豐盛
FULLSHARE

Fullshare Holdings Limited
豐盛控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00607)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

The board (the "Board") of directors (the "Directors") of Fullshare Holdings Limited (the "Company") hereby announces the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2014, together with the comparative figures for the previous year prepared in accordance with generally accepted accounting principles in Hong Kong as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2014

	Notes	**2014** *RMB'000*	2013 *RMB'000*
Continuing operations			
Revenue	*4*	**643,793**	859,393
Cost of sales		**(514,170)**	(627,327)
Gross profit		**129,623**	232,066
Other income	*5*	**8,580**	2,307
Change in fair value of convertible bonds	*19*	**(1,360,118)**	(292,866)
Change in fair value of property held for sale transferred to investment property		**–**	1,324
Gain on bargain purchase recognised in acquisition of a subsidiary		**237,978**	–
Selling expenses		**(22,241)**	(29,858)
Administrative expenses		**(49,378)**	(25,816)
Finance costs	*6*	**(3,035)**	(412)
Loss before tax		**(1,058,591)**	(113,255)
Income tax expense	*7*	**(44,268)**	(88,083)
Loss for the year from continuing operations		**(1,102,859)**	(201,338)

	Notes	**2014** **RMB'000**	2013 *RMB'000*
Discontinued operation			
Loss for the year from discontinued operation	*8*	**–**	(32,042)
Loss and total comprehensive expense for the year	*9*	**(1,102,859)**	(233,380)
Loss and total comprehensive expense for the year attributable to owners of the Company:			
– from continuing operations		**(1,109,654)**	(209,704)
– from discontinued operation		**–**	(32,042)
		(1,109,654)	(241,746)
Profit and total comprehensive income for the year attributable to non-controlling interests:			
– from continuing operations		**6,795**	8,366
– from discontinued operation		**–**	–
		6,795	8,366
		(1,102,859)	(233,380)
Loss per share	*11*	***RMB***	*RMB*
From continuing and discontinued operations			
– Basic and diluted		**(28.02) cents**	(20.92) cents
From continuing operations			
– Basic and diluted		**(28.02) cents**	(18.15) cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2014

	Notes	2014 RMB'000	2013 RMB'000
Non-current assets			
Plant and equipment		**4,080**	2,898
Investment property	*12*	**5,600**	5,600
Goodwill	*13*	**1,474**	–
Loan receivable	*14*	**350,000**	–
Deferred tax assets		**14,045**	–
		375,199	8,498
Current assets			
Deposit paid for potential acquisition of a subsidiary		**50,000**	–
Trade and other receivables	*15*	**327,018**	53,608
Tax prepaid		**23,219**	–
Properties under development		**1,802,040**	880,104
Properties held for sale		**307,336**	405,484
Amounts due from customers for contract work		**20,801**	–
Pledged bank deposits		**11,947**	1,445
Bank balances and cash		**251,082**	116,358
		2,793,443	1,456,999
Current liabilities			
Trade and other payables	*16*	**224,378**	188,563
Receipts in advance and deposits received		**435,442**	476,702
Income tax payables		**60,035**	41,399
Consideration payable	*17*	**156,000**	–
Amount due to a shareholder		**8,815**	–
Bank and other borrowings			
– due within one year	*18*	**757,190**	155,000
		1,641,860	861,664
Net current assets		**1,151,583**	595,335
Total assets less current liabilities		**1,526,782**	603,833

	Notes	**2014** *RMB'000*	2013 *RMB'000*
Capital and reserves			
Issued equity		**530,763**	439,307
Reserves		**720,011**	(661,881)
Equity (capital deficiency) attributable to owners of the Company		**1,250,774**	(222,574)
Non-controlling interests		**207,624**	27,829
Total equity (capital deficiency)		**1,458,398**	(194,745)
Non-current liabilities			
Convertible bonds	*19*	**–**	683,247
Corporate bond	*20*	**7,089**	–
Consideration payables	*17*	**43,758**	–
Bank and other borrowings – due after one year	*18*	**–**	115,000
Deferred tax liabilities		**17,537**	331
		68,384	798,578
Total equity (capital deficiency) and non-current liabilities		**1,526,782**	603,833

1. GENERAL INFORMATION

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law (2007 Revised) of the Cayman Islands. Its shares (the "Shares") are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The principal activities of the Group are property development and provision of green building services. In the opinion of the Directors, the parent and the ultimate holding company of the Company is Magnolia Wealth International Limited ("Magnolia"), a limited company incorporated in the British Virgin Islands ("BVI").

The consolidated financial statements are presented in Renminbi ("RMB"), which is the same as the Company's and its subsidiaries' functional currency.

Pursuant to a special resolution passed at the special general meeting held on 20 October 2014, the English name of the Company was changed from "Warderly International Holdings Limited" to "Fullshare Holdings Limited" and the Chinese name of the Company was changed from "匯多利國際控股有限公司" to "豐盛控股有限公司".

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

On 12 December 2013, an open offer, debt restructuring and reverse takeover involving a new listing application was completed. The Group acquired the entire equity interest of Nanjing Fullshare Asset Management Limited*（南京豐盛資產管理有限公司）("Nanjing Fullshare"), a company incorporated in the PRC with limited liability from Nanjing Fullshare Industrial Holding Group Co. Limited*（南京豐盛產業控股集團有限公司）("Nanjing Fullshare Holding") at cash consideration of HK$500,000,000. Magnolia, an underwriter of the open offer of the Company, was acting in concert with Nanjing Fullshare Holding. Nanjing Fullshare was an investment holding company which was wholly owned by Nanjing Fullshare Holding, immediately before the completion of the reverse takeover transaction ("Reverse Takeover Transaction"). Nanjing Fullshare and its subsidiaries (the "Nanjing Fullshare Group") were principally engaged in property development in the People's Republic of China ("PRC"). The details of the Reverse Takeover Transaction were set out in the Company's circular dated 28 October 2013 and in the announcement of the Company dated 12 December 2013.

Open Offer

During the year ended 31 December 2013, the Company carried out an open offer (the "Open Offer") to raise HK$84,400,000 on the basis of 4 offer shares for every 1 existing share held on the record date at the offer price of HK$0.05 each of 1,688,000,000 offer shares (the "Offer Shares") with Magnolia being the underwriter of the Open Offer. Upon the completion of the Open Offer, the number of the issued share capital of the Company increased by 1,688,000,000 to 2,110,000,000.

As the Offer Shares were not fully subscribed by the existing shareholders of the Company, Magnolia has taken up 1,103,036,404 Offer Shares, representing approximately 52.28% of the total issued share capital as enlarged by the Offer Shares.

The details of the Open Offer were set out in the prospectus and announcement of the Company dated 21 November 2013 and 10 December 2013 respectively.

Debt Restructuring

During the year ended 31 December 2013, the Company also completed the debt restructuring and settled the amounts due to certain creditors of the Company (the "Scheme Creditors") by the way of the schemes of arrangement to be made between the Company and the Scheme Creditors under the predecessor Hong Kong Companies Ordinance (Chapter 32 of the Laws of Hong Kong) (the "Hong Kong Scheme") and the Companies Law (2007 Revision) of the Cayman Islands (the "Cayman Scheme", together with the Hong Kong Scheme, hereinafter collectively referred to as the "Schemes") respectively. On 12 December 2013, the Schemes were effective. Pursuant to the Schemes, all amounts due to Scheme Creditors have been fully discharged for a cash payment of HK$37,000,000 (the "Debt Restructuring").

The details of the Debt Restructuring were set out in the circular and announcement of the Company dated 28 October 2013 and 12 December 2013 respectively.

