8,641	–	100
Times Cloud Atlas (Foshan)	Residential and commercial	2014-2015	37,996	–	–	202,595	54,332	107,031	100
Foshan Fengrui Project	Residential and commercial	2015	34,308	–	–	105,716	34,536	88,236	100
Foshan Denghu Project	Residential and commercial	2016-2017	20,464	–	–	65,383	22,151	–	100
Times Peanut (Foshan)	Residential and commercial	2016-2017	17,148	–	–	44,542	10,929	–	100

Projects	Project types	Actual/Expected completion dates	Site area	Completed		Under development/ future development		Pre-sold	Ownership interest[5]
				GFA for sale[2][4]	Other GFA[3]	GFA[4]	Other GFA[3]		
			(sq.m.)	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(sq.m.)*	*(%)*
Zhongshan									
Times King City (Zhongshan)	Residential and commercial	2013-2015	110,074	40,253	79,730	140,941	19,331	134,413	100
Zhongshan Shiqi Project (Times Cloud Atlas (Zhongshan))	Residential and commercial	2015	46,667	–	–	118,920	28,119	38,142	100
Zhuhai									
Zhuhai Jingrun Project (phase 4 of Times Eolia City)	Residential and commercial	2013-2014	51,003	189	15,065	–	–	–	100
Zhuhai Pingsha Project (Times Harbor (Zhuhai))	Residential and commercial	2015	81,393	–	–	203,652	48,905	147,277	100
Zhuhai Guoji Project (phase 1 of Times King City (Zhuhai))	Residential and commercial	2015	52,950	–	–	140,406	30,950	128,576	100
Zhuhai Baijiao Project (phase 2 and 3 of Times King City (Zhuhai))	Residential and commercial	2016-2017	198,204	–	–	399,114	62,419	48,255	100
Zhuhai Friendship River Project (The Shore (Zhuhai))	Residential and commercial	2016-2017	119,169	–	–	301,655	64,373	21,440	100
Qingyuan									
Times King City (Qingyuan)	Residential and commercial	2014-2018	204,458	7,785	36,667	906,453	199,320	97,399	100
Times Garden (Qingyuan) (Qingyuan Xilong Project)	Residential and commercial	Pending	70,649	–	–	195,869	47,536	–	100
Fogang Shilian Project	Residential and commercial	Pending	551,087	–	–	1,090,746	43,896	–	100
Fogang Huanghua Lake Project	Residential and commercial	Pending	477,020	–	–	943,010	–	–	100
Changsha									
Times King City (Changsha)	Residential and commercial	2013-2020	460,138	15,580	39,172	1,399,680	183,888	64,752	100
Others			–	13,211	98,208	–	–	–	–
Total			**3,857,605**	**131,509**	**564,933**	**7,586,574**	**1,148,264**	**1,447,442**	
Total attributable GFA[8]			**3,820,236**	**129,224**	**554,600**	**7,556,545**	**1,140,930**		

Notes:

(1) The table above includes properties for which (i) the Group has obtained the relevant land use rights certificate(s), but have not obtained the requisite construction permits or (ii) the Group has signed a land grant contract with the relevant government authority, but have not obtained the land use rights certificate(s). The figures for total GFA and saleable are based on figures provided in the relevant governmental documents, such as the property ownership certificate, the construction work planning permit, the pre-sale permit, the construction land planning permit or the land use rights certificate. The categories of information are based on our internal records.

(2) Certain completed projects have no GFA available for sale by the Group as all saleable GFA have been sold, pre-sold or rented out.

(3) "Other GFA" mainly comprises car park and ancillary facilities.

(4) "GFA for sale" and "GFA under developmart and GFA held for future development" are derived from the Group's internal records and estimates.

(5) "Ownership interest" is based on the Group's effective ownership interest in the respective project companies.

(6) We are in the process of converting the land use for Guangzhou Tianhe Project from industrial use to residential and commercial use.

(7) We are in the process of converting the land use for Guangzhou Tiansi Project from industrial use to residential and commercial use.

(8) "Total attributable GFA" comprises the portion of the total GFA that is attributable to us, based on our effective interests in the relevant projects.

