GREENLAND HONG KONG HOLDINGS LIMITED
綠地香港控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 337)

US$700 million 4.75 per cent. Bonds Due 2016
(Stock Code: 5982)

US$500 million 4.375 per cent. Notes Due 2017
(Stock Code: 5786)

CNY1,500 million 5.50 per cent. Bonds due 2018
(Stock Code: 85945)

2014 ANNUAL RESULTS ANNOUNCEMENT

HIGHLIGHTS

- Contracted sales reached approximately RMB12.9 billion for FY2014, an increase of 269% from FY2013
- Net profit attributable to equity holders of the Company increased by 209% from FY2013 to approximately RMB108 million for FY2014
- Basic/Diluted EPS increased by 100% from FY2013 to RMB0.04 for FY2014
- Gross profit margin was stable at 27.4%
- In January 2014, issued RMB1.5 billion 5.5% CNH bonds due 2018
- In January 2014, obtained a 3-year offshore syndicated loan equivalent to approximately USD320 million LIBOR+4% for Greenland Cifi City Project in Hangzhou
- In July 2014, established a USD2 billion medium term note program, and in August, issued USD500 million 4.375% notes due 2017
- In December 2014, obtained a 3-year offshore syndicated loan equivalent to approximately USD500 million LIBOR+3.4% for Wuliqiao Project in Shanghai

- Sharp decrease in average financing cost from 8.18% as at 31 December 2013 to 4.94% as at the date of this announcement
- Completion of Kunming projects injection from Greenland Holding Group
- Acquisition of lands in Haikou, Nanning and Suzhou
- As at 31 December 2014, land bank reached approximately 14.3 million square meters

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2014

	Notes	**2014** *RMB'000*	2013 *RMB'000*
Revenue	*5*	**2,840,025**	5,447,768
Cost of sales		**(2,060,909)**	(4,001,353)
Gross profit		**779,116**	1,446,415
Other gain	*6*	**11,808**	63,515
Selling and marketing costs		**(265,450)**	(87,532)
Administrative expenses		**(427,585)**	(329,707)
Other operating expenses	*7*	**(12,697)**	(344,454)
Net (loss) gain on disposal of interests in subsidiaries		**(500)**	214,354
Results from operating activities		**84,692**	962,591
Finance income		**82,980**	99,057
Finance expenses		**(186,180)**	(415,331)
Fair value changes on financial derivatives		**–**	112,812
Net finance expenses	*10*	**(103,200)**	(203,462)
Share of profit (loss) of associates		**94**	(114,096)
Share of loss of joint ventures		**(2,726)**	(48,175)
(Loss) profit before revaluation gain (loss) on investment properties and income tax		**(21,140)**	596,858
Revaluation gain (loss) on investment properties		**522,212**	(80,539)
Profit before income tax		**501,072**	516,319
Income tax expense	*11*	**(436,951)**	(483,169)
Profit for the year		**64,121**	33,150

	Notes	**2014** *RMB'000*	2013 *RMB'000*
Profit (loss) for the year attributable to:			
Owners of the Company		**107,690**	34,513
Non-controlling interests		**(43,569)**	(1,363)
		64,121	33,150
Earnings per share			
Ordinary share (basic and diluted) (RMB)	*14*	**0.04**	0.02
Convertible preference share (basic and diluted) (RMB)	*14*	**0.04**	0.02
Profit for the year		**64,121**	33,150
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on foreign operations	*12*	**(23,374)**	16,352
Total comprehensive income for the year		**40,747**	49,502
Attributable to:			
Owners of the Company		**96,003**	40,506
Non-controlling interests		**(55,256)**	8,996
Total comprehensive income for the year		**40,747**	49,502

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

	Notes	2014 RMB'000	2013 RMB'000
ASSETS			
Non-Current Assets			
Property, plant and equipment	*15*	**1,619,850**	922,979
Intangible assets		**1,431**	1,476
Land use rights		**76,924**	74,953
Other investments		**2,800**	2,800
Investment properties		**5,722,000**	1,719,000
Properties under development		**17,599,647**	6,832,762
Interest in an associate		**3,603**	3,509
Interests in joint ventures	*16*	**938,022**	677,111
Long-term receivable		**596,096**	673,627
Deferred tax assets		**185,915**	212,882
Total non-current assets		**26,746,288**	11,121,099
Current Assets			
Properties under development		**4,489,993**	2,205,091
Completed properties held for sale		**1,727,423**	2,651,528
Trade, other receivables and advance deposits	*17*	**2,584,310**	3,883,604
Tax recoverable		**176,650**	81,094
Long-term receivable within one year	*18*	**125,561**	125,561
Restricted cash		**156,693**	749,693
Cash and cash equivalents		**5,032,763**	922,037
Total current assets		**14,293,393**	10,618,608
Total assets		**41,039,681**	21,739,707

	Notes	**2014** **RMB'000**	2013 RMB'000
EQUITY AND LIABILITIES			
Capital And Reserves			
Share capital		**1,068,154**	1,068,154
Share premium		**2,362,986**	2,362,986
Reserves		**834,203**	833,173
Retained earnings		**1,353,595**	1,355,871
Total equity attributable to owners of the Company		**5,618,938**	5,620,184
Non-controlling interests		**371,648**	86,889
Total equity		**5,990,586**	5,707,073
LIABILITIES			
Non-Current Liabilities			
Interest-bearing loans		**4,454,928**	1,441,839
Long-term payable		**30,437**	33,935
Bonds	*20*	**8,763,401**	4,224,594
Deferred tax liabilities		**491,791**	359,537
Total non-current liabilities		**13,740,557**	6,059,905
Current Liabilities			
Interest-bearing loans		**1,227,105**	1,725,007
Trade, other payables and advance receipts	*19*	**19,314,718**	7,325,317
Tax payable		**760,715**	916,405
Long-term payable within one year		**6,000**	6,000
Total current liabilities		**21,308,538**	9,972,729
Total liabilities		**35,049,095**	16,032,634
Total equity and liabilities		**41,039,681**	21,739,707
Net current (liabilities) assets		**(7,015,145)**	645,879
Total assets less current liabilities		**19,731,143**	11,766,978

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2014

1. GENERAL INFORMATION AND GROUP REORGANISATION

Greenland Hong Kong Holdings Limited ("The Company") was incorporated in the Cayman Islands on 13 April 2006 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681 GT, George Town, Grand Cayman, British West Indies. The companies comprising the Group underwent a reorganisation (the "Reorganisation") to rationalise the Group's structure in preparation for the listing of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"). On 30 June 2006, the Company became the holding company of the subsidiaries now comprising the Group. Details of the Reorganisation were set out in the Prospectus of the Company dated 26 September 2006.

The Company's shares were listed on the Hong Kong Stock Exchange on 10 October 2006.

On 27 August 2013, the subscription of shares of the Company (the "Subscribed Shares") by Gluon Xima International Limited ("GXIL") was successfully completed. GXIL is an indirectly wholly-owned subsidiary of Greenland Holding Group Company Limited ("Greenland Holding"). Greenland Holding is a state-controlled enterprise group headquartered in Shanghai, with its main business in real estate, energy and finance.

The Subscribed Shares represent approximately 60% of the entire issued share capital of the Company and approximately 60% of the voting rights of the Company as enlarged by the Subscribed Shares. Immediately after the subscription, Greenland Holding became the ultimate controlling shareholder of the Company.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance, which for the current year, 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 the Ordinance.

2.2 Basis of preparation

As of 31 December 2014, the Group's net current liability is RMB7,015 million. The directors consider the Group is able to operate as a going concern, taken into account the cash flows generated from operating activities, and unused loan facilities from banks, amounting to RMB3,886,384,000 to meet its liquidity requirements in the next twelve months. The consolidated financial statements have been prepared on the basis that the Group will continue to operate throughout the next twelve months as a going concern.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments and investment properties, which are measured at fair values, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 *Share-based Payment*, leasing transactions that are within the scope of IAS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Functional and presentation currency

These consolidated financial statements are presented in Renminbi ("RMB"), which is the Company's functional currency. All financial information presented in RMB has been rounded to the nearest thousand.

