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AGILE PROPERTY HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3383)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014 AND RE-DESIGNATION OF DIRECTORS

HIGHLIGHTS

Financial Highlights	For the year ended 31 December		
	2014	2013	Change
Revenue (RMB million)	38,318	35,436	+8.1%
Gross profit (RMB million)	12,431	12,615	-1.5%
Net profit (RMB million)	5,091	5,862	-13.2%
Profit attributable to shareholders of the Company (RMB million)	4,287	4,827	-11.2%
Core profit attributable to shareholders of the Company* (RMB million)	3,929	4,400	-10.7%
Basic earnings per share (RMB per share)	1.222	1.400	-12.7%
Distributed interim dividend per share (HK cents)	14.5	14.5	-
Proposed final dividend per share (HK cents)	25.0	33.0	-24.2%
Full year dividend per share (HK cents)	39.5	47.5	-16.8%

* Profit attributable to shareholders of the Company excluding fair value adjustments

Operational Highlights

- For the year 2014, the Group's pre-sales was RMB44,160 million, GFA presold was 4.588 million sq.m and average selling price was RMB9,625 per sq.m.. The Group had 76 projects, including 16 new projects, available for sale in 2014.
- During the year, the Group acquired land parcels in Changsha, Chenzhou, Foshan, Wenchang of Hainan, Tengchong of Yunnan and Kuala Lumpur of Malaysia with a total planned GFA of 2.21 million sq.m.. Total consideration attributable by the Group was RMB2,410 million and the average land cost was RMB1,274 per sq.m.. As at 25 March 2015, the Group has an aggregate land bank with a total planned GFA of approximately 40.35 million sq.m. in over 40 cities and districts and the average land cost is RMB1,157 per sq.m..
- During the year, the Company successfully issued US\$500 million 8.375% senior notes due by 2019 and RMB2,000 million 6.50% senior notes due by 2017, and was granted a 8-month term loan facility in the amount of US\$475 million and a 3-year term loan facility of HK\$2,895 million. The Company's rights issue recorded 1.5 times over-subscription, raised funds with net proceeds of approximately HK\$1,639 million. In addition, the Company also redeemed its US\$300 million 10% senior notes due by 2016 and US\$500 million convertible bonds due by 2016.
- During the year, revenue of property management has increased by 24.9% when compared with last year. The total GFA of projects managed by the Group was 23.09 million sq.m.. Revenue of hotel operations has increased by 43.2% when compared with last year. Three new hotels, including Holiday Inn Resort Hainan Clearwater Bay, Howard Johnson Agile Plaza Chengdu and Sheraton Bailuhu Resort Huizhou, commenced operations. Revenue of property investment has increased by 29.9% when compared with last year. The leasing rate of Agile International Plaza Shanghai has reached 95%.
- The Group has moved its headquarters to Guangzhou Agile Center which was completed during the year.
- As at 31 December 2014, the total cash and bank balances of the Group were RMB11,430 million, while the undrawn borrowing facilities were RMB3,501 million.

CHAIRMAN'S STATEMENT

Dear shareholders,

I am pleased to report the audited consolidated results of Agile Property Holdings Limited (“Agile” or the “Company”) and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2014:

Results and dividends

During the year, the revenue and gross profit of the Group was RMB38,318 million and RMB12,431 million respectively, representing an increase of 8.1% and a decrease of 1.5% when compared with last year. Net profit amounted to RMB5,091 million, representing a decrease of 13.2% when compared with last year. Overall gross profit margin and net profit margin were 32.4% and 13.3% respectively.

During the year, the Group's total recognised sales of property development was RMB37,037 million, representing an increase of 7.5% when compared with last year. Revenue from property management, hotel operations and property investment also increased by 24.9%, 43.2% and 29.9% respectively when compared with last year.

Taking into account the Group's business development needs and shareholders' investment returns, the board of directors of the Company (the “Board”) has proposed a final dividend of HK25.0 cents per share for 2014 to be paid to the shareholders. Together with the interim dividend of HK14.5 cents per share paid for 2014, the total dividend of 2014 will be HK39.5 cents per share, representing a decrease of 16.8% when compared with last year.

Business review

During the year, the global economy showed mixed performance. The United States and the United Kingdom experienced a steady recovery, while the Eurozone and Japan showed slow recovery. In China, the overall economy maintained steady growth. Potential buyers in the property market generally took a wait-and-see stance in the first half of the year, until the tightening measures and housing loan policy were eased moderately in some cities in the second half of the year, which improved the market sentiment. The overall average selling price recorded a slight decrease for the full year, and the demand for products catering for end-users and high quality products remained stable.

During the year, the Group capitalised on market opportunities and adjusted its marketing strategy promptly. By launching projects in a timely manner at reasonable prices in response to market demand, the Group has successfully increased the sell-through rate to approximately 62% and improved the ageing of inventories. During the year, the Group's pre-sales was RMB44,160 million, representing an increase of 9.5% when compared with last year. The GFA pre-sold was 4.588 million sq.m., with the average selling price being RMB9,625 per sq.m..

During the year, the Group's geographic diversification strategy continued to show results. Southern China Region continued to generate stable sales with projects in Guangzhou, Zhongshan, Foshan and Eastern Guangdong district recording outstanding pre-sales performance in their respective markets. In 2013, the Group made efforts to expand its business in Eastern China Region and acquired 13 new projects strategically. Of these, 8 projects in cities like Shanghai, Yangzhou, Wuxi, Kunshan, Nantong and etc. were launched during the year, contributing to the Group's pre-sales, and a number of projects in Nanjing recorded good sales performance. The tourism property business in Hainan Province continued to lead the market. In addition, the Group's projects in other cities including Chengdu, Zhengzhou, Xi'an and etc. also achieved satisfactory pre-sales results.

The Group believes that timely introduction of products tailored to market needs is particularly important to ensure stable growth of the business as a whole. As China's property market will continue to be benefited from urbanisation and GDP growth, as well as strong end-users' and upgraders' demand, the Group continued to optimise its product mix during the year by focusing on products catering for end-users' and upgraders' demand, supplemented by high-end products tailored to market needs. Meanwhile, given the continuous improvement in people's quality of life and their increasing yearn for nature, there has been a strong demand for quality tourism property for purposes including health-keeping, retirement and travel, and some of the Group's projects will continue to develop products catering for such needs.

In respect of other businesses, with more properties delivered during the year, the Group's revenue from property management increased by 24.9%. Revenue from hotel operations also recorded an increase of 43.2% over last year. The Group had 8 hotels in operation, including the newly opened Holiday Inn Resort Hainan Clearwater Bay, Howard Johnson Agile Plaza Chengdu and Sheraton Bailuhu Resort Huizhou, and generated stable revenue for the Group while enhancing the value of the projects where these hotels are located. In respect of the property investment business, Agile International Plaza Shanghai recorded an occupancy rate of 95%. In addition, the Group relocated its headquarters to Guangzhou Agile Center during the year, marking a new milestone in the development of the Group.

Prudent land acquisition strategy

Given its sufficient land bank and market changes, the Group had slowed down the pace of land acquisition during the year. The Group acquired new land bank with a total planned GFA of 2.21 million sq.m. in China, including Changsha, Chenzhou, Foshan, Wenchang of Hainan, and Tengchong of Yunnan, and Kuala Lumpur in Malaysia, with the average land cost being RMB1,274 per sq.m.. As at 25 March 2015, the Group has an aggregate land bank with a total planned GFA of approximately 40.35 million sq.m. in over 40 cities and districts, with the average land cost being RMB1,157 per sq.m., which offers a certain competitive edge to the Group's property development business.