As at 31 December 2014, the Group had total land reserves of approximately 9.43 million sq.m., which the Group believes will be sufficient to support the Group's development need in the next three to five years. The table below set forth detailed information of land reserves in major cities the Group entered:

Region	**Reserves** *(sq.m.)*	**Unit cost/sq.m.**
Guangzhou	949,733	2,549
Foshan	1,646,376	1,465
Zhongshan	431,768	1,372
Zhuhai	1,293,800	1,649
Qingyuan	3,471,283	331
Changsha	1,638,320	1,076
Total	**9,431,280**	**1,305**

Acquisitions of Land Parcels during the year

The Group continued to expand its land reserves through various channels, including participations in public land auctions, urban redevelopment projects, primary development, cooperation, and through acquisition of project companies.

For the year ended 31 December 2014, the Group acquired nine parcels of land in Guangzhou, Foshan and Qingyuan, the aggregating land acquisition costs amounted to approximately RMB2,869.6 million, the average land acquisition cost per sq.m. was approximately RMB2,624.7 per sq.m.. The planned GFA at maximum allowed plot ratios attributable to the Group aggregated would be approximately 1,093,293 sq.m..

Month of acquisition	Location	Attributable interest	Site area	Attributable GFA per maximum allowed plot ratio	Land costs
		(%)	*sq.m.*	*sq.m.*	*(RMB in million)*
January 2014	Foshan	100	15,982	95,894	632.8
February 2014	Qingyuan	100	70,649	197,817	197.0
April 2014	Foshan	100	32,156	80,390	154.4
April 2014	Foshan	100	32,060	80,151	153.9
April 2014	Foshan	100	61,566	153,914	295.5
April 2014	Qingyuan	100	84,167	244,086	198.0
June 2014	Guangzhou	100	45,593	136,779	522.5
August 2014	Foshan	100	17,148	42,870	247.5
November 2014	Foshan	100	20,464	61,392	468.0
			379,785	1,093,293	2,869.6

Properties for Leasing and Sub-leasing

As at 31 December 2014, the Group held a GFA of approximately 46,137 sq.m. and 249 car parking spaces at Times Property Center for rental purposes and the GFA for Guangzhou Zhide Commercial Management Co., Ltd. (the "Guangzhou Zhide") and its subsidiary for sub-leasing purposes was approximately 273,042 sq.m.. For the year ended 31 December 2014, the Group's rental income amounted to RMB196.5 million, contributing to 1.9% of the total turnover.

Property Management Services

Property management fee income represents revenue generated from property management services provided in relation to delivered properties. For the year ended 31 December 2014, the Group provided property management services for 30 project phases. Our revenue from property management services increased from RMB97.0 million for the year ended 31 December 2013 to RMB127.9 million for the year ended 31 December 2014. This increase was primarily due to the increase in the number of project phases that we managed with the delivery of the properties we made in year 2014.

Outlook

The Central Government and local governments cautiously monitored the overall supply and demand of property market with reduced administrative intervention and embraced a market-oriented policy approach. The Group still remains optimistic about the prospect of the property market in China and believes the customer demand will remain stable. Deepening of the urbanization policy will also stimulate the market demand. In the future, the Group aims to maximize return for the shareholders of the Company (the "Shareholders") through competitive costing, accumulation of land reserves in areas with high growth potential, strengthening our "Life Stylist" positioning to bring modern and artistic lifestyles to middle to upper class households.

FINANCIAL REVIEW

Revenue

The Group's revenue is primarily generated from property development, property leasing and sub-leasing and property management services, which contributed about 96.9%, 1.9% and 1.2% respectively of the revenue of year 2014. The Group's revenue increased by RMB724.2 million, or 7.5%, to RMB10,418.9 million for the year ended 31 December 2014 from RMB9,694.7 million for the year ended 31 December 2013. This increase was primarily attributable to an increase in revenue from the sale of properties.

The table below sets forth our revenue by operating segments for the years indicated:

	2014		2013	
	RMB		*RMB*	
	in millions	*(%)*	*in millions*	*(%)*
Sale of properties	**10,094.5**	**96.9**	9,443.3	97.4
Rental income	**196.5**	**1.9**	154.4	1.6
Management fee income	**127.9**	**1.2**	97.0	1.0
	10,418.9	**100.0**	9,694.7	100.0

Property development

The Group's revenue from sales of properties increased by RMB651.2 million, or 6.9%, to RMB10,094.5 million for the year ended 31 December 2014 from RMB9,443.3 million for the year ended 31 December 2013. This increase was primarily due to an increase in the average selling price per delivered GFA from approximately RMB8,196 for the year ended 31 December 2013 to approximately RMB12,061 for the year ended 31 December 2014. The projects that contributed substantially to the Group's revenue for 2014 mainly include Times Bund (Guangzhou), Ocean Times (Guangzhou), Times Peanut II (Guangzhou), Times City, Times King City (Zhongshan) and Times Eolia City (Zhuhai) Phase IV.

