百仕達控股有限公司*

SINOLINK WORLDWIDE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Stock Code : 1168

2014 Annual Report

* *For identification purposes only*

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Tang Yui Man Francis *(Chairman)*
Xiang Ya Bo *(Chief Executive Officer)*
Chen Wei

Non-executive Directors

Ou Yaping
Law Sze Lai

Independent Non-executive Directors

Tian Jin
Xiang Bing
Xin Luo Lin

AUTHORISED REPRESENTATIVES

Tang Yui Man Francis
Xiang Ya Bo

COMPANY SECRETARY

Lo Tai On

AUDIT COMMITTEE

Tian Jin
Xiang Bing
Xin Luo Lin *(Chairman)*

NOMINATION COMMITTEE

Tang Yui Man Francis
Tian Jin *(Chairman)*
Xiang Bing
Xin Luo Lin

REMUNERATION COMMITTEE

Tang Yui Man Francis
Xiang Bing
Xin Luo Lin *(Chairman)*

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
35th Floor, One Pacific Place
88 Queensway
Hong Kong

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

28th Floor, Infinitus Plaza
199 Des Voeux Road Central
Hong Kong

Telephone	:	(852) 2851 8811
Facsimile	:	(852) 2851 0970
Stock Code	:	1168
Website	:	http://www.sinolinkhk.com

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

HONG KONG BRANCH SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
46th Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

HONG KONG BRANCH SHARE TRANSFER OFFICE

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

LEGAL ADVISORS

(As to Hong Kong Law)
Cleary Gottlieb Steen & Hamilton (Hong Kong)
Deacons
Norton Rose Fulbright Hong Kong
Peter C. Wong, Chow & Chow in association with Guantao Law Firm (Hong Kong)
Tsang, Chan & Wong
Woo, Kwan, Lee & Lo

(As to Bermuda Law)
Conyers Dill & Pearman

PRINCIPAL BANKERS

Bank of China
Bank of China (Hong Kong) Limited
Hang Seng Bank Limited
Industrial and Commercial Bank of China
Ping An Bank
Shanghai Pudong Development Bank

CONTENTS

CHAIRMAN'S STATEMENT

BUSINESS REVIEW

In the year ended 31 December 2014, the Group's core businesses remained property development, commercial property investment and management, property management and financial investment and securities trading. Turnover of the Group amounted to HK$301.4 million and profit attributable to owners of the Company amounted to HK$27.7 million. Basic earnings per share was HK0.78 cents. The Board does not recommend the payment of a final dividend for the year ended 31 December 2014 (2013: nil).

The PRC recorded a 7.4% growth in gross domestic product (GDP) in 2014. Whilst the growth has slowed, a more healthy economic structure is taking shape. With an increase in employment, and a rise in disposable income that surpassed GDP growth, the national economy is running steadily under the new normal, showing good momentum of stable growth, an enhanced structure, and improvement of people's livelihoods.

Against this background, Sinolink is exploring new mechanisms in property development and other investments to seize new opportunities. We seek to combine architecture and living values in a consummate way through the employment of innovative technology that better manage life essentials, and pursue the unlimited realms of culture and technology that enhance future lives. We aim to create a lifestyle that is comfortable, efficient and intelligent, integrating organically the essence of life with aesthetical architecture and design in a cultural and tasteful demeanor.

On behalf of the board of directors (the "Board") of Sinolink Worldwide Holdings Limited ("Sinolink" or the "Company"), I present the results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2014.

PROSPECTS

Looking ahead, the world economy is set to improve in 2015, benefiting from sharply lower oil prices and the monetary easing policies in many major economy bodies that fuel higher growth globally. but interest rates are expected to rise gradually to US dollar related economic regions. All these will present new challenges and opportunities to the world economy and financial markets, in particular those of the developing countries.

Growth in the PRC economy is expected to further slow in 2015, but should hopefully stay at around 7%. As the country shifts gear to slower expansion, more notable features of its "new normal" economy will be seen. Employment and prices will basically keep stable, the economic structure will further improve, and more sustainable growth will take place.

In the face of this new normal, we will continue to enhance our integrated strength as well as operating and management expertise to develop a new model for multifaceted investments and business development. We will strive to create a solid and proactive proprietary framework for securing our position in the ever-changing market environment with mighty space and impetus for sustainable growth to busing higher company value.

APPRECIATION

On behalf of the Board, I would like to thank all our staff for their devoted work and give my sincere gratitude to all our shareholders for their continual support over the years.

Tang Yui Man Francis
Chairman
Hong Kong, 17 March 2015


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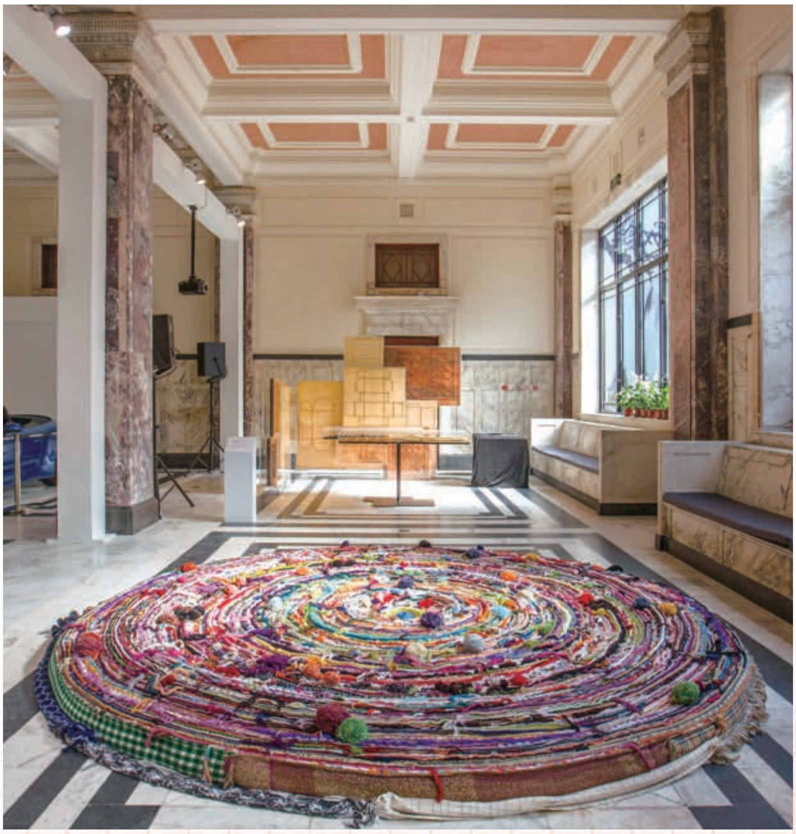


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Lyceum Cafe/


AMPIRE
安培洋行
AMPIRE
CHRISTIE'S

CHIEF EXECUTIVE OFFICER'S REPORT

BUSINESS REVIEW

The PRC economy has been running steadily under the new normal in 2014, showing good momentum of stable growth, an optimized structure, enhanced quality and improvement of people's livelihoods. The year's gross domestic product (GDP) was approximately RMB63,600 billion, an increase of 7.4% over 2013. Specifically, the year-on-year growth of the first quarter was 7.4%, the second quarter 7.5%, the third quarter 7.3%, and the fourth quarter 7.3%. On a quarter-on-quarter base, the fourth quarter GDP went up by 1.5% over the third quarter.

Entering into a period of adjustment in 2014, the Chinese real estate market recorded rising residential inventories, slowing new construction due to change of market expectations, and significant slowdown in the growth of housing investment. We believe this adjustment reflects a rational regression. While the real estate market's differentiated adjustment will put pressure on the economy in the short term, in the long run it will be good not only for the real estate market's own healthy operation, but also for the sound development of the national economy.

For the year ended 31 December 2014, the Group's turnover amounted to HK$301.4 million, a decrease of 14% compared to last year. Gross profit dropped by 22% to HK$160.9 million. Profit attributable to owners of the Company amounted to HK$27.7 million, compared to loss attributable to owners of HK$75.4 million previously. Basic earnings per share was HK0.78 cents.

PROPERTY RENTAL

For the year ended 31 December 2014, total rental income amounted to HK$143.1 million, an increase of 19% over last year.

The rental income was mainly contributed by the commercial complexes of The Vi City and Sinolink Garden Phase One to Four.

Sinolink Tower

Located in Luowu district in Shenzhen, Sinolink Tower, the hotel and office complex of Sinolink Garden Phase Five, has a total gross floor area ("GFA") of 50,000 square meters, of which hotel space occupies 30,000 square meters and office space occupies 20,000 square meters.

As at 31 December 2014, occupancy rate of the office building was 85%. Tenants are mainly engaged in jewelry, investment and real estate business.

O Hotel, the Group's first personalised hotel, has 189 rooms and suites, as well as a stylish restaurant, a specialty coffee shop, and premium fitness club facilities. The hotel commenced trial operation in the fourth quarter of 2014 and is expected to generate steady income.

PROPERTIES UNDER DEVELOPMENT

As at 31 December 2014, the Group has the following properties under development:

1. Rockbund

Located on the Bund in Shanghai, Rockbund is an integrated property project jointly developed by the Group and The Rockefeller Group International, Inc. The project has a total site area of 18,000 square meters with a GFA of 94,080 square meters comprising preserved heritage buildings and new structures. The Group intends to redevelop this historical site and structures into an upscale mixed-use neighborhood, with residential, commercial, retail, food and beverages, offices and cultural facilities.

During the year under review, Rockbund entered into a new agreement with Shanghai New Huangpu (Group) Co. Ltd. and Rockefeller Group WTY-1 Development SRL, pursuant to which the term of the operation of the joint venture was extended by 50 years to 2065. A new business license was granted to the joint venture on 16 July 2014.

2. Ningguo Mansions

Located at Changning District in Shanghai, Ningguo Mansions is a residential development under construction. The project, a 13,599.6 square meter site with a plot ratio of 1.0, will be developed into 11 court houses, each with a GFA of 1,000 to 1,500 square meters. David Chipperfield Architects, a British architecture design company, is responsible for the construction and decoration design of the project. Situated in one of the most accessible and low-density luxury living districts in Shanghai, Ningguo Mansions is approximately 10 minutes from the airport and approximately 30 minutes from the city center by car.

The project is proceeding with deluxe decoration of the garden area, façade renovation and other facility installation works, which are expected to be completed in the second half of 2015.

MAJOR ASSOCIATE

The Group recorded a share of loss of an associate, Rockefeller Group Asia Pacific, Inc., at an amount of HK$139.3 million for the year ended 31 December 2014, a decrease of 42% compared with last year, due to change in the fair value of investment properties held by the associate.

OTHER BUSINESSES

Other businesses within the Group include property, facilities and project management. For the period ended 31 December 2014, the Group recorded revenue from other businesses of HK$158.2 million, an increase of 6% compared with last year.

PROSPECTS

Looking ahead, the PRC economy will continue to move steadily forward amidst reforms in 2015. Even though growth will slow further due to internal and external factors, it is expected to remain at around 7%. The Central government will continue to adopt a proactive fiscal policy and a prudent monetary policy, emphasizing "dynamics in the former and flexibility in the latter". Interest rates and deposit reserve rates are likely to be reduced in 2015 in light of a weakening economy and growing deflationary pressure, but the overall monetary environment should remain stable. With regard to real estate policy, administrative measures such as the restrictions on home purchase and mortgage will be gradually withdrawn, and market forces will once again determine the adjustments. A long-term mechanism will be gradually established, with more flexible local government policies to cope with the differentiations in cities and markets.

