

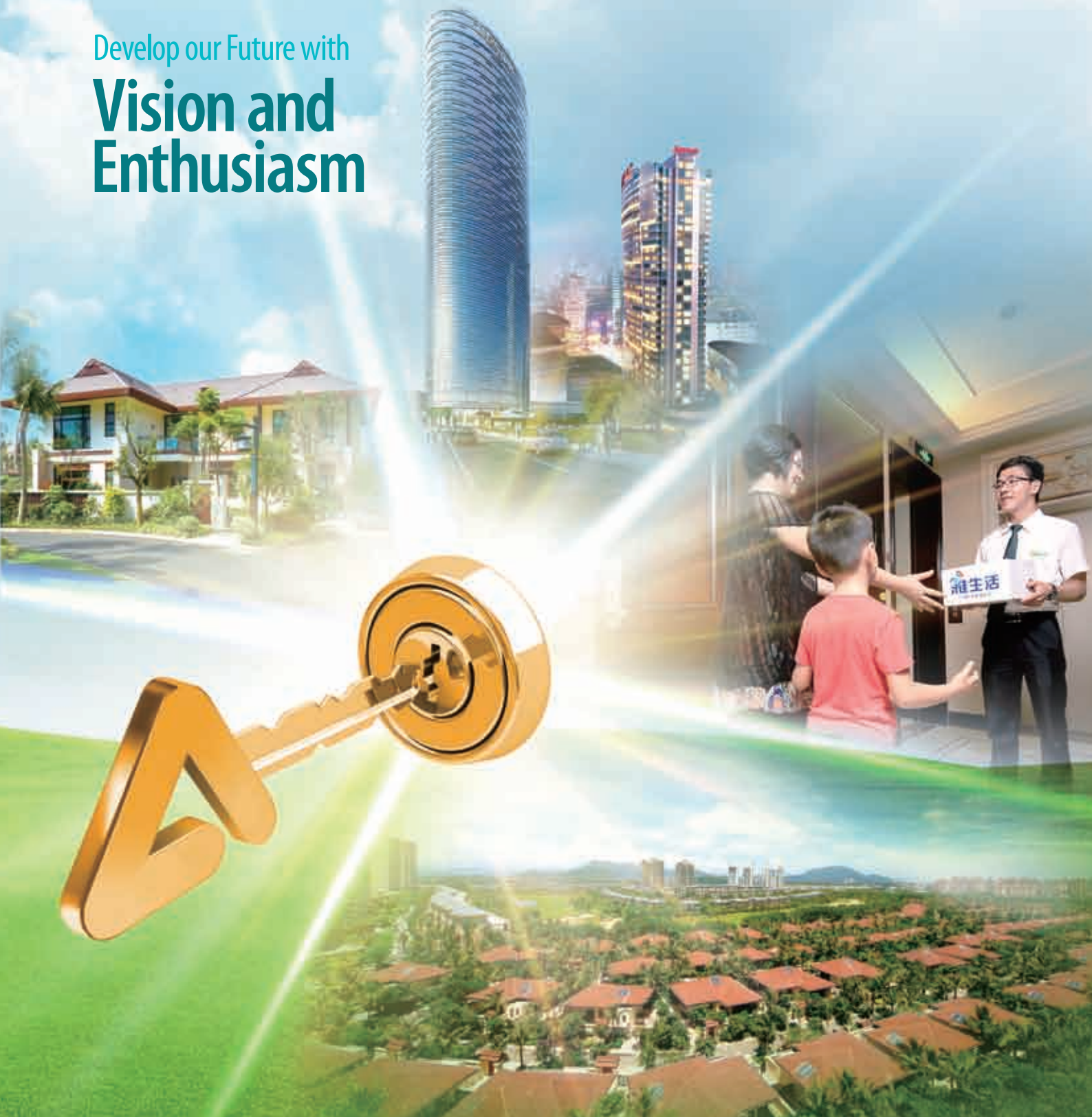


雅居樂地產控股有限公司  
**AGILE PROPERTY HOLDINGS LIMITED**  
(Incorporated in the Cayman Islands with limited liability) Stock code: 3383

ANNUAL REPORT 2015

Develop our Future with

# Vision and Enthusiasm



# Corporate Profile

Agile (stock code: 3383) is one of the leading property developers in China. As a renowned brand in China, Agile is principally engaged in the development of large-scale comprehensive property projects, with extensive presence in the businesses of hotel operations, property investment and property management. The Group currently owns a diversified portfolio in 41 cities and districts. As at 23 March 2016, the Group had a land bank with a total planned GFA of 34.87 million sq.m. (including both lands with titles and contractual interests).

The shares of Agile have been listed on the Main Board of Hong Kong Stock Exchange since 2005 and are constituent stocks of Morgan Stanley Capital International Emerging Markets Index, Hang Seng Composite Index and Hang Seng Global Composite Index.

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# Business Structure

As one of the leading property developers in China, Agile will continue to operate under its operation philosophy of “Stability, Prudence, Sustainability” to further improve its geographic diversification and optimise its product mix.



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Property Development

A land bank with a total planned GFA of 34.87 million sq.m. in 41 cities and districts



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**52**  
Hotel Operations and Property Investment

Properties including hotels, shopping malls and office buildings are in different stages of development



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**57**  
Property Management

Total contracted GFA managed being 47.79 million sq.m.

# Financial Highlights

## Income Statement Highlights

	For the year ended 31 December		
	2015	2014	Change
Revenue (RMB million)	<b>43,004</b>	38,318	+12.2%
Gross profit (RMB million)	<b>10,813</b>	12,431	-13.0%
Gross profit margin	<b>25.1%</b>	32.4%	-7.3 percentage points
Net profit (RMB million)	<b>2,302</b>	5,091	-54.8%
Net profit margin	<b>5.4%</b>	13.3%	-7.9 percentage points
Profit attributable to shareholders of the Company (RMB million)	<b>1,390</b>	4,287	-67.6%
Core profit attributable to shareholders of the Company* (RMB million)	<b>2,429</b>	4,035	-39.8%
Basic earnings per share (RMB)	<b>0.358</b>	1.222	-70.7%
Full year dividend per ordinary share (HK cents)	<b>14.5</b>	39.5	-63.3%
Special dividend per ordinary share (HK cents)	<b>25.0</b>	–	N/A

## Balance Sheet Highlights

	As at 31 December		
	2015	2014	Change
Total assets (RMB million)	<b>117,313</b>	123,648	-5.1%
Cash and cash equivalents (RMB million)	<b>7,407</b>	6,068	+22.1%
Restricted cash (RMB million)	<b>5,730</b>	5,362	+6.9%
Short-term borrowings (RMB million)	<b>16,487</b>	16,471	+0.1%
Long-term borrowings (RMB million)	<b>23,543</b>	25,851	-8.9%
Shareholders' equity (RMB million)	<b>34,308</b>	33,651	+2.0%
Return on equity (ROE)	<b>4.1%</b>	12.7%	-8.6 percentage points
Total debt/total assets	<b>34.1%</b>	34.2%	-0.1 percentage points
Net debt/total equity	<b>64.0%</b>	75.2%	-11.2 percentage points

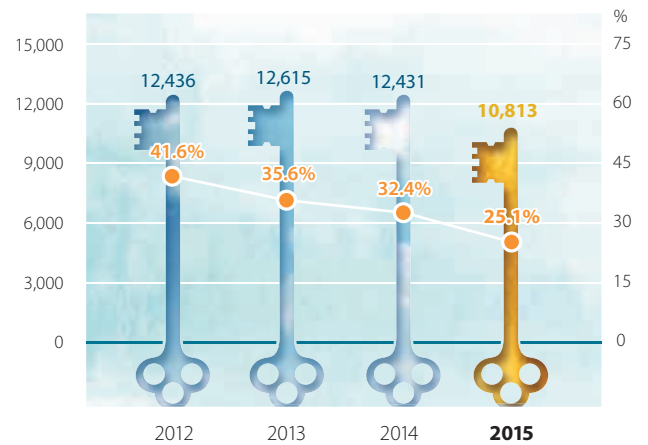
\* Profit attributable to shareholders of the Company excluding fair value gains on revaluation of investment properties and the related tax effect and foreign exchange loss/gain.



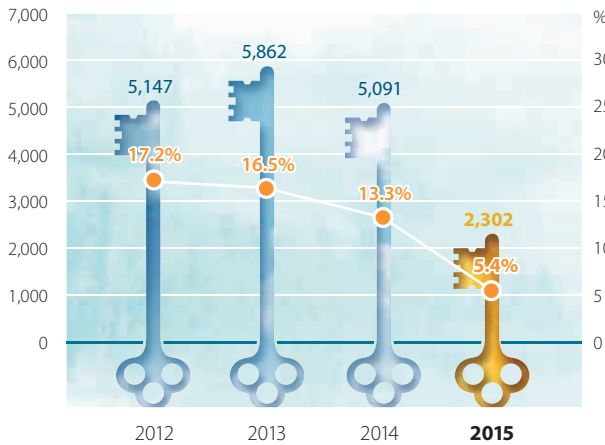
Revenue (RMB million)



Gross profit and gross profit margin (RMB million/%)



Net profit and net profit margin (RMB million/%)



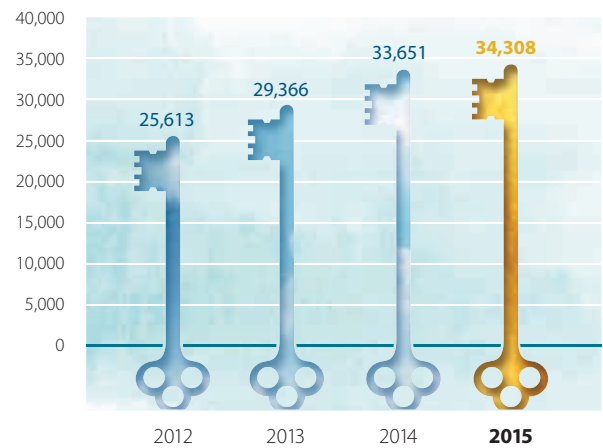
Profit attributable to shareholders of the Company (RMB million)



Total assets (RMB million)



Shareholders' equity (RMB million)



# Milestones 2015

## February

Agile Evian Town Changsha was launched for sale.



## May

The Company issued US\$500 million 9.0% senior notes due 2020.



## July

Agile Life Diary Xi'an and Agile Garden Huiyang were launched for sale.



## September

The Group acquired a site in Guangzhou City, Guangdong Province.



## October



Agile International Center Nanning, Agile International Garden Hangzhou and Agile Personage Nanhai (formerly known as Nanhai Dali Town Project) were launched for sale.



## November

Agile Quenya Yunnan and Agile Garden Changsha were launched for sale.



## December

Agile Coastal Pearl Zhongshan (formerly known as Zhongshan Nanlang Binhai Project), Agile Garden Sanshui (formerly known as Sanshui Xi'nan Street Project) and Agile Mont Kiara Kuala Lumpur were launched for sale.



# Major Honours and Awards



## Corporate Social Responsibility

### Caring Company

*The Hong Kong Council of Social Service*

### Corporate Social Responsibility Awards 2015

*Capital magazine*

### Capital Eco Enterprise 2015

*Capital magazine*

*Capital CEO magazine*

*Capital Entrepreneur magazine*

*Capital Weekly magazine*

### China Low-Carbon Pioneer Enterprise 2015

*21st Century Business Herald*

### 2015 China Corporate Social Responsibility Annual Meeting: The Best Responsibility Practice of the Year

*Southern Weekly magazine*

### Top 100 Advanced Enterprises in Chinese Enterprise Education

*Organising Committee of Enterprises Education Top 100 in China*

### 2014 China Corporate Universities Elite Award

*Training magazine*

## Corporate Governance/Investor Relations

### Best Investor Relations Companies (China)

*Corporate Governance Asia magazine*

### The Listed Enterprises Excellence Awards 2015 — Corporate Governance Awards

*Capital Weekly magazine*





## Corporate Brand

**Outstanding Chinese Property Developer Award 2015**  
*Economic Digest magazine*

**2014 Ranking of China's 100 Best Real Estate Enterprises**  
**2014 Top 30 Listed China's Real Estate Enterprises**  
*Guandian Real Estate New Media*

**The Fourteenth (2015) Guangdong Real Estate Enterprises of High Credit Ratings Top 20**  
*Industrial and Commercial Bank of China Limited (Guangdong Branch)*  
*Agricultural Bank of China Limited (Guangdong Branch)*  
*Bank of China Limited (Guangdong Branch)*  
*China Construction Bank Corporation (Guangdong Branch)*  
*People's Daily Online*

**China Real Estate Value Report – Top 20 PRC-funded Shares Listed in Hong Kong**  
*China Business News*

**2015 China Valuable Real Estate Awards - Valuable Real Estate Enterprise of the Year**  
**Most Valuable Tourism Property of the Year**  
*National Business Daily*

**China's Tourism Property Benchmarking Award of the Year**  
*China Business Journal*

# Chairman's Statement





Upholding the philosophy of prudent development, the Group will continue to maintain its inherent strength, enhance its comprehensive corporate management capability and refine its business and financial management.

**CHEN Zhuo Lin**  
*Chairman and President*



### Dear shareholders,

I am pleased to report the audited consolidated results of Agile Property Holdings Limited ("Agile" or the "Company") and its subsidiaries (collectively, the "Group") for the year ended 31 December 2015 as follows:

### Results and dividends

During the year, the revenue and gross profit of the Group were RMB43,004 million and RMB10,813 million respectively. Net profit amounted to RMB2,302 million. Overall gross profit margin and net profit margin were 25.1% and 5.4% respectively.

During the year, the Group's total recognised sales of property development was RMB41,421 million, representing an increase of 11.8% when compared with last year. Revenue from property management, hotel operations and property investment also increased by 19.0%, 27.8% and 36.9% respectively when compared with last year.

Taking into account the Group's business development needs and shareholders' investment returns, the board of directors of the Company (the "Board") has proposed the declaration of a final dividend of HK14.5 cents per ordinary share for the year ended 31 December 2015. To celebrate the 10th anniversary of the listing of the Company on The Stock Exchange of Hong Kong Limited and to appreciate the long-term support of the shareholders, the Board has also proposed the declaration and payment of a special dividend of HK25.0 cents per ordinary share.

### Business review

During the year, the global economy saw a slowdown. In China, the overall economy achieved stable development. Driven by a number of favourable policies, the sentiment in the property market has improved. During the year, the Group capitalised on market opportunities by launching projects in a timely manner at reasonable prices, and dedicated its efforts to inventory clearance with its flexible marketing strategy. During the year, the Group's pre-sales was RMB44,230 million, which is flat compared with last year. The GFA pre-sold was 5.07 million sq.m., with the average selling price being RMB8,725 per sq.m..

## Chairman's Statement (Continued)

The Group believes that timely introduction of products tailored to market demand is particularly important to ensure stable growth of the property development business. In light of the strong end-users' and upgraders' demand, the Group continued to optimise its product mix during the year by focusing on products catering for such demand, supplemented by high-end products tailored to market needs. Meanwhile, as there has been a strong demand for quality tourism property for such purposes including health keeping, retirement and travel, some of the Group's projects will continue to develop products catering for such needs.

In respect of other businesses, with more properties delivered and continuous business expansion during the year, the Group's revenue from property management increased by 19.0%. Revenue from hotel operations also recorded an increase of 27.8% over last year. The Group had 8 hotels in operation, which generated stable revenue for the Group while enhancing the value of the projects where these hotels are located. In respect of the property investment business, Guangzhou Agile Center and Agile International Plaza Shanghai recorded the occupancy rate of 84% and 85% respectively.

### Prudent land acquisition strategy

Given its sufficient land bank, the Group slowed down the pace of land acquisition during the year. The Group increased its land bank by only acquiring a total planned GFA of 211,456 sq.m. in Changsha and Guangzhou, with average land cost being RMB7,269 per sq.m.. As at 23 March 2016, the Group has a land bank with a total planned GFA of 34.87 million sq.m. in 41 cities and districts, with average land cost being RMB1,117 per sq.m., which offers a certain competitive edge to the Group's property development business.

### Sound financial strategy and enhanced cash flow management

Sound financial position has been the pillar supporting the Group's business development. During the year, the Group made efforts to accelerate the sales turnover and enhance cash management. In addition, the Group has consolidated and optimised its financial structure by capitalising on multi-channel financing and thereby, successfully reducing its debts and gearing ratio, with a view to striking a balance between business development and financial management.

During the year, the Group made efforts to enhance its cash flow management, and adopted flexible sales strategies and diversified payment terms in order to accelerate the sales turnover. Meanwhile, the overall cash collection of the Group recorded an improvement. In addition, the Group further optimised its cost and expenditure control system, controlling the costs and expenses effectively.

As at 31 December 2015, the net debt to total equity ratio of the Group was 64.0%, representing the decrease of 11.2 percentage points when compared with 31 December 2014.

### Good corporate governance and multi-channel communications

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

### A responsible corporate citizen in pursuit of sustainable development

Upholding the belief of "benefiting from society, giving back to society", the Group is committed to fulfilling its corporate social responsibilities. During the year, the Group's accumulated volunteer days achieved by over 10,300 participants were equivalent to over 3,400 days, while RMB34 million charitable donations were made. The Group firmly believes that environmental protection is a key part in its sustainable development, and strives to contribute to environmental protection from project planning to completion and sale, as well as property management and hotel operations. Furthermore, the Group actively promotes environmental education and encourages the staff to practise low carbon living.



### Prospects and strategy

Looking ahead, China's economy is expected to grow steadily in 2016. Recently, the government has introduced a series of policies including lowering the down payment ratio for home buyers and reducing relevant tax on property transactions, which are believed to further improve the sentiment in the property market. In the long run, on the back of China's continuous economic growth, the ongoing urbanisation, the continued increase in people's income and the implementation of the two-child policy, the Group believes that the demand of first time home buyers or upgraders will continue to dominate the market, driving the healthy growth of the property market.

Upholding the philosophy of prudent development, the Group will continue to maintain its inherent strengths, enhance its comprehensive corporate management capability and refine its business and financial management, with a view to further improving its products and service quality, increasing its brand awareness and market influence, as well as enhancing the profitability of each business segment and project. The Group is committed to increasing its competitive edge in other businesses including hotel operations, property investment and property management while ensuring the competitiveness of the property development business in the industry.

With thorough analysis, the Group will further enhance its preliminary product positioning and planning in the early stage, and strategically acquire premium land parcels when opportunity arises. The Group will continue to optimise its product mix by focusing on products catering for end-users' and upgraders' demand, supplemented by tourism property and high-end products tailored to market demand.

In respect of sales, while maintaining reasonable profitability, the Group will adopt flexible sales strategies to improve its sell-through rate and actively clear inventory, in order to accelerate its asset turnover and enhance the cash flows.

Meanwhile, the Group will continue to control costs effectively through product standardisation. While further improving product quality, the Group will shorten the development cycle by strict construction management, with a view to ensuring adequate resources for sale and accelerating the recovery of capital.

The Group will continue to enhance its internal management and implement the optimisation of human resources and remuneration system, further improve the structure of corporate management and streamline its workflows in order to enhance overall execution capability and competitiveness.

The Group is confident that, with the above measures and the efforts of all staff, it will be able to drive its overall business growth steadily and further increase the brand awareness of Agile across the nation and maintain its position in the competitive market. Meanwhile, the Group will also continue its promise of undertaking corporate social responsibilities and contributing to society by taking part in charity affairs.

### Acknowledgement

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

#### **CHEN Zhuo Lin**

*Chairman and President*

Hong Kong, 23 March 2016

# Management Discussion and Analysis

## Overall performance

During the year, the Group's revenue was RMB43,004 million (2014: RMB38,318 million), representing an increase of 12.2% over 2014. The operating profit was RMB7,636 million (2014: RMB10,491 million), representing a decrease of 27.2% over last year. Profit attributable to shareholders was RMB1,390 million (2014: RMB4,287 million), representing a decrease of 67.6% over last year. Basic earnings per share and diluted earnings per share were RMB0.358 (2014: RMB1.222) and RMB0.358 (2014: RMB1.203) respectively.

## Land bank

As at 23 March 2016, the Group had a land bank with a total planned GFA of 34.87 million sq.m. in 41 cities and districts, located in Southern China Region, Eastern China Region, Western China Region, Central China Region, Hainan and Yunnan Regions, Northeast China Region, Northern China Region and Kuala Lumpur of Malaysia. The average land cost was RMB1,117 per sq.m., which was competitive.

Given its sufficient land bank and market changes, the Group had slowed down the pace of land acquisition during the year and only acquired land parcels in Changsha and Guangzhou with a total planned GFA of 211,456 sq.m.. Total consideration attributable by the Group was RMB1,537 million.

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

Land parcel name	City/District	Attributable Interest(%)	Planned GFA (sq.m.)
<b>Central China Region</b>			
Site in Agile Evian Town Changsha	Changsha	100	148,026
<b>Subtotal</b>			<b>148,026</b>
<b>Southern China Region</b>			
Site in Haizhu District, Guangzhou	Guangzhou	100	63,430
<b>Subtotal</b>			<b>63,430</b>
<b>Total</b>			<b>211,456</b>



### Property development and sales

During the year, the Group's total recognised sales from property development was RMB41,421 million, representing an increase of 11.8% when compared with RMB37,037 million in 2014. The total recognised GFA sold was 4.79 million sq.m., representing an increase of 20.1% when compared with last year. The recognised average selling price decreased by 6.9% to RMB8,642 per sq.m. in 2015 from RMB9,278 per sq.m. in 2014, mainly due to the change of geographical distribution and product mix of recognised sales.

### Property management

During the year, revenue from property management of the Group was RMB813 million, representing an increase of 19.0% when compared with RMB683 million in 2014, which was mainly attributable to an increase in the total contracted GFA under management to 47.79 million sq.m. (2014: 23.09 million sq.m.).

### Hotel operations

The Group continued to develop its hotel business in a prudent and cautious manner with a view to developing a diversified business portfolio and generating a stable and reliable recurring revenue stream for the Group. During the year, the Group recorded revenue from hotel operations of RMB674 million, representing an increase of 27.8% when compared with RMB527 million in 2014. It was primarily attributable to the revenue generated from Shanghai Marriott Hotel City Centre, Raffles Hainan, Sheraton Bailuhu Resort Huizhou Hotel and Howard Johnson Agile Plaza Chengdu.

### Property investment

To further diversify the business portfolio so as to generate a stable income, the Group upheld prudent development strategy to designate certain commercial properties for long-term rental yields. During the year, revenue from property investment of the Group was RMB96 million, representing an increase of 36.9% when compared with RMB70 million in 2014.

### Cost of sales

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

Cost of sales increased by 24.4% to RMB32,191 million in 2015 from RMB25,887 million in 2014. The increase was mainly due to (i) the increase of the total recognised sales during the year and (ii) the increase in the unit cost of sales, in particular, costs of construction, fitting-out and land use rights.

### Gross profit

During the year, the Group's gross profit was RMB10,813 million, representing a decrease of 13.0% when compared with RMB12,431 million in 2014. The Group's gross profit margin decreased to 25.1% in 2015 from 32.4% in 2014. The fall in gross profit margin was mainly attributable to (i) the change in the proportion of the Group's recognised sales as contributed by different cities/districts, as well as increased weightings by projects with relatively low gross profit margin, and (ii) the increase in unit cost of sales, in particular new projects with higher unit land cost.

### Fair value gains on investment properties

During the year, the Group recorded fair value gains on investment properties amounting to RMB63 million. After deducting RMB16 million for the deferred income tax on fair value gains, the net amount of the fair value gains was RMB47 million.

### Other (losses)/gains, net

During the year, the Group recorded other losses, net of RMB139 million, compared with other gains, net of RMB146 million in 2014. It was mainly attributable to the net exchange loss of translation of financial assets and liabilities except for borrowings, which are denominated in foreign currency into Renminbi at the prevailing period-end exchange rate.

### Other income

During the year, the Group recorded other income of RMB212 million, representing a decrease of 78.3% when compared with RMB979 million in 2014, which was mainly due to a net income of RMB800 million from a project of initial land development was recorded in 2014, but no such relevant income in 2015. Other income mainly included interest income of bank deposits and forfeited deposits from customers.

### Selling and marketing costs

During the year, the Group recorded selling and marketing costs of RMB1,786 million, which were comparable with RMB1,784 million in 2014. The selling and marketing costs as a percentage of revenue decreased to 4.2% in 2015 from 4.7% in 2014, which was mainly attributable to the change of the Group's operation, by increasing the sales of properties through third party agents, especially in cooperation with online agents so as to save the selling and marketing costs by us.

### Administrative expenses

During the year, the Group recorded administrative expenses of RMB1,444 million, which were comparable with RMB1,437 million in 2014. The administrative expenses as a percentage of revenue decreased to 3.4% in 2015 from 3.8% in 2014, it was mainly attributable the Group's optimisation of human resources and the effective control of administrative costs.

### Other expenses

During the year, the Group recorded other expenses of RMB82 million, representing a decrease of 73.7% when compared with RMB313 million in 2014. It was mainly due to a redemption cost of Convertible Bonds of RMB219 million and early redemption of premium of senior notes incurred in 2014, but no such relevant expense in 2015. Meanwhile, the Group recorded charitable donations of RMB34 million (2014: RMB61 million).

### Finance costs, net

During the year, the Group recorded a net finance cost of RMB1,325 million, representing an increase of 352.9% when compared with RMB293 million in 2014, which was mainly due to the exchange loss from translation of foreign currency borrowings on balance sheet date and the interest expenses not eligible for capitalisation related to completed construction properties.

### Share of post-tax loss of an associate

During the year, the share of post-tax loss in Guangzhou Li He Property Development Company Limited (an associate in which the Group holds 20% equity interest) was RMB27 million (2014: RMB28 million).

### Share of post-tax losses of joint ventures

During the year, the Group recorded share of post-tax losses of joint ventures of RMB87 million (2014: RMB45 million).

### Profit attributable to shareholders

Profit attributable to shareholders was RMB1,390 million (2014: RMB4,287 million), representing a decrease of 67.6% when compared with 2014. After excluding fair value gains on revaluation of investment properties and the related tax effect and foreign exchange loss/gain, the core profit attributable to shareholders of the Company in 2015 was RMB2,429 million (2014: RMB4,035 million), representing a decrease of 39.8% when compared with 2014.



## Liquidity, financial and capital resources

### Cash position and fund available

As at 31 December 2015, the total cash and bank balances of the Group were RMB13,137 million (31 December 2014: RMB11,430 million), comprising cash and cash equivalents of RMB7,407 million (31 December 2014: RMB6,068 million) and restricted cash of RMB5,730 million (31 December 2014: RMB5,362 million).

Some of the Group's project companies are required to place a certain amount of pre-sale proceeds in designated bank accounts as guarantee deposits for construction of the relevant properties.

As at 31 December 2015, the Group's undrawn borrowing facilities were RMB2,603 million (31 December 2014: RMB3,501 million).

### Borrowings

As at 31 December 2015, the Group's total borrowings amounted to RMB40,030 million, of which bank borrowings, senior notes and other borrowings amounted to RMB15,824 million, RMB17,048 million and RMB7,158 million respectively.

Repayment schedule	As at 31 December 2015 (RMB million)	As at 31 December 2014 (RMB million)
<b>Bank borrowings</b>		
Within 1 year	10,043	11,448
Over 1 year and within 2 years	1,672	4,406
Over 2 years and within 5 years	3,588	3,541
Over 5 years	521	631
<b>Subtotal</b>	<b>15,824</b>	<b>20,026</b>
<b>Senior notes</b>		
Over 1 year and within 2 years	10,672	–
Over 2 years and within 5 years	6,376	13,155
<b>Subtotal</b>	<b>17,048</b>	<b>13,155</b>
<b>Other borrowings</b>		
Within 1 year	6,444	5,023
Over 1 year and within 2 years	449	3,649
Over 2 years and within 5 years	265	469
<b>Subtotal</b>	<b>7,158</b>	<b>9,141</b>
<b>Total</b>	<b>40,030</b>	<b>42,322</b>

## Management Discussion and Analysis (Continued)

As at 31 December 2015, the Group's bank borrowings (including syndicated loans) of RMB12,073 million (31 December 2014: RMB10,475 million) were secured by the Group's land use rights, properties and bank deposits. As at 31 December 2015, the Group's other borrowings of RMB4,786 million (31 December 2014: RMB5,580 million) are secured by its land use rights, property, plant and equipment, bank deposits, investment properties and the shares of a subsidiary. The offshore loans and senior notes were jointly and severally guaranteed by certain subsidiaries of the Group and were secured by the pledges of their shares. The net assets of these subsidiaries were RMB4,579 million as at 31 December 2015 (31 December 2014: RMB5,250 million).

During the year, the Company issued US\$500 million 9% senior notes due by 2020 in order to refinance its existing indebtedness, improving the Company's liquidity and optimising its debt structure effectively.

The gearing ratio is the ratio of net borrowings (total borrowings less total cash and cash equivalents and restricted cash) to total equity. As at 31 December 2015, the gearing ratio was 64.0% (2014: 75.2%), still at a stable level.

### Currency risk

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

### Cost of borrowings

In 2015, the total cost of borrowings of the Group was RMB3,421 million, representing a decrease of RMB233 million when compared with RMB3,654 million in 2014. The decrease was mainly attributable to lower average balance of bank borrowings in 2015. Taking into consideration of exchange differences arising from foreign currencies borrowings, the weighted average interest rate for the Group's bank borrowings, senior notes and other borrowings as at 31 December 2015 was 8.5%.

### Financial guarantee

The Group is in cooperation with certain financial institutions for the provision of mortgage loan facility for its purchasers of property and has provided guarantees to secure repayment obligations by such purchasers. As at 31 December 2015, the outstanding guarantees were RMB 22,449 million (31 December 2014: RMB14,658 million). Such guarantees shall terminate upon the earlier of (i) issuance of the real estate ownership certificate which will generally be available within one year after taking over of the possession of the relevant property by the purchasers; or (ii) the satisfaction of relevant mortgage loans by the purchasers.

The Group's proportionate interest in financial guarantee of mortgage facilities for certain purchasers relating to the associate and joint ventures as at 31 December 2015 was RMB440 million (2014: RMB272 million) and RMB208 million (2014: RMB142 million) respectively.

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

In addition, the Group and other four parties (the “Five Shareholders”) have jointly provided guarantees for Li He in respect of certain loan facilities amounting to RMB8,910 million (31 December 2014: RMB11,170 million). The Group’s share of the guarantee amounted to RMB1,782 million (31 December 2014: RMB2,234 million).

Several subsidiaries of the Group and joint venture parties have provided certain guarantees in proportion of their shareholdings in certain joint ventures in respect of loan facilities amounting to RMB2,404 million (2014: RMB3,067 million). The Group’s share of the guarantees amounted to RMB651 million (2014: RMB799 million).

### Commitments

As at 31 December 2015, the commitments of the Group in connection with the property development activities were RMB16,303 million (31 December 2014: RMB21,804 million). The Group has also committed to pay outstanding land premium resulting from land acquisitions in the amount of RMB93 million (31 December 2014: RMB951 million).

### Human resources

As at 31 December 2015, the Group had a total of 12,984 employees, among which 112 were senior management and 359 were middle management. By geographical locations, there were 12,917 employees in mainland China and 67 employees in Hong Kong, Macau and Malaysia. For the year ended 31 December 2015, the total remuneration costs, including directors’ remuneration, were RMB1,792 million (2014: RMB1,676 million).

### Outlook

Looking forward, in order to maintain a prominent position in the intensively competitive market and secure growth in revenue and profit, the Group will continue to provide more-value-for-money products and comprehensive services with innovative and humanised planning and design, in addition to the market-leading internet-based property management platform. Furthermore, the Group will continue to expand the property management business in order to broaden the source of income.

Meanwhile, in order to improve the cash flow, the Group will implement flexible sales strategy, with improvement on sell-through rate and inventory clearance. Furthermore, the Group will further optimise the finance structure by implementing flexible financing strategy and fully utilising the financing channels onshore and offshore, with a view to controlling risk and lowering the financing cost effectively. Meanwhile, enhancement of internal management and effective cost control will continue.

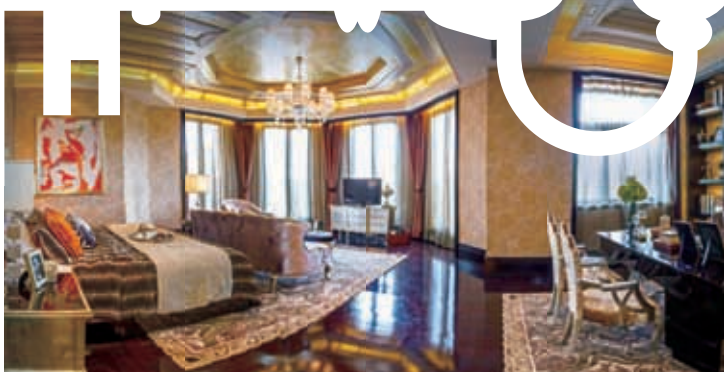
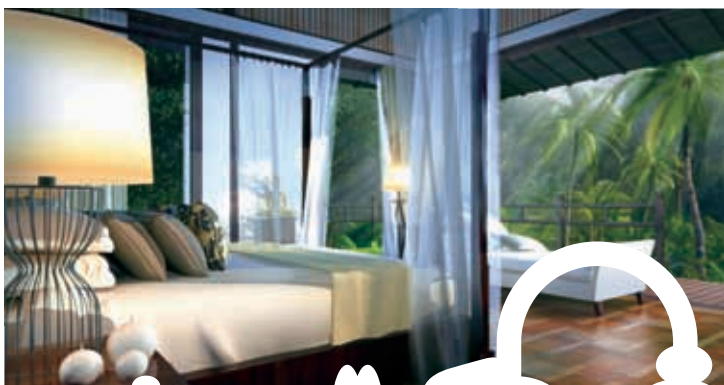
In order to cope with the future development, the Group will enhance its land bank by acquiring premium land parcels with prudent manner and at reasonable price.



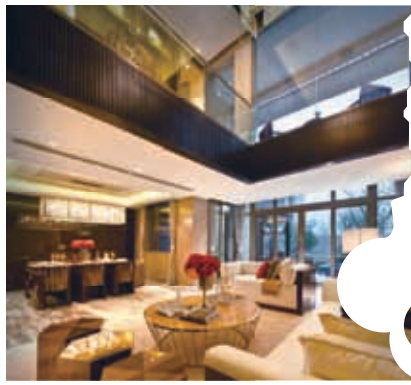


# Property Development

In order to support the long-term stable growth of the property development business, the Group continues to focus on enhancing its competitiveness and maintain a strong brand recognition in the face of vigorous market competition, by improving the products' planning and design and offering excellent sales and aftersales services.







Southern  
China  
Region

Eastern  
China  
Region

Western  
China  
Region

Central  
China  
Region

Hainan  
and Yunnan  
Region

Northeast  
China  
Region

Northern  
China  
Region

Overseas





# Property Development



## Business overview

During the year, in order to support the long-term stable growth of the property development business, the Group continued to focus on enhancing its competitiveness and maintain a strong brand recognition in the face of vigorous market competition, by improving the products' planning and design and offering excellent sales and aftersales services.

Furthermore, in light of the strong end-users' and upgraders' demand, the Group continued to optimise its product mix by focusing on products catering for such demand, supplemented by high-end products tailored to market needs. Meanwhile, as there has been strong demand for quality tourism property for such purposes including health keeping, retirement and travel, some of the Group's projects will continue to develop products catering for such needs.

Moreover, during the year, the Group also had further enhanced the operational efficiency of the property development business, including implementation of strict construction management and streamline of workflows, laying a solid foundation for business growth for the coming years.

During the year, riding on the improved market sentiment of the property market in China, the Group capitalised on market opportunities by launching projects in a timely manner at reasonable prices, and dedicated its efforts to inventory clearance with its flexible marketing strategy. During the year, the Group's pre-sales was RMB44,230 million, and the GFA pre-sold was 5.07 million sq.m., with the average selling price being RMB8,725 per sq.m..



### Effective geographic diversification and leading market brand

During the year, the geographic diversification strategy of the Group achieved satisfactory progress. Overall good sales performance was seen in Southern China Region with continuous steady sales contribution. With active penetration in the past few years, the Group had a total of 13 projects available for sale in Eastern China Region during the year, making contributions to the pre-sales performance. Tourism property business in Hainan and Yunnan Region also maintained its leading market position. During the year, pre-sales from Southern China Region, Eastern China Region, Hainan and Yunnan Region and Other Regions accounted for 50%, 23%, 17% and 10% of total pre-sales respectively.

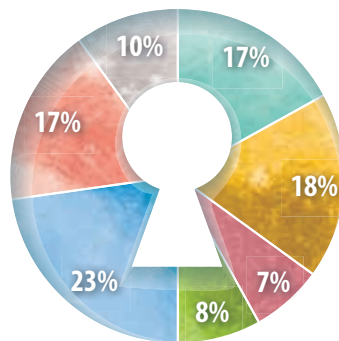
During the year, the Group duly launched 11 new projects and projects available for sale totaled 80. New projects were located in Southern China Region, Eastern China Region, Western China Region, Central China Region, Hainan and Yunnan Region and Overseas:

### New Projects for Sale

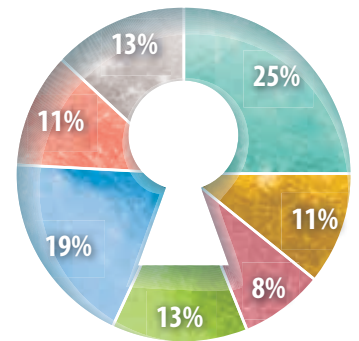
#### Southern China Region:

1. Agile Garden Huiyang
2. Agile International Center Nanning
3. Agile Personage Nanhai (formerly known as Nanhai Dali Town Project)
4. Agile Coastal Pearl Zhongshan (formerly known as Zhongshan Nanlang Binhai Project)
5. Agile Garden Sanshui (formerly known as Sanshui Xi'nan Street Project)

### Pre-sales amounted to RMB44,230 million



### GFA Pre-sold was 5.07 million sq.m.



## Property Development (Continued)

### Eastern China Region:

1. Agile International Garden Hangzhou

### Western China Region:

1. Agile Life Diary Xi'an

### Central China Region:

1. Agile Evian Town Changsha
2. Agile Garden Changsha

### Hainan and Yunnan Region:

1. Agile Quenya Yunnan

### Overseas:

1. Agile Mont Kiara Kuala Lumpur

As the top 20 property developer in China in terms of pre-sales, Agile achieved remarkable sales in many markets with its high quality products, sound design and planning and considerate property management services. Sales performance of major projects during the year are summarised as follows:

In Zhongshan, the Group maintained its leading position and was the sales champion of the year with remarkable pre-sales of over RMB7,500 million. New Legend Zhongshan, Agile Cambridgeshire Zhongshan, Metro Agile Zhongshan and Agile

Royal Mount Zhongshan ranked top in the local market in terms of pre-sales amount, GFA pre-sold and number of units sold. In addition, Agile Coastal Pearl Zhongshan (formerly known as Zhongshan Nanlang Binhai Project), a new project launched by the year end, was well-received by the market and the first batch of units were quickly sold out.

In Guangzhou, the Group achieved over RMB8,000 million pre-sales and was one of the top 10 property developers in terms of pre-sales amount in the local market. High-end projects continued to lead the market. In particular, Agile Cambridgeshire Guangzhou and Agile Mountain Guangzhou were the top 10 sellers in terms of pre-sales amount in Guangzhou. Agile Flowing Garden Conghua had also been the top seller of the year in Conghua.

In Foshan, the Group achieved steady pre-sales performance during the year with approximately RMB3,000 million pre-sales. Agile British Manor Shunde, Agile New City Bay Foshan and Agile Peninsula Sanshui ranked top sellers of the year in the local market.

As for Eastern Guangdong district, Agile Garden Huiyang was launched in the second half of the year. With its excellent environment and well-developed ancillary facilities, the new project's first batch of units were quickly sold out. New components of both Agile Garden Heyuan and Agile Egret Lake Huizhou were launched and generated stable pre-sales for the Group.





Meanwhile, the Group continued to record steady sales growth in regions other than Southern China Region. In Eastern China Region, The Territory Nanjing achieved over RMB4,000 million pre-sales and was one of the top 5 sellers of the year in Nanjing. Agile International Yangzhou continued to achieve outstanding sales and had become the top seller of the year in Yangzhou. The first batch of units of Agile International Garden Hangzhou, the first project of the Group in Hangzhou, were also launched in the fourth quarter of the year.

In Western China Region, new components of the Group's projects in Chengdu, Xi'an and Chongqing were launched. Agile Chairman Chongqing received overwhelming market response for its high quality products and mature ancillary facilities.

The tourism property business in Hainan and Yunnan Region continued to generate stable pre-sales. Hainan Clearwater Bay continued to be one of the most popular tourism property projects in China and achieved nearly RMB7,000 million pre-sales during the year.

### Prudent land acquisition strategy and flexible development adjustment

Given its sufficient land bank, the Group had slowed down the pace of land acquisition during the year in response to market changes. The Group increased its land bank by acquiring a total planned GFA of 211,456 sq.m. in Changsha and Guangzhou, with the average land cost being RMB7,269 per sq.m.. As at 23 March 2016, the Group had a land bank with a total planned GFA of 34.87 million sq.m. in 41 cities and districts, with the average land cost being RMB1,117 per sq.m., which offers a certain competitive edge.

The Group makes flexible adjustments to the scope and schedule of developments according to the project sales and supply in order to balance and optimise the progress. During the year, the newly commenced GFA was 3.42 million sq.m. and completed GFA was 5.05 million sq.m.. As at 31 December 2015, the Group's completed GFA in the land bank was 1.97 million sq.m. and the GFA under development was 7.46 million sq.m..