3. CHANGES IN ACCOUNTING POLICIES

New and revised standards and interpretations applied in the current year

In the current year, the Group has applied a number of amendments to IFRSs and a new interpretation issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2014.

Amendments to IFRS 10, IFRS 12 and IAS 27 Investment Entities

The Group has applied the amendments to IFRS 10, IFRS 12 and IAS 27 *Investment Entities* for the first time in the current year. The amendments to IFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements.

To qualify as an investment entity, a reporting entity is required to:

- obtains funds from one or more investors for the purpose of providing them with investment management services;
- commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measures and evaluates performance of substantially all of its investments on a fair value basis.

Consequential amendments to IFRS 12 and IAS 27 have been made to introduce new disclosure requirements for investment entities.

As the Company is not an investment entity, the application of the amendments has had no impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities

The Group has applied the amendments to IAS 32 *Offsetting Financial Assets and Financial Liabilities* for the first time in the current year. The amendments to IAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.

The application of these amendments has had no material impact of the financial statement.

Amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets

The Group has applied the amendments to IAS 36 *Recoverable Amount Disclosures for Non-Financial Assets* for the first time in the current year. The amendments to IAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by IFRS 13 Fair Value Measurements.

The application of these amendments has had no material impact of the financial statement.

Amendments to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting

The Group has applied the amendments to IAS 39 *Novation of Derivatives and Continuation of Hedge Accounting* for the first time in the current year The amendments to IAS 39 provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness.

The amendments have been applied retrospectively. As the Group does not have any derivatives that are subject to novation, the application of these amendments has had no impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

IFRIC 21 Levies

The Group has applied IFRIC 21 *Levies* for the first time in the current year IFRIC 21 addresses the issue of when to recognise a liability to pay a levy imposed by a government. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

IFRIC 21 has been applied retrospectively. The application of this interpretation has had no material impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

New and revised standards and interpretations issued but not yet effective

The Group has not early applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 9	Financial Instruments[1]
IFRS 14	Regulatory Deferral Accounts[2]
IFRS 15	Revenue from Contracts with Customers[3]
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations[5]
Amendments to IAS 1	Disclosure Initiative[5]
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation And Amortisation[5]
Amendments to IAS 19	Defined Benefit Plans: Employee Contributions[4]
Amendments to IFRSs	Annual Improvements to IFRSs 2010-2012 Cycle[6]
Amendments to IFRSs	Annual Improvements to IFRSs 2011-2013 Cycle[4]
Amendments to IFRSs	Annual Improvements to IFRSs 2012-2014 Cycle[5]
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants[5]
Amendments to IAS 27	Equity Method in Separate Financial Statements[5]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception[5]

1 Effective for annual periods beginning on or after 1 January 2018
2 Effective for first annual IFRS financial statements 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 July 2014
5 Effective for annual periods beginning on or after 1 January 2016
6 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions

IFRS 9 Financial Instruments

IFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for hedge accounting. Another revised version of IFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9 are described as follows:

- All recognised financial assets that are within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- The new general hedge accounting requirements retain the three types of hedge accounting. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The directors anticipate that the adoption of IFRS 9 in the future may have impact on amounts reported in respect of the Group's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

IFRS 15 Revenue from Contracts with Customers

In July 2014, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer

- Step 2: Identify the performance obligations in the contract

- Step 3: Determine the transaction price

- Step 4: Allocate the transaction price to the performance obligations in the contract

- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

The directors of the Company anticipate that the application of IFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group’s consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 15 until the Group performs a detailed review.

Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations

The amendments to IFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in IFRS 3 *Business Combinations*. Specifically, the amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards (e.g. IAS 36 *Impairment of Assets* regarding impairment testing of a cash generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

A joint operator is also required to disclose the relevant information required by IFRS 3 and other standards for business combinations.

The amendments to IFRS 11 apply prospectively for annual periods beginning on or after 1 January 2016. The directors of the Company do not anticipate that the application of these amendments to IFRS 11 will have a material impact on the Group’s consolidated financial statements.

Amendments to IAS 1

The amendments to IAS 1 are designed to further encourage entities to apply professional judgement in determining what information to disclose in the financial statements, the amendments introduce changes and clarifications to the following areas of IAS:

- Materiality: The amendments clarify that (1) information should not be obscured by aggregating or by providing immaterial information, (2) materiality considerations apply to all parts of the financial statements, and (3) even when a standard requires a specific disclosure, materiality considerations do apply.

- Statement of financial position and statement of profit or loss and other comprehensive income. The amendments (1) introduce a clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and (2) clarify that an entity’s share of other comprehensive income (“OCI”) of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss.

- Notes. The amendments add additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in IAS 1. The IASB also removed guidance and examples with regard to the identification of significant accounting policies that were perceived as being potentially unhelpful.

The directors of the Company do not anticipate that the application of these amendments to IAS 1 will have a material impact on presentation of the Group's consolidated financial statements.

Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

(a) when the intangible asset is expressed as a measure of revenue; or

(b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016. Currently, the Group uses the straight-line method for depreciation and amortisation for its property, plant and equipment, and intangible assets respectively. The directors of the Company believe that the straight-line method is the most appropriate method to reflect the consumption of economic benefits inherent in the respective assets and accordingly, the directors of the Company do not anticipate that the application of these amendments to IAS 16 and IAS 38 will have a material impact on the Group's consolidated financial statements.

Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants

The amendments to IAS 16 and IAS 41 define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16, instead of IAS 41. The produce growing on bearer plants continues to be accounted for in accordance with IAS 41.

The directors of the Company do not anticipate that the application of these amendments to IAS 16 and IAS 41 will have a material impact on the Group's consolidated financial statements as the Group is not engaged in agricultural activities.

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

The amendments to IAS 19 clarify how an entity should account for contributions made by employees or third parties to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee.

For contributions that are independent of the number of years of service, the entity may either recognise the contributions as a reduction in the service cost in the period in which the related service is rendered, or to attribute them to the employees' periods of service using the projected unit credit method; whereas for contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees' periods of service.

The directors of the Company do not anticipate that the application of these amendments to IAS 19 will have a significant impact on the Group's consolidated financial statements as the Group does not have any defined benefit plans.

Amendments to IAS 27 Equity Method in Separate Financial Statements

The amendments allow an entity to account for investments in subsidiaries, joint ventures and associates in its separate financial statements

- At cost

- In accordance with IFRS 9 *Financial Instruments* (or IAS 39 *Financial Instruments: Recognition and Measurement* for entities that have not yet adopted IFRS 9), or

- Using the equity method as described in IAS 28 *Investments in Associates and Joint Ventures*.

The accounting option must be applied by category of investments.

The amendments also clarify that when a parent ceases to be an investment entity, or becomes an investment entity, it shall account for the change from the date when the change in status occurred.

In addition to the amendments to IAS 27, there are consequential amendments to IAS 28 to avoid a potential conflict with IFRS 10 *Consolidated Financial Statements* and to IFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards*.

The directors of the Company do not anticipate that the application of these amendments to IAS 27 will have a material impact on the Group's consolidated financial statements.

Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Amendments to IAS 28:

- The requirements on gains and losses resulting from transactions between an entity and its associate or joint venture have been amended to relate only to assets that do not constitute a business.

- A new requirement has been introduced that gains or losses from downstream transactions involving assets that constitute a business between an entity and its associate or joint venture must be recognised in full in the investor's financial statements.

- A requirement has been added that an entity needs to consider whether assets that are sold or contributed in separate transactions constitute a business and should be accounted for as a single transaction.

Amendments to IFRS 10:

- An exception from the general requirement of full gain or loss recognition has been introduced into IFRS 10 for the loss control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method.

- New guidance has been introduced requiring that gains or losses resulting from those transactions are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement at fair value of investments retained in any former subsidiary that has become an associate or a joint venture that is accounted for using the equity method are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The directors of the Company do not anticipate that the application of these amendments to IFRS 10 and IAS 28 will have a material impact on the Group's consolidated financial statements.

Annual Improvements to IFRSs 2010–2012 Cycle

The Annual Improvements to IFRSs 2010-2012 Cycle include a number of amendments to various IFRSs, which are summarised below.