Property leasing and sub-leasing

The Group's gross rental income increased by RMB42.1 million, or 27.3%, to RMB196.5 million for the year ended 31 December 2014 from RMB154.4 million for the year ended 31 December 2013. This increase was primarily due to the increase in the occupancy rate of Phase II of International Unit（國際單位）during the year.

Property management services

The Group's revenue from property management services increased by RMB30.9 million, or 31.9%, to RMB127.9 million for the year ended 31 December 2014 from RMB97.0 million for the year ended 31 December 2013. This increase was primarily due to the increase in the number of project phases that we managed with the delivery of the properties we made in year 2014.

Cost of sales

The Group's cost of sales decreased by RMB122.1 million, or 1.7%, to RMB7,232.6 million for the year ended 31 December 2014 from RMB7,354.7 million for the year ended 31 December 2013. This decrease was primarily attributable to decrease in the total GFA of properties delivered and offset by the increase in cost of properties delivered by unit. The table below sets forth a breakdown of our cost of sale for the years indicated:

	Year ended 31 December			
	2014		2013	
	(RMB in thousands)	***(%)***	*(RMB in thousands)*	*(%)*
Cost of properties sold				
Land acquisition costs	**1,403,215**	**19.4**	1,339,222	18.2
Construction costs	**5,069,512**	**70.1**	5,468,332	74.4
Capitalised finance costs	**534,140**	**7.3**	392,421	5.3
Subtotal	**7,006,867**	**96.8**	7,199,975	97.9
GFA delivered	**836,975 sq.m.**		1,152,208 sq.m.	
Direct operating expenses (including repairs and maintenance) arising from rental-earning properties	**105,300**	**1.5**	73,596	1.0
Cost of property management services provided	**120,472**	**1.7**	81,140	1.1
Total	**7,232,639**	**100.0**	7,354,711	100.0

Gross profit

As a result of above, the Group's gross profit increased by RMB846.3 million, or 36.2%, to RMB3,186.3 million for the year ended 31 December 2014 from RMB2,340.0 million for the year ended 31 December 2013. For the year ended 31 December 2014, the Group's gross profit margin increased to 30.6% from 24.1% for the year ended 31 December 2013. This increase was primarily due to the fact that projects with higher gross profit margin, such as Ocean Times (Guangzhou), Times Peanut II (Guangzhou), Times King City (Guangzhou), Times King City (Zhongshan) and Times Bund (Guangzhou), took up a larger proportion of our total revenue for the year ended 31 December 2014 as compared to that of 2013.

Other income and gains

The Group had other income and gains of RMB104.5 million for the year ended 31 December 2014, when compared with that of RMB78.7 million for the year ended 31 December 2013. This increase was primarily due to the increase in bank interest income, fair value gains on investment properties, and gain on early repayment of debts to independent investors in year 2014 compared with that of year 2013.

Selling and marketing costs

The Group's selling and marketing costs increased by RMB72.3 million, or 17.6%, to RMB483.4 million for the year ended 31 December 2014 from RMB411.1 million for the year ended 31 December 2013. This increase was attributable to higher advertising, staff and other promotional costs incurred in our pre-sale activities for a larger number of our projects and sales commission paid during the year 2014. The selling and marketing cost per contracted sales decreased to 3.2% for the year ended 31 December 2014 from 3.7% for the year ended 31 December 2013.

Administrative expenses

The Group's administrative expenses increased by RMB18.7 million, or 6.6%, to RMB304.3 million for the year ended 31 December 2014 from RMB285.6 million for the year ended 31 December 2013. This increase was primarily due to the expansion of business in year 2014 and the increase in total number of staffs. The Group also incurred higher legal and professional fee in 2014 in relation to our issuance of convertible bonds and senior notes.

Other expenses

The Group's other expenses increased by RMB24.0 million, or 145.4%, to RMB40.5 million for the year ended 31 December 2014 from RMB16.5 million for the year ended 31 December 2013. This increase was primarily due to the fair value loss of the derivative component of the Convertible Bonds issued by the Group in year 2014 and the increase of donation and sponsorship made by the Group during year 2014 as compared to 2013.

Finance costs

The Group's finance costs increased by RMB144.3 million, or 164.5%, to RMB232.0 million for the year ended 31 December 2014 from RMB87.7 million for the year ended 31 December 2013. This increase was primarily due to the increase in the financing needs in 2014 in relation to the Group's expanding property development activities.