FINANCIAL REVIEW

The Group's financial position remains strong with a low debt leverage and strong interest cover. The Group's total borrowings decreased from HK$280.0 million as at 31 December 2013 to HK$239.5 million as at 31 December 2014. Gearing ratio as at 31 December 2014, calculated on the basis of total borrowings over shareholders' equity, was 3.2% compared to 3.7% as at 31 December 2013. The Group is in a net cash position and bank borrowings are mainly arranged at floating interest rates.

Total assets pledged in securing loans had a carrying value of HK$1,413.8 million as at 31 December 2014. The borrowings of the Group are denominated in RMB. As the entire operation of the Group is carried out in the PRC, substantial receipts and payments in relation to operation are denominated in RMB. No financial instruments have been used for hedging purpose; however, the Board will continue to evaluate and closely monitor the potential impact of RMB and interest rates movements on the Group.

The Group's cash and cash equivalents amounted to HK$3,722.0 million (including pledged bank deposits) as at 31 December 2014 and were mostly denominated in RMB, HKD and USD.

CAPITAL COMMITMENTS

As at 31 December 2014, the Group had capital commitments in respect of properties under construction and commitments in respect of properties under development amounting to HK$43.0 million and HK$121.5 million respectively.

CONTINGENT LIABILITIES

Guarantees given to banks as security for the mortgage loans arranged for the purchasers of the Group's properties amounted to HK$48.5 million.

FINAL DIVIDEND

In order to retain resources for the Group's business development, the Board does not recommend the payment of a final dividend for the year ended 31 December 2014 (2013: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2014, the Group employed approximately 936 full time employees for its principal activities. The Group recognizes the importance of high calibre and competent staff and continues to provide remuneration packages to employees with reference to prevailing market practices and individual performance. Other various benefits, such as medical and retirement benefits, are also provided. In addition, share options may be granted to eligible employees of the Group in accordance with the terms of the approved share option scheme.

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

There was no purchase, sale or redemption of the Company's listed shares by the Company or any of its subsidiaries for the year ended 31 December 2014.

AUDIT COMMITTEE

The Company has an audit committee ("Audit Committee") which was established in accordance with the requirements of the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee comprises three independent non-executive directors, namely, Mr. Tian Jin, Dr. Xiang Bing and Mr. Xin Luo Lin. The Audit Committee meets regularly with the Company's senior management and the Company's auditor to consider the Company's financial reporting process, the effectiveness of internal controls, the audit process and risk management.

The financial statements of the Group for the year ended 31 December 2014 had been audited by the Company's auditor, Deloitte Touche Tohmatsu, and had been reviewed by the Audit Committee.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my appreciation to the staff and management team of the Group for their contribution during the year and also to give my sincere gratitude to all our shareholders for their continual support all these years.

Xiang Ya Bo
Chief Executive Officer
Hong Kong, 17 March 2015

PROFILES OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. Tang Yui Man Francis, aged 52, was appointed as an executive director of the Company in September 2001 and the chief executive officer in 2002 and ceased to act as chief executive officer and appointed as the chairman of the board of directors and a member of the remuneration committee of the Company in August 2013. Mr. Tang is a member of nomination committee of the Company since 27 March 2012. He is also an executive director of Enerchina Holdings Limited ("Enerchina"), a company listed on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") and a director of Sinolink Properties Limited, a subsidiary of the Company. Mr. Tang holds a Bachelor of Computer Studies degree from the University of Victoria in Canada and a Master of Business Administration degree from The City University of New York in the United States. Mr. Tang has numerous years of experience in management, accounting and finance. Mr. Tang is responsible for corporate planning, strategic development and financial planning and management of the Group. He was an alternate director to Mr. Ou Yaping of Towngas China Company Limited, a company listed on the Stock Exchange, during 2007–2011. Save as disclosed above, Mr. Tang has not held any directorship in other listed public companies in the past three years.

Mr. Xiang Ya Bo, aged 58, was appointed as an executive director of the Company in 2011 and the chief executive officer in August 2013. He is also an executive director and a member of remuneration committee of Enerchina, a company listed on the Stock Exchange, and the chairman and the general manager of Sinolink Properties Limited, a subsidiary of the Company. He is a brother of Mr. Ou Yaping, a non-executive director and a substantial shareholder of the Company. He graduated with an engineering degree. Mr. Xiang has over 29 years of experience in the field of corporate management, investment management and technical administration on computer technologies and e-commerce. Save as disclosed above, Mr. Xiang has not held any directorship in other listed public companies in the past three years.

Mr. Chen Wei, aged 53, was appointed as an executive director of the Company in December 1997. He is also an executive director, the chairman of the board of directors and a member of remuneration committee of Enerchina, a company listed on the Stock Exchange. Mr. Chen holds a Bachelor of Engineering Management degree from the Beijing Institute of Technology in the PRC. Mr. Chen was previously employed by a number of large organisations and has over 29 years of experience in engineering, business administration, market development and management. Mr. Chen joined the Group in February 1992 and is responsible for the overall business development, management and strategic planning of the Group. He was an executive director of Towngas China Company Limited, a company listed on the Stock Exchange, during 2001–2009. Save as disclosed above, Mr. Chen has not held any directorship in other listed public companies in the past three years.

NON-EXECUTIVE DIRECTORS

Mr. Ou Yaping, aged 53, was appointed as the chairman of the board of directors and an executive director of the Company in December 1997 and redesignated as a non-executive director and resigned as the chairman of the board of directors and a member of remuneration committee of the Company in August 2013. Mr. Ou is the founder of the Group and the substantial shareholder of the Company. Mr. Ou is the chairman of ZhongAn Online P&C Insurance Co., Ltd. and serves as the chairman of the board of Rockbund Art Museum and a trustee for The Nature Conservancy's Asia Pacific and China Program. He was a director of China Merchants Bank and chairman of the board of Panva Gas Holdings Limited and was the directors of a number of trading companies and investment companies. Mr. Ou has over 30 years of experience in investment, trading and management. Mr. Ou holds a Bachelor of Engineering Management degree from the Beijing Institute of Technology in the PRC and is also a member of the board of the Beijing Institute of Technology. Mr. Ou is a brother of Mr. Xiang Ya Bo, an executive director and chief executive officer of the Company. He is also the director and shareholder of Asia Pacific Promotion Limited ("Asia Pacific"), a substantial shareholder of the Company, whose interest in shares of the Company is disclosed in the section of "Substantial Shareholder". He was the chairman and an executive director of Enerchina, a company listed on the Stock Exchange, from 2002 to 2012. He was an executive director of Towngas China Company Limited, a company listed on the Stock Exchange, from 2000 to 2011. Save as disclosed above, Mr. Ou has not held any directorship in other listed public companies in the past three years.

Mr. Law Sze Lai, aged 72, was appointed as an executive director of the Company in December 1997 and redesignated as a non-executive director in September 2007. He is also the chairman of supervisory committee of Sinolink Properties Limited. Mr. Law was employed by a number of real estate companies in the PRC. He is a qualified economist in the PRC and has over 25 years of experience in property development. Mr. Law joined the Group in 1992. Mr. Law did not hold any directorship in other listed public companies in the past three years.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Tian Jin, aged 57, was appointed as an independent non-executive director of the Company in May 2005. He is also a member of audit committee and chairman of nomination committee of the Company. Mr. Tian holds a Bachelor of Arts from Hunan University, Master of Arts from Wuhan University and Doctorate in Administration and Management from Auburn University. He is the Principal of Tur Partners LLC effective from 14 November 2011. Before joining Tur Partners LLC, Mr. Tian served as CEO of Morningstar Asia and Chairman of Morningstar China and was a lecturer of Hunan University, visiting professor of Auburn University, Director of Academic Technology Development of DePaul University, Director of Institutional Planning and Research of DePaul University. Mr. Tian has not held any directorship in other listed public companies in the past three years.

PROFILES OF DIRECTORS

Dr. Xiang Bing, aged 53, was appointed as an independent non-executive director of the Company in December 2008. He is also a member of audit committee, remuneration committee and nomination committee of the Company. Dr. Xiang obtained a Doctoral degree in accounting from the University of Alberta in Canada. Dr. Xiang is currently the founding dean and a professor of the Cheung Kong Graduate School of Business (長江商學院). He is an independent non-executive director and a member of audit committee and remuneration committee of China Dongxiang (Group) Co., Ltd, Dan Form Holdings Company Limited, HC International, Inc. and Longfor Properties Co., Ltd.; an independent non-executive director and a member of audit committee, remuneration committee and nomination committee of Enerchina; an independent non-executive director and the chairman of audit committee and remuneration committee and a member of nomination committee of Peak Sport Products Co., Limited, all of which are companies listed on the Stock Exchange. Dr. Xiang is also an independent non-executive director and a member of audit committee, remuneration committee and nomination committee of LDK Solar Co. Ltd. and an independent non-executive director and a member of audit committee of E-House (China) Holdings Limited, both are listed on the New York Stock Exchange and an independent non-executive director and a member of audit committee and remuneration committee of Perfect World Co., Ltd., a company listed on Nasdaq. He is an independent non-executive director and a member of audit committee and strategic committee and the chairman of remuneration committee of Yunnan Baiyao Group Co., Ltd., a company listed on the Shenzhen Stock Exchange. He was a director of Jutal Offshore Oil Services Limited, a company listed on the Stock Exchange, a director of Shenzhen Terca Technology Co., Ltd. (深圳市特爾佳科技股份有限公司), TCL Corporation (TCL集團股份有限公司), Shaanxi Qinchuan Machine Development Co., Ltd. (陝西秦川機械發展股份有限公司) and Guangdong Midea Electric Appliances Co. Ltd. (廣東美的電器股份有限公司), all are listed on Shenzhen Stock Exchange, a director of Wuhan Jianmin Pharmaceutical Groups Co., Ltd. (武漢健民藥業集團股份有限公司), a company listed on the Shanghai Stock Exchange. Dr. Xiang was an independent non-executive director of E Fund Management Co., Ltd, a company listed on the Shenzhen Stock Exchange, until 29 June 2010 and he was an independent non-executive director and the chairman of remuneration committee of Little Sheep Group Limited, a company listed on the Stock Exchange, from 2008 to 2012. Save as disclosed above, Dr. Xiang has not held any directorship in other listed public companies in the past three years.

Mr. Xin Luo Lin, aged 66, was appointed as an independent non-executive director of the Company in June 2002. He is also the chairman of audit committee and remuneration committee and a member of nomination committee of the Company. Mr. Xin is a postgraduate from the Peking University in the People's Republic of China (the "PRC"). He was a research associate at the Waseda University in Japan, an honorary research associate at the University of British Columbia, Canada and a visiting fellow at the University of Adelaide, Australia from 1984 to 1985. He was appointed as a Justice of the Peace in New South Wales of Australia in 1991. Mr. Xin is a co-author of a book titled "China's iron and steel industry policy: implications for Australia". Mr. Xin is also an independent non-executive director, the chairman of audit committee and remuneration committee and a member of nomination committee of Enerchina; an independent non-executive director, member of audit committee and remuneration committee of Central China Real Estate Limited; a non-executive director of Asian Capital Holdings Limited and a non-executive director of China Environmental Technology Holdings Limited, all are listed companies on the Stock Exchange; Mr. Xin is a director of Mori Denki Mfg. Co., Ltd., a public company listed on the Tokyo Stock Exchange and a director and the Vice Chairman of Oriental Technologies Investment Limited, a listed company on the Australian Stock Exchange. Mr. Xin was a non-executive director of Sino-Tech International Holdings Limited, a company listed on the Stock Exchange, from 2010 to 2012. Mr. Xin was an adviser to the chairman of Guangdong Capital Holdings Limited from 1998 to 2000. Save as disclosed above, Mr. Xin has not held any directorship in other listed public companies in the past three years.

