



远洋地产

遠洋地產控股有限公司
Sino-Ocean Land Holdings Limited

(Incorporated in Hong Kong with limited liability under the Hong Kong Companies Ordinance)
(Stock Code: 03377)

Annual Report 2014



THE ULTIMATE
THE WILL TO CHANGE




ACTIVELY
CHANGING FOR
A BETTER FUTURE





PURSUING THE
ULTIMATE WITH A
LONG-TERM VISION



A wooden desk with drafting tools and a blurred background of a modern building interior. The desk is in the foreground, with a yellow-handled compass and a pair of glasses. The background shows a large, multi-story building with a glass facade and people walking inside.

ABOUT US

Sino-Ocean Land is one of the leading property developers with developments in key economic regions in the PRC and is actively accomplishing our national strategic plan with a coastal and riparian focus. We focus on developing mid-to high-end residential properties, high-end office premises and retail properties. We have over 60 development projects in various stages of development in 19 high growth cities across the country, including Beijing, Tianjin and Qinhuangdao in the Beijing-Tianjin-Hebei Region; Dalian, Shenyang, Changchun and Fushun in the Northeast Region; Shanghai, Hangzhou, Huangshan, Zhenjiang, Qingdao and Wuhan in the Central Region; Zhongshan, Shenzhen, Haikou, Sanya, Chongqing and Chengdu in the Southern Region.

On the back of our dedication to provide high-quality products and professional services, Sino-Ocean Land has built up a strong brand in Beijing-Tianjin-Hebei Region, the Northeast Region, the Central Region and the Southern Region. As at 31 December 2014, we had approximately 19,880,000 sq.m. of landbank, in which projects located in first and second-tier cities accounted for about 89% of our total landbank.

Currently, Sino-Ocean has been selected as a constituent of the Hang Seng Composite Index ("HSCI"), the Hang Seng Composite Industry Index — Properties and Construction, Hang Seng Mainland 100 Index, Hang Seng Composite Mid Cap Index, Hang Seng Global Composite Index and was newly selected as a constituent of the Hang Seng High Dividend Yield Index in 2014.



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FINANCIAL & OPERATION HIGHLIGHTS

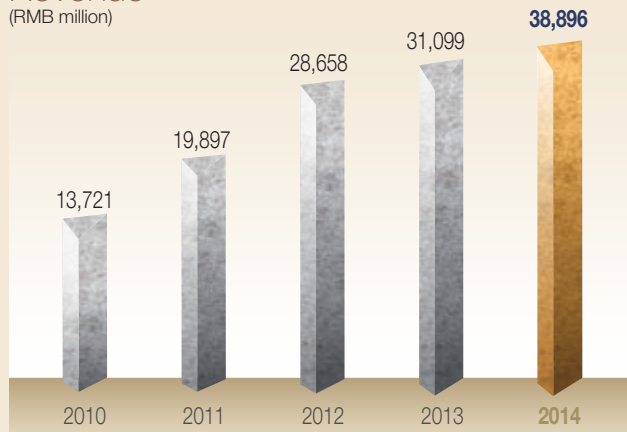
Financial Highlights (RMB million)	2014	2013	Change (%)
Contracted Sales	40,142	35,818	12%
Revenue	38,896	31,099	25%
Gross profit	8,167	7,547	8%
Profit for the year	4,606	4,661	-1%
Profit attributable to owners of the Company	4,597	4,075	13%
Core profit	3,566	3,036	17%
Total assets	132,212	137,869	-4%
Equity attributable to owners of the Company	43,024	40,058	7%
Cash resources ¹	16,336	16,050	2%
Financial Information per share			
Earnings per share (RMB)			
— Basic	0.590	0.592	-0.3%
— Diluted	0.588	0.589	-0.2%
Dividend per share (HKD)	0.240	0.230	4%
Financial Ratios			
Gross profit margin (%)	21%	24%	-3 pts
Net profit margin (%)	12%	13%	-1 pt
Net gearing ratio (%) ²	66%	44%	22 pt
Dividend payout ratio (%)	31%	31%	–
Current ratio (times)	1.9	1.7	12%
Operational Highlights (thousand sq.m.)			
Landbank	19,880	21,353	-7%
Saleable GFA sold	2,923	2,583	13%
Saleable GFA delivered	2,978	2,445	22%

Notes:

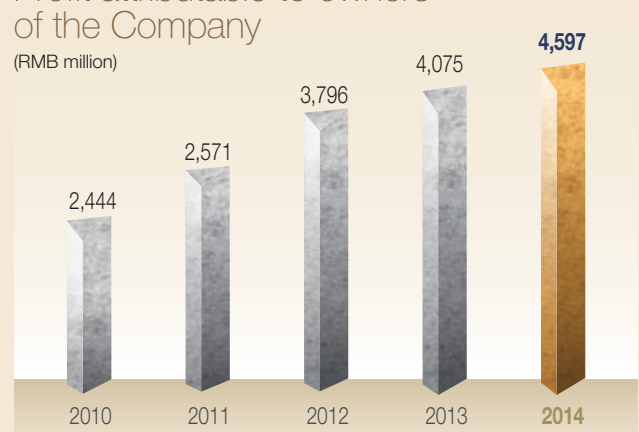
¹ Including the restricted bank deposits

² Total borrowings minus cash resources divided by total equity

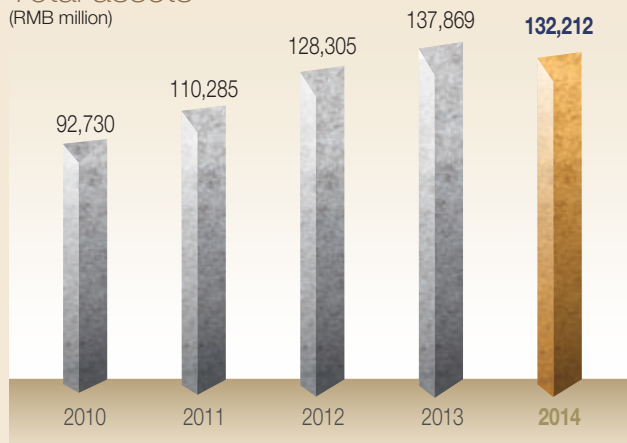
Revenue
(RMB million)



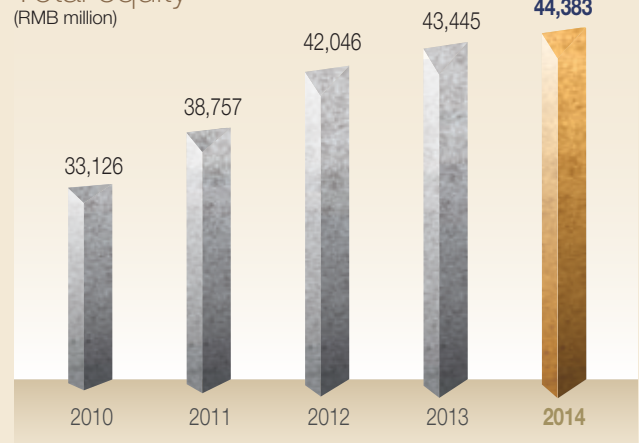
Profit attributable to owners
of the Company
(RMB million)



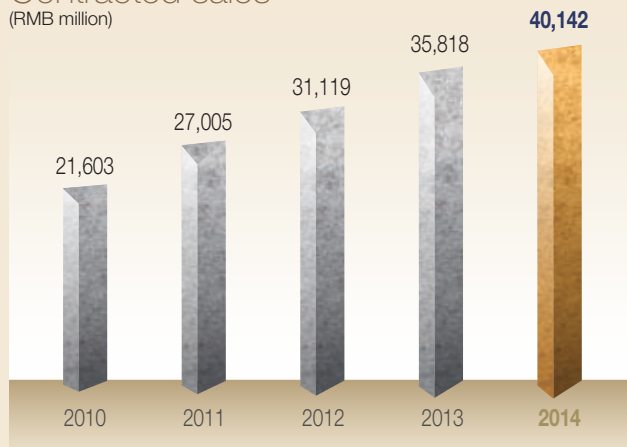
Total assets
(RMB million)



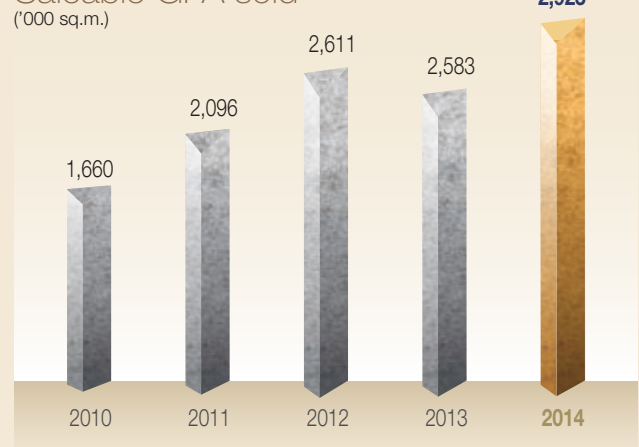
Total equity
(RMB million)



Contracted sales
(RMB million)



Saleable GFA sold
('000 sq.m.)



SINO-OCEAN LAND AS A NATIONWIDE CORPORATION, OUR PROJECT COVERAGE HAS BEEN EXTENDED TO 19 CITIES ALL OVER THE PRC.

BEIJING-TIANJIN-HEBEI REGION

Beijing, Tianjin, Qinhuangdao

Total GFA: 11,161,000 sq.m.

Total remaining landbank: 7,838,000 sq.m.

No. of projects: 25

NORTHEAST REGION

Dalian, Shenyang, Changchun, Fushun

Total GFA: 8,696,000 sq.m.

Total remaining landbank: 5,620,000 sq.m.

No. of projects: 11

CENTRAL REGION

Shanghai, Hangzhou, Huangshan, Zhenjiang,
Qingdao, Wuhan

Total GFA: 3,744,000 sq.m.

Total remaining landbank: 2,860,000 sq.m.

No. of projects: 13

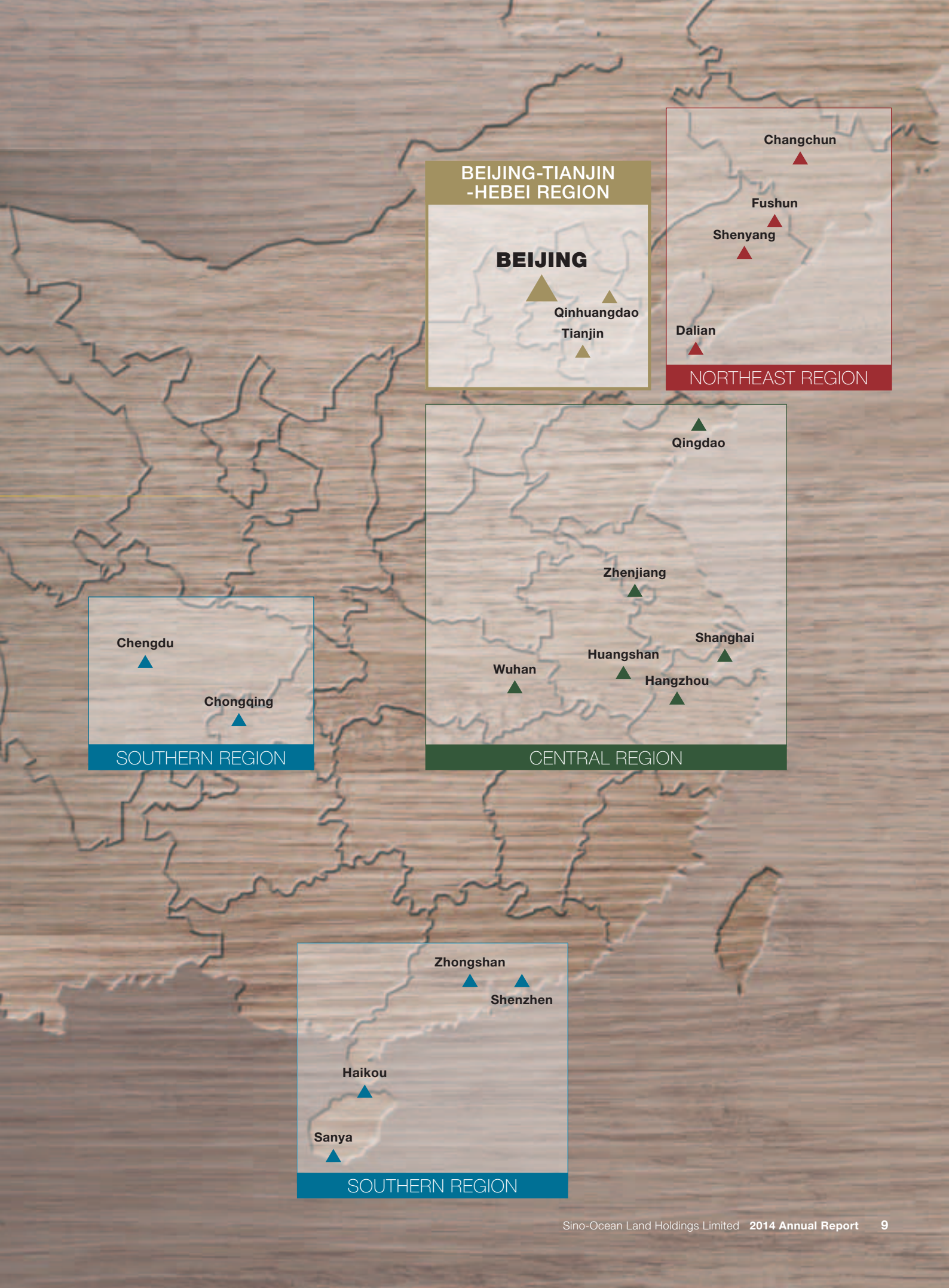
SOUTHERN REGION

Zhongshan, Shenzhen, Haikou, Sanya
Chongqing, Chengdu

Total GFA: 5,775,000 sq.m.

Total remaining landbank: 3,562,000 sq.m.

No. of projects: 12



BEIJING-TIANJIN-HEBEI REGION

BEIJING

Qinhuangdao
Tianjin

Changchun
Fushun
Shenyang
Dalian

NORTHEAST REGION

Chengdu
Chongqing

SOUTHERN REGION

Qingdao
Zhenjiang
Shanghai
Wuhan
Huangshan
Hangzhou

CENTRAL REGION

Zhongshan
Shenzhen
Haikou
Sanya

SOUTHERN REGION

CHAIRMAN'S STATEMENT



On behalf of our Board of Directors (“the Board”) I have pleasure in presenting the results of Sino-Ocean Land Holdings Limited (“Sino-Ocean Land” or the “Company”) and its subsidiaries (together referred to as “our Group” or “We”) for the twelve months ended 31 December 2014.

RESULT OF 2014 AND FINAL DIVIDEND

For the twelve months ended 31 December 2014, our Group recorded RMB38,896 million in revenue, an increase of 25% compared to the previous year. Profit attributable to owners of the Company and core profit reached RMB4,597 million and RMB3,566 million, rising 13% and 17% respectively, and earnings per share was RMB0.590.

Based on the profit attributable to owners of the Company in 2014, the Board is pleased to propose a final dividend of HKD0.165 per share for the year ended 31 December 2014. Together with the interim dividend of HKD0.075 per share, total dividend per share for 2014 was HKD0.24 (2013: HKD0.23), representing a dividend payout ratio of 31% (2013: 31%).

The Board also recommends offering to the shareholders the right to elect as an alternative, to receive the 2014 final dividend wholly or partly by allotment of new shares credited as fully paid up in lieu of cash, subject to shareholders' approval on the payment of the 2014 final dividend at the Company's annual general meeting (the "AGM") and the granting by the Listing Committee of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") of the listing of, and permission to deal in, the new shares to be issued pursuant thereto.

2014 market review and group strategy

2014 was a watershed for China's real estate industry development. The industry underwent some serious adjustments. On the one hand, inventory level was high

causing a significant imbalance in supply and demand. It was taking longer time to dispose of commodity housing units in most of the cities nationwide. Data from the National Bureau of Statistics of China showed that saleable areas of property market in China as at the end of 2014 amounted to a record high of about 600 million sq.m., a growth of 26.1% year-on-year basis. Meanwhile, as many companies lowered price to shift stock so as to attain business targets, the average selling price of commodity housing dropped in various extent.

On the other hand, the industry moved from being highly regulated by administrative measures to being more market-led. Most cities in the country abolished restrictions on property purchase. Along with the People's Bank of China's relaxation on loans and lowering of interest rates, some cities launched "stimulus" measures including restructuring borrowings from provident funds, giving allowance for buying properties and concessions on stamp duty. These measures hugely boosted market sentiments within a short time and as a result transactions towards the end of the year were looking up. Besides, market differentiation among cities intensified and policies became more flexible in each region.

This round of industry adjustment was caused by the structural imbalance of supply and demand. Transactions plunged at the beginning of 2014 and put considerable pressure on the price. In the second half of the year, however, policies began to change, "stimulus" measures were stepped up and companies came up with innovative sales and management strategies. Transactions in the entire year dipped at first but climbed towards the end. Nevertheless, the performance of many companies fell below target and market concentration of the industry intensified further.



CHAIRMAN'S STATEMENT



Ocean Office Park (Beijing)

Leasable area: **127,000 sq.m.**

Attributable interest to our Group: **100%**

Usage: **Office premises and retail space**

Under the pressure of lower prices, sales below target and high inventory, companies hold back investment and became more cautious in land acquisition. In 2014, the country's total aggregated investment in property development was RMB9,503.6 billion, a nominal increase of 10.5% year-on-year basis but growth rate declined by 9.3% year-on-year basis, which is the lowest in recent five years. Total aggregated area of new construction work was 1.796 billion sq.m., a fall of 10.7% year-on-year basis. Total area of new construction work for residential housing was 1.249 billion sq.m., dropping of 14.4% year-on-year basis.

At the beginning of 2014, the land market could still carry the heat from the very active transactions at the end of the previous year. It gradually cooled off and then some first and

second-tier cities began to pick up slightly towards the year end. According to the National Bureau of Statistics of China, total aggregated land acquisition in the year was 334 million sq.m., 14% less than the year before. At the same time, total aggregated amount on land acquisition reached RMB1,002 billion, 1% higher than the year before. Smaller number of total area with higher land price indicated that more high quality plots in core districts were put on the market and developers were acquiring land again in first and second-tier cities.

Challenged by new market conditions and changes in 2014, our Group spared no efforts in lowering costs, improving core revenue and consolidating our business while pushing forward various tasks.

Ensured sales target was achieved through various means including novel sales tactics and adaptive strategies

During the year, our Group recorded a total of RMB40,142 million in contracted sales, an increase of 12% year-on-year basis. Since the beginning of the year, we adopted flexible sales tactics to suit the changing market. On one hand, we were decisive in shifting aged stock by cooperating with sales agents strategically and offering more attractive incentives to sales staff. In the second half of the year, our Group cooperated with a well-known internet finance platform — JD Finance (京東金融) in selling properties online and crowd funding, attracting widespread attention from the industry, media and customers. The initiative encouraged sales while at the same time raised brand awareness.

Land bank replenishment in the down cycle and accurate geographic planning to improve resource structure

Our Group increased its land bank by approximately 7.06 million sq.m. from the open market, through merger and acquisitions and joint development during the year. The corresponding saleable resource exceeds RMB130 billion. Our Group persevered in its investment principles and focused on small to medium projects with a fast-moving cycle. The newly acquired land plots were mainly in our Group's major first and second-tier cities such as Beijing, Tianjin, Wuhan, Shenzhen and Shanghai where market risks were less felt. In January 2015, our Group obtained the Yuelong Project in Guangzhou, thus successfully entering the Guangzhou market.

Investment grade rated for the first time by three major international rating agencies and issued US currency bonds at low cost

In July 2014, our Group was rated for the first time by three major international rating agencies — Standard and Poor's, Moody's, Fitch's ratings with BBB-, Baa3 and BBB- for the Company respectively. Outlook was rated "stable". Immediately following that, our Group issued 5-year and 10-year guaranteed notes for a total of US\$1.2 billion at the end of July with coupon rate at 4.625% and 6% respectively. It was the largest scale of first issue of off-shore bonds by a listed PRC property developer.

In January 2015, our Group again issued guaranteed notes which totaled US\$1.2 billion, with coupon rates at 4.45% for the five-year notes and 5.95% for the 12-year notes. This was the first 12-year notes launched by a mainland China developer and the first US dollar bond issued by an Asian developer in 2015.

The corporate credit ratings and bond issue undertaken by our Group demonstrated our solid financial strength, excellent governance structure and sturdy development outlook. These initiatives also helped to expand our finance channels, fine-tune our debt structure and lower our cost of funding.

Investment properties reached new record level generating steady growth in both operating income and net profit and an accumulation of commercial properties

In October 2014, our Group's first high-end commercial complex jointly developed with Swire Properties-Sino-Ocean Taikoo Li Chengdu (成都遠洋太古里) was officially open. Covering over total GFA 200,000 sq.m., the project blends with traditional and new business models. It is an example of low-density high quality open space commercial development in the south-west region. Our Group's shopping mall in Ocean International Center, Phase II located in Beijing had a soft opening in June and tenants were moving into the office space in the second half of the year while occupancy rate was rising steadily.

2015 market outlook and our Group's strategies

Under the new economic environment in 2015, the "prime era" of China's real estate industry has come to an end — audacity, high yield and high growth will gradually give way to steady and rational growth, entering the "silver era" and "professional prime era". Meanwhile, "vendor's market" is switching to "buyer's market" — over supply is putting pressure on the profit margin. Companies are not competing in scale, speed and resources but in product, service, cost and efficiency.

Our Group is of the opinion that the industry will still enjoy steady growth in the next 10 years. Firstly, real estate industry being the supporting pillar in national economic development, the stable development of which helps promote the steady growth of the macro economy and alleviate the downside risks. Secondly, China's medium to high economic growth and continuing urbanization provide

CHAIRMAN'S STATEMENT



Ocean Manor (Beijing)

Total GFA: **182,000 sq.m.**

Attributable interest to our Group: **100%**

Usage: **Residential and Villa**

the demand to sustain the industry's development. Furthermore, with years of development in the real estate industry, much demand for basic properties has been satisfied. Demand for higher quality housing is gradually becoming the mainstream demand. This drives the growth of a new round of investment in real estate industry. We take the view that the simpler administration of the macro measures, the more market-oriented management, the land reforms and household registration reforms are all beneficial to the healthy development of the industry.

In 2015, credit in general is easing. Liquidity indicators such as mortgages, development loans and interest rates will improve, benefitting the industry directly or indirectly. Rebalance the stock will still be the focus in the first half of 2015 and prices will bottom out but differentiation among cities will be accentuated. We think that prices in first tier cities in 2015 will remain stable or rise slightly. There will be room for price rise in some second and third tier cities where the consumption cycle is slower and there is no over in supply. For some other second and third tier cities where supply exceeds demand and inventory is unreasonably high, prices will continue to be suppressed in order to stimulate sale.

There is a consensus in the industry that changes and reforms are the way forward. On one hand, as profits from conventional housing development will continue to be squeezed, developers will explore various product mix based

on their own specialties to expand business base and profit channels. On the other hand, as technology evolves rapidly, cooperation between the real estate industry and the Internet will accelerate, especially in the areas of promoting sales and branding.

While reviewing our third phase of strategic development, our Group examined the profound changes within the industry. Working on it for a year, we have now formulated the fourth phase of strategic development which will kick start in 2015. In this "professional prime era", our Group will be following the development objectives of "prioritizing effectiveness, making remarkable changes, setting our sights on long-term development through prudent management and risk control and pursuing perfection" to create our quality, sustainable and stable development.

Making remarkable changes and reinforcing professional competency for optimal effectiveness

With the fundamental change in the market, business models which stress on scale were no longer sustainable. The industry will be back to the models which pursue "efficiency". Our Group will continue to maintain the core requirement of "Optimal Efficiency". On one hand, we put up efforts in shifting stock and reorganization structure, adjust inventory level and improve resources structure with the aid of innovative marketing channels and means, which greatly

enhance profitability. On the other hand, by the reorganization and optimization of resources under development chains, such as design, construction and upfitting and decoration, our Group devoted in enhancing professional competency with the aim of creating products of higher quality by shorter construction period and lower costs.

Stable operation, risks control to place great emphasis on financial stability

With all the new market conditions, our Group will place much emphasis on the stable operation and risks control of all businesses. On one hand, we will follow strict and prudent investment standards to cultivate first and second-tier core cities which have already been set up and seize the chance to withdrawn from third and fourth-tier cities with higher risk exposure. On the other hand, we will place much importance on the financial management of sales proceeds return and cash flow and implementation of effective cost control measures to ensure a stable financial structure and reasonable finance cost while maintaining a suitable pace of development.

Setting our sights on long-term development, pursuing perfection in order to create quality, sustainable and stable development

Our Group will follow the planned targets under the fourth phase of strategic development strategies to set our sights on long-term development, and construct an all-rounded business landscape which is compatible with the future competitive environment. First of all, our Group will keep on the property development business as our base to maintain our market position and improve profitability. Secondly, our Group will continue to develop the property investment business to stress on the investment and ownership of premium properties of “office and commercial complex” in first-tier cities in order to improve long-term profitability. Our Group will build an all-in-one management system and improve technology and product research in order to enhance professional competency. We will also step up efforts in cooperating with quality strategic parties to keep on enhancing our Group’s brand.

In addition, for our real estate financing business, our Group will devote in developing the real estate financing on residential properties and investment properties to attain growth in scale and capital gains and realize our Group’s dual drivers “Business Operation and Capital Operation” in combination. Last but not least, our Group will continue to step up its efforts to work with major shareholders and seek business opportunities such as project development, joint acquisition, commercial properties joint-ownership, protective housings construction, urbanization and expansion of senior housing business in order to create a mutually beneficial and complementary relationship.

In early 2015, our Group started with a reform in corporate culture, put up efforts to optimize the team structure, reinvent the incentive mechanism, adjust the organization model, thus preliminarily building an organizational system which complied with the strategic targets. Based on the principles under the strategic development, our Group will pursue innovation and change, advancement and excellence through definitive products, costs and efforts, and ensure the attainment of annual results and long-term strategic targets.

Appreciation

On behalf of the Board, I would like to extend my sincere gratitude to all shareholders, investors, local authorities, business partners and customers who have been most supportive; also to our directors, management and the entire staff for their dedicated hard work. We could not have performed so well and achieved our targets in the past year without their unfailing support.

LI Ming
Chairman

Hong Kong, 17 March 2015

CORPORATE SOCIAL RESPONSIBILITY REPORT



Our Group's corporate responsibility efforts in 2014 were conducted under these annual objectives: "to enhance efficiency in execution with concerted efforts; to ensure core earnings by increasing cost-savings; and to go beyond strategies and rank among industry leaders." With incessant endeavours, we continued to bring the implementation of corporate responsibility into more principal businesses to facilitate sustainable development not only for our own businesses, but also for those of our value partners (namely our shareholders, customers, employees, business partners, government, community and environment) and for the society as a whole. With our corporate responsibility work persisting in the pursuit of environmental protection objectives and our Sino-Ocean Charity Foundation focused on education, our corporate responsibility was conducted in a more scientific and sustainable manner through both internal drives and external cooperation with third parties.

"DREAM, ACTION, TEAMWORK"

The annual theme for the final year of our third phase of strategic development strategy was "Dream, Action, Teamwork". Under this theme, every employee of Sino-Ocean Land was required to work in unity and help each other with concerted effort. Employees were encouraged to pursue sustainable growth with quality and benefits, in order to foster a conducive environment for sustainable development and continue to maintain the Company's growth with their actions.

THE "JOURNEY TO QUALITY" AS A SOPHISTICATED FORM OF RESPONSIBILITY FULFILLMENT

Our Group's "Journey to Quality" was conducted under the theme of "Live Your Dreams". We organized the "Capital Region Tour" to give industry experts and members of the media tours to our projects in Beijing and its surrounding cities, complemented by project review and professional seminars. Further, a concert entitled "Love for singing — the thanksgiving music season" was also held in August 2014.



LOVE FOR SINGING 2014: CALL FOR CHARITY RINGING THROUGH THE COLD WINTER

“Love for singing — the thanksgiving music season”, a charity initiative highlighting the theme of “gratitude” organized jointly with “Sino-Ocean Charity Foundation”, was very much different from traditional charity performances. Lasting for nearly six months, it was aimed at fulfilling the longing of children in remote areas to travel to and see the world. Beginning with the “Northern Sichuan Summer Music Camp”, it comprised four major events which also included the “Thanksgiving Music Season Launch Ceremony,” “Beijing Music Journey” and “Thanksgiving Concert”. We joined forces with government bodies, business partners, social groups, volunteers, the media, customers and other members of our Group in the conduct of this programme, which was also held in conjunction with three regular projects under “Sino-Ocean Charity Foundation”, namely the “Little Partner Education Sponsorship Scheme”, “Students-in-action Award” and “Gardener Award”, in a genuine manifestation of our principle for charity work: “Micro in scale to start with, broad in participation, and sustainable in benefit”.

COMMITMENT TO AID FOR IMPOVERISHED STUDENTS UNDERPINNED BY COMPREHENSIVE SCHOLARSHIP/SPONSORSHIP SYSTEM

Through “Sino-Ocean Charity Foundation”, we are firmly committed to teachers and students in impoverished remote regions. In 2014, we completed the grant of scholarship in Xinjiang, Qinghai, Sichuan, Yunnan, Guizhou, Beijing and Hainan, firstly set up scholarships for high-school and tertiary students, as well as confirmed the plan to newly include a school in Jiangyong County in Yongzhou City of Hunan in our sponsorship plan, thus further enlarging the scope of our financial assistance. We also set up a “Caring Fund” comprising donations from our employees to raise RMB100,000 for Yaoyao, a student of Beijing Normal University suffering from Nasopharynx cancer and Li Xiaolian, a victim of severe burn. The initiative was met with positive and enthusiastic response from our staff, and this is precisely the kind of micro-charity that allows every participating employee to experience the power of charity united. As at 31 December 2014, the programme had aided 25,022 students in up to 9 districts.

CORPORATE SOCIAL RESPONSIBILITY REPORT

ACTIVE INVOLVEMENT IN THE DEVELOPMENT OF GREEN COMMUNITIES IN FULFILMENT OF OUR CORPORATE RESPONSIBILITY

We put the idea of a green environment into practice through the “Sino-Ocean Community Environmental Service Award”, which is aimed at raising the environmental awareness of residents in the community and helping them to nurture habits for a green lifestyle. Through the “Green Reformation” campaign voluntarily organised by community residents, people are called upon and given guidance to conserve energy and reduce carbon emission in their daily life and work for a more harmonious and comfortable living environment. As at 31 December 2014, up to 170 district communities in China were awarded, while the 3 key exemplary cities: Beijing, Hangzhou and Wuhan have completed community environmental reformation in this year.

CARING FOR GROWTH OF UNIVERSITY STUDENTS WITH A SPECIAL FOCUS ON SUSTAINABLE DEVELOPMENT

The 6th “Sino-Ocean National Seafaring” Students-in-action Incentive scheme was held as schedule. It was included as a core project in the “Practical Training and Action Awareness Programme” (the “Action Awareness Programme”) commissioned by the CPC Youth League Central School. The Incentive received 367 applications from 46 tertiary

schools, with more than 6,400 students directly involved and over 1 million university students set to be affected. The Incentive has been held for five consecutive years under the supervision of Ministry of Education and the central authorities of the CPC Youth League. While providing financial assistance to some of China’s top university students in the process of their social involvement, we were focused on encouraging these students to participate in and contribute to the cause of social welfare.

SINO-OCEAN INNOVATION AND EDUCATION FORUM: FURTHER INNOVATIONS FOR THE FUTURE

The 2nd “Sino-Ocean Innovation and Education Forum” jointly hosted by us, Sino-Ocean Charity Foundation and Beijing Normal University. Through this platform, we wish to facilitate the exchange and communication of premium resources for education and the further convergence of traditional education models with internationally advanced education theories, with a special emphasis on the integration of such premium resources for education. After due adaptation and refinement of outstanding teaching experiences and theories, we aimed at giving long term support to mountain village schools in remote and impoverished areas through the “Little Partnership Education sponsorship Scheme”, so as to give a positive boost to imbalances in education resources.



ASSISTING THE BUILDING OF SICHUAN YA'AN SCHOOL WITH THE CONSTRUCTION OF A POST-QUAKE ENVIRONMENTAL CAMPUS

Since 2010, we have launched three environment-friendly showcase projects, namely the “Zero-carbon Quadrangle Compound”, “Hydro-recycling Quadrangle Compound” and “Optical Energy Quadrangle Compound” under our concept of “New Green Environment for Old Communities”. In 2014, we continued to apply energy-saving building technologies in adherence to the principle of green environment and eco-friendliness in the construction of Tianquan County Jinggang Primary School, a relief project for Ya'an, Sichuan. Swift but orderly construction work is currently underway for this showcase project with our green philosophy. As at the end of 2014, the main building of the project had been topped out. Leveraging its technical strengths, we have built the post-quake Jinggang Primary School into an environment-friendly teaching complex with the “Sino-Ocean Green Trademark” in terms of architectural design, interior decoration and eco-friendly materials.

SUPPORT FOR CULTURAL HERITAGE CONSERVATION AS OUR MAIDEN OVERSEAS CHARITY ENDEAVOUR

In early 2014, the “Sino-Ocean Charity Foundation” set up by our Group entered into cooperation with The United Nations Educational, Scientific and Cultural Organization (UNESCO), whereby the Foundation would contribute US\$160,000 for 2 consecutive years to support the launch of the “UNESCO Asia-Pacific Awards for Cultural Heritage Conservation”, which would provide assistance to private sectors and communities in 47 Asia-Pacific countries for the protection of cultural heritage buildings. For 2014, the “UNESCO Asia-Pacific Awards for Cultural Heritage Conservation,” received nominations of 46 cultural heritage conservation projects from 16 countries. Following the adjudication process held in Bangkok, Thailand in mid-June, 14 projects from 10 countries, including Afghanistan, the Islamic Republic of Iran, New Zealand and Thailand, received the “UNESCO Asia-Pacific Awards for Cultural Heritage Conservation” for the year.



MANAGEMENT DISCUSSION & ANALYSIS



Ocean Worldview (Dalian)

Total GFA: **2,160,000 sq.m.**

Attributable interest to our Group: **100%**

Usage: **Residential and retail space**

FINANCIAL REVIEW

During 2014, Sino-Ocean Land fully implemented our nationwide strategy while maintaining as one of the leading residential property developers in Beijing and the Northeast Region in terms of attributable GFA sold in private housing. We also secured a leading position in other regions with our business presence including Shanghai, Hangzhou, Shenzhen and Zhongshan. Our Group recorded an increase in revenue for the year 2014 of RMB7,797 million, or 25% to RMB38,896 million (2013: RMB31,099 million). Our profit attributable to owners of the Company amounted to RMB4,597 million (2013: RMB4,075 million), an increase of 13% as compared to 2013. Basic earnings per share was RMB0.590 (2013: RMB0.592). Meanwhile, contracted sales

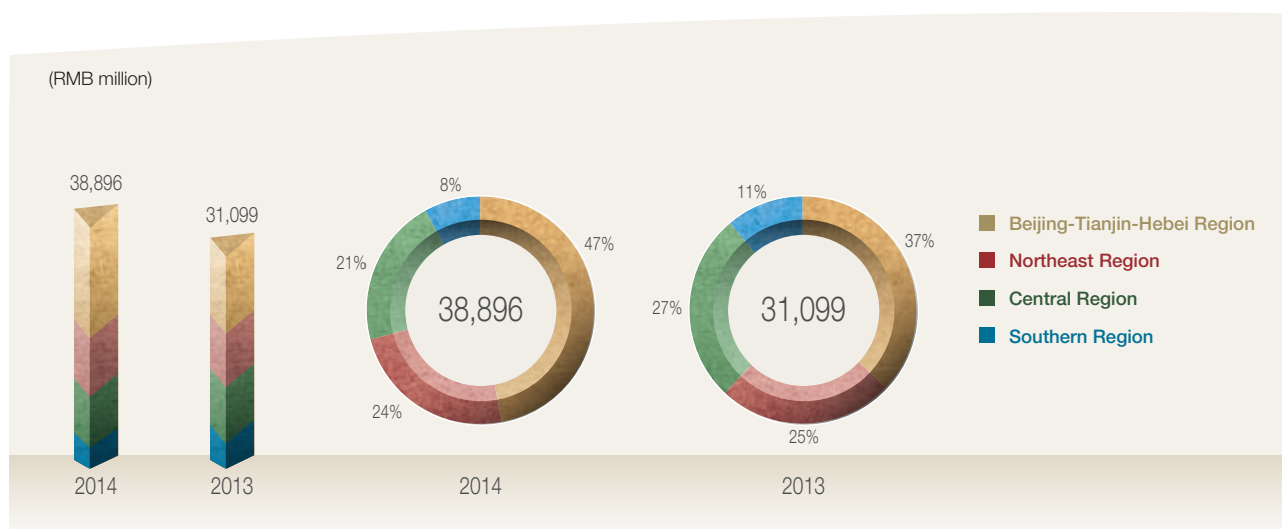
amount reached a record high of around RMB40,142 million (2013: RMB35,818 million) with total saleable GFA sold of approximately 2,923,000 sq.m. (2013: 2,583,000 sq.m.).

During the year, we disposed of 9 property development projects and a upfitting service company (“Disposal”) at a consideration of US\$463 million to strip off non-core businesses and projects with slow sales and comparatively lower gross margin and to divest of projects in certain third-tier cities such as Fushun, Zhenjiang and Qinhuangdao which were no longer in the focus of our Group’s future development plan. The Disposal benefited us by improving its overall asset turnover and enabling us to stay focus on the projects with high gross margin.

The components of the revenue are analyzed as follows:

(RMB million)	2014	2013	Change (%)
Property development	35,243	28,146	25%
Property investment	679	550	23%
Property management	729	591	23%
Other real estate related businesses (including upfitting and decoration business)	2,245	1,812	24%
Total	38,896	31,099	25%

Revenue contributions by geographical locations are analyzed below:



Revenue

Our Group's revenue in 2014 grew by 25% to RMB38,896 million, from RMB31,099 million in 2013. The property development segment remains as the largest contributor which accounted for about 91% of total revenue. Beijing as our home base accounted for about 28% of our Group's total revenue in 2014 (2013: 31%) and amounted to RMB11,057 million (2013: RMB9,526 million). The decline in proportion was mainly due to higher contribution of revenue and GFA delivered from areas outside Beijing in 2014. There

were strong contributions from the other major cities including Dalian, Tianjin, Shanghai, Hangzhou and Zhongshan, with total revenue of RMB19,351 million in 2014, accounting for about 50% of the total revenue. This is the result of our nationwide expansion strategy to diversify our revenue contributions from various cities to mitigate the risk from single market fluctuations. With our diversified landbank portfolio, we will see a more balanced mix of revenue contributions.

MANAGEMENT DISCUSSION & ANALYSIS

Cost of sales

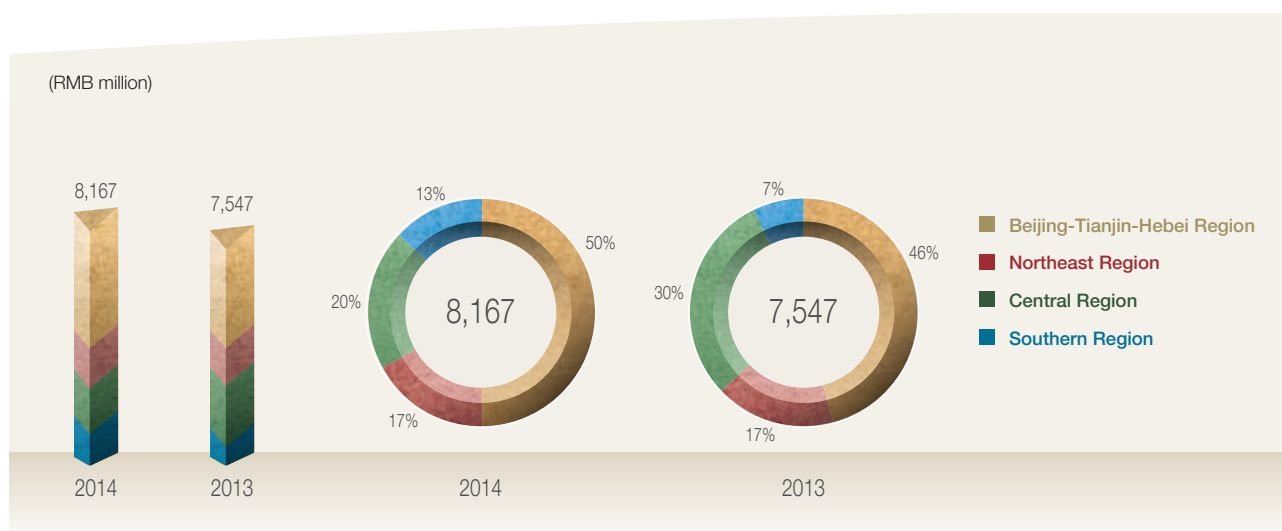
The cost of property development, mainly comprising of land cost and construction cost, accounted for 89% of our Group's total cost of sales during 2014 (2013: 89%).

Excluding car parks, average land cost per sq.m. of the property development business in 2014 increased to

approximately RMB3,600 compared to RMB2,700 in 2013 which was due to more properties delivered from the newly acquired projects during the year. Average construction cost per sq.m. (excluding car parks) for property development business was approximately RMB4,900 per sq.m. for the year, decreased compared to RMB5,200 per sq.m. in 2013.

Gross profit

Gross profit by geographical locations is analyzed below:



Gross profit for the year was RMB8,167 million, representing an increase of 8% compared to the 2013. Gross profit margin decreased to 21% (2013: 24%). The decrease in gross profit margin was primarily due to more delivery of those relatively low gross profit margin projects during the year, such as Ocean Century (Qinhuangdao), Ocean City (Fushun), Ocean Chanson Mansion (Shanghai), and Grand Canal Milestone (Hangzhou), etc. Our Group has stripped off these captioned projects at year end.

Other income and gains, net

Other income increased by 3% to RMB386 million in 2014 compared to RMB376 million in 2013. Such increase was mainly due to the increase in the overall interest income received.

Our Group recorded other gains (net) of RMB103 million (2013: RMB102 million). Other gains (net) mainly comprised the gains on disposal and revaluation gains of several financial assets during the year.

Revaluation of investment properties

Our Group recognized an increase in fair value on its investment properties (before tax and non-controlling interests) of RMB591 million for 2014 (2013: RMB808 million).

Operating expenses

Selling and marketing expenses for 2014 increased slightly to RMB846 million (2013: RMB785 million). These costs accounted for only approximately 2.1% of the total contracted sales amount for 2014 (2013: 2.2%).

Administrative expenses incurred for 2014 increased to RMB1,012 million (2013: RMB675 million), which represented 2.6% of total revenue for 2014 (2013: 2.2%). We will continue to adopt strict cost control measures to maintain these cost at a relatively stable and lower level.

Finance costs

Total borrowings as at 31 December 2014 was approximately RMB45,604 million (2013: RMB35,295 million) with around 66% (2013: around 75%) of our Group's borrowings were denominated in Renminbi. The remaining borrowings were denominated in other currencies, such as HKD and USD. Majority of our funding was efficiently applied to our projects. As a result, we were able to capitalize most of the interest expenses and thus leaving RMB469 million to be charged through consolidated income statement during the current year, compared to RMB364 million in 2013. Due to our cost control in borrowing costs, our weighted average interest rate decreased to 7.08% in 2014 (2013: 7.33%), while total interest expenses paid or accrued to RMB3,164 million (2013: RMB2,585 million).

Taxation

The aggregate of enterprise income tax and deferred tax increased by 12% to RMB2,119 million in 2014 (2013: RMB1,900 million), with effective tax rate of 32% (2013: 29%). In addition, land appreciation tax in 2014 decreased to RMB630 million (2013: RMB780 million), accounting for 8% of gross profit in 2014 (2013: 10%).

Profit attributable to owners of the Company

Profit attributable to owners of the Company increased by 13% to RMB4,597 million in 2014, compared to RMB4,075 million in 2013. Core profit, excluding one-off items and fair value gains on investment properties, amounted to RMB3,566 million, an increase of 17% compared to RMB3,036 million in 2013. Return on average equity (excluding capital securities) stated at approximately 12% in 2014 (2013: 12%). Our management will continue to focus on the improvement of our shareholders' return as their on-going task.