Sound financial strategy and enhanced cash flow management

Sound financial position has been the pillar supporting the Group's business development. During the year, the Group has consolidated and optimised its financial structure by capitalising on multi-channel financing and enhanced its cash flow management, with a view to striking a balance between business development and financial management.

During the year, the Company successfully issued US\$500 million 8.375% senior notes due 2019 and RMB2,000 million 6.50% senior notes due 2017, raised net proceeds of HK\$1,639 million by completing a rights issue recorded 1.5 times over-subscription, and was granted a 8-month term loan facility in the amount of US\$475 million and a 3-year term loan facility of HK\$2,895 million. The Company also redeemed its US\$300 million 10% senior notes due 2016 and US\$500 million 4% convertible bonds due 2016, and agreed with certain banks on the revisions of two facility agreements, thereby reducing financing costs and optimising its debt structure effectively.

During the year, the Group made efforts to enhance its cash flow management, including launching more products catering for end-users' and upgraders' demand in the market, adopting flexible sales strategies and diversified payment terms in order to accelerate the sales turnover. Meanwhile, the Group has established a dedicated team to manage sales collection comprehensively on a routine basis, resulting in an improvement of the overall sales collection. In addition, in response to market changes, the Group adjusted the scope and progress of its property development promptly, slowed down the pace of land acquisition and enhanced the standardisation of product design, which effectively controlled major expenditure including construction costs and land premium.

Good corporate governance and multi-channel communications

The Group upholds the concept of “mutual communication for a win-win situation”. Subject to the requirements of the Listing Rules and laws, the Group maintains effective mutual communication and builds long-standing, stable relationships with commercial banks, investment banks, rating agencies, investors and analysts, thereby improving its corporate transparency.

A responsible corporate citizen in pursuit of sustainable development

Upholding the belief of “benefiting from society, giving back to society”, the Group is committed to fulfilling its corporate social responsibilities. During the year, the Group's accumulated volunteer days achieved by near 30,000 participants were equivalent to over 10,000 days, while RMB61 million charitable donations were made. The Group firmly believes that environmental protection is a key part in its sustainable development, and strives to contribute to environmental protection from project planning to completion and sale, as well as property management and hotel operations. Furthermore, the Group actively promotes environmental education and encourages the staff to practise low carbon living.

Prospects and strategy

Looking ahead, China's economy is expected to grow steadily in 2015. Stable growth was seen in the overall property market in China, as the tightening measures introduced by the Government in the past few years have proved to be effective. Due to the unduly high level of inventories in the market in the short term, it is expected that the industry will remain challenging despite the gradual marketisation of the tightening measures and the relative easing of credit policies. In the long term, on the back of China's continuous economic growth, the ongoing urbanisation and the continued increase in people's income, the Group believes that the demand of first time home buyers or upgraders will continue to dominate the market, driving the healthy growth of the property market.

As the property market embraces a “new normal”, businesses must enhance their internal management continuously and address market changes flexibly in order to maintain their competitive edge. Looking ahead, upholding the philosophy of prudent development, the Group will continue to maintain its inherent strengths, enhance its comprehensive corporate management capability and refine its business and financial management.

Meanwhile, the Group intends to enhance its product positioning and planning in the early stage. The Group will continue to optimise its product mix by focusing on products catering for end-users’ and upgraders’ demand, supplemented by tourism property and high-end products tailored to market needs. The Group aims to control costs effectively through product standardisation. In respect of sales, the Group will adopt flexible sales strategies to improve its sell-through rate and accelerate its asset turnover. In respect of property development, the Group is committed to shortening the development cycle, optimising its management and further improving product quality. The Group will maintain an appropriate ratio of inventory to sales, so that capital expenditure can be controlled more effectively. In respect of land bank, the Group will continue to adopt a prudent strategy. Meanwhile, the Group will further drive its diversified development and increase its competitive edge in other businesses including hotel operations, property investment and property management while ensuring the competitiveness of the property development business in the industry. The Group will implement the optimisation of human resources and improve the structure of corporate management in order to enhance overall execution capability and competitiveness.

The Group is confident that, with the above measures and the efforts of all staff, it will be able to drive its overall business growth steadily and further increase the brand awareness of Agile across the nation and maintain its position in the competitive market.

Meanwhile, the Group will also continue its promise of undertaking corporate social responsibilities and contributing to society by taking part in charity affairs.

Acknowledgement

On behalf of the Board, I would like to extend my heartfelt gratitude to the enormous support of our shareholders and customers, as well as the dedicated efforts of all our staff members, which enables Agile to grow.

CHEN Zhuo Lin

Chairman and President

Hong Kong, 25 March 2015

CONSOLIDATED INCOME STATEMENT

	Note	Year ended 31 December	
		2014 (RMB'000)	2013 (RMB'000)
Revenue	2	38,317,599	35,436,404
Cost of sales		(25,886,775)	(22,821,680)
Gross profit		12,430,824	12,614,724
Selling and marketing costs		(1,784,164)	(1,522,821)
Administrative expenses		(1,437,438)	(1,284,575)
Fair value gains on investment properties	3	469,625	174,277
Other gains/(losses), net	4	146,034	(93,687)
Other income	5	979,166	224,851
Other expenses		(312,950)	(131,743)
Operating profit		10,491,097	9,981,026
Fair value gains on embedded financial derivatives		-	295,748
Finance (costs)/income, net	6	(292,573)	488,214
Share of post-tax loss of an associate		(27,636)	(59,537)
Share of post-tax (losses)/profits of joint ventures		(44,997)	7,124
Profit before income tax		10,125,891	10,712,575
Income tax expenses	7	(5,034,790)	(4,850,220)
Profit for the year		5,091,101	5,862,355
Attributable to:			
Shareholders of the Company		4,287,245	4,826,907
Holders of perpetual capital securities		354,782	342,497
Non-controlling interests		449,074	692,951
		5,091,101	5,862,355
Earnings per share for profit attributable to the shareholders of the Company during the year (expressed in Renminbi per share)			
—Basic	8	1.222	1.400
—Diluted	8	1.203	1.210
Dividends		1,164,893	1,303,593

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2014 (RMB'000)	2013 (RMB'000)
Profit for the year	5,091,101	5,862,355
Other comprehensive income		
- Currency translation difference	579	-
Total comprehensive income for the year	5,091,680	5,862,355
Total comprehensive income attributable to:		
- Shareholders of the Company	4,287,650	4,826,907
- Holders of the perpetual capital securities	354,782	342,497
- Non-controlling interests	449,248	692,951
	5,091,680	5,862,355

CONSOLIDATED BALANCE SHEET

		As at 31 December 2014	As at 31 December 2013
	Note	(RMB'000)	(RMB'000)
ASSETS			
Non-current assets			
Property, plant and equipment		7,696,021	6,476,432
Land use rights		2,288,324	2,554,162
Properties under development		9,663,011	16,146,189
Intangible assets		60,863	57,428
Investment properties	3	5,846,317	5,793,800
Interest in an associate		30,565	58,201
Interest in joint ventures		1,220,848	1,030,282
Available-for-sale financial assets		117,500	117,500
Other receivables due from an associate	9	2,039,716	-
Deferred income tax assets		501,790	316,209
		29,464,955	32,550,203
Current assets			
Properties under development		50,518,110	33,480,753
Completed properties held for sale		16,138,247	13,083,771
Prepayments for acquisition of land use rights		3,700,798	9,910,669
Trade and other receivables	9	11,674,857	12,424,997
Prepaid income taxes		721,307	51,430
Restricted cash		5,362,080	6,249,740
Cash and cash equivalents		6,067,802	6,783,643
		94,183,201	81,985,003
Total assets		123,648,156	114,535,206
EQUITY			
Capital and reserve attributable to the shareholders of the Company			
Share capital and premium	10	5,097,967	3,642,725
Shares held for share award scheme		(156,588)	-
Other reserves		2,453,809	1,298,093
Retained earnings		26,255,811	24,425,370
		33,650,999	29,366,188
Perpetual capital securities		4,483,409	4,486,025
Non-controlling interests		2,960,884	2,715,083
Total equity		41,095,292	36,567,296