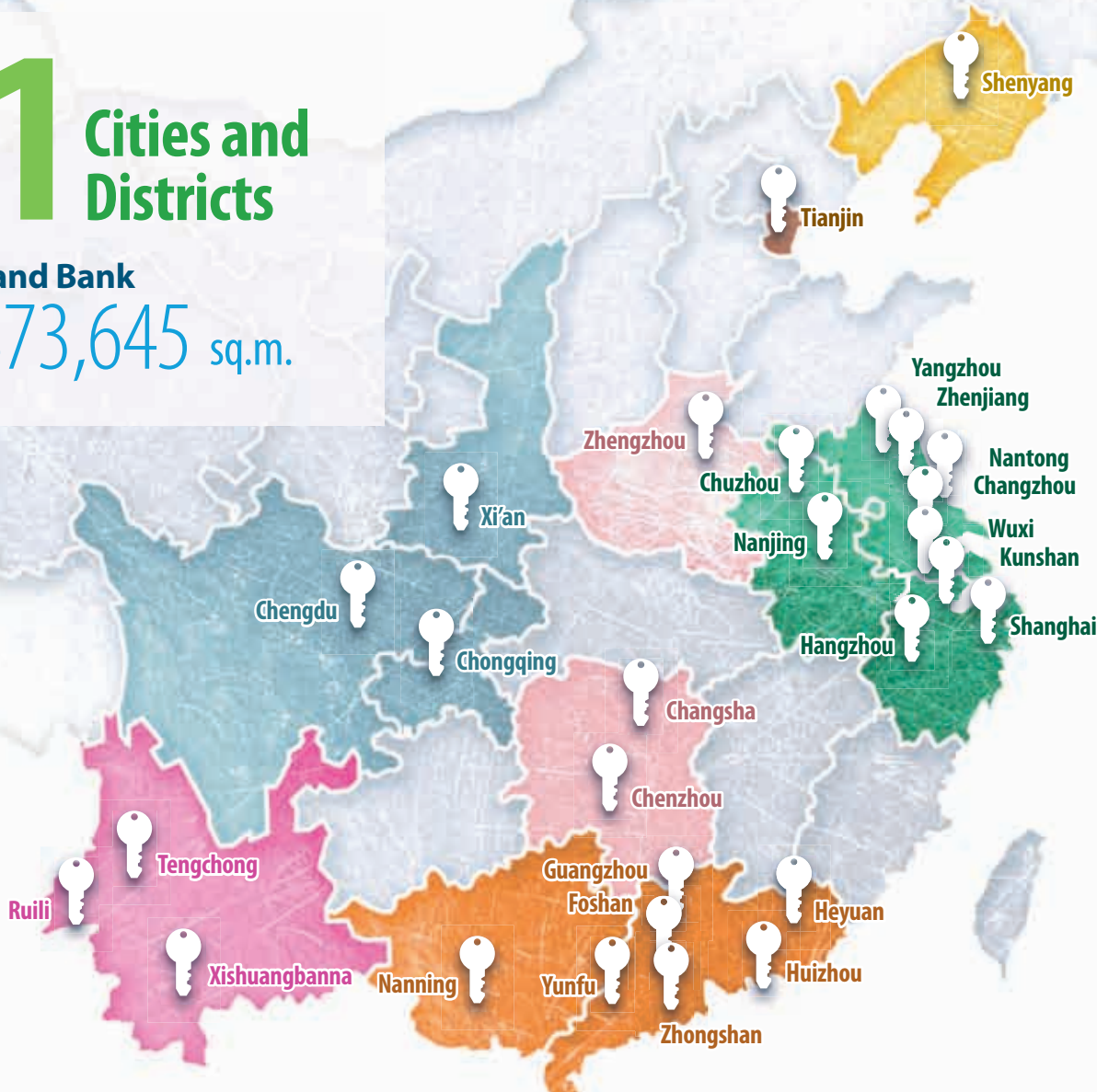


# Property Development (Continued)

Project Overview (as at 23 March 2016)

# 41 Cities and Districts

Total Land Bank  
34,873,645 sq.m.



## Overseas Project



Dingan  
Wenchang  
Lingshui

## Property Development (Continued)

Project Overview (as at 23 March 2016)

### Southern China Region

City	District	No. of Projects	Project Total GFA (sq. m.)	Land Bank (sq. m.)
Guangzhou	Panyu	3	7,163,281	893,007
	Baiyun	1	179,354	98
	Luogang	1	613,624	288,970
	Huadu	3	1,106,336	229,548
	Zengcheng	1	111,680	364
	Conghua	1	434,023	144,699
	Haizhu	1	63,430	63,430
Zhongshan		15	11,327,481	4,189,636
Foshan	Nanhai	2	1,003,072	154,770
	Chancheng	2	438,897	1,595
	Sanshui	2	477,953	253,890
	Shunde	4	1,220,069	382,162
Eastern Guangdong	Heyuan	1	2,729,481	1,225,088
	Huizhou	2	4,576,665	3,332,450
Western Guangdong and Guangxi	Yunfu	1	345,989	345,989
	Nanning	1	432,860	216,430
<b>Total</b>		<b>41</b>	<b>32,224,195</b>	<b>11,722,126</b>

### Eastern China Region

City	No. of Projects	Project Total GFA (sq. m.)	Land Bank (sq. m.)
Nanjing	4	1,653,180	1,112,916
Changzhou	1	559,765	423,679
Yangzhou	1	436,858	286,349
Chuzhou	1	677,266	522,791
Wuxi	1	590,325	481,795
Kunshan	1	125,052	81,792
Zhenjiang	1	226,200	226,200
Nantong	1	510,000	510,000
Shanghai	2	581,285	456,408
Hangzhou	1	423,827	423,827
<b>Total</b>	<b>14</b>	<b>5,783,758</b>	<b>4,525,757</b>

### Western China Region

City	No. of Projects	Project Total GFA (sq. m.)	Land Bank (sq. m.)
Chengdu	1	1,606,752	709,732
Xi'an	3	1,279,667	841,875
Chongqing	2	812,015	210,496
<b>Total</b>	<b>6</b>	<b>3,698,434</b>	<b>1,762,103</b>

### Central China Region

City	No. of Projects	Project Total GFA (sq. m.)	Land Bank (sq. m.)
Changsha	3	1,521,878	1,177,331
Zhengzhou	1	196,634	40,293
Chenzhou	1	145,279	145,279
<b>Total</b>	<b>5</b>	<b>1,863,791</b>	<b>1,362,903</b>

### Hainan and Yunnan Region

City	No. of Projects	Project Total GFA (sq. m.)	Land Bank (sq. m.)
Lingshui	1	10,395,479	7,901,658
Dingan	1	56,097	56,097
Wenchang	2	676,910	561,693
Ruili	1	731,852	654,193
Tengchong	1	4,004,836	3,924,320
Xishuangbanna	1	634,240	614,455
<b>Total</b>	<b>7</b>	<b>16,499,414</b>	<b>13,712,416</b>

### Northeast China Region

City	No. of Projects	Project Total GFA (sq. m.)	Land Bank (sq. m.)
Shenyang	1	1,110,834	848,279
<b>Total</b>	<b>1</b>	<b>1,110,834</b>	<b>848,279</b>

### Northern China Region

City	No. of Projects	Project Total GFA (sq. m.)	Land Bank (sq. m.)
Tianjin	1	3,010,901	621,000
<b>Total</b>	<b>1</b>	<b>3,010,901</b>	<b>621,000</b>

### Overseas

City	No. of Projects	Project Total GFA (sq. m.)	Land Bank (sq. m.)
Kuala Lumpur, Malaysia	2	319,061	319,061
<b>Total</b>	<b>2</b>	<b>319,061</b>	<b>319,061</b>

<b>Grand Total</b>	<b>77</b>	<b>64,510,388</b>	<b>34,873,645</b>
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# Property Development (Continued)

Land Bank Table (as at 23 March 2016)

No.	Project Name	City/District	Unit Land Cost (RMB/sq.m.) (Note 4)	Interests Attributable to the Group	Total Site Area (sq.m.)	Address
<b>Southern China Region</b>						
1	Agile Garden Guangzhou	GZ/Panyu	289	100%	1,518,417	Xingnan Road, Nancun Town, Panyu District, Guangzhou
2	Agile Cambridgeshire Guangzhou	GZ/Panyu	259	100%	624,701	Caotang Village, Nancun Town, Panyu District, Guangzhou
3	Guangzhou Asian Games City Project (Note 2)	GZ/Panyu	5,822	20%	2,640,000	Asian Games City, Panyu District, Guangzhou
4	Royal Hillside Villa Guangzhou	GZ/Baiyun	400	100%	122,742	1168 Tonghe Road, Baiyun District, Guangzhou
5	Agile Mountain Guangzhou	GZ/Luogang	7,074	100%	306,812	Science City, North of Kaichuang Road, Luogang District, Guangzhou
6	Urban Complex City Huadu	GZ/Huadu	1,781	100%	274,384	Junction of Xinhua Sandong Avenue and Chabei Road, Huadu District, Guangzhou
7	Agile Central Point Plaza Huadu	GZ/Huadu	2,515	100%	87,482	Junction of Xinhua Sandong Avenue and Chabei Road, Huadu District, Guangzhou
8	Keep Orange Huadu (Note 2)	GZ/Huadu	2,844	50%	126,941	East of 106 National Road, Huashan Town, Huadu District, Guangzhou
9	Agile Yubinfu Zengcheng	GZ/Zengcheng	1,791	100%	44,672	306 Licheng Road, Zengcheng, Guangzhou
10	Flowing Garden Conghua	GZ/Conghua	3,018	100%	442,866	Jiekou Town, Conghua, Guangzhou
11	Guangzhou Haizhu District Project	GZ/Haizhu	23,186	100%	13,660	Shigang Road, Haizhu District, Guangzhou City
<b>Guangzhou Subtotal</b>			<b>5,176</b>		<b>6,202,677</b>	
12	La Cité Greenville Zhongshan	Zhongshan	187	100%	1,970,275	La Cité Greenville, Huoju Development Zone, Zhongshan
13	New Legend Zhongshan	Zhongshan	1,296	100%	509,368	Shencong Village, Huoju Development Zone, Zhongshan
14	Metro Agile Zhongshan	Zhongshan	194	100%	1,476,285	Sanxiang Town, Zhongshan
15	Majestic Garden Zhongshan	Zhongshan	565	100%	143,377	Junction of Bo'ai Road and Qiguan West Road, East District, Zhongshan
16	Grand Garden Zhongshan	Zhongshan	250	100%	96,374	Junction of Bo'ai Road and Xingzhong Road, East District, Zhongshan
17	The Century Zhongshan	Zhongshan	394	100%	487,871	Junction of Bo'ai One Road and Cuijing South Road, Zhongshan
18	Royal Residence Zhongshan	Zhongshan	1,112	100%	15,968	Junction of Bo'ai Road and Qiguan West Road, East District, Zhongshan
19	Zhongshan Minzhong Town Project	Zhongshan	260	100%	63,450	Xinsheng Village, Minzhong Town, Zhongshan
20	Agile Cambridgeshire Zhongshan	Zhongshan	601	100%	375,357	Junction of Bo'ai Road and Qiguan West Road, East District, Zhongshan
21	Agile Royal Mount Zhongshan	Zhongshan	419	100%	563,253	Guinan Road, Wugui Mountain Town, Zhongshan
22	Beautiful Lake Zhongshan (Note 2)	Zhongshan	7,563	50%	111,060	Changmingshui Village, Wugui Mountain Town, Zhongshan
23	Zhongshan Kunlun Hotel Project	Zhongshan	1,429	100%	29,267	8 Nanqi North Road, Nanlang Town, Zhongshan
24	Agile Coastal Pearl Zhongshan (Formerly known as Zhongshan Nanlang Binhai Project)	Zhongshan	671	100%	347,323	Linguo Station, Cuiheng Village, Nanlang Town, Zhongshan
25	Agile Yorkshire Zhongshan	Zhongshan	520	100%	124,345	North of Zhuhai Avenue, Tanzhou Town, Zhongshan
26	Agile Gentefolk Zhongshan	Zhongshan	2,250	100%	71,462	Jibian Village, Shiqi District, Zhongshan
<b>Zhongshan Subtotal</b>			<b>498</b>		<b>6,385,035</b>	
27	Majestic Garden Nanhai	FS/Nanhai	510	100%	601,230	Suiyan Road, Nanhai District, Foshan
28	Agile Personage Nanhai (Formerly known as Nanhai Dali Town Project)	FS/Nanhai	4,647	100%	44,786	Industrial District of Pan Village, Shuitou Village, Dali Town, Nanhai District, Foshan
29	Agile Garden Foshan	FS/Chancheng	2,202	100%	184,373	8 Lvjing Three Road, Chancheng District, Foshan
30	Agile Manhattan Hill Foshan	FS/Chancheng	7,122	100%	29,486	West of Wenhua Road, North of Kuiqi Road, Chancheng District, Foshan
31	Agile Peninsula Sanshui	FS/Sanshui	2,164	100%	140,261	Gaofeng Village, Xi'nan Street, Sanshui District, Foshan
32	Agile Garden Sanshui (Formerly known as Sanshui Xi'nan Street Project)	FS/Sanshui	1,892	100%	44,709	Right side of Xi'nan Yong, Xi'nan Street, Sanshui District, Foshan
33	Agile Garden Shunde	FS/Shunde	962	100%	212,410	Daliang Yannian Road, Shunde District, Foshan
34	Agile Jardin Lecong	FS/Shunde	3,454	100%	97,474	East 8 Road, South Zone, Lecong Town, Shunde District, Foshan
35	Agile British Manor Shunde	FS/Shunde	3,960	100%	93,353	West of Tianning Road, North of Huoju Road, New City District, Beijiao Town, Shunde District, Foshan
36	Agile New City Bay Foshan	FS/Shunde	4,398	100%	50,312	North of Meidi Road, East of Huayang Road, Shangliao Village, Beijiao Town, Shunde District, Foshan
<b>Foshan Subtotal</b>			<b>3,375</b>		<b>1,498,394</b>	
37	Agile Garden Heyuan	Heyuan	267	100%	1,364,741	Huangsha Road Central, Heyuan
38	Agile Egret Lake Huizhou	Huizhou	325	100%	2,000,000	1 Agile Road, Ruhu Town, Huizhou
39	Agile Garden Huayang	Huizhou	222	100%	1,081,559	Yinkeng Road, Xinqiao Village, Danshui Street, Huayang District, Huizhou
<b>Eastern Guangdong Subtotal</b>			<b>255</b>		<b>4,446,300</b>	
40	Yunfu Xijiang New Town Project	Yunfu	300	100%	138,396	Yunfu High-Tech Industrial Development Zone, Duyang Town, Yuncheng District, Yunfu
<b>Western Guangdong Subtotal</b>			<b>300</b>		<b>138,396</b>	
41	Agile International Center Nanning (Note 2)	Nanning	1,122	50%	78,721	Wuxiang New District, Nanning
<b>Guangxi Subtotal</b>			<b>1,122</b>		<b>78,721</b>	
<b>Southern China Region Subtotal</b>			<b>1,250</b>		<b>18,749,523</b>	



# Property Development (Continued)

Land Bank Table (as at 23 March 2016)

	Total Planned GFA of the Project (sq.m.)	Land Bank (sq.m.) (Note 1)						
		Total Planned GFA (A)	Development Stage (B)			Planning Nature (C)		
			Completed (B1)	Under Development (B2)	Held for Future Development (B3)	Residential & Ancillary Facilities (C1)	Hotel (C2)	Commercial & Office (C3)
	1,655,026	89,202	1,750	40,963	46,489	89,202	-	-
	1,128,255	159,363	23,264	136,099	-	159,363	-	-
	4,380,000	644,442	10,729	179,339	454,374	602,922	-	41,520
	179,354	98	98	-	-	98	-	-
	613,624	288,970	117,467	18,513	152,990	288,970	-	-
	652,102	740	740	-	-	740	-	-
	174,964	113,133	4,151	108,982	-	-	-	113,133
	279,270	115,675	1,005	77,218	37,452	115,675	-	-
	111,680	364	364	-	-	364	-	-
	434,023	144,699	30,654	58,302	55,743	144,699	-	-
	63,430	63,430	-	-	63,430	63,430	-	-
	<b>9,671,728</b>	<b>1,620,116</b>	<b>190,222</b>	<b>619,416</b>	<b>810,478</b>	<b>1,465,463</b>	<b>-</b>	<b>154,653</b>
	1,889,961	2,768	2,768	-	-	2,768	-	-
	769,751	301,415	5,841	225,170	70,404	301,415	-	-
	3,519,253	1,722,660	50,251	441,737	1,230,672	1,722,660	-	-
	236,926	211	211	-	-	211	-	-
	150,357	713	713	-	-	713	-	-
	916,486	126	126	-	-	126	-	-
	16,144	2,495	2,495	-	-	2,495	-	-
	95,175	95,175	-	-	95,175	95,175	-	-
	1,444,668	976,645	23,664	283,856	669,125	976,645	-	-
	1,126,505	466,935	40,843	286,723	139,369	466,935	-	-
	66,636	906	906	-	-	906	-	-
	87,801	87,801	-	-	87,801	-	21,854	65,947
	491,859	491,859	-	269,167	222,692	491,859	-	-
	373,035	1,560	1,560	-	-	1,560	-	-
	142,924	38,368	38,368	-	-	38,368	-	-
	<b>11,327,481</b>	<b>4,189,636</b>	<b>167,745</b>	<b>1,506,653</b>	<b>2,515,238</b>	<b>4,101,835</b>	<b>21,854</b>	<b>65,947</b>
	859,757	11,455	11,455	-	-	11,455	-	-
	143,315	143,315	-	143,315	-	143,315	-	-
	365,181	289	289	-	-	289	-	-
	73,716	1,306	1,306	-	-	1,306	-	-
	370,653	146,590	1,523	-	145,067	146,590	-	-
	107,300	107,300	-	107,300	-	107,300	-	-
	488,500	15,314	15,314	-	-	-	-	15,314
	292,422	21,961	21,961	-	-	21,961	-	-
	308,066	308,066	-	308,066	-	308,066	-	-
	131,081	36,821	36,821	-	-	36,821	-	-
	<b>3,139,991</b>	<b>792,416</b>	<b>88,668</b>	<b>558,681</b>	<b>145,067</b>	<b>777,102</b>	<b>-</b>	<b>15,314</b>
	2,729,481	1,225,088	75,591	110,048	1,039,449	1,122,301	65,000	37,787
	2,000,000	907,475	29,878	56,656	820,941	902,399	5,076	-
	2,576,665	2,424,975	3,594	180,768	2,240,623	2,424,975	-	-
	<b>7,306,146</b>	<b>4,557,539</b>	<b>109,054</b>	<b>347,472</b>	<b>4,101,013</b>	<b>4,449,676</b>	<b>70,076</b>	<b>37,787</b>
	345,989	345,989	-	-	345,989	345,989	-	-
	<b>345,989</b>	<b>345,989</b>	<b>-</b>	<b>-</b>	<b>345,989</b>	<b>345,989</b>	<b>-</b>	<b>-</b>
	432,860	216,430	-	216,430	-	50,324	30,668	135,438
	<b>432,860</b>	<b>216,430</b>	<b>-</b>	<b>216,430</b>	<b>-</b>	<b>50,324</b>	<b>30,668</b>	<b>135,438</b>
	<b>32,224,195</b>	<b>11,722,126</b>	<b>555,689</b>	<b>3,248,652</b>	<b>7,917,785</b>	<b>11,190,389</b>	<b>122,598</b>	<b>409,139</b>

# Property Development (Continued)

Land Bank Table (as at 23 March 2016)

No.	Project Name	City/District	Unit Land Cost (RMB/sq.m.) (Note 4)	Interests Attributable to the Group	Total Site Area (sq.m.)	Address
<b>Eastern China Region</b>						
42	Agile Chang Le Du Nanjing	Nanjing	11,745	100%	59,900	Mendong Changledu, Qinhuai District, Nanjing
43	The Luxury House Nanjing	Nanjing	4,407	100%	114,020	200 Qingshuiting West Road, Jiangning District, Nanjing
44	The Territory Nanjing	Nanjing	6,720	100%	316,697	West of Linjiang Road and Qili River, Pukou District, Nanjing
45	Agile Garden Gaochun	Nanjing	1,240	100%	222,641	West and South of Wutai Road, East of New Sports Stadium, North of Shuanggao Road, East of Zhoujia, Gaochun District, Nanjing
46	Agile & Star River Changzhou	Changzhou	1,679	100%	223,906	West of Taishan Road, North of Longcheng Avenue, Xinbei District, Changzhou
47	Agile International Yangzhou	Yangzhou	2,299	100%	110,597	North of Planned Road 2, West of Weyang Road, South of Jiangyang Road, East of Hongda Road, Yangzhou
48	Agile Silva Town Chuzhou	Chuzhou	344	100%	270,907	North of Xinchu Road, South of Xiangjiang Road, East of Changjiang Road, Chahe New City Development Zone, Chuzhou
49	Agile City Center Villa Wuxi	Wuxi	3,454	100%	214,664	Junction of Guanshan Road and Gong Lake Avenue, Taihu New City, Binhu District, Wuxi
50	Agile YOWO Park Kunshan	Kunshan	1,519	100%	62,526	North of Qionghua One Road, Qianteng Town, Kunshan
51	Agile Hillgrove Zhenjiang	Zhenjiang	2,166	100%	113,117	West to Tanshan Road, South to Bailongshan Road, Zhenjiang
52	Agile Garden Nantong	Nantong	1,368	100%	187,437	Fuxing Road South, Lincui Road West, Nantong
53	Agile Future Star Shanghai	Shanghai	6,100	100%	94,193	Planned Road 4 to the South, Planned Road 1 to the East, Shanghai Film Shooting Base to the North, Yingcheng Road to the West, Songjiang District, Shanghai
54	Shanghai Pudong New District Project	Shanghai	2,984	100%	1,441,967	5333 East Dagong Road, Binhai Town, Pudong New District, Shanghai
55	Agile International Garden Hangzhou	Hangzhou	3,077	100%	132,446	North of Yanggao Road, Xianlin Road, Yuhang District, Hangzhou
<b>Eastern China Region Subtotal</b>			<b>2,686</b>		<b>3,565,018</b>	
<b>Western China Region</b>						
56	Agile Garden Chengdu	Chengdu	1,163	100%	1,338,960	19 Second Section, Lushan Road, Shuangliu County, Chengdu
57	Agile Montblanc Xi'an	Xi'an	2,566	100%	120,333	Maopo Village, Guodu Street, Chang'an District, Xi'an
58	Agile Chairman Xi'an (Note 2)	Xi'an	3,722	70%	75,953	South of Qujiangchi South Road, West of Xinkaimen South Road, North of South Third Ring, Qujiang New District, Xi'an
59	Agile Life Diary Xi'an	Xi'an	2,142	100%	277,519	West of Ziwu Avenue, South of Ju River, Guodu Street Office, Chang'an District, Xi'an
60	Agile International Garden Chongqing	Chongqing	880	100%	321,073	Huilong Road, Nanping Jingkai District, Chongqing
61	Agile Chairman Chongqing	Chongqing	2,000	100%	119,287	Shuangshan District, Dadukou District, Chongqing
<b>Western China Region Subtotal</b>			<b>1,845</b>		<b>2,253,125</b>	
<b>Central China Region</b>						
62	Bund Mansion Changsha (Note 2)	Changsha	1,716	50%	197,406	Xiangjiang Avenue, Kaifu District, Changsha
63	Agile Garden Changsha	Changsha	2,679	100%	40,000	Xiangjiang Avenue, Kaifu District, Changsha
64	Agile Evian Town Changsha	Changsha	434	100%	410,911	Huitang Village, Huitang Town, Ningxiang County, Changsha
65	Agile International Garden Zhengzhou (Note 2)	Zhengzhou	438	60%	83,681	Ruifeng Road and Kangzhuang Road, Baisha Town, Zhongmou County, Zhengzhou
66	Chenzhou Project	Chenzhou	638	100%	121,066	Zhudui Village, Matian Village, Heping Village, Suxian District, Chenzhou
<b>Central China Region Subtotal</b>			<b>956</b>		<b>853,064</b>	
<b>Hainan and Yunnan Region</b>						
67(A)	Hainan Clearwater Bay Project A (Note 2)	Lingshui	312	70%	951,036	Clearwater Bay Avenue, Yingzhou Town, Lingshui Li Minority Autonomous County, Hainan Province
67(B)	Hainan Clearwater Bay Project B	Lingshui	1,131	100%	126,659	Clearwater Bay Avenue, Yingzhou Town, Lingshui Li Minority Autonomous County, Hainan Province
68	Hainan Dingan Nanli Lake Project	Dingan	2,530	100%	186,991	East of Nanli Lake, Ding'an County
69	Agile Pure Moon Bay Hainan	Wenchang	1,083	100%	400,511	Qibu District, Moon Bay, Changjiu Town, Wenchang City
70	Hainan Wenchang Tongguling Project	Wenchang	824	100%	110,098	North of Zuanshi Avenue, West of Baoling Middle Road, Tongguling, Longlou Town, Wenchang City
71	Agile International Garden Ruli	Ruli	271	100%	263,994	East of 40m Planning Road, North of Tuanjie Road, North of Maohan Road Long Line, South of Make Villager Group, Ruli
72	Agile Eden Yunnan	Tengchong	155	100%	2,423,266	Qushi Community, Qushi Town, Tengchong County
73	Agile Quenya Yunnan	Xishuangbanna	375	100%	528,533	Manda Village, Gasu Town, Jinghong, Xishuangbanna
<b>Hainan and Yunnan Region Subtotal</b>			<b>311</b>		<b>13,555,088</b>	
<b>Northeast China Region</b>						
74	Agile Garden Shenyang	Shenyang	584	100%	536,848	1 Punan Road, Daoyi South Street, Shenbei New District, Shenyang
<b>Northeast China Region Subtotal</b>			<b>584</b>		<b>536,848</b>	
<b>Northern China Region</b>						
75	Tianjin Jinnan New City (Note 2)	Tianjin	2,341	25%	1,289,227	Southwest of Junction of Tianjin Avenue and Donggu Road, Jinan District, Tianjin
<b>Northern China Region Subtotal</b>			<b>2,341</b>		<b>1,289,227</b>	
<b>Overseas</b>						
76	Agile Mont Kiara Kuala Lumpur (Note 2)	Kuala Lumpur	2,051	70%	41,130	Mukim Batu, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan, Kuala Lumpur, Malaysia
77	Kuala Lumpur Bukit Bintang Project (Note 2)	Kuala Lumpur	6,807	70%	15,174	Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan, Kuala Lumpur, Malaysia
<b>Overseas Subtotal</b>			<b>4,316</b>		<b>56,304</b>	
<b>Grand Total (Note 3)</b>			<b>1,117</b>		<b>40,858,197</b>	

**Notes:**

- Land bank data includes only GFA that is calculated based on plot ratio and A=B=C. The data of completed GFA and GFA under development are as at 31 December 2015. Data are derived from the Group's internal record.
- Total site area and total GFA of Guangzhou Asian Games City Project, Keep Orange Huadu, Beautiful Lake Zhongshan, Agile International Center Nanning, Bund Mansion Changsha and Tianjin Jinnan New City are the total area of the overall projects; while the area set out in the column of land bank is the area proportional to the respective equity interests held by the Group. Since Agile Chairman Xi'an, Agile International Garden Zhengzhou, Hainan Clearwater Bay Project A, Agile Mont Kiara Kuala Lumpur and Kuala Lumpur Bukit Bintang Project are held by the subsidiaries of the Group, their total site area, GFA and land bank are shown in 100%.
- Besides the above information, the Group holds 70% equity interest in lands (including agricultural land and others) with site area of approximately 1.29 million sq. feet in the New Territories, Hong Kong and is intended to submit its application for amendment of plan to the relevant government department.
- Unit land cost is calculated according to the planned GFA of the land bank of the Group.

# Property Development (Continued)

Land Bank Table (as at 23 March 2016)

	Total Planned GFA of the Project (sq.m.)	Land Bank (sq.m.) (Note 1)							
		Total Planned GFA (A)	Development Stage (B)			Planning Nature (C)			
			Completed (B1)	Under Development (B2)	Held for Future Development (B3)	Residential & Ancillary Facilities (C1)	Hotel (C2)	Commercial & Office (C3)	
	59,600	25,928	25,928	-	-	-	5,455	-	20,473
	228,040	1,657	1,657	-	-	-	1,657	-	-
	853,466	590,248	72,785	318,186	199,277	590,248	-	-	-
	512,074	495,083	24,595	138,689	331,799	495,083	-	-	-
	559,765	423,679	105,509	166,636	151,534	423,679	-	-	-
	436,858	286,349	17,135	-	269,214	245,349	41,000	-	-
	677,266	522,791	45,457	-	477,334	522,791	-	-	-
	590,325	481,795	57,923	77,208	346,664	186,632	-	-	295,163
	125,052	81,792	18,656	63,136	-	81,792	-	-	-
	226,200	226,200	-	110,102	116,098	226,200	-	-	-
	510,000	510,000	-	119,475	390,525	510,000	-	-	-
	148,025	23,148	23,148	-	-	23,148	-	-	-
	433,260	433,260	-	-	433,260	200,992	-	-	232,268
	423,827	423,827	-	253,299	170,528	398,827	-	-	25,000
	<b>5,783,758</b>	<b>4,525,757</b>	<b>392,793</b>	<b>1,246,731</b>	<b>2,886,233</b>	<b>3,911,853</b>	<b>41,000</b>	<b>572,904</b>	
	1,606,752	709,732	164,728	162,536	382,468	709,732	-	-	-
	369,505	25,282	16,179	9,103	-	25,282	-	-	-
	215,092	121,523	73,080	2,777	45,666	121,523	-	-	-
	695,070	695,070	-	73,700	621,370	580,486	-	-	114,584
	463,843	642	642	-	-	642	-	-	-
	348,172	209,854	53,217	125,437	31,200	209,854	-	-	-
	<b>3,698,434</b>	<b>1,762,103</b>	<b>307,846</b>	<b>373,553</b>	<b>1,080,704</b>	<b>1,647,519</b>	<b>-</b>	<b>114,584</b>	
	670,237	335,118	-	126,898	208,220	335,118	-	-	-
	112,000	112,000	-	59,063	52,937	112,000	-	-	-
	739,641	730,213	16,545	105,027	608,641	730,213	-	-	-
	196,634	40,293	550	39,743	-	40,293	-	-	-
	145,279	145,279	-	-	145,279	145,279	-	-	-
	<b>1,863,791</b>	<b>1,362,903</b>	<b>17,095</b>	<b>330,731</b>	<b>1,015,077</b>	<b>1,362,903</b>	<b>-</b>	<b>-</b>	
	10,243,488	7,749,667	355,247	972,058	6,422,362	7,184,865	514,842	-	49,960
	151,991	151,991	-	-	151,991	151,991	-	-	-
	56,097	56,097	-	-	56,097	45,069	-	-	11,028
	346,616	231,399	40,124	147,595	43,680	206,413	24,986	-	-
	330,294	330,294	-	-	330,294	330,294	-	-	-
	731,852	654,193	67,624	194,657	391,912	594,207	59,986	-	-
	4,004,836	3,924,320	130,697	272,111	3,521,512	3,624,408	299,912	-	-
	634,240	614,455	66,194	127,698	420,563	614,455	-	-	-
	<b>16,499,414</b>	<b>13,712,416</b>	<b>659,886</b>	<b>1,714,119</b>	<b>11,338,411</b>	<b>12,751,702</b>	<b>899,726</b>	<b>60,988</b>	
	1,110,834	848,279	23,616	353,960	470,703	848,279	-	-	-
	<b>1,110,834</b>	<b>848,279</b>	<b>23,616</b>	<b>353,960</b>	<b>470,703</b>	<b>848,279</b>	<b>-</b>	<b>-</b>	
	3,010,901	621,000	16,000	99,500	505,500	621,000	-	-	-
	<b>3,010,901</b>	<b>621,000</b>	<b>16,000</b>	<b>99,500</b>	<b>505,500</b>	<b>621,000</b>	<b>-</b>	<b>-</b>	
	167,100	167,100	-	95,006	72,094	167,100	-	-	-
	151,961	151,961	-	-	151,961	151,961	-	-	-
	<b>319,061</b>	<b>319,061</b>	<b>-</b>	<b>95,006</b>	<b>224,055</b>	<b>319,061</b>	<b>-</b>	<b>-</b>	
	64,510,388	34,873,645	1,972,925	7,462,252	25,438,468	32,652,706	1,063,324	-	1,157,615



Flagship Projects at a Glance

## Southern China Region



Agile  
Cambridgeshire  
Guangzhou



Flagship Projects at a Glance

## Southern China Region



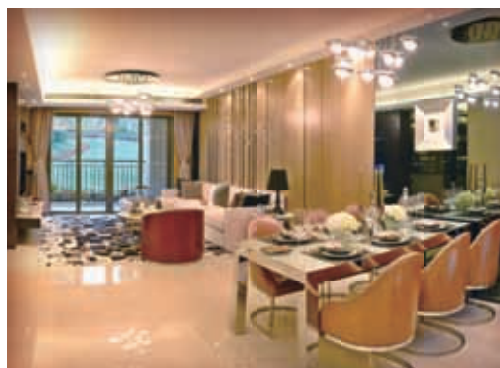
Agile  
Mountain  
Guangzhou





Flagship Projects at a Glance

## Southern China Region



New Legend  
Zhongshan



Metro Agile  
Zhongshan





## Southern China Region

### Agile Cambridgeshire Zhongshan



### Agile Royal Mount Zhongshan



Flagship Projects at a Glance

## Southern China Region



### Agile Coastal Pearl Zhongshan

*(Formerly known as Zhongshan Nanlang  
Binhai Project)*



### Agile Peninsula Sanshui





Flagship Projects at a Glance

## Southern China Region



Agile  
British Manor  
Shunde



Agile  
Personage  
Nanhai

*(Formerly known as Nanhai Dali Town Project)*



Flagship Projects at a Glance

## Southern China Region



Agile Garden  
Heyuan



Agile  
Egret Lake  
Huizhou

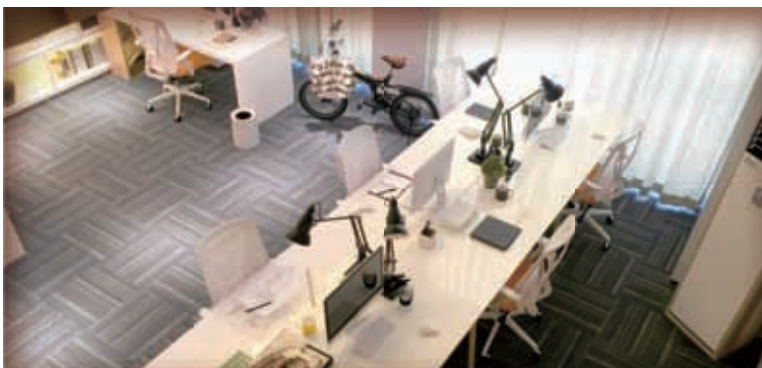
Flagship Projects at a Glance

## Southern China Region



### Agile Garden Huiyang

### Agile International Center Nanning





Flagship Projects at a Glance

## Eastern China Region



Agile  
Chang Le Du  
Nanjing





Flagship Projects at a Glance  
**Eastern China Region**



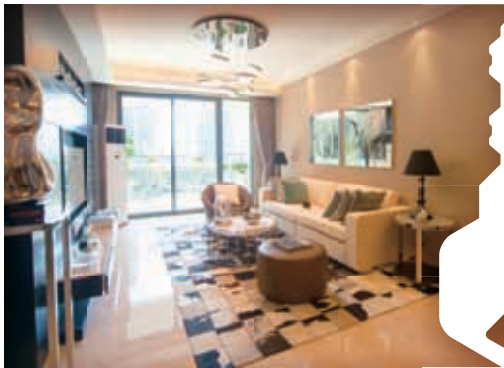
The Territory  
Nanjing



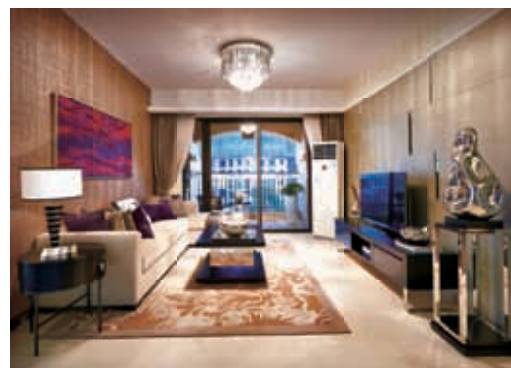
Flagship Projects at a Glance

## Eastern China Region

### Agile International Yangzhou

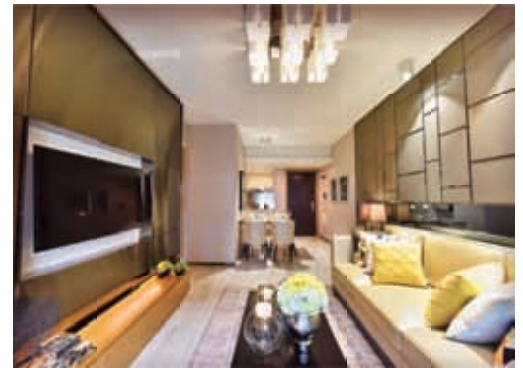


### Agile City Center Villa Wuxi





Flagship Projects at a Glance  
**Eastern China Region**



Agile  
International Garden  
Hangzhou





Flagship Projects at a Glance

# Western China Region



Agile Garden  
Chengdu



Flagship Projects at a Glance

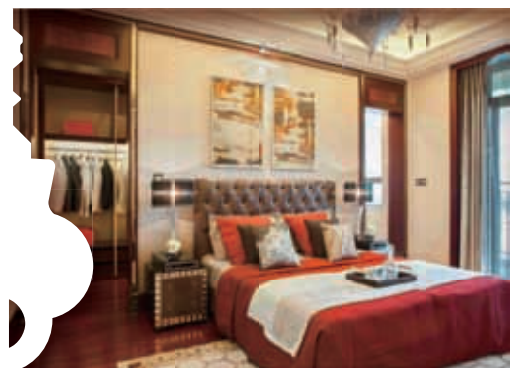
## Western China Region



Agile  
Chairman  
Xi'an



Agile  
Life Diary  
Xi'an





Flagship Projects at a Glance

## Western China Region



### Agile Chairman Chongqing





Flagship Projects at a Glance

## Central China Region

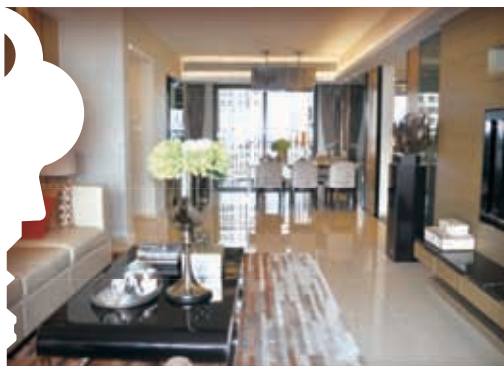


Agile  
Evian Town  
Changsha



Flagship Projects at a Glance

## Central China Region



Agile Garden  
Changsha



Agile  
International Garden  
Zhengzhou





Flagship Projects at a Glance

## Hainan and Yunnan Region



Hainan  
Clearwater Bay





Flagship Projects at a Glance

## Hainan and Yunnan Region



Agile  
Pure Moon Bay  
Hainan

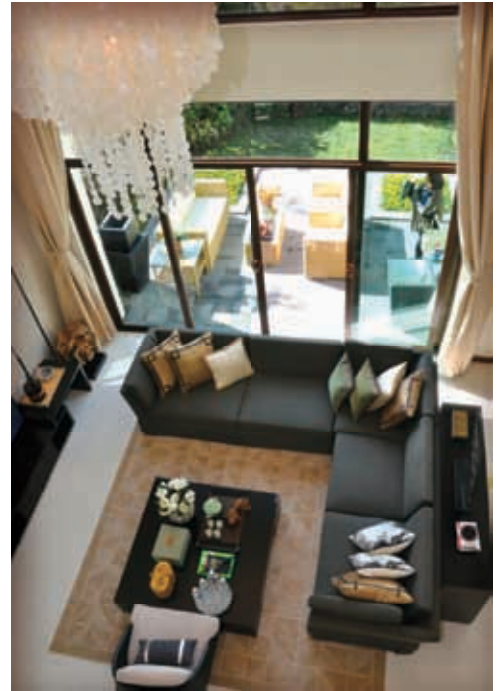


Flagship Projects at a Glance

## Hainan and Yunnan Region



Agile  
Eden  
Yunnan





Flagship Projects at a Glance

# Hainan and Yunnan Region



Agile  
Quenya  
Yunnan

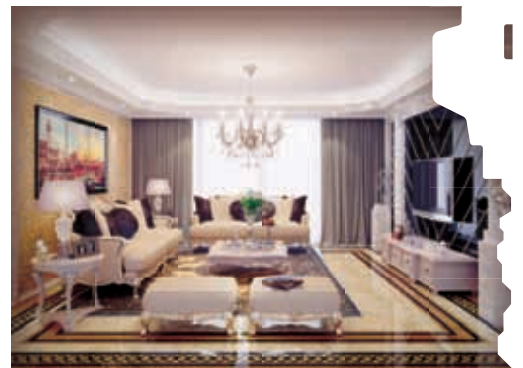




Flagship Projects at a Glance  
Overseas



Agile  
Mont Kiara  
Kuala Lumpur







# Hotel Operations and Property Investment

The Group believes that a diversified business portfolio can generate steady income, broaden income base and disperse operational risks. Furthermore, benefiting from the synergy arising from the hotels and commercial properties located within the Group's property development projects, the value of these projects has also been enhanced.









# Hotel Operations and Property Investment



## Business Overview

During the year, hotel operations and property investment businesses of the Group continued to grow. The revenue increased by 27.8% and 36.9% respectively when compared with last year.