The directors of the Company (the "Directors") present the annual report and the audited consolidated financial statements for the year ended 31 December 2014.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The activities of its principal subsidiaries and associates are set out in notes 39 and 17 respectively to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2014 are set out in the consolidated statement of profit or loss on page 35 of the annual report.

No interim dividend (2013: Nil) was paid to the shareholders during the year.

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

DISTRIBUTABLE RESERVES

Details of the movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 39.

The Company's reserves available for distribution to shareholders as at 31 December 2014 amounted to HK$924,525,000 (2013: HK$931,988,000).

FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for each of the last five financial years is set out on page 100.

PROPERTY, PLANT AND EQUIPMENT

Details of movements during the year in the property, plant and equipment of the Group are set out in note 14 to the consolidated financial statements.

INVESTMENT PROPERTIES

Details of movements during the year in the investment properties of the Group are set out in note 16 to the consolidated financial statements.

SHARE CAPITAL

Details of movements during the year in the share capital of the Company are set out in note 28 to the consolidated financial statements.

DIRECTORS

The Directors during the year and up to the date of this report were:

Executive Directors:

Tang Yui Man Francis *(Chairman)*
Xiang Ya Bo *(Chief Executive Officer)*
Chen Wei

Non-executive Directors:

Ou Yaping
Law Sze Lai

Independent non-executive Directors:

Tian Jin
Xiang Bing
Xin Luo Lin

In accordance with Bye-law 87(1) of the Bye-laws, Mr. Ou Yaping, Mr. Law Sze Lai and Dr. Xiang Bing will retire by rotation at the forthcoming annual general meeting ("AGM") and, being eligible, will offer themselves for re-election.

The Company has received annual confirmation from each of the Independent Non-executive Directors as regards their independence to the Company pursuant to Rule 3.13 of the Rules Governing the Listing of Securities ("Listing Rules") on the Stock Exchange. The Company considers that each of the Independent Non-executive Directors is independent to the Company.

DIRECTORS' INTERESTS OR SHORT POSITIONS IN SHARES AND SHARE OPTIONS

As at 31 December 2014, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required pursuant to: (a) divisions 7 to 9 of Part XV of the SFO, to be notified to the Company and the Stock Exchange; (b) Section 352 of Part XV of the SFO, to be entered in the register referred to therein; or (c) the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange were as follows:

Long positions in shares of the Company

Name of Directors	Capacity	Personal interest	Corporate interest	Family interest	Total interest in Shares	Approximate percentage of issued share capital of the Company at 31.12.2014
Chen Wei	Beneficial owner	13,500,000	–	–	13,500,000	0.38%
Law Sze Lai	Beneficial owner	9,005,500	–	–	9,005,500	0.25%
Ou Yaping	Joint interest and interest of controlled corporation	–	1,590,283,250 (Note)	7,285,410	1,597,568,660	45.11%
Tang Yui Man Francis	Beneficial owner	21,375,000	–	–	21,375,000	0.60%

Note: These 1,590,283,250 shares of the Company are held by Asia Pacific Promotion Limited ("Asia Pacific"), a company incorporated in the British Virgin Islands, which is wholly-owned by Mr. Ou Yaping, Non-executive Director of the Company. Accordingly, Mr. Ou is deemed to be interested in the shares of the Company held by Asia Pacific under the SFO.

Save as disclosed above, as at 31 December 2014, none of the Directors or chief executives of the Company had, nor were they taken to or deemed to have under such provisions of the SFO, any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporation or any interests which are required to be entered into the register kept by the Company pursuant to Section 352 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES OF THE COMPANY AND ASSOCIATED CORPORATION

Other than the Share Option Scheme of the Company mentioned below, at no time during the year was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and neither the Directors nor the chief executive, nor any of their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

SHARE OPTION SCHEME OF THE COMPANY

A share option scheme was adopted by shareholders of the Company on 17 May 2012 ("Date of Adoption") (the "2012 Share Option Scheme"), under which the Board may, at its discretion, offer any Eligible Persons (as hereinafter mentioned) options to subscribe for Shares in the Company subject to the terms and conditions stipulated therein. The 2012 Share Option Scheme has a life of 10 years from the Date of Adoption.

The 2012 Share Option Scheme is a share incentive scheme and is established to enable the Group to, (i) recognise and acknowledge the contributions that Eligible Persons have (or may have) made or may make to the Group (whether directly or indirectly); (ii) attract and retain and appropriately remunerate the best possible quality of employees and other Eligible Persons; (iii) motivate the Eligible Persons to optimise their performance and efficiency for the benefit of the Group; (iv) enhance its business, employee and other relations; and/or (v) retain maximum flexibility as to the range and nature of rewards and incentives which the Company can offer to Eligible Persons. The Eligible Persons include (a) any full time or part time employees of the Group or any directors of the Company or any of its subsidiaries; (b) any customer, supplier or provider of services, landlord or tenant, agent, partner, consultant, or adviser of or a contractor to or person doing business with any member of the Group; (c) trustee of any trust the principal beneficiary of which is, or discretionary trust the discretionary objects of which include, any person referred to (a) or (b) above; (d) a company wholly beneficially owned by any person referred to in (a) or (b) above, and (e) such other persons (or classes of persons) as the Board may in its absolute discretion determine.

The share options are exercisable at any time for a period to be determined by the Directors, which shall not be more than 10 years from the date of grant. The minimum period for which a share option must be held before it can be exercised would be determined by the Board.

The total number of shares of the Company in respect of which options may be granted under the 2012 Share Option Scheme is not permitted to exceed 10% of the shares of the Company in issue on the Date of Adoption ("Scheme Mandate Limit"), without prior approval from the Company's shareholders. The Company may seek approval of its shareholders in general meeting to renew the Scheme Mandate Limit provided that the total number of shares of the Company in respect of which options may be granted under the 2012 Share Option Scheme and any other share option schemes of the Company must not exceeded 10% of the shares of the Company in issue as at the date of the approval to renew the Scheme Mandate Limit. The number of shares of the Company in respect of which options may be granted to any Eligible Person in any 12-month period is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. In addition, the number of shares of the Company in respect of which options may be granted to any Eligible Person (who is a substantial shareholder or an independent non-executive director of the Company, or any of their associates (within the meaning as ascribed under the Listing Rules)) in any 12-month period is not permitted to exceed 0.1% of the total number of shares in issue and HK$5,000,000 in an aggregate value, based on the closing price of the shares of the Company at the date of each grant, without prior approval from the Company's shareholders.

The exercise price for the share options under the 2012 Share Option Scheme shall be a price determined by the Board at its sole discretion and notified to the Eligible Persons and shall be no less than the highest of (i) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheet on the date on which an option is granted, (ii) the average closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheet for the 5 business days immediately preceding the date on which an option is granted; and (iii) the nominal value of a share of the Company on the date on which an option is granted.

Consideration of HK$1 is payable by each Eligible Person for the grant of option.

As at 31 December 2014, no options were granted under the 2012 Share Option Scheme since the Date of Adoption and a total of 354,111,283 shares of the Company (representing approximately 10% of the existing issued share capital of the Company as at that date of this report) may be issued upon exercise of all options which may be granted under the 2012 Share Option Scheme.

Additional information in relation to the Company's share option scheme are set out in note 32 to the consolidated financial statements.

DIRECTORS' SERVICE CONTRACT

There is no unexpired directors' service contract which is not terminable by the Company within one year of any Director proposed for re-election at the forthcoming AGM.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in this Annual Report, no contracts of significance to which the Company or any related company (holding companies, subsidiaries, or fellow subsidiaries) was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2014, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that other than the interests disclosed above in respect of Directors, the following shareholder(s) had notified the Company of relevant interests and short positions in the issued share capital of the Company:

Long positions and short positions in shares of the Company

Name of shareholder	Capacity	Interest in Shares	Approximate percentage of the Company's issued share capital at 31.12.2014
Asia Pacific	Beneficial owner	1,590,283,250 (Long) (Note)	44.90%

Note: The 1,590,283,250 shares of the Company are held by Asia Pacific, a company incorporated in the British Virgin Islands, which is wholly-owned by Mr. Ou Yaping, Non-executive Director of the Company. Accordingly, Mr. Ou is deemed to be interested in the shares of the Company held by Asia Pacific under the SFO.

Save as disclosed above, as at 31 December 2014, the Company has not been notified of any other interests or short positions in the Shares and underlying Shares of the Company which had been recorded in the register required to be kept under Section 336 of the SFO.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

Details of the connected transactions/continuing connected transactions of the Company during the year were as follows:

(a) Connected transactions

During the year, saved as disclosed below, there were no transactions which need to be disclosed as connected transactions pursuant to Chapter 14A of the Listing Rules.

(b) Continuing connected transactions

On 1 April 2014, Enerchina Holdings Limited ("Enerchina") and the Company entered into a Master Agreement for the purpose of regulating the Individual Lease Agreements for leasing of the properties by Enerchina and its subsidiaries from the Company and its subsidiaries, for a fixed term of three years from 1 April 2014 to 31 March 2017 (the "Master Agreement"). The annual cap amount for each of the financial year ended/ending 31 December 2014, 2015, 2016 and 2017 are HK$6,000,000, HK$8,000,000, HK$8,000,000 and HK$2,000,000 respectively. The total amount of the transactions as at 31 December 2014 was HK$3,398,000.

On 1 April 2014, Enerchina and the Company were owned as to approximately 36.40% and 44.08% respectively by Asia Pacific Promotion Limited ("Asia Pacific"). Therefore, Asia Pacific is a substantial shareholder of Enerchina and the Company and thus a connected person of both Enerchina and the Company under the Listing Rules. As Asia Pacific owns more than 30% in both Enerchina and the Company, Enerchina and the Company are the associates of Asia Pacific under the Listing Rules.

Accordingly, the Master Agreement between Enerchina and the Company constitutes continuing connected transactions for both Enerchina and the Company under Chapter 14A of the Listing Rules.

As all the relevant percentage ratios for the Master Agreement calculated on an annual basis were more than 0.1% and less than 5% for both Enerchina and the Company, in accordance with Rule 14A.34 of the then Listing Rules (Rule 14A.76(2) of the Listing Rules), the Master Agreement was only subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the then Listing Rules (Rule 14A.68 and 14A.71 of the Listing Rules) and was exempted from the independent shareholders' approval requirements. The Company had accordingly published an announcement in respect of the aforesaid continuing connected transactions on 1 April 2014.

Pursuant to Rule 14A.56 of the Listing Rules, the Board engaged the auditor of the Company to perform certain agreed upon procedures in respect of the continuing connected transactions of the Group. The auditor has reported the factual findings on these procedures to the Board. The Independent Non-executive Directors of the Company have reviewed the continuing connected transactions pursuant to Rule 14A.55 of the Listing Rules and confirmed that the transactions have been entered into:

(1) in the ordinary and usual course of business of the Group;

(2) on normal commercial terms or better; and

(3) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company's auditor was engaged to report on the above continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued unqualified letter containing findings and conclusions in respect of the continuing connected transactions disclosed above by the Group in accordance with Rule 14A.56 of the Listing Rules.

RELATED PARTY TRANSACTIONS

Details of the related party transactions are set out in note 31 to the consolidated financial statements. Those related party transactions did not constitute connected transactions under the Listing Rules.

DISCLOSURE PURSUANT TO RULE 13.22 OF THE LISTING RULES

As at 31 December 2014, the aggregate amount of financial assistance to associated companies by the Group in aggregate exceeded 8% of the assets ratios as defined in Rule 14.07(1) of the Listing Rules.