Reverse Takeover Transaction

During the year ended 31 December 2013, the Reverse Takeover Transaction has been accounted for as a reverse acquisition under Hong Kong Financial Reporting Standard 3 (Revised) Business Combination ("HKFRS 3 (Revised)") as Magnolia has taken up approximately 52.28% ordinary shares of the Company through the Open Offer and Mighty Fame Limited ("Mighty Fame"), a wholly owned subsidiary of the Company, has acquired entire equity interest of Nanjing Fullshare at cash consideration of HK$500,000,000 from Nanjing Fullshare Holding. For accounting purpose, the aforesaid transactions were deemed as reverse takeover transaction. As a result, the Company (together with its subsidiaries before the completion of the Reverse Takeover Transaction, collectively referred to as the "Existing Group"), the accounting acquiree, is deemed to have been acquired by Nanjing Fullshare, the accounting acquirer. These consolidated financial statements have been prepared as a continuation of the consolidated financial statements of the Nanjing Fullshare Group and accordingly:

(i) The assets and liabilities of the Nanjing Fullshare Group are recognised and measured at their carrying amounts;

(ii) The identified assets and liabilities of the Existing Group are recognised and measured initially at their fair value in accordance with the HKFRS 3 (Revised); and

In preparing these consolidated financial statements, the Nanjing Fullshare Group has applied the acquisition method to account for the acquisition of the Existing Group. In applying the acquisition method, the consideration deemed to be given by Nanjing Fullshare was approximately RMB39,307,000 (equivalent to approximately HK$50,344,000), calculated based on HK$0.05 each (i.e. offer price under the Open Offer) of approximately 1,006,964,000 ordinary shares of the Company (the "Deemed Consideration"), which represented the number of issued ordinary shares of the Company minus the number of ordinary shares held by Magnolia as at the date of completion of the Reverse Takeover Transaction. The separately identifiable assets and liabilities of the Existing Group were recorded in the consolidated statement of financial position at their fair value upon the completion date of the Reverse Takeover Transaction. Goodwill arising on the acquisition of the Existing Group of approximately RMB32,980,000, being the excess of the Deemed Consideration over the identifiable assets and liabilities of the Existing Group upon the completion date of the Reverse Takeover Transaction, was recorded. The results of the Existing Group have been consolidated to the Company's consolidated financial statements since the completion date of the Reverse Takeover Transaction.

Significant Accounting policies

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules (the "Listing Rules") Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance which for the financial year and comparative period continue to be those of the predecessor Hong Kong Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for the Part 9 of the Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit", which are set out in section 76 to 87 of Schedule 11 of that Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments and investment property that are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The Group has applied the following new and revised HKFRSs issued by the HKICPA for the first time in the current year:

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
HK (IFRS Interpretations Committee) ("HK(IFRIC)") – Int 21	Levies

Except for disclosed in below, the application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

HK(IFRIC) – Int 21 Levies

The Group has applied HK(IFRIC) – Int 21 Levies for the first time in the current year. HK(IFRIC) – Int 21 addresses the issue as to when to recognise a liability to pay a levy imposed by 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.

HK(IFRIC) – Int 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.

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

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

[1] Effective for annual periods beginning on or after 1 July 2014.

[2] Effective for annual periods beginning on or after 1 January 2016.

[3] Effective for annual periods beginning on or after 1 January 2017.

[4] Effective for annual periods beginning on or after 1 January 2018.

The Directors anticipate that, except as described below, the application of other new and revised standards, amendments and interpretations will have no material impact on the results and financial position of the Group.

Annual Improvements to HKFRSs 2010-2012 Cycle

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

The amendments to HKFRS 8 (i) require an entity to disclose the judgments 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 HKFRS 13 clarify that the issue of HKFRS 13 and consequential amendments to HKAS 39 and HKFRS 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 Directors do not anticipate that the application of the amendments included in the Annual Improvements to HKFRSs 2010-2012 Cycle will have a material effect on the Group's consolidated financial statements.

Annual Improvements to HKFRSs 2011-2013 Cycle

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

The amendments to HKFRS 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, HKAS 39 or HKFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within HKAS 32.

The amendments to HKAS 40 clarify that HKAS 40 and HKFRS 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 HKAS 40; and

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

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

Annual Improvement to HKFRSs 2012 – 2014 Cycle

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

The amendments to HKAS 19 clarify that the market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

HKAS 34 requires entities to disclose information in the notes to the interim financial statements 'if not disclosed elsewhere in the interim financial report'. The amendments to HKAS 34 clarify that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report. The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. If users do not have access to the other information in this manner, then the interim financial report is incomplete.

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

HKFRS 9 (2014) Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was amended in 2010 and includes the requirements for the classification and measurement of financial liabilities and for derecognition. In 2013, HKFRS 9 was further amended to bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements. A finalised version of HKFRS 9 was issued in 2014 to incorporate all the requirements of HKFRS 9 that were issued in previous years with limited amendments to the classification and measurement by introducing a "fair value through other comprehensive income" ("FVTOCI") measurement category for certain financial assets. The finalised version of HKFRS 9 also introduces an "expected credit loss" model for impairment assessments.

Key requirements of HKFRS 9 (2014) are described as follows:

- HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 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. Debt instruments that are held within a business model whose objective is achieved both by collecting cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 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, HKFRS 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 HKAS 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 the aspect of impairment assessments, the impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets and commitments to extend credit were added. Those requirements eliminate the threshold that was in HKAS 39 for the recognition of credit losses. Under the impairment approach in HKFRS 9 (2014) it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, expected credit losses and changes in those expected credit losses should always be accounted for. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition and, consequently, more timely information is provided about expected credit losses.

- HKFRS 9 introduces a new model which is more closely aligns hedge accounting with risk management activities undertaken by companies when hedging their financial and non-financial risk exposures. As a principle-based approach, HKFRS 9 looks at whether a risk component can be identified and measured and does not distinguish between financial items and non-financial items. The new model also enables an entity to use information produced internally for risk management purposes as a basis for hedge accounting. Under HKAS 39, it is necessary to exhibit eligibility and compliance with the requirements in HKAS 39 using metrics that are designed solely for accounting purposes. The new model also includes eligibility criteria but these are based on an economic assessment of the strength of the hedging relationship. This can be determined using risk management data. This should reduce the costs of implementation compared with those for HKAS 39 hedge accounting because it reduces the amount of analysis that is required to be undertaken only for accounting purposes.

HKFRS 9 (2014) will become effective for annual periods beginning on or after 1 January 2018 with early application permitted.

The Directors anticipate that the adoption of HKFRS 9 (2014) in the future may have significant 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.

Amendments to HKAS 1 Disclosure Initiative

The amendments clarify that companies should use professional judgement in determining what information as well as where and in what order information is presented in the financial statements. Specifically, an entity should decide, taking into consideration all relevant facts and circumstances, how it aggregates information in the financial statements, which include the notes. An entity does not require to provide a specific disclosure required by a HKFRS if the information resulting from that disclosure is not material. This is the case even if the HKFRS contain a list of specific requirements or describe them as minimum requirements.

Besides, the amendments provide some additional requirements for presenting additional line items, headings and subtotals when their presentation is relevant to an understanding of the entity's financial position and financial performance respectively. Entities, in which they have investments in associates or joint ventures, are required to present the share of other comprehensive income of associates and joint ventures accounted for using the equity method, separated into the share of items that (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions are met.

Furthermore, the amendments clarify that:

(i) an entity should consider the effect on the understandability and comparability of its financial statements when determining the order of the notes; and

(ii) significant accounting policies are not required to be disclosed in one note, but instead can be included with related information in other notes.

The amendments will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted. The Directors anticipate that the application of Amendments to HKAS 1 in the future may have a material impact on the disclosures made in the Group's consolidated financial statements.

HKFRS 15 Revenue from Contracts with Customers

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

The core principle of HKFRS 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 HKFRS 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 HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

HKFRS 15 will become effective for annual periods beginning on or after 1 January 2017 with early application permitted. The Directors anticipate that the application of HKFRS 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 HKFRS 15 until the Group performs a detailed review.

Hong Kong Companies Ordinance (Cap. 622)

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

4. REVENUE AND SEGMENT INFORMATION

REVENUE

Revenue represents the net amounts received and receivable for properties sold and green building services provided by the Group to external customers less sales related taxes.

	2014	2013
	RMB'000	*RMB'000*
Continuing operations		
Sale of properties	**631,240**	859,393
Green building services income	**12,553**	–
	643,793	859,393

SEGMENT INFORMATION

Information reported to the chief executive officer, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

The Group is principally engaged in the property development and provision of green building services. Specifically, the Group's reportable and operating segments are as follows:

1. Property development – development and sale of properties

2. Green building – green building services

The green building services segment is introduced during the year ended 31 December 2014 through the acquisition of Fullshare Green Building Group Company Limited*（豐盛綠建集團有限公司）("Fullshare Lujian") (formerly known as Jiangsu Ruiheng Construction Company Limited*（江蘇鋭恒建設有限公司）) and its subsidiary ("Fullshare Lujian Group").

As further detailed set out in note 8, manufacturing and sale of household electrical appliances was discontinued during the year ended 31 December 2013. The segment information reported does not include any amounts for the discontinued operation.

Segment revenues and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable and operating segment.