The amendments to IFRS 2 (i) change the definitions of "vesting condition" and "market condition"; and (ii) add definitions for "performance condition" and "service condition" which were previously included within the definition of "vesting condition". The amendments to IFRS 2 are effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

The amendments to IFRS 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of IFRS 9 or IAS 39 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss. The amendments to IFRS 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014.

The amendments to IFRS 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have "similar economic characteristics"; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

The amendments to the basis for conclusions of IFRS 13 clarify that the issue of IFRS 13 and consequential amendments to IAS 39 and IFRS 9 did not remove the ability to measure short – term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.

The amendments to IAS 16 and IAS 38 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The amendments to IAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The directors do not anticipate that the application of the amendments included in the Annual Improvements to IFRSs 2010-2012 Cycle will have a material effect on the Group's consolidated financial statements.

Annual Improvements to IFRSs 2011-2013 Cycle

The Annual Improvements to IFRSs 2011-2013 Cycle include a number of amendments to various IFRSs, which are summarised below.

The amendments to IFRS 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

The amendments to IFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within IAS 32.

The amendments to IAS 40 clarify that IAS 40 and IFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

(a) the property meets the definition of investment property in terms of IAS 40; and

(b) the transaction meets the definition of a business combination under IFRS 3.

The directors do not anticipate that the application of the amendments included in the Annual Improvements to IFRSs 2011-2013 Cycle will have a material effect on the Group's consolidated financial statements.

Annual Improvement to IFRSs 2012–2014 Cycle

The Annual Improvements to IFRSs 2012-2014 Cycle include a number of amendments to various IFRSs, which are summarised below.

The amendments to IFRS 5 introduce specific guidance in IFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa), or when held-for-distribution accounting is discontinued. The amendments apply prospectively.

The amendments to IFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets and clarify that the offsetting disclosures (introduced in the amendments to IFRS 7 Disclosure – Offsetting Financial Assets and Financial Liabilities issued in December 2011 and effective for periods beginning on or after 1 January 2013) are not explicitly required for all interim periods. However, the disclosures may need to be included in condensed interim financial statements to comply with IAS 34 Interim Financial Reporting.

The amendments to IAS 19 clarify that the high quality corporate bonds used to estimate the discount rate for post-employment benefits should be issued in the same currency as the benefits to be paid. These amendments would result in the depth of the market for high quality corporate bonds being assessed at currency level. The amendments apply from the beginning of the earliest comparative period presented in the financial statements in which the amendments are first applied. Any initial adjustment arising should be recognised in retained earnings at the beginning of that period.

The amendments to IAS 34 clarify the requirements relating to information required by IAS 34 that is presented elsewhere within the interim financial report but outside the interim financial statements. The amendments require that such information be incorporated by way of a cross-reference from the interim financial statements to the other part of the interim financial report that is available to users on the same terms and at the same time as the interim financial statements.

The directors do not anticipate that the application of the amendments included in the Annual Improvements to IFRSs 2012-2014 Cycle will have a material effect on the Group's consolidated financial statements.

Amendments to IFRS 10, IFRS 12 and IAS 28

The exemption from preparing consolidated financial statements for an intermediate parent entity is available to a parent entity that is a subsidiary of an investment entity, even if that parent entity measures all of its subsidiaries at fair value. Consequential amendments have also been made to the IAS 28 exemption from applying the equity method for entities that are subsidiaries and hold interests in associates and joint ventures.

The amendments have clarified that the requirement for an investment entity to consolidate a subsidiary providing services related to its investment activities applies only to subsidiaries that are not themselves investment entities.

In applying the equity method to an associate or a joint venture that is an investment entity, an investor may retain the fair value measurements that the associate or joint venture used for its subsidiaries.

The amendments have clarified that an investment entity that measures all its subsidiaries at fair value should provide the disclosures required by IFRS 12 Disclosures of Interests in other entities.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The following critical accounting judgement and key sources of estimation uncertainty are used in the preparation of the consolidated financial statements.

(i) Valuation of investment properties

An external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the Group's investment property portfolio every six months. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in arms' length transaction.

In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated cash flows expected to be received from renting out the property. A yield that reflects the specific risks inherent in the net cash flows then is applied to the net annual cash flows to arrive at the property valuation.

Valuations reflect, where appropriate: the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, and the market's general perception of their creditworthiness; the allocation of maintenance and insurance responsibilities between the Group and the lessee; and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary increases, it is assumed that all notices and where appropriate counter-notices have been served validly and within the appropriate time.

Investment property under construction or development is valued by estimating the fair value of the completed investment property and then deducting from that amount the estimated costs to complete construction or development, financing costs and a reasonable profit margin.

(ii) Impairment of non-financial assets

If circumstances indicate that the carrying amounts of nonfinancial assets (other than investment properties, properties under development, completed properties held for sale, inventories and deferred tax assets) may not be recoverable, the assets may be considered impaired and are tested for impairment. An impairment loss is recognised when the asset's recoverable amount has declined below its carrying amount. The recoverable amount is the greater of the fair value less costs of disposal and value in use. In determining the recoverable amount which requires significant judgements, the Group estimates the future cash flows to be derived from continuing use and ultimate disposal of the asset and applies an appropriate discount rate to these future cash flows.

(iii) Write-down of properties under development and completed properties held for sale

Management performs a regular review on the carrying amounts of properties under development and completed properties held for sale. Based on management's review, write-down of properties under development and completed properties held for sale will be made when the estimated net realisable value has declined below the carrying amount.

In determining the net realisable value of completed properties held for sale, management refers to prevailing market data such as recent sales transactions, market survey reports available from independent property valuers and internally available information, as basis for evaluation.

In respect of properties under development, the estimate of net realisable value requires the application of a risk-adjusted discount rate to the estimated future cash flows to be derived from these properties. These estimates require judgement as to the anticipated sale prices by reference to recent sales transactions in nearby locations, rate of new property sales, marketing costs (including price discounts required to stimulate sales) and the estimated costs to completion of properties, the legal and regulatory framework and general market conditions. As of 31 December 2014, the amount of the write-down of completed properties held for Sale is RMB58,959,000.

(iv) Recognition of deferred tax assets

At 31 December 2014, the Group has recognised deferred tax assets in relation to the unused tax losses. The ability to realise the deferred tax assets mainly depends on whether it is probable that future taxable profits will be available against which related tax benefits under the deferred tax assets can be utilised. In cases where the actual future taxable profits generated are less than expected, a reversal of deferred tax assets may arise, which will be recognised in profit or loss for the period in which such a reversal takes place.

(v) PRC land appreciation taxes

The Group is subject to land appreciation taxes in the PRC. However, the implementation and settlement of these taxes varies among various tax jurisdictions in cities of the PRC, and the Group has not finalised its PRC land appreciation taxes calculation and payments with most of local tax authorities in the PRC. Accordingly, significant judgement is required in determining the amount of the land appreciation and its related taxes. The Group recognised these PRC land appreciation taxes based on management's best estimates according to the understanding of the tax rules. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the taxation and tax provisions in the years in which such taxes have been finalised with local tax authorities.

The Group recognises deferred tax in respect of the changes in fair value of the investment properties based on director's best estimate assuming future tax consequences through usage of such properties for rental purpose, rather than through sale. The final tax outcome could be different from the deferred tax liabilities recognised in the consolidated financial statements should the investment properties are subsequently disposed by the Group, rather than consumed substantially all of the economic benefits embodied in the investment properties by leasing over time. In the event the investment properties are being disposed the Group may be liable to higher tax upon disposal considering the impact of enterprise income tax and land appreciation tax.

