



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

*Develop our Future with  
Vision and Enthusiasm*

遠見、心建、共建未來

*Annual Report 2014*



# Corporate Profile

Agile (stock code: 3383) is one of the leading property developers in China. As a renowned brand in China, Agile is principally engaged in the development of large-scale comprehensive property projects, with extensive presence in the businesses of hotel operations, property investment and property management. The Group currently owns a diversified portfolio in over 40 cities and districts. As at 25 March 2015, the Group has a land bank with a total planned GFA of 40.35 million sq.m. (including both lands with titles and contractual interests).

The Shares of Agile have been listed on the Main Board of Hong Kong Stock Exchange since 2005 and are constituent stocks of Morgan Stanley Capital International China Index, Hang Seng Composite Index, Hang Seng Composite Size Index, Hang Seng Mainland 100 and Hang Seng High Dividend Yield Index.

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# Business Structure

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



## Property Development

A land bank with a total planned GFA of 40.35 million sq.m. in 42 cities and districts



## Hotel Operations and Property Investment

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



## Property Management

Total area managed reached 23.09 million sq.m.

# Financial Highlights

## Income Statement Highlights

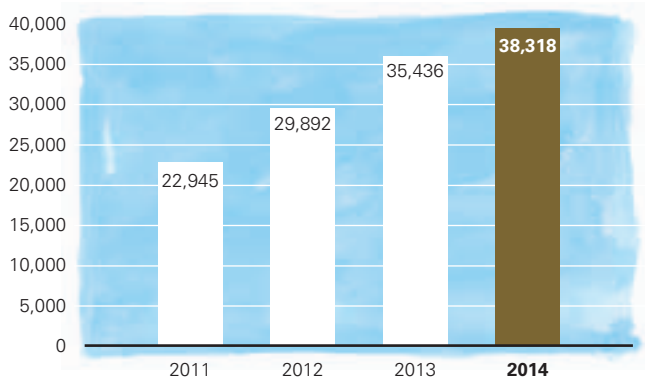
	For the year ended 31 December		Change
	2014	2013	
Revenue (RMB million)	<b>38,318</b>	35,436	+8.1%
Gross profit (RMB million)	<b>12,431</b>	12,615	-1.5%
Gross profit margin	<b>32.4%</b>	35.6%	-3.2 percentage points
Net profit (RMB million)	<b>5,091</b>	5,862	-13.2%
Net profit margin	<b>13.3%</b>	16.5%	-3.2 percentage points
Profit attributable to shareholders of the Company (RMB million)	<b>4,287</b>	4,827	-11.2%
Core profit attributable to shareholders of the Company* (RMB million)	<b>3,929</b>	4,400	-10.7%
Basic earnings per share (RMB)	<b>1.222</b>	1.400	-12.7%
Full year dividend per share (HK cents)	<b>39.5</b>	47.5	-16.8%

## Balance Sheet Highlights

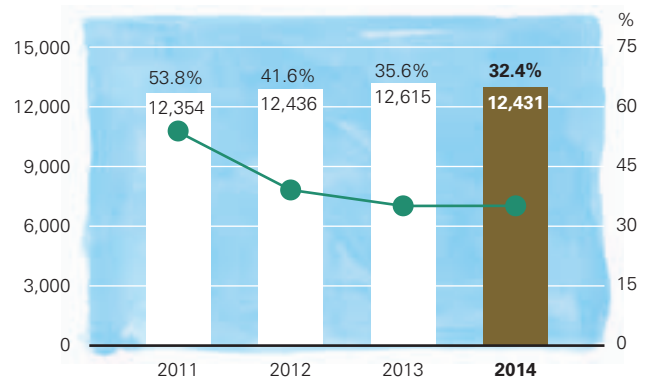
	As at 31 December		Change
	2014	2013	
Total assets (RMB million)	<b>123,648</b>	114,535	+8.0%
Cash and cash equivalents (RMB million)	<b>6,068</b>	6,784	-10.6%
Restricted cash (RMB million)	<b>5,362</b>	6,250	-14.2%
Short-term borrowings (RMB million)	<b>16,471</b>	12,354	+33.3%
Long-term borrowings (RMB million)	<b>25,851</b>	27,138	-4.7%
Shareholders' equity (RMB million)	<b>33,651</b>	29,366	+14.6%
Return on equity (ROE)	<b>12.7%</b>	16.4%	-3.7 percentage points
Total debt/total assets	<b>34.2%</b>	34.5%	-0.3 percentage points
Net debt/total equity	<b>75.2%</b>	72.4%	+2.8 percentage points

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

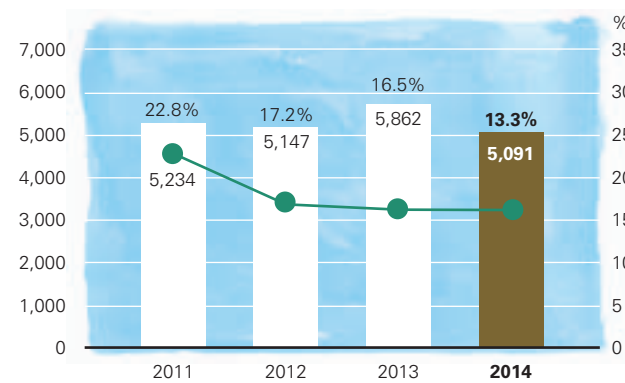
Revenue (RMB million)



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



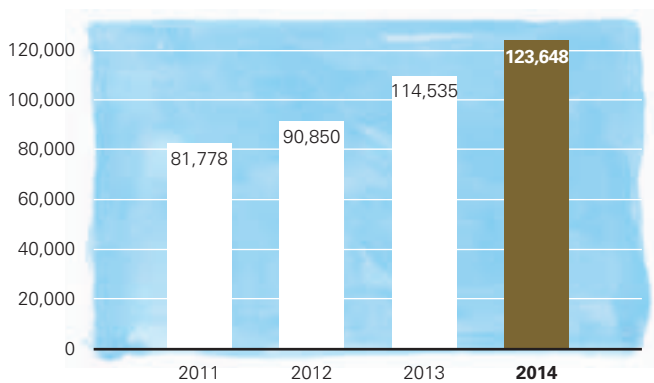
Net profit and net profit margin (RMB million/%)



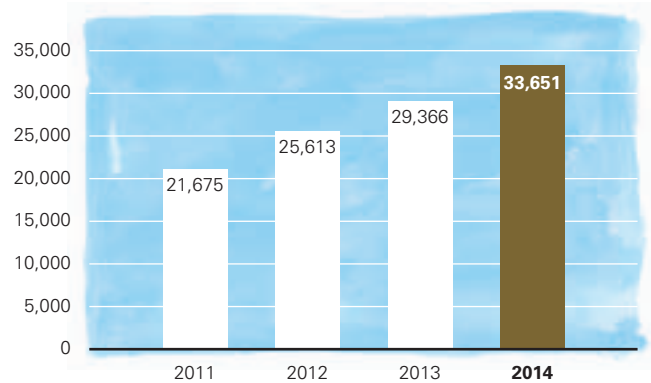
Profit attributable to shareholders of the Company (RMB million)



Total assets (RMB million)



Shareholders' equity (RMB million)



# Milestones 2014

## January

- Sheraton Bailuhu Resort Huizhou commenced its operation.



- The Group and PJ Development Holdings Berhad, a Malaysia listed company, formed a joint venture company to develop a site in Mont Kiara, Kuala Lumpur, Malaysia.
- Commencement of construction of Agile International Yangzhou and Agile British Manor Shunde (formerly known as Shunde New City Project).

## February

- The Company issued US\$500 million 8.375% senior notes due 2019 and RMB2 billion 6.50% senior notes due 2017.
- The Group acquired the land use rights of a site in Changsha City, Hunan Province and a site in Foshan City, Guangdong Province.
- Commencement of construction of Nanning Wuxiang New District Project and Agile City Center Villa Wuxi (formerly known as Agile Center Square Wuxi).



## March

- Reorganisation of the Board.
- Bund Mansion Changsha was launched for sale.
- Commencement of construction of Huizhou Huiyang Project, Agile Life Diary Xi'an (formerly known as Xi'an Changning New District Project), Agile Hillgrove Zhenjiang and Agile Gentlefolk Zhongshan (formerly known as Zhongshan Jibian Town Project).

## April

- Agile Garden Gaochun was launched for sale.
- Commencement of construction of Agile Quenya Yunnan, Hangzhou Yuhang District Project, Agile Garden Nantong (formerly known as Nantong Fuxing Road South Project) and Agile YOWO Park Kunshan.

## May

- Agile Chairman Chongqing was launched for sale.
- The Group acquired the land use rights of a site in Wenchang City, Hainan Province.
- The Group and Tropicana Corporation Berhad, a Malaysia listed company, formed a joint venture company to develop a site in Bukit Bintang, Kuala Lumpur, Malaysia.
- Commencement of construction of Agile Evian Town Changsha (formerly known as Changsha Huitang Town Project).

## June

- Agile Silva Town Chuzhou was launched for sale.
- Howard Johnson Agile Plaza Chengdu commenced its operation.

## July

- Commencement of construction of Zhongshan Nanlang Binhai Project.

## September

- Agile YOWO Park Kunshan was launched for sale.
- Holiday Inn Resort Hainan Clearwater Bay commenced its operation.

## October

- Agile New City Bay Foshan, Agile International Yangzhou and Agile Chairman Xi'an were launched for sale.
- The Group acquired the land use rights of a site in Chenzhou City, Hunan Province.

## November

- Completion of rights issue on the basis of 1 rights Share for every 8 Shares of the Company.
- Agile Future Star Shanghai, Agile City Center Villa Wuxi (formerly known as Agile Center Square Wuxi), Agile Hillgrove Zhenjiang and Agile Garden Nantong (formerly known as Nantong Fuxing Road South Project) were launched for sale.



## December

- Keep Orange Huadu, Agile British Manor Shunde (formerly known as Shunde New City Project), Agile Splendid Pearl Zhongshan and Agile Gentlefolk Zhongshan (formerly known as Zhongshan Jibian Town Project) were launched for sale.
- The headquarters of the Group relocated to Guangzhou Agile Center.



# Major Honours and Awards



## Corporate Social Responsibility

### **Caring Company**

*The Hong Kong Council of Social Service*

### **Corporate Social Responsibility Awards 2014**

*Capital magazine*

*Capital Weekly magazine*

### **2013 Gold Cup of Guangdong Poverty Relief Hongmiao Cup**

*Guangdong Leadership Group of Poverty Alleviation*

### **China Corporate Social Responsibility Annual Recognition Award 2013: Best Responsibility Team Best Enterprise of Chinese Private Enterprises Annual Recognition Award 2013**

*Southern Weekly magazine*

### **Chinese Top 100 Advanced Enterprises in Enterprise Education The Most Valuable Chinese Enterprise Business College**

*Organising Committee of Enterprises Education*

*Top 100 in China*

### **2014 China's Best Corporate University**

*Overseas Education College of Shanghai Jiaotong University*

## Corporate Brand

### **Outstanding Chinese Property Developer Award 2014**

*Economic Digest magazine*

### **2013 China Real Estate Champions: Top 5 in Sales (Guangzhou)**

*Guangdong Real Estate Chamber of Commerce*

*NetEase Real Estate*

### **Largest Market Capitalisation of Private Enterprise Award in Chinese Companies Listed in Hong Kong (2013–2014)**

*Yazhou Zhoukan*

### **The Thirteenth (2014) Guangdong Real Estate Enterprises of High Credit Ratings Top 20**

*Industrial and Commercial Bank of China Limited*

*(Guangdong Branch)*

*Agricultural Bank of China Limited (Guangdong Branch)*

*Bank of China Limited (Guangdong Branch)*

*China Construction Bank Corporation (Guangdong Branch)*

*People's Daily Online*

### **Top 10 Guangdong Residential Group Brand**

*Organising Committee of Guangdong Residential Double*

*Top 10 Leader Brands*





**2014 Top 10 Guangzhou Real Estate Enterprises of Customers Satisfaction Award**  
*China Index Academy*

**2014 Influencing Guangzhou: Annual Real Estate Brands**  
*New Express Daily*

**Corporate Governance/  
Investor Relations**

**Global Top 50 Silver**  
*IR magazine*

**Best Investor Relations Companies (China)  
Asia's Outstanding Company on Corporate  
Governance**  
*Corporate Governance Asia magazine*

**Gold Award of "Traditional Annual Report:  
Real Estate Development/Service: Residential  
Properties", "ARC Awards"**  
*MerComm, Inc.*



# Chairman's Statement

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



**CHEN Zhuo Lin**  
*Chairman & President*



## Dear Shareholders,

I am pleased to report the audited consolidated results of the Group for the year ended 31 December 2014:

### Results and dividends

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

gross profit margin and net profit margin were 32.4% and 13.3% respectively.

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

## Chairman's Statement (Continued)

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

### **Business review**

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

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

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

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

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

### **Prudent land acquisition strategy**

Given its sufficient land bank and market changes, the Group had slowed down the pace of land acquisition during the year. The Group increased its land bank by acquiring a total planned GFA of 2.21 million sq.m. in China, including Changsha, Chenzhou, Foshan, Wenchang of Hainan, and Tengchong of Yunnan, and Kuala Lumpur in Malaysia, with average land cost being RMB1,274 per sq.m.. As at 25 March 2015, the Group has an aggregate land bank with a total planned GFA of approximately 40.35 million sq.m. in 42 cities and districts, with average land cost being RMB1,157 per sq.m., which offers a certain competitive edge to the Group's property development business.

### **Sound financial strategy and enhanced cash flow management**

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

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

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

### **Good corporate governance and multi-channel communications**

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

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

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

### **Prospects and strategy**

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

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

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

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

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

**Acknowledgement**

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

**CHEN Zhuo Lin**

*Chairman and President*

Hong Kong, 25 March 2015

# Management Discussion and Analysis

## Overall performance

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

## Land bank

As at 25 March 2015, the Group had an aggregate land bank with a total planned GFA of approximately 40.35 million sq.m. in 42 cities and districts, located in Southern China Region, Eastern China Region, Western China Region, Central China Region, Hainan Province Region, Yunnan Province Region, Northeast China Region, Northern China Region and Kuala Lumpur of Malaysia. The average land cost was RMB1,157 per sq.m., which was competitive.

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



## Management Discussion and Analysis (Continued)

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

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

# Management Discussion and Analysis (Continued)

## Property development and sales

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

## Property management

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

## Hotel operations

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

## Property Investment

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

## Cost of sales

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

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

## Gross profit

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

## Fair value gains on investment properties

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

## Other gains/(losses), net

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

## Other income

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

## Selling and marketing costs

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

## Administrative expenses

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

## Other expenses

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

## Finance (costs)/income, net

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

## Share of post-tax loss of an associate

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

## Share of post-tax (losses)/profits of joint ventures

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

## Profit attributable to shareholders

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

## Liquidity, financial and capital resources

### Cash position and fund available

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

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

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

### Borrowings and rights issue

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

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

## Management Discussion and Analysis (Continued)

As at 31 December 2014, the Group's total borrowings amounted to RMB42,322 million, of which bank borrowings, senior notes and other borrowings amounted

to RMB20,026 million, RMB13,155 million and RMB9,141 million respectively.

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

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

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

### Currency risk

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

## Cost of borrowings

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

## Financial guarantee

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

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

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

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

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

## Commitments

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

## Human resources

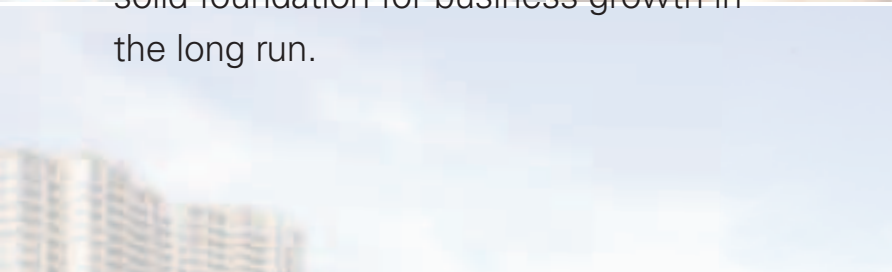
As at 31 December 2014, the Group had a total of 17,140 employees, among which 150 were senior management and 421 were middle management. By geographical locations, there were 17,071 employees in mainland China and 69 employees in Hong Kong, Macau and Malaysia. For the year ended 31 December 2014, the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

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



# Property Development

The Group adjusted its land acquisition strategy and carried out internal reform in response to the market changes to enhance operational efficiency, laying a solid foundation for business growth in the long run.





Southern  
China  
Region

Eastern  
China  
Region

Western  
China  
Region

Central  
China  
Region

Hainan  
Province  
Region

Yunnan  
Province  
Region

Northeast  
China  
Region

Northern  
China  
Region

Overseas



# Property Development (Continued)

## Business Overview

### Business overview

During the year, the Group continued to focus on enhancing product competitiveness and property management services to provide a better living environment for residents, so as to maintain strong brand recognition in the face of vigorous market competition and achieve steady growth of market share. Meanwhile, the Group carried out reform in response to the market changes to enhance operational efficiency, laying a solid foundation for business growth for the coming years.

### Steady sales growth and improved operational efficiency

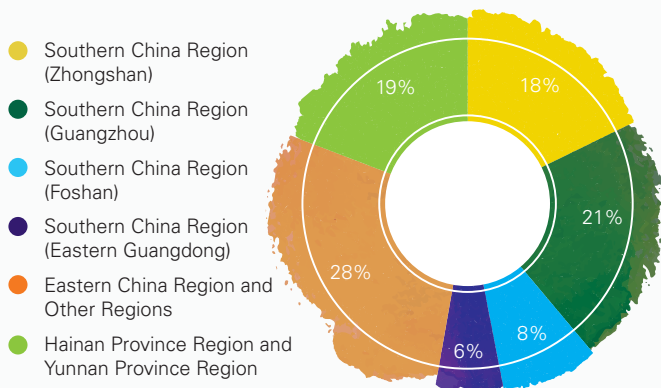
During the year, the Group capitalised on market opportunities and adjusted its marketing strategies promptly. By launching projects timely at reasonable prices in response to market demand, the Group's pre-sales reached RMB44,160 million, representing a growth of 9.5% when compared with 2013. GFA presold was 4.588 million sq.m. and ASP was RMB9,625 per sq.m.. The overall sales performance was within expectation.

During the year, the Group actively carried out internal reform, optimised operational management system and adjusted product mix. The overall operational efficiency was thus improved. Average launching cycle of new projects was shortened by 2 to 4 months. Full-year sell-through rate increased to approximately 62%. Ageing of inventory was improved and overall cash collection ratio increased.

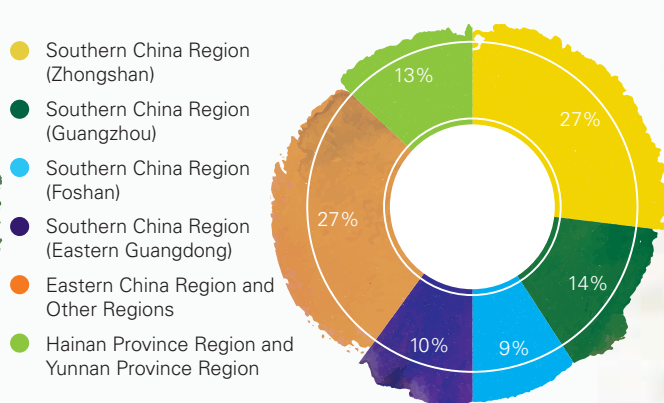
### Effective geographic diversification and leading market brand

During the year, the geographic diversification strategy of the Group achieved satisfactory progress. Overall good sales performance was seen in Southern China Region with continuous steady sales contribution. In Eastern China Region, with our active penetration in 2013, a total of 8 new projects were launched successfully during the year, making contributions to the pre-sales performance. Tourism property business in Hainan Province Region also maintained its leading market position. During the year, pre-sales from "Southern China Region", "Eastern China Region and Other Regions" and "Hainan Province Region and Yunnan Province Region" accounted for 53%, 28% and 19% of total pre-sales, respectively.

Pre-sales amounted to RMB44,160 million



GFA Pre-sold was 4.588 million sq.m.





During the year, the Group duly launched 16 new projects and projects available for sale totaled 76. New projects were located in Southern China Region, Eastern China Region, Western China Region and Central China Region:

## New Projects for Sale

### Southern China Region:

1. Agile New City Bay Foshan
2. Keep Orange Huadu
3. Agile British Manor Shunde (formerly known as Shunde New City Project)
4. Agile Splendid Pearl Zhongshan
5. Agile Gentefolk Zhongshan (formerly known as Zhongshan Jibian Town Project)

### Eastern China Region:

1. Agile Garden Gaochun
2. Agile Silva Town Chuzhou
3. Agile YOWO Park Kunshan
4. Agile International Yangzhou
5. Agile Future Star Shanghai
6. Agile City Center Villa Wuxi (formerly known as Agile Center Square Wuxi)
7. Agile Hillgrove Zhenjiang
8. Agile Garden Nantong (formerly known as Nantong Fuxing Road South Project)

### Western China Region:

1. Agile Chairman Chongqing
2. Agile Chairman Xi'an

### Central China Region:

1. Bund Mansion Changsha



## Property Development (Continued)

### Business Overview

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

In Zhongshan, the Group was the sales champion of the year with remarkable pre-sales of nearly RMB8,000 million. Agile Cambridgeshire Zhongshan, Metro Agile Zhongshan, La Cité Greenville Zhongshan and New Legend Zhongshan of the Group ranked top in the local market in terms of pre-sales amount, GFA pre-sold and number of units sold.

In Guangzhou, the Group achieved approximately RMB8,000 million pre-sales and was one of the top 5 property developers in terms of online registration of property transaction. High-end projects continued to lead the market. In particular, Agile Cambridgeshire Guangzhou was the top seller of high-end projects of the year in terms of pre-sales amount, GFA pre-sold and number of units sold. Agile Mountain Guangzhou was the top seller of high-end projects in Huangpu District. Agile Flowing Garden Conghua had been the monthly top seller in

Conghua for several months. Urban Complex City Huadu, Agile Earl Mansion Panyu and Gorgeous Days Panyu also reached their inventory clearance targets and were almost sold out.

In Foshan, the Group achieved over RMB3,000 million pre-sales, and was one of the top 5 property developers during the year in terms of annual sales.

As for Eastern Guangdong district, Agile Garden Heyuan had been the top seller in Heyuan for the eighth consecutive year with over 2,500 units sold during the year. Agile Egret Lake Huizhou was the top seller in Huicheng District, Huizhou with over RMB1,000 million pre-sales.

The Group continued to record steady sales growth in regions other than Southern China Region, and launched 10 new projects in Chongqing, Chuzhou, Kunshan, Nanjing, Nantong, Shanghai, Wuxi, Xi'an, Yangzhou and Zhenjiang, making contributions to pre-sales. In addition, the Group's high-end projects in Nanjing, such as The Luxury House Nanjing, The Territory Nanjing, Agile Chang Le Du Nanjing, recorded total pre-sales of approximately RMB4,000 million, representing a significant increase as



compared with 2013. Sales of projects in Xi'an and Chongqing remained stable. Sales of Agile Garden Chengdu increased to over RMB1,000 million after adjustment of sales strategies and units size. Agile International Garden Zhengzhou was the top seller in the local market with sales of RMB1,100 million. Agile International Yangzhou had been the top seller for 3 consecutive months since its launch in October 2014. Launches of projects in Wuxi, Shanghai and Nantong also recorded good sales. Sales in Hainan Province Region and Yunnan Province Region maintained approximately 19% of total pre-sales, which was within expectation. Hainan Clearwater Bay had been the local champion for the seventh consecutive year with over RMB7,500 million pre-sales during the year.

### **Prudent land acquisition strategy and flexible development adjustment**

Given its sufficient land bank, the Group had slowed down the pace of land acquisition during the year in response to market changes. The Group increased its land bank by

acquiring a total planned GFA of 2.21 million sq.m. in Changsha, Chenzhou, Foshan, Wenchang of Hainan, Tengchong of Yunnan and Kuala Lumpur of Malaysia, with the average land cost being RMB1,274 per sq.m.. As at 25 March 2015, the Group had an aggregate land bank with a total planned GFA of over 40.35 million sq.m. in 42 cities and districts, with the average land cost being RMB1,157 per sq.m., which offers a certain competitive edge.

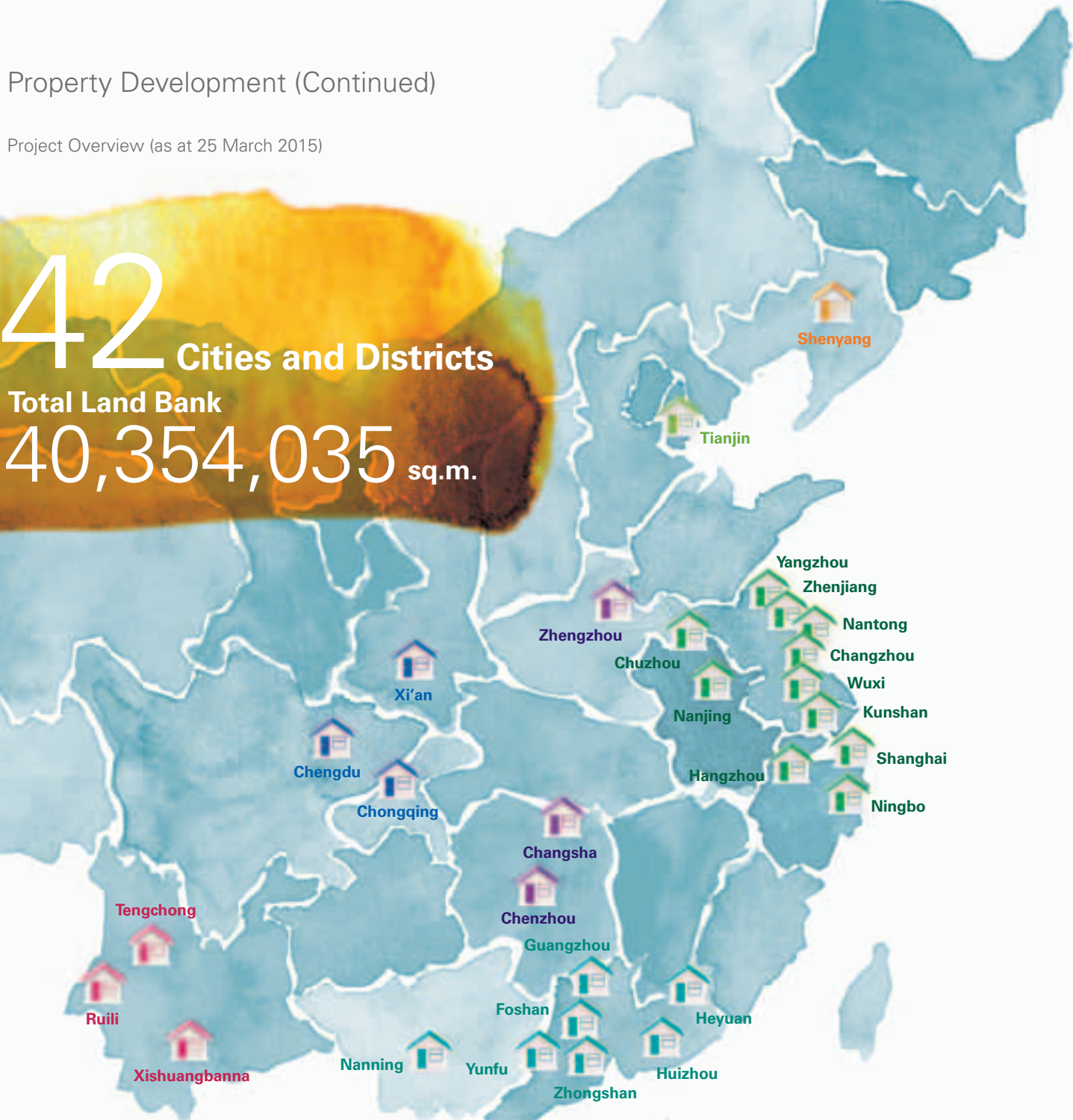
The Group makes flexible adjustments to the scope and schedule of developments according to the project sales and supply in order to balance and optimise the progress. During the year, the newly commenced GFA was 4.87 million sq.m. and completed GFA was 4.19 million sq.m.. As at 31 December 2014, the Group's completed GFA in the land bank was 1.86 million sq.m. and the GFA under development was 9.3 million sq.m..



# Property Development (Continued)

Project Overview (as at 25 March 2015)

**42** Cities and Districts  
Total Land Bank  
**40,354,035** sq.m.



## Overseas Project



Dingan  
Wenchang  
Lingshui

## Property Development (Continued)

Project Overview (as at 25 March 2015)

### Southern China Region

		No. of Projects	Project Total GFA (sq.m.)	Land Bank (sq.m.)
Guangzhou	Panyu	5	7,346,767	1,158,742
	Baiyun	2	454,305	902
	Luogang	1	613,624	433,674
	Tianhe	1	88,466	88,466
	Zengcheng	1	111,680	364
	Huadu	4	1,190,496	288,443
	Conghua	2	780,697	182,914
Zhongshan	17	11,832,785	5,541,024	
Foshan	Nanhai	3	1,156,106	183,992
	Chancheng	2	438,897	43,982
	Sanshui	2	477,953	355,408
	Shunde	4	1,220,069	534,239
Eastern Guangdong	Heyuan	1	2,729,481	1,485,935
Western Guangdong and Guangxi Zhuang Autonomous Region	Huizhou	2	4,576,665	3,635,571
	Yunfu	1	345,989	345,989
	Nanning	1	432,860	216,430
<b>Total</b>		<b>49</b>	<b>33,796,840</b>	<b>14,496,075</b>

### Eastern China Region

		No. of Projects	Project Total GFA (sq.m.)	Land Bank (sq.m.)
	Nanjing	4	1,653,180	1,378,298
	Changzhou	1	559,765	481,761
	Shanghai	2	581,285	571,443
	Yangzhou	1	436,858	436,858
	Chuzhou	1	677,266	656,791
	Wuxi	1	590,325	590,325
	Hangzhou	1	423,827	423,827
	Ningbo	1	561,730	561,730
	Zhenjiang	1	226,200	226,200
	Nantong	1	510,000	510,000
	Kunshan	1	125,052	125,052
<b>Total</b>		<b>15</b>	<b>6,345,488</b>	<b>5,962,285</b>

### Western China Region

		No. of Projects	Project Total GFA (sq.m.)	Land Bank (sq.m.)
	Chengdu	1	1,606,752	794,527
	Xi'an	4	1,514,106	1,023,566
	Chongqing	2	812,015	363,126
<b>Total</b>		<b>7</b>	<b>3,932,873</b>	<b>2,181,219</b>

### Central China Region

		No. of Projects	Project Total GFA (sq.m.)	Land Bank (sq.m.)
	Zhengzhou	1	196,634	116,215
	Changsha	3	1,521,878	1,055,998
	Chenzhou	1	145,279	145,279
<b>Total</b>		<b>5</b>	<b>1,863,791</b>	<b>1,317,492</b>

### Hainan Province Region

		No. of Projects	Project Total GFA (sq.m.)	Land Bank (sq.m.)
	Lingshui	1	10,395,479	8,478,194
	Wenchang	2	676,910	594,340
	Dingan	1	56,097	56,097
<b>Total</b>		<b>4</b>	<b>11,128,486</b>	<b>9,128,631</b>

### Yunnan Province Region

		No. of Projects	Project Total GFA (sq.m.)	Land Bank (sq.m.)
	Tengchong	1	4,004,836	3,968,696
	Ruili	1	731,852	731,852
	Xishuangbanna	1	634,240	634,240
<b>Total</b>		<b>3</b>	<b>5,370,928</b>	<b>5,334,788</b>

### Northeast China Region

		No. of Projects	Project Total GFA (sq.m.)	Land Bank (sq.m.)
	Shenyang	1	1,110,834	972,134
<b>Total</b>		<b>1</b>	<b>1,110,834</b>	<b>972,134</b>

### Northern China Region

		No. of Projects	Project Total GFA (sq.m.)	Land Bank (sq.m.)
	Tianjin	1	3,010,901	642,350
<b>Total</b>		<b>1</b>	<b>3,010,901</b>	<b>642,350</b>

### Overseas

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

**Grand Total**                      **87**                      **66,879,202**                      **40,354,035**

# Property Development (Continued)

Land Bank Table (as at 25 March 2015)