CONSOLIDATED BALANCE SHEET (Continued)

		As at 31 December 2014	As at 31 December 2013
	Note	(RMB'000)	(RMB'000)
LIABILITIES			
Non-current liabilities			
Borrowings		25,850,994	24,646,168
Convertible Bonds - debt component		-	2,491,719
Convertible Bonds - embedded financial derivatives		-	364,980
Deferred income tax liabilities		1,315,858	1,649,261
		<u>27,166,852</u>	<u>29,152,128</u>
Current liabilities			
Borrowings		16,470,701	12,353,678
Trade and other payables	11	17,333,365	19,524,461
Advanced proceeds received from customers		9,215,606	6,428,278
Current tax liabilities		12,366,340	10,509,365
		<u>55,386,012</u>	<u>48,815,782</u>
Total liabilities		<u>82,552,864</u>	<u>77,967,910</u>
Total equity and liabilities		<u>123,648,156</u>	<u>114,535,206</u>
Net current assets		<u>38,797,189</u>	<u>33,169,221</u>
Total assets less current liabilities		<u>68,262,144</u>	<u>65,719,424</u>

Notes:

1 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 investment properties and available-for-sale financial assets, 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.

1 Basis of preparation (continued)

(a) New and amended standards adopted by the Group

Amendment to HKAS 32, “Financial instruments: Presentation” on offsetting financial assets and financial liabilities. This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms. The amendment did not have a significant effect on the Group’s consolidated financial statements.

Amendments to HKAS 36, “Impairment of assets” on the recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of CGUs which had been included in HKAS 36 by the issue of HKFRS 13. The amendment did not have a significant effect on the Group’s consolidated financial statements.

Amendment to HKAS 39, “Financial instruments: Recognition and measurement”, on the novation of derivatives and the continuation of hedge accounting. This amendment considers legislative changes to “over-the-counter” derivatives and the establishment of central counterparties. Under HKAS 39 novation of derivatives to central counterparties would result in discontinuance of hedge accounting. The amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument meets specified criteria. The Group has applied the amendment and there has been no impact on the Group’s consolidated financial statements as the Group did not have any hedge arrangement.

HK(IFRIC) 21, “Levies”, sets out the accounting for an obligation to pay a levy if that liability is within the scope of HKAS 37 “Provisions”. The interpretation addresses what the obligating event is that gives rise to the payment a levy and when a liability should be recognised. The Group is not currently subjected to significant levies so the impact on the Group is not material.

Amendments to HKFRS 10, 12 and HKAS 27, “Consolidation for investment entities”. These amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead, they will measure them at fair value through profit or loss. The amendments give an exception to entities that meet an ‘investment entity’ definition and which display particular characteristics. Changes have also been made HKFRS 12 to introduce disclosures that an investment entity needs to make. The Group has applied the amendment and there has been no significant impact on the Group financial statements as a result.

Other standards, amendments and interpretations which are effective for the financial year beginning on 1 January 2014 are not material to the Group.

1 Basis of preparation (continued)

(b) *New and amended standards and interpretations issued but are not effective for financial year commencing on 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
Annual improvements 2012	2010-2012 Cycle of the annual improvements	1 July 2014
Annual improvements 2013	2011-2013 Cycle of the annual improvements	1 July 2014
HKAS 19 (Amendment)	Defined benefit plans: employee contribution	1 July 2014
Amendment to HKFRS 11	Accounting for acquisitions of interests in joint operation	1 January 2016
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation	1 January 2016
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	1 January 2016
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: applying the consolidation exception	1 January 2016
Amendment to HKAS 27	Equity method in separate financial statements	1 January 2016
Annual improvements 2014	2012-2014 cycle of the annual improvements	1 January 2016
Amendment to HKAS 1	Disclosure initiative -guidance on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.	1 January 2016
HKFRS 15	Revenue from contracts with customers	1 January 2017
HKFRS 9	Financial instruments	1 January 2018

The Group is in the process of making an assessment of the impact of the above standards, amendments to standards and interpretation on the financial statements of the Group in their initial applications.

There are no other amendments or interpretations to HKFRS that are not yet effective that would be expected to have a material impact on the Group.

1 Basis of preparation (continued)

(c) 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)(the “Companies Ordinance”) come into operation as from the Company’s first financial year commencing on or after 3 March 2014 in accordance with section 358 of the Companies 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 Companies Ordinance. 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.

2 Segment information

The executive directors of the Company, which are the chief operating decision-maker of the Group, review the Group’s internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on reports reviewed by the executive directors of the Company that are used to make strategy decision.

The Group is organised into four business segments: property development, property management, hotel operations and property investment. The associate and joint ventures of the Group are principally engaged in property development and are included in the property development segment. As the executive directors of the Company consider most of the Group’s consolidated revenue and results are attributable from the market in the PRC and less than 10% of the Group’s consolidated assets are located outside the PRC, geographical segment information is not considered necessary.

The executive directors of the Company assess the performance of the operating segments based on a measure of segment results. Interest income and finance costs are not included in the result of each operating segment.

The Group has a large number of customers, none of whom contributed 5% or more of the Group’s revenue.

Analysis of revenue by the category for the years ended 31 December 2014 and 2013 is as follows:

Revenue:	2014 (RMB’000)	2013 (RMB’000)
Sales of developed properties	37,036,636	34,466,876
Property management services	683,147	547,142
Hotel operations	527,362	368,165
Rental income from investment properties	70,454	54,221
	<u>38,317,599</u>	<u>35,436,404</u>

2 Segment information (continued)

Segment results and capital expenditure for the years ended 31 December 2014 and 2013 are as follows:

Year ended 31 December 2014

	<u>Property development</u> (RMB'000)	<u>Property management</u> (RMB'000)	<u>Hotel operations</u> (RMB'000)	<u>Property investment</u> (RMB'000)	<u>Elimination</u> (RMB'000)	<u>Group</u> (RMB'000)
Gross segment sales	37,081,756	951,900	527,362	70,454	-	38,631,472
Inter-segment sales	(45,120)	(268,753)	-	-	-	(313,873)
Sales to external customers	<u>37,036,636</u>	<u>683,147</u>	<u>527,362</u>	<u>70,454</u>	-	<u>38,317,599</u>
Fair value gains on investment properties (note 3)	-	-	-	469,625	-	469,625
Operating profit/(loss)	10,191,932	65,997	(256,475)	489,643	-	10,491,097
Share of post-tax loss of an associate	(27,636)	-	-	-	-	(27,636)
Share of post-tax loss of joint ventures	(44,997)	-	-	-	-	(44,997)
Segment result	<u>10,119,299</u>	<u>65,997</u>	<u>(256,475)</u>	<u>489,643</u>	-	<u>10,418,464</u>
Finance cost, net (note 5)						(292,573)
Profit before income tax						10,125,891
Income tax expenses (note 6)						(5,034,790)
Profit for the year						<u>5,091,101</u>
Depreciation	243,746	4,868	93,506	-		342,120
Amortisation of land use rights and intangible assets	64,793	439	19,984	-		85,216
Write-down of completed properties held for sale	100,310	-	-	-		100,310
Segment assets	<u>107,743,799</u>	<u>1,423,822</u>	<u>8,433,235</u>	<u>5,846,317</u>	(1,022,114)	122,425,059
Unallocated assets						1,223,097
Total assets						<u>123,648,156</u>
Segment assets include:						
Interest in an associate	30,565	-	-	-		30,565
Interest in joint ventures	1,220,848	-	-	-		1,220,848
Segment liabilities	<u>21,318,055</u>	<u>387,579</u>	<u>5,813,666</u>	<u>51,785</u>	(1,022,114)	26,548,971
Unallocated liabilities						56,003,893
Total liabilities						<u>82,552,864</u>
Capital expenditure	<u>375,956</u>	<u>5,161</u>	<u>614,099</u>	<u>341,666</u>		<u>1,336,882</u>