5. REVENUE

	2014	2013
	RMB'000	*RMB'000*
Sales of properties	**2,262,698**	5,053,770
Rental income	**66,643**	59,366
Hotel operation income	**168,106**	147,307
Tuition fee	**89,739**	73,625
Property management income and other related services	**252,839**	113,700
	2,840,025	5,447,768

6. OTHER GAIN

	2014	2013
	RMB'000	*RMB'000*
Government grants	**2,220**	2,766
Forfeited deposits from customers	**2,921**	3,356
Gain on disposal of property, plant and equipment	**140**	210
Gain on acquisition of a subsidiary	**–**	51,932
Gain on disposal of a joint venture	**5,150**	–
Others	**1,377**	5,251
	11,808	63,515

7. OTHER OPERATING EXPENSES

	2014	2013
	RMB'000	*RMB'000*
Penalties	**24,354**	10,494
(Reversal of impairment) write-down properties under development and completed properties held for sale	**(16,298)**	42,881
Impairment of other investments	**–**	13,032
Reversal of impairment of receivables	**(577)**	–
Loss on redemption of senior notes	**–**	271,577
Others	**5,218**	6,470
Total	**12,697**	344,454

8. PERSONNEL EXPENSES

	2014	2013
	RMB'000	*RMB'000*
Profit before taxation has been arrived at after charging:		
Wages and salaries	**204,320**	166,883
Contributions to defined contribution plans	**41,779**	30,197
Staff welfare, bonuses and other allowances	**14,064**	4,754
Equity-settled share-based payment expenses	**11,574**	19,525
Total	**271,737**	221,359

9. EXPENSES BY NATURE

	2014	2013
	RMB'000	*RMB'000*
The following expenses are included in results from operating expenses		
Cost of properties sold	**1,616,688**	3,408,309
Auditors' remuneration		
– audit services	**2,460**	3,400
– audit-related services	**320**	1,950
Depreciation of property, plant and equipment	**104,403**	72,597
Amortisation of land use rights	**1,897**	1,873
Operating lease charges	**24,837**	54,331

10. NET FINANCE EXPENSES

	2014	2013
	RMB'000	*RMB'000*
Interest income on bank deposits	**30,551**	41,985
Interest income on long-term receivable measured at amortised cost	**52,429**	57,072
Finance income	**82,980**	99,057
Interest expenses on interest-bearing loans bonds and senior notes within 5 years	**(613,577)**	(581,648)
Interest expenses on interest-bearing loans, bonds and senior notes over 5 years	**(6,171)**	–
Less: interest capitalised	**453,726**	127,291
Net interest expenses on interest-bearing loans, bonds and senior notes	**(166,022)**	(454,357)
Interest expenses on long-term payable measured at amortised cost over 5 years	**(2,502)**	(2,868)
Net change in fair value of other investments	**–**	(2,422)
Net foreign exchange (loss) gain	**(17,656)**	44,316
Finance expenses	**(186,180)**	(415,331)
Fair value changes on financial derivatives		
– Embedded derivatives	**–**	111,922
– Interest rate swaps	**–**	890
	–	112,812
Net finance expenses	**(103,200)**	(203,462)

11. INCOME TAX EXPENSES

(i) Income tax in the consolidated statement of comprehensive income represents:

	2014	2013
	RMB'000	*RMB'000*
Current tax		
Provision for PRC enterprise income tax for the year	**78,457**	156,509
Under (over)-provision in prior years	**17,947**	(1,830)
Provision for PRC land appreciation tax for the year	**181,326**	253,949
	277,730	408,628
Deferred tax		
Origination and reversal of temporary differences	**141,063**	80,318
Benefit of tax losses recognised	**18,158**	(5,777)
	159,221	74,541
Total income tax expense	**436,951**	483,169

Enterprise income tax

No provision for Hong Kong Profits Tax has been made as the Group did not earn any income subject to Hong Kong Profits Tax during the year (2013: Nil).

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

Pursuant to the Corporate Income Tax Law of the PRC, the Group's main operating companies were subject to PRC income tax at a rate of 25% (2013: 25%).

Land appreciation tax

PRC land appreciation tax is levied on properties developed for sale by the Group at progressive rates ranging from 30% to 60% on the appreciation of land value, which under the applicable regulations is calculated based on the proceeds of sales of properties less deductible expenditures including lease charges of land use rights, borrowing costs and all property development expenditures. Land appreciation tax of RMB181,326,000 has been included in profit or loss during the year (2013: RMB253,949,000).

(ii) Reconciliation between tax expense and accounting profit at applicable tax rate:

	2014	2013
	RMB'000	*RMB'000*
Profit before income tax	**501,072**	516,319
Less: PRC land appreciation tax	**(181,326)**	(253,949)
	319,746	262,370
Tax calculated at the rates applicable to respective companies that comprise the Group	**79,936**	65,593
Tax effect of share of results of associates and joint ventures	**658**	12,044
Non-deductible expenses, net of non-taxable income	**33,797**	74,635
Unrecognised deferred tax assets	**123,287**	78,778
Under (over) provision in prior years	**17,947**	(1,830)
	255,625	229,220
PRC land appreciation tax	**181,326**	253,949
Total	**436,951**	483,169

In accordance with the accounting policy, the Group has not recognised deferred tax assets in respect of cumulative tax losses of certain subsidiaries for the year as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity.

12. OTHER COMPREHENSIVE INCOME

(i) Tax effects relating to other comprehensive income

There are no tax effects in relation to the other comprehensive income of the Group.

(ii) Components of other comprehensive income, including reclassification adjustments

	2014	2013
	RMB'000	*RMB'000*
Exchange differences on translation of financial statements of overseas subsidiaries	**(23,374)**	21,879
Reclassification adjustments for amounts transferred to profit or loss	**–**	(5,527)
Net movement during the year recognised in other comprehensive income	**(23,374)**	16,352

13. DIVIDENDS

	2014	2013
	RMB'000	*RMB'000*
Final dividend in respect of previous financial year, declared and paid during the year (i)	**104,247**	–
Special dividend	**–**	1,044,515
Total	**104,247**	1,044,515

(i) During this year, a final dividend of HK$0.05 per share in respect of the year ended 31 December 2013 (the "Final Dividend") was paid to the owners of the Company. The aggregated amount of the Final Dividend amounted to HK$131,391,000 (equivalent to RMB104,247,000).

(ii) The Board of Directors has resolved not to propose dividends in respect of the year ended 31 December 2014.

14. EARNINGS PER SHARE

(a) Earnings per ordinary share (basic)

Earnings per ordinary share (basic) is calculated by dividing the profit attributable to owners of the Company allocated to ordinary shares by the weighted average number of ordinary shares in issue during the year and excluding ordinary shares purchased by the Group and held for Share Award Scheme.

	2014	2013
Profit attributable to owners of the Company allocated to ordinary shares(RMB'000)	**46,812**	22,215
Weighted average number of ordinary shares (basic)	**1,109,057,392**	1,008,678,384

(b) Earnings per convertible preference share (basic)

Earnings per convertible preference share (basic) is calculated by dividing the profit attributable to owners of the Company allocated to convertible preference shares by the number of convertible preference shares in issue during the year.

	2014	2013
Profit attributable to owners of the Company allocated to convertible preference shares (RMB'000)	**60,878**	12,298
Number of convertible preference shares (basic)	**1,485,530,000**	558,396,204

(c) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding based on the assumption that all dilutive potential ordinary shares are converted as follows:

	2014	2013
Weighted average number of ordinary shares (basic)	**1,109,057,392**	1,008,678,384
Effect of convertible preference shares	**1,485,530,000**	558,396,204
Effect of Share Award Scheme	**23,585,822**	19,545,934
Weighted average number of ordinary shares (diluted)	**2,618,173,214**	1,586,620,522

15. PROPERTY, PLANT AND EQUIPMENT

	Buildings *RMB'000*	Leasehold improvements *RMB'000*	Motor vehicles *RMB'000*	Fixtures, fittings & equipment *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
Cost:						
Balance at 1 January 2013	840,869	32,243	43,434	316,878	5,319	1,238,743
Additions/Adjustments	(9,462)	–	2,282	11,230	21,864	25,914
Transfer from properties under development	10,799	–	–	–	–	10,799
Disposals	–	–	(4,523)	(327)	–	(4,850)
Balance at 31 December 2013	842,206	32,243	41,193	327,781	27,183	1,270,606
Additions	–	999	8,369	34,704	56,353	100,425
Transfer from properties under development	677,877	39,660	–	–	–	717,537
Transfer to investment properties	(6,866)	–	–	–	–	(6,866)
Disposals	–	–	(13,514)	(2,809)	–	(16,323)
Balance at 31 December 2014	1,513,217	72,902	36,048	359,676	83,536	2,065,379
Depreciation:						
Balance at 1 January 2013	127,423	26,241	26,209	99,482	–	279,355
Charge for the year	34,002	508	4,781	33,306	–	72,597
Disposals	–	–	(4,021)	(304)	–	(4,325)
Balance at 31 December 2013	161,425	26,749	26,969	132,484	–	347,627
Charge for the year	48,372	8,413	4,371	43,247	–	104,403
Disposals	–	–	(4,876)	(1,625)	–	(6,501)
Balance at 31 December 2014	209,797	35,162	26,464	174,106	–	445,529
Carrying amounts:						
At 31 December 2013	680,781	5,494	14,224	195,297	27,183	922,979
At 31 December 2014	1,303,420	37,740	9,584	185,570	83,536	1,619,850

(i) All buildings owned by the Group are located in the PRC.