No.	Project Name	City/District	Unit Land Cost (RMB/sq.m.)	Interests Attributable to the Group	Total Site Area (sq.m.)	Address
<b>Southern China Region</b>						
1	Agile Garden Guangzhou	GZ/ Panyu	289	100%	1,518,417	Xingnan Road, Nancun Town, Panyu District, Guangzhou
2	Agile Cambridgeshire Guangzhou	GZ/ Panyu	259	100%	624,701	Caotang Village, Nancun Town, Panyu District, Guangzhou
3	Agile Earl Mansion Panyu	GZ/ Panyu	1,292	100%	4,070	Dabei Road, Beicheng District, Shiqiao Town, Panyu District, Guangzhou
4	Gorgeous Days Panyu	GZ/ Panyu	5,409	100%	60,747	Qingxin Road, Nansha Bay, Shiqiao Town, Panyu District, Guangzhou
5	Guangzhou Asian Games City Project (Note 2)	GZ/ Panyu	5,822	20%	2,640,000	Asian Games City, Panyu District, Guangzhou
6	South Lagoon Guangzhou	GZ/ Baiyun	357	100%	304,422	998 Tonghe Road, Baiyun District, Guangzhou
7	Royal Hillside Villa Guangzhou	GZ/ Baiyun	400	100%	122,742	1168 Tonghe Road, Baiyun District, Guangzhou
8	Agile Mountain Guangzhou	GZ/ Luogang	7,074	100%	306,812	Science City, North of Kaichuang Road, Luogang District, Guangzhou
9	Guangzhou Agile Center	GZ/ Tianhe	3,674	100%	5,729	Northeast of Junction of Jinsui Road and Huaxia Road, Zhujiang New City, Tianhe District, Guangzhou
10	Agile Linghu Huadu	GZ/ Huadu	375	100%	52,600	Shiling Furong Road, Huadu District, Guangzhou
11	Urban Complex City Huadu	GZ/ Huadu	1,781	100%	274,384	Junction of Xinhua Sandong Avenue and Chabei Road, Huadu District, Guangzhou
12	Agile Central Point Plaza Huadu	GZ/ Huadu	2,515	100%	87,482	Junction of Xinhua Sandong Avenue and Chabei Road, Huadu District, Guangzhou
13	Keep Orange Huadu (Note 2)	GZ/ Huadu	2,844	50%	126,941	East of 106 National Road, Huashan Town, Huadu District, Guangzhou
14	Agile Yubinfu Zengcheng	GZ/ Zengcheng	1,791	100%	44,672	306 Licheng Road, Zengcheng, Guangzhou
15	Agile Binjiang Garden Conghua	GZ/ Conghua	396	100%	303,358	Yanjiang South Road, Jiangpu Street, Conghua, Guangzhou
16	Flowing Garden Conghua	GZ/ Conghua	3,018	100%	442,866	Jiekou Town, Conghua, Guangzhou
<b>Guangzhou Subtotal</b>			<b>3,947</b>		<b>6,919,943</b>	
17	La Cité Greenville Zhongshan	Zhongshan	187	100%	1,970,275	La Cité Greenville, Huoju Development Zone, Zhongshan
18	New Legend Zhongshan	Zhongshan	1,296	100%	509,368	Shenchong Village, Huoju Development Zone, Zhongshan
19	Metro Agile Zhongshan	Zhongshan	194	100%	1,476,285	Sanxiang Town, Zhongshan
20	Majestic Garden Zhongshan	Zhongshan	565	100%	143,377	Junction of Bo'ai Road and Qiguan West Road, East District, Zhongshan
21	Grand Garden Zhongshan	Zhongshan	250	100%	96,374	Junction of Bo'ai Road and Xingzhong Road, East District, Zhongshan
22	Star Palace Zhongshan	Zhongshan	278	100%	112,155	Junction of Bo'ai Road and Chenggui Road, East District, Zhongshan
23	The Century Zhongshan	Zhongshan	394	100%	487,871	Junction of Bo'ai One Road and Cuijing South Road, Zhongshan
24	Royal Residence Zhongshan	Zhongshan	1,112	100%	15,968	Junction of Bo'ai Road and Qiguan West Road, East District, Zhongshan
25	Zhongshan Minzhong Town Project	Zhongshan	260	100%	63,450	Xinsheng Village, Minzhong Town, Zhongshan
26	Agile Cambridgeshire Zhongshan	Zhongshan	601	100%	376,357	Junction of Bo'ai Road and Qiguan West Road, East District, Zhongshan
27	Agile Royal Mount Zhongshan	Zhongshan	419	100%	563,253	Guinan Road, Wugui Mountain Town, Zhongshan
28	Beautiful Lake Zhongshan (Note 2)	Zhongshan	7,563	50%	111,060	Changmingshui Village, Wugui Mountain Town, Zhongshan
29	Agile Baron Hill Zhongshan	Zhongshan	600	100%	164,539	Zhongshan Port Road, Huoju Development Zone, Zhongshan
30	Zhongshan Kunlun Hotel Project	Zhongshan	1,429	100%	29,267	8 Nanqi North Road, Nanlang Town, Zhongshan
31	Zhongshan Nanlang Binhai Project	Zhongshan	671	100%	347,323	Linguo Station, Cuiheng Village, Nanlang Town, Zhongshan
32	Agile Yorkshire Zhongshan	Zhongshan	520	100%	124,345	North of Zhuhai Avenue, Tanzhou Town, Zhongshan
33	Agile Gentlefolk Zhongshan (Formerly known as Zhongshan Jibian Town Project)	Zhongshan	2,250	100%	71,462	Jibian Village, Shiqi District, Zhongshan
<b>Zhongshan Subtotal</b>			<b>589</b>		<b>6,661,729</b>	
34	Majestic Garden Nanhai	FS/ Nanhai	510	100%	601,230	Suiyan Road, Nanhai District, Foshan
35	Agile Metropolis Xiqiao	FS/ Nanhai	1,223	100%	52,950	215 Qiaojin South Road, Xiqiao Town, Nanhai District, Foshan
36	Nanhai Dali Town Project	FS/ Nanhai	4,647	100%	44,786	Industrial District of Pan Village, Shuitou Village, Dali Town, Nanhai District, Foshan
37	Agile Garden Foshan	FS/ Chancheng	2,202	100%	184,373	8 Lvjing Three Road, Chancheng District, Foshan
38	Agile Manhattan Hill Foshan	FS/ Chancheng	7,122	100%	29,486	West of Wenhua Road, North of Kuiqi Road, Chancheng District, Foshan
39	Agile Peninsula Sanshui	FS/ Sanshui	2,164	100%	140,261	Gaofeng Village, Xi'nan Street, Sanshui District, Foshan
40	Sanshui Xi'nan Street Project	FS/ Sanshui	1,892	100%	44,709	Right side of Xi'nan Yong, Xi'nan Street, Sanshui District, Foshan
41	Agile Garden Shunde	FS/ Shunde	962	100%	212,410	Daliang Yannian Road, Shunde District, Foshan
42	Agile Jardin Lecong	FS/ Shunde	3,454	100%	97,474	East 8 Road, South Zone, Lecong Town, Shunde District, Foshan
43	Agile British Manor Shunde (Formerly known as Shunde New City Project)	FS/ Shunde	3,960	100%	93,353	West of Tianning Road, North of Huoju Road, New City District, Beijiao Town, Shunde District, Foshan
44	Agile New City Bay Foshan	FS/ Shunde	4,398	100%	50,312	North of Meidi Road, East of Huayang Road, Shangjiao Village, Beijiao Town, Shunde District, Foshan
<b>Foshan Subtotal</b>			<b>3,009</b>		<b>1,551,344</b>	
45	Agile Garden Heyuan	Heyuan	267	100%	1,364,741	Huangsha Road Central, Heyuan
46	Agile Egret Lake Huizhou	Huizhou	325	100%	2,000,000	1 Agile Road, Ruhu Town, Huizhou
47	Huizhou Huiyang Project	Huizhou	222	100%	1,081,559	Yinkeng Road, Xinqiao Village, Danshu Street, Huiyang District, Huizhou
<b>Eastern Guangdong Subtotal</b>			<b>256</b>		<b>4,446,300</b>	
48	Yunfu Xijiang New Town Project	Yunfu	300	100%	138,396	Yunfu High-Tech Industrial Development Zone, Duyang Town, Yuncheng District, Yunfu
<b>Western Guangdong Subtotal</b>			<b>300</b>		<b>138,396</b>	
49	Nanning Wuxiang New District Project (Note 2)	Nanning	1,122	50%	78,721	Wuxiang New District, Nanning
<b>Guangxi Subtotal</b>			<b>1,122</b>		<b>78,721</b>	
<b>Southern China Region Subtotal</b>			<b>1,181</b>		<b>19,796,433</b>	

# Property Development (Continued)

Land Bank Table (as at 25 March 2015)

	Total Planned GFA of the Project (sq.m.)	Land Bank (sq.m.) (Note 1)						
		Total Planned GFA (A) (sq.m.)	Development Stage (B)			Planning Nature (C)		
			Completed (B1)	Under Development (B2)	Held for Future Development (B3)	Residential & Ancillary Facilities (C1)	Hotel (C2)	Commercial & Office (C3)
	1,655,026	91,905	4,453	-	87,452	91,905	-	-
	1,128,255	438,245	62,517	352,618	23,110	438,245	-	-
	29,409	184	184	-	-	184	-	-
	154,077	129	129	-	-	129	-	-
	4,380,000	628,279	808	203,715	423,756	586,759	-	41,520
	274,951	98	98	-	-	98	-	-
	179,354	804	804	-	-	804	-	-
	613,624	433,674	203,896	57,420	172,358	433,674	-	-
	88,466	88,466	-	88,466	-	-	-	88,466
	84,160	207	207	-	-	207	-	-
	652,102	5,914	5,914	-	-	5,914	-	-
	174,964	142,687	931	141,756	-	-	-	142,687
	279,270	139,635	-	25,444	114,191	139,635	-	-
	111,680	364	364	-	-	364	-	-
	346,674	4,700	-	-	4,700	4,700	-	-
	434,023	178,214	19,316	44,853	114,045	178,214	-	-
	<b>10,586,035</b>	<b>2,153,505</b>	<b>299,621</b>	<b>914,272</b>	<b>939,612</b>	<b>1,880,832</b>	-	<b>272,673</b>
	1,889,961	45,723	45,723	-	-	45,723	-	-
	769,751	568,574	55,786	217,214	295,574	568,574	-	-
	3,519,253	2,141,765	47,036	622,044	1,472,685	2,141,765	-	-
	236,926	359	359	-	-	359	-	-
	150,357	308	308	-	-	308	-	-
	176,226	405	405	-	-	405	-	-
	916,486	305	305	-	-	305	-	-
	16,144	7,556	7,556	-	-	7,556	-	-
	95,175	95,175	-	-	95,175	95,175	-	-
	1,444,668	1,274,585	15,324	367,747	891,514	1,274,585	-	-
	1,126,505	603,415	100,709	236,642	266,064	603,415	-	-
	66,636	14,550	14,550	-	-	14,550	-	-
	329,078	63,589	3,178	60,411	-	63,589	-	-
	87,801	87,801	-	-	87,801	-	21,854	65,947
	491,859	491,859	-	-	491,859	491,859	-	-
	373,035	2,131	2,131	-	-	2,131	-	-
	142,924	142,924	-	142,924	-	142,924	-	-
	<b>11,832,785</b>	<b>5,541,024</b>	<b>293,370</b>	<b>1,646,982</b>	<b>3,600,672</b>	<b>5,453,223</b>	<b>21,854</b>	<b>65,947</b>
	859,757	18,997	18,997	-	-	18,997	-	-
	153,034	21,680	90	21,590	-	90	21,590	-
	143,315	143,315	-	-	143,315	143,315	-	-
	365,181	3,328	3,328	-	-	3,328	-	-
	73,716	40,654	40,654	-	-	40,654	-	-
	370,653	248,108	5,835	97,206	145,067	248,108	-	-
	107,300	107,300	-	-	107,300	107,300	-	-
	488,500	60,552	1,877	58,675	-	2,552	19,132	38,868
	292,422	50,043	8,632	41,411	-	50,043	-	-
	308,066	308,066	-	140,179	167,887	308,066	-	-
	131,081	115,578	38,182	77,396	-	115,578	-	-
	<b>3,293,025</b>	<b>1,117,621</b>	<b>117,595</b>	<b>436,457</b>	<b>563,569</b>	<b>1,038,031</b>	<b>40,722</b>	<b>38,868</b>
	2,729,481	1,485,935	20,084	316,354	1,149,497	1,383,148	65,000	37,787
	2,000,000	1,058,906	165,967	71,998	820,941	1,063,830	5,076	-
	2,576,665	2,576,665	-	230,331	2,346,334	2,576,665	-	-
	<b>7,306,146</b>	<b>5,121,506</b>	<b>186,051</b>	<b>618,683</b>	<b>4,316,772</b>	<b>5,013,643</b>	<b>70,076</b>	<b>37,787</b>
	345,989	345,989	-	-	345,989	345,989	-	-
	<b>345,989</b>	<b>345,989</b>	-	-	<b>345,989</b>	<b>345,989</b>	-	-
	432,860	216,430	-	216,430	-	50,324	30,668	135,438
	<b>432,860</b>	<b>216,430</b>	-	<b>216,430</b>	-	<b>50,324</b>	<b>30,668</b>	<b>135,438</b>
	<b>33,796,840</b>	<b>14,496,075</b>	<b>896,637</b>	<b>3,832,824</b>	<b>9,766,614</b>	<b>13,782,042</b>	<b>163,320</b>	<b>550,713</b>

# Property Development (Continued)

Land Bank Table (as at 25 March 2015)

No.	Project Name	City/District	Unit Land Cost (RMB/sq.m.)	Interests Attributable to the Group	Total Site Area (sq.m.)	Address
<b>Eastern China Region</b>						
50	Agile Chang Le Du Nanjing	Nanjing	11,745	100%	59,900	Mendong Changledu, Qinhuai District, Nanjing
51	The Luxury House Nanjing	Nanjing	4,407	100%	114,020	200 Qingshuiting West Road, Jiangning District, Nanjing
52	The Territory Nanjing	Nanjing	6,720	100%	299,457	West of Linjiang Road and Qili River, Pukou District, Nanjing
53	Agile Garden Gaochun	Nanjing	1,240	100%	222,641	West and South of Wutai Road, East of New Sports Stadium, North of Shuanggao Road, East of Zhoujia, Gaochun District, Nanjing
54	Agile & Star River Changzhou	Changzhou	1,679	100%	223,906	West of Taishan Road, North of Longcheng Avenue, Xinbei District, Changzhou
55	Agile International Yangzhou	Yangzhou	2,299	100%	110,597	North of Planned Road 2, West of Weiyang Road, South of Jiangyang Road, East of Hongda Road, Yangzhou
56	Agile Silva Town Chuzhou	Chuzhou	344	100%	270,907	North of Xinchu Road, South of Xiangjiang Road, East of Changjiang Road, Chahe New City Development Zone, Chuzhou
57	Agile City Center Villa Wuxi (Formerly known as Agile Center Square Wuxi)	Wuxi	3,454	100%	214,664	Junction of Guanshan Road and Gong Lake Avenue, Taihu New City, Binhu District, Wuxi
58	Agile YOWO Park Kunshan	Kunshan	1,519	100%	62,526	North of Qionghua One Road, Qiandeng Town, Kunshan
59	Agile Hillgrove Zhenjiang	Zhenjiang	2,166	100%	113,117	West to Tanshan Road, South to Balongshan Road, Zhenjiang
60	Agile Garden Nantong (Formerly known as Nantong Fuxing Road South Project)	Nantong	1,368	100%	187,437	Fixing Road South, Lincui Road West, Nantong
61	Agile Future Star Shanghai	Shanghai	6,100	100%	94,193	Planned Road 4 to the South, Planned Road 1 to the East, Shanghai Film Shooting Base to the North, Yingcheng Road to the West, Songjiang District, Shanghai
62	Shanghai Pudong New District Project	Shanghai	2,984	100%	1,441,967	5333 East Dagong Road, Binhai Town, Pudong New District, Shanghai
63	Hangzhou Yuhang District Project	Hangzhou	3,077	100%	132,446	North of Yangqiao Road, Xianlin Road, Yuhang District, Hangzhou
64	Ningbo Beilun District Project	Ningbo	1,178	100%	255,332	East of Chunxiaominyue Road, North of Chunxiao Avenue and South of Chenghai Road, Beilun District, Ningbo
<b>Eastern China Region Subtotal</b>			<b>2,727</b>		<b>3,803,110</b>	
<b>Western China Region</b>						
65	Agile Garden Chengdu	Chengdu	1,163	100%	1,338,960	19 Second Section, Lushan Road, Shuangliu County, Chengdu
66	Agile Garden Xi'an	Xi'an	450	100%	90,644	Wenwan North Road, Chang'an District, Xi'an
67	Agile Montblanc Xi'an	Xi'an	2,566	100%	120,333	Maopo Village, Guodu Street, Chang'an District, Xi'an
68	Agile Chairman Xi'an (Note 2)	Xi'an	3,722	70%	75,953	South of Qujiangchi South Road, West of Xinkaimen South Road, North of South Third Ring, Quijiang New District, Xi'an
69	Agile Life Diary Xi'an (Formerly known as Xi'an Changning New District Project)	Xi'an	2,142	100%	277,519	West of Ziwu Avenue, South of Ju River, Guodu Street Office, Chang'an District, Xi'an
70	Agile International Garden Chongqing	Chongqing	880	100%	321,073	Huilong Road, Nanping Jingkai District, Chongqing
71	Agile Chairman Chongqing	Chongqing	2,000	100%	119,287	Shuangshan District, Dadukou District, Chongqing
<b>Western China Region Subtotal</b>			<b>1,932</b>		<b>2,343,769</b>	
<b>Central China Region</b>						
72	Bund Mansion Changsha (Note 2)	Changsha	1,716	50%	197,406	Xiangjiang Avenue, Kaifu District, Changsha
73	Changsha Kaifu District Project	Changsha	2,679	100%	40,000	Xiangjiang Avenue, Kaifu District, Changsha
74	Agile Evian Town Changsha (Formerly known as Changsha Huitang Town Project)	Changsha	434	100%	410,911	Huitang Village, Huitang Town, Ningxiang County, Changsha
75	Agile International Garden Zhengzhou (Note 2)	Zhengzhou	438	60%	83,681	Ruifeng Road and Kangzhuang Road, Baisha Town, Zhongmou County, Zhengzhou
76	Chenzhou Project	Chenzhou	638	100%	121,066	Zhudu Village, Matian Village, Heping Village, Suxian District, Chenzhou
<b>Central China Region Subtotal</b>			<b>847</b>		<b>853,064</b>	
<b>Hainan Province Region</b>						
77(A)	Hainan Clearwater Bay Project A (Note 2)	Lingshui	312	70%	9,515,036	Clearwater Bay Avenue, Yingzhou Town, Lingshui Li Minority Autonomous County
77(B)	Hainan Clearwater Bay Project B	Lingshui	1,131	100%	126,659	Clearwater Bay Avenue, Yingzhou Town, Lingshui Li Minority Autonomous County
78	Hainan Dingan Nanyi Lake Project	Dingan	2,530	100%	186,991	East of Nanyi Lake, Ding'an County
79	Agile Pure Moon Bay Hainan	Wenchang	1,083	100%	400,511	Qibu District, Moon Bay, Changjiu Town, Wenchang City
80	Hainan Wenchang Tongguling Project	Wenchang	824	100%	110,098	North of Zuanshi Avenue, West of Baoling Middle Road, Tongguling, Longlou Town, Wenchang City
<b>Hainan Province Region Subtotal</b>			<b>380</b>		<b>10,339,295</b>	
<b>Yunnan Province Region</b>						
81	Agile International Garden Ruili	Ruili	271	100%	263,994	East of 40m Planning Road, North of Tuanjie Road, North of Maohan Road Long Line, South of Make Villager Group, Ruili
82	Agile Eden Yunnan	Tengchong	155	100%	2,423,266	Qushi Community, Qushi Town, Tengchong County
83	Agile Querya Yunnan	Xishuangbanna	375	100%	528,533	Manda Village, Gasu Town, Jinghong, Xishuangbanna
<b>Yunnan Province Region Subtotal</b>			<b>197</b>		<b>3,215,793</b>	
<b>Northeast China Region</b>						
84	Agile Garden Shenyang	Shenyang	584	100%	536,848	1 Punan Road, Daoyi South Street, Shenbei New District, Shenyang
<b>Northeast China Region Subtotal</b>			<b>584</b>		<b>536,848</b>	
<b>Northern China Region</b>						
85	Tianjin Jinnan New City (Note 2)	Tianjin	2,341	25%	1,289,227	Southwest of Junction of Tianjin Avenue and Donggu Road, Jinan District, Tianjin
<b>Northern China Region Subtotal</b>			<b>2,341</b>		<b>1,289,227</b>	
<b>Overseas</b>						
86	Kuala Lumpur Mont Kiara Project (Note 2)	Kuala Lumpur	2,051	70%	41,130	Mukim Batu, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur, Malaysia
87	Kuala Lumpur Bukit Bintang Project (Note 2)	Kuala Lumpur	6,807	70%	15,174	Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur, Malaysia
<b>Overseas Subtotal</b>			<b>4,316</b>		<b>56,304</b>	
<b>Grand Total (Note 3)</b>			<b>1,157 (Note 4)</b>		<b>42,233,943</b>	

**Remark:**

- Land bank data includes only GFA that is calculated based on plot ratio and A=B=C. The data of completed GFA and GFA under development are as at 31 December 2014. Data are derived from the Group's internal record.
- Total site area and total GFA of Guangzhou Asian Games City Project, Keep Orange Huadu, Beautiful Lake Zhongshan, Nanning Wuxiang New District Project, Bund Mansion Changsha and Tianjin Jinnan New City are the total area of the overall projects; while the area set out in the column of land bank is the area proportional to the respective equity interests held by the Group. Since Agile Chairman Xi'an, Agile International Garden Zhengzhou, Hainan Clearwater Bay A Project, Kuala Lumpur Mont Kiara Project and Kuala Lumpur Bukit Bintang Project are held by the subsidiaries of the Group, their total site area, GFA and land bank are shown in 100%.
- Besides the above information, the Group holds 70% equity interest in lands (including agricultural land and others) with site area of approximately 1.14 million sq. feet in the New Territories, Hong Kong and is intended to submit its application for amendment of plan to the relevant government department.
- Unit land cost is calculated according to the planned GFA of the land bank of the Group.



# Property Development (Continued)

Land Bank Table (as at 25 March 2015)

	Total Planned GFA of the Project (sq.m.)	Land Bank (sq.m.) (Note 1)						
		Total Planned GFA (A) (sq.m.)	Development Stage (B)			Planning Nature (C)		
			Completed (B1)	Under Development (B2)	Held for Future Development (B3)	Residential & Ancillary Facilities (C1)	Hotel (C2)	Commercial & Office (C3)
	59,600	52,983	28,926	24,057	-	32,510	-	20,473
	228,040	9,738	9,738	-	-	9,738	-	-
	853,466	803,503	122,428	355,670	325,405	803,503	-	-
	512,074	512,074	-	173,495	338,579	512,074	-	-
	559,765	481,761	122,718	207,509	151,534	481,761	-	-
	436,858	436,858	-	167,644	269,214	395,858	41,000	-
	677,266	656,791	18,734	153,793	484,264	656,791	-	-
	590,325	590,325	-	166,453	423,872	295,162	-	295,163
	125,052	125,052	-	59,958	65,094	125,052	-	-
	226,200	226,200	-	110,102	116,098	226,200	-	-
	510,000	510,000	-	119,475	390,525	510,000	-	-
	148,025	138,183	12,961	125,222	-	138,183	-	-
	433,260	433,260	-	-	433,260	200,992	-	232,268
	423,827	423,827	-	-	423,827	398,827	-	25,000
	561,730	561,730	-	-	561,730	561,730	-	-
	<b>6,345,488</b>	<b>5,962,285</b>	<b>315,505</b>	<b>1,663,378</b>	<b>3,983,402</b>	<b>5,348,381</b>	<b>41,000</b>	<b>572,904</b>
	1,606,752	794,527	146,120	218,271	430,136	794,527	-	-
	234,439	141	141	-	-	141	-	-
	369,505	113,263	64,041	40,119	9,103	113,263	-	-
	215,092	215,092	-	166,649	48,443	215,092	-	-
	695,070	695,070	-	46,192	648,878	580,486	-	114,584
	463,843	14,954	98	14,856	-	14,954	-	-
	348,172	348,172	-	187,816	160,356	348,172	-	-
	<b>3,932,873</b>	<b>2,181,219</b>	<b>210,400</b>	<b>673,903</b>	<b>1,296,916</b>	<b>2,066,635</b>	-	<b>114,584</b>
	670,237	204,357	-	126,898	77,459	204,357	-	-
	112,000	112,000	-	59,063	52,937	112,000	-	-
	739,641	739,641	-	25,973	713,668	739,641	-	-
	196,634	116,215	1,342	76,245	38,628	116,215	-	-
	145,279	145,279	-	-	145,279	145,279	-	-
	<b>1,863,791</b>	<b>1,317,492</b>	<b>1,342</b>	<b>288,179</b>	<b>1,027,971</b>	<b>1,317,492</b>	-	-
	10,243,488	8,326,203	270,495	1,324,324	6,731,384	7,761,401	514,842	49,960
	151,991	151,991	-	-	151,991	151,991	-	-
	56,097	56,097	-	-	56,097	45,069	-	11,028
	346,616	264,046	18,281	202,085	43,680	239,060	24,986	-
	330,294	330,294	-	-	330,294	330,294	-	-
	<b>11,128,486</b>	<b>9,128,631</b>	<b>288,776</b>	<b>1,526,409</b>	<b>7,313,446</b>	<b>8,527,815</b>	<b>539,828</b>	<b>60,988</b>
	731,852	731,852	-	339,940	391,912	671,866	59,986	-
	4,004,836	3,968,696	117,664	349,520	3,501,512	3,668,784	299,912	-
	634,240	634,240	-	141,241	492,999	634,240	-	-
	<b>5,370,928</b>	<b>5,334,788</b>	<b>117,664</b>	<b>830,701</b>	<b>4,386,423</b>	<b>4,974,890</b>	<b>359,898</b>	-
	1,110,834	972,134	24,254	385,107	562,773	967,800	-	4,334
	<b>1,110,834</b>	<b>972,134</b>	<b>24,254</b>	<b>385,107</b>	<b>562,773</b>	<b>967,800</b>	-	<b>4,334</b>
	3,010,901	642,350	8,400	97,500	536,450	642,350	-	-
	<b>3,010,901</b>	<b>642,350</b>	<b>8,400</b>	<b>97,500</b>	<b>536,450</b>	<b>642,350</b>	-	-
	167,100	167,100	-	1,153	165,947	167,100	-	-
	151,961	151,961	-	-	151,961	151,961	-	-
	<b>319,061</b>	<b>319,061</b>	-	<b>1,153</b>	<b>317,908</b>	<b>319,061</b>	-	-
	66,879,202	40,354,035	1,862,978	9,299,154	29,191,903	37,946,466	1,104,046	1,303,523

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

Agile Cambridgeshire  
Guangzhou



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



Flagship Projects at a Glance

Southern China Region



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

Agile Cambridgeshire  
Zhongshan



Agile Gentlefolk  
Zhongshan (Formerly known  
as Zhongshan Jibian Town Project)



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



Agile Royal Mount  
Zhongshan



Agile Baron Hill  
Zhongshan



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

Agile Peninsula  
Sanshui



Agile Garden  
Lecong



Flagship Projects at a Glance

Southern China Region



Agile New City Bay  
Foshan



Agile Garden  
Heyuan





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



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

Agile Future Star  
Shanghai



Flagship Projects at a Glance  
Eastern China Region

Agile Chang Le Du  
Nanjing



Flagship Projects at a Glance

Eastern China Region



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



Property Development (Continued)

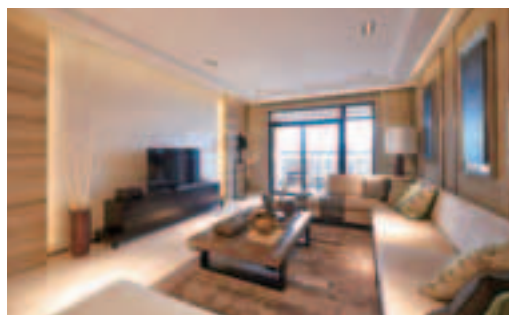
Flagship Projects at a Glance

Eastern China Region

Agile International  
Yangzhou



Agile City Center  
Villa Wuxi (Formerly known  
as Agile Center Square Wuxi)

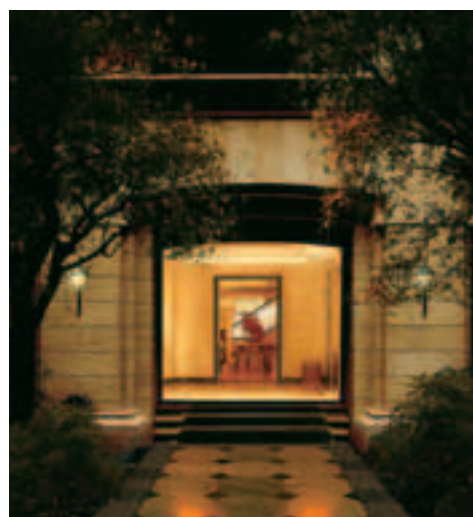


**Flagship Projects at a Glance**  
Eastern China Region

Agile Silva Town  
Chuzhou



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





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

Agile Montblanc  
Xi'an



Agile Chairman  
Chongqing



## Property Development (Continued)

### Flagship Projects at a Glance

## Central China Region



Agile Evian Town  
Changsha (Formerly known  
as Changsha Huitang Town Project)



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



Agile International  
Garden Zhengzhou



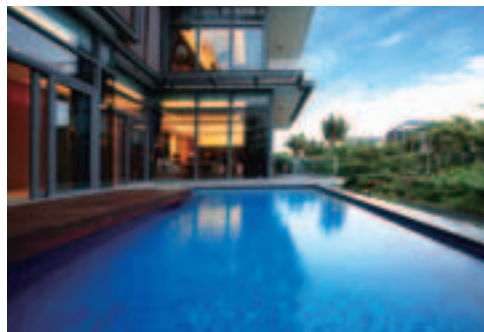
## Property Development (Continued)

### Flagship Projects at a Glance

## Hainan Province Region



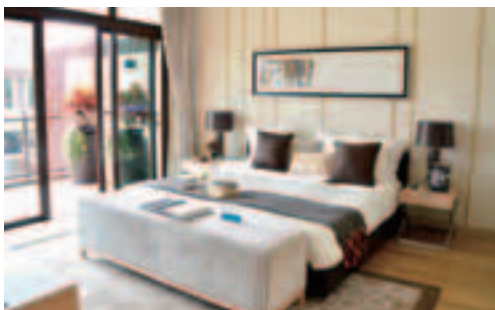
## Hainan Clearwater Bay



**Flagship Projects at a Glance**  
**Hainan Province Region**



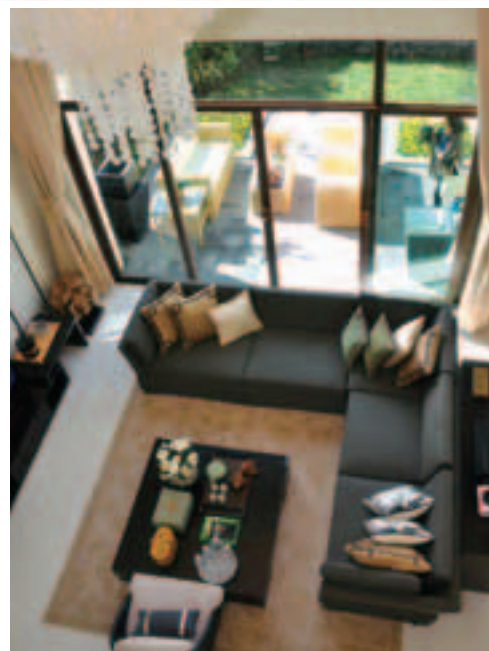
Agile Pure Moon Bay  
Hainan



Property Development (Continued)

Flagship Projects at a Glance

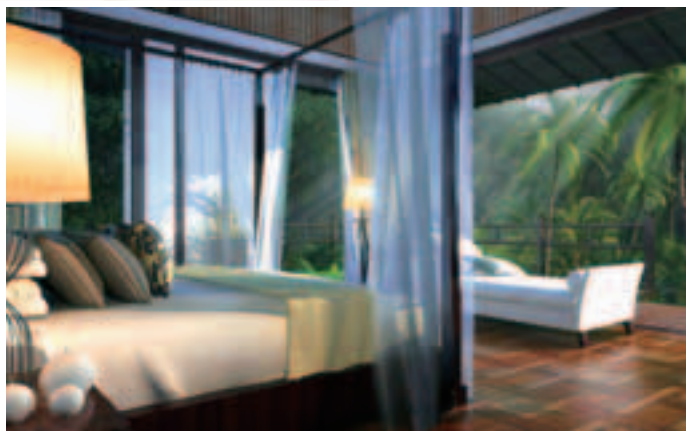
## Yunnan Province Region



**Flagship Projects at a Glance**  
**Yunnan Province Region**



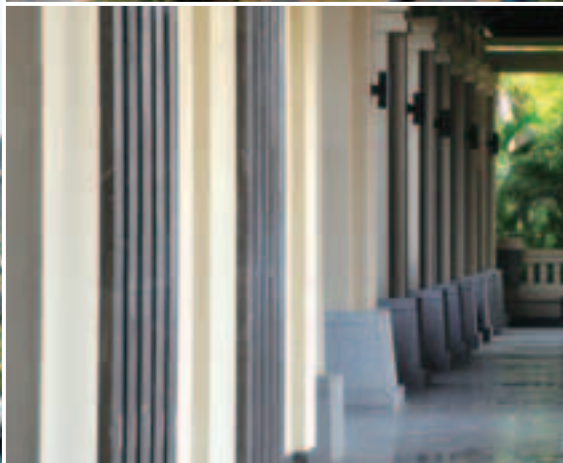
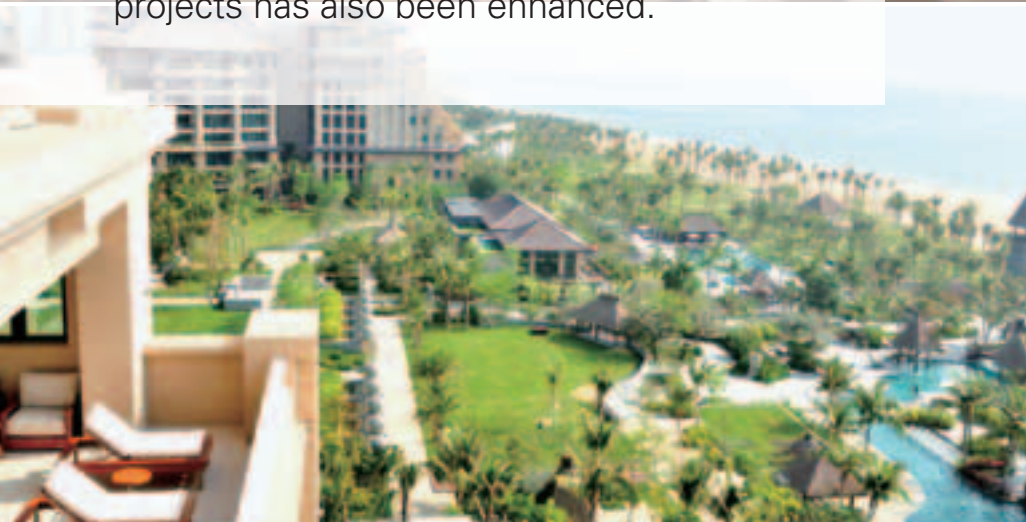
Agile Quenya  
Yunnan



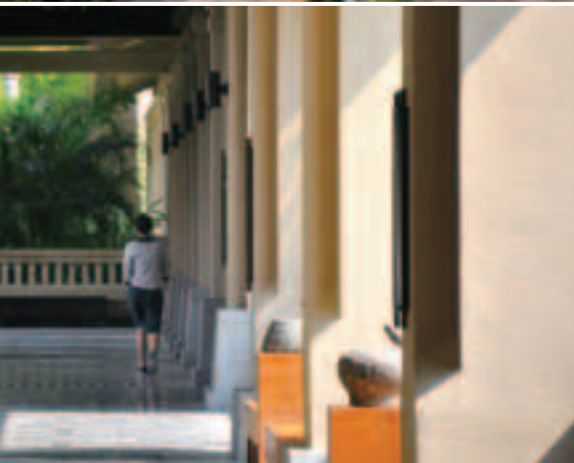


# Hotel Operations and Property Investment

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







# Hotel Operations and Property Investment

## Business overview

During the year, hotel operations and property investment businesses of the Group continued to grow. Holiday Inn Resort Hainan Clearwater Bay, Howard Johnson Agile Plaza Chengdu and Sheraton Bailuhu Resort Huizhou commenced operation, which marked a new era for our hotel operations. During the year, the Group had 8 hotels in operation, with revenue of hotel operations increased by 43.2% when compared with last year, and generated continuous and steady income. During the year, Guangzhou Agile Center, located at the commercial core area of downtown Guangzhou City, commenced its operation. Agile International Plaza Shanghai and Xiqiao Metropolis Plaza continued to contribute stable income to the Group. The revenue of property investment increased by 29.9% when compared with last year.

## Major hotels

### Shanghai Marriott Hotel City Centre

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

### Raffles Hainan

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





#### **Sheraton Bailuhu Resort Huizhou**

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

#### **Howard Johnson Agile Plaza Chengdu**

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

#### **Holiday Inn Resort Hainan Clearwater Bay**

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

#### **Tengchong Agile Hotel**

Tengchong Agile Hotel is located at Qushi Town, Tengchong County, and comprises 75 standard rooms. The hotel is expected to have its official opening in 2015.

#### **Guangzhou Agile Hotel**

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

#### **Zhongshan Agile Hotel**

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

### Major investment properties

#### Guangzhou Agile Center

Located at the commercial core area of downtown Guangzhou City and enjoys good transportation network for its prime location adjacent to the “Zhujiang New Town Station” of Guangzhou Metro Line 3, Guangzhou Agile Center, is a 39-storey Grade A office building with a total GFA of approximately 88,000 sq.m.. The building is outfitted with ancillary facilities including banks, a Michelin-starred restaurant, a convenience store and a coffee shop. The building has been put into operation since the fourth quarter of 2014 and its 30th to 39th floors have been reserved as the headquarters of the Group.

#### Agile International Plaza Shanghai

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

#### Xiqiao Metropolis Plaza

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



# Property Management



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

As of 31 December 2014, the total GFA of properties managed by the Group reached 23.09 million sq.m., serving around 600,000 residents and tenants with all-rounded, professional and high quality property management and operating services, including maintenance and repair of buildings and ancillary facilities, community security management, environmental hygiene, landscape maintenance, household services, clubhouse entertainment, recreational and catering services and community cultural activities, in order to satisfy various needs of residents and build a content living style and an excellent commercial environment.

During the year, the Group’s property management received wide recognition from government departments of different levels, including the “National Model Residential Community of Property Management” granted by the Ministry of Housing and Urban-Rural Development of the People’s Republic of China. During the year, the Group’s property management received integrated accreditations presented by The British Standards Institution, with 6 residential projects of the Group fulfilled the requirements of ISO9001 Quality Management System, ISO14001 Environmental Management System and OHSAS18001 Occupational Health and Safety Management System, which highly affirmed the Group’s professional experience in property management, and its unswerving commitment to provide high-end, international-standard property management services to residents.

## Property Management (Continued)

During the year, the second generation of central property management software system of the Group was launched to allow prompt update of data in order to ensure the database's accuracy and completeness, enhance the system efficiency and support the comprehensive property management services including "Agile Club" online service platform.