Financial resources and liquidity

During 2014, we continued to refine our funding structure, liquidity and credit policies to minimize our risk exposure under the overchanging financial market and global economic environment. With overwhelming support from investors, our Group successfully obtained a syndicated financing with the size of USD800 million in June and issued USD500 million and USD700 million guaranteed notes due 2019 and 2024 respectively in July. We recorded an increase in total borrowings from RMB35,295 million to RMB45,604 million as at the year end of 2014.

Subsequently after the year end, our Group further issued USD700 million and USD500 million guaranteed notes due 2020 and 2027 to sustain our robust financial liquidity.

As at 31 December 2014, our Group had total cash resources (including cash and cash equivalents and restricted bank deposits) of RMB16,336 million, of which over 70% (2013: over 80%) of our Group's cash resources were denominated in Renminbi which the remaining balances were denominated in other currencies, and a current ratio of 1.9 times. Together with unutilized credit facilities of about RMB51,580 million, our Group is ensured to be financially sound. We have ample financial resources and an adaptable financial management policy to meet our business expansion in the coming years.

Our Group's net gearing ratio (i.e. total borrowings less total cash resources divided by total equity) was around 66% (2013: around 44%), given that our Group still has cash resources of RMB16,336 million, we are satisfied with our current gearing position. Nevertheless, we expect the net gearing ratio to remain relatively stable in 2015 and will be controlled below 80% as laid down by our Board, in order to maintain our Group's overall financial healthiness.

MANAGEMENT DISCUSSION & ANALYSIS

The maturities of our Group's total borrowings are set out as follows:

(RMB million)	As at 31 December 2014	As at 31 December 2013	Change (%)
Within 1 year	11,167	12,839	-13%
1 to 2 years	9,117	7,039	30%
2 to 5 years	20,585	12,031	71%
Over 5 years	4,735	3,386	40%
Total	45,604	35,295	29%

Financial guarantees and charge on assets

As at 31 December 2014, the value of the guarantees provided by our Group to banks for mortgages extended to property buyers before completion of their mortgage registration was RMB4,229 million (2013: RMB5,733 million).

In 2014, our Group had pledged some of the properties under development, completed properties held for sale, investment properties, etc. to secure short-term bank loans (including the current portion of long-term borrowings) of RMB3,858 million (2013: RMB1,187million) and long-term bank loans of RMB7,853 million (2013: RMB15,971 million). As at 31 December 2014, total pledged assets accounted for approximately 22% of the total assets of our Group (2013: 30%).

Capital commitments

Our Group entered into certain agreements in respect of land acquisition and property development. As at 31 December 2014, our Group had a total capital commitment of RMB8,581 million (2013: RMB12,286 million).

Contingent liabilities

In line with the prevailing commercial practice in the Mainland China, our Group provides guarantees for mortgages extended to property buyers before completion of their mortgage registration. As at 31 December 2014, the total amount of the aforesaid guarantees provided by our Group was RMB4,229 million (2013: RMB5,733 million). In the past, our Group had not incurred any material loss from providing such guarantees, as the guarantees were given as a transitional arrangement that would be terminated upon the completion of the mortgage registration and were secured by the buyers' properties.

Property Development

1) Recognized sales

Revenue from property development business grew by 25% in 2014 and amounted to RMB35,243 million (2013: RMB28,146 million). Saleable GFA delivered increased by 22% from approximately 2,445,000 sq.m.

in 2013 to approximately 2,978,000 sq.m. in 2014. Excluding car parks sales, the average selling price recognized in 2014 was about RMB12,400 per sq.m. (2013: RMB12,200 per sq.m.).

Revenue and saleable GFA delivered from each project during 2014 are set out below:

Region	Cities	Projects	Revenue (RMB million)	Saleable GFA delivered (sq.m.)	Average selling price recognized (RMB/sq.m.)	Interest attributable to our Group (%)
Beijing-Tianjin-Hebei Region	Beijing	Ocean Crown	3,355	65,860	50,900	100%
		Ocean Great Harmony	64	1,244	51,400	100%
		Ocean LA VIE	695	10,826	64,200	85.72%
		Ocean Landscape Eastern Area	865	30,382	28,500	100%
		Ocean Manor	514	26,722	19,200	100%
		Ocean Oriental Mansion	82	3,547	23,100	100%
		Ocean Palace	989	32,900	30,100	100%
		POETRY OF RIVER	1,177	111,390	10,600	100%
	The Place	16	779	20,500	100%	
	Tianjin	Ocean City	1,465	181,605	8,100	100%
		Ocean Express	131	17,539	7,500	100%
		Ocean Great Harmony	400	31,472	12,700	100%
		Ocean International Center	37	2,338	15,800	100%
		Ocean Prospect	1,686	146,671	11,500	100%
Qinhuangdao	Ocean Century*	3,160	584,995	5,400	100%	
		14,636	1,248,270	11,700		
Northeast Region	Dalian	Ocean Diamond Bay	4,412	304,480	14,500	100%
		Ocean Holiday Manor*	341	57,964	5,900	100%
		Ocean Plaza	23	1,717	13,400	100%
		Ocean Prospect	3	203	14,800	100%
		Ocean Seasons	18	1,067	16,900	100%
		Ocean TIMES*	219	38,174	5,700	100%
		Ocean Worldview	2,399	269,059	8,900	100%

MANAGEMENT DISCUSSION & ANALYSIS

Region	Cities	Projects	Revenue (RMB million)	Saleable GFA delivered (sq.m.)	Average selling price recognized (RMB/sq.m.)	Interest attributable to our Group (%)	
	Shenyang	Ocean Paradise	289	39,733	7,300	100%	
		Ocean Residence	266	37,563	7,100	100%	
	Changchun	Ocean Cannes Town	515	56,149	9,200	100%	
Fushun	Ocean City*	64	15,750	4,100	65%		
			8,549	821,859	10,400		
Central Region	Shanghai	Ocean Chanson Mansion*	1,772	90,937	19,500	100%	
		Ocean Mansion No. 7	82	4,946	16,600	100%	
	Hangzhou	Ocean In Your Heart	1,834	100,070	18,300	100%	
		Ocean Mansion	305	10,025	30,400	100%	
		Grand Canal Milestone*	2,090	74,765	28,000	70%	
	Huangshan	An Island Paradise	69	7,200	9,600	100%	
	Zhenjiang	Ocean Beach*	242	36,013	6,700	55%	
	Qingdao	Ocean Prospect	59	2,731	21,600	100%	
		Ocean Seasons	1,570	110,874	14,200	100%	
	Wuhan	Ocean Manor	79	5,600	14,100	55%	
		Ocean World	4	657	6,100	55%	
				8,106	443,818	18,300	
	Southern Region	Zhongshan	Ocean City	777	45,059	17,200	100%
Ocean New Era			566	104,002	5,400	100%	
Shenzhen		Ocean Express	1,386	79,393	17,500	84.70%	
Haikou		Ocean Zen House	109	8,699	12,500	70%	

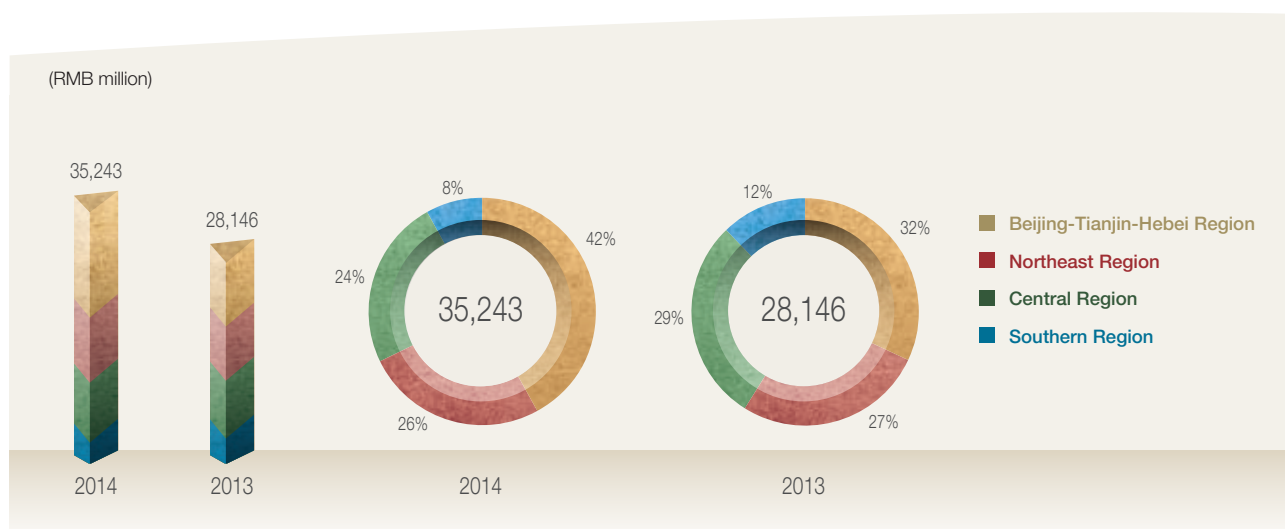
Region	Cities	Projects	Revenue (RMB million)	Saleable GFA delivered (sq.m.)	Average selling price recognized (RMB/sq.m.)	Interest attributable to our Group (%)
	Sanya	Ocean Mansion	4	162	24,700	70%
	Chongqing	Sino-Ocean International GOLF Resort	55	7,466	7,400	87.25%
			2,897	244,781	11,800	
Subtotal			34,188	2,758,728	12,400	
Car parks (various projects)			1,055	218,932	4,800	
Total			35,243	2,977,660	11,800	

* The Project was sold on 31 December 2014

During 2014, Beijing remained the largest contributor which accounted for 22% of total revenue from property development (2013: 24%). Meanwhile, contributions from cities including Dalian, Tianjin,

Shanghai, Zhongshan and Hangzhou, accounting for 54% of revenue from property development during the year.

Revenue from property development by geographical locations are analyzed below:

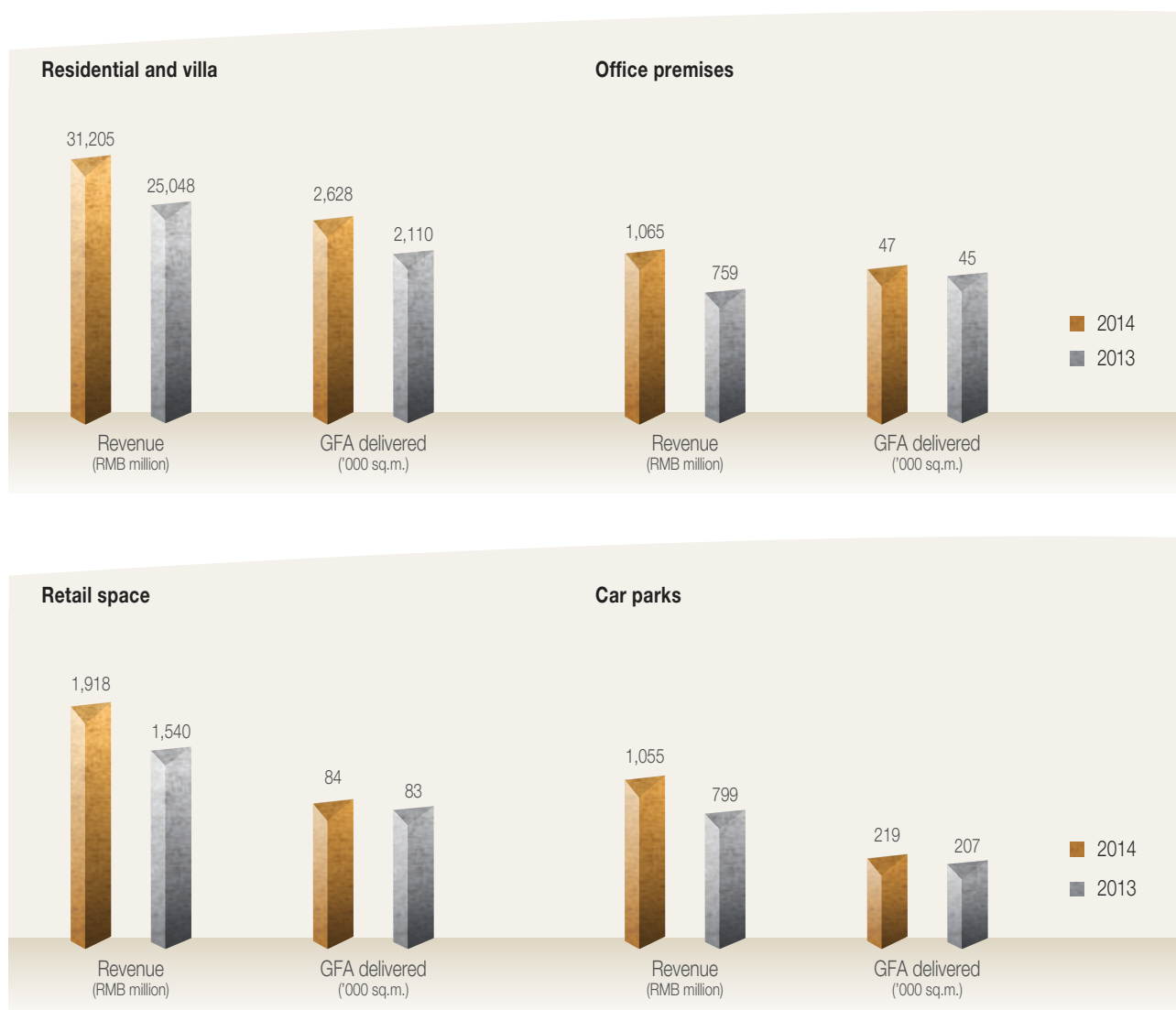


MANAGEMENT DISCUSSION & ANALYSIS

In terms of property types, residential properties (including villa) continued to contribute the largest portion of property development revenue, accounting for 89% in 2014 (2013: 89%). The average selling price recognized for the revenue from residential properties

(including villa) in 2014 was about RMB11,900 per sq.m. (2013: RMB11,900 per sq.m.) while corresponding total saleable GFA delivered increased by 25% from approximately 2,110,000 sq.m. in 2013 to approximately 2,628,000 sq.m. in 2014.

Revenue from property development in terms of property types are analyzed below:



2) Contracted sales

Our contracted sales in 2014 amounted to a record high of RMB40,142 million, representing an approximately 12% increase compared to RMB35,818 million in 2013. The increase was mainly due to the increase in the saleable GFA sold. During the year, there were more contributions from the first and

second-tier cities. The average selling price (excluding carparks) increased by 4% to RMB14,600 per sq.m. (2013: RMB14,100 per sq.m.). The average selling price (including carparks) remained stable at RMB13,700 per sq.m. (2013: RMB13,700 per sq.m.).

The contracted sales amounts and saleable GFA sold by projects in 2014 are set out below:

Region	Cities	Projects	Contracted sales amount (RMB million)	Saleable GFA sold (sq.m.)	Average selling price (RMB/sq.m.)	Interest attributable to our Group (%)
Beijing-Tianjin-Hebei Region	Beijing	Ocean Crown	2,039	33,400	61,000	100%
		Ocean Great Harmony	64	1,200	53,300	100%
		Ocean LA VIE	3,012	41,800	72,100	85.72%
		Ocean Manor	879	40,600	21,700	100%
		Ocean Palace	2,642	84,300	31,300	100%
		POETRY OF RIVER	1,158	111,800	10,400	100%
		CBD Plot Z6	1,718	25,300	67,900	100%
		Ocean Landscape Eastern Areas	679	21,600	31,400	100%
		Ocean Melody	1,504	33,300	45,200	100%
	Tianjin	Ocean City	1,282	142,000	9,000	100%
		Ocean Express	126	19,100	6,600	100%
		Ocean Great Harmony	998	80,100	12,500	100%
		Ocean Prospect	552	47,400	11,600	100%
		Royal River	305	40,000	7,600	100%
Qinhuangdao	Ocean Century*	1,000	159,800	6,300	100%	
		17,958	881,700	20,400		
Northeast Region	Dalian	Ocean Diamond Bay	2,091	135,300	15,500	100%
		Ocean Holiday Manor*	371	52,200	7,100	100%
		Ocean Seasons	12	800	15,000	100%
		Ocean TIMES*	207	37,100	5,600	100%
		Ocean Worldview	1,781	206,800	8,600	100%
		The Place of Glory	1,643	160,700	10,200	100%

MANAGEMENT DISCUSSION & ANALYSIS

Region	Cities	Projects	Contracted sales amount (RMB million)	Saleable GFA sold (sq.m.)	Average selling price (RMB/sq.m.)	Interest attributable to our Group (%)
	Shenyang	Ocean Paradise	26	2,900	9,000	100%
		Ocean Residence	253	38,900	6,500	100%
	Changchun	Ocean Cannes Town	803	93,800	8,600	100%
		Fushun	Ocean City*	593	105,700	5,600
			7,780	834,200	9,300	
Central Region	Shanghai	Ocean Chanson Mansion*	2,248	112,700	19,900	100%
		Ocean Mansion No.7	178	15,600	11,400	100%
		Ocean Fortune Center	234	5,500	42,500	100%
		Dreaming Land*	407	11,300	36,000	100%
	Hangzhou	Canal Business Center Project	327	19,600	16,700	100%
		Grand Canal Milestone*	1,204	42,900	28,100	70%
		Ocean In Your Heart	399	16,700	23,900	100%
		Ocean Mansion	1,381	38,500	35,900	100%
	Huangshan	An Island Paradise	97	10,000	9,700	100%
	Zhenjiang	Ocean Beach*	401	66,400	6,000	55%
	Qingdao	Ocean Prospect	55	2,600	21,200	100%
		Ocean Seasons	226	28,200	8,000	100%
	Wuhan	Ocean Manor	70	4,600	15,200	55%
		Hejiadun Project	638	66,400	9,600	38%
		Ocean World	270	46,700	5,800	55%
			8,135	487,700	16,700	

Region	Cities	Projects	Contracted sales amount (RMB million)	Saleable GFA sold (sq.m.)	Average selling price (RMB/sq.m.)	Interest attributable to our Group (%)
Southern Region	Zhongshan	Ocean City	2,037	189,000	10,800	100%
		Ocean New Era	459	75,900	6,000	100%
		Ocean Aromas	114	11,300	10,100	51%
		Ocean Bloom	29	3,200	9,100	51%
		Ocean Emerald	107	21,600	5,000	61%
	Shenzhen	Ocean Express	1,363	70,300	19,400	84.70%
	Haikou	Ocean Zen House	221	16,300	13,600	70%
	Chongqing	Sino-Ocean International GOLF Resort	403	54,000	7,500	87.25%
	Chengdu	Sino-Ocean Taikoo Li Chengdu	110	3,800	28,900	50%
			4,843	445,400	10,900	
Subtotal			38,716	2,649,000	14,600	
Car parks (various projects)			1,426	274,400	5,200	
Total			40,142	2,923,400	13,700	

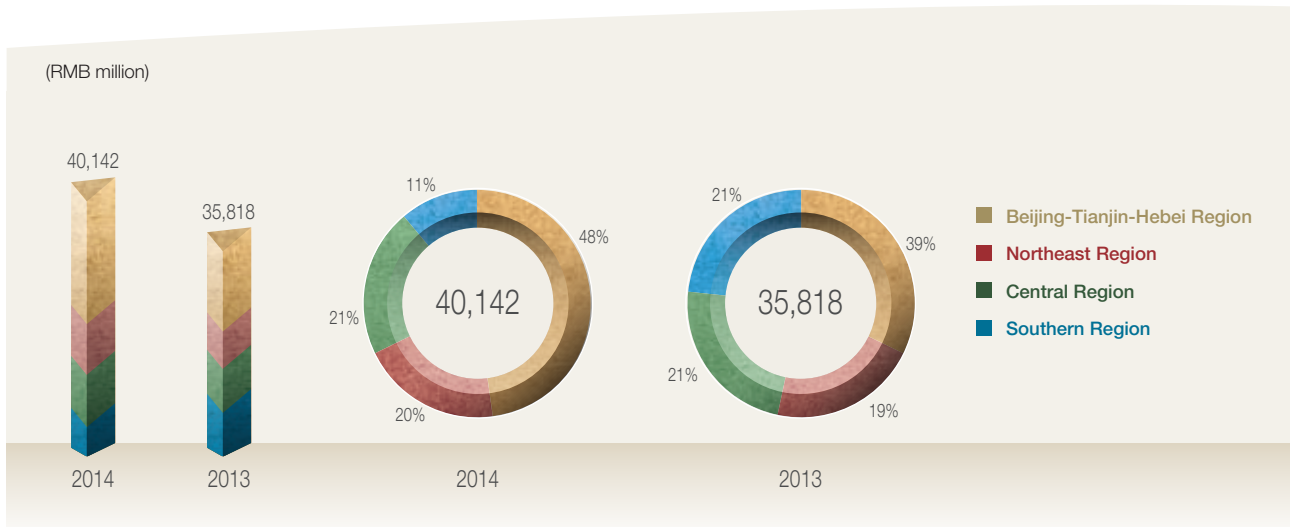
* The Project was sold on 31 December 2014

In terms of geographical distribution, there were totally 49 projects available for sale during 2014 (2013: 43 projects), of which 15 were located in Beijing-Tianjin-Hebei Region, accounting for about 48% of the total contracted sales amount. Contracted sales from first-

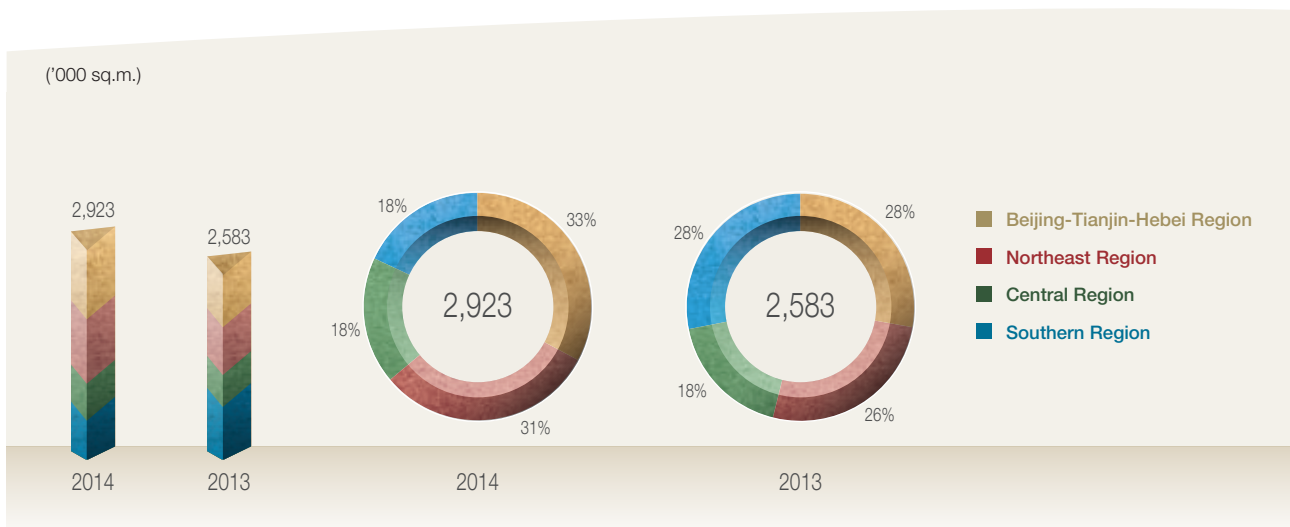
tier cities such as Beijing and Shanghai accounted for 43% (2013: 37%). As at 31 December 2014, our Group's unbooked contracted sales to be recognized amounted to RMB39,509 million, providing a strong and solid foundation for our Group's future revenue growth.

MANAGEMENT DISCUSSION & ANALYSIS

Contracted sales amounts by geographical locations are analyzed below:



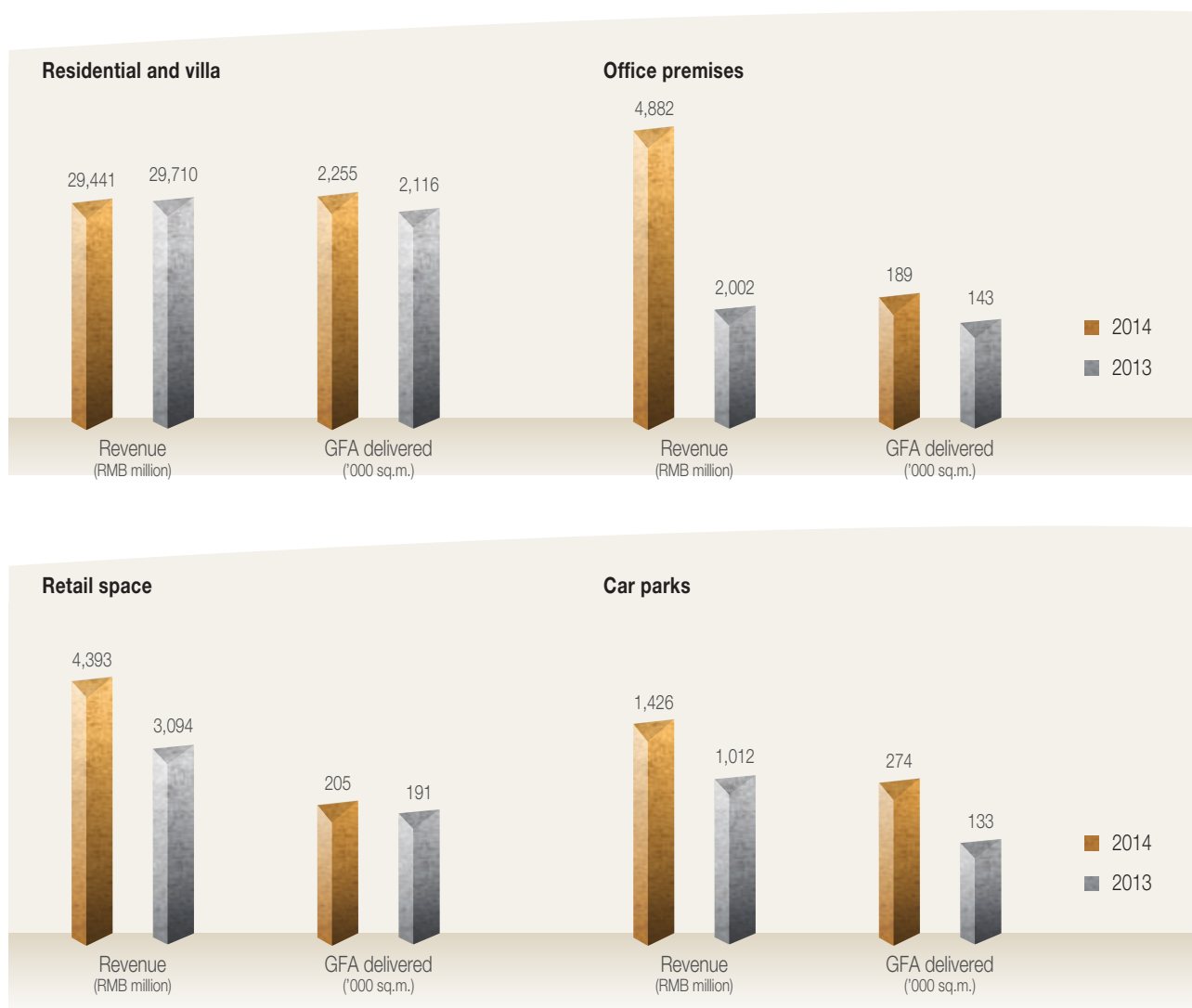
Saleable GFA sold by geographical locations are analyzed below:



In terms of property types, residential properties (including villa) continued to contribute the largest portion of contracted sales amount and accounted for 73% in 2014 (2013: 83%). The average selling price for residential properties (including villa) in 2014 was about

RMB13,100 per sq.m. (2013: about RMB14,000 per sq.m.) while the total GFA sold for residential use increased by 7% from about 2,116,000 sq.m. in 2013 to about 2,255,000 sq.m. in 2014.

Contracted sales amount in terms of property types are analyzed below:



MANAGEMENT DISCUSSION & ANALYSIS

3) Construction Progress and Developing Projects

Total GFA and total saleable GFA completed in 2014 were approximately 3,788,000 sq.m. and 2,953,000 sq.m., decreasing by 6% and 7% respectively

compared to that in 2013. Meanwhile, we will maintain our construction scale in order to have enough GFA available for sale and for delivery to support our growth in 2015.

The details of construction progress and development progress are set out below:

Region	Cities	Projects	GFA completed in 2014 (sq.m.)	Targeted GFA to be completed in 2015 (sq.m.)
Beijing-Tianjin-Hebei Region	Beijing	Ocean Crown	159,000	50,000
		Ocean LA VIE	–	179,000
		Ocean Landscape Eastern Area	72,000	–
		Ocean Manor	27,000	48,000
		Ocean Melody	–	55,000
		Ocean Palace	171,000	147,000
		Ocean International Center, Phase II	88,000	–
		Mizhiyun Project	42,000	–
	Tianjin	Ocean City	171,000	37,000
		Ocean Great Harmony	–	105,000
		Ocean Prospect	187,000	14,000
		Royal River Phase I	–	106,000
	Qinhuangdao	Ocean Century*	221,000	123,000
		1,138,000	864,000	
Northeast Region	Dalian	Ocean Diamond Bay	527,000	166,000
		Ocean Holiday Manor*	24,000	50,000
		Ocean MIDTOWN	–	91,000
		Ocean Worldview	411,000	2,000
		The Place of Glory	–	46,000
	Shenyang	Ocean Paradise	61,000	–
	Changchun	Ocean Cannes Town	54,000	105,000
	Fushun	Ocean City*	14,000	319,000
			1,091,000	779,000

Region	Cities	Projects	GFA completed in 2014 (sq.m.)	Targeted GFA to be completed in 2015 (sq.m.)	
Central Region	Shanghai	Dreaming Land*	–	71,000	
		Ocean Chanson Mansion*	116,000	65,000	
		Ocean Fortune Center	–	59,000	
	Hangzhou	Grand Canal Milestone*	165,000	–	
		Ocean In Your Heart	171,000	–	
		Ocean Mansion	–	98,000	
	Zhejiang	Ocean Beach*	73,000	279,000	
	Qingdao	Ocean Honored Chateau*	–	131,000	
		Ocean Seasons	146,000	–	
	Wuhan	Ocean World	–	92,000	
			671,000	795,000	
	Southern Region	Zhongshan	Ocean City	289,000	581,000
			Ocean New Era	25,000	212,000
Shenzhen		Ocean Express	116,000	–	
Haikou		Ocean Zen House	–	48,000	
Chongqing		Sino-Ocean International GOLF Resort	81,000	70,000	
Chengdu		Sino-Ocean Taikoo Li Chengdu	377,000	–	
			888,000	911,000	
Total			3,788,000	3,349,000	

* The Project was sold on 31 December 2014

MANAGEMENT DISCUSSION & ANALYSIS

4) Landbank

Our Group's landbank decreased by 7% to 19,880,000 sq.m. in 2014. (2013: 21,353,000 sq.m.); while landbank with attributable interest decreased by 15% to 15,620,000 sq.m. (2013: 18,337,000 sq.m.). During 2014, we acquired 17 plots of land with total GFA of 7,058,000 sq.m. and attributable interest of approximately 3,702,000 sq.m., with average

acquisition cost per sq.m. of about RMB4,300. On the other hand, we disposed of 9 projects with total landbank of approximately 4,607,000 sq.m. during the year. The average land cost per sq.m. for our landbank as at 31 December 2014 was approximately RMB3,300 (2013: RMB3,300).

Details of the newly acquired land plot during 2014 are as follows:

Cities	Project Name	Total GFA acquired ('000 sq.m.)	GFA attributable to our Group ('000 sq.m.)	Interest attributable to our Group (%)
Beijing	Ocean Spring	105	105	100%
	Changping Sci-tech Park F2 Project	224	112	50%
	Ocean Metropolis	336	253	75%
	Core Center Plot, Tongzhou District	465	233	50%
	Liuniangfu Project, Shijingshan District	269	161	60%
	Linkongxincun No. 31 plot, Tongzhou District	174	53	30%
Tianjin	Royal River Phase II	235	235	100%
	Ocean Chanson	204	204	100%
	Yixingbu Project, Beichen District	2,991	1,197	40%
Qingdao	Wutaishan Road Plot, Huangdao District	110	105	95%
Shanghai	Ocean Fortune Center	59	59	100%
	Huinan Project	323	323	100%
Zhongshan	Ocean Emerald Phase II	111	68	61%
	Ocean Aromos	142	73	51%
	Xinjiayuan Phase II	170	87	51%
Wuhan	Heijadun Project	1,020	388	38%
Chongqing	Gaomiao Plot, Jiulongpo District	120	46	37.71%
Total		7,058	3,702	

The landbank by stages of development as at 31 December 2014 are set out below:

	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)
Completed properties held for sales	10,991	9,059	1,495
Properties under development	5,663	4,435	5,663
Properties held for future development	12,722	10,119	12,722
Total	29,376	23,613	19,880

Our Group's landbank as at 31 December 2014 was as below:

Region	Cities	Projects	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to our Group (%)		
Beijing-Tianjin-Hebei Region	Beijing	CBD Plot Z6	244	190	244	100%		
		CBD Plot Z13	162	126	162	10%		
		Changping Sci-tech Park F2 Project	224	179	224	50%		
		Mizhiyun Project	80	71	42	90%		
		Ocean Crown	209	182	127	100%		
		Ocean LA VIE	318	281	200	85.72%		
		Ocean Landscape Eastern Area	101	89	58	100%		
		Ocean Manor	182	138	33	100%		
		Ocean Melody	55	48	55	100%		
		Ocean Metropolis	336	264	336	75%		
		Ocean Palace	436	387	354	100%		
		Ocean Spring	105	95	105	100%		
		POETRY OF RIVER	793	705	21	100%		
		Liuniangfu Project, Shijingshan District	269	190	269	60%		
		Linkongxincun No. 31 plot, Tongzhou District	174	157	174	30%		
		Core Center Plot, Tongzhou District	465	345	465	50%		
		Tianjin	Tianjin	Ocean City	2,137	1,683	1,004	100%
				Ocean Express	335	288	31	100%
				Ocean Great Harmony	350	260	152	100%
Ocean International Center	322			308	213	100%		
Ocean Prospect	321			261	26	100%		
Ocean Chanson	204			156	204	100%		
Royal River Phase I	113			104	113	100%		
Royal River Phase II	235			205	235	100%		
Yixingbu Project, Beichen District	2,991			2,585	2,991	40%		
				11,161	9,297	7,838		

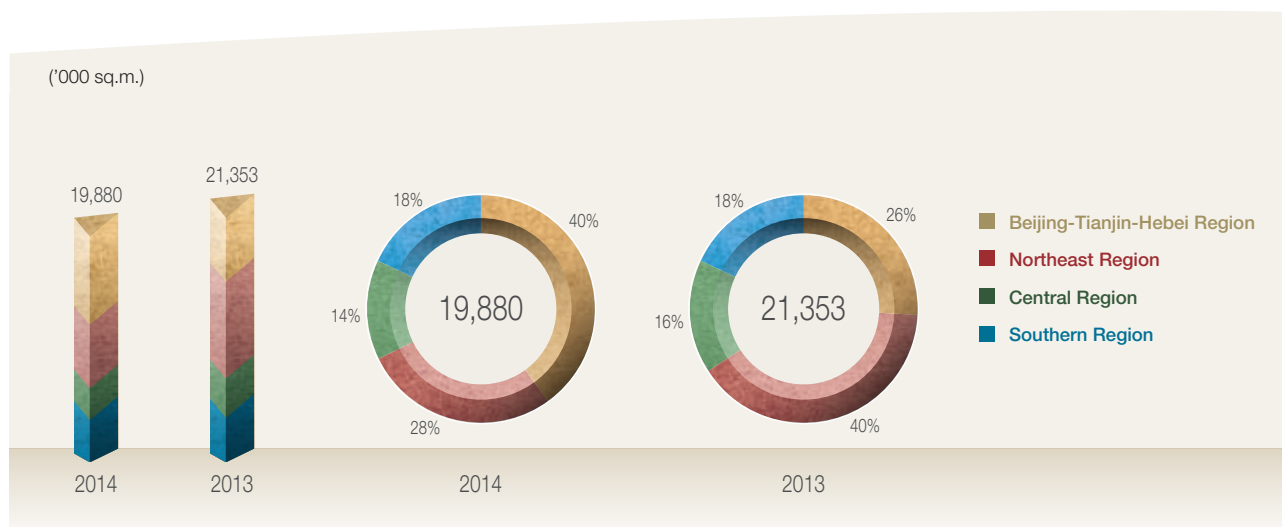
MANAGEMENT DISCUSSION & ANALYSIS

Region	Cities	Projects	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to our Group (%)	
Northeast Region	Dalian	Ocean Diamond Bay	2,035	1,782	1,695	100%	
		Ocean MIDTOWN	91	73	91	100%	
		Ocean Seasons	138	116	4	100%	
		Ocean Worldview	2,160	1,469	712	100%	
		Sino-Ocean Technopole	922	540	922	100%	
		The Place of Glory	926	877	926	100%	
		Zhonghua Road Plot #2	111	52	111	100%	
		Xiaoyao Bay Project	219	175	219	100%	
	Shenyang	Ocean Paradise	713	695	32	100%	
		Ocean Residence	181	171	27	100%	
	Changchun	Ocean Cannes Town	1,200	912	881	100%	
				8,696	6,862	5,620	
	Central Region	Shanghai	Ocean Fortune Center	59	54	59	100%
			Huinan Project	323	231	323	100%
			Ocean Mansion No. 7	119	111	23	100%
Hangzhou		Canal Business Center Project	651	191	651	100%	
		Ocean In Your Heart	171	109	15	100%	
		Ocean Manson	287	218	101	100%	
Huangshan		An Island Paradise	220	220	111	100%	
Qingdao		Wutaishan Road Plot, Huangdao District	110	106	110	95%	
		Ocean Prospect	147	109	3	100%	
		Ocean Seasons	146	120	28	100%	
Wuhan		Hejiadun Project	1,020	974	1,020	38%	
		Ocean Manor	80	71	5	55%	
		Ocean World	411	371	411	55%	
				3,744	2,885	2,860	

Region	Cities	Projects	Approximate total GFA ('000 sq.m.)	Approximate total saleable GFA ('000 sq.m.)	Remaining landbank ('000 sq.m.)	Interest attributable to our Group (%)	
Southern Region	Zhongshan	Ocean Aromas	142	132	142	51%	
		Ocean Bloom	200	189	200	51%	
		Ocean City	2,089	1,776	773	100%	
		Ocean Emerald	490	465	490	61%	
		Xinjiayuan Phase II	170	160	170	51%	
		Ocean New Era	518	504	274	100%	
	Shenzhen	Ocean Express	556	374	441	84.70%	
		Shengping Project	391	244	391	85%	
	Haikou	Ocean Zen House	112	104	83	70%	
	Chongqing	Sino-Ocean International GOLF Resort	570	389	276	87.25%	
		Gaomiao Plot, Jiulongpo District	120	84	120	37.71%	
	Chengdu	Sino-Ocean Taikoo Li Chengdu	417	148	202	50%	
				5,775	4,569	3,562	
	Total			29,376	23,613	19,880	

MANAGEMENT DISCUSSION & ANALYSIS

The landbank by geographical locations as at 31 December 2014 and 2013 are analyzed below:



Property Investment

Investment properties provide a steady and reliable income and cash flow to our Group in addition to the possible capital gains from appreciation in value. They also help us to diversify our risk from market turbulence in the property development business. In 2014, revenue from property investment increased by 23% to RMB679 million (2013:

RMB550 million). As at 31 December 2014, our Group held 8 operating investment properties and several car parks for rental excluding those held by our subsidiary, Gemini Investments (Holdings) Limited. Our investment properties are mainly A-grade office premises, shopping malls and commercial complex with a total leasable area of approximately 680,000 sq.m.

List of our operating investment properties as at 31 December 2014 as below:

	Approximate leasable area (sq.m.)	Office premises (sq.m.)	Retail space (sq.m.)	Others (sq.m.)	Occupancy rate as at 31 December 2014 (%)	Interest attributable to our Group (%)
Ocean Plaza (Beijing)	30,000	26,000	–	4,000	100%	72%
Ocean International Center Block A (Beijing)	101,000	75,000	9,000	17,000	96%	100%
Ocean Office Park (Beijing)	127,000	81,000	22,000	24,000	92%	100%
Ocean We-life Plaza (Beijing)	31,000	–	31,000	–	96%	100%
Ocean We-life Plaza (Tianjin)	41,000	–	41,000	–	83%	100%
Ocean Express (Beijing) Car parks	15,000	–	–	15,000	81%	100%
Sub-total	345,000	182,000	103,000	60,000		
Other						
INDIGO (Beijing)	176,000	49,000	71,000	56,000	over 85%	50%
Ocean International Center, Phase II (Beijing)	77,000	47,000	19,000	11,000	over 79%	35%
Sino-Ocean Taikoo Li Chengdu (Chengdu)	82,000	–	82,000	–	73%	50%
Total	680,000	278,000	275,000	127,000		

COMMERCIAL PROPERTIES IN PROGRESS

Our Group has built a sound foundation for office complex operation and management since the development of commercial properties in 2010. We have cultivated strengths in commercial project positioning; planning and design; development and construction; attracting investment; and project operation. To date, we have more than 20 commercial property projects in progress across China, including grade A offices, high-class shopping centers, five-star hotels and high quality serviced apartments.

As of 31 December 2014, revenue from property investment amounted to RMB679 million. Our Group currently has eight operating investment properties. During 2014, we had two additional investment properties commencing operations, including our cooperation project Sino-Ocean Taikoo Li Chengdu with Swire Properties Limited in Chengdu and Ocean International Center, Phase II in Beijing .

We now have approximately 680,000 sq.m. of commercial real estate resources in operation, with office developments and commercial complexes accounting for about 40% and 60% respectively. In addition, we have approximately 2,000,000 sq.m. of commercial property resources pending for development and operation by stages between 2015 and 2020. These include CBD offices in Beijing and high-class shopping centers. Going forward, the Sino-Ocean Land commercial property brand will boast a strong portfolio of cross-regional and diversified products. They will provide a sound foundation for favourable investment yield and profitability level in the future.

Property Management

For the year ended 2014, our Group's revenue from the provision of property management services amounted to RMB729 million, representing a significantly increase of 23% compared to RMB591 million in 2013. A total GFA of 13,599,000 sq.m. (2013: 11,236,000 sq.m.) was covered by our Group's property management services which has significantly increased by 2,363,000 sq.m.

OTHER INFORMATION

Risk of Exposure to Exchange Rate Fluctuations and Related Hedging

In 2014, our Group had no investments in hedging speculative derivatives. In view of the potential Renminbi exchange rate fluctuations, our Group will consider arranging for monetary and interest rate hedge at appropriate times to avoid the corresponding risks.

Employees and Human Resources

As at 31 December 2014, our Group had 7,266 employees (31 December 2013: 6,894 employees). Continuing our efforts in 2013 to maintain a streamlined organization structure, the size of our workforce was largely unchanged. Both manpower effectiveness and our Group's control capability have been strengthened.

During 2014, taking into account the amortization of share options, the level of our overall staff cost was about RMB1,356 million (2013: RMB1,022 million). We believe the share option scheme implemented in previous years will provide long-term incentive and rewards to our staff.

We will continuously review our salary and compensation schemes to make them competitive to retain our talented staff and also provide various training and development programs so that these talented staff can ultimately bring in higher return to our shareholders and investors.

INVESTOR RELATIONS



Sino-Ocean Taikoo Li Chengdu (Chengdu)

Leasable area: **82,000 sq.m.**

Attributable interest to our Group: **50%**

Usage: **Office premises, hotel and retail space**

Our Group adheres to the best practice in information disclosure in terms of accuracy, transparency and consistency. We are committed to maintaining the most effective communication with the financial community and other stakeholders in a sincere and honest manner. We also set as our goals investors' deeper understanding and approval of the Company's strategies, higher internal management proficiency and maximization of the Company's value.

RESPONSIVENESS AND EFFICIENT COMMUNICATION FORTIFIED MARKET CONFIDENCE

As economic restructuring and changes in growth mode dominated the macro economy in 2014, challenges and opportunities put the market under pressure and the property industry was undergoing changes in the 'new norm'.

In the changing environment, we continued to pay close attention to the variables and respond swiftly but with due consideration. We maintained a high degree of transparency by disclosing the Company's short-term operating strategies

and long-term development plans, as well as our strategic positioning and new growth areas. We highlighted the Company's location planning, sustainable goals and value delivery. We were able to communicate our determination to respond to changes and thus establish mutual trust with investors.