In accordance with the requirements under Rule 13.22 of the Listing Rules, a proforma combined statement of financial position of the associated companies as at 31 December 2014 is presented as follows:

	HK$'000
Non-current assets	5,121,811
Current assets	1,228,688
Current liabilities	(826,486)
Non-current liabilities	(5,962,395)
Net liabilities	(438,382)

The Group's attributable interest in the associated companies as at 31 December 2014 comprised net liabilities of HK$288,157,000.

The proforma combined statement of financial position of the associated companies has been prepared by combining their statement of financial position, after making adjustments to conform with the Group's significant accounting policies as 31 December 2014.

DONATIONS

During the year the Group made charitable and other donations amounting to HK$1,938,000.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Director's as at the date of this report, there is sufficient public float of not less than 25% of the Company's issued share as required under the Listing Rules.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the Group's largest supplier accounted for approximately 53% of the Group's total purchases and the Group's largest five suppliers accounted for approximately 86% of the Group's total purchases.

As the Group had no significant sales during the year, the information on major customers is not present.

None of the Directors, their associates or any shareholders, which to the knowledge of the Directors owned more than 5% of the Company's issued share capital, had an interest in the share capital of any of the five largest suppliers and customers.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws although there are no restrictions against such rights under the laws of Bermuda.

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

There was no purchase, sale or redemption of the Company's listed shares by the Company or any of its subsidiaries for the year ended 31 December 2014.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up on the basis of their merit, qualifications and competence.

The emoluments of the Directors are determined having regard to the Company's operating results, individual performance and comparable market statistics. No Director, or any of his associates, and executive is involved in dealing his own remuneration.

The Company has adopted share option scheme as an incentive to Directors and eligible employees, details of the scheme are set out in note 32 to the consolidated financial statements and under the heading "Share Option Scheme of the Company" of this report.

AUDITOR

The consolidated financial statements of the Company for the year ended 31 December 2014 have been audited by Messrs. Deloitte Touche Tohmatsu. A resolution will be submitted to the forthcoming AGM to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board
Sinolink Worldwide Holdings Limited

Tang Yui Man Francis
Chairman
Hong Kong, 17 March 2015

CORPORATE GOVERNANCE PRACTICES

Having established a good, credible and dynamic foundation for corporate governance practices in the Company since 2005, the Company continues to ensure the transparency and protection of shareholders' interest, as well as the stakeholders' interests.

The Company has adopted all the code provisions as set out in the Corporate Governance Code (the "Code") set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") as its own corporate governance practices.

The Company understood the importance on sound corporate governance practices and recognized the changing regulatory environment. Therefore, the theme of the corporate governance practices in the Company has gone through an evolving process, from implementing the existing Code, evaluating the effectiveness of the Code, and responding to the rapid changes and continuous development in our corporate governance practices, if necessary.

STATEMENT OF COMPLIANCE

During the year 2014, the Company has complied with the code provisions set out in the Code.

BOARD OF DIRECTORS

Composition

As at the date of this report, the board of directors of the Company (the "Board") comprises 8 members (each member of the Board, a "Director"). Mr. Tang Yui Man Francis acts as Chairman of the Board, whereas Mr. Xiang Ya Bo acts as Chief Executive Officer of the Company. Other Executive Director is Mr. Chen Wei and Non-executive Directors are Mr. Ou Yaping and Mr. Law Sze Lai. The Company has 3 Independent Non-executive Directors, Mr. Tian Jin, Dr. Xiang Bing and Mr. Xin Luo Lin, and all Independent Non-executive Directors possess appropriate professional accounting experience and related financial management expertise and representing at least one-third of the Board.

All Directors have distinguished themselves in their field of expertise, and have exhibited high standards of personal and professional ethics and integrity. The biographical details of each Director are disclosed on pages 10 to 12 of this Annual Report.

Each of the Independent Non-executive Director has confirmed, in accordance with Rule 3.13 of the Listing Rules, that he is independent of the Company and the Company also considers that they are independent.

Except for the family relationship between Mr. Ou Yaping and Mr. Xiang Ya Bo as disclosed in biographical details on pages 10 to 12 of this Annual Report, there is no relationship (including financial, business, family or other material/relevant relationship) between any members of the Board and in particular, between the Chairman and the Chief Executive Officer.

Pursuant to the Bye-laws of the Company (the "Bye-laws"), the Directors shall hold office subject to retirement by rotation at the annual general meeting of the Company at least once every three years. In addition, any Director appointed by the Board during a year, whether to fill a casual vacancy or as additional member to the Board, shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board) and shall then be eligible for re-election in that meeting. The term of office of each Non-executive Director (including Independent Non-executive Director) is for a period of 1 year from 1 January 2015 to 31 December 2015 subject to retirement by rotation and re-election in accordance with the Bye-laws.

Responsibilities of the Board and Management

The Board, headed by the Chairman, is responsible for providing high-level guidance and effective oversight of the management of the Company, formulation and approval of the Group's development, business strategies, policies, annual budgets and business plans, recommendation of any dividend and supervision of management in accordance with the regulations governing the meetings of the Board and the Bye-laws.

The Chief Executive Officer and the other executive Director are responsible for day-to-day management of the Company's operations. The executive Directors conduct regular meetings with the management of the Company and its subsidiaries (collectively the "Group"), at which operational issues and financial performance are evaluated.

The Company considers that internal control system and risk management function are essential and that the Board plays an important role in implementing and monitoring internal financial control and risk management.

Matters specifically decided by the Board and those reserved for the management, such as daily management, administration and operation of the Company, etc., are reviewed by the Board on a periodic basis. The management shall report back to the Board.

The procedures to enable Directors to seek independent professional advice in appropriate circumstances at the Company's expenses, was established.

The Bye-laws state the responsibilities and operational procedures of the Board. The Board meets at least 4 times a year at regular intervals to consider operational reports and financial results of the Company and policies.

During the year 2014, the Board held 4 regular Board meetings (within the meanings of the Code) at approximately quarterly intervals and 4 board meetings convened as necessary. Due notice and Board papers were given to all Directors prior to each meeting in accordance with the Code and the Bye-laws. An annual general meeting was also held during the year. Details of individual attendance of Directors are set out below:

	No. of meeting(s) attended		
	Regular Board Meeting	Other Board Meeting	Annual General Meeting
Executive Directors			
Tang Yui Man Francis *(Chairman)*	4	4	1
Xiang Ya Bo *(Chief Executive Officer)*	4	3	1
Chen Wei	4	3	1
Non-executive Directors			
Ou Yaping	4	1	1
Law Sze Lai	3	1	1
Independent Non-executive Directors			
Tian Jin	4	1	1
Xiang Bing	3	1	1
Xin Luo Lin	4	1	1

Directors' Induction and Continuous Professional Development

On appointment to the Board, each newly appointed Director receives a comprehensive induction package covering business operations, policy and procedures of the Company as well as the general, statutory and regulatory obligations of being a Director to ensure that he/she is sufficiently aware of his/her responsibilities under the Listing Rules and other relevant regulatory requirements.

The Directors are regularly briefed on the amendments to or updates on the relevant laws, rules and regulations. In addition, the Company has been encouraging the Directors and management to enrol in a wide range of professional development courses and seminars relating to the Listing Rules, companies ordinance/act and corporate governance practices organised by professional bodies, independent auditors and/or chambers in Hong Kong so that they can continuously update and further improve their relevant knowledge and skills.

From time to time, Directors are provided with written materials to develop and refresh their professional skills; the Company also organises and arranges seminars on the latest development of applicable laws, rules and regulations for the Directors to assist them in discharging their duties. During the year, the Company organised for the Directors and management an in-house workshop on the Listing Rules.

According to the records maintained by the Company, the Directors received the following training with an emphasis on the roles, functions and duties of a director of a listed company in compliance with the Code on continuous professional development during the year:

	Corporate Governance/Updates on laws, rules and regulations	
	Read materials	**Attend briefings/ in-house workshop**
Executive Directors		
Tang Yui Man Francis *(Chairman)*	✓	✓
Xiang Ya Bo *(Chief Executive Officer)*	✓	✓
Chen Wei	✓	✓
Non-executive Directors		
Ou Yaping	✓	✓
Law Sze Lai	✓	✓
Independent Non-executive Directors		
Tian Jin	✓	✓
Xiang Bing	✓	✓
Xin Luo Lin	✓	✓

Chairman and Chief Executive Officer

The role of the Chairman, Mr. Tang Yui Man Francis, remains separate from that of the Chief Executive Officer, Mr. Xiang Ya Bo. Such division of responsibilities allows a balance of power between the Board and the management of the Group, and ensures the independence and accountability of each other.

The Chairman provides leadership for the Board and oversees the Board so that it acts in the best interests of the Group. The Chairman is responsible for deciding the agenda of each Board meeting, taking into account matters proposed by other Directors. The Chairman has overall responsibility for providing leadership, vision and direction regarding business development. During the year, the Chairman had met the Non-Executive Directors and Independent Non-Executive Directors without the presence of Executive Directors.

The Chief Executive Officer, assisted by other Executive Director, is responsible for the day-to-day business management and operations of the Group for formulating and successfully implementing policies and for maintaining an effective executive support team. The Chief Executive Officer is accountable to the Board for keeping the Chairman and all Directors fully informed of all major business developments and issues.

Responsibilities of Directors

In the course of discharging their duties, the Directors act in good faith, with due diligence and care, and in the best interests of the Company and its shareholders. Their responsibilities include:

— attending regular Board meetings and focusing on business strategy, operational issues and financial performance;

— active participation on the respective board of directors of the subsidiaries and associated companies of the Company;

— approval of annual budgets for each operating company covering strategy, financial and business performance, key risks and opportunities;

— monitoring the quality, timeliness, relevance and reliability of internal and external reporting;

— monitoring and managing potential conflicts of interest of senior management, Board and shareholders of the Company;

— considering misuse of corporate assets and abuse of related party transactions; and

— ensuing processes in place to maintain the overall integrity of the Company, including financial statements, relationships with suppliers, customers and other stakeholders, and compliance with all laws and ethics.

To enable the Directors to fulfill their obligations, an appropriate organizational structure is in place with clearly defined responsibilities and limits of authority.

Corporate Governance functions

The Board is responsible for performing the following corporate governance duties as required under the Code:

— to develop and review the Company's policies and practices on corporate governance;

— to review and monitor the training and continuous professional development of Directors and senior management;

— to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

— to develop, review and monitor the code of conduct and compliance manual applicable to employees and Directors; and

— to review the Company's compliance with the Code and disclosure in the Corporate Governance Report.

During the year, the Board considered the following corporate governance matters:

— review of the policies and practices adopted by the Company, training for Directors and senior management and code of conduct and compliance manual etc.;

— review of the usage of annual caps on continuing connected transactions of the Group;

— review of the compliance with the Code and disclosure of the corporate governance report; and

— review of the effectiveness of the internal controls and risk management systems of the Company through the Audit Committee.

Board Committees

A number of committees of the Board, including the Audit Committee, Nomination Committee and Remuneration Committee, have been set up by the Company, with specific terms of reference relating to authority and duties, to strengthen the Board's functions and enhance its expertise.

Remuneration Committee

As at the date of this Annual Report, the Remuneration Committee comprises one Executive Director, being Mr. Tang Yui Man Francis, and two Independent Non-executive Directors, being Dr. Xiang Bing and Mr. Xin Luo Lin and is chaired by Mr. Xin Luo Lin.

The terms of reference of the Remuneration Committee have complied with the Code which are posted on the website of the Company at www.sinolinkhk.com.

The Remuneration Committee's responsibilities include the reviewing, considering and making recommendation to the Board on (i) the Company's remuneration policy for Directors and senior management, (ii) remuneration packages for individual Executive Directors and senior management including benefits in kind, pension rights and compensation payments, and (iii) remuneration of Non-executive Directors etc.