### **"Agile Club" – All-rounded smart community**

During the year, the Group entered into a cooperation agreement with China Telecommunications Corporation and introduced "Agile Club" online service platform for residents to enjoy comprehensive services, including property management fee enquiry and payment, application for use of facilities, activity enrolment and online booking through online interactive platforms, including mobile phones, computers and Alipay, in addition to community information at a glance. The Group is expected to introduce the second phase of services including TV Portal in 2015.

Listening to customers' feedbacks is one of the keys to making improvements. The Group has been active in listening to requests and recommendations from different parties, and strengthening communications with members and designated alliance vendors via the "Agile Club" (formerly known as "Agile Property Club"), a club dedicated to Agile customers providing residential, living and cultural services with better quality. During the year, the "Agile Club" (formerly known as "Agile Property Club") organised a total of approximately 600 community activities with participation from over 145,000 people, and its members could enjoy special offers from over 1,600 selected business merchants in China, Hong Kong and Macau.



**“Harrogate” – Presenting the excellence of classic British property management**

“Harrogate”, the high-end property management brand of the Group, has provided classic British property management services to high-end residential projects, commercial properties and serviced apartments during the year, in order to satisfy the increasing demand for high-end property management services of residents and tenants. Professional property management personnel from “Harrogate” serves with “proactiveness, sincerity, modesty and politeness”, caters individual needs of privileged customers and helps establishing distinguished residential and commercial environments. “Harrogate” currently provides high-end property management services in various projects, including Agile Cambridgeshire Guangzhou, Agile Mountain Guangzhou and Agile International Plaza Shanghai.

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





# Sustainability Report

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





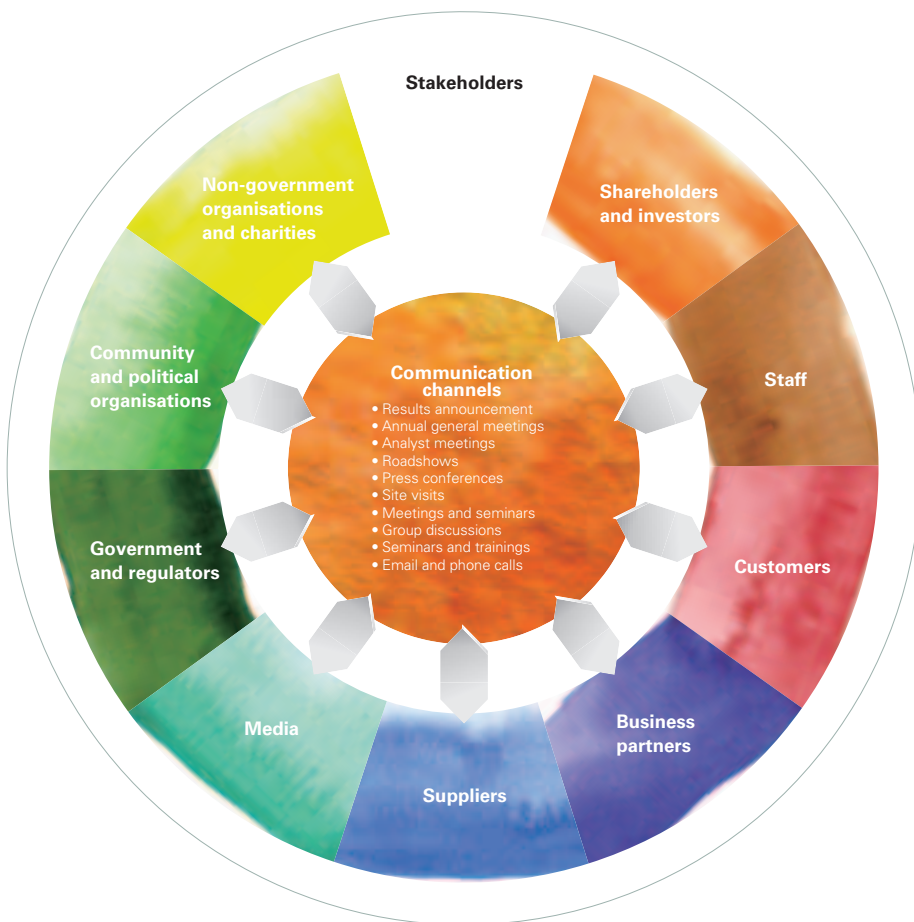
## Principles and objectives

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



### Active communications with stakeholders through different channels

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



### Major honours and awards

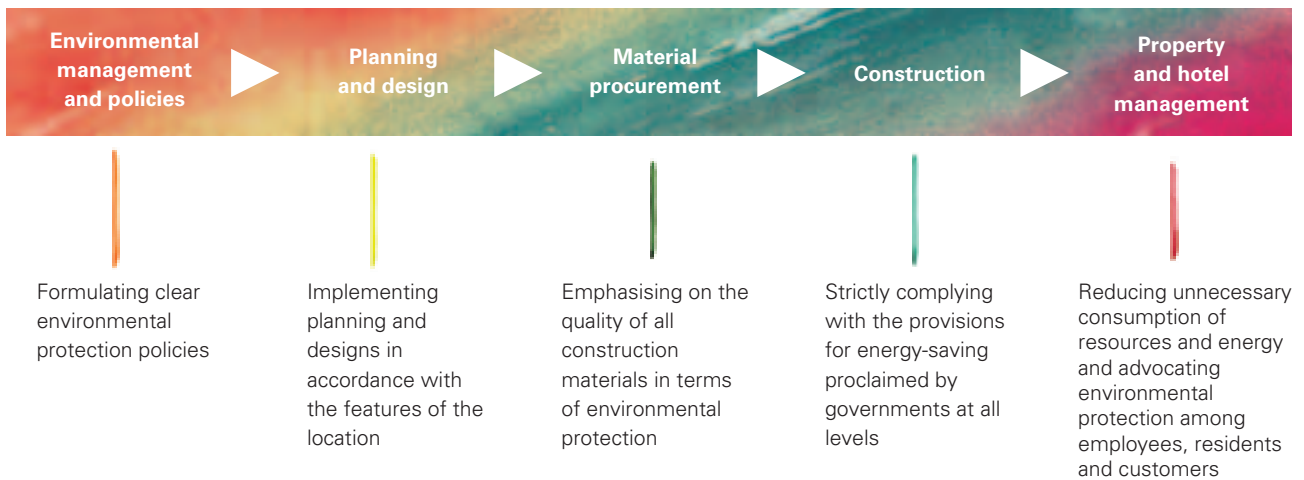
The Group has won recognitions for its persistent effort in sustainable development by the government and the society. Major honours and awards obtained by the Group during the year include:

Honours and awards	Awarding organisation
Caring Company	The Hong Kong Council of Social Service
2013 Gold Cup of Guangdong Poverty Relief Hongmian Cup	Guangdong Leadership Group of Poverty Alleviation
Corporate Social Responsibility Awards 2014	Capital magazine Capital Weekly magazine
China Corporate Social Responsibility Annual Recognition Award 2013: Best Responsibility Team	Southern Weekly magazine
Best Enterprise of Chinese Private Enterprises Annual Recognition Award 2013	
Chinese Top 100 Advanced Enterprises in Enterprise Education	Organising Committee of Enterprises Education Top 100 in China
The Most Valuable Chinese Enterprise Business College	
2014 China's Best Corporate University	Overseas Education College of Shanghai Jiaotong University

**Environmental Sustainability**

**Environmental Sustainability**

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



**Environmental protection policies**

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

**Planning and design**

By leveraging on over 20 years of experience in real estate development, the Group is well-aware that planning and design is the soul to our projects. During the year, the Group conducted various researches on our projects and adopted comprehensive and effective measures to

integrate buildings with local environment; improve the quality of residential environments and minimise carbon emission and wastage of resources in the long-run.

Layout, space and orientation of the buildings were properly arranged in pursuant to the local climate and environment during planning and design to make good use of lighting, air conditioning and natural resources. The Group also considered the topographical and geographical features to minimise the adverse effects on hill, water source, plantation as well as historic and cultural buildings. Based on the features of local plant distribution, the Group

## Environmental Sustainability

established landscape to protect the original ecological environment. By fully utilising local geographical advantages, the Group used renewable energy where practicable to reduce energy consumption in the long run. The indoor design of all projects laid emphasis on lighting and ventilation, which contributes to the comfort of living condition while making the most of natural resources and reducing unnecessary energy consumption. To further reduce the energy consumption of our projects, the planning team and property management team of the Group considered and predicted the energy demands of public areas at the early stage of planning to formulate the most appropriate lighting standards.

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

### Material procurement

The Group believes that construction materials directly influence the quality of the buildings and the surrounding environment. During the year, the Group procured and used environmental-friendly materials for indoor and outdoor construction, and ensured that our projects would provide a comfortable living environment for the residents while saving natural resources.

As for outdoor construction materials, safe and efficient energy-saving materials were selected according to thermal insulation and energy-saving analysis of the outer walls, roofs and balconies of the buildings to reduce the energy consumption of properties. The colourful bricks used on the ground are mainly Jianling Bricks made from

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

As for public facilities, all underground parking lots, parks and building's common areas under the Group's property management adopted energy-saving LED lighting systems, the light of which is closer to natural light as compared with traditional light pipes, with energy consumption reduced by 67% and the brightness more than 4 times of that of traditional fluorescent lamps and free from pollutants of mercury and halogen powder. As for green appliances, the Group used water-saving, low-noise and durable bathroom products and energy-saving electric appliances, such as water-saving closetools and shower sprinklers, supplied by internationally renowned manufacturers. In particular, the electricity consumption of air conditioners reduced by approximately 13% as compared with similar products with the same cooling effect.



# Sustainability Report (Continued)

## Environmental Sustainability

### Construction

Effective construction management can ensure the effective use of resources. During the year, in strict compliance with the energy-saving requirements on construction proclaimed by the governments at all levels, the Group further improved our construction management to minimise the unnecessary electricity and water consumption of projects.

On the premise that safety is assured, the Group and contractors adjusted the ratio of steel and concrete; and selected level-3 steel of high strength and high pre-stressing force steel bars to minimise resources used in construction and carbon emission. The Group also strived to cut down the distribution of pile foundations by promoting and adopting the composite foundation technology in various construction projects to make full use of carrying capacity of the original foundation so as to reduce resource consumption.

### Property and hotel management

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

In respect of residential projects, new energy-saving coolant was used in large-scale cooling units of all residential projects to reduce pollution and the green house effect. Variable speed and intelligent control technology was used to improve the efficiency and save

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

The Group had installed energy-saving equipments in pump rooms in most projects located in Zhongshan, which successfully reduced the noise of equipments and improved energy-saving effect. The Group achieved a win-win situation of environmental protection and economic efficiency by saving electricity by an average of approximately 45% and electricity charge of RMB250,000 during the year.

To conserve water resources, the Group applied mechanised high-pressure cleansing equipment for outdoor cleaning of communities to save water. The sediment of water scene facilities was drawn off by using



## Environmental Sustainability

sewage collectors monthly to reduce the frequency of cleaning. When cleaning ponds, water of which was stored in neighbouring ponds or used for irrigation to reduce water consumption; fish fry was placed in artificial lakes for natural sanitisation.

Most of the residential projects of the Group had set up waste separation facilities to sort “recyclable waste”, “food waste”, “harmful waste” and “other wastes” and encouraged residents and staff to foster green habits.

Projects of the Group had a general community greenery ratio of over 50%, creating green landscapes. Large amount of trees and scrubs were planted for cooling, heat dissipating, air purification and noise reduction. The Group also had actively implemented various environmental protection measures, including growing saplings in plant nurseries for greening the community in a bid to prevent damages to the ecology; using environmental-friendly pesticides to minimise damages made to the ecology; and effectively dealing with pests according to their occurrence patterns and the weather conditions, and that both the prevention doses and frequency could be contained.

In respect of hotels in operation, solar water heaters and heat pumps had been installed in Guangzhou Agile Hotel and Foshan Agile Hotel respectively to generate daily hot water supply and reduce gas consumption. Annual gas consumption fees saved were approximately RMB100,000

and RMB200,000 respectively. Besides, exhaust from the boiler steam at selected hotels was recycled to supplement the hot water supply of boilers and heating facilities. In addition, recycle rate reached 75% and annual electricity expense of approximately RMB300,000 could be saved, achieving a win-win situation for the environment and economic development.

In respect of new hotels, the Group adopted frequency conversion technologies for air-conditioning main processors and water pumps which can reduce electricity consumption by over 20%. Smoke purification was also applied to boilers and kitchens in an environmental-friendly way. In addition, measurement devices for water, electricity and gas consumption were widely installed in all new hotels to provide accurate information for the practice of energy-saving. The Group applied cool storage technology in the hotels of Hainan Clearwater Bay to optimise its electricity supply system which effectively reduces electricity consumption costs in hotels by approximately 15%.

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



## Sustainability Report (Continued)

### Environmental Sustainability

#### Promotion of awareness towards environmental protection

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

In order to encourage our stakeholders to practise a low carbon lifestyle, the Group participated in the "Earth Hour" initiated by WWF for the fifth consecutive year, and over 10,000 staff, residents and customers were invited to join the activity. The accumulated number of participants was more than 120,000 since 2010. In addition, the Group participated in the "Lai See Packets Recycling Programme" initiated by Greeners Action, a Hong Kong environmental group, for the fourth consecutive year. Lai See packets recycling points were set up in 37 residential estates, 8 hotels and all offices of the Group and over 15,000 staff members, over 490,000 residents, visitors and the public were encouraged to recycle used Lai See packets.

In order to promote the establishment of sustainable communities, the Group organised "Ecological Environmental Protection Day" for the eighth consecutive year. Over 2,300 trees and over 2,800 sq.m. of sods were planted with the participation of 2,500 staff. Since 2007, an aggregate of more than 18,000 trees and over 8,000 sq.m. of sods were planted. In Hong Kong, Agile Volunteer Team co-organised a farming campaign with "Local Life", a local farming social enterprise, and promoted

Permaculture on Lamma Island. After 5 farming activities on a piece of abandoned farmland at Yung Shue Ha Old Village, rice was successfully reaped and shared with the local elderlies.

#### Promote green education

To promote green education, the Group took the role as the key sponsor for the fourth consecutive year in the "Joint-University Eco-Business Innovation Award" organised by a student group from The Hong Kong University of Science and Technology. Through key activities such as "Experiential Learning Trips (Hong Kong and China)", "Green Community Planning Competition" and "Expert Seminars", a platform was provided to students from 10 tertiary education institutions, including The University of Hong Kong, The Hong Kong University of Science and Technology, The Chinese University of Hong Kong and The Hong Kong Polytechnic University, to communicate with industry experts and scholars, so as to understand the existing environmental protection planning and the latest trend in China, and to suggest innovative and possible eco-business solutions for the Group's projects. Winners of the competition will be offered opportunities to be the Group's summer interns. The Group will also actively consider the possibility to adopt implementation of their environmental protection solutions. Moreover, the staff of the Group participated in the "Mentoring Programme" organised by the Environmental Students' Society of the Hong Kong University of Science and Technology for the third consecutive year to share the industry development insights and life experiences with students.





## Social Sustainability

Upholding the belief of “benefiting from society, giving back to society”, the Group formulated its annual charity plan and actively promoted charitable activities to care for the needs of customers and the society, bring in long-term benefits and enhance the harmonious development of society. During the year, donations made by the Group amounted to RMB61 million.



## Sustainability Report (Continued)

### Social Sustainability

#### Education and sponsorship

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

The Group awarded students studying at institutions including Tsinghua University, Hunan University, Tianjin University and Tongji University under the “Agile Property Scholarship and Study Subsidy” scheme for the seventh consecutive year. During the year, over RMB1.223 million was awarded to 226 students by the Group. Since 2007, scholarships and study subsidies of nearly RMB7.2 million had been granted to an aggregate of approximately 1,500 students.

The Group granted scholarships and subsidies of over RMB1.4 million to more than 1,150 outstanding teachers and students in Qinghai through “Agile Qinghai Educational Award and Bursary Fund” for the fourth consecutive year.

Furthermore, during the year, the Group granted scholarships and subsidies to approximately 1,000 teachers and students of Zhongshan Tanzhou Secondary School, Zhongshan Memorial Middle School and Guishan Senior Middle School of Zhongshan City through “Agile Education Foundation” for the fourth consecutive year. Since 2007, scholarships and study subsidies of over RMB10 million had been granted to an aggregate of approximately 3,800 teachers and students.

The Group donated RMB2 million as education fund to the education bureau of Huicheng District in Huizhou City for the purchase of education equipments.

#### Promotion of Chinese culture

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

The Group sponsored “Agile Special Fund for Chinese Culture Continuation Work” organised by the Chinese Language and Cultural Education Foundation for the seventh consecutive year to support a series of activities promoting Chinese culture abroad. During the year, a total of 100 students completed the Chinese Education Diploma and Chinese Education Bachelor courses of Jinan University. During the year, more students were granted “Agile Scholarship” by the “Chinese Language and Culture Education Foundation of China”. Currently, there are about 30 overseas distance education offices established in Indonesia, Thailand, the United Kingdom and Germany. Over 600 professionals have completed their education in overseas and there are over 1,000 students attending courses. The education programme is highly regarded by overseas Chinese language teachers and students. Since 2008, approximately 2,000 overseas Chinese teenagers and Chinese language teachers were benefited from “Agile Special Fund for Chinese Culture Continuation Work”.



## Social Sustainability

## Caring for the community

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

During the year, the Agile Charity Fund donated over RMB2 million to Sun Yat-sen University Education Development Foundation for aid-the-poor activities. During the year, the Group donated RMB1.5 million to sponsor the fourth “Poverty Relief Day in Guangdong Province”.

## Encouraging staff taking part in social services

The Group has established a long-term relationship with various social organisations and encourages our staff to participate in charitable activities so as to contribute to the society through “Agile Volunteer Team”.

The Group has organised the “Agile Volunteer Service Day” for many years and the accumulated volunteer hours achieved by over 140,000 participants were equivalent to over 70,000 days. During the year, one of the major campaigns involved was the “Project Oneiromancy” which featured the theme of “Agile’s Support for Children”, and was held for sixth consecutive year by the Group to help primary school students in remote poverty-stricken mountainous areas across the country through

donating learning equipments and necessities to them. Other activities include “Sunshine Angel” held for the third consecutive year where participants visited orphans, children with special needs and children from poverty-stricken single parent families in China; the “Warming Sunset” programme held for the fourth consecutive year to provide care for the solitary elderly and donated items such as clothes and necessities for them to keep warm. Through the “Warm Winter” campaign, the Group showed its care by donating clothes to the poverty-stricken primary school students in Xishuangbanna. During the year, the accumulated volunteer hours achieved by nearly 30,000 participants were equivalent to over 10,000 days.

During the year, the Group acted as the principal sponsor of “30-Hour Famine” and “Macau Famine” organised by the World Vision for the fifth consecutive year. The Group sponsored the second “Do Famine” activity jointly organised by Chinese Foundation for Disabled Persons, Guangdong Chinese Foundation for Disabled Persons, World Vision, Qinghua University Community Youth Brigade and Guangdong Lion Club. The Group also acted as the “China Partner Sponsor” of World Vision for the third consecutive year. In addition, the Group donated RMB1.43 million to Red Cross Society of China Zhongshan Branch to support the “Charity Walk in Zhongshan” with the active support and participation of the Agile Volunteer Team.



## Sustainability Report (Continued)

### Social Sustainability

#### Focusing on the customers' interests and needs

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

In order to protect customer's interests, dedicated teams have been set up in all property management companies under the Group to deal with enquiries and complaints from customers. Handover teams, formed by staff from various departments, have formulated strict handover standards. To ensure the quality of our property, over 100 items of a resident unit will be inspected in detail before the handover. In addition, the Group has managed the database of customers in strict accordance with the relevant rules and regulations.

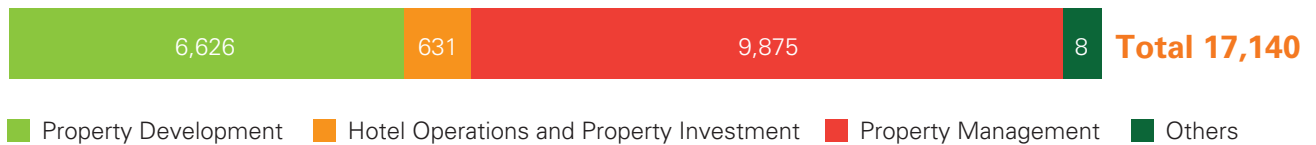
In 2005, the Group established a club, namely "Agile Life" (formerly known as "Agile Property Club"), to enhance the mutual communication with customers and provide quality residential, life and cultural services. During the year, the club organised a total of approximately 600 community activities across China with participation from over 145,000 people.



## Corporate Sustainability

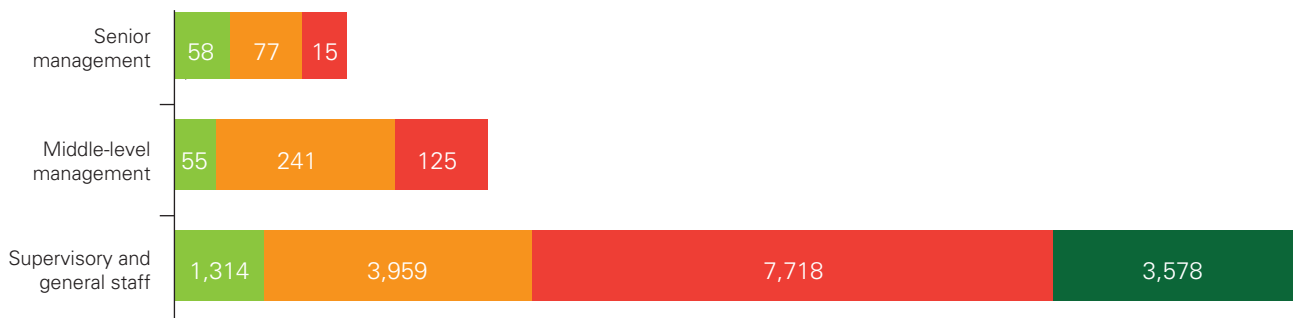
The Group firmly believes that our staff is the cornerstone for corporate development. To lay a bright career path for our staff and to foster corporate sustainable development, the Group has provided comprehensive benefits, training and promotion opportunities to bring our staff an ideal working environment.

### Staff breakdown by business operations in 2014

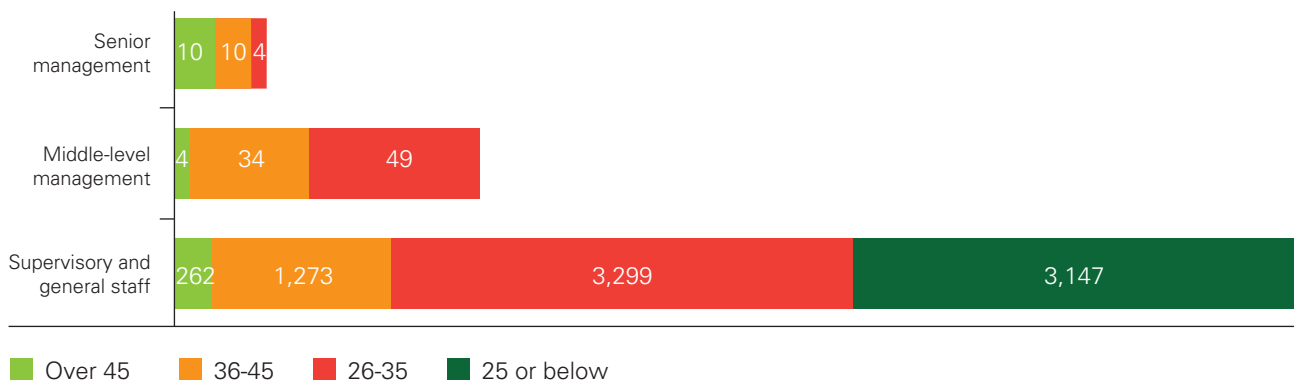


### Staff breakdown by age and position in 2014

#### Existing staff



#### New staff

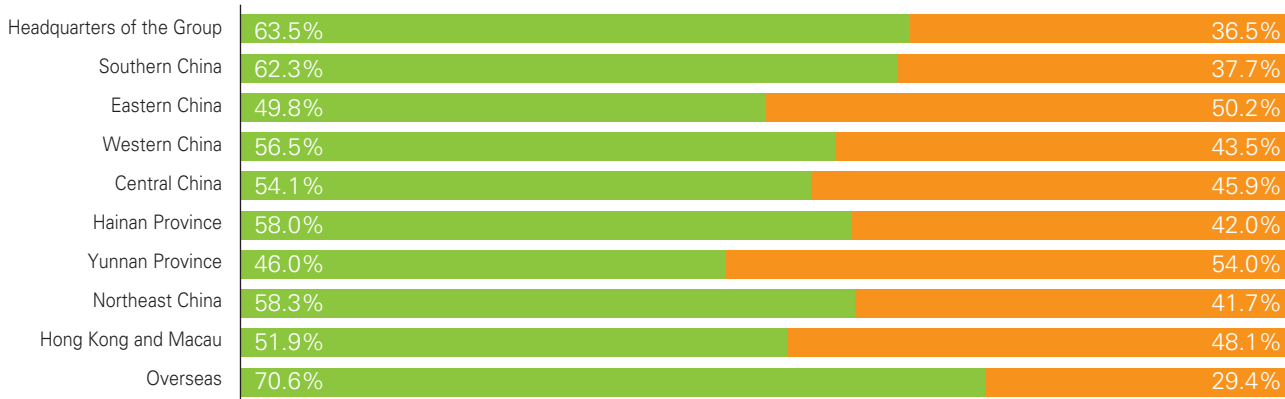


# Sustainability Report (Continued)

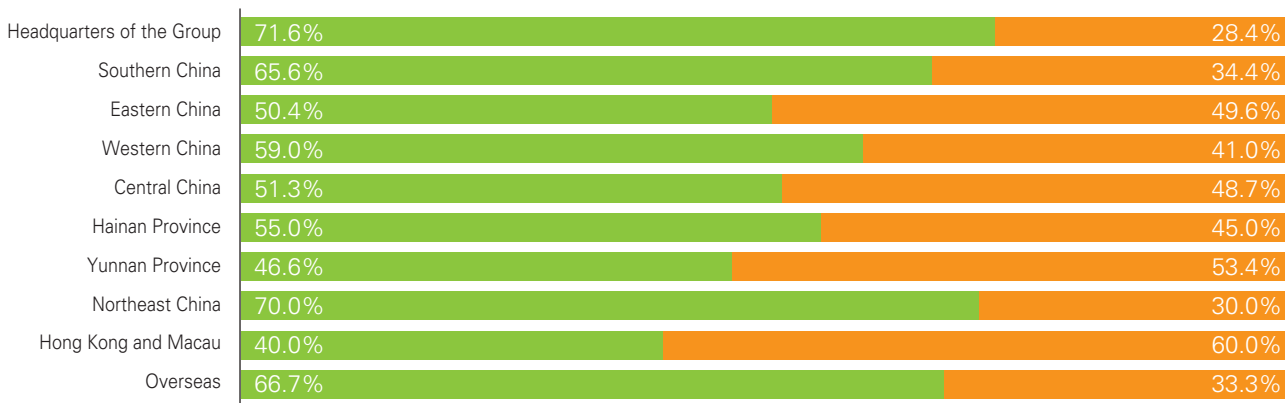
## Corporate Sustainability

### Staff breakdown by region and gender in 2014

#### Existing staff



#### New staff



■ Male    ■ Female

Staff breakdown by age and gender in 2014

**Existing staff**



**New staff**



■ Male      ■ Female

## Sustainability Report (Continued)

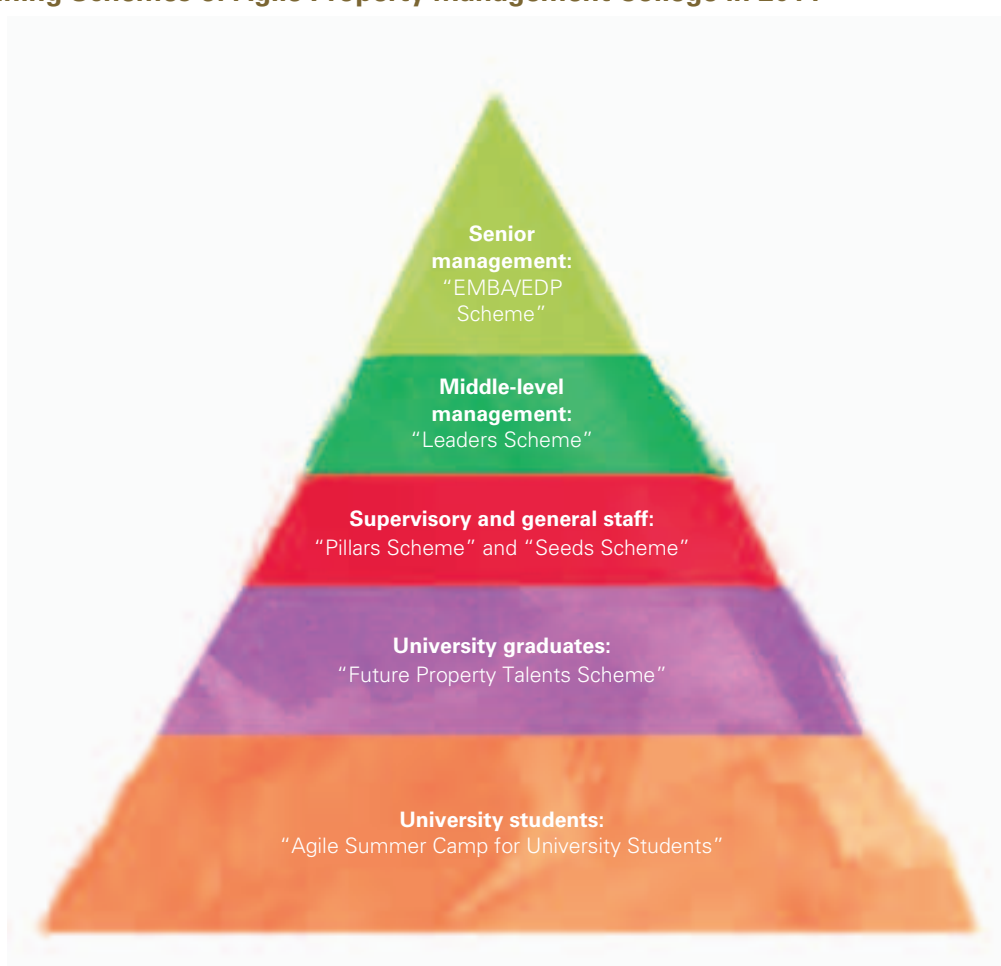
### Corporate Sustainability

#### Staff Development

##### Average number of training hours in 2014

Category	Hours	Coverage
Overall	46	96%
Senior management	25.5	100%
Middle-level management	33	99%
Supervisory and general staff	50.5	91%

##### Talent Training Schemes of Agile Property Management College in 2014





## Corporate Sustainability

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

### “Property A Scheme”

In order to support the rapid growth of the property development business, the Group provided related trainings according to the actual operating situation of each property project, so as to facilitate the business growth and enhance the services of the Group. During the year, the Group provided related trainings for about 30 property projects, including Agile Mountain Guangzhou, Agile Cambridgeshire Guangzhou, Hainan Clearwater Bay and The Luxury House Nanjing.

### Talent Training Schemes

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

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

To help the university graduates to prepare their careers, the Group organised a 15-day camp and “Mentoring Programme” for a term of one year in accordance with the “Future Property Talents Scheme”. “Mentoring Programme” comprised of 5 stages. Experienced members of the Group were assigned to act as mentors to assist university graduates to adapt to the working environment and gain relevant expertise and working skills.

To help students forming career development goals in an early stage, “Agile Summer Camp for University Students” was organised to provide a 16-day camp for undergraduate and postgraduate students. The camp mainly included seminars regarding information of the real estate industry, simulated job interviews and internships. Certain training courses and special seminars were delivered by the senior management of the Group, and participants with outstanding performance in the camp will receive a priority employment from the Group. During the year, the sixth “Agile Summer Camp for University Students” offered a wide range of training and internship opportunities for 48 outstanding students selected from more than 3,000 applicants from top universities in China and Hong Kong.



# Sustainability Report (Continued)

## Corporate Sustainability

During the year, the Group was awarded the “Chinese Top 100 Advanced Enterprises in Enterprise Education”, “The Most Valuable Chinese Enterprise Business College” and “2014 China’s Best Corporate University” for its comprehensive staff training policy.

### Staff benefits and welfare

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

### Caring for our staff

The Group has set up “Agile Foundation for Mutual Help” to provide financial assistance for staff or their families who had encountered financial difficulties due to accidents or serious illnesses. During the year, a total of over 400 members or their families benefited from the foundation with financial assistance of over RMB2.26 million.

### Staff engagement

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

The Group also organised a variety of recreational activities to enhance interaction among staff and encourage staff to strike a balance between work and life. During the year, the Group organised over 2,000 recreational activities, including festive celebrations, staff birthday parties, gatherings and family activities, in which staff showed great enthusiasm. In addition, the Group also encouraged staff to actively participate in community services. The details are set out in the “Social Sustainability” section of this sustainability report.

### Emphasis on equal opportunities

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



### Integrity culture and system

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

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

### Occupational safety and health

The Group has strictly implemented the “safety management system”, “office environment management system” and other related measures to provide staff with appropriate offices and workplaces in compliance with safety and health requirements. Reward and punishment mechanisms have been established to encourage our staff to comply with the relevant systems.

### Occupational safety and health data in 2014

Total number of staff of the Group	17,140
Lost days due to work-related accidents and diseases (occupational)	1,877.5



# Investor Relations



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

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

met over 2,000 investors. The Group values the opportunities to communicate with investors, and management responded proactively to their queries on results, development strategies and so on. Management also had in-depth discussion with investors on the industry trend and has promoted better investor relations. Besides, the Company regularly disseminates the latest operation information through announcements, press releases, company newsletters and company website in a timely and proactive manner.

As of 25 March 2015, about 30 investment banks and securities research institutions have initiated research coverage on the securities of the Company, which bestowed the Company with one of the highest research coverage in the China Property sector. Currently, the Company has established contacts with over 3,000 investors and analysts.

## Summary of investor relations activities of the Company

Activity	2014	2013
Investor presentation and press conference	<b>5 times</b>	4 times
Non-deal roadshow	<b>17 times</b>	23 times
Investor conference	<b>24 times</b>	31 times
Investor/analyst daily meeting	<b>30 times</b>	54 times
Telephone/video conference	<b>27 times</b>	19 times
Site visit	<b>60 times</b>	116 times

## Major investor relations activities of the Company in 2014

Month	Place	Activity
January	Singapore	Non-deal Roadshow co-organised with DBS Vickers DBS Vickers The Pulse of Asia Conference Singapore
	Hong Kong	Barclays China Property Corporate Day
		BNP Paribas Regional FIG Conference
		Credit Suisse Asian Real Estate Conference
		RHB OSK Asean and Hong Kong Corporate Day
March	Hong Kong	2013 Annual Results Investor Presentation and Press Conference
April	Amsterdam	2013 Annual Results Non-deal Roadshow co-organised with BNP Paribas
	Beijing	2013 Annual Results Non-deal Roadshow co-organised with BOC International
	Boston	2013 Annual Results Non-deal Roadshow co-organised with DBS Vickers
	Geneva	2013 Annual Results Non-deal Roadshow co-organised with BNP Paribas
	Hong Kong	2013 Annual Results Non-deal Roadshow co-organised with Standard Chartered Bank
		2013 Annual Results Non-deal Roadshow co-organised with Kim Eng Securities
		HSBC 5th Annual Greater China Property Conference
		UBS HK/China Property Conference 2014
		2013 Annual Results Non-deal Roadshow co-organised with BNP Paribas
	London	2013 Annual Results Non-deal Roadshow co-organised with DBS Vickers
New York	2013 Annual Results Non-deal Roadshow co-organised with BOC International	
Shanghai	2013 Annual Results Non-deal Roadshow co-organised with BNP Paribas	
Zurich	2013 Annual Results Non-deal Roadshow co-organised with BNP Paribas	

## Investor Relations (Continued)

Month	Place	Activity
May	Hong Kong	Barclays Asia Financial and Property Conference DBS Vickers The Pulse of Asia Conference Hong Kong Macquarie Greater China Conference Morgan Stanley 5th Annual Hong Kong Investor Summit
	Singapore	Deutsche Bank Access Asia Conference 2014
June	Beijing	J.P. Morgan Global China Summit 2014
	Hong Kong	Bank of America Merrill Lynch Greater China Property & Conglomerates Corporate Day Citi Bank Asia Pacific Property Conference 2014 CLSA HK/China Property Access Day
July	Singapore	Non-deal Roadshow co-organised with DBS Vickers DBS Vickers The Pulse of Asia Conference Singapore
August	Hong Kong	2014 Interim Results Investor Presentation and Press Conference 2014 Interim Results Non-deal Roadshow co-organised with Standard Chartered Bank 2014 Interim Results Non-deal Roadshow co-organised with DBS Vickers
September	Hong Kong	2014 Interim Results Non-deal Roadshow co-organised with HSBC CLSA 21st Investors' Forum 2014 RHB OSK Hong Kong Corporate Day
	Singapore	2014 Interim Results Non-deal Roadshow co-organised with Deutsche Bank 2014 Interim Results Non-deal Roadshow co-organised with DBS Vickers
October	Hong Kong	Jefferies 4th Annual Asia Summit Investors and Analysts Briefing organised by the Company
November	New York	HSBC 6th Annual Asia Investor Forum
	Singapore	Morgan Stanley 13th Annual Asia Pacific Summit
December	Hong Kong	Bank of America Merrill Lynch Greater China Property & Conglomerates Corporate Day Nomura China Property Corporate Day

During the year, the Group was granted the following investor relations-related honours and awards:

Honours & awards	Awarding Organisation
Global Top 50 Silver	IR magazine
Asia's Outstanding Company on Corporate Governance	Corporate Governance Asia magazine
Best Investor Relations Companies (China)	Corporate Governance Asia magazine
Gold Award of "Traditional Annual Report: Real Estate Development/Service: Residential Properties", "ARC Awards"	MerComm, Inc.