During the year, the Group had 8 hotels in operations and generated continuous and steady income. These hotels included Shanghai Marriott Hotel City Centre, Raffles Hainan, Sheraton Bailuhu Resort Huizhou, Howard Johnson Agile Plaza Chengdu, Holiday Inn Resort Hainan Clearwater Bay, Guangzhou Agile Hotel, Foshan Agile Hotel and Zhongshan Agile Hotel.

During the year, the major investment properties, including Guangzhou Agile Center, Agile International Plaza Shanghai and Xiqiao Metropolis Plaza, maintained stable occupancy rate and continued to contribute stable income to the Group.

## Major Hotels

### Shanghai Marriott Hotel City Centre

Shanghai Marriott Hotel City Centre is located at the central part of Huangpu District in Shanghai, and enjoys superior geographic advantage. The hotel features 720 superior rooms and suites, professional conference facilities of over 2,000 sq.m., 5 restaurants serving world class Japanese, Chinese and international cuisines, as well as a deluxe spa and health club, embodying the function of business, tourism, large-scale conference and exhibition. The hotel has been in operation since 2011.

### Raffles Hainan

Raffles Hainan is an elegantly designed hotel located at Hainan Clearwater Bay, and provides 299 sea view guest rooms and deluxe suites, 33 villas and Raffles Amrita Spa, a special spa centre of over 2,000 sq.m., and is adjacent to the ancillary facilities including golf course and marina. The hotel has been in operation since 2013.

### Sheraton Bailuhu Resort Huizhou

Sheraton Bailuhu Resort Huizhou is handsomely situated adjacent to the beautiful Egret Lake in the northeast part of Huizhou City, and provides 449 deluxe lake view guest rooms and suites. The hotel has been in operation since 2014.

### Howard Johnson Agile Plaza Chengdu

Howard Johnson Agile Plaza Chengdu is located in "Platinum Garden", the high-end component of Agile Garden Chengdu, providing 342 standard rooms and deluxe suites. The hotel has been in operation since 2014.

### Holiday Inn Resort Hainan Clearwater Bay

Holiday Inn Resort Hainan Clearwater Bay is located at Hainan Clearwater Bay and provides 275 guest rooms and suites with golf course view. The hotel has been in operation since 2014.

### Guangzhou Agile Hotel

Guangzhou Agile Hotel nestles along the graceful Yingyi Lake in Agile Garden Guangzhou, providing 126 standard rooms and deluxe suites in accordance with 5-star standard. The hotel has been in operation since 2007.

### Foshan Agile Hotel

Foshan Agile Hotel is located opposite to Majestic Garden Nanhai, providing 200 superior rooms in accordance with 4-star standard. The hotel has been in operation since 2008.

### Zhongshan Agile Hotel

Zhongshan Agile Hotel is located at the heart of Sanxiang Town of Zhongshan City, providing 66 deluxe rooms and executive business suites. The hotel has been in operation since 2001.





## Hotel Operations and Property Investment (Continued)

### Major investment properties

#### Guangzhou Agile Center

Located at the commercial core area of downtown Guangzhou City and enjoys good transportation network for its prime location adjacent to the “Zhujiang New Town Station” of Guangzhou Metro Line 3, Guangzhou Agile Center is a 39-storey Grade A office building with a total GFA of approximately 88,000 sq.m.. The building is outfitted with ancillary facilities including bank and restaurant. The building has been put into operation since 2014 and its 33th to 39th floors have been made use of as the headquarters of the Group.

#### Agile International Plaza Shanghai

Located at the prosperous hub of tourism, retail and commercial centre of Huangpu District of Shanghai City, Agile International Plaza Shanghai, a 4-storey building with a total GFA of approximately 21,200 sq.m., is geographically well-located with excellent transportation network. The building has been put into operation since 2012.

#### Xiqiao Metropolis Plaza

Xiqiao Metropolis Plaza, located in Xiqiao Town, Nanhai of Foshan City, has a total GFA of approximately 58,000 sq.m., and is the first integrated one-stop shopping centre in Xiqiao Town with diversified services including shopping, dining, entertainment and leisure facilities. The building has been put into operation since 2011.





Adhering to the “customer oriented” philosophy, the Group’s property management team has been dedicated to providing comprehensive and high quality services, and satisfying the diversified needs of its residents for over 20 years. This is also one of the major reasons for the high recognition of Agile’s brand.

As at 31 December 2015, the total contracted GFA of properties managed by the Group reached 47.79 million sq.m., serving residents and tenants in 110 projects with all-rounded, professional and high quality property management and operating services, including maintenance and repair of buildings and ancillary facilities, community security management, environmental hygiene, landscape maintenance, household services, clubhouse entertainment, recreational and catering services and community cultural activities, in order to satisfy various needs of residents and build a content living style and an excellent commercial environment.

During the year, the Group’s property management companies continued to improve internal management, strove to enhance the quality of services and integrated the operations of various innovative business models, with a “Nationwide Customer Services Hotline” to properly address enquiries from owners and residents. As a result, the overall satisfaction of the Group’s property management services was among the top of the industry.

## “Harrogate” — Presenting the excellence of classic British property management

“Harrogate”, the high-end property management brand of the Group, has provided classic British property management services to high-end residential projects and commercial properties during the year, in order to satisfy the increasing demand for high-end property management services of residents and tenants. Professional property management teams from “Harrogate” serves with “pro-activeness, sincerity, modesty and politeness”, caters individual needs of privileged customers and helps establishing distinguished residential and commercial environments.

The professional team of “Harrogate” currently provides high-end property management services in various projects, including Guangzhou Agile Center, Agile Cambridgeshire Guangzhou, Agile Mountain Guangzhou, Agile Chang Le Du Nanjing and Agile International Plaza Shanghai.





### “Property Management 4.0” — Full enhancement of service standards

During the year, the Group’s property management services entered into a new era with the launch of “Property Management 4.0”, a new model of property management and community services integrated with internet platform application. With “Property Management 4.0”, the professional services quality was enhanced with more diversification, while operation cost was reduced. Furthermore, the interests of owners and residents were safeguarded, as the transparency of operation and financial data was improved.

Furthermore, during the year, the Group launched “A-Steward”, a versatile internet services platform to provide residents with comprehensive services covering e-commerce, financial

services, social activities, health and elderly care, property management fee enquiry and payment, application for services and activities enrollment and online booking services, in addition to community information at a glance. In 2016, the Group will further expand the scope of services and coverage of “A-Steward”.

### Harmonious Community

During the year, the Group’s property management companies organised approximately 680 community activities under the theme of “community humanity, environmental protection and friendly neighborhood”, including sports day, family summer camp, family talent show and singing and band competition for residents of Agile, attracting over 165,000 participants.

### Honours and Recognitions

During the year, the Group's property management services received wide recognition from government departments of different levels, including the "National Model Residential Community of Property Management" granted by the Ministry of Housing and Urban-Rural Development of the People's Republic of China. During the year, the Group's property management received integrated accreditations presented by The British Standards Institution, with 5 residential projects of the Group fulfilled the requirements of ISO9001 Quality Management System, ISO14001 Environmental Management System and OHSAS18001 Occupational Health and Safety Management System, which highly affirmed the Group's professional experience in property management, and its unwavering commitment to provide high-end, international-standard property management services to residents.

### Prospects

Looking forward, with the completion of new residential and commercial properties in different regions across China, the property management services of the Group will play a more important role in providing high quality services to residents and tenants. The Group will endeavour to improve its service quality and operating efficiency and satisfy the demand from residents and tenants in the future.

Furthermore, more community activities will be provided through the "Agile Harmonious Neighbourhood" campaign, with a view to building harmonious communities.







# Sustainability Report

The Group firmly believes that sustainable development is critical to the development of a corporation, and has incorporated the concept of sustainability into its business operations with attention to every detail, thereby creating a better future for the society and the corporation.









# Sustainability Report

## Principles and objectives

Upholding the corporate spirit of “Develop our future with vision and enthusiasm”, the Group is committed to introduce the concept of sustainability into its business operations to further improve the quality of products and services so as to bring comfortable homes for residents. Environmental protection, caring for society and staff development are also taken as important factors of its sustainable development. The Group actively performs its corporate social responsibility to foster the harmonious coexistence between human and environment, and to facilitate the development of the corporation and the society, so as to strive for a better future for the society and the business of the Group.



### Active communications with stakeholders through different channels

The Group believes that effective and timely communications with stakeholders will help to establish strategies for long-term business development. Accordingly, the Group has established various channels to obtain opinions from stakeholders from time to time for the making of comprehensive decisions.



### Major honours and awards

The Group has won recognitions for its persistent effort in sustainable development by the government and the society. Major honours and awards obtained by the Group during the year include:

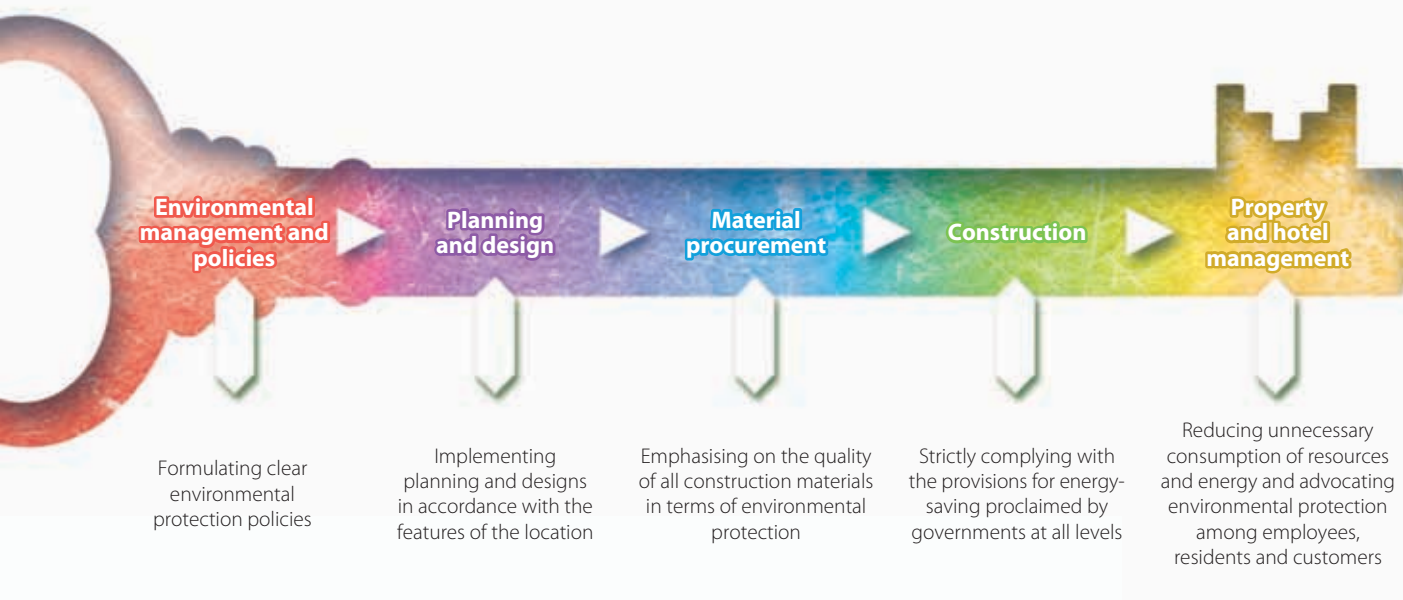
Honours and awards	Awarding organisation
Caring Company	The Hong Kong Council of Social Service
Corporate Social Responsibility Awards 2015	Capital magazine
CAPITAL Eco Enterprise 2015	Capital magazine Capital CEO magazine Capital Entrepreneur magazine Capital Weekly magazine
China Low-Carbon Pioneer Enterprise 2015	21st Century Business Herald
2015 China Corporate Social Responsibility Annual Meeting: The Best Responsibility Practice of the Year	Southern Weekly magazine
Top 100 Advanced Enterprises in Chinese Enterprise Education	Organising Committee of Enterprises Education Top 100 in China
2014 China Corporate Universities Elite Award	Training magazine



## Environmental Sustainability

### Environmental Sustainability

The Group takes into account environmental protection factors for the overall business operations including the planning and design of projects, material procurement, construction and property and hotel management. Natural resources are cherished to promote the harmonious interaction between human and nature. In addition, the Group actively promotes green lifestyle among all stakeholders through its environmental protection education and activities.



#### Environmental protection policies

For details of the environmental protection policies of Agile, please visit the website of the Group ([www.agile.com.cn](http://www.agile.com.cn)).

#### Planning and design

By leveraging on over 20 years of experience in real estate development, the Group is well-aware that planning and design is the soul to its projects. During the year, the Group conducted various researches on its projects and adopted the following comprehensive and effective measures to integrate buildings with local environment, improve the quality of residential environments and minimise carbon emission and wastage of resources in the long run.

Layout, space and orientation of the buildings were properly arranged in pursuant to the local climate and environment during planning and design to make good use of lighting, air conditioning and natural resources. The Group also considered the topographical and geographical features to minimise the adverse effects on hill, water source, plantation as well as historic and cultural buildings, and strived to ensure the architectural design blended in well with the surrounding environment. By fully utilising local geographical advantages, the Group used renewable energy where practicable to reduce energy consumption in the long run. The indoor design of all projects laid emphasis on lighting and ventilation, which contributes to the comfort of living condition while making the most of natural resources and reducing unnecessary energy consumption. To further reduce the energy consumption of its projects, the

### Environmental Sustainability

planning team and property management team of the Group considered and predicted the energy demands of public areas at the early stage of planning to formulate the most appropriate lighting standards.

The Group also built sewage treatment plants in Hainan Clearwater Bay, Agile Eden Yunnan, Agile Egret Lake Huizhou and Agile Garden Heyuan to dispose household sewage so as to reduce water pollution.

### Material procurement

The Group believes that construction materials directly influence the quality of the buildings and the surrounding environment. Therefore, the following green procurement measures were implemented during the year.

The Group procured and used environmental-friendly materials for indoor and outdoor construction, and ensured that its projects would provide a comfortable living environment for the residents while saving natural resources. The Group also gave priority to local reusable construction materials in order to minimise the carbon emission caused by transportation of materials and construction waste.

As for outdoor construction materials, safe and efficient energy-saving materials were selected according to thermal insulation and energy-saving analysis of the outer walls, roofs and balconies of the buildings to reduce the energy consumption of properties.

The colourful bricks used on the ground are mainly Jianling Bricks made from environmental-friendly materials designed to prevent the loss of water, thus benefiting the plantations nearby while dissipating heat and retaining humidity. In addition, the Group also used green pipes and ducts made from environmental-friendly materials. As for indoor construction materials, wooden flooring used by the Group met international standards with the adhesive glue made from low-formaldehyde materials and ultraviolet-curable coating materials, which reduced indoor light pollution. The materials used for external walls are good in the application of latent heat and have passed government tests on sulfur emission and antistatic effect. The Group used wood pattern tiles, a green material, instead of wooden flooring to reduce the consumption of natural resources. Glazed tiles were also used to reduce the consumption of stone, which is non-renewable material.

As for public facilities, more streetlights, underground parking lots, parks and building's common areas under the Group's property management adopted energy-saving LED lighting systems, the light of which is closer to natural light as compared with traditional light pipes and the brightness more than 4 times of that of traditional fluorescent lamps and free from pollutants of mercury and halogen powder. As for green appliances, the Group used water-saving, low-noise and durable bathroom products and energy-saving electric appliances, such as water-saving closetools and shower sprinklers, supplied by internationally renowned manufacturers. In particular, the electricity consumption of air conditioners reduced by approximately 13% as compared with similar products with the same cooling effect.





## Sustainability Report (Continued)

### Environmental Sustainability

#### Construction

The Group believes that effective construction management can ensure the effective use of resources. Therefore, the following green construction measures were implemented during the year.

In strict compliance with the energy-saving requirements on construction proclaimed by the governments at all levels, the Group further improved its construction management to minimise the unnecessary electricity and water consumption of projects. On the premise that safety is assured, the Group and contractors adjusted the ratio of steel and concrete; and encouraged the use of prefabricated parts to minimise resources used in construction and carbon emission. While ensuring safety, the Group also increased the adoption of natural foundation to make full use of the carrying capacity of the original foundation so as to reduce resource consumption.

#### Property and hotel management

During the year, in addition to providing quality property management and hotel services to customers, the Group was also committed to implementing the following sustainability measures in daily operations to save energy, conserve water resources and reduce waste at sources.

In respect of residential projects, new environmental-friendly coolant was used in large-scale cooling units of all residential projects to reduce pollution and the green house effect. Variable speed and intelligent control technology was used to improve the efficiency and save energy consumption of water pumps, cooling towers and air conditioning systems. Heat recovery and storage technology was also used in some high-end projects to effectively save energy consumption of cooling units and air conditioning units. Electricity distribution system had been redesigned to make it simple, safe and reliable. Loading of transformers was properly arranged to increase the economic operating times. In addition, the Group had strictly implemented the energy-saving lighting standards promulgated by the governments at all levels and applied energy-saving technologies in certain residential projects, including energy-saving lightings, infrared body sensing switches, optical control switches and water-saving switches, in order to reduce unnecessary energy consumption. Some large-scale projects adopted air-source heat pump technology to supply residential units, staff dormitories and hotels with hot water heated by renewable energy. Solar energy was used for heating of household water for projects in some districts to reduce carbon emission.

To conserve water resources, the Group applied mechanised high-pressure cleansing equipment for outdoor cleaning of communities to save water. The sediment of water scene facilities was drawn off by using sewage collectors monthly to reduce the frequency of cleaning. When cleaning ponds, water of which was stored in neighbouring ponds or used for irrigation



## Environmental Sustainability

to reduce water consumption; fish fry was placed in artificial lakes for natural sanitisation; natural water sources such as reclaimed water, rivers and lakes were used for irrigation and artificial lakes to reduce the consumption of running water; rainwater harvesting systems were installed in certain projects to make full use of recycling water resources; recycled water condensation from air-conditioners was used as the water supply back-up for the cooling towers to further save water consumption; most of the public facilities were installed with water-saving switches.

Most of the residential projects of the Group had set up waste separation facilities to sort “recyclable waste”, “food waste”, “harmful waste” and “other wastes” and encouraged residents and staff to foster green habits. Large amount of trees and scrubs were planted in the projects of the Group for cooling, heat dissipating, air purification and noise reduction, with a majority of local species to reduce carbon emission. The Group also had actively implemented various environmental protection measures, including growing saplings in plant nurseries for greening the community in a bid to prevent damages to the ecology; using environmental-friendly pesticides to minimise damages made to the ecology; and effectively dealing with pests according to their occurrence patterns and the weather conditions, and that both the prevention doses and frequency could be contained. Reusable flowers and floral displays were collected after large-scale festivals and events timely for replantation.

In respect of hotels in operation, various sustainable development measures were adopted by the hotels, on the premise that the quality services was assured. For example, laundry rooms, boilers, lighting, air conditioners and other systems are adjusted according to seasonality and customers’ demands, and energy-saving lamps, gas appliances and electrical equipment have been upgraded to reduce resource wastage. During the year, expenses incurred by Howard Johnson Agile Plaza Chengdu and Sheraton Bailuhu Resort Huizhou reduced by RMB130,000 and approximately RMB100,000 respectively. In addition, solar water heaters and heat pumps had been installed in Guangzhou Agile Hotel and Foshan Agile Hotel to generate daily hot water supply and reduce gas consumption, and annual gas consumption fees saved were approximately RMB100,000 and RMB200,000 respectively. Besides, exhaust from the boiler steam at selected hotels was recycled to supplement the hot water supply of boilers and heating facilities with recycle rate reached 75% and annual electricity expense of approximately RMB300,000 were saved, achieving a win-win situation for the environment and economic development.

In respect of commercial projects, circulating cooling systems were running in Xiqiao Metropolis Plaza and Agile Hongxi Yoha Center Guangzhou to function as cleaning of central air conditioning which can effectively decompose dust and dirt particles in air conditioning conduits and in turn reduce the frequency of conduits cleaning, to create an energy saving and hygienic environment.





## Sustainability Report (Continued)

### Environmental Sustainability

#### Promotion of awareness towards environmental protection

Raising environmental awareness among the community is of paramount importance to sustainable development. During the year, the Group promoted awareness on environmental protection to its staff, residents, customers and other stakeholders across China and encouraged them to participate in environmental protection activities, including the following:

- In order to encourage our stakeholders to practise a low carbon lifestyle, the Group participated in the “Earth Hour” initiated by WWF for the sixth consecutive year, and staff, residents and customers were invited to join the activity. The accumulated number of participants amounted to over 130,000 since 2010.
- The Group participated in the “Lai See Packets Recycling Programme” initiated by Greeners Action, a Hong Kong environmental group, for the fifth consecutive year. Lai See packets recycling points were set up in residential estates, hotels, shopping malls and offices in more than 40 cities and districts and over 500,000 residents, visitors and the public as well as more than 10,000 staff were encouraged to recycle used Lai See packets. Furthermore, the number of new Lai See Packet produced by the Group was reduced by 14%, a significant achievement in environmental protection.
- In order to promote the establishment of sustainable communities, the Group organised “Ecological Environmental Protection Day” for the ninth consecutive year. Over 2,300 trees and over 2,520 sq.m. of sods were planted with the participation of approximately 2,000 staff. Since 2007, an aggregate of more than 20,000 trees and over 11,300 sq.m. of sods were planted. The Group also promoted the knowledge on saving power and water consumption among employees and residents in order to minimise waste of resources jointly.
- In Hong Kong, Agile Volunteer Team co-organised a farming campaign with “Local Life”, a local farming social enterprise, and promoted Permaculture on Lamma Island. After 10 farming activities on a piece of abandoned farmland at Yung Shue Ha Old Village, rice was successfully reaped and shared with the local elderlies.
- The staff of the Group participated in the “Mentoring Programme” organised by the Environmental Students’ Society of the Hong Kong University of Science and Technology for the fourth consecutive year to share the industry development insights and life experiences with students.



## Social Sustainability

Upholding the belief of “benefiting from society, giving back to society”, the Group formulates its annual charity plan and actively promotes charitable activities to care for the needs of customers and the society, bring in long-term benefits and enhance the harmonious development of society. During the year, donations made by the Group was RMB34 million.





## Sustainability Report (Continued)

### Social Sustainability

#### Education and sponsorship

The Group understands the importance of education to the society in the long run, and hence actively puts extensive efforts in fostering education to nurture future pillars of the society by recognising contributions of teachers and providing assistance to students who have achieved excellent results in both studies and conduct yet poverty stricken.

During the year, the Group awarded students studying at institutions including Tsinghua University, Hunan University, Tianjin University and Tongji University under the “Agile Property Scholarship and Study Subsidy” scheme for the eighth consecutive year, and over RMB1.22 million was awarded to students. Since 2007, scholarships and study subsidies of nearly RMB8.44 million had been granted to an aggregate of approximately 1,950 students. Furthermore, the Group granted scholarships and subsidies of over RMB240,000 to 208 outstanding teachers and students in Qinghai through “Agile Qinghai Educational Award and Bursary Fund”.

During the year, the Group successfully organised “Agile Charity +” activity and raised over RMB150,000 for 375 students of Mengwangxiang Dapingzhang Primary School and Jiangbian Zhaiwan Primary School in Xishuangbanna. All donation was used for the purchase of teaching equipments, learning materials and daily necessities.

#### Promotion of Chinese culture

The Group firmly believes that the continuation of Chinese culture can cultivate the personality of youngsters and raise their sense of belonging towards the nation. As such, the Group is committed to promoting related academic researches and cultural promotion activities.

During the year, the Group had sponsored “Agile Special Fund for Chinese Culture Continuation Work” organised by the Chinese Language and Culture Education Foundation of China for the eighth consecutive year to support a series of activities promoting Chinese culture abroad, with a total of 264 outstanding students from 19 countries and regions were granted “Agile Scholarship” by Jinan University and 50 students from Laos, Thailand, Myanmar and Vietnam were granted “Agile Scholarship” by Yunnan University.

Currently, supported by the “Agile Scholarship of Chinese Language and Culture Education Foundation of China”, there are about 30 overseas distance education offices established in Indonesia, Thailand, the United Kingdom and Germany, benefiting more students. The education programme is highly regarded by overseas Chinese language teachers and students.

Since 2008, approximately 2,000 overseas Chinese teenagers and Chinese language teachers have been benefited from “Agile Special Fund for Chinese Culture Continuation Work”.



### Caring for the community

To care for the community and contribute to the society, the Group is actively committed to social charitable works and supported various charitable activities organised by different social organisations through donation.

During the year, the “Agile Charity Fund” donated RMB2 million to Pingtian Town of Nanxiong City in Guangdong Province for aid-the-poor activities. The Group had also donated over RMB1.35 million through “Agile Charity Fund (Meizhou Yanyang)” for the third consecutive year to help the local community.

### Encouraging staff to take part in social services

The Group has established long-term relationships with various social organisations and encourages its staff to participate in charitable activities so as to contribute to the society through Agile Volunteer Team. The Group has organised the “Agile Volunteer Service Day” for many years and the accumulated volunteer hours achieved by over 10,300 participants were equivalent to over 3,433 days during the year.

During the year, the Group acted as the principal sponsor of “30-Hour Famine” and “Macau Famine” organised by the World Vision for the sixth consecutive year. In addition, the Group donated RMB450,000 to Red Cross Society of China Zhongshan Branch to support the “Charity Walk in Zhongshan” with the active support and participation of the Agile Volunteer Team.

### Focusing on the customers’ interests and needs

The Group always places the interest of its customers as priority, and has provided information to its customers and gathered their feedbacks through various channels.

In order to protect customer’s interests, dedicated teams have been set up in all property management companies under the Group to deal with enquiries and complaints from customers. Handover teams, formed by staff from various departments, have formulated strict handover standards. To ensure the quality of the Group’s properties, over 100 items of a resident unit will be inspected in detail before the handover. In addition, the Group has managed the database of customers in strict accordance with the relevant rules and regulations. During the year, the property management companies of the Group organised a total of approximately 680 community activities across China with over 165,000 participants under the theme of “community culture, green life and harmonic neighbourhood”. The activities included sports day, family summer camp, family talent show and community singing and band competition.



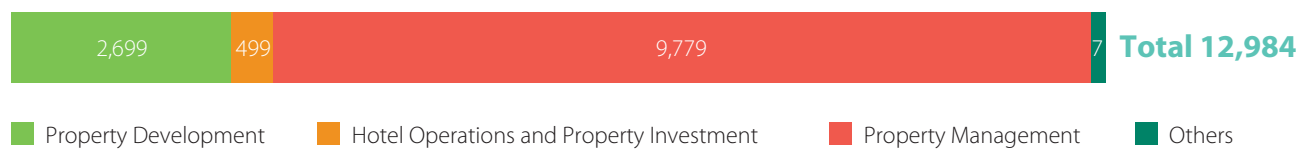


Corporate Sustainability

## Corporate Sustainability

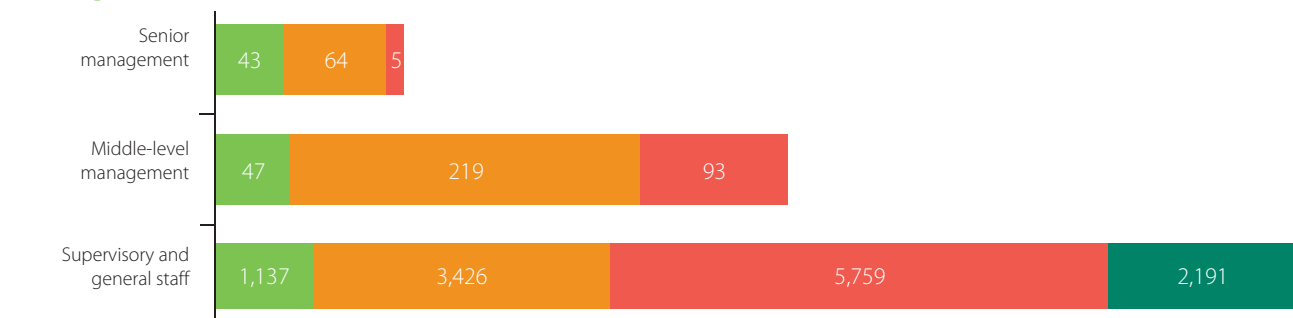
The Group firmly believes that its staff is the cornerstone for corporate development. To lay a bright career path for its staff and to foster corporate sustainable development, the Group has provided comprehensive benefits, training and promotion opportunities to bring its staff an ideal working environment.

### Staff breakdown by business operations in 2015

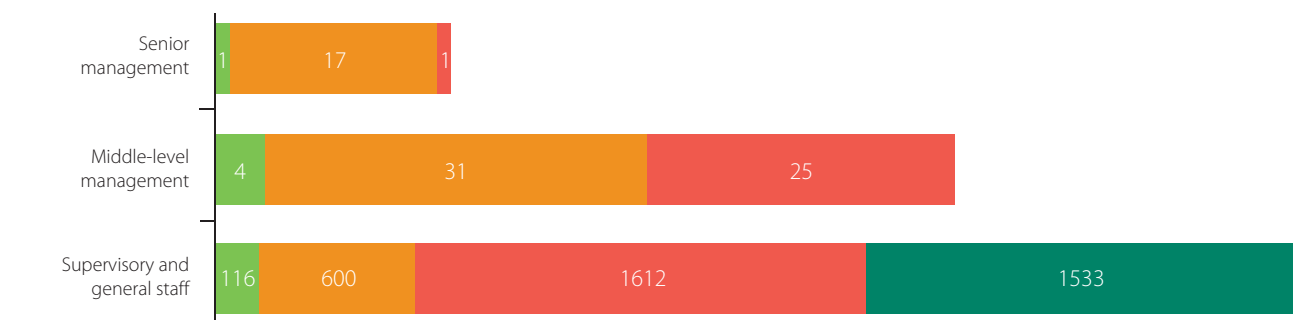


### Staff breakdown by age and position in 2015

#### Existing staff



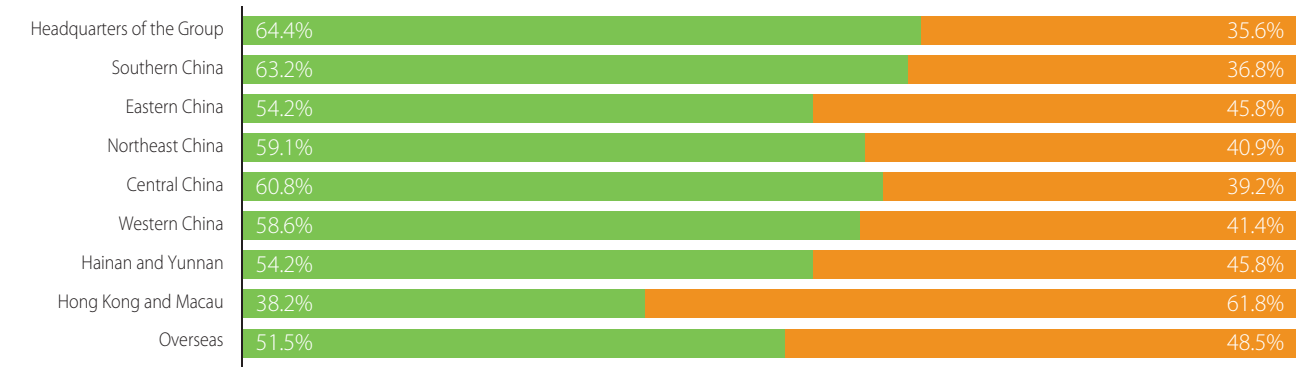
#### New staff



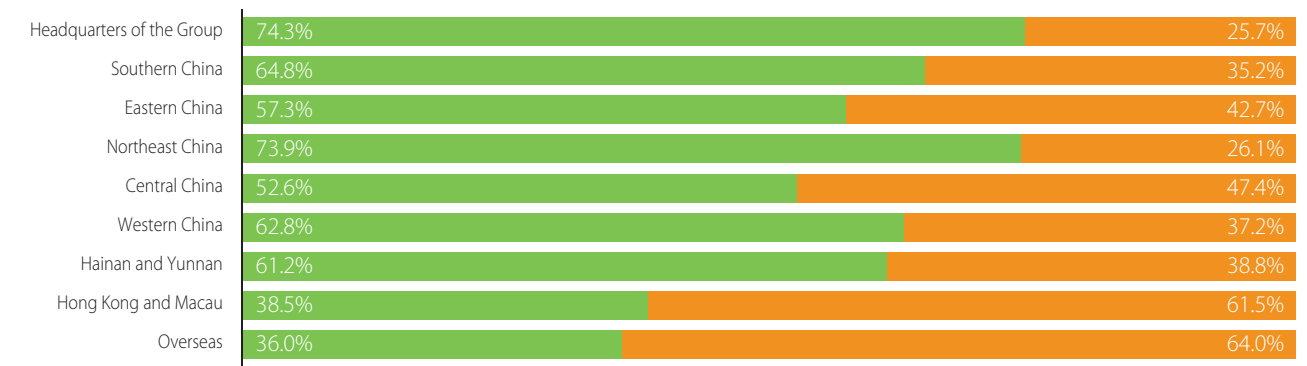
Over 45    36-45    26-35    25 or below

## Staff breakdown by region and gender in 2015

## Existing staff



## New staff



■ Male      ■ Female



# Sustainability Report (Continued)

## Corporate Sustainability

### Staff breakdown by age and gender in 2015

#### Existing staff



#### New staff



■ Male    ■ Female

## Staff Development

## Average number of training hours in 2015

Category	Hours	Coverage
Overall	44	95%
Senior management	24.5	100%
Middle-level management	32	98%
Supervisory and general staff	48	89%

## Talent Training Schemes of Agile Property Management College in 2015



## Sustainability Report (Continued)

### Corporate Sustainability

The Group has given priority to internal promotion and provided its staff with good learning opportunities and a bright career path for them to stretch their potentials, thus, laying a good foundation for the future development of the Group in terms of talent supply. During the year, Agile Property Management College, which provides comprehensive and diversified trainings to its staff, continued its mission with a vision of “learn to excel and speed up the growth”, and continued to provide an advanced and systematic training for all levels of management members and staff. In addition, the Group reviews the schemes and actively seeks opinions and advices from its staff every year.

#### “Property A Scheme”

In order to support the rapid growth of the property development business, the Group provides relevant trainings according to the actual operating situation of each property project, so as to facilitate the business growth and enhance the services. During the year, the Group provided relevant trainings for about 20 property projects, including Agile Garden Guangzhou, La Cité Greenville Zhongshan, The Luxury House Nanjing, The Territory Nanjing, Agile Evian Town Changsha and Agile Garden Chengdu.

#### Talent Training Schemes

Talent Training Schemes aim to foster talents for the Group and the society. During the year, the Group provided customised training schemes according to the needs of different members and trainees, laying a sound foundation for future development of the Group.

To foster management talents, the Group implemented training schemes for all levels of management members and staff which laid a bright path for their careers. The schemes of the Group included the “Leaders Scheme” for the fostering of future senior management, the “Pillars Scheme” and the “Seeds Scheme” for the fostering of middle-level management and the “EMBA/EDP Scheme” for senior management.

To help the university graduates to prepare their careers, the Group organised a “Mentoring Programme” for a term of one year in accordance with the “Future Property Talents Scheme”. Experienced members of the Group were assigned to act as mentors to assist university graduates to adapt to the working environment and gain relevant expertise and working skills.

During the year, the Group was awarded the “Top 100 Advanced Enterprises in Chinese Enterprise Education” and “2014 China Corporate Universities Elite Award” for its comprehensive staff training policy.





### Staff benefits and welfare

The Group has set up a bonus system and reviewed the staff remuneration regularly in accordance with their overall performance and market remuneration levels so as to attract and retain the appropriate talents for its sustainable business development. The Group has also established a comprehensive welfare system for all staff, which includes medical benefits, paid sick leave, maternity leave, compassionate leave, travel allowances and other benefits. Regularly reviews were also carried out on the relevant system for further improvement.

### Caring for its staff

The Group has set up “Agile Foundation for Mutual Help” to provide financial assistance for staff or their families who has encountered financial difficulties due to accidents or serious illnesses. During the year, a total of over 370 members or their families benefited from the foundation with financial assistance of over RMB2.21 million.

### Staff engagement

Information of the Group is published from time to time through the intranet and the staff newsletters, “Agile Staff” and “Agile Express”, for its staff to keep abreast of the Group’s latest business development and staff activities. To create a harmonious working environment, the Group has encouraged staff to express their views through a wide range of communication channels, including questionnaires and interviews, and the Group makes corresponding responses in accordance with the needs of staff.

The Group also organises a variety of recreational activities to enhance interaction among staff and encourage staff to strike a balance between work and life. During the year, the Group organised over 500 recreational activities, including festive celebrations, staff birthday parties, gatherings and family activities, in which staff showed great enthusiasm. In addition, the Group also encouraged staff to actively participate in community services. The details are set out in the “Social Sustainability” section of this sustainability report.

### Emphasis on equal opportunities

The Group places great emphasis on equality of opportunity and strictly complied with relevant laws of China and Hong Kong, so as to prohibit any staff from discrimination in all aspects of employment due to factors such as gender, marital status, pregnancy, disability, family status and ethnicity.



## Sustainability Report (Continued)

### Corporate Sustainability

#### Integrity culture and system

The Group has attached great importance to the establishment of a sound integrity culture and regularly organised relevant seminars for staff and conducted strict supervision. The "Integrity System" and related policies formulated by the Group clearly defined corruption behaviours, and expressly set out the requirements on corruption risk supervision, investigation and handling procedures, discipline violation accountability and punishment, and have included the integrity within the range of annual audit plan. During the year, the Group introduced a "Accountability System for Defaults" to specifically defined defaults and misconducts and the corresponding punishment measures, and to strengthen the supervision. Relevant rules and policies covered a comprehensive range and applied to all staff, including the senior management and the Board.

The Group also established a reporting and complaint handling mechanism, which enabled all staff to access information related to the mechanism and set out that all the information reported will be protected by the "Confidential System" of the Group for prudent handling. In addition, the Group has set up an "Anti-corruption Hotline" and "Anti-corruption Mailbox" to receive reports and complaints from its staff and the public.

#### Occupational safety and health

The Group has strictly implemented the "Safety Management System", "Office Environment Management System" and other related measures to provide staff with appropriate offices and workplaces in compliance with safety and health requirements. Reward and punishment mechanisms have been established to encourage our staff to comply with the relevant systems.

#### Occupational safety and health data in 2015

Total number of staff of the Group	12,984
Lost days due to work-related accidents and diseases (occupational)	5,087





The Group has been upholding the management concept of “mutual communication for a win-win situation”. Subject to related Listing Rules, laws and regulations, the Group keeps close dialogues with the investment community through multi-channels and maintains a high level of transparency. The Group aims to enhance investors’ understanding of the Group’s business by informing the market about the operating results and latest development in a timely and precise manner. The Group also takes into account the valuable suggestions from investors when formulates strategies.

During the year, the Group’s management and investor relations team actively organised and participated in various investor relations activities, including investor briefings, non-deal roadshows, investor conferences organised by investment banks and securities companies, company visits, site visits and so on. During the year, the Group continued receiving high market attentions and was granted the “Best Investor Relations

Companies (China)” presented by *Corporate Governance Asia* magazine. The Group values the opportunities to communicate with investors and met about 1,500 investors during the year. The Group’s management responded proactively to investors queries on results, development strategies and so on. Management also had in-depth discussion with investors on the industry trend and had promoted better investor relations. Besides, the Company regularly disseminates the latest operation information through announcements, press releases and company website in a timely and proactive manner.

As at 23 March 2016, about 30 investment banks and securities research institutions have initiated research coverage on the securities of the Company, which bestowed the Company with one of the highest research coverage in the China Property sector. Currently, the Company has established contacts with over 3,500 investors and analysts.



## Investor Relations (Continued)

### Summary of investor relations activities of the Company

Activity	2015	2014
Investor presentation and press conference	4 times	5 times
Non-deal roadshow	15 times	17 times
Investor conference	21 times	24 times
Investor/analyst daily meeting	25 times	30 times
Telephone/video conference	27 times	27 times
Site visit	47 times	60 times

### Major investor relations activities of the Company in 2015

Month	Place	Activity
January	Singapore	Non-deal Roadshow co-organised with Standard Chartered Bank
	Singapore	DBS Vickers The Pulse of Asia Conference Singapore
	Hong Kong	Barclays China Property Corporate Day
	Hong Kong	BNP Paribas Asia Pacific Property & Financial Conference
	Hong Kong	Non-deal Roadshow co-organised with Standard Chartered Bank
	Beijing	Deutsche Bank 13th Annual Access China Conference
	Shanghai	UBS 15th Annual Greater China Conference
March	Hong Kong	2014 Annual Results Investor Presentation and Press Conference
	Hong Kong	2014 Annual Results Non-deal Roadshow co-organised with HSBC
	Hong Kong	2014 Annual Results Non-deal Roadshow co-organised with Barclays
	Singapore	2014 Annual Results Non-deal Roadshow co-organised with Standard Chartered Bank
April	Singapore	J.P. Morgan Asia Pacific Real Estate Conference 2015
	Amsterdam	2014 Annual Results Non-deal Roadshow co-organised with BNP Paribas
	London	2014 Annual Results Non-deal Roadshow co-organised with BNP Paribas
	Hong Kong	UBS HK/China Property Conference 2015
	Hong Kong	DBS Vickers The Pulse of Asia Conference Hong Kong
May	Hong Kong	Macquarie Greater China Conference
	Hong Kong	Barclays Asia Financial and Property Conference 2015
June	Singapore	Nomura Investment Forum Asia 2015
	Hong Kong	Citi Bank Asia Pacific Property Conference 2015

Month	Place	Activity
July	Hong Kong	Bank of America Merrill Lynch Greater China Property Corporate Day
August	Hong Kong Hong Kong	2015 Interim Results Investor Presentation and Press Conference 2015 Interim Results Non-deal Roadshow co-organised with Barclays
September	Singapore Singapore Hong Kong Amsterdam Paris London Hong Kong	2015 Interim Results Non-deal Roadshow co-organised with DBS Vickers 2015 Interim Results Non-deal Roadshow co-organised with Standard Chartered Bank 2015 Interim Results Non-deal Roadshow co-organised with HSBC 2015 Interim Results Non-deal Roadshow co-organised with BNP Paribas 2015 Interim Results Non-deal Roadshow co-organised with BNP Paribas 2015 Interim Results Non-deal Roadshow co-organised with BNP Paribas Non-deal Roadshow co-organised with Standard Chartered Bank
October	Hong Kong Hong Kong	Deutsche Bank China Property Fixed Income Corporate Day Jefferies 5th Annual Greater China Summit
November	Beijing Macau Hong Kong Hong Kong Singapore	Bank of America Merrill Lynch China Conference 2015 Citi Bank 10th China Investor Conference Non-deal Roadshow co-organised with RHB Securities Nomura Asian High Yield Corporate Day 2015 Morgan Stanley 14th Annual Asia Pacific Summit
December	Hong Kong	Credit Suisse Asian Property and Financials Conference 2015

## Prospects

Looking forward, the Company will make efforts to maintain highly efficient and professional investor relations. With an aim to improve referential and time value of the information, and to promote the long-term development of the Group, the Company

will uphold a candid attitude, optimise investor relations work, keep mutual communication with the investment community and maintain a high level of corporate transparency.