During the year 2014, the Remuneration Committee:

— reviewed the remuneration policy for 2014/2015;

— reviewed the remuneration of the Executive Directors and the Independent Non-executive Directors and management year-end bonus;

— reviewed and approved the services agreement of Executive Directors; and

— made recommendation to the Board on the above matters.

The Remuneration Committee held 2 meetings during 2014 with individual attendance as follows:

Members of Remuneration Committee	**No. of meeting(s) attended**
Xin Luo Lin *(Chairman of the Remuneration Committee)*	2
Tang Yui Man Francis	2
Xiang Bing	2

The Group recognises the importance of high caliber and competent staff and continues to provide remuneration packages to employees with reference to prevailing market practices and individual performance. Other benefits, such as medical and retirement benefits, are also provided. In addition, share options may be granted to eligible employees of the Group (including Directors) in accordance with the terms of the approved share option scheme adopted by the Group.

The remuneration of the members of the senior management (including all executive Directors) by band for the year ended 31 December 2014 is set out below:

Remuneration bands (HK$)	**Number of person(s)**
1,000,001 to 2,000,000	1
2,000,001 to 3,000,000	2

Further particulars regarding Directors' remuneration and the five highest paid employees as required to be disclosed pursuant to Appendix 16 to the Listing Rules are set out in note 10 to the consolidated financial statements.

Audit Committee

As at the date of this Annual Report, the Audit Committee comprises three Independent Non-executive Directors, namely Mr. Tian Jin, Dr. Xiang Bing and Mr. Xin Luo Lin and is chaired by Mr. Xin Luo Lin.

The Audit Committee reports directly to the Board and reviews financial statements and internal controls in order to protect the interests of the Company's shareholders.

The Audit Committee meets regularly with the Company's external auditor, at least twice a year, to discuss accounting issues, and reviews effectiveness of internal controls and risk evaluation. Written terms of reference, which describe the authority and duties of the Audit Committee are regularly reviewed and updated by the Board. The terms of reference of the Audit Committee have complied with the Code which are posted on the website of the Company at www.sinolinkhk.com.

During the year 2014, the Audit Committee:

— reviewed the financial statements for the year ended 31 December 2013 and for the six months ended 30 June 2014;

— reviewed the effectiveness of the internal control system and risk management;

— reviewed the external auditor's findings;

— reviewed the continuing connected transactions and annual cap;

— reviewed and approved remuneration of auditor for financial year of 2013 and recommended the re-appointment of external auditor; and

— reviewed the implementation of policy for employees of the Group to raise concerns about possible improprieties in financial reporting, internal control or other matters, and the whistleblowing policy.

As at 31 December 2014, the arrangement for employees of the Company to raise concerns about possible improprieties in financial reporting, internal control or other matters was in place. No reporting has been received by the Audit Committee during the year.

The Audit Committee held 3 meetings during the year 2014 with individual attendance as follows:

Members of Audit Committee	**No. of meeting(s) attended**
Xin Luo Lin *(Chairman of the Audit Committee)*	3
Tian Jin	3
Xiang Bing	2

Nomination Committee

As at the date of this Annual Report, a Nomination Committee comprises one executive Director, being Mr. Tang Yui Man Francis and three independent non-executive Directors, being Mr. Tian Jin, Dr. Xiang Bing and Mr. Xin Luo Lin and is chaired by Mr. Tian Jin.

The terms of reference of the Nomination Committee have complied with the Code which are posted on the website of the Company at www.sinolinkhk.com.

The Nomination Committee's responsibilities include the reviewing and recommending the structure, size and composition of the Board and recommending any change thereon; assessing the independence of independent non-executive directors and recommending the re-election of Directors etc.

During the year 2014, the Nomination Committee:

— reviewed the structure, size and composition (including the skills, knowledge and experience) of the Board;

— reviewed the board diversity policy;

— assessed the independence of independent non-executive directors; and

— reviewed and made recommendations to the Board on re-election of retiring directors at the 2015 annual general meeting.

The Nomination Committee held 1 meeting during the year 2014 with individual attendance as follows:

Members of Nomination Committee	**No. of meeting(s) attended**
Tian Jin *(Chairman of the Nomination Committee)*	1
Tang Yui Man Francis	1
Xiang Bing	1
Xin Luo Lin	1

During the year 2014, there was no change of directorship of the Company.

The Nomination Committee nominated and the Board recommended Mr. Ou Yaping, Mr. Law Sze Lai and Dr. Xiang Bing, being Directors longest in office since their last re-election, to retire by rotation, being eligible, will offer themselves for re-election by shareholders of the Company at the forthcoming 2015 annual general meeting.

BOARD DIVERSITY POLICY

The Company has formulated the board diversity policy in August 2013 aiming at setting out the approach on diversity of the Board of the Company.

The Board recognizes the importance of having a diverse Board in enhancing the board effectiveness and corporate governance. A diverse Board will include and make good use of differences in the skills, industry knowledge and experience, education, background and other qualities, etc. of Directors and does not discriminate on the ground of race, age, gender or religious belief. These differences will be taken into account in determining the optimum composition of the Board and when possible should be balanced appropriately.

The Nomination Committee has responsibility for identifying and nominating for approval by the Board, candidates for appointment to the Board. It takes responsibility in assessing the appropriate mix of experience, expertise, skills and diversity required on the Board and assessing the extent to which the required skills are represented on the Board and reviewing effectiveness of the Board.

The Nomination Committee is also responsible for reviewing and reporting to the Board in relation to Board diversity.

Board appointments will be based on merit and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Selection of candidates to join the Board will be, in part, dependent on the pool of candidates with the necessary knowledge, experience, skills, educational background and other qualities. The final decision will be based on merit and contribution the chosen candidate will bring to the Board.

The Board considers that Board diversity, including gender diversity, is a vital asset to the business.

At present, the Nomination Committee has not set any measurable objectives to implement the board diversity policy. However, it will consider and review the board diversity policy and setting of any measurable objectives from time to time.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuer set out in Appendix 10 to the Listing Rules (the "Model Code") as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirmed that in respect of the year ended 31 December 2014, all Directors have complied with the required standard set out in the Model Code.

The Company also has written guidelines regarding securities transactions on terms no less exacting than the required standard set out in the Model Code for senior management and any individuals who may have access to inside information in relation to the securities of the Company.

EXTERNAL AUDITOR

The external auditor of the Company is Messrs. Deloitte Touche Tohmatsu ("Deloitte"). Deloitte provided professional services in respect of the audit of Company's consolidated financial statements prepared under Hong Kong Financial Reporting Standards ("HKFRSs") for the year ended 31 December 2014. Deloitte also reviewed the 2014 unaudited interim financial report of the Company prepared under HKFRSs.

Fees charged by Deloitte in respect of audit services for the year 2014 amounted to HK$1,850,000. Non-audit services fees charged by Deloitte are as follows:

	Fee
	HK$
Description of services performed	
Review of the interim financial report of the Company for the six months ended 30 June 2014	450,000
	450,000

INTERNAL CONTROL

The Company places great importance on internal control and risk management. The Board has overall responsibility for the system of internal control and for reviewing its effectiveness. During the year, the Audit Committee and the Board have conducted a review of the effectiveness of the system of internal control of the Group. The review covered all material controls, including financial, operational and compliance controls and risk management system and consideration of adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function. Based on the results of the review, the system was satisfactory with no major irregularities reported and the Group would take steps to further enhance the effectiveness of the internal control system.

GOING CONCERN

The Directors, having made appropriate enquiries, consider that the Company has adequate resources to continue its operational existence for a foreseeable future and that, for this reason, it is appropriate to adopt the going concern basis in preparing the consolidated financial statements.

COMPANY SECRETARY

The Company has engaged and appointed a representative from an external secretarial services provider as the company secretary of the Company. The primary contact person of the Company with the company secretary is Mr. Tang Yui Man Francis, the Chairman and Executive Director of the Company. The company secretary of the Company has duly complied with the relevant training requirement under Rule 3.29 of the Listing Rules.

CONSTITUTIONAL DOCUMENTS

There was no change in the memorandum of association and bye-laws of the Company during the year.

A copy of memorandum of association and bye-laws of the Company is posted on the website of the Company at www.sinolinkhk.com.

SHAREHOLDER RIGHTS AND INVESTOR RELATIONS

(a) Procedures for requisitioning a special general meeting

Shareholder(s) of the Company ("Shareholder(s)") holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right to vote at general meetings of the Company may, by written requisition to the Board or the company secretary of the Company signed and deposited in accordance with the bye-laws of the Company and Bermuda Companies Act 1981, require the Directors to call a special general meeting for the transaction of business specified in the requisition.

(b) Procedures for putting forward proposals at general meetings

Shareholder(s) holding not less than one-twentieth of the paid-up capital of the Company carrying the right to vote at general meetings of the Company or not less than 100 Shareholders may, at their expense, provide a written request to the attention of the company secretary of the Company signed and deposited in accordance with the Bermuda Companies Act 1981.

(c) Communication with shareholders and investors

Shareholders are provided with detailed information about the Company set out in the interim/annual report and/or the circular so that they can exercise their rights in an informed manner.

The Company uses a range of communication tools, such as the annual general meeting, the annual report, interim report, various notices, announcements and circulars, to ensure the Shareholders are kept well informed of key business imperatives. Procedures for conducting a poll are explained by the chairman of the meeting at the general meetings of the Company.

General meetings of the Company provide a direct forum of communication between Shareholders and the Board. Shareholders are welcome to put forward enquiries to the Board or the management thereat and the Chairman of the Board, or in his absence, an Executive Director of the Company, as well as chairmen of the Nomination Committee, Remuneration Committee and Audit Committee, or in their absence, other members of the respective committees, and where applicable, the Independent Board Committee, will commonly be present and available to answer questions and Shareholders may also contact the company secretary of the Company to direct their written enquires.

At the 2014 Annual General Meeting, a resolution was proposed by the Chairman in respect of each separate issue itemized on the agenda, including re-election of retiring Directors. The Chairman of the Board and certain members of all committees or their respective duly appointed delegates and representatives of Deloitte participated the 2014 Annual General Meeting and answered questions from shareholders. No other general meeting was held during the year.

The Company is committed to enhancing communications and relationships with its investors. Designated management maintains an open dialogue with institutional investors and analysts to keep them abreast of the Company's developments.

The Company also maintains a website at www.sinolinkhk.com, where updates on the Company's business developments and operations, financial information and news can always be found.

Shareholders may at any time send their enquiries and concerns to the Board in writing through the company secretary of the Company whose contact details are as follows:

28/F, Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong
Fax: (852) 2851 0970
Email: group@sinolinkhk.com

In addition, procedure for Shareholders to propose a person for election as a director of the Company is available on the Company's website at www.sinolinkhk.com.

The above procedures are subject to the bye-laws of the Company and applicable laws and regulations.

DIRECTORS' AND AUDITOR'S RESPONSIBILITY IN PREPARING AND REPORTING THE FINANCIAL STATEMENTS

The Directors acknowledge that it is their responsibility to prepare the financial statements which give a true and fair view of the state of affairs of the Group and of the profit and cash flows of the Group for the year. The statement of the Auditor regarding their reporting responsibility for the financial statements is set out in the Independent Auditor's Report on pages 33 to 34.

Deloitte.
德勤

TO THE MEMBERS OF SINOLINK WORLDWIDE HOLDINGS LIMITED
(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Sinolink Worldwide Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 35 to 97, which comprise the consolidated statement of financial position as at 31 December 2014, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and 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, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the 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.