(ii) As at 31 December 2014, property, plant and equipment with a total carrying value of RMB887,798,000 (2013: RMB777,418,000) were pledged as collateral for the Group's borrowings.

16. INTERESTS IN JOINT VENTURES

	2014	2013
	RMB'000	*RMB'000*
Hainan Tianyuan Lifeng Shiye Company Limited ("Tianyuan Lifeng")	**655,611**	654,381
Forever Rich Enterprise Limited ("Forever Rich")	**282,411**	–
Shanghai Qiyu Enterprise Co., Ltd. ("Shanghai Qiyu")	**–**	22,730
	938,022	677,111

During this year, the Group disposed Shanghai Qiyu to Shanghai Haoyuan Investment Co., Ltd.. The gain on disposal of Shanghai Qiyu is RMB5,150,000 (note 6).

(a) Tianyuan Lifeng

	2014	2013
	RMB'000	*RMB'000*
Cost of investment	**758,476**	758,476
Share of post-acquisition losses	**(102,865)**	(104,095)
	655,611	654,381

Name of joint venture	**Principle activity**	**Place of incorporation and principal place of business**	**Proportion of ownership interest and voting rights held by the Group**
Tianyuan Lifeng	Property development	Haikou, Hainan Province, the PRC	50.1%

Summary of financial information of Tianyuan Lifeng, adjusted for any differences in accounting policies, and a reconciliation to the carrying amount in the consolidated financial statements, are disclosed below:

	2014	2013
	RMB'000	*RMB'000*
Gross amounts:		
Current assets	**5,380,931**	985,466
Non-current assets	**113,347**	3,073,804
Current liabilities	**(3,364,090)**	(1,241,903)
Non-current liabilities	**(821,564)**	(1,511,199)
Equity	**1,308,624**	1,306,168
Included in the above assets and liabilities:		
Cash and cash equivalents	**41,832**	48,409
Current liabilities (excluding trade, other payables and advance receipts)	**(986,990)**	(125,561)
Non-current financial liabilities (excluding trade, other payables and advance receipts)	**(404,847)**	(1,078,474)
Revenue	**858,674**	600
Profit (loss) for the year	**2,456**	(96,158)
Total comprehensive income (expenses)	**2,456**	(96,158)
Included in the above loss:		
Depreciation and amortisation	**(220)**	(1,115)
Finance income	**1,103**	169
Finance expenses	**(52,429)**	(57,072)
Income tax expense	**5,503**	14,268
Reconciled to the Group's interest in Tianyuan Lifeng		
Gross amounts of Tianyuan Lifeng's net asset	**1,308,624**	1,306,168
Group's effective interest	**50.1%**	50.1%
Carrying amount in the Group's consolidated financial statements	**655,611**	654,381

(b) Forever Rich

	2014	2013
	RMB'000	*RMB'000*
Cost of investment	**286,367**	–
Share of post-acquisition losses	**(3,956)**	–
	282,411	–

Name of joint venture	Principle activity	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held by the Group
Forever Rich	Property development	Suzhou, Jiangsu Province, the PRC	50%

Summary of financial information of Forever Rich, adjusted for any differences in accounting policies, and a reconciliation to the carrying amount in the consolidated financial statements, are disclosed below:

	2014
	RMB'000
Gross amounts:	
Current assets	**388,933**
Non-current assets	**583,972**
Non-current liabilities	**(408,083)**
Equity	**(564,822)**
Included in the above assets and liabilities:	
Cash and cash equivalents	**193,583**
Current liabilities (exclude trade and other payables and provisions)	**–**
Revenue	**–**
Loss for the period	**(7,913)**
Other comprehensive income	**–**
Total comprehensive income	**(7,913)**
Included in the above loss:	
Depreciation and amortisation	**(40)**
Finance income	**2,862**
Finance expenses	**(902)**
Income tax expense	**2,476**
Reconciled to the Group's interest in Forever Rich	
Gross amounts of Forever Rich's net asset	**564,822**
Group's effective interest	**50%**
Carrying amount in the Group's consolidated financial statements	**282,411**

17. TRADE, OTHER RECEIVABLES AND ADVANCE DEPOSITS

	Group	
	2014	2013
	RMB'000	*RMB'000*
Receivables due from related parties:	**1,168,866**	38,936
Trade receivables due from third parties	**86,149**	25,889
Advance payments to contractors	**64,617**	66,968
Advance deposits for acquisition of land use rights	**480,010**	2,873,815
Non-trade receivables	**511,629**	793,317
Other tax prepayments	**273,039**	84,679
Total	**2,584,310**	3,883,604

The receivables due from related parties are non-trade, unsecured, non-interest bearing and repayable on demand. Non-trade receivable balances, deposits and advances to third parties are expected to be settled or recovered within one year. Tax prepayments mainly represent prepayment of business tax, land appreciation tax and income tax during the pre-sale stage of certain properties.

In general, the Group provides no credit terms for the customers.

Trade receivables disclosed above include amounts (see below for aged analysis), that are past due at the end of the reporting period for which the Group has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

Age of receivables are past due but not impaired:

	2014	2013
	RMB'000	*RMB'000*
0–90 days	**83,523**	25,586
91–180 days	**728**	–
181–365 days	**1,898**	303
	86,149	25,889

18. LONG-TERM RECEIVABLE

	Term	Principle Amount	2014	2013
		RMB'000	***RMB'000***	*RMB'000*
Long-term receivable	10 years	969,741	**721,657**	799,188
Less: Long-term receivable due within 1 year			**(125,561)**	(125,561)
Long-term receivable due after 1 year			**596,096**	673,627

The amount is repayable as follows:

	2014	2013
Within 1 year	**125,561**	125,561
Over 1 year and within 2 years	**113,237**	113,237
Over 2 years and within 5 years	**292,214**	292,214
After 5 years	**190,645**	268,176
	721,657	799,188

Long-term receivable represents shareholders' loan provided to Tianyuan Lifeng. The amount is non-interest bearing and repayable in 10 annual instalments of RMB130,000,000 each, starting from 11 June 2012. Interest income of RMB52,429,000 (2013: RMB57,072,000) was recognised in relation to the long-term receivable during the year (note 10).

19. TRADE, OTHER PAYABLES AND ADVANCE RECEIPTS

	Group	
	2014	2013
	RMB'000	*RMB'000*
Payables due to related parties		
Trade related		
– Other related parties	**68,153**	–
Non-trade related		
– Dividends payable	**6,805**	9,173
– Other related parties	**6,485,163**	2,515,962
	6,560,121	2,525,135
Trade payables	**2,891,092**	1,694,952
Advance receipts from customers	**4,704,349**	1,615,665
Other taxes payable	**44,237**	153,567
Dividends payable	**225**	229
Unpaid land cost	**3,784,618**	891,030
Non-trade payables and accrued expenses	**1,330,076**	444,739
	12,754,597	4,800,182
Total	**19,314,718**	7,325,317

The payables due to related parties are unsecured, non-interest bearing and repayable on demand.