In 2014, the Group hosted the 2013 annual results and 2014 interim results briefings, attracting some 300 individuals from the financial community to attend. Subsequently representatives from the management and the IR team hosted road shows in Hong Kong, Singapore, the US and Japan, meeting over 200 funds and other interested parties and presenting to them the Company's performance, development strategies and our latest business movements.

In 2014, the Company actively cultivated opportunities to meet investors. We had in-depth and individual discussions with 300 funds and securities firms and over 100 retail shareholders in Beijing, Shanghai, Hong Kong and Singapore. We also entertained more than 250 interested individuals at 90 project site visits.

Through these events and discussions, fund managers, institutional and individual investors, analysts and interested parties were able to have a deeper understanding of the Group's progress, business strategies and the industry trend. They also agreed in unison to the Group's development philosophy. At the same time our management also gained better knowledge of the expectations and demands the equity market had on the Group. We will seriously consider and put into practice all beneficial suggestions.

RAISING EFFICIENCY THROUGH NEW CHANNELS AND LISTENING TO FEEDBACK

We maintained our high standards in information disclosure in 2014 to ensure the timely dissemination of relevant corporate information via our official website and other channels. In addition, we published our monthly unaudited operating statistics announcement on the HKEX website to boost transparency and to ensure proper and fair access to relevant data by all parties in the capital market.

After the small-scale analysts meeting in June 2014, we hosted a reverse road show in Chengdu and Beijing in November attracting some 30 securities firms to attend. After making a comprehensive presentation on the Company's management, operation and development strategy, the management encouraged some of the project senior managers to discuss details of the projects with analysts. This was our first presentation to investors since listing focusing on our high-end residential and commercial projects, as well as our plans for new business and development. It showcased the Company's market position in Beijing, the future of commercial properties and our team spirit. The activity further advanced our corporate image.

Two additional securities firms covered us in 2014, bringing the number up to 29 firms. About 86% of them, including Citi, Goldman Sachs, Deutsche Bank, China International Capital Corporation, UBS, Macquarie, Mizuho and Barclays rated Sino-Ocean Land as 'out-performed the market', 'buy' or 'hold'.

It has always been our belief that two-way communication is the basis for good investor relations. We kept exploring channels to convey messages in a timely manner and accurately. We also ensured that shareholders had ample opportunities to exchange ideas with us, voice their opinions and make suggestions.

Beginning with the 2008 Annual General Meeting, management representatives would always allow time after the meeting to speak with retail shareholders and answer their questions. It is our aim to let both individual and institutional shareholders discuss our business operations and market trend personally with our representatives. In May 2014, over 200 shareholders and relevant parties attended our AGM and all present were given the opportunity to talk directly with our representatives.

We will continue with our efforts to gain more coverage and recommendations by securities firms; to encourage investors' approval, confidence and loyalty and to protect their interest. We are grateful to all stakeholders for their remarkable support. If you have questions or comments about our work, please contact us at ir@sinooceanland.com. We promise to provide answers to the extent permitted by applicable laws, regulations and the Listing Rules.



PROJECTS OVERVIEW — RESIDENTIAL PROPERTY

BEIJING

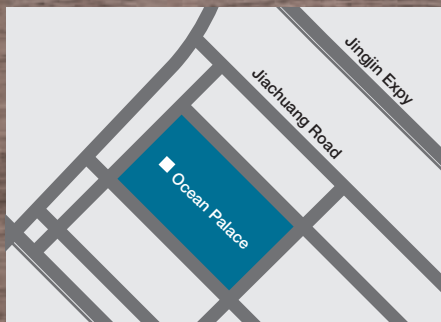
Ocean Palace

Total GFA: 436,000 sq.m.

Total saleable GFA: 387,000 sq.m.

Attributable interest to our Group: 100%

Usage: Residential and villa



BEIJING

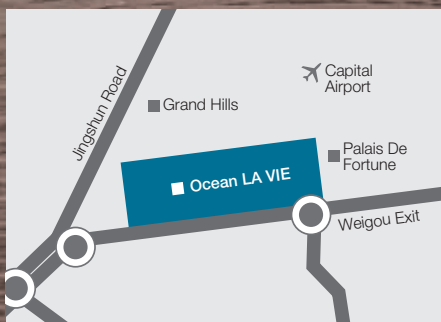
Ocean LA VIE

Total GFA: 318,000 sq.m.

Total saleable GFA: 281,000 sq.m.

Attributable interest to our Group: 85.72%

Usage: Residential and retail space

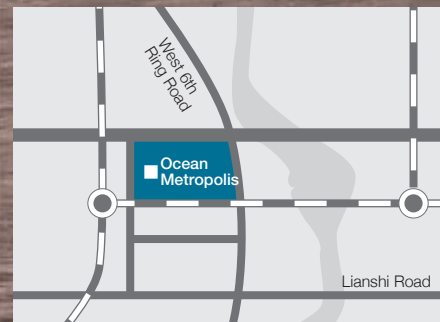




BEIJING

Ocean Metropolis

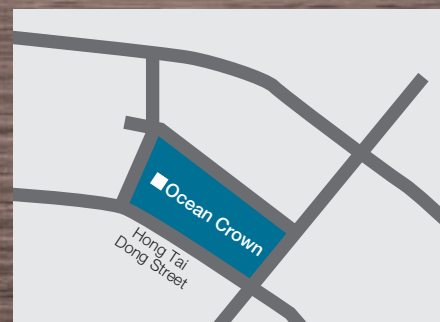
Total GFA: 336,000 sq.m.
 Total saleable GFA: 264,000 sq.m.
 Attributable interest to our Group: 75%
 Usage: Residential



BEIJING

Ocean Crown

Total GFA: 209,000 sq.m.
 Total saleable GFA: 182,000 sq.m.
 Attributable interest to our Group: 100%
 Usage: Residential and Office premises



TIANJIN

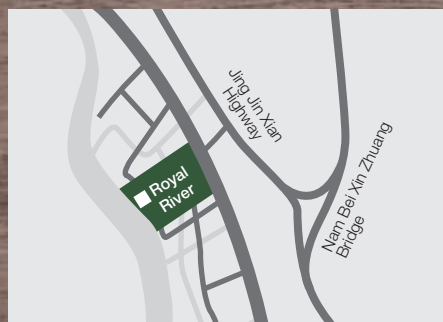
Royal River

Total GFA: 348,000 sq.m.

Total saleable GFA: 309,000 sq.m.

Attributable interest to our Group: 100%

Usage: Residential



TIANJIN

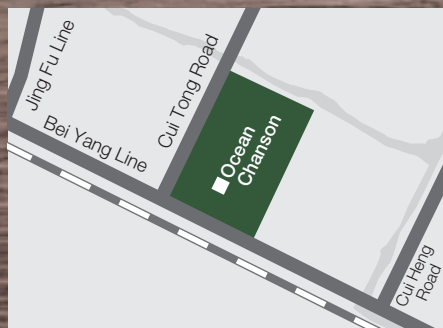
Ocean Chanson

Total GFA: 204,000 sq.m.

Total saleable GFA: 156,000 sq.m.

Attributable interest to our Group: 100%

Usage: Residential and retail space





DALIAN

Ocean Diamond Bay

Total GFA: 2,035,000 sq.m.

Total saleable GFA: 1,782,000 sq.m.

Attributable interest to our Group: 100%

Usage: Residential and retail space



CHANGCHUN

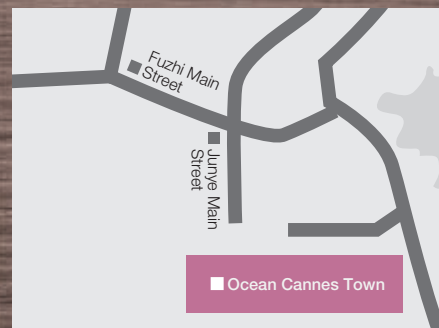
Ocean Cannes Town

Total GFA: 1,200,000 sq.m.

Total saleable GFA: 912,000 sq.m.

Attributable interest to our Group: 100%

Usage: Residential and retail space



SHANGHAI

Ocean Fortune Center

Total GFA: 59,000 sq.m.

Total saleable GFA: 54,000 sq.m.

Attributable interest to our Group: 100%

Usage: Office premises



HANGZHOU

Canal Business Center Project

Total GFA: 651,000 sq.m.

Total saleable GFA: 191,000 sq.m.

Attributable interest to our Group: 100%

Usage: Residential and office premises





WUHAN

Hejiadun Project

Total GFA: 1,020,000 sq.m.
 Total saleable GFA: 974,000 sq.m.
 Attributable interest to our Group: 38%
 Usage: Residential and retail space



ZHONGSHAN

Ocean City

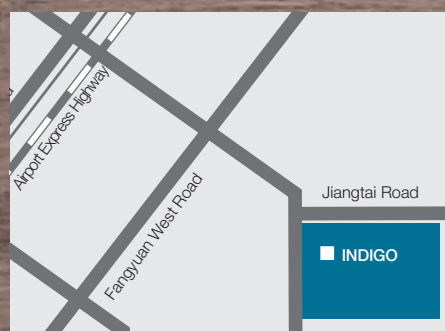
Total GFA: 2,089,000 sq.m.
 Total saleable GFA: 1,776,000 sq.m.
 Attributable interest to our Group: 100%
 Usage: Residential and retail space



PROJECTS OVERVIEW — COMMERCIAL PROPERTY

BEIJING INDIGO

Leasable GFA: 176,000 sq.m.
Attributable interest to our Group: 50%
Usage: Office premises, hotel and retail space



BEIJING

Ocean International Center, Phase II

Leasable GFA: 77,000 sq.m.
Attributable interest to our Group: 35%
Usage: Office premises and retail space





BEIJING

Ocean We-life Plaza

Leasable GFA: 31,000 sq.m.
 Attributable interest to our Group: 100%
 Usage: Office premises and retail space




CHENGDU

Sino-Ocean Taikoo Li Chengdu

Leasable GFA: 82,000 sq.m.
 Attributable interest to our Group: 50%
 Usage: Office premises, hotel and retail space



A close-up photograph of a person's hands resting on a light-colored wooden table. The person is wearing a dark blue long-sleeved shirt. Their hands are positioned over a small, rectangular, light-colored wooden block. The background is softly blurred, showing more of the wooden table and a warm, golden light. A large, thin, white circular graphic element is overlaid on the right side of the image, partially framing the text.

BIOGRAPHIES
OF DIRECTORS
AND SENIOR
MANAGEMENT

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT



EXECUTIVE DIRECTOR

Mr. LI Ming (李明)

Mr. LI Ming, aged 51, is the Chairman of the Board, Chairman of the Nomination Committee and Chairman of the Investment Committee of the Board of the Company. Mr. Li joined the Group as a general manager in July 1997 and became the chief executive officer (the “CEO”) in August 2006. Mr. Li also serves as chairman, legal representative, director or general manager of a number of our subsidiaries and project companies. With extensive experience in corporate governance, property development and property investment, Mr. Li is primarily engaged in our Company’s overall operation management and the implementation of development strategies. Mr. Li has been appointed a non-executive director, honorary chairman of the board and chairman of the nomination committee of Gemini Investments (Holdings) Limited (“Gemini”), an indirect subsidiary of the Company listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 9 August 2013. Mr. Li obtained a Bachelor’s Degree in Motor Vehicle Transportation from Jilin Industrial University in July 1985 and a Master’s Degree in Business Administration from the China Europe International Business School in May 1998. He is also a qualified senior engineer. Mr. Li is currently a member of the People’s Congress of the Chaoyang District of the Beijing Municipality and the vice-president of the China Real Estate Association.

EXECUTIVE DIRECTOR

Ms. LIU Hui (劉暉)

Ms. LIU Hui, aged 45, is the Vice President of the Company and a member of the Investment Committee of the Board. Ms. Liu joined the Group in March 2010. Ms. Liu has over 20 years of experience in investment management and the banking industry. She has been the vice-president of China Life Investment Holding Company Limited since 2014. She held various positions including general manager of investment management department of China Life Insurance Company Limited (“China Life”), departmental general manager and deputy general manager of China Life Insurance Asset Management Company Limited and division head of the headquarters of China Construction Bank. Ms. Liu is also a non-executive director of COFCO Futures Co., Ltd. since August 2013. Ms. Liu graduated from Renmin University of China with a bachelor’s degree in Economics in July 1992, and obtained a master’s degree in Business Administration from Tsinghua University in June 2000. She is a senior economist. Ms. Liu is nominated by China Life, a substantial shareholder of the Company.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT



EXECUTIVE DIRECTOR

Mr. CHEUNG Vincent Sai Sing (張世成)

Mr. CHEUNG Vincent Sai Sing, aged 34, is a member of the Investment Committee of the Board. He joined the Group in March 2011. Mr. Cheung joined Nan Fung Development Limited ("Nan Fung Development") in 2009. Mr. Cheung is currently an executive director of Nan Fung Development and is responsible for leading the daily operation and the proposition, consultation and approval of investments of Nan Fung Development and its affiliated companies. He has extensive experience in the financial sector. Before joining Nan Fung Development, Mr. Cheung was the vice president of Interest Rates Structuring at Barclays Capital Asia Limited from 2008 to 2009, where he worked with a number of institutional and retail clients in Asia. Before that, Mr. Cheung was the vice president of Interest Rates Structuring and Medium Term Notes Trading at Citigroup Global Markets Asia Limited from 2004 to 2008. Mr. Cheung has been a committee member of the Shanghai Committee of Chinese People's Political Consultative Conference since 2012 and a committee member of the All-China Youth Federation and a Council Member of the Hong Kong United Youth Association since 2010. Mr. Cheung graduated from the University of California, Berkeley, graduating with honors in Molecular and Cell Biology in 2003. Mr. Cheung is nominated by Nan Fung Development, a member of the Nan Fung group of companies (the "Nan Fung Group"). Certain members of the Nan Fung Group are substantial shareholders of the Company.

EXECUTIVE DIRECTOR

Mr. CHEN Runfu (陳潤福)

Mr. CHEN Runfu, aged 50, is the Vice President of the Company. Mr. Chen joined the Group in 1995. Mr. Chen also serves as a director or general manager of a number of our subsidiaries and project companies. With extensive experience in property development and property investment, Mr. Chen is primarily responsible for the Group's strategy management, investment management, equity management and brand management. Mr. Chen obtained a Bachelor's Degree in Harbor and Channel Engineering from Dalian Institute of Technology (now known as Dalian University of Technology) in July 1986 and a Master's Degree in Business Administration from the China Europe International Business School in September 2005.



EXECUTIVE DIRECTOR

Mr. WEN Haicheng (温海成)

Mr. WEN Haicheng, aged 46, is the Vice President of the Company. Mr. Wen joined the Group in January 2009. Mr. Wen obtained a Bachelor's Degree in Engineering from Chongqing Institute of Architecture and Engineering in July 1992, a Master's Degree in Engineering from Chongqing Jianzhu University and a doctorate degree in Management from Chongqing University in June 1999 and December 2007, respectively. Mr. Wen is a Chartered Builder of The Chartered Institute of Building, U.K. and a senior engineer at professor level. He has been the general manager of the Construction Business Division of China State Construction Engineering Corporation Limited. With extensive experience in engineering construction and project management, Mr. Wen is primarily engaged in the overall operation and management of the Company. He is also responsible for the management of the Group's various specialized subsidiaries and assist the CEO in the group's risk management and the operation of the Group's development business.

NON-EXECUTIVE DIRECTOR

Mr. YANG Zheng (杨征)

Mr. YANG Zheng, aged 45, is a member of the Audit Committee of the Board of the Company. Mr. Yang joined the Group in March 2011. Mr. Yang joined China Life as assistant to the general manager of the finance department in July 2005, the deputy general manager of the same department, the general manager of the finance department and CFO. Mr. Yang has been promoted to the vice-president of China Life since August 2014. Prior to joining China Life, Mr. Yang worked at China North Industries Corp. from August 1993 to August 1998 and as senior financial analyst at Molex Inc. in the USA from July 2000 to June 2005. Mr. Yang graduated from Beijing University of Technology in 1993. He then obtained a Master's Degree in Business Administration from Northeastern University in the USA in 2000. Mr. Yang is an economist, and a member of American Institute of Certified Public Accountants, a member of the Association of Chartered Certified Accountants and a member of the Association of Chartered Global Management Accountant. Mr. Yang is nominated by China Life, a substantial shareholder of the Company.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT



NON-EXECUTIVE DIRECTOR

Mr. FANG Jun (方軍)

Mr. FANG Jun, aged 47, a member of the Nomination Committee of the Board of the Company, joined us in May 2014. He possesses a doctorate degree and he is a senior economist. He joined China Life Insurance (Group) Company in May 2002 and served as a general manager assistant of the Equity Management Department and a general manager assistant and a deputy general manager of the Asset Management Department, until he was promoted to general manager of the Investment Management Department in February 2011. He is also a director of China Life Investment Holding Company Limited, a non-executive director of CITIC Securities Co., Ltd. (a company listed on the Stock Exchange and the Shenzhen Stock Exchange), a director of Shanghai Lujiazui Finance & Trade Zone United Development Co. Limited, a director of Hui Xian Holdings Limited and a director of Bohai Industrial Investment Fund Management Co., Ltd. He was granted a bachelor's degree in laws from Renmin University of China in 1991 and a master's degree in laws and a doctorate degree in management from the graduate school of Chinese Academy of Social Sciences in 1996 and 1999, respectively. Mr. Fang is nominated by China Life, a substantial shareholder of the Company.

NON-EXECUTIVE DIRECTOR

Mr. CHUNG Chun Kwong, Eric (鍾振光)

Mr. CHUNG Chun Kwong, Eric, aged 53, a member of the Audit Committee of the Board of the Company, joined us in May 2014. He is the managing director of the Nan Fung Group. In this role at Nan Fung Group, he is responsible for the Finance and Investment Division, covering the accounting, finance and investment functions of the Nan Fung Group. Mr. Chung brings with him extensive experience in the property, banking and investment markets, having spent thirty years in these industries in Canada and Hong Kong. Mr. Chung is also a chairman and non-executive director of Forterra Trust, a company business trust listed on Singapore Exchange Securities Trading Limited since 2013, which is an owner, manager and developer of commercial real estate in China. Mr. Chung graduated from the University of Hawaii with a bachelor degree in business administration in 1983. Mr. Chung is a chartered financial analyst. Mr. Chung is nominated by Spring Glory Investment Limited, which is a member of Nan Fung Group and is a substantial shareholder of the Company.



INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. TSANG Hing Lun (曾慶麟)

Mr. TSANG Hing Lun, aged 65, is the chairman of the Audit Committee and a member of the Investment Committee of the Board of the Company. Mr. Tsang joined the Group in June 2007. Mr. Tsang is a fellow member of the Hong Kong Institute of Directors, the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. Mr. Tsang graduated from the Chinese University of Hong Kong with a Bachelor's Degree in Business Administration (1st Class Honors) in 1973. Mr. Tsang has served in a senior management capacity in several publicly listed companies operating in Hong Kong and Singapore. Mr. Tsang joined Hang Seng Bank in 1973 and served for 17 years. He acted as an assistant general manager of the planning and development division. He joined the UOB Group in Singapore in 1990 as its head of International Branches Division and its first vice president. Mr. Tsang also acted as an executive director of China Champ Group in 1994, as an alternate chief executive and a deputy general manager of the China Construction Bank, Hong Kong Branch from 1995 to 1998. Mr. Tsang currently acts as

an independent non-executive director, the chairman of the audit committee and a member of remuneration committee of Sinotrans Shipping Limited, a company listed on the Stock Exchange. Mr. Tsang is also an independent non-executive director of China GrenTech Corporation Limited, a company previously listed on the NASDAQ of USA which was privatized at the end of April 2012. With effect from 15 May 2013, Mr. Tsang retired as independent non-executive director of Beijing Youth Media Corporation, a company listed on the Stock Exchange. With effect from April 2014, Mr. Tsang retired as an independent non-executive director of China Rongsheng Heavy Industries Group Holdings Limited, a company listed on the Stock Exchange. With effect from 15 June 2013, Mr. Tsang was appointed as an independent non-executive director by Nexteer Automotive Group Limited whose shares are listed on the main board of Stock Exchange and also nominated as chairman of the remuneration and nomination committee and member of the audit and compliance committee of that company.



INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. GU Yunchang (顧雲昌)

Mr. GU Yunchang, aged 70, is a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Board of the Company. Mr. Gu joined the Group in June 2007. He joined the Ministry of Construction in 1979 and has over 30 years' experience in market theory and policy research, including research and analysis of the PRC property market. Mr. Gu has participated in state level research projects such as China 2000 (2000年中國) and National Xiaokang Residential Property Technological Industry Project (小康住宅科技產業工程). Mr. Gu has been twice awarded the First Class National Science Technology Advance Award in China. Mr. Gu was appointed as the vice president and the secretary general of the China Real Estate Association from August 1998 to March 2006, vice-chairman of the China Real Estate Association Research in 2006, and executive chairman of China Real Estate Chamber of Commerce Alliance (全國房地產商會聯盟) and the president of China Commercial Real Estate Association in May 2013.

He has also been serving as an independent non-executive director of COFCO Property (Group) Co., Ltd., a company listed on the Shenzhen Stock Exchange, since 23 April 2012 and CIFI Holdings (Group) Co. Ltd., a company listed on the Stock Exchange, since November 2012, as an independent director of Yasha Decoration Co., Ltd, a company listed on the Shenzhen Stock Exchange, since 23 April 2013 and served as an independent director of Sunshine 100 China Holdings Ltd., a company listed on the Stock Exchange, since 17 February 2014. Mr. Gu retired as an independent director of E-House (China) Holdings Limited, a company listed on the New York Stock Exchange in the USA in March 2014. Mr. Gu retired as an independent non-executive director of Shimao Property Holdings Limited, a company listed on the Stock Exchange on 12 May 2011.



INDEPENDENT NON-EXECUTIVE DIRECTOR
Mr. HAN Xiaojing (韓小京)

Mr. HAN Xiaojing, aged 60, is the chairman of the Remuneration Committee and a member of the Nomination Committee of the Board of the Company. He joined the Group in June 2007. Mr. Han is the founding partner of the Commerce & Finance Law Offices. He has over 25 years' experience in the practice of corporate and securities laws in China especially in the restructuring of large-scale state owned enterprises and private companies and offshore listing of Chinese companies. Mr. Han obtained a Master's Degree in Law from China University of Political Science and Law in 1985. He is currently an independent non-executive director of Far East Horizon Limited and Sinotrans Limited, companies listed on the Stock Exchange. He has been serving as an independent director of Ping An Bank Co., Ltd and Beijing Sanju Environmental Protection and New Material Co., Ltd, companies listed on the Shenzhen Stock Exchange since 27 February 2014 and 15 April 2014, respectively. Mr. Han was a supervisor of Beijing Capital International Airport Company Limited, a company listed on the Stock Exchange and an independent director of Shenzhen Overseas Chinese Town Holding Company, a company listed on the Shenzhen Stock Exchange.

INDEPENDENT NON-EXECUTIVE DIRECTOR
Mr. ZHAO Kang (趙康)

Mr. ZHAO Kang, aged 66, is a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Board of the Company. He joined the Group in June 2007. With extensive experience in real estate industry, Mr. Zhao worked at the Beijing Municipal Commission of Urban and Rural Construction from 1978 to 1980, and served as the deputy general manager, general manager and chairman of Beijing Urban Development (Group) Co., Ltd. from 1980 to 2005. During the period from 2005 to 2012, Mr. Zhao was the chairman of Beijing National Olympics Investment Company Limited (北京國奧投資有限公司) which was in charge of the development and construction of the Beijing Olympic Village and the National Gymnasium in Beijing. Mr. Zhao graduated from the Department of Construction at Tsinghua University in 1975. Mr. Zhao was a Committee Member of the Tenth and Eleventh Sessions of the Beijing Committee of the Chinese People's Political Consultative Conference. Mr. Zhao was an independent director of Beijing Capital Co. Ltd., a company listed on the Shanghai Stock Exchange in the PRC.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

Mr. XU Li (徐立), aged 53, is the Vice President of the Company. Mr. Xu joined the Group in October 1997. With extensive experience in property development and property investment, Mr. Xu is primarily engaged in the overall management of the Company's operations, in charge of the business and overall coordination in Beijing-Tianjin-Hebei and Hainan regions as well as responsible for development department I and its affiliates. He assists the CEO in the operation and management of the Group's development business. Mr. Xu obtained a Bachelor's Degree in Industrial and Residential Construction from the Liaoning Radio and Television University in December 1992 and obtained a Master's Degree in Business Administration from Cheung Kong Graduate School of Business in September 2010.

Mr. WANG Fushun (王福順), aged 53, is the Vice President of the Company. Mr. Wang joined the Group in 2002. Mr. Wang also serves as director or general manager of a number of our subsidiaries and project companies. With extensive experience in development and operation of residential and commercial properties, Mr. Wang is primarily responsible for the overall operation and management of the Company, responsible for the business and overall coordination in Northeast China, Eastern China, Central China and Shandong, responsible for the Group's business in commercial real estate, in charge of the comprehensive work of development department II and III, as well as responsible for operation management centre, commercial real estate department and its affiliates. He assists the CEO in the operation and management of the Group's commercial properties. Mr. Wang obtained a Bachelor's degree and a Master's Degree in Engineering Mechanical Design and Manufacturing from Northeast Forestry University in July 1982 and in March 1987, respectively.

Mr. CHEN Zuyuan (譚祖元), aged 53, is the Vice President of the Company. Mr. Chen joined the Group in February 2003. With extensive experience in property development and planning and design, Mr. Chen is primarily engaged in the overall management of the Company's operations, in charge of the business and overall coordination in Southern China and Southwest China as well as responsible for development department IV and its affiliates. He assists the CEO in the operation and management of the Group's development business. Mr. Chen obtained a Bachelor's Degree in Industrial and Civil Construction from the Hunan University in July 1983 and a Master's Degree in Business Administration from the China Europe International Business School in September 2006.

Mr. LI Jianbo (李建波), aged 52, is the Vice President of the Company. Mr. Li joined the Group in September 2009. With extensive experience in human resources and operation management in multi-national companies, Mr. Li is the joint secretary of the Board of the Company, primarily engaged in the overall management of the Company's operations, responsible for the Group's property management, customer service and senior living real estate business, responsible for the Group's human resources management, strategic process management, the Board's activities, as well as in charge of the strategic process centre, human resources centre, customer service department and its affiliates. Mr. Li obtained a Bachelor's Degree in Computer Engineering from Tsinghua University in July 1985 and obtained a Master's Degree in Business Administration from the State University of New Jersey in the USA in August 2000. For the period from 22 October 2010 to 17 March 2011, Mr. Li was the chairman and an executive director of Gemini.

Mr. SUM Pui Ying, Adrian (沈培英), aged 53, is the Chief Financial Officer of the Company. Mr. Sum joined the Group in May 2007. Mr. Sum is a fellow member of the Hong Kong Institute of Certified Public Accountant and a member of the Institute of Chartered Accountants in England & Wales. With extensive experience in governing companies listed on the Stock Exchange, Mr. Sum is primarily engaged in the overall management of the Company's operations and responsible for operation and management of the Group's Hong Kong and overseas business, and in charge of daily operation of Gemini as well as overall coordination of the Group's overseas business. Mr. Sum obtained a Professional Diploma in Accounting from the Hong Kong Polytechnic University in 1988, a Master's Degree in Business Administration from the University of Wales in 1991 and a Diploma in Legal Studies from the University of Hong Kong in 1996. Mr. Sum has been chairman and non-executive director of Gemini, and subsequently re-designated as an executive director, chief executive officer, the chairman of the investment committee and a member of the nomination committee of Gemini in August 2013. He is currently a director and Honorary Treasurer of Executive Committee of China Real Estate Chamber of Commerce Hong Kong Chapter Limited.

COMPANY SECRETARY

Mr. LAM Tsz Kin (藍梓健), aged 34, is the Company Secretary of the Company. Mr. Lam joined the Group in January 2008. With extensive experience in corporate finance and accounting, Mr. Lam is mainly responsible for corporate governance of the Company and the financial management, corporate financing, market research and analysis, and assists investor's relationship of the Group's Hong Kong business. Mr. Lam studied at The University of Texas at Austin in 2001 through a cultural exchange programme and obtained a Bachelor of Business Administration from Hong Kong University of Science & Technology in December 2002. He has further obtained Executive Master of Business Administration (EMBA) from Tianjin University in December 2012. Mr. Lam is a certified public accountant of the Hong Kong Institute of Certified Public Accountants, a member of CFA Institute, a member of Global Association of Risk Professional (GARP) and a fellow member of The Taxation Institute of Hong Kong. Mr. Lam has also served as a director of a number of subsidiaries of the Company.

DIRECTORS' REPORT

The Board is pleased to present its report and the audited financial statements of the Company and of the Group for the year ended 31 December 2014.

PRINCIPAL OPERATIONS AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The Company is an investment holding company. Its subsidiaries are mainly engaged in the real estate development, construction, repair and decoration, property investment, property management and hotel operation businesses. The Group is one of the leading property developers with developments in key economic regions in the PRC.

The analysis of the Group's revenue and operating results in its major operation activities is set out in note 6 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

Results of the Group for the year ended 31 December 2014 are set out in the consolidated income statement and the consolidated statement of comprehensive income on page 89 and 90 respectively.

During the year under review, an interim dividend in respect of the six months ended 30 June 2014 of HKD0.075 per ordinary share and a final dividend in respect of the financial year ended 31 December 2013 of HKD0.16 per ordinary share were paid respectively.

The Directors proposed to recommend at the forthcoming AGM to be held on Tuesday, 12 May 2015 the payment of a final dividend of HKD0.165 per ordinary share for the year ended 31 December 2014. The final dividend will be paid in cash, with a scrip dividend option offered to all shareholders excluding shareholders with registered addresses outside Hong Kong. The final dividend and the scrip dividend option are subject to the approval of the shareholders at the forthcoming AGM and the granting by the Listing Committee of the Stock Exchange of the listing of, and permission to deal in, the new shares. The final dividend will be paid to the shareholders whose name is standing in the register of members of ordinary shares of the Company on Friday, 15 May 2015. In order to qualify for the proposed final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited (the "Share Registrar") at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, 15 May 2015.

The register of members of ordinary shares of the Company will be closed from Thursday, 7 May 2015 to Tuesday, 12 May 2015 (both dates inclusive), during which period, no transfer of ordinary shares will be registered. In order to qualify for attending the forthcoming AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Share Registrar no later than 4:30 p.m. on Wednesday, 6 May 2015.

RESERVES

Movements in the reserves of the Group and the Company during the year under review are set out in note 29 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

The Company's total distributable reserves as at 31 December 2014 amounted to RMB992 million.

SHARE CAPITAL

Movements in the share capital of the Company during the year under review and as at 31 December 2014 are set out in note 27 to the consolidated financial statements.

FIXED ASSETS

Movements in the Group's fixed assets are set out in note 7 to the consolidated financial statements.

BORROWINGS AND CAPITALIZATION OF INTERESTS

Details of borrowings are set out in note 33 to the consolidated financial statements. Details of the Group's capitalized interest expenses and other borrowing costs during the year under review are set out in note 41 to the consolidated financial statements.

DONATIONS

For the year ended 31 December 2014, the Group's donations to charity and other purposes were approximately RMB0.08 million (2013: RMB3 million).

REMUNERATION POLICY AND RETIREMENT BENEFITS OF THE GROUP

The Group's remuneration system has been determined by reference to the corporate business performance, the efficiency and accomplishments of the staff, and the remuneration level of the same industry in the market. The Company offers share options and introduces restricted share award scheme to competitive staff so as to provide staff remuneration package with market competitiveness and to ensure availability of human resources for the sustained development of the Company.

Details of the Group's the retirement benefit plans are set out in note 40 to the consolidated financial statements.

BASIS OF DETERMINING REMUNERATION TO DIRECTORS

The same remuneration philosophy is applicable to the Directors. Apart from benchmarking against the market, the Company looks at individual experience, qualification and responsibilities involved in the Company in determining the

Details of the repurchases of such ordinary shares are as follows:

Month of the repurchases	Number of ordinary shares repurchased	Highest price paid by share (HKD)	Lowest price paid by share (HKD)	Aggregate consideration (HKD Million)
May 2014	500,000	3.93	3.88	1.96
June 2014	200,000	3.90	3.86	0.77

Save as disclosed above and in the section headed "Restricted Share Award Scheme" below, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the year under review.

GUARANTEED NOTES

During the year under review and up to the date of this report, the USD500 million 4.625% guaranteed notes due 2019 and USD700 million 6.000% guaranteed notes due

exact level of remuneration for each Director. Appropriate benefits schemes are in place for the Directors, including the share option scheme and the restricted share award scheme, similar to those offered to other employees of the Group.

FIVE-YEAR FINANCIAL SUMMARY

A five-year financial summary of the Group is set out on page 189.

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

During the year under review, 700,000 ordinary shares of the Company being repurchased on the Stock Exchange were cancelled and the number of issued shares of the Company was reduced accordingly. The above repurchases were effect by the Directors, pursuant to the mandate granted by shareholders in the Company's annual general meeting held on 9 May 2014, with a view to benefit shareholders as a whole in enhancing the net assets and the earnings per share of the Company.

2024 (the "2014 Guaranteed Notes") were issued by a wholly-owned subsidiary of the Company in an aggregate principal amount of USD1,200 million on 23 July 2014, which have been fully subscribed by investors. The net proceeds from the issue of the 2014 Guaranteed Notes were amounted to approximately USD1,181 million (approximately RMB7.1 billion). Furthermore, the USD700 million 4.45% guaranteed notes due 2020 and USD500 million 5.95% guaranteed notes due 2027 (the "2015 Guaranteed Notes") were issued by a wholly-owned subsidiary of the Company in an aggregate principal amount of USD1,200 million on 28

DIRECTORS' REPORT

January 2015, which have been fully subscribed by investors. The net proceeds from the issue of the 2015 Guaranteed Notes were amounted to approximately USD1,182 million (approximately RMB7.1 billion). The 2014 Guaranteed Notes and the 2015 Guaranteed Note are collectively called the "Guaranteed Notes". The aggregate of net proceeds from issue of the Guaranteed Notes were fully applied to repayment of debt amounted to approximately RMB4,720 million and business operation amounted to approximately RMB9,480 million of which the amount of approximately RMB7,100 million for settlement of land cost.

The reasons for issue of the Guaranteed Notes are to expand our finance channels, fine-tune our debt structure and lower our cost of funding. Details of the Guaranteed Notes are set out in notes 33 and 51 to the consolidated financial statements.

RESTRICTED SHARE AWARD SCHEME

The Restricted Share Award Scheme (the "Award Scheme") was adopted by the Board on 22 March 2010 (the "Adoption Date") as an incentive to retain and encourage employees for the continual operation and development of our Group. Unless early terminated by the Board, the Award Scheme shall continue in full force and effect from the Adoption Date for a term of 10 years.

According to the Award Scheme, the maximum number of shares to be awarded under the Award Scheme is 169,104,822 shares, representing 3% of the issued share capital of the Company as at the Adoption Date. The restricted shares will be purchased by the trustee from the market out of cash contributed by our Group and be held in trust for the relevant selected employees until such shares are vested with the relevant selected employees in accordance with the provisions of the Award Scheme. The shares awarded to the directors and employees of the Group at no consideration will be vested in three years in which 40% of awarded shares will be vested after one year from the date of award and 7.5% of awarded shares will be vested quarterly thereafter.

During the year under review, the trustee of the Award Scheme, pursuant to the terms of the rules and trust deed of the Award Scheme, acquired 4,462,278 shares of the Company by way of market acquisition at an aggregate consideration of approximately RMB11,755,000 (including transaction cost) and received scrip share in lieu of cash dividend in an amount of approximately RMB2,612,000. Up to 31 December 2014, 41,686,111 shares of the Company had been acquired from the market, and from receiving scrip shares in lieu of cash dividend by the trustee, at an aggregate consideration of approximately RMB154,300,000 (including transaction costs), representing 0.74% of the issued share capital of the Company as at the Adoption Date.

Details of the number of shares awarded under Award Scheme and the shares vested during the year under review are set out below:

Date of award	Balance as at 1 January 2014	Awarded Shares			Balance as at 31 December 2014
		Shares awarded during the year	No. of shares vested during the year	No. of shares lapsed during the year (note)	
18 March 2011	1,150,163	–	(1,111,632)	(38,531)	–
18 March 2013	21,833,000	–	(13,236,025)	(958,600)	7,638,375
18 March 2014	–	25,012,000	–	–	25,012,000
13 May 2014	–	512,000	–	–	512,000
Total	22,983,163	25,524,000	(14,347,657)	(997,131)	33,162,375

Note: Pursuant to the Award Scheme, 997,131 awarded shares were lapsed upon the resignation of awardees.

SHARE OPTION SCHEME

A share option scheme of the Company (the "Share Option Scheme"), which was approved by the shareholders' written resolutions, is valid and effective for a period of 10 years until 27 September 2017, unless it is terminated early in accordance with the provisions of the Share Option Scheme. Under the Share Option Scheme, the Board may grant share options to eligible employees and directors of the Group. The purpose of the Share Option Scheme is to provide an incentive for employees of the Group to work with commitment towards enhancing the value of the Company and its shares for the benefit of our shareholders, and to compensate employees of the Group for their contribution based on their individual performance and that of the Company.

The total number of shares in respect of which share options may be granted under the Share Option Scheme is not permitted to exceed 424,286,000 shares, representing

5.67% of the total number of shares of the Company as at 31 December 2014. Without prior approval from the Company's shareholders, the number of shares in respect of which share options were granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time.

The share options granted under the Share Option Scheme are exercisable within five years period in which 40% of share options become exercisable after one year from the offer date, 70% of share options become exercisable after two years from the offer date, and all share options become exercisable after three years from the offer date. A consideration of HKD1.00 is payable by each grantee accepting on the grant of share options. Options are exercisable at a price that is determined by the Board of the Company, which will not be less than the higher of the closing price of the Company's shares on the offer date, and the average closing prices of the shares for the five business days immediately preceding the offer date.

During the year under review, movements of share options granted to the Directors, chief executives, and employees of the Group under the Share Option Scheme are as follows:

	Date of share option granted	Exercise price per share (HKD)	No. of share options outstanding as at 1 January 2014	No. of share options exercised during the year (note i)	No. of share options lapsed during the year	No. of share options outstanding as at 31 December 2014
Directors						
Mr. LI Ming	30 Jul 2009	8.59	4,280,000	-	(4,280,000)	-
	12 Jan 2012	3.57	6,280,000	-	-	6,280,000
Ms. LIU Hui	12 Jan 2012	3.57	400,000	-	-	400,000
Mr. CHEUNG Vincent Sai Sing	12 Jan 2012	3.57	400,000	-	-	400,000
Mr. CHEN Runfu	30 Jul 2009	8.59	1,710,000	-	(1,710,000)	-
	12 Jan 2012	3.57	2,610,000	-	-	2,610,000
Mr. WEN Haicheng	30 Jul 2009	8.59	500,000	-	(500,000)	-
	2 Sep 2009	7.01	500,000	-	(500,000)	-
	12 Jan 2012	3.57	730,000	-	-	730,000

DIRECTORS' REPORT

	Date of share option granted	Exercise price per share (HKD)	No. of share options outstanding as at 1 January 2014	No. of share options exercised during the year (note i)	No. of share options lapsed during the year	No. of share options outstanding as at 31 December 2014
Directors (continued)						
Mr. YANG Zheng	12 Jan 2012	3.57	400,000	–	–	400,000
Mr. TSANG Hing Lun	30 Jul 2009	8.59	200,000	–	(200,000)	–
	12 Jan 2012	3.57	600,000	–	–	600,000
Mr. GU Yunchang	30 Jul 2009	8.59	200,000	–	(200,000)	–
	12 Jan 2012	3.57	600,000	–	–	600,000
Mr. HAN Xiaojing	30 Jul 2009	8.59	200,000	–	(200,000)	–
	12 Jan 2012	3.57	600,000	–	–	600,000
Mr. ZHAO Kang	30 Jul 2009	8.59	200,000	–	(200,000)	–
	12 Jan 2012	3.57	600,000	–	–	600,000
Subtotal			21,010,000	–	(7,790,000)	13,220,000
Employees						
	30 Jul 2009	8.59	12,450,000	0	(12,450,000)	0
	2 Sept 2009	7.01	13,220,000	0	(13,220,000)	0
	5 Oct 2009	7.11	21,850,000	0	(21,850,000)	0
	12 Jan 2012	3.57	99,917,000	(19,378,500)	(4,765,000)	75,773,500
Subtotal			147,437,000	(19,378,500)	(52,285,000)	75,773,500
Total			168,447,000	(19,378,500)	(60,075,000)	88,993,500

Notes:

- (i) During the year ended 31 December 2014, 19,378,500 share options were exercised and weighted average closing price of shares of the Company immediately before the dated of exercise was HKD4.41 per share.

DIRECTORS

The table below sets out certain information on the members of the Board during the year under review and up to the date of this report:

Name	Position
Mr. LI Ming	Executive Director and Chairman
Ms. LIU Hui	Executive Director (re-designated on 13 May 2014)
Mr. CHEUNG Vincent Sai Sing	Executive Director (re-designated on 13 May 2014)
Mr. CHEN Runfu	Executive Director
Mr. WEN Haicheng	Executive Director
Mr. YANG Zheng	Non-executive Director
Mr. FANG Jun	Non-executive Director (appointed on 13 May 2014)
Mr. CHUNG Chun Kwong, Eric	Non-executive Director (appointed on 13 May 2014)
Mr. TSANG Hing Lun	Independent non-executive Director
Mr. GU Yunchang	Independent non-executive Director
Mr. HAN Xiaojing	Independent non-executive Director
Mr. ZHAO Kang	Independent non-executive Director

In accordance with Article 101 of the Articles of Association of the Company, Ms. LIU Hui, Mr. CHEN Runfu, Mr. YANG Zheng and Mr. GU Yunchang shall retire by rotation and, being eligible, offer themselves for re-election pursuant to Article 103 of the Articles of Association, at the forthcoming AGM.

In accordance with Article 106 of the Articles of Association of the Company, Mr. FANG Jun and Mr. CHUNG Chun Kwong, Eric, being appointed by the Board as additional Directors, shall also retire and, being eligible, offer himself for re-election at the forthcoming annual general meeting.

Brief biographical details of the Directors and senior management are set out on pages 53 to 61.

DIRECTORS' SERVICE CONTRACTS

None of the Directors who are proposed for re-election at the forthcoming AGM has a service contract with any member of the Group which is not determinable by the Group within one year without the payment of compensation other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contract of significance in relation to the Group's business to which the Company, any of its subsidiaries, fellow subsidiaries or its parent company was a party and in which any Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the financial year or at any time during the financial year under review.

DIRECTORS' RIGHTS TO PURCHASE SHARES OR DEBENTURES

Save for the share options granted pursuant to the Share Option Scheme and the restricted shares awarded pursuant to the Award Scheme as set out above, at no time during the year under review, was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors of the Company to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18, were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

DIRECTORS' REPORT

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES IN SHARES AND UNDERLYING SHARES AND DEBENTURES

As at 31 December 2014, the interests and short positions of each Director and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as

recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") were as follows:

Long position in the shares and the underlying shares of equity derivatives of the Company

Name of Directors	Nature of interest	No. of ordinary shares held (long position)	No. of underlying shares comprised in share options (note i)	Restricted shares (note ii)	Total	Percentage in the Company's issued share capital
Mr. LI Ming	Founder of discretionary trust	127,951,178 (note iii)	–	–	127,951,178	1.711%
	Beneficiary of trust	4,001,200 (note iv)	–	–	4,001,200	0.054%
	Beneficial owner	3,127,000	6,280,000	4,073,500	13,480,500	0.180%
Ms. LIU Hui	Beneficial owner	97,500	400,000	594,500	1,092,000	0.015%
Mr. CHEUNG Vincent Sai Sing	Beneficial owner	37,500	400,000	82,500	520,000	0.007%
Mr. CHEN Runfu	Beneficial owner	806,350	2,610,000	1,209,750	4,626,100	0.062%
Mr. WEN Haicheng	Beneficial owner	739,965	730,000	1,371,750	2,841,715	0.038%
Mr. YANG Zheng	Beneficial owner	37,500	400,000	82,500	520,000	0.007%
Mr. FANG Jun	Beneficial owner	–	–	60,000	60,000	0.001%
Mr. CHUNG Chun Kwong Eric	Beneficial owner	–	–	60,000	60,000	0.001%
Mr. TSANG Hing Lun	Beneficial owner	47,500	600,000	82,500	730,000	0.010%
Mr. GU Yunchang	Beneficial owner	197,500	600,000	82,500	880,000	0.012%
Mr. HAN Xiaojing	Beneficial owner	197,500	600,000	82,500	880,000	0.012%
Mr. ZHAO Kang	Beneficial owner	68,500	600,000	82,500	751,000	0.010%

Notes:

- (i) The share options were granted pursuant to the share option scheme of the Company, the details of which are set out as above in the paragraph headed "Share Option Scheme".
- (ii) The restricted shares were granted pursuant to the restricted share award scheme of the Company, the details of which are set out as above in the paragraph headed "Restricted Share Award Scheme".
- (iii) The 127,951,178 shares are held by a discretionary trust of which Mr. LI Ming is the founder.
- (iv) The 4,001,200 shares are held by a discretionary trust of which Mr. LI Ming, his spouse and his son are the beneficiaries.