## Prospects

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

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

# Directors' Profile

**CHEN Zhuo Lin** (陳卓林), aged 53, Chairman of the Board and President of the Company. Mr. Chen is the founder of the Group. He has been the Chairman of the Board and an executive Director since August 2005 and a President of the Company since March 2014. Mr. Chen has over 22 years of extensive experience in real estate development and management. He is mainly responsible for the formulation of development strategies, development directions on the operations and overall business management, decision-making on investment projects, setting the goal of the financial year for the Group and maintaining the relationships with the Shareholders. Mr. Chen received a number of awards during 2007 to 2009, including "World Outstanding Chinese Award" in 2007, "Top 30 Chinese Philanthropists in 30 Years of Reform" (改革開放30年·華人慈善30人) in 2008, "China Philanthropy Outstanding Contribution Individual Award" (中華慈善突出貢獻人物獎) and "Top 10 Persons of the Year for China Enterprise Management Excellence Award" (中國企業十大卓越管理年度人物) in 2009. For the public services, Mr. Chen serves as an executive vice chairperson of China Overseas Chinese Entrepreneurs Association (中國僑商投資企業協會), honorary vice president of Chinese Language and Culture Education Foundation of China (中國華文教育基金會), honorary chairperson of Hong Kong-Zhongshan Sanxiang Fellowship Association (香港中山三鄉同鄉會), vice chairperson of Zhongshan Association of Enterprise with Overseas Chinese Investment (中山市僑資企業商會) and vice chairperson of Guangdong Overseas Chinese Enterprises Association (廣東省僑商投資企業協會). Mr. Chen is the brother of Chan Cheuk Yin, Chan Cheuk Hung, Chan Cheuk Hei and Chan Cheuk Nam and also the spouse of Luk Sin Fong, Fion.

**CHAN Cheuk Yin** (陳卓賢), aged 47, vice chairperson of the Company and non-executive Director. He had been an executive Director and vice chairperson of the Board and co-president of the Company from August 2005 to 28 March 2014, re-designated as a non-executive Director on 28 March 2014, further re-designated as an executive Director and appointed as an acting co-chairperson of the Board and acting co-president of the Company on 10 October 2014, thereafter, he resigned as an acting co-chairperson of the Board and acting co-president of the Company and being further re-designated as a vice chairperson of the Company and non-executive Director on 25 March 2015. He has over 22 years of extensive experience in real estate development and management. Mr. Chan is mainly responsible for the participation in Board meetings to provide advice on the development of the Group's strategy and policy and scrutinization of the Group's performance in achieving agreed corporate goals and objectives. Mr. Chan was awarded "Guangdong Province Outstanding Entrepreneurs of Privately-owned Enterprises" (廣東省優秀民營企業家) in 2003, "2006-2007 The Most Respected Entrepreneurs in Guangzhou, PRC" (2006-2007 中國廣州最受尊敬企業家) in 2007 and "Top 10 Philanthropist in Guangdong" (廣東十大慈善人物) in 2008. For the public services, he is a member of Standing Committee of 11th Guangdong Provincial Committee of the Chinese People's Political Consultative Conference (政協第十一屆廣東省委員會) and the chairperson of Guangdong Chamber of Real Estate (廣東省地產商會). In addition, he was a member of Standing Committee of the 10th Guangdong Provincial Committee of the Chinese People's Political Consultative Conference (政協第十屆廣東省委員會) and an honorary vice chairperson of China Charity Federation (中華慈善總會) in 2007. Mr. Chan is the brother of Chen Zhuo Lin, Chan Cheuk Hung, Chan Cheuk Hei and Chan Cheuk Nam.



**LUK Sin Fong, Fion** (陸倩芳), aged 53, vice chairperson of the Company and non-executive Director. She had been an executive Director and vice chairperson of the Board and co-president of the Company from August 2005 to 28 March 2014, re-designated as a non-executive Director on 28 March 2014, further re-designated as an executive Director and appointed as an acting co-chairperson of the Board and acting co-president of the Company on 10 October 2014, thereafter, she resigned as an acting co-chairperson of the Board and acting co-president of the Company and being further re-designated as a vice chairperson of the Company and non-executive Director on 25 March 2015. She is also a member of each Remuneration Committee and Nomination Committee of the Company. Madam Luk has over 22 years of extensive management experience in real estate development and management; in particular has outstanding achievement in strategic marketing and marketing management. She is mainly responsible for the participation in Board meetings to provide advice on the development of the Group's strategy and policy and scrutinization of the Group's performance in achieving agreed corporate goals and objectives. Madam Luk holds a Master's degree in Business Administration from University of Western Sydney, Australia. She has received several honorary awards including honorary resident in Foshan City and Nanhai District in 2004 and in Zhongshan in 2009 respectively, "Zhongshan Outstanding Entrepreneurs" (中山優秀企業家) in 2006 and "Top 10 Excellent CBO" (中國十大卓越 CBO) in 2008. For the public services, Madam Luk is currently a vice chairperson of Guangzhou Housing Society (廣州市房地產協會) and an honorary chairperson of Guangdong Provincial Qiaoxin Charity Foundation (廣東省僑心慈善基金會). She is the spouse of Chen Zhuo Lin.

**CHAN Cheuk Hung** (陳卓雄), aged 57, has been an executive Director and a Senior Vice President of the Company since August 2005. Mr. Chan has over 22 years of extensive experience in real estate development and related businesses. He is mainly responsible for monitoring the construction quality, progress and cost control of the Group's projects, management of contractors and managing the overall operation of Zhongshan Fashion Decoration Co., Ltd. (中山市時興裝飾有限公司) and Guangzhou Zhenzhong Construction Co., Ltd. (廣州振中建設有限公司). Mr. Chan has received several honorary awards, including an honorary resident in Foshan and "Small Community Construction Outstanding Contribution Award" (小區建設突出貢獻獎) in National Xiaokang Housing Demonstration Small Community Competition (國家小康住宅示範小區評比) by Ministry of Construction (國家建設部) in 2000. For the public services, he was a standing committee member of Guangdong Province Real Estate Association (廣東省房地產協會) in 2004. Mr. Chan is the brother of Chen Zhuo Lin, Chan Cheuk Yin, Chan Cheuk Hei and Chan Cheuk Nam.

**HUANG Fengchao** (黃奉潮), aged 52, has been an executive Director since 28 March 2014. Mr. Huang is a Vice President of the Group and Regional Head for Hainan and Yunnan regions. Since joining the Group in 1999, Mr. Huang had been the head of Real Estate Management Centre of the Group and general manager of Huadu and Nanhu projects. He is mainly responsible for the management of the Group's property projects in Hainan and Yunnan regions. Prior to joining the Group, he worked with ExxonMobil (China) Co. Ltd. (美國埃索(中國)有限公司) and France TOTAL (China) Ltd. (法國道達爾(中國)有限公司).

## Directors' Profile (Continued)

**LIANG Zhengjian** (梁正堅), aged 49, has been an executive Director since 28 March 2014. Mr. Liang is a Vice President of the Group and Regional Head for Southern China Region. Since joining the Group in 1996, Mr. Liang had been a manager and deputy general manager and general manager of the Group's property projects. He is mainly responsible for the management and business operation of the Group's property projects in Southern China. Mr. Liang is a standing member of the Guangzhou Committee Chinese People's Political Consultative Conference. Prior to joining the Group, he worked with Traffic Bureau of Zhongshan City (中山市交通局) and China Travel Service of Zhongshan (中山中國旅行社) from 1982 to 1995.

**CHEN Zhongqi** (陳忠其), age 47, has been an executive Director since 28 March 2014. Mr. Chen is a Vice President of the Group. Since joining the Group in 1993, Mr. Chen had been a project controller and chief engineer, supervisor of the Project Engineering Department, deputy manager of Project Management Department and the deputy head of Real Estate Management Centre of the Group. He is mainly responsible for the management of the project development of the Group's real estate business, including monitoring project quality, progress, technology, contracts and quantity survey. Mr. Chen received his professional qualification in industrial and civil construction from Neijiang Normal University (內江師範學院) in 1991. He also has a budgeting engineer and registered quantity surveyor qualifications.

**CHAN Cheuk Hei** (陳卓喜), aged 56, had been an executive Director and a Senior Vice President of the Company since August 2005 until 28 March 2014 and since then re-designated as a non-executive Director. Mr. Chan has over 22 years of extensive experience in real estate development and related businesses. He is mainly responsible for the participation in board meetings to provide advice on the development of the Group's strategy and policy and scrutinization of the Group's performance in achieving agreed corporate goals and objectives. Mr. Chan is the brother of Chen Zhuo Lin, Chan Cheuk Yin, Chan Cheuk Hung and Chan Cheuk Nam.

**CHAN Cheuk Nam** (陳卓南), aged 51, had been an executive Director and a Senior Vice President of the Company since August 2005 until 28 March 2014 and since then re-designated as a non-executive Director. Mr. Chan has over 22 years of extensive experience in real estate development and management. He is mainly responsible for the participation in board meetings to provide advice on the development of the Group's strategy and policy and scrutinization of the Group's performance in achieving agreed corporate goals and objectives. Mr. Chan is the brother of Chen Zhuo Lin, Chan Cheuk Yin, Chan Cheuk Hung and Chan Cheuk Hei.

**CHENG Hon Kwan** (鄭漢鈞), *GBS, OBE, JP*, aged 87, has been an independent non-executive Director since October 2005, chairperson of Remuneration Committee and a member of each Audit Committee and Nomination Committee of the Company. Dr. Cheng is mainly responsible for providing independent advice to the Board. He holds a Bachelor of Science in Engineering from Tianjin University and a postgraduate diploma from The Imperial College London. Dr. Cheng was also awarded several honorary doctorate degrees including those awarded by The Hong Kong University of Science and Technology, City University of Hong Kong, The Open University of Hong Kong and The Open University, United Kingdom, and is a fellow of The Imperial College London and City and Guilds London Institute. Dr. Cheng is a past president, honorary fellow and gold medallist of The Hong Kong Institution of Engineers; past vice president, fellow and gold medallist of The Institution of Structural Engineers; fellow of The Institution of Civil Engineers, United Kingdom and of American Society of Civil Engineers, and honorary fellow of The Institution of Engineers, Australia. He is also an honorary member of both Hong Kong Institute of Planners and Hong Kong Institute of Architects and obtained National Class 1 Registered Structural Engineer qualification. Dr. Cheng is an Authorised Person and a Registered Structural Engineer under the Buildings Ordinance (Chapter 123 of the laws of Hong Kong); and former chairperson of Hong Kong Housing Authority and Transport Advisory Committee. He is a former member of

both Executive Council and Legislative Council and a former standing member of the Tianjin Committee Chinese People's Political Consultative Conference. Dr. Cheng is currently a permanent honorary chairperson of Hong Kong Tianjin Friendship Association. Dr. Cheng is also an independent non-executive director of a number of companies, including Tianjin Development Holdings Limited (stock code: 882), Hang Lung Group Limited (stock code: 10) and Hang Lung Properties Limited (stock code: 101). He resigned as an independent non-executive director of Wing Hang Bank (stock code: 302) in August 2014.

**KWONG Che Keung, Gordon** (鄭志强), aged 65, has been an independent non-executive Director since October 2005, chairperson of Audit Committee and a member of each Remuneration Committee and Nomination Committee of the Company. Mr. Kwong is mainly responsible for providing independent advice to the Board. He holds a Bachelor of Social Science degree from The University of Hong Kong and is a fellow member of both The Institute of Chartered Accountants in England and Wales and The Hong Kong Institute of Certified Public Accountants. Mr. Kwong is currently an independent non-executive director of a number of companies, including NWS Holdings Limited (stock code: 659), OP Financial Investments Limited (stock code: 1140), Global Digital Creations Holdings Limited (stock code: 8271), China Power International Development Limited (stock code: 2380), Henderson Land Development Company Limited (stock code: 12), Henderson Investment Limited (stock code: 97), CITIC Telecom International Holdings Limited (stock code: 1883), China COSCO Holdings Company Limited (stock code: 1919), Chow Tai Fook Jewellery Group Limited (stock code: 1929) and Shanghai Commercial Bank Limited. He resigned as an independent non-executive director of China Chengtong Development Group Limited (stock code: 217) and Zhonghai Trust Co., Ltd. in 2013 and of Quam Limited (stock code: 952) in 2012. He also resigned as supervisor of Beijing Capital International Airport Company Limited (stock code: 694) in 2014. Mr. Kwong was a partner of Pricewaterhouse from 1984 to 1998 and a council member of Hong Kong Stock Exchange from 1992 to 1997.

**CHEUNG Wing Yui, Edward** (張永銳), BBS, aged 65, has been an independent non-executive Director since October 2005, chairperson of Nomination Committee and a member of each Audit Committee and Remuneration Committee of the Company. Mr. Cheung is mainly responsible for providing independent advice to the Board. He holds a Bachelor of Commerce degree in accountancy from The University of New South Wales, Australia. Mr. Cheung is also a member of CPA Australia, a practising solicitor in Hong Kong, a solicitor in the United Kingdom and an advocate and solicitor in Singapore. Mr. Cheung was awarded the Bronze Bauhinia Star (BBS) in 2013. He is currently a consultant of Woo, Kwan, Lee & Lo, the director of The Community Chest of Hong Kong, a member of the Labour and Welfare Department's Lump Sum Grant Steering Committee, Honorary council member of The Hong Kong Institute of Directors Limited and a Court Member The Open University of Hong Kong. He was the deputy chairman of The Open University of Hong Kong until June 2014. Mr. Cheung was a member of the Appeal Board established under the Accreditation of Academic and Vocational Qualifications Ordinance, a member of the Board of Review (Inland Revenue Ordinance), the deputy chairman of The Hong Kong Institute of Directors Limited, a director of Po Leung Kuk and the vice chairman of the Mainland Legal Affairs Committee of the Law Society of Hong Kong. Mr. Cheung is currently a non-executive director of a number of companies, including Tianjin Development Holdings Limited (stock code: 882), Sunevision Holdings Ltd. (stock code: 8008), Tai Sang Land Development Limited (stock code: 89), SRE Group Limited (stock code: 1207) and SmarTone Telecommunications Holdings Limited (stock code: 315). He is also an independent non-executive director of Hop Hing Group Holdings Limited (stock code: 47).

## Directors' Profile (Continued)

**HUI Chiu Chung, Stephen** (許照中), JP, aged 67, has been an independent non-executive Director since 27 June 2014 and a member of each Audit Committee, Nomination Committee and Remuneration Committee of the Company and has over 40 years of experience in the securities and investment industry. He had for years been serving as a council member and vice chairman of the Stock Exchange, a member of the Advisory Committee of the Hong Kong Securities and Futures Commission ("SFC"), a director of the Hong Kong Securities Clearing Company Limited, a member of the Listing Committee of the Hong Kong Exchanges and Clearing Limited, an appointed member of the Securities and Futures Appeal Tribunal, a member of the Standing Committee on Company Law Reform and an appointed member of the Hong Kong Institute of Certified Public Accountants Investigation Panel A. He was also a member of the Committee on Real Estate Investment Trusts of the SFC. Mr. Hui is a member of Hengqin New Area Development Advisory Committee and Hong Kong and Macao Legal Issues Expert Group of The Administrative Committee of Hengqin New Area, Zhuhai. Mr. Hui was appointed by the Government of the Hong Kong a Justice of the Peace in 2004 and is also an appointed member of Zhuhai Municipal Committee of the Chinese People's Political Consultative Conference since 2006. Mr. Hui was the vice chairman of OSK Holdings Hong Kong Limited (now known as RHB Holdings Hong Kong Limited) in 2011. He is currently a non-executive director of Luk Fook Holdings (International) Limited (stock code: 590) and the chairman and chief executive officer of Luk Fook Financial Services Limited. He also serves as an independent non-executive director of China South City Holdings Limited (stock code: 1668), Gemdale Properties and Investment Corporation Limited (stock code: 535), Hong Kong Exchanges and Clearing Limited (stock code: 388), Lifestyle International Holdings Limited (stock code: 1212), SINOPEC Engineering (Group) Co., Ltd. (stock code: 2386) and Zhuhai Holdings Investment Group Limited (stock code: 908). He resigned as an independent non-executive director of Chun Wo Development Holdings Limited (stock code: 711) in February 2015.

**WONG Shiu Hoi, Peter** (黃紹開), aged 74, has been an independent non-executive Director since 27 June 2014 and a member of each Nomination Committee and Remuneration Committee of the Company. He holds a Master of Business Administration Degree from the University of Macau (formerly known as the University of East Asia, Macau). Mr. Wong possesses over 40 years of experience in the financial services industry. He is a past chairman of The Hong Kong Institute of Directors Limited and was an executive director, deputy chairman and chief executive of Haitong International Securities Group Limited. He is also a former member of Standing Committee of Company Law Reform, Listing Committee of the Stock Exchange, Financial Services Advisory Committee and Professional Services Advisory Committee of the Hong Kong Trade Development Council. He is currently an overseas business advisor of Haitong Securities Company Limited and a consultant of Halcyon Holdings Limited. He is a former director of the Hong Kong Securities and Investment Institute. He is an independent non-executive director of High Fashion International Limited (stock code: 608), Tianjin Development Holdings Limited (stock code: 882) and Target Insurance (Holdings) Limited (stock code: 6161).

# Senior Management's Profile

## **XUE Shuangyou (薛雙有)**

aged 51, is the Vice President of the Group and the Regional Head of Western China Region. He joined the Group in 1999 and is mainly responsible for the Group's property development, sales and property management in projects of Western and Central district of China. Mr. Xue holds a Bachelor's degree in industrial and civil construction from Inner Mongolia University of Technology (內蒙古工業大學).

## **MAO Jianping (毛建平)**

aged 45, is the Vice President of the Group and Regional Head for Eastern China. He joined the Group in 1994 and is mainly responsible for the development, sales, management of properties, business operation, hotel operation and management in Eastern China. Mr. Mao holds a Bachelor's degree in industrial automation from Guizhou Radio & TV University (貴州廣播電視大學). He is a cost engineer and senior economist. He had been awarded several awards including "Outstanding Non-Guangdong Province Resident Worker in Zhongshan City" (中山市優秀外來員工) in 2000, "New Leader of Real Estate in Nanjing" (南京地產新領軍人物) in 2009, "Nanjing Ten Most Fascinating People in Real Estate Business" (南京地產十大魅力人物) and "2009-2010 Spiritual Advanced Individual in Nanjing Qinhuai District" (南京市秦淮區級精神文明建設先進個人) in 2010, "Individual Advanced Building of Four Capability in Fire Safety in Social Unit of Nanjing City" (南京市社會單位消防安全"四個能力"建設先進個人) in 2011 and "Person of the Most Influential of Real Estate in Nanjing" (南京地產最具影響力風雲人物) in 2013 and 2014. He is the deputy to National People's Congress of Nanjing Qinhuai District (南京市秦淮區第17屆人大代表) since 2012.

## **CHEUNG Sum, Sam (張森)**

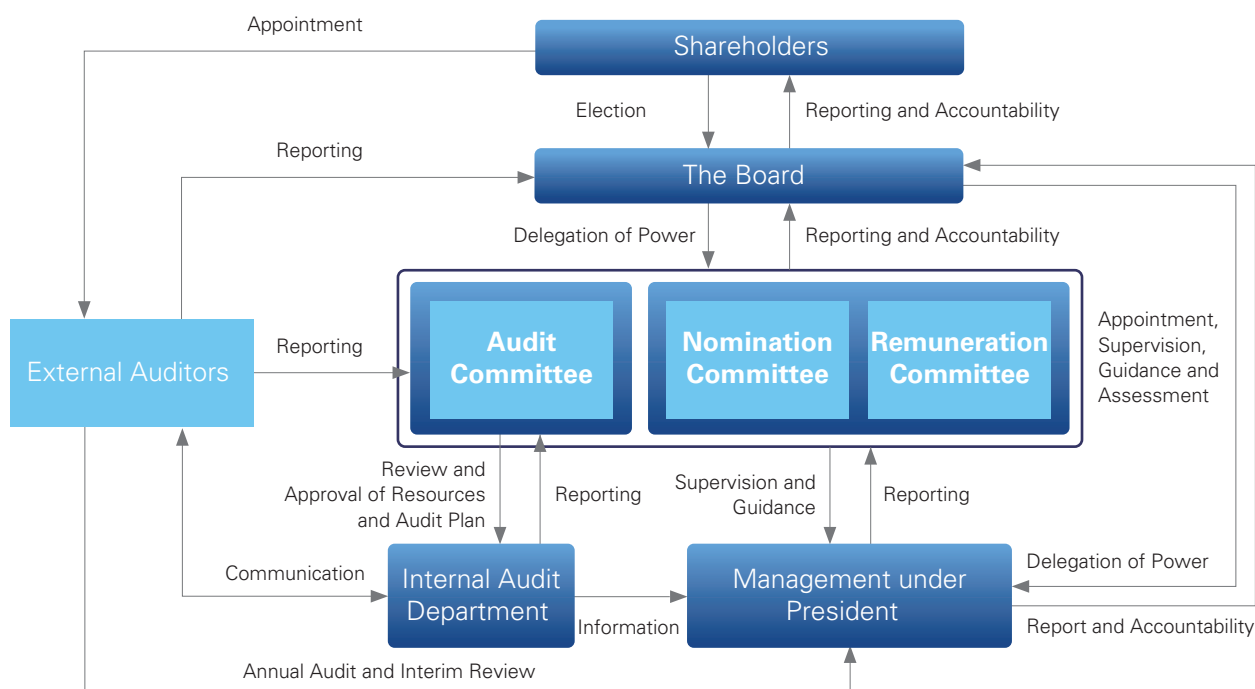
aged 51, is the Chief Financial Officer of the Group. He joined the Group in 2013 and is mainly responsible for financial management, accounting, capital markets, corporate affairs and investor relations of the Group. Mr. Cheung holds a Bachelor of Science (Economics) degree in Accounting and Finance from the London School of Economics and Political Science, University of London. He is a fellow member of the Association of Chartered Certified Accountants in the United Kingdom and the Hong Kong Institute of Certified Public Accountants.

## **KWANG Chin Kheng (官鉦欽)**

aged 44, is the Company Secretary. He joined the Group in April 2008 and is responsible for company secretarial, legal and compliance matters of the Group. Mr. Kwang is a member of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators in the United Kingdom.

# Corporate Governance Report

## Corporate Governance Structure



The Board believes that good governance is essential for sustainable development and growth of the Company, enhancement of credibility as well as Shareholders' value. As such, the Board has adopted and reviewed corporate governance practices in light of the regulatory requirements and the needs of the Company. The Company is committed to ensure its affairs are conducted in accordance with high corporate governance standard within a sensible framework with an emphasis on the principles of integrity, transparency, accountability and independence.

The Board plays a central supervisory role in the Company's corporate governance duties to ensure the Company maintains a sound governance framework for long-term sustainable shareholders' value by way of, but not limitation to:

- develop and review the Company's policies and practices on corporate governance;
- review and monitor the training and continuous professional development of Directors and senior management;
- review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- develop, review and monitor the code of conduct and compliance manual applicable to employees and Directors; and
- review the Company's compliance with the CG Code and disclosure in this Report.

The Company has complied with all the code provisions of the CG Code throughout the year ended 31 December 2014 except for certain deviations as specified with considered reasons below.

### The Board and Management

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

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

### Board Composition

The Company is headed by the Board which comprises fourteen Directors, including five executive Directors, four NEDs and five INEDs. The names, biographical details and relationship amongst them, if any, are set out on page 86 to 91 of this Annual Report.

### Chairman and President

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

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

### Independent Non-executive Directors

INEDs play a significant role in the Board by virtue of their independent judgment and their views carry significant weight in the Board's decisions. They are experienced professionals in areas such as legal, accounting, financial management, structural and civil engineering, security and investment industry. Their mix of skills and business experience bring outside knowledge of the businesses and markets to the Board, which enhance decision-making capability of the Board and being a great contribution to the Group in achieving a sustainable and balanced development. In particular, they bring an impartial view to bear on issues of the Company's strategy, performance and control, and take the lead where potential conflicts of interests arise. The Board believes that its culture of openness and debate facilitates the effective contribution of INEDs in particular and ensuring constructive relations between executive Directors, NEDs and INEDs.

During the year, the Company has complied with Rules 3.10(1) and 3.10(2) and 3.10A of the Listing Rules with INEDs represented more than one-third of the Board and with at least one of them possess relevant professional qualifications or accounting or relating financial management expertise.

Three of the INEDs, namely Cheng Hon Kwan, Kwong Che Keung, Gordon and Cheung Wing Yui, Edward, have served the Board for more than nine years. Notwithstanding their length of tenure, in view of their wide spectrum of knowledge, extensive business experience and familiarity with the Company's affairs, the Board is of the opinion that they possess sufficient character, integrity and experience to remain independent and continue to scrutinizing the Company's performance and to bring objective perspectives to the Company's affairs.

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

### Appointment and Re-election of Directors

Each Director is appointed for a specific term of 3 years, subject to the provisions on Directors' retirement as set out in the Articles. Any Director appointed by the Board either to fill a casual vacancy or as an addition to the existing Board shall hold office only until the next following general meeting of the Company, and shall then be eligible for re-election. Every Director, including those appointed for a specific term, shall be subject to retirement by rotation at an annual general meeting at least once every 3 years. The names of Directors who are eligible for re-election at general meetings will be disclosed in the notice of the relevant general meetings and their biographical details will be provided in the accompanying circulars. The re-election of each Director will be subject to vote of Shareholders by separate resolutions.

Accordingly, each of Huang Fengchao, Liang Zhengjian and Chen Zhongqi who was appointed by the Board on 28 March 2014 was re-elected by the Shareholders by a separate resolution at the 2014 AGM.

In accordance with the relevant provisions of the Articles, Chen Zhuo Lin, Luk Sin Fong, Fion, Cheng Hon Kwan, Hui Chiu Chung, Stephen and Wong Shiu Hoi, Peter, shall retire as Directors at the 2015 AGM to be held on Friday, 12 June 2015. All the said Directors, being eligible, will offer themselves for re-election at the 2015 AGM.



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

### Board and Board Committee Meetings

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

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

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

The management will submit relevant reports to the Directors for review as part of meeting materials for every regular Board meeting. After the briefing given to the Directors, the management will act in response to any enquiry made by the Directors. The Board may make informed assessment in respect of the financial and other information submitted to them for their approval. Sufficient time will be allowed for the Directors to discuss matters about which they are concerned.

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

## Corporate Governance Report (Continued)

During the year, the Board held a total of six meetings. Each Director's attendance record is set out as follow:

	Number of attendance <sup>note 1</sup> /meeting held in 2014				
	The Board	Audit Committee	Nomination Committee	Remuneration Committee	General Meeting
Chen Zhuo Lin ( <i>Chairman and President</i> )	4/6	–	–	–	2/2
Chan Cheuk Yin ( <i>Vice Chairperson</i> ) <sup>Note 2</sup>	4/6	–	–	–	0/2
Luk Sin Fong, Fion ( <i>Vice Chairperson</i> ) <sup>Note 2</sup>	6/6	–	1/1	1/1	0/2
Chan Cheuk Hung	6/6	–	–	–	0/2
Huang Fengchao <sup>Note 3</sup>	3/6	–	–	–	2/2
Liang Zhengjian <sup>Note 3</sup>	5/6	–	–	–	2/2
Chen Zhongqi <sup>Note 3</sup>	5/6	–	–	–	2/2
Chan Cheuk Hei	6/6	–	–	–	0/2
Chan Cheuk Nam	6/6	–	–	–	0/2
Cheng Hon Kwan	6/6	2/2	1/1	1/1	2/2
Kwong Che Keung, Gordon	6/6	2/2	1/1	1/1	2/2
Cheung Wing Yui, Edward	6/6	2/2	1/1	1/1	2/2
Hui Chiu Chung, Stephen <sup>Note 4</sup>	4/6	–	–	–	–
Wong Shiu Hoi, Peter <sup>Note 4</sup>	3/6	–	–	–	–

Notes:

1. The Directors may attend meetings in person, by phone or through other means of electronic communication in accordance with the relevant provisions of the Articles.
2. Chan Cheuk Yin and Luk Sin Fong, Fion were re-designated as executive Directors and appointed as acting co-chairpersons of the Board and acting co-presidents of the Company on 10 October 2014, and were further re-designated as vice chairpersons of the Board and NEDs and resigned as acting co-chairpersons of the Board and acting co-presidents of the Company on 25 March 2015.
3. Huang Fengchao, Liang Zhengjian and Chen Zhongqi were appointed as executive Directors on 28 March 2014.
4. Hui Chiu Chung, Stephen and Wong Shiu Hoi, Peter were appointed as INEDs on 27 June 2014.

All the executive Directors, NEDs and the INEDs have allocated a reasonable amount of time to follow and deal with various affairs of the Company during the year. In addition to attending the meetings of the Board and its committees, the Directors also spent sufficient time in reviewing the monthly internal audit reports provided by the Internal Audit Department. The Chairman met at least once annually with the NEDs and INEDs without the executive Directors present.

### Training and Support for Directors

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

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

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

Note: A. corporate governance  
B. regulatory

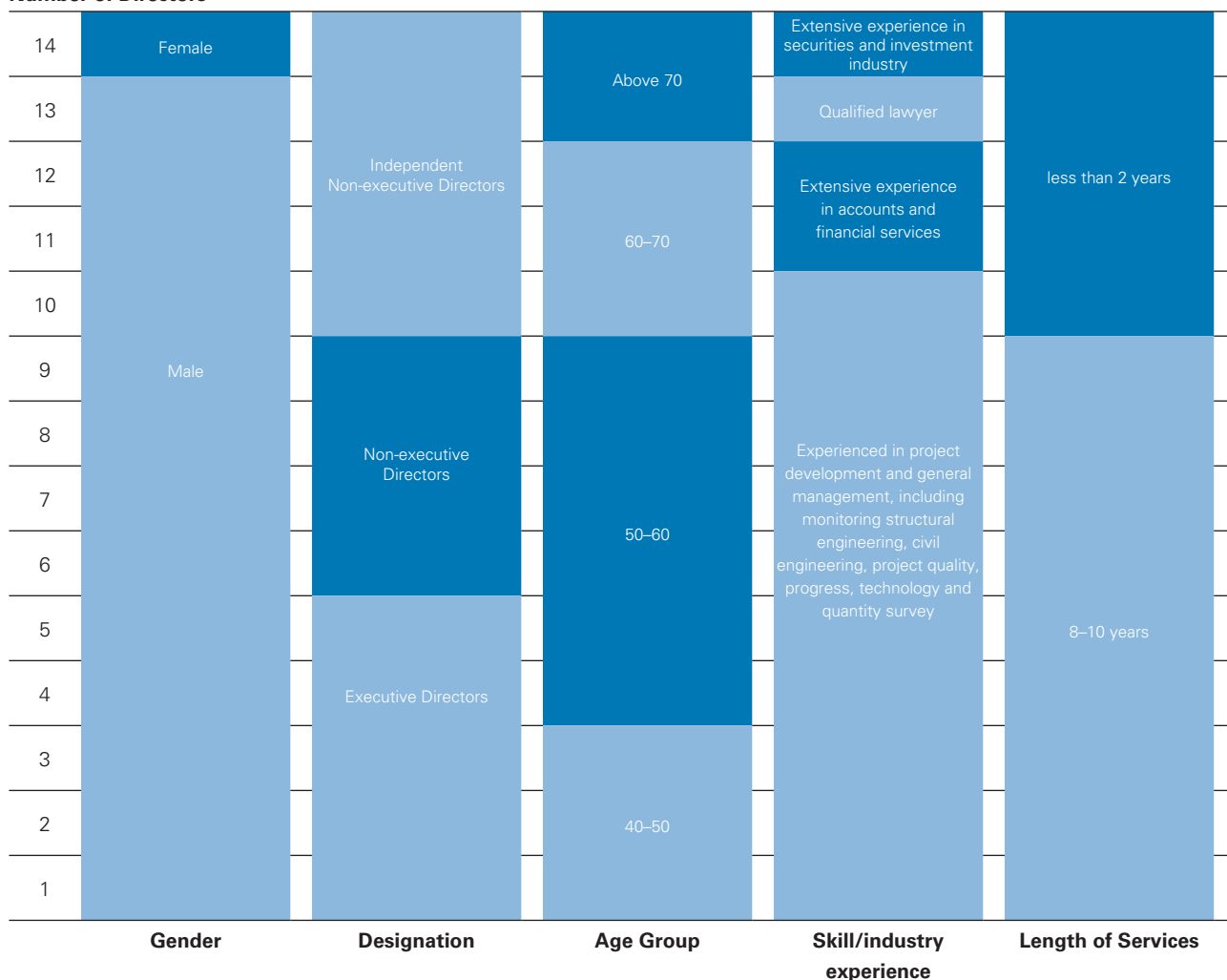
## Board Diversity

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

## Corporate Governance Report (Continued)

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

### Number of Directors



### Directors and Senior Officers Liability Insurance

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

### Board Committees

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

## Remuneration Committee

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

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

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

- Reviewing the remuneration adjustments of senior management in 2014;
- Confirming the remuneration of executive Directors and INEDs in 2013;
- Discussing and determining the recommendation to the Board the remuneration of Directors in 2014; and
- Confirming and ratifying the matters relating to share award scheme matters.

In addition, the remuneration committee had during the year approved the remuneration of Directors of, Hui Chiu Chung, Stephen and Wong Shiu Hoi, Peter by way of written resolutions.

## Nomination Committee

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

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

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

## Corporate Governance Report (Continued)

During the year, the nomination committee held one meeting and the agenda is mainly to considering the contribution to the Group by the retiring Directors, Chan Cheuk Yin, Chan Cheuk Hei and Kwong Che Keung, Gordon, and advising the Board on the re-election of such retiring Directors at the 2014 AGM.

The nomination committee had also during the year approved the appointment of Hui Chiu Chung, Stephen and Wong Shiu Hoi, Peter as INEDs by way of written resolutions.

### Audit Committee

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

Main duties of audit committee are reviewing accounting policy, monitoring the works of the Company's external auditor and internal audit department, reviewing and assessing the financial reporting and internal control procedure and its effectiveness, as to ensure the compliance with the regulations of applicable accounting and reporting and the requirements of law and provisions, and considering and reviewing the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial function, and reporting the results to the Board. Audit committee, if necessary, may seek independent professional opinions when discharging their duties at the fees and expenses of Company.