	2014			2013		
	Property development *RMB'000*	**Green building** *RMB'000*	**Total** *RMB'000*	Property development *RMB'000*	Green building *RMB'000*	Total *RMB'000*
Continuing operations						
Revenue	**631,240**	**12,553**	**643,793**	859,393	–	859,393
Segment profit	**82,505**	**1,972**	**84,477**	188,263	–	188,263
Unallocated corporate expenses			**(23,586)**			(11,588)
Unallocated other income			**5,693**			2,024
Change in fair value of property held for sale transferred to investment property			**–**			1,324
Change in fair value of convertible bonds			**(1,360,118)**			(292,866)
Gain on bargain purchase recognised in acquisition of a subsidiary			**237,978**			–
Finance costs			**(3,035)**			(412)
Loss before tax			**(1,058,591)**			(113,255)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of central administration costs, directors' salaries, finance costs and changes in fair value of convertible bonds and property held for sale transferred to investment property, gain on bargain purchase recognised in acquisition of a subsidiary and certain other income. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

	2014			2013		
	Property development *RMB'000*	**Green building** *RMB'000*	**Total** *RMB'000*	Property development *RMB'000*	Green building *RMB'000*	Total *RMB'000*
Continuing operations						
Segment assets	**2,432,312**	**382,726**	**2,815,038**	1,347,098	–	1,347,098
Unallocated corporate assets			**353,604**			118,399
Total assets			**3,168,642**			1,465,497
Segment liabilities	**607,022**	**43,239**	**650,261**	657,736	–	657,736
Unallocated corporate liabilities			**1,059,983**			1,002,506
Total liabilities			**1,710,244**			1,660,242

For the purposes of monitoring segment performance and allocating resources between segments:

- All assets are allocated to operating segments other than certain property, plant and equipment, deferred tax assets, certain other receivables, deposit paid for potential acquisition of subsidiary, tax prepaid, pledged bank deposits and bank balances and cash as these assets are managed on a group basis.

- All liabilities are allocated to operating segments other than certain other payables, amount due to a shareholder, consideration payables, bank and other borrowings, income tax payables, convertible bonds, corporate bond and deferred tax liabilities as these liabilities are managed on a group basis.

Other segment information

	For the year ended 31 December 2014			
	Property development	**Green building**	**Unallocated**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
Continuing operations				
Amounts included in the measure of segment profit or loss or segment assets				
Addition to non-current assets *(note)*	**64**	**2,044**	**1,647**	**3,755**
Depreciation	**671**	**14**	**345**	**1,030**
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:				
Written back of other payable	**–**	**–**	**(672)**	**(672)**
Waiver of interests on convertible bonds	**–**	**–**	**(2,922)**	**(2,922)**
Bank interest income	**–**	**–**	**(551)**	**(551)**
Finance costs	**–**	**–**	**3,035**	**3,035**
Income tax expense	**43,609**	**526**	**133**	**44,268**

	For the year ended 31 December 2013			
	Property development	Green building	Unallocated	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Continuing operations				
Amounts included in the measure of segment profit or loss or segment assets				
Addition to non-current assets	1,303	–	6,100	7,403
Depreciation	948	–	49	997
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:				
Bank interest income	–	–	(1,902)	(1,902)
Finance costs	–	–	412	412
Income tax expense	88,083	–	–	88,083

Note: Non-current assets excluded deferred tax assets and loan receivable.

Information about geographical areas

Information about the Group's revenue from external customers is presented based on the location of the operations. Information about its non-current assets is presented based on the geographical location of the assets.

All the Group's revenue is derived from customers based in the PRC (country of domicile).

Non-current assets

	2014	2013
	RMB'000	*RMB'000*
PRC (country of domicile)	**9,969**	8,485
Hong Kong	**1,185**	13
	11,154	8,498

Non-current assets excluded deferred tax assets and loan receivable.

Information about major customers

During the years ended 31 December 2014 and 2013, no single external customer contributing over 10% of the Group's revenue.

5. OTHER INCOME

	2014	2013
	RMB'000	*RMB'000*
Continuing operations		
Bank interest income	**551**	1,902
Subletting rental income *(Note)*	**1,262**	–
Waiver of interests on convertible bonds	**2,922**	–
Written back of other payable	**672**	–
Other interest income *(note 14)*	**2,887**	–
Gain on disposal of plant and equipment	**–**	283
Others	**286**	122
	8,580	2,307

Note: The direct costs of the subletting rental income for the year ended 31 December 2014 is approximately RMB1,077,000 (2013: nil).

6. FINANCE COSTS

	2014	2013
	RMB'000	*RMB'000*
Continuing operations		
Interest expenses on:		
bank borrowings wholly repayable within five years	**37,999**	22,959
convertible bonds	**2,997**	412
corporate bond	**38**	–
Less: Interest capitalised in the cost of qualifying assets *(note)*	**(37,999)**	(22,959)
	3,035	412

Note:

Borrowing costs capitalised during the years ended 31 December 2014 and 2013 arose from specific borrowings for the qualifying assets.

7. INCOME TAX EXPENSE

	2014	2013
	RMB'000	*RMB'000*
Continuing operations		
Current tax:		
PRC Enterprise Income Tax ("EIT")	**31,182**	37,075
PRC Land Appreciation Tax ("LAT")	**25,329**	50,677
	56,511	87,752
Deferred tax		
Current year	**(12,243)**	331
	44,268	88,083

Notes:

(a) Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. No provision for taxation in Hong Kong has been made as the Group's income neither arises in, nor is derived from, Hong Kong.

(b) Under the Law of the PRC on EIT (the "EIT Law") and Implementation Regulation of the EIT Law, the applicable tax rate of Company's PRC subsidiaries is 25% for the years ended 31 December 2014 and 2013.

(c) The provision of PRC LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. PRC LAT has been provided at progressive rates ranging from 30% to 60% on the appreciation value, with certain allowable deductions including land costs and the relevant property development expenditures. According to the State Administration of Taxation's official circulars, PRC LAT shall be payable provisionally upon sales of the properties, followed by final ascertainment of the gain at the completion of the properties development.

8. DISCONTINUED OPERATION

On 5 April 2013, the Company entered into a sale agreement to dispose of entire interest in Up Stand Holdings Limited and its subsidiary (collectively referred to as the "Disposal Group"), which carried out all of the Existing Group's manufacturing and sale of household electrical appliances operation (the "Disposal"), at a cash consideration of HK$10,000,000 (equivalent to approximately RMB7,808,000). The Disposal was effected in order to make the Group solely be engaged in property development. The Disposal was completed on 12 December 2013.

The loss from discontinued operation was analysed as follows:

	RMB'000
Impairment loss on goodwill *(note 13)*	32,042
Loss on disposal of manufacturing and sale of household electrical appliances operation	–
	32,042

As the Reverse Takeover Transaction and the Disposal were completed on the same date (i.e. 12 December 2013), only impairment loss on goodwill of approximately RMB32,042,000 was recognised in the profit or loss and no cash flows were recorded in relation to the discontinued operation for the year ended 31 December 2013.

9. LOSS FOR THE YEAR

Loss for the year from continuing operations has been arrived at after charging:

	2014	2013
	RMB'000	*RMB'000*
Continuing operations		
(a) Staff costs, excluding directors' and chief executive's emoluments		
Salaries, wages and other benefits	**16,349**	10,744
Retirement benefits scheme contributions	**2,673**	1,590
	19,022	12,334
(b) Other items		
Auditors' remuneration	**1,319**	794
Depreciation of plant and equipment	**1,030**	997
Minimum lease payments under operating lease of properties	**4,488**	1,746
Costs of properties held for sale recognised as expenses (included as cost of sales)	**502,085**	627,327
Plant and equipment written off	**–**	13

10. DIVIDENDS

No dividend was paid or proposed during the year ended 31 December 2014 (2013: nil), nor has any dividend been proposed since the end of the reporting period.

11. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	2014	2013
	RMB'000	*RMB'000*
For continuing and discontinued operations		
Loss		
Loss for the purpose of basic and diluted loss per share for the year attributable to the owners of the Company	**(1,109,654)**	(241,746)
For continuing operations		
Loss		
Loss for the purpose of basic and diluted loss per share for the year attributable to the owners of the Company	**(1,109,654)**	(209,704)
For discontinued operation		
Loss		
Loss for the purpose of basic and diluted loss per share for the year attributable to the owners of the Company	**–**	(32,042)

	2014	2013
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**3,960,630**	1,155,454

From continuing and discontinued operations

The weighted average number of shares used for the purpose of calculating basic loss per share for the year ended 31 December 2013 is determined by reference to the pre-combination capital of the Nanjing Fullshare multiplied by the exchange ratio established in the Reverse Takeover Transaction and the weighted average total actual shares of the Company in issue after the completion of the Reverse Takeover Transaction.

The computations of diluted losses per share for the years ended 31 December 2014 and 2013 do not assume the conversion of the Company's convertible bonds, which was issued upon the completion of the Reverse Takeover Transaction, since their exercise would result in change from loss per shares to earnings per share which is anti-dilutive.

From continuing operations

The denominators used are the same as those detailed above for basic and diluted loss per share for the years ended 31 December 2014 and 2013.

From discontinued operation

Basic and diluted loss per share for the discontinued operation for the year ended 31 December 2013 was RMB2.77 cents per share based on the loss for the year from the discontinued operation attributable to the owners of the Company of approximately RMB32,042,000 and the denominators detailed above for basic and diluted loss per share for the year ended 31 December 2013.