Long position in the shares and the underlying shares of equity derivatives of the associated corporation(s)

Name of Directors	Name of associated corporation	Nature of interest	No. of ordinary shares of associated corporation held (long position)	No. of underlying shares of associated corporation comprised in share options	Percentage of total issued share capital of associated corporation
Mr. LI Ming	Gemini Investments (Holdings) Limited	Beneficial owner	–	4,000,000 (note)	0.893%
Mr. WEN Haicheng	Gemini Investments (Holdings) Limited	Beneficial owner	70,000	–	0.016%

Note: Pursuant to the share option scheme of the associated corporation, the share options were granted on 9 August 2013 with an exercise price of HKD0.96 per share and an exercise period from the 9 August 2013 to 22 June 2021.

Save as disclosed above, as at 31 December 2014, none of the Directors nor the chief executives of the Company or their associates had any interest or short positions in any of the shares, underlying shares or debentures of the Company or any of its associated corporations as defined in the SFO.

DIRECTORS' REPORT

SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

The register of substantial shareholders required to be kept by the Company under section 336 of Part XV of the SFO shows that as at 31 December 2014, the Company had been notified of the following substantial shareholders'

interests and short positions in the shares of the Company, being interests of 5% or more, in addition to those disclosed above in respect of the Directors and chief executives of the Company.

Name of shareholders	Capacity	Long/short position	No. of ordinary shares held	Percentage in the Company's issued share capital
China Life Insurance (Group) Company (note i)	Interest of controlled corporation	Long	2,203,284,743	29.461%
CHEN Wai Wai Vivien ("Ms. Chen") (note ii)	Interest of controlled corporation	Long	1,601,327,956	21.412%
Executors of the estate of CHEN Din Hwa ("Executors") (note iii)	Interest of controlled corporation	Long	1,526,769,821	20.415%
HSBC Trustee (C.I.) Limited (note iv)	Interest of controlled corporation	Long	475,422,247	6.357%

Notes:

- (i) The 2,203,284,743 shares were registered in the name of, and beneficially owned by, China Life Insurance Company Limited. China Life Insurance (Group) Company was interested in 68.37% of China Life Insurance Company Limited. China Life Insurance (Group) Company was deemed to be interested in these shares by virtue of the SFO.
- (ii) Ms. Chen held a long position in 1,601,327,956 shares of the Company comprising:
- (a) 1,526,769,821 shares held under the estate of Mr. Chen Din Hwa of which Ms. Chen is one of the Executors as detailed in note (iii) below; and
- (b) 74,558,135 shares were beneficially owned by Gentfull Investment Limited. Gentfull Investment Limited was wholly-owned by Nan Fung Resources Limited. Nan Fung Resources Limited was wholly-owned by Crosby Investment Holdings Inc., which in turn was wholly-owned by Ms. Chen.
- (iii) The Executors held a long position in 1,526,769,821 shares of the Company comprising that 1,393,759,104 shares and 133,010,717 shares were beneficially owned by Spring Glory Investment Limited and Gavast Estates Limited respectively. Both Spring Glory Investment Limited and Gavast Estates Limited were wholly-owned by Keymark Associates Limited. Keymark Associates Limited was wholly-owned by NF Investment Holdings Limited. NF Investment Holdings Limited was wholly-owned by Nan Fung Group Holdings Limited. Nan Fung Group Holdings Limited was wholly-owned by Nan Fung International Holdings Limited. Nan Fung International Holdings Limited was wholly-owned by Chen's Group Holdings Limited. Chen's Group Holdings Limited was wholly-owned by Chen's Group International Limited, which was in turn 100% held by the Executors of the estate of the late Mr. Chen Din Hwa. The Executors are comprised of Ms. Chen, Ms. Lee Pui Ling Angelina, Ms. Chow Suk Han Anna and Mr. Wong Wai Pat.
- (iv) The 384,021,322 shares and 91,400,925 shares were registered in the name of, and beneficially owned by Crystal Will Holdings Limited and Grand Wave Enterprises Limited respectively. Both of Crystal Will Holdings Limited and Grand Wave Enterprises Limited were wholly-owned by Wharf China Development Limited. Wharf China Development Limited was wholly-owned by Wharf China Holdings Limited. Wharf China Holdings Limited was wholly-owned by The Wharf (Holdings) Limited. WF Investment Partners Limited was interested in 43.63% of The Wharf (Holdings) Limited. WF Investment Partners Limited was wholly-owned by Wheelock Investments Limited. Wheelock Investments Limited was wholly-owned by Wheelock and Company Limited. HSBC Trustee (C. I.) Limited was interested in 48.98% of Wheelock and Company Limited. HSBC Trustee (C.I.) Limited was deemed to be interested in these shares by virtue of the SFO.

Save as disclosed above, as at 31 December 2014, no person or corporation had any interest in the share capital of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO as having an interest in 5% or more of, or any short position in, the issued share capital of the Company.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the articles of association of the Company and there is no restriction against such rights which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

COMPETING INTERESTS

None of the Directors has interest in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

MANAGEMENT CONTRACTS

No contracts 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.

MAJOR SUPPLIERS AND CUSTOMERS

The Group's principal operation is property development. During the year under review, purchases from the Group's five largest suppliers (excluding land supply) accounted for less than 30% of the total purchases for the year.

The Group's major products are principally commodity housings, and its major customers bases are general individual home buyers, involving a relatively large number of customers. During the year under review, sales to the Group's five largest customers accounted for less than 30% of the turnover for the year.

As far as the Directors are aware, neither the Directors, their associates, nor the substantial shareholders had any interest in the five largest customers and suppliers of the Group.

CONNECTED TRANSACTIONS AND RELATED PARTY TRANSACTIONS

Pursuant to Chapter 14A of the Listing Rules, the following connected transactions are required to be disclosed in the annual report of the Company. Details of the related party transactions of the Group are set out in note 50 to the consolidated financial statements. Save as disclosed herein, there were no related party transactions of the Group under Chapter 14A of the Listing Rules where are required to comply with any of the disclosure and independent shareholders' approval requirement in accordance with Chapter 14A of the Listing Rules.

Acquisition of equity interests in project companies which hold certain development projects in Zhongshan

On 5 August 2013, Zhongshan City Realty, Ltd (中山市大信置業有限公司) ("Zhongshan City") and Beijing Yuandong Xindi Property Limited (北京遠東新地置業有限公司) ("Beijing Yuandong"), a wholly-owned subsidiary of the Company, entered into the Yuanheng Cooperation Agreement in respect of, among other things, the development of the Nantou Project through Zhongshan Yuanheng Real Estate Development Company Limited (中山市遠恒房地產開發有限公司) ("Yuanheng"), pursuant to which Zhongshan City agreed to sell to Beijing Yuandong and Beijing Yuandong agreed to purchase from Zhongshan City 51% of the equity interest in Yuanheng held by Zhongshan City for a consideration of RMB25,500,000. Furthermore, Beijing Yuandong undertook to provide RMB22,240,000 to Zhongshan City as repayment of Zhongshan City's initial capital contributed to Yuanheng within two months after completion of acquisition.

On 31 August 2013, Zhongshan City and Beijing Yuansheng Ruitong Investment Management Center (Limited Partnership) (北京遠盛瑞通投資管理中心 (有限合夥)) ("Beijing Yuansheng"), a wholly-owned subsidiary of the Company, entered into the Second Yuanheng Equity Transfer Agreement, pursuant to which Zhongshan City agreed to sell to Beijing Yuansheng and Beijing Yuansheng agreed to purchase from Zhongshan City 10% of the equity interest in Yuanheng held by Zhongshan City at a consideration of RMB5,000,000.

DIRECTORS' REPORT

On 30 December 2013, Zhongshan City and Beijing Yuandong entered into the Dongfeng Cooperation Agreement in respect of, among other things, the development of the Dongfeng Project through Zhongshan Boxin Real Estate Development Company Limited (中山市博信房地產開發有限公司) (“Boxin”), pursuant to which Zhongshan City agreed to sell to Beijing Yuandong and Beijing Yuandong agreed to purchase from Zhongshan City 51% of the equity interest in Boxin held by Zhongshan City at a consideration of RMB15,300,000; and

On 3 April 2014, Zhongshan City and Beijing Yuandong entered into the Shengxin Cooperation Agreement in respect of, among other things, the development of the Lianxingwei Project through Zhongshan Shengxin Real Estate Development Company Limited (中山市盛信房地產開發有限公司) (“Shengxin”), pursuant to which Zhongshan City agreed to sell to Beijing Yuandong and Beijing Yuandong agreed to purchase from Zhongshan City 51% of the equity interest in Shengxin held by Zhongshan City at a consideration of RMB14,280,000. Furthermore, Beijing Yuandong undertook to provide RMB69,390,000 in entrusted loan to Shengxin within 10 business days after the registration of the equity transfer.

On 23 June 2014, Zhongshan Daxin Real Estate Investment Company Limited (中山市大信房地產投資有限公司) (“Daxin Real Estate”) and Beijing Yuandong entered into the Yuanjian Agreement in respect of, among other things, acquisition of remaining 20% equity interest in Zhongshan Yuanjian Real Estate Development Company Limited (中山市遠見房地產開發有限公司) (“Yuanjian”) which hold Ocean New Era Project, pursuant to which Daxin Real Estate agreed to sell to Beijing Yuandong and Beijing Yuandong agreed to purchase from Daxin Real Estate 20% of the equity interest in Yuanjian held by Daxin Real Estate at a consideration of RMB72,530,000.

On 15 September 2014, Zhongshan City and Beijing Yuandong entered into the Daxin Cooperation Agreement in respect of the development of the Caihong Project through Zhongshan Daxin Caihong Homes Real Estate Development Company Limited (中山市大信彩虹家園房地產開發有限公司) (“Daxin”), pursuant to which Zhongshan City agreed to sell to Beijing Yuandong and Beijing Yuandong agreed to purchase from Zhongshan City 51% of the equity interest in

Daxin held by Zhongshan City at a consideration of RMB10,200,000. Furthermore, Beijing Yuandong undertook to provide RMB199,350,000 in cash to Daxin within three business days after the date of the Daxin Cooperation Agreement whereby each of Beijing Yuandong, Zhongshan City and Daxin undertook to convert such amount into an entrusted loan within 60 business days after completion of the Daxin Cooperation Agreement.

Both Zhongshan City, which is a substantial shareholder of Yuanjian and Shengxin (subsidiaries of the Company), and Daxin Real Estate, which is a non-wholly owned subsidiary of Zhongshan City, constitute connected persons of the Company under Chapter 14A of the Listing Rules.

The relevant announcements of above transactions have been published on 3 April 2014 and 15 September 2014.

Provision of design and construction services to China Life

On 19 September 2014, Sino-Ocean International Construction Limited (遠洋國際建設有限公司) (“SOL Construction”), an indirectly wholly-owned subsidiary of the Company and Wuxi Qingda Architectural Design Institute (無錫輕大建築設計研究院有限公司) (“Wuxi Qingda”) were notified that they have jointly won the bid for the Engagement, pursuant to which the Jiangsu branch of China Life engaged SOL Construction and Wuxi Qingda to provide construction and design services for the Regional Training Center at a consideration of RMB167,205,569 and RMB2,400,000 respectively.

As at 19 September 2014, China Life holds 29.52% of the issued share capital of the Company and is a substantial shareholder of the Company. Therefore, the Jiangsu branch of China Life is a connected person of the Company for the purpose of Chapter 14A of the Listing Rules. Accordingly, the Engagement constitutes a connected transaction of the Company.

The relevant announcement has been published on 19 September 2014.

Acquisition of remaining issued share capital of Poly Link Management Limited (“Poly Link”) which holds a development project in Hangzhou

On 13 October 2014, Richwise Holdings Limited (“Richwise”), a wholly-owned subsidiary of Greentown China Holdings Limited (“Greentown China”), and Sino-Ocean Land (Hong Kong) Limited (“SOL HK”), an indirect wholly-owned subsidiary of the Company, entered into the Agreement, pursuant to which, among other things, Richwise agreed to sell and SOL HK agreed to purchase 24.5% issued share capital of Poly Link (an indirect non-wholly owned subsidiary of the Company) and the Shareholder’s Loan at a consideration of RMB1,090,000,000.

As at 13 October 2014, Richwise holds 24.5% issued share capital of Poly Link and Poly Link is an indirect non-wholly owned subsidiary of the Company. Richwise therefore a substantial shareholder of an indirect non-wholly owned subsidiary of the Company and a connected person of the Company. Accordingly, the Agreement constitutes a connected transaction of the Company.

On 31 October 2014, Sanca (H.K.) Limited (“Sanca”) and SOL HK entered into the Agreement, pursuant to which, among other things, the Sanca agreed to sell and SOL HK agreed to purchase 24.5% issued share capital of Poly Link and the Shareholder’s Loan at a consideration of the equivalent of RMB1,090,000,000 in USD (approximately USD177,500,000).

As at 31 October 2014, Sanca holds 24.5% issued share capital of Poly Link and Poly Link is an indirect non-wholly owned subsidiary of the Company. Therefore, Sanca is the Company’s connected person at the subsidiary level and the Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

The relevant announcements have been published on 13 October 2014 and 31 October 2014 respectively.

DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES

As at 31 December 2014, the Company entered into the following facility agreements (the “Facility Agreements”):

Date	Description	Principal Amount (Approximately)
12 July 2013	a 5-year term loan facilities in different currencies	USD410 million
24 June 2014	a 3-year term loan facilities in different currencies	USD800 million

Under the Facility Agreements, it would constitute an event of default if (i) China Life Insurance Company Limited and Nan Fung International Holdings Limited are together no longer the largest shareholder of the Company or no longer maintain (directly or indirectly) beneficially not less than 30% of the issued share capital of the Company; or (ii) neither China Life Insurance Company Limited nor Nan Fung International Holdings Limited is the single largest shareholder of the Company. On and at any time after the occurrence of an event of default, the lenders may (i) cancel

the facility available under the Facility Agreements with immediate effect; (ii) declare that all or part of the loan outstanding together with accrued interest and all other amounts accrued or outstanding be immediately due and payable; (iii) declare that all or part of the loans be payable on demand; and/or (iv) instruct the security agent to enforce all or any of the security documents and/or to preserve the security constituted by any security document and/or to exercise any right, power and remedy available to the security agent under any security document.

DIRECTORS' REPORT

SUFFICIENT PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this report, the Company has maintained a sufficient public float of more than 25% of the Company's issued shares as required under the Listing Rules.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance practices. Corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 75 to 83.

AUDITORS

The consolidated financial statements for the year ended 31 December 2014 have been audited by PricewaterhouseCoopers, Certified Public Accountants, who will retire and, being eligible, offer themselves for reappointment, at the forthcoming AGM.

EVENTS AFTER THE BALANCE SHEET DATE

In January 2015, Sino-Ocean Land Treasure Finance II Limited, the Company's wholly-owned subsidiary, issued a guaranteed note with principal amount of USD700,000,000 at interest rate of 4.45% per annum due in 2020 and another note with principal amount of USD500,000,000 at interest rate of 5.95% per annum due in 2027 (the "2015 Guaranteed Notes"). The 2015 Guaranteed Notes are unsecured and are guaranteed by the Company.

Details of 2015 Guaranteed Notes are set out in above section headed "Guaranteed Notes".

By order of the Board

LI Ming
Chairman

Hong Kong, 17 March 2015

CORPORATE GOVERNANCE REPORT

The Board is pleased to present the Corporate Governance Report of the Company for the year ended 31 December 2014.

COMMITMENT TO CORPORATE GOVERNANCE

The Board and the management of the Group are committed to achieving and maintaining high standards of corporate governance, which they consider to be critical in safeguarding the integrity of the Company's operations and maintaining investors' trust in the Company. The management of the Group also actively observes the latest corporate governance developments in Hong Kong and overseas.

Corporate governance practices

In the opinion of the Board, the Company had complied with the provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules throughout the year under review, except for the deviation as disclosed in the section headed "Board Composition – (i) Chairman and Chief Executive Officer" in this report.

Directors' securities transactions

The Company has adopted a code of conduct regarding securities transactions by the directors (the "Code of Conduct") on terms no less exacting than the required standards set out in the Model Code in Appendix 10 to the Listing Rules. The Company has made specific enquiries with each Director and each of them confirmed that he or she had complied with all required standards under the Code of Conduct during the year under review.

THE BOARD

Responsibilities

The Board, led by the Chairman, is responsible for achieving the corporate goals, formulating the development strategy, regularly reviewing the organizational structure, and monitoring the business activities and the performance of management so as to protect and maximize the interests of the Company and its shareholders. Matters relating to the daily operations of the Group are delegated to the management. The delegated functions, power and work tasks are periodically reviewed to ensure that they remain appropriate. The Board will give clear directions to the management team as to their powers of management, and circumstances where the management team should report

back. Approval has to be obtained from the Board prior to any decision being made or any commitments being entered into on behalf of the Company that are outside the scope of the operational authority delegated by the Board. Matters reserved for the Board are the overall strategy of the Group, major acquisitions and disposals, major capital investments, dividend policy, significant changes in accounting policies, material contracts, appointment and retirement of Directors, remuneration policy and other major operational and financial matters. During the year under review, the Board, among others, considered and approved the annual budget, management results and performance update against annual budget, together with business reports from the management, reviewed and approved the interim results for the six months ended 30 June 2014 and the final results for the year ended 31 December 2014, approved the Group's major acquisitions and other critical business operations, assessed the internal control and the financial matters of the Group.

The Board is collectively responsible for performing corporate governance duties including:

- (a) to develop, review and implement the Company's policy and practices on corporate governance;
- (b) to review and monitor the training and continuous professional development of directors and senior management;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the Code of Conduct applicable to employees and directors; and
- (e) to review the Company's compliance with the CG Code which is amended from time to time, and its disclosure in the corporate governance report.

Board composition

As at 31 December 2014, the Board comprised twelve Directors, including five executive Directors, Mr. LI Ming (Chairman), Ms. LIU Hui, Mr. CHEUNG Vincent Sai Sing, Mr. CHEN Runfu and Mr. WEN Haicheng; three non-executive Directors, Mr. YANG Zheng, Mr. FANG Jun and Mr. CHUNG Chun Kwong, Eric; and four independent non-executive Directors ("INEDs"), Mr. TSANG Hing Lun, Mr. GU Yunchang, Mr. HAN Xiaojing and Mr. ZHAO Kang.

CORPORATE GOVERNANCE REPORT

The members of the Board represent a wide background and rich industry experience with appropriate professional qualifications. Please refer to the section headed “Biographies of Directors and Senior Management” for the profiles of the Directors.

Save as disclosed in the section headed “Biographies of Directors and Senior Management”, the Directors have no other financial, business, family or other material/relevant relationships with one another.

(i) Chairman and Chief Executive Officer

The roles of the chairman (the “Chairman”) and the chief executive officer (the “Chief Executive Officer”) of the Company are served by Mr. LI Ming and have not been segregated as required under code A.2.1 of the CG Code. However, the Company considers that the combination of the roles of the Chairman and the Chief Executive Officer will involve a realignment of power and authority under the existing corporate structure and facilitate the ordinary business activities of the Company. Although the responsibilities of the Chairman and the Chief Executive Officer are vested in one person, all major decisions are made in consultation with the Board and the senior management of the Company. There are four INEDs and three non-executive Directors on the Board. The Board considers that there is sufficient balance of power and that the current arrangement maintains a strong management position and also facilitates the ordinary business activities of the Company. The Board will review the current structure from time to time and make any necessary arrangements as appropriate.

(ii) Non-executive Directors and Independent Non-executive Directors

During the year under review, the Board had four INEDs, being one-third of the Board and at all times met the requirements of the Listing Rules relating to the appointment of at least three INEDs with one of them possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received annual confirmations from each of the four INEDs in respect of their independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all the INEDs are independent parties in accordance with the independence guidelines set out in the Listing Rules and free of any relationship

that could materially interfere with the exercise of their independent judgements.

Mr. YANG Zheng and Mr. FANG Jun, both are non-executive Directors, have agreed not to receive the director’s fees of HK\$350,000 and HK\$223,000 respectively during the year under review.

Appointment, re-election and removal of Directors

Pursuant to the letters of appointment, all non-executive directors and INEDs are appointed for a term of around one year ending on around 15 May 2015 subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the articles of association of the Company (the “Articles”).

Pursuant to the Articles, any Director appointed by the Board to fill a casual vacancy or as an addition to the existing Board shall hold office only until the next following general meeting of the Company, and shall be eligible for re-election. Every Director, including non-executive Directors, is subject to retirement by rotation at least once every three years. One-third of the Directors must retire from office at each annual general meeting and their re-election is subject to the approval of shareholders.

In compliance with the provisions of the Articles, Ms. LIU Hui, Mr. CHEN Runfu, Mr. YANG Zheng and Mr. GU Yunchang shall retire by rotation at the forthcoming AGM and, being eligible, will offer themselves for re-election.

Ms. LIU Hui and Mr. CHEUNG Vincent Sai Sing have been re-designated from non-executive Directors to executive Directors with effect from 13 May 2014 and Mr. FANG Jun and Mr. CHUNG Chun Kwong, Eric were appointed as non-executive Directors with effect from 13 May 2014. Pursuant to Article 106 of the Articles of Association of the Company, Mr. FANG Jun and Mr. CHUNG Chun Kwong, Eric shall retire and, being eligible, offer himself for re-election at the forthcoming annual general meeting.

Meetings

The Board conducts meeting on a regular basis and on an ad hoc basis, as required by business needs. During the year under review, the Board convened four meetings to approve interim and final results announcement, financial reports, to recommend or declare dividends and to discuss the overall strategy and monitor financial and operation performance of the Company.

The attendance of each individual director at the board meetings and annual general meeting during the year under review is set out in the following table:

Directors	Number of meeting attended/held	
	Board Meeting	Annual General Meeting
Mr. LI Ming	4/4	1/1
Ms. LIU Hui	4/4	1/1
Mr. CHEUNG Vincent Sai Sing	4/4	1/1
Mr. CHEN Runfu	4/4	0/1
Mr. WEN Haicheng	3/4	0/1
Mr. YANG Zheng	4/4	0/1
Mr. FANG Jun (Appointed on 13 May 2014)	3/3	0/0
Mr. CHUNG Chun Kwong, Eric (Appointed on 13 May 2014)	3/3	0/0
Mr. TSANG Hing Lun	4/4	1/1
Mr. GU Yunchang	4/4	0/1
Mr. HAN Xiaojing	4/4	0/1
Mr. ZHAO Kang	4/4	0/1

Notices of regular Board meetings were given to all Directors at least 14 days before the meetings. For board committee meetings, reasonable notice is generally given.

The agenda accompanying board papers are given to all Directors in a timely manner. All Directors are properly briefed on issues arising at any Board meetings by the Chairman.

All Directors have full and timely access to all relevant information as well as advice and services of the company secretary of the Company (the "Company Secretary"). Upon making request to the Board, all Directors may obtain independent professional advice at the Company's expense for carrying out their functions.

Where a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter would only be dealt with by a Board meeting and only independent Directors who, and whose associates, have no material interest in the transaction would be present at such Board meeting.

Training for Directors

For any newly appointed Director, he/she will be provided with an induction course so as to ensure that he/she has appropriate understanding of the business and operations of the Company and that he/she is fully aware of his/her responsibilities and obligations as a director under the Listing Rules and the relevant regulatory requirements.

There are also arrangements in place for providing continuing briefing and professional development to Directors, whenever necessary, in order to ensure that they have a proper understanding of the Company's operations and business. To assist their continuous professional development, the Company Secretary recommends relevant seminars and courses for the Directors to attend.

All Directors also understand the importance of continuous professional development. They are committed to participating in suitable training to develop and refresh their knowledge and skills. A record of the training received by the respective directors are kept and updated by the Company Secretary of the Company.

CORPORATE GOVERNANCE REPORT

During the year under review, the Directors participated in the following trainings:

Directors	Type of trainings
Mr. LI Ming	A and C
Ms. LIU Hui	A and C
Mr. CHEUNG Vincent Sai Sing	A and C
Mr. CHEN Runfu	A and C
Mr. WEN Haicheng	A and C
Mr. YANG Zheng	A, B and C
Mr. FANG Jun	A, B and C
Mr. CHUNG Chun Kwong, Eric	A and C
Mr. TSANG Hing Lun	A and C
Mr. GU Yunchang	C
Mr. HAN Xiaojing	C
Mr. ZHAO Kang	C

A: attending seminars and/or conference and/or forums

B: giving talk at seminar(s) or forum(s)

C: reading newspapers, professional journals and updates relating to the economy, general business, real estate or director's duties and responsibilities etc.

Directors' and officers' liability insurance and indemnity

The Company has arranged appropriate liability insurance to indemnify its Directors and officers for their liabilities arising out of corporate activities. During the year under review, no claim had been made against the Directors and the officers of the Company.

BOARD COMMITTEES

The Board has set up four board committees, namely, the audit committee, the remuneration committee, the nomination committee and the investment committee (collectively the "Board Committees"), for overseeing particular aspects of the Company's affairs. The Board Committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expense.

The attendance of each individual committee member at the Board Committee meetings during the year under review is set out in the following table:

Directors	Number of meeting attend/held			
	Audit Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting	Investment Committee Meeting
Mr. LI Ming	–	–	1/1	1/1
Ms. LIU Hui	–	–	1/1	1/1
Mr. CHEUNG Vincent Sai Sing	–	–	–	1/1
Mr. YANG Zheng	2/2	–	–	–
Mr. FANG Jun	–	–	–	–
Mr. CHUNG Chun Kwong, Eric	1/1	–	–	–
Mr. TSANG Hing Lun	2/2	–	–	1/1
Mr. GU Yunchang	2/2	3/3	1/1	–
Mr. HAN Xiaojing	–	3/3	1/1	–
Mr. ZHAO Kang	2/2	3/3	1/1	–

Audit Committee

After Mr. CHUNG Chun Kwong, Eric was appointed as a member of Audit Committee on 26 June 2014, the Audit Committee consists of three INEDs and two non-executive director of the Company, namely Mr. TSANG Hing Lun, Mr. GU Yunchang, Mr. ZHAO Kang, Mr. YANG Zheng and Mr. CHUNG Chun Kwong, Eric. Mr. TSANG Hing Lun, who has professional qualifications in accountancy, is the chairman of the Audit Committee. None of them is a member of the former or existing auditors of the Company.

The main duties of the Audit Committee are to audit and supervise the financial reporting process of the Group. The Audit Committee is also responsible for considering the appointment and remuneration of the auditors and any matters related to the removal and resignation of the auditors. Their written terms of reference are available on the websites of the Company and the Stock Exchange.

The Audit Committee held two meetings during the year under review. Executive directors, senior management and the external auditor of the Company were invited to join the discussions at the meetings.

The tasks, among others, performed by the Audit Committee during the year under review included:

- (i) review of the interim and annual consolidated financial statements;
- (ii) discussion with the external auditors on the issues of, including but not limited to financing structure, land appreciation tax, progress of various projects, joint venture operation, and implementation of new tax rule in the PRC;
- (iii) review of the cash flow projection for 2014 and monitor of the overall financial position of the Group;
- (iv) review of the adequacy and effectiveness of the internal control system and recommendation to the Board for improvement of internal control, credit control and risk management;
- (v) review of the application of the relevant General Accepted Accounting Principles and recommendation to the Board for the adoption of accounting policies;

CORPORATE GOVERNANCE REPORT

- (vi) review of the adequacy of the provision for material liabilities and impairment of assets; and
- (vii) meeting with the external auditor in the absence of executive directors and senior management to discuss issues regarding audit.

Remuneration Committee

The remuneration committee of the Company (the “Remuneration Committee”) comprises three members, all being INEDs, namely Mr. HAN Xiaojing (the chairman of the committee), Mr. GU Yunchang and Mr. ZHAO Kang.

The main duties of the Remuneration Committee are to make recommendations and proposals to the Board in respect of the remuneration policies and to review and approve the remunerations which are determined based on the results and performance of the Company by making reference to the Company’s objectives as approved from time to time by the Board.

The Remuneration Committee to determine, with delegated responsibility from the Board, the remuneration package and incentive payments of executive directors and senior

The remuneration of Directors is determined with reference to their experience, qualifications, responsibilities involved in the Company and the prevailing market conditions. Details of emoluments of Directors for the year under review are set out in note 40(a) to the consolidated financial statements. The emoluments paid to senior management during the year under review were within the following bands:

	Number of Senior Management
Nil to HKD5,000,000	–
HKD5,000,001 to HKD6,000,000	1
HKD6,000,001 to HKD7,000,000	3
HKD7,000,001 to HKD8,000,000	–
HKD8,000,001 to HKD9,000,000	1
Over HKD9,000,000	–

management, including benefits in kind, pension rights and compensation payments.

Their written terms of reference are available on the websites of the Company and the Stock Exchange.

The tasks, among others, performed by the Remuneration Committee during the year under review included:

- (i) review and approval of the report of the labour cost for the year ended 31 December 2013 and the budget of the labour cost for the year ended 31 December 2014;
- (ii) review and approval of the report of remuneration packages for senior management for the year ended 31 December 2014;
- (iii) review and approval the recommendation of grant of restricted shares under the Award Scheme; and
- (iv) recommendation to the Board on the remuneration of non-executive directors.

Nomination Committee

After Ms. Liu Hui retired as a member of the nomination committee of the Company (the “Nomination Committee”) and replaced by Mr. FANG Jun on 26 June 2014, the Nomination Committee comprises five members, being an executive director, Mr. LI Ming, a non-executive director, Mr. FANG Jun, and three INEDs, namely Mr. HAN Xiaojing, Mr. GU Yunchang and Mr. ZHAO Kang. Mr. LI Ming is the chairman of the committee.

The main duties of the Nomination Committee are to nominate candidates for directorship, consider nominations for directorship and make recommendations to the Board in respect of such appointments. If necessary, the Nomination Committee will also convene meetings and submit reports to the Board. Their written terms of reference are available on the websites of the Company and the Stock Exchange.

The tasks, among others, performed by the Nomination Committee during the year under review included:

- (i) review the structure, size and composition of the Board and make recommendations on re-designation of directors and new candidates to the Board;
- (ii) review and recommendation of the rotation of directors pursuant to the Articles;
- (iii) review and recommendation of the appointment of new Company Secretary; and
- (iv) review of human resource management and staff development system.

Summary of board diversity policy under Nomination Committee

The Company recognizes and embraces the benefits of having a diverse Board to enhance the quality of its performance and hence the purpose of the board diversity policy (the “Board Diversity Policy”) aims to build and maintain a Board with a diversity of Directors, in terms of skills, experience, knowledge, expertise, culture, independence, age and gender. These differences will be taken into account in determining the optimum composition of the Board. The Nomination Committee will discuss the measurable objectives for implementing diversity on the Board from time to time and recommend them to the Board for adoption.

The Nomination Committee will report annually on the composition of the Board under diversified perspectives, and monitor the implementation of this policy to ensure the effectiveness of this policy. As at the date of this report, the Board comprises 12 directors. One of them is a woman. The Board is also characterised by significant diversity, whether considered in terms of gender, nationality, professional background and skills.

Investment Committee

After Mr. GU Yunchang retired as a member of the investment committee of the Company (the “Investment Committee”) and replaced by Ms. LIU Hui on 26 June 2014, the Investment Committee comprises four members, three being executive director, Mr. LI Ming, Ms. LIU Hui and Mr. CHEUNG Vincent Sai Sing, and an INED, Mr. TSANG Hing Lun. Mr. LI Ming is the chairman of the committee. It will meet at the request of any member of the committee and the head of finance department will also participate in discussions. The Investment Committee is authorized, at the expense of the Company, to seek advice from external professionals or to arrange them to attend the meetings.

The main duties of the Investment Committee are to review the Group’s investment strategy and to examine and make decision on the prospective major investments. Their written terms of reference are available on the websites of the Company and the Stock Exchange.

Company Secretary

The Company Secretary is responsible for ensuring that board procedures comply with all applicable laws, rules and regulations and advising the Board on corporate governance matters.

Moreover, the Company Secretary is responsible for keeping all Directors updated on Listing Rules, regulatory requirements, as well as internal codes of conduct of the Company.

During the year under review, the Company Secretary has taken not less than 15 hours of relevant professional training.

CORPORATE GOVERNANCE REPORT

Accountability and Audit

The Directors of the Company acknowledged their responsibility to present a balanced, clear and understandable assessment in the consolidated financial statements of the annual and interim reports, other price sensitive announcements and other financial disclosures required under the Listing Rules, and to report to regulators as well as to disclose information required pursuant to statutory requirements. When the Directors were aware of material uncertainties relating to events or conditions that might cast significant doubt upon the Company's ability to continue as a going concern, such uncertainties would be clearly and prominently set out and discussed in detail in this Corporate Governance Report.

The statement of the independent auditor of the Company about their reporting responsibilities and opinion on the financial statements of the Company for the year ended 31 December 2014 is set out in the Independent Auditor's Report on page 85.

INTERNAL CONTROL

The internal controls of the Group are designed to help the Group in protecting its assets and information. The presence of internal controls empowers the Group to implement best business practices in challenging business environments. The Group's internal controls cover a number of in-house procedures and policies comprising, among others, the relevant financial, operational and compliance controls and risk management functions. The Board requires the management to maintain sound and effective internal controls. Evaluation of the Group's internal controls is independently conducted by risk management department. They will reports to Audit Committee twice each year, among others, in any significant findings and effectiveness of the internal controls. Copy of the minutes of the Audit Committee meeting is presented to the Board meeting for consideration. Furthermore, the Board, at least annually, reviews the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function and the reviews of the effectiveness of the Group's internal control systems cover all material controls, including financial, operational and compliance controls and risk management function.

INDEPENDENT AUDITOR

The Group's independent auditor is PricewaterhouseCoopers ("PwC"). PwC is responsible for auditing and forming an independent opinion on the Group's annual consolidated financial statements. Apart from the statutory audit of the annual consolidated financial statements, PwC was also engaged to perform a review of the interim consolidated financial statements of the Group for the six months ended 30 June 2014.

For the year ended 31 December 2014, remunerations payable to PwC for the provision of statutory audit services and non-auditing services amounted to RMB12.87 million and RMB2.8 million respectively. The non-auditing services mainly represent review of interim financial information.

SHAREHOLDERS' RIGHTS AND COMMUNICATION

As one of the measures to safeguard the shareholders' interests and rights, separate resolutions are proposed at shareholders' meetings on every substantial matters, including the election of individual directors, for shareholders' consideration and voting. Furthermore, the Company regards the annual general meeting or extraordinary general meeting as an important event and Directors, chairman of each board committee, senior management and external auditors make an effort to attend the annual general meeting or extraordinary general meeting of the Company to address the shareholders' queries. All resolutions proposed at shareholders' meetings will be voted by poll. The poll voting results will be posted on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.sinooceanland.com) on the same day of the relevant general meetings.

Shareholder(s) representing at least 5% of the total voting rights of all shareholders of the Company can make a requisition to convene an extraordinary general meeting pursuant to Section 566 of the new Companies Ordinance of Hong Kong (Chapter 622 of the Laws of Hong Kong, "Company Ordinance"). The requisition must state the objects of the meeting, and must be signed by the relevant shareholder(s) and deposited at the registered office of the Company. Beside, section 580 and section 615 of the Companies Ordinance provides that (i) shareholder(s) of the company representing at least 2.5% of the total voting rights of all the shareholders of the Company who have a relevant right vote; or (ii) at least 50 shareholders who have a relevant right to vote can put forward proposals for consideration at a general meeting by sending requests in writing to the Company.

Shareholders have the right to put enquiries to the Board. All enquiries shall be in writing and sent by post to the registered office of the Company in Hong Kong for the attention of the Company Secretary.

The Company adheres to high standards with respect to the disclosure of its financial statements. To foster two-way communication amongst the Company, its shareholders and potential investors, the Company has also established an Investor Relations Department to respond to enquiries from shareholders and the public. In addition, the Company is committed to maximizing the use of its website as a channel to provide updated information in a timely manner and strengthen the communication with both the shareholders and the public. Further information about investor relations are set out in the section headed "Investor Relations".

THE AMENDMENTS TO ARTICLES OF ASSOCIATION

According to the ordinary resolution passed on the annual general meeting held on 9 May 2014, in light of the new Companies Ordinance which has taken effect on 3 March 2014, the Board had dispensed with the Memorandum of Association in its entirety and adopted the New Articles of Association to replace the Company's Memorandum of Association and Articles of Association. The New Articles of Association allows the Company to:

- (a) align the Articles of Association with the new provisions/requirements under the new Companies Ordinance; and
- (b) provide flexibility to the board composition in the future.

Details of the amendments to Articles of Association are set out in the circular dated 4 April 2014. A confirmed copy of the Articles of Association are posted on the websites of the Company and the Stock Exchange.

CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. LI Ming (*Chairman*)
Ms. LIU Hui
Mr. CHEUNG Vincent Sai Sing
Mr. CHEN Runfu
Mr. WEN Haicheng

Non-executive Directors

Mr. YANG Zheng
Mr. FANG Jun
Mr. CHUNG Chun Kwong, Eric

Independent Non-executive Directors

Mr. TSANG Hing Lun
Mr. GU Yunchang
Mr. HAN Xiaojing
Mr. ZHAO Kang

AUDIT COMMITTEE

Mr. TSANG Hing Lun
Mr. YANG Zheng
Mr. CHUNG Chun Kwong, Eric
Mr. GU Yunchang
Mr. ZHAO Kang

NOMINATION COMMITTEE

Mr. LI Ming
Mr. FANG Jun
Mr. GU Yunchang
Mr. HAN Xiaojing
Mr. ZHAO Kang

REMUNERATION COMMITTEE

Mr. HAN Xiaojing
Mr. GU Yunchang
Mr. ZHAO Kang

INVESTMENT COMMITTEE

Mr. LI Ming
Ms. LIU Hui
Mr. CHEUNG Vincent Sai Sing
Mr. TSANG Hing Lun

COMPANY SECRETARY

Mr. LAM Tsz Kin

AUTHORIZED REPRESENTATIVES

Mr. LI Ming
Mr. LAM Tsz Kin

REGISTERED OFFICE

Suite 601, One Pacific Place
88 Queensway
Hong Kong

PRINCIPAL PLACE OF BUSINESS

31–33 Floor, Tower A
Ocean International Center
56 Dongsihuanzhonglu
Chaoyang District Beijing
PRC

PRINCIPAL BANKERS *(in alphabetical order)*

Agricultural Bank of China, Ltd.
Bank of Beijing Co., Ltd
Bank of China (Hong Kong) Limited
Bank of China Limited
Bank of Communications Co., Ltd.
BNP Paribas Hong Kong Branch
China CITIC Bank Corporation Limited
China CITIC Bank International Limited
China Construction Bank Corporation
China Construction Bank (Asia) Corporation Limited
China Everbright Bank Company Limited
China Guangfa Bank Co., Ltd.
China Merchants Bank Co., Ltd.
China Minsheng Banking Corp., Ltd.
DBS Bank Ltd.
Hang Seng Bank Limited
Industrial and Commercial Bank of China (Asia) Ltd.
Industrial and Commercial Bank of China, Ltd.
Industrial Bank Co., Ltd.
Mega International Commercial Bank Co., Ltd.
Ping An Bank Co., Ltd.
Postal Savings Bank of China Co., Ltd.
Shanghai Pudong Development Bank Co., Ltd.
The Bank of East Asia, Limited
The Hongkong and Shanghai Banking Corporation Limited
Wing Lung Bank Limited

AUDITOR

PricewaterhouseCoopers

LEGAL ADVISOR

Paul Hastings

SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

LISTING INFORMATION

The Stock Exchange of Hong Kong Limited
Stock Code: 03377

COMPANY WEBSITE

www.sinooceanland.com

INVESTOR RELATIONS CONTACT

ir@sinooceanland.com

INDEPENDENT AUDITOR'S REPORT

To the shareholders Of Sino-Ocean Land Holdings Limited

(incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of Sino-Ocean Land Holdings Limited (the "Company ") and its subsidiaries (together, the "Group") set out on pages 86 to 188 which comprise the consolidated and company balance sheets as at 31 December 2014, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement 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 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' 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, in accordance with section 80 of Schedule 11 to the Hong Kong Companies Ordinance 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 judgment, 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.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2014, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 17 March 2015

CONSOLIDATED BALANCE SHEET

		As at 31 December	
	Note	2014 RMB'000	2013 RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment	7	263,694	203,827
Land use rights	8	8,739	8,985
Investment properties	9	11,882,712	10,302,496
Goodwill	10	206,349	239,523
Investments in joint ventures	12	3,720,215	1,682,273
Investments in associates	13	2,362,918	629,572
Available-for-sale financial assets	16	1,737,174	745,847
Trade and other receivables	22	10,905,792	15,606
Deferred income tax assets	34	1,082,857	1,940,419
		32,170,450	15,768,548
Current assets			
Prepayments for land use rights	21	6,553,151	10,685,916
Properties under development	19	41,540,133	69,903,227
Inventories, at cost		82,069	99,037
Amounts due from customers for contract work	24	821,804	996,539
Land development cost recoverable	20	2,161,711	1,713,850
Completed properties held for sale	23	17,213,758	12,079,650
Available-for-sale financial assets	16	100,000	405,400
Other investments	17	–	19,676
Financial assets at fair value through profit or loss	18	663,165	191,413
Trade and other receivables	22	14,569,278	9,955,459
Restricted bank deposits	25	3,025,092	4,797,032
Cash and cash equivalents	26	13,311,150	11,252,893
		100,041,311	122,100,092
Total assets		132,211,761	137,868,640
EQUITY			
Equity attributable to owners of the company			
Capital	27	26,693,226	26,079,244
Shares held for Restricted Share Award Scheme	27	(41,504)	(79,008)
Reserves	29	(333,214)	166,032
Retained earnings	28		
– Proposed final dividend	44	981,664	920,391
– Others		13,190,679	10,438,201
		40,490,851	37,524,860
Capital securities	32	2,532,866	2,532,866
		43,023,717	40,057,726
Non-controlling interests		1,359,276	3,387,319
Total equity		44,382,993	43,445,045

	Note	As at 31 December	
		2014 RMB'000	2013 RMB'000
LIABILITIES			
Non-current liabilities			
Borrowings	33	34,437,176	22,455,625
Trade and other payables	35	13,377	–
Deferred income tax liabilities	34	1,989,782	1,853,313
		36,440,335	24,308,938
Current liabilities			
Borrowings	33	11,166,668	12,839,209
Trade and other payables	35	17,762,179	17,987,221
Advance receipts from customers	36	18,887,434	34,603,586
Income tax payable		3,572,152	4,684,641
		51,388,433	70,114,657
Total liabilities		87,828,768	94,423,595
Total equity and liabilities		132,211,761	137,868,640
Net current assets		48,652,878	51,985,435
Total assets less current liabilities		80,823,328	67,753,983

Approved by the Board of Directors on 17 March 2015

LI Ming
Executive Director

CHEN Runfu
Executive Director

The notes on pages 94 to 188 are an integral part of these consolidated financial statements.

BALANCE SHEET

		As at 31 December	
	Note	2014 RMB'000	2013 RMB'000
ASSETS			
Non-current assets			
Investments in subsidiaries	11	3,462,091	3,444,839
Current assets			
Amounts due from subsidiaries	11	34,799,726	33,523,987
Other receivables		2,060	2,060
Restricted cash deposits		197,218	–
Cash and cash equivalents	26	409,844	417,732
		35,408,848	33,943,779
Total assets		38,870,939	37,388,618
EQUITY			
Capital		26,693,226	26,079,238
Reserves	29	501,938	445,832
Retained earnings	28		
– proposed final dividend	44	981,664	920,391
– others		10,697	385,481
Total equity		28,187,525	27,830,942
LIABILITIES			
Non-current liabilities			
Borrowings	33	7,368,468	4,789,797
Current liabilities			
Borrowings	33	732,703	2,204,609
Amounts due to subsidiaries	11	2,532,866	2,532,866
Other payables	35	49,377	30,404
		3,314,946	4,767,879
Total liabilities		10,683,414	9,557,676
Total equity and liabilities		38,870,939	37,388,618
Net current assets		32,093,902	29,175,900
Total assets less current liabilities		35,555,993	32,620,739

Approved by the Board of Directors on 17 March 2015

LI Ming
Executive Director

CHEN Runfu
Executive Director

The notes on pages 94 to 188 are an integral part of these consolidated financial statements.