The aging analysis of trade payables at each reporting date is as follows:

	Group	
	2014	2013
	RMB'000	*RMB'000*
0–90 days	**2,705,616**	655,179
91–180 days	**52,681**	316,584
181–365 days	**35,920**	515,175
365 days–3 years	**96,875**	208,014
	2,891,092	1,694,952

20. BONDS

On 18 October 2013, the Company issued 4.75% bonds due 2016 (the "A Bond") with an aggregated nominal value of USD700,000,000 at a value equal to 99.655% of the face value. The A Bond is listed on The Stock Exchange of Hong Kong Limited. The Bonds carry interest at the rate of 4.75% per annum, payable semi-annually on 18 April and 18 October in arrears, and will mature on 18 October 2016, unless redeemed earlier. The net proceeds, after deducting the direct issuance costs, amounted to approximately USD692,424,000 (equivalent to RMB4,249,546,000).

On 23 January 2014, the Company issued 5.50% bonds due 2018 (the "B Bond") with an aggregated nominal value of RMB1,500,000,000 at a value equal to 99% of the face value. The B Bond is listed on The Stock Exchange of Hong Kong Limited. The B Bond carries interest at the rate of 5.50% per annum, payable semi-annually on 23 January and 23 July in arrears and will mature on 23 January 2018, unless redeemed earlier. The net proceeds, after deducting the direct issuance costs, amounted to approximately RMB1,490,465,000.

On 7 August 2014, the Company issued 4.375% bonds due 2017 (the "C Bond") with an aggregated nominal value of USD 500,000,000 at a value equal to 99.31% of the face value. The C Bond is listed on The Stock Exchange of Hong Kong Limited. The C Bond carries interest at the rate of 4.375% per annum, payable semi-annually on 7 February and 7 August in arrears and will mature on 7 August 2017, unless redeemed earlier. The net proceeds after deducting the direct issuance costs, amounted to approximately USD 492,287,000 (equivalent to RMB3,035,935,000).

The A Bond, B Bond and C Bond (the "Bonds") have the benefit of a keepwell deed from Greenland Holding Group Company Limited, the ultimate controlling shareholder of the Company.

The Bonds embedded certain options as below:

(i) The issuer's redemption option all for A Bond (redemption option No. 1)

The Company may at any time redeem the A Bond, in whole but not in part, at a redemption price equal to the Make Whole Price as of, and accrued and unpaid interest, if any, to (but excluding), the redemption date. "Make Whole Price" means, with respect to a Bond at any redemption date, the amount calculated is the greater of (1) the present value of the principal amount of such Bond, plus all required remaining scheduled interest payments due on such Bond from the optional redemption date to the maturity date (but excluding accrued and unpaid interest to the option redemption date), computed using a discount rate, which the rate per annum equal to the semi-annual equivalent yield in maturity of the comparable treasury issue plus 0.5 per cent, and (2) the principal amount of such Bonds.

(ii) The issuer's redemption option for taxation reason (redemption option No. 2)

The Bonds may be redeemed at the option of the Company in whole, but not in part, at any time, at their principal amount (together with any interest accrued to the date fixed for redemption) in the event of certain changes affecting taxes of a relevant jurisdiction.

(iii) The holder's redemption option (redemption option No. 3)

Following the occurrence of a Put Event, the holder of any Bonds will have the right, at such holder's option, to require the Issuer to redeem all, but not some only, of such holder's Bonds on the Put Event Put Date at 101% of their principal amount, together with accrued interest to the Put Event Put Date.

A "Put Event" will be deemed to occur if:

(1) there is a change of control, and

(2) within a period ending six months after the date notice of the change of control first becomes public (which period shall be extended so long as the Bonds are under consideration (as publicly announced within such six month period) for a possible rating downgrade), a rating downgrade occurs.

The redemption option No.1 held by the Company is separately accounted for at fair value at the initial recognition date and each reporting date as derivative financial instruments in accordance with the accounting policy to the financial statements.

The exercise price of both redemption option No. 2 held by the Company and the redemption option No. 3 held by the bondholder is approximately equal to the amortised cost of the host contract. Hence, the redemption options No. 2 and No. 3 have risks and characteristics that are closely related to those of the host contract and are not separated from the host contract.

The movements of different components of Bonds are set out below:

	Liability component *RMB'000*	**Call option of the Company** *RMB'000*	**Total** *RMB'000*
Net proceeds from bonds issued in 2013	4,249,546	–	4,249,546
Interests and issue cost amortised during the year	47,562	–	47,562
Exchange gain	(27,905)	–	(27,905)
As at 31 December 2013	4,269,203	–	4,269,203
Net proceeds from bonds issued in 2014	4,526,400	–	4,526,400
Interests and issue cost amortised during the year	334,255	–	334,255
Interest paid during period	(245,811)	–	(245,811)
Exchange gain	12,407	–	12,407
As at 31 December 2014	8,896,454	–	8,896,454

Represented by	31 December **2014** *RMB'000*	31 December 2013 *RMB'000*
– Other payables – accrued interests	**133,053**	44,609
– Bonds	**8,763,401**	4,224,594
– Total	**8,896,454**	4,269,203

Liability component of the Bonds represents the contractually determined stream of future cash flows discounted at the rate of interest determined by the market instruments of comparable credit status taken into account the business risk and financial risk of the Company. The effective interest rate of the liability component is 4.934%-5.734% per annum for the year ended 31 December 2014.

As at 31 December 2014, the liability component of the Bonds was repayable as follows:

Represented by	31 December **2014** *RMB'000*	31 December 2013 *RMB'000*
After one year but within two years	**4,251,935**	–
After two years but within five years	**4,511,466**	4,224,594
Total	**8,763,401**	4,224,594

BUSINESS REVIEW

Results

The year 2014 was a turning point in terms of macro controls towards the property market in China. The central government executed gentle stimulation such as targeted reductions in bank reserve requirements to secure homebuyers' demands for credit and loans, and later eased the credit limit and reduced the interest rate, which also improved consumers' confidence in the property industry.

Benefiting from an advanced and modernised rational management system, our relationship with the Greenland Holding Group, a flexible marketing strategy and a strong sales team, the Group achieved total contracted sales of approximately RMB12.9 billion during the year, equivalent to 108% of its annual sales target in 2014.

During the year, the Group recorded a total revenue of approximately RMB2,840,025,000, a decline of 48% from last year. The decline was attributable to fewer gross floor area ("GFA") delivered during the year. Net profit attributable to equity holders of the Company was approximately RMB107,690,000, compared to RMB34,513,000 of last year. Basic and diluted earnings per share attributable to equity holders of the Company amounted to RMB0.04 per share, an increase of 100% from RMB0.02 per share of last year.

During the year under review, the total GFA delivered amounted to 178,875 square meters, a 44% decrease from 316,737 square meters delivered during 2013. The average selling price was RMB12,333 per square meter in 2014. Revenue derived from property sales was approximately RMB2,263 million, representing a decrease of 55% from RMB5,054 million in 2013. The key projects completed and delivered in 2014 are as follows:

Item	Location	Approximate area sold and delivered in 2014	Approximate sales recognized in 2014	Average selling price
		sq.m.	*RMB'000*	*RMB/sq.m.*
Greenland Shanding Park	Taiyuan	68,461	807,679	11,798
The Metropolitan	Kunming	42,253	348,899	8,257
Greenland The Florea	Haikou	16,654	312,229	18,748
Cambridge Forest New Town	Shanghai	6,933	185,527	26,760
Greenland Emerald Bay	Changshu	13,853	182,319	13,161
Greenland Xi Shui Dong	Wuxi	15,348	177,218	11,547
Tiffany	Shanghai	11,915	126,065	10,580
Global 188	Suzhou	2,036	47,168	23,167
Oriental Garden	Shanghai	1,422	19,019	13,375
Sub-total		**178,875**	**2,206,123**	**12,333**
Greenland Emerald Bay – parking lot	Changshu		19,433	
Tiffany – parking lot	Shanghai		12,480	
Greenland Xi Shui Dong – parking lot	Wuxi		9,692	
Cambridge Forest New Town – parking lot	Shanghai		7,759	
Greenland The Florea – parking lot	Haikou		4,646	
The Metropolitan – parking lot	Kunming		2,565	
Sub-total			**56,575**	
Total property sales			**2,262,698**	

Contracted Sales

During the year, the Group registered a total contracted GFA of 1,700,467 square meters with a 378% year-on-year growth, and achieved total contracted sales of RMB12.9 billion, with a year-on-year increase of RMB9.4 billion, representing an increase of 269%.