INDEPENDENT AUDITOR'S REPORT

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs 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.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
17 March 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2014

	NOTES	**2014**	2013
		HK$'000	*HK$'000*
Turnover	5	**301,373**	348,840
Cost of sales		**(140,508)**	(142,777)
Gross profit		**160,865**	206,063
Other income	6	**172,875**	169,082
Selling expenses		**(4,827)**	(3,041)
Administrative expenses		**(102,834)**	(91,196)
Other expenses	7	**(4,215)**	(4,454)
Increase in fair value of investment properties	16	**41,667**	121,554
Fair value gain (loss) on investments held for trading		**14,052**	(59,510)
Share of results of associates		**(139,339)**	(239,266)
Finance costs	8	**(16,283)**	(17,996)
Profit before taxation	9	**121,961**	81,236
Taxation	11	**(60,360)**	(104,289)
Profit (loss) for the year		**61,601**	(23,053)
Attributable to:			
Owners of the Company		**27,745**	(75,350)
Non-controlling interests		**33,856**	52,297
		61,601	(23,053)
		HK cents	*HK cents*
Earnings (loss) per share	13		
Basic		**0.78**	(2.13)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 *HK$'000*	2013 *HK$'000*
Profit (loss) for the year	**61,601**	(23,053)
Other comprehensive (expense) income		
Items that will not be reclassified to profit or loss:		
Exchange differences arising on translation	**(21,614)**	169,550
Share of translation reserve of associates	**(4,835)**	(634)
Other comprehensive (expense) income for the year	**(26,449)**	168,916
Total comprehensive income for the year	**35,152**	145,863
Total comprehensive income attributable to:		
Owners of the Company	**4,725**	65,048
Non-controlling interests	**30,427**	80,815
	35,152	145,863

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2014

	NOTES	2014 HK$'000	2013 HK$'000
Non-current assets			
Property, plant and equipment	14	**604,828**	515,052
Prepaid lease payments	15	**70,300**	71,936
Investment properties	16	**2,633,168**	2,695,380
Amounts due from associates	17	**124,971**	106,997
Interests in associates	17	**–**	–
Available-for-sale investments	18	**143,575**	133,002
Other receivables	11	**96,649**	32,000
Loan receivable	19	**1,963,410**	2,107,584
		5,636,901	5,661,951
Current assets			
Stock of properties	20	**824,172**	742,129
Trade and other receivables, deposits and prepayments	21	**188,904**	142,587
Entrusted loans receivable	22	**40,600**	–
Prepaid lease payments	15	**1,362**	1,367
Investments held for trading	23	**218,940**	144,912
Pledged bank deposits	24	**661**	5,866
Bank balances and cash	24	**3,721,364**	4,154,752
		4,996,003	5,191,613
Current liabilities			
Trade payables, deposits received and accrued charges	25	**573,293**	585,538
Taxation payable		**800,952**	1,018,093
Borrowings — due within one year	26	**40,067**	39,424
		1,414,312	1,643,055
Net current assets		**3,581,691**	3,548,558
Total assets less current liabilities		**9,218,592**	9,210,509
Non-current liabilities			
Borrowings — due after one year	26	**199,442**	240,621
Deferred taxation	27	**360,657**	346,547
		560,099	587,168
		8,658,493	8,623,341

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2014

	NOTE	**2014**	2013
		HK$'000	*HK$'000*
Capital and reserves			
Share capital	28	**354,111**	354,111
Reserves		**7,204,608**	7,199,883
Equity attributable to owners of the Company		**7,558,719**	7,553,994
Non-controlling interests		**1,099,774**	1,069,347
		8,658,493	8,623,341

The consolidated financial statements on pages 35 to 97 were approved and authorised for issue by the Board of Directors on 17 March 2015 and are signed on its behalf by:

Tang Yui Man Francis
CHAIRMAN

Xiang Ya Bo
CHIEF EXECUTIVE OFFICER

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2014

	Attributable to owners of the Company								
	Share capital HK$'000	Share premium HK$'000	Translation reserve HK$'000	General reserves HK$'000 (note a)	Contributed surplus HK$'000 (note b)	Retained earnings HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 1 January 2013	354,111	1,824,979	775,900	148,846	367,782	4,017,328	7,488,946	1,013,605	8,502,551
(Loss) profit for the year	–	–	–	–	–	(75,350)	(75,350)	52,297	(23,053)
Other comprehensive income for the year	–	–	140,398	–	–	–	140,398	28,518	168,916
Total comprehensive income (expense) for the year	–	–	140,398	–	–	(75,350)	65,048	80,815	145,863
Dividends paid to non-controlling shareholders of a subsidiary	–	–	–	–	–	–	–	(25,073)	(25,073)
At 31 December 2013	354,111	1,824,979	916,298	148,846	367,782	3,941,978	7,553,994	1,069,347	8,623,341
Profit for the year	–	–	–	–	–	27,745	27,745	33,856	61,601
Other comprehensive expense for the year	–	–	(23,020)	–	–	–	(23,020)	(3,429)	(26,449)
Total comprehensive (expense) income for the year	–	–	(23,020)	–	–	27,745	4,725	30,427	35,152
Transfers	–	–	–	26,611	–	(26,611)	–	–	–
At 31 December 2014	354,111	1,824,979	893,278	175,457	367,782	3,943,112	7,558,719	1,099,774	8,658,493

notes:

a. General reserves represent the enterprise expansion fund and general reserve fund set aside by certain subsidiaries in accordance with the relevant laws and regulations of the People's Republic of China (the "PRC"), which are not available for distribution.

b. Contributed surplus of the Group represents the difference between the nominal value of the shares of the acquired subsidiaries and the nominal value of the Company's shares issued for the acquisition at the time of the group reorganisation prior to the listing of the Company's shares in 1998.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2014

	NOTES	2014 HK$'000	2013 HK$'000
OPERATING ACTIVITIES			
Profit before taxation		**121,961**	81,236
Adjustments for:			
Share of results of associates		**139,339**	239,266
Depreciation of property, plant and equipment		**29,054**	9,051
Release of prepaid lease payments		**1,352**	1,346
Interest income		**(171,472)**	(114,825)
Interest expenses		**16,283**	17,996
Increase in fair value of investment properties		**(41,667)**	(121,554)
Impairment loss on interest receivables		**–**	3,165
Gain on disposal of property, plant and equipment		**(39)**	(789)
Operating cash flows before movements in working capital		**94,811**	114,892
Increase in stock of properties		**(84,865)**	(13,909)
Increase in trade and other receivables, deposits and prepayments		**(124,991)**	(6,219)
(Increase) decrease in investments held for trading		**(74,028)**	112,467
Decrease in trade payables, deposits received and accrued charges		**(10,019)**	(40,632)
Cash generated (used in) from operations		**(199,092)**	166,599
Taxation (paid) refunded		**(258,162)**	101,139
Purchase of tax reserve certificate	11	**(64,649)**	(32,000)
NET CASH (USED IN) FROM OPERATING ACTIVITIES		**(521,903)**	235,738
INVESTING ACTIVITIES			
Interest received		**145,433**	114,825
Placement of pledged bank deposits		**–**	(20)
Withdrawal of pledged bank deposits		**5,183**	–
Proceeds from disposal of property, plant and equipment		**157**	1,322
Refund of advance for investment projects and related interest received	21	**102,375**	37,641
Purchase of property, plant and equipment		**(27,248)**	(119,451)
Advances to associates		**(18,381)**	(6,949)
Purchase of available-for-sale investments		**(10,573)**	(119,491)
Advance of entrusted loans		**(92,466)**	–
Receipts of investment in entrusted loans		**51,866**	–
Repayment from investee companies		**1,796**	–
Advance to investee companies		**–**	(6,390)
NET CASH FROM (USED IN) INVESTING ACTIVITIES		**158,142**	(98,513)

	2014 *HK$'000*	2013 *HK$'000*
FINANCING ACTIVITIES		
Repayment of borrowings	**(39,471)**	(25,975)
New borrowings raised	**–**	1,253
Dividends paid to non-controlling shareholder of a subsidiary	**–**	(25,073)
Interest paid	**(16,283)**	(17,996)
NET CASH USED IN FINANCING ACTIVITIES	**(55,754)**	(67,791)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	**(419,515)**	69,434
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**4,154,752**	4,002,192
Effect of foreign exchange rate changes	**(13,873)**	83,126
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash	**3,721,364**	4,154,752

1. GENERAL

The Company is a public limited company incorporated in Bermuda as an exempted company and its shares listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section to the annual report.

The consolidated financial statements are presented in Hong Kong dollars ("HKD") while the functional currency of the Company is Renminbi ("RMB"). The reason for selecting HKD as its presentation currency is that the Company is a public company with its shares listed on the Stock Exchange.

The principal activities of the Group are property development, property management and property investment.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following amendments to HKFRSs and interpretation issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities
Amendments to HKAS 32	Offsetting financial assets and financial liabilities
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting
HK(IFRIC) — INT 21	Levies

The application of the amendments to HKFRSs and interpretation in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

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

HKFRS 9	Financial instruments[1]
HKFRS 15	Revenue from contracts with customers[2]
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture[4]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exception[4]
Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations[4]
Amendments to HKAS 1	Disclosure initiative[4]
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation[4]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer plants[4]
Amendments to HKAS 19	Defined benefit plans: Employee contributions[3]
Amendments to HKAS 27	Equity method in separate financial statements[4]
Amendments to HKFRSs	Annual improvements to HKFRSs 2010-2012 cycle[5]
Amendments to HKFRSs	Annual improvements to HKFRSs 2011-2013 cycle[3]
Amendments to HKFRSs	Annual improvements to HKFRSs 2012-2014 cycle[4]

1 Effective for annual periods beginning on or after 1 January 2018
2 Effective for annual periods beginning on or after 1 January 2017
3 Effective for annual periods beginning on or after 1 July 2014
4 Effective for annual periods beginning on or after 1 January 2016
5 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions

HKFRS 15 Revenue from contracts with customers

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

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

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

HKFRS 15 Revenue from contracts with customers (Continued)

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

The directors of the Company are currently assessing on the Group's financial statements arising from the impact on the application of HKFRS 15. For the moment, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the directors of the Company perform a detailed review.

HKFRS 9 Financial instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2011 includes the requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for hedge accounting. Another revised version of HKFRS 9 was issued in September 2014 mainly to include a) impairment requirements for financial assets; b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' measurement category for certain simple debt instruments.

All recognised financial assets that are within the scope of HKAS 39 "Financial Instruments: Recognition and Measurement" are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

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

The directors of the Company are currently assessing on the Group's financial statements arising from the impact on the application of HKFRS 9. For the moment, it is not practicable to provide a reasonable estimate of the effect of HKFRS 9 until the directors of the Company perform a detailed review.

The directors of the Company anticipate that the application of the other new and revised HKFRSs will have no material impact on the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance, which for this financial year and the comparative period continue to be those of the predecessor Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the Hong Kong Companies Ordinance (Cap. 622).

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the assets in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36.

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- has exposure, or rights, to variable returns from its involvement with the investee; and
- has the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All inter-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein.

Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, investments in associates are initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associates. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in associates (Continued)

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 "Impairment of Assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

Upon disposal of an associate that results in the Group losing significant influence over that associate, any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset in accordance with HKAS 39. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses significant influence over that associate.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of business, net of discounts and sales related taxes.

Sales of properties

Revenue from the sale of properties in the ordinary course of business is recognised when the respective properties have been completed and delivered to the buyers. Deposits and instalments received from purchasers prior to meeting the above criteria for revenue recognition are included in the consolidated statement of financial position under current liabilities.

Rental income

The Group's accounting policy for recognition of revenue from operating leases is described in the accounting policy below.

Service income

Service income including property management services and other services is recognised when services are provided.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably).