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

- Reviewing annual results of 2013 and annual report of 2013, interim results of 2014 and interim report of 2014;
- Reviewing audit and review works reports of the auditors;
- Discussing and reviewing internal control management report, audit monitoring plan and audit timetable of the internal audit department;
- Considering the re-appointment external auditors of the Company;
- Review the resources of accounting and financial reporting functions of the Group; and
- Reviewing staff malpractices monitoring report.

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

### External Auditors

At the 2014 AGM, the Shareholders approved the re-appointment of PricewaterhouseCoopers as the auditor of the Company. For the year ended 31 December 2014, remuneration paid and payable to PricewaterhouseCoopers in relation to audit and non-audit services is detailed as below:

	2014 RMB	2013 RMB
Fee for audit services (including Hong Kong Standard on Review Engagements 2410 review on interim results)	6,500,000	6,195,000
Fee for non-audit services	2,300,000	1,390,000

### Responsibility in financial statements

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

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

### Internal Control

The Board is responsible for formulating proper internal control and risk management system for the Group, and reviewing its effectiveness regularly through the audit committee.

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

During the year, the audit committee reviewed and discussed the works and planning reports submitted by the internal audit department and reviewed the effectiveness of the internal control followed by the reporting of results and reported the results to the Board. Should any material fault or any material weakness in monitoring be found, the internal audit department will report the same to the audit committee in timely manner. During the year, the audit committee and the Board considered that the internal control system of the Group worked effectively.

For risk management, the Board will review the Group's finance, operation and compliance, and risk management and to discuss and formulate the corresponding strategies or measures in each of quarterly meetings.

# Corporate Governance Report (Continued)

## Company Secretary

The Company Secretary is a full-time employee of the Company and familiar with the day-to-day affairs of the Company. The Company Secretary reports to the Chairman and is responsible for advising the Board on governance matters, new director's induction and professional development of Directors as well as ensuring good information flow between the Board members and the compliance of the policy and procedure of the Board. During the year, the two secretaries of the Company had received relevant professional trainings of not less than 15 hours to update their skills and knowledge.

## Relation between The Company and Shareholders

### Shareholders' rights

Pursuant to section 566 of Hong Kong Companies Ordinance, Shareholders holding not less than 5% of the total voting rights of all Shareholders having a right to vote at general meetings may request Directors to call a general meeting. The request must state the general nature of business to be dealt with at the meeting and may include the text of a resolution that may properly be moved and is intended to be moved at the meeting. The request may consist of several documents in like form and may be sent to the Company in hard copy form or in electronic form and must be authenticated by the person(s) making it.

If the Directors do not within 21 days from the date of deposit of the request (after being verified to be valid) proceed to convene a general meeting for a day not more than 28 days after the date on which the notice convening a general meeting is given, the Shareholder(s) concerned, or any of them representing more than one-half (1/2) of the total voting rights of all Shareholders, may themselves convene a general meeting, but any general meeting so convened shall not be held after the expiration of three months from the date of the deposit of the request.

Pursuant to section 615 of the Hong Kong Companies Ordinance, Shareholders may request the Company to move a resolution at the annual general meeting. The request should be in writing and made by:

- (a) Shareholders representing at least 2.5% of the total voting rights of all the Shareholders who have a right to vote on the resolutions at the annual general meeting to which the requests relate; or
- (b) at least 50 Shareholders who have a right to vote on the resolution at the annual general meeting to which the request relate.

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

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



## Communication with Shareholders

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

- Apart from publishing the annual reports, interim reports, announcements, and circulars to Shareholders on the Company's website ([www.agile.com.cn](http://www.agile.com.cn)), HKEx's website ([www.hkex.com.hk](http://www.hkex.com.hk)) and SGX's website ([www.sgx.com](http://www.sgx.com)), the Company has also posted onto its website the financial highlights, press release, and the terms of reference of the Board's committees, so that Shareholders can obtain more information of the Company. Moreover, in order to enable Shareholders to have a better understanding of the latest movement and development of the Group, a "Monthly Newsletter" (including the monthly focus of the Group) and company news has been added to the Company's website;
- The Company is committed to improve its investor relations. During the year, senior management of the Company had conducted various meetings with institutional investors, fund managers and financial analysts. The report of meetings are presented to the Board for review in each quarterly meeting of the Board to ensure that views and recommendations of institutional investors, fund managers and financial analysts can reach the Board;
- The Company also establishes investor relations contact information for Shareholders to express their opinions and making enquiries. The details are set out on page 208 in the corporate information of this Annual Report;
- Members of the Board actively take part in the annual general meetings in order to have more contacts with the Shareholders. The Chairman of the Board, the chairpersons of each audit committee, remuneration committee and nomination committee and the external auditor has attended 2014 AGM. In the general meeting, there is a briefing on the business of the Company by the Chairman of the Board and a question and answer session as well as a discussion with Shareholders on the long-term development strategy of the Company. Poll results are posted on Company's website ([www.agile.com.cn](http://www.agile.com.cn)), HKEx's website ([www.hkex.com.hk](http://www.hkex.com.hk)) and SGX's website ([www.sgx.com](http://www.sgx.com)); and
- The Company's notice of 2014 AGM had been dispatched to Shareholders in no less than 20 business days before the commencing date of the meeting. The circular of the Company dated 23 April 2014 set out that all resolutions proposed at the general meeting had been taken by way of poll pursuant to Rules 13.39 of the Listing Rules while the chairman of the meeting further announced that all resolutions had been taken by way of one vote per share. The Company Secretary had explained in detail, the relevant procedures of voting by poll to the attendant Shareholders and made known by the Shareholders.

## Corporate Governance Report (Continued)

### Compliance with Codes for Securities Transactions by Directors and Relevant Employees

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

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

### Amendment of the Company's Constitutional Documents

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

# Report of the Directors

The Board is pleased to present their report together with the audited consolidated financial statements for the year ended 31 December 2014.

## Principal Activities

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

## Results Performance

The Group's results for the year ended 31 December 2014 are set out on pages 127 to 128 of this Annual Report.

Business review of the Group during the year are set out in the chairman's statement on pages 8 to 13 of this Annual Report. Management discussion and analysis are set out on pages 14 to 19 of this Annual Report.

## Dividends

The Board declared an interim dividend of HK14.5 cents (2013: HK14.5 cents) per Share, amounting to a total of HK\$504,864,000 (2013: HK\$499,866,000) and was paid to Shareholders on Tuesday, 7 October 2014. The Board has proposed the payment of a final dividend of HK25.0 cents (2013: HK33.0 cents) per Share to Shareholders. Upon receipt of Shareholders' approval, the total dividend of 2014 is HK39.5 cents (2013: HK47.5 cents) per Share, and is expected to be paid on or about Monday, 6 July 2015 to Shareholders whose names appear on the register of members of the Company on Monday, 22 June 2015.

## Closure of Register of Members

To facilitate the processing of proxy voting for 2015 AGM to be held on Friday, 12 June 2015, the register of members of the Company will be closed from Tuesday, 9 June 2015 to Friday, 12 June 2015, both dates inclusive, during which period no transfer of Shares will be effected. In order to be entitled to attend and vote at 2015 AGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited for registration not later than 4:30 p.m. on Monday, 8 June 2015.

The register of members of the Company will be closed from Thursday, 18 June 2015 to Monday, 22 June 2015, both dates inclusive, during which period no transfer of Shares will be effected. In order to qualify for entitlement to the final dividend, all transfer forms, accompanied by the relevant share certificates, must be lodged with the Company's share registrar in Hong Kong, Tricor Investor Services Limited for registration not later than 4:30 p.m. on Wednesday, 17 June 2015.

## Share Capital

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

## Report of the Directors (Continued)

### Reserves

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

As at 31 December 2014, the distributable reserves of the Company were approximately RMB6.5 billion (2013: RMB4.6 billion).

### Senior Notes

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

### Convertible Bonds

Details of Convertible Bonds of the Company are set out in note 25 to the consolidated financial statements.

### Subordinated Perpetual Capital Securities

Details of subordinated Perpetual Capital Securities of the Company are set out in note 23 to the consolidated financial statements.

### Property, Plant and Equipment

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

### Intangible Assets

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

### Investment Properties

During the year, the fair value gains of the Group's investment properties amounted to RMB470 million and has been recognised directly in the consolidated financial statements.

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

### Borrowings

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

### Interest Capitalised

Interest capitalised during the year are set out in note 34 to the consolidated financial statements.

### Donations

The Group's charitable and other donations during the year amounted to RMB61 million (2013: RMB115 million).

## Retirement Benefit Scheme

Details of retirement benefit scheme of the Group are set out in note 32 to the consolidated financial statements.

## Group Financial Summary

A financial summary of the Group's for the past five financial years is set out on pages 205 to 206 of this Annual Report.

## Directors

The Director as at the date of this report are listed on page 207 of this Annual Report. Except that Huang Fengchao, Liang Zhengjian and Chen Zhongqi who joined the Board since 28 March 2014; and Hui Chiu Chung, Stephen and Wong Shiu Hoi, Peter who joined the Board since 27 June 2014, all other Directors served throughout the calendar year of 2014.

### **Independence confirmation**

The Company has received from all its INEDs listed on page 207 of this Annual Report confirmation of their independence pursuant to Listing Rules 3.13 and considers all of them to be independent.

### **Term of appointment**

Article 87 of the Articles provides for one third of Directors to retire at the annual general meeting following their election by ordinary resolution. In accordance therewith, Chen Zhuo Lin, Luk Sin Fong, Fion and Cheng Hon Kwan will retire as Directors in 2015 AGM and, being eligible, offer themselves for re-election.

Hui Chiu Chung, Stephen and Wong Shiu Hoi, Peter, having been appointed to the Board under Article 86(3) of the Articles, will also retire as Directors in 2015 AGM and being eligible offer themselves for re-election.

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

## Report of the Directors (Continued)

### Share Option Scheme

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

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

<p>Purpose and objectives of the Share Option Scheme</p>	<p>To recognise and commend eligible participants who have or may have contribution to the Group:</p> <ol style="list-style-type: none"><li>1. to motivate the eligible participants to optimise their performance efficiency for the benefit of the Group; and</li><li>2. to attract and retain or otherwise maintain good relationship with eligible participants whose contributions are or will be beneficial to the long-term growth of the Group.</li></ol>
<p>Participants of the Share Option Scheme</p>	<p>Eligible participants can be any of the following class of persons or entities:</p> <ol style="list-style-type: none"><li>1. any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries;</li><li>2. any directors (including non-executive directors and independent non-executive directors) of the Company or any of its subsidiaries;</li><li>3. any advisers, consultants, suppliers, customers and agents to the Company or any of its subsidiaries; and</li><li>4. such other persons who, in the opinion of the Board, will contribute or have contributed to the Group, the assessment criteria of which are:<ol style="list-style-type: none"><li>(i) contribution to the development and performance of the Group;</li><li>(ii) quality of work performed for the Group;</li><li>(iii) initiative and commitment in performing his/her duties; and</li><li>(iv) length of service or contribution to the Group.</li></ol></li></ol>
<p>Total number of shares available for issue under the Share Option Scheme and percentage to the issued share capital as at 31 December 2014</p>	<p>The number of shares available for issue under the Share Option Scheme is 332,200,000 shares, representing approximately 8.48% of the issued share capital as at 31 December 2014.</p>

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

## Report of the Directors (Continued)

### Share Award Scheme

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

In accordance with the Share Award Scheme, the Company has issued and allotted a total of 34,470,000 Awarded Shares to Bank of Communications Trustee Limited (the "Employee Share Trustee") on 10 February 2014 to hold on trust for the selected employees until the end of the relevant vesting period. 32,750,000 out of these 34,470,000 Awarded Shares were granted to certain selected employees who are third parties independent of the Company and are not connected persons of the Company, and none of them is a Director, except Huang Fengchao, Liang Zhengjian and Chen Zhongqi who were subsequently appointed as executive Directors with effective from 28 March 2014, or a substantial Shareholder or an excluded employee; and the remaining 1,720,000 Awarded Shares will be granted to such other selected employees at such time and manner as the Board may determine.

So far no Awarded Shares has been vested in any selected employees since granted.

### Model Code for Securities Transactions by Directors

The Company has adopted Securities Dealing Code for Directors, which is on terms no less exacting than the required standard as set out in the Model Code. After enquiry, each of the Directors has confirmed to the Company that he or she had fully complied with the Securities Dealing Code for Directors during the year ended 31 December 2014.



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

As at 31 December 2014, the interests or short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of SFO) which (i) were notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of SFO (including interests or short positions which they were taken or deemed to have under such provisions of SFO); or (ii) were recorded in the register required to be kept by the Company under Section 352 of SFO; or (iii) were required by Securities Dealing Code for Directors to be notified to the Company and the Hong Kong Stock Exchange, were as follows:

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

Name of Director	Capacity of interests held	Shares held in the Company			Approximate percentage to issued Share capital
		Number of Shares	Note	Total number of Shares	
Chen Zhuo Lin	Beneficiary of a trust	2,453,096,250	1	2,467,372,500	62.99%
	Controlled corporation	14,276,250	2		
Chan Cheuk Yin	Beneficiary of a trust	2,453,096,250	1	2,468,283,750	63.01%
	Controlled corporation	15,187,500	3		
Luk Sin Fong, Fion	Beneficiary of a trust	2,453,096,250	1	2,467,372,500	62.99%
	Controlled corporation	14,276,250	2		
Chan Cheuk Hung	Beneficiary of a trust	2,453,096,250	1	2,453,096,250	62.63%
Chan Cheuk Hei	Beneficiary of a trust	2,453,096,250	1	2,460,971,250	62.83%
	Beneficial owner	7,875,000	4		
Chan Cheuk Nam	Beneficiary of a trust	2,453,096,250	1	2,459,877,750	62.80%
	Beneficial owner	6,781,500	5		
Chen Zhongqi	Spouse	387,000	6	1,937,000	0.05%
	Others	1,550,000	7		
Huang Fengchao	Beneficial owner	1,400,000		2,950,000	0.08%
	Others	1,550,000	7		
Liang Zhengjian	Beneficial owner	250,000		1,800,000	0.05%
	Others	1,550,000	7		

## Report of the Directors (Continued)

### Notes:

1. Held by Top Coast as trustee.
2. Held by Brilliant Hero Capital Limited and Famous Tone Investments Limited which are jointly controlled by Chen Zhuo Lin and Luk Sin Fong, Fion.
3. Held by Renowned Idea Investments Limited, which is wholly-owned by Chan Cheuk Yin.
4. Jointly held by Chan Cheuk Hei and his spouse Lu Yanping.
5. Jointly held by Chan Cheuk Nam and his spouse Chan Siu Na.
6. Held by Sun Hong, the spouse of Chen Zhongqi. By virtue of SFO, Chen Zhongqi is deemed to be interested in the Shares held by Sun Hong.
7. Huang Fengchao, Liang Zhengjian and Chen Zhongqi are entitled to receive 1,550,000 Shares each upon the satisfaction of the relevant vesting conditions specified by the Board under the Share Award Scheme at the time of the grant. Since the vesting conditions have not been satisfied as the date of this Annual Report, those Shares were held on trust by Employee Share Trustee and shall form part of the public float.

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

<b>Name of Director</b>	<b>Type</b>	<b>Personal interests</b>	<b>Approximate percentage to the debentures</b>
Kwong Che Keung, Gordon	8.875% senior notes in an aggregate principal amount of US\$650 million due by 2017	US\$1,000,000	0.154%

Save as disclosed above, as at 31 December 2014, none of the Directors and chief executives of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of SFO) which (i) were notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of SFO (including interests or short positions which they were taken or deemed to have under such provisions of SFO); or (ii) were recorded in the register required to be kept by the Company under Section 352 of SFO; or (iii) were required by Securities Dealing Code for Directors to be notified to the Company and the Hong Kong Stock Exchange.

### Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

So far as is known to the Directors or chief executives of the Company, as at 31 December 2014, the interests or short positions of substantial Shareholders (other than Directors or the chief executives of the Company) in the Shares or underlying Shares which (i) would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of SFO or (ii) were recorded in the register required to be kept by the Company under Section 336 of SFO were as follows:

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

Notes:

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

Save as disclosed above, as at 31 December 2014, none of the substantial Shareholders (other than Directors or chief executives of the Company) had informed to the Company that they had any interests or short positions in the Shares or underlying Shares which (i) would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of SFO or (ii) were recorded in the register required to be kept by the Company under Section 336 of SFO.

## Report of the Directors (Continued)

### Remuneration Policy of the Group

As at 31 December 2014, the Group had a total of 17,140 employees. The related employees' costs for the year amounted to approximately RMB1,676 million. The compensation of the Group is determined with reference to the market, individual performance and contributions. Bonuses are also distributed based on the performance of employees. The Group also provides a comprehensive benefit package and career development opportunities, including retirement schemes, medical benefits, and both internal and external training appropriate to the employees' needs.

### Basis for Determining Emoluments to Directors

Apart from benchmarking against the market, the Company also looks at individual competency, contributions and the responsibilities towards the Company in determining the exact level of remuneration for each Director. Appropriate benefit schemes are in place for the Directors.

### Directors' Interests in Competing Business

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

In view of any Director will, as and when required under the Articles and Statement of Policy for Corporate Governance, abstain from voting on any resolution of Directors in respect of any contract, arrangement or proposal in which he or she or any of his or her associates has interests, and the Board is independent from the board of directors of Changjiang Hotel Company and the above Directors are unable to control the Board, the Directors are of the view that the Group is capable of carrying on its hotel business independently of, and at arm's length from, the business of Changjiang Hotel Company.

### Directors' Interests in Contracts of Significance

Save as disclosed under the section headed "Connected Transactions" in this Annual Report, no contracts of significance in relation to the Group's business to which the Company, its subsidiaries or its fellow subsidiaries was a party, and in which a Director had a material interest in the material contract, whether directly or indirectly, subsisted at any time during the year and at the end of the year.

### Major Customers and Suppliers

The five largest customers of the Group combined contributed less than 30% of total revenue of the Group for the year, and the combined value of the Group's contract with the five largest suppliers was less than 30% of total purchases of the Group for the year.

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

## Connected Transactions

During the year, the Group entered into the following transactions which constituted connected transactions of the Company under Chapter 14A of the Listing Rules:

### **(1) Issue of 8.375% senior notes in an aggregate principal amount of US\$500 million due 2019**

On 10 February 2014, the Company and certain of its subsidiaries entered into First Purchase Agreement with, among others, Morgan Stanley, a connected person of the Company under the Listing Rules, in relation to the issue of 8.375% senior notes in an aggregate principal amount of US\$500 million due 2019. Pursuant to the First Purchase Agreement, Morgan Stanley was paid for their engagement as one of the joint lead managers and joint bookrunners and on the indemnity given by the Company.

### **(2) Issue of 6.50% senior notes in an aggregate principal amount of RMB2,000 million due 2017**

On 21 February 2014, the Company and certain of its subsidiaries entered into Second Purchase Agreement with, among others, Morgan Stanley, in relation to the issue of 6.50% senior notes in an aggregate principal amount of RMB2,000 million due 2017. Pursuant to the Second Purchase Agreement, Morgan Stanley was paid for their engagement as one of the joint lead managers and joint bookrunners and on the indemnity given by the Company.

### **(3) Issue of 435,227,500 Rights Shares**

On 15 October 2014, the Company entered into Undertaking Agreement with Top Coast, a connected person of the Company under the Listing Rules, in relation to the rights issue of 435,227,500 rights Shares on the basis of one (1) rights Share for every eight (8) Shares held by the qualifying Shareholders of the Company on the record date at the subscription price of HK\$3.80 per rights Share.

Pursuant to the Undertaking Agreement, Top Coast was paid 1.75% of the aggregate subscription price received in respect of the underwritten Shares determined on the record date (other than the rights Shares which it had irrevocably undertaken to subscribe).

## Management Contracts

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

## Report of the Directors (Continued)

### Purchase, Sale or Redemption of Listed Securities of the Company

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

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

Save as disclosed above, during 2014, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

### Specific Performance by the Controlling Shareholders

1. As disclosed in the Company's announcement dated 16 June 2011, the Company (as the borrower) entered into a facility agreement with The Hongkong and Shanghai Banking Corporation Limited ("HSBC") (as the lender) pursuant to which a loan facility of US\$100 million for a period of 36 months from 16 June 2011 ("2011 HSBC Facility") was granted to the Company under the guarantee of its certain subsidiaries. The loan was fully repaid on 16 June 2014.
2. As disclosed in the Company's announcement dated 14 July 2011, the Company (as the borrower) entered into a facility agreement with Standard Chartered Bank (Hong Kong) Limited ("SCB Hong Kong"), Barclays Bank PLC, The Royal Bank of Scotland plc, Hong Kong Branch, The Bank of East Asia, Limited ("BEA"), Hang Seng Bank Limited ("HSB"), Industrial and Commercial Bank of China (Asia) Limited ("ICBC Asia") and Wing Lung Bank Limited (collectively, as the original lenders), and SCB Hong Kong as the facility agent and security agent pursuant to which a loan facility of HK\$2,350 million for a period of 36 months from 14 July 2011 ("2011 Club Facility") was granted to the Company under the guarantee of its certain subsidiaries. The loan was fully repaid on 14 July 2014.
3. As disclosed in the Company's announcement dated 2 May 2012, the Company (as the borrower) entered into a facility agreement with HSBC (as the lender) pursuant to which a loan facility of US\$50 million for a period of 36 months from 4 May 2012 ("2012 HSBC Facility") was granted to the Company under the guarantee of its certain subsidiaries.
4. As disclosed in the Company's announcement dated 16 May 2013 and 25 July 2013, the Company (as the borrower) entered into a facility agreement with HSBC, SCB Hong Kong, HSB, BEA, UBS AG, Singapore Branch and ICBC Asia (collectively, as the original lenders and mandated lead arrangers), HSB as the facility agent and SCB Hong Kong as the security agent pursuant to which a loan facility of HK\$3,978 million with a revised greenshoe option of HK\$1,650 million for a period of 36 months from 16 May 2013 ("2013 Syndicated Loans") was granted to the Company under the guarantee of its certain subsidiaries.

5. As disclosed in the Company's announcement dated 21 May 2013, Tianjin Jinnan Xincheng Real Estate Development Co., Ltd. (天津津南新城房地產開發有限公司), a joint venture in which the Group owns 25% equity interest, entered into a facility agreement with, among others, HSBC Bank (China) Company Limited (Tianjin branch), Standard Chartered Bank (China) Limited and The Bank of East Asia (China) Limited (Tianjin branch) (collectively, as mandated lead arrangers), HSBC Bank (China) Company Limited (Shanghai branch) as facility agent and security agent and certain financial institutions as specified therein (as initial lenders) pursuant to which a term loan of RMB1,000 million for a period of 36 months from 21 May 2013 ("2013 Tianjin RMB Facility") was granted to Tianjin Jinnan Xincheng Real Estate Development Co., Ltd..
6. As disclosed in the Company's announcement dated 10 October 2013, Charm Talent Limited, a company which is wholly-owned by Accord Wing Limited, a joint venture in which the Group owns 25% equity interest, entered into a facility agreement with, among others, BEA, HSBC and SCB Hong Kong (collectively, as the original lenders and mandated lead arrangers), and HSBC as facility agent, security agent and account bank pursuant to which a transferable term loan of HK\$2,700 million for a period of 36 months from 11 October 2013 ("2013 Tianjin HKD Facility") was granted to Charm Talent Limited.
7. As disclosed in the Company's announcement dated 12 November 2013, the Company (as the borrower) entered into a facility agreement with Bank of China Limited, Macau Branch (as the lender) ("BOC Macau") pursuant to which a term loan facility of US\$50 million for a period of 12 months from 14 November 2013 ("2013 BOC Macau Facility") was granted to the Company. On 14 November 2014, the Company and certain Directors of the Company as guarantors entered into an amendment and restatement agreement with BOC Macau pursuant to which, the term of the facility was extended to 14 November 2015.
8. As disclosed in the Company's announcement dated 14 April 2014, the Company entered into a facility agreement with SCB Hong Kong, HSB and HSBC (collectively, as the lenders and mandated lead arrangers), and HSB as the facility agent and security agent pursuant to which a term loan facility in the amount of US\$475 million for a term of 8 months from 14 April 2014 (the "2014 Bridge Loan") was granted to the Company under the guarantee of its certain subsidiaries. On 28 November 2014, the Company and certain of its subsidiaries entered into an amendment and restatement deed with HSB as the facility agent and security agent, pursuant to which, the term of the outstanding facility in the sum of US\$265 million was extended to 28 November 2015.
9. As disclosed in the Company's announcement dated 25 June 2014, the Company entered into a facility agreement with HSB, HSBC, BNP Paribas Hong Kong Branch, SCB Hong Kong and China Construction Bank (Asia) Corporation Limited (collectively, as the mandated lead arrangers, joint co-ordinators and original lenders), and HSB as facility agent and security agent pursuant to which a term loan facility in the amount of HK\$2,665 million with a greenshoe option of HK\$3,000 million for a term of 36 months from 25 June 2014 (the "2014 Club Facility") was granted to the Company under the guarantee of its certain subsidiaries.

## Report of the Directors (Continued)

In connection with the aforesaid facilities, it will be an event of default if (i) Chen Zhuo Lin, Chan Cheuk Yin, Luk Sin Fong, Fion, Chan Cheuk Hung, Chan Cheuk Hei and Chan Cheuk Nam (hereinafter collectively the "Controlling Shareholders") collectively, directly or indirectly, do not own more than 50% of the total issued share capital of the Company (only for 2011 Club Facility, 2013 Syndicated Loans, 2013 BOC Macau Facility, 2014 Bridge Loan and 2014 Club Facility)/do not or cease to own at least 50% of the direct or indirect beneficial interests in the Company (only for 2011 HSBC Facility, 2012 HSBC Facility, 2013 Tianjin RMB Facility and 2013 Tianjin HKD Facility); and/or (ii) the Controlling Shareholders collectively do not or cease to be entitled to exercise management control of the Company; and/or (iii) Chen Zhuo Lin is not or ceases to be the chairman of the Board, and within 15 business days of him ceasing to act as chairman, he is not replaced by either: (1) Luk Sin Fong, Fion as chairperson of the Board; (2) Chan Cheuk Yin as chairman of the Board; or (3) Luk Sin Fong, Fion and Chan Cheuk Yin as co-chairpersons of the Board (only for 2011 HSBC Facility, 2011 Club Facility, 2012 HSBC Facility, 2013 Syndicated Loans, 2013 Tianjin HKD Facility, 2013 BOC Macau Facility, 2014 Bridge Loan, 2014 Club Facility). In case of an occurrence of an event of default, the facility agent may, and shall if so directed by the majority lenders (only for 2011 Club Facility, 2013 Syndicated Loans, 2013 Tianjin RMB Facility, 2013 Tianjin HKD Facility, 2014 Bridge Loan and 2014 Club Facility)/the lender (only for 2011 HSBC Facility, 2012 HSBC Facility and 2013 BOC Macau Facility) may by notice to the Company (a) cancel the commitment; and/or (b) declare that all or part of the loans, together with accrued interest, and all other amounts accrued or outstanding under the finance documents be immediately due and payable; and/or (c) declare that all or part of the loans be payable on demand by the facility agent on the instructions of the majority lenders (only for 2011 Club Facility, 2013 Syndicated Loans, 2013 Tianjin RMB Facility, 2013 Tianjin HKD Facility, 2014 Bridge Loan and 2014 Club Facility)/payable on demand by the lender (only for 2011 HSBC Facility, 2012 HSBC Facility and 2013 BOC Macau Facility); and/or (d) to exercise or direct the security agent (only for 2011 Club Facility, 2013 Syndicated Loans, 2013 Tianjin RMB Facility, 2013 Tianjin HKD Facility, 2014 Bridge Loan and 2014 Club Facility) to exercise all or any of its rights, remedies, powers or discretions under the finance documents (subject to the terms of the intercreditor agreement).

### Pre-Emptive Rights

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

### Corporate Governance

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

### Sustainable Development

Sustainability report of the Company are set out on pages 62 to 81 of this Annual Report.

### Public Float

From information that is publicly available to the Company and within the knowledge of its Directors as at the date of this Annual Report, at least 25% of the Company's total issued share capital is held by the public.



## Audit Committee

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

## Auditors

The financial statements for the year ended 31 December 2014 have been audited by PricewaterhouseCoopers which retires and, being eligible, offer itself for re-appointment at the 2015 AGM. A resolution to re-appoint PricewaterhouseCoopers and to authorise the Directors to fix their remuneration will be proposed at the 2015 AGM.

On behalf of the Board

### **Chen Zhuo Lin**

*Chairman and President*

Hong Kong, 25 March 2015

# Financial Section

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# Independent Auditor's Report



羅兵咸永道

## TO THE SHAREHOLDERS OF AGILE PROPERTY HOLDINGS LIMITED

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

We have audited the consolidated financial statements of Agile Property Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 124 to 204, 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 statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Directors' responsibility for the consolidated financial statements

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

### Auditor's responsibility

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

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

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

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

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

### Opinion

In our opinion, the consolidated financial statements give a true and fair view of the 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 disclosure requirements of the Hong Kong Companies Ordinance.

### **PricewaterhouseCoopers**

*Certified Public Accountants*

Hong Kong, 25 March 2015

# Consolidated Balance Sheet

(All amounts in RMB thousands unless otherwise stated)

		As at 31 December	
	Note	2014	2013
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	7,696,021	6,476,432
Land use rights	7	2,288,324	2,554,162
Properties under development	14	9,663,011	16,146,189
Intangible assets	8	60,863	57,428
Investment properties	9	5,846,317	5,793,800
Interest in an associate	10	30,565	58,201
Interest in joint ventures	11	1,220,848	1,030,282
Available-for-sale financial assets	12	117,500	117,500
Other receivable due from an associate	17	2,039,716	–
Deferred income tax assets	26	501,790	316,209
		<b>29,464,955</b>	<b>32,550,203</b>
<b>Current assets</b>			
Properties under development	14	50,518,110	33,480,753
Completed properties held for sale	15	16,138,247	13,083,771
Prepayments for acquisition of land use rights	16	3,700,798	9,910,669
Trade and other receivables	17	11,674,857	12,424,997
Prepaid income taxes		721,307	51,430
Restricted cash	18	5,362,080	6,249,740
Cash and cash equivalents	19	6,067,802	6,783,643
		<b>94,183,201</b>	<b>81,985,003</b>
<b>Total assets</b>		<b>123,648,156</b>	<b>114,535,206</b>
<b>EQUITY</b>			
<b>Capital and reserves attributable to the shareholders of the Company</b>			
Share capital and premium	20	5,097,967	3,642,725
Shares held for Share Award Scheme	21	(156,588)	–
Other reserves	22	2,453,809	1,298,093
Retained earnings		26,255,811	24,425,370
		<b>33,650,999</b>	<b>29,366,188</b>
<b>Perpetual Capital Securities</b>	23	<b>4,483,409</b>	<b>4,486,025</b>
<b>Non-controlling interests</b>	45	<b>2,960,884</b>	<b>2,715,083</b>
<b>Total equity</b>		<b>41,095,292</b>	<b>36,567,296</b>

## Consolidated Balance Sheet (Continued)

(All amounts in RMB thousands unless otherwise stated)

		As at 31 December	
	Note	2014	2013
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	24	25,850,994	24,646,168
Convertible Bonds — debt component	25	-	2,491,719
Convertible Bonds — embedded financial derivatives	25	-	364,980
Deferred income tax liabilities	26	1,315,858	1,649,261
		<b>27,166,852</b>	<b>29,152,128</b>
<b>Current liabilities</b>			
Borrowings	24	16,470,701	12,353,678
Trade and other payables	27	17,333,365	19,524,461
Advanced proceeds received from customers		9,215,606	6,428,278
Current tax liabilities		12,366,340	10,509,365
		<b>55,386,012</b>	<b>48,815,782</b>
<b>Total liabilities</b>		<b>82,552,864</b>	<b>77,967,910</b>
<b>Total equity and liabilities</b>		<b>123,648,156</b>	<b>114,535,206</b>
<b>Net current assets</b>		<b>38,797,189</b>	<b>33,169,221</b>
<b>Total assets less current liabilities</b>		<b>68,262,144</b>	<b>65,719,424</b>

The notes on pages 132 to 204 form an integral part of these consolidated financial statements.

The consolidated financial statements on pages 124 to 204 were approved by the Board of Directors on 25 March 2015 and were signed on its behalf by:

**Chen Zhuo Lin**  
Director

**Chan Cheuk Hung**  
Director

# Balance Sheet

(All amounts in RMB thousands unless otherwise stated)

		As at 31 December	
	Note	2014	2013
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments in subsidiaries	45	448,520	448,520
<b>Current assets</b>			
Amounts due from subsidiaries	17	35,362,968	29,577,718
Other receivables and prepayments	17	6,326	7,095
Restricted cash	18	250,000	2,786,304
Cash and cash equivalents	19	149,943	173,502
		<b>35,769,237</b>	32,544,619
<b>Total assets</b>		<b>36,217,757</b>	32,993,139
<b>EQUITY</b>			
<b>Capital and reserves attributable to the shareholders of the Company</b>			
Share capital and premium	20	5,097,967	3,642,725
Shares held for Share Award Scheme	21	(156,588)	–
Other reserves	22	427,512	427,512
Retained earnings	36	1,402,684	911,371
		<b>6,771,575</b>	4,981,608
<b>Perpetual Capital Securities</b>	23	<b>4,483,409</b>	4,486,025
<b>Total equity</b>		<b>11,254,984</b>	9,467,633
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	24	16,126,953	13,649,850
Convertible Bonds — debt component	25	–	2,491,719
Convertible Bonds — embedded financial derivatives	25	–	364,980
		<b>16,126,953</b>	16,506,549
<b>Current liabilities</b>			
Borrowings	24	5,145,760	3,033,162
Amounts due to subsidiaries	27	2,874,149	2,753,405
Other payables and accruals	27	815,911	1,232,390
		<b>8,835,820</b>	7,018,957
<b>Total liabilities</b>		<b>24,962,773</b>	23,525,506
<b>Total equity and liabilities</b>		<b>36,217,757</b>	32,993,139
<b>Net current assets</b>		<b>26,933,417</b>	25,525,662
<b>Total assets less current liabilities</b>		<b>27,381,937</b>	25,974,182

The notes on pages 132 to 204 form an integral part of these consolidated financial statements.

The consolidated financial statements on pages 124 to 204 were approved by the Board of Directors on 25 March 2015 and were signed on its behalf by:

**Chen Zhuo Lin**  
Director

**Chan Cheuk Hung**  
Director



# Consolidated Income Statement

(All amounts in RMB thousands unless otherwise stated)

	Note	Year ended 31 December	
		2014	2013
Revenue	5	38,317,599	35,436,404
Cost of sales		(25,886,775)	(22,821,680)
<b>Gross profit</b>		<b>12,430,824</b>	12,614,724
Selling and marketing costs		(1,784,164)	(1,522,821)
Administrative expenses		(1,437,438)	(1,284,575)
Fair value gains on investment properties	9	469,625	174,277
Other gains/(losses), net	28	146,034	(93,687)
Other income	29	979,166	224,851
Other expenses	30	(312,950)	(131,743)
<b>Operating profit</b>		<b>10,491,097</b>	9,981,026
Fair value gains on embedded financial derivatives	25	–	295,748
Finance (costs)/income, net	34	(292,573)	488,214
Share of post-tax loss of an associate	10	(27,636)	(59,537)
Share of post-tax (losses)/profits of joint ventures	11	(44,997)	7,124
<b>Profit before income tax</b>		<b>10,125,891</b>	10,712,575
Income tax expenses	35	(5,034,790)	(4,850,220)
<b>Profit for the year</b>		<b>5,091,101</b>	5,862,355
<b>Attributable to:</b>			
Shareholders of the Company		4,287,245	4,826,907
Holders of Perpetual Capital Securities	23	354,782	342,497
Non-controlling interests	45	449,074	692,951
		<b>5,091,101</b>	5,862,355
<b>Earnings per share for profit attributable to the shareholders of the Company during the year</b> (expressed in RMB per share)			
— Basic	37	1.222	1.400
— Diluted	37	1.203	1.210
Dividends	38	1,164,893	1,303,593

The notes on pages 132 to 204 form an integral part of these consolidated financial statements.