2 Segment information (continued)

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

	<u>Assets</u> <i>(RMB'000)</i>	<u>Liabilities</u> <i>(RMB'000)</i>
Segment assets/liabilities	122,425,059	26,548,971
Unallocated:		
Deferred income taxes	501,790	1,315,858
Prepaid income taxes	721,307	-
Current tax liabilities	-	12,366,340
Current borrowings	-	16,470,701
Non-current borrowings	-	25,850,994
	<hr/>	<hr/>
	123,648,156	82,552,864
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2 Segment information (continued)

Year ended 31 December 2013

	<u>Property development</u> (RMB'000)	<u>Property management</u> (RMB'000)	<u>Hotel operations</u> (RMB'000)	<u>Property investment</u> (RMB'000)	<u>Elimination</u> (RMB'000)	<u>Group</u> (RMB'000)
Gross segment sales	34,466,876	784,979	368,165	54,221	-	35,674,241
Inter-segment sales	-	(237,837)	-	-	-	(237,837)
Sales to external customers	34,466,876	547,142	368,165	54,221	-	35,436,404
Fair value gains on investment properties (note 3)	-	-	-	174,277	-	174,277
Operating profit/(loss)	9,851,761	46,272	(108,317)	191,310	-	9,981,026
Share of post-tax loss of an associate	(59,537)	-	-	-	-	(59,537)
Share of post-tax loss of joint ventures	7,124	-	-	-	-	7,124
Segment result	9,799,348	46,272	(108,317)	191,310	-	9,928,613
Fair value gains on embedded financial derivatives	-	-	-	-	-	295,748
Finance income, net (note 5)	-	-	-	-	-	488,214
Profit before income tax	-	-	-	-	-	10,712,575
Income tax expenses (note 6)	-	-	-	-	-	(4,850,220)
Profit for the year	-	-	-	-	-	5,862,355
Depreciation	69,632	4,742	121,073	-	-	195,447
Amortisation of land use rights and intangible assets	41,227	266	55,218	-	-	96,711
Segment assets	100,009,899	644,250	8,256,324	5,793,800	(536,706)	114,167,567
Unallocated assets	-	-	-	-	-	367,639
Total assets	-	-	-	-	-	114,535,206
Segment assets include:	-	-	-	-	-	-
Interest in an associate	58,201	-	-	-	-	58,201
Interest in joint ventures	1,030,282	-	-	-	-	1,030,282
Segment liabilities	20,528,342	451,380	5,439,527	70,196	(536,706)	25,952,739
Unallocated liabilities	-	-	-	-	-	52,015,171
Total liabilities	-	-	-	-	-	77,967,910
Capital expenditure	407,515	7,466	1,120,356	296,123	-	1,831,460

2 Segment information (continued)

Segment assets and liabilities are reconciled to total assets and liabilities as at 31 December 2013:

	<u>Assets</u> (RMB'000)	<u>Liabilities</u> (RMB'000)
Segment assets/liabilities	114,167,567	25,952,739
Unallocated:		
Deferred income taxes	316,209	1,649,261
Prepaid taxes	51,430	-
Current income tax liabilities	-	10,509,365
Current borrowings	-	12,353,678
Non-current borrowings	-	24,646,168
Convertible Bonds - debt component	-	2,491,719
Convertible Bonds - embedded financial derivatives	-	364,980
	<u>114,535,206</u>	<u>77,967,910</u>

Inter-segment transfers or transactions are entered into at terms and conditions agreed upon by respective parties.

Eliminations comprise inter-segment trade and non-trade balances.

Pricing policy for inter-segment transactions is determined by reference to market price.

Segment assets consist primarily of property, plant and equipment, land use rights, properties under development, completed properties held for sale, investment properties, receivables and cash balances. Unallocated assets comprise deferred tax assets and prepaid income taxes. Segment liabilities comprise operating liabilities. Unallocated liabilities comprise taxation, borrowings.

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

3 Investment Properties

	2014 (RMB'000)	2013 (RMB'000)
Opening net book amount	5,793,800	5,589,600
Capitalised subsequent expenditure	341,666	296,123
Disposals	(62,906)	(266,200)
Transfer to property, plant and equipment	(712,734)	-
Transfer from completed properties hold for sale	16,866	-
Fair value gains on investment properties	<u>469,625</u>	<u>174,277</u>
Closing net book amount	<u>5,846,317</u>	<u>5,793,800</u>
Investment properties:		
- Completed investment properties	5,846,317	3,937,800
- Investment properties under construction	<u>-</u>	<u>1,856,000</u>
	<u>5,846,317</u>	<u>5,793,800</u>

Notes:

- (a) The investment properties are located in the PRC and are held on lease of between 30 to 70 years.
- (b) As at 31 December 2014, investment properties of RMB4,746,101,000 (2013: RMB2,585,144,000) and certain rights of receiving rental income were pledged as collateral for the Group's bank borrowings.

4 Other gains/(losses), net

	2014 (RMB'000)	2013 (RMB'000)
Gain on disposal of property, plant and equipment	174,754	-
Exchange losses, net (note (a))	<u>(28,720)</u>	<u>(93,687)</u>
	<u>146,034</u>	<u>(93,687)</u>

Note:

- (a) Amount mainly represents the gain or loss of translation of financial assets and liabilities, which are denominated in foreign currency into RMB at the prevailing period-end exchange rate. It does not include the exchange gain or loss related to borrowings and Convertible Bonds which are included in the finance (costs)/income, net.

5 Other income

	2014 <i>(RMB'000)</i>	2013 <i>(RMB'000)</i>
Net income from a project of initial land development (note (a))	799,834	-
Gain on disposal of investment properties	13,574	49,178
Interest income of bank deposits	86,067	98,963
Forfeited deposits from customers	43,496	39,391
Miscellaneous income	36,195	37,319
	979,166	224,851

Note:

- (a) The Group has co-operated with a property investment company (“Cooperative Party”) to participate in the initial development of a parcel of land held by a subsidiary of the Cooperative Party. Pursuant to the agreement entered into by the Group and the Cooperative Party, the Group is entitled to share a certain percentage of the net income deriving from the initial land development.

During the year ended 31 December 2014, a net income of RMB799,834,000 has been received by the Group and recorded as “other income”.

6 Finance (costs)/income, net

	2014 <i>(RMB'000)</i>	2013 <i>(RMB'000)</i>
Interest expenses:		
- Bank borrowings, syndicated loans and other borrowings	(2,337,392)	(1,347,645)
- Senior notes	(1,207,992)	(1,014,259)
- Convertible Bonds	(108,410)	(319,529)
Exchange (losses)/gains from borrowings and Convertible Bonds	(83,104)	558,053
Less: interest capitalised	3,444,325	2,611,594
	(292,573)	488,214

7 Income tax expenses

	2014 (RMB'000)	2013 (RMB'000)
Current income tax		
- PRC enterprise income tax	2,777,876	2,181,239
- PRC land appreciation tax	2,447,623	2,543,554
- PRC withholding income tax	328,275	276,883
Deferred income tax		
- PRC enterprise income tax	<u>(518,984)</u>	<u>(151,456)</u>
	<u>5,034,790</u>	<u>4,850,220</u>

PRC land appreciation tax

PRC land appreciation tax is levied at progressive rate 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 expenditures directly related to property development activities.