12. INVESTMENT PROPERTY

	RMB'000
FAIR VALUE	
At 1 January 2013	–
Transferred from properties held for sale	4,276
Increase in fair value of property held for sale transferred to investment property recognised in profit or loss	1,324
At 31 December 2013, 1 January 2014 and 31 December 2014	5,600

The Group's property interest held under operating lease to earn rentals or for capital appreciation purposes is measured using the fair value model and is classified and accounted for as investment property.

The fair value of the Group's investment property as at the date of transferred from properties held for sale and at 31 December 2014 and 2013 have been arrived at on the basis of a valuation carried out on the respective dates by Crowe Horwath (HK) Consulting & Valuation Limited (2013 and the date of transferred from properties held for sale: CBRE Limited), independent qualified professional valuers not connected with the Group. The valuation was determined by reference to recent market prices for similar properties in the similar locations and conditions. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Details of the Group's investment property and information about the fair value hierarchy as at 31 December 2014 and 2013 are as follows:

	Level 2	Fair value as at 31 December 2014	Fair value at the date of transfer and as at 31 December 2013
	RMB'000	*RMB'000*	*RMB'000*
Commercial property units located in the PRC under long-term lease	5,600	**5,600**	5,600

There were no transfers into or out of Level 2 fair value measurement during both years.

At 31 December 2013 and 2014, a building ownership certificate of the investment property of approximately RMB5,600,000 had not been granted to the Group from the local land bureau of the PRC.

13. GOODWILL

	2014	2013
	RMB'000	*RMB'000*
COST		
At beginning of the year	**–**	–
Arising on acquisition of the Existing Group	**–**	32,980
Arising on acquisition of a subsidiary *(note a)*	**1,474**	–
Derecognised upon disposal of subsidiaries	**–**	(32,980)
At the end of the year	**1,474**	–
IMPAIRMENT		
At beginning of the year	**–**	–
Impairment loss recognised in the year *(note b)*	**–**	32,042
Elimination upon disposal of subsidiaries	**–**	(32,042)
At the end of the year	**–**	–
CARRYING VALUE		
At 31 December	**1,474**	–

Notes:

a) The carrying amount of goodwill arising from the acquisition of Fullshare Lujian Group was allocated to the cash generating unit of green building services ("CGU 1").

The recoverable amount of CGU 1 has been determined on the basis of value-in-use calculation with reference to a valuation performed by AVISTA Valuation Advisory Limited ("AVISTA"), an independent professional qualified valuer not connected to the Group. The calculation uses cash flow projections based on financial budgets approved by management of the Group covering a 5 years period and pre-tax discount rate of 25.8%. Cash flow beyond the 5 years period has been extrapolated using a steady 3% growth rate. This growth rate is based on industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. The Directors were of the opinion that the recoverable amount exceeded its respective carrying amount as at 31 December 2014, and no impairment loss of goodwill was recognised.

b) The carrying amount of goodwill arising from the acquisition of the Existing Group was allocated to the cash generating unit of manufacturing, sales and trading of household electrical appliances ("CGU 2"). The CGU 2 had been disposed of at a cash consideration of HK$10,000,000 (equivalent to approximately RMB7,808,000) immediately after the completion of the acquisition of the Existing Group during the year ended 31 December 2013.

For the purpose of impairment testing, the recoverable amount of CGU 2 has been determined based on the fair value less cost of disposal. At the date of completion of the acquisition of the Existing Group, the Directors considered that the recoverable amount of the CGU 2 was approximately RMB7,808,000 and the net asset value of the CGU 2 was approximately RMB6,870,000, accordingly, an impairment loss on goodwill of approximately RMB32,042,000 was recognised at the date of completion of the aforesaid acquisition.

The recoverable amount of CGU 2 amounted to approximately RMB7,808,000 represented the actual transaction price by reference to the sale and purchase agreement entered between the Group and a connected party during the year ended 31 December 2013.

14. LOAN RECEIVABLE

Loan receivable is an unsecured loan advanced to 句容市華陽鎮人民政府 amounted to RMB350,000,000, carries interest at 9.5% per annum and is repayable on or before 31 December 2016. Further details of the advance were set out in the Company's announcements dated 6 and 26 November 2014.

15. TRADE AND OTHER RECEIVABLES

	2014	2013
	RMB'000	*RMB'000*
Trade receivables *(note a)*	**713**	–
Other receivables and deposits *(note b)*	**33,076**	24,182
Prepayments for construction works	**274,792**	3,804
Other prepayments	**906**	1,287
Other taxes prepaid	**17,531**	24,335
	327,018	53,608

The Group does not hold any collateral over these balances.

As at 31 December 2014, trade and other receivables of approximately RMB1,516,000 (2013: RMB583,000) were denominated in HK$ which is not the functional currency of the relevant group entities.

Note a: An ageing analysis of trade receivables of the Group, based on invoice date at the end of reporting period, is as follows:

	2014	2013
	RMB'000	*RMB'000*
Within 90 days	**265**	–
Over 1 year	**448**	–
	713	–

The Group does not have a standardised and universal credit period granted to its customers, and the credit period of individual customer is considered on a case-by-case basis and stipulated in the project contract, as appropriate.

As at 31 December 2014, trade receivables of approximately RMB448,000 were past due more than one year but not impaired. The Group has individually assessed all the past due but not impaired trade receivables' credit worthiness and past payment history. The Directors are of the opinion that the amounts are still recoverable and no provision for impairment is necessary in respect of these balances.

Note b: Included in the Group's other receivables and deposits are security deposits with an aggregate balance of approximately RMB29,314,000 (2013: RMB21,679,000) which are paid to certain PRC government authorities for the Group's property development business in the PRC. Such security deposits will be released upon completion of construction of the relevant development projects. All other receivables and deposits were neither past due nor impaired.

The Directors consider that there has not been a significant change in the credit quality of the trade receivables, other receivables, prepayments and deposits and there is no recent history of default, therefore the amounts are considered recoverable.

16. TRADE AND OTHER PAYABLES

	2014	2013
	RMB'000	*RMB'000*
Trade payables	**76,584**	28,321
Bills payables	**11,947**	1,445
	88,531	29,766
Other tax payables	**1,056**	38
Other payables	**26,706**	12,063
Accrued expenses	**108,085**	146,696
	224,378	188,563

The following is an aged analysis of the Group's trade and bills payables presented based on the invoice date at the end of reporting period:

	2014	2013
	RMB'000	*RMB'000*
Within 90 days	**70,835**	25,149
91 – 180 days	**13,731**	1,698
181 – 365 days	**2,400**	2,737
Over 1 year	**1,565**	182
	88,531	29,766

The average credit period on trade payable is 180 days. The Group has financial risk management policies in place to ensure that all trade payables are settled within the credit timeframe.

As at 31 December 2014, trade and other payables of approximately RMB6,352,000 (2013: RMB7,530,000) were denominated in HK$ which is not the functional currency of the relevant group entity.

17. CONSIDERATION PAYABLES

Consideration payables represented the acquisition-date fair value of the outstanding considerations in respect of acquisitions of Nanjing Tianyun Real Estate Development Company Limited*（南京天韻房地產開發有限公司）("Nanjing Tianyun") and Fullshare Lujian Group of which RMB156,000,000, RMB22,860,000 and RMB20,898,000 are payable in February 2015, March 2016 and June 2017 respectively.

18. BANK AND OTHER BORROWINGS

	2014	2013
	RMB'000	*RMB'000*
Secured		
Bank borrowings	**199,690**	180,000
Other borrowings	**320,000**	–
Unsecured		
Other borrowings	**237,500**	90,000
	757,190	270,000
Carrying amount repayable:		
On demand or within one year	**757,190**	155,000
More than one year but not exceeding two years	**–**	115,000
	757,190	270,000
Less: amounts due within one year shown under current liabilities	**(757,190)**	(155,000)
Amounts shown under non-current liabilities	**–**	115,000

The Group's bank and other borrowings are interest-bearing as follows:

	2014	2013
	RMB'000	*RMB'000*
Fixed-rate borrowings		
From independent third parties	**415,000**	10,000
From a related party (note)	**70,000**	–
	485,000	10,000
Variable-rate borrowings	**272,190**	260,000
	757,190	270,000

Note:

As at 31 December 2014, fixed-rate borrowings from a related party represented unsecured entrusted loans of approximately RMB70,000,000 were received from Nanjing Fullshare Holding, a company controlled by Mr. Ji Changqun ("Mr. Ji"). The entrusted loans carried interest ranging from 5.6% to 6% per annum and were repayable within one year.