# Consolidated Statement of Comprehensive Income

(All amounts in RMB thousands unless otherwise stated)

	Year ended 31 December	
	2014	2013
<b>Profit for the year</b>	<b>5,091,101</b>	5,862,355
<b>Other comprehensive income</b>		
— Currency translation difference	579	—
<b>Total comprehensive income for the year</b>	<b>5,091,680</b>	5,862,355
<b>Total comprehensive income attributable to:</b>		
— Shareholders of the Company	4,287,650	4,826,907
— Holders of the Perpetual Capital Securities	354,782	342,497
— Non-controlling interests	449,248	692,951
	<b>5,091,680</b>	5,862,355

The notes on pages 132 to 204 form an integral part of these consolidated financial statements.

# Consolidated Statement of Changes in Equity

(All amounts in RMB thousands unless otherwise stated)

	Attributable to the shareholders of the Company				Perpetual Capital Securities (note 23)	Non- controlling interests	Total equity
	Share capital and premium (note 20)	Other reserves (note 22)	Retained earnings	Total			
<b>Balance at 1 January 2013</b>	3,658,542	1,190,094	20,764,827	25,613,463	–	2,298,344	27,911,807
<b>Comprehensive income</b>							
Profit for the year	–	–	4,826,907	4,826,907	342,497	692,951	5,862,355
Other comprehensive income	–	–	–	–	–	–	–
<b>Total comprehensive income for the year</b>	–	–	4,826,907	4,826,907	342,497	692,951	5,862,355
<b>Total contributions by and distributions to the equity owners of the Group recognised directly in equity:</b>							
Repurchase of shares of the Company (note 20)	(15,817)	–	–	(15,817)	–	–	(15,817)
Transfer to statutory reserve and enterprise expansion funds (note 22)	–	107,999	(107,999)	–	–	–	–
Issue of Perpetual Capital Securities (note 23)	–	–	–	–	4,321,938	–	4,321,938
Distribution to holders of Perpetual Capital Securities (note 23)	–	–	–	–	(178,410)	–	(178,410)
Dividends	–	–	(1,058,365)	(1,058,365)	–	–	(1,058,365)
Capital injection by non-controlling interests	–	–	–	–	–	40,000	40,000
Dividends declared to non-controlling interests	–	–	–	–	–	(316,212)	(316,212)
<b>Total contributions by and distributions to the equity owners of the Group recognised directly in equity</b>	(15,817)	107,999	(1,166,364)	(1,074,182)	4,143,528	(276,212)	2,793,134
<b>Balance at 31 December 2013</b>	3,642,725	1,298,093	24,425,370	29,366,188	4,486,025	2,715,083	36,567,296

## Consolidated Statement of Changes in Equity (Continued)

(All amounts in RMB thousands unless otherwise stated)

	Attributable to the shareholders of the Company							
	Share capital and premium (note 20)	Shares held for Share Award Scheme (note 21)	Other reserves (note 22)	Retained earnings	Total	Perpetual Capital Securities (note 23)	Non-controlling interests	Total equity
<b>Balance at 1 January 2014</b>	3,642,725	–	1,298,093	24,425,370	29,366,188	4,486,025	2,715,083	36,567,296
<b>Comprehensive income</b>								
Profit for the year	–	–	–	4,287,245	4,287,245	354,782	449,074	5,091,101
Other comprehensive income								
— Currency translation difference	–	–	405	–	405	–	174	579
<b>Total comprehensive income for the year</b>	–	–	405	4,287,245	4,287,650	354,782	449,248	5,091,680
<b>Total contributions by and distributions to the equity owners of the Group recognised directly in equity:</b>								
Issue of new shares under Share Award Scheme (note 21)	156,588	(156,588)	–	–	–	–	–	–
Issue of new shares under rights issue (note 20)	1,298,654	–	–	–	1,298,654	–	–	1,298,654
Transfer to statutory reserve and enterprise expansion funds (note 22)	–	–	1,155,311	(1,155,311)	–	–	–	–
Distribution to holders of Perpetual Capital Securities (note 23)	–	–	–	–	–	(357,398)	–	(357,398)
Dividends	–	–	–	(1,301,493)	(1,301,493)	–	–	(1,301,493)
Capital injection by non-controlling interests	–	–	–	–	–	–	139,169	139,169
Dividends distribution to non-controlling interests (note 45)	–	–	–	–	–	–	(342,616)	(342,616)
<b>Total contributions by and distributions to the equity owners of the Group recognised directly in equity</b>	1,455,242	(156,588)	1,155,311	(2,456,804)	(2,839)	(357,398)	(203,447)	(563,684)
<b>Balance at 31 December 2014</b>	5,097,967	(156,588)	2,453,809	26,255,811	33,650,999	4,483,409	2,960,884	41,095,292

The notes on pages 132 to 204 form an integral part of these consolidated financial statements.

# Consolidated Statement of Cash Flows

(All amounts in RMB thousands unless otherwise stated)

	Note	Year ended 31 December	
		2014	2013
<b>Cash flows from operating activities</b>			
Cash generated from/(used in) operations	39	4,954,138	(3,055,502)
Interest paid		(2,989,803)	(2,520,087)
PRC income tax paid		(4,366,676)	(4,342,687)
Net cash used in operating activities		(2,402,341)	(9,918,276)
<b>Cash flows from investing activities</b>			
Payments of construction cost of investment properties		(319,695)	(296,123)
Prepayment of land use rights for development of own used properties		(2,151)	(55,487)
Investment in joint ventures		(235,563)	(80,000)
Prepayment for acquisitions of equity interests		–	(14,650)
Purchase of property, plant and equipment		(965,191)	(1,445,044)
Purchase of intangible assets		(22,154)	(13,251)
Proceed from disposal of investment properties		77,873	180,000
Repayment of cash advances from a joint venture		301,357	186,564
Cash advances made to joint ventures		(534,500)	(2,024,793)
Interest received		86,067	98,963
Net cash used in investing activities		(1,613,957)	(3,463,821)
<b>Cash flows from financing activities</b>			
Repurchase of shares of the Company		–	(15,817)
Net proceeds from rights issue	20	1,298,654	–
Net proceeds from issue of Perpetual Capital Securities		–	4,321,938
Net proceeds from issue of senior notes		4,936,572	–
Proceeds from borrowings		20,699,390	21,120,146
Repayments of borrowings		(18,757,773)	(8,375,265)
Decrease/(increase) in guarantee deposit for borrowings		2,536,304	(1,753,169)
Redemption of Convertible Bonds		(3,076,157)	–
Redemption of senior notes		(1,928,241)	–
Cash advances from related parties		29,360	514,798
Repayments of cash advances to related parties		(87,252)	(8,714)
Capital injection by non-controlling interests		139,169	40,000
Distribution to holders of Perpetual Capital Securities		(357,398)	(178,410)
Dividends paid to shareholders of the Company		(1,760,835)	(838,465)
Dividends paid to non-controlling interests		(342,616)	(316,212)
Net cash generated from financing activities		3,329,177	14,510,830
<b>(Decrease)/increase in cash and cash equivalents</b>		<b>(687,121)</b>	<b>1,128,733</b>
Net cash and cash equivalents at beginning of the year		6,783,643	5,748,597
Exchange losses on cash and cash equivalents		(28,720)	(93,687)
<b>Cash and cash equivalents at end of the year</b>	19	<b>6,067,802</b>	<b>6,783,643</b>

The notes on pages 132 to 204 form an integral part of these consolidated financial statements.

# Notes to the Consolidated Financial Statements

(All amounts in RMB thousands unless otherwise stated)

## 1 General information

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

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

These consolidated financial statements have been approved for issue by the Board of Directors of the Company on 25 March 2015.

## 2 Summary of significant accounting policies

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

### 2.1 Basis of preparation

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

The consolidated financial statements are prepared in accordance with the applicable requirements of the predecessor Companies Ordinance (Cap. 32) for this financial year and the comparative period.

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

## 2 Summary of significant accounting policies (Continued)

### 2.1 Basis of preparation (Continued)

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

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

Amendments to HKAS 36, “Impairment of assets” on the recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of CGUs which had been included in HKAS 36 by the issue of HKFRS 13. It also enhanced the disclosures of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. The amendment did not have a significant effect on the Group’s consolidated financial statements.

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

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

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

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

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

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

#### 2.1 Basis of preparation (Continued)

**(ii) New and amended standards and interpretations issued but are not effective for financial year commencing on 1 January 2014 and have not been early adopted by the Group**

Standards/ Amendments/ Interpretation	Subject of amendment	Effective for annual periods beginning on or after
Annual improvements 2012	2010 to 2012 Cycle of the annual improvements	1 July 2014
Annual improvements 2013	2011 to 2013 Cycle of the annual improvements	1 July 2014
HKAS 19 (Amendment)	Defined benefit plans: employee contribution	1 July 2014
Amendment to HKFRS 11	Accounting for acquisitions of interests in joint operation	1 January 2016
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation	1 January 2016
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	1 January 2016
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: applying the consolidation exception	1 January 2016
Amendment to HKAS 27	Equity method in separate financial statements	1 January 2016
Annual improvements 2014	2012 to 2014 cycle of the annual improvements	1 January 2016
Amendment to HKAS 1	Disclosure initiative: guidance on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies	1 January 2016
HKFRS 15	Revenue from contracts with customers	1 January 2017
HKFRS 9	Financial instruments	1 January 2018

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

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

**(iii) New Hong Kong Companies Ordinance (Cap. 622)**

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



## 2 Summary of significant accounting policies (Continued)

### 2.2 Subsidiaries

#### 2.2.1 Consolidation

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

(a) *Business combinations*

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

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

Acquisition-related costs are expensed as incurred.

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

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

## 2 Summary of significant accounting policies (Continued)

### 2.2 Subsidiaries (Continued)

#### 2.2.1 Consolidation (Continued)

(a) *Business combinations (Continued)*

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

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. 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 in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) *Disposal of subsidiaries*

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

#### 2.2.2 Separate financial statements

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

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

## 2 Summary of significant accounting policies (Continued)

### 2.3 Associates

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

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

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

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

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

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

## 2 Summary of significant accounting policies (Continued)

### 2.4 Joint arrangements

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

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

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

### 2.5 Segment reporting

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

### 2.6 Foreign currency translation

#### (i) Functional and presentation currency

Items included in the financial statements of each of the group companies 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.

## 2 Summary of significant accounting policies (Continued)

### 2.6 Foreign currency translation (Continued)

#### (i) Functional and presentation currency (Continued)

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

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

#### (ii) 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:

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

# Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

## 2 Summary of significant accounting policies (Continued)

### 2.7 Property, plant and equipment

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

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

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

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

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

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

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

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

### 2.8 Construction in progress

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

## 2 Summary of significant accounting policies (Continued)

### 2.9 Investment property

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

### 2.10 Intangible assets

#### (i) Computer software

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

#### (ii) Construction licence

Construction licence is acquired and is recognised at historical cost. Construction licence has a finite useful life and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of construction licence over their estimated useful life of 3 years.

### 2.11 Impairment of non-financial assets

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

## 2 Summary of significant accounting policies (Continued)

### 2.12 Financial assets

#### 2.12.1 Classification

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

(a) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise "trade and other receivables", "restricted cash" and "cash and cash equivalents" in the consolidated balance sheet (notes 2.17 and 2.18).

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

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

#### 2.12.2 Recognition and measurement

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

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

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

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



## 2 Summary of significant accounting policies (Continued)

### 2.13 Impairment of assets classified as available for sale

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

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

### 2.14 Offsetting financial instruments

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

### 2.15 Impairment of financial assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or 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 reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

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

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

## 2 Summary of significant accounting policies (Continued)

### 2.16 Properties under development and held for sale

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

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

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

### 2.17 Trade and other receivables

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

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

### 2.18 Cash and cash equivalents

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

### 2.19 Share capital

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

### 2.20 Trade and other payables

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

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

### 2.21 Borrowings

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

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

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

## 2 Summary of significant accounting policies (Continued)

### 2.22 Convertible Bonds

The Company issued United States dollars (“US\$”) denominated Convertible Bonds (the “Convertible Bonds”) which can be converted into ordinary shares of the Company and redeemed under certain circumstances.

If the conversion of the Convertible Bonds will not result in delivering a fixed number of the Company’s own equity instruments in exchange for a fixed amount of cash or another financial asset, the Convertible Bonds contract will be separated into two component elements: a financial derivative component consisting of the embedded options and a debt component consisting of the straight debt element of the Convertible Bonds.

On the issue of the Convertible Bonds, the fair value of the financial derivatives component is calculated using a valuation technique. The financial derivative component is carried at fair value on the consolidated balance sheet with any subsequent changes in fair value being charged or credited to the consolidated income statement in the period when the change occurs. The remainder of the proceeds is allocated to debt component of the Convertible Bonds, net of transaction costs, and is recorded as a liability. The debt component is subsequently carried at amortised cost until extinguished on conversion or redemption.

Interest expense is calculated using the effective interest method by applying the effective interest rate to the debt component through the maturity date.

If the Convertible Bonds are converted, the carrying amounts of the corresponding financial derivative and debt components are transferred to share capital and share premium as consideration for the shares issued. If the Convertible Bonds are redeemed, any difference between the amount paid and the carrying amounts of the corresponding financial derivative and debt components is recognised in consolidated income statement.

An exchange between the Company and lender of debt instruments with substantially different terms shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the debtor) shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognised in consolidated income statement.

If the exchange or modification is not constituted as an extinguishment, any costs or fees incurred shall be accounted for as adjustments to the carrying amount of the liability and being amortised over the remaining term of the modified liability.

## 2 Summary of significant accounting policies (Continued)

### 2.23 Borrowing costs

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

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

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

### 2.24 Current and deferred income tax

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

#### (i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company, its subsidiaries, joint arrangements 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. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

#### (ii) Deferred income tax

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

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

## 2 Summary of significant accounting policies (Continued)

### 2.24 Current and deferred income tax (Continued)

#### (ii) Deferred income tax (Continued)

Deferred income tax liabilities are provided on temporary differences arising on investments in subsidiaries, associates and joint arrangements, 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.

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

#### (iii) 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.

### 2.25 Employee benefits

#### (i) Employee leave entitlements

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

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

#### (ii) Pension obligations

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

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

#### 2.25 Employee benefits (Continued)

##### (ii) Pension obligations (Continued)

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

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

##### (iii) Termination benefits

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

##### (iv) Share-based payments

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

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

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

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

## 2 Summary of significant accounting policies (Continued)

### 2.26 Provisions

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

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

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

### 2.27 Revenue recognition

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

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

#### (i) Sales of properties

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

#### (ii) Property management

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

#### (iii) Hotel operations

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

#### (iv) Interest income

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

## 2 Summary of significant accounting policies (Continued)

### 2.27 Revenue recognition (Continued)

#### (v) Rental income

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

#### (vi) Dividend income

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

### 2.28 Leases

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

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

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

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

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

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

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

### 2.29 Dividend distribution

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

### 2.30 Insurance contracts

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

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

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



### 3 Financial risk management

#### 3.1 Financial risk factor

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

##### (i) Currency risk

The Group's businesses are principally conducted in RMB, except that certain receipts of proceeds from sales of properties, fees of property management services, senior notes, bank borrowings and syndicated loans are in other currencies. As at 31 December 2014, major non-RMB assets and liabilities are cash and cash equivalents, senior notes, bank borrowings and syndicated loans dominated in HK dollar ("HK\$"), US dollar ("US\$") or Malaysia Ringgit ("MYR"). Fluctuation of the exchange rates of RMB against foreign currencies could affect the Group's results of operations. Given the general expectations about the strengthening of RMB, the Group has not entered into any forward exchange contracts to hedge its exposure to foreign exchange risk during the year ended 31 December 2014.

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

	Group		Company	
	2014	2013	2014	2013
Monetary assets				
— HK\$	303,993	392,711	55,402	61,066
— US\$	68,642	442,133	65,846	102,322
— MYR	14,091	—	—	—
	<b>386,726</b>	834,844	<b>121,248</b>	163,388
Monetary liabilities				
— HK\$	6,242,151	5,991,541	6,242,151	5,991,541
— US\$	16,871,955	13,612,040	16,871,955	13,612,040
— MYR	101,342	—	—	—
	<b>23,215,448</b>	19,603,581	<b>23,114,106</b>	19,603,581

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 3 Financial risk management (Continued)

#### 3.1 Financial risk factor (Continued)

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

The following table shows the sensitivity analysis of a 1% change in RMB against the relevant foreign currencies. The sensitivity analysis includes only foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates. If there is a 1% increase/decrease in RMB against the relevant currencies, the effect of increase/(decrease) in the profit for the year is as follows:

	Group		Company	
	2014	2013	2014	2013
1% increase in RMB against HK\$	50,400	44,059	61,868	59,304
1% decrease in RMB against HK\$	(50,400)	(44,059)	(61,868)	(59,304)
1% increase in RMB against US\$	165,300	118,227	168,061	135,098
1% decrease in RMB against US\$	(165,300)	(118,227)	(168,061)	(135,098)

The effect of change in exchange rate of RMB against MYR is not presented as the effect is not material.

##### (ii) Interest rate risk

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

As at 31 December 2014 and 2013, if interest rates on borrowings had been 100 basis points higher or lower with all other variables held constant, interest charges for the years ended 31 December 2014 and 2013 would increase or decrease by RMB196,054,000 and RMB182,931,000 respectively, mainly as a result of higher or lower interest expense on floating rate borrowings.

## 3 Financial risk management (Continued)

### 3.1 Financial risk factor (Continued)

#### (iii) Credit risk

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

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

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

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

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

The Group typically provides guarantees to banks in connection with the customers' borrowing of mortgage loans to finance their purchase of properties for an amount up to 80% of the total purchase price of the property. If a purchaser defaults on the payment of its mortgage loan during the guarantee period, the bank holding the guarantee may demand the Group to repay the outstanding amount under the loan and any interest accrued thereon. Under such circumstances, the Group is able to retain the customer's deposit and re-sell the property to recover any amounts paid by the Group to the bank. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced. Detailed disclosure of these guarantees is made in the note 40.

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

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 3 Financial risk management (Continued)

#### 3.1 Financial risk factor (Continued)

##### (iv) Liquidity risk

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

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

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

Group

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
<b>At 31 December 2014</b>					
Borrowings	19,546,033	10,565,167	19,294,252	691,353	50,096,805
Trade and other payables(*)	16,714,246	-	-	-	16,714,246
<b>At 31 December 2013</b>					
Borrowings	15,036,934	10,392,621	19,960,487	1,208,389	46,598,431
Trade and other payables(*)	18,991,046	-	-	-	18,991,046

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

### 3 Financial risk management (Continued)

#### 3.1 Financial risk factor (Continued)

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

Company

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
<b>At 31 December 2014</b>					
Borrowings	6,705,061	4,281,666	15,691,725	–	26,678,452
Other payables	3,690,060	–	–	–	3,690,060
<b>At 31 December 2013</b>					
Borrowings	4,366,949	3,811,952	15,512,310	–	23,691,211
Other payables	3,985,795	–	–	–	3,985,795

#### 3.2 Capital risk management

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

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

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

	2014	2013
Total borrowings (note 24 and note 25)	42,321,695	39,491,565
Less: Cash and cash equivalents (note 19)	(6,067,802)	(6,783,643)
Restricted cash (note 18)	(5,362,080)	(6,249,740)
Net borrowings	30,891,813	26,458,182
Total equity	41,095,292	36,567,296
Gearing ratio	75.2%	72.4%

The increase in the gearing ratio during the year ended 31 December 2014 primarily resulted from the increase in borrowings.

## 3 Financial risk management (Continued)

### 3.3 Fair value estimation

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

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

As at 31 December 2014 and 2013, the available-for-sale financial assets were stated at fair value. As at 31 December 2013, the embedded financial derivatives component of the Group's Convertible Bonds was the financial liability that carried at fair value. The financial assets and financial liabilities were included in level 3 as the quantitative information about fair value measurements were using significant unobservable inputs.

## 4 Critical accounting estimates and judgements

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

### 4.1 Critical accounting estimates and assumptions

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

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

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

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

## 4 Critical accounting estimates and judgements (Continued)

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

#### (ii) Land appreciation taxes

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

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

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

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

As at 31 December 2014, except for write-off of completed properties of RMB100,310,000 recognised by the Group, no other impairment was provided for properties under development or long-term assets held for hotel operation (2013: nil).

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

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

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

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

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

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

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

As at 31 December 2014, no impairment was provided for trade receivables (2013: nil).

### 5 Segment information

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

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

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

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

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

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



# Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

## 5 Segment information (Continued)

Segment information provided to the executive directors of the Company for the reporting segments for the years ended 31 December 2014 and 2013 are as follows:

### Year ended 31 December 2014

	Property development	Property management	Hotel operations	Property investment	Elimination	Group
Gross segment sales	37,081,756	951,900	527,362	70,454	–	38,631,472
Inter-segment sales	(45,120)	(268,753)	–	–	–	(313,873)
Sales to external customers	37,036,636	683,147	527,362	70,454	–	38,317,599
Fair value gains on investment properties (note 9)	–	–	–	469,625	–	469,625
Operating profit/(loss)	10,191,932	65,997	(256,475)	489,643	–	10,491,097
Share of post-tax loss of an associate (note 10)	(27,636)	–	–	–	–	(27,636)
Share of post-tax losses of joint ventures (note 11)	(44,997)	–	–	–	–	(44,997)
Segment result	10,119,299	65,997	(256,475)	489,643	–	10,418,464
Finance costs, net (note 34)						(292,573)
Profit before income tax						10,125,891
Income tax expenses (note 35)						(5,034,790)
Profit for the year						5,091,101
Depreciation	98,445	4,868	238,807	–		342,120
Amortisation of land use rights and intangible assets	26,102	439	58,675	–		85,216
Write-down of completed properties held for sale	100,310	–	–	–		100,310
<b>Segment assets</b>	<b>107,743,799</b>	<b>1,423,822</b>	<b>8,433,235</b>	<b>5,846,317</b>	<b>(1,022,114)</b>	<b>122,425,059</b>
Unallocated assets						1,223,097
<b>Total assets</b>						<b>123,648,156</b>
Segment assets include:						
Interest in an associate (note 10)	30,565	–	–	–		30,565
Interest in joint ventures (note 11)	1,220,848	–	–	–		1,220,848
<b>Segment liabilities</b>	<b>21,318,055</b>	<b>387,579</b>	<b>5,813,666</b>	<b>51,785</b>	<b>(1,022,114)</b>	<b>26,548,971</b>
Unallocated liabilities						56,003,893
<b>Total liabilities</b>						<b>82,552,864</b>
Capital expenditure	375,956	5,161	614,099	341,666		1,336,882

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 5 Segment information (Continued)

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

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

#### Year ended 31 December 2013

	Property development	Property management	Hotel operations	Property investment	Elimination	Group
Gross segment sales	34,466,876	784,979	368,165	54,221	–	35,674,241
Inter-segment sales	–	(237,837)	–	–	–	(237,837)
Sales to external customers	34,466,876	547,142	368,165	54,221	–	35,436,404
Fair value gains on investment properties (note 9)	–	–	–	174,277	–	174,277
Operating profit/(loss)	9,851,761	46,272	(108,317)	191,310	–	9,981,026
Share of post-tax loss of an associate (note 10)	(59,537)	–	–	–	–	(59,537)
Share of post-tax profits of joint ventures (note 11)	7,124	–	–	–	–	7,124
Segment result	9,799,348	46,272	(108,317)	191,310	–	9,928,613
Fair value gains on embedded financial derivatives (note 25)						295,748
Finance income, net (note 34)						488,214
Profit before income tax						10,712,575
Income tax expenses (note 35)						(4,850,220)
Profit for the year						5,862,355
Depreciation	69,632	4,742	121,073	–		195,447
Amortisation of land use rights and intangible assets	41,227	266	55,218	–		96,711
<b>Segment assets</b>	100,009,899	644,250	8,256,324	5,793,800	(536,706)	114,167,567
Unallocated assets						367,639
<b>Total assets</b>						114,535,206
Segment assets include:						
Interest in an associate (note 10)	58,201	–	–	–		58,201
Interest in joint ventures (note 11)	1,030,282	–	–	–		1,030,282
<b>Segment liabilities</b>	20,528,342	451,380	5,439,527	70,196	(536,706)	25,952,739
Unallocated liabilities						52,015,171
<b>Total liabilities</b>						77,967,910
Capital expenditure	407,515	7,466	1,120,356	296,123		1,831,460

## 5 Segment information (Continued)

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

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

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

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

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

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

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

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 6 Property, plant and equipment — Group

	Buildings	Transportation equipment	Office equipment	Machinery	Construction in progress	Total
<b>At 1 January 2013</b>						
Cost	3,221,048	163,941	99,189	122,870	2,002,590	5,609,638
Accumulated depreciation	(178,853)	(104,431)	(57,938)	(45,736)	–	(386,958)
Net book amount	3,042,195	59,510	41,251	77,134	2,002,590	5,222,680
<b>Year ended 31 December 2013</b>						
Opening net book amount	3,042,195	59,510	41,251	77,134	2,002,590	5,222,680
Additions	33,352	44,435	27,927	22,918	1,328,257	1,456,889
Transfer of completed construction projects	493,551	–	–	–	(493,551)	–
Disposals	–	(5,741)	(1,187)	(762)	–	(7,690)
Depreciation	(137,975)	(23,543)	(14,672)	(19,257)	–	(195,447)
Closing net book amount	3,431,123	74,661	53,319	80,033	2,837,296	6,476,432
<b>At 31 December 2013</b>						
Cost	3,747,951	187,988	123,585	144,864	2,837,296	7,041,684
Accumulated depreciation	(316,828)	(113,327)	(70,266)	(64,831)	–	(565,252)
Net book amount	3,431,123	74,661	53,319	80,033	2,837,296	6,476,432
<b>Year ended 31 December 2014</b>						
Opening net book amount	3,431,123	74,661	53,319	80,033	2,837,296	6,476,432
Additions	63,427	38,613	28,125	33,909	806,837	970,911
Transfer of completed construction projects	1,488,396	–	–	–	(1,488,396)	–
Transfer from investment properties (note (d))	712,734	–	–	–	–	712,734
Transfer from/(to) properties under development	15,002	–	–	–	(40,199)	(25,197)
Disposals	(91,903)	(1,860)	(1,208)	(1,768)	–	(96,739)
Depreciation	(269,831)	(32,630)	(19,095)	(20,564)	–	(342,120)
Closing net book amount	5,348,948	78,784	61,141	91,610	2,115,538	7,696,021
<b>At 31 December 2014</b>						
Cost	5,931,153	219,828	147,951	174,676	2,115,538	8,589,146
Accumulated depreciation	(582,205)	(141,044)	(86,810)	(83,066)	–	(893,125)
Net book amount	5,348,948	78,784	61,141	91,610	2,115,538	7,696,021

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 6 Property, plant and equipment — Group (Continued)

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

	2014	2013
Cost of sales	265,541	135,613
Selling and marketing costs	9,541	6,341
Administrative expenses	67,038	53,493
	<b>342,120</b>	<b>195,447</b>

Notes:

- (a) As at 31 December 2014, buildings of RMB2,529,155,000 (2013: RMB1,317,040,000) were pledged as collateral for the Group's borrowings (note 24).
- (b) During the year ended 31 December 2014, the Group has capitalised borrowing costs amounting to RMB91,432,000 (2013: RMB177,777,000) on property, plant and equipment. Borrowing costs were capitalised at the weighted average rate of general borrowings of the Group of 7.87% (2013: 7.93%).
- (c) Buildings mainly represent the office buildings and hotel buildings. Constructions in progress mainly represent construction costs and other costs incurred for the construction of hotels.
- (d) During the year ended 31 December 2014, certain floor areas of an office building previously held for long-term yield with carrying value of RMB712,734,000 were occupied by the Group as office and therefore were transferred to self-used properties.

### 7 Land use rights — Group

	2014	2013
Opening net book amount	2,554,162	2,810,175
Addition	2,151	65,197
Transfer to properties under development (note (b))	(123,227)	(241,585)
Disposal	(78,265)	—
Amortisation		
— Capitalised in construction in progress	(5,720)	(11,845)
— Recognised as cost of sales (note 31)	(40,197)	(42,065)
— Recognised as expenses (note 31)	(20,580)	(25,715)
Closing net book amount	<b>2,288,324</b>	<b>2,554,162</b>

Notes:

- (a) Land use rights comprise cost of acquiring usage rights of certain land, which are located in the PRC, held on leases of over 40 years, and mainly for hotel properties or self-used buildings over fixed periods.
- (b) During the year ended 31 December 2014, certain own used land use rights with carrying value of RMB123,227,000 (2013: RMB241,585,000) were reclassified to properties under developments as a result of change in development plan.
- (c) As at 31 December 2014, land use rights of RMB1,379,941,000 (2013: RMB1,430,084,000) were pledged as collateral for the Group's borrowings (note 24).

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 8 Intangible assets — Group

Intangible assets mainly comprise acquired construction license and computer software licenses:

	<b>Construction license</b>	<b>Computer software</b>	<b>Total</b>
<b>At 1 January 2013</b>			
Cost	27,274	61,311	88,585
Accumulated amortisation	(9,091)	(18,231)	(27,322)
Net book amount	18,183	43,080	61,263
<b>Year ended 31 December 2013</b>			
Opening net book amount	18,183	43,080	61,263
Additions	–	13,251	13,251
Amortisation	(9,091)	(7,995)	(17,086)
Closing net book amount	9,092	48,336	57,428
<b>At 31 December 2013</b>			
Cost	27,274	74,562	101,836
Accumulated amortisation	(18,182)	(26,226)	(44,408)
Net book amount	9,092	48,336	57,428
<b>Year ended 31 December 2014</b>			
Opening net book amount	9,092	48,336	57,428
Additions	–	22,154	22,154
Amortisation	(9,092)	(9,627)	(18,719)
Closing net book amount	–	60,863	60,863
<b>At 31 December 2014</b>			
Cost	27,274	96,716	123,990
Accumulated amortisation	(27,274)	(35,853)	(63,127)
Net book amount	–	60,863	60,863

Amortisation of RMB18,719,000 (2013: RMB17,086,000) is included in the “administrative expenses” of the consolidated income statement.

# Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

## 9 Investment properties — Group

	2014	2013
Opening net book amount	5,793,800	5,589,600
Capitalised subsequent expenditure	341,666	296,123
Disposals	(62,906)	(266,200)
Transfer to property, plant and equipment (note 6(d))	(712,734)	–
Transfer from completed properties held for sale	16,866	–
Fair value gains on investment properties	469,625	174,277
Closing net book amount	5,846,317	5,793,800
Investment properties:		
— Completed investment properties	5,846,317	3,937,800
— Investment properties under construction	–	1,856,000
Total	5,846,317	5,793,800

Notes:

(a) The investment properties are located in the PRC and are held on lease of between 30 to 70 years.

(b) Amounts recognised in the consolidated income statement for investment properties:

	2014	2013
Rental income	70,454	54,221
Direct operating expenses of investment properties that generate rental income	(30,763)	(23,158)
Direct operating expenses of investment properties that did not generate rental income	(19,673)	(14,030)
	20,018	17,033

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

(c) **Fair value hierarchy**

As at 31 December 2014 and 2013, all of the Group's investment properties were within level 3 of the fair value hierarchy as the valuation were arrived at by reference to certain significant unobservable inputs. There were no transfers between levels 1, 2 and 3 during the year.

(d) **Valuation processes of the Group**

The Group's investment properties were valued at 31 December 2014 by independent professionally qualified valuers, Vigers Appraisal & Consulting Limited, who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use.

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

At each financial year end, the finance department:

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

# Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

## 9 Investment properties — Group (Continued)

Notes: (Continued)

### (d) Valuation processes of the Group (Continued)

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

### (e) Valuation techniques

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

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

	Description	Location	Fair value as at	Valuation techniques	Unobservable inputs	Range of
			31 December 2014			unobservable inputs
Completed investment properties	Office and retail	PRC	5,609,577	Income capitalisation	Term yields	5%~8%
					Reversionary yields	5.2%~8.5%
					Market rents (RMB/square meter/month)	40~1,000
	Car park	PRC	236,740	Direct comparison method	Market price (RMB/square meter)	3,161-7,987
	Description	Location	Fair value as at	Valuation techniques	Unobservable inputs	Range of unobservable inputs
			31 December 2013			
Completed investment properties	Retail	PRC	3,937,800	Income capitalisation	Term yields	5%~8%
					Reversionary yields	5.2%~8.5%
					Market rents (RMB/square meter/month)	35~1,000
Investment properties under construction	Office, retail and car park	PRC	1,856,000	Residual method	Budgeted construction costs to be incurred (RMB/ square meter)	4,500
					Developer's profit	15%
					Discount rate	7.65%



## 9 Investment properties — Group (Continued)

Notes: (Continued)

### (e) Valuation techniques (Continued)

There are inter-relationships between unobservable inputs.

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

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

For investment properties under construction, increase in budgeted construction costs to be incurred may result in decrease of fair value.

There are no changes to the valuation technique during the year ended 31 December 2014.

### (f) Investment properties pledged as security

As at 31 December 2014, investment properties of RMB4,746,101,000 (2013: RMB2,585,144,000) and certain rights of receiving rental income were pledged as collateral for the Group's bank borrowings (note 24).

### (g) Leasing arrangements

Certain investment properties are leased to tenants under long term operating leases with rentals payable monthly. Minimum lease payments receivable on leases of investment properties are disclosed in note 42.

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

## 10 Interest in an associate

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

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

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

	2014	2013
Balance as at 1 January	58,201	117,738
Share of post-tax loss of an associate	(27,636)	(59,537)
Balance as at 31 December	30,565	58,201

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

	2014	2013
Loss from continuing operations	(27,636)	(59,537)
Total comprehensive income	(27,636)	(59,537)

The contingent liabilities relating to the Group's interest in the associate are disclosed in note 40. There is no commitment relating to the Group's interest in the associate.

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 11 Interest in joint ventures

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

	2014	2013
Balance as at 1 January	1,030,282	943,158
Addition	235,563	80,000
Share of post-tax (losses)/profits of joint ventures	(44,997)	7,124
Balance as at 31 December	1,220,848	1,030,282

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

	2014	2013
(Losses)/profits from continuing operations	(44,997)	7,124
Total comprehensive income	(44,997)	7,124

The contingent liabilities relating to the Group's interest in the joint ventures are disclosed in note 40. There is no commitment relating to the Group's interest in the joint ventures.

### 12 Available-for-sale financial assets

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

### 13 Financial instruments by category

#### Group

##### Assets as per consolidated balance sheet

	2014	2013
<b>Loans and receivables</b>		
Trade and other receivables excluding prepaid business taxes and other taxes and prepayments	13,239,341	11,972,360
Restricted cash	5,362,080	6,249,740
Cash and cash equivalents	6,067,802	6,783,643
	24,669,223	25,005,743
<b>Available-for-sale financial assets</b>	117,500	117,500
Total	24,786,723	25,123,243

## 13 Financial instruments by category (Continued)

**Group (Continued)****Liabilities as per consolidated balance sheet**

	2014	2013
<b>Financial liabilities at fair value through profit or loss</b>		
Convertible Bonds — embedded financial derivatives	–	364,980
<b>Other financial liabilities at amortised cost</b>		
Borrowings	42,321,695	36,999,846
Convertible Bonds — debt component	–	2,491,719
Trade and other payables and accruals, excluding staff welfare benefit payable and other taxes payable	16,714,246	18,991,046
	59,035,941	58,482,611
Total	59,035,941	58,847,591

**Company****Assets as per balance sheet**

	2014	2013
<b>Loans and receivables</b>		
Trade and other receivables excluding prepayments	35,363,248	29,578,053
Restricted cash	250,000	2,786,304
Cash and cash equivalents	149,943	173,502
Total	35,763,191	32,537,859

**Liabilities as per balance sheet**

	2014	2013
<b>Financial liabilities at fair value through profit or loss</b>		
Convertible Bonds — embedded financial derivatives	–	364,980
<b>Other financial liabilities at amortised cost</b>		
Borrowings	21,272,713	16,683,012
Convertible Bonds — debt component	–	2,491,719
Amounts due to subsidiaries	2,874,149	2,753,405
Other payables and accruals	815,911	1,232,390
	24,962,773	23,160,526
Total	24,962,773	23,525,506

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 14 Properties under development — Group

	2014	2013
Properties under development expected to be completed:		
— Within one operating cycle included under current assets	50,518,110	33,480,753
— Beyond one operating cycle included under non-current assets	9,663,011	16,146,189
	<b>60,181,121</b>	49,626,942
Properties under development comprise:		
— Construction costs and capitalised expenditures	23,895,151	19,398,035
— Capitalised interests	4,462,332	3,315,242
— Land use rights	31,823,638	26,913,665
	<b>60,181,121</b>	49,626,942

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

The capitalisation rate of borrowings is 7.87% for the year ended 31 December 2014 (2013: 7.93%).