# Directors' Profile

**CHEN Zhuo Lin (陳卓林)**, aged 54, Chairman of the Board and President of the Company. Mr. Chen is the founder of the Group. He has been the Chairman of the Board and an executive Director since August 2005 and a President of the Company since March 2014. Mr. Chen has over 23 years of extensive experience in real estate development and management. He is mainly responsible for the formulation of development strategies, directions on the operations and management of overall business, decision-making on investment projects, setting the goal of the financial year for the Group and maintaining the relationship between the Group and the Shareholders. Mr. Chen received several honorary awards from 2007 to 2009, including "World Outstanding Chinese Award" in 2007, "Top 30 Chinese Philanthropists in 30 Years of Reform (改革開放30年·華人慈善30人)" in 2008, "China Philanthropy Outstanding Contribution Individual Award (中華慈善突出貢獻人物獎)" and "Top 10 Persons of the Year for China Enterprise Management Excellence Award (中國企業十大卓越管理年度人物)" in 2009. For the public services, Mr. Chen serves as an executive vice chairperson of China Overseas Chinese Entrepreneurs Association (中國僑商投資企業協會), honorary vice president of Chinese Language and Culture Education Foundation of China (中國華文教育基金會), honorary chairperson of Hong Kong-Zhongshan Sanxiang Fellowship Association (香港中山三鄉同鄉會), vice chairperson of Zhongshan Association of Enterprise with Overseas Chinese Investment (中山市僑資企業商會) and vice chairperson of Guangdong Overseas Chinese Enterprises Association (廣東省僑商投資企業協會). Mr. Chen is the brother of Chan Cheuk Yin, Chan Cheuk Hung, Chan Cheuk Hei and Chan Cheuk Nam and also the spouse of Luk Sin Fong, Fion.

**CHAN Cheuk Yin (陳卓賢)**, aged 48, a Vice Chairperson of the Board and non-executive Director. He had been an executive Director and Vice Chairperson of the Board and Co-president of the Company from August 2005 to 28 March 2014, re-designated as a non-executive Director on 28 March 2014, further re-designated as an executive Director and appointed as an Acting Co-chairperson of the Board and Acting Co-president of the Company on 10 October 2014. Thereafter, he resigned as an Acting Co-chairperson of the Board and Acting Co-president of the Company and was re-designated as a Vice Chairperson of the Board and non-executive Director on 25 March 2015. He has over 23 years of extensive experience in real estate development and management. Mr. Chan is mainly responsible for the participation in Board meetings to provide advice on the development strategy and policy of the Group in achieving agreed corporate goals and objectives and for the scrutinization of the Group's performance. Mr. Chan has received several honorary awards, including "Guangdong Province Outstanding Entrepreneurs of Privately-owned Enterprises (廣東省優秀民營企業家)" in 2003, "2006-2007 The Most Respected Entrepreneurs in Guangzhou, PRC (2006-2007年中國廣州最受尊敬企業家)" in 2007 and "Top 10 Philanthropist in Guangdong (廣東十大慈善人物)" in 2008. For the public services, he is a member of Standing Committee of 11th Guangdong Provincial Committee of the Chinese People's Political Consultative Conference (政協第十一屆廣東省委員會) and the chairperson of Guangdong Chamber of Real Estate (廣東省地產商會). In addition, he was a member of Standing Committee of the 10th Guangdong Provincial Committee of the Chinese People's Political Consultative Conference (政協第十屆廣東省委員會) and an honorary vice chairperson of China Charity Federation (中華慈善總會) in 2007. Mr. Chan is the brother of Chen Zhuo Lin, Chan Cheuk Hung, Chan Cheuk Hei and Chan Cheuk Nam.



**LUK Sin Fong, Fion (陸倩芳)**, aged 54, a Vice Chairperson of the Board and non-executive Director. She had been an executive Director and Vice Chairperson of the Board and Co-president of the Company from August 2005 to 28 March 2014, re-designated as a non-executive Director on 28 March 2014, further re-designated as an executive Director and appointed as an Acting Co-chairperson of the Board and Acting Co-president of the Company on 10 October 2014. Thereafter, she resigned as an Acting Co-chairperson of the Board and Acting Co-president of the Company and was re-designated as a Vice Chairperson of the Board and non-executive Director on 25 March 2015. She is also a member of each of Remuneration Committee and Nomination Committee of the Board. Madam Luk has over 23 years of extensive experience in real estate development and management; in particular she has outstanding achievement in strategic marketing and marketing management. She is mainly responsible for the participation in Board meetings to provide advice on the development strategy and policy of the Group in achieving agreed corporate goals and objectives and for the scrutinization of the Group's performance. Madam Luk holds a Master's degree in Business Administration from Western Sydney University (formerly known as University of Western Sydney) in Australia. She has received several honorary awards including honorary resident in Foshan City and Nanhai District in 2004 and Zhongshan in 2009, respectively, "Zhongshan Outstanding Entrepreneurs (中山優秀企業家)" in 2006 and "Top 10 Excellent CBO (中國十大卓越 CBO)" in 2008. For the public services, Madam Luk is currently a vice chairperson of Guangzhou Housing Society (廣州市房地產協會) and an honorary chairperson of Guangdong Provincial Qiaoxin Charity Foundation (廣東省僑心慈善基金會). She is the spouse of Chen Zhuo Lin.

**CHAN Cheuk Hung (陳卓雄)**, aged 58, has been an executive Director and a Senior Vice President of the Company since August 2005. Mr. Chan has over 23 years of extensive experience in real estate development and related business. He is mainly responsible for the quality, progress, cost control and management of contractors of the Group's construction projects, as well as the management of the operation of Zhongshan Fashion Decoration Co., Ltd. (中山市時興裝飾有限公司) and Guangzhou Zhenzhong Construction Co., Ltd. (廣州振中建設有限公司). Mr. Chan has received several honorary awards, including honorary resident in Foshan and "Community Construction Outstanding Contribution Award (小區建設突出貢獻獎)" in National Xiaokang Housing Demonstration Community Competition (國家小康住宅示範小區評比) hosted by Ministry of Construction (國家建設部) in 2000. For the public services, he was a standing committee member of Guangdong Province Real Estate Association (廣東省房地產協會) in 2004. Mr. Chan is the brother of Chen Zhuo Lin, Chan Cheuk Yin, Chan Cheuk Hei and Chan Cheuk Nam.

**HUANG Fengchao (黃奉潮)**, aged 53, has been an executive Director since 28 March 2014. Mr. Huang is a Vice President of the Group. Since joining the Group in 1999, Mr. Huang had been the Head of Real Estate Management Centre of the Group, General Manager of Huadu and Nanhu projects and Regional Head of Hainan and Yunnan region. Prior to joining the Group, he worked for ExxonMobil (China) Co. Ltd. (美國埃索(中國)有限公司) and France TOTAL (China) Ltd. (法國道達爾(中國)有限公司).

## Directors' Profile (Continued)

**CHEN Zhongqi (陳忠其)**, aged 48, has been an executive Director since 28 March 2014. Mr. Chen is a Vice President of the Group. Since joining the Group in 1993, Mr. Chen had been a project controller and chief engineer, supervisor of the Project Engineering Department, deputy manager of Project Management Department and the deputy head of Real Estate Management Centre of the Group. He is mainly responsible for the management of the project development of the Group's real estate business, including monitoring the quality, progress, technology, contracts and quantity surveying of projects. Mr. Chen received his professional qualification in industrial and civil construction from Neijiang Normal University (內江師範學院) in 1991. He is also qualified as a budgeting engineer and a registered quantity surveyor.

**CHAN Cheuk Hei (陳卓喜)**, aged 57, a non-executive Director, had been an executive Director and a Senior Vice President of the Company since August 2005 until 28 March 2014 and then re-designated as a non-executive Director. Mr. Chan has over 23 years of extensive experience in real estate development and related business. He is mainly responsible for the participation in Board meetings to provide advice on the development strategy and policy of the Group in achieving agreed corporate goals and objectives and for the scrutinization of the Group's performance. Mr. Chan is the brother of Chen Zhuo Lin, Chan Cheuk Yin, Chan Cheuk Hung and Chan Cheuk Nam.

**CHAN Cheuk Nam (陳卓南)**, aged 52, a non-executive Director, had been an executive Director and a Senior Vice President of the Company since August 2005 until 28 March 2014 and then re-designated as a non-executive Director. Mr. Chan has over 23 years of extensive experience in real estate development and management. He is mainly responsible for the participation in Board meetings to provide advice on the development strategy and policy of the Group in achieving agreed corporate goals and objectives and for the scrutinization of the Group's performance. Mr. Chan is the brother of Chen Zhuo Lin, Chan Cheuk Yin, Chan Cheuk Hung and Chan Cheuk Hei.

**CHENG Hon Kwan (鄭漢鈞)**, *GBS, OBE, JP*, aged 88, has been an independent non-executive Director since October 2005, Chairperson of Remuneration Committee and a member of each of Audit Committee and Nomination Committee of the Board. Dr. Cheng is mainly responsible for providing independent advice to the Board. He holds a Bachelor of Science in Engineering degree from Tianjin University and a postgraduate diploma from The Imperial College London. Dr. Cheng was also awarded several honorary doctorate degrees by The Hong Kong University of Science and Technology, City University of Hong Kong, The Open University of Hong Kong and The Open University, United Kingdom, and is an honorary fellow of The Imperial College London and City and Guilds of London Institute. Dr. Cheng is a former president, honorary fellow and gold medallist of The Hong Kong Institution of Engineers; former vice president, fellow and gold medallist of The Institution of Structural Engineers; fellow of The Institution of Civil Engineers, United Kingdom and of American Society of Civil Engineers, and honorary fellow of The Institution of Engineers, Australia. He is also an honorary member of both Hong Kong Institute of Planners and Hong Kong Institute of Architects and obtained National Class 1 Registered Structural Engineer qualification. Dr. Cheng is an Authorised Person and a Registered Structural Engineer under the Buildings Ordinance (Chapter 123 of the laws of Hong Kong); and former chairperson of Hong Kong Housing Authority and Transport Advisory Committee. He is a former member of both Executive Council and Legislative Council and a former standing member of the Tianjin Committee Chinese People's Political Consultative Conference. Dr. Cheng is currently a permanent honorary chairperson of Hong Kong Tianjin Friendship Association. Dr. Cheng is currently an independent non-executive director of Tianjin Development Holdings Limited (stock code: 882). He resigned as an independent non-executive director of Wing Hang Bank Limited (delisted on Hong Kong Stock Exchange) in August 2014. He also retired as an independent non-executive director of Hang Lung Group Limited (stock code: 10) and resigned as an independent non-executive director of Hang Lung Properties Limited (stock code: 101) in April 2015.

**KWONG Che Keung, Gordon (龐志強)**, aged 66, has been an independent non-executive Director, Chairperson of Audit Committee and a member of each of Remuneration Committee and Nomination Committee of the Board since October 2005. Mr. Kwong is mainly responsible for providing independent advice to the Board. He holds a Bachelor of Social Science degree from The University of Hong Kong and is a fellow member of both The Institute of Chartered Accountants in England and Wales and The Hong Kong Institute of Certified Public Accountants. Mr. Kwong is currently an independent non-executive director of a number of companies, including NWS Holdings Limited (stock code: 659), OP Financial Investments Limited (stock code: 1140), Global Digital Creations Holdings Limited (stock code: 8271), China Power International Development Limited (stock code: 2380), Henderson Land Development Company Limited (stock code: 12), Henderson Investment Limited (stock code: 97), CITIC Telecom International Holdings Limited (stock code: 1883), China COSCO Holdings Company Limited (stock code: 1919), Chow Tai Fook Jewellery Group Limited (stock code: 1929), FSE Engineering Holdings Limited (stock code: 331) and Shanghai Commercial Bank Limited. He resigned as an independent non-executive director of China Chengtong Development Group Limited (stock code: 217) and Zhonghai Trust Co., Ltd. in 2013, and retired as an independent non-executive director of Quam Limited (stock code: 952) in September 2012. He also resigned as supervisor of Beijing Capital International Airport Company Limited (stock code: 694) in June 2014. Mr. Kwong was a partner of Pricewaterhouse from 1984 to 1998 and a council member of Hong Kong Stock Exchange from 1992 to 1997.

**CHEUNG Wing Yui, Edward (張永銳)**, *BBS*, aged 66, has been an independent non-executive Director since October 2005, Chairperson of Nomination Committee and a member of each of Audit Committee and Remuneration Committee of the Board. Mr. Cheung is mainly responsible for providing independent advice to the Board. He holds a Bachelor of Commerce degree in accountancy from The University of New South Wales in Australia. Mr. Cheung is also a member of CPA Australia, a practising solicitor in Hong Kong, a solicitor in the United Kingdom and an advocate and solicitor in Singapore. Mr. Cheung was awarded the Bronze Bauhinia Star (BBS) in 2013. He is currently a consultant of Woo, Kwan, Lee & Lo, the director of The Community Chest of Hong Kong, honorary council member of The Hong Kong Institute of Directors Limited and a Court Member of The Open University of Hong Kong. He was the deputy chairman of The Open University of Hong Kong until June 2014. In addition, Mr. Cheung was a member of the Appeal Board established under the Accreditation of Academic and Vocational Qualifications Ordinance, a member of the Board of Review (Inland Revenue Ordinance), the deputy chairman of The Hong Kong Institute of Directors Limited, a director of Po Leung Kuk and the vice chairman of the Mainland Legal Affairs Committee of the Law Society of Hong Kong. Mr. Cheung is currently a non-executive director of a number of companies, including Tianjin Development Holdings Limited (stock code: 882), Sunevision Holdings Ltd. (stock code: 8008), Tai Sang Land Development Limited (stock code: 89) and SmarTone Telecommunications Holdings Limited (stock code: 315). He is also an independent non-executive director of Hop Hing Group Holdings Limited (stock code: 47). He resigned as a non-executive director of SRE Group Limited (stock code: 1207) in December 2015.



## Directors' Profile (Continued)

**HUI Chiu Chung, Stephen (許照中), JP**, aged 68, has been an independent non-executive Director since 27 June 2014 and a member of each of Audit Committee, Nomination Committee and Remuneration Committee of the Board since 25 March 2015, he has over 40 years of experience in the securities and investment industry. He had been serving as a council member and vice chairman of the Hong Kong Stock Exchange, a member of the Advisory Committee of the Hong Kong Securities and Futures Commission ("SFC"), a director of the Hong Kong Securities Clearing Company Limited, a member of the Listing Committee of the Hong Kong Exchanges and Clearing Limited, an appointed member of the Securities and Futures Appeal Tribunal, a member of the Standing Committee on Company Law Reform and an appointed member of the Hong Kong Institute of Certified Public Accountants Investigation Panel A for years. He was also a member of the Committee on Real Estate Investment Trusts of the SFC. Mr. Hui is a member of Hengqin New Area Development Advisory Committee and Hong Kong and Macao Legal Issues Expert Group of The Administrative Committee of Hengqin New Area, Zhuhai. Mr. Hui was appointed by the Government of the Hong Kong as a Justice of the Peace in 2004 and is also an appointed member of Zhuhai Municipal Committee of the Chinese People's Political Consultative Conference since 2006. Mr. Hui was the vice chairman of OSK Holdings Hong Kong Limited (now known as RHB Holdings Hong Kong Limited) in 2011. He is currently a non-executive director of Luk Fook Holdings (International) Limited (stock code: 590) and the chairman and chief executive officer of Luk Fook Financial Services Limited. He also serves as an independent non-executive director of China South City Holdings Limited (stock code: 1668), Gemdale Properties and Investment Corporation Limited (stock code: 535), Lifestyle International Holdings Limited (stock code: 1212), SINOPEC Engineering (Group) Co., Ltd. (stock code: 2386), Zhuhai Holdings Investment Group Limited (stock code: 908) and FSE Engineering Holdings Limited (stock code: 331). He resigned as an independent non-executive director of Chun Wo Development Holdings Limited (stock code: 711) in February 2015, and retired as an independent non-executive director of Hong Kong Exchanges and Clearing Limited (stock code: 388) in April 2015.

**WONG Shiu Hoi, Peter (黃紹開)**, aged 75, has been an independent non-executive Director since 27 June 2014 and a member of each of Nomination Committee and Remuneration Committee of the Board since 25 March 2015. He holds a Master of Business Administration Degree from the University of Macau (formerly known as the University of East Asia, Macau). Mr. Wong possesses over 40 years of experience in the financial services industry. He is a former chairman of The Hong Kong Institute of Directors Limited and was an executive director, deputy chairman and chief executive of Haitong International Securities Group Limited. He is also a former member of Standing Committee of Company Law Reform, Listing Committee of the Hong Kong Stock Exchange, Financial Services Advisory Committee and Professional Services Advisory Committee of the Hong Kong Trade Development Council. He is currently a consultant of Halcyon Holdings Limited. He is a former overseas business advisor of Haitong Securities Company Limited. He is a former director of the Hong Kong Securities and Investment Institute. He is an independent non-executive director of High Fashion International Limited (stock code: 608), Tianjin Development Holdings Limited (stock code: 882) and Target Insurance (Holdings) Limited (stock code: 6161).

# Senior Management's Profile

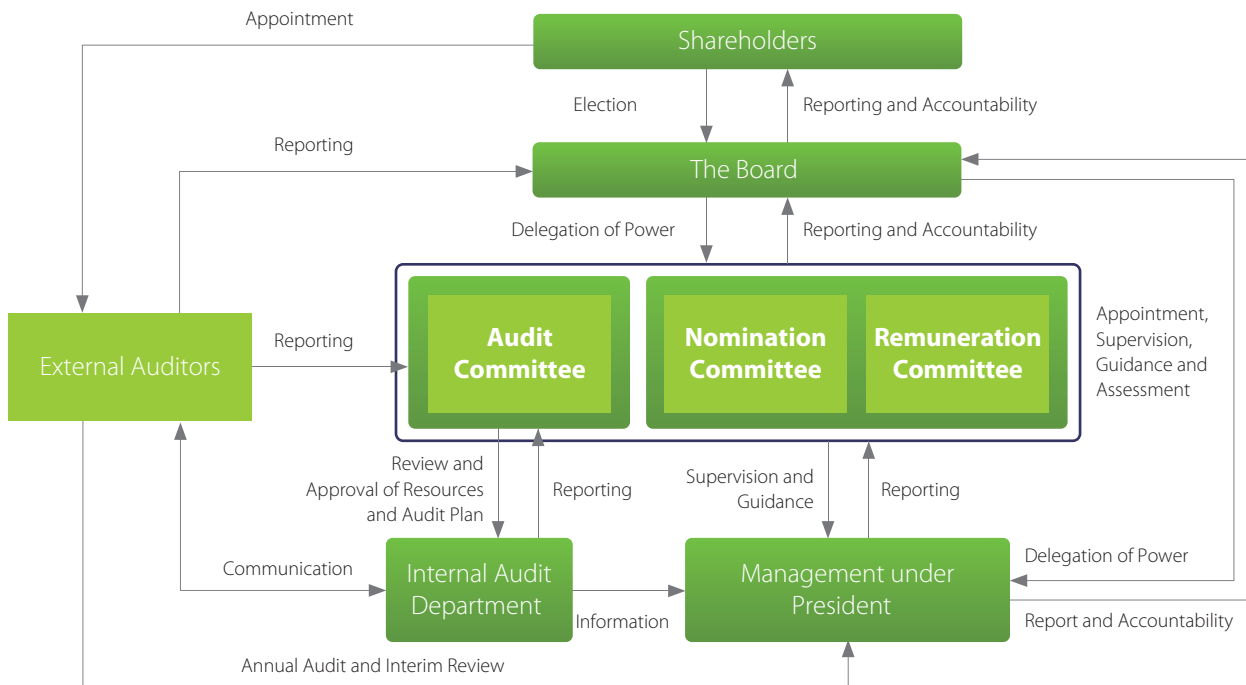
**CHEUNG Sum Sam (張森)**, aged 52, is the Chief Financial Officer and a Vice President of the Group and the Company Secretary of the Company. He joined the Group in July 2013 and is mainly responsible for financial management, accounting, capital markets, corporate affairs and investor relations of the Group. He was appointed as the Company Secretary of the Company on 9 March 2016, and concurrently is responsible for the company secretarial, legal and compliance matters of the Group. Mr. Cheung holds a Bachelor of Science (Economics) degree in Accounting and Finance from the London School of Economics and Political Science, University of London. He is a fellow member of the Association of Chartered Certified Accountants in the United Kingdom and the Hong Kong Institute of Certified Public Accountants.

**YUE Yuan (岳元)**, aged 40, is a Vice President of the Group and the General Manager of each of Finance Centre and Costing Centre. Since joining the Group in 2006, Ms. Yue had been the Head of Engineering Centre. She is mainly responsible for managing the Finance Centre and Costing Centre. Ms. Yue holds a Bachelor of Engineering degree from Lanzhou Jiaotong University (formerly known as "Lanzhou Railway University") and a Master of Science degree in Construction Project Management from The University of Hong Kong. She is a Shanghai City registered bidding engineer, a PRC intermediate economist, a PRC registered budgeting engineer and a member of the Royal Institute of Chartered Surveyors.

**YE Xiang (葉翔)**, aged 43, is a Vice President of the Group. Since joining the Group in 2014, Mr. Ye had been a General Manager. He is mainly responsible for the management of the major property management business and certain major integrated resorts development projects. Mr. Ye holds a Master of Political Economy degree from Central China Normal University. He is a PRC senior engineer (property management). Prior to joining the Group, he held various management posts in China Overseas Property Management Limited (中海物業管理公司), China Overseas Property Management (Holdings) Company (中海物業管理(集團)公司) and Genting Resort Secret Garden, a large-scale resort of Genting Group in Malaysia.

# Corporate Governance Report

## Corporate Governance Structure



The Board believes that good governance is essential for sustainable development and growth of the Company, enhancement of credibility as well as Shareholders' value. As such, the Board has adopted and reviewed corporate governance practices in light of the regulatory requirements and the needs of the Company. The Company is committed to maintaining a high level of corporate governance and adheres to the principles of integrity, transparency, accountability and independence.

The Board plays a major role in the supervision of corporate governance to ensure that the Company maintains a sound governance framework and the long-term sustainable Shareholders' value by way of, without limitation to, the:

- formulation and review of the Company's policies and practices on corporate governance;
- review and monitoring of the training and continuous professional development of Directors and senior management;
- review and monitoring of the Company's policies and practices on compliance with legal and regulatory requirements;
- formulation, review and monitoring of the code of conduct and compliance applicable to employees and Directors;
- review and monitoring of the risk management and internal control system of the Company to ensure their effectiveness; and
- review of the Company's compliance with the CG Code and disclosure in this report.



The Company fully complied with the provisions of the CG Code as set out in Appendix 14 of the Listing Rules throughout the year ended 31 December 2015 except for certain deviations as specified with reasons below.

### The Board and Management

The Board takes Shareholders' interests as its priority in promoting and maintaining successful development of business so as to achieve consistent long-term financial returns, while taking due account of the interests of those with whom the Group does business and others. The Board is accountable for formulating the business and management directions of the Group and that they are managed in such a way as to achieve the objectives of the Company. The Board's responsibilities are to formulate corporate strategy and long-term business model of the Group and to monitor and control operating and financial performance in pursuit of strategic objectives of the Group.

The Board delegates day-to-day operations of the Group to the management of the Company. The Board and the management have clearly defined authorities and responsibilities under various internal control and check and balance mechanisms. The Board does not delegate matters to the Board committee(s), executive Directors or management to an extent that would significantly hinder or reduce the ability of the Board as a whole to perform its functions.

### Board Composition

The Company is headed by the Board which comprises thirteen Directors, including four executive Directors (namely Chen Zhuo Lin (Chairman and President), Chan Cheuk Hung, Huang Fengchao and Chen Zhongqi), four NEDs (namely Chan Cheuk Yin (Vice Chairperson), Luk Sin Fong, Fion (Vice Chairperson), Chan Cheuk Hei and Chan Cheuk Nam) and five INEDs (namely Cheng Hon Kwan, Kwong Che Keung, Gordon, Cheung Wing Yui, Edward, Hui Chiu Chung, Stephen and Wong Shiu Hoi, Peter). The biographical details and relationship amongst them, if any, are set out on page 82 to 86 of this annual report.

### Chairman and President

The Chairman provides leadership for the Board, ensures the effectiveness of the Board in fulfilling its roles and responsibilities and establishes sound corporate governance practices and procedures for the Company. The Chairman is also responsible for formulating the overall strategies and policies of the Company and monitoring their implementation. Meanwhile, the Chairman, as chief executive of the Company, shall be delegated the authority by the Board to lead the vice presidents and the senior management for the daily operation and business management of the Group in accordance with the objectives, directions, and risk management and internal control policies laid down by the Board.

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

### Independent Non-executive Directors

INEDs play a significant role in the Board by virtue of their independent judgment and their views carry significant weight in the Board's decisions. They are experienced professionals in areas such as legal, accounting, financial management, structural and civil engineering, securities and investment industries. Their extensive experiences significantly contribute to enhancing the decision-making of the Board and achieving a sustainable and balanced development of the Group. In particular, they bring impartial views and opinions on issues of the Company's strategy, performance and control, and take the lead where potential conflicts of interests arise. The Board believes that its culture of openness and debate facilitates the effective contribution of Directors, INEDs in particular, to the Board and ensures constructive relationship among executive Directors, NEDs and INEDs.

During the year, the Company was in compliance with Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules, with INEDs representing more than one-third of the Board and with at least one of them possessing relevant professional qualifications or accounting or related financial management expertise.

Three of the INEDs, namely Cheng Hon Kwan, Kwong Che Keung, Gordon and Cheung Wing Yui, Edward, have served the Board for more than nine years. Notwithstanding their length of tenure, in view of their wide spectrum of knowledge, extensive business experience and familiarity with the Company's affairs, the Board is of the opinion that they possess the required character, integrity and experience to ensure their independence in order to objectively scrutinize the Company's performance.

An annual confirmation of independence was received from each of five INEDs pursuant to Rule 3.13 of the Listing Rules and the Company considers each of them to be independent.

### Appointment and Re-election of Directors

All executive Directors have entered into service agreements with the Company, while all NEDs (including INEDs) have entered into appointment letters with the Company setting out the terms and conditions of their appointment. Each Director is appointed for a specific term of 3 years, subject to the provisions on Directors' retirement as set out in the Articles. Any Director appointed by the Board either to fill a casual vacancy or as an addition to the existing Board shall hold office only until the next general meeting of the Company, and shall then be eligible for re-election. Every Director, including those appointed for a specific term, shall be subject to retirement by rotation. At each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire by rotation. The names of Directors who are eligible for re-election at general meetings will be disclosed in the notice of the relevant general meetings and their biographical details will be provided in the accompanying circulars. The re-election of each Director will be subject to vote of Shareholders by separate resolutions.

In accordance with the Articles, Chan Cheuk Hung, Huang Fengchao, Chen Zhongqi, Chan Cheuk Nam and Cheung Wing Yui, Edward shall retire by rotation at the 2016 AGM to be held on Friday, 13 May 2016. All the said Directors, being eligible, will offer themselves for re-election at the 2016 AGM.

Each Director has disclosed to the Company about the names of and the titles and nature of office held in the public companies or organisations, prior to the acceptance of the appointment, and promised to inform the Company timely of any relevant change. The Company will also require Directors to submit written confirmation or update on their biographical details, if any, twice a year, and set out the updated biographical details of Directors, if any, in this annual report.

### Board and Board Committee Meetings

The Board meets at least four times each year or more as required. Directors may participate in meetings either in person or through electronic means of communication. The schedule of regular meetings for the next year will be presented to all Directors in the last Board meeting of the year so that they can arrange for the meetings. All Directors are given not less than fourteen days' notice for regular Board meetings. For other Board and Board committee meetings, reasonable notice will be given.

The Company Secretary assists the Chairman in preparing the agenda of regular Board meetings and circulates the draft Board meeting agenda to all Directors for their perusal and comment. Directors are invited to include any matters in the agenda which they think appropriate. The Board meeting agenda will be issued by the Company Secretary after incorporating all the comments of Directors (if any). Relevant meeting materials are provided to the Directors at least three days before the meetings to ensure that they are given sufficient review time and are adequately prepared for the meetings.

Each Director shall have access to the senior management and the Company Secretary and they may also seek independent professional advice at the expense of the Company. Any matter involving interest of substantial Shareholder(s) or Director(s) shall be subject to the consideration and approval by the Board at a physical Board meeting, or to be implemented and dealt with by the designated Board committee. Directors who have interest may attend the meeting, but shall not be counted towards quorum and shall abstain from voting on the relevant matter. All Directors may require the Company Secretary to provide advice and services on relevant aspects, including the follow-up of, or the provision of support to, any matters, ensuring the Board procedures and all applicable rules and regulations are observed.

The management will submit relevant reports to the Directors for review as part of meeting materials for every regular Board meeting. After the briefing given to the Directors, the management will answer any enquiry made by the Directors. The Board may make informed assessment on the financial and other information submitted to them for their approval. Sufficient time will be allowed for the Directors to discuss.

The meeting minutes of the Board and its committees are drafted and kept by the Company Secretary. All meeting minutes will set out in detail the matters discussed and considered at the meetings, including, among others, any queries made or views expressed by the Directors. The Company Secretary will distribute the draft of the meeting minutes to all Directors for their comment and final version of the meeting minutes to all Directors for their record within reasonable time after the meetings is held.



## Corporate Governance Report (Continued)

During the year, the Board held a total of four meetings. Each Director's attendance record for the Board meetings, Board Committee meetings and general meetings is set out as follow:

	Number of attendance/meeting held in 2015				General Meeting
	The Board	Audit Committee	Nomination Committee	Remuneration Committee	
Chen Zhuo Lin ( <i>Chairman and President</i> )	4/4	–	–	–	1/1
Chan Cheuk Yin ( <i>Vice Chairperson</i> )	0/4	–	–	–	0/1
Luk Sin Fong, Fion ( <i>Vice Chairperson</i> )	4/4	–	0/1	0/1	0/1
Chan Cheuk Hung	3/4	–	–	–	0/1
Huang Fengchao	4/4	–	–	–	0/1
Chen Zhongqi	4/4	–	–	–	0/1
Liang Zhengjian	3/4 <sup>(Note 1)</sup>	–	–	–	0/1
Chan Cheuk Hei	4/4	–	–	–	0/1
Chan Cheuk Nam	4/4	–	–	–	0/1
Cheng Hon Kwan	4/4	2/2	1/1	1/1	1/1
Kwong Che Keung, Gordon	4/4	2/2	1/1	1/1	1/1
Cheung Wing Yui, Edward	4/4	2/2	1/1	1/1	1/1
Hui Chiu Chung, Stephen	4/4	1/2 <sup>(Note 2)</sup>	0/1 <sup>(Note 3)</sup>	0/1 <sup>(Note 4)</sup>	1/1
Wong Shiu Hoi, Peter	4/4	–	0/1 <sup>(Note 3)</sup>	0/1 <sup>(Note 4)</sup>	1/1

Note 1: He resigned as an executive Director on 1 December 2015 before the Board meeting held on 14 December 2015.

Note 2: He was appointed as a member of the Audit Committee on 25 March 2015 after the Audit Committee meeting held on 18 March 2015.

Note 3: He was appointed as a member of the Nomination Committee on 25 March 2015 after the Nomination Committee meeting held on 18 March 2015.

Note 4: He was appointed as a member of the Remuneration Committee on 25 March 2015 after the Remuneration Committee held on 18 March 2015.

All the executive Directors, NEDs and the INEDs have allocated a reasonable amount of time to follow and deal with various affairs of the Company during the year. In addition to attending the meetings of the Board and its committees, each Director has allocated sufficient time on reviewing materials provided by the Company from time to time. Furthermore, each member of the Audit Committee also spent sufficient time on reviewing internal audit reports provided by the internal audit department. The Chairman met at least once annually with the NEDs and INEDs without the executive Directors present.

## Training and Support for Directors

The Company has established procedures for training and development of Directors. Newly appointed Director will be provided with comprehensive, formal and tailored induction on the first occasion of his/her appointment and, subsequently, necessary briefing and professional development so as to ensure the Directors have adequate understanding and strengthen their awareness of the business and operation of the Group, their responsibilities and obligations under the statutory and common laws, the Listing Rules, laws and other regulatory requirement and governance policies, enabling the Directors to discharge their duties properly. The Company Secretary maintains proper records of training attended by the Directors.

During the year, the summary of training received by the Directors is as follows:

Directors	Training Matters <sup>Note</sup>
<i>Executive Directors</i>	
Chen Zhuo Lin ( <i>Chairman and President</i> )	A, B
Chan Cheuk Hung	A, B
Huang Fengchao	A, B
Chen Zhongqi	A, B
<i>NEDs</i>	
Chan Cheuk Yin ( <i>Vice Chairperson</i> )	A, B
Luk Sin Fong, Fion ( <i>Vice Chairperson</i> )	A, B
Chan Cheuk Hei	A, B
Chan Cheuk Nam	A, B
<i>INEDs</i>	
Cheng Hon Kwan	A, B
Kwong Che Keung, Gordon	A, B
Cheung Wing Yui, Edward	A, B
Hui Chiu Chung, Stephen	A, B
Wong Shiu Hoi, Peter	A, B

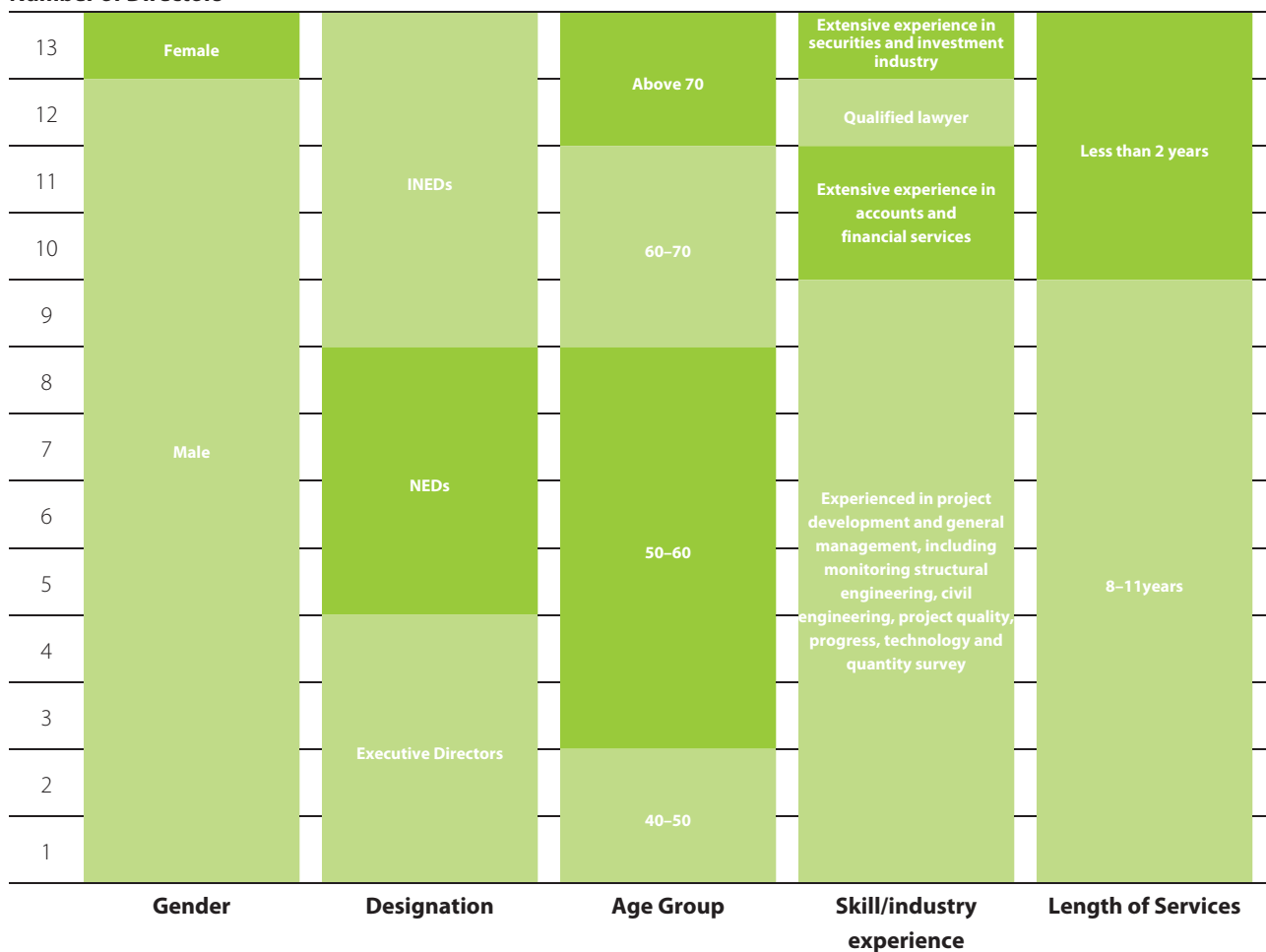
Note: A. corporate governance  
B. regulatory

### Board Diversity

In order to achieve a diversity of perspectives among members of the Board, the Company has formulated a policy to consider a number of factors when deciding on appointments to the Board and the continuation of those appointments. Such factors include but are not limited to gender, age, cultural, educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

An analysis of the current Board composition is set out in the following chart:

**Number of Directors**



The Board is highly diversified in terms of gender, position, age, professional experience, skills, knowledge and length of service. The nomination committee reviews and monitors the implementation of the Board diversity policy from time to time to ensure its effectiveness. The Board will set measurable objectives for achieving Board diversity as appropriate.



## Directors and Senior Management Liability Insurance

The Company has arranged appropriate insurance covering the potential legal actions against its Directors and senior management in connection with the discharge of their responsibilities.

## Board Committees

The Company has established 3 Board committees, namely the remuneration committee, nomination committee and audit committee. Terms of reference of each of the committees are available on Agile's website ([www.agile.com.cn](http://www.agile.com.cn)) and HKEX's website ([www.hkex.com.hk](http://www.hkex.com.hk)), and will be amended by the Board from time to time.

## Remuneration Committee

The remuneration committee has been established since November 2005 and currently comprises 5 INEDs and an NED. The members of the remuneration committee include Cheng Hon Kwan (as chairperson), Kwong Che Keung, Gordon, Cheung Wing Yui, Edward, Hui Chiu Chung, Stephen, Wong Shiu Hoi, Peter and Luk Sin Fong, Fion.

The major duties of the remuneration committee are to make recommendations to the Board on the remuneration packages of individual Directors (including executive Directors and NEDs) and senior management of the Group, formulate the policies and structure for remuneration of Directors and senior management of the Group and establish a formal and transparent procedure for developing remuneration policy. Remuneration packages include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of office or appointment. In determining remuneration of Directors and senior management, the Board will consider the remuneration level of comparable companies, the time commitment and responsibilities and employment conditions elsewhere in the Group, individual performance of respective Directors and the Company's performance. No Director shall be involved in deciding his/her own remuneration.

During the year, the remuneration committee held a meeting in March, the agenda of which is set out below:

- Discussing the recommendation on the remuneration adjustments of senior management for 2015;
- Confirming the remuneration of executive Directors, NEDs and INEDs for 2014; and
- Discussing and determining the recommendation on the remuneration adjustment of executive Directors, NEDs and INEDs for 2015.

## Nomination Committee

The nomination committee has been established since December 2006 and currently comprises 5 INEDs and an NED. The members of the nomination committee include Cheung Wing Yui, Edward (as chairperson), Cheng Hon Kwan, Kwong Che Keung, Gordon, Hui Chiu Chung, Stephen, Wong Shiu Hoi, Peter and Luk Sin Fong, Fion.

The major duties of nomination committee are to determine policy for the nomination of Directors, give advice to the Board on the appointment or re-appointment and succession plan of Directors (particularly the Chairman and executive Directors), review the structure, number of members and composition (including but not limited to gender, age, cultural, educational background, ethnicity, professional experience, skills, knowledge and length of service) of the Board and to assess the independence of INEDs.

## Corporate Governance Report (Continued)

The nomination committee is responsible for the development of selection procedures for candidates, and will consider different criteria including but not limited to gender, age, cultural, educational background, ethnicity, professional experience, skills, knowledge and length of service. The nomination committee, if necessary, may seek independent professional opinions when discharging their duties at the fees and expense of the Company.

During the year, the nomination committee held one meeting in March and the agenda was mainly (i) to consider the contribution to the Group by Chen Zhuo Lin, Luk Sin Fong, Fion, Cheng Hon Kwan, Hui Chiu Chung, Stephen and Wong Shiu Hoi, Peter, the retiring Directors, and advise the Board on the re-election of such retiring Directors at the 2015 AGM; and (ii) to consider and review the structure, number of members and composition of the Board.