Share of profits and losses of associates

The Group's share of profits and losses of associates increased to RMB4.2 million for the year ended 31 December 2014 from RMB2.4 million for the year ended 31 December 2013. The increase was arisen from the share of profit of Guangzhou Baiyun Heyintaifu Micro-credit Co. Ltd., an associate in which the Group has a 20% equity interest.

Income tax expenses

The Group's income tax expenses increased by RMB234.9 million, or 36.4%, to RMB881.1 million for the year ended 31 December 2014 from RMB646.2 million for the year ended 31 December 2013. This increase was primarily attributable to an increase in the profit before tax for the year ended 31 December 2014. No material change in the Group's effective income tax rate.

Profit for the year

As a result of the foregoing, the Group's profit increased by RMB379.8 million, or 39.0%, to RMB1,353.7 million for the year ended 31 December 2014 from RMB973.9 million for the year ended 31 December 2013. The Group's net profit margin increased to 13.0% for the year ended 31 December 2014 from 10.0% for the year ended 31 December 2013.

Profit attributable to non-controlling interests

As at 31 December 2014, the Group recorded profit attributable to non-controlling shareholders of RMB74.7 million as compared to the loss of RMB13.1 million for the year ended 31 December 2013. The increase in profit was primarily due to the recognition of revenue and profit of Times Peanut II (Guangzhou), which non-controlling owners had equity interest of 30% in it.

Profit attributable to owners of our Company

As a result of the foregoing, profit attributable to owners of the Company increased by RMB292.0 million, or 29.6%, to RMB1,279.0 million for the year ended 31 December 2014 from RMB987.0 million for the year ended 31 December 2013.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

Cash position

As at 31 December 2014, the carrying amount of the Group's cash and bank balances was approximately RMB5,417.6 million (31 December 2013: RMB3,667.6 million), representing an increase of 47.7% when compared with that of 31 December 2013. Under relevant PRC laws and regulations, some of the Group's project companies are required to place a certain amount of pre-sale proceeds in designated bank accounts as guarantee deposits for construction of the relevant properties. These guarantee deposits may only be used for payments to construction contractors in the project development process and for other construction-related payments, such as purchase of materials. The remaining guarantee deposits are released when certificates of completion for the relevant properties have been obtained. In addition, a portion of the Group's bank deposits represented loan proceeds in the monitoring accounts designated by the banks, in which case the use of the restricted bank deposits, subject to the banks' approval, is restricted to the purposes as set out in the relevant loan agreements. As at 31 December 2014, the Group's restricted bank deposit was RMB2,691.8 million.

Exchangeable Notes and the Restructuring Deed

On 9 January 2008, several investors provided loans to one of the Group's controlling Shareholders, Asiaciti Enterprises Ltd. ("Asiaciti"), in an aggregate principal amount of USD200.0 million (approximately RMB1,440 million). Meanwhile, Asiaciti issued to the investors the exchangeable notes in an aggregate principal amount of USD200 million. The relevant proceeds were provided to the Group for use in its business operation and funding various property development projects. Pursuant to the restructuring deed (the "**Restructuring Deed**") dated 12 July 2013 entered into by and among the Company, Mr. Shum Chiu Hung, Asiaciti, Renowned Brand Investments Limited ("Renowned Brand"), East Profit Management Limited ("East Profit") and Highup Holdings Limited, part of the debt aforesaid owed by Asiaciti to the investors has assumed by the Company. Further details of the exchangeable notes and the Restructuring Deed are set out in the section entitled "History and Corporate Structure – Pre-IPO Investment and Debt Restructuring" in the prospectus of the Company dated 29 November 2013. Given the sufficiency of working capital and the benefits of releasing the Company from the secured obligations and allowing the Company to focus its attention on operation, the Board decided to pay all outstanding installments in full ahead of the schedule. On 6 January 2014, the Company paid all outstanding installments (being the third to fifth installments originally due on 15 January 2014, 15 March 2014 and 15 May 2014, respectively) under the Restructuring Deed in full. As a result, all the Company's obligations under the Restructuring Deed was discharged in full in January 2014.