PRC enterprise income tax

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

The enterprise income tax rate applicable to the Group entities located in Mainland China is 25% according to the Enterprise Income Tax Law of the People's Republic of China (the "CIT Law") effective on 1 January 2008.

PRC withholding income tax

According to the CIT Law, 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 and fulfill requirements under the tax treaty arrangements between the PRC and Hong Kong.

Overseas income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap 22 of Cayman Islands and accordingly, is exempted from Cayman Islands income tax. Group entities in the British Virgin Islands were incorporated either under the BVI Business Companies Act or were automatically re-registered under the same act on 1 January 2007 and, accordingly, are exempted from British Virgin Islands income tax.

Hong Kong profits tax

No provision for Hong Kong profits tax has been made in the consolidated financial statements as the Company and the Group did not have assessable profit in Hong Kong for the year. The profit of the Group entities in Hong Kong is mainly derived from dividend income and interest income of bank deposits, which are not subject to Hong Kong profits tax.

8 Earnings per share

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

	2014	2013
Profit attributable to shareholders of the Company (RMB'000)	4,287,245	4,826,907
Weighted average number of ordinary shares in issue (thousands)	<u>3,508,170</u>	<u>3,447,839</u>
Basic earnings per share (RMB per share)	<u>1.222</u>	<u>1.400</u>

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 are only derived from the Convertible Bonds. In calculating the basic 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, exchange gains on debt component and the fair value gains on embedded financial derivatives less the tax effect, if applicable.

	2014	2013
Profit attributable to shareholders of the Company (RMB'000)	4,287,245	4,826,907
Interest expenses charged to the income statement for the year (RMB'000)	-	-
Exchange gains/(losses) on debt component (RMB'000)	24,047	(75,983)
Fair value gains on embedded financial derivatives (RMB'000)	-	(295,748)
Profit used to determine diluted earnings per share (RMB'000)	<u>4,311,292</u>	<u>4,455,176</u>
Weighted average number of ordinary shares in issue (thousands)	3,508,170	3,447,839
Assumed conversion of Convertible Bonds (thousands)	<u>76,590</u>	<u>233,633</u>
Weighted average number of ordinary shares for diluted earnings per share (thousands)	<u>3,584,760</u>	<u>3,681,472</u>
Diluted earnings per share (RMB per share)	<u>1.203</u>	<u>1.210</u>

As the directors consider that the impact on basic and diluted earnings per shares resulted from the right issue is minimal, no adjustment is made to the basic and diluted earnings per share for each of the years ended 31 December 2014 and 2013.

9 Trade and other receivables

	2014 (RMB'000)	2013 (RMB'000)
Trade receivables (note (a))	5,247,731	4,999,848
Other receivables due from:		
- An associate	2,039,716	2,039,716
- Joint ventures	2,159,293	1,926,150
- Third parties	1,832,928	1,731,586
Prepaid business taxes and other taxes	156,589	186,834
Deposits for acquisition of land use rights	1,959,673	1,275,060
Prepayments	318,643	265,803
Total	<u>13,714,573</u>	<u>12,424,997</u>
Less: Other receivable due from an associate- non-current portion	<u>(2,039,716)</u>	-
Trade and other receivable-current portion	<u>11,674,857</u>	<u>12,424,997</u>

Generally, the Group requires full payment from customers before delivery of properties. Credit terms are granted to customers upon obtaining approval from the Company's senior management after assessing the credit history of those customers. The Group closely monitors the collection of progress payments from customers in accordance with payment schedule agreed with customers. The Group has policies in place to ensure that sales are made to purchasers with an appropriate financial strength and appropriate percentage of down payments.

Note:

- (a) Trade receivables mainly arose from sales of properties. Trade receivables in respect of sale of properties are settled in accordance with the terms stipulated in the sale and purchase agreements. As at 31 December 2014 and 2013, the ageing analysis of the trade receivables is as follows:

	2014 (RMB'000)	2013 (RMB'000)
Within 90 days	3,505,485	4,145,761
Over 90 days and within 365 days	1,352,159	633,649
Over 365 days and within 2 years	341,284	220,438
Over 2 years	48,803	-
	<u>5,247,731</u>	<u>4,999,848</u>

10 Share capital and premium

	Number of ordinary shares	Nominal value of ordinary shares (HK\$'000)	Equivalent nominal value of ordinary shares (RMB'000)	Share premium (RMB'000)	Total (RMB'000)
Authorised					
As at 31 December 2014 and 2013	10,000,000,000	1,000,000			
Movements of issued and fully paid share capital					
Year ended 31 December 2013					
At 1 January 2013	3,449,450,000	344,945	363,217	3,295,325	3,658,542
Repurchase of shares of the Company	(2,100,000)	(210)	(170)	(15,647)	(15,817)
At 31 December 2013	3,447,350,000	344,735	363,047	3,279,678	3,642,725
Year ended 31 December 2014					
At 1 January 2014	3,447,350,000	344,735	363,047	3,279,678	3,642,725
Shares allotted for share award scheme (note (a))	34,470,000	3,447	2,714	153,874	156,588
Rights issue (note(b))	435,227,500	43,523	34,492	1,264,162	1,298,654
At 31 December 2014	3,917,047,500	391,705	400,253	4,697,714	5,097,967

Notes:

- (a) On 10 December 2013, the Board of Directors of the Company adopted a share award scheme ("Share Award Scheme"), under which shares may be awarded to employees in accordance with the terms and conditions of the Share Award Scheme. 30% of these awarded shares vest on 20 June 2015, further 30% of these awarded shares vest on 20 June 2016 and the remaining 40% of these awarded shares vest on 20 June 2017, providing that the performance condition of both the Group and the awardees can be fulfilled and the awardees remain employed by the Group.

Pursuant to the rules of the Share Award Scheme, the Group has set up a trust ("Employee Share Trust"), for the purposes of administering the Share Award Scheme and holding awarded shares before they vest. On 10 February 2014, the Company allotted and issued 34,470,000 new shares to the Employee Share Trustee to hold and 32,750,000 of which has been granted to the 116 selected employees. As at 31 December 2014, the shares under the Share Award Scheme held by the trust amounted to RMB156,588,000, which was presented within equity in the consolidated balance sheet. As at 31 December 2014, no expenses in relation to the Share Award Scheme were recognised in the consolidated income statements as no shares have been awarded to the eligible employees.

- (b) During the year ended 31 December 2014, the Company implemented the rights issue of 435,227,500 shares at the subscription price of HK\$3.80 each, with total consideration amounting to HK\$1,653,864,500 (equivalent to RMB1,310,688,000). The net proceeds, after deducting the issuance cost, amounted to HK\$1,638,669,000 (equivalent to RMB1,298,654,000).

11 Trade and other payables

	2014 (RMB'000)	2013 (RMB'000)
Trade payables (note (a))	13,489,633	13,483,490
Other payables due to:		
- Related parties	558,009	1,075,469
- Third parties	1,700,255	3,533,777
Staff welfare benefit payable	41,665	37,603
Accruals	966,349	898,310
Other taxes payable	577,454	495,812
	<u>17,333,365</u>	<u>19,524,461</u>

Note:

(a) The ageing analysis of trade payables of the Group as at 31 December 2014 and 2013 is as follows:

	2014 (RMB'000)	2013 (RMB'000)
Within 90 days	11,026,173	11,111,648
Over 90 days and within 180 days	1,303,306	1,321,154
Over 180 days and within 365 days	663,625	586,473
Over 365 days	496,529	464,215
	<u>13,489,633</u>	<u>13,483,490</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Overall performance

During the year, the Group's revenue was RMB38,318 million (2013: RMB35,436 million), representing an increase of 8.1% over 2013. The operating profit was RMB10,491 million (2013: RMB9,981 million), representing an increase of 5.1% over last year. Profit attributable to shareholders was RMB4,287 million (2013: RMB4,827 million), representing a decrease of 11.2% over last year. Basic earnings per share and diluted earnings per share were RMB1.222 (2013: RMB1.400) and RMB1.203 (2013: RMB1.210) respectively.