CONSOLIDATED INCOME STATEMENT

	Note	Year ended 31 December	
		2014 RMB'000	2013 RMB'000
Revenue	6	38,896,090	31,099,385
Cost of sales		(30,728,756)	(23,552,300)
Gross profit		8,167,334	7,547,085
Interest and other income	37	385,847	376,164
Other gains/(losses) — net	38	102,868	102,458
Fair value gains on investment properties	9	591,165	807,950
Selling and marketing expenses		(845,742)	(785,214)
Administrative expenses		(1,012,097)	(675,021)
Operating profit		7,389,375	7,373,422
Finance costs	41	(469,076)	(363,604)
Share of results of joint ventures		299,793	347,390
Share of results of associates		134,965	(16,311)
Profit before income tax		7,355,057	7,340,897
Income tax expense	42	(2,748,828)	(2,679,781)
Profit for the year		4,606,229	4,661,116
Attributable to:			
Owners of the Company		4,597,292	4,074,741
Non-controlling interests		8,937	586,375
		4,606,229	4,661,116
Earnings per share attributable to owners of the Company during the year (expressed in RMB)			
Basic earnings per share	43	0.590	0.592
Diluted earnings per share	43	0.588	0.589

The notes on pages 94 to 188 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended 31 December	
		2014 RMB'000	2013 RMB'000
Profit for the year		4,606,229	4,661,116
Other comprehensive income			
Items that may be reclassified to profit or loss			
Fair value losses on available-for-sale financial assets	29	(20,414)	(2,309)
Reserves realized upon disposal of available-for-sale financial assets	29	–	20,946
Currency translation differences	29	1,681	27,674
Other comprehensive income for the year		(18,733)	46,311
Total comprehensive income for the year		4,587,496	4,707,427
Total comprehensive income attributable to:			
– Owners of the Company		4,578,559	4,121,052
– Non-controlling interests		8,937	586,375
		4,587,496	4,707,427

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to owners of the Company

	Note	Share capital		Shares held for Restricted Share Award Scheme	Other reserves	Retained earnings	Total	Capital securities	Total	Non-controlling interests	Total equity
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2014		5,336,871	20,742,373	(79,008)	166,032	11,358,592	37,524,860	2,532,866	40,057,726	3,387,319	43,445,045
Profit for the year		-	-	-	-	4,597,292	4,597,292	-	4,597,292	8,937	4,606,229
Fair value losses on available-for-sale financial assets		-	-	-	(20,414)	-	(20,414)	-	(20,414)	-	(20,414)
Currency translation differences		-	-	-	1,681	-	1,681	-	1,681	-	1,681
Total comprehensive income		-	-	-	(18,733)	4,597,292	4,578,559	-	4,578,559	8,937	4,587,496
Transactions with owners of the company											
Dividends relating to 2013		509,132	-	-	-	(927,722)	(418,590)	-	(418,590)	-	(418,590)
Dividends relating to 2014	44	27,169	-	-	-	(443,785)	(416,616)	-	(416,616)	(50,474)	(467,090)
Expenses on share-based payment	29	-	-	-	88,607	-	88,607	-	88,607	-	88,607
Transfer from retained earnings	29	-	-	-	157,605	(157,605)	-	-	-	-	-
Issue of shares pursuant to exercise of employee share options	27	75,439	-	-	(21,660)	-	53,779	-	53,779	2,570	56,349
Vesting of shares under Restricted Share Award Scheme	27	2,242	-	49,259	(51,501)	-	-	-	-	-	-
Share buyback		-	-	-	-	(2,180)	(2,180)	-	(2,180)	-	(2,180)
Purchase of shares for Restricted Share Award Scheme		-	-	(11,755)	-	-	(11,755)	-	(11,755)	-	(11,755)
Transition to no-par value regime on 3 March 2014	27	20,742,373	(20,742,373)	-	-	-	-	-	-	-	-
Distribution relating to capital securities	28	-	-	-	-	(252,249)	(252,249)	-	(252,249)	-	(252,249)
Contribution from non-controlling interests		-	-	-	-	-	-	-	-	85,609	85,609
Total contributions by and distributions to owners of the company		21,356,355	(20,742,373)	37,504	173,051	(1,783,541)	(959,004)	-	(959,004)	37,705	(921,299)
Increase in non-controlling interests as a result of other acquisition		-	-	-	-	-	-	-	-	25,023	25,023
Decrease in non-controlling interests due to disposal of partial interests in a subsidiary	49(a)	-	-	-	-	-	-	-	-	15,752	15,752
Decrease in non-controlling interests due to disposal of entire interests in subsidiaries	49(b)	-	-	-	-	-	-	-	-	(313,494)	(313,494)
Decrease in non-controlling interests as a result of acquisition of additional interests in subsidiaries	48	-	-	-	(653,564)	-	(653,564)	-	(653,564)	(1,801,966)	(2,455,530)
Total transactions with owners of the company		21,356,355	(20,742,373)	37,504	(480,513)	(1,783,541)	(1,612,568)	-	(1,612,568)	(2,036,980)	(3,649,548)
Balance at 31 December 2014		26,693,226	-	(41,504)	(333,214)	14,172,343	40,490,851	2,532,866	43,023,717	1,359,276	44,382,993

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Attributable to owners of the company											
		Share capital		Share premium	Shares held for Restricted Share Award Scheme	Other reserves	Retained earnings	Total	Convertible securities	Capital securities	Total	Non-controlling interests	Total equity
Note		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2013		4,428,676	16,306,805	(92,435)	335,260	8,779,986	29,758,292	5,969,279	2,532,866	38,260,437	3,785,801	42,046,238	
Profit for the year		-	-	-	-	4,074,741	4,074,741	-	-	4,074,741	586,375	4,661,116	
Fair value losses on available-for-sale financial assets		-	-	-	(2,309)	-	(2,309)	-	-	(2,309)	-	(2,309)	
Reserves realized upon disposal of available-for-sale financial assets		-	-	-	20,946	-	20,946	-	-	20,946	-	20,946	
Currency translation differences		-	-	-	27,674	-	27,674	-	-	27,674	-	27,674	
Total comprehensive income		-	-	-	46,311	4,074,741	4,121,052	-	-	4,121,052	586,375	4,707,427	
Transactions with owners of the company													
Issue of share		27	838,636	4,121,210	-	-	4,959,846	-	-	4,959,846	-	4,959,846	
Dividends relating to 2012			2,897	15,640	-	-	(794,200)	(775,663)	-	(775,663)	-	(775,663)	
Dividends relating to 2013		44	44,542	192,143	-	-	(325,725)	(89,040)	-	(89,040)	(84,602)	(173,642)	
Expenses on share-based payment		29	-	-	-	93,039	-	93,039	-	93,039	-	93,039	
Transfer from retained earnings		29	-	-	-	128,243	(128,243)	-	-	-	-	-	
Issue of shares pursuant to exercise of employee share options		27	23,330	106,074	-	(35,535)	-	93,869	-	93,869	-	93,869	
Vesting of shares under Restricted Share Award Scheme		27	-	501	17,100	(17,601)	-	-	-	-	-	-	
Share buyback			(1,210)	-	-	1,210	(6,834)	(6,834)	-	(6,834)	-	(6,834)	
Purchase of shares for Restricted Share Award Scheme			-	-	(3,673)	-	(3,673)	-	-	(3,673)	-	(3,673)	
Distribution relating to convertible securities		28	-	-	-	(257,531)	(257,531)	-	-	(257,531)	-	(257,531)	
Distribution relating to capital securities		28	-	-	-	(254,349)	(254,349)	-	-	(254,349)	-	(254,349)	
Redemption of convertible securities		28	-	-	-	270,747	270,747	(5,969,279)	-	(5,698,532)	-	(5,698,532)	
Contribution from non-controlling interests			-	-	-	-	-	-	-	-	46,644	46,644	
Total contributions by and distributions to owners of the company			908,195	4,435,568	13,427	169,356	(1,496,135)	4,030,411	(5,969,279)	(1,938,868)	(37,958)	(1,976,826)	
Decrease in non-controlling interests as a result of acquisition of additional interests in subsidiaries			-	-	-	(384,895)	-	(384,895)	-	(384,895)	(946,899)	(1,331,794)	
Total transactions with owners of the company			908,195	4,435,568	13,427	(215,539)	(1,496,135)	3,645,516	(5,969,279)	(2,323,763)	(984,857)	(3,308,620)	
Balance at 31 December 2013			5,336,871	20,742,373	(79,008)	166,032	11,358,592	37,524,860	-	2,532,866	40,057,726	3,387,319	43,445,045

The notes on pages 94 to 188 are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

	Note	Year ended 31 December	
		2014 RMB'000	2013 RMB'000
Cash flows from operating activities			
Cash generated from operations	45	1,969,979	6,601,196
Interest paid		(2,826,501)	(2,446,511)
Income tax paid		(2,858,910)	(2,657,397)
Net cash (used in)/generated from operating activities		(3,715,432)	1,497,288
Cash flows from investing activities			
Purchases of property, plant and equipment	7	(117,085)	(29,445)
Proceeds from sale of property, plant and equipment	45	4,678	7,173
Purchases of investment properties	9	(160,613)	(52,137)
Purchases of available-for-sale financial assets		(1,089,440)	(963,373)
Proceeds from disposal of available-for-sale financial assets		455,200	798,567
Dividends received from available-for-sale financial assets	37	27,075	11,960
Proceeds from notes receivables		–	157,500
Proceeds from partial disposal of interests in a subsidiary, net of cash disposed	49(a)	(121,505)	–
Proceeds from disposal of entire interests of subsidiaries, net of cash disposed	49(b)	2,583,466	138,311
Capital injection to joint ventures	12	(1,821,449)	(22,040)
Capital return from a joint venture	12	93	155,647
Proceeds from disposal of a joint venture		22,564	10,473
Capital injection to associates	13	(1,188,347)	(4,000)
Proceeds from disposal of interests in an associate		2,000	3,600
Entrusted loan advanced		(4,968,383)	(426,434)
Repayment of entrusted loan		466,240	–
Interest received		192,519	43,893
Prepayments for subscription of available-for-sale financial assets		(318,371)	–
Net cash used in investing activities		(6,031,358)	(170,305)
Cash flows from financing activities			
Proceeds from borrowings		34,360,715	24,262,399
Repayments of borrowings		(19,133,034)	(21,434,037)
Consideration paid for transactions with non-controlling interests		(2,425,530)	(1,331,794)
Capital injection from non-controlling interests		85,609	46,644
Dividends paid to non-controlling interests		(50,474)	(84,602)
Dividends paid to the shareholders of the Company		(835,206)	(864,703)
Capital injection from shareholders		–	4,959,846
Redemption of convertible securities		–	(5,698,532)
Distribution relating to convertible securities		–	(447,240)
Distribution relating to capital securities		(252,249)	(254,349)
Purchase of shares for Restricted Share Award Scheme	27	(11,755)	(3,673)
Share buybacks	28	(2,180)	(6,834)
Issue of shares pursuant to exercise of employee share options		56,349	93,869
Net cash generated from/(used in) financing activities		11,792,245	(763,006)
Increase in cash and cash equivalents		2,045,455	563,977
Cash and cash equivalents at beginning of the year	26	11,252,893	10,747,479
Exchange losses on cash and cash equivalents		12,802	(58,563)
Cash and cash equivalents at end of the year	26	13,311,150	11,252,893

The notes on pages 94 to 188 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Sino-Ocean Land Holdings Limited (the “Company”) is a limited liability company incorporated in Hong Kong on 12 March 2007. The address of its registered office is Suite 601, One Pacific Place, 88 Queensway, Hong Kong. The Company and its subsidiaries (together, the “Group”) are principally engaged in investment holding, property development and property investment in the People’s Republic of China (the “PRC”).

The consolidated financial statements are presented in Renminbi (“RMB”), unless otherwise stated. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

The consolidated financial statements have been approved for issue by the Board of Directors on 17 March 2015.

2 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”). They have been prepared under the historical cost convention, as modified by the revaluation of investment properties, available-for-sale financial assets, financial assets at fair value through profit or loss and other investment, which are carried at fair values.

The preparation of the consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 5.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Group

The following standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2014 and which have no material impact on the Group:

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

Amendment to HKAS 39, ‘Financial instruments: Recognition and measurement’ on the novation of derivatives and the continuation of hedge accounting. This amendment considers legislative changes to ‘over-the-counter’ derivatives and the establishment of central counterparties. Under HKAS 39 novation of derivatives to central counterparties would result in discontinuance of hedge accounting. The amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument meets specified criteria.

Amendments to HKFRS 10, 12 and HKAS 27 “Consolidation for investment entities”, mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead, they will measure them at fair value through profit or loss. The amendments give an exception to entities that meet an ‘investment entity’ definition and which display particular characteristics. Changes have also been made HKFRS 12 to introduce disclosures that an investment entity needs to make.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

3.1 Changes in accounting policy and disclosures *(Continued)*

(a) **New and amended standards adopted by the Group** *(Continued)*

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

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

(b) **New and amended standards relevant to the Group that have been issued but are not effective for the financial year beginning 1 January 2014 and have not been early adopted**

HKFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of HKFRS 9 was issued in July 2014. It replaces the guidance in HKAS 39 that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income ("OCI") and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. HKFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes.

Contemporaneous documentation is still required but is different to that currently prepared under HKAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Group is yet to assess HKAS 9's full impact.

HKFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces HKAS 18 'Revenue' and HKAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2017 and earlier application is permitted. The Group is in the process of assessing the impact of HKAS 15 on its financial statements.

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

There are no other HKFRSs or HK(IFRIC) interpretations that are not yet effective that would be expected to have a material impact on the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

3.2 Subsidiaries

3.2.1 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 recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

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 recognized in profit or loss.

Any contingent consideration to be transferred by the Group is recognized 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 recognized in accordance with HKAS 39 either in profit or loss or as a change to other comprehensive income. 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 recognized 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 recognized directly in the income statement (Note 3.9).

Intra-group transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

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

Transactions with non-controlling interests that do not result in 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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

3.2 Subsidiaries *(Continued)*

3.2.1 Consolidation *(Continued)*

(c) **Disposal of subsidiaries**

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognized 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 recognized 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 recognized in other comprehensive income are reclassified to profit or loss.

3.2.2 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.

3.3 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 of 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 recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. 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 recognize further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealized gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealized 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.

3.4 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 recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

3.4 Associates *(Continued)*

The Group's share of post-acquisition profits or losses is recognized in the consolidated income statement, and its share of post-acquisition movements in other comprehensive income is recognized 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 recognize 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 recognizes the amount adjacent to 'share of profit of investments accounted for using equity method' in the consolidated income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognized in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealized 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 recognized in the consolidated income statement.

3.5 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 committee that makes strategic decisions.

3.6 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 date 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 recognized in the consolidated income statement.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within "finance income or cost". All other foreign exchange gains and losses are presented in the income statement within "other gains/(losses) — net".

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

3.6 Foreign currency translation *(Continued)*

(b) Transactions and balances *(Continued)*

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

(c) Group companies

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

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) 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
- (iii) all resulting exchange differences are recognized in other comprehensive income.

3.7 Properties

(a) Investment properties

Investment property, principally comprising leasehold land 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 classified and accounted for as investment property when the rest of the definition of investment property is met. In such cases, the operating leases concerned are accounted for as if they were finance leases. Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs.

After initial recognition, investment property is carried at fair value, assessed annually by a professional independent valuer. Fair value is based on active market prices, adjusted, if necessary, for any differences in the nature, location or condition of the specific asset. If such information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Investment property that is being redeveloped for continuing use as investment property, or for which the market has become less active, continues to be measured at fair value.

Property that is being constructed or developed as investment property is carried at fair value. Where fair value is not reliably determinable, such investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier).

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in light of current market condition.

Subsequent expenditure is charged to the asset's carrying amount 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. All other repairs and maintenance costs are expensed in the consolidated income statement during the financial period in which they are incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

3.7 Properties *(Continued)*

(a) Investment properties *(Continued)*

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes. Property that is being constructed or developed for future use as investment property is classified as property, plant and equipment and stated at cost until construction or development is completed, at which time it is reclassified and subsequently accounted for as investment property.

If an item of property, plant and equipment becomes an investment property because its use has changed, any differences resulting between the carrying amount and the fair value of this item at the date of transfer is recognized in equity as a revaluation of property, plant and equipment under HKAS 16. However, if a fair value gain reverses a previous impairment loss, the gain is recognized in the consolidated income statement.

(b) Land use rights

Land in China mainland is state-owned and no individual land ownership right exists. The Group acquired the rights to certain land, and the premiums paid for such rights are recorded as land use rights. Land use rights are classified and accounted for in accordance to the intended use of respective properties as erected on the land.

For properties that are held for own use, corresponding land use rights are separately stated in the balance sheet, and are stated at cost and amortized over the use terms of 40 to 70 years using the straight-line method.

For properties that are held for development and subsequent sale, corresponding land use rights are accounted for as part of the development costs, and are accounted for under Note 3.14.

3.8 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. 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 recognized 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 derecognized. All other repairs and maintenance are charged to the consolidated income statement during the financial period in which they are incurred.

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 and leasehold improvements	5–50 years
Machinery	8 years
Vehicles	8 years
Office equipment	5 years
Electronic equipment	3 years

Leasehold improvements' estimated useful life is shorter of remaining lease term of or useful life. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. 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 3.10).

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are recognized within "other gains/(losses) — net", in the consolidated income statement.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

3.9 Goodwill

Goodwill arises on the acquisition of subsidiaries, associates and joint ventures and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interests in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognized immediately as an expense and is not subsequently reversed.

3.10 Impairment of non-financial assets

Assets that have an indefinite useful life or are not yet available for use are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized 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 purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

3.11 Financial assets

3.11.1 Classification

The Group classifies its financial assets into financial assets at fair value through profit or loss, 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 and re-evaluates this designation at every reporting date.

(a) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorized as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

(b) *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 those with maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets. The Group's loans and receivables comprise "trade and other receivables", "restricted bank deposit" and "cash and cash equivalents" in the balance sheet (Note 3.15 and 3.16).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

3.11 Financial assets *(Continued)*

3.11.1 Classification *(Continued)*

(c) **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.

3.11.2 Recognition and measurement

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset. Investments are initially recognized 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 recognized at fair value, and transaction costs are expensed in the consolidated income statement. Financial assets are derecognized 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 are subsequently carried at fair value. Loans and receivables are subsequently carried at amortized cost using the effective interest method.

Gains or losses arising from changes in the fair value of the “financial assets at fair value through profit or loss” category are presented in the income statement within “other gains/(losses) — net” in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognized in the 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 securities classified as available-for-sale are recognized in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognized in equity are included in the consolidated income statement as part of “other gains/(losses) — net”.

Interest on available-for-sale securities calculated using the effective interest method are recognized in the consolidated income statement as part of other income. Dividends on available-for-sale equity instruments are recognized in the consolidated income statement as part of other income when the Group’s right to receive payments is established.

3.12 Impairment of financial assets

(a) **Assets carried at amortized cost**

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

3.12 Impairment of financial assets *(Continued)*

(a) **Assets carried at amortized cost** *(Continued)*

For loans and receivables category, 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 recognized in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

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 recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized 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 debt securities, 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 recognized in profit or loss — is removed from equity and recognized in profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through the consolidated income statement.

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 recognized in profit or loss — is removed from equity and recognized in profit or loss. Impairment losses recognized in the consolidated income statement on equity instruments are not reversed through the consolidated income statement.

3.13 Land development cost recoverable

These costs refer to costs capitalized on primary land development projects, in preparation for such land to undergo the process of open market bidding. Primary land development works include demolitions and relocations, ground levelings, as well as the establishment of elementary public facilities. A fixed amount of compensation is usually agreed with respective governmental authorities for such works. Costs recoverable are recognized at cost, less provision for impairment.

3.14 Inventories

(a) **Properties under development**

Properties under development are stated at the lower of cost and net realizable value. Net realizable value is determined by reference to estimated sales proceeds of the properties sold in the ordinary course of business less costs to complete development and estimated selling expenses.

Development costs of properties comprises land use rights, construction costs, borrowing costs and professional fees as incurred during the development period. On completion, all development costs of the properties are transferred to completed properties held for sale.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

3.14 Inventories *(Continued)*

(b) Completed properties held for sale

Completed properties held for sale are completed properties remaining unsold at the balance sheet date and are stated at the lower of cost and net realizable values. Cost comprises development costs attributable to the unsold properties. Net realizable values is determined by reference to the sale proceeds of properties sold in the ordinary course of business, less applicable variable selling expenses, or by management estimates based on prevailing marketing conditions.

(c) Other inventories

Other inventories mainly comprise raw materials for upfitting, food and beverages and hotel consumables. Goods are valued at the lower of cost and net realizable value. Cost, calculated on the weighted average basis, comprises invoiced price, delivery and other direct costs relating to purchases. Net realizable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

3.15 Trade and other receivables

Trade receivables are amounts due from customers for merchandise 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 recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

3.16 Cash and cash equivalents

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

3.17 Share capital

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

3.18 Convertible and Capital securities

Convertible and Capital securities with no contracted obligation to repay its principal nor to pay any distribution are classified as part of equity.

3.19 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable 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 payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

3.20 Borrowings and Borrowing costs

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

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 balance sheet date.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

3.20 Borrowings and Borrowing costs *(Continued)*

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 capitalization. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

3.21 Current and deferred income tax

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

3.21.1 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 country where the Company's subsidiaries, joint ventures and associates 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 and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

3.21.2 Deferred income tax

Deferred income tax is recognized, 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, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill, 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 realized or the deferred income tax liability is settled.

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

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, joint ventures and associates, 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 where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference not recognized.

Deferred income tax assets are recognized 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 utilized. difference not recognized.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

3.21 Current and deferred income tax *(Continued)*

3.21.3 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 taxes 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.

3.22 Employee benefits

(a) Employee leave entitlements

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employee up to the balance sheet date. Employee entitlements to sick leave and maternity leave are not recognized until the time of leave.

(b) Bonus entitlements

Expected costs of bonus payments are recognized as liabilities when constructive obligations are present, as a result of services rendered by employees and reliable estimations of the obligations can be made.

(c) Retirement benefits

In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement plans organized 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 PRC government.

The Group also participates in a pension 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 HKD1,500. The assets of this pension scheme are held separately from those of the Group in independently administered funds.

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

3.23 Share-based payments

The Group operates a number of equity-settled, share-based compensation plans, including “share option scheme” and Restricted Share Award Scheme, under which the entity receives services from employees as consideration for equity instruments (options and shares) of the Group.

- **Share option scheme**

The fair value of the employee services received in exchange for the grant of the options is recognized as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. The impact of the revision to original estimates, if any, is recognized in the consolidated income statement, with a corresponding adjustment to equity.

The cash subscribed for the shares issued when the options are exercised is credited to share capital (nominal value) and share premium, net of any directly attributable transaction costs.

The social security contributions payable in connection with the grant of the share options is considered an integral part of the grant itself, and the charge will be treated as a cash-settled transaction.

- **Restricted Shares Award Scheme**

The fair value of the employee services received in exchange for the grant of these share-based awards is recognized as an expense. The total amount to be expensed is determined by reference to the fair value of the shares awarded at the grant date.

When Trustee purchases the Company’s shares from the open market, the consideration paid, including any directly attributable incremental costs, is presented as “Shares held for Restricted Share Award Scheme” in the consolidated statement of changes in equity and deducted from total equity. When the Trustee transfers the Company’s shares to grantees upon vesting, the related costs of the awarded shares are credited to “Shares held for Restricted Share Award Scheme” with a corresponding adjustment to the share premium.

At the end of each reporting period, the Group revises its estimates of the number of these share-based awards that are expected to become vested. The impact of the revision to original estimates, if any, is recognized in the consolidated income statement, with a corresponding adjustment to equity.

3.24 Provisions

Provisions are recognized 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. Provisions are not recognized 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 recognized 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 recognized as interest expense.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

3.25 Financial guarantee liabilities

Financial guarantee liabilities are recognized in respect of the financial guarantee provided by the Group to the property purchasers.

Financial guarantee liabilities are recognized initially at fair value plus transaction costs that are directly attributable to the issue of the financial guarantee liabilities. After initial recognition, such contracts are measured at the higher of the present value of the best estimate of the expenditure required to settle the present obligation and the amount initially recognized less cumulative amortization.

Financial guarantee liabilities are derecognized from the balance sheet when, and only when, the obligation specified in the contract is discharged or cancelled or expired.

3.26 Contract work

Contract costs are recognized when incurred.

When the outcome of a contract cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable by reference to the stage of completion.

When the outcome of a contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognized over the period of the contract. When it is probable that total contract costs will exceed total contract revenue, the expected losses are recognized as expense immediately.

The Group uses the “percentage of completion method” to determine the appropriate amount to be recognized in a given period. Depending on the nature of contracts, the stage of completion is measured by reference to (a) the proportion of contract costs incurred for work performed to date to estimated total contract costs; (b) the amount of work certified by site engineers; or (c) completion of physical proportion of the contract work. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.

Contract work-in-progress is valued at the cost price of the work done, plus a part of the expected profit upon completion of the project in proportion to the progress made and less progress receivables and provisions. Provisions are recognized for expected losses on contract work-in-progress, as soon as they are foreseen, and deducted from the cost price. The cost price includes direct project costs, consisting of direct payroll costs, materials, costs of subcontracted work, other direct costs, rental charges and maintenance costs for the equipment used. The progress of a project is determined on the basis mentioned in preceding paragraph. Profits are not recognized unless a reliable estimate can be made of the result on completion of the project. The balance of the value of contract work-in-progress and progress receivables is determined on a project by project basis.

The Group presents as an asset the “amounts due from customers for contract work” for all contracts in progress for which costs incurred plus recognized profits exceed progress receivables. Progress receivables not yet paid by customers and retention are included within “trade and other receivables”.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

3.27 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown, net of returns, discounts and after eliminating sales within the Group.

The Group recognizes revenue when the amount of revenue can be reliably measured, 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 on historical results, the type of transaction and the specifics of each arrangement.

(a) Sale of properties

Revenue from sales of properties is recognized when the risks and rewards of the properties transferred to the purchaser, which is when the construction of the relevant properties have been completed and properties have been delivered to the purchaser pursuant to the sale agreements, and collectability of related receivables is reasonably assured. Deposits and instalments received on properties sold prior to the date of revenue recognition are included in current liabilities, and are separately stated in the balance sheet as advances receipts from customers.

(b) Rental income

Rental income is recognized on a straight-line basis over the lease terms.

(c) Revenue from upfitting and construction contracts

Revenue from individual upfitting and construction contract is recognized, over the period of the contracts, when the outcome of the contracts can be estimated reliably and it is probable that these contracts will be profitable.

When the outcome of a contract cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable.

The Group uses the "percentage of completion method" to determine the appropriate amount to be recognized in a given period. Depending on the nature of contracts, the stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to estimated total contract costs.

(d) Property management and agency fee income

Property management and agency fee income is recognized in the accounting period in which the services are rendered.

(e) Interest income

Interest income is recognized 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.

(f) Dividend income

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

3.28 Operating leases

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

(a) **The Group is the lessee**

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.

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

When assets are leased out under an operating lease, the assets are included in the balance sheet based on the nature of the assets. Lease income is recognized over the term of the lease on a straight-line basis.

3.29 Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Group's and Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

4 FINANCIAL RISK MANAGEMENT

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow interest rate risk and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The board of directors reviews and approves policies for managing each of these risks and they are summarized below.

(a) **Market risk**

(i) ***Foreign exchange risk***

The Group and the Company are exposed to foreign exchange risk arising from future commercial transactions and recognized assets and liabilities which are not denominated in the Group and the Company's functional currency. Majority of the Group and the Company's foreign currency transactions and balances are denominated in Hong Kong dollars ("HKD") and United States dollars ("USD"). The Group and the Company currently do not have a foreign currency hedging policy. However, management of the Group and the Company monitor foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

Conversion of RMB into foreign currency is subject to the rules and regulations of the foreign exchange control, as promulgated by the PRC government.

As at 31 December 2014, if RMB had strengthened by 5% against HKD and USD with all other variable held constant, post-tax gain for the year of the Group would have been RMB356,539,000 higher (2013: RMB222,394,000 higher), mainly as the result of the foreign exchange gains on translation of HKD/USD dominated borrowings, net of foreign exchange losses on translation of HKD/USD dominated cash and cash equivalents.

4 FINANCIAL RISK MANAGEMENT *(Continued)*

4.1 Financial risk factors *(Continued)*

(a) Market risk *(Continued)*

(ii) Cash flow and fair value interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest rate risk arises from long-term borrowings with prevailing market interest rates. Such risk is partly offset by cash held at prevailing market interest rates. During 2014 and 2013, the Group's borrowings at prevailing market interest rates were denominated in RMB, HKD and USD.

The Group's fair value interest rate risk relates primarily to its fixed rate borrowing and other payables. The Group currently does not utilize any derivative contracts to hedge its exposure to interest rate risk. However, management will consider hedging significant interest rate exposure should the need arise.

As at 31 December 2014, if interest rates have increased/decreased by 50 basis points with all other variables held constant, the Group's post-tax profit, after taking into account the impact of interest capitalization, would decrease/increase by approximately RMB 7,864,000 (2013: RMB3,597,000).

(b) Credit risk

Credit risk arises from restricted bank deposits, cash and cash equivalents, trade and other receivables and available-for-sale financial assets. The carrying amount of restricted bank deposits, cash and cash equivalents, trade and other receivables and available-for-sales financial assets, represent the Group's maximum exposure to credit risk in relation to its financial assets.

To manage such exposure, the Group has policies in place to ensure that sales are made to purchasers with appropriate financial strengths and credit history, at the same time appropriate percentages of down payments are made. Deposits are placed with banks with appropriate credit ratings. Monitoring procedures are also in place to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews and assesses the recoverable amount of each individual trade receivables on a regular basis to ensure that adequate impairment losses are made for irrecoverable amounts. The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

The recoverability of loan and other receivables is assessed taking into account of the financial position of the counterparties, past experiences and other factors. The management does not expect any significant losses from non-performance by the counterparties.

Credit risk arises from restricted bank deposits is limited, as all counterparties are banks with appropriate credit rankings.

The Group has provided guarantees to banks in favor of certain customers to secure their repayment obligations to banks, for their purchases of property units. If a customer defaults on the payment of its mortgage during the term of the guarantee, banks holding the mortgage may demand the Group to repay the outstanding amount together with any accrued interest thereon. Under such circumstances, the Group is able to sell the property to recover any amounts paid by the Group to banks. The directors of the Company consider that the Group's exposure to credit risk in this regard is minimal.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 FINANCIAL RISK MANAGEMENT *(Continued)*

4.1 Financial risk factors *(Continued)*

(c) Liquidity risk

Cash flow forecast is performed in the operating entities of the Group in and aggregated by Group Finance. Group Finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecast process takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets.

As at 31 December 2014, the Group held cash and cash equivalents of RMB13,311,150,000 (2013: RMB11,252,893,000) (Note 26) and trade and other receivables of RMB25,475,070,000 (2013: RMB9,971,065,000) (Note 22) that are expected to readily generate cash inflows for managing liquidity risk. In addition, the Group holds listed equity securities for trading of RMB663,165,000 (2013: RMB191,413,000) (Note 18), which could be readily realized to provide a further source of cash if needed.

The table below analyses the Group's and the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amount disclosed in the table is the contractual undiscounted cash flows.

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
Group					
At 31 December 2014					
Borrowings	13,827,337	10,962,407	22,923,228	6,513,644	54,226,616
Trade and other payables excluding statutory liabilities	17,259,907	-	-	-	17,259,907
	31,087,244	10,962,407	22,923,228	6,513,644	71,486,523
At 31 December 2013					
Borrowings	13,360,275	7,793,337	13,889,448	4,291,506	39,334,566
Trade and other payables excluding statutory liabilities	17,468,712	-	-	-	17,468,712
	30,828,987	7,793,337	13,889,448	4,291,506	56,803,278
Company					
At 31 December 2014					
Borrowings	1,117,625	2,246,598	5,627,452	-	8,991,675
Trade and other payables excluding statutory liabilities	2,582,243	-	-	-	2,582,243
	3,699,868	2,246,598	5,627,452	-	11,573,918
At 31 December 2013					
Borrowings	2,244,843	3,025,041	2,359,705	-	7,629,589
Trade and other payables excluding statutory liabilities	2,563,270	-	-	-	2,563,270
	4,808,113	3,025,041	2,359,705	-	10,192,859

4 FINANCIAL RISK MANAGEMENT *(Continued)*

4.2 Capital risk management

The Group's objectives when managing capital 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 cost of capital.

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

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as "equity" as shown in the consolidated balance sheet plus net debt.

The gearing ratios at 31 December 2014 and 2013 were as follows.

	As at 31 December	
	2014 RMB'000	2013 RMB'000
Total borrowings (Note 33)	45,603,844	35,294,834
Less: cash and cash equivalents (Note 26)	(13,311,150)	(11,252,893)
Net debt	32,292,694	24,041,941
Total equity	44,382,993	43,445,045
Total capital	76,675,687	67,486,986
Gearing ratio	42%	36%

The increase in the gearing ratio during 2014 resulted primarily from the increase in net debt, and the increase in total equity at a lower rate.

4.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels 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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 FINANCIAL RISK MANAGEMENT *(Continued)*

4.3 Fair value estimation *(Continued)*

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2014 and 2013. See Note 9 for disclosures of the investment properties that are measured at fair value.

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets				
Group				
At 31 December 2014				
Financial assets at fair value through profit or loss (Note 18)	663,165	-	-	663,165
Available-for-sale financial assets:				
– fund investments (Note 16)	-	334,840	1,352,295	1,687,135
– other unlisted equity securities (Note 16)	-	-	54,200	54,200
– others (Note 16)	-	-	35,839	35,839
– structured products issued by bank (Note 16)	-	60,000	-	60,000
	663,165	394,840	1,442,334	2,500,339
	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets				
Group				
At 31 December 2013				
Financial assets at fair value through profit or loss (Note 18)	191,413	-	-	191,413
Available-for-sale financial assets:				
– equity fund investments (Note 16)	-	713,187	-	713,187
– other equity securities (Note 16)	-	-	188,060	188,060
– structured products issued by bank (Note 16)	-	250,000	-	250,000
	191,413	963,187	188,060	1,342,660

There were no transfers between Level 1 and Level 2 during the period. Transfers between Level 2 and Level 3 are addressed in the Level 3 reconciliation below.

During the period there were no significant changes in the business or economic circumstances that may affect the fair value of the Group's financial assets and financial liabilities.

(a) Financial instruments in Level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1. Instruments included in level 1 comprise primarily PRC and HKSE equity investments classified as available-for-sale.

4 FINANCIAL RISK MANAGEMENT *(Continued)*

4.3 Fair value estimation *(Continued)*

(b) Financial instruments in Level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include quoted market prices or dealer quotes for similar instruments.

(c) Financial instruments in Level 3

In 2014, the classification of certain unlisted equity fund investments has changed from Level 2 to Level 3 since during the period, these equity funds have acquired certain unlisted equity and debt interests with more counterparty credit risk, resulting in significant unobservable inputs to the fair value measurements.

Level 3 investments in unlisted equity securities are estimated based on the net assets values of the respective underlying entities, which approximate their fair values. The higher the net assets value of respective entities, the higher the fair values. Level 3 investments in unlisted debt securities are fair valued using a discounted cash flow approach and the discounted rate is mainly determined by counterparty credit risk.

The Group's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

There were no changes in valuation techniques during the year.

The following table presents the changes in Level 3 instruments for the year ended 31 December 2014

	Available-for-sale financial assets equity securities RMB'000
Financial assets in Level 3	
Opening balance	188,060
Additions	1,060,358
Disposals	(155,400)
Losses recognized in equity	(2,979)
Transfer from Level 2	352,295
Closing balance	1,442,334

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4 FINANCIAL RISK MANAGEMENT *(Continued)*

4.3 Fair value estimation *(Continued)*

(c) Financial instruments in Level 3 *(Continued)*

The following table presents the changes in Level 3 instruments for the year ended 31 December 2013.

	Available-for-sale financial assets equity securities RMB'000
Financial assets in Level 3	
Opening balance	346,379
Additions	3,131
Disposals	(161,450)
Closing balance	188,060
Financial liabilities in Level 3	
Opening balance	19,121
Derecognized in profit or loss (Note 38)	(19,121)
Closing balance	-

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments 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.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal 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.

(a) Estimate of fair value of investment properties

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

(b) Estimate of fair value of employee share options

Up till 31 December 2014, fair value of employee share options issued by the Group is assessed by an independent qualified valuer, DTZ Debenham Tie Leung Limited at their respective issuance dates. The valuation is performed on the basis of open market value of the Group's listed shares, as well as estimations for the realization rates in the future. The assumptions used are mainly based on market conditions existing at each balance sheet date, as well as prior years' records of the Group's resignation rates.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

(c) Income taxes and land appreciation tax (“LAT”)

The Group is primarily subject to various PRC taxes, as it is principally engaged in property development in the PRC. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. 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 income tax provisions in the period in which such determination is made.

The implementation and settlement of LAT varies among various tax jurisdictions in cities of the PRC. LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sales of properties less deductible expenditures including land use rights, borrowing costs, business taxes, property development and other related expenditures. These taxes are incurred upon transfer of property ownership.

Significant judgment is required in determining the extent of land appreciation and its related taxes. The Group recognized LAT based on management’s best estimates according to the understanding of the tax rules. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the consolidated income statement in the periods in which such taxes are finalized with local tax authorities.

(d) Deferred income tax

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

(e) Estimations for total properties construction cost

The Group estimates properties construction cost upon recognition of respective costs of sales. Such estimates are substantiated by detailed budgetary information as developed by the management, and will be assessed periodically, as the constructions progress. Should these estimates depart from their actual finalized costs, such differences would affect the accuracy of costs of sales recognized.

(f) Revenue recognition

The Group has recognized revenue from the sale of properties held for sale as disclosed in Note 3.27. The assessment of when an entity has transferred the significant risks and rewards of ownership to buyers requires the examination of the circumstances of the transaction. In most cases, the transfer of risks and rewards of ownership coincides with the date when the equitable interest in the property vests to the buyer, upon release of the respective property to the purchaser.

As disclosed in Note 46, the Group provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group’s properties. These guarantees will expire when relevant property ownership certificates are lodged with the banks by the purchasers. In order to obtain mortgage loans, the purchasers need to settle certain percentage of the total contract amount in accordance with related PRC regulations upon delivery of the properties. The directors of the Company are of the opinion that such settlements provide sufficient evidence of the purchasers’ commitment to honour contractual obligation of the bank loans. In addition, based on past experiences, there were no significant defaults of mortgage facilities by the purchasers resulting in the calling of the bank guarantees provided. Accordingly, the directors believe that significant risks and rewards associated to the ownership of the properties have been transferred to the purchasers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

(g) Estimated impairment of assets

The Group tests at least annually whether assets have suffered any impairment in accordance with the accounting policies stated in Note 3.10. Assets are also reviewed for impairment, whenever events or changes in circumstances that may cause the carrying amounts of the assets to exceed their recoverable amounts. The recoverable amount of an asset or a cash generating unit is determined as the higher of cash generating unit's fair value less cost to sell and its value-in-use which requires the use of assumptions and estimates. In 2014, based on such reviews the directors have determined that certain of Group's properties under development (Note 19) and completed properties held for sale (Note 23) were impaired, and relevant provision had been made.

(h) Provisions for doubtful debts of receivables

The Group annually tests whether receivables suffer any impairment. Receivables that are individually significant are subject to separate impairment assessment. If there is objective evidence that the Group will not be able to collect the full amount under the original terms, a provision for impairment of that receivable is recognized at the difference between the carrying amount of that receivable and the present value of its estimated future cash flows (excluding future credit losses that have been incurred) discounted at the financial asset's original effective interest rate. Receivables with amounts that are not individually significant along with those receivables that have been individually assessed for impairment and have not been found impaired are classified into certain groupings based on their credit risk characteristics. The provision for doubtful debts is determined based on the historical actual loss ratio for the groupings of receivables with similar credit risk characteristics, taking into consideration of the current circumstances. In 2014, based on such reviews the directors have determined that certain of Group's trade receivables (Note 22) were impaired, and relevant provision had been made.

6 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating committee (the "Committee") that are used to make strategic decisions.

The Committee considers the business from both a geographic and product perspective. From the product perspective, management considers the performance of property development and property investment. Property development businesses are further segregated geographically into Beijing, Tianjin, North-east as well as all other territories.

Other operations as carried out by the Group mainly include property management services, property sales agency services, as well as upfitting services. These are not included within the reportable operating segments, as they are not included in the reports provided to the Committee. The results of these operations are included in the "All other segments" column.

The Committee assesses the performance of the operating segments based on a measure of operating profit. This measurement basis excludes the effects of non-recurring expenditure from the operating segments. Finance costs and corporate finance income are not included in the result for each operating segment that is reviewed by the Committee, as they are driven by activities of the central treasury function, which manages the cash position of the Group. The measure also excludes the effects of any unrealized gains/losses from investments in joint ventures and associates as well as fair value gains/losses from investment properties and corporate overheads. Other information provided to the Committee, except as noted below, is measured in a manner consistent with that in the financial statements.

Total segment assets exclude corporate cash and cash equivalents, investments in joint ventures and associates, available-for-sale financial assets, other investments, financial assets at fair value through profit or loss and deferred income tax assets, all of which are managed on a central basis. Total segment liabilities exclude borrowings, deferred income tax liabilities and distribution payables, all of which are managed on a central basis as well. These are part of the reconciliation to total balance sheet assets and liabilities.

Transactions between segments are carried out at arm's length. The revenue from external parties reported to the Committee is measured in a manner consistent with that in the consolidated income statement.

Turnover consists of property sales from the property development segment, and rental income as derived from the investment property segment, which are RMB35,242,549,000 and RMB679,401,000 for the year ended 31 December 2014 and RMB28,146,398,000 and RMB549,563,000 for the year ended 31 December 2013, respectively.