As at 31 December 2014, land use rights included in the properties under developments with net book value of RMB18,868,343,000 (2013: RMB17,379,866,000) were pledged as collateral for the Group's borrowings (note 24).

### 15 Completed properties held for sale — Group

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

As at 31 December 2014, completed properties held for sale of approximately RMB1,482,549,000 (2013: RMB382,860,000) were pledged as collateral for the Group's bank borrowings (note 24).

### 16 Prepayments for acquisition of land use rights — Group

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

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 17 Trade and other receivables

	Group		Company	
	2014	2013	2014	2013
Trade receivables (note (a))	5,247,731	4,999,848	–	–
Other receivables due from:				
— Subsidiaries (note (b))	–	–	35,362,968	29,577,718
— An associate (note 43(c))	2,039,716	2,039,716	–	–
— Joint ventures (note 43(c))	2,159,293	1,926,150	–	–
— Third parties	1,832,928	1,731,586	280	335
Prepaid business taxes and other taxes	156,589	186,834	–	–
Deposits for acquisition of land use rights	1,959,673	1,275,060	–	–
Prepayments	318,643	265,803	6,046	6,760
<b>Total</b>	<b>13,714,573</b>	<b>12,424,997</b>	<b>35,369,294</b>	<b>29,584,813</b>
Less: other receivable due from an associate-non-current portion	(2,039,716)	–	–	–
<b>Trade and other receivable-current portion</b>	<b>11,674,857</b>	<b>12,424,997</b>	<b>35,369,294</b>	<b>29,584,813</b>

As at 31 December 2014, the fair value of trade and other receivables approximated their carrying amounts. All the balances were fully performing except the balances which were past due but not impaired as described below.

Notes:

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

	Group	
	2014	2013
Within 90 days	3,505,485	4,145,761
Over 90 days and within 365 days	1,352,159	633,649
Over 365 days and within 2 years	341,284	220,438
Over 2 years	48,803	–
	<b>5,247,731</b>	<b>4,999,848</b>

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 17 Trade and other receivables (Continued)

Notes: (Continued)

(a) (Continued)

As at 31 December 2014, trade receivables of RMB1,025,942,000 (2013: RMB645,606,000) were past due but not impaired. As the Group normally holds collateral of the properties before collection of the outstanding balances and pass the titles to the purchasers, the Directors consider that the past due trade receivables would be recovered and no provision was made against past due receivables as at 31 December 2014 (2013: nil). The ageing analysis of these trade receivables is as follows:

	Group	
	2014	2013
Within 90 days	483,116	350,498
Over 90 days and within 365 days	456,006	211,791
Over 365 days and within 2 years	86,820	83,317
	<b>1,025,942</b>	645,606

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

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

(d) As at 10 March 2015, RMB1,810,378,000 of the trade receivables have been subsequently settled.

### 18 Restricted cash

As at 31 December 2014 and 2013, all of the Group's restricted cash were denominated in RMB. The conversion of the PRC group entities' RMB denominated bank balances into foreign currencies and the remittance of such foreign currencies denominated bank balances and cash out of the PRC are subject to relevant rules and regulation of foreign exchange control promulgated by the PRC government.

As at 31 December 2014, restricted cash is mainly comprised of deposit collateral for borrowings, guarantee deposits for construction of pre-sold properties, and deposits for accident compensation.

### 19 Cash and cash equivalents

	Group		Company	
	2014	2013	2014	2013
Cash and cash equivalents comprise the following:				
Cash at bank and in hand	6,066,087	6,713,616	148,228	103,475
Short-term bank deposits	1,715	70,027	1,715	70,027
	<b>6,067,802</b>	6,783,643	<b>149,943</b>	173,502
Denominated in RMB(*)	5,695,167	5,948,799	14,098	10,114
Denominated in other currencies	372,635	834,844	135,845	163,388
	<b>6,067,802</b>	6,783,643	<b>149,943</b>	173,502

\* The conversion of the PRC group entities' RMB denominated bank balances into foreign currencies and the remittance of such foreign currencies denominated bank balances and cash out of the PRC are subject to relevant rules and regulation of foreign exchange control promulgated by the PRC government.

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 20 Share capital and premium

	Number of ordinary shares	Nominal value of ordinary shares HK\$'000	Equivalent nominal value of ordinary shares RMB'000	Share premium RMB'000	Total RMB'000
<b>Authorised</b>					
As at 31 December 2014 and 2013	10,000,000,000	1,000,000			
<b>Movements of issued and fully paid share capital</b>					
<b>Year ended 31 December 2013</b>					
At 1 January 2013	3,449,450,000	344,945	363,217	3,295,325	3,658,542
Repurchase of shares of the Company (note (a))	(2,100,000)	(210)	(170)	(15,647)	(15,817)
At 31 December 2013	3,447,350,000	344,735	363,047	3,279,678	3,642,725
<b>Year ended 31 December 2014</b>					
At 1 January 2014	3,447,350,000	344,735	363,047	3,279,678	3,642,725
Shares allotted for Share Award Scheme (note 21)	34,470,000	3,447	2,714	153,874	156,588
Rights issue (note (b))	435,227,500	43,523	34,492	1,264,162	1,298,654
At 31 December 2014	3,917,047,500	391,705	400,253	4,697,714	5,097,967

Notes:

- (a) During the year ended 31 December 2013, the Company has acquired 2,100,000 of its own shares through purchases on the Stock Exchange. The total consideration of HK\$19,585,000 (equivalent to RMB15,817,000) paid for repurchases of shares has been deducted from share capital and premium.
- (b) During the year ended 31 December 2014, the Company implemented the rights issue of 435,227,500 rights shares on the basis of one rights share for every eight shares at the subscription price of HK\$3.80 each, with a total consideration amounting to HK\$1,653,864,500 (equivalent to RMB1,310,688,000). The net proceeds, after deducting the issuance cost, amounted to HK\$1,638,669,000 (equivalent to RMB1,298,654,000).

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 21 Share Award Scheme

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

Pursuant to the rules of the Share Award Scheme, the Group has set up a trust (“Employee Share Trust”), for the purposes of administering the Share Award Scheme and holding Awarded Shares before they vest. On 10 February 2014, the Company allotted and issued 34,470,000 new shares to the Employee Share Trustee to hold. On 3 January 2014, 32,750,000 of which has been granted to the 116 selected employees, subject to, among others, the performance conditions of both the Group and the awardees can be fulfilled and the awardees remain employed by the Group, 30% of these Awarded Shares vest on 20 June 2015, further 30% of these Awarded Shares vest on 20 June 2016 and the remaining 40% of these Awarded Shares vest on 20 June 2017. As at 31 December 2014, the shares under the Share Award Scheme held by the Employee Share Trustee amounted to RMB156,588,000, which was presented within equity in the consolidated balance sheet. As at 31 December 2014, no expenses in relation to the Share Award Scheme were recognised in the consolidated income statement as no Awarded Shares have been vested in to eligible employees.

### 22 Other reserves

#### Group

	Merger reserve (note (a))	Statutory reserve and enterprise expansion fund (note (b))	Translation reserve	Total
Balance at 1 January 2013	442,395	747,699	–	1,190,094
Transfer from retained earnings	–	107,999	–	107,999
Balance at 31 December 2013	442,395	855,698	–	1,298,093
Balance at 1 January 2014	<b>442,395</b>	<b>855,698</b>	–	<b>1,298,093</b>
Transfer from retained earnings	–	<b>1,155,311</b>	–	<b>1,155,311</b>
Currency translation difference	–	–	<b>405</b>	<b>405</b>
Balance at 31 December 2014	<b>442,395</b>	<b>2,011,009</b>	<b>405</b>	<b>2,453,809</b>

Notes:

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



## 22 Other reserves (Continued)

### Company

Other reserves of the Company represent the difference between the consideration of acquisition of subsidiaries over the nominal value of the shares of the Company issued in exchange pursuant to the group reorganisation undertaken for listing of the Company's shares on the Stock Exchange.

## 23 Perpetual Capital Securities

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

	<b>Principal</b>	<b>Distribution</b>	<b>Total</b>
Balance as at 1 January 2013	–	–	–
Issue of Perpetual Capital Securities	4,321,938	–	4,321,938
Profit attributable to holders of Perpetual Capital Securities	–	342,497	342,497
Distribution made to holders of Perpetual Capital Securities	–	(178,410)	(178,410)
Balance as at 31 December 2013	4,321,938	164,087	4,486,025
Balance as at 1 January 2014	4,321,938	164,087	4,486,025
Profit attributable to holders of Perpetual Capital Securities	–	354,782	354,782
Distribution made to holders of Perpetual Capital Securities	–	(357,398)	(357,398)
Balance as at 31 December 2014	4,321,938	161,471	4,483,409

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 24 Borrowings

	Group		Company	
	2014	2013	2014	2013
Borrowings included in non-current liabilities:				
Senior notes (note (a))				
— Senior notes issued in 2009 ("2009 Senior Notes") (note (a)(i))	—	1,782,195	—	1,782,195
— Senior notes issued in 2010 ("2010 Senior Notes") (note (a)(ii))	3,943,616	3,915,065	3,943,616	3,915,065
— Senior notes issued in 2012 ("2012 Senior Notes") (note (a)(iii))	4,245,417	4,211,617	4,245,417	4,211,617
— Senior notes issued in 2014 ("2014 Senior Notes I") (note (a)(iv))	2,996,457	—	2,996,457	—
— Senior notes issued in 2014 ("2014 Senior Notes II") (note (a)(v))	1,969,703	—	1,969,703	—
Long-term syndicated loans				
— secured (note (b))	750,000	850,000	—	—
— unsecured (note (c))	5,803,257	5,360,096	5,803,257	5,360,096
Long-term bank borrowings				
— secured (note (d))	9,510,871	10,109,593	—	—
— unsecured (note (e))	1,760,578	1,606,592	213,578	727,201
Other borrowings (note (f))				
— secured	4,880,110	2,597,850	—	—
— unsecured	2,690,000	2,700,000	—	—
Less: current portion of non-current borrowings	(12,699,015)	(8,486,840)	(3,045,075)	(2,346,324)
	<b>25,850,994</b>	<b>24,646,168</b>	<b>16,126,953</b>	<b>13,649,850</b>
Borrowings included in current liabilities:				
Short-term bank borrowings				
— secured (note (d))	214,284	1,530,000	214,284	—
— unsecured (note (e))	1,986,402	786,838	1,886,401	686,838
Short-term other borrowings (note (f))				
— secured	700,000	950,000	—	—
— unsecured	871,000	600,000	—	—
Current portion of non-current borrowings	12,699,015	8,486,840	3,045,075	2,346,324
	<b>16,470,701</b>	<b>12,353,678</b>	<b>5,145,760</b>	<b>3,033,162</b>
Total borrowings	<b>42,321,695</b>	<b>36,999,846</b>	<b>21,272,713</b>	<b>16,683,012</b>

## 24 Borrowings (Continued)

Notes:

### (a) Senior notes

The senior notes are jointly guaranteed by certain subsidiaries of the Group and are secured by pledges of the shares of these subsidiaries. The net assets of these subsidiaries are approximately RMB5,250,116,000 as at 31 December 2014 (2013: RMB5,683,118,000).

#### (i) 2009 Senior Notes

On 14 November 2009, the Company issued 10% senior notes with an aggregated nominal value of US\$300,000,000 (equivalent to RMB2,048,430,000) at 97.562% of the face value. The net proceeds, after deducting the issuance costs, amounted to US\$285,384,000 (equivalent to RMB1,948,633,000). The 2009 Senior Notes will mature in November 2016. The Company, at its option, can redeem all or a portion of the 2009 Senior Notes at any time prior to the maturity date at the redemption prices plus accrued and unpaid interest up to the redemption date.

On 30 March 2014 (the "Redemption Date"), the Company redeemed the outstanding 2009 Senior Notes in full at a redemption price equal to 105% of the principal amount of the 2009 Senior Notes and the accrued and unpaid interest as of the Redemption Date. The redemption premium of RMB91,821,000 was recognised as "other expenses" in the consolidated income statement (note 30).

#### (ii) 2010 Senior Notes

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

#### (iii) 2012 Senior Notes

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

#### (iv) 2014 Senior Notes I

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

#### (v) 2014 Senior Notes II

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

(b) A subsidiary of the Group has entered into a bank loan agreement with a group of banks pursuant to which a loan facility of RMB1,000,000,000 has been granted to the subsidiary which will be expired on 3 January 2019. The facility is secured by investment properties of the subsidiary. As at 31 December 2014, the carrying value of the loans outstanding amounted to RMB750,000,000 (2013: RMB850,000,000).

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 24 Borrowings (Continued)

Notes: (Continued)

- (c) The Company has entered into several bank loan agreements with groups of banks pursuant to which the Company has been granted facilities of HK\$5,628,000,000 and HK\$2,895,000,000 expiring on 23 May 2016 and 24 June 2017 respectively. The facilities are jointly guaranteed by certain subsidiaries of the Group by pledges of the shares of these subsidiaries. As at 31 December 2014, the total carrying value of the loans outstanding amounted to HK\$7,354,315,000 (equivalent to approximately RMB5,803,257,000) (2013: HK\$6,800,894,000, equivalent to approximately RMB5,360,096,000).
- (d) As at 31 December 2014, the Group's bank borrowings of RMB9,725,155,000 are secured by its land use rights, properties and bank deposits (2013: RMB11,639,593,000).
- (e) As at 31 December 2014, the unsecured bank borrowings of RMB3,746,980,000 (2013: RMB2,393,430,000) are guaranteed by certain subsidiaries of the Group.
- (f) As at 31 December 2014, the Group's other borrowings of RMB5,580,110,000 are secured by its land use rights, property, plant and equipment, bank deposits, investment properties and the shares of a subsidiary (2013: RMB3,547,850,000). The unsecured other borrowings of RMB3,561,000,000 (2013: RMB3,300,000,000) are guaranteed by certain subsidiaries of the Group.

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

	Group		Company	
	2014	2013	2014	2013
6 months or less	12,375,653	11,500,397	8,117,520	6,774,135
6 to 12 months	6,939,738	7,782,722	–	–
1 to 5 years	23,006,304	17,716,727	13,155,193	9,908,877
	42,321,695	36,999,846	21,272,713	16,683,012

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

#### Group

	2014		2013	
	RMB'000	Effective interest rate	RMB'000	Effective interest rate
Senior notes	13,155,193	9.28%	9,908,877	9.93%
Bank borrowings, syndicated loans and other borrowings	29,166,502	7.21%	27,090,969	6.24%
	42,321,695		36,999,846	

#### Company

	2014		2013	
	RMB'000	Effective interest rate	RMB'000	Effective interest rate
Senior notes	13,155,193	9.28%	9,908,877	9.93%
Bank borrowings and syndicated loans	8,117,520	5.54%	6,774,135	4.81%
	21,272,713		16,683,012	

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 24 Borrowings (Continued)

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

#### Group

	2014		2013	
	Carrying amount	Fair value	Carrying amount	Fair value
Senior notes (note (i))	13,155,193	12,733,559	9,908,877	10,660,335
Bank borrowings, syndicated loans and other borrowings (note (ii))	12,695,801	12,695,801	14,737,291	14,737,291
	<b>25,850,994</b>	<b>25,429,360</b>	24,646,168	25,397,626

#### Company

	2014		2013	
	Carrying amount	Fair value	Carrying amount	Fair value
Senior notes (note (i))	13,155,193	12,733,559	9,908,877	10,660,335
Bank borrowing and syndicated loans (note (ii))	2,971,760	2,971,760	3,740,973	3,740,973
	<b>16,126,953</b>	<b>15,705,319</b>	13,649,850	14,401,308

Notes:

- (i) The fair value of senior notes is determined directly by references to the price quotations published by Singapore Exchange Limited and Hong Kong Exchanges and Clearing Limited on 31 December 2014, the last dealing date of 2014 and is within level 1 of the fair value hierarchy.
- (ii) The fair values of non-current bank borrowings, syndicated loans and other borrowings approximate their carrying amount as the impact of discounting is not significant. The fair values are based on cash flows discounted at the borrowing rate of 6.6% (2013: 6.7%), and are within level 2 of the fair value hierarchy.

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

	Group		Company	
	2014	2013	2014	2013
Bank borrowings, syndicated loans, other borrowings and senior notes:				
— US\$	13,499,754	10,938,749	13,499,754	10,938,749
— HK\$	5,803,256	5,744,263	5,803,256	5,744,263
— RMB	23,018,685	20,316,834	1,969,703	—
	<b>42,321,695</b>	36,999,846	<b>21,272,713</b>	16,683,012

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 24 Borrowings (Continued)

As at 31 December 2014, the Group's borrowings were repayable as follows:

	Group		Company	
	2014	2013	2014	2013
Bank borrowings, syndicated loans, other borrowings and senior notes				
— Within 1 year	16,470,701	12,353,678	5,145,760	3,033,162
— 1 to 2 years	8,054,777	8,516,684	2,392,734	2,599,922
— 2 to 5 years	17,165,476	15,035,258	13,734,219	11,049,928
— Over 5 years	630,741	1,094,226	—	—
	<b>42,321,695</b>	36,999,846	<b>21,272,713</b>	16,683,012

	Group		Company	
	2014	2013	2014	2013
Bank borrowings, syndicated loans, other borrowings and senior notes				
— Wholly repayable within 5 years	41,541,616	34,319,917	21,272,713	16,683,012
— Wholly repayable after 5 years	780,079	2,679,929	—	—
	<b>42,321,695</b>	36,999,846	<b>21,272,713</b>	16,683,012

The Group has the following undrawn borrowing facilities:

	2014	2013
Floating rate		
— Expiring beyond 1 year	3,501,052	5,382,258

### 25 Convertible Bonds

On 28 April 2011, the Company issued 4.0% Convertible Bonds due on 27 April 2016 ("Convertible Bonds"), with the aggregate principal amount of US\$500 million (equivalent to RMB3,252,550,000). The Convertible Bonds, at the option of the bond holders, will be convertible into fully paid ordinary shares of the Company at the conversion price pursuant to the terms and conditions of the Convertible Bonds. The net proceeds from issue of the Convertible Bonds of US\$491,902,000 (equivalent to RMB3,199,875,000) were received on 28 April 2011.

The Convertible Bonds were recognised as embedded financial derivatives and a debt component as follows:

- Embedded financial derivatives, comprise the fair value of the option of the holders of the Convertible Bonds to convert the Convertible Bonds into ordinary shares of the Company at the conversion price; the fair value of the option of the holders of the Convertible Bonds to require the Company to redeem the Convertible Bonds; and the fair value of the option of the Company to redeem the Convertible Bonds.

These embedded options are interdependent as only one of these options can be exercised. Therefore, they are not able to be accounted for separately and a single compound derivative was recognised.

- Debt component initially recognised at its fair value, which is the residual amount after deducting the fair value of the derivative component from the net proceeds at the initial recognition, and is subsequently carried at amortised cost.

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 25 Convertible Bonds (Continued)

During the year ended 31 December 2014, the Company redeemed the Convertible Bonds in whole at aggregate amount of US\$510,060,000 including principal amount of US\$500,000,000 and interest amount of US\$10,060,000. The difference of RMB127,018,000 between the redemption value and the carrying value of Convertible Bonds was recognised as “other expenses” in the consolidated income statement (note 30).

The movement of the debt component and embedded financial derivative of the Convertible Bonds is set out below:

	Debt component	Embedded financial derivatives	Total
<b>For the year ended 31 December 2013</b>			
At 1 January 2013	2,370,111	660,728	3,030,839
Fair value gains on embedded financial derivatives	–	(295,748)	(295,748)
Interests recognised under the effective interest method	319,529	–	319,529
Reclassified to interests payable	(121,938)	–	(121,938)
Exchange gains	(75,983)	–	(75,983)
<b>As at 31 December 2013</b>	<b>2,491,719</b>	<b>364,980</b>	<b>2,856,699</b>
<b>For the year ended 31 December 2014</b>			
At 1 January 2014	<b>2,491,719</b>	<b>364,980</b>	<b>2,856,699</b>
Interests recognised under the effective interest method	<b>108,410</b>	–	<b>108,410</b>
Reclassified to interests payable	<b>(40,017)</b>	–	<b>(40,017)</b>
Exchange losses	<b>24,047</b>	–	<b>24,047</b>
Redemption	<b>(2,584,159)</b>	<b>(364,980)</b>	<b>(2,949,139)</b>
<b>As at 31 December 2014</b>	<b>–</b>	<b>–</b>	<b>–</b>

### 26 Deferred income tax — Group

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

	2014	2013
Deferred income tax assets to be recovered after more than 12 months	<b>378,074</b>	–
Deferred income tax assets to be recovered within 12 months	<b>123,716</b>	316,209
	<b>501,790</b>	316,209
Deferred income tax liabilities to be settled after more than 12 months	<b>(1,315,858)</b>	(1,649,261)
Deferred tax liabilities, net	<b>(814,068)</b>	(1,333,052)

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 26 Deferred income tax — Group (Continued)

The movements in deferred tax assets/(liabilities) during the years ended 31 December 2014 and 2013 were as follows:

	Deferred tax assets – tax losses	Deferred tax assets – write-down of completed properties held for sale	Deferred tax assets – unrealised profit on intra-group transactions	Deferred tax liabilities – temporary difference on recognition of sales and related cost of sales	Deferred tax liabilities – excess of carrying amount of investment properties and property, plant and equipment over the tax bases	Deferred tax liabilities – excess of carrying amount of land use right over the tax bases	Net
At 1 January 2013	195,281	–	73,283	(539,932)	(934,665)	(278,475)	(1,484,508)
Credited/(charged) to the consolidated income statement	51,152	–	(3,507)	139,831	(43,569)	7,549	151,456
At 31 December 2013	246,433	–	69,776	(400,101)	(978,234)	(270,926)	(1,333,052)
Credited/(charged) to the consolidated income statement	131,641	25,077	28,863	400,101	(74,247)	7,549	518,984
At 31 December 2014	378,074	25,077	98,639	–	(1,052,481)	(263,377)	(814,068)

Deferred income tax assets are recognised for tax losses carry-forwards to the extent that the realisation of the related benefit through the future taxable profits is probable. The Group did not recognise deferred tax assets of RMB77,355,000 (2013: RMB66,791,000) in respect of tax losses amounting to RMB309,420,000 (2013: RMB267,164,000) that can be carried forward against future taxable income. Tax losses of approximately RMB199,788,000, RMB67,376,000 and RMB42,256,000 will expire in 2017, 2018 and 2019 respectively.

Deferred income tax liabilities of RMB2,117,043,000 (2013: RMB1,702,898,000) have not been recognised for the withholding tax that would be payable on the unremitted earnings amounted to RMB21,170,434,000 (2013: RMB17,028,980,000) of certain subsidiaries. Such earnings are expected to be retained by the PRC subsidiaries for reinvestment purposes and would not be remitted to the oversea intermediate holding companies in the foreseeable future based on management's estimation of overseas funding requirements.



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 27 Trade and other payables

	Group		Company	
	2014	2013	2014	2013
Trade payables (note (a))	<b>13,489,633</b>	13,483,490	–	–
Other payables due to:				
— Subsidiaries (note (b))	–	–	<b>2,874,149</b>	2,753,405
— Related parties (note 43 (c))	<b>558,009</b>	1,075,469	<b>428,081</b>	970,991
— Third parties (note (b))	<b>1,700,255</b>	3,533,777	<b>7,688</b>	7,704
Staff welfare benefit payable	<b>41,665</b>	37,603	–	–
Accruals	<b>966,349</b>	898,310	<b>380,142</b>	253,695
Other taxes payable	<b>577,454</b>	495,812	–	–
	<b>17,333,365</b>	19,524,461	<b>3,690,060</b>	3,985,795

Notes:

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

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

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

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

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

Note:

- (a) Amount mainly represents the gain or loss of translation of financial assets and liabilities, which are denominated in foreign currencies into RMB at the prevailing period-end exchange rates. It does not include the exchange gain or loss related to borrowings and Convertible Bonds which are included in the finance (costs)/income, net (note 34).

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 29 Other income

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

Note:

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

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

### 30 Other expenses

	2014	2013
Redemption cost of Convertible Bonds (note 25)	127,018	–
Early redemption premium of 2009 Senior Notes (note 24(a)(i))	91,821	–
Charitable donations	61,019	115,052
Miscellaneous	33,092	16,691
	<b>312,950</b>	131,743

### 31 Expenses by nature

	2014	2013
Employee benefit expenses — including directors’ emoluments (note 32)	1,675,560	1,333,340
— property development	995,679	771,131
— property management	521,394	428,759
— hotel operations	158,487	133,450
Auditors’ remuneration	6,500	6,195
Advertising costs	1,200,570	1,166,483
Depreciation (note 6)	342,120	195,447
Amortisation of intangible assets (note 8)	18,719	17,086
Amortisation of land use rights (note 7)	60,777	67,780
— recognised as cost of sales	40,197	42,065
— recognised as expenses	20,580	25,715
Cost of properties sold – including construction cost, land cost and capitalised interests	21,831,778	19,449,631
Business taxes and other levies on sales of properties (note (a))	2,161,133	1,937,148
Cost of property management	349,799	313,155
Cost of hotel operations	428,727	337,995
Write-down of completed properties held for sale	100,310	–
Commission fee	171,624	98,349
Others	760,760	706,467
Total cost of sales, selling and marketing costs and administrative expenses	<b>29,108,377</b>	25,629,076

Note:

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

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 32 Employee benefit expense — including directors' emoluments

	2014	2013
Wages and salaries	1,412,840	1,116,773
Pension costs — statutory pension (note (a))	86,818	66,454
Staff welfare	31,615	25,768
Medical benefits	26,669	20,654
Other allowances and benefits	117,618	103,691
	<b>1,675,560</b>	<b>1,333,340</b>

Note:

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

### 33 Directors' and senior management's emoluments

#### (a) Directors' emoluments

The emoluments of directors of the Company for the year ended 31 December 2014 are set out below:

	Fees	Salary	Contribution to pension scheme	Total
Mr. Chen Zhuo Lin	–	3,327	13	3,340
Mr. Chan Cheuk Hung	–	2,377	13	2,390
Mr. Huang Fengchao (note (i))	–	7,440	59	7,499
Mr. Liang Zhengjian (note (i))	–	7,555	34	7,589
Mr. Chen Zhongqi (note (i))	–	6,205	40	6,245
Mr. Chan Cheuk Yin (note (ii))	–	941	3	944
Madam Luk Sin Fong, Fion (note (ii))	–	941	3	944
Mr. Chan Cheuk Hei (note (ii))	–	823	3	826
Mr. Chan Cheuk Nam (note (ii))	–	823	3	826
Dr. Cheng Hon Kwan (note (iii))	309	–	–	309
Mr. Kwong Che Keung, Gordon (note (iii))	309	–	–	309
Mr. Cheung Wing Yui, Edward (note (iii))	309	–	–	309
Mr. Hui Chiu Chung, Stephen (note (iii))	158	–	–	158
Mr. Wong Shiu Hoi, Peter (note (iii))	158	–	–	158
	<b>1,243</b>	<b>30,432</b>	<b>171</b>	<b>31,846</b>

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 33 Directors' and senior management's emoluments (Continued)

#### (a) Directors' emoluments (Continued)

The emoluments of directors of the Company for the year ended 31 December 2013 are set out below:

	Fees	Salary	Contribution to pension scheme	Total
Mr. Chen Zhuo Lin	–	3,503	12	3,515
Mr. Chan Cheuk Hung	–	2,494	12	2,506
Mr. Chan Cheuk Yin (note (ii))	–	2,999	12	3,011
Madam Luk Sin Fong, Fion (note (ii))	–	2,999	12	3,011
Mr. Chan Cheuk Hei (note (ii))	–	2,494	12	2,506
Mr. Chan Cheuk Nam (note (ii))	–	2,494	12	2,506
Dr. Cheng Hon Kwan (note (iii))	290	–	–	290
Mr. Kwong Che Keung, Gordon (note (iii))	290	–	–	290
Mr. Cheung Wing Yui, Edward (note (iii))	290	–	–	290
	870	16,983	72	17,925

Notes:

- (i) Mr. Huang Fengchao, Mr. Liang Zhengjian and Mr. Chen Zhongqi were appointed on 28 March 2014.
- (ii) Mr. Chan Cheuk Yin and Madam Luk Sin Fong, Fion had been executive directors of the Company from August 2005 until 28 March 2014. They had been acting as non-executive directors from 28 March 2014 and had been designated as executive directors of the Company since 10 October 2014. They had been redesignated as non-executive directors and vice-chairpersons of the Board on 25 March 2015.
- Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam had been executive directors of the Company from August 2005 until 28 March 2014 and had been acting as non-executive directors from 28 March 2014.
- (iii) Dr. Cheng Hon Kwan, Mr. Kwong Che Keung, Gordon, Mr. Cheung Wing Yui, Edward, Mr. Hui Chiu Chung, Stephen and Mr. Wong Shiu Hoi, Peter are independent non-executive directors of the Company, amongst whom, Mr. Hui Chiu Chung, Stephen and Mr. Wong Shui Hoi, Peter were newly appointed on 27 June 2014.

#### (b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include three (2013: none) directors whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining two (2013: five) individuals during the year are as follows:

	2014	2013
Salaries and bonuses	12,891	35,012

## 33 Directors' and senior management's emoluments (Continued)

**(b) Five highest paid individuals (Continued)**

The emoluments fell within the following bands:

	Number of individuals	
	2014	2013
Emoluments bands (in HK\$)		
HK\$7,500,001–HK\$8,000,000	1	2
HK\$8,000,001–HK\$8,500,000	1	–
HK\$8,500,001–HK\$9,000,000	–	1
HK\$9,500,001–HK\$10,000,000	–	1
HK\$10,000,001–HK\$10,500,000	–	1

- (c)** During the years ended 31 December 2014 and 2013, no emolument was paid by the Group to any of the above directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of offices.

## 34 Finance (costs)/income, net

	2014	2013
Interest expenses:		
— Bank borrowings, syndicated loans and other borrowings wholly repayable within 5 years	(2,282,380)	(1,136,165)
— Bank borrowings, syndicated loans and other borrowings wholly repayable after 5 years	(55,012)	(211,480)
— Senior notes wholly repayable within 5 years	(1,207,992)	(1,014,259)
— Convertible Bonds	(108,410)	(319,529)
Exchange (losses)/gains from borrowings and Convertible Bonds	(83,104)	558,053
Less: interest capitalised	3,444,325	2,611,594
	(292,573)	488,214

## 35 Income tax expenses

	2014	2013
Current income tax		
— PRC corporate income tax	2,777,876	2,181,239
— PRC land appreciation tax	2,447,623	2,543,554
— PRC withholding income tax	328,275	276,883
Deferred income tax (note 26)		
— PRC corporate income tax	(518,984)	(151,456)
	5,034,790	4,850,220

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 35 Income tax expenses (Continued)

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

	2014	2013
Profit before income tax	10,125,891	10,712,575
Tax calculated at tax rates applicable to profits in the respective entities of the Group	2,531,473	2,678,144
Effect of		
— An associate's result reported net of tax	6,909	14,884
— Joint ventures' result reported net of tax	11,249	(1,781)
— Income not subject to income tax (note (a))	(2,322)	(240,103)
— Expenses not deductible for income tax (note (b))	312,925	197,684
— Tax losses for which no deferred income tax asset was recognised	10,564	16,844
— PRC land appreciation tax deductible for calculation of income tax purposes	(611,906)	(635,889)
PRC corporate income tax	2,258,892	2,029,783
PRC withholding income tax	328,275	276,883
PRC land appreciation tax	2,447,623	2,543,554
	5,034,790	4,850,220

Notes:

- (a) Income not subject to income tax for the year ended 31 December 2014 mainly comprise the interest income of bank deposits of the Company (2013: income not subject to income tax mainly comprise the fair value gains on embedded financial derivatives, the exchange gains derived from offshore borrowings and the interest income of bank deposits of the Company).
- (b) Expenses not deductible for income tax for the years ended 31 December 2014 and 2013 mainly comprise redemption costs incurred by the Company, administrative expenses of domestic companies over deduction limits, donations made to non-official public welfare institutions and expenses of the group entities in Hong Kong.

#### PRC land appreciation tax

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

#### PRC corporate income tax

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

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

### 35 Income tax expenses (Continued)

#### PRC withholding income tax

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

#### Overseas income tax

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

#### Hong Kong profits tax

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

### 36 Retained earnings of the Company

	2014	2013
<b>As at 1 January</b>	<b>911,371</b>	1,162,925
Profit attributable to shareholders of the Company	<b>1,792,806</b>	806,811
Dividends	<b>(1,301,493)</b>	(1,058,365)
<b>As at 31 December</b>	<b>1,402,684</b>	911,371

### 37 Earnings per share

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

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

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 37 Earnings per share (Continued)

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company's dilutive potential ordinary shares are only derived from the Convertible Bonds. In calculating the basic earnings per share, the Convertible Bonds are assumed to have been converted into ordinary shares, and the net profit is adjusted to eliminate the interest expenses, exchange gains on a debt component and the fair value gains on embedded financial derivatives less the tax effect, if applicable.

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

As the directors consider that the impact on basic and diluted earnings per share resulted from the rights issue (note 20) is minimal, no adjustment is made to the basic and diluted earnings per share for each of the years ended 31 December 2014 and 2013.

### 38 Dividends

	2014	2013
Interim dividend of HK\$0.145 (2013: HK\$0.145) per ordinary share (note (a))	400,104	398,243
Less: Dividend for shares held for Share Award Scheme	(3,961)	–
	396,143	398,243
Proposed final dividend of HK\$0.25 (2013: HK\$0.33) per ordinary share (note (b))	775,575	914,375
Less: Dividend for shares held for Share Award Scheme	(6,825)	(9,025)
	768,750	905,350
	1,164,893	1,303,593

Notes:

(a) An interim dividend in respect of six months ended 30 June 2014 of HK\$0.145 per ordinary share totaling HK\$504,864,000 (equivalent to RMB400,104,000) was declared by the Board of Directors of the Company on 26 August 2014.

(b) A final dividend in respect of 2013 of HK\$0.33 per ordinary share totaling HK\$1,137,626,000 (equivalent to RMB914,375,000) was declared at the Annual General Meeting held on 13 June 2014.

A final dividend in respect of 2014 of HK\$0.25 per ordinary share has been proposed by the Board of Directors of the Company and is subject to the approval of the shareholders at the Annual General Meeting to be held on 12 June 2015. These consolidated financial statements have not reflected this dividend payable.

The aggregate amounts of the dividends paid and proposed during 2013 and 2014 have been disclosed in the consolidated income statement in accordance with the Hong Kong Companies Ordinance.