Land bank

As at 25 March 2015, the Group had an aggregate land bank with a total planned GFA of approximately 40.35 million sq.m. in over 40 cities and districts, located in Southern China Region, Eastern China Region, Western China Region, Central China Region, Hainan Province Region, Yunnan Province Region, Northeast China Region, Northern China Region and Kuala Lumpur of Malaysia. The average land cost was RMB1,157 per sq.m., which was competitive.

Given its sufficient land bank and market changes, the Group had slowed down the pace of land acquisition during the year and acquired new land parcels with a total planned GFA of 2.21 million sq.m.. Total consideration attributable by the Group was RMB2,410 million. These newly acquired land parcels are located in Changsha, Chenzhou, Foshan, Tengchong of Yunnan, Wenchang of Hainan and Kuala Lumpur of Malaysia. Among which, Chenzhou and Kuala Lumpur of Malaysia were the newly explored markets.

The following table sets forth the details of the newly acquired land parcels:

Land parcel name	City/District	Attributable Interest(%)	Planned GFA (sq.m.)
Southern China Region			
Site in Dali Town, Nanhai	Foshan / Nanhai	100	143,315
Subtotal			143,315
Central China Region			
Site in Agile Evian Town Changsha	Changsha	100	591,615
Site in Chenzhou	Chenzhou	100	145,279
Subtotal			736,894
Hainan Province Region			
Site in Tongguling, Hainan	Wenchang	100	330,294
Site in Agile Pure Moon Bay Hainan	Wenchang	100	48,471
Subtotal			378,765
Yunnan Province Region			
Site in Agile Eden Yunnan	Tengchong	100	635,865
Subtotal			635,865
Overseas			
Site in Mont Kiara, Kuala Lumpur of Malaysia	Kuala Lumpur	70	167,100
Site in Bukit Bintang, Kuala Lumpur of Malaysia	Kuala Lumpur	70	151,961
Subtotal			319,061
Total			2,213,900

Property development and sales

During the year, the Group's total recognised sales from property development was RMB37,037 million, representing an increase of 7.5% when compared with RMB34,467 million in 2013. The total recognised GFA sold was 3.99 million sq.m., representing an increase of 24.2% when compared with last year. The recognised average selling price decreased by 13.5% to RMB9,278 per sq.m. in 2014 from RMB10,722 per sq.m. in 2013, mainly due to the change of geographical distribution and product mix of recognised sales.

Property management

During the year, revenue from property management of the Group was RMB683 million, representing an increase of 24.9% when compared with RMB547 million in 2013, which was mainly attributable to an increase in the total GFA under management to 23.09 million sq.m. (2013: 22.66 million sq.m.), serving approximately 598,000 residents.

Hotel operations

The Group continued to develop its hotel business in a prudent and cautious manner with a view to developing a diversified business portfolio and generating a stable and reliable recurring revenue stream for the Group. During the year, the Group recorded revenue from hotel operations of RMB527 million, representing an increase of 43.2% when compared with RMB368 million in 2013. The increase was primarily attributable to the revenue generated from Shanghai Marriott Hotel City Centre, Raffles Hainan and Sheraton Bailuhu Resort Huizhou Hotel.

Property Investment

In line with the prudent development strategy of the Group and to further diversify the business portfolio so as to generate a stable income, the Group designated certain commercial properties for long-term rental yields. During the year, revenue from property investment of the Group was RMB70 million, representing an increase of 29.9% when compared with RMB54 million in 2013.

Cost of sales

Cost of sales of the Group mainly refers to the costs incurred directly from its property development activities, including cost of construction, fitting-out and design, land use rights, interest capitalised and business tax.

Cost of sales increased by 13.4% to RMB25,887 million in 2014 from RMB22,822 million in 2013. The increase was mainly due to (i) the increase of the total recognised sales during the year and (ii) the increase in the unit cost of sales, in particular costs of construction, fitting-out and land use rights.

Gross profit

During the year, gross profit of the Group amounted to RMB12,431 million, which was comparable with last year. Gross profit margin decreased to 32.4%, but it was still maintained at a relatively high level in the industry. The fall in gross profit margin was mainly attributable to (i) the change in the proportion of the Group's recognised sales as contributed by different cities/districts, with increased weightings by projects with relatively low gross profit margin, and (ii) the increase in unit cost of sales, in particular new projects with higher unit land cost.

Fair value gains on investment properties

During the year, the Group recorded fair value gains on investment properties amounting to RMB470 million. After deducting RMB117 million for the deferred income tax on fair value gains, the net amount of the fair value gains was RMB353 million.

Other gains/(losses), net

During the year, the Group recorded other gains, net of RMB146 million, compared with other losses, net of RMB94 million in 2013, which included mainly the gain on disposal of property, plant and equipment of RMB174 million.

Other income

During the year, the Group recorded other income of RMB979 million, representing an increase of 335.5% when compared with RMB225 million in 2013, which was mainly including a net income of RMB800 million from a project of initial land development, interest income of bank deposits and forfeited deposits from customers.

Selling and marketing costs

Selling and marketing costs of the Group increased by 17.2% to RMB1,784 million in 2014 from RMB1,523 million in 2013, which was mainly attributable to the increase in advertising costs and commission fee incurred in a series of sales promotion activities.

Administrative expenses

Administrative expenses of the Group increased by 11.9% to RMB1,437 million in 2014 from RMB1,285 million in 2013, which was mainly attributable to the Group's continuous business expansion.

Other expenses

During the year, the Group recorded other expenses of RMB313 million, representing an increase of 137.5% when compared with RMB132 million in 2013, which included mainly the redemption cost of Convertible Bonds of RMB127 million and early redemption premium of 2009 senior notes of RMB92 million.

Finance (costs)/income, net

During the year, the Group recorded a net finance cost of RMB293 million, compared with a net finance income of RMB488 million in 2013. Among which, due to the fluctuation of the exchange rate in retranslation of foreign currency borrowings, the Group recorded net exchange losses of RMB83 million in 2014, compared with net exchange gains of RMB558 million in 2013. Besides, the interest expenses amounting to RMB210 million were not capitalised and charged to the consolidated income statement, as the construction of the related properties have been completed.

Share of post-tax loss of an associate

During the year, the share of post-tax loss in Guangzhou Li He Property Development Company Limited (廣州利合房地產開發有限公司) ("Li He") (an associate in which the Group holds 20% equity interest) was RMB28 million (2013: RMB60 million).

Share of post-tax profit/(loss) of joint ventures

During the year, the Group recorded share of post-tax loss of joint ventures of RMB45 million, compared with share of post-tax profit of RMB7 million in 2013.

Profit attributable to shareholders

Profit attributable to shareholders was RMB4,287 million (2013: RMB4,827 million), representing a decrease of 11.2% when compared with 2013. After excluding fair value adjustments, the core profit attributable to shareholders of the Company in 2014 was RMB3,929 million (2013: RMB4,400 million), representing a decrease of 10.7% when compared with 2013.

Liquidity, financial and capital resources

Cash position and fund available

As at 31 December 2014, the total cash and bank balances of the Group were RMB11,430 million (31 December 2013: RMB13,033 million), comprising cash and cash equivalents of RMB6,068 million (31 December 2013: RMB6,784 million) and restricted cash of RMB5,362 million (31 December 2013: RMB6,249 million).