### Audit Committee

The audit committee has been established since November 2005 and currently comprises 4 INEDs. The members of the audit committee include Kwong Che Keung, Gordon (as chairperson), Cheung Wing Yui, Edward, Cheng Hon Kwan and Hui Chiu Chung, Stephen.

The major duties of the audit committee are to review accounting policy, to monitor the performance of the Company's external auditor and the internal audit department, to review financial information and to review the method and effectiveness of the financial reporting of the Company so as to ensure the compliance with the applicable accounting and reporting regulations and the requirements of law and provisions, to supervise the financial reporting system, and risk management and internal control policies, to consider and review the resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and to report the results to the Board. The audit committee, if necessary, may seek independent professional opinions when discharging their duties at the fees and expenses of Company.

During the year, the audit committee held 2 meetings in March and August respectively, the agenda of which is set out below:

- Reviewing annual results of 2014 and annual report of 2014, interim results of 2015 and interim report of 2015;
- Reviewing audit and review reports of the auditors, recommendation reports of internal control and management;
- Discussing and reviewing internal control management reports, audit monitoring plans and audit timetables of the internal audit department;
- Considering the re-appointment of external auditor of the Company;
- Review the resources of accounting and financial reporting functions of the Group; and
- Reviewing staff malpractices monitoring reports.

The audit committee meets with the external auditor, at least once annually, in the absence of management, to discuss matters relating to its audit fees, any issue arising from the audit and any other matters the auditor may wish to raise. The audit committee and the Board have no disagreement in relation to the recommendation of the re-appointment of PricewaterhouseCoopers as the external auditor.

### External Auditor

At the 2015 AGM, the Shareholders approved the re-appointment of PricewaterhouseCoopers as the auditor of the Group. For the year ended 31 December 2015, remuneration paid and payable to PricewaterhouseCoopers in relation to audit and non-audit services is detailed as below:

	<b>2015</b>	2014
	<b>RMB</b>	RMB
Fee for audit services (including Hong Kong Standard on Review Engagements 2410 review on interim results)	<b>6,700,000</b>	6,500,000
Fee for non-audit services for the issue of senior notes	<b>950,000</b>	2,300,000

### Responsibility in financial statements

Directors have acknowledged their responsibilities for preparing the accounts in this annual report, and PricewaterhouseCoopers, the external auditor of the Company has also stated their reporting responsibility in the auditor's report of financial statements.

The Board is not aware of any uncertainty of a material nature that would affect the Company's ability as to continue as a going concern.

### Internal Control

The Board is responsible for formulating proper internal control system for the Group to safeguard the assets of the Group and the interests of shareholders. The audit committee shall conduct regular review on the effectiveness of the internal control system to ensure that the system is adequate.

The internal audit department of the Group is accountable and reports directly to the audit committee. It is responsible for constantly monitoring the work flow and risk assessment of each department of the Group, to assist the Board and senior management in complying with the regulatory requirements and guidelines, so as to improve the efficiency of internal control system. Through continuous internal audit and reporting from time to time, the internal audit department ensures the effective operation of the internal control system.

During the year, the audit committee reviewed the effectiveness of internal control system in respect of financial, operation, compliance, business and risk management matters and reported to the Board. Should any material fault or any material weakness in monitoring be found, the internal audit department will report the same to the audit committee in timely manner. During the year, the audit committee and the Board considered that the internal control system of the Group was sound, effective and adequate.

The Group shall review the efficiency of the internal control system at least two times every year to ensure the efficiency and adequacy of the system.



### Company Secretary

The Company Secretary is a full-time employee of the Company and familiar with the day-to-day affairs of the Company. The Company Secretary reports to the Chairman and is responsible for advising the Board on governance matters, new director's induction and professional development of Directors as well as ensuring good information flow between the Board members and the compliance of the policy and procedure of the Board. During the year, Mr. Kwang Chin Kheng, our former Company Secretary resigned on 9 March 2016, has confirmed that he has received relevant professional trainings of no less than 15 hours to update his skills and knowledge.

### Relation between The Company and Shareholders

#### Shareholders' rights

Pursuant to Article 58 of the Articles, any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall have the right, by written requisition to the Board or the Company Secretary, to require an extraordinary general meeting to be called by the Board. The requisition must specify the objects of the meeting, be signed by the requisitionist(s), and be deposited to the registered office and principal place of business in Hong Kong of the Company.

If within 21 days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Shareholder(s) who wishes to propose a person (other than himself/herself) for election as a Director at the general meeting of the Company, should (i) deposit a written notice at the Company's principal place of business in Hong Kong for the attention of the Company Secretary; (ii) the notice must state the full name of the candidate, his/her biographical details as required by Rule 13.51(2) of the Listing Rules and be signed by the proposer; and (iii) a written consent signed by the candidate indicating his/her willingness to be elected as Director. The period for lodgment of the notice will commence no earlier than the day after the dispatch of the notice of general meeting and not later than 7 days prior to the date of general meeting. The relevant detailed procedures have been published on Agile's website ([www.agile.com.cn](http://www.agile.com.cn)).

Shareholders and the investors may make a request for the public information of the Company at any time. Such request shall be in writing and delivered by post to Capital Markets Department of the Company at 33rd Floor, Citibank Tower, 3 Garden Road, Central, Hong Kong.

#### Communication with Shareholders

Both the Board and the management fully understand the importance of building up of a good communication with the Shareholders in order to assist the Shareholders and investors to have a better knowledge and understanding of the businesses of the Group. Therefore, the Company has been reporting the performance and latest development of the Group to Shareholders through various channels and platforms, as follows:

- Apart from publishing the annual reports, interim reports, announcements, and circulars to Shareholders on the Company's website ([www.agile.com.cn](http://www.agile.com.cn)), HKEX's website ([www.hkex.com.hk](http://www.hkex.com.hk)) and SGX's website ([www.sgx.com](http://www.sgx.com)), the Company has also posted onto its website the financial highlights, press release, and the terms of reference of the Board's committees, so that Shareholders can obtain more corporate information from the Company's website. Moreover, in order to enable Shareholders to have a better understanding of the latest movement and development of the Group, a "Monthly Newsletter" (including the monthly focus of the Group) and company news has also been added to the Company's website;

- The Company is committed to improve its relation with investors. During the year, senior management of the Company had conducted various meetings with institutional investors, fund managers and financial analysts. The report of meetings are presented to the Board for review in each quarterly Board meeting to ensure that views and recommendations of investors, fund managers and financial analysts can reach the Board;
- The Company also establishes investor relations contact information for Shareholders to express their opinions and making enquiries. The details are set out on page 202 in the corporate information of this annual report;
- Members of the Board actively take part in the annual general meetings in order to have more contacts with the Shareholders. The Chairman of the Board, the chairpersons of each audit committee, remuneration committee and nomination committee, INEDs Hui Chiu Chung, Stephen and Wong Shui Hoi, Peter, annually retained legal advisor and the representative of external auditor had attended 2015 AGM. In the general meeting, there is a briefing on the business of the Company by the Chairman of the Board and a question and answer session as well as a discussion with Shareholders on the long-term development strategy of the Company. Poll results are posted on Agile's website ([www.agile.com.cn](http://www.agile.com.cn)), HKEX's website ([www.hkex.com.hk](http://www.hkex.com.hk)) and SGX's website ([www.sgx.com](http://www.sgx.com)); and
- The Company's notice of 2015 AGM had been dispatched to Shareholders in no less than 20 clear business days before the commencing date of the meeting. The circular of the Company dated 30 April 2015 set out that all resolutions proposed at the general meeting had been taken by way of poll pursuant to Rules 13.39(4) of the Listing Rules while the chairman of the meeting further announced that all resolutions had been taken by way of one vote per share. The Company Secretary had explained in detail, the relevant procedures of voting by poll to the attending Shareholders and made known by the Shareholders.

### Compliance with Model Code for Securities Transactions by Directors and Relevant Employees

The Company has adopted Securities Dealing Code for Directors, which is on terms no less exacting than the required standard as set out in the Model Code. Having made specific enquiries, all Directors confirmed that they have complied with the standard set out in the Model Code during the year under review.

The Company has also adopted a securities transactions code by employees of the Group which is on no less exacting terms than the Model Code.

### Amendment of the Company's Constitutional Documents

There have been no changes made to the Company's constitutional documents during the year ended 31 December 2015.

# Report of the Directors

The Board is pleased to present their report for the year ended 31 December 2015.

## Principal Activities

The Company is an investment holding company. The principal activities of its major subsidiaries, joint ventures and associated companies are property development, property management, hotel operations and property investment. An analysis of the Group's performance for the year by principal business segments is set out in note 5 to the consolidated financial statements.

## Results and Overall Performance

The Group's results for the year ended 31 December 2015 are set out on pages 120 to 121 of this annual report.

## Business Review

Business review for the year and future business development of the Group as well as the major risks and uncertainties of the Group are set out in "Management Discussion and Analysis" on pages 12 to 17 and the "Chairman's Statement" on pages 8 to 11 of this annual report. Analysis of the performance of the Group for the year based on key financial indicators is set out in "Five-Year Financial Summary" on pages 199 to 200 of this annual report. The Group has no significant events since the financial year under review.

The Group believes that sustainable development is crucial to the development of a corporate and actively implements the concept of sustainable development at every level of the operation so as to create a better future for the community and the Group. The Sustainability Report is set out on pages 60 to 78 of this annual report.

The Group is mainly engaged in the property development in China. As a property developer in China, the Group is required to comply with various national and local laws and regulations on environmental protection, including laws and regulations of air pollution, sound pollution, waste and sewage. The Group has complied with the laws and regulations which are significant to the operation of the Group.

The Group is of the view that our employees, customers and business partners are important to our sustainable development. The Group is committed to maintaining close relationship with our employees, providing quality services to customers and strengthening the cooperation with our business partners.

## Dividends

During the year, the Company did not declare any interim dividend (2014: HK14.5 cents). The Board has proposed the payment of a final dividend of HK14.5 cents (2014: HK25.0 cents) per Share and a special dividend of HK25.0 cents (to be distributed out of the Company's share premium account) (2014: Nil) per Share to the Shareholders. Subject to the approval by the Shareholders at the 2016 AGM, the proposed final dividend and special dividend are expected to be paid on Friday, 3 June 2016 to Shareholders whose names appear on the register of members of the Company on Tuesday, 24 May 2016.

## Closure of Register of Members

To facilitate the processing of proxy voting for 2016 AGM to be held on Friday, 13 May 2016, the register of members of the Company will be closed from Tuesday, 10 May 2016 to Friday, 13 May 2016, both dates inclusive, during which no transfer of Shares will be registered. In order to be entitled to attend and vote at 2016 AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited for registration not later than 4:30 p.m. on Monday, 9 May 2016.



The register of members of the Company will be closed from Friday, 20 May 2016 to Tuesday, 24 May 2016, both dates inclusive, during which no transfer of Shares will be registered. In order to qualify for entitlement to the final dividend and special dividend, all properly completed transfer forms, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited for registration not later than 4:30 p.m. on Thursday, 19 May 2016.

### Share Capital

Details of the movement in the share capital of the Company during the year are set out in note 20 to the consolidated financial statements.

### Reserves

Details of movement in the reserves of the Group during the year are set out in note 22 to the consolidated financial statements.

As at 31 December 2015, the distributable reserves of the Company were approximately RMB6.2 billion (2014: RMB6.5 billion).

### Senior Notes

Details of senior notes of the Company are set out in note 24 to the consolidated financial statements.

### Subordinated Perpetual Capital Securities

Details of subordinated perpetual capital securities of the Company are set out in note 23 to the consolidated financial statements.

### Property, Plant and Equipment

Details of movement in property, plant and equipment of the Group during the year are set out in note 6 to the consolidated financial statements.

### Intangible Assets

Details of movement in intangible assets of the Group during the year are set out in note 8 to the consolidated financial statements.

### Investment Properties

During the year, the fair value gains of the Group's investment properties amounted to RMB91 million and have been recognised directly in the consolidated financial statements.

Details of movement in investment properties of the Group during the year are set out in note 9 to the consolidated financial statements.

## Report of the Directors (Continued)

### Borrowings

Details of the Group's borrowings are set out in note 24 to the consolidated financial statements.

### Interest Capitalised

Interest and other borrowing costs capitalised of the Group during the year are set out in note 32 to the consolidated financial statements.

### Donations

The Group's charitable and other donations during the year amounted to RMB34 million (2014: RMB61 million).

### Retirement Benefit Scheme

Details of retirement benefit scheme of the Group are set out in note 31 to the consolidated financial statements.

### Group Financial Summary

A financial summary of the Group for the past five financial years is set out on pages 199 to 200 of this annual report.

### Directors

The Directors as at the date of this report are listed on page 201 of this annual report. Except Mr. Liang Zhengjian who resigned as an executive Director on 1 December 2015 due to his business commitments which require more of his dedications, all Directors served throughout 2015.

### Independence confirmation

The Company has received the confirmation from all INEDs listed on page 201 of this annual report regarding their independence pursuant to Rule 3.13 of the Listing Rules and considers all of them to be independent.

### Term of appointment

Article 87 of the Articles provides that one-third of Directors for the time being shall retire from office by rotation at the annual general meeting. In accordance therewith, Chan Cheuk Hung, Huang Fengchao, Chen Zhongqi, Chan Cheuk Nam and Cheung Wing Yui, Edward will retire as Directors at 2016 AGM and, being eligible, offer themselves for re-election.

Each of the executive Directors, NEDs and INEDs has entered into a service agreement/appointment letter with the Company for a term of three years subject to retirement by rotation pursuant to Article 87 of the Articles. No Director has a service agreement/letter of appointment with the Company which is not terminable by the Company within one year without payment of compensation (other than statutory compensation).

## Share Option Scheme

The Company has adopted a Share Option Scheme on 23 November 2005. No option has been granted by the Company under the Share Option Scheme since its adoption.

Summary of the disclosure of the Share Option Scheme pursuant to Chapter 17 of the Listing Rules is as follows:

<p>Purpose and objectives of the Share Option Scheme</p>	<p>To recognise and commend eligible participants who have or may have contribution to the Group:</p> <ol style="list-style-type: none"> <li>1. to motivate the eligible participants to optimise their working efficiency for the benefit of the Group; and</li> <li>2. to attract and retain or otherwise maintain good relationship with eligible participants whose contributions are or will be beneficial to the long-term growth of the Group.</li> </ol>
<p>Participants of the Share Option Scheme</p>	<p>Eligible participants can be any of the following class of persons or entities:</p> <ol style="list-style-type: none"> <li>1. any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries;</li> <li>2. any directors (including NEDs and INEDs) of the Company or any of its subsidiaries;</li> <li>3. any advisers, consultants, suppliers, customers and agents of the Company or any of its subsidiaries; and</li> <li>4. other persons who, in the opinion of the Board, have contributed or will contribute to the Group and the assessment criteria of which are as follows:             <ol style="list-style-type: none"> <li>(i) contribution to the development and performance of the Group;</li> <li>(ii) quality of work performed for the Group;</li> <li>(iii) initiative and commitment in performing his/her duties; and</li> <li>(iv) length of service or contribution to the Group.</li> </ol> </li> </ol>
<p>Total number of Shares available for issue under the Share Option Scheme and percentage to the issued share capital as at 23 March 2016</p>	<p>The number of Shares available for issue under the Share Option Scheme was 332,200,000 Shares. The Share Option Scheme has been expired on 22 November 2015, and thereafter no Shares are available for issue under the Share Option Scheme.</p>



## Report of the Directors (Continued)

Maximum entitlement of each participant	The total number of Shares issued and to be issued upon exercise of the option granted to each eligible participant (including exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the total number of Shares of the Company in issue. Any grant of further options above this limit shall be subject to certain requirements as stipulated in the rules of the Share Option Scheme.
Exercise period of the Share Option Scheme	10 years from the date when an option is deemed as granted and accepted.
The minimum period for which an option must be held before it can be exercised	A grantee may be required to achieve any performance targets as the Board may then specify in the grant before any option granted under the Share Option Scheme can be exercised.
The amount payable on application or acceptance of option, and the period within which payments or calls must be made, or the repayment of loans of option must be made	Upon acceptance of the option, the grantee shall pay HK\$1.00 to the Company as a consideration for the grant. Any offer to grant an option to subscribe for Shares may be accepted in respect of less than the number of Shares for which it is offered, provided that it is accepted in respect of a board lot of dealing in Shares on the Hong Kong Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate document constituting acceptance of the option. To the extent that the offer to grant an option is not accepted by any prescribed acceptance date, it shall be deemed to have been irrevocably declined.
The basis of determining the exercise price	The subscription price of a share in respect of any particular option granted under the Share Option Scheme shall be determined by the Board at its absolute discretion but shall not be less than the highest of: <ol style="list-style-type: none"> <li>1. the closing price of Shares as stated in the Hong Kong Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Hong Kong Stock Exchange is open for business of dealing in securities;</li> <li>2. the average closing price of Shares as stated in the Hong Kong Stock Exchange's daily quotation sheets for five business days immediately preceding the date of grant; and</li> <li>3. the nominal value of a share.</li> </ol>
Validity of the Share Option Scheme	10 years, from 23 November 2005 to 22 November 2015.

The Share Option Scheme has been expired on 22 November 2015.

### Share Award Scheme

The Company has adopted the Share Award Scheme on 10 December 2013, to recognise the contributions by certain employees. Subject to any early termination as may be determined by the Board, the Share Award Scheme shall be valid and effective for a term of 10 years commencing on the adoption date. The maximum number of Shares which may be awarded to a selected employee under the Share Award Scheme shall not exceed 1% of the issued share capital of the Company from time to time; the Board shall not make any further award of awarded shares which will result in the nominal value of the Shares awarded under the Share Award Scheme exceeding 10% of the issued share capital of the Company from time to time.

The Company issued and allotted a total of 34,470,000 awarded shares to Bank of Communications Trustee Limited as trustee on 10 February 2014 to hold on trust for such employee(s) selected by the Board ("Selected Employees") in accordance with the trust deed and rules of the scheme. These awarded shares will be transferred to such Selected Employees upon their satisfaction of relevant vesting conditions specified by the Board at the time of the grant. Following the confirmation that relevant vesting conditions have not been satisfied on 20 June 2015, the Board resolved in its meeting held on 26 August 2015 that the award of first 30% of 34,470,000 awarded shares to the Selected Employees, including Huang Fengchao, Liang Zhengjian and Chen Zhongqi, to have lapsed effective from 26 August 2015.

### Model Code for Securities Transactions by Directors

The Company has adopted the Securities Dealing Code for Directors, which is on terms no less exacting than the required standard as set out in the Model Code. After enquiry, each of the Directors has confirmed to the Company that he or she had fully complied with the Securities Dealing Code for Directors during the year ended 31 December 2015.

### Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 31 December 2015, the interests or short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of SFO) which (i) were notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of SFO (including interests or short positions which they were taken or deemed to have under such provisions of SFO); or (ii) were recorded in the register required to be kept by the Company under Section 352 of SFO; or (iii) were required by Securities Dealing Code for Directors to be notified to the Company and the Hong Kong Stock Exchange, were as follows:

#### (1) Long positions in Shares of the Company

Name of Director	Capacity of interests held	Shares held in the Company			Approximate percentage to issued share capital
		Number of Shares	Note	Total number of Shares	
Chen Zhuo Lin	Beneficiary of a trust	2,453,096,250	1	2,467,372,500	62.99%
	Controlled corporation	14,276,250	2		
Chan Cheuk Yin	Beneficiary of a trust	2,453,096,250	1	2,468,283,750	63.01%
	Controlled corporation	15,187,500	3		
Luk Sin Fong, Fion	Beneficiary of a trust	2,453,096,250	1	2,467,372,500	62.99%
	Controlled corporation	14,276,250	2		
Chan Cheuk Hung	Beneficiary of a trust	2,453,096,250	1	2,453,096,250	62.63%
Chan Cheuk Hei	Beneficiary of a trust	2,453,096,250	1	2,460,971,250	62.83%
	Beneficial owner	7,875,000	4		
Chan Cheuk Nam	Beneficiary of a trust	2,453,096,250	1	2,459,877,750	62.80%
	Beneficial owner	6,781,500	5		
Chen Zhongqi	Spouse	187,000	6	1,272,000	0.03%
	Others	1,085,000	7		
Huang Fengchao	Beneficial owner	1,400,000		2,485,000	0.06%
	Others	1,085,000	7		



Notes:

1. Held by Top Coast as trustee.
2. Held by Brilliant Hero Capital Limited and Famous Tone Investments Limited, which are jointly controlled by Chen Zhuo Lin and Luk Sin Fong, Fion, as to 6,187,500 shares and 8,088,750 Shares respectively.
3. Held by Renowned Idea Investments Limited, which is wholly-owned by Chan Cheuk Yin.
4. Jointly held by Chan Cheuk Hei and his spouse Lu Yanping.
5. Jointly held by Chan Cheuk Nam and his spouse Chan Siu Na.
6. Held by Sun Hong, the spouse of Chen Zhongqi. By virtue of SFO, Chen Zhongqi is deemed to have an interest in the Shares held by his spouse Sun Hong.
7. Each of Huang Fengchao and Chen Zhongqi is entitled to receive 1,085,000 Shares upon the satisfaction of relevant vesting conditions specified by the Board under the Share Award Scheme at the time of the grant. The Shares are still held on trust by Bank of Communications Trustee Limited until the satisfaction of the vesting conditions.

## (2) Long positions in the debentures of the Company

Name of Director	Type	Personal interests	Approximate percentage to the debentures
Kwong Che Keung, Gordon	(a) 8.875% senior notes in an aggregate principal amount of US\$650 million due by 2017	US\$1,000,000	0.154%
	(b) 9% senior notes in an aggregate principal amount of US\$500 million due by 2020	US\$500,000	0.1%

Save as disclosed above, as at 31 December 2015, none of the Directors and chief executives of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of SFO) which (i) were notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of SFO (including interests or short positions which they were taken or deemed to have under such provisions of SFO); or (ii) were recorded in the register required to be kept by the Company under Section 352 of SFO; or (iii) were required by Securities Dealing Code for Directors to be notified to the Company and the Hong Kong Stock Exchange.

## Report of the Directors (Continued)

### Substantial Shareholders' Interests and Short Positions

To the best knowledge of the Directors or chief executives of the Company, as at 31 December 2015, the interests or short positions of substantial Shareholders (other than Directors or the chief executives of the Company) in the Shares or underlying Shares which (i) have been disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of SFO or (ii) were recorded in the register required to be kept by the Company under Section 336 of SFO were as follows:

#### Long positions in Shares of the Company

Name of Shareholder	Shares held in the Company			Approximate percentage to issued share capital	
	Capacity of interests held	Number of Shares	Note		
Top Coast	Trustee	2,453,096,250	1	2,453,096,250	62.63%
Zheng Huiqiong	Spouse	2,468,283,750	2	2,468,283,750	63.01%
Lu Liqing	Spouse	2,453,096,250	3	2,453,096,250	62.63%
Lu Yanping	Beneficial owner	7,875,000	4	2,460,971,250	62.83%
	Spouse	2,453,096,250	5		
Chan Siu Na	Beneficial owner	6,781,500	6	2,459,877,750	62.80%
	Spouse	2,453,096,250	7		

Notes:

1. Top Coast holds the Shares as the trustee of the Chen's Family Trust. Beneficiaries of which are Chen Zhuo Lin, Chan Cheuk Yin, Luk Sin Fong, Fion, Chan Cheuk Hung, Chan Cheuk Hei and Chan Cheuk Nam.
2. By virtue of the SFO, Zheng Huiqiong is deemed to be interested in the Shares held by her spouse, Chan Cheuk Yin.
3. By virtue of the SFO, Lu Liqing is deemed to be interested in the Shares held by her spouse, Chan Cheuk Hung.
4. Jointly held by Lu Yanping and her spouse, Chan Cheuk Hei.
5. By virtue of the SFO, Lu Yanping is deemed to be interested in the Shares held by her spouse, Chan Cheuk Hei.
6. Jointly held by Chan Siu Na and her spouse, Chan Cheuk Nam.
7. By virtue of the SFO, Chan Siu Na is deemed to be interested in the Shares held by her spouse, Chan Cheuk Nam.

Save as disclosed above, as at 31 December 2015, none of the substantial Shareholders (other than Directors or chief executives of the Company) had informed the Company that they had any interests or short positions which (i) shall be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of SFO or (ii) shall be recorded in the register required to be kept by the Company under Section 336 of SFO.

### Interests of any other persons

Save as disclosed in the foregoing, as at 31 December 2015, none of any other persons had informed the Company that they had any interests and short positions in the Shares which (i) shall be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of SFO or (ii) shall be recorded in the register required to be kept by the Company under Section 336 of SFO.

### Remuneration Policy of the Group

As at 31 December 2015, the Group had a total of 12,984 employees. The related employees' costs for the year amounted to approximately RMB1,792 million. The compensation of the Group is determined with reference to the market levels, individual performance and contributions. Bonuses are also distributed based on the performance of employees. The Group also provides a comprehensive benefit package and career development opportunities, including retirement schemes, medical benefits, and both internal and external training appropriate to the employees' needs.

### Basis for Determining Emoluments to Directors

Apart from taking into account the advice from the Remuneration Committee of the Board and the market levels, the Company also considers the competency, contributions and the responsibilities towards the Company while determining the level of remuneration for each Director. Appropriate benefit schemes are in place for the Directors.

### Directors' Interests in Competing Business

During the year and up to the date of this annual report, Chen Zhuo Lin, Chan Cheuk Yin, Luk Sin Fong, Fion, Chan Cheuk Hung, Chan Cheuk Hei and Chan Cheuk Nam are having interests in Changjiang Hotel Company. Changjiang Hotel Company is principally engaged in hotel business under Zhongshan Agile Changjiang Hotel in Zhongshan, the PRC which business competes or is likely to compete, either directly or indirectly, with the business of the Group.

In accordance with the Articles and Statement of Policy for Corporate Governance, Directors shall abstain from voting on any resolution of Directors in respect of any contract, arrangement or proposal in which he or she or any of his or her associates has material interests, and the Directors are of the view that the Group is able to operate its business independently of Changjiang Hotel Company.

As the Board is independent from the board of directors of Changjiang Hotel Company and the above Directors are unable to control the Board, the Directors are of the view that the Group is able to operate its hotel business fairly and independent of Changjiang Hotel Company.

### Directors' Material Interests in Transactions, Arrangements or Contracts

As at the end of or any time during the year, no contracts of significance in relation to the Group's business to which the Company or its subsidiaries was a party, and in which a Director and/or his or her related entities had a material interest in the transactions, arrangements or contracts, whether directly or indirectly.



## Report of the Directors (Continued)

### Change of Directors

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Directors subsequent to the date of the interim report of 2015 of the Company are set out below:

- Kwong Che Keung, Gordon was appointed as an independent non-executive director of FSE Engineering Holdings Limited (stock code: 331) on 18 November 2015; and
- Cheung Wing Yui, Edward resigned as a non-executive director of SRE Group Limited (stock code: 1207) on 4 December 2015.

### Major Customers and Suppliers

During the year, sales to the largest customer of the Group accounted for approximately 2.56% of sales of the Group for the year and sales to the five largest customers of the Group accounted for less than 30% of sales of the Group for the year.

During the year, purchases from the largest supplier of the Group accounted for 6.18% of purchases of the Group for the year and purchases from the five largest suppliers of the Group accounted for less than 30% of purchases of the Group for the year.

None of the Directors, their respective associates nor any Shareholders (who are interested in more than 5% of the issued Shares to the knowledge of the Directors) had any interests in any of the five largest customers or suppliers of the Group.

### Connected Transactions

During the year, the Group did not have any connected transactions which shall be disclosed pursuant to Chapter 14A of the Listing Rules.

### Management Contracts

No contract concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

### Permitted Indemnity Provision

According to the Articles, every Director is entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto. The Company has arranged appropriate insurance covering the potential legal actions against its Directors and Senior Management in connection with the discharge of their responsibilities.

### Purchase, Sale or Redemption of Listed Securities

During 2015, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

### Specific Performance by the Controlling Shareholders

1. As disclosed in the Company's announcement dated 2 May 2012, the Company (as the borrower) entered into a facility agreement with HSBC (as the lender), pursuant to which a loan facility of US\$50 million for a period of 36 months from 4 May 2012 ("2012 HSBC Facility") was granted to the Company under the guarantee of its certain subsidiaries. The loan was fully repaid on 4 May 2015.
2. As disclosed in the Company's announcement dated 16 May 2013 and 25 July 2013, the Company (as the borrower) entered into a facility agreement with HSBC, SCB, HSB, BEA, UBS AG, Singapore Branch and ICBC Asia (collectively known as the original lenders and mandated lead arrangers), HSB as the facility agent and SCB as the security agent, pursuant to which a loan facility of HK\$3,978 million with a revised greenshoe option of HK\$1,650 million for a period of 36 months from 16 May 2013 ("2013 Syndicated Loans") was granted to the Company under the guarantee of its certain subsidiaries.
3. As disclosed in the Company's announcement dated 21 May 2013, Tianjin Jinnan Xincheng Real Estate Development Co., Ltd. (天津津南新城房地產開發有限公司), a joint venture in which the Group owns 25% equity interest, entered into a facility agreement with, among others, HSBC Bank (China) Company Limited (Tianjin branch), Standard Chartered Bank (China) Limited and The Bank of East Asia (China) Limited (Tianjin branch) (collectively known as mandated lead arrangers), HSBC Bank (China) Company Limited (Shanghai branch) as facility agent and security agent and certain financial institutions as specified therein (as initial lenders), pursuant to which a term loan of RMB1,000 million for a period of 36 months from 21 May 2013 ("2013 Tianjin RMB Facility") was granted to Tianjin Jinnan Xincheng Real Estate Development Co., Ltd..
4. As disclosed in the Company's announcement dated 10 October 2013, Charm Talent Limited, a company which is wholly-owned by Accord Wing Limited, a joint venture in which the Group owns 25% equity interest, entered into a facility agreement with, among others, BEA, HSBC and SCB (collectively known as the original lenders and mandated lead arrangers), and HSBC as facility agent, security agent and account bank, pursuant to which a transferable term loan of HK\$2,700 million for a period of 36 months from 11 October 2013 ("2013 Tianjin HKD Facility") was granted to Charm Talent Limited.
5. As disclosed in the Company's announcement dated 12 November 2013, the Company (as the borrower) entered into a facility agreement with BOC Macau (as the lender), pursuant to which a term loan facility of US\$50 million for a period of 12 months from 14 November 2013 ("2013 BOC Macau Facility") was granted to the Company. On 14 November 2014, the Company and certain Directors of the Company as guarantors entered into an amendment and restatement agreement with BOC Macau. The facility was fully repaid on 16 November 2015.
6. As disclosed in the Company's announcement dated 14 April 2014, the Company entered into a facility agreement with SCB, HSB and HSBC (collectively known, as the lenders and mandated lead arrangers), and HSB as the facility agent and security agent, pursuant to which a term loan facility in the amount of US\$475 million for a term of 8 months from 14 April 2014 (the "2014 Bridge Loan") was granted to the Company under the guarantee of its certain subsidiaries. On 28 November 2014, the Company and certain of its subsidiaries entered into an amendment and restatement deed with HSB as the facility agent and security agent. The facility was fully repaid on 2 June 2015.
7. As disclosed in the Company's announcement dated 25 June 2014, the Company entered into a facility agreement with HSB, HSBC, BNP Paribas Hong Kong Branch, SCB and China Construction Bank (Asia) Corporation Limited (collectively known as the mandated lead arrangers, joint co-ordinators and original lenders), and HSB as facility agent and security agent pursuant to which a term loan facility in the amount of HK\$2,665 million with a greenshoe option of HK\$3,000 million for a term of 36 months from 25 June 2014 (the "2014 Club Facility") was granted to the Company under the guarantee of its certain subsidiaries.

## Report of the Directors (Continued)

In connection with the aforesaid facilities, it will be an event of default if (i) Chen Zhuo Lin, Chan Cheuk Yin, Luk Sin Fong, Fion, Chan Cheuk Hung, Chan Cheuk Hei and Chan Cheuk Nam (hereinafter collectively the “Controlling Shareholders”) collectively, directly or indirectly, do not own more than 50% of the total issued share capital of the Company (only for 2013 Syndicated Loans, 2013 BOC Macau Facility, 2014 Bridge Loan and 2014 Club Facility)/do not or cease to own at least 50% of the direct or indirect beneficial interests in the Company (only for 2012 HSBC Facility, 2013 Tianjin RMB Facility and 2013 Tianjin HKD Facility); and/or (ii) the Controlling Shareholders collectively do not or cease to be entitled to exercise management control of the Company; and/or (iii) Chen Zhuo Lin is not or ceases to be the chairman of the Board, and within 15 business days of him ceasing to act as chairman, he is not replaced by either: (1) Luk Sin Fong, Fion as chairperson of the Board; (2) Chan Cheuk Yin as chairman of the Board; or (3) Luk Sin Fong, Fion and Chan Cheuk Yin as co-chairpersons of the Board (only for 2012 HSBC Facility, 2013 Syndicated Loans, 2013 Tianjin HKD Facility, 2013 BOC Macau Facility, 2014 Bridge Loan); and/or (iv) Chen Zhuo Lin is not or ceases to be the chairperson of the Board (only for the 2014 Club Facility). In case of an occurrence of an event of default, the facility agent may, and shall if so directed by the majority lenders (only for 2013 Syndicated Loans, 2013 Tianjin RMB Facility, 2013 Tianjin HKD Facility, 2014 Bridge Loan and 2014 Club Facility)/the lender (only for 2012 HSBC Facility and 2013 BOC Macau Facility) may by notice to the Company (a) cancel the commitment; and/or (b) declare that all or part of the loans, together with accrued interest, and all other amounts accrued or outstanding under the finance documents be immediately due and payable; and/or (c) declare that all or part of the loans be payable on demand by the facility agent on the instructions of the majority lenders (only for 2013 Syndicated Loans, 2013 Tianjin RMB Facility, 2013 Tianjin HKD Facility, 2014 Bridge Loan and 2014 Club Facility)/payable on demand by the lender (only for 2012 HSBC Facility and 2013 BOC Macau Facility); and/or (d) to exercise or direct the security agent (only for 2013 Syndicated Loans, 2013 Tianjin RMB Facility, 2013 Tianjin HKD Facility, 2014 Bridge Loan and 2014 Club Facility) to exercise all or any of its rights, remedies, powers or discretions under the finance documents (subject to the terms of the inter-creditor agreement).

### Pre-Emptive Rights

No provision has been made both in the memorandum of association of the Company and the Articles and under the laws of Cayman Islands in respect of pre-emptive rights, as such, the Company shall offer pro rata new Shares (if any) to the existing Shareholders.

### Equity Linked Agreement

During the year, the Company did not enter into any equity linked agreement except those under “Share Option Scheme” and “Share Award Scheme” and the disclosure in note 21 to the consolidated financial statements.

### Corporate Governance

The Company complied with all the provisions set out in the CG Code contained in Appendix 14 to the Listing Rules throughout the year except for certain deviations, details of which are set out in the Corporate Governance Report of this annual report.

### Sustainable Development

Sustainability Report is set out on pages 62 to 78 of this annual report.



### Public Float

From information that is publicly available to the Company and within the knowledge of its Directors for the year ended 31 December 2015 and as at the date of this annual report, at least 25% of the Company's total issued share capital is held by the public.

### Audit Committee

The audit committee of the Company had reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2015, and reviewed with the management of the Group regarding the accounting principles and practices adopted by the Group, and discussed with them the internal controls and financial reporting matters.

### Auditors

The consolidated financial statements of the Group for the year ended 31 December 2015 have been audited by PricewaterhouseCoopers, the auditor of the Company, which will retire and, being eligible, offer itself for re-appointment at the 2016 AGM. A resolution to re-appoint the auditor and to authorise the Directors to fix their remuneration will be proposed at the 2016 AGM.

On behalf of the Board

### **Chen Zhuo Lin**

*Chairman and President*

Hong Kong, 23 March 2016



# Financial Section

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# Independent Auditor's Report



羅兵咸永道

## TO THE SHAREHOLDERS OF AGILE PROPERTY HOLDINGS LIMITED

*(incorporated in the Cayman Islands with limited liability)*

We have audited the consolidated financial statements of Agile Property Holdings Limited (the "Company") and its subsidiaries set out on pages 118 to 198, which comprise the consolidated balance sheet as at 31 December 2015, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Directors' responsibility for the consolidated financial statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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*PricewaterhouseCoopers, 22/F, Prince's Building, Central, Hong Kong*  
*T: +852 2289 8888, F: +852 2810 9888*

### Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Company and its subsidiaries as at 31 December 2015, and of the financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### **PricewaterhouseCoopers**

Certified Public Accountants

Hong Kong, 23 March 2016

# Consolidated Balance Sheet

(All amounts in RMB thousands unless otherwise stated)

	Note	As at 31 December	
		2015	2014
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	6,651,965	7,696,021
Land use rights	7	1,940,762	2,288,324
Properties under development	14	6,798,703	9,663,011
Intangible assets	8	54,400	60,863
Investment properties	9	6,369,011	5,846,317
Interest in an associate	10	3,375	30,565
Interests in joint ventures	11	1,133,448	1,220,848
Available-for-sale financial assets	12	117,500	117,500
Other receivables	17	3,554,716	2,039,716
Deferred income tax assets	25	570,208	501,790
		<b>27,194,088</b>	<b>29,464,955</b>
<b>Current assets</b>			
Properties under development	14	44,523,607	50,518,110
Completed properties held for sale	15	16,888,695	16,138,247
Prepayments for acquisition of land use rights	16	5,540,880	3,700,798
Trade and other receivables	17	8,383,115	11,674,857
Prepaid income taxes		1,645,454	721,307
Restricted cash	18	5,729,642	5,362,080
Cash and cash equivalents	19	7,407,450	6,067,802
		<b>90,118,843</b>	<b>94,183,201</b>
<b>Total assets</b>		<b>117,312,931</b>	<b>123,648,156</b>
<b>EQUITY</b>			
<b>Capital and reserves attributable to the shareholders of the Company</b>			
Share capital and premium	20	5,097,967	5,097,967
Shares held for Share Award Scheme	21	(156,588)	(156,588)
Other reserves	22	3,044,577	2,453,809
Retained earnings		26,322,308	26,255,811
		<b>34,308,264</b>	<b>33,650,999</b>
<b>Perpetual Capital Securities</b>	23	<b>4,488,659</b>	<b>4,483,409</b>
<b>Non-controlling interests</b>	42	<b>3,198,064</b>	<b>2,960,884</b>
<b>Total equity</b>		<b>41,994,987</b>	<b>41,095,292</b>

## Consolidated Balance Sheet (Continued)

(All amounts in RMB thousands unless otherwise stated)

	Note	As at 31 December	
		2015	2014
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	24	23,543,043	25,850,994
Deferred income tax liabilities	25	1,243,798	1,315,858
		<b>24,786,841</b>	27,166,852
<b>Current liabilities</b>			
Borrowings	24	16,487,415	16,470,701
Trade and other payables	26	15,620,891	17,333,365
Advanced proceeds received from customers		7,110,576	9,215,606
Current income tax liabilities		11,312,221	12,366,340
		<b>50,531,103</b>	55,386,012
<b>Total liabilities</b>		<b>75,317,944</b>	82,552,864
<b>Total equity and liabilities</b>		<b>117,312,931</b>	123,648,156

The notes on pages 125 to 198 form an integral part of these consolidated financial statements.

The consolidated financial statements on pages 118 to 198 were approved by the Board of Directors on 23 March 2016 and were signed on its behalf by:

**Chen Zhuo Lin**

*Director*

**Chan Cheuk Hung**

*Director*



# Consolidated Income Statement

(All amounts in RMB thousands unless otherwise stated)

	Note	Year ended 31 December	
		2015	2014
<b>Continuing Operations</b>			
Revenue	5	43,004,312	38,317,599
Cost of sales		(32,191,005)	(25,886,775)
<b>Gross profit</b>		<b>10,813,307</b>	12,430,824
Selling and marketing costs		(1,785,859)	(1,784,164)
Administrative expenses		(1,444,024)	(1,437,438)
Fair value gains on investment properties	9	62,523	469,625
Other (losses)/gains, net	27	(139,387)	146,034
Other income	28	212,162	979,166
Other expenses	29	(82,439)	(312,950)
<b>Operating profit</b>		<b>7,636,283</b>	10,491,097
Finance costs, net	32	(1,325,206)	(292,573)
Share of post-tax loss of an associate	10	(27,190)	(27,636)
Share of post-tax losses of joint ventures	11	(87,400)	(44,997)
<b>Profit before income tax</b>		<b>6,196,487</b>	10,125,891
Income tax expenses	33	(3,894,950)	(5,034,790)
<b>Profit for the year</b>		<b>2,301,537</b>	5,091,101
<b>Profit attributable to:</b>			
Shareholders of the Company		1,390,343	4,287,245
Holders of Perpetual Capital Securities	23	358,565	354,782
Non-controlling interests		552,629	449,074
		<b>2,301,537</b>	5,091,101
<b>Earnings per share from continuing operations attributable to shareholders of the Company for the year</b>			
(expressed in RMB per share)			
— Basic	34	0.358	1.222
— Diluted	34	0.358	1.203

The notes on pages 125 to 198 form an integral part of these consolidated financial statements.