6 SEGMENT INFORMATION *(Continued)*

The segment information provided to the Committee for the reportable segments for the years ended 31 December 2014 and 2013 is as follows:

	Property development				Investment property	All other segments	Total	Inter-company elimination	Total
	Beijing	Tianjin	North-east	Others					
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended 31 December 2014									
Total revenue	7,889,049	3,732,976	9,085,301	14,601,323	686,990	5,390,078	41,385,717	-	41,385,717
Inter-segment revenue	(66,100)	-	-	-	(7,589)	(2,415,938)	(2,489,627)	-	(2,489,627)
Revenue (from external customers)	7,822,949	3,732,976	9,085,301	14,601,323	679,401	2,974,140	38,896,090	-	38,896,090
Segment operating profit	1,614,683	385,425	863,671	1,823,232	588,456	925,769	6,201,236	978,465	7,179,701
Depreciation and amortization (Note 39)	(528)	(1,172)	(1,958)	(4,306)	(662)	(26,911)	(35,537)	-	(35,537)
Income tax expense (Note 42)	(424,529)	(198,726)	(651,839)	(1,049,691)	(149,313)	(274,730)	(2,748,828)	-	(2,748,828)
Finance income	20,993	38,466	95,650	186,101	49,506	1,329,510	1,720,226	(1,538,603)	181,623
Year ended 31 December 2013									
Total revenue	6,790,831	1,909,547	7,701,293	11,753,744	554,429	4,960,202	33,670,046	-	33,670,046
Inter-segment revenue	(9,017)	-	-	-	(4,866)	(2,556,778)	(2,570,661)	-	(2,570,661)
Revenue (from external customers)	6,781,814	1,909,547	7,701,293	11,753,744	549,563	2,403,424	31,099,385	-	31,099,385
Segment operating profit	1,511,248	166,680	955,004	2,043,988	448,685	351,687	5,477,292	1,317,244	6,794,536
Depreciation and amortization (Note 39)	(1,428)	(1,382)	(3,040)	(8,265)	(490)	(19,310)	(33,915)	-	(33,915)
Income tax expense (Note 42)	(695,287)	(58,786)	(481,296)	(976,093)	(239,827)	(228,492)	(2,679,781)	-	(2,679,781)
Finance income	21,347	35,892	36,607	195,592	45,072	661,903	996,413	(859,447)	136,966
As at 31 December 2014									
Total segment assets	36,631,936	11,249,819	35,541,206	35,009,108	10,669,338	99,920,958	229,022,365	(108,325,494)	120,696,871
Additions to non-current assets (other than financial instruments and deferred income tax assets)	67	2,157	370	1,449	1,595,766	113,042	1,712,851	-	1,712,851
Total segment liabilities	19,462,495	4,581,243	10,570,697	17,204,148	2,195,624	60,849,833	114,864,040	(74,628,898)	40,235,142
As at 31 December 2013									
Total segment assets	39,877,395	11,273,816	41,514,384	54,987,217	10,370,473	55,216,798	213,240,083	(82,636,076)	130,604,007
Additions to non-current assets (other than financial instruments and deferred income tax assets)	18,462	3,722	1,072	947	3,216,242	7,591	3,248,036	-	3,248,036
Total segment liabilities	24,617,250	6,103,207	19,685,471	29,287,165	2,356,983	45,811,792	127,861,868	(70,586,420)	57,275,448

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6 SEGMENT INFORMATION *(Continued)*

A reconciliation of segment operating profit to profit before income tax is provided as follows:

	Year ended 31 December	
	2014 RMB'000	2013 RMB'000
Segment operating profit	7,179,701	6,794,536
Corporate finance income	151,821	134,647
Corporate overheads	(533,312)	(363,711)
Fair value gains on investment properties (Note 9)	591,165	807,950
Share of results of joint ventures	299,793	347,390
Share of results of associates	134,965	(16,311)
Finance costs (Note 41)	(469,076)	(363,604)
Profit before income tax	7,355,057	7,340,897

Reportable and other segments' assets and liabilities are reconciled to total assets and liabilities as follows:

	As at 31 December	
	2014 RMB'000	2013 RMB'000
Total segment assets	120,696,871	130,604,007
Corporate cash and cash equivalents	1,848,561	1,650,033
Investments in joint ventures (Note 12)	3,720,215	1,682,273
Investments in associates (Note 13)	2,362,918	629,572
Available-for-sale financial assets (Note 16)	1,837,174	1,151,247
Other investments	–	19,676
Financial assets at fair value through profit or loss (Note 18)	663,165	191,413
Deferred income tax assets (Note 34)	1,082,857	1,940,419
Total assets per consolidated balance sheet	132,211,761	137,868,640
Total segment liabilities	40,235,142	57,275,448
Current borrowings (Note 33)	11,166,668	12,839,209
Non-current borrowings (Note 33)	34,437,176	22,455,625
Deferred income tax liabilities (Note 34)	1,989,782	1,853,313
Total liabilities per consolidated balance sheet	87,828,768	94,423,595

The Company is incorporated in Hong Kong, with most of its major subsidiaries being domiciled in the PRC. Revenues from external customers of the Group are mainly derived in the PRC for the years ended 31 December 2014 and 2013.

As at 31 December 2014, total non-current assets other than financial instruments and deferred income tax assets located in the PRC is RMB18,032,021,000 (2013: RMB12,812,244,000), the total of these non-current assets located in Hong Kong and the United States is RMB412,606,000 (2013: RMB254,432,000).

For the year ended 31 December 2014 and 2013, the Group does not have any single customer with the transaction value over 10% of the total external sales.

7 PROPERTY, PLANT AND EQUIPMENT

	Buildings and leasehold improvements RMB'000	Machinery RMB'000	Vehicles RMB'000	Office equipment RMB'000	Electronic equipment RMB'000	Total RMB'000
Year ended 31 December 2014						
Opening net book amount	123,196	5,107	33,479	17,781	24,264	203,827
Additions	51,774	2,821	3,182	29,616	29,692	117,085
Disposals	-	-	(5,210)	(348)	(3,429)	(8,987)
Depreciation charge (Note 39)	(6,008)	(685)	(5,660)	(11,204)	(11,734)	(35,291)
Disposals of subsidiaries (Note 49)	(2,310)	(1,016)	(4,888)	(1,030)	(3,696)	(12,940)
Closing net book amount	166,652	6,227	20,903	34,815	35,097	263,694
At 31 December 2014						
Cost	246,054	11,567	66,445	75,352	87,436	486,854
Accumulated depreciation	(79,402)	(5,340)	(45,542)	(40,537)	(52,339)	(223,160)
Net book amount	166,652	6,227	20,903	34,815	35,097	263,694
Year ended 31 December 2013						
Opening net book amount	123,760	5,828	42,464	20,790	19,975	212,817
Additions	7,678	460	2,894	5,522	12,891	29,445
Transfer from completed property held for sale	2,349	-	-	-	-	2,349
Disposals	(4,482)	(11)	(2,314)	(35)	(268)	(7,110)
Depreciation charge (Note 39)	(6,109)	(1,170)	(9,565)	(8,491)	(8,334)	(33,669)
Disposals of subsidiaries	-	-	-	(5)	-	(5)
Closing net book amount	123,196	5,107	33,479	17,781	24,264	203,827
At 31 December 2013						
Cost	174,223	10,494	80,943	60,005	67,454	393,119
Accumulated depreciation	(51,027)	(5,387)	(47,464)	(42,224)	(43,190)	(189,292)
Net book amount	123,196	5,107	33,479	17,781	24,264	203,827

Depreciation expense of RMB20,733,000 (2013: RMB18,816,000) has been charged in "cost of sales", RMB14,558,000 (2013: RMB14,853,000) in "administrative expenses".

As at 31 December 2014 and 2013, no property, plant and equipment were pledged as collateral for the Group's borrowings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8 LAND USE RIGHTS

The Group's interests in land use rights represent prepaid operating lease payments in the PRC which are held on leases of less than 50 years. The movements are as follows:

	Year ended 31 December	
	2014 RMB'000	2013 RMB'000
At beginning of the year	8,985	9,231
Amortization charge (Note 39)	(246)	(246)
At end of the year	8,739	8,985

As at 31 December 2014 and 2013, no land use rights of the Group were pledged as collateral for the Group's borrowings.

9 INVESTMENT PROPERTIES

	Completed investment properties RMB'000	Investment properties under development RMB'000	Total RMB'000
At fair value			
Year ended 31 December 2014			
At beginning of the year	10,302,496	–	10,302,496
Additions	160,613	–	160,613
Others	(15,550)	–	(15,550)
Transfer from properties under development	–	843,988	843,988
Fair value gains	425,153	166,012	591,165
At end of the year	10,872,712	1,010,000	11,882,712
Year ended 31 December 2013			
At beginning of the year	7,202,254	–	7,202,254
Additions	52,137	–	52,137
Disposal of a subsidiary	(116,000)	–	(116,000)
Transfer from completed properties held for sale	2,356,155	–	2,356,155
Fair value gains	807,950	–	807,950
At end of the year	10,302,496	–	10,302,496

9 INVESTMENT PROPERTIES *(Continued)*

(a) Amounts recognized in profit or loss for investment properties

	Year ended 31 December	
	2014 RMB'000	2013 RMB'000
Rental income (Note 6)	679,401	549,563
Direct operating expenses arising from investment properties that generate rental income	(79,190)	(71,027)
Direct operating expenses that did not generate rental income	(35,142)	(24,258)
	565,069	454,278

As at 31 December 2014, the Group had no unprovided contractual obligations for future repairs and maintenance (2013: Nil).

(b) Valuation basis

Fair value measurements using significant unobservable inputs

	Completed investment properties				Sub total RMB'000	Investment properties under development	Total RMB'000
	Beijing RMB'000	Tianjin RMB'000	Hong Kong RMB'000	United States RMB'000		Hangzhou RMB'000	
Opening balance as at 1 January 2014	9,120,895	932,000	249,601	-	10,302,496	-	10,302,496
Additions	4,872	-	-	155,741	160,613	-	160,613
Others	-	(15,550)	-	-	(15,550)	-	(15,550)
Transfer from properties under development	-	-	-	-	-	843,988	843,988
Net gains or losses from fair value adjustment	285,763	135,550	2,016	1,824	425,153	166,012	591,165
Closing balance as at 31 December 2014	9,411,530	1,052,000	251,617	157,565	10,872,712	1,010,000	11,882,712
Total gains or losses for the year ended 31 December 2014 included in profit or loss for assets held at the end of the year, under "Fair value gains on investment properties"	285,763	135,550	2,016	1,824	425,153	166,012	591,165
Change in unrealized gains or losses for the year ended 31 December 2014 included in profit or loss for assets held at the end of the year	285,763	135,550	2,016	1,824	425,153	166,012	591,165

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9 INVESTMENT PROPERTIES *(Continued)*

(b) Valuation basis *(Continued)*

	Completed investment properties			Total RMB'000
	Beijing RMB'000	Tianjin RMB'000	Hong Kong RMB'000	
Opening balance as at 1 January 2013	6,882,082	–	320,172	7,202,254
Additions	1,095,453	1,260,702	52,137	2,408,292
Disposal of subsidiary	–	–	(116,000)	(116,000)
Net gains or losses from fair value adjustment	1,143,360	(328,702)	(6,708)	807,950
Closing balance as at 31 December 2013	9,120,895	932,000	249,601	10,302,496
Total gains or losses for the year ended 31 December 2013 included in profit or loss for assets held at the end of the year, under “Fair value gains on investment properties”	1,143,360	(328,702)	(6,708)	807,950
Change in unrealized gains or losses for the year ended 31 December 2013 included in profit or loss for assets held at the end of the year	1,143,360	(328,702)	(6,708)	807,950

The Group's policy is to recognize transfers between fair value measurements as of the date of the event or change in circumstances that caused the transfer.

Valuation processes of the Group

The Group measures its investment properties at fair value. The investment properties were revalued by DTZ Debenham Tie Leung Limited and RHL Appraisal Limited, independent qualified valuers not related to the Group, who hold recognized relevant professional qualifications and have recent experiences in the location and segments of the investment properties valued, at 31 December 2014. For all investment properties, their current use equates to the highest and best use.

The Group's finance department reviews the valuations performed by the independent valuers for financial reporting purposes and reports directly to the senior management. Discussions of valuation processes and results are held between the management and valuers after each valuation by the independent qualified valuers, which is normally done 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;
- Holds discussions with the independent qualified valuers.

9 INVESTMENT PROPERTIES *(Continued)*

(b) Valuation basis *(Continued)*

Valuation techniques

Fair values of completed commercial properties in Beijing, Tianjin, Hong Kong are generally derived using the income capitalization method and the investment approach. These valuation methods are based on the capitalization of the net income and reversionary income potential by adopting appropriate capitalization 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 recent lettings, within the subject properties and other comparable properties.

Fair values of completed residential properties in United States are generally derived using the comparison approach by reference to recent sales price of comparable properties on a price per square feet basis, adjusted for a premium or a discount specific to the quality of the Group's building compared to the recent sales. Higher premium for higher quality buildings will results in a higher fair value measurement.

Fair value of under development commercial property in Hangzhou is generally derived using the residual method. This valuation method is essentially a means of valuing the land by reference to its development potential by deducting development costs together with developer's profit and risk from the estimated capital value of the proposed development assuming completion as at the date of valuation.

There were no changes to the valuation techniques during the year and there were no transfers between fair value hierarchy during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9 INVESTMENT PROPERTIES *(Continued)*

(b) Valuation basis *(Continued)*

Significant unobservable inputs used to determine fair value

Description	Fair value at 31 Dec 2014 (RMB'000)	Range of significant unobservable inputs			Premium or discount for quality of properties (%)
		Valuation technique(s)	Prevailing market rents	Capitalization rates (%)	
Completed investment properties – Beijing	9,411,530	Income capitalization	RMB98 to RMB729 per month per square meter	7.00 to 9.25	N/A
Completed investment properties – Tianjin	1,052,000	Income capitalization	RMB132 to RMB438 per month per square meter	7.00 to 7.50	N/A
Completed investment properties – Hong Kong	251,617	Investment approach	HKD44 to HKD60 per month per square feet	2.50 to 3.30	N/A
Completed investment properties – United States	157,565	Comparison approach	N/A	N/A	0.25-5
Investment properties under development – Hangzhou	1,010,000	Residual	RMB100 to RMB333 per month per square meter	4.00 to 7.50	N/A

Description	Fair value at 31 Dec 2013 (RMB'000)	Valuation technique(s)	Prevailing market rents	Capitalization
				rates (%)
Investment properties – Beijing	9,120,895	Income capitalization	RMB103 to RMB561 per month per square meter	7.00 to 9.25
Investment properties – Tianjin	932,000	Income capitalization	RMB144 to RMB291 per month per square meter	7.00 to 7.50
Investment properties – Hong Kong	249,601	Investment approach	HKD40 to HKD60 per month per square feet	2.90 to 3.20

Prevailing market rents are estimated based on valuers' view of recent lettings, within the subject properties and other comparable properties. The lower the rents, the lower the fair value.

Capitalization rates are estimated by valuers based on the risk profile of the properties being valued. The higher the rates, the lower the fair value.

Premium or discount for quality of properties are estimated by valuers based on quality of properties, such as location, size, view, level and condition of the properties.

9 INVESTMENT PROPERTIES *(Continued)*

(c) Non-current assets pledged as security

As at 31 December 2014 and 2013, investment properties of the Group with carrying values of RMB8,558,596,000 and RMB7,014,161,000, respectively, were pledged as collateral for the Group's borrowings (Note 33).

(d) Leasing arrangements

Minimum lease payments under non-cancellable operating leases of investment properties not recognized in the financial statements as receivables are as follows:

	As at 31 December	
	2014 RMB'000	2013 RMB'000
Within 1 year	667,248	597,490
Between 1 to 5 years	684,332	684,533
After 5 years	134,150	175,495
	1,485,730	1,457,518

The Group's interests in investment properties at their net book values are analysed as follows:

	2014 RMB'000	2013 RMB'000
In PRC, held on:		
Leases of less than 50 years	11,473,530	10,052,895

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10 GOODWILL

	RMB'000
Year ended 31 December 2014	
Opening net book amount	239,523
Goodwill related to properties sold, charged to cost of sales	(33,174)
Closing net book amount	206,349
At 31 December 2014	
Cost	883,668
Goodwill related to properties sold, charged to cost of sales	(551,792)
Impairment charge (i)	(125,527)
Net book amount	206,349
Year ended 31 December 2013	
Opening net book amount	457,286
Goodwill related to properties sold, charged to cost of sales	(217,763)
Closing net book amount	239,523
At 31 December 2013	
Cost	883,668
Goodwill related to properties sold, charged to cost of sales	(518,618)
Impairment charge (i)	(125,527)
Net book amount	239,523

Goodwill is allocated to the Group's cash generating units identified according to operating segment. An operating segment level summary of the goodwill allocation is presented below.

	As at 31 December	
	2014 RMB'000	2013 RMB'000
Property development	204,014	237,188
Others	2,335	2,335
	206,349	239,523

The recoverable amount of a cash-generating unit is determined based on fair value less cost to sell calculation. These calculations use observable market prices for the units.

- (i) This represented impairment provision made for the goodwill recognized in 2010 arising from the acquisition of Gemini Investments (Holdings) Limited ("Gemini"), a company incorporated in Hong Kong, whose shares are listed on the Main Board of The Hong Kong Stock Exchange Limited. Such provision was made due to (i) the expected benefits from economies of scale at time of acquisition has not happened and (ii) the uncertainties of crystallization of such economics of scale in the foreseeable future. None of the goodwill impairment is expected to be deductible for income tax purposes.

11 INVESTMENTS IN SUBSIDIARIES — COMPANY

	As at 31 December	
	2014 RMB'000	2013 RMB'000
Unlisted investments, at cost	3,407,371	3,407,371
Contribution to the Restricted Share Award Scheme Trust	54,720	37,468
	3,462,091	3,444,839
Amounts due from subsidiaries	34,799,726	33,523,987
Amounts due to subsidiaries	(2,532,866)	(2,532,866)
	35,728,951	34,435,960

Amounts due from and to subsidiaries are unsecured, interest free and repayable on demand.

(a) Main subsidiaries

The following is a list of the subsidiaries as at 31 December 2014 which, in the opinion of the directors, materially affect the results or assets of the Group:

	Name	Country/place of incorporation and operation	Legal status	Issue/paid in capital (In thousand)	Effective interest	Principal activities
					held as at 31 December 2014	
(1)	Sino-Ocean Land Limited 遠洋地產有限公司	PRC	Limited liability company	RMB6,716,555	100%	Property development
(2)	遠洋國際建設有限公司	PRC	Limited liability company	RMB600,000	100%	Renovation service
(3)	Beijing Zhong Lian Land Development Company, Limited 北京中聯置地房地產開發有限公司	PRC	Limited liability Company	RMB560,000	100%	Property development
(4)	Beijing Yuankun Real Estate Development Company, Limited 北京遠坤房地產開發有限公司	PRC	Limited liability Company	RMB500,000	100%	Property development
(5)	北京萬洋世紀創業投資管理有限公司	PRC	Limited liability Company	RMB341,000	100%	Consultant service
(6)	北京碧城創業投資管理有限公司	PRC	Limited liability Company	RMB336,000	100%	Consultant service
(7)	Beijing Yuanqian Property Co., Ltd. 北京遠乾置業有限公司	PRC	Limited liability Company	RMB300,000	100%	Investment holding
(8)	Beijing Yuan Yang Building Co., Ltd. 北京遠洋大廈有限公司	PRC	Limited liability Company	USD30,000	72%	Investment property

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11 INVESTMENTS IN SUBSIDIARIES — COMPANY *(Continued)*

(a) Main subsidiaries *(Continued)*

	Name	Country/place of incorporation and operation	Legal status	Issue/paid in capital (In thousand)	Effective interest held as at 31 December 2014	Principal activities
(9)	遠洋園林工程有限公司	PRC	Limited liability Company	RMB200,000	100%	Renovation service
(10)	Beijing Wuhe Real Estate Development Company, Limited 北京五河房地產開發有限公司	PRC	Limited liability Company	RMB100,000	75%	Land development
(11)	Beijing Yuan Sheng Land Development Company, Limited 北京遠盛置業有限公司	PRC	Limited liability Company	RMB100,000	100%	Property development
(12)	Beijing De Jun Land Development Company Limited 北京德俊置業有限公司	PRC	Limited liability Company	RMB90,000	100%	Property development
(13)	Beijing Dong Rong Real Estate Development Co., Ltd. ("Beijing Donglong") 北京東隆房地產開發有限公司	PRC	Limited liability Company	USD12,370	85.72%	Property development
(14)	Beijing Jin He Wan Sheng Real Estate Development Company Limited 北京金和萬盛房地產開發有限公司	PRC	Limited liability Company	RMB75,000	100%	Land development
(15)	Beijing Yuan Hao Land Development Company, Limited 北京遠豪置業有限公司	PRC	Limited liability Company	RMB60,000	100%	Property development
(16)	Beijing Yuan He Real Estate Development Company Limited 北京遠河房地產開發有限公司	PRC	Limited liability Company	RMB30,000	100%	Property development
(17)	Beijing Tianlin Real Estate Development Company, Limited 北京市天麟房地產開發有限公司	PRC	Limited liability Company	RMB30,000	100%	Property development
(18)	北京遠東新地置業有限公司	PRC	Limited liability Company	RMB30,000	100%	Property development
(19)	Beijing Yin Gang Real Estate Development Company Limited 北京銀港房地產開發有限公司	PRC	Limited liability Company	RMB10,000	100%	Investment holding

11 INVESTMENTS IN SUBSIDIARIES — COMPANY *(Continued)*

(a) Main subsidiaries *(Continued)*

	Name	Country/place of incorporation and operation	Legal status	Issue/paid in capital (In thousand)	Effective interest held as at 31 December 2014	Principal activities
(20)	Beijing Yuan-lian Real Estate Development Company, Limited 北京遠聯置地房地產開發有限公司	PRC	Limited liability Company	RMB10,000	100%	Property development
(21)	Tianjin Pulida Real Estate Construction and Development Company Limited 天津普利達房地產建設開發有限公司	PRC	Limited liability Company	RMB420,000	100%	Property development
(22)	Tianjin Yuan-Chi Real Estate Development Company, Limited 天津市遠馳房地產開發有限公司	PRC	Limited liability Company	RMB400,000	100%	Property development
(23)	Sino-Ocean Real Estate (Tianjin) Co., Ltd. 遠洋地產(天津)有限公司	PRC	Limited liability Company	RMB170,000	100%	Investment holding
(24)	天津宇華房地產開發有限公司	PRC	Limited liability Company	RMB100,000	100%	Property development
(25)	Tianjin Yuanying Real Estate Development Company, Limited 天津市遠贏置業有限公司	PRC	Limited liability Company	RMB30,000	100%	Property development
(26)	大連新悅置業有限公司	PRC	Limited liability Company	USD241,000	100%	Property development
(27)	大連匯洋置業有限公司	PRC	Limited liability Company	USD166,122	100%	Property development
(28)	大連廣宇置業有限公司	PRC	Limited liability Company	USD213,200	100%	Property development
(29)	大連聖基置業有限公司	PRC	Limited liability Company	USD114,545	100%	Property development
(30)	大連世甲置業有限公司	PRC	Limited liability Company	USD97,850	100%	Property development
(31)	Dalian Sunny-Ocean Property Limited 大連明遠置業有限公司	PRC	Limited liability Company	USD80,000	100%	Property development

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11 INVESTMENTS IN SUBSIDIARIES — COMPANY *(Continued)*

(a) Main subsidiaries *(Continued)*

	Name	Country/place of incorporation and operation	Legal status	Issue/paid in capital (In thousand)	Effective interest held as at 31 December 2014	Principal activities
(32)	大連永圖置業有限公司	PRC	Wholly foreign owned enterprise	USD119,500	100%	Property development
(33)	Dalian Sky-Upright Property Limited 大連正乾置業有限公司	PRC	Sino-foreign equity joint venture	USD76,860	100%	Property development
(34)	大連至遠置業有限公司	PRC	Wholly foreign owned enterprise	USD69,754	100%	Property development
(35)	大連潤峰置業有限公司	PRC	Wholly foreign owned enterprise	USD64,560	100%	Property development
(36)	大連源豐置業有限公司	PRC	Sino-foreign equity joint venture	USD50,700	100%	Property development
(37)	大連遠佳產業園開發有限公司	PRC	Wholly foreign owned enterprise	USD35,000	100%	Property development
(38)	Dalian Kaimeng Real Estate Co., Ltd. 大連凱盟房地產開發有限公司	PRC	Limited liability Company	RMB150,000	100%	Property development
(39)	大連通遠房地產開發有限公司	PRC	Limited liability Company	RMB8,000	100%	Land development
(40)	Wanxiang Zhiye (Shenyang) Co., Ltd. 萬祥置業(瀋陽)有限公司	PRC	Limited liability Company	RMB582,830	100%	Property development
(41)	Liaoning Wanxiang Property Co., Ltd. 遼寧萬祥置業有限公司	PRC	Limited liability Company	RMB459,240	100%	Property development
(42)	瀋陽萬洋投資管理諮詢有限公司	PRC	Limited liability Company	HKD 367,500	100%	Consultant service
(43)	瀋陽碧城投資管理諮詢有限公司	PRC	Limited liability Company	USD47,000	100%	Consultant service
(44)	遠洋地產(遼寧)有限公司	PRC	Limited liability Company	RMB20,000	100%	Property development
(45)	長春東方聯合置業有限公司	PRC	Limited liability Company	RMB200,000	100%	Property development

11 INVESTMENTS IN SUBSIDIARIES — COMPANY *(Continued)*

(a) Main subsidiaries *(Continued)*

	Name	Country/place of incorporation and operation	Legal status	Issue/paid in capital (In thousand)	Effective interest held as at 31 December 2014	Principal activities
(46)	青島遠豪置業有限公司	PRC	Limited liability Company	RMB550,000	100%	Property development
(47)	Hangzhou Tianqi Property development Company, Limited 杭州遠洋天祺置業有限公司	PRC	Sino-foreign equity joint venture	USD147,760	100%	Property development
(48)	杭州遠洋運河商務區開發有限公司	PRC	Sino-foreign equity joint venture	USD143,210	100%	Property development
(49)	杭州遠洋新河酒店置業有限公司	PRC	Sino-foreign equity joint venture	USD132,590	100%	Property development
(50)	杭州德遠瑞祥置業有限公司	PRC	Limited liability Company	RMB723,000	100%	Property development
(51)	遠洋地產(上海)有限公司	PRC	Limited liability Company	RMB20,000	100%	Property development
(52)	上海遠望置業有限公司	PRC	Limited liability Company	RMB20,000	100%	Property development
(53)	黃山東方紅影視產業投資有限公司	PRC	Limited liability Company	RMB390,000	100%	Property development
(54)	遠洋地產(中山)開發有限公司	PRC	Sino-foreign equity joint venture	RMB720,000	100%	Property development
(55)	中山市遠見房地產開發有限公司	PRC	Limited liability Company	RMB30,000	100%	Property development
(56)	天基房地產開發(深圳)有限公司 ("T&J Shenzhen")	PRC	Limited liability Company	HKD 160,000	84.70%	Property development
(57)	三亞南國奧林匹克花園有限公司	PRC	Limited liability Company	RMB64,100	70%	Property development
(58)	三亞棠棣莊園投資有限公司	PRC	Limited liability Company	RMB64,000	52.5%	Property development
(59)	海南浙江椰香村建設開發有限公司	PRC	Limited liability Company	RMB15,000	70%	Property development

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11 INVESTMENTS IN SUBSIDIARIES — COMPANY *(Continued)*

(a) Main subsidiaries *(Continued)*

	Name	Country/place of incorporation and operation	Legal status	Issue/paid in capital (In thousand)	Effective interest held as at 31 December 2014	Principal activities
(60)	武漢弘福置業有限公司	PRC	Limited liability Company	RMB45,000	55%	Property development
(61)	重慶國際高爾夫俱樂部有限公司	PRC	Limited liability Company	RMB96,290	85%	Land development
(62)	北京天江通睿置業有限公司	PRC	Limited liability Company	RMB3,923,144	100%	Property development
(63)	天津遠頤房地產開發有限公司	PRC	Limited liability Company	RMB50,000	100%	Property development
(64)	北京遠旭股權投資基金管理有限公司	PRC	Limited liability Company	RMB30,000	100%	Investment management
(65)	大連利遠置業有限公司	PRC	Limited liability Company	USD143,410	100%	Property development
(66)	中山市遠恒房地產開發有限公司	PRC	Limited liability Company	RMB50,000	61%	Property development
(67)	遠洋養老運營管理有限公司	PRC	Limited liability Company	RMB60,000	100%	Pension service
(68)	Tianjin Yuan-bin Real Estate Development Company, Limited 天津市遠濱房地產開發有限公司	PRC	Limited liability Company	RMB600,000	100%	Property development
(69)	大連宏宇置業有限公司	PRC	Limited liability Company	RMB50,000	100%	Property development
(70)	北京遠山置業有限公司	PRC	Limited liability Company	RMB50,000	100%	Property development
(71)	中山市盛信房地產開發有限公司	PRC	Limited liability Company	RMB28,000	51%	Property development
(72)	中山市博信房地產開發有限公司	PRC	Limited liability Company	RMB30,000	51%	Property development
(73)	盈創再生資源有限公司	PRC	Limited liability Company	RMB361,670	86.24%	Environmental technology

11 INVESTMENTS IN SUBSIDIARIES — COMPANY *(Continued)*

(a) Main subsidiaries *(Continued)*

	Name	Country/place of incorporation and operation	Legal status	Issue/paid in capital (In thousand)	Effective interest held as at 31 December 2014	Principal activities
(74)	青島遠旭置業有限公司	PRC	Limited liability Company	RMB10,000	70%	Property development
(75)	中山市大信彩虹家園房地產開發 有限公司	PRC	Limited liability Company	RMB20,000	51%	Property development
(76)	青島遠洋華歐置業有限公司	PRC	Limited liability Company	RMB10,000	95%	Property development
(77)	悅軒(天津)貿易投資有限公司	PRC	Limited liability Company	RMB306,971	100%	Property development
(78)	上海銳盈置業有限公司	PRC	Limited liability Company	RMB106,971	100%	Property development
(79)	深圳市樂安房地產有限公司	PRC	Limited Company	RMB10,000	85%	Property development
(80)	Gemini Investments (Holdings) Limited 盛洋投資(控股)有限公司	Hong Kong	HK Listed company	HKD 22,275	69.74%	Investment holding
(81)	Sino-Ocean Land Capital Investment Limited 遠洋地產資本投資有限公司	BVI	Limited Company	USD50	100%	Investment holding
(82)	Shine Wind Development Limited 耀勝發展有限公司	BVI	Limited Company	USD10	100%	Investment holding
(83)	Sino-Ocean Land (Hong Kong) Limited 遠洋地產(香港)有限公司	Hong Kong	Limited Company	HKD 10	100%	Investment holding
(84)	Mission Success Limited 穎博有限公司	Hong Kong	Limited Company	HKD —	100%	Investment holding
(85)	Dynamic Class Limited 昇能有限公司	Hong Kong	Limited Company	HKD —	100%	Investment holding
(86)	Mega Precise Profits Limited	BVI	Limited Company	USD—	100%	Investment holding
(87)	Smart State Properties Limited	BVI	Limited Company	USD—	100%	Investment holding

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11 INVESTMENTS IN SUBSIDIARIES — COMPANY *(Continued)*

(a) Main subsidiaries *(Continued)*

Name	Country/place of incorporation and operation	Legal status	Issue/paid in capital (In thousand)	Effective interest held as at 31 December 2014	Principal activities
(88) Faith Ocean International Limited 信洋國際有限公司	BVI	Limited Company	USD—	100%	Investment holding
(89) Sino-Ocean Land (Perpetual Finance) Limited 遠洋地產(恒財)有限公司	BVI	Limited Company	USD—	100%	Investment holding
(90) Fame Gain Holdings Limited 名得控股有限公司	BVI	Limited Company	USD—	100%	Investment holding
(91) Sino-Ocean Land Property Development Limited 遠洋地產國際發展有限公司	Hong Kong	Limited Company	HKD—	100%	Investment holding

The English names of the PRC companies referred to above in this note represent management's best efforts in translating the Chinese names of those companies as no English names have been registered or available.

(b) Material non-controlling interests

The total non-controlling interest for the period is RMB8,937,000 which mainly consists of RMB50,165,000 and RMB31,357,000, deriving from T&J Shenzhen and Beijing Donglong, respectively as well as non-controlling interest's share of loss of RMB86,999,000, which were disposed of as at 31 December 2014 (Note 49(b)). The non-controlling interest in respect of other subsidiaries is not material.

Cash and short-term deposits held by T&J Shenzhen and Beijing Donglong amounted to RMB3,027,158,000 in aggregate are held in China and are subject to local exchange control regulations. These local exchange control regulations provide for restrictions on exporting capital from the country, other than through normal dividends.

Set out below are the summarized financial information for each subsidiary that has non-controlling interests that are material to the Group. See Note 48 for transactions with non-controlling interests.

Summarized balance sheet

	T&J Shenzhen		Beijing Donglong	
	2014 RMB'000	2013 RMB'000	2014 RMB'000	2013 RMB'000
Current				
Assets	5,843,358	4,619,481	4,441,085	5,752,345
Liabilities	(4,674,442)	(3,460,904)	(3,952,126)	(3,628,346)
Total current net assets	1,168,916	1,158,577	488,959	2,123,999
Non-current				
Assets	48,573	15,502	1,405,310	170,680
Liabilities	(774,498)	(1,058,961)	(450,000)	(1,070,000)
Total non-current net assets	(725,925)	(1,043,459)	955,310	(899,320)
Net assets	442,991	115,118	1,444,269	1,224,679

11 INVESTMENTS IN SUBSIDIARIES — COMPANY *(Continued)*

(b) Material non-controlling interests *(Continued)*

Summarized income statement

	T&J Shenzhen		Beijing Donglong	
	2014 RMB'000	2013 RMB'000	2014 RMB'000	2013 RMB'000
Revenue	1,385,527	–	695,343	2,643,445
Profit before income tax	506,907	(33,811)	433,797	1,213,728
Income tax expense/income	(179,034)	8,462	(214,207)	(527,842)
Post-tax profit	327,873	(25,349)	219,590	685,886
Other comprehensive income	–	–	–	–
Total comprehensive income	327,873	(25,349)	219,590	685,886
Total comprehensive income allocated to non- controlling Interests	50,165	(3,878)	31,357	97,945

Summarized cash flows

	T&J Shenzhen		Beijing Donglong	
	2014 RMB'000	2013 RMB'000	2014 RMB'000	2013 RMB'000
Cash flows from operating activities				
Cash generated from operations	1,881,841	1,199,791	2,495,247	1,639,703
Interest paid	(96,898)	(70,151)	(85,670)	(172,373)
Income tax paid	(43,943)	(49,946)	(510,513)	(202,154)
Net cash generated from operating activities	1,741,000	1,079,694	1,899,064	1,265,176
Net cash generated from/(used in) investing activities	33,747	(11)	(1,215,326)	(7)
Net cash generated from/(used in) financing activities	(1,641,303)	634,641	(897,500)	(1,290,000)
Net increase/(decrease) in cash and cash equivalents	133,444	1,714,324	(213,762)	(24,831)
Cash and cash equivalents at beginning of the year	2,495,008	780,684	612,468	637,299
Exchange losses on cash and cash equivalents	–	–	–	–
Cash and cash equivalents at end of the year	2,628,452	2,495,008	398,706	612,468

The information above is the amount before inter-company eliminations.

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12 INVESTMENTS IN JOINT VENTURES

	Year ended 31 December	
	2014 RMB'000	2013 RMB'000
At beginning of the year	1,682,273	1,477,657
Capital injection	1,821,449	22,040
Capital return from Sino Prosperity Real Estate Fund L.P.	(93)	(155,647)
Disposals	(22,350)	(8,807)
Share of results of joint ventures		
— after adjustment for unrealized profit or loss from inter-company transactions between the Group and the joint ventures	238,936	347,030
At end of the year	3,720,215	1,682,273

- (a) Following are the details of the main joint ventures held directly by the Group as at 31 December 2014 and 2013, all of which are unlisted:

Name	Country of incorporation and operation	Legal status	Issue/paid in capital (In thousand)	Effective interest held as at 31 December		Nature of relationship	Principal activities
				2014	2013		
(1) Beijing Linlian Property Company Limited 北京麟聯置業有限公司	PRC	Limited liability Company	RMB400,000	50%	50%	(iii)	Land and property development
(2) Chengdu Qiansong Construction Development Company Limited. 成都乾松城市建設開發有限公司	PRC	Limited liability Company	RMB50,000	—	50%	(iii)	Land and property development
(3) Chengdu Qianhao Real Estate Company Limited 成都乾豪置業有限公司	PRC	Limited liability Company	RMB635,267	50%	50%	(iii)	Land and property development
(4) Chengdu Yingang Real Estate Company Limited 成都銀港置業有限公司	PRC	Limited liability Company	RMB8,000	50%	50%	(iii)	Land and property development
(5) Sino Prosperity Real Estate Fund L.P. (i)(vii) (the "Fund")	Cayman island	Exempted limited partnership	USD500,000	50%	38%	(iv)	Investment Management
(6) Sino Prosperity Real Estate (GP), L.P.	Cayman island	Exempted limited partnership	USD5,000	50%	50%	(iv)	Investment Management
(7) Sino Prosperity Real Estate Limited	Cayman island	Exempted limited liability company	USD806	50%	50%	(iv)	Investment Management
(8) Sino Prosperity Real Estate Adviser Limited	Cayman island	Exempted limited liability company	USD100	50%	50%	(iv)	Investment Management

12 INVESTMENTS IN JOINT VENTURES *(Continued)*

(a) Following are the details of the main joint ventures held directly by the Group as at 31 December 2014 and 2013, all of which are unlisted:

Name	Country of incorporation and operation	Legal status	Issue/paid in capital (In thousand)	Effective interest held as at 31 December		Nature of relationship	Principal activities
				2014	2013		
(9) Beijing Yuanbotengda Business Management Company Limited (ii) 北京遠博騰達商業管理有限公司	PRC	Limited liability Company	RMB1,000	51%	51%	(v)	Business Management
(10) Beijing Yuanjian Nursing Service Co. Ltd. 北京遠健養老服務有限公司	PRC	Limited liability Company	RMB20,000	50%	50%	(v)	Nursing service for the aged
(11) Welfare Lottery Advertisement (Beijing) Co., Ltd.(ii) 福彩廣告(北京)有限公司	PRC	Limited liability Company	RMB20,000	60.2%	60.2%	(v)	Advertisement
(12) 北京遠騰置業有限公司	PRC	Limited liability Company	RMB20,000	50%	–	(iii)	Land and property development
(13) 深圳市遠盛業投資有限公司(ii)	PRC	Limited liability Company	HKD120,000	55%	–	(iv)	Investment management
(14) 北京遠洋新光商業管理有限公司	PRC	Limited liability Company	RMB1,000	50%	–	(iv)	Property management
(15) 北京遠新房地產開發有限公司	PRC	Limited liability Company	RMB50,000	50%	–	(iii)	Land and property development
(16) 北京遠洋新揚子資產管理有限公司	PRC	Limited liability Company	RMB2,000	50%	–	(v)	Investment management
(17) 鴻基偉業(北京)房地產開發有限公司	PRC	Limited liability Company	RMB20,000	50%	–	(iii)	Land and property development
(18) 深圳市遠樂業投資有限公司	PRC	Limited liability Company	RMB10,000	50%	–	(iv)	Investment management
(19) 深圳市遠安業投資有限公司	PRC	Limited liability Company	RMB10,000	50%	–	(iv)	Investment management
(20) 北京遠創置業有限公司(ii)	PRC	Limited liability Company	RMB300,000	75%	–	(iii)	Land and property development
(21) Beijing Yuan'ao Real Estate Company Limited (ii) 北京遠奧置業有限公司	PRC	Limited liability Company	RMB12,000	60%	–	(iii)	Land and property development

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12 INVESTMENTS IN JOINT VENTURES *(Continued)*

- (a) Following are the details of the main joint ventures held directly by the Group as at 31 December 2014 and 2013, all of which are unlisted: *(Continued)*

The English names of the PRC companies referred to above in this note represent management's best efforts in translating the Chinese names of those companies as no English names have been registered or available.

- (i) Although the Group holds less than 50% of the interests of Sino Prosperity Real Estate Fund L.P. as at 31 December 2013, the Group exercised joint control under the contractual agreements in the strategic financial and operating policy decisions of that fund.
- (ii) Although the Group holds more than 50% of the equity shares of these five entities, the Group exercises joint control under the contractual agreements in the strategic financial and operating policy decisions of the five entities. Accordingly, these five entities are considered as joint ventures of the Group by the directors.
- (iii) Investments in these joint ventures provide opportunities for the Group to explore business in property development and investment properties.
- (iv) Investments in these joint ventures provide opportunities for the Group to explore business in real estate investment activities.
- (v) Investments in these joint ventures provide opportunities for the Group to explore business in other business activities.
- (vi) There were no contingent liabilities relating to the Group's investment in joint ventures (2013: nil).
- (vii) In November 2014, the Group entered into an amendment agreement and a subscription agreement, agreed to increase its capital commitment to the Fund by USD250,000,000. Part of the capital commitment of approximately USD232,000,000, equivalent to RMB1,419,611,000, was drawn down on 31 December 2014 for the Fund to complete the acquisition of the entire interest of Metro Splendid Limited (Note 49(b)).
- (viii) As at 31 December 2014, the Group has the outstanding capital commitment to joint ventures amounting to USD23,000,000 (2013:Nil).

12 INVESTMENTS IN JOINT VENTURES (Continued)

- (b) Summarized financial information for joint ventures which are accounted for using the equity method:
Set out below is the summarized financial information of the joint ventures:

Summarized balance sheet

	Beijing Lunlian Property Company Limited		Chengdu Qianhao Real Estate Company Limited		Chengdu Yingqiang Real Estate Company Limited		Sino Prosperity Real Estate Fund L.P. #		Beijing Yuan'ao Real Estate Company Limited		Other joint ventures		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Current														
Cash and cash equivalents	235,440	289,010	200,161	357,603	7,478	15,115	910,436	2,355	23	-	107,155	45,166	1,460,693	699,249
Other current assets	147,805	141,641	2,898,685	1,859,383	36,439	4,003	23,112,305	-	5,062,490	-	11,361,654	393,577	42,619,378	2,388,604
(excluding cash)	383,245	410,651	3,098,846	2,216,986	43,917	19,118	24,022,741	2,355	5,062,513	-	11,468,809	428,743	44,080,071	3,077,853
Total current assets														
Financial liabilities	(210,000)	(369,702)	(2,614,505)	(2,679,321)	(18,060)	(101,759)	(1,805,367)	(2,110)	(150,000)	-	(6,437,690)	(367,583)	(11,234,622)	(3,520,475)
(excluding trade payables)	(783,495)	(810,289)	(3,434,020)	(1,503,124)	(311,423)	(36,237)	(12,462,924)	-	-	-	(1,625,037)	(18,559)	(18,616,899)	(2,368,269)
Other current liabilities	(993,495)	(1,179,991)	(6,047,525)	(4,182,445)	(329,463)	(138,056)	(14,268,291)	(2,110)	(150,000)	-	(6,062,727)	(386,142)	(29,851,521)	(5,888,744)
Total current liabilities														
Non-current														
Assets	5,284,472	5,252,806	5,948,791	3,741,885	1,482,435	819,530	1,170,759	-	-	-	4,942,092	69,700	18,828,549	9,893,921
Financial liabilities	(1,860,645)	(1,776,831)	(1,809,488)	(996,528)	(79,013)	(63,472)	(7,733,555)	-	(4,892,500)	-	(2,800,000)	-	(19,175,201)	(2,828,631)
Other liabilities	(416,793)	(359,391)	(847,336)	(225,710)	(237,849)	(117,261)	(395,138)	-	-	-	(4,926,014)	(14,196)	(6,323,130)	(716,558)
Net assets	2,396,784	2,347,244	849,288	554,188	880,007	529,859	2,796,516	245	20,013	-	622,160	96,105	7,558,768	3,529,641

12 INVESTMENTS IN JOINT VENTURES (Continued)

(b) Summarized financial information for joint ventures which are accounted for using the equity method: (Continued)
Set out below is the summarized financial information of the joint ventures: (Continued)

Summarized statement of comprehensive income

	Beijing Lunlian Property Company Limited		Chengdu Qianhao Real Estate Company Limited		Chengdu Yingang Real Estate Company Limited		Sino Prosperity Real Estate Fund LP, #		Beijing Yuan'ao Real Estate Company Limited		Other joint ventures		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	433,708	382,844	128,588	347	33,548	4	-	-	-	-	11,641	10,789	607,495	373,784
Depreciation and amortization	(38,125)	(10,058)	(14,956)	(12,254)	(2,910)	(221)	-	-	-	-	(2,452)	(1,752)	(58,443)	(24,285)
Interest income	-	1,990	4,923	937	-	25	5	2	13	-	111	16,288	5,052	19,252
Interest expense	(134,629)	(131,305)	-	-	(1,190)	-	-	-	-	-	87	(7,275)	(135,732)	(138,580)
Profit or loss	94,444	84,730	410,727	703,350	467,111	172,579	(42,705)	(556)	13	-	(38,781)	13,348	890,809	973,451
Income tax expense	(44,904)	(55,903)	(121,627)	(176,118)	(116,963)	(44,092)	-	-	-	-	6,787	(2,558)	(276,707)	(278,671)
Post-tax profit	49,540	28,827	289,100	527,232	350,148	128,487	(42,705)	(556)	13	-	(31,994)	10,790	614,102	694,780
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	49,540	28,827	289,100	527,232	350,148	128,487	(42,705)	(556)	13	-	(31,994)	10,790	614,102	694,780
Dividends received from joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-

The information above reflects the amounts presented in the financial statements of the joint ventures, adjusted for differences in accounting policies between the Group and the joint ventures, and not the Group's share of those amounts.

12 INVESTMENTS IN JOINT VENTURES (Continued)

(c) Reconciliation of summarized financial information

Reconciliation of the summarized financial information presented to the carrying amount of its interests in the joint ventures.