Borrowings

The Group had aggregate borrowings (excluding Convertible Bonds) of approximately RMB10,791.4 million as at 31 December 2014, of which approximately RMB1,786.3 million are due within one year, approximately RMB8,797.1 million are due within two and five years and approximately RMB208.0 million are due in over five years. As at 31 December 2014, the Group's outstanding bank loans were secured by its property, plant and equipment, completed properties held for sale, properties under development, investment properties, prepaid land lease payment and pledged time deposits with carrying values of approximately RMB240.2 million, RMB229.1 million, RMB3,443.1 million, RMB1,397.9 million, RMB682.8 million, and RMB150.0 million, respectively.

On 21 March 2014, the Company issued 12.625% senior notes due 2019 in a principal amount of USD225,000,000 (approximately equivalent to RMB1,383,188,000) at 99.278% of the principal amount of such notes (the "Senior Notes March 2014"). On 2 May 2014, the Company issued additional 12.625% senior notes due 2019 in a principal amount of USD80,000,000 (approximately equivalent to RMB492,640,000) at 100.125% of the principal amount of such notes (the "Senior Notes May 2014"). Senior Notes March 2014 and Senior Notes May 2014 consolidated to formed a single series which is referred to as the "USD 12.625% Senior Notes due 2019". The USD 12.625% Senior Notes due 2019 are listed on The Stock Exchange of Hong Kong Limited and bear interest from and including 21 March 2014 at the rate of 12.625% per annum, payable semi-annually in arrears.

On 7 July 2014, the Company entered into a subscription agreement with Schiavona Investment Holdings Ltd., pursuant to which it has conditionally agreed to issue Convertible Bonds in an aggregate principal amount of HK$388,000,000 due 2019 (equivalent to approximately RMB 308,369,000) (the "Bonds") at the price of 100% of their principal amount. The Bonds bear interest at the rate of 8% per annum and payable quarterly in arrears. Subject to the terms of the Bonds, the bondholders have the right to convert their Bonds into shares to be allotted and issued by the Company upon conversion of the Bonds ("New Shares") at any time during the conversion period. The Bonds are jointly and severally guaranteed by certain subsidiaries of the Group. The Company intended to use the net proceeds for refinancing, redemption or other repayment of existing financial indebtedness. The initial conversion price is HK$3.50, representing a premium of approximately 12.9% of the closing price of HK$3.10 per Share as quoted on the Stock Exchange on 7 July 2014. Based on the initial conversion price of HK$3.50 and assuming full conversion of the Bonds at the initial conversion price, the Bonds will be convertible into 110,857,142 New Shares with the aggregate nominal value of HK$11,085,714.2, approximately 6.05% of the ordinary share capital of the Company, as enlarged by the issue of New Shares. On 25 July 2014, the Company issued the Bonds when all of the conditions precedent under the subscription agreement were satisfied.

On 16 July 2014, the Company issued 10.375% senior notes due 2017 (the "Senior Notes July 2014") in an aggregate principal amount of RMB900,000,000 at 100% of the principal amount of such notes.

On 14 October 2014, the Company issued additonal 10.375% senior notes due 2017 in a principal amount of RMB600,000,000 at 100.125% of the principal amount of such notes (the "Senior Notes October 2014"). Senior Notes July 2014 and Senior Notes October 2014 consolidated to form a single series which is referred to as the ("RMB 10.375% senior notes due 2017"). The RMB 10.375% senior notes due 2017 are listed on the Stock Exchange and bear interest from and including 16 July 2014 at the rate of 10.375% per annum, payable semi-annually in arrears.

The net proceeds from the RMB10.375% senior notes due 2017 will be used to refinance certain existing indebtedness.

The Group's domestic bank loans carried a floating interest rate linked with the base lending rate of The People's Bank of China. As at 31 December 2014, the Group was exposed to interest rate risk, primarily in relation to our bank loans bearing floating interest rates, which amounted to be RMB3,933.3 million.

Gearing ratio

As at 31 December 2014, the Group's net debts (total interest-bearing bank loans and other borrowings excluding convertible bonds net of cash and bank balances) over net assets was 94.0% (31 December 2013: 93.2%). The Group's net current assets increased by 75.3% from RMB6,926.4 million as at 31 December 2013 to RMB12,140.1 million as at 31 December 2014, and the current ratio increased from 1.5 times as at 31 December 2013 to 1.7 times as at 31 December 2014.

Foreign currency risk

The Group mainly operates in the PRC. The currency in which the Group denominates and settles substantially all of its transactions is Renminbi. Any depreciation of the Renminbi would adversely affect the value of any dividends the Group pay to the Shareholders outside of the PRC. The Group currently do not engage in hedging activities designed or intended to manage foreign exchange rate risk.