# Consolidated Statement of Comprehensive Income

(All amounts in RMB thousands unless otherwise stated)

	Note	Year ended 31 December	
		2015	2014
<b>Profit for the year</b>		<b>2,301,537</b>	5,091,101
<b>Other comprehensive income:</b>			
Items that will not be reclassified subsequently to profit or loss			
— Revaluation gains arising from transfer of property, plant and equipment and land use rights to investment property, net of tax	9	21,337	–
Items that may be reclassified to profit or loss			
— Currency translation differences		16,736	579
Other comprehensive income for the year, net of tax		38,073	579
<b>Total comprehensive income for the year</b>		<b>2,339,610</b>	5,091,680
<b>Attributable to:</b>			
— Shareholders of the Company		1,423,395	4,287,650
— Holders of the Perpetual Capital Securities		358,565	354,782
— Non-controlling interests		557,650	449,248
		<b>2,339,610</b>	5,091,680

The notes on pages 125 to 198 form an integral part of these consolidated financial statements.

# Consolidated Statement of Changes in Equity

(All amounts in RMB thousands unless otherwise stated)

	Attributable to shareholders of the Company							
	Share capital and premium (note 20)	Shares held for Share Award Scheme (note 21)	Other reserves (note 22)	Retained earnings	Total	Perpetual Capital Securities (note 23)	Non-controlling interests	Total equity
<b>Balance at 1 January 2015</b>	5,097,967	(156,588)	2,453,809	26,255,811	33,650,999	4,483,409	2,960,884	41,095,292
<b>Comprehensive income</b>								
Profit for the year	–	–	–	1,390,343	1,390,343	358,565	552,629	2,301,537
<b>Other comprehensive income</b>								
— Currency translation differences	–	–	11,715	–	11,715	–	5,021	16,736
— Revaluation gains arising from transfer of property, plant and equipment and land use rights to investment property, net of tax (note 9)	–	–	21,337	–	21,337	–	–	21,337
<b>Total comprehensive income for the year</b>	–	–	33,052	1,390,343	1,423,395	358,565	557,650	2,339,610
<b>Total transactions with shareholders, recognised directly in equity</b>								
Transfer to statutory reserve and enterprise expansion fund (note 22)	–	–	557,716	(557,716)	–	–	–	–
Distribution to holders of Perpetual Capital Securities (note 23)	–	–	–	–	–	(353,315)	–	(353,315)
Dividends (note 35)	–	–	–	(766,130)	(766,130)	–	–	(766,130)
Capital injection by non-controlling interests	–	–	–	–	–	–	118,317	118,317
Dividends distribution to non-controlling interests (note 42)	–	–	–	–	–	–	(438,787)	(438,787)
Total transactions with shareholders, recognised directly in equity	–	–	557,716	(1,323,846)	(766,130)	(353,315)	(320,470)	(1,439,915)
<b>Balance at 31 December 2015</b>	5,097,967	(156,588)	3,044,577	26,322,308	34,308,264	4,488,659	3,198,064	41,994,987

## Consolidated Statement of Changes in Equity (Continued)

(All amounts in RMB thousands unless otherwise stated)

	Attributable to shareholders of the Company							Total equity
	Share capital and premium (note 20)	Shares held for Share Award Scheme (note 21)	Other reserves (note 22)	Retained earnings	Total	Perpetual Capital Securities (note 23)	Non-controlling interests	
<b>Balance at 1 January 2014</b>	3,642,725	–	1,298,093	24,425,370	29,366,188	4,486,025	2,715,083	36,567,296
<b>Comprehensive income</b>								
Profit for the year	–	–	–	4,287,245	4,287,245	354,782	449,074	5,091,101
<b>Other comprehensive income</b>								
Currency translation differences	–	–	405	–	405	–	174	579
<b>Total comprehensive income for the year</b>	–	–	405	4,287,245	4,287,650	354,782	449,248	5,091,680
<b>Total transactions with shareholders, recognised directly in equity</b>								
Issue of new shares under Share Award Scheme (note 21)	156,588	(156,588)	–	–	–	–	–	–
Issue of new shares under rights issue (note 20)	1,298,654	–	–	–	1,298,654	–	–	1,298,654
Transfer to statutory reserve and enterprise expansion funds (note 22)	–	–	1,155,311	(1,155,311)	–	–	–	–
Distribution to holders of Perpetual Capital Securities (note 23)	–	–	–	–	–	(357,398)	–	(357,398)
Dividends (note 35)	–	–	–	(1,301,493)	(1,301,493)	–	–	(1,301,493)
Capital injection by non-controlling interests	–	–	–	–	–	–	139,169	139,169
Dividends distribution to non-controlling interests (note 42)	–	–	–	–	–	–	(342,616)	(342,616)
Total transactions with shareholders, recognised directly in equity	1,455,242	(156,588)	1,155,311	(2,456,804)	(2,839)	(357,398)	(203,447)	(563,684)
<b>Balance at 31 December 2014</b>	5,097,967	(156,588)	2,453,809	26,255,811	33,650,999	4,483,409	2,960,884	41,095,292

The notes on page 125 to 198 form an integral part of these consolidated financial statements.



# Consolidated Statement of Cash Flows

(All amounts in RMB thousands unless otherwise stated)

	Note	Year ended 31 December	
		2015	2014
<b>Cash flows from operating activities</b>			
Cash generated from operations	36	16,318,242	4,954,138
Interest paid		(3,160,953)	(2,989,803)
PRC income tax paid		(6,020,805)	(4,366,676)
Net cash generated from/(used in) operating activities		7,136,484	(2,402,341)
<b>Cash flows from investing activities</b>			
Payments of construction cost of investment properties		(210,886)	(319,695)
Prepayment of land use rights for development of own used properties		(8,361)	(2,151)
Investment in joint ventures		-	(235,563)
Purchases of property, plant and equipment		(328,698)	(965,191)
Purchases of intangible assets		(4,752)	(22,154)
Proceed from disposal of investment properties and property, plant and equipment		301,080	77,873
Repayment of cash advances from a joint venture		111,501	301,357
Cash advances made to an associate and joint ventures		(679,523)	(534,500)
Interest received		120,162	86,067
Net cash used in investing activities		(699,477)	(1,613,957)
<b>Cash flows from financing activities</b>			
Net proceeds from rights issue		-	1,298,654
Net proceeds from issue of senior notes		2,998,104	4,936,572
Proceeds from borrowings		12,123,690	20,699,390
Repayments of borrowings		(18,631,411)	(18,757,773)
(Increase)/decrease in guarantee deposit for borrowings		(31,092)	2,536,304
Redemption of Convertible Bonds		-	(3,076,157)
Redemption of senior notes		-	(1,928,241)
Cash advances from related parties		237,288	29,360
Repayments of cash advances to related parties		(138,980)	(87,252)
Capital injection by non-controlling interests		98,000	139,169
Distribution to holders of Perpetual Capital Securities		(353,315)	(357,398)
Dividends paid to shareholders of the Company		(766,105)	(1,760,835)
Dividends paid to non-controlling interests		(438,787)	(342,616)
Net cash (used in)/generated from financing activities		(4,902,608)	3,329,177
<b>Net increase/(decrease) in cash and cash equivalents</b>		1,534,399	(687,121)
Cash and cash equivalents at beginning of the year		6,067,802	6,783,643
Exchange losses on cash and cash equivalents		(194,751)	(28,720)
<b>Cash and cash equivalents at end of the year</b>	19	7,407,450	6,067,802

The notes on pages 125 to 198 form an integral part of these consolidated financial statements.

# Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

## 1 General information

Agile Property Holdings Limited (the "Company") is a limited liability company incorporated in the Cayman Islands on 14 July 2005 and is principally engaged in investment holding. The address of its registered office is Cricket Square, Hutchins Drive, P. O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company and its subsidiaries (the "Group") are principally engaged in property development in the People's Republic of China (the "PRC").

The Company's shares were listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 15 December 2005.

These consolidated financial statements have been approved for issue by the Board of Directors of the Company on 23 March 2016.

## 2 Summary of significant accounting policies

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 Basis of preparation

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

The preparation of financial statements in conformity with the HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

#### (a) New and amended standards adopted by the Group

The following amendments to standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2015:

Amendment to HKAS 19 on contributions from employees or third parties to defined benefit plans. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period. The amendment allows contributions that are linked to service, and do not vary with the length of employee service, to be deducted from the cost of benefits earned in the period that the service is provided. Contributions that are linked to service, and vary according to the length of employee service, must be spread over the service period using the same attribution method that is applied to the benefits.

Amendments from annual improvements to HKFRS — 2010 — 2012 Cycle, on HKFRS 8, "Operating segments", HKAS 16, "Property, plant and equipment" and HKAS 38, "Intangible assets" and HKAS 24, "Related party disclosures".

Amendments from annual improvements to HKFRS — 2011 — 2013 Cycle, on HKFRS 3, "Business combinations", HKFRS 13, "Fair value measurement" and HKAS 40, "Investment property".

Impacts of other standards, amendments and interpretations, which are effective for the financial year beginning on 1 January 2015 are not material to the Group.

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 2 Summary of significant accounting policies (Continued)

#### 2.1 Basis of preparation (Continued)

##### (b) New Hong Kong Companies Ordinance (Cap.622)

In addition, the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation during the financial year, as a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

##### (c) New and amended standards and interpretations issued but are not effective for financial year commencing on 1 January 2015 and have not been early adopted by the Group

Standards/Amendments/ Interpretation	Subject of amendment	Effective for annual periods beginning on or after
HKFRS 14	Regulatory deferral accounts	1 January 2016
Amendment to HKFRS 11	Accounting for acquisitions of interests in joint operations	1 January 2016
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation	1 January 2016
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	Effective date of this amendment was postponed indefinitely.
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: applying the consolidation exception	1 January 2016
Amendment to HKAS 27	Equity method in separate financial statements	1 January 2016
Annual improvements 2014	2012–2014 cycle of the annual improvements	1 January 2016
Amendment to HKAS 1	Disclosure initiative	1 January 2016
HKFRS 15	Revenue from contracts with customers	1 January 2018
HKFRS 9	Financial instruments	1 January 2018

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

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

## 2 Summary of significant accounting policies (Continued)

### 2.2 Subsidiaries

#### 2.2.1 Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

(a) *Business combinations*

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKAS 39 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated income statement.

Intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 2 Summary of significant accounting policies (Continued)

#### 2.2 Subsidiaries (Continued)

##### 2.2.1 Consolidation (Continued)

(b) *Changes in ownership interests in subsidiaries without change of control*

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions — that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) *Disposal of subsidiaries*

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

##### 2.2.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

#### 2.3 Associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investments in associates include goodwill identified on acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 2 Summary of significant accounting policies (Continued)

#### 2.3 Associates (Continued)

The Group's share of post-acquisition profit or loss is recognised in the consolidated income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to "share of post-tax loss of an associate" in the consolidated income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gains or losses on dilution of equity interest in associates are recognised in the consolidated income statement.

#### 2.4 Joint arrangements

The Group has applied HKFRS 11 to all joint arrangements. Under HKFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. The Group's investments in joint ventures include goodwill identified on acquisition. Upon the acquisition of the ownership interest in a joint venture, any difference between the cost of the joint venture and the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is accounted for as goodwill. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 2 Summary of significant accounting policies *(Continued)*

#### 2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company that makes strategic decisions of the Group.

#### 2.6 Foreign currency translation

##### (a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Renminbi ("RMB"), which is the Company's functional and the Group's presentation currency.

##### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings denominated in foreign currencies are presented in the consolidated income statement within "finance costs, net". All other foreign exchange gains and losses are presented in the consolidated income statement within "other (losses)/gains, net".

Changes in the fair value of debt securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

# Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

## 2 Summary of significant accounting policies (Continued)

### 2.6 Foreign currency translation (Continued)

#### (c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting currency translation differences are recognised in other comprehensive income.

### 2.7 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation and any impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated income statement during the financial period in which they are incurred.

When there is a change of use from an investment property to an owner-occupied property, the property's deemed cost for subsequent accounting shall be its fair value at the date of change in use.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

— Buildings	20-30 years
— Hotel decorations	10 years
— Office equipment	5-8 years
— Transportation equipment	5-10 years
— Machinery	5-10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.11).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "Other (losses)/gains, net" in the consolidated income statement.



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 2 Summary of significant accounting policies (Continued)

#### 2.8 Construction in progress

Construction in progress represents property under construction and is stated at cost less accumulated impairment loss, if any. Cost includes the costs of construction of buildings and interest charges arising from borrowings used to finance these assets during the period of construction, if any. No provision for depreciation is made on construction in progress until such times as the relevant assets are completed and are available for intended use. When the assets concerned are brought into use, the costs are transferred to property, plant and equipment and depreciated in accordance with the policy as stated in the preceding paragraphs.

#### 2.9 Investment property

Investment property, principally comprising land use rights and buildings, is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group. It also includes properties that are being constructed or developed for future use as investment properties. Land held under operating leases are accounted for as investment properties when the rest of the definition of an investment property is met. In such cases, the operating leases concerned are accounted for as if they were finance leases. Investment properties are initially measured at cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment properties are carried at fair value, representing open market value determined at each reporting date by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are recorded as "Fair value gains on investment properties" in the consolidated income statement.

When an owner-occupied property becomes an investment property carried at fair value, the Group applies HKAS 16 up to the date of change in use. The Group treats any difference at that date between the carrying amount of the property in accordance with HKAS 16 and its fair value in the same way as a revaluation in accordance with HKAS 16. In other words, any resulting increase in the carrying amount is treated as follows:

- (i) to the extent that the increase reverses a previous impairment loss for that property, the increase is recognised in profit or loss.
- (ii) any remaining part of the increase is recognised in other comprehensive income and increases the revaluation surplus within equity.

#### 2.10 Intangible assets

##### Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (2 to 10 years).

#### 2.11 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating unit). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

## 2 Summary of significant accounting policies (Continued)

### 2.12 Financial assets

#### 2.12.1 Classification

The Group classifies its financial assets in the following categories: loans and receivables, and available for sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise "trade and other receivables" and "cash and cash equivalents" in the consolidated balance sheet (notes 2.16 and 2.17).

(b) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

#### 2.12.2 Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date — the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the consolidated income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

When financial assets classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the consolidated income statement as "other (losses)/gains, net".

Dividends on available-for-sale equity instruments are recognised in the consolidated income statement as part of other income when the Group's right to receive payments is established.

Changes in the fair value of monetary and non-monetary equity instruments classified as available for sale are recognised in other comprehensive income.

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 2 Summary of significant accounting policies *(Continued)*

#### 2.13 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

#### 2.14 Impairment of financial assets

##### (a) Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

##### (b) Assets classified as available for sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For equity investments, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists, the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss — is removed from equity and recognised in profit or loss. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement.

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 2 Summary of significant accounting policies (Continued)

#### 2.15 Properties under development and held for sale

Properties under development and held for sale are stated at the lower of cost and net realisable value. Development cost of properties comprises cost of land use rights, construction costs and borrowing costs incurred during the construction period. Upon completion, the properties are transferred to completed properties held for sale.

Net realisable value takes into account the price ultimately expected to be realised, less applicable variable selling expenses and the anticipated costs to completion.

Properties under development and held for sale are classified as current assets unless the construction period of the relevant property development project is expected to complete beyond normal operating cycle.

#### 2.16 Trade and other receivables

Trade receivables are amounts due from customers for properties sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

#### 2.17 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

#### 2.18 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### 2.19 Perpetual Capital Securities

Perpetual Capital Securities with no contracted obligation to repay its principal or to pay any distribution are classified as part of equity.

#### 2.20 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 2 Summary of significant accounting policies *(Continued)*

#### 2.21 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

#### 2.22 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the consolidated income statement in the period in which they are incurred.

Borrowing costs include interest expense and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. The exchange gains and losses that are an adjustment to interest costs include the interest rate differential between borrowing costs that would be incurred if the entity had borrowed funds in its functional currency, and the borrowing costs actually incurred on foreign currency borrowings. Such amounts are estimated based on forward currency rates at the inception of the borrowings.

When the construction of the qualifying assets takes more than one accounting period, the amount of foreign exchange differences eligible for capitalisation is determined for each annual period and are limited to the difference between the hypothetical interest amount for the functional currency borrowings and the actual interest incurred for foreign currency borrowings. Foreign exchange differences that did not meet the criteria for capitalisation in previous years should not be capitalised in subsequent years.

## 2 Summary of significant accounting policies (Continued)

### 2.23 Current and deferred income tax

The tax expense for the period comprises current and deferred income tax and land appreciation tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

#### (a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company, its subsidiaries, associates and joint ventures operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

#### (b) Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint ventures, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only when there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from the associate's undistributed profits is not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint ventures only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

#### (c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 2 Summary of significant accounting policies (Continued)

#### 2.24 Employee benefits

##### (a) Pension obligations

The Group only operate defined contribution pension plans. In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries. The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees' payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the governments.

The Group also participates in a retirement benefit scheme under the rules and regulations of the Mandatory Provident Fund Scheme Ordinance ("MPF Scheme") for all employees in Hong Kong. The contributions to the MPF Scheme are based on minimum statutory contribution requirement of the lower of 5% of eligible employees' relevant aggregate income and HK\$1,500. The assets of this MPF Scheme are held separately from those of the Group in independently administered funds.

The Group's contributions to the defined contribution retirement scheme are expensed as incurred.

##### (b) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

##### (c) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

## 2 Summary of significant accounting policies (Continued)

### 2.24 Employee benefits (Continued)

#### (d) Equity-settled share-based payment transactions

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for shares of the Group. The fair value of the employee services received in exchange for the grant of the shares is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the shares granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or holding shares for a specified period of time).

At the end of each reporting period, the Group revises its estimates of the number of shares that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated income statement, if any, with a corresponding adjustment to equity.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

### 2.25 Provisions

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 2 Summary of significant accounting policies *(Continued)*

#### 2.26 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of properties and services in the ordinary course of the Group's activities. Revenue is shown net of discount and after eliminating revenue made with the Group companies.

The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates of returns on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

**(a) Sales of properties**

Revenue from sales of properties is recognised when a Group entity has delivered the relevant properties to the purchaser and collectability of related consideration is reasonably assured. Deposits and installments received on properties sold prior to the date of revenue recognition are included in the consolidated balance sheets under current liabilities.

**(b) Property management**

Revenue arising from property management is recognised in the accounting period in which the services are rendered.

**(c) Hotel operations**

Hotel revenue from room rentals, food and beverage sales and other ancillary services are recognised when the goods are delivered or services are rendered.

**(d) Rental income**

Rental income from investment properties is recognised in the consolidated income statement on a straight-line basis over the term of lease.

**(e) Interest income**

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognised using the original effective interest rate.

**(f) Dividend income**

Dividend income is recognised when the right to receive payment is established.

## 2 Summary of significant accounting policies (Continued)

### 2.27 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

**(i) The Group is the lessee other than operating lease of land use rights**

Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated income statement on a straight-line basis over the period of the lease.

**(ii) The Group is the lessee under operating lease of land use rights**

Land use rights under operating lease, which mainly comprise land use rights to be developed for hotel properties and own used buildings, are stated at cost and subsequently amortised in the consolidated income statement on a straight-line basis over the operating lease periods.

**(iii) The Group is the lessor**

Assets leased out under operating leases are included in investment properties in the consolidated balance sheet.

### 2.28 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

### 2.29 Insurance contracts

An insurance contract is a contract under which one party (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. Insurance risk is a pre-existing risk transferred from the policyholder to the insurer, and is significant only if an insured event could cause an insurer to pay significant additional benefits in any scenario, excluding scenarios that lack commercial substance (i.e. have no discernible effect on the economics of the transaction).

The Group assesses at each reporting date whether its recognised insurance liabilities are adequate, using current estimates of future cash flows under its insurance contracts. If that assessment shows that the carrying amount of its insurance liabilities is inadequate in the light of the estimated future cash flows, the entire deficiency is recognised in the consolidated income statement.

The Group regards its financial guarantee contracts provided in respect of mortgage facilities for certain property purchasers as insurance contracts.

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 3 Financial risk management

#### 3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The property industry is highly sensitive to the economic environment in the PRC. The Group finances its operations from shareholders' fund, sales of properties, issuance of senior notes, bank and other borrowings. The Group has alternative plans to monitor liquidity risk should there be significant adverse changes on the Group's cash flow projections.

##### (i) Currency risk

The Group's businesses are principally conducted in RMB, except that certain receipts of proceeds from sales of properties, fees of property management services, senior notes, bank borrowings and syndicated loans are in other currencies. As at 31 December 2015, major non-RMB assets and liabilities are cash and cash equivalents, senior notes, bank borrowings and syndicated loans denominated in HK dollar ("HK\$"), US dollar ("US\$") or Malaysia Ringgit ("MYR"). Fluctuation of the exchange rates of RMB against foreign currencies could affect the Group's results of operations. The Group has not entered into any forward exchange contracts to hedge its exposure to foreign exchange risk during the year ended 31 December 2015.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the respective balance sheet dates are as follows:

	Group	
	2015	2014
Monetary assets		
— HK\$	365,830	303,993
— US\$	49,687	68,642
— MYR	188,621	14,091
	<b>604,138</b>	386,726
Monetary liabilities		
— HK\$	3,466,500	6,242,151
— US\$	18,698,219	16,871,955
— MYR	823,327	101,342
	<b>22,988,046</b>	23,215,448

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 3 Financial risk management (Continued)

#### 3.1 Financial risk factors (Continued)

##### (i) Currency risk (Continued)

The following table shows the sensitivity analysis of a 5% change in RMB against the relevant foreign currencies. The sensitivity analysis includes only foreign currency denominated monetary items and adjusts their translation at the year-end for a 5% change in foreign currency rates. If there is a 5% increase/decrease in RMB against the relevant currencies, the effect of increase/(decrease) in the profit for the year is as follows:

	Group	
	2015	2014
5% increase in RMB against HK\$	156,419	299,360
5% decrease in RMB against HK\$	(156,419)	(299,360)
5% increase in RMB against US\$	932,442	840,175
5% decrease in RMB against US\$	(932,442)	(840,175)
5% increase in RMB against MYR	31,725	4,365
5% decrease in RMB against MYR	(31,725)	(4,365)

##### (ii) Interest rate risk

The Group's exposure to changes in interest rates is mainly attributable to its borrowings. Senior notes and other borrowings at fixed rate expose the Group to fair value interest rate risk. Borrowings at variable rates expose the Group to cash flow interest-rate risk. The Group closely monitors trend of interest rate and its impact on the Group's interest rate risk exposure. The Group currently has not used any interest rate swap arrangements but will consider hedging interest rate risk should the need arise.

As at 31 December 2015 and 2014, if interest rates on borrowings had been 100 basis points higher or lower with all other variables held constant, interest charges for the years ended 31 December 2015 and 2014 would increase or decrease by RMB150,243,000 and RMB196,054,000 respectively, mainly as a result of higher or lower interest expense on floating rate borrowings.

##### (iii) Credit risk

The Group is exposed to credit risk in relation to its trade and other receivables and cash deposits with banks.

The carrying amounts of trade and other receivables, restricted cash, cash and cash equivalents represent the Group's maximum exposure to credit risk in relation to financial assets.

To manage this risk, deposits are mainly placed with licensing banks which are all high-credit-quality financial institutions.

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



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 3 Financial risk management *(Continued)*

#### 3.1 Financial risk factors *(Continued)*

##### (iii) Credit risk *(Continued)*

Meanwhile, the Group has the right to cancel the contracts once repayment from the customers is in default; it also has monitoring procedures to ensure that follow-up actions are taken to recover overdue balances. In addition, the Group regularly reviews the recoverable amount of each individual trade receivables to ensure that adequate impairment provisions are made for irrecoverable amounts. The Group has no significant concentrations of credit risk, with exposure spread over a number of counterparties and customers.

The Group typically provides guarantees to banks in connection with the customers' borrowing of mortgage loans to finance their purchase of properties for an amount up to 80% of the total purchase price of the property. If a purchaser defaults on the payment of its mortgage loan during the guarantee period, the bank holding the guarantee may demand the Group to repay the outstanding amount under the loan and any interest accrued thereon. Under such circumstances, the Group is able to retain the customer's deposit and re-sell the property to recover any amounts paid by the Group to the bank. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced. Detailed disclosure of these guarantees is made in the note 37.

No significant credit limits were exceeded during the reporting period, and management does not expect any significant losses from non-performance by these counterparties.

##### (iv) Liquidity risk

Management aims to maintain sufficient cash and cash equivalents or have available funding through an adequate amount of available financing, including proceeds from pre-sale of properties, committed credit facilities and short-term and long-term borrowings to meet its construction commitments.

The Group has a number of alternative plans to mitigate the potential impacts on anticipated cash flows should there be significant adverse changes in economic environment. These include control on investment in land bank, adjusting project development timetable to adapt the changing local real estate market environment, implementing cost control measures, promotion of sales of completed properties, accelerating sales with more flexible pricing etc. The Group will pursue such options basing on its assessment of relevant future costs and benefits.

The table below analyses the Group's financial liabilities maturity profile at the balance sheet date. The amounts disclosed thereon are the contractual undiscounted cash flows. Balances due within 12 months from the balance sheet date equal to their carrying amounts in the balance sheets, as the impact of discount should not be significant.

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 3 Financial risk management (Continued)

#### 3.1 Financial risk factors (Continued)

##### (iv) Liquidity risk (Continued)

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
<b>Group</b>					
<b>At 31 December 2015</b>					
Borrowings	19,625,857	14,551,895	11,652,300	534,847	46,364,899
Trade and other payables(*)	14,960,548	-	-	-	14,960,548
<b>At 31 December 2014</b>					
Borrowings	19,546,033	10,565,167	19,294,252	691,353	50,096,805
Trade and other payables(*)	16,714,246	-	-	-	16,714,246

\* Excluding staff welfare benefit payable and other taxes payable.

#### 3.2 Capital risk management

The Group's objectives of capital management are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the unnecessary cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of any returns to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors its capital structure on a basis of gearing ratio. This ratio is calculated as net borrowings divided by total equity as shown in the consolidated balance sheet. Net borrowings are calculated as total borrowings (including current and non-current borrowings as shown in the consolidated balance sheet) less total of cash and cash equivalents and restricted cash.

	2015	2014
Total borrowings (note 24)	40,030,458	42,321,695
Less: cash and cash equivalents (note 19) restricted cash (note 18)	(7,407,450) (5,729,642)	(6,067,802) (5,362,080)
Net Borrowings	26,893,366	30,891,813
Total equity	41,994,987	41,095,292
<b>Gearing ratio</b>	<b>64.0%</b>	75.2%

The decrease in the gearing ratio during the year ended 31 December 2015 was primarily resulted from the decrease in borrowings and the increase in cash and cash equivalents.

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 3 Financial risk management *(Continued)*

#### 3.3 Fair value estimation

The Group is not holding any financial assets and financial liabilities carried at fair value except for available-for-sale financial assets. The different levels of the financial instruments carried at fair value, by level of the inputs to valuation techniques used to measure fair value, have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

As at 31 December 2015 and 2014, the available-for-sale financial assets were stated at fair value. The financial assets and financial liabilities were included in level 3 as the quantitative information about fair value measurements were using significant unobservable inputs.

### 4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### 4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

##### (i) Current and deferred income tax

The Group is subject to corporate income taxes in the PRC. Significant judgement is required in determining the amount of the provision for taxation and the timing of payment of the related taxations. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

(All amounts in RMB thousands unless otherwise stated)

### 4 Critical accounting estimates and judgements *(Continued)*

#### 4.1 Critical accounting estimates and assumptions *(Continued)*

##### (ii) Land appreciation taxes

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

The subsidiaries of the Group engaging in property development business in the PRC are subject to land appreciation taxes, which have been included in the income tax expenses. However, the implementation of these taxes varies amongst various PRC cities and the Group has not finalised its land appreciation tax returns with various tax authorities for certain projects. Accordingly, significant judgement is required in determining the amount of land appreciation and its related taxes payable. The Group recognises these liabilities based on management's best estimates. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax expenses and provisions of land appreciation taxes in the period in which such determination is made.

##### (iii) Provisions for impairment of properties under development, completed properties held for sale and long-term assets held for hotel operations

Provision is made when events or changes in circumstances indicate that the carrying amounts may not be recoverable. For the purpose of assessing provision for impairment, properties under development, completed properties held for sale and long-term assets held by hotel segment are grouped at the lowest levels for which there are separately identifiable cash flows. The recoverability of the carrying amounts of land use rights for property development, properties under development and completed properties held for sale was assessed according to their recoverable amount, taking into account for costs to completion based on past experience and net sales value based on prevailing market conditions. The recoverable amounts of long-term assets held for hotel operation have been determined based on value-in-use calculations, taking into account latest market information and past experience. The assessment requires the use of judgement and estimates.

As at 31 December 2015, except for provision for impairment of completed properties of RMB123,647,000 (2014: RMB100,310,000) recognised by the Group, no other impairment was provided for properties under development or long-term assets held for hotel operation.

##### (iv) Fair value of investment properties

The fair value of investment properties is determined by using valuation technique. Details of the judgement and assumptions have been disclosed in note 9.

##### (v) Recoverability of trade receivables

The management assesses the recoverability of trade receivables individually with reference to the past repayment history as well as subsequent settlement status. Allowances are applied to these receivables where events or changes in circumstances indicate that the balances may not be collectible and require the use of estimates. Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade receivable and the impairment charge in the period in which such estimate has been changed.

As at 31 December 2015, no impairment was provided for trade receivables (2014: nil).



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 5 Segment information

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

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

The executive directors of the Company assess the performance of the operating segments based on a measure of segment results, being profit before income tax before deducting finance costs.

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

Analysis of revenue by the category for the years ended 31 December 2015 and 2014 is as follows:

	2015	2014
Sales of developed properties	41,421,174	37,036,636
Property management services	812,940	683,147
Hotel operations	673,735	527,362
Rental income from investment properties	96,463	70,454
	<b>43,004,312</b>	38,317,599

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 5 Segment information (Continued)

Segment information provided to the executive directors of the Company for the reporting segments for the years ended 31 December 2015 and 2014 are as follows:

#### Year ended 31 December 2015

	Property development	Property management	Hotel operations	Property investment	Elimination	Group
Gross segment sales	41,421,174	1,118,097	673,735	96,463	–	43,309,469
Inter-segment sales	–	(305,157)	–	–	–	(305,157)
Sales to external customers	41,421,174	812,940	673,735	96,463	–	43,004,312
Fair value gains on investment properties (note 9)	–	–	–	62,523	–	62,523
Operating profit/(loss)	7,500,544	122,483	(80,799)	94,055	–	7,636,283
Share of post-tax loss of an associate (note 10)	(27,190)	–	–	–	–	(27,190)
Share of post-tax losses of joint ventures (note 11)	(87,400)	–	–	–	–	(87,400)
Segment result	7,385,954	122,483	(80,799)	94,055	–	7,521,693
Finance costs, net (note 32)						(1,325,206)
Profit before income tax						6,196,487
Income tax expenses (note 33)						(3,894,950)
Profit for the year						2,301,537
Depreciation	130,981	5,068	231,297	–		367,346
Amortisation of land use rights and intangible assets	23,610	533	56,816	–		80,959
Write-down of completed properties held for sale (note 15)	123,647	–	–	–		123,647
<b>Segment assets</b>	<b>100,725,054</b>	<b>1,196,588</b>	<b>7,962,339</b>	<b>6,369,011</b>	<b>(1,155,723)</b>	<b>115,097,269</b>
Unallocated assets						2,215,662
<b>Total assets</b>						<b>117,312,931</b>
Segment assets include:						
Interest in an associate (note 10)	3,375	–	–	–		3,375
Interests in joint ventures (note 11)	1,133,448	–	–	–		1,133,448
<b>Segment liabilities</b>	<b>17,445,745</b>	<b>464,201</b>	<b>5,945,204</b>	<b>32,040</b>	<b>(1,155,723)</b>	<b>22,731,467</b>
Unallocated liabilities						52,586,477
<b>Total liabilities</b>						<b>75,317,944</b>
Capital expenditure	130,419	3,505	219,805	210,886		564,615

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 5 Segment information *(Continued)*

Segment assets and liabilities are reconciled to total assets and liabilities as at 31 December 2015 as follows:

	Assets	Liabilities
Segment assets/liabilities	115,097,269	22,731,467
Unallocated:		
Deferred income taxes	570,208	1,243,798
Prepaid income taxes	1,645,454	–
Current income tax liabilities	–	11,312,221
Current borrowings	–	16,487,415
Non-current borrowings	–	23,543,043
Total	117,312,931	75,317,944

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 5 Segment information (Continued)

#### Year ended 31 December 2014

	Property development	Property management	Hotel operations	Property investment	Elimination	Group
Gross segment sales	37,081,756	951,900	527,362	70,454	–	38,631,472
Inter-segment sales	(45,120)	(268,753)	–	–	–	(313,873)
Sales to external customers	37,036,636	683,147	527,362	70,454	–	38,317,599
Fair value gains on investment properties (note 9)	–	–	–	469,625	–	469,625
Operating profit/(loss)	10,191,932	65,997	(256,475)	489,643	–	10,491,097
Share of post-tax loss of an associate (note 10)	(27,636)	–	–	–	–	(27,636)
Share of post-tax losses of joint ventures (note 11)	(44,997)	–	–	–	–	(44,997)
Segment result	10,119,299	65,997	(256,475)	489,643	–	10,418,464
Finance costs, net (note 32)						(292,573)
Profit before income tax						10,125,891
Income tax expenses (note 33)						(5,034,790)
Profit for the year						5,091,101
Depreciation	98,445	4,868	238,807	–		342,120
Amortisation of land use rights and intangible assets	26,102	439	58,675	–		85,216
Write-down of completed properties held for sale (note 15)	100,310	–	–	–		100,310
<b>Segment assets</b>	107,743,799	1,423,822	8,433,235	5,846,317	(1,022,114)	122,425,059
Unallocated assets						1,223,097
<b>Total assets</b>						123,648,156
Segment assets include:						
Interest in an associate (note 10)	30,565	–	–	–		30,565
Interests in joint ventures (note 11)	1,220,848	–	–	–		1,220,848
<b>Segment liabilities</b>	21,318,055	387,579	5,813,666	51,785	(1,022,114)	26,548,971
Unallocated liabilities						56,003,893
<b>Total liabilities</b>						82,552,864
Capital expenditure	375,956	5,161	614,099	341,666		1,336,882



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 5 Segment information (Continued)

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

	Assets	Liabilities
Segment assets/liabilities	122,425,059	26,548,971
Unallocated:		
Deferred income taxes	501,790	1,315,858
Prepaid income taxes	721,307	–
Current income tax liabilities	–	12,366,340
Current borrowings	–	16,470,701
Non-current borrowings	–	25,850,994
Total	123,648,156	82,552,864

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

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

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

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

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

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 6 Property, plant and equipment

	Buildings	Transportation equipment	Office equipment	Machinery	Construction in progress	Total
<b>At 1 January 2014</b>						
Cost	3,747,951	187,988	123,585	144,864	2,837,296	7,041,684
Accumulated depreciation	(316,828)	(113,327)	(70,266)	(64,831)	–	(565,252)
<b>Net book amount</b>	<b>3,431,123</b>	<b>74,661</b>	<b>53,319</b>	<b>80,033</b>	<b>2,837,296</b>	<b>6,476,432</b>
<b>Year ended 31 December 2014</b>						
Opening net book amount	3,431,123	74,661	53,319	80,033	2,837,296	6,476,432
Additions	63,427	38,613	28,125	33,909	806,837	970,911
Transfer of completed construction projects	1,488,396	–	–	–	(1,488,396)	–
Transfer from investment properties	712,734	–	–	–	–	712,734
Transfer from/(to) properties under development	15,002	–	–	–	(40,199)	(25,197)
Disposals	(91,903)	(1,860)	(1,208)	(1,768)	–	(96,739)
Depreciation	(269,831)	(32,630)	(19,095)	(20,564)	–	(342,120)
<b>Closing net book amount</b>	<b>5,348,948</b>	<b>78,784</b>	<b>61,141</b>	<b>91,610</b>	<b>2,115,538</b>	<b>7,696,021</b>
<b>At 31 December 2014</b>						
Cost	5,931,153	219,828	147,951	174,676	2,115,538	8,589,146
Accumulated depreciation	(582,205)	(141,044)	(86,810)	(83,066)	–	(893,125)
<b>Net book amount</b>	<b>5,348,948</b>	<b>78,784</b>	<b>61,141</b>	<b>91,610</b>	<b>2,115,538</b>	<b>7,696,021</b>
<b>Year ended 31 December 2015</b>						
Opening net book amount	5,348,948	78,784	61,141	91,610	2,115,538	7,696,021
Additions	41,889	21,423	21,510	26,692	229,101	340,615
Transfer of completed construction projects	530,759	–	–	–	(530,759)	–
Transfer to investment properties (note 9(h))	(209,586)	–	–	–	–	(209,586)
Transfer to properties under development (note (d))	(50,479)	–	–	–	(393,719)	(444,198)
Transfer from properties held for sales	43,728	–	–	–	–	43,728
Disposals	(46,467)	(7,836)	(4,808)	(4,827)	(343,331)	(407,269)
Depreciation	(285,131)	(23,538)	(30,351)	(28,326)	–	(367,346)
<b>Closing net book amount</b>	<b>5,373,661</b>	<b>68,833</b>	<b>47,492</b>	<b>85,149</b>	<b>1,076,830</b>	<b>6,651,965</b>
<b>At 31 December 2015</b>						
Cost	6,239,714	195,923	168,795	193,941	1,076,830	7,875,203
Accumulated depreciation	(866,053)	(127,090)	(121,303)	(108,792)	–	(1,223,238)
<b>Net book amount</b>	<b>5,373,661</b>	<b>68,833</b>	<b>47,492</b>	<b>85,149</b>	<b>1,076,830</b>	<b>6,651,965</b>

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 6 Property, plant and equipment *(Continued)*

Depreciation expenses were charged to the following categories in the consolidated income statement:

	2015	2014
Cost of sales	244,366	265,541
Selling and marketing costs	8,912	9,541
Administrative expenses	114,068	67,038
	<b>367,346</b>	<b>342,120</b>

Notes:

- As at 31 December 2015, buildings of RMB2,886,953,000 (2014: RMB2,529,155,000) were pledged as collateral for the Group's borrowings (note 24).
- During the year ended 31 December 2015, the Group has capitalised borrowing costs amounting to RMB15,436,000 (2014: RMB91,432,000) on property, plant and equipment. Borrowing costs were capitalised at the weighted average rate of its general borrowings of 8.53% (2014: 7.87%).
- Buildings mainly represent the office buildings and hotel buildings. Constructions in progress mainly represent construction costs and other costs incurred for the construction of hotels.
- During the year ended 31 December 2015, certain own used properties with a carrying value of RMB444,198,000 (2014: RMB40,199,000) were reclassified to properties under development as a result of change in development plan.

### 7 Land use rights

	2015	2014
At 1 January	2,288,324	2,554,162
Additions	8,361	2,151
Transfer to properties under development (note (b))	(223,821)	(123,227)
Transfer to investment properties (note 9(h))	(45,609)	–
Disposal	(16,749)	(78,265)
Amortisation		
— Capitalised in construction in progress	(11,917)	(5,720)
— Recognised as cost of sales (note 30)	(42,156)	(40,197)
— Recognised as expenses (note 30)	(15,671)	(20,580)
At 31 December	<b>1,940,762</b>	<b>2,288,324</b>

Notes:

- Land use rights comprise cost of acquiring usage rights of certain land, which are located in the PRC, held on leases of over 40 years, and mainly for hotel properties or self-used buildings over fixed periods.
- During the year ended 31 December 2015, certain own used land use rights with a carrying value of RMB223,821,000 (2014: RMB123,227,000) were reclassified to properties under development as a result of change in development plan.
- As at 31 December 2015, land use rights of RMB1,404,050,000 (2014: RMB1,379,941,000) were pledged as collateral for the Group's borrowings (note 24).

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 8 Intangible assets

	Construction license	Computer software	Total
<b>At 1 January 2014</b>			
Cost	27,274	74,562	101,836
Accumulated amortisation	(18,182)	(26,226)	(44,408)
<b>Net book amount</b>	9,092	48,336	57,428
<b>Year ended 31 December 2014</b>			
Opening net book amount	9,092	48,336	57,428
Additions	–	22,154	22,154
Amortisation	(9,092)	(9,627)	(18,719)
<b>Closing net book amount</b>	–	60,863	60,863
<b>At 31 December 2014</b>			
Cost	27,274	96,716	123,990
Accumulated amortisation	(27,274)	(35,853)	(63,127)
<b>Net book amount</b>	–	60,863	60,863
<b>Year ended 31 December 2015</b>			
Opening net book amount	–	60,863	60,863
Additions	–	4,752	4,752
Amortisation	–	(11,215)	(11,215)
<b>Closing net book amount</b>	–	54,400	54,400
<b>At 31 December 2015</b>			
Cost	–	101,468	101,468
Accumulated amortisation	–	(47,068)	(47,068)
<b>Net book amount</b>	–	54,400	54,400

Amortisation of RMB11,215,000 (2014: RMB18,719,000) is included in the “administrative expenses” of the consolidated income statement.



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 9 Investment properties

	2015	2014
Opening net book amount	5,846,317	5,793,800
Capitalised subsequent expenditure	210,886	341,666
Disposals	(34,359)	(62,906)
Transfer from/(to) property, plant and equipment (note (h))	209,586	(712,734)
Transfer from completed properties held for sale	–	16,866
Transfer from land use rights (note (h))	45,609	–
Revaluation gains recognised in consolidated income statement	62,523	469,625
Revaluation gains recognised as other comprehensive income (note (h))	28,449	–
Closing net book amount	6,369,011	5,846,317

Notes:

- (a) The investment properties are located in the PRC and are held on lease of between 30 to 70 years.
- (b) Amounts recognised in the consolidated income statement for investment properties:

	2015	2014
Rental income	96,463	70,454
Direct operating expenses of investment properties that generated rental income	(50,007)	(30,763)
Direct operating expenses of investment properties that did not generate rental income	(14,924)	(19,673)
	31,532	20,018

As at 31 December 2015, the Group had no unprovided contractual obligations for future repairs and maintenance (2014: nil).