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 39 Cash generated from/(used in) operations

	2014	2013
Profit for the year	5,091,101	5,862,355
Adjustments for:		
Taxation	5,034,790	4,850,220
Interest income (note 29)	(86,067)	(98,963)
Depreciation (note 6)	342,120	195,447
Amortisation of intangible assets (note 8)	18,719	17,086
Amortisation of land use rights (note 7)	60,777	67,780
Write-down of completed properties held for sale	100,310	–
Gain on disposal of investment properties and property, plant and equipment	(188,328)	(41,488)
Net exchange losses	28,720	93,687
Fair value gains on investment properties	(469,625)	(174,277)
Fair value gains on embedded financial derivatives (note 25)	–	(295,748)
Share of post-tax loss of an associate	27,636	59,537
Share of post-tax losses/(profits) of joint ventures	44,997	(7,124)
Finance costs/(income), net (note 34)	292,573	(488,214)
Redemption cost of Convertible Bonds (note 30)	127,018	–
Early redemption premium of 2009 Senior Notes (note 30)	91,821	–
Changes in working capital:		
Property under development and completed properties held for sale	(13,567,476)	(5,949,833)
Prepayments for acquisition of land use rights	6,209,871	(6,970,988)
Restricted cash	(1,648,644)	(616,487)
Trade and other receivables	(706,095)	(3,872,334)
Trade and other payables and accruals	1,362,592	7,567,868
Advance proceeds received from customers	2,787,328	(3,254,026)
Cash generated from/(used in) operations	4,954,138	(3,055,502)

#### Non-cash transactions

As stated in note 28, during the year ended 31 December 2014, the Group disposed certain property, plant and equipment and recognised a disposal gain of RMB174,754,000. A consideration of RMB271,493,000 in relation to the disposal was offset with trade payables due to the purchasers, independent third parties (2013: nil).

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 40 Financial guarantee — Group

	2014	2013
Guarantee in respect of mortgage facilities for certain purchasers (note (a))	14,658,120	13,542,957
Guarantee in respect of borrowings of an associate (note (b) and note 43(b))	2,233,980	1,086,690
Guarantee in respect of borrowings of joint ventures (note (c) and note 43(b))	799,346	985,185
	<b>17,691,446</b>	15,614,832

Notes:

- (a) The Group has cooperated with certain financial institutions arranged mortgage loan facilities for its purchasers of properties and provided guarantees to secure obligations of such purchasers for repayments. As at 31 December 2014, the outstanding guarantees amounted to RMB14,658,120,000 (2013: RMB13,542,957,000). Such guarantees will be discharged upon the earlier of (i) issuance of the real estate ownership certificate which will generally be available within one year after the purchasers take possession of the relevant property; and (ii) the satisfaction of relevant mortgage loan by purchasers.

The Group's proportionate interest in financial guarantee of mortgage facilities for certain purchasers relating to an associate was RMB271,960,000 as at 31 December 2014 (2013: RMB318,591,000).

The Group's proportionate interest in financial guarantee of mortgage facilities for certain purchasers relating to joint ventures was RMB142,383,000 as at 31 December 2014 (2013: RMB19,167,000).

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

- (b) The Company and the other four PRC real estate developers have evenly provided certain guarantees, in proportion of their shareholding in Li He (note 10), in respect of loan facilities of Li He amounting to RMB11,169,900,000 (2013: RMB4,200,000,000), the Group's share of the guarantees amounted to RMB2,233,980,000 (2013: RMB840,000,000).

The Company and other three shareholders of Li He have provided a guarantee in respect of another loan facility of Li He amounting to RMB986,758,000, the Group's share of the guarantee amounted to RMB246,690,000 as at 31 December 2013. During the year ended 31 December 2014, Li He has repaid this loan facility and the corresponding guarantee provided by the Group has released.

- (c) Several subsidiaries of the Group and joint venture counter parties have provided certain guarantees in proportion of their shareholdings in certain joint ventures in respect of loan facilities amounting to RMB3,067,385,000 (2013: RMB3,745,740,000). The Group's share of the guarantees amounted to RMB799,346,000 (2013: RMB985,185,000).

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 41 Commitments — Group

#### (a) Operating leases commitments

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

	2014	2013
Property, plant and equipment:		
— Not later than 1 year	37,268	54,279
— Later than 1 year and not later than 5 years	66,604	47,178
	<b>103,872</b>	101,457

	2014	2013
Lease of areas adjacent to the property development projects:		
— Not later than 1 year	650	600
— Later than 1 year and not later than 5 years	3,100	2,900
— Later than 5 years	32,850	33,700
	<b>36,600</b>	37,200

	2014	2013
Lease of the land use right for ancillary facilities:		
— Not later than 1 year	3,401	3,399
— Later than 1 year and not later than 5 years	9,593	10,881
— Later than 5 years	30,450	32,563
	<b>43,444</b>	46,843

#### (b) Other commitments

	2014	2013
Contracted but not provided for		
— Property development activities	21,804,306	19,601,922
— Acquisition of land use rights	951,028	4,151,436
	<b>22,755,334</b>	23,753,358

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 42 Future minimum rental payments receivable — Group

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

	2014	2013
Not later than 1 year	66,267	33,115
Later than 1 year and not later than 5 years	445,891	188,990
Over 5 years	284,606	202,352
	<b>796,764</b>	424,457

### 43 Related Party transactions

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

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

## 43 Related Party transactions (Continued)

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

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

Note:

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

## (b) Transactions with related parties

During the years ended 31 December 2014 and 2013, the Group had the following significant transactions with related parties, which are carried out in the normal course of the Group's business:

	2014	2013
Golf facilities service fee charged by Zhongshan Changjiang Golf Course (note (i))	30	1,366
Restaurant and hotel service fee charged by Zhongshan Agile Changjiang Hotel Co., Ltd. (note (i))	4,218	7,432
Underwriting fee charged by Top Coast Investment Limited (note (ii))	8,572	–

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 43 Related Party transactions (Continued)

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

	2014	2013
Providing guarantee for borrowings of related parties		
— Li He (note 40(b))	2,233,980	1,086,690
— Tianjin Jinnan (note 40(c))	734,346	887,685
— Zhongshan Yahong (note 40(c))	65,000	97,500
	<b>3,033,326</b>	2,071,875

#### Key management compensation

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

	2014	2013
— Salaries and other short-term employee benefits	28,786	16,983
— Retirement scheme contributions	165	72
	<b>28,951</b>	17,055

Notes:

- (i) Golf facilities service fees and restaurant and hotel service fees were charged in accordance with the terms of the underlying agreements which, in the opinion of the directors of the Company, were determined with reference to the market price of the prescribed year. In the opinion of the directors of the Company, the above related party transactions were carried out in the normal course of business and at terms mutually negotiated between the Group and the respective related parties.
- (ii) During the year ended 31 December 2014, Top Coast Investment Limited has acted as the sole underwriter for the rights issue of the Company and an underwriting fee of RMB8,572,000 was paid to Top Coast Investment Limited in November 2014.

### 43 Related Party transactions (Continued)

#### (c) Balances with related parties

As at 31 December 2014 and 2013, the Group had the following significant non-trade balances with related parties:

	2014	2013
Due from related parties		
Included in trade and other receivables:		
— Li He (note (i))	2,039,716	2,039,716
— Zhongshan Yahong (note (ii))	—	301,357
— Tianjin Jinnan (note (ii))	1,075,000	775,000
— Changsha Shangcheng (note (ii))	660,310	440,810
— Huadu Yazhan (note (ii))	423,983	408,983
	<b>4,199,009</b>	3,965,866
Due to related parties		
— Top Coast Investment Limited (note (iii))	6,884	526,104
— Founding Shareholders (note (iv))	92,820	92,820
— Zhongshan Changjiang Golf Course (note (ii))	30	3,587
— Zhongshan Yahong (note (ii))	30,646	1,286
— Charm Talent (note (ii))	427,629	451,672
	<b>558,009</b>	1,075,469

Notes:

- (i) As at 31 December 2014, the balances due from Li He are cash advance in nature, which are unsecured interest free and expected to be received after 1 year.
- (ii) The balances are cash advances in nature, which are unsecured, interest-free and repayable on demand.
- (iii) Amounts due to Top Coast Investment Limited as at 31 December 2014 represented cash advances of RMB6,884,000 (2013: comprised dividend payable of RMB459,568,000 and cash advances of RMB66,536,000), which are unsecured, interest-free and repayable on demand.
- (iv) Amounts due to Founding Shareholders represent the consideration payable for acquisition of a hotel building.

### 44 Ultimate holding company

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

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 45 Investments in subsidiaries — Company

Amount represents an investment in Eastern Supreme Group Holdings Limited, which is an unlisted company and stated at cost.

#### (a) Particulars of principal subsidiaries of the Group are set out below:

Name	Place of incorporation and legal status	Nominal value of issued and fully paid share capital/paid-in capital	Percentage of attributable equity interest	Principal activities/place of operation
<b>Directly held by the Company</b>				
Eastern Supreme Group Holdings Limited (formerly named Eastern Supreme Group Limited)	British Virgin Islands (the "BVI")/limited liability company	US\$10,000	100%	Investment holding/BVI
<b>Indirectly held by the Company</b>				
雅居樂地產置業有限公司 (前稱中山市雅居樂地產置業有限公司) Agile Property Land Co., Ltd. (formerly named Zhongshan Agile Property Land Co., Ltd)	PRC/wholly foreign owned enterprise	RMB50,000,000	100%	Management consultants/PRC
中山雅居樂雍景園房地產有限公司 Zhongshan Agile Majestic Garden Real Estate Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	HK\$700,000,000	100%	Property development/ PRC
廣州番禺雅居樂房地產開發有限公司 Guangzhou Panyu Agile Realty Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	RMB250,000,000	100%	Property development/ PRC
廣州花都雅居樂房地產開發有限公司 Guangzhou Huadu Agile Realty Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	RMB395,000,000	100%	Property development/ PRC
佛山市南海區雅居樂房地產有限公司 Foshan Nanhai Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	RMB300,000,000	100%	Property development/ PRC
中山市凱茵豪園房地產開發有限公司 Zhongshan Greenville Realty Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	RMB102,000,000	100%	Property development/ PRC



## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 45 Investments in subsidiaries — Company (Continued)

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

Name	Place of incorporation and legal status	Nominal value of issued and fully paid share capital/paid-in capital	Percentage of attributable equity interest	Principal activities/place of operation
中山市雅建房地產發展有限公司 Zhongshan Ever Creator Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	RMB123,000,000	100%	Property development/ PRC
廣州雅居樂房地產開發有限公司 Guangzhou Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	US\$21,690,000	100%	Property development/ PRC
佛山市雅居樂房地產有限公司 Foshan Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	US\$117,500,000	100%	Property development/ PRC
雅居樂物業管理服務有限公司 (前稱中山市雅居樂物業管理服務有限公司) Agile Property Management Services Co., Ltd. (formerly named Zhongshan Agile Property Management Services Co., Ltd.) (note (i))	PRC/wholly foreign owned enterprise	RMB50,000,000	100%	Property management/ PRC
南京雅居樂房地產開發有限公司 Nanjing Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	US\$118,900,000	100%	Property development/ PRC
河源市雅居樂房地產開發有限公司 Heyuan Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	HK\$270,000,000	100%	Property development/ PRC
冠金投資有限公司 Crown Golden Investments Limited	BVI/limited liability company	US\$100	70%	Investment holding/BVI
海南雅居樂房地產開發有限公司 Hainan Agile Real Estate Development Co., Ltd. (note (i)) ("Hainan Agile")	PRC/foreign invested enterprise	HK\$2,100,000,000	70%	Property development/ PRC

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 45 Investments in subsidiaries — Company (Continued)

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

Name	Place of incorporation and legal status	Nominal value of issued and fully paid share capital/paid-in capital	Percentage of attributable equity interest	Principal activities/place of operation
海南雅恒房地產開發有限公司 Hainan Yaheng Real Estate Development Co., Ltd. (note (i)) ("Hainan Yaheng")	PRC/foreign invested enterprise	HK\$1,000,000,000	70%	Property development/ PRC
廣州從化雅居樂房地產開發有限公司 Guangzhou Conghua Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	HK\$570,000,000	100%	Property development/ PRC
四川雅居樂房地產開發有限公司 Sichuan Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	HK\$780,000,000	100%	Property development/ PRC
佛山市三水雅居樂房地產有限公司 Foshan Sanshui Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	HK\$200,000,000	100%	Property development/ PRC
惠州白鷺湖旅遊實業開發有限公司 Huizhou Bailuhu Tour Enterprise Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	HK\$220,000,000	100%	Property development/ PRC
陝西昊瑞房地產開發有限責任公司 Shanxi Haorui Real Estate Development Co., Ltd. (note (i))	PRC/limited liability company	RMB210,000,000	100%	Property development/ PRC
上海靜安城投重慶市置業有限公司 Shanghai Jing'an Chengtou Chongqing Land Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	HK\$300,000,000	100%	Property development/ PRC
上海雅恒房地產開發有限公司 (前稱上海金昌房地產開發有限公司) Shanghai Yaheng Real Estate Development Co., Ltd. (formerly named Shanghai Jinchang Real Estate Development Co., Ltd.) (note (i))	PRC/wholly foreign owned enterprise	RMB810,000,000	100%	Property development/ PRC

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 45 Investments in subsidiaries — Company (Continued)

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

Name	Place of incorporation and legal status	Nominal value of issued and fully paid share capital/paid-in capital	Percentage of attributable equity interest	Principal activities/place of operation
廣州雅居樂酒店有限公司 Guangzhou Agile Hotel Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	HK\$7,000,000	100%	Hotel operation/PRC
佛山雅居樂酒店有限公司 Foshan Agile Hotel Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	HK\$10,000,000	100%	Hotel operation/PRC
廣州雅恒房地產開發有限公司 Guangzhou Yaheng Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	US\$99,900,000	100%	Property development/PRC
中山市雅信房地產開發有限公司 Zhongshan Yaxin Real Estate Development Co., Ltd. (note (i))	PRC/limited liability company	RMB220,000,000	100%	Property development/PRC
中山市雅創房地產開發有限公司 Zhongshan Yachuang Real Estate Development Co., Ltd. (note (i))	PRC/limited liability company	RMB350,000,000	100%	Property development/PRC
廣州雅生房地產開發有限公司 Guangzhou Yasheng Real Estate Development Co., Ltd. (note (i))	PRC/limited liability company	RMB100,000,000	100%	Property development/PRC
中山市雅景房地產開發有限公司 Zhongshan Yajing Real Estate Development Co., Ltd. (note (i))	PRC/limited liability company	RMB310,000,000	100%	Property development/PRC
廣州雅粵房地產開發有限公司 Guangzhou Yayue Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	HK\$1,000,000,000	100%	Property development/PRC
廣州雅騰房地產開發有限公司 Guangzhou Yateng Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	HK\$100,000,000	100%	Property development/PRC

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 45 Investments in subsidiaries — Company (Continued)

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

Name	Place of incorporation and legal status	Nominal value of issued and fully paid share capital/paid-in capital	Percentage of attributable equity interest	Principal activities/place of operation
佛山市三水雅居樂雍景園房地產有限公司 Foshan Sanshui Agile Majestic Garden Real Estate Co., Ltd. (note (i))	PRC/limited liability company	RMB200,000,000	100%	Property development/ PRC
廣東西樵商貿廣場有限公司 Guangdong Xiqiao Commerce Plaza Co., Ltd. (note (i))	PRC/limited liability company	RMB30,000,000	100%	Property development/ PRC
南京江寧雅居樂房地產開發有限公司 Nanjing Jiangning Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	US\$119,800,000	100%	Property development/ PRC
遼寧雅居樂房地產開發有限公司 Liaoning Agile Real Estate Development Co., Ltd. (note (i))	PRC/wholly foreign owned enterprise	US\$59,990,000	100%	Property development/ PRC
西安雅居樂物業投資管理有限公司 Xi'an Agile Property Investment Management Co., Ltd. (note (i))	PRC/limited liability company	RMB650,000,000	100%	Property development/ PRC
佛山市順德區雅居樂房地產有限公司 Foshan Shunde Agile Real Estate Development Co., Ltd. (note (i))	PRC/limited liability company	RMB300,000,000	100%	Property development/ PRC
南京雅建置業有限公司 Nanjing Yajian Land Co., Ltd. (note (i))	PRC/limited liability company	RMB450,000,000	100%	Property development/ PRC
常州雅居樂房地產開發有限公司 Changzhou Agile Real Estate Development Co., Ltd. (note (i))	PRC/limited liability company	US\$165,000,000	100%	Property development/ PRC
鄭州雅居樂房地產開發有限公司 Zhengzhou Agile Real Estate Development Co., Ltd. (note (i))	PRC/limited liability company	RMB100,000,000	100%	Property development/ PRC
騰沖雅居樂旅遊置業有限公司 Tengchong Agile Resort Co., Ltd. (note (i))	PRC/limited liability company	RMB550,000,000	100%	Property development/ PRC
海南雅航旅遊置業有限公司 Hainan Yahang Travel Property Co., Ltd. (note (i))	PRC/limited liability company	RMB327,360,000	100%	Property development/ PRC

## 45 Investments in subsidiaries — Company (Continued)

**(a) Particulars of principal subsidiaries of the Group are set out below: (Continued)**

<b>Structured entity</b>	<b>Principal activities</b>
The Company's Employee Share Trust	Purchases, administers and holds the Company's shares in respect of the Share Award Scheme set up for the benefit of eligible employees

As the Company's Employee Share Trust is set up solely for the purpose of purchasing, administering and holding the Company's shares in respect of the Share Award Scheme, the Company has the rights to variable returns from its involvement with the Employee Share Trust and has the ability to affect those returns through its power over the trust. The assets and liabilities of the Employee Share Trust are included in the Group's consolidated financial statements and the shares held by the Employee Share Trust are presented as a deduction in equity as "Shares held for Share Award Scheme".

The above table lists the principal subsidiaries of the Group which, in the opinion of the directors, principally affect the results and net assets of the Group. To give full details of subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Note:

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

## Notes to the Consolidated Financial Statements (Continued)

(All amounts in RMB thousands unless otherwise stated)

### 45 Investments in subsidiaries — Company (Continued)

#### (b) Material non-controlling interests

Crown Golden Investments Limited (“Crown Golden”) is incorporated in the British Virgin Islands, the principle activity is investment holding. The subsidiaries of Crown Golden are certain project development companies in the PRC. As at 31 December 2014, the total non-controlling interests amounted to RMB2,960,884,000, of which RMB2,107,735,000 is for 30% non-controlling interests in Crown Golden. The remaining non-controlling interests are not individually material.

Summarised financial information on subsidiaries with material non-controlling interests:

	2014	2013
Current		
— Assets	20,226,405	18,822,776
— Liabilities	(17,660,314)	(14,187,976)
Total current net assets	2,566,091	4,634,800
Non-current		
— Assets	5,288,834	4,292,925
— Liabilities	(829,142)	(1,790,075)
Total non-current net assets	4,459,692	2,502,850
Net assets	7,025,783	7,137,650

	2014	2013
Revenue	6,319,307	9,251,368
Post-tax profit from continuing operations	1,232,219	2,296,612
Total comprehensive income	1,232,219	2,296,612
Total comprehensive income allocated to non-controlling interests	369,666	688,983
Dividends paid to non-controlling interests	342,616	316,212

	2014	2013
Net cash generated from operating activities	422,877	981,918
Net cash used in investing activities	(318,170)	(853,844)
Net cash (used in)/generated from financing activities	(573,784)	124,322
Exchange losses on cash and cash equivalents	(191)	(30)
Net (decrease)/increase in cash and cash equivalents	(469,268)	252,366

\* The amounts above are before inter-company eliminations.

# Five-year Financial Summary

## Consolidated Assets, Equity and Liabilities

	31 December 2014 RMB'000	31 December 2013 RMB'000	31 December 2012 RMB'000 Restated	31 December 2011 RMB'000	31 December 2010 RMB'000
<b>ASSETS</b>					
Non-current assets	29,464,955	32,550,203	29,906,755	25,642,029	17,038,594
Current assets	94,183,201	81,985,003	60,942,756	56,136,193	52,839,739
<b>Total assets</b>	<b>123,648,156</b>	114,535,206	90,849,511	81,778,222	69,878,333
<b>EQUITY AND LIABILITIES</b>					
<b>Total equity</b>	<b>41,095,292</b>	36,567,296	27,911,807	23,756,843	20,335,159
Non-current liabilities	27,166,852	29,152,128	23,236,236	16,781,526	17,543,356
Current liabilities	55,386,012	48,815,782	39,701,468	41,239,853	31,999,818
<b>Total liabilities</b>	<b>82,552,864</b>	77,967,910	62,937,704	58,021,379	49,543,174
<b>Total equity and liabilities</b>	<b>123,648,156</b>	114,535,206	90,849,511	81,778,222	69,878,333

\* In 2013, the Group changed its accounting policies for interest in joint ventures, comparative figures in 2012 were restated accordingly.

## Five-year Financial Summary (Continued)

### Consolidated Income Statement

	2014 RMB'000	2013 RMB'000	2012 RMB'000 Restated	2011 RMB'000	2010 RMB'000
Revenue	38,317,599	35,436,404	29,891,751	22,944,566	20,520,192
Cost of sales	(25,886,775)	(22,821,680)	(17,456,231)	(10,590,392)	(11,131,277)
<b>Gross profit</b>	<b>12,430,824</b>	12,614,724	12,435,520	12,354,174	9,388,915
Selling and marketing costs	(1,784,164)	(1,522,821)	(974,519)	(835,042)	(694,639)
Administrative expenses	(1,437,438)	(1,284,575)	(1,124,629)	(876,565)	(718,340)
Fair value gains on investment properties	469,625	174,277	178,428	96,418	3,198,208
Other income	979,166	224,851	132,057	200,220	113,656
Other expenses	(312,950)	(131,743)	(212,552)	(105,322)	(397,612)
Other gains/(losses), net	146,034	(93,687)	32,800	(152,867)	(125,327)
<b>Operating profit</b>	<b>10,491,097</b>	9,981,026	10,467,105	10,681,016	10,764,861
Fair value gains on embedded financial derivatives	–	295,748	199,769	176,922	–
Finance (costs)/income, net	(292,573)	488,214	(46,294)	644,608	269,217
Share of post-tax (loss)/profit of an associate	(27,636)	(59,537)	(87,024)	120,938	–
Share of post-tax (losses)/profits of joint ventures	(44,997)	7,124	(1,950)	–	–
<b>Profit before income tax</b>	<b>10,125,891</b>	10,712,575	10,531,606	11,623,484	11,034,078
Income tax expenses	(5,034,790)	(4,850,220)	(5,384,955)	(6,389,804)	(4,615,482)
<b>Profit for the year</b>	<b>5,091,101</b>	5,862,355	5,146,651	5,233,680	6,418,596
<b>Attributable to:</b>					
Shareholders of the Company	4,287,245	4,826,907	5,000,482	4,105,255	5,975,707
Holders of Perpetual Capital Securities	354,782	342,497	–	–	–
Non-controlling interests	449,074	692,951	146,169	1,128,425	442,889
	5,091,101	5,862,355	5,146,651	5,233,680	6,418,596
<b>Earnings per share for profit attributable to the shareholders of the Company during the year</b> (expressed in RMB per share)					
— Basic	1.222	1.400	1.450	1.184	1.707
— Diluted	1.203	1.210	1.305	1.067	1.707
<b>Dividends</b>	<b>1,164,893</b>	1,303,593	1,068,511	960,408	850,059

\* In 2013, the Group changed its accounting policies for interest in joint ventures, comparative figures in 2012 were restated accordingly.



# Corporate Information

## Board of Directors

Mr. Chen Zhuo Lin\* (*Chairman and President*)  
Mr. Chan Cheuk Yin\*\* (*Vice Chairperson*)  
(re-designated as executive Director on  
10 October 2014 and further re-designated  
as non-executive Director on 25 March 2015)  
Madam Luk Sin Fong, Fion\*\* (*Vice Chairperson*)  
(re-designated as executive Director on  
10 October 2014 and further re-designated  
as non-executive Director on 25 March 2015)  
Mr. Chan Cheuk Hung\*  
Mr. Huang Fengchao\* (appointed on 28 March 2014)  
Mr. Liang Zhengjian\* (appointed on 28 March 2014)  
Mr. Chen Zhongqi\* (appointed on 28 March 2014)  
Mr. Chan Cheuk Hei\*\* (re-designated on 28 March 2014)  
Mr. Chan Cheuk Nam\*\* (re-designated on 28 March 2014)  
Dr. Cheng Hon Kwan# *GBS, OBE, JP*  
Mr. Kwong Che Keung, Gordon#  
Mr. Cheung Wing Yui, Edward# *BBS*  
Mr. Hui Chiu Chung, Stephen# *JP*  
(appointed on 27 June 2014)  
Mr. Wong Shiu Hoi, Peter# (appointed on 27 June 2014)

\* Executive Directors

\*\* Non-executive Directors

# Independent Non-executive Directors

## Board Committees

### Audit Committee

Mr. Kwong Che Keung, Gordon (*Committee Chairperson*)  
Dr. Cheng Hon Kwan *GBS, OBE, JP*  
Mr. Cheung Wing Yui, Edward *BBS*  
Mr. Hui Chiu Chung, Stephen *JP*  
(appointed on 25 March 2015)

### Remuneration Committee

Dr. Cheng Hon Kwan *GBS, OBE, JP* (*Committee Chairperson*)  
Mr. Kwong Che Keung, Gordon  
Mr. Cheung Wing Yui, Edward *BBS*  
Madam Luk Sin Fong, Fion  
Mr. Hui Chiu Chung, Stephen *JP*  
(appointed on 25 March 2015)  
Mr. Wong Shiu Hoi, Peter  
(appointed on 25 March 2015)

### Nomination Committee

Mr. Cheung Wing Yui, Edward *BBS* (*Committee Chairperson*)  
Dr. Cheng Hon Kwan *GBS, OBE, JP*  
Mr. Kwong Che Keung, Gordon  
Madam Luk Sin Fong, Fion  
Mr. Hui Chiu Chung, Stephen *JP*  
(appointed on 25 March 2015)  
Mr. Wong Shiu Hoi, Peter  
(appointed on 25 March 2015)

## Company Secretary

Mr. Kwang Chin Kheng (appointed on 13 June 2014)  
Ms. Wai Ching Sum (resigned on 13 June 2014)

## Authorised Representatives

Mr. Chen Zhuo Lin (appointed on 13 June 2014)  
Mr. Kwang Chin Kheng (appointed on 13 June 2014)  
Madam Luk Sin Fong, Fion (resigned on 13 June 2014)  
Ms. Wai Ching Sum (resigned on 13 June 2014)

## Auditors

PricewaterhouseCoopers

## Legal Advisors

### as to Hong Kong law:

Sidley Austin LLP  
Lu, Lai & Li Solicitors & Notaries

### as to PRC law:

Jingtian & Gongcheng

### as to BVI and Cayman Islands laws:

Conyers Dill & Pearman

### as to the US and English laws:

Sidley Austin LLP

## Principal Bankers

Bank of China Limited  
Industrial and Commercial Bank of China Limited  
China Construction Bank Corporation  
Agricultural Bank of China Limited  
The Bank of East Asia, Limited  
The Hongkong and Shanghai Banking  
Corporation Limited  
Hang Seng Bank Limited  
Standard Chartered Bank (Hong Kong) Limited

## Registered Office

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## Corporate Information (Continued)

### Principal Place of Office in the PRC

33/F, Agile Center, 26 Huaxia Road  
Zhujiang New Town  
Tianhe District, Guangzhou  
Guangdong Province  
PRC  
Postal Code: 510623

### Principal Place of Business in Hong Kong

33rd Floor  
Citibank Tower  
3 Garden Road  
Central  
Hong Kong

### Principal Share Registrar and Transfer Office

Royal Bank of Canada Trust Company (Cayman) Limited  
4th Floor, Royal Bank House  
24 Shedden Road, George Town  
Grand Cayman KY1-1110  
Cayman Islands

### Branch Share Registrar and Transfer Office in Hong Kong

Tricor Investor Services Limited  
Level 22, Hopewell Centre  
183 Queen's Road East  
Hong Kong

### Investor Relations

#### **Capital Markets and Corporate Affairs Department**

E-mail	:	ir@agile.com.cn
Telephone	:	(852) 2847 3383 (86) 20 8883 9590
Facsimile	:	(852) 2780 8822 (86) 20 8883 9999

### Website

[www.agile.com.cn](http://www.agile.com.cn)

## Listing Information

### Equity Securities Listing

The Company's ordinary shares (stock code: 3383) are listed on the Main Board of Hong Kong Stock Exchange.

### Debt Securities Listing

The Company's debt securities listed on the Main Board of Hong Kong Stock Exchange:

- 6.5% senior notes in an aggregate principal amount of RMB2,000 million due 2017 (stock code: 85950).
- 8.375% senior notes in an aggregate principal amount of US\$500 million due 2019 (stock code: 6026).

The Company's debt securities listed on the Official List of The Singapore Exchange Securities Trading Limited:

- 8.875% senior notes in an aggregate principal amount of US\$650 million due 2017
- 9.875% senior notes in an aggregate principal amount of US\$700 million due 2017

The Company's debt securities, 4% Convertible Bonds in an aggregate principal amount of US\$500 million due 2016, listed on the Official List of The Singapore Exchange Securities Trading Limited had been redeemed on 28 April 2014 and 28 May 2014, respectively.

### Capital Securities Listing

The Company's subordinated Perpetual Capital Securities in an aggregate principal amount of US\$700 million (stock code: 4593) are listed on the Main Board of Hong Kong Stock Exchange.

## Financial Calendar

Interim results announcement	26 August 2014
Payment of interim dividend	7 October 2014
Annual results announcement	25 March 2015
2015 AGM	12 June 2015
Payment of final dividend	on or about 6 July 2015

## Closure of Register of Members and other Key Dates

The Company's register of members will be closed during the following periods:

### To determine the identity of Shareholders who are entitled to attend and vote at the 2015 AGM

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

### To determine the Shareholders' entitlement to the final dividend

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

## Corporate Information (Continued)

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

The proposed final dividend will be paid on or about Monday, 6 July 2015 to Shareholders whose names appear on the register of members of the Company on Monday, 22 June 2015 upon approval by the Shareholders in the 2015 AGM.

### Annual General Meeting

The 2015 AGM will be held on Friday, 12 June 2015. Notice of 2015 AGM will be set out in the Company's circular dated 30 April 2015 and will be despatched together with this Annual Report to the Shareholders. Notice of 2015 AGM and the proxy form will also be published on the Agile's website ([www.agile.com.cn](http://www.agile.com.cn)), HKEx's website ([www.hkex.com.hk](http://www.hkex.com.hk)) and SGX's website ([www.sgx.com](http://www.sgx.com)).

### Dividends

Interim dividend	HK14.5 cents per Share
Proposed final dividend	HK25.0 cents per Share

### Despatch of Corporate Communications

This Annual Report is also available in Chinese version. Printed copies in either or both languages will be delivered to Shareholders in accordance with their indicated preference. This Annual Report is also published on Agile's website ([www.agile.com.cn](http://www.agile.com.cn)), HKEx's website ([www.hkex.com.hk](http://www.hkex.com.hk)) and SGX's website ([www.sgx.com](http://www.sgx.com)). Registered Shareholders may at any time choose to change their choice of language or means of receipt of the Company's corporate communications free of charge by filling the specified forms and send to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited. For Shareholders whose Shares are being held through brokers or custodians, they should inform their respective brokers or custodians to effect the change.

For environment protection reasons, the Company encourages Shareholders to view this Annual Report posted on the aforesaid websites.

# Glossary

Agile or Company	Agile Property Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Hong Kong Stock Exchange
Articles	the Articles of Association of the Company
ASP	average selling price
Awarded Shares	the 34,470,000 awarded shares which had been issued and allotted to the Employee Share Trustee on 10 February 2014 to hold on trust for the selected employees pursuant to the Share Award Scheme
2014 AGM	annual general meeting of the Company held on 13 June 2014
2015 AGM	annual general meeting of the Company to be held on 12 June 2015
BBS	Bronze Bauhinia Star
BEA	The Bank of East Asia, Limited
Board	board of Directors of the Company
BOC Macau	Bank of China Limited, Macau Branch
2013 BOC Macau Facility	a loan facility of US\$50 million for a period of 12 months from 14 November 2013 granted by BOC Macau to the Company
2014 Bridge Loan	a loan facility in the amount of US\$475 million for a term of 8 months from 14 April 2014 granted by certain lenders to the Company
BVI	British Virgin Islands
Changjiang Hotel Company	Zhongshan Agile Changjiang Hotel Co., Ltd.
Chen's Family Trust	a family trust established by Top Coast as trustee and the beneficiaries of which are the Founding Shareholders
China or PRC	The People's Republic of China. For the purpose of this Annual Report, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan region
CG Code	CG Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules
Controlling Shareholders	collectively referred to as Chen Zhuo Lin, Chan Cheuk Yin, Luk Sin Fong, Fion, Chan Cheuk Hung, Chan Cheuk Hei and Chan Cheuk Nam

## Glossary (Continued)

2011 Club Facility	a loan facility of HK\$2,350 million for a period of 36 months from 14 July 2011 granted by certain lenders to the Company
2014 Club Facility	a loan facility in the amount of HK\$2,665 million with a greenshoe option of HK\$3,000 million for a term of 36 months from 25 June 2014 granted by certain lenders to the Company
Directors	directors of the Company for the time being
Employee Share Trustee	Bank of Communications Trustee Limited
Founding Shareholders	Chen Zhuo Lin, Chan Cheuk Yin, Luk Sin Fong, Fion, Chan Cheuk Hung, Chan Cheuk Hei and Chan Cheuk Nam, who are the Directors
First Purchase Agreement	a purchase agreement in relation to the issue of 8.375% senior notes in an aggregate principal amount of US\$500 million due 2019 entered into by the Company and certain of its subsidiaries with, among others, Morgan Stanley on 10 February 2014
GBS	Gold Bauhinia Star
GDP	gross domestic product
GFA	gross floor area
Group or Agile Group	the Company and its subsidiaries
HIBOR	Hong Kong Interbank Offered Rate
HK\$/HKD	Hong Kong dollar(s), the lawful currency of Hong Kong
HKAS	Hong Kong Accounting Standards
HKEx	Hong Kong Exchanges and Clearing Limited
HKFRS(s)	Hong Kong Financial Reporting Standards
Hong Kong	Hong Kong Special Administrative Region of PRC
Hong Kong Companies Ordinance	Companies Ordinance (Chapter 622 of the laws of Hong Kong)
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
HSB	Hang Seng Bank Limited
HSBC	The Hongkong and Shanghai Banking Corporation Limited

2011 HSBC Facility	a loan facility of US\$100 million for a period of 36 months from 16 June 2011 granted by HSBC to the Company
2012 HSBC Facility	a loan facility of US\$50 million for a period of 36 months from 4 May 2012 granted by HSBC to the Company
ICBC Asia	Industrial and Commercial Bank of China (Asia) Limited
INED(s)	Independent Non-executive Director(s) of the Company
JP	Justice of the Peace
LIBOR	London Interbank Offered Rate
Listing Rules	The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules
Morgan Stanley	Morgan Stanley & Co. International plc
NED(s)	Non-executive Director(s) of the Company
OBE	Officer of British Empire
RMB	Renminbi, the lawful currency of PRC
SCB Hong Kong	Standard Chartered Bank (Hong Kong) Limited
Second Purchase Agreement	a purchase agreement in relation to the issue of 6.5% senior notes in an aggregate principal amount of RMB2,000 million due 2017 entered into by the Company and certain of its subsidiaries with, among others, Morgan Stanley on 21 February 2014
Securities Dealing Code for Directors	A code for securities transactions by Directors adopted by the Company
SFO	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
Share(s)	ordinary share(s) of HK\$0.10 each in the share capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time)
Share Award Scheme	a share award scheme adopted by the Company on 10 December 2013

## Glossary (Continued)

Shareholder(s)	holder(s) of Shares
Share Option Scheme	a share option scheme adopted by the Company on 23 November 2005
SGX	Singapore Exchange Limited
2013 Syndicated Loans	a loan facility of HK\$3,978 million with a revised greenshoe amount of HK\$1,650 million for a period of 36 months from 16 May 2013 granted by certain lenders to the Company
Takeovers Code	The Codes on Takeovers and Mergers and Share Repurchases
Top Coast	Top Coast Investment Limited, a company incorporated in BVI with limited liability on 17 May 2005, being the trustee of Chen's Family Trust
2013 Tianjin RMB Facility	a term loan of RMB1,000 million for a period of 36 months from 21 May 2013 granted by certain lenders to Tianjin Jinnan Xincheng Real Estate Development Co., Ltd.
Undertaking Agreement	an undertaking agreement entered into between the Company and Top Coast on 15 October 2014 in relation to the rights issue of 435,227,500 rights Shares on the basis of one (1) rights Share for every eight (8) Shares at the subscription price of HK\$3.80 per rights Share
US	United States of America
US\$/USD	United States dollar(s), the lawful currency of the US
%	per cent





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