The ranges of effective interest rates per annum on the Group's borrowings at the end of the reporting period are as follows:

	2014	2013
Fixed-rate borrowings	**5.60% – 7.995%**	7.80% – 7.995%
Variable-rate borrowings	**6.00% – 7.50%**	6.15% – 7.98%

All bank and other borrowings were denominated in RMB.

As at 31 December 2014, bank and other borrowings of approximately RMB519,690,000 (2013: RMB180,000,000) was secured by certain properties under development of the Group and in which RMB40,000,000 (2013: RMB180,000,000) were guaranteed by China City Construction Second Engineering Bureau Group Co, Limited*（中城建第二工程局集團有限公司）, an independent third party to the Group.

As at 31 December 2014, the Group's unutilised banking facilities were RMB190,000,000 (2013: RMB320,000,000).

19. CONVERTIBLE BONDS

On 12 December 2013, the Company issued 2% convertible bonds with principal amount of HK$500,000,000 (equivalent to approximately RMB390,381,000) of which HK$420,000,000 (equivalent to approximately RMB327,920,000) was issued to Magnolia and HK$80,000,000 (equivalent to approximately RMB62,461,000) was issued to a former director, Mr. Kan Che Kin, Billy Albert. The convertible bonds can be converted up to 10,000,000,000 ordinary shares at HK$0.05 each. The convertibles bonds entitled their holders to convert them into ordinary shares of the Company at any time from the date of the issue up to and including the date which 5 business days prior to the maturity date (i.e. 12 December 2018) of the convertible bonds. The convertible bonds cannot be early redeemed by their holders or the Company. If the convertible bonds have not been converted at any time before the due date, they would be repaid by the Company on 12 December 2018. The convertible bonds are measured at fair value with changes in fair value recognised in profit or loss.

	2014	2013
	RMB'000	*RMB'000*
Convertible bonds issued by the Company:		
At beginning of the year	**683,247**	–
Issue of convertible bonds during the year	**–**	390,381
Conversion to ordinary shares	**(2,043,365)**	–
Change in fair value of convertible bonds	**1,360,118**	292,866
At the end of the year	**–**	683,247

None of the convertible bonds were converted into ordinary shares of the Company during the year ended 31 December 2013.

During the year ended 31 December 2014, various conversions took place between 2 April 2014 and 31 December 2014 and all the convertible bonds were fully converted into ordinary shares of the Company and interests on convertible bonds amounted to RMB2,922,000 was waived.

The aggregate fair values of the convertible bonds at 31 December 2013 and at the conversion dates of approximately RMB683,247,000 and RMB2,043,365,000 respectively were determined with reference to a valuation carried out by AVISTA, an independent qualified valuer not connected to the Group, using the binomial model and prepaid forward contract model (2013: binomial model).

20. CORPORATE BOND

On 8 December 2014, the Company issued a six-year semi-annual coupon corporate bond with principal amount of HK$10,400,000 (equivalent to approximately RMB8,268,000) carrying interest at 7% per annum, before direct issue cost of approximately RMB1,262,000. The effective interest rate as at 31 December 2014 is 9.6%.

	Total *RMB'000*
At 1 January 2013, 31 December 2013 and 1 January 2014	–
Issued during the year	8,268
Transaction costs	(1,262)
Imputed interest *(note i)*	121
Interest payable *(note ii)*	(38)
At 31 December 2014	7,089

Notes:

i) Imputed interest of RMB38,000 (2013: nil) and RMB83,000 (2013: nil) were recognised in finance costs and administrative expenses respectively during the year ended 31 December 2014.

ii) The accrued finance costs on the corporate bond of RMB38,000 had been included in other payables under current liabilities as at 31 December 2014 (2013: nil).

21. CAPITAL COMMITMENTS

At the end of the reporting period, the Group had the following capital commitments for properties under development and acquisition of a subsidiary:

For properties under development

	2014 ***RMB'000***	2013 *RMB'000*
Authorised but not contracted for	**1,010,521**	1,351,191
Contracted but not provided for in the consolidated financial statements	**654,323**	446,738

For acquisition of a subsidiary

	2014	2013
	RMB'000	*RMB'000*
Contracted but not provided for in the consolidated financial statements	**667,000**	–

22. PLEDGE OF ASSETS

At the end of the reporting period, certain assets of the Group were pledged to secure banking facilities granted to the Group as follows:

	2014	2013
	RMB'000	*RMB'000*
Properties under development	**1,074,534**	526,184
Pledged bank deposits	**11,947**	1,445
	1,086,481	527,629

23. CONTINGENT LIABILITIES

Guarantees in respect of mortgage facilities for purchasers of the Group's property units

	2014	2013
	RMB'000	*RMB'000*
Guarantees in respect of mortgage facilities for certain purchasers of the Group's property units	**365,885**	485,887

The Group has arranged bank financing for certain purchasers of the Group's property units and provided guarantees to secure obligations of such purchasers for repayments. Such guarantees terminate upon the earlier of (i) issue of the real estate ownership certificate which will generally be available within an average period of two to three years upon the completion of guarantee registration and receipt of such certificate by the bank; or (ii) the satisfaction of mortgaged loan by the purchasers of properties.

Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period starts from the dates of grant of the mortgages.

The fair value of the Group's financial guarantees has been assessed by Crowe Horwath (HK) Consulting & Valuation Limited (2013: CBRE Limited), an independent qualified valuer not connected to the Group.

The Directors consider that the likelihood of default in payments by purchasers is minimal and in case of default in payments, the net realisable value of the related properties can recover the repayment of the outstanding mortgage principals together with the accrued interests and penalty. Therefore the financial guarantees measured at fair value are immaterial, no provision has been made.

24. EVENTS AFTER THE REPORTING PERIOD

Acquisitions of subsidiaries

(a) On 8 December 2014, Nanjing Fengli Equity Investment Enterprise*（南京豐利股權投資企業）("Nanjing Fengli") and Jiangsu Fullshare, the wholly-owned subsidiaries of the Company, entered into a share transfer agreement with Nanjing Fullshare Holding and Nanjing Xinmeng Asset Management Limited*（南京新盟資產管理有限公司）, which directly held 99% and 1% of the issued share capital in Nanjing Fullshare Dazu Technology Co., Limited*（南京豐盛大族科技股份有限公司）("Nanjing Fullshare Technology") respectively, to acquire respective issued share capital in Nanjing Fullshare Technology respectively for an aggregated cash consideration of RMB667,000,000. Nanjing Fullshare Technology is principally engaged in real estate development and sale in PRC. Further details regarding the transaction are set out in the Company's announcement and circular dated 8 December 2014 and 30 December 2014 respectively.

The acquisition was approved by the shareholders of the Company on 16 January 2015 and completed on 19 January 2015.

The initial accounting for the acquisition of the Nanjing Fullshare Technology remained incomplete pending the determination of fair values of certain identified assets of Nanjing Fullshare Technology. In the opinion of the Directors, these assets represent a substantial portion of the value of the net identifiable assets and liabilities of Nanjing Fullshare Technology and will have a determining effect on the amount of reserve to be recognised. As there is no reasonable basis in which the Directors can estimate the provisional values of these assets, the assets and liabilities information of Nanjing Fullshare Technology as at the acquisition date are not disclosed in these consolidated financial statements.

(b) On 20 January 2015, Nanjing Fengli and Nanjing Fullshare Asset Management Limited, the wholly-owned subsidiaries of the Company, entered into an equity transfer agreement with Nanjing Huigu Enterprise Management Consulting Co., Limited*（南京慧谷企業諮詢有限公司）, which directly held 100% equity interest in Jiangsu Anjiali Zhiye Company Limited*（江蘇安家利置業有限公司）("Jiangsu Anjiali"), to acquire 99% and 1% equity interests of Jiangsu Anjiali and its subsidiaries respectively for an aggregate cash consideration of RMB438,000,000. Jiangsu Anjiali is principally engaged in development and sale of real estate in PRC. Further details regarding the transaction are set out in the Company's announcement and circular dated 20 January 2015 and 10 February 2015 respectively.

The acquisition was completed on 12 February 2015.

The initial accounting for the acquisition of the Jiangsu Anjiali remained incomplete pending the determination of fair values of certain identified assets of Jiangsu Anjiali. In the opinion of the Directors, these assets will represent a substantial portion of the value of the net identifiable assets and liabilities of Jiangsu Anjiali and will have a determining effect on the amount of goodwill or excess over costs to be recognised. As there is no reasonable basis in which the Directors can estimate the provisional values of these assets, the assets and liabilities information of Jiangsu Anjiali as at the acquisition date are not disclosed in these consolidated financial statements.