Property, plant and equipment

Property, plant and equipment including leasehold land (classified as finance leases) and buildings held for use in the production or supply of goods or services, or for administrative purposes (other than properties under construction as described below) are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment other than properties under construction less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Buildings under development for future owner-occupied purpose

When buildings are in the course of development for production or for administrative purposes, the amortisation of prepaid lease payments provided during the construction period is included as part of costs of buildings under construction. Buildings under construction are carried at cost, less any identified impairment losses. Depreciation of buildings commences when they are available for use (i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by management).

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including properties under construction for such purposes). Investment properties include land held for undetermined future use, which is regarded as held for capital appreciation purpose.

Investment properties are measured initially at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at fair values. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

Construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

Leasehold land and building

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leasing (Continued)

Leasehold land and building (Continued)

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "prepaid lease payments" in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis except for those that are classified and accounted for as investment properties under the fair value model. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

Stock of properties

Stock of properties includes properties under development for sale and properties held for sale.

The carrying value of properties under development comprises the land cost together with development expenditure, which includes construction costs, capitalised interest and ancillary borrowing costs. The stock of properties are stated at the lower of cost and net realisable value.

The Group transfers properties from inventories to investment properties when there is a change of intention to hold the property to earn rentals or/and for capital appreciation rather than for sale in the ordinary course of business, which is evidenced by the commencement of an operating lease to another party.

The Group transfers properties from inventories to property, plant and equipment when there is a change of intention from holding the properties held for sales to owner-occupied or other purposes which is evidenced by commencement of owner-occupation.

Impairment losses on tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment losses on tangible assets (Continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

Financial instruments

Financial assets and financial liabilities are recognised in a consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Group's financial assets are classified into one of the three categories, including financial assets at fair value through profit or loss ("FVTPL"), loans and receivables and available-for-sale financial assets. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis.

Financial assets at fair value through profit or loss

Financial assets at FVTPL are mainly those classified as financial assets held for trading.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Financial assets at fair value through profit or loss (Continued)

Financial assets at FVTPL are measured at fair value, with changes in fair value arising from remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets and is included in the “fair value loss on investments held for trading” line item in the consolidated statement of profit or loss. Fair value is determined in the manner described in note 30.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including loan receivable, trade and other receivables, entrusted loans receivable, amounts due from associates, pledged bank deposits and bank balances) are measured at amortised cost using the effective interest method, less any impairment losses (see accounting policy on impairment of financial assets below).

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at FVTPL, loans and receivables or held-to-maturity investments. The Group designated debt securities (e.g. debentures) as available-for-sale financial assets on initial recognition of those items.

Debt securities held by the Group that are classified as available-for-sale financial assets and are traded in an active market are measured at fair value at the end of each reporting period. Changes in the carrying amount of available-for-sale monetary financial assets relating to interest income calculated using the effective interest method are recognised in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss (see the accounting policy in respect of impairment of financial assets below).

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest and principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For financial assets carried at amortised cost, the amount of the impairment loss recognised in profit or loss is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade or other receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Financial liabilities

Financial liabilities including borrowings, and trade payables and accrued charges are subsequently measured at amortised cost using the effective interest method.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Borrowing costs

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 profit or loss in the period in which they are incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences arising on a monetary item that forms part of the Company's net investment in a foreign operation, in which case, such exchange differences are recognised in other comprehensive income and accumulated in equity and will be reclassified from equity to profit or loss on disposal of the foreign operation. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HKD) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before taxation" as reported in the consolidated statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax liabilities and deferred tax assets for such investment properties are measured in accordance with the above general principles set out in HKAS 12 (i.e. based on the expected manner as to how the properties will be recovered).

Current and deferred tax are recognised in profit or loss.

Retirement benefits costs

Payments to state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Critical judgements in applying accounting policies

The following is the critical judgement, apart from those involving estimations (see below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Deferred taxation on investment properties

For the purposes of measuring deferred taxation liabilities arising from investment properties that are measured using the fair value model, the directors have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. The investment properties held by the Group's associates are also held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. Therefore, in determining deferred taxation on investment properties, the directors of the Company have determined that the presumption set out in HKAS 12 "Income Taxes" that investment properties measured using the fair value model are recovered through sale is rebutted. Thus, the investment properties are subject to enterprise income tax ("Enterprise Income Tax") in the PRC upon disposal of the properties and the Group has provided deferred tax liabilities accordingly.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Loan and receivables

Loan and receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using effective interest method. Appropriate impairment for estimated irrecoverable amounts are recognised in profit and loss when there is objective evidence that the asset is impaired.

The Group has a loan receivable (see note 19) which represents a shareholder's loan advanced to the Group's associate for financing a property development and property investment project in Shanghai and amounts due from associates (see note 17) represent receivables from associates which are mainly arisen from provision of project management services by the Group. The recoverability of these amounts is dependent on the cashflow to be generated from the property development and property investment project. Where the actual future cash flows are less than expected, an impairment loss may arise.

In determining whether an impairment for loan receivable and amounts due from associates is required, the management has taken into account the development status of the property development and property investment project and the expected market price and the future rental income of the properties, where appropriate, in order to determine the recoverability of the loan receivable and the amounts due from associates. As at 31 December 2014, the carrying amount of loan receivable (net of accumulated impairment loss of HK$1,294,420,000 (2013: HK$990,683,000)) and amounts due from associates are HK$1,963,410,000 (2013: HK$2,107,584,000) and HK$124,971,000 (2013: HK$106,997,000) respectively. An impairment loss of HK$303,737,000 (2013: HK$303,737,000) was recognised during the year ended 31 December 2014.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Investment properties

Investment properties are stated at fair value based on the valuation performed by independent professional valuers. In determining the fair value, the valuers have based on a method of valuation which involves certain estimates of market conditions such as market evidence of transaction prices for similar properties in the same locations and conditions or, when appropriate, by considering the capitalised income to be derived from the existing tenancies and the reversionary potential of the properties. In relying on the valuation report, the directors of the Company have exercised their judgment and are satisfied that the assumptions used in the valuation is reflective of the current market conditions and the current condition of the properties. Changes to these assumptions would result in changes in the fair values of the Group's and the associates' investment properties and the corresponding adjustments to the amount of fair value gain or loss of the Group's investment properties and share of results of associates reported in the consolidated statement of profit or loss. As at 31 December 2014, the carrying amount of investment properties is HK$2,633,168,000 (2013: HK$2,695,380,000). The carrying amount of investment properties held by associate is HK$4,960,710,000 (2013: HK$4,496,183,000).

Land appreciation tax ("LAT")

The PRC LAT is levied on the appreciation of land value, being the proceeds from the sales of properties less deductible expenditure including the amortisation of land use rights, borrowing costs and all property development expenditure.

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

Fair value measurement and valuation process

The chief financial officer of the Company is responsible to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engaged third party qualified valuers to perform the valuation. The chief financial officer works closely with qualified external valuers to establish the appropriate valuation techniques and inputs to the model. Chief financial officer reports to executive directors semi-annually to explain the cause of fluctuations in the fair value of the assets.

The Group uses valuation techniques that include inputs that are not based on observable market date to estimate the fair value of investment properties. Notes 30 and 16 provide detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of financial instruments and investment properties, respectively.

5. TURNOVER AND SEGMENT INFORMATION

(A) Turnover

Turnover primarily represents revenue arising on sale of properties, property management income, rental income and other services income, after deducting discounts, business tax and other sales related taxes. An analysis of the Group's revenue for the year is as follows:

	2014 *HK$'000*	2013 *HK$'000*
Property management income	**121,149**	116,388
Rental income	**143,138**	120,675
Sales of properties	**–**	78,622
Other service income	**37,086**	33,155
	301,373	348,840

(B) Segment information

For management purposes, the Group is currently organised into the following operating divisions — property development and sale of properties ("Property development"), property management and property investment. These divisions are the basis on which the Group reports to the executive directors, the Group's chief operating decision makers, for performance assessment and resource allocation.

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

For the year ended 31 December 2014

	Property development *HK$'000*	Property management *HK$'000*	Property investment *HK$'000*	Total for reportable segment *HK$'000*	Others *HK$'000*	Consolidated *HK$'000*
TURNOVER						
External sales	–	121,149	143,138	264,287	37,086	301,373
RESULT						
Segment result	(2,584)	3,976	133,686	135,078	(5,306)	129,772
Other income						172,875
Unallocated corporate expenses						(39,116)
Fair value gain on investments held for trading						14,052
Share of results of associates						(139,339)
Finance costs						(16,283)
Profit before taxation						121,961

5. TURNOVER AND SEGMENT INFORMATION (Continued)

(B) Segment information (Continued)

For the year ended 31 December 2013

	Property development HK$'000	Property management HK$'000	Property investment HK$'000	Total for reportable segment HK$'000	Others HK$'000	Consolidated HK$'000
TURNOVER						
External sales	78,622	116,388	120,675	315,685	33,155	348,840
RESULT						
Segment result	3,688	2,577	241,647	247,912	15,583	263,495
Other income						169,082
Unallocated corporate expenses						(34,569)
Fair value loss on investments held for trading						(59,510)
Share of results of associates						(239,266)
Finance costs						(17,996)
Profit before taxation						81,236

Inter-segment sales are charged at prevailing market prices.

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment result represents the profit earned/loss incurred by each segment without allocation of other income, central administration costs, directors' salaries, share of results of associates, change in fair value of investments held for trading and finance costs.

No analysis of the Group's assets and liabilities, and other information by reportable segments is disclosed as it is not regularly provided to the executive directors for review.

All the Group's turnover for both years is generated from the PRC (based on where the properties located) and substantially all the Group's non-current assets other than financial instruments (loan and other receivables, amount due from an associate and available-for-sale investments) are also located in the PRC (place of domicile of the group entities that hold such assets). No individual customer of the Group has contributed sales over 10% of the turnover of the Group for each of the year ended 31 December 2014 or 2013.

6. OTHER INCOME

Other income comprises:

	2014 HK$'000	2013 HK$'000
Dividends from listed securities	98	98
Gain on disposal of property, plant and equipment, net	39	789
Net exchange gain	–	24,830
Consultancy income (Note)	–	11,322
Interest income on bank deposits	137,127	112,023
Interest income from independent third party (Note 21)	26,039	–
Interest income on listed senior notes classified as investment held for trading	4,091	2,802
Interest income on entrusted loans receivable	4,215	–
Others	1,266	17,218
	172,875	169,082

Note: The income arisen from the consultancy services providing to independent third parties in advisory of setting up company in the PRC.