As at 31 December 2014, the Group's undrawn borrowing facilities were RMB3,501 million (31 December 2013: RMB5,382 million).

As at 31 December 2014, the Group's available financial resources amounted to RMB14,931 million (31 December 2013: RMB18,415 million). The Group has adequate financial resources to meet future funding requirements.

Borrowings and rights issue

During the year, given the volatile capital market environment, the Group has proactively diversified its funding sources to lengthen its debt maturity profile and minimise any refinancing risk. By way of various onshore and offshore funding sources, the Group has successfully raised and refinanced RMB26,935 million, including a net proceed of the completed rights issue of HK\$1,639 million (equivalent to RMB1,299 million) with an over-subscription of 1.5 times, raised new borrowings amounting to RMB25,636 million, of which RMB14,665 million were onshore borrowings and RMB10,971 million were offshore borrowings. Borrowings of RMB23,762 million were repaid during the year.

During the year, the Company issued US\$500 million 8.375% senior notes due by 2019 and RMB2,000 million 6.50% Senior Notes due by 2017, and was granted a 8-month term loan facility in the amount of US\$475 million and a 3-year term loan facility of HK\$2,895 million. The Company also redeemed its US\$300 million 10% senior notes due by 2016 and US\$500 million Convertible Bonds due by 2016 and had thereby reduced financing costs and optimised its debt structure effectively.

As at 31 December 2014, the Group's total borrowings amounted to RMB42,322 million, of which bank borrowings, senior notes and other borrowings amounted to RMB20,026 million, RMB13,155 million and RMB9,141 million respectively.

Repayment schedule	As at 31 December 2014 (RMB million)	As at 31 December 2013 (RMB million)
Bank borrowings		
Within 1 year	11,448	9,609
Over 1 year and within 2 years	4,406	5,042
Over 2 years and within 5 years	3,541	4,564
Over 5 years	631	1,028
Subtotal	20,026	20,243
Senior notes		
Over 2 years and within 5 years	13,155	9,909
Other borrowings		
Within 1 year	5,023	2,745
Over 1 year and within 2 years	3,649	3,475
Over 2 years and within 5 years	469	562
Over 5 years	-	66
Subtotal	9,141	6,848
Convertible Bonds - debt component		
Over 2 years and within 5 years	-	2,492
Total	42,322	39,492

As at 31 December 2014, the Group's bank borrowings (including syndicated loans) of RMB10,475 million (31 December 2013: RMB12,490 million) were secured by the Group's land use rights, properties and bank deposits. As at 31 December 2014, the Group's other borrowings of RMB5,580 million (31 December 2013: RMB3,548 million) are secured by its land use rights, property, plant and equipment, bank deposits, investment properties and the shares of a subsidiary. The offshore loans, senior notes were jointly and severally guaranteed by certain subsidiaries of the Group and were secured by the pledges of their shares. The net assets of these subsidiaries were RMB5,250 million as at 31 December 2014 (31 December 2013: RMB5,683 million).

The gearing ratio is the ratio of net borrowings (total borrowings less total cash and cash equivalents and restricted cash) to total equity. As at 31 December 2014, the gearing ratio was 75.2% (2013: 72.4%), still at a reasonable level.

Currency risk

The Group conducts its business primarily in Renminbi. Certain bank deposits and bank loans were denominated in Hong Kong dollars and United States dollars, and the Group's Convertible Bonds and the senior notes were denominated in United States dollars. Other than those disclosed, the Group does not have any material exposures to foreign exchange fluctuations.

Cost of borrowings

In 2014, the total cost of borrowings of the Group was RMB3,654 million (2013: RMB2,681 million), representing an increase of RMB973 million when compared with 2013. The increase was mainly attributable to higher average balance of bank borrowings in 2014. The effective interest rate decreased from 7.93% to 7.87%.

Financial guarantee

The Group is in cooperation with certain financial institutions for the provision of mortgage loan facility for its purchasers of property and has provided guarantees to secure repayment obligations by such purchasers. As at 31 December 2014, the outstanding guarantees were RMB14,658 million (31 December 2013: RMB13,543 million). Such guarantees shall terminate upon the earlier of (i) issuance of the real estate ownership certificate which will generally be available within one year after taking over of the possession of the relevant property by the purchasers; or (ii) the satisfaction of relevant mortgage loans by the purchasers.

The Group's proportionate interest in financial guarantee of mortgage facilities for certain purchasers relating to the associate and joint ventures as at 31 December 2014 was RMB272 million (2013: RMB319 million) and RMB142 million (2013: RMB19 million) respectively.

Pursuant to the terms of the guarantees, upon default in mortgage payments by the purchasers, the Group is liable to pay the banks any outstanding mortgage principals together with any accrued interest and penalty owed by the defaulted purchasers but the Group is entitled to take over the legal title and the possession of the related properties. The Group's guarantee commences from the date of grant of mortgage loans by the mortgagees. No provision has been made for the guarantees given as the net realisable value of the related properties is enough to cover the loss after the repayment of any outstanding mortgage principals together with the accrued interest and penalty in defaulted repayments.

In addition, the Group and other four parties (the "Five Shareholders") have jointly provided guarantees for Li He in respect of certain loan facilities amounting to RMB11,170 million (31 December 2013: RMB5,187 million). The Group's share of the guarantee amounted to RMB2,234 million (31 December 2013: RMB1,087 million).

Several subsidiaries of the Group and joint venture parties have provided certain guarantees in proportion of their shareholdings in certain joint ventures in respect of loan facilities amounting to RMB3,067 million (2013: RMB3,746 million). The Group's share of the guarantees amounted to RMB799 million (2013: RMB985 million).

Commitments

As at 31 December 2014, the commitments of the Group in connection with the property development activities were RMB21,804 million (31 December 2013: RMB19,602 million). The Group has also committed to pay outstanding land premium resulting from land acquisitions in the amount of RMB951 million (31 December 2013: RMB4,151 million).

Human resources

As at 31 December 2014, the Group had a total of 17,140 employees, among which 150 were senior management and 421 were middle management. By geographical locations, there were 17,071 employees in mainland China and 69 employees in Hong Kong, Macau and Malaysia. For the year ended 31 December 2014, the total remuneration costs, including directors' remuneration, were RMB1,676 million (2013: RMB1,333 million).

On 10 February 2014, the Company has issued and allotted a total of 34,470,000 new shares to a trustee to hold on trust for selected employees according to the share award scheme. These shares will be transferred to the selected employees upon the vesting conditions being fulfilled.

DIVIDEND

The Company's interim dividend of HK14.5 cents (2013: HK14.5 cents) per share was distributed to shareholders on 7 October 2014. The Board has proposed the payment of a final dividend of HK25.0 cents (2013: HK33.0 cents) per share to shareholders. Upon receipt of shareholders' approval, the said dividend is expected to be paid on or about Monday, 6 July 2015 to shareholders whose names appear on the register of members of the Company on Monday, 22 June 2015 making the total dividend of 2014 of HK39.5 cents (2013: HK47.5 cents) per share.

CLOSURE OF REGISTER OF MEMBERS

To determine the identity of shareholders who are entitled to attend and vote at the 2015 annual general meeting of the Company (the "2015 AGM")

Latest time for lodging transfer documents of shares : 4:30 pm on Monday, 8 June 2015
Periods of closure of register of members : Tuesday, 9 June 2015 to Friday, 12 June 2015 (both dates inclusive)

To determine the shareholders' entitlement to the final dividend

Ex-entitlement date for final dividend : Tuesday, 16 June 2015
Latest time for lodging transfer documents of shares : 4:30 pm on Wednesday, 17 June 2015
Period of closure of register of members : Thursday, 18 June 2015 to Monday, 22 June 2015 (both dates inclusive)
Record date : Monday, 22 June 2015

To qualify for attending and voting at the 2015 AGM and/or entitlement to the final dividend, all properly completed transfer forms accompanied by the share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than the above corresponding latest time for lodging transfer documents of the shares.