	Beijing Limlian Property Company Limited		Chengdu Qianhao Real Estate Company Limited		Chengdu Yingang Real Estate Company Limited		Sino Prosperity Real Estate Fund L.P. ^(b)		Beijing Yuan'ao Real Estate Company Limited		Other joint ventures		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Opening net assets														
1 January	2,347,244	2,318,417	554,188	26,956	529,859	401,372	245	410,398	-	-	98,105	64,929	3,529,641	3,222,072
Capital injection	-	-	-	-	-	-	2,839,221	-	20,000	-	600,749	40,000	3,459,970	40,000
Capital return	-	-	-	-	-	-	(245)	(409,597)	-	-	-	-	(245)	(409,597)
Profit/(loss) for the period	49,540	28,827	289,100	527,232	350,148	128,487	(42,705)	(556)	13	-	(31,994)	10,790	614,102	694,780
Disposal	-	-	-	-	-	-	-	-	-	-	(44,700)	(17,614)	(44,700)	(17,614)
Closing net assets	2,396,784	2,347,244	843,288	554,188	880,007	529,859	2,796,516	245	20,013	-	622,160	98,105	7,558,768	3,529,641
Interest in joint ventures	1,198,392	1,173,622	421,644	277,094	440,004	264,930	1,388,258	93	12,008	-	393,314	49,062	3,863,620	1,764,821
Adjusted for eliminations resulting from upstream and downstream transactions	(73,916)	(72,506)	(9,382)	(4,856)	-	-	-	-	-	-	(60,087)	(5,186)	(143,405)	(82,548)
Carrying value	1,124,476	1,101,116	412,252	272,238	440,004	264,930	1,388,258	93	12,008	-	333,217	43,886	3,720,215	1,682,273

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13 INTERESTS IN ASSOCIATES

	Year ended 31 December	
	2014 RMB'000	2013 RMB'000
At beginning of the year	629,572	665,011
Capital injection	1,188,347	4,000
Disposal	(1,998)	(3,600)
Increase due to partial disposal of interests in a subsidiary (Note 49(a))	421,663	–
Share of results of associates		
— after adjustment for unrealized profit or loss from inter-company transactions between the Group and the associates	125,334	(35,839)
At end of the year	2,362,918	629,572

(a) Following are the details of the main associates of the Group at 31 December 2014 and 2013, all of which are unlisted:

Name	Country of incorporation and operation	Legal status	Issue/paid in capital (In thousand)	Effective interest held as at 31 December		Nature of the relationship	Principal activities
				2014	2013		
(1) Beijing Central Business District Development and Construction Company Limited ("Beijing CBD") 北京商務中心區開發建設有限責任公司	PRC	Limited liability Company	RMB680,850	47%	47%	(ii)	Land development
(2) Guoshou Yuantong Real Estate Company Limited ("Guoshou Yuantong")(i) 國壽遠通置業有限公司	PRC	Limited liability Company	RMB600,000	10%	10%	(ii)	Property development and investment services
(3) Beijing Shengyong Property Development and investment Company Limited ("Beijing Shengyong") 北京盛永置業投資有限公司	PRC	Limited liability Company	RMB500,000	35%	35%	(ii)	Property development and investment services
(4) Beijing Kunlian Xinhe Business Management Company Limited 北京坤聯信和商業管理有限責任公司	PRC	Limited liability Company	RMB5,000	–	40%	(iii)	Consulting management
(5) CIGIS (China) Company Limited 建設綜合勘察研究設計院有限公司	PRC	Limited liability Company	RMB50,000	35%	35%	(iii)	Survey and design
(6) Zhongshang Yuanxin Properties Management Company Limited 中山市遠信商用物業管理有限公司	PRC	Limited liability Company	RMB10,000	40%	40%	(iii)	Property management

13 INTERESTS IN ASSOCIATES *(Continued)*

- (a) Following are the details of the main associates of the Group at 31 December 2014 and 2013, all of which are unlisted:
(Continued)

Name	Country of incorporation and operation	Legal status	Issue/paid in capital (In thousand)	Effective interest held as at 31 December		Nature of the relationship	Principal activities
				2014	2013		
(7) 深圳市金鑾尚灣房地產開發有限公司	PRC	Limited liability Company	RMB70,000	31%	–	(ii)	Land and property development
(8) Chongqing Yuanteng Real Estate Development Limited ("Chongqing Yuanteng") (Note 49(a)) 重慶遠騰房地產開發有限公司	PRC	Limited liability Company	RMB1,100,000	42.25%	–	(ii)	Land and property development
(9) Hubei Fuxinghuiyu Changqing Real Estate Company Limited ("Hubei Fuxinghuiyu") 湖北福星惠譽常青置業有限公司	PRC	Limited liability Company	RMB10,000	38%	–	(ii)	Land and property development
(10) Tianjin Yijiahe Real Estate Company Limited ("Tianjin Yijiahe") 天津市億嘉合置業有限公司	PRC	Limited liability Company	RMB38,000	40%	–	(ii)	Land and property development

The English names of the PRC companies referred to above in this note represent management's best efforts in translating the Chinese names of those companies as no English names have been registered or available.

- (i) Although the Group holds less than 20% of the equity shares of Guoshou Yuantong, the Group exercises significant influence under the contractual agreements in the strategic financial and operating policy decisions of that company.
- (ii) Investments in these associates provide opportunities for the Group to explore business in property development.
- (iii) Investments in these associates provide opportunities for the Group to involve in related services to support property development, such as architectural design and property management.
- (iv) There were no other contingent liabilities or capital commitments relating to the Group's interests in the associates.

13 INTERESTS IN ASSOCIATES (Continued)

(b) Summarized financial information for associates which are accounted for using the equity method:

Summarized balance sheet

	Beijing CBD		Guoshou Yuantong		Beijing Shengyong		Chongqing Yuanteng		Tianjin Yijiahe		Hubei Faxinghuiyu		Other associates		Total	
	2014 RMB'000	2013 RMB'000	2014 RMB'000	2013 RMB'000	2014 RMB'000	2013 RMB'000	2014 RMB'000	2013 RMB'000	2014 RMB'000	2013 RMB'000	2014 RMB'000	2013 RMB'000	2014 RMB'000	2013 RMB'000	2014 RMB'000	2013 RMB'000
Current																
Cash and cash equivalents	611	852	12,602	9,107	5,479	2,225	111,165	-	107,222	-	34,405	-	100,424	87,894	371,908	100,078
Other current assets (excluding cash)	1,801,145	1,737,301	2,982,682	2,667,453	11,682	1,057,240	1,938,918	-	6,992,524	-	1,911,543	-	989,116	303,674	16,607,610	5,965,668
Total current assets	1,801,756	1,738,153	2,975,284	2,676,560	17,161	1,059,465	2,050,083	-	7,099,746	-	1,945,948	-	1,089,540	391,568	16,679,518	6,065,746
Financial liabilities (excluding trade payables)	(460,504)	(1,081,234)	-	(29)	(274,000)	(512,544)	-	-	(2,686,000)	-	-	-	(387,326)	(161,126)	(3,807,830)	(1,754,933)
Other current liabilities (including trade payables)	(688,300)	(27)	(5,565)	(1,427)	(252,828)	(32,890)	(572,391)	-	(1,303,009)	-	(160,440)	-	(296,677)	(135,967)	(3,469,240)	(170,331)
Total current liabilities	(1,148,804)	(1,081,261)	(5,565)	(1,456)	(526,828)	(545,434)	(572,391)	-	(4,189,009)	-	(160,440)	-	(674,003)	(297,113)	(7,277,070)	(1,925,264)
Non-current																
Assets	249	334	366	428	2,010,441	495,235	111,306	-	51,542	-	63	-	235,566	154,191	2,410,133	650,208
Financial liabilities	-	-	-	(376,173)	(520,000)	(600,000)	(606,200)	-	(168,600)	-	(1,680,000)	-	(302,248)	(65,057)	(3,297,048)	(1,061,230)
Other liabilities	-	-	(473,603)	-	(162,031)	(7,610)	-	-	-	-	-	-	(65,882)	-	(701,566)	(7,610)
Net assets	653,171	657,226	2,496,482	2,499,359	816,683	401,676	963,398	-	2,733,679	-	105,571	-	282,973	163,599	8,113,967	3,721,850

13 INTERESTS IN ASSOCIATES (Continued)

(b) Summarized financial information for associates which are accounted for using the equity method: (Continued)

Summarized statement of comprehensive income

	Beijing CBD		Guoshou Yuantong		Beijing Shengyong		Chongqing Yuanteng		Tianjin Yijiahe		Hubei Fuxinghuiyu		Other associates		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	-	-	-	-	585,164	-	-	-	-	-	-	-	-	472,827	1,177,669	492,377
Depreciation and amortization	(89)	(125)	-	(15)	(331)	(189)	-	-	-	-	-	-	25	(6,998)	(17,914)	(7,306)
Interest income	21	32	177	581	(869)	57	-	-	-	-	632	-	208	319	389	989
Interest expense	-	-	-	-	-	-	-	-	-	-	-	-	(995)	(883)	(953)	(953)
Profit or loss	(4,059)	(4,853)	(2,877)	(2,101)	(14,820)	(48,182)	-	-	(809)	-	(809)	-	(6,223)	8,697	550,514	(46,439)
Income tax expense	-	-	-	-	-	-	-	-	-	-	-	-	(4,068)	(2,226)	(661,117)	(2,226)
Post-tax profit	(4,059)	(4,853)	(2,877)	(2,101)	(14,820)	(48,182)	-	-	(809)	-	(809)	-	(10,299)	6,471	384,397	(46,655)
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	(4,059)	(4,853)	(2,877)	(2,101)	(14,820)	(48,182)	-	-	(809)	-	(809)	-	(10,299)	6,471	384,397	(46,655)
Dividends received from associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

The information above reflects the amounts presented in the financial statements of the associates (and not the Group's share of those amounts) adjusted for differences in accounting policies between the Group and the associates.

13 INTERESTS IN ASSOCIATES (Continued)

(c) Reconciliation of summarized financial information

Reconciliation of the summarized financial information presented to the carrying amount of its interests in the associates.

	Beijing CBD		Guoshou Yuantong		Beijing Shengyong		Chongqing Yuanteng		Tianjin Yijiahe		Hubei Fuxinghuiyu		Other associates		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Opening net assets 1 January	657,226	662,079	2,499,359	2,501,460	401,676	449,858	-	-	-	-	-	-	163,589	157,118	3,721,850	3,770,515
Capital injection	-	-	-	-	-	-	-	-	2,773,679	-	106,380	-	134,638	10,000	3,014,697	10,000
Increase due to partial disposal of interests in a subsidiary	-	-	-	-	-	-	988,018	-	-	-	-	-	-	-	988,018	-
Disposal	-	-	-	-	-	-	-	-	-	-	-	-	(4,995)	(10,000)	(4,995)	(10,000)
Profit for the period	(4,055)	(4,653)	(2,677)	(2,101)	417,017	(48,162)	(14,620)	-	-	-	(809)	-	(10,259)	6,471	384,397	(48,665)
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing net assets	653,171	657,226	2,496,482	2,499,359	818,693	401,676	983,388	-	2,773,679	-	105,571	-	282,973	163,589	8,113,967	3,721,850
Interest in associates	306,990	308,886	249,648	249,936	286,543	140,537	415,468	-	1,109,472	-	40,117	-	94,147	60,007	2,592,403	758,426
Adjusted for eliminations resulting from upstream and downstream transactions	(76,387)	(65,318)	-	-	(62,342)	(64,352)	-	-	-	-	(367)	-	(369)	(184)	(139,485)	(123,854)
Carrying value	230,603	243,578	249,648	249,936	224,201	76,235	415,468	-	1,109,472	-	39,730	-	93,778	59,823	2,382,918	623,572

14 FINANCIAL INSTRUMENTS BY CATEGORY

(a) Group

	Loans and receivables RMB'000	Assets at fair value through profit and loss RMB'000	Available for-sale Financial Assets RMB'000	Total RMB'000
Assets				
As at 31 December 2014				
Available-for-sale financial assets (Note 16)	-	-	1,837,174	1,837,174
Financial assets at fair value through profit or loss (Note 18)	-	663,165	-	663,165
Trade and other receivables excluding prepayments	21,767,977	-	-	21,767,977
Restricted bank deposits	3,025,092	-	-	3,025,092
Cash and cash equivalents (Note 26)	13,311,150	-	-	13,311,150
	38,104,219	663,165	1,837,174	40,604,558
As at 31 December 2013				
Available-for-sale financial assets (Note 16)	-	-	1,151,247	1,151,247
Financial assets at fair value through profit or loss (Note 18)	-	191,413	-	191,413
Trade and other receivables excluding prepayments	5,566,155	-	-	5,566,155
Restricted bank deposits	4,797,032	-	-	4,797,032
Cash and cash equivalents (Note 26)	11,252,893	-	-	11,252,893
	21,616,080	191,413	1,151,247	22,958,740
			Other financial liabilities RMB'000	
Liabilities				
As at 31 December 2014				
Borrowings (Note 33)				45,603,844
Trade and other payables excluding tax payables				17,259,907
				62,863,751
As at 31 December 2013				
Borrowings (Note 33)				35,294,834
Trade and other payables excluding tax payables				17,468,712
				52,763,546

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14 FINANCIAL INSTRUMENTS BY CATEGORY *(Continued)*

(b) Company

	Loans and receivables RMB'000
Assets	
As at 31 December 2014	
Amounts due from subsidiaries (Note 11)	34,799,726
Other receivables excluding prepayments	2,060
Cash and cash equivalents (Note 26)	409,844
	35,211,630
As at 31 December 2013	
Amounts due from subsidiaries (Note 11)	33,523,987
Other receivables excluding prepayments	2,060
Cash and cash equivalents (Note 26)	417,732
	33,943,779
Liabilities	
As at 31 December 2014	
Borrowings (Note 33)	8,101,171
Amount due to subsidiaries (Note 11)	2,532,866
Other payables excluding tax payables	49,377
	10,683,414
As at 31 December 2013	
Borrowings (Note 33)	6,994,406
Amount due to subsidiaries (Note 11)	2,532,866
Other payables excluding tax payables	30,404
	9,557,676

15 CREDIT QUALITY OF FINANCIAL ASSETS

(a) Group

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to historical information about counterparty default rates:

	As at 31 December	
	2014 RMB'000	2013 RMB'000
Trade receivables		
Counterparties without external credit rating	387,702	1,240,365
Trade receivables that are neither past due nor impaired	137,798	344,960

The recoverability of loan and other receivables is assessed taking into account of the financial position of the counter parties, past experiences and other factors. The management does not expect any significant losses from non-performance by the counterparties.

All bank deposits are with reputable corporate banks. None of the bank deposits is considered as exposed to major credit risk.

None of the financial assets that are fully performing has been renegotiated in 2014 and 2013.

(b) Company

All bank deposits are with reputable banks. None of the bank deposits is considered as exposure to major credit risk.

16 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	As at 31 December	
	2014 RMB'000	2013 RMB'000
Investment in other unlisted equity securities (a)	54,200	188,060
Investment in fund investments (b)	1,687,135	713,187
Investment in structured products issued by banks (c)	60,000	250,000
Others	35,839	–
	1,837,174	1,151,247
Less: non-current portion	(1,737,174)	(745,847)
Current portion	100,000	405,400

(a) Available-for-sale financial assets of the Group include certain unlisted equity securities, mainly denominated in RMB. The fair value of unlisted securities approximates net asset values of respective securities.

(b) To diversify the Group's securities investment risk and further enhance the return of the Group's investments, the Group has invested in several unlisted funds amounting to RMB1,687,135,000 as at 31 December 2014. As the Group has no power to govern or participate the financial operating policies of the fund investment entities so as to obtain benefits from its activities and does not intend to trade for short-term profit, the directors of the Company designated the unlisted fund investments as available-for-sale financial asset.

(c) The fair value of structured products approximates the carrying amount of such investments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16 AVAILABLE-FOR-SALE FINANCIAL ASSETS *(Continued)*

Available-for-sale financial assets include the following:

	As at 31 December	
	2014 RMB'000	2013 RMB'000
Fair value:		
– listed	–	–
– unlisted	1,837,174	1,151,247
	1,837,174	1,151,247
Market value of listed securities	–	–

Available-for-sale financial assets are denominated in the following currencies:

	As at 31 December	
	2014 RMB'000	2013 RMB'000
– HKD	289,940	322,251
– RMB	1,147,100	466,100
– USD	364,295	362,896
– Australian Dollar	35,839	–
	1,837,174	1,151,247

17 OTHER INVESTMENTS

Other investment represents gold bullions stated at fair values. The fair values were determined by reference to the quoted market price. Gains arising on disposal of other investment amounting to RMB1,207,000 (2013: losses of RMB5,601,000) were recognized in the consolidated income statement during the year (Note 38).

18 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS – GROUP

	Year ended 31 December	
	2014 RMB'000	2013 RMB'000
Listed securities – held-for-trading		
Equity securities listed in PRC	519,389	–
Equity securities listed in Hong Kong	61,507	92,940
Equity securities listed elsewhere	74,358	98,473
Forward exchange and Futures contracts	7,911	–
Market value of listed securities	663,165	191,413

18 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS — GROUP *(Continued)*

Financial assets at fair value through profit or loss are presented within “operating activities” as part of changes in working capital in the statement of cash flows.

Changes in fair values of financial assets at fair value through profit or loss are recorded in “other gains/(losses) — net” in the income statement (Note 38).

The fair value of all equity securities is based on their current bid prices in an active market.

19 PROPERTIES UNDER DEVELOPMENT

	Year ended 31 December	
	2014 RMB'000	2013 RMB'000
At beginning of the year	69,903,227	71,974,209
Additions	22,376,435	24,093,540
Transfer from prepayments for land use rights	4,987,839	1,660,079
Partial disposal of interests in a subsidiary (Note 49(a))	(1,211,838)	—
Disposal of entire interests in subsidiaries (Note 49(b))	(13,410,513)	—
Provision for impairment	(362,440)	(85,934)
Transfer to investment properties under development (Note 9)	(843,988)	—
Transfer to completed properties held for sale	(39,898,589)	(27,738,667)
At end of the year	41,540,133	69,903,227
Properties under development comprises:		
Land use rights	20,419,933	34,617,973
Construction costs and capitalized expenditure	17,088,282	29,385,705
Interest capitalized	4,031,918	5,899,549
	41,540,133	69,903,227

Land use rights are analyzed as follows:

	As at 31 December	
	2014 RMB'000	2013 RMB'000
In the PRC held on:		
Leases of over 50 years	15,242,524	31,285,889
Leases within 50 years	5,177,409	3,332,084
	20,419,933	34,617,973

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

19 PROPERTIES UNDER DEVELOPMENT *(Continued)*

Properties under development are all located in the PRC.

As at 31 December 2014 and 2013, properties under development of approximately RMB13,825,430,000 and RMB24,080,984,000 respectively were pledged as collateral for the Group's borrowings (Note 33).

All properties under development are expected to be completed within the normal operating cycle of the Group, in which RMB21,931,837,000 (2013: RMB28,404,130,000) is expected to be completed and available for sale more than twelve months after the balance sheet date.

20 LAND DEVELOPMENT COST RECOVERABLE

Land development cost recoverable refers to capitalized costs on primary land development projects. The land use right certificates belong to the government for these projects, and the Group subsequently receives at least the costs incurred as compensation from the government after work has been completed. Main activities for primary land development projects included dismantling and land leveling works.

21 PREPAYMENTS FOR LAND USE RIGHTS

	As at 31 December	
	2014	2013
	RMB'000	RMB'000
Deposits to local land authorities	6,553,151	10,685,916

The prepayments were paid to local land authorities for land use rights as at 31 December 2014 and 2013, respectively. Once the title of land is transferred to the Group, the land will be used to develop properties held for sale.

22 TRADE AND OTHER RECEIVABLES

	As at 31 December	
	2014 RMB'000	2013 RMB'000
Trade receivables	387,702	1,240,365
Less: provision for impairment	(11,635)	(101,437)
Trade receivables — net (a)	376,067	1,138,928
Tax prepayments for advances receipts from customers	2,720,563	4,072,313
Entrusted loans to third parties (b)	2,063,588	175,000
Entrusted loans to joint ventures (c)	8,642,355	198,500
Entrusted loan to associates (d)	490,000	512,000
Entrusted loan to non-controlling interests	—	114,240
Receivables from government (e)	1,788,762	813,132
Receivables from partial disposal of interests in a subsidiary (f)(Note 49(a))	479,785	—
Amounts due from subsidiary of a shareholder (g)	300,000	—
Amounts due from joint ventures (g)	5,880,494	1,173,545
Amounts due from associates (g)	395,419	369,117
Amounts due from non-controlling interests (g)	148,855	51,720
Cooperation deposits (h)	603,492	588,607
Prepayment for subscription of available-for-sale financial assets (i)	318,371	—
Other prepayments (j)	668,159	332,597
Other receivables	599,160	431,366
	25,475,070	9,971,065
Less: non-current portion	(10,905,792)	(15,606)
Current portion	14,569,278	9,955,459

The carrying amounts of trade and other receivables approximate their respective fair values as at 31 December 2014 and 2013.

(a) Trade receivables

Proceeds from services and sales rendered are to be received in accordance with the term of respective agreement. An ageing analysis of trade receivables at the respective balance sheet dates is as follows:

	As at 31 December	
	2014 RMB'000	2013 RMB'000
Within 6 months	175,641	492,570
Between 6 months to 1 year	128,925	293,286
Between 1 year to 2 years	70,508	400,357
Between 2 years to 3 years	6,826	48,500
Over 3 years	5,802	5,652
	387,702	1,240,365

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22 TRADE AND OTHER RECEIVABLES *(Continued)*

(a) Trade receivables *(Continued)*

- (i) As at 31 December 2014, trade receivables of RMB238,269,000 (2013: RMB793,968,000) were past due but not impaired. These related to a number of independent customers from upfitting services and property management services, for whom there is no significant financial difficulty and no recent history of default.
- (ii) As at 31 December 2014, trade receivables of RMB11,635,000 (2013: RMB101,437,000) were impaired. The individually impaired receivables mainly related to receivables of upfitting and property management fees.

Movements on the provision for impairment of trade receivables are as follows:

	As at 31 December	
	2014 RMB'000	2013 RMB'000
At 1 January	(101,437)	(80,269)
Provision for receivable impairment	(116,204)	(21,168)
Disposals of subsidiaries	206,006	–
At 31 December	(11,635)	(101,437)

- (b) As at 31 December 2014, entrusted loans to third parties included the amounts of RMB1,968,588,000 (2013: nil), which are unsecured, bore interest from 4.625% to 8% per annum, and wholly repayable after one year and included in the non-current portion.

The remaining balances comprised two loans which are interest bearing at 6% and 8% per annum, respectively (2013: 6% and 6.67%), secured by respective share capital of the business partners (2013: RMB175,000,000) and repayable on demand.

- (c) Entrusted loans to joint ventures are unsecured, interest bearing from 3.38% to 10% per annum (2013: 3.8% to 7.5%). RMB178,500,000 (2013: RMB198,500,000) of the balances are repayable on demand. The remaining balances of RMB8,463,855,000 (2013: nil) are repayable after one year and included in the non-current portion.
- (d) Entrusted loans to associates are unsecured, interest bearing from 5.31% to 12% per annum (2013: 5.31% to 7%). RMB400,000,000 (2013: RMB512,000,000) of the balances are repayable on demand. The remaining balances of RMB90,000,000 are repayable after one year and included in the non-current portion.
- (e) Receivables from government mainly represent payment made for land development cost, some deposits paid to government to ensure the business activities of properties development, and the amounts paid to government with the intention of possible future cooperation in real estate project development, which will be subsequently reimbursed by the government.
- (f) Such balances are bearing interest rate of 2% per annum, and are expected to be settled within one year.
- (g) Amounts due from subsidiary of shareholder, joint ventures, associates and non-controlling interests are unsecured, interest free, and repayable on demand.
- (h) Balances represent amounts paid to certain third parties, with the intention of future cooperation in real estate project development. As at 31 December 2014, such cooperation is still in negotiation stage.
- (i) This represented additional subscription monies paid by the Group for certain unlisted fund prior to 31 December 2014. Subsequent to 31 December 2014, such amount has been reclassified to available-for-sale financial assets upon issuance of shares by the fund manager.

22 TRADE AND OTHER RECEIVABLES *(Continued)*

- (j) Included in other prepayments are deposits paid to the government authorities in Chongqing and Beijing amounting to RMB521,540,000 in respect of the proposed acquisition of two pieces of land in Chongqing and Beijing.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The carrying amounts of the Group's trade and other receivables are mainly denominated in RMB.

23 COMPLETED PROPERTIES HELD FOR SALE

All completed properties held for sale are located in the PRC on lease between 40 to 70 years, and are stated at cost less accumulated amortization of land use rights for the years ended 2014 and 2013 respectively.

	As at 31 December	
	2014 RMB'000	2013 RMB'000
Completed properties held for sale comprised:		
Land use rights	5,229,052	3,178,830
Construction costs and capitalized expenditure	10,543,317	8,277,763
Interest capitalized	1,441,389	623,057
	17,213,758	12,079,650

As at 31 December 2014, completed properties held for sale amounting to RMB6,889,707,000 (2013: RMB10,001,817,000) were pledged as collateral for the Group's borrowings (Note 33).

Impairment losses amounting to RMB186,618,000 were recognized in profit or loss for the year ended 31 December 2014 (2013: RMB26,625,000).

Land use rights are analyzed as follows:

	Year ended 31 December	
	2014 RMB'000	2013 RMB'000
In the PRC held on:		
Leases of over 50 years	4,527,022	2,547,708
Leases within 50 years	702,030	631,122
	5,229,052	3,178,830

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24 AMOUNTS DUE FROM CUSTOMERS FOR CONTRACT WORK

	As at 31 December	
	2014 RMB'000	2013 RMB'000
Contract cost incurred plus recognized profit	1,696,385	4,830,227
Less: progress receivables	(874,581)	(3,833,688)
Contract work-in-progress	821,804	996,539
Representing:		
Amounts due from customers for contract work	821,804	996,539

	Year ended 31 December	
	2014 RMB'000	2013 RMB'000
Contract revenue recognized as revenue in the year	2,083,724	1,692,736

25 RESTRICTED BANK DEPOSITS

Restricted bank deposits mainly represent guaranteed deposits for the mortgage loan facilities granted by the banks to the purchasers of the Group's properties, as well as for projects co-developed with third parties. The balances also include guaranteed deposits placed in the banks, as guaranteed funds of construction projects to meet certain local authorities' requirements.

26 CASH AND CASH EQUIVALENTS

	As at 31 December			
	Group		Company	
	2014 RMB'000	2013 RMB'000	2014 RMB'000	2013 RMB'000
Cash at bank and in hand	13,185,830	9,696,490	398,528	29,540
Short-term bank deposits	125,320	1,556,403	11,316	388,192
Cash and cash equivalents	13,311,150	11,252,893	409,844	417,732
Denominated in:				
– RMB	9,695,471	9,434,321	57	5,122
– HKD	314,995	953,742	14,850	272,509
– USD	3,252,584	861,746	394,926	140,089
– Other currencies	48,100	3,084	11	12
	13,311,150	11,252,893	409,844	417,732

The effective interest rates on short-term bank deposits ranged from 0.7% to 3.3% for the year ended 31 December 2014 (2013: 0.12% to 3.75%).

The Group's cash and cash equivalents denominated are deposited with banks in the PRC and Hong Kong, respectively. The conversion of the RMB denominated balances into foreign currencies, which are placed within the PRC, is subject to the rules and regulations of foreign exchange control promulgated by the PRC Government.

27 CAPITAL

	Number of ordinary shares	Share capital HKD\$'000	Equivalent share capital RMB'000	Share premium RMB'000	Shares held for Restricted Share Award Scheme RMB'000	Total RMB'000
Opening balance 1 January 2014	7,282,020,114	5,825,617	5,336,871	20,742,373	-	26,079,244
Issue of shares pursuant to exercise of employee share options	19,378,500	95,077	75,439	-	-	75,439
Issue of scrip dividends	177,860,406	673,972	536,301	-	-	536,301
Share buyback	(700,000)	-	-	-	-	-
Vesting of shares under Restricted Share Award Scheme	-	3,918	2,242	-	-	2,242
Transition to no-par regime on 3 March 2014 (a)	-	23,032,246	20,742,373	(20,742,373)	-	-
	7,478,559,020	29,630,830	26,693,226	-	-	26,693,226
Restricted Share Award Scheme (b)						
Opening balance 1 January 2014	(21,974,398)	-	-	-	(79,008)	(79,008)
Shares purchased during the year	(3,618,500)	-	-	-	(11,755)	(11,755)
Issue of scrip dividends	(843,778)	-	-	-	-	-
Vesting of shares under Restricted Share Award Scheme	14,347,657	-	-	-	49,259	49,259
At 31 December 2014	(12,089,019)	-	-	-	(41,504)	(41,504)
At 31 December 2014	7,466,470,001	29,630,830	26,693,226	-	(41,504)	26,651,722
Opening balance 1 January 2013	5,850,141,263	4,680,113	4,428,676	16,306,805	-	20,735,481
Issue of shares (c)	1,322,553,178	1,058,043	838,636	4,121,210	-	4,959,846
Issue of shares pursuant to exercise of employee share options	36,379,500	29,104	23,330	106,074	-	129,404
Issue of scrip dividends	74,846,173	59,877	47,439	207,783	-	255,222
Share buyback	(1,900,000)	(1,520)	(1,210)	-	-	(1,210)
Vesting of shares under Restricted Share Award Scheme	-	-	-	501	-	501
	7,282,020,114	5,825,617	5,336,871	20,742,373	-	26,079,244
Restricted Share Award Scheme (b)						
Opening balance 1 January 2013	(24,541,185)	-	-	-	(92,435)	(92,435)
Shares purchased during the year	(1,021,000)	-	-	-	(3,673)	(3,673)
Issue of scrip dividends	(1,168,184)	-	-	-	-	-
Vesting of shares under Restricted Share Award Scheme	4,755,971	-	-	-	17,100	17,100
At 31 December 2013	(21,974,398)	-	-	-	(79,008)	(79,008)
At 31 December 2013	7,260,045,716	5,825,617	5,336,871	20,742,373	(79,008)	26,000,236

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

27 CAPITAL *(Continued)*

- (a) The Hong Kong Companies Ordinance (Cap. 622) (the “new Companies Ordinance”) was commenced operation on 3 March 2014. Under the new Companies Ordinance, the concept of authorized share capital no longer exists. In addition, according to Section 135 of the new Companies Ordinance, the Company’s shares no longer have a par or nominal value. There is no impact on the number of shares in issue or the relative entitlement of any of the members as a result of this transition. Besides, in accordance with the transitional provisions set out in Section 37 of Schedule 11 to the new Companies Ordinance, any amount standing to the credit of the share premium account has become part of the Company’s share capital.
- (b) On 22 March 2010, the board of the Company resolved to adopt a Restricted Share Award Scheme, pursuant to which existing shares were purchased from the market and held in trust for the relevant selected employees, until such shares are vested in accordance with the provision of the scheme. 25,524,000 shares (2013: 21,861,000 shares) were granted to the selected employees of the Group during the year. As at 31 December 2014, 33,162,375 shares (2013: 22,983,163 shares) were granted but not yet vested under the scheme.
- (c) On 27 September 2013, the Company entered into a subscription agreement with each of the two shareholders, pursuant to which the two shareholders conditionally agreed to subscribe for the Company’s shares of a total of 635,941,967 and 686,611,211, respectively. The issuance of shares was completed on 22 November 2013 at subscription price of HKD4.74 per share.

28 RETAINED EARNINGS

	Year ended 31 December			
	Group		Company	
	2014 RMB'000	2013 RMB'000	2014 RMB'000	2013 RMB'000
At 1 January	11,358,592	8,779,986	1,305,872	1,235,906
Profit for the year	4,597,292	4,074,741	1,060,176	1,196,725
Dividends relating to 2012	–	(794,200)	–	(794,200)
Dividends relating to 2013 (Note 44)	(927,722)	(325,725)	(927,722)	(325,725)
Dividends relating to 2014 (Note 44)	(443,785)	–	(443,785)	–
Distribution relating to convertible securities (Note 31)	–	(257,531)	–	–
Distribution relating to capital securities (Note 32)	(252,249)	(254,349)	–	–
Share buyback	(2,180)	(6,834)	(2,180)	(6,834)
Redemption of convertible securities	–	270,747	–	–
Transfer to statutory reserve fund	(157,605)	(128,243)	–	–
At 31 December	14,172,343	11,358,592	992,361	1,305,872

29 RESERVES

(a) Group

	Capital redemption reserve	Merger reserve	Statutory reserve	Translation reserve	Investment revaluation reserve	Employee share option scheme	Restricted Share Award Scheme	Other reserves	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2014	15,586	(763,427)	1,014,912	(25,056)	7,758	271,525	45,864	(401,130)	166,032
Fair value losses on available-for-sale financial assets	-	-	-	-	(20,414)	-	-	-	(20,414)
Currency translation differences	-	-	-	1,681	-	-	-	-	1,681
Expense on share-based payment	-	-	-	-	-	19,321	69,286	-	88,607
Expiry of share option	-	-	-	-	-	(122,148)	-	122,148	-
Issue of shares pursuant to exercise of employee share options	-	-	-	-	-	(21,660)	-	-	(21,660)
Vesting of shares under Restricted Share Award Scheme	-	-	-	-	-	-	(51,501)	-	(51,501)
Transfer from retained earnings	-	-	157,605	-	-	-	-	-	157,605
Share buyback	-	-	-	-	-	-	-	-	-
Decrease in non-controlling interests as a result of acquisition of additional interests in subsidiaries from non-controlling interests (Note 48)	-	-	-	-	-	-	-	(653,564)	(653,564)
At 31 December 2014	15,586	(763,427)	1,172,517	(23,375)	(12,656)	147,038	63,649	(932,546)	(333,214)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29 RESERVES (Continued)

(a) Group (Continued)

	Capital redemption reserve	Merger reserve	Statutory reserve	Translation reserve	Investment revaluation reserve	Employee share option scheme	Restricted Share Award Scheme	Other reserves	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2013	14,376	(763,427)	886,669	(52,730)	(10,879)	294,527	12,869	(46,145)	335,260
Fair value losses on available-for-sale financial assets	-	-	-	-	(2,309)	-	-	-	(2,309)
Reserves realized upon disposal of available-for-sale financial assets (Note 38)	-	-	-	-	20,946	-	-	-	20,946
Currency translation differences	-	-	-	27,674	-	-	-	-	27,674
Expense on share-based payment	-	-	-	-	-	42,443	50,596	-	93,039
Expiry of share option	-	-	-	-	-	(29,910)	-	29,910	-
Issue of shares pursuant to exercise of employee share options	-	-	-	-	-	(35,535)	-	-	(35,535)
Vesting of shares under Restricted Share Award Scheme	-	-	-	-	-	-	(17,601)	-	(17,601)
Transfer from retained earnings	-	-	128,243	-	-	-	-	-	128,243
Share buyback	1,210	-	-	-	-	-	-	-	1,210
Decrease in non-controlling interests as a result of acquisition of additional interests in subsidiaries from non-controlling interests	-	-	-	-	-	-	-	(384,895)	(384,895)
At 31 December 2013	15,586	(763,427)	1,014,912	(25,056)	7,758	271,525	45,864	(401,130)	166,032

Statutory reserves represent reserves of the PRC incorporated companies which are set aside for future development purposes in accordance with the regulations in the PRC. The allocation is based on certain percentages of the companies' profit of the year, which is allocated on an annual basis.

(b) Company

	RMB'000
At 1 January 2014	445,832
Employee share options	13,004
Issue of shares pursuant to exercise of employee share options	(20,547)
Restricted Share Award Scheme	63,649
At 31 December 2014	501,938
At 1 January 2013	446,360
Employee share options	33,797
Issue of shares pursuant to exercise of employee share options	(35,535)
Share buyback	1,210
At 31 December 2013	445,832

30 SHARE OPTIONS

Share options are granted to several directors and to selected employees, in which 40% of the options are exercisable after 1 year from the grant date; additional 30% of the options are exercisable after 2 years from the grant date, and remaining 30% of the options are exercisable after 3 years from the grant date. The options have a contractual option term of 5 years. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	Average exercise price in HK dollar per share HKD	Shares (thousands)
At 1 January 2014	4.90	168,447
Lapsed during the year	7.29	(60,074)
Exercised during the year	3.57	(19,379)
At 31 December 2014	3.57	88,994

Out of the 88,994,000 outstanding options (2013: 168,447,000), 39,665,200 (2013: 86,278,000) were exercisable as at 31 December 2014.

Share options outstanding as at 31 December 2014 have the following expiry dates and exercise prices:

Expiry date	Exercise price in HK dollar per share	Shares (thousands)
12 January 2017	3.57	88,994

No options were granted for the year ended 31 December 2014 (2013: nil). The weighted average fair value of options granted during the prior years was determined using the binomial lattice model. Significant inputs into the model included weighted average share prices, volatility assumptions, dividend yields as well as annual risk-free interest rate estimations.

31 CONVERTIBLE SECURITIES

On 27 July 2010, Sino-ocean Land Capital Finance Limited, a wholly owned subsidiary, issued perpetual subordinated convertible securities (the "convertible securities"), callable in 2015, with an initial aggregate principal amount of USD900,000,000, equivalent to RMB 5,969,279,000.

Such convertible securities are guaranteed by and convertible into shares of the Company, at the same time bear distribution at a rate of 8% per annum, payable semi-annually. The issuer of the convertible securities may elect to defer distribution, and is not subject to any limits as to the number of times distribution can be deferred.

Holders of the convertible securities have the right to convert such convertible securities into shares of the Company at any time, commencing from 12 months after the issue date, at a fixed price of HKD6.85 per share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 CONVERTIBLE SECURITIES *(Continued)*

As the convertible securities have no contracted obligation to repay its principal nor to pay any distributions, they do not meet the definition for classification of a financial liabilities under HKAS 32. As a result, the whole instrument is classified as part of equity, and respective distributions if and when declared are treated as equity dividends.

From June 2013 to September 2013, the Group repurchased all the convertible securities with a cash consideration of RMB 5,698,532,000. The difference of the cash consideration paid and the carrying amounts of the convertible securities, amounting to RMB270,747,000, which mainly represented the exchange gain arising from the convertible securities, was recognised in the retained earnings.

32 CAPITAL SECURITIES

On 13 May 2011, Sino-Ocean Land (Perpetual Finance) Limited, a wholly owned subsidiary, issued the perpetual bonds (the “capital securities”) callable in 2016, with an initial aggregate principal amount of USD400,000,000, equivalent to RMB2,532,866,000.

Such capital securities are guaranteed by the Company, at the same time bear distribution at a rate of 10.25% per annum, payable semi-annually. The issuer of the capital securities may elect to defer distribution, and is not subject to any limits as to the number of times distribution can be deferred.

As the Group have no contracted obligation to repay its principal nor to pay any distributions, the capital securities do not meet the definition as financial liabilities under HKAS 32 under the term of the capital securities. As a result, the whole instrument is classified as equity, and respective distributions if and when declared are treated as equity dividends.

33 BORROWINGS

	As at 31 December			
	Group		Company	
	2014 RMB'000	2013 RMB'000	2014 RMB'000	2013 RMB'000
Non-current				
Bank borrowings (a)	18,396,561	17,323,357	7,368,468	4,789,797
Other borrowings (b)	16,040,615	5,132,268	–	–
Total non-current borrowings	34,437,176	22,455,625	7,368,468	4,789,797
Current				
Current portion of long-term bank borrowings (a)	6,213,853	7,746,273	702,108	1,140,835
Current portion of long-term other borrowings (b)	3,960,220	400,000	–	–
Short-term bank borrowings (a)	530,595	3,779,130	30,595	1,063,774
Short-term other borrowings (b)	462,000	913,806	–	–
Total current borrowings	11,166,668	12,839,209	732,703	2,204,609
Total borrowings	45,603,844	35,294,834	8,101,171	6,994,406

33 BORROWINGS *(Continued)*

- (a) As at 31 December 2014, bank borrowings amounting to RMB11,711,354,000 were secured by investment properties (Note 9), properties under development (Note 19), completed properties held for sale (Note 23) of the Group.

As at 31 December 2013, bank borrowings amounting to RMB17,158,437,722 were secured by investment properties (Note 9), properties under development (Note 19), completed properties held for sale (Note 23) of the Group.

As at 31 December 2014, no bank borrowing of the Company (2013:RMB670,659,000) was secured by properties under development of a subsidiary of the Group.

- (b) Other borrowings

	As at 31 December	
	2014 RMB'000	2013 RMB'000
Bond issuance (i)	2,560,220	2,480,268
Guaranteed note (ii)	7,211,005	–
Borrowings from trust companies (iii)	8,838,000	3,050,000
Borrowings from a shareholder (iv)	–	609,690
Borrowings from the subsidiaries of a joint venture (v)	1,187,610	–
Borrowings from third parties (vi)	666,000	306,116
	20,462,835	6,446,074
Less: non-current portion	(16,040,615)	(5,132,268)
Current portion	4,422,220	1,313,806

- (i) On 23 June 2009, Sino-Ocean Land Limited, a wholly owned subsidiary of the Company, issued bonds with an aggregate principal amount of RMB2,600,000,000 with maturity period of 6 years and net proceeds of RMB2,576,900,000 (net of issuance costs of RMB23,100,000). The bond carries a fixed annual interest rate of 4.40% for the first three years and the Group has an option to increase such interest rate from 0 to 100 basis points at the end of the third year. Interest is payable annually, with the principal fully repayable on 22 June 2015. The bond holders have the right to sell all or part of the bond at its face value to the issuer from the interest payment date of the third year.

In 2012, the interest rate of such bond has been increased to 5.40% per annum. No further changes on terms of the bond happened since then.

- (ii) In July 2014, Sino-Ocean Land Treasure Finance I Limited, a wholly-owned subsidiary, issued a guaranteed note with principal amount of USD500,000,000 at an interest rate of 4.625% per annum due in 2019 (the “2019 Notes”) and another note with principal amount of USD700,000,000 at an interest rate of 6.000% per annum due in 2024 (the “2024 Notes”, together with the 2019 Notes, the “Notes”). The net proceeds of the Notes were USD1,181,000,000 (net of issuance costs of USD19,000,000). The Notes are unsecured and guaranteed by the Company.
- (iii) Such loans bear interest from 6.95% to 9.5% per annum, RMB7,250,000,000 of the loan portion (2013: RMB2,650,000,000) are repayable after one year and are included in non-current portion.
- (iv) The balances represent the loans from a shareholder as at 31 December 2013 and are fully repaid during the year.
- (v) The balances represent the loans from four subsidiaries of a joint venture of the Group as at 31 December 2014 due to disposal of the entire interests in subsidiaries (Note 49(b)). Such loans bear interest from 3.5% to 7.6% per annum. Approximating RMB913,610,000 of the loan portion (2013: nil) are repayable after one year and are included in the non-current portion.
- (vi) The balances represent the loans from an individual third party, bearing interest at 7.8% per annum as at 31 December 2014, and are repayable after one year and included in the non-current portion.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

33 BORROWINGS (Continued)

(c) The maturities of the Group's total borrowings at respective balance sheet dates are set out as follows:

	As at 31 December	
	2014 Bank and other borrowings RMB'000	2013 Bank and other borrowings RMB'000
Total borrowings		
– Within 1 year	11,166,668	12,839,209
– Between 1 and 2 years	9,117,354	7,039,243
– Between 2 and 5 years	20,585,402	12,030,882
– Over 5 years	4,734,420	3,385,500
	45,603,844	35,294,834

	As at 31 December			
	Bank borrowings		Other borrowings	
	2014 RMB'000	2013 RMB'000	2014 RMB'000	2013 RMB'000
Wholly repayable within 5 years	24,613,009	26,979,260	16,256,415	4,744,074
Wholly repayable after 5 years	528,000	1,869,500	4,206,420	1,702,000
	25,141,009	28,848,760	20,462,835	6,446,074

(d) The Group's borrowings denominated in RMB, HKD and USD respectively are set out as follows:

	As at 31 December	
	2014 RMB'000	2013 RMB'000
Denominated in:		
– RMB	29,900,481	26,389,432
– HKD	4,968,764	2,763,360
– USD	10,734,599	6,142,042
	45,603,844	35,294,834

(e) The weighted average effective interest rates at the respective balance sheet dates are set out as follows:

	As at 31 December	
	2014	2013
Bank borrowings	6.52%	6.34%
Other borrowings	8.23%	9.34%

33 BORROWINGS *(Continued)*

(f) The exposure of the Group's borrowings to interest-rate changes and the contractual repricing dates are as follows:

	As at 31 December	
	2014 RMB'000	2013 RMB'000
Within 6 months	14,289,777	17,659,041
Between 6 and 12 months	6,659,044	7,971,901
Between 1 and 5 years	24,655,023	9,663,892
	45,603,844	35,294,834

(g) The fair value of non-current borrowings approximate their carrying amount, as the impact of discounting is not significant. The fair values are based on cash flows discounted using a rate based on the borrowing rate of 6.52% (2013: 6.34%) and are within Level 2 of the fair value hierarchy.