Share transfer

On 9 January 2015, Magnolia has entered into a conditional transfer agreement to transfer 961,538,450 shares of the Company to Superb Colour Limited (the "Transferee"), an independent third party of the Company, (the "Share Transfer"), representing approximately 7.09% in the issued share capital of the Company as at 9 January 2015 at a consideration of HK$499,999,994. Upon completion of the Share Transfer, the Transferee will become the second largest shareholder of the Company.

Pledge of the land use right

On 13 February 2015, Nanjing Fullshare Technology agreed to pledge the land use right with a total site of 48,825.47 sq.m. located in Nanjing, Jiangsu Province, PRC as a collateral in respect of the restructured debt in the principal amount of approximately RMB519,000,000 due to Zhejiang Province Branch of China Huarong Asset Management Co., Limited*（中國華融資產管理股份有限公司浙江省分公司）by Shandong JinBaiLi Development Company Limited*（山東金百利房地產開發有限公司）and China Zhengxin Group Company Limited*（中國正信（集團）有限公司）(each being the independent third parties) for a term of eighteen months up to August 2016 with interest rate of 13.5% per annum.

Proposed acquisition of the subsidiaries and the intellectual properties

On 20 March 2015, Fullshare Lujian, a wholly-owned subsidiary of the Company, entered into a memorandum of understanding (the "MOU") with Nanjing Fullshare Energy Science&Technology Company Limited*（南京豐盛新能源科技股份有限公司）("Nanjing Fullshare Energy"), a connected party which is controlled by Mr. Ji, in relation to the proposed acquisition of the equity interests of the certain subsidiaries of Nanjing Fullshare Energy and the intellectual properties (the "Proposed Acquisition").

As at the date of approval of these consolidated financial statements, no formal agreement had been entered into between the Group and Nanjing Fullshare Energy in respect of the Proposed Acquisition. Details of the MOU are set out in the Company's announcement dated 22 March 2015.

Project entrustment contract

On 27 March 2015, the Group had entered into a project entrustment contract (the "Contract") with Hainan Chambow Happy City Development Limited*（海南千博樂城開發有限公司）, an independent third party, for construction, operation, management and services in respect of the Happy Island project (the "Happy Island Project") in the PRC. Pursuant to the Contract, the Group is fully entrusted to take charge of the construction, operation, management and services for the Happy Island Project. Details have been set out in the Company's announcement dated 27 March 2015.

BUSINESS REVIEW

The revenue of the Group for the year ended 31 December 2014 ("Year 2014") was mainly came from sales of real properties and partially from green building services.

Property sales

For Year 2014, the revenue of property sales of the Group was approximately RMB631,240,000, representing a decline of 27% when compared with the year ended 31 December 2013 ("Year 2013"). The Group delivered properties with an aggregate gross floor area ("GFA") of approximately 107,330 sq.m. in Year 2014, representing a decrease of approximately 49,630 sq.m. over last year. Gross profit margin for property sales was decreased by approximately 6% over Year 2013. The average selling price recognised in Year 2014 was RMB5,881 per sq.m..

For Year 2014, the Group made contracted sales of approximately RMB503,766,000, representing an increase of approximately 8% over Year 2013. The Group made contracted sales for an aggregate GFA of approximately 73,669 sq.m., representing a decrease of 3% over Year 2013. Average selling price was approximately RMB6,838 per sq.m., representing an increase of approximately 12% over Year 2013, which was mainly due to the higher selling price per sq.m. of the property project of a newly acquired subsidiary during Year 2014.

As of 31 December 2014, the Group's contracted sales for the contracts signed but not yet delivered were approximately RMB437,882,000, with a total area of approximately 61,871 sq.m., providing a solid foundation for the continuous stable growth of the Group's future revenue.

Green building services

As of 31 December 2014, the Group completed the acquisition of the entire equity interest in Fullshare Lujian Group, a new business segment of "Green Building Services" was then established. The green building services segment is principally engaged in green building, green urban EPC (Engineering-Procurement-Construction), EMC (Energy Management Contract) services, etc in the PRC.

For the period from the completion date of the acquisition (being 15 December 2014) to 31 December 2014, the revenue of the Group from green building services was approximately RMB12,553,000, with a gross profit margin of approximately 4%. The Group expects that the green building services will further expand the income source of the Group.

Progress of property development for the JiuZongGou land parcel（九總溝地塊）in Yancheng, Jiangsu, the PRC

As of the date of this announcement, the Group's development of the JiuZongGou land parcel（九總溝地塊）located at east of Kaichuang Road in Yancheng, Jiangsu is still in the preliminary planning stage. The development will mainly consist of highrise apartment buildings with commercial ancillary facilities and a kindergarten. The Group expected phase 1 construction of the project will commence in the first half year of 2015.

Projects held for future development

As of 31 December 2014, there was no addition of project held for future development.

As at 31 December 2014, the Group had projects held for future development as follows:

XiChengFuDi（西城府邸）: XiChengFuDi（西城府邸）occupies a total site area of approximately 139,205 sq.m. and is expected to have an aggregate GFA of approximately 421,621 sq.m. and an aggregate saleable area of approximately 415,048 sq.m. (including storerooms) upon completion. As of 31 December 2014, the project has an aggregate GFA of approximately 299,547 sq.m. held for future development.

JiuZongGou Land Parcel（九總溝地塊）: The Group wholly owned a parcel of land at JiuZong Gou Yancheng with a total site area of approximately 89,123 sq.m., which is held for future development. As of 31 December 2014, the project has an aggregate GFA of approximately 277,881 sq.m. held for future development.

FINANCIAL REVIEW

Revenue

The revenue of the Group decreased from approximately RMB859,393,000 in Year 2013 to approximately RMB643,793,000 in Year 2014. If excluding the revenue generated from green building services, the newly acquired segment, of approximately RMB12,553,000 in Year 2014, the revenue generated from property sales for the Year 2014 decreased approximately RMB228,153,000 or approximately 27% over last year. Since XiChengYiPin（西城逸品）project mainly delivered and recognised revenue in last year, became sales of remaining stocks in this year, the relevant delivered GFA of the Group's properties decreased from approximately 156,987 sq.m. in Year 2013 to approximately 107,330 sq.m. in Year 2014. The average selling price increased from approximately RMB5,474 per sq.m. in Year 2013 to approximately RMB5,881 per sq.m. in Year 2014, and such increase in the average selling price per unit was mainly due to the delivery of more properties of ShuXiangYuan（書香苑）in Year 2014 with higher selling price per sq.m..

Cost of sales

The cost of sales of the Group decreased approximately 18% from approximately RMB627,327,000 in Year 2013 to approximately RMB514,170,000 in Year 2014. If excluding the costs of green building service, the newly acquired segment, of approximately RMB12,085,000 for Year 2014, the cost of sales of real properties for the whole year decreased approximately RMB125,242,000 or approximately 20% over last year. Such decrease in costs was mainly due to the decrease of 31% in the area of properties delivered in Year 2014 as compared with last year. The decrease in total costs was less than the decrease in the area of properties delivered, which was mainly due to higher unit cost for projects such as XiChengFuDi（西城府邸）, Section Two of Phase Three of XiChengYiPin（西城逸品三期二標）and ShuXiangYuan（書香苑）delivered in Year 2014.

Gross profit and gross profit margin

Due to the foregoing, the overall gross profit of the Group decreased approximately 44% from approximately RMB232,066,000 in Year 2013 to approximately RMB129,623,000 in Year 2014.

The gross profit margin for the new green building services segment was approximately 4% in Year 2014, and the gross profit margin for sales of real properties decreased from 27% for the same period of last year to approximately 20% in Year 2014, which was mainly due to the lower gross profit margin for XiChengFuDi（西城府邸）that commenced delivery in Year 2014 and thus dragged down the average gross profit margin for the year.

Other income

Other income increased approximately 272% from approximately RMB2,307,000 in Year 2013 to approximately RMB8,580,000 in Year 2014. The other income included the waiver of interests on the convertible bonds of approximately RMB2,922,000, other interest income of approximately RMB2,887,000 and sub-letting rental income of approximately RMB1,262,000 in Year 2014 whereas the other income in Year 2013 mainly included bank interest income of approximately RMB1,902,000.

Selling and distribution expenses

Selling and distribution expenses of the Group decreased approximately 26% from approximately RMB29,858,000 in Year 2013 to approximately RMB22,241,000 in Year 2014, which was mainly due to certain new projects under the property development segment, such as TongJingYueCheng（同景躍城）Phase II and XiChengFuDi（西城府邸）that were formally launched into the market in Year 2013, such that the promotional activities were enhanced in that year, resulting in higher selling expenses in Year 2013. Although the newly acquired project ZhuGong（諸公）was launched in Year 2014, the costs incurred before acquisition had not been reflected in the selling expenses of the Group. Accordingly, selling expenses of the Group in Year 2014 were relatively less than those when compared with the previous year.