(c) **Fair value hierarchy**

As at 31 December 2015 and 2014, all of the Group's investment properties were within level 3 of the fair value hierarchy as the valuation were arrived at by reference to certain significant unobservable inputs. There were no transfers between levels 1, 2 and 3 during the year.

## 9 Investment properties (Continued)

Notes: (Continued)

### (d) Valuation processes of the Group

The Group's investment properties were valued at 31 December 2015 by independent professionally qualified valuers, Vigers Appraisal & Consulting Limited, who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use.

The Group's finance department includes a team that review the valuations performed by the independent valuers for financial reporting purposes. This team reports directly to the executive directors. Discussion of valuation processes and results are held amongst the executive directors, the valuation team and valuers at least once every six months, in line with the Group's interim and annual reporting dates.

At each financial year end, the finance department:

- Verifies all major inputs to the independent valuation report;
- Assess property valuations movements when compared to the prior year valuation report; and
- Holds discussions with the independent valuer.

Changes in Level 2 and 3 fair values are analysed at each reporting date during the bi-annual valuation discussions between the executive directors and the valuation team. As part of this discussion, the team presents a report that explains the reasons for the fair value movements.

### (e) Valuation techniques

Fair values of completed commercial properties are generally derived using the income capitalisation method. This valuation method is based on the capitalisation of the net income and reversionary income potential by adopting appropriate capitalisation rates, which are derived from analysis of sale transactions and valuers' interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation have reference to valuers' view of recent lettings, within the subject properties and other comparable properties.

Fair values of car parks are evaluated by using direct comparison approach, which is adopted assuming sale of each of these properties in its existing state with the benefit of vacant possession. By making reference to sales transactions as available in the relevant market, comparable properties in close proximity have been selected and adjustments have been made to account for the difference in factors such as location and property size.

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 9 Investment properties (Continued)

Notes: (Continued)

#### (e) Valuation techniques (Continued)

	Description	Location	Fair value as at	Valuation	Unobservable inputs	Range of
			31 December 2015	techniques		unobservable inputs
Completed investment properties	Office and retail shop	PRC	6,132,271	Income capitalisation	Term yields Reversionary yields Market rents (RMB/square meter/ month)	5%~8% 5.2%~8.5% 35~1,000
	Car park	PRC	236,740	Direct comparison method	Market price (RMB/square meter)	3,161-7,987
	Description	Location	Fair value as at	Valuation	Unobservable inputs	Range of
			31 December 2014	techniques		unobservable inputs
Completed investment properties	Office and retail shop	PRC	5,609,577	Income capitalisation	Term yields Reversionary yields Market rents (RMB/square meter/ month)	5%~8% 5.2%~8.5% 40~1,000
	Car park	PRC	236,740	Direct comparison method	Market price (RMB/square meter)	3,161-7,987

There are inter-relationships between unobservable inputs.

For office and retail, increase in term yields and revisionary yields may result in decrease of fair value. Increase in market rent may result in increase of fair value.

For car park, increase in market price may result in increase in fair value.

There are no changes to the valuation technique during the year ended 31 December 2015.

#### (f) Investment properties pledged as security

As at 31 December 2015, investment properties of RMB5,284,391,000 (2014: RMB4,746,101,000) and certain rights of receiving rental income were pledged as collateral for the Group's bank borrowings (note 24).

#### (g) Leasing arrangements

Certain investment properties are leased to tenants under long term operating leases with rentals payable monthly. Minimum lease payments receivable on leases of investment properties are disclosed in note 39.

The period of leases whereby the Group leases out its investment properties under operating leases ranged from 1 year to 20 years.

(h) During the year ended 31 December 2015, certain floor areas of an office building previously occupied by the Group as office were transferred from property, plant and equipment and land use rights to investment properties. Revaluation gains arising from the transfer of RMB28,449,000 were recognised as other comprehensive income.

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 10 Interest in an associate

Amounts represent share of net assets in Guangzhou Li He Property Development Company Limited (廣州利合房地產開發有限公司) ("Li He"), of which the Group and other four PRC real estate developers (the "Five Shareholders") evenly holds its 20% equity interests. Li He is principally engaged in development of a real estate project in Guangzhou, the PRC.

Li He is a private company and there is no quoted market price available for its shares.

The movement of the interest in an associate during the year is as follows:

	2015	2014
Balance as at 1 January	30,565	58,201
Share of post-tax loss of an associate	(27,190)	(27,636)
Balance as at 31 December	3,375	30,565

The associate is accounted for using the equity method. The Directors consider there is no individually material associate. The aggregate amounts of the Group's shares of the associate are as follows:

	2015	2014
Loss from continuing operations	(27,190)	(27,636)
Total comprehensive income	(27,190)	(27,636)

The contingent liabilities relating to the Group's interest in the associate are disclosed in note 37. There is no commitment relating to the Group's interest in the associate.

### 11 Interests in joint ventures

The movement of the interest in joint ventures is as follows:

	2015	2014
Balance as at 1 January	1,220,848	1,030,282
Additions	–	235,563
Share of post-tax losses of joint ventures	(87,400)	(44,997)
Balance as at 31 December	1,133,448	1,220,848



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 11 Interests in joint ventures (Continued)

The joint ventures are accounted for using the equity method. The Directors consider there are no individually material joint ventures. The aggregate amounts of the Group's shares of the joint ventures are as follows:

	2015	2014
Loss from continuing operations	(87,400)	(44,997)
Total comprehensive income	(87,400)	(44,997)

The contingent liabilities relating to the Group's interests in the joint ventures are disclosed in note 37. There is no commitment relating to the Group's interest in the joint ventures.

### 12 Available-for-sale financial assets

The amounts represent 2.5% equity interests in a non-listed real estate project company in the PRC.

### 13 Financial instruments by category

#### Assets as per consolidated balance sheet

	2015	2014
<b>Loans and receivables</b>		
Trade and other receivables excluding prepaid business taxes and other taxes and prepayments	11,447,241	13,239,341
Restricted cash	5,729,642	5,362,080
Cash and cash equivalents	7,407,450	6,067,802
	24,584,333	24,669,223
<b>Available-for-sale financial assets</b>	117,500	117,500
Total	24,701,833	24,786,723

#### Liabilities as per consolidated balance sheet

	2015	2014
<b>Other financial liabilities at amortised cost</b>		
Borrowings	40,030,458	42,321,695
Trade and other payables and accruals, excluding staff welfare benefit payable and other taxes payable	14,960,548	16,714,246
Total	54,991,006	59,035,941

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 14 Properties under development

	2015	2014
Properties under development expected to be completed:		
— Within one operating cycle included under current assets	44,523,607	50,518,110
— Beyond one operating cycle included under non-current assets	6,798,703	9,663,011
	51,322,310	60,181,121
Properties under development comprise:		
— Construction costs and capitalised expenditures	21,370,750	23,895,151
— Capitalised interests	5,193,094	4,462,332
— Land use rights	24,758,466	31,823,638
	51,322,310	60,181,121

Most of the Group's properties under development are located in the PRC. The relevant land use rights in the PRC are on leases of 40 to 70 years.

The capitalisation rate of borrowings is 8.53% for the year ended 31 December 2015 (2014: 7.87%).

As at 31 December 2015, land use rights included in the properties under development with net book value of RMB11,423,626,000 (2014: RMB18,868,343,000) were pledged as collateral for the Group's borrowings (note 24).

### 15 Completed properties held for sale

All completed properties held for sale are located in the PRC. The relevant land use rights are on leases of 40 to 70 years.

As at 31 December 2015, a provision of RMB123,647,000 were made to write down the completed properties held for sale (31 December 2014: RMB100,310,000).

As at 31 December 2015, completed properties held for sale of approximately RMB1,962,034,000 (2014: RMB1,482,549,000) were pledged as collateral for the Group's bank borrowings (note 24).

### 16 Prepayments for acquisition of land use rights

Amounts represent up-front payments for acquiring land use rights for property development. The amounts will be transferred to properties under development in the balance sheet when the Group obtains contractual usage rights of the relevant lands.

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 17 Trade and other receivables

	2015	2014
Trade receivables (note (a))	3,847,636	5,247,731
Other receivables due from:		
— An associate (note 40(c))	2,439,716	2,039,716
— Joint ventures (note 40(c))	2,327,315	2,159,293
— Third parties	2,046,575	1,832,928
Prepaid business taxes and other taxes	188,998	156,589
Deposits for acquisition of land use rights	786,000	1,959,673
Prepayments	301,591	318,643
Total trade and other receivables	11,937,831	13,714,573
Less: other receivables due from an associate and a joint venture — non-current portion	(3,554,716)	(2,039,716)
<b>Trade and other receivables-current portion</b>	<b>8,383,115</b>	<b>11,674,857</b>

As at 31 December 2015, the fair value of trade and other receivables approximated their carrying amounts. All the balances were fully performing except the balances which were past due but not impaired as described below.

Notes:

- (a) Trade receivables mainly arose from sales of properties. Trade receivables in respect of sale of properties are settled in accordance with the terms stipulated in the sale and purchase agreements. As at 31 December 2015 and 2014, the ageing analysis of the trade receivables is as follows:

	2015	2014
Within 90 days	2,749,274	3,505,485
Over 90 days and within 365 days	712,419	1,352,159
Over 365 days and within 2 years	267,104	341,284
Over 2 years	118,839	48,803
	3,847,636	5,247,731

As at 31 December 2015, trade receivables of RMB425,800,000 (2014: RMB1,025,942,000) were past due but not impaired. As the Group normally holds collateral of the properties before collection of the outstanding balances and pass the titles to the purchasers, the Directors consider that the past due trade receivables would be recovered and no provision was made against past due receivables as at 31 December 2015 (2014: nil). The ageing analysis of these trade receivables is as follows:

	2015	2014
Within 90 days	108,937	483,116
Over 90 days and within 365 days	84,898	456,006
Over 365 days and within 2 years	231,965	86,820
	425,800	1,025,942

- (b) The carrying amounts of trade and other receivables are mainly denominated in RMB.

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 18 Restricted cash

As at 31 December 2015 and 2014, all of the Group's restricted cash were denominated in RMB. The conversion of the PRC Group entities' RMB denominated bank balances into foreign currencies and the remittance of such foreign currencies denominated bank balances and cash out of the PRC are subject to relevant rules and regulation of foreign exchange control promulgated by the PRC government.

As at 31 December 2015, restricted cash is mainly comprised of deposit collateral for borrowings, guarantee deposits for construction of pre-sold properties, and deposits for accident compensation.

### 19 Cash and cash equivalents

	2015	2014
Cash and cash equivalents comprise the following:		
Cash at bank and in hand	7,402,450	6,066,087
Short-term bank deposits	5,000	1,715
	<b>7,407,450</b>	6,067,802
Denominated in RMB (note (a))	6,990,988	5,695,167
Denominated in other currencies	416,462	372,635
	<b>7,407,450</b>	6,067,802

Note:

- (a) The conversion of the PRC Group entities' RMB denominated bank balances into foreign currencies and the remittance of such foreign currencies denominated bank balances and cash out of the PRC are subject to relevant rules and regulation of foreign exchange control promulgated by the PRC government.



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 20 Share capital and premium

	Number of ordinary shares	Nominal value of ordinary shares HK\$'000	Equivalent nominal value of ordinary shares RMB'000	Share premium RMB'000	Total RMB'000
<b>Authorised</b>					
<b>As at 31 December 2015 and 2014</b>	10,000,000,000	1,000,000			
<b>Movements of issued and fully paid share capital</b>					
<b>Year ended 31 December 2014</b>					
At 1 January 2014	3,447,350,000	344,735	363,047	3,279,678	3,642,725
Shares allotted for Share Award Scheme (note 21)	34,470,000	3,447	2,714	153,874	156,588
Rights issue	435,227,500	43,523	34,492	1,264,162	1,298,654
At 31 December 2014	3,917,047,500	391,705	400,253	4,697,714	5,097,967
<b>Year ended 31 December 2015</b>					
At 1 January 2015 and at 31 December 2015	3,917,047,500	391,705	400,253	4,697,714	5,097,967

### 21 Share Award Scheme

On 10 December 2013, the Board of Directors of the Company adopted a Share Award Scheme, under which shares may be awarded to employees of the Company in accordance with the terms and conditions of the Share Award Scheme.

Pursuant to the rules of the Share Award Scheme, the Group has set up a trust ("Employee Share Trust"), for the purposes of administering the Share Award Scheme and holding Awarded Shares before they vest. On 10 February 2014, the Company allotted and issued 34,470,000 new shares to the trustee to hold on trust. On 3 January 2014, 32,750,000 of which has been granted to the 116 selected employees, subject to, among others, the performance conditions of both the Group and the awardees can be fulfilled and the awardees remain employed by the Group.

Following the confirmation that relevant vesting conditions have not been satisfied on 20 June 2015, the Board resolved in its meeting held on 26 August 2015 that the award of first 30% Awarded Shares lapsed effective from 26 August 2015. The other 30% of these Awarded Shares vest on 20 June 2016 and the remaining 40% of these Awarded Shares vest on 20 June 2017. As at 31 December 2015, the shares under the Share Award Scheme held by the Employee Share Trustee amounted to RMB156,588,000 (31 December 2014: RMB156,588,000), which was presented within equity in the consolidated balance sheet. For the year ended 31 December 2015, no expenses in relation to the Share Award Scheme were recognised in the consolidated income statement as the performance condition were not fulfilled and no Awarded Shares have been vested (2014: nil).

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 22 Other reserves

	Merger reserve (note (a))	Statutory reserve and enterprise expansion fund (note (b))	Revaluation surplus	Translation reserve	Total
Balance at 1 January 2014	442,395	855,698	–	–	1,298,093
Transfer from retained earnings	–	1,155,311	–	–	1,155,311
Currency translation difference	–	–	–	405	405
Balance at 31 December 2014	442,395	2,011,009	–	405	2,453,809
Balance at 1 January 2015	442,395	2,011,009	–	405	2,453,809
Transfer from retained earnings	–	557,716	–	–	557,716
Currency translation difference	–	–	–	11,715	11,715
Revaluation gains arising from transfer of property, plant and equipment and land use rights to investment property, net of tax	–	–	21,337	–	21,337
<b>Balance at 31 December 2015</b>	<b>442,395</b>	<b>2,568,725</b>	<b>21,337</b>	<b>12,120</b>	<b>3,044,577</b>

Notes:

- (a) Merger reserve of the Group represents the difference between the share capital of subsidiaries acquired over the nominal value of the shares of the Company issued in exchange pursuant to the Group reorganisation undertaken for listing of Company on the Stock Exchange.
- (b) Pursuant to the relevant rules and regulation concerning foreign investment enterprise established in the PRC and the articles of association of certain PRC subsidiaries of the Group, those subsidiaries are required to transfer an amount of their profit after taxation to the statutory reserve fund, until the accumulated total of the fund reaches 50% of their registered capital. The statutory reserve fund may be distributed to equity holders in form of bonus issue.

The appropriation to the enterprise expansion fund is solely determined by the board of directors of the PRC subsidiaries.

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 23 Perpetual Capital Securities

On 18 January 2013, the Company issued subordinated perpetual capital securities (the "Perpetual Capital Securities") with the aggregate principal amount of US\$700,000,000. Net proceeds after deducting the issuance cost amounted to US\$687,432,500 (equivalent to approximately RMB4,321,938,000). The Perpetual Capital Securities do not have maturity date and the distribution payments can be deferred at the discretion of the Company. Therefore, the Perpetual Capital Securities are classified as equity instruments and recorded in equity in the consolidated balance sheet. When the Company elects to declare dividends to its shareholders, the Company shall make distribution to the holders of Perpetual Capital Securities at the distribution rate as defined in the subscription agreement. Movement of the Perpetual Capital Securities is as follows:

	Principal	Distribution	Total
Balance as at 1 January 2014	4,321,938	164,087	4,486,025
Profit attributable to holders of Perpetual Capital Securities	–	354,782	354,782
Distribution made to holders of Perpetual Capital Securities	–	(357,398)	(357,398)
Balance as at 31 December 2014	4,321,938	161,471	4,483,409
Balance as at 1 January 2015	<b>4,321,938</b>	<b>161,471</b>	<b>4,483,409</b>
Profit attributable to holders of Perpetual Capital Securities	–	<b>358,565</b>	<b>358,565</b>
Distribution made to holders of Perpetual Capital Securities	–	<b>(353,315)</b>	<b>(353,315)</b>
Balance as at 31 December 2015	<b>4,321,938</b>	<b>166,721</b>	<b>4,488,659</b>

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 24 Borrowings

	2015	2014
<b>Borrowings included in non-current liabilities:</b>		
Senior notes (note (a))		
— Senior notes issued in 2010 (“2010 Senior Notes”) (note (a)(i))	4,188,008	3,943,616
— Senior notes issued in 2012 (“2012 Senior Notes”) (note (a)(ii))	4,511,774	4,245,417
— Senior notes issued in 2014 (“2014 Senior Notes I”) (note (a)(iii))	3,183,453	2,996,457
— Senior notes issued in 2014 (“2014 Senior Notes II”) (note (a)(iv))	1,972,254	1,969,703
— Senior notes issued in 2015 (“2015 Senior Notes”) (note (a)(v))	3,192,606	–
Long-term syndicated loans		
— secured (note (b))	650,000	750,000
— unsecured (note (c))	3,204,342	5,803,257
Long-term bank borrowings		
— secured (note (d))	11,196,072	9,510,871
— unsecured (note (e))	546,633	1,760,578
Other borrowings (note (f))		
— secured	4,286,100	4,880,110
— unsecured	287,140	2,690,000
Less: current portion of non-current borrowings	(13,675,339)	(12,699,015)
	<b>23,543,043</b>	<b>25,850,994</b>
<b>Borrowings included in current liabilities:</b>		
Short-term bank borrowings		
— secured (note (d))	227,276	214,284
— unsecured (note (e))	–	1,986,402
Short-term other borrowings (note (f))		
— secured	500,000	700,000
— unsecured	2,084,800	871,000
Current portion of non-current borrowings	13,675,339	12,699,015
	<b>16,487,415</b>	<b>16,470,701</b>
<b>Total borrowings</b>	<b>40,030,458</b>	<b>42,321,695</b>

Notes:

**(a) Senior notes**

The senior notes are jointly guaranteed by certain subsidiaries of the Group and are secured by pledges of the shares of these subsidiaries. The net assets of these subsidiaries are approximately RMB4,579,295,000 as at 31 December 2015 (2014: RMB5,250,116,000).

**(i) 2010 Senior Notes**

On 28 April 2010, the Company issued 8.875% senior notes with an aggregated nominal value of US\$650,000,000 (equivalent to RMB4,436,965,000) at face value. The net proceeds, after deducting the issuance costs, amounted to US\$636,600,000 (equivalent to RMB4,343,810,000). The 2010 Senior Notes will mature in April 2017. The Company, at its option, can redeem all or a portion of the 2010 Senior Notes at any time prior to the maturity date at the redemption prices plus accrued and unpaid interest up to the redemption date.

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 24 Borrowings (Continued)

Notes: (Continued)

**(a) Senior notes (Continued)**

**(ii) 2012 Senior Notes**

On 20 March 2012, the Company issued 9.875% senior notes with an aggregated nominal value of US\$700,000,000 (equivalent to RMB4,406,841,000) at face value. The net proceeds, after deducting the issuance costs, amounted to US\$686,993,000 (equivalent to RMB4,324,896,000). The 2012 Senior Notes will mature in March 2017. The Company, at its option, can redeem all or a portion of the 2012 Senior Notes at any time prior to the maturity date at the redemption prices plus accrued and unpaid interest up to the redemption date.

**(iii) 2014 Senior Notes I**

On 18 February 2014, the Company issued 8.375% senior notes with an aggregated nominal value of US\$500,000,000 (equivalent to RMB3,055,150,000) at 99.499% of face value. The net proceeds, after deducting the issuance costs, amounted to US\$487,500,000 (equivalent to RMB2,975,572,000). The 2014 Senior Notes I will mature on 18 February 2019. The Company, at its option, can redeem all or a portion of the 2014 Senior Notes I at any time prior to the maturity date at the redemption prices plus accrued and unpaid interest up to the redemption date.

**(iv) 2014 Senior Notes II**

On 28 February 2014, the Company issued 6.50% senior notes with an aggregated nominal value of RMB2,000,000,000 at 99.33% of the face value. The net proceeds, after deducting the issuance costs, amounted to RMB1,961,000,000. The 2014 Senior Notes II will mature on 28 February 2017. The Company, at its option, can redeem all or a portion of the 2014 Senior Notes II at any time prior to the maturity date at the redemption prices plus accrued and unpaid interest up to the redemption date.

**(v) 2015 Senior Notes**

On 21 May 2015, the Company issued 9% senior notes with an aggregated nominal value of USD500,000,000 (equivalent to approximately RMB3,056,850,000) at 99.507% of the face value. The net proceeds, after deducting the issuance costs, amounted to US\$490,391,000 (equivalent to approximately RMB2,998,104,000). The 2015 Senior Notes will mature on 21 May 2020. The Company, at its option, can redeem all or a portion of the 2015 Senior Notes at any time prior to the maturity date at the redemption prices plus accrued and unpaid interest up to the redemption date.

**(b)** A subsidiary of the Group has entered into a bank loan agreement with a group of banks pursuant to which a loan facility of RMB1,000,000,000 has been granted to the subsidiary which will be expired on 3 January 2019. The facility is secured by investment properties of the subsidiary. As at 31 December 2015, the carrying value of the loans outstanding amounted to RMB650,000,000 (2014: RMB750,000,000).

**(c)** The Company has entered into several bank loan agreements with groups of banks pursuant to which the Company has been granted facilities of HK\$5,628,000,000 and HK\$2,895,000,000 expiring on 23 May 2016 and 24 June 2017 respectively. The facilities are jointly guaranteed by certain subsidiaries of the Group by pledges of the shares of these subsidiaries. As at 31 December 2015, the total carrying value of the loans outstanding amounted to HK\$3,822,702,334 (equivalent to approximately RMB3,204,342,000) (2014: HK\$7,354,315,000, equivalent to approximately RMB5,803,257,000).

**(d)** As at 31 December 2015, the Group's bank borrowings of RMB11,423,348,000 are secured by its land use rights, properties and bank deposits (2014: RMB9,725,155,000).

**(e)** As at 31 December 2015, the unsecured bank borrowings of RMB546,633,000 (2014: RMB3,746,980,000) are guaranteed by certain subsidiaries of the Group.

**(f)** As at 31 December 2015, the Group's other borrowings of RMB4,786,100,000 (2014: RMB5,580,110,000) are secured by its land use rights, property, plant and equipment, bank deposits and investment properties. The unsecured other borrowings of RMB2,371,940,000 (2014: RMB3,561,000,000) are guaranteed by certain subsidiaries of the Group.



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 24 Borrowings (Continued)

The exposure of the Group's borrowings to interest rate changes and the contractual repricing dates at the end of the year are as follows:

	2015	2014
6 months or less	6,086,297	12,375,653
6-12 months	8,246,496	6,939,738
1-5 years	25,697,665	23,006,304
	<b>40,030,458</b>	42,321,695

The carrying amounts of the borrowings with the respective effective interest rates:

	2015		2014	
	RMB'000	Effective interest rate	RMB'000	Effective interest rate
Senior notes	17,048,095	10.02%	13,155,193	9.28%
Bank borrowings, syndicated loans and other borrowings	22,982,363	7.69%	29,166,502	7.21%
	<b>40,030,458</b>		42,321,695	

The carrying amounts and fair value of the non-current borrowings are as follows:

	2015		2014	
	Carrying amount	Fair value	Carrying amount	Fair value
Senior notes (note (i))	17,048,095	17,013,908	13,155,193	12,733,559
Bank borrowings, syndicated loans and other borrowings (note (ii))	6,494,948	6,494,948	12,695,801	12,695,801
	<b>23,543,043</b>	<b>23,508,856</b>	25,850,994	25,429,360

Notes:

- (i) The fair value of senior notes is determined directly by references to the price quotations published by the Singapore Exchange Limited and The Stock Exchange of Hong Kong Limited on 31 December 2015, the last dealing date of 2015 and is within level 1 of the fair value hierarchy.
- (ii) The fair values of non-current bank borrowings, syndicated loans and other borrowings approximate their carrying amount as the impact of discounting is not significant. The fair values are based on cash flows discounted at the average borrowing rate of 6.2% (2014: 6.6%), and are within level 2 of the fair value hierarchy.

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 24 Borrowings (Continued)

At 31 December 2015, the Group's borrowings were repayable as follows:

	2015	2014
Bank borrowings, syndicated loans and other borrowings and senior notes:		
Within 1 year	16,487,415	16,470,701
Between 1 and 2 years	12,793,274	8,054,777
Between 2 and 5 years	10,228,782	17,165,476
Over 5 years	520,987	630,741
	<b>40,030,458</b>	<b>42,321,695</b>

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	2015	2014
US dollar	15,303,117	13,499,754
HK dollar	3,204,342	5,803,256
Renminbi	20,951,468	23,018,685
MYR	571,531	—
	<b>40,030,458</b>	<b>42,321,695</b>

The Group has the following undrawn borrowing facilities:

	2015	2014
Floating rate:		
— Expiring beyond one year	2,602,771	3,501,052

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 25 Deferred income tax

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

	2015	2014
Deferred income tax assets to be recovered after more than 12 months	487,814	378,074
Deferred income tax assets to be recovered within 12 months	82,394	123,716
	570,208	501,790
Deferred tax income liabilities to be settled after more than 12 months	(1,243,798)	(1,315,858)
<b>Deferred income tax liabilities, net</b>	<b>(673,590)</b>	<b>(814,068)</b>

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Deferred tax assets – tax losses	Deferred tax assets – write-down of completed held for sale properties	Deferred tax assets – unrealised profit on intra-group transactions	Deferred tax liabilities – temporary difference on recognition of sales and related cost of sales	Deferred tax liabilities – excess of carrying amount of investment properties and property, plant and equipment over the tax bases	Deferred tax liabilities – excess of carrying amount of land use right over the tax bases	Net
At 1 January 2014	246,433	–	69,776	(400,101)	(978,234)	(270,926)	(1,333,052)
Credited/(charged) to the consolidated income statement	131,641	25,077	28,863	400,101	(74,247)	7,549	518,984
At 31 December 2014	378,074	25,077	98,639	–	(1,052,481)	(263,377)	(814,068)
Charged to other comprehensive income	–	–	–	–	(7,112)	–	(7,112)
Credited/(charged) to the consolidated income statement	184,050	5,835	(47,156)	–	(2,687)	7,548	147,590
At 31 December 2015	562,124	30,912	51,483	–	(1,062,280)	(255,829)	(673,590)

Deferred income tax assets are recognised for tax losses carry-forwards to the extent that the realisation of the related benefit through the future taxable profits is probable. The Group did not recognise deferred tax assets of RMB111,819,000 (2014: RMB77,355,000) in respect of tax losses amounting to RMB447,276,000 (2014: RMB309,420,000) that can be carried forward against future taxable income. Tax losses of approximately RMB199,788,000, RMB67,376,000, RMB42,256,000 and RMB137,856,000 will expire in 2017, 2018, 2019 and 2020 respectively.

Deferred income tax liabilities of RMB1,974,546,000 (2014: RMB2,117,043,000) have not been recognised for the withholding tax that would be payable on the unremitted earnings amounted to RMB21,400,509,000 (2014: RMB21,170,434,000) of certain subsidiaries. Such earnings are expected to be retained by the PRC subsidiaries for reinvestment purposes and would not be remitted to the oversea intermediate holding companies in the foreseeable future based on management's estimation of overseas funding requirements.

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 26 Trade and other payables

	2015	2014
Trade payables (note (a))	11,625,492	13,489,633
Other payables due to:		
— Related parties (note 40 (c))	656,568	558,009
— Third parties (note (b))	1,885,014	1,700,255
Staff welfare benefit payable	45,114	41,665
Accruals	793,474	966,349
Other taxes payable	615,229	577,454
	<b>15,620,891</b>	<b>17,333,365</b>

Notes:

(a) The ageing analysis of trade payables of the Group as at 31 December 2015 and 2014 is as follows:

	2015	2014
Within 90 days	9,951,225	11,026,173
Over 90 days and within 180 days	1,150,087	1,303,306
Over 180 days and within 365 days	415,797	663,625
Over 365 days	108,383	496,529
	<b>11,625,492</b>	<b>13,489,633</b>

(b) The balances are cash advances in nature, which are unsecured, interest-free and repayable on demand.

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 27 Other (losses)/gains, net

	2015	2014
Gains on disposal of property, plant and equipment	141,428	174,754
Exchange losses, net (note (a))	(194,751)	(28,720)
Others	(86,064)	–
	<b>(139,387)</b>	146,034

Note:

- (a) Amount mainly represents the gain or loss of translation of financial assets and liabilities, which are denominated in foreign currency into RMB at the prevailing period-end exchange rate. It does not include the exchange gain or loss related to borrowings which are included in the finance costs, net (note 32).

### 28 Other income

	2015	2014
Interest income	120,162	86,067
Forfeited deposits from customers	30,244	43,496
Gains on disposal of investment properties	–	13,574
Net income from a project of initial land development	–	799,834
Miscellaneous	61,756	36,195
	<b>212,162</b>	979,166

### 29 Other expenses

	2015	2014
Charitable donations	34,076	61,019
Redemption cost of Convertible Bonds	–	127,018
Early redemption premium of 2009 Senior Notes	–	91,821
Miscellaneous	48,363	33,092
	<b>82,439</b>	312,950



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 30 Expenses by nature

	2015	2014
Employee benefit expenses — including directors' emoluments (note 31)	1,792,370	1,675,560
— property development	978,425	995,679
— property management	574,107	521,394
— hotel operations	239,838	158,487
Auditors' remuneration	7,650	8,800
— Audit services	6,700	6,500
— Non-audit services	950	2,300
Advertising costs	1,136,822	1,200,570
Depreciation (note 6)	367,346	342,120
Amortisation of intangible assets (note 8)	11,215	18,719
Amortisation of land use rights (note 7)	57,827	60,777
— recognised as cost of sales	42,156	40,197
— recognised as expenses	15,671	20,580
Cost of properties sold — including construction cost, land cost and capitalised interests	27,766,712	21,831,778
Business taxes and other levies on sales of properties (note (a))	2,346,946	2,161,133
Cost of property management	334,414	349,799
Cost of hotel operations	500,506	428,727
Write-down of completed properties held for sale	123,647	100,310
Commission fee	166,377	171,624
Others	809,056	758,460
<b>Total cost of sales, selling and marketing costs and administrative expenses</b>	<b>35,420,888</b>	<b>29,108,377</b>

Note:

- (a) The Group is subject to business taxes of 5% and other levies on their revenues from sales of properties in the PRC.

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 31 Employee benefit expense

	2015	2014
Wages and salaries	1,505,633	1,412,840
Pension costs — statutory pension (note (a))	106,210	86,818
Staff welfare	33,598	31,615
Medical benefits	28,522	26,669
Other allowances and benefits	118,407	117,618
	<b>1,792,370</b>	<b>1,675,560</b>

Notes:

(a) Employees in the Group's PRC subsidiaries are required to participate in a defined contribution retirement scheme administrated and operated by the local municipal government. The Group's PRC subsidiaries contribute funds which are calculated on certain percentage of the average employee salary as agreed by local municipal government to the scheme to fund the retirement benefits of the employees.

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include three (2014: three) directors whose emoluments are reflected in the analysis shown in note 45. The emoluments payable to the remaining two (2014: two) individuals during the year are as follows:

	2015	2014
Salaries and bonuses	9,339	12,891

The emoluments fell within the following bands:

	Number of individuals	
	2015	2014
Emolument bands (in HK dollar)		
HK\$5,000,001 — HK\$ 5,500,000	1	—
HK\$5,500,001 — HK\$ 6,000,000	1	—
HK\$7,500,001 — HK\$ 8,000,000	—	1
HK\$8,000,001 — HK\$ 8,500,000	—	1

(c) During the years ended 31 December 2015 and 2014, no emolument was paid by the Group to any of the above directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of offices.

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 32 Finance costs, net

	2015	2014
Interest expenses:		
— Bank borrowings, syndicated loans and other borrowings	(2,006,481)	(2,337,392)
— Senior notes	(1,414,452)	(1,207,992)
— Convertible Bonds	—	(108,410)
Less: interest capitalised	3,003,801	3,444,325
Exchange losses from borrowings and Convertible Bonds	(1,132,380)	(83,104)
Less: exchange losses capitalised	224,306	—
	(1,325,206)	(292,573)

### 33 Income tax expenses

	2015	2014
Current income tax		
— PRC corporate income tax	1,697,456	2,777,876
— PRC land appreciation tax	2,172,129	2,447,623
— PRC withholding income tax	172,955	328,275
Deferred income tax (note 25)		
— PRC corporate income tax	(147,590)	(518,984)
	3,894,950	5,034,790

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

	2015	2014
Profit before income tax	6,196,487	10,125,891
Tax calculated at tax rates applicable to profits in the respective entities of the Group	1,549,122	2,531,473
Tax effects of:		
— An associate's results reported net of tax	6,798	6,909
— Joint ventures' results reported net of tax	21,850	11,249
— Income not subject to income tax (note (a))	(21,653)	(2,322)
— Expenses not deductible for income tax (note (b))	502,317	312,925
— PRC land appreciation tax deductible for calculation of income tax purposes	(543,032)	(611,906)
— Tax losses for which no deferred income tax asset was recognised	34,464	10,564
PRC corporate income tax	1,549,866	2,258,892
PRC withholding income tax	172,955	328,275
PRC land appreciation tax	2,172,129	2,447,623
	3,894,950	5,034,790

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 33 Income tax expenses (Continued)

Notes:

- (a) Income not subject to income tax for the years ended 31 December 2015 mainly comprise the interest income of bank deposits of the Company (2014: same).
- (b) Expenses not deductible for income tax for the years ended 31 December 2015 mainly comprise administrative expense of domestic companies over deduction limits, donations made to non-official public welfare institutions, exchange loss and expenses of the Group entities in Hong Kong and Malaysia (2014: redemption costs incurred by the Company, administrative expenses of domestic companies over deduction limits, donations made to non-official public welfare institutions and expenses of the Group entities in Hong Kong).

#### PRC land appreciation tax

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

#### PRC corporate income tax

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

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

#### PRC withholding income tax

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

#### Overseas income tax

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

#### Hong Kong profits tax

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

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 34 Earnings per share

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

	2015	2014
Profit attributable to shareholders of the Company	1,390,343	4,287,245
Weighted average number of ordinary shares in issue less shares held for Share Award Scheme (thousands)	3,882,578	3,508,170
Basic earnings per share (RMB per share)	0.358	1.222

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. As at 31 December 2015, there is no diluted potential ordinary share. As at 31 December 2014, the Company has a dilutive potential ordinary share — convertible debt. The convertible debt is assumed to have been converted into ordinary shares, and the net profit is adjusted to eliminate the interest expense less the tax effect.

	2015	2014
Earnings		
Profit attributable to shareholders of the Company	1,390,343	4,287,245
Exchange gains on debt component	–	24,047
Profit used to determine diluted earnings per share	1,390,343	4,311,292
Weighted average number of ordinary shares in issue less shares held for Share Award Scheme (thousands)	3,882,578	3,508,170
Assumed conversion of Convertible Bonds (thousands)	–	76,590
Weighted average number of ordinary shares for diluted earnings per share (thousands)	3,882,578	3,584,760
Diluted earnings per share (RMB per share)	0.358	1.203



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 35 Dividends

	2015	2014
Interim dividend paid of nil (2014: HK\$0.145) per ordinary share (note (a))	–	400,104
Less: Dividend for shares held for Share Award Scheme	–	(3,961)
	–	396,143
Proposed final dividend of HK\$0.145 (2014: HK\$0.25) per ordinary share (note (b))	473,963	772,931
Proposed special dividend of HK\$0.25 (2014: nil) per ordinary share (note (b))	818,663	–
Less: Dividend for shares held for Share Award Scheme	(11,375)	(6,801)
	1,281,251	766,130
	1,281,251	1,162,273

Notes:

- (a) No interim dividend in respect of six months ended 30 June 2015 was declared by the Board of Directors of the Company (2014: RMB400,104,000).
- (b) A final dividend in respect of 2014 of HK\$0.25 per ordinary share per ordinary share totalling HK\$979,262,000 (equivalent of RMB772,931,000) was declared of Annual General Meeting of the Company on 12 June 2015, of which HK\$8,617,000 (equivalent to RMB6,801,000) was declared for shares held by Share Award Scheme.

A final dividend in respect of 2015 of HK\$0.145 per ordinary share and a special dividend of HK\$0.25 per ordinary share have been proposed by the Board of Directors of the Company and are subject to the approval of the shareholders at the Annual General Meeting to be held on 13 May 2016. The final dividend will be distributed out of the Company's retained earnings and the special dividend will be distributed out of the Company's share premium. These consolidated financial statements have not reflected these dividends payable.

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 36 Cash generated from operations

	2015	2014
Profit for the year	2,301,537	5,091,101
Adjustments for:		
Taxation	3,894,950	5,034,790
Interest income (note 28)	(120,162)	(86,067)
Depreciation (note 6)	367,346	342,120
Amortisation of intangible assets (note 8)	11,215	18,719
Amortisation of land use rights (note 7)	57,827	60,777
Write-down of completed properties held for sale	123,647	100,310
Gains on disposal of investment properties and property, plant and equipment	(141,428)	(188,328)
Net exchange losses	194,751	28,720
Fair value gains on investment properties	(62,523)	(469,625)
Share of post-tax loss of an associate	27,190	27,636
Share of post-tax losses of joint ventures	87,400	44,997
Finance costs, net (note 32)	1,325,206	292,573
Redemption cost of Convertible Bonds (note 29)	–	127,018
Early redemption premium of 2009 Senior Notes (note 29)	–	91,821
Changes in working capital:		
Property under development and completed properties held for sale	10,194,877	(13,567,476)
Prepayments for acquisition of land use rights	(3,473,821)	6,209,871
Restricted cash	(336,470)	(1,648,644)
Trade and other receivables	2,647,660	(706,095)
Trade and other payables and accruals	1,324,070	1,362,592
Advance proceeds received from customers	(2,105,030)	2,787,328
<b>Cash generated from operations</b>	<b>16,318,242</b>	<b>4,954,138</b>

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 37 Financial guarantee

	2015	2014
Guarantee in respect of mortgage facilities for certain purchasers (note (a))	22,449,001	14,658,120
Guarantee in respect of borrowings of an associate (note (b) and note 40(b))	1,781,900	2,233,980
Guarantee in respect of borrowings of joint ventures (note (c) and note 40(b))	650,947	799,346
	<b>24,881,848</b>	<b>17,691,446</b>

Notes:

- (a) The Group has cooperated with certain financial institutions to arrange mortgage loan facilities for its purchasers of properties and provide guarantees to secure obligations of such purchasers for repayments. As at 31 December 2015, the outstanding guarantees amounted to RMB22,449,001,000 (2014: RMB14,658,120,000). Such guarantees will be discharged upon the earlier of (i) issuance of the real estate ownership certificate which will generally be available within one year after the purchasers take possession of the relevant property; and (ii) the satisfaction of relevant mortgage loan by purchasers.

The Group's proportionate interest in financial guarantee of mortgage facilities for certain purchasers relating to the associate was RMB439,886,000 as at 31 December 2015 (2014: RMB271,960,000).

The Group's proportionate interest in financial guarantee of mortgage facilities for certain purchasers relating to the joint ventures was RMB207,766,000 as at 31 December 2015 (2014: RMB142,383,000).

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 any accrued interests and penalties owed by the defaulted purchasers to the financial institutions, and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee starts from the dates the mortgagees grant the mortgage loans. No provision has been made for the guarantees as the management is of the view that the net realisable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interests and penalties in case of any default in payments.

- (b) The Company and the other four PRC real estate developers have evenly provided certain guarantees, in proportion of their shareholding in Li He (note 10), in respect of loan facilities of Li He amounting to RMB8,909,500,000 (2014: RMB11,169,900,000), the Group's share of the guarantee amounted to RMB1,781,900,000 (2014: RMB2,233,980,000).
- (c) Several subsidiaries of the Group and joint venture counter parties have provided certain guarantees in proportion of their shareholding in certain joint ventures in respect of loan facilities amounting to RMB2,404,089,000 (2014: RMB3,067,385,000). The Group's share of the guarantees amounted to RMB650,947,000 (2014: RMB799,346,000).