Financial guarantee

As of 31 December 2014, the outstanding guarantee mortgage loans that domestic banks provided to purchasers of the Group's properties amounted to approximately RMB6,913.0 million (31 December 2013: approximately RMB4,068.4 million). These guarantees are released upon the earlier of (i) the relevant certificates of registration of mortgage or the certificates of other interests with respect to the relevant properties being delivered to the mortgagor banks and (ii) the settlement of mortgage loans between the mortgagor banks and the purchasers of the Group's projects. If a purchaser defaults on a mortgage loan before the guarantees are released, the Group may have to repurchase the underlying property by paying off mortgage. If the Group fail to do so, the mortgagor bank may auction the underlying property and recover any additional amount outstanding from the Group as the guarantor of the mortgage loans. In line with industry practices, the Group do not conduct independent credit reviews of our customers but rely on the credit reviews conducted by the mortgagor banks.

After balance sheet event

(a) On 8 January 2015, Times Billion Limited, a subsidiary of the Company, won the bidding to acquire a parcel of land located at Zengcheng District, Guangzhou City, through public bidding. The total site area of the land parcel is approximately 93,755 sq.m. and its plot ratio shall not exceed 2.5. The consideration of the land is RMB675.75 million, of which the Company has paid RMB136 million as of the date of approval of this announcement.

(b) On 29 January 2015, Guangzhou Times Tianyi Consulting Co., Ltd., a subsidiary of the Company, won the bidding to acquire two adjacent land parcels located at Luogang District, Guangzhou City, through public bidding. The total site area of the land parcels is approximately 70,648 sq.m. and its plot ratio shall not exceed 2.8 and 3 respectively. The total consideration of the land parcels is RMB1,332.69 million, of which Guangzhou Times Tianyi Consulting Co., Ltd. has paid RMB268 million as of the date of approval of this announcement.

Material acquisitions and disposals of subsidiaries and associated companies

For the year ended 31 December 2014, the Group did not have any material acquisitions and disposal of subsidiaries and associated companies.

Employees and remuneration policy

As at 31 December 2014, the Group had approximately 3,510 employees (31 December 2013: approximately 2,711 employees). The remunerations of the employees are commensurate with their performance, skills, knowledge, experience and the market trend. Employee benefits provided by the Group include provident fund schemes, medical insurance scheme, unemployment insurance scheme and housing provident fund. The Group reviews the remuneration policies and packages on a regular basis and will make necessary adjustments that accommodate the pay levels in the industry. In addition to basic salaries, the employees may be offered with discretionary bonuses and cash awards based on individual performances. The Group also provides training programs for the employees with a view to constantly upgrading their skills and knowledge. Further, the Group adopted the Share Option Scheme on 19 November 2013 as incentives or rewards for the employees' contributions to the Group. Further information of the Share Option Scheme is available in the 2014 annual report of the Company. The Group's employee benefit expense will be set out in the notes to the condensed consolidated financial statement in the 2014 annual report of the Company.

MARKET REVIEW

In 2014, the real estate market in the PRC entered a year of cyclical fluctuation adjustments. The growth of real estate investment declined substantially and all indicators dropped from their highs. Housing prices in major cities throughout the country collectively went down while commodity housing inventory remained high. Data from the National Bureau of Statistics showed that in 2014, real estate development investment in China amounted to approximately RMB9.5 trillion, representing a nominal growth of 10.5% over 2013 and a decrease of 9.3 percentage points year on year. New housing construction area was 1.80 billion square metres, a decrease of 10.7% year on year. The new commodity housing price index for 70 large and medium cities in China experienced a month-on-month drop for seven months in a row since May 2014. The report of Guangdong Real Estate Association also showed that the sales area and sales amount of commodity housing in Guangdong Province fell 7.6% and 6.9%, respectively, on a year-on-year basis in 2014.

Under such background, the central government and local governments made flexible adjustments to their policies in a timely manner and put emphasis on supporting and encouraging rational housing consumption and achieved the stability of industry development through long-lasting mechanisms such as monetary policy adjustment and household registration reform. Starting from the second half of the year, measures such as "home purchase restriction", "restrictions on mortgages" and "price restriction" will be gradually withdrawn. The "home purchase restriction" had been introduced in 46 cities in China and was successively eased in 41 cities. At present, only 5 cities still persisted in the "home purchase restriction", including Guangzhou, Shenzhen, Beijing, Shanghai and Sanya. However, Foshan City and Zhuhai City in the Pearl River Delta region have eased the "home purchase restriction".