ANNUAL GENERAL MEETING

The 2015 AGM will be held on Friday, 12 June 2015. Notice of 2015 AGM will be published on the respective website of the Company at www.agile.com.cn and Hong Kong Exchanges and Clearing Limited (“HKEx”) at www.hkex.com.hk and will be dispatched to the shareholders of the Company within the prescribed time and in such manner as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). A copy of the said notice will also be published on the website of Singapore Exchange Limited (“SGX”) at www.sgx.com.

AUDIT COMMITTEE

The audit committee of the Company had reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2014, and reviewed with the management of the Group regarding the accounting principles and practices adopted by the Group, and discussed with them the internal controls and financial reporting matters.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and to their knowledge, the directors of the Company confirm that at least 25% of the Company’s total issued share capital is being held by the public for the year ended 31 December 2014 and as at the date of this announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code for securities transactions by directors (“Securities Dealing Code for Directors”), which is on terms no less exacting than the required standard as set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules. After enquiry, each of the directors of the Company has confirmed to the Company that he or she had completely complied with the Securities Dealing Code for Directors during the year ended 31 December 2014.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the year ended 31 December 2014, the Company has complied with all code provisions of the Corporate Governance Code contained in Appendix 14 to the Listing Rules (“CG Code”) except for certain deviations as specified with considered reasons below.

The code provision A.2.1 of the CG Code requires the roles of chairman and chief executive be separate and should not be performed by the same individual. However, in view of present composition of the Board, the in-depth knowledge of Chen Zhuo Lin of the operations of the Group and of the industry, his extensive business network and connections in the sector and the scope of operations of the Group, the Board believes that Chen Zhuo Lin, in his dual capacity as the Chairman and President, since its reorganization on 28 March 2014, will provide strong and consistent leadership for the development of the Group. The Board also considers that this structure is in the best interest of the Company and will not impair the balance of power and authority of the Board and such arrangement will be subject to review from time to time.

RIGHTS ISSUE

During the year, the Company raised approximately HK\$1,653.86 million before expenses, by way of a rights issue of 435,227,500 rights shares on the basis of one (1) rights share for every eight (8) existing shares of the Company at the subscription price of HK\$3.80 per rights share ("Rights Issue"). The net proceeds of the Rights Issue have been used to refinance the existing indebtedness.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

On 30 March 2014, the Company redeemed an aggregate principal amount of US\$300,000,000, representing all its outstanding 10% senior notes due 2016 at the redemption price equal to 105% of the principal amount plus accrued and unpaid interest.

On 28 April 2014 and 28 May 2014, the Company redeemed an aggregate principal amount of US\$481,900,000 and US\$18,100,000, respectively, representing in total all its outstanding 4% convertible bonds due 2016 at the principal amount plus accrued and unpaid interest.

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.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT ON THE WEBSITES OF THE COMPANY, HONG KONG EXCHANGES AND CLEARING LIMITED AND SINGAPORE EXCHANGE LIMITED

This announcement is published on the respective website of the Company at www.agile.com.cn, HKEx at www.hkex.com.hk and SGX at www.sgx.com. The annual report of the Company for the year ended 31 December 2014 containing all the information required under the Listing Rules will be dispatched to the Company's shareholders and will be posted on the above websites in due course.

RE-DESIGNATION OF DIRECTORS

Pursuant to Rule 13.51(2) of the Listing Rules, the Board also announces that with effect from 25 March 2015, Mr. Chan Cheuk Yin ("**Mr. Chan**") and Madam Luk Sin Fong, Fion ("**Madam Luk**") have been re-designated as vice chairpersons and non-executive directors of the Company and have resigned as acting co-chairpersons of the Board and acting co-presidents of the Company.

Reference is made to the announcements of the Company dated 10 October 2014 and 14 December 2014 ("**Previous Announcements**"). Unless otherwise stated, terms and expressions used in this announcement shall have the same meanings as defined in the Previous Announcements.

The biographical details of Mr. Chan and Madam Luk are as follows:

Mr. Chan, aged 47, had been an executive director of the Company, acting co-chairperson of the Board and acting co-president of the Company from 10 October 2014 until 25 March 2015 and has over 22 years of extensive experience in real estate development and management. He is mainly responsible for the participation in board meetings to provide advice on the development of the Group's strategy and policy and scrutinization of the Group's performance in achieving agreed corporate goals and objectives. Mr. Chan is the brother of Chen Zhuo Lin (an executive Director), Chan Cheuk Hung (an executive Director), Chan Cheuk Hei (a non-executive Director) and Chan Cheuk Nam (a non-executive Director).

Madam Luk, aged 53, had been an executive director of the Company, acting co-chairperson of the Board and acting co-president of the Company from 10 October 2014 until 25 March 2015. Madam Luk has over 22 years of extensive management experience in real estate development and management; in particular has outstanding achievement in strategic marketing and marketing management. She is mainly responsible for the participation in board meetings to provide advice on the development of the Group's strategy and policy and scrutinization of the Group's performance in achieving agreed corporate goals and objectives. Madam Luk is the spouse of Chen Zhuo Lin (an executive Director).

Following their re-designation as vice chairpersons and non-executive directors of the Company, each Mr. Chan and Madam Luk will enter into a letter of appointment with the Company for a fixed term of three years subject to rotation in accordance with the requirements of the articles of association of the Company and will receive an annual director's fee of HK\$390,000. As at the date of this announcement, each Mr. Chan and Madam Luk is interested in 2,468,283,750 and 2,467,372,500 shares of the Company respectively within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong ("SFO").

Both Mr. Chan and Madam Luk are among the beneficiaries of a family trust ("**Chen's Family Trust**") which is the controlling shareholder of the Company and interested in 2,453,096,250 shares of the Company within the meaning of Part XV of the SFO. The trustee of the Chen's Family Trust is Top Coast Investment Limited and its other beneficiaries are Chen Zhuo Lin (an executive Director), Chan Cheuk Hung (an executive Director), Chan Cheuk Hei (a non-executive Director) and Chan Cheuk Nam (a non-executive Director). Save as disclosed above, (a) none of Mr. Chan and Madam Luk holds any directorship in any listed public companies in Hong Kong or overseas in the last three years; (b) none of Mr. Chan and Madam Luk has any other relationship with any Directors, senior management or substantial or controlling shareholders of the Company, and (c) neither Madam Luk nor Mr. Chan has been involved in any of the events under Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters in relation to their re-designations that need to be brought to the attention of the shareholders of the Company.

BOARD OF DIRECTORS

As at the date of this announcement, the board of directors of the Company comprises fourteen members, of which Mr. Chen Zhuo Lin (Chairman and President), Mr. Chan Cheuk Hung, Mr. Huang Fengchao, Mr. Liang Zhengjian and Mr. Chen Zhongqi are executive directors; Mr. Chan Cheuk Yin and Madam Luk Sin Fong, Fion are vice chairpersons and non-executive directors; Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam are non-executive directors; and Dr. Cheng Hon Kwan, Mr. Kwong Che Keung, Gordon, Mr. Cheung Wing Yui, Edward, Mr. Hui Chiu Chung, Stephen and Mr. Wong Shiu Hoi, Peter are independent non-executive directors.

By Order of the Board
Agile Property Holdings Limited
CHEN Zhuo Lin
Chairman and President

Hong Kong, 25 March 2015

Scope of work of PricewaterhouseCoopers

The figures in respect of this preliminary announcement of the Group's results for the year ended 31 December 2014 have been agreed by the Company's auditors, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers 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 PricewaterhouseCoopers on the preliminary announcement.