Administration expenses

Administrative expenses of the Group increased approximately 91% from approximately RMB25,816,000 in Year 2013 to approximately RMB49,378,000 in Year 2014. The increase in administration expenses was mainly due to the remuneration expenses of new employees recruited by the Group and professional charges incurred for the acquisition projects in Year 2014 after resumption of trading of the Company in December 2013.

Gain on bargain purchase recognised in acquisition of a subsidiary

On 15 October 2014, the Group completed the acquisition of the 80% equity interest of a property development company in the PRC with a consideration of RMB500,000,000. As the fair value of the identified net assets is higher than the purchase consideration, the Group recorded a gain on bargain purchase in acquisition of a subsidiary of approximately RMB237,978,000. There was no similar acquisition gain in Year 2013.

Fair value loss on convertible bonds

For Year 2014, the Group incurred a loss of approximately RMB1,360,118,000 on fair value assessment of convertible bonds, which was the non-cash accounting loss incurred as a result of the change in the fair value of the convertible bonds in the principal amount of HK$500,000,000 during Year 2014. As the convertible bonds was fully converted into the ordinary shares of the Company successively in Year 2014, hence, the Group will no longer need to record the change in the fair value in respect of such convertible bonds.

For Year 2013, the Group incurred a loss of approximately RMB292,866,000 on fair value assessment of convertible bonds, which was the non-cash accounting loss incurred as a result of the change in fair value of the convertible bonds in the principal amount of HK$500,000,000 during the period from the completion of subscription on 12 December 2013 to 31 December 2013.

Finance costs

For Year 2014, the Group incurred finance costs of approximately RMB3,035,000, which mainly comprised of the interests accrued at 2% per annum for the convertible bonds in the principal amount of HK$420,000,000, the interest of which had been waived, before the date of wavier (i.e. 18 June 2014) and the interest paid at 2% per annum during January to April 2014 for the convertible bonds in the principal amount of HK$80,000,000, before the conversion.

Loss before tax from continuing operations

Loss before tax of the Group was approximately RMB1,058,591,000 in Year 2014. If excluding the loss on change in fair value of convertible bonds of approximately RMB1,360,118,000 and the gain on bargain purchase recognised in acquisition of a subsidiary of approximately RMB237,978,000, the profit before taxation was approximately RMB63,549,000. In Year 2013, the loss before tax of the Group was approximately RMB113,255,000. If excluding the loss on the change in fair value of convertible bonds of approximately RMB292,866,000 in that year, the profit before tax was approximately RMB179,611,000. The profit before tax decreased by approximately RMB116,062,000, which was mainly due to property area delivered and gross profit in Year 2014 was lower than last year.

Taxation

For Year 2014, LAT, EIT and deferred tax income of the Group amounted to approximately RMB25,329,000, approximately RMB31,182,000 and approximately RMB12,243,000 respectively. When compared with Year 2013, LAT expense decreased by RMB25,348,000 and EIT expense decreased by RMB5,893,000. The decrease in LAT expense was mainly due to certain low added value and lower gross profit property projects delivered during the year. In addition, the reduction in EIT provision for the year was mainly due to the decrease in the Group's profit derived from property sales.

Loss for the year from discontinued operation

For Year 2014, the Group did not record any loss for the year from discontinued operation. The Group recorded a loss of approximately RMB32,042,000 in Year 2013 which was mainly due to the goodwill impairment from the Reverse Takeover Transaction.

Loss for the Year

For Year 2014, the Group recorded a net loss of approximately RMB1,102,859,000. If excluding the loss on change in fair value of convertible bonds of approximately RMB1,360,118,000 and the gain on bargain purchase recognised in acquisition of a subsidiary of approximately RMB237,978,000, the net profit for the year was approximately RMB19,281,000. For Year 2013, the Group recorded a net loss of approximately RMB233,380,000. If excluding the loss on change in fair value of convertible bonds of approximately RMB292,866,000 and the impairment loss of goodwill of approximately RMB32,042,000 recorded in discontinued operation, the net profit for the year was approximately RMB91,528,000.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

The Group financed its operations and investments mainly by internally generated funds, proceeds from placing of the shares of the Company and borrowings.

Cash position

As at 31 December 2014, the Group had cash and bank balances of approximately RMB251,082,000 (31 December 2013: approximately RMB116,358,000), representing an increase of approximately 116% from 31 December 2013.

Bank and other borrowings

As at 31 December 2014, the Group had bank and other borrowings of approximately RMB757,190,000, including bank loans of approximately RMB199,690,000 and other borrowings of approximately RMB557,500,000. All borrowings are repayable within one year. As at 31 December 2013, the Group had bank and other borrowings of approximately RMB270,000,000, including bank loans of approximately RMB180,000,000 and other borrowings of approximately RMB90,000,000. As at 31 December 2014, the borrowings increased by approximately RMB487,190,000 as compared with last year, the balance of the year mainly included the borrowings of approximately RMB479,690,000 from the newly acquired subsidiary.

Convertible bonds

As at 31 December 2014, all of the Group's convertible bonds in the principal amount of HK$500,000,000 have been converted into shares of the Company. As at 31 December 2013, the fair value of the Group's convertible bonds in the principal amount of HK$500,000,000 was approximately RMB683,247,000.

Leverage

The Group had total cash and bank balances of approximately RMB251,082,000 as at 31 December 2014 (2013: approximately RMB116,358,000). Balances of bank and other borrowings, amount due to a shareholder, consideration payables, corporate bond and convertible bonds were approximately RMB972,852,000 as at 31 December 2014 (2013: approximately RMB953,247,000). The gearing ratio of the Group as at 31 December 2014, calculated as a ratio of total bank and other borrowings, amount due to a shareholder, consideration payables, corporate bond and convertible bonds to total assets, was approximately 31% (2013: approximately 65%). Net assets were approximately RMB1,458,398,000 (2013: net liabilities of approximately RMB194,745,000).

The Group recorded total current assets of approximately RMB2,793,443,000 as at 31 December 2014 (31 December 2013: approximately RMB1,456,999,000) and total current liabilities of approximately RMB1,641,860,000 (31 December 2013: approximately RMB861,664,000). The current ratio of the Group, calculated by dividing total current assets by total current liabilities, was about 1.7 as at 31 December 2014 (31 December 2013: approximately 1.7).

FOREIGN EXCHANGE EXPOSURE

Sales and purchases of the Group were transacted in Renminbi. Save for bank balance and cash of approximately RMB75,066,000 as at 31 December 2014 (31 December 2013: convertible bonds in the principal amount of HK$500,000,000) denominated in Hong Kong dollar, most of the Group's assets and liabilities were denominated in Renminbi. The Directors are aware that the fluctuations in exchange rate between Hong Kong dollar and Renminbi may give rise to potential foreign currency risk. The Group currently did not have a foreign currency hedging policy and will continue to evaluate the Group's foreign currency exposure and take actions as appropriate.

TREASURY POLICIES

As at 31 December 2014, save for the borrowings of approximately RMB485,000,000 of the Group were denominated in Renminbi and with a fixed interest rate and corporate bond of approximately RMB7,089,000 was denominated in Hong Kong dollar with a fixed interest rate (31 December 2013: convertible bonds in the principal amount of HK$500,000,000 were denominated in Hong Kong dollar and bear interest at fixed rate), the Group's other borrowings were mainly denominated in Renminbi and bear interest at variable interest rates. Bank balances and cash held by the Group were denominated in Renminbi and Hong Kong dollar. The Group currently did not have a foreign currency and interest rate hedging policy. However, the management of the Group monitored foreign exchange and interest rate exposure from time to time and will consider hedging significant foreign currency and interest rate exposure should the need arise.

PLEDGE OF ASSETS

Details of the Group's pledged assets as at 31 December 2014 are set out in note 22 to the consolidated results in this announcement.

INVESTMENT

Details of the Group's investment properties as at 31 December 2014 are set out in note 12 to the consolidated results in this announcement.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES OR ASSOCIATED COMPANIES

On 15 October 2014, the Group completed the acquisition of the 80% equity interests in Nanjing Tianyun, at a total consideration of RMB500,000,000. On 15 December 2014, the Group completed the acquisition of the entire equity interests in Fullshare Lujian Group, at a total consideration of RMB200,000,000.

The Company confirms that it has complied with all the disclosure requirements under Chapters 14 and 14A of the Listing Rules.

In Year 2014, save as disclosed in this announcement, the Group did not have any material acquisition or disposal of subsidiaries, associates or assets.

SEGMENT INFORMATION

Details of segment information of the Group for Year 2014 are set out in note 4 to the consolidated results in this announcement.

CAPITAL COMMITMENTS

Details of capital commitments of the Group as at 31 December 2014 are set out in note 21 to the consolidated results in this announcement.