34 DEFERRED INCOME TAX

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

	As at 31 December	
	2014 RMB'000	2013 RMB'000
Deferred income tax assets:		
– to be recovered after more than 12 months	935,709	1,199,787
– to be recovered within 12 months	147,148	740,632
	1,082,857	1,940,419
Deferred income tax liabilities:		
– to be recovered after more than 12 months	(1,978,918)	(1,853,313)
– to be recovered within 12 months	(10,864)	–
	(1,989,782)	(1,853,313)
Deferred income tax (liabilities)/assets, net	(906,925)	87,106

The gross movement on the deferred income tax account is as follows:

	Year ended 31 December	
	2014 RMB'000	2013 RMB'000
At beginning of the year	(87,106)	(695,812)
Recognized in the income statement (Note 42)	773,027	614,010
Disposal of subsidiaries (Note 49)	221,004	(5,304)
At end of the year	906,925	(87,106)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

34 DEFERRED INCOME TAX *(Continued)*

The movement in deferred income tax assets and liabilities during the years ended 31 December 2014 and 2013, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred income tax assets

	Recognition of expenses RMB'000	Recognition of financial guarantee liabilities RMB'000	Unrealized gains RMB'000	Tax losses RMB'000	Total RMB'000
At 1 January 2014	1,219,764	11,912	470,559	238,184	1,940,419
Credited/(charged) to income statement	(161,133)	5,534	(426,395)	(41,676)	(623,670)
Disposal of subsidiaries (Note 49)	(128,839)	(9,260)	–	(95,793)	(233,892)
At 31 December 2014	929,792	8,186	44,164	100,715	1,082,857
At 1 January 2013	1,503,248	12,469	708,889	169,286	2,393,892
Credited/(charged) to income statement	(283,484)	(557)	(238,330)	68,898	(453,473)
At 31 December 2013	1,219,764	11,912	470,559	238,184	1,940,419

Deferred income tax liabilities

	Depreciation difference RMB'000	Investment properties revaluation RMB'000	Property revaluation RMB'000	Others RMB'000	Total RMB'000
At 1 January 2014	(47,470)	(1,356,896)	(443,827)	(5,120)	(1,853,313)
Credited/(charged) to income statement	(4,840)	(176,565)	41,320	(9,272)	(149,357)
Partial disposal of interests in a subsidiary (Note 49(a))	–	–	12,888	–	12,888
At 31 December 2014	(52,310)	(1,533,461)	(389,619)	(14,392)	(1,989,782)
At 1 January 2013	(60,157)	(1,134,940)	(497,863)	(5,120)	(1,698,080)
Credited/(charged) to income statement	8,856	(221,956)	52,563	–	(160,537)
Disposal of a subsidiary	3,831	–	1,473	–	5,304
At 31 December 2013	(47,470)	(1,356,896)	(443,827)	(5,120)	(1,853,313)

Deferred income tax assets are recognized for tax losses carry-forwards to the extent that the realization of the related benefit through the future profits is probable. These tax losses are going to expire within five years. The Group did not recognize deferred income tax assets of RMB41,849,000 (2013: RMB28,286,000) in respect of losses amounting to RMB167,396,000 (2013: RMB113,144,000) that can be carried forward against future taxable income.

Deferred income tax liabilities of RMB568,988,000 (2013: RMB253,716,000) have not been recognized for the withholding tax that would be payable on the undistributed earnings of certain subsidiaries. Such amounts are permanently reinvested. Undistributed earnings totalled RMB7,785,106,000 at 31 December 2014 (2013: RMB 5,074,140,000).

35 TRADE AND OTHER PAYABLES

(a) Group

	As at 31 December	
	2014 RMB'000	2013 RMB'000
Trade payables	8,951,250	10,937,489
Accrued expenses	1,864,616	2,356,079
Amounts due to a shareholder (i)	–	400,000
Amounts due to joint ventures (i)	372,445	–
Amounts due to associates (i)	1,083,999	385
Amounts due to non-controlling interests (i)	68,192	306,762
Amounts due to government	186,786	265,000
Other taxes payable	515,649	518,509
Provision for financial guarantee liabilities (ii)	70,756	114,593
Other payables	4,661,863	3,088,404
	17,775,556	17,987,221
Less: non-current portion	(13,377)	–
Current portion	17,762,179	17,987,221

The carrying amounts of trade payables and other payables approximate their fair values.

- (i) Amounts due to a shareholder, joint ventures, associates, non-controlling interests are unsecured, interest free, and repayable on demand.
- (ii) The provision for financial guarantee liabilities given for purchasers of the Group's properties as set out in Note 46 is as follows:

	Year ended 31 December	
	2014 RMB'000	2013 RMB'000
At beginning of the year	114,593	82,255
Addition	34,219	92,033
Derecognition	(41,119)	(59,695)
Disposals of subsidiaries	(36,937)	–
At end of the year	70,756	114,593

- (iii) An ageing analysis of the trade payables is as follows:

	As at 31 December	
	2014 RMB'000	2013 RMB'000
Within 6 months	5,257,787	7,544,009
Between 6 months to 12 months	1,475,718	2,057,529
Between 1 year to 2 years	1,988,544	1,186,824
Between 2 years to 3 years	160,265	97,766
Over 3 years	68,936	51,361
	8,951,250	10,937,489

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35 TRADE AND OTHER PAYABLES *(Continued)*

(b) Company

	As at 31 December	
	2014 RMB'000	2013 RMB'000
Other payables	49,377	30,404

36 ADVANCES RECEIPTS FROM CUSTOMERS

These represent amounts received from customers for sale of properties, where the risks and rewards of the properties sold had not yet been transferred as at year-end.

37 INTEREST AND OTHER INCOME

	Year ended 31 December	
	2014 RMB'000	2013 RMB'000
Interest income	313,767	271,613
Dividend income from available-for-sale financial assets	27,075	11,960
Others	45,005	92,591
	385,847	376,164

The balances include investment income which comprise of interest income from entrusted loans and dividend income from available-for-sale financial assets.

38 OTHER GAINS/(LOSSES) – NET

	Year ended 31 December	
	2014 RMB'000	2013 RMB'000
Losses on partial disposal of interests in a subsidiary (Note 49(a))	(44,341)	–
Gains on disposal of entire interests in subsidiaries (Note 49(b))	25,448	27,489
Gains on disposal of a joint venture	214	1,666
Gains on disposal of an associate	2	–
Fair value losses of other investment	–	(672)
Gains/(losses) on disposal of other investment	1,207	(5,601)
Gains on revaluation of financial assets at fair value through profit or loss	24,388	10,299
Gains on disposal of financial assets at fair value through profit or loss	25,619	3,629
(Losses)/gains on disposal of property, plant and equipment	(4,309)	63
Gains/(losses) on disposal of available-for-sale financial assets	49,800	(20,946)
Exchange gains	3,257	100,120
Gains on de-recognition of derivative financial instrument	–	19,121
Other gains/(losses)	21,583	(32,710)
	102,868	102,458

39 EXPENSES BY NATURE

Expenses by nature comprised cost of sales, selling and marketing expenses and administrative expenses as follows:

	Year ended 31 December	
	2014 RMB'000	2013 RMB'000
Cost of properties and land use rights sold:		
– Land use rights	7,594,690	4,959,728
– Capitalized interest	1,627,960	1,009,184
– Construction related cost	15,867,499	13,415,850
Cost of up fitting services rendered	1,909,763	1,495,678
Direct investment property expenses (Note 9)	114,332	95,285
Employee benefit expense (Note 40)	886,984	566,085
Consultancy fee	186,362	190,046
Auditor's remuneration	14,035	13,826
Depreciation (Note 7)	35,291	33,669
Amortization of land use rights (Note 8)	246	246
Advertising and marketing	741,109	765,850
Business taxes and other levies	2,262,435	1,862,785
Impairment losses	665,262	28,126
Office expenditure	138,537	117,734
Properties maintenance expenses	268,827	254,131
Energy expenses	97,135	75,743
Others	176,128	128,569
	32,586,595	25,012,535

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

40 EMPLOYEE BENEFITS EXPENSE

The employee benefits expense of the Group, including its directors' emoluments is as follows:

	Year ended 31 December	
	2014 RMB'000	2013 RMB'000
Salaries, wages and bonuses	1,004,130	686,695
Retirement benefits contribution	79,556	70,294
Share options granted to directors and employees	19,321	42,443
Restricted Share Award Scheme	69,286	50,596
Other allowances and benefits	183,735	171,949
	1,356,028	1,021,977
Less: capitalized in properties under development	(469,044)	(455,892)
	886,984	566,085

The Group's employees participate in various retirement benefit plans organized by the relevant municipal and provincial government in the PRC under which the Group was required to make monthly contributions at rates ranging from 10% to 20%, depending on the applicable local regulations, of the employees' salary for the years ended 31 December 2014 and 2013.

In addition, the Group participates in a pension scheme under the rules and regulations of the Mandatory Provident Fund Scheme for all employees in Hong Kong. The contributions to the Mandatory Provident Fund Scheme are based on minimum statutory contribution requirement of 5% of eligible employees' relevant aggregate income (with a cap of HKD30,000).

40 EMPLOYEE BENEFITS EXPENSE (Continued)

(a) Directors' emoluments

The remunerations of every director for the years are set out below:

	2014						2013					
	Employer's contribution to retirement						Employer's contribution to retirement					
	Salary and bonus		benefit scheme	Other long-term welfare	Share-based payments	Total	Salary and bonus		benefit scheme	Other long-term welfare	Share-based payments	Total
	Fees					Fees						
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Mr. Li Ming	-	4,760	3,400	1,088	9,551	18,799	-	4,760	3,060	1,081	8,084	16,985
Mr. Chen Runfu	-	1,650	88	-	2,682	4,420	-	2,240	81	-	1,921	4,242
Mr. Wen Haicheng	-	1,750	88	-	3,014	4,852	-	1,550	81	-	2,169	3,800
Ms. Liu Hui	-	2,890	74	-	899	3,863	-	-	-	-	269	269
Mr. Yang Zheng	-	-	-	-	240	240	-	-	-	-	234	234
Mr. Cheung Sai Sing	276	-	-	-	240	516	236	-	-	-	234	470
Mr. Tsang Hing Lun	276	-	-	-	269	545	236	-	-	-	329	565
Mr. Gu Yunchang	276	-	-	-	269	545	236	-	-	-	329	565
Mr. Han Xiaojing	276	-	-	-	269	545	236	-	-	-	329	565
Mr. Zhao Kang	276	-	-	-	269	545	236	-	-	-	329	565
Mr. Fang Jun (a)	-	-	-	-	97	97	-	-	-	-	-	-
Mr. Zhong Zhengguang (a)	176	-	-	-	97	273	-	-	-	-	-	-
	1,556	11,050	3,650	1,088	17,896	35,240	1,180	8,550	3,222	1,081	14,227	28,260

(a) Mr. Fang Jun and Mr Zhong Zhengguang were appointed as Non-executive Director on 13 May 2014.

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include two (2013: two) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining three (2013: three) highest paid individuals during the year are as follows:

	Year ended 31 December	
	2014 RMB'000	2013 RMB'000
Basic salaries and allowance	5,550	5,150
Bonuses	1,480	3,140
Retirement scheme contributions	362	368
Share-based payments	9,443	7,771
	16,835	16,429

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

40 EMPLOYEE BENEFITS EXPENSE *(Continued)*

(b) Five highest paid individuals *(Continued)*

The emoluments fell within the following bands:

	Year ended 31 December	
	2014	2013
RMB3,550,000 (equivalent to HK\$4,500,000) to RMB3,944,000 (equivalent to HK \$5,000,000)	1	–
RMB3,944,000 (equivalent to HK\$5,000,000) to RMB4,339,000 (equivalent to HK \$5,500,000)	–	1
RMB4,733,000 (equivalent to HK\$6,000,000) to RMB5,128,000 (equivalent to HK\$6,500,000)	1	–
RMB5,128,000 (equivalent to HK\$6,500,000) to RMB5,522,000 (equivalent to HK\$7,000,000)	1	2
RMB5,917,000 (equivalent to HK\$7,500,000) to RMB6,311,000 (equivalent to HK\$8,000,000)	–	1
RMB6,311,000 (equivalent to HK\$8,000,000) to RMB6,705,000 (equivalent to HK\$8,500,000)	1	–
RMB16,961,000 (equivalent to HK\$21,500,000) to RMB17,355,000 (equivalent to HK\$22,000,000)	–	1
RMB18,538,000 (equivalent to HK\$23,500,000) to RMB18,933,000 (equivalent to HK\$24,000,000)	1	–
	5	5

- (c) During the years ended 31 December 2014 and 2013, no emoluments were 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 losses of office.

41 FINANCE COSTS

	Year ended 31 December	
	2014 RMB'000	2013 RMB'000
Interest expense:		
– Bank borrowings	1,967,441	1,520,427
– Other borrowings	1,196,773	1,064,320
Less: interest capitalized at a capitalization rate of 7.08% (2013: 7.33%) per annum	(2,695,138)	(2,221,143)
	469,076	363,604

42 INCOME TAX EXPENSE

Majority of the group entities are subjected to PRC enterprise income tax, which has been provided based on the statutory income tax rate of 25% of the assessable income of each of these group entities for the years ended 31 December 2014 and 2013. Other group entities are mainly subject to Hong Kong profits tax.

The amount of income tax expense charged to the income statement represents:

	Year ended 31 December	
	2014 RMB'000	2013 RMB'000
Current income tax:		
— PRC enterprise income tax	1,345,835	1,285,697
— PRC land appreciation tax	629,966	780,074
Deferred income tax (Note 34)	773,027	614,010
	2,748,828	2,679,781

Taxation on the Group's profit before tax differs from the theoretical amount that would arise using the enacted tax rate of the home country of the Group as follows:

	Year ended 31 December	
	2014 RMB'000	2013 RMB'000
Profit before income tax	7,355,057	7,340,897
Adjust for: Share of results of joint ventures	(299,793)	(347,390)
Share of results of associates	(134,965)	16,311
	6,920,299	7,009,818
Tax calculated at a tax rate of 25%	1,730,075	1,752,455
Effect of higher tax rate for the appreciation of land in the PRC	472,475	585,056
Income not subject to tax	(1,307)	(333)
Expenses not deductible for tax purposes	219,018	199,074
Dividend withholding tax	120,946	151,972
Tax losses not recognized	235,558	70,689
Utilization of previously unrecognized tax losses	(27,937)	(79,132)
Income tax expense	2,748,828	2,679,781

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

43 EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the company by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the Company and held as share held for Restricted Share Award Scheme (Note 27).

	Year ended 31 December	
	2014	2013
Profit attributable to owners of the Company (RMB'000)	4,597,292	4,074,741
Distribution relating to convertible and capital securities (RMB'000)	(252,249)	(511,880)
Profit used to determine basic earnings per share (RMB'000)	4,345,043	3,562,861
Weighted average number of ordinary shares in issue (thousands)	7,362,275	6,015,516
Basic earnings per share (RMB per share)	0.590	0.592

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to, assume conversion of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: share options, and shares held for the Restricted Share Award Scheme. For the share options and shares held for the Restricted Share Award Scheme, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's shares during the year) based on the monetary value of the subscription rights attached to outstanding share options and the unvested awarded shares.

	Year ended 31 December	
	2014	2013
Profit attributable to owners of the Company (RMB'000)	4,597,292	4,074,741
Distribution relating to convertible and capital securities (RMB'000)	(252,249)	(511,880)
Profit used to determine diluted earnings per share (RMB'000)	4,345,043	3,562,861
Weighted average number of ordinary shares in issue (thousands)	7,362,275	6,015,516
Adjustment for:		
– share options (thousands)	21,799	34,841
– shares held for the Restricted Share Award scheme (thousands)	2,057	2,933
Weighted average number of ordinary shares for diluted earnings per share (thousands)	7,386,131	6,053,290
Diluted earnings per share (RMB per share)	0.588	0.589

44 DIVIDENDS

	Year ended 31 December	
	2014 RMB'000	2013 RMB'000
Interim dividend paid	443,785	325,725
Proposed final dividend of RMB0.13 (2013: RMB0.13) per ordinary share (a)	981,664	920,391

(a) On 17 March 2015, the Company proposed a final dividend of RMB981,664,000 for the year ended 31 December 2014.

45 CASH GENERATED FROM OPERATIONS

	Year ended 31 December	
	2014 RMB'000	2013 RMB'000
Profit for the year	4,606,229	4,661,116
Adjustments for:		
– Income tax expense (Note 42)	2,748,828	2,679,781
– Depreciation (Note 7)	35,291	33,669
– Amortization of land use rights (Note 8)	246	246
– Valuation gains on investment properties (Note 9)	(591,165)	(807,950)
– Goodwill related to properties sold, charged to cost of sales (Note 10)	33,174	217,763
– Share of results of joint ventures (Note 12)	(238,936)	(347,030)
– Gains on disposal of a joint venture (Note 38)	(214)	(1,666)
– Share of results of associates (Note 13)	(125,334)	35,839
– Gains on disposal of an associate (Note 38)	(2)	–
– Dividend income from available-for-sale financial assets (Note 37)	(27,075)	(11,960)
– Interest income	(199,827)	(95,793)
– Losses on partial disposal of interests in a subsidiary (Note 38)	44,341	–
– Losses/(gains) on disposal of entire interests in subsidiaries (Note 38)	(25,448)	(27,489)
– (Gains)/losses on disposal of available-for-sale financial assets (Note 38)	(49,800)	20,946
– Losses/(gains) on sale of property, plant and equipment (Note 38)	4,309	(63)
– Fair value losses from other investment (Note 38)	–	672
– Fair value gains on financial assets at fair value through profit or loss (Note 38)	(24,388)	(10,299)
– Gains on de-recognition of derivative financial instrument (Note 38)	–	(19,121)
– Other (gains)/losses	(21,583)	32,710
– Impairment losses (Note 39)	665,262	28,126
– Finance costs (Note 41)	469,076	363,604
– Exchange (gains)/losses	(12,802)	58,563
– Share-based payments (Note 29)	88,607	93,039
	7,378,789	6,904,703
Changes in working capital (excluding the effects of acquisition and exchange differences on consolidation):		
– Completed properties held for sale	(11,739,800)	(5,372,908)
– Inventories, at cost	11,501	(20,250)
– Amounts due from customers for contract work	(316,021)	(164,376)
– Trade and other receivables	(12,230,687)	(215,259)
– Land development cost recoverable	(447,861)	(75,347)
– Prepayments for land use rights	4,057,938	(7,262,376)
– Trade and other payables	10,116,169	1,924,785
– Other investments	19,676	42,743
– Financial assets at fair value through profit or loss	(447,364)	7,962
– Prepayments	(335,562)	440,757
– Advance receipts from customers	(10,555,127)	3,922,327
– Properties under development	15,354,476	5,866,270
– Restricted bank deposits	1,103,852	602,165
Cash generated from operations	1,969,979	6,601,196

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

45 CASH GENERATED FROM OPERATIONS *(Continued)*

In the consolidated cash flow statement, proceeds from sale of property, plant and equipment comprise:

	Year ended 31 December	
	2014 RMB'000	2013 RMB'000
Net book amount (Note 7)	8,987	7,110
(Losses)/gains on disposal of property, plant and equipment (Note 38)	(4,309)	63
Proceeds from disposal of property, plant and equipment	4,678	7,173

46 FINANCIAL GUARANTEES

(a) Group

The Group had the following financial guarantees as 31 December 2014 and 2013:

	As at 31 December	
	2014 RMB'000	2013 RMB'000
Guarantees in respect of mortgage facilities for certain purchasers	4,229,375	5,733,299

As at 31 December 2014 and 2013, the Group provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period starts from the dates of grant of the relevant mortgage loans and ends when the property purchasers obtain the "property title certificate" which is then pledged with the banks.

(b) Company

As at 31 December 2014, the Company provided financial guarantees to certain subsidiaries for their borrowings, as well as for the issuance of capital securities (Note 32).

As at 31 December 2013, the Company provided financial guarantees to certain subsidiaries for their borrowings, as well as for the issuance of capital securities (Note 32).

47 COMMITMENTS

(a) Capital commitments

(i) Capital commitments – Group

Capital expenditures contracted for at the balance sheet date but not yet incurred are as follows:

	As at 31 December	
	2014 RMB'000	2013 RMB'000
Land use rights	1,800,300	2,679,935
Properties under development	6,780,339	9,606,370
Contracted but not provided for	8,580,639	12,286,305

(ii) Capital commitments – Company

There are no capital commitments relating to the Company for the year ended 2014 and 2013.

(b) Operating lease rental receivables

(i) Operating lease rental receivables – Group

The future aggregate minimum lease rental receivables under non-cancellable operating leases in respect of land and buildings are as follows:

	As at 31 December	
	2014 RMB'000	2013 RMB'000
Within 1 year	703,150	618,627
Between 1 to 5 years	1,009,981	843,897
Over 5 years	618,994	736,788
	2,332,125	2,199,312

(ii) Operating lease rental receivables – Company

There are no operating lease rental receivables relating to the Company for the year ended 2014 and 2013.

48 TRANSACTIONS WITH NON-CONTROLLING INTERESTS

(a) Acquisition of additional interests in subsidiaries

- (i) In June 2014, the Group acquired an additional 20% equity interest in Zhongshan Yuanjian Real Estate Development Limited (“Zhongshan Yuanjian”) at consideration of RMB72,530,000. The effect of changes in the ownership interests of Zhongshan Yuanjian on the equity attributable to owners of the Company during the period is summarized as follows:

	As at 31 December 2014 RMB'000
Carrying amount of non-controlling interests acquired	42,354
Consideration paid to non-controlling interests	(72,530)
Excess of consideration paid recognized within equity	(30,176)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

48 TRANSACTIONS WITH NON-CONTROLLING INTERESTS *(Continued)*

(a) Acquisition of additional interests in subsidiaries *(Continued)*

- (ii) In August 2014, the Group acquired an additional 5.9% equity interest of Sino-Ocean Property (Tianjin) Co., Ltd. (“Sino-Ocean Tianjin”) at consideration of RMB19,000,000. The effect of changes in the ownership interest of Sino-Ocean Tianjin on the equity attributable to owners of the Company during the period is summarized as follows:

	As at 31 December 2014 RMB'000
Carrying amount of non-controlling interests acquired	28,941
Consideration paid to non-controlling interests	(19,000)
Gain on transaction with non-controlling interests	9,941

- (iii) In October 2014, the Group acquired an additional 24.5% equity interest of Poly Link Management Limited (“Poly Link”) from Richwise Holdings Limited (“Richwise”) at consideration of RMB1,090,000,000. The effect of changes in the ownership interest of Poly Link on the equity attributable to owners of the Company during the period is summarized as follows:

	As at 31 December 2014 RMB'000
Carrying amount of non-controlling interests acquired	810,219
Consideration paid to non-controlling interests	(1,060,000)
Consideration payable to non-controlling interests	(30,000)
Excess of consideration paid recognized within equity	(279,781)

- (iv) In November 2014, the Group acquired the remaining 24.5% equity interest of Poly Link Management Limited (“Poly Link”) from Sanca (H.K.) Limited (“Sanca”) at consideration of RMB1,090,000,000. The effect of changes in the ownership interest of Poly Link on the equity attributable to owners of the Company during the period is summarized as follows:

	As at 31 December 2014 RMB'000
Carrying amount of non-controlling interests acquired	810,941
Consideration paid to non-controlling interests	(1,090,000)
Excess of consideration paid recognized within equity	(279,059)

48 TRANSACTIONS WITH NON-CONTROLLING INTERESTS *(Continued)*

(a) Acquisition of additional interests in subsidiaries *(Continued)*

- (v) In December 2014, the Group acquired an additional 30% equity interest of Shenzhen Le'an Real Estate Limited ("Shenzhen Le'an") at consideration of RMB14,000,000. The effect of changes in the ownership interest of Shenzhen Le'an on the equity attributable to owners of the Company during the period is summarized as follows:

	As at 31 December 2014 RMB'000
Carrying amount of non-controlling interests acquired	2,910
Consideration paid to non-controlling interests	(14,000)
Excess of consideration paid recognized within equity	(11,090)

- (vi) In December 2014, the Group acquired an additional 30% equity interest of Changchun Dongfang Lianhe Real Estate Limited ("Changchun Dongfang") at consideration of RMB170,000,000. The effect of changes in the ownership interest of Changchun Dongfang on the equity attributable to owners of the Company during the period is summarized as follows:

	As at 31 December 2014 RMB'000
Carrying amount of non-controlling interests acquired	106,601
Consideration paid to non-controlling interests	(170,000)
Excess of consideration paid recognized within equity	(63,399)

- (b) Effects of transactions with non-controlling interests on the equity attributable to equity holders for the year ended 31 December 2014:

	2014 RMB'000
Total comprehensive income for the year attributable to the owners of the Company	4,578,559
Changes in equity attributable to owners of the Company arising from the acquisition of additional interests in a subsidiary	(653,564)
	3,924,995

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

49 DISPOSAL OF SUBSIDIARIES

(a) Partial disposal of interests in a subsidiary

In April 2014, the Group entered into an agreement with Skyland Union Holdings Limited (“Skyland”), an independent third party, to dispose of a 45% interests in Chongqing Yuanteng, a subsidiary of the Group, at a consideration of HKD679,796,000, equivalent to RMB539,785,000. Upon completion of the disposal, the Group lost control over Chongqing Yuanteng. The Group’s share of interests in Chongqing Yuanteng was decreased from 87.25% to 42.25%. The effect of partial disposal of a subsidiary on the equity attributable to owners of the Company during the period is summarized as follows:

	2014 RMB'000
Proceeds received in cash on disposal of subsidiary	60,000
Receivable on disposal of partial interests in Chongqing Yuanteng	479,785
Fair value of the Group’s remaining interests	421,663
Carrying value of the Chongqing Yuanteng’s net assets disposed — shown as below	(1,005,789)
Loss on disposal of partial interests in Chongqing Yuanteng that resulted in loss of control	(44,341)

The assets and liabilities arising from the disposal are as follows:

	Carrying value RMB'000
Property, plant and equipment	719
Properties under development	1,211,838
Completed properties held for sale	611,912
Trade and other receivables	476,270
Deferred income tax assets	50,267
Cash and cash equivalents	181,505
Advance receipts from customers	(363,341)
Current portion of long term borrowings	(205,000)
Other payables	(961,245)
Deferred income tax liabilities	(12,888)
Non-controlling interests	15,752
Net assets disposed	1,005,789
Outflow of cash to dispose a subsidiary, net of cash disposed	
Proceeds received in cash	60,000
Cash and cash equivalents in a subsidiary disposed of	(181,505)
Net cash outflow on disposal	(121,505)

49 DISPOSAL OF SUBSIDIARIES *(Continued)*

(b) Disposal of entire interests in subsidiaries

In November 2014, the Group entered into an agreement with Sino Prosperity Holdings Two Limited, a subsidiary of the Group's joint venture, to dispose of the entire interests in Metro Splendid Limited ("Metro Splendid") and its subsidiaries. The transaction was completed in December 2014 for total consideration of USD463,000,000, equivalent to RMB2,824,300,000. The effect of disposal of a subsidiary on the equity attributable to owners of the Company during the period is summarized as follows:

	2014 RMB'000
Proceeds received in cash on disposal of the entire interests in Metro Splendid	2,824,300
Transfer of shareholder loans	(2,603,453)
Carrying value of the subsidiary disposed — shown as below	(195,399)
Gain on disposal of the subsidiary	25,448

The assets and liabilities arising from the disposal are as follows:

	Carrying value RMB'000
Property, plant and equipment	12,221
Prepayments for land use right	74,827
Properties under development	13,410,513
Completed properties held for sale	5,822,712
Inventory at cost	5,467
Amounts due from customers for contract work	490,756
Trade and other receivables	3,820,192
Deferred income tax assets	183,625
Restricted bank deposits	668,088
Cash and cash equivalents	240,834
Advance receipts from customers	(4,797,684)
Current borrowings	(1,860,308)
Non-current borrowings	(7,678,620)
Trade and other payables	(9,654,350)
Income tax payable	(229,380)
Non-controlling interests	(313,494)
Net assets disposed	195,399
Inflow of cash to dispose business, net of cash disposed	
Proceeds received in cash	2,824,300
Cash and cash equivalents in subsidiary disposed of	(240,834)
Cash inflow on disposal	2,583,466

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

50 RELATED PARTY TRANSACTIONS

Save as disclosed in Note 27, Note 33(b)(v) and Note 49(b), the following is a summary of significant related party balances and transactions entered into in the ordinary course of business between the Group and its related parties during the years ended 31 December 2014 and 2013:

(a) Sales of properties and services

	Year ended 31 December	
	2014 RMB'000	2013 RMB'000
Provision of services (i):		
– A shareholder	48,656	37,106
– A joint venture	13,760	18,774
– An associate	544,612	119,573
	607,028	175,453

(i) Sales of services mainly represent construction service, the terms of which are entered into with related parties in accordance with the terms of agreement.

(b) Transaction with an associate

	Year ended 31 December	
	2014 RMB'000	2013 RMB'000
Purchase of property, plant and equipment and properties under development	286,600	–

(c) Key management compensation

	Year ended 31 December	
	2014 RMB'000	2013 RMB'000
Salaries and other short-term employee benefits	40,081	32,719
Post-employment benefits	5,133	3,458
Other long-term welfare	1,088	1,081
Share-based payments	37,972	35,739
	84,274	72,997

50 RELATED PARTY TRANSACTIONS *(Continued)*

(d) Year-end balances arising from sales of properties and services

	As at 31 December	
	2014 RMB'000	2013 RMB'000
Receivables from related parties:		
– Joint ventures	25,718	10,951
– An associate	68,883	615
	94,601	11,566
Advance from related parties:		
– A shareholder	22,294	436
– Joint ventures	7,839	38
– An associate	1,276	33,382
	31,409	33,856
Trade payables due to related parties:		
– Joint ventures	308,459	–

- (i) Sales of services mainly represent construction service, the terms of which are entered into with related parties in accordance with the terms of agreements.

(e) Interest income

	Year ended 31 December	
	2014 RMB'000	2013 RMB'000
Interest received:		
– Joint ventures	99,751	3,426
– An associate	24,572	16,046
	124,323	19,472

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

50 RELATED PARTY TRANSACTIONS *(Continued)*

(f) Loans to related parties

	Year ended 31 December	
	2014 RMB'000	2013 RMB'000
Joint ventures:		
At 1 January	198,500	–
Loans advanced during year	2,886,056	198,500
Loans repayments received	(136,261)	–
Increase due to disposals of subsidiaries	5,694,060	–
Interest charged	(99,751)	(3,426)
Interest received	99,751	3,426
At 31 December (Note 22(c))	8,642,355	198,500
An associate:		
At 1 January	512,000	398,306
Loans advanced during year	490,000	2,212,846
Loans repayments received	(512,000)	(2,099,152)
Interest charged	(24,572)	(16,046)
Interest received	24,572	16,046
At 31 December (Note 22(d))	490,000	512,000

(g) Amounts due from related parties

	Year ended 31 December	
	2014 RMB'000	2013 RMB'000
Subsidiary of a shareholder		
At 1 January	–	–
Amounts advanced during year	300,000	–
At 31 December (Note 22(g))	300,000	–

50 RELATED PARTY TRANSACTIONS *(Continued)*

(g) Amounts due from related parties *(Continued)*

	Year ended 31 December	
	2014 RMB'000	2013 RMB'000
Joint ventures:		
At 1 January	1,173,545	1,031,333
Amounts advanced during year	5,191,572	377,112
Repayments during year	(3,020,430)	(234,900)
Increase due to disposals of subsidiaries	2,535,807	–
At 31 December (Note 22(g))	5,880,494	1,173,545
An associate:		
At 1 January	369,117	219,285
Amounts advanced during year	904,967	562,360
Repayments during year	(878,665)	(412,528)
At 31 December (Note 22(g))	395,419	369,117

(h) Advances from related parties

	Year ended 31 December	
	2014 RMB'000	2013 RMB'000
A shareholder:		
At 1 January	609,690	–
Loans advanced during year	(609,690)	609,690
Interest charged	4,770	48,506
Interest paid	(4,770)	(48,506)
At 31 December	–	609,690

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

50 RELATED PARTY TRANSACTIONS *(Continued)*

(i) Amounts due to related parties

	Year ended 31 December	
	2014 RMB'000	2013 RMB'000
A shareholder:		
At 1 January	400,000	–
Amounts advanced during year	–	400,000
Repayments during year	(400,000)	–
At 31 December (Note 35(a)(i))	–	400,000
Joint ventures:		
At 1 January	–	1,886
Amounts advanced during year	6,046,916	–
Repayments during year	(5,689,409)	(1,886)
Increase due to disposals of subsidiaries	14,938	–
At 31 December (Note 35(a)(i))	372,445	–
Associates:		
At 1 January	385	194,338
Amounts advanced during year	678,575	–
Repayments during year	–	(193,953)
Increase due to disposals of subsidiaries	405,039	–
At 31 December (Note 35(a)(i))	1,083,999	385

51 EVENTS AFTER THE BALANCE SHEET DATE

In January 2015, Sino-Ocean Land Treasure Finance II Limited (the “Issuer”), the Company’s wholly-owned subsidiary, issued a guaranteed note with principal amount of USD700,000,000 at interest rate of 4.45 per cent per annum due in 2020 (the “2020 Notes”) and another note with principal amount of USD500,000,000 at interest rate of 5.95 per cent per annum due in 2027 (the “2027 Notes”, together with the 2020 Notes, the “Notes”). The Notes are unsecured and are guaranteed by the Company.

FIVE-YEAR FINANCIAL SUMMARY

	2014	2013	2012	2011	2010
Revenue	38,896	31,099	28,658	19,897	13,721
Gross Profit	8,167	7,547	7,699	6,258	4,125
Profit attributable to owners of the Company	4,597	4,075	3,796	2,571	2,444
Total assets	132,212	137,869	128,305	110,285	92,730
Total liabilities	87,829	94,424	86,258	71,528	59,605
Shareholders' equity	43,024	40,058	38,260	35,268	31,071
Total equity	44,383	43,445	42,046	38,757	33,126

LIST OF PROJECT NAMES

	Region	Cities	Project names (Chinese)	Project names (English)	Project names used before (Chinese)	Project names used before (English)
1	Beijing-Tianjin-Hebei Region	Beijing	CBD Z6 地塊(北京)	CBD Plot Z6 (Beijing)		
2			CBD Z13 地塊(北京)	CBD Plot Z13 (Beijing)		
3			昌平未來科技城F2項目(北京)	Changping Sci-tech Park F2 Project (Beijing)		
4			通州核心區地塊 (北京)	Core Center Plot, Tongzhou District (Beijing)		
5			頤堤港(北京)	INDIGO (Beijing)	將台商務中心	Jiangtai Business Center
6			密之雲項目(北京)	Mizhiyun Project (Beijing)		
7			石景山區劉娘府項目 (北京)	Liuniangfu Project, Shijingshan District (Beijing)		
8			通州臨空新村31地塊 (北京)	Linkongxincun No. 31 plot, Tongzhou District (Beijing)		
9			遠洋都市網景(北京)	Ocean Cityscape (Beijing)		
10			遠洋•萬和公館(北京)	Ocean Crown (Beijing)	大望京項目	Dawangjing Project
11			遠洋新幹線(北京)	Ocean Express (Beijing)		
12			遠洋•萬和城(北京)	Ocean Great Harmony (Beijing)		
13			遠洋•萬和城 C 區項目(北京)	Ocean Great Harmony Plot C Project (Beijing)		
14			遠洋公館(北京)	Ocean Honored Chateau (Beijing)		
15			遠洋國際中心(北京)	Ocean International Center (Beijing)		
16			遠洋國際中心二期(北京)	Ocean International Center, Phase II (Beijing)	京棉項目	Jingmian Project
17			遠洋山水(北京)	Ocean Landscape (Beijing)		
18			遠洋•沁山水(北京)	Ocean Landscape Eastern Area (Beijing)	遠洋•沁山水 E02/03 項目	Ocean Landscape Eastern Area E02/03 Project
19			遠洋•LA VIE(北京)	Ocean LA VIE (Beijing)		
20			遠洋•傲北(北京)	Ocean Manor (Beijing)	北七家	Beiqijia Project
21			遠洋萬和四季(北京)	Ocean Melody (Beijing)		
22			遠洋新天地(北京)	Ocean Metropolis (Beijing)	門頭溝新城項目	Mentougou New Town Project
23			遠洋•光華國際(北京)	Ocean Office Park (Beijing)		
24			遠洋•東方公館(北京)	Ocean Oriental Mansion (Beijing)	通州玉橋項目	Tongzhou Yuqiao Project
25			遠洋•天著(北京)	Ocean Palace (Beijing)	亦庄三羊項目	Yizhuang Sanyang Project
26			遠洋天地(北京)	Ocean Paradise (Beijing)		
27			遠洋大廈(北京)	Ocean Plaza (Beijing)		
28			遠洋風景(北京)	Ocean Prospect (Beijing)		
29			遠洋春天著(北京)	Ocean Spring (Beijing)		
30			遠洋未來廣場(北京)	Ocean We-life Plaza (Beijing)		
31			遠洋一方(北京)	POETRY OF RIVER (Beijing)		
32			遠洋•新悅(北京)	The Place (Beijing)	遠洋一方東區	Poetry of River Eastern Area

Region	Cities	Project names (Chinese)	Project names (English)	Project names used before (Chinese)	Project names used before (English)	
33	Tianjin	遠洋香奈(天津)	Ocean Chanson (Tianjin)	奧萊二期居住項目	Outlets Phase II Residential Project	
34		遠洋城(天津)	Ocean City (Tianjin)			
35		遠洋新幹線(天津)	Ocean Express (Tianjin)			
36		遠洋•萬和城(天津)	Ocean Great Harmony (Tianjin)	倪黃莊項目	Nihuangzhuang Project	
37		遠洋國際中心(天津)	Ocean International Center (Tianjin)			
38		遠洋天地(天津)	Ocean Paradise (Tianjin)	海河新天地	Ocean Paradise	
39		遠洋風景(天津)	Ocean Prospect (Tianjin)			
40		遠洋未來廣場(天津)	Ocean We-life Plaza (Tianjin)			
41		紅熙郡一期(天津)	Royal River Phase I (Tianjin)	武清項目	Wuqing Project	
42		紅熙郡二期(天津)	Royal River Phase II (Tianjin)			
43		北辰宜興埠項目(天津)	Yixinbu Project, Beichen District (Tianjin)			
44		Qinhuangdao	遠洋•海世紀(秦皇島)	Ocean Century (Qinhuangdao)		
45			灣海1號(秦皇島)	Wan Hai Yi Hao (Qinhuangdao)	灣海一號	Wan Hai Yi Hao
46	Northeast Region	Dalian	香頌花城(大連)	Chanson Garden (Dalian)		
47			遠洋•鑽石灣(大連)	Ocean Diamond Bay (Dalian)		
48			遠洋假日養生莊園(大連)	Ocean Holiday Manor (Dalian)	遠洋•拉斐莊園	Ocean Valley Lafite
49			遠洋壹中心(大連)	Ocean MIDTOWN (Dalian)	西山項目	Xishan Project
50			遠洋廣場(大連)	Ocean Plaza (Dalian)		
51			遠洋風景(大連)	Ocean Prospect (Dalian)		
52			遠洋自然(大連)	Ocean Seasons (Dalian)		
53			遠洋時代城(大連)	Ocean TIMES (Dalian)	大學城項目	University Zone
54			紅星海世界觀(大連)	Ocean Worldview (Dalian)		
55			遠洋創智高地(大連)	Sino-Ocean Technopole (Dalian)	IT產業園 – 工業部分	IT Zone – Industrial
56			小窩灣項目(大連)	Xiaoyao Bay Project (Dalian)		
57			榮域(大連)	The Place of Glory (Dalian)	中華路3號地(大連)	Zhonghua Road Land Plot #3
58			中華路2號地(大連)	Zhonghua Road Plot #2 (Dalian)	遠洋溫德姆至尊豪庭大酒店	Wyndham Grand Plaza Royale Sino-Ocean
59	Shenyang	遠洋天地(瀋陽)	Ocean Paradise (Shenyang)			
60		遠洋公館(瀋陽)	Ocean Residence (Shenyang)			
61	Changchun	遠洋•戛納小鎮(長春)	Ocean Cannes Town (Changchun)	長春淨月項目	Jingyue Project	
62	Fushun	遠洋城(撫順)	Ocean City (Fushun)	將軍溝項目	Jiangjougou Project	

LIST OF PROJECT NAMES

	Region	Cities	Project names (Chinese)	Project names (English)	Project names used before (Chinese)	Project names used before (English)
63	Central Region	Shanghai	遠洋•博堡(上海)	BOND CASTLE (Shanghai)		
64			遠洋鴻郡(上海)	Dreaming Land (Shanghai)		
65			惠南項目 (上海)	Huinan Project (Shanghai)		
66			遠洋•香奈印象(上海)	Ocean Chanson Mansion (Shanghai)	楊行鎮項目	Yanghangzhen Project
67		遠洋•財富中心(上海)	Ocean Fortune Center (Shanghai)			
68		遠洋7號(上海)	Ocean Mansion No.7 (Shanghai)			
69		Hangzhou	大運河商務區項目(杭州)	Canal Business Center Project (Hangzhou)		
70			遠洋•大河宸章(杭州)	Grand Canal Milestone (Hangzhou)	大河宸章	Hang Yimian
71	遠洋心裡(杭州)		Ocean In Your Heart (Hangzhou)	普福項目	Pufu Project	
72		遠洋公館(杭州)	Ocean Mansion (Hangzhou)	遠洋公館	Canal Commercial District	
73	Huangshan	遠洋桃花島(黃山)	An Island Paradise (Huangshan)	桃花島項目	Taohuadao Project	
74	Zhenjiang	遠洋•香奈河畔(鎮江)	Ocean Beach (Zhenjiang)			
75	Qingdao	遠洋公館(青島)	Ocean Honored Chateau (Qingdao)			
76		遠洋風景(青島)	Ocean Prospect (Qingdao)			
77		遠洋自然(青島)	Ocean Seasons (Qingdao)			
78		黃島區五壘山路地塊 (青島)	Wutaishan Road Plot, Huangdao District (Qingdao)			
79	Wuhan	賀家墩項目(武漢)	Hejiadun Project (Wuhan)	有座莊園	Tangchen Project	
80		遠洋莊園(武漢)	Ocean Manor (Wuhan)			
81		遠洋•世界(武漢)	Ocean World (Wuhan)			
82	Southern Region	Zhongshan	遠洋香堤(中山)	Ocean Aromas (Zhongshan)	連興圍項目	Lianxingwei Project
83			遠洋錦上(中山)	Ocean Bloom (Zhongshan)	東鳳項目	Dongfeng Project
84			遠洋翠麗郡一期(中山)	Ocean Emerald Phase I (Zhongshan)	南頭項目	Nantou Project
85			遠洋翠麗郡二期(中山)	Ocean Emerald Phase II (Zhongshan)		
86		遠洋城(中山)	Ocean City (Zhongshan)			
87		遠洋啟宸(中山)	Ocean New Era (Zhongshan)	橫欄項目	Henglan Project	
88		新家園II期項目 (中山)	Xinjiaoyuan Phase II (Zhongshan)			
89		Shenzhen	遠洋新幹線(深圳)	Ocean Express (Shenzhen)	南聯項目	Nanlian Project
90		盛平項目(深圳)	Shengping Project (Shenzhen)			
91	Haikou	遠洋華墅(海口)	Ocean Zen House (Haikou)	遠洋浮木陣	Ocean Driftwood Array	
92	Sanya	遠洋公館(三亞)	Ocean Mansion (Sanya)	遠洋奧林匹克公館	Ocean Olympics	
93		棠棣項目一期(三亞)	Tang Di Project (Sanya)			
94	Chongqing	九龍坡區高廟地塊(重慶)	Gaomiao Plot, Jiulongpo District (Chongqing)			
95		遠洋高爾夫國際社區(重慶)	Sino-Ocean International GOLF Resort (Chongqing)	國際高爾夫項目	Golf Club Project	
96	Chengdu	睿東中心(成都)	Pinnacle One (Chengdu)	大慈寺項目	Dacisi Project	
97		成都遠洋太古里(成都)	Sino-Ocean Taikoo Li Chengdu (Chengdu)			