During the year under review, projects in first – and second-tier cities continued to be the main contributor of contracted sales. The key projects that offered significant volumes of contracted sales include the Hainan Projects (32%), Zhejiang Projects (17%), Jiangsu Projects (15%), Kunming Projects (13%), Guangxi Projects (11%) and Shanghai Projects (6%).

Grand Opening of Crowne Plaza Huangshan Taiping Lake

On 20 September 2014, the Group celebrated the grand opening of Crowne Plaza Huangshan Taiping Lake, the first above-water five-star Crowne Plaza hotel owned by the Greenland Taiping Lake Resort Project in Huangshan. The Project is situated by Taiping Lake and faces the mountains. As well as Crown Plaza Huangshan Taiping Lake, the project consists of the Hidden Tiger golf club, yacht club, spa and an international residential area, which will be developed into a leading health holiday resort. Crown Plaza Huangshan Taiping Lake is located by Taiping Lake and is under the management of InterContinental Hotels Group. Crowne Plaza Huangshan Taiping Lake is a standard five-star resort hotel with a GFA of 42,092 square meters, providing a total of 247 rooms.

Land Bank

Given the resources and our relationship with our parent company Greenland Holding Group, and the cost-effective financing channels offered by the capital market, the Group acquired seven new quality projects in 2014, and added a land bank of approximately 5 million square meters.

In February, the Group won the bid for the land located in Xiuying District, near the Wuyuan River in Haikou. The total land area is 975,717 square meters and the planned GFA is 3,273,100 square meters. The average floor price is approximately RMB2,459 per square meter. The project is developed into a mixed use of residential, commercial and office.

In April, the Group acquired its second quality land parcel in Nanning City, Guangxi Automatous Region. It is located on Pingle Boulevard, Wuxiang New Area. The total land area is 98,600 square meters, the average floor price is approximately RMB1,330 per square meter and the planned GFA is 345,000 square meters. The project is for residential and commercial use.

In April, the Group completed the capital injection of three Kunming Projects (Greenland Hai Po Lan Ting, Greenland Xiang Shu Hua Cheng and Greenland Yunduhui Square) from Greenland Holding Group. The total site area of the three projects is 285,704 square meters and the planned GFA is 684,374 square meters. The average floor price of Greenland Hai Po Lan Ting is RMB8,974 per square meter, while the average floor price of Greenland Xiang Shu Hua Cheng and Greenland Yunduhui Square is RMB1,354 per square meter. There will be a mixed development of residential, office and commercial buildings. After such capital injection, the Group and Greenland Holding Group held 55% and 45% of the equity interests of the projects respectively.

In October, the Group successfully acquired its third plot of land in Nanning City. This project is also located in Wuxiang New Area, and covers a total site area of 23,479 square meters. The average floor price is approximately RMB1,008 per square meter, with a plot ratio of between four times and five times. The site is designed for office and commercial use.

In October, the Group entered into a cooperation agreement with China Resources Land to form a joint venture at a basis of 50:50, to co-develop a project in Wujiang District, Suzhou. The site comprises three parcels of land with a total area of 158,825 square meters. The average floor price of the three parcels of land is approximately RMB1,445 per square meter. This project will be developed to a mixed use of residential and commercial service.

In October 2014, the Group and China Resources entered into a termination agreement to terminate the cooperation agreement on the project development of a land parcel located in Wuliqiao Area, Huangpu District, Shanghai. Upon the termination, the Group will undertake the development project in respect of the land on a sole basis. As of the date of this announcement, the Group has settled the land premium of this project.

As at 31 December 2014, the Group held a land bank of approximately 14.3 million square meters, with prime sites strategically located in key cities of regional economic importance in the Yangtze River Delta and southern China coastal area. The current land bank is sufficient to support the Group's development pipeline for the next three to five years, but the Group is continuously looking for high quality sites which show strong potential.

Financial Restructuring

The Group continued to leverage the diversified financing tools and channels in offshore and onshore capital markets in 2014 at both the corporate and project level, restructured its financial position consisting of medium- to long-term and issued relatively low cost bonds and loans, and successfully reduced its average financing rate to lower than 5% currently. The Group and its parent company Greenland Holding Group maintained their ratings in 2014 – Greenland Holding Group continues to receive ratings of "Baa3", "BBB", "BBB–" this year from Moody's, Standard & Poor's, and Fitch respectively; and bonds issued by Greenland Hong Kong obtained "Ba1", "BB+","BBB–" from Moody's, Standard & Poor's and Fitch respectively.

In January 2014, the Group successfully issued RMB1.5 billion bond at the rate of 5.5% per annum due 2018, and obtained a three-year offshore syndicated loan in USD and HKD with an aggregated amount equivalent to approximately USD320 million and a three-year onshore syndicated loan of RMB1 billion for Hangzhou Greenland Cifi City Project.

In July 2014, the Group established a USD2 billion medium-term note programme, under which it may issue notes in series or tranches of aggregate nominal amounts of up to USD2 billion (or its equivalent in other currencies). Following this, in early August 2014, the Group issued USD500 million 4.375% notes due 2017.

In December 2014, the Group obtained a three-year offshore syndicated loan in USD and HKD with an aggregate amount equivalent to approximately USD500 million to develop the Wuliqiao Project in Shanghai. The interest rate is LIBOR+3.4% for US dollar part and HIBOR+3.4% for HK dollar part. Meanwhile, the Project also obtained a RMB2 billion onshore syndicated loan.

Property Fund Management

The Group has been actively exploring ways of financing property developments and achieved a significant milestone in 2014. It established a property fund management company, Blackwood Capital, and raised an offshore equity fund of USD1 billion. In December 2014, the first property fund under management was set up and completed its first investment by acquiring an office building in downtown Shanghai. The investment returns consisted of rental income and potential asset appreciation, and the seller provided a certain percentage of guaranteed returns. The Fund will continue to look for ideal investment opportunities with low risk and reasonable return rates.

Outlook

In light of the complicated macro environment and volatile market, the Group is fully aware that it can achieve a leading position in the industry by constantly thinking ahead, and proactively optimizing its business model and geographic layout.

We consider the Group's parent company, Greenland Holding Group, to be one of the largest real estate developers in the world in 2015. We are Greenland Holding Group's sole overseas listing platform. Greenland Hong Kong will pursue the finance business relating to the property industry while developing existing property operations in the future. Looking forward, the Group will continue to focus on its principal operation of traditional property development, while striving to strengthen the business sectors of property fund management and property internet finance. For the traditional property development business, the Group will continue to consolidate all available resources to achieve healthy and rapid growth. Given Greenland Holding Group's strong background as a state-owned enterprise and its access to government resources, the Group may be able to acquire land efficiently at competitive prices and enjoy favorable terms and government support during project implementation. The existing powerful Greenland brand may be used for the Group's projects. As far as operations are concerned, management and sales connections with the parent company may be utilised to identify opportunities to reduce operating costs and enjoy economies of scale. Riding on the tremendous success the Group achieved in the contracted sales in 2014, the Group set a sales target for 2015 as RMB18 billion, representing another 50% growth comparing to 2014.

In terms of property fund management and property internet finance business sectors, the Group plans to build up a "3+1" ecosystem, i.e. three funds plus a property internet finance platform. The three funds include a property investment fund, a special situation investment fund, and a PPP infrastructure fund. The property internet finance platform aims to establish a marketplace lending platform for a connected world, with the aim of being the largest online and offline platform in the world targeting investment and financing opportunities throughout the whole property development industry life cycle. This platform will reshape China's property market and realize the re-consolidation of the real estate resources system. The re-positioning of business sectors will enable Greenland Hong Kong to embrace the opportunities arising from the internet era and establish its leadership in the new field of the innovative property industry as well as empower it to play a core strategic role as part of Greenland Holding Group's finance sector.

FINANCIAL PERFORMANCE

Revenue

The total revenue of the Group for 2014 decreased by approximately 48% as compared to 2013, from approximately RMB5,448 million to approximately RMB2,840 million.