At the central economic conference convened at the end of 2014, the relevant content of "real estate regulation" did not appear in the major tasks determined by the conference for two consecutive years. The direction of weakening administrative intervention was basically established. The real estate market was gradually returning to the autoregulation mechanism.

For the credit environment, in September 2014, the central bank and the CBRC jointly issued the "Notice on Further Improving Housing Financial Services" which made significant adjustments to the criteria on first home mortgage, financing for developers and commercial bank credit, which vigorously boosted market confidence. In addition, in November 2014, the central bank announced the reduction of RMB loan and deposit benchmark interest rates for financial institutions. This, on one hand, facilitated the alleviation of the burden on making payments for purchasing home, which stimulated consumption and the demand for purchasing home. On the other hand, this also helped reduce the capital burden on real estate developers. The market anticipates that the new policy will further promote a pickup in the real estate market.

For the land bank, the national land market was in a slack period as a whole in 2014. Real estate developers tended to be prudent in the acquisition of land. Data released by China Index Academy showed that the land transaction area and the land premium amount dropped by approximately 30% in 300 cities in China in 2014 on a year-on-year basis. However, hot land parcels in tier one cities were still much sought after, with the continued emergence of high-premium land parcels. In the second half year, unit price and total price "Land Kings" frequently appeared in various locations.

In addition, new urbanization put more emphasis on “people-oriented”, which focused on the quality of development and service. Together with the further promotion of mobile Internet, the habit of household consumption had begun to change. Many real estate developers had been gradually recognizing the importance of mobile Internet to the industry and established a presence on the Internet. On one hand, they upgraded the sales channels and the sales model. On the other hand, they gradually achieved seamless integration with mobile Internet technology in terms of customer service and customer service with a view to improving the service quality through online and offline collaborative operation and increasing the loyalty and reputation of owners.

Looking forward to 2015, China’s economy is expected to maintain steady development and stable growth should be the main theme of this year’s economic development. Under the current macroeconomic environment, it is expected that market financing will be relatively loose in 2015 with interest rates showing downward trend, which will enable companies to reduce finance costs and operating costs. Further, with relaxation of the credit limit policy and lowered mortgage costs, purchasers’ confidence is gradually restored and the market will usher in a good pickup opportunity.

The Group believes that in 2015 overall market liquidity will be relatively adequate, there will be ample release of bank lending and mortgage granting will be more relaxed, which to a certain extent will boost the property market.

The Group is cautiously optimistic about the development of the real estate industry, and believes that real estate developers will usher in new development opportunities with normalization of the industry.

Times Property will continue to adhere to the policy of focusing on selected regions, residential business and customers with robust demands and improvement-oriented demands, and to achieve sustainable growth in size in such way with high turnover rate and high sell-through rate. The Group will adopt a prudent investment strategy and take a low-cost and diversified land bank strategy. Times Property will actively grasp the new opportunities of urban renewal in the Pearl River Delta region and secure more and better quality land banks leveraging its experience and strengths in the field. The Group will actively enhance the level of community services through online and offline collaborative operation to provide owners with better and more convenient services.

USE OF NET PROCEEDS FROM LISTING

The net proceeds from the Listing of the Company (after deducting underwriting fees and related expenses) amounted to approximately HKD1,477.4 million, which shall be applied in compliance with the intended use of proceeds set out in the section headed "Future plans and use of proceeds" of the prospectus of the Company dated 29 November 2013, of which, approximately 33.3% of the net proceeds were utilised for settling part of the outstanding installments under the Restructuring Deed (as defined in the prospectus) and approximately 55.1% of the net proceeds were utilised for financing new and existing projects, including the land acquisition and construction costs of potential development projects.

FINAL DIVIDEND

The Board recommended the payment of a final dividend of RMB14.34 cents per Share for the year ended 31 December 2014 (2013: RMB10.94 cents) to the Shareholders. The final dividend, if approved, will be payable on 2 July 2015 and is subject to the approval of Shareholders at the forthcoming annual general meeting to be held on 29 May 2015 ("AGM").

The proposed final dividend shall be declared in RMB and paid in Hong Kong dollars. The final dividend payable in Hong Kong dollars will be converted from RMB at the middle exchange rate of Hong Kong dollars against Renminbi announced by the People Bank of China on 29 May 2015.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 27 May 2015 (Wednesday) to 29 May 2015 (Friday), both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend the forthcoming AGM. In order to be eligible to attend and vote at the forthcoming AGM, all transfer accompanied by the relevant share certificates and transfer forms must be lodged with the Company's share registrar in Hong Kong, Computershare Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on 26 May 2015 (Tuesday).