CONTINGENT LIABILITIES

Details of contingent liabilities of the Group as at 31 December 2014 are set out in note 23 to the consolidated results in this announcement.

DIVIDEND

The Board does not recommend the payment of a dividend for the year ended 31 December 2014 (2013: nil).

STAFF AND REMUNERATION POLICIES

As at 31 December 2014, the Group had about 189 employees (2013: 106 employees). The Group's total staff costs (including executive Directors' remuneration) amounted to approximately RMB24,324,000 for Year 2014 (2013: RMB14,112,000). Employee remunerations are determined according to operating results of the Company, job requirements, market salary standard and staff's personal competence. The Group regularly reviews its remuneration policy and programs and makes necessary adjustments to bring them in line with industrial level. In addition to basic salaries, the Company has established revenue sharing program and performance appraisal plan to provide rewards according to the Company's results and employees' individual performance.

SUBSEQUENT EVENTS

Details of the subsequent events of the Group for Year 2014 are set out in note 24 to the consolidated results in this announcement.

AUDIT COMMITTEE

The Company established an audit committee with written terms of reference in compliance with the Corporate Governance Code as set out in Appendix 14 to the Listing Rules. The primary duties of the audit committee of the Company are to review and supervise the financial reporting process and internal control system of the Group and to review the Group's interim and annual reports and financial statements. The audit committee of the Company had reviewed the audited consolidated financial statements of the Group for Year 2014. The audit committee of the Company currently comprises three independent non-executive Directors.

FUND RAISING ACTIVITIES

On 7 November 2014, the Company entered into a placing agreement with Guotai Junan Securities (Hong Kong) Limited ("Placing Agent"), pursuant to which the Placing Agent conditionally agreed to place, on a best effort basis, up to 680,000,000 placing shares at the placing price of HK$0.45 per placing share to placees on behalf of the Company. On 13 November 2014, the Placing Agent has placed 680,000,000 placing shares of the Company to not less than six placees. The net proceeds after deducting the placing commission and other related expenses was approximately RMB241.28 million (equivalent to approximately HK$305.45 million), among of which, approximately RMB229.19 million (equivalent to approximately HK$290 million) was used by a wholly owned subsidiary for investment purpose pursuant to the investment contract ("Investment Construction Contract") entered into with the People's Government of Huayang Town, Jurong City, Jiangsu Province, China (Details of the investment had been announced by the Company on 26 November 2014).

On 17 December 2014, the Company entered into another placing agreement with the Placing Agent, pursuant to which the Placing Agent conditionally agreed to procure the placing of, on a best effort basis, up to 1,000,000,000 new shares at the price of HK$0.48 per placing share. The placing had been completed on 23 December 2014, and the Company has issued 780,000,000 new shares to not less than six places. The net proceeds after deducting the placing commission and other related expenses was approximately RMB298.36 million (equivalent to approximately HK$371.61 million), among of which, approximately RMB120.81 million (equivalent to approximately HK$152.22 million) was further invested pursuant to the Investment Construction Contract; approximately RMB50 million (equivalent to approximately HK$63 million) was used by a wholly owned subsidiary as earnest money to acquire 100% equity interest of Jiangsu Anjiali (Details of the acquisition were set out in the announcement dated 24 December 2014); and the remaining balance of approximately RMB127.55 million (equivalent to approximately HK$156.39 million) was used as general capital of the Group.

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

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

PROSPECT

In year of 2014, despite a slowdown in China's economic growth due to its economic transformation, the market-oriented reform approach will facilitate effectively its economic development and enhance city competitiveness, especially those provincial and regional cities. It is expected that China's property market development depended on the individual city's potential ability. As such, the Group has decided to develop the property markets in Nanjing, Jiangsu and its peripheral cities where the population net inflow is significant and economic structures are sound. By benefiting from the improvement in city competiveness, the Group will benefit the opportunities brought by urban development.

According to the government's policy plan,

- In year of 2014, China had invested over RMB4.0 billion in building energy-saving industry;
- In year of 2014, the affordable housing in the municipalities, municipalities under plan and provincial capital cities had implemented green building standards comprehensively;
- In year of 2015, new buildings in cities and towns in Jiangsu Province have to be designed and constructed according to the Star One or above green building standards comprehensively;
- By the end of 2015, 20% of the buildings in cities and towns have to attain green building standards;
- In year of 2017, new affordable housing in the prefecture-level cities in Eastern Region and the key prefecture-level cities in Central and Western Region will fully implement the green building standards;

By year of 2020, the proportion of green buildings to new buildings in urban regions in China will increase to 50%, and the proportion of green building standard to be constructed for urban affordable housing will be over 70%. Jiangsu Province will implement the green building design standard for new buildings for civil use from 2015. The market prospect relevant to the construction, operation and all-round service sectors for green building and green urban is tremendous. On the other hand, as an emerging service industry, the health industry is considered internationally as "The Fifth Wave Of Wealth" with tremendous development potential.

Therefore, the Group has facilitated its diversification development actively, by combining its existing real estate business, expand its business into the construction and service sectors for green building and green urban using the light-asset model, and health management service sector, including the EPC (Engineering-Procurement-Construction) and EMC (Energy Contract Management) services for green buildings, communities and urban regions, and healthcare medical and elderly caring and health life services so as to achieve a higher and faster development.

In future, the Group will fully leverage on market conditions, on one hand, the Group will facilitate the stable property development, and while on the other hand, the Group will speed up the development of green buildings, green urban and health industry, balance its business structure, enhance product quality and increase its profitability. The Group will accelerate inventory sell out, enhance cost management and procure its gross profit margin to reach a healthy level. The Group will continue to adopt the sound financial management policy of "keeping expenses within its income", leverage on equity financing while lower down debt financing level, plan and arrange investment and operational income and expenses rationally, optimize financial structure and enhance financial security.

SCOPE OF WORK OF SHINEWING (HK) CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2014 as set out in this preliminary announcement have been agreed by the Group's auditor, SHINEWING (HK) CPA LIMITED ("SHINEWING"), to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by SHINEWING in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by SHINEWING on this preliminary announcement.

CORPORATE GOVERNANCE CODE

The Company is committed to maintain a high standard of corporate governance. It believes that high standard of corporate governance provide a framework and solid foundation for the Group to manage business risks, enhance transparency, maintain high standard of accountability and protect interests of shareholders and other stakeholders of the Company.

The Company has complied with the Code Provisions of the Corporate Governance Code contained in Appendix 14 to the Listing Rules during the year ended 31 December 2014 except for the following deviations:

1. **Code Provision A.2.1**

   Under the Code Provision A.2.1, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. During the year, the positions of chairman and chief executive officer of the Company ("CEO") were held by Mr. Ji. The Board believed that holding of both positions of chairman and CEO by the same person allowed more effective planning and execution of business strategies. The Board has full confidence in Mr. Ji and believes that his dual roles will be beneficial to the Group.

2. **Code Provision A.4.1**

   Non-executive Directors should be appointed for specific term, subject to re-election. The independent non-executive Directors ("INEDs") were not appointed for a specific term, but they were subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the articles of association of the Company at least once every three years.

3. **Code Provision E.1.2**

   Under the Code Provision E.1.2, the chairman of the board shall attend the annual general meeting. Mr. Ji, the chairman of the Board, was absent from the annual general meeting ("AGM") of the Company held on 11 April 2014 due to other business engagement. Mr. Shi Zhiqiang, an executive Director, was elected as the chairman of the AGM to ensure effective communication with Shareholders at the AGM.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has 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. Having made specific enquiry of all Directors, they confirmed that they have complied with the required standards as set out in the Model Code throughout the year.

ANNUAL GENERAL MEETING

The annual general meeting of the Company for approving, among other things, the audited consolidated financial statements of the Group for the year ended 31 December 2014, will be held at 3:00 p.m. on 14 May 2015, details of which are set out in the notice of annual general meeting of the Company which will be published in due course.

PUBLICATION OF RESULT ANNOUNCEMENT AND ANNUAL REPORT

This result announcement has been published on the website of the Stock Exchange, www.hkexnews.hk, and the website of the Company, www.fullshare.com. The 2014 Annual Report will be despatched to shareholders and published on the above websites in due course.

By Order of the Board
Fullshare Holdings Limited
Ji Changqun
Chairman

Hong Kong, 31 March 2015

As at the date of this announcement, the Board comprises four executive Directors namely Mr. Ji Changqun, Mr. Shi Zhiqiang, Mr. Wang Bo and Mr. Fang Jian; two non-executive Directors namely Mr. Eddie Hurip and Mr. Chen Minrui; and three independent non-executive Directors namely Mr. Lau Chi Keung, Mr. Chow Siu Lui and Mr. Tsang Sai Chung.

* *for identification purpose only*