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 38 Commitments

#### (a) Operating lease commitments

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2015	2014
Property, plant and equipment:		
— Not later than one year	37,334	37,268
— Later than one year and not later than five years	61,110	66,604
	<b>98,444</b>	103,872

	2015	2014
Lease of areas adjacent to the property development projects:		
— Not later than one year	700	650
— Later than one year and not later than five years	3,300	3,100
— Later than five years	31,950	32,850
	<b>35,950</b>	36,600

	2015	2014
Lease of the land use right for ancillary facilities:		
— Not later than one year	3,430	3,401
— Later than one year and not later than five years	8,337	9,593
— Later than five years	28,337	30,450
	<b>40,104</b>	43,444

#### (b) Other commitments

	2015	2014
Contracted but not provided for		
— Property development activities	16,303,494	21,804,306
— Acquisition of land use rights	92,833	951,028
	<b>16,396,327</b>	22,755,334

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 39 Future minimum rental payments receivable

The Group had future aggregate minimum lease rental receivables under non-cancellable operating leases as follows:

	2015	2014
Not later than one year	161,011	66,267
Later than one year and not later than five years	642,404	445,891
Over five years	365,621	284,606
	<b>1,169,036</b>	796,764

### 40 Related party transactions

#### (a) Name and relationship with related parties

Name	Relationship
Top Coast Investment Limited	The ultimate holding company of the Group
The Founding Shareholders, including Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Ms. Luk Sin Fong, Fion, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei, and Mr. Chan Cheuk Nam (the "Founding Shareholders")	The Founding Shareholders are also the directors of the Company
Zhongshan Changjiang Golf Course (note (i)) 中山長江高爾夫球場	Controlled by the Founding Shareholders
Zhongshan Agile Changjiang Hotel Co., Ltd. (note (i)) 中山市雅居樂長江酒店有限公司	Controlled by the Founding Shareholders
Li He	Associate of the Group
Tianjin Jinnan Xincheng Real Estate Development Company Limited (Tianjin Jinnan) (note (i)) 天津津南新城房地產開發有限公司	Joint venture of the Group
Tianjin He An Investment Company Limited (He An) (note (i)) 天津和安投資有限公司	Joint venture of the Group
Zhongshan Yahong Real Estate Development Co., Ltd. (Zhongshan Yahong) (note (i)) 中山市雅鴻房地產開發有限公司	Joint venture of the Group
Guangzhou Huadu Yazhan Realty Development Co., Ltd. (Huadu Yazhan) (note (i)) 廣州花都雅展房地產開發有限公司	Joint venture of the Group



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 40 Related party transactions (Continued)

#### (a) Name and relationship with related parties (Continued)

Name	Relationship
Changsha Shangcheng Land Co., Ltd. (Changsha Shangcheng) (note (i)) 長沙上城置業有限公司	Joint venture of the Group
Guangzhou Zhongyu Real Estate Development Co., Ltd. (Guangzhou Zhongyu) (note (i)) 廣州市眾譽房地產開發有限公司	Joint venture of the Group
Guangxi Fuya Investments Ltd. (Guangxi Fuya) (note (i)) 廣西富雅投資有限公司	Joint venture of the Group
Accord Wing Limited (Accord Wing) 和榮有限公司	Joint venture of the Group
Charm Talent Limited (Charm Talent) 煌迪有限公司	Joint venture of the Group

Note:

- (i) The names of the companies represent management's best efforts at translating the Chinese names of these companies as no English names have been registered or available.

#### (b) Transactions with related parties

During the years ended 31 December 2015 and 2014, the Group had the following transactions with related parties, which are carried out in the normal course of the Group's business:

	2015	2014
Golf facilities service fees charged by Zhongshan Changjiang Golf Course (note (i))	32	30
Restaurant and hotel service fees charged by Zhongshan Agile Changjiang Hotel Co., Ltd. (note (i))	3,178	4,218
Underwriting fees charged by Top Coast Investment Limited	–	8,572
	2015	2014
Providing guarantee for borrowings of related parties		
— Li He (note 37(b))	1,781,900	2,233,980
— Tianjin Jinnan (note 37(c))	551,097	734,346
— Zhongshan Yahong (note 37(c))	–	65,000
— Guangxi Fuya (note 37(c))	49,900	–
— Changsha Shangcheng (note 37(c))	49,950	–
	2,432,847	3,033,326

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 40 Related party transactions (Continued)

#### (b) Transactions with related parties (Continued)

##### Key management compensation

Key management includes executive directors. The compensation paid or payable to key management for employee services is shown below:

	2015	2014
— Salaries and other short-term employee benefits	32,513	28,786
— Retirement scheme contributions	171	165
	<b>32,684</b>	<b>28,951</b>

Note:

- (i) Golf facilities service fees and restaurant and hotel service fees were charged in accordance with the terms of the underlying agreements which, in the opinion of the directors of the Company, were determined with reference to the market price of the prescribed year. In the opinion of the directors of the Company, the above related party transactions were carried out in the normal course of business and at terms mutually negotiated between the Group and the respective related parties.

#### (c) Balances with related parties

As at 31 December 2015 and 2014, the Group had the following significant non-trade balances with related parties:

	2015	2014
Due from related parties		
— Li He (note (i))	2,439,716	2,039,716
— Zhongshan Yahong (note (ii))	214,523	—
— Tianjin Jinnan (note (ii))	1,115,000	1,075,000
— Changsha Shangcheng (note (ii))	685,310	660,310
— Huadu Yazhan (note (ii))	312,482	423,983
	<b>4,767,031</b>	<b>4,199,009</b>
Due to related parties		
— Top Coast Investment Limited (note (iii))	7,480	6,884
— Founding shareholders (note (iv))	92,820	92,820
— Zhongshan Changjiang Golf Course (note (ii))	32	30
— Zhongshan Yahong (note (ii))	267,587	30,646
— Charm Talent (note (ii))	288,649	427,629
	<b>656,568</b>	<b>558,009</b>

Notes:

- (i) As at 31 December 2015, the balances due from Li He are cash advance in nature, which are unsecured, interest free and expected to be received after 1 year.
- (ii) The balances are cash advances in nature, which are unsecured, interest-free and repayable on demand.
- (iii) Amounts due to Top Coast Investment Limited as at 31 December 2015 comprised dividend payable of RMB251,000 (2014: nil) and cash advances of RMB7,229,000 (2014: RMB6,884,000), which are unsecured, interest-free and repayable on demand.
- (iv) Amounts due to Founding Shareholders represent the consideration payable for acquisition of a hotel building.

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 41 Ultimate holding company

The directors of the Company consider Top Coast Investment Limited, a company incorporated in the British Virgin Islands, to be the ultimate holding company of the Group.

### 42 Subsidiaries

(a) Particulars of principal subsidiaries of the Group at 31 December 2015 are set out below:

Name	Place of incorporation and legal status	Principal activities/ place of operation	Proportion of ordinary shares directly held by parent(%)	Proportion of ordinary shares held by the Group(%)	Proportion of ordinary shares held by non-controlling interests(%)
<b>Directly held by the Company</b>					
Eastern Supreme Group Holdings Limited (formerly named Eastern Supreme Group Limited)	British Virgin Islands (the "BVI")/limited liability company	Investment holding/ Hong Kong	100%	100%	–
<b>Indirectly held by the Company</b>					
雅居樂地產置業有限公司 (前稱中山市雅居樂地產置業有限公司) Agile Property Land Co., Ltd. (formerly named Zhongshan Agile Property Land Co., Ltd)	PRC/wholly foreign owned enterprise	Management consultant/ Mainland China	–	100%	–
中山雅居樂雍景園房地產有限公司 Zhongshan Agile Majestic Garden Real Estate Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	Property development/ Mainland China	–	100%	–
廣州番禺雅居樂房地產開發有限公司 Guangzhou Panyu Agile Realty Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	Property development/ Mainland China	–	100%	–
廣州花都雅居樂房地產開發有限公司 Guangzhou Huadu Agile Realty Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	Property development/ Mainland China	–	100%	–
佛山市南海區雅居樂房地產有限公司 Foshan Nanhai Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	Property development/ Mainland China	–	100%	–
中山市凱茵豪園房地產開發有限公司 Zhongshan Greenville Realty Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	Property development/ Mainland China	–	100%	–
中山市雅建房地產發展有限公司 Zhongshan Ever Creator Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	Property development/ Mainland China	–	100%	–

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 42 Subsidiaries (Continued)

#### (a) Particulars of principal subsidiaries of the Group at 31 December 2015 are set out below: (Continued)

Name	Place of incorporation and legal status	Principal activities/ place of operation	Proportion of ordinary shares directly held by parent(%)	Proportion of ordinary shares held by the Group(%)	Proportion of ordinary shares held by non-controlling interests(%)
廣州雅居樂房地產開發有限公司 Guangzhou Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	Property development/ Mainland China	–	100%	–
佛山市雅居樂房地產有限公司 Foshan Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	Property development/ Mainland China	–	100%	–
雅居樂物業管理服務有限公司 (前稱中山市雅居樂物業管理服務有限公司) Agile Property Management Services Co., Ltd. (note (i)) (formerly named Zhongshan Agile Property Management Services Co., Ltd.)	PRC/wholly foreign owned enterprise	Property management/ Mainland China	–	100%	–
南京雅居樂房地產開發有限公司 Nanjing Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	Property development/ Mainland China	–	100%	–
河源市雅居樂房地產開發有限公司 Heyuan Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	Property development/ Mainland China	–	100%	–
冠金投資有限公司 Crown Golden Investments Limited (note (b))	BVI/limited liability company	Investment holding/BVI	–	70%	30%
海南雅居樂房地產開發有限公司 Hainan Agile Real Estate Development Co., Ltd. ("Hainan Agile") (note (i)) (note (b))	PRC/foreign invested enterprise	Property development/ Mainland China	–	70%	30%
海南雅恒房地產開發有限公司 Hainan Yaheng Real Estate Development Co., Ltd. ("Hainan Yaheng") (note (i)) (note (b))	PRC/foreign invested enterprise	Property development/ Mainland China	–	70%	30%
廣州從化雅居樂房地產開發有限公司 Guangzhou Conghua Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	Property development/ Mainland China	–	100%	–
四川雅居樂房地產開發有限公司 Sichuan Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	Property development/ Mainland China	–	100%	–

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 42 Subsidiaries (Continued)

(a) Particulars of principal subsidiaries of the Group at 31 December 2015 are set out below: (Continued)

Name	Place of incorporation and legal status	Principal activities/ place of operation	Proportion of ordinary shares directly held by parent(%)	Proportion of ordinary shares held by the Group(%)	Proportion of ordinary shares held by non-controlling interests(%)
佛山市三水雅居樂房地產有限公司 Foshan Sanshui Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	Property development/ Mainland China	–	100%	–
惠州白鷺湖旅遊實業開發有限公司 Huizhou Bailuhu Tour Enterprise Development Co., Ltd. (note (i))	PRC/foreign invested enterprise	Property development/ Mainland China	–	100%	–
陝西吳瑞房地產開發有限責任公司 Shanxi Haorui Real Estate Development Co., Ltd. (note (i))	PRC/limited liability company	Property development/ Mainland China	–	100%	–
上海靜安城投重慶置業有限公司 Shanghai Jing'an Chengtou Chongqing Land Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	Property development/ Mainland China	–	100%	–
上海雅恒房地產開發有限公司 (前稱上海金昌房地產開發有限公司) Shanghai Yaheng Real Estate Development Co., Ltd. (formerly named Shanghai Jinchang Real Estate Development Co., Ltd.) (note (i))	PRC/wholly foreign owned enterprise	Property development/ Mainland China	–	100%	–
廣州雅居樂酒店有限公司 Guangzhou Agile Hotel Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	Hotel operation/ Mainland China	–	100%	–
佛山雅居樂酒店有限公司 Foshan Agile Hotel Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	Hotel operation/ Mainland China	–	100%	–
廣州雅恒房地產開發有限公司 Guangzhou Yaheng Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	Property development/ Mainland China	–	100%	–
中山市雅信房地產開發有限公司 Zhongshan Yaxin Real Estate Development Co., Ltd. (note (i))	PRC/limited liability company	Property development/ Mainland China	–	100%	–
中山市雅創房地產開發有限公司 Zhongshan Yachuang Real Estate Development Co., Ltd. (note (i))	PRC/limited liability company	Property development/ Mainland China	–	100%	–
廣州雅生房地產開發有限公司 Guangzhou Yasheng Real Estate Development Co., Ltd. (note (i))	PRC/limited liability company	Property development/ Mainland China	–	100%	–



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 42 Subsidiaries (Continued)

#### (a) Particulars of principal subsidiaries of the Group at 31 December 2015 are set out below: (Continued)

Name	Place of incorporation and legal status	Principal activities/ place of operation	Proportion of ordinary shares directly held by parent(%)	Proportion of ordinary shares held by the Group(%)	Proportion of ordinary shares held by non-controlling interests(%)
中山市雅景房地產開發有限公司 Zhongshan Yajing Real Estate Development Co., Ltd. (note (i))	PRC/limited liability company	Property development/ Mainland China	–	100%	–
廣州雅粵房地產開發有限公司 Guangzhou Yayue Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	Property development/ Mainland China	–	100%	–
廣州雅騰房地產開發有限公司 Guangzhou Yateng Real Estate Development Co., Ltd. (note (i))	PRC/limited liability company	Property development/ Mainland China	–	100%	–
佛山市三水雅居樂雍景園房地產有限公司 Foshan Sanshui Agile Majestic Garden Real Estate Co., Ltd. (note (i))	PRC/limited liability company	Property development/ Mainland China	–	100%	–
廣東西樵商貿廣場有限公司 Guangdong Xiqiao Commerce Plaza Co., Ltd. (note (i))	PRC/limited liability company	Property development/ Mainland China	–	100%	–
南京江寧雅居樂房地產開發有限公司 Nanjing Jiangning Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	Property development/ Mainland China	–	100%	–
遼寧雅居樂房地產開發有限公司 Liaoning Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	Property development/ Mainland China	–	100%	–
西安雅居樂物業投資管理有限公司 Xi'an Agile Property Investment Management Co., Ltd. (note (i))	PRC/limited liability company	Property development/ Mainland China	–	100%	–
佛山市順德區雅居樂房地產有限公司 Foshan Shunde Agile Real Estate Development Co., Ltd. (note (i))	PRC/limited liability company	Property development/ Mainland China	–	100%	–
南京雅建置業有限公司 Nanjing Yajian Land Co., Ltd. (note (i))	PRC/limited liability company	Property development/ Mainland China	–	100%	–
常州雅居樂房地產開發有限公司 Changzhou Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	Property development/ Mainland China	–	100%	–

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 42 Subsidiaries (Continued)

(a) Particulars of principal subsidiaries of the Group at 31 December 2015 are set out below: (Continued)

Name	Place of incorporation and legal status	Principal activities/ place of operation	Proportion of ordinary shares directly held by parent(%)	Proportion of ordinary shares held by the Group(%)	Proportion of ordinary shares held by non-controlling interests(%)
騰冲雅居樂旅遊置業有限公司 Tengchong Agile Resort Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	Property development/ Mainland China	–	100%	–
海南雅航旅遊置業有限公司 Hainan Yahang Travel Property Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	Property development/ Mainland China	–	100%	–
惠州市惠陽雅居樂房地產開發有限公司 Huizhou Huiyang Agile Real Estate Development Co., Ltd (note (i))	PRC/limited liability company	Property development/ Mainland China	–	100%	–
西雙版納雅居樂旅遊置業有限公司 (前稱西雙版納雅居樂旅遊發展有限公司) Xishuangbanna Agile Resort Co., Ltd. (formerly named Xishuangbanna Agile Resort Development Co., Ltd) (note (i))	PRC/wholly foreign owned enterprise	Property development/ Mainland China	–	100%	–
瑞麗雅居樂旅遊置業有限公司 Ruli Agile Resort Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	Property development/ Mainland China	–	100%	–
西安曲江雅居樂房地產開發有限公司 Xi'an Qujiang Agile Real Estate Development Co., Ltd. (note (i))	PRC/limited liability company	Property development/ Mainland China	–	70%	30%
佛山市順德區雅新房地產開發有限公司 Foshan Shunde Yaxin Real Estate Development Co., Ltd. (note (i))	PRC/limited liability company	Property development/ Mainland China	–	100%	–
揚州雅居樂房地產開發有限公司 Yangzhou Agile Real Estate Development Co., Ltd. (note (i))	PRC/foreign invested enterprise	Property development/ Mainland China	–	100%	–
來安雅居樂房地產開發有限公司 Lai'an Agile Real Estate Development Co., Ltd. (note (i))	PRC/limited liability company	Property development/ Mainland China	–	100%	–
無錫雅居樂房地產開發有限公司 Wuxi Agile Real Estate Development Co., Ltd. (note (i))	PRC/limited liability company	Property development/ Mainland China	–	100%	–

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 42 Subsidiaries (Continued)

#### (a) Particulars of principal subsidiaries of the Group at 31 December 2015 are set out below: (Continued)

Name	Place of incorporation and legal status	Principal activities/ place of operation	Proportion of ordinary shares directly held by parent(%)	Proportion of ordinary shares held by the Group(%)	Proportion of ordinary shares held by non-controlling interests(%)
上海松江雅居樂房地產開發有限公司 Shanghai SongJiang Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	Property development/ Mainland China	–	100%	–
昆山市富恒房地產開發有限公司 Kunshan Fuheng Real Estate Development Co., Ltd. (note (i))	PRC/limited liability company	Property development/ Mainland China	–	100%	–
中山市雅尚房地產開發有限公司 Zhongshan Yashang Real Estate Development Co., Ltd. (note (i))	PRC/limited liability company	Property development/ Mainland China	–	53.8%	46.2%
杭州余杭雅居樂房地產開發有限公司 Hangzhou Yuhang Agile Real Estate Development Co., Ltd. (note (i))	PRC/limited liability company	Property development/ Mainland China	–	100%	–
南京濱江雅居樂房地產開發有限公司 Nanjing Binjiang Agile Real Estate Development Co., Ltd. (note (i))	PRC/limited liability company	Property development/ Mainland China	–	100%	–
鄭州雅居樂房地產開發有限公司 Zhengzhou Agile Real Estate Development Co., Ltd. (note (i))	PRC/limited liability company	Property development/ Mainland China	–	60%	40%
佛山市南海區雅恒房地產開發有限公司 Foshan Nanhai Yaheng Real Estate Development Co., Ltd. (note (i))	PRC/limited liability company	Property development/ Mainland China	–	51%	49%

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 42 Subsidiaries (Continued)

#### (a) Particulars of principal subsidiaries of the Group at 31 December 2015 are set out below: (Continued)

Structured entity	Principal activities
The Company's Employee Share Trust	Purchases, administers and holds the Company's shares in respect of the Share Award Scheme set up for the benefit of eligible employees

As the Company's Employee Share Trust is set up solely for the purpose of purchasing, administering and holding the Company's shares in respect of the Share Award Scheme, the Company has the rights to variable returns from its involvement with the Employee Share Trust and has the ability to affect those returns through its power over the trust. The assets and liabilities of the Employee Share Trust are included in the Group's consolidated financial statements and the shares held by the Employee Share Trust are presented as a deduction in equity as "Shares held for Share Award Scheme".

The above table lists the principal subsidiaries of the Group which, in the opinion of the directors, principally affect the results and net assets of the Group. To give full details of subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Note:

- (i) The names of the companies represent management's best efforts at translating the Chinese names of these companies as no English names have been registered or available.

#### (b) Material non-controlling interests

Crown Golden Investment Limited ("Crown Golden") is incorporated in the British Virgin Islands, the principal activity is investment holding. The subsidiaries of Crown Golden are certain project development companies in the PRC. As at 31 December 2015, the total non-controlling interests amounted to RMB3,198,064,000 (2014: RMB2,960,884,000), of which RMB2,042,193,000 (2014: RMB2,107,735,000) is for 30% non-controlling interests in Crown Golden. The remaining non-controlling interests are not individually material.

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 42 Subsidiaries (Continued)

#### (b) Material non-controlling interests (Continued)

##### Summarised financial information on subsidiaries with material non-controlling interests

	2015	2014
Current		
— Assets	18,875,357	20,226,405
— Liabilities	(15,122,548)	(17,660,314)
Total current net assets	3,752,809	2,566,091
Non-current		
— Assets	4,375,499	5,288,834
— Liabilities	(1,320,999)	(829,142)
Total non-current net assets	3,054,500	4,459,692
Net assets	6,807,309	7,025,783

	2015	2014
Revenue	6,960,619	6,319,307
Post-tax profit from continuing operations	1,244,150	1,232,219
Total comprehensive income	1,244,150	1,232,219
Total comprehensive income allocated to non-controlling interests	373,245	369,666
Dividends paid to non-controlling interests	438,787	342,616

	2015	2014
Net cash (used in)/generated from operating activities	(530,726)	422,877
Net cash generated from/(used in) investing activities	287,442	(318,170)
Net cash generated from/(used in) financing activities	474,434	(573,784)
Exchange losses on cash and cash equivalents	(32,025)	(191)
Net increase/(decrease) in cash and cash equivalents	199,125	(469,268)

\* The amounts above are before inter-company eliminations.



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 43 Balance sheet and reserve movement of the Company

#### Balance sheet of the Company

	As at 31 December	
	2015	2014
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investments in subsidiaries	448,520	448,520
<b>Current assets</b>		
Amounts due from subsidiaries	34,481,196	35,362,968
Other receivables and prepayments	16,374	6,326
Restricted cash	255,576	250,000
Cash and cash equivalents	243,918	149,943
	34,997,064	35,769,237
<b>Total assets</b>	<b>35,445,584</b>	<b>36,217,757</b>
<b>EQUITY</b>		
<b>Equity attributable to shareholders of the Company</b>		
Share capital and premium	5,097,967	5,097,967
Shares held for Share Award Scheme	(156,588)	(156,588)
Other reserves (note (a))	427,512	427,512
Retained earnings (note (a))	1,092,304	1,402,684
	6,461,195	6,771,575
<b>Perpetual Capital Securities</b>	<b>4,488,659</b>	<b>4,483,409</b>
<b>Total equity</b>	<b>10,949,854</b>	<b>11,254,984</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings	17,679,822	16,126,953
<b>Current liabilities</b>		
Borrowings	2,799,891	5,145,760
Amounts due to subsidiaries	3,342,822	2,874,149
Other payables and accruals	673,195	815,911
	6,815,908	8,835,820
<b>Total liabilities</b>	<b>24,495,730</b>	<b>24,962,773</b>
<b>Total equity and liabilities</b>	<b>35,445,584</b>	<b>36,217,757</b>

The balance sheet of the Company was approved by the Board of Directors on 23 March 2016 and was signed on its behalf by:

**Chen Zhuo Lin**  
Director

**Chan Cheuk Hung**  
Director

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 43 Balance sheet and reserve movement of the Company (Continued)

Note (a): Reserve movement of the Company

	Other reserves	Retained earnings
At 1 January 2014	427,512	911,371
Profit for the year	–	1,792,806
Dividends declared relating to 2013	–	(1,301,493)
<b>At 31 December 2014</b>	<b>427,512</b>	<b>1,402,684</b>
At 1 January 2015	427,512	1,402,684
Profit for the year	–	455,750
Dividends declared relating to 2014	–	(766,130)
<b>At 31 December 2015</b>	<b>427,512</b>	<b>1,092,304</b>

### 44 Events after the balance sheet date

#### 1. Domestic Bonds

On 11 January 2016, a PRC subsidiary (“Issuer”) of the Company issued 4.7% domestic bonds (the “Domestic Bonds”) with an aggregate amount of RMB1,600,000,000. The net proceeds, after deducting the issuance costs, amounted to approximately RMB1,583,568,000. The Domestic Bonds will mature on 11 January 2021. The Issuer shall be entitled to adjust the coupon rate at the end of third year whereas the investors shall be entitled to sell back in whole or in part the Domestic Bonds.

#### 2. Asset-backed securitisation

A PRC subsidiary engaged in property management entered into asset-backed securitisation (“ABS”) arrangement with an assets management company by pledging of the future 5 years’ receivables right of certain properties under its management. On 26 February 2016, the ABS was formally established with an aggregated nominal value of RMB1,100,000,000, with a 5 year duration, amongst which RMB100,000,000 was subordinate securities purchased by the PRC subsidiary as original equity holder. The net proceeds from the ABS, after deducting the issuance costs and the subordinate securities purchased by PRC subsidiary, amounted to approximately RMB974,150,000.

#### 3. Domestic Private Bonds

On 21 March 2016, the Shanghai Stock Exchange has approved the application of a PRC subsidiary of the Company to issue non-public domestic bonds (the “Non-public Domestic Bonds”) to a group of financial institutions of up to an aggregate amount of RMB3,000,000,000. The final aggregate principal amount and the coupon rate of the Non-public Domestic Bonds will be subject to market conditions and qualified investors’ interests. The Non-public Domestic Bonds will mature no more than four years from the date of issue.

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 45 Benefits and interests of directors

#### (a) Directors' and chief executive's emoluments

The remuneration of every director and the chief executive is set out below:

For the year ended 31 December 2015:

Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiaries undertaking:

	Housing allowance and contribution to a retirement benefit scheme			Total
	Fees	Salary		
Mr. Chen Zhuo Lin	–	3,364	14	3,378
Mr. Chan Cheuk Hung	–	2,403	14	2,417
Mr. Huang Fengchao	–	6,271	29	6,300
Mr. Liang Zhengjian (note(i))	–	9,374	33	9,407
Mr. Chen Zhongqi	–	8,266	81	8,347
Mr. Chan Cheuk Yin	315	–	–	315
Ms. Luk Sin Fong, Fion	315	–	–	315
Mr. Chan Cheuk Hei	315	–	–	315
Mr. Chan Cheuk Nam	315	–	–	315
Dr. Cheng Hon Kwan (note(ii))	315	–	–	315
Mr. Kwong Che Keung, Gordon (note(ii))	315	–	–	315
Mr. Cheung Wing Yui, Edward (note(ii))	315	–	–	315
Mr. Hui Chiu Chung, Stephen (note(ii))	315	–	–	315
Mr. Wong Shiu Hoi, Peter (note(ii))	315	–	–	315
	2,835	29,678	171	32,684

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 45 Benefits and interests of directors (Continued)

#### (a) Directors' and chief executive's emoluments (Continued)

For the year ended 31 December 2014:

Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiaries undertaking:

	Fees	Salary	Housing allowance and contribution to a retirement benefit scheme	Total
Mr. Chen Zhuo Lin	–	3,327	13	3,340
Mr. Chan Cheuk Yin	–	941	3	944
Ms. Luk Sin Fong, Fion	–	941	3	944
Mr. Chan Cheuk Hung	–	2,377	13	2,390
Mr. Chan Cheuk Hei	–	823	3	826
Mr. Chan Cheuk Nam	–	823	3	826
Mr. Huang Fengchao	–	7,440	59	7,499
Mr. Liang Zhengjian (note(i))	–	7,555	34	7,589
Mr. Chen Zhongqi	–	6,205	40	6,245
Dr. Cheng Hon Kwan (note(ii))	309	–	–	309
Mr. Kwong Che Keung, Gordon (note(ii))	309	–	–	309
Mr. Cheung Wing Yui, Edward (note(ii))	309	–	–	309
Mr. Hui Chiu Chung, Stephen (note(ii))	158	–	–	158
Mr. Wong Shiu Hoi, Peter (note(ii))	158	–	–	158
	1,243	30,432	171	31,846

Notes:

(i) Mr. Liang Zhengjian resigned on 1 December 2015.

(ii) Independent non-executive directors of the Company.

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 45 Benefits and interests of directors *(Continued)*

#### **(b) Directors' retirement benefits**

During the year ended 31 December 2015, there were no additional retirement benefit received by the directors except for the attribution to a retirement benefit scheme as disclosed in note (a) above (2014: same).

#### **(c) Directors' termination benefits**

During the year ended 31 December 2015, there was no termination benefits received by the directors (2014: same).

#### **(d) Consideration provided to third parties for making available directors' services**

During the year ended 31 December 2015, no consideration was paid for making available the services of the directors of the Company (2014: same).

#### **(e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors**

During the year ended 31 December 2015, there was no loans, quasi-loans and other dealings entered into by the Company or subsidiaries undertaking of the Company, where applicable, in favour of directors.

#### **(f) Directors' material interests in transactions, arrangements or contracts**

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.



# Five-year Financial Summary

## Consolidated Assets, Equity and Liabilities

	<b>31 December 2015 RMB'000</b>	31 December 2014 RMB'000	31 December 2013 RMB'000	31 December 2012 RMB'000 (Restated)	31 December 2011 RMB'000
<b>ASSETS</b>					
Non-current assets	<b>27,194,088</b>	29,464,955	32,550,203	29,906,755	25,642,029
Current assets	<b>90,118,843</b>	94,183,201	81,985,003	60,942,756	56,136,193
<b>Total assets</b>	<b>117,312,931</b>	123,648,156	114,535,206	90,849,511	81,778,222
<b>EQUITY AND LIABILITIES</b>					
<b>Total equity</b>	<b>41,994,987</b>	41,095,292	36,567,296	27,911,807	23,756,843
Non-current liabilities	<b>24,786,841</b>	27,166,852	29,152,128	23,236,236	16,781,526
Current liabilities	<b>50,531,103</b>	55,386,012	48,815,782	39,701,468	41,239,853
<b>Total liabilities</b>	<b>75,317,944</b>	82,552,864	77,967,910	62,937,704	58,021,379
<b>Total equity and liabilities</b>	<b>117,312,931</b>	123,648,156	114,535,206	90,849,511	81,778,222

\* In 2013, the Group changed its accounting policies for interests in joint ventures, comparative figures in 2012 were restated accordingly.

## Five-year Financial Summary (Continued)

### Consolidated Income Statement

	2015 RMB'000	2014 RMB'000	2013 RMB'000	2012 RMB'000 (Restated)	2011 RMB'000
<b>Continuing Operations</b>					
Revenue	43,004,312	38,317,599	35,436,404	29,891,751	22,944,566
Cost of sales	(32,191,005)	(25,886,775)	(22,821,680)	(17,456,231)	(10,590,392)
<b>Gross profit</b>	<b>10,813,307</b>	12,430,824	12,614,724	12,435,520	12,354,174
Selling and marketing costs	(1,785,859)	(1,784,164)	(1,522,821)	(974,519)	(835,042)
Administrative expenses	(1,444,024)	(1,437,438)	(1,284,575)	(1,124,629)	(876,565)
Fair value gains on investment properties	62,523	469,625	174,277	178,428	96,418
Other (losses)/gains, net	(139,387)	146,034	(93,687)	32,800	(152,867)
Other income	212,162	979,166	224,851	132,057	200,220
Other expenses	(82,439)	(312,950)	(131,743)	(212,552)	(105,322)
<b>Operating profit</b>	<b>7,636,283</b>	10,491,097	9,981,026	10,467,105	10,681,016
Fair value gains on embedded financial derivatives	–	–	295,748	199,769	176,922
Finance (costs)/income, net	(1,325,206)	(292,573)	488,214	(46,294)	644,608
Share of post-tax (loss)/profit of an associate	(27,190)	(27,636)	(59,537)	(87,024)	120,938
Share of post-tax (losses)/profits of joint ventures	(87,400)	(44,997)	7,124	(1,950)	–
<b>Profit before income tax</b>	<b>6,196,487</b>	10,125,891	10,712,575	10,531,606	11,623,484
Income tax expenses	(3,894,950)	(5,034,790)	(4,850,220)	(5,384,955)	(6,389,804)
<b>Profit for the year</b>	<b>2,301,537</b>	5,091,101	5,862,355	5,146,651	5,233,680
<b>Profit attributable to:</b>					
Shareholders of the Company	1,390,343	4,287,245	4,826,907	5,000,482	4,105,255
Holder of Perpetual Capital Securities	358,565	354,782	342,497	–	–
Non-controlling interests	552,629	449,074	692,951	146,169	1,128,425
	<b>2,301,537</b>	5,091,101	5,862,355	5,146,651	5,233,680
<b>Earnings per share from continuing operations attributable to shareholders of the Company for the year</b> (expressed in RMB per share)					
— Basic	0.358	1.222	1.400	1.450	1.184
— Diluted	0.358	1.203	1.210	1.305	1.067

\* In 2013, the Group changed its accounting policies for interests in joint ventures, comparative figures in 2012 were restated accordingly.

## Board of Directors

Mr. Chen Zhuo Lin\* (*Chairman and President*)  
Mr. Chan Cheuk Yin\*\* (*Vice Chairperson*)  
Madam Luk Sin Fong, Fion\*\* (*Vice Chairperson*)  
Mr. Chan Cheuk Hung\*  
Mr. Huang Fengchao\*  
Mr. Liang Zhengjian\* (resigned on 1 December 2015)  
Mr. Chen Zhongqi\*  
Mr. Chan Cheuk Hei\*\*  
Mr. Chan Cheuk Nam\*\*  
Dr. Cheng Hon Kwan<sup>#</sup> *GBS, OBE, JP*  
Mr. Kwong Che Keung, Gordon<sup>#</sup>  
Mr. Cheung Wing Yui, Edward<sup>#</sup> *BBS*  
Mr. Hui Chiu Chung, Stephen<sup>#</sup> *JP*  
Mr. Wong Shiu Hoi, Peter<sup>#</sup>

\* Executive Directors

\*\* Non-executive Directors

<sup>#</sup> Independent Non-executive Directors

## Board Committees

### Audit Committee

Mr. Kwong Che Keung, Gordon (*Committee Chairperson*)  
Dr. Cheng Hon Kwan *GBS, OBE, JP*  
Mr. Cheung Wing Yui, Edward *BBS*  
Mr. Hui Chiu Chung, Stephen *JP*

### Remuneration Committee

Dr. Cheng Hon Kwan *GBS, OBE, JP* (*Committee Chairperson*)  
Mr. Kwong Che Keung, Gordon  
Mr. Cheung Wing Yui, Edward *BBS*  
Madam Luk Sin Fong, Fion  
Mr. Hui Chiu Chung, Stephen *JP*  
Mr. Wong Shiu Hoi, Peter

### Nomination Committee

Mr. Cheung Wing Yui, Edward *BBS* (*Committee Chairperson*)  
Dr. Cheng Hon Kwan *GBS, OBE, JP*  
Mr. Kwong Che Keung, Gordon  
Madam Luk Sin Fong, Fion  
Mr. Hui Chiu Chung, Stephen *JP*  
Mr. Wong Shiu Hoi, Peter

## Company Secretary

Mr. Cheung Sum Sam (appointed on 9 March 2016)  
Mr. Kwang Chin Kheng (resigned on 9 March 2016)

## Authorised Representatives

Mr. Chen Zhuo Lin  
Mr. Cheung Sum Sam (appointed on 9 March 2016)  
Mr. Kwang Chin Kheng (resigned on 9 March 2016)

## Auditor

PricewaterhouseCoopers

## Legal Advisors

### as to Hong Kong law:

Sidley Austin LLP  
Iu, Lai & Li Solicitors & Notaries

### as to PRC law:

Jingtian & Gongcheng

### as to BVI and Cayman Islands laws:

Conyers Dill & Pearman

### as to US and English laws:

Sidley Austin LLP

## Principal Bankers

Bank of China Limited  
Industrial and Commercial Bank of China Limited  
China Construction Bank Corporation  
Agricultural Bank of China Limited  
The Bank of East Asia, Limited  
The Hongkong and Shanghai Banking Corporation Limited  
Hang Seng Bank Limited  
Standard Chartered Bank (Hong Kong) Limited

## Registered Office

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## Corporate Information (Continued)

### Principal Place of Office in the PRC

33rd Floor, Agile Center, 26 Huaxia Road  
Zhujiang New Town  
Tianhe District, Guangzhou  
Guangdong Province  
PRC  
Postal Code: 510623

### Principal Place of Business in Hong Kong

33rd Floor  
Citibank Tower  
3 Garden Road  
Central  
Hong Kong

### Principal Share Registrar and Transfer Office

Royal Bank of Canada Trust Company (Cayman) Limited  
4th Floor, Royal Bank House  
24 Shedden Road, George Town  
Grand Cayman KY1-1110  
Cayman Islands

### Branch Share Registrar and Transfer Office in Hong Kong

Tricor Investor Services Limited  
Level 22, Hopewell Centre  
183 Queen's Road East  
Hong Kong  
Telephone : (852) 2980 1333  
Facsimile : (852) 2861 1465

### Investor Relations

#### Capital Markets and Corporate Affairs Department

E-mail : [ir@agile.com.cn](mailto:ir@agile.com.cn)  
Telephone : (852) 2847 3383  
Facsimile : (852) 2780 8822

### Website

[www.agile.com.cn](http://www.agile.com.cn)

## Listing Information

### Equity Securities Listing

The Company's ordinary shares (stock code: 3383) are listed on the Main Board of Hong Kong Stock Exchange.

### Debt Securities Listing

The Company's debt securities listed on the Main Board of Hong Kong Stock Exchange:

- 6.5% senior notes in an aggregate principal amount of RMB2,000 million due 2017 (stock code: 85950)
- 8.375% senior notes in an aggregate principal amount of US\$500 million due 2019 (stock code: 6026)
- 9% senior notes in an aggregate principal amount of US\$500 million due 2020 (stock code: 5517)

The Company's debt securities listed on the Official List of The Singapore Exchange Securities Trading Limited:

- 8.875% senior notes in an aggregate principal amount of US\$650 million due 2017
- 9.875% senior notes in an aggregate principal amount of US\$700 million due 2017

The debt securities of Guangzhou Panyu Agile Realty Development Co., Ltd. (a wholly-owned subsidiary of the Company incorporated in China) listed on the Shanghai Stock Exchange:

- domestic corporate bonds in an aggregate principal amount of RMB1,600 million due 2021 with a coupon rate of 4.7% (corporate bond code: 136134)

### Capital Securities Listing

The Company's subordinated perpetual capital securities in an aggregate principal amount of US\$700 million (stock code: 4593) are listed on the Main Board of Hong Kong Stock Exchange.

## Financial Calendar

Interim results announcement	26 August 2015
Annual results announcement	23 March 2016
2016 AGM	13 May 2016
Payment of final dividend and special dividend	3 June 2016

## Closure of Register of Members and other Key Dates

The Company's register of members will be closed during the following periods:

### To determine the identity of Shareholders who are entitled to attend and vote at the 2016 AGM

Latest time for lodging transfer documents of shares	: 4:30 p.m. on Monday, 9 May 2016
Period of closure of register of members	: Tuesday, 10 May 2016 to Friday, 13 May 2016 (both dates inclusive)

### To determine the Shareholders' entitlement to the final dividend and special dividend

Ex-entitlement date for final dividend and special dividend	: Wednesday, 18 May 2016
Latest time for lodging transfer documents of shares	: 4:30 p.m. on Thursday, 19 May 2016
Period of closure of register of members	: Friday, 20 May 2016 to Tuesday, 24 May 2016 (both dates inclusive)
Record date	: Tuesday, 24 May 2016



## Corporate Information (Continued)

To qualify for attending and voting at the 2016 AGM and/or entitlement to the final dividend and special dividend, all properly completed share transfer forms accompanied by the share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than the corresponding latest time for lodging transfer as stated above.

The proposed final dividend and special dividend will be paid on Friday, 3 June 2016 to Shareholders whose names appear on the register of members of the Company on Tuesday, 24 May 2016 upon approval by the Shareholders in the 2016 AGM.

### Annual General Meeting

The 2016 AGM will be held on Friday, 13 May 2016. Notice of 2016 AGM will be set out in the Company's circular dated 12 April 2016 and will be despatched together with this annual report to the Shareholders. Notice of 2016 AGM and the proxy form will also be published on the Agile's website ([www.agile.com.cn](http://www.agile.com.cn)), HKEX's website ([www.hkex.com.hk](http://www.hkex.com.hk)) and SGX's website ([www.sgx.com](http://www.sgx.com)).

### Dividends

Interim dividend	Nil
Proposed final dividend	HK14.5 cents per Share
Proposed special dividend	HK25.0 cents per Share

### Despatch of Corporate Communications

This annual report is available in both Chinese and English versions. Printed copies in either or both languages will be delivered to Shareholders in accordance with their indicated preference. This annual report is also published on Agile's website ([www.agile.com.cn](http://www.agile.com.cn)), HKEX's website ([www.hkex.com.hk](http://www.hkex.com.hk)) and SGX's website ([www.sgx.com](http://www.sgx.com)). Registered Shareholders may at any time choose to change their choice of language or means of receipt of the Company's corporate communications free of charge by filling the specified forms and send to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited. For Shareholders whose Shares are being held through brokers or custodians, they should inform their respective brokers or custodians to effect the change.

For environment protection reasons, the Company encourages Shareholders to view this annual report posted on the aforesaid websites.

Agile or Company	Agile Property Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Hong Kong Stock Exchange
Articles	the Articles of Association of the Company
2015 AGM	annual general meeting of the Company held on 12 June 2015
2016 AGM	annual general meeting of the Company to be held on 13 May 2016
BBS	Bronze Bauhinia Star
BEA	The Bank of East Asia, Limited
Board	board of Directors of the Company
BOC Macau	Bank of China Limited, Macau Branch
BVI	British Virgin Islands
Changjiang Hotel Company	Zhongshan Agile Changjiang Hotel Co., Ltd.
Chen's Family Trust	a family trust established by Top Coast as trustee and the beneficiaries of which are the Founding Shareholders
China or PRC	The People's Republic of China. For the purpose of this Annual Report, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan region
CG Code	Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules
Directors	directors of the Company

## Glossary (Continued)

Employee Share Trustee	Bank of Communications Trustee Limited
Founding Shareholders	Chen Zhuo Lin, Chan Cheuk Yin, Luk Sin Fong, Fion, Chan Cheuk Hung, Chan Cheuk Hei and Chan Cheuk Nam
GBS	Gold Bauhinia Star
GFA	gross floor area
Group	the Company and its subsidiaries
HK\$/HKD	Hong Kong dollar(s), the lawful currency of Hong Kong
HKAS	Hong Kong Accounting Standards
HKEX	Hong Kong Exchanges and Clearing Limited
Hong Kong	Hong Kong Special Administrative Region of PRC
Hong Kong Companies Ordinance	Companies Ordinance (Chapter 622 of the laws of Hong Kong)
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
HSB	Hang Seng Bank Limited
HSBC	The Hongkong and Shanghai Banking Corporation Limited
ICBC Asia	Industrial and Commercial Bank of China (Asia) Limited
INED(s)	Independent Non-executive Director(s) of the Company
JP	Justice of the Peace

Listing Rules	The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules
NED(s)	Non-executive Director(s) of the Company
OBE	Officer of British Empire
RMB	Renminbi, the lawful currency of PRC
SCB	Standard Chartered Bank (Hong Kong) Limited
Securities Dealing Code for Directors	A code for securities transactions by Directors adopted by the Company
SFO	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
Share(s)	ordinary share(s) of HK\$0.10 each in the share capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time)
Share Award Scheme	a share award scheme adopted by the Company on 10 December 2013
Shareholder(s)	holder(s) of Shares
Share Option Scheme	a share option scheme adopted by the Company on 23 November 2005 and expired on 22 November 2015
SGX	Singapore Exchange Limited
Top Coast	Top Coast Investment Limited, a company incorporated in BVI with limited liability on 17 May 2005, being the trustee of Chen's Family Trust

## Glossary (Continued)

US	United States of America
US\$/USD	United States dollar(s), the lawful currency of US
%	per cent



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