The record date for qualifying to receive the proposed final dividend is 19 June 2015 (Friday). In order to determine the right of Shareholders entitled to receive the proposed final dividend, which is subject to the approval by Shareholders in the forthcoming AGM, the register of members of the Company will also be closed from 17 June 2015 (Wednesday) to 19 June 2015 (Friday), both days inclusive. All transfer accompanied by the relevant share certificates and transfer forms must be lodged with the Company's share registrar in Hong Kong, Computershare Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on 16 June 2015 (Tuesday).

CORPORATE GOVERNANCE PRACTICES

The Group are committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") as its own code of corporate governance.

The Company has been conducting its business according to the principles of the CG Code set out in Appendix 14 to the Listing Rules on the Stock Exchange. Save for the deviation disclosed in this announcement, in the opinion of the Directors, the Company has complied with all the code provision as set out in the CG Code during the year ended 31 December 2014.

In accordance with the code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Shum Chiu Hung currently assumes the roles of both the chairman and the chief executive officer of the Company. Mr. Shum is one of the founders of the Group and has extensive experience in property development. The Board believes that by holding both roles, Mr. Shum will be able to provide the Group with strong and consistent leadership and allows for more effective and efficient business planning and decisions as well as execution of long-term business strategies of the Group. As such, the structure is beneficial to the business prospects of the Group. Furthermore, the Company's present management structure comprises sufficient number of independent non-executive directors, and thus the Board believes that a balance of power and authority have been and will be maintained.

Under code provision A.1.8 of the CG Code, the Company should arrange appropriate insurance cover in respect of legal action against its directors. The Company arranged an insurance in early February 2014 with 12 months coverage starting from March 2014 in respect of legal actions against its Directors.

Compliance with Code on Conduct Regarding Directors' Securities Transactions

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") of Appendix 10 to the Listing Rules. Specific enquiry has been made to all the Directors and the Directors have confirmed that they have complied with the Model Code during the year ended 31 December 2014.

Since the listing of the Company, the Company has also adopted its own code of conduct regarding employees' securities transactions on terms no less exacting than the standard set out in the Model Code for the compliance by its relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of their dealings in the Company's securities.

Audit Committee and Review of Financial Statements

The Board has established the audit committee (the "Audit Committee") which comprises three independent non-executive Directors, namely Mr. Wong Wai Man (chairman), Ms. Sun Hui and Dr. Wong, Kennedy, Ying Ho.

The Audit Committee has reviewed the annual report and the audited consolidated annual results of the Group for the year ended 31 December 2014 in conjunction with the Company's management. The Audit Committee has also reviewed the effectiveness of the internal control system of the Company and considers the internal control system to be effective and adequate.

Purchase, Sale or Redemption of Listed Securities

Save as disclosed in this announcement, there was no purchase, sale and redemption of any listed securities of the Company by the Company or any of its subsidiaries during the year ended 31 December 2014.

REVIEW OF PRELIMINARY ANNOUNCEMENT OF RESULTS BY THE INDEPENDENT AUDITORS

The figures in respect of the Group's results for the year ended 31 December 2014 as set out in this preliminary announcement have been agreed by the Group's independent auditors, Ernst & Young, Certified Public Accountants of Hong Kong ("**Ernst & Young**") to the amounts set out in the Group's consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently, no assurance has been expressed by Ernst & Young on this preliminary announcement of results.

ANNUAL GENERAL MEETING

The AGM of the Company for the year ended 31 December 2014 is scheduled to be held on 29 May 2015 (Friday). A notice convening the AGM will be issued and disseminated to the Shareholders in due course.

PUBLICATION OF THE ANNUAL RESULTS AND 2014 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (http://www.timesgroup.cn), and the 2014 annual report containing all the information required by the Listing Rules will be despatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

By Order of the Board
Times Property Holdings Limited
Shum Chiu Hung
Chairman

Hong Kong, 8 February 2015

As of the date of this announcement, the executive Directors are Mr. Shum Chiu Hung, Mr. Guan Jianhui, Mr. Bai Xihong, Mr. Li Qiang, Mr. Cen Zhaoxiong and Mr. Niu Jimin; and the independent non-executive Directors are Ms. Sun Hui, Dr. Wong, Kennedy, Ying Ho and Mr. Wong Wai Man.