Sales of property, the core business activity, generated revenue of approximately RMB2,263 million (2013: RMB5,054 million), accounting for approximately 80% of the total revenue, and representing an approximately 55% decrease as compared with last year. The revenue of the Group from other segments includes lease of properties, property management and other related service and hotel and related services operation.

Year ended 31 December

	2014	2013	Change
	RMB'000	*RMB'000*	*RMB'000*
Sales of properties	**2,262,698**	5,053,770	(2,791,072)
Property management income & other related service	**252,839**	113,700	139,139
Hotel and related services	**168,106**	147,307	20,799
Education	**89,739**	73,625	16,114
Lease of properties	**66,643**	59,366	7,277
Total	**2,840,025**	5,447,768	(2,607,743)

Cost of sales

Cost of sales decreased by approximately 48% to approximately RMB2,061 million, as compared to RMB4,001 million in 2013. The cost of sales mainly comprised land costs, construction costs, capitalized finance costs and sales tax.

Gross profit and margin

Gross profit decreased to approximately RMB779 million from RMB1,446 million in 2014 while gross profit margin remained the same at 27% as that in 2013.

Operating expenses

Benefiting from our relationship with the parent company, various operations of the Group were developed and expanded. The administrative expenses and selling and marketing costs experienced an increase from RMB330 million and RMB88 million in 2013 to RMB428 million and RMB265 million in 2014 respectively.

Net Finance Expenses

The net finance expenses decreased from RMB203 million in 2013 to RMB103 million in 2014. This decrease was mainly because of the sharp decrease of average financing cost.

Share of Loss of Joint Ventures

The Group recorded a loss from share of operating results of joint ventures in 2014 amounting to RMB2.7 million as compared to a loss of RMB48 million in 2013. The loss was mainly attributable to Hai Chang Liu project in Haikou and the newly acquired Wujiang project in Suzhou district which was still at the development stage.

Fair Value Gains (Losses) on Investment Properties

The Group recorded a revaluation gain on investment properties of approximately RMB522 million in 2014, as compared with a loss of RMB81 million in 2013. The fair value gain was mainly attributable to the investment properties in Shanghai and Nanning.

Income Tax

Income tax decreased by 10% from RMB483 million in 2013 to RMB437 million in 2014. The decrease was mainly due to less LAT and CIT provision accrued for the property delivery.

Profit Attributable to Owners of the Company

The Group's profit attributable to equity holders amounted to approximately RMB108 million, an increase of 209% compared to RMB35 million in 2013.

Financial Position

Total equity of the Group was RMB5,991 million as at 31 December 2014 (31 December 2013: RMB5,707 million). Total assets amounted to RMB41,040 million (31 December 2013: RMB21,740 million) and total liabilities stood at RMB35,049 million (31 December 2013: RMB16,033 million).

Liquidity and Financial Resources

The Group's business operations, bank borrowings and cash proceeds raised have been the primary source of liquidity of the Group, which have been applied in business operations and investment in development projects.

Net gearing ratio (total borrowings less cash and cash equivalents including restricted cash over total equity) stood at a level of 155% as at 31 December 2014 (100% as at 31 December 2013). The Group had total cash and cash equivalents (including restricted cash) of RMB5,189 million, total borrowings of RMB14,445 million and an equity base of RMB5,991 million as at 31 December 2014.

Treasury Policy

The business transactions of the Group were mainly denominated in Renminbi. Apart from fund raising transactions in the capital market, there is limited exposure in foreign exchange risk.

The Group has established a treasury policy with the objective of better controlling treasury functions and lowering costs of funds. In providing funds to all its operations, funding terms have been centrally reviewed and monitored at Group level.

In accomplishing the aim of minimizing interest risk, the policy of the Group is to continue closely monitoring and managing the Group's loan portfolio by its existing agreements' interest margin spread with market interest rates and offers from banks.

Credit Policy

Trade receivables mainly arose from sale and lease of properties. Receivables in respect of sale and lease of properties are settled in accordance with the terms stipulated in the sale and purchase agreements and lease agreements.

Pledge of Assets

As at 31 December 2014, the Group pledged properties and land use rights with a carrying value of RMB11 billion to secure bank facilities granted to the Group. The total secured loan balance outstanding as at 31 December 2014 amounted to RMB3.1 billion.

Financial Guarantees

As at 31 December 2014, the Group provided guarantees to banks for:

	31 December 2014 *RMB'000*	31 December 2013 *RMB'000*
Mortgage	**2,969,788**	506,948
Other Guarantees	**–**	135,000
Total	**2,969,788**	641,948

Capital Commitment

	31 December 2014 *RMB'000*	31 December 2013 *RMB'000*
Property development activities:		
– Contracted but not provided for	**2,828,778**	7,735,884
– Authorized but not contracted	**495,158**	2,722,895
	3,323,936	10,458,779

Human Resources

As at 31 December 2014, the Group employed a total of 2,240 employees (31 December 2013: 1,707). The Group has adopted a performance-based rewarding system to motivate its staff. In addition to a basic salary, year-end bonuses are offered to staff with an outstanding performance. Share award schemes were adopted to attract talent to contribute to the Group. In relation to staff training, the Group also provides various staff programs to improve their skills and develop their respective expertise.

CORPORATE GOVERNANCE

During the year ended 31 December 2014, the Company has complied with the code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), except for code provisions A.2.1, A.4.2 and E.1.2 as described below.

Code Provision A.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. From 1 January 2014 to 31 December 2014, Mr. CHEN Jun has undertaken the role of both Chairman of the Board and Chief Executive Officer of the Company. The Company considers that the combination of the roles is conducive to the efficient formulation and implementation of the Group's strategies and policies and such combination has not impaired the corporate governance practices of the Group. The balance of power and authority is ensured by the management of the Company's affairs by the Board which meets regularly to discuss and determine issues concerning the operations of the Group.

Code A.4.2 stipulates that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. Pursuant to the Company's articles of association, any person appointed as a Director by the Board shall stand for re-election at the next following annual general meeting of the Company. Such arrangement is considered appropriate in light of the requirement of paragraph 4(2) of Appendix 3 to the Listing Rules which requires that any person appointed by the directors to fill a casual vacancy shall hold office only until the next following annual general meeting and shall then be eligible for re-election.

Code E.1.2 stipulates that the chairman of the Board should attend annual general meetings. The chairman of the Board did not attend the annual general meeting of the Company held on 3 June 2014 due to other business commitments.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company will be held on Friday, 5 June 2015. A notice convening the annual general meeting will be published and dispatched to the shareholders of the Company in the manner required by the Listing Rules in due course.

The register of members of the Company will be closed from Wednesday, 3 June 2015 to Friday, 5 June 2015 (both days inclusive) during which period no transfer of shares will be effected. In order to determine the entitlement to attend and vote at the annual general meeting to be held on Friday, 5 June 2015, all transfer documents accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 2 June 2015.

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

Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the year ended 31 December 2014 except that the trustee of the share award scheme, pursuant to the terms of the trust deed of the share award scheme purchased on the Stock Exchange a total of 1,809,000 shares of the Company at a total consideration of HK$5,808,212.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as its code of conduct for dealings in securities of the Company by the Directors. Based on specific enquiry by the Company, all Directors have confirmed that they have complied with the required standards set out in the Model Code throughout the year ended 31 December 2014.

AUDIT COMMITTEE

The Company has an audit committee which was established in compliance with Rule 3.21 of Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee comprises the three independent non-executive Directors of the Company.

The audit committee has reviewed the annual results for the year ended 31 December 2014 with the management of the Company.

By Order of the Board
Greenland Hong Kong Holdings Limited
Chen Jun
Chairman

Hong Kong, 26 March 2015

As at the date of this announcement, the executive directors of the Company are Mr. Chen Jun, Mr. Wang Weixian, Mr. Hou Guangjun, Mr. Wu Zhengkui, Ms. Wang Xuling and Mr. You Defeng; and the independent non-executive directors of the Company are Mr. Cheong Ying Chew, Henry, Mr. Fong Wo, Felix, JP, and Mr. Kwan Kai Cheong.