7. OTHER EXPENSES

Other expenses comprise:

	2014 HK$'000	2013 HK$'000
Net exchange losses	2,085	–
Donations	1,938	4,386
Others	192	68
	4,215	4,454

8. FINANCE COST

	2014	2013
	HK$'000	*HK$'000*
Interest on bank borrowings		
— wholly repayable within five years	**13,159**	13,089
— not wholly repayable within five years	**3,124**	4,907
	16,283	17,996

9. PROFIT BEFORE TAXATION

	2014	2013
	HK$'000	*HK$'000*
Profit before taxation has been arrived at after charging:		
Auditor's remuneration	**1,850**	1,780
Staff costs including directors' remuneration	**125,547**	111,151
Stock of properties recognised as cost of sales	**–**	23,487
Depreciation of property, plant and equipment	**29,054**	9,051
Operating lease rentals in respect of land and buildings	**2,960**	2,538
Release of prepaid lease payments	**1,352**	1,346
Impairment loss on interest receivables	**–**	3,165
and after crediting:		
Rental income, net of outgoings of HK$10,545,000 (2013: HK$10,757,000)	**110,604**	109,918
Share of taxation of associates	**11,756**	46,093

10. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' REMUNERATION

The emoluments paid or payable to each of the 8 (2013: 9) directors of the Company were as follows:

	Year ended 31 December 2014								
	Mr. Ou Yaping	**Mr. Tang Yui Man Francis**	**Mr. Chen Wei**	**Mr. Law Sze Lai**	**Mr. Xiang Ya Bo**	**Mr. Xin Luo Lin**	**Mr. Tian Jin**	**Dr. Xiang Bing**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
		(Note d)			**(Note d)**				
Fees (Note a)	**–**	**–**	**–**	**–**	**–**	**250**	**250**	**250**	**750**
Other emoluments									
Salaries and other benefits (Note b)	**4,128**	**2,398**	**1,058**	**1,468**	**2,263**	**–**	**–**	**–**	**11,315**
Bonuses (Note c)	**500**	**500**	**–**	**–**	**636**	**–**	**–**	**–**	**1,636**
Retirement benefits scheme contributions	**42**	**17**	**42**	**29**	**17**	**–**	**–**	**–**	**147**
Total emoluments	**4,670**	**2,915**	**1,100**	**1,497**	**2,916**	**250**	**250**	**250**	**13,848**

	Year ended 31 December 2013									
	Mr. Ou Yaping	Mr. Tang Yui Man Francis	Mr. Chen Wei	Mr. Law Sze Lai	Mr. Li Ningjun	Mr. Xiang Ya Bo	Mr. Xin Luo Lin	Mr. Tian Jin	Dr. Xiang Bing	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
		(Note d)			(Note e)	(Note d)				
Fees (Note a)	–	–	–	–	–	–	250	250	250	750
Other emoluments										
Salaries and other benefits (Note b)	5,428	2,380	246	1,468	614	1,253	–	–	–	11,389
Bonuses (Note c)	500	500	–	–	169	854	–	–	–	2,023
Retirement benefits scheme contributions	42	15	16	29	29	–	–	–	–	131
Total emoluments	5,970	2,895	262	1,497	812	2,107	250	250	250	14,293

10. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' REMUNERATION (Continued)

Notes:

a. The director's fee of independent non-executive directors is determined by the board of directors and the remuneration committee of the Company with reference to their duties and responsibilities with the Group, the Group's performance and the prevailing market situation and to be authorised by the shareholders of the Company at the annual general meeting.

b. The emoluments of the directors are covered by their respective service contracts and/or supplemental agreements or letters of appointment entered into with the Group.

c. The annual salary increment and year-end discretionary bonus (if any) of executive directors and non-executive directors are based on the review and recommendation from the remuneration committee of the Company with reference to their duties and responsibilities within the Group, the Group's performance and the prevailing market situation.

d. Mr. Tang Yui Man Francis is the Chief Executive of the Company before 21 August 2013 and Mr. Xiang Ya Bo is the Chief Executive of the Company on and after 21 August 2013 and their emoluments disclosed above include those for services rendered by them as the Chief Executive.

e. Mr. Li Ningjun resigned as a non-executive director on 21 August 2013.

Of the five individuals with the highest emoluments in the Group, 4 (2013: 4) were directors of the Company whose emoluments are included in the disclosures above. The emoluments of the remaining individual were as follows:

	2014	2013
	HK$'000	*HK$'000*
Salaries and other emoluments benefits	**1,087**	2,335
Retirement benefits scheme contributions	**32**	5
	1,119	2,340

During the year, no remuneration was paid by the Group to the five highest paid individuals or directors of the Group as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors has waived any remunerations for the years ended 31 December 2014 and 2013.

11. TAXATION

	2014	2013
	HK$'000	*HK$'000*
The charge comprises:		
Current tax		
PRC Enterprise Income Tax	**44,075**	56,304
PRC LAT	**–**	12,584
	44,075	68,888
Underprovisions in PRC Enterprise Income Tax in prior years	**817**	–
Deferred taxation (note 27)	**15,468**	35,401
	60,360	104,289

No provision for Hong Kong Profits Tax has been made in the financial statements as the amount involved was insignificant for both years.

Taxation for subsidiaries of the Group, which were established and principally operated in the Shenzhen Special Economic Zone, is calculated at the rate of 25% of their assessable profits for the year ended 31 December 2014 (2013: 25%) according to the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law.

In addition, LAT shall be levied at progressive rates ranging from 30% to 60% on the appreciation of land value, represented by the excess of sales proceeds of properties over prescribed direct costs. Prescribed direct costs are defined to include costs of land, development and construction costs, as well as certain costs relating to the property development. According to the State Administration of Taxation's official circulars, LAT shall be payable provisionally upon entering into pre-sales contracts of the properties, followed by final ascertainment of the gain at the completion of the properties development. The Shenzhen local tax bureau was echoed by promulgating Shenfubanhan 2005 No. 93 and Shendishuifa 2005, whereby among others, LAT should be seriously implemented towards contracts signed on or after 1 November 2005. The management of the Group considers that it has complied with the rules of the aforementioned circulars and other official tax circulars in Shenzhen and LAT for the Group has been accrued accordingly.

11. TAXATION (Continued)

The charge for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss as follows:

	2014	2013
	HK$'000	*HK$'000*
Profit before taxation	**121,961**	81,236
Tax at the applicable tax rate of 25% (2013: 25%)	**30,490**	20,309
Tax effect of expenses not deductible for tax purpose	**2,127**	3,276
Tax effect of income not taxable for tax purpose	**(16,036)**	(16,383)
Tax effect of share of results of associates	**34,835**	59,817
Underprovision in prior years	**817**	–
Land appreciation tax	**–**	12,584
Tax effect of land appreciation tax deductible for tax purpose	**–**	(3,146)
Tax effect on deferred tax liabilities resulting from withholding tax on undistributed profits of subsidiaries	**5,051**	5,013
Tax effect of tax losses not recognised	**5,393**	22,819
Utilisation of tax losses previously not recognised	**(2,317)**	–
Taxation for the year	**60,360**	104,289

At the date of issue of the consolidated financial statements, Hong Kong Inland Revenue Department ("IRD") queried against a subsidiary of the Company regarding the chargeability of notional interest income received from an associate of the Group in the tax returns for the years of assessment 2005/06 to 2011/12. The IRD has issued estimated/additional assessments demanding final tax ("Assessments") to a subsidiary of the Company for the year of assessment 2006/2007 and 2007/2008. Up to 31 December 2014, the Group has purchased tax reserve certificates of approximately HK$73,000,000 (2013: HK$32,000,000) for conditional holdover order of objection against the notices of Assessments for the year of assessment 2006/2007 and 2007/2008 and the amount is presented as "other receivables" in the Group's consolidated statement of financial position. Having taken advices from legal counsel and tax representatives, the directors of the Company are of the view that there were ample grounds to contest the tax positions of the subsidiary of the Company for the relevant years of assessments and hence it is not probable that an outflow of resources will be required to settle this obligation and thus no provision is recognised.

Also, IRD queried against another subsidiary of the Company regarding the offshore income on the transactions between group entities in the tax returns for the year of assessment 2007/2008. Up to 31 December 2014, the Group has purchased tax reserve certificate of approximately HK$23,649,000 (2013: nil) for conditional holdover order of objection and the amount is presented as "other receivables" in the Group's consolidated statement of financial position. Having taken advices from legal counsel and tax representatives, the directors of the Company are of the view that there were ample grounds to contest the tax positions of the subsidiary of the Group for the relevant year of assessment and hence It is not probable that an outflow of resources will be required to settle this obligation and thus no provision is recognised.

12. DIVIDENDS

No dividends were paid, declared or proposed during both years.

The directors do not recommend the payment of a dividend in respect of the year ended 31 December 2014 (2013: nil).

13. EARNINGS (LOSS) PER SHARE

The calculation of the basic earnings (loss) per share attributable to the owners of the Company is based on the following data:

	2014	2013
	HK$'000	*HK$'000*
Earnings (loss) for the purpose of basic earnings (loss) per share, being profit (loss) for the year attributable to owners of the Company	**27,745**	(75,350)

	Number of shares	
	2014	2013
Number of shares for the purpose of basic earnings (loss) per share	**3,541,112,832**	3,541,112,832

No diluted earnings (loss) per share for the year ended 31 December 2014 and 31 December 2013 have been presented as there were no potential ordinary shares outstanding during both years.

14. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings	Hotel buildings	Building improvement	Furniture, fixtures and equipment	Motor vehicles	Property under construction	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
COST							
At 1 January 2013	90,512	–	–	47,222	18,047	357,931	513,712
Currency realignment	4,085	–	–	1,328	447	12,741	18,601
Additions	–	–	–	4,738	3,494	88,841	97,073
Disposals	–	–	–	(196)	(4,630)	–	(4,826)
At 1 January 2014	94,597	–	–	53,092	17,358	459,513	624,560
Currency realignment	(2,311)	1,036	777	(147)	(55)	(1,675)	(2,375)
Additions	1,387	–	–	6,647	251	18,963	27,248
Disposals	–	–	–	(344)	(1,350)	–	(1,694)
Transfer	–	272,485	204,316	–	–	(476,801)	–
Transfer from investment properties	93,788	–	–	–	–	–	93,788
At 31 December 2014	187,461	273,521	205,093	59,248	16,204	–	741,527
DEPRECIATION							
At 1 January 2013	49,134	–	–	38,807	13,718	–	101,659
Currency realignment	1,626	–	–	1,147	318	–	3,091
Provided for the year	4,163	–	–	3,256	1,632	–	9,051
Eliminated on disposals	–	–	–	(189)	(4,104)	–	(4,293)
At 1 January 2014	54,923	–	–	43,021	11,564	–	109,508
Currency realignment	(189)	20	52	(137)	(33)	–	(287)
Provided for the year	5,208	5,297	13,621	3,667	1,261	–	29,054
Eliminated on disposals	–	–	–	(311)	(1,265)	–	(1,576)
At 31 December 2014	59,942	5,317	13,673	46,240	11,527	–	136,699
CARRYING VALUES							
At 31 December 2014	127,519	268,204	191,420	13,008	4,677	–	604,828
At 31 December 2013	39,674	–	–	10,071	5,794	459,513	515,052

The carrying amount of the Group's leasehold land and buildings comprises properties situated in the PRC and held under long leases.

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

The above items of property, plant and equipment, except for property under construction, are depreciated on a straight-line basis after taking into account their estimated residual values, at the following rates per annum:

Leasehold land and buildings	Over the lease term and 20 years
Hotel buildings	Over the lease term and 20 years
Building improvement	20%
Furniture, fixtures and equipment	20% to 30%
Motor vehicles	20% to 30%

15. PREPAID LEASE PAYMENTS

	2014	2013
	HK$'000	*HK$'000*
The Group's prepaid lease payments comprise:		
Leasehold land outside Hong Kong held under long leases		
Non-current assets	**70,300**	71,936
Current assets	**1,362**	1,367
	71,662	73,303

16. INVESTMENT PROPERTIES

	Total
	HK$'000
FAIR VALUE	
At 1 January 2013	2,492,685
Exchange realignment	81,141
Increase in fair value of investment properties	121,554
At 1 January 2014	2,695,380
Exchange realignment	(10,091)
Increase in fair value of investment properties	41,667
Transfer to property, plant and equipment	(93,788)
At 31 December 2014	2,633,168
Unrealised gain on property revaluation included in profit or loss:	
For the year ended 31 December 2014	41,667
For the year ended 31 December 2013	121,554

During the year ended 31 December 2014, certain premises changed their uses as evidenced by the start of owner-occupation. The carrying amount of HK$93,788,000 (which is fair value at the date of transfer) is transferred from investment properties to property, plant and equipment.

16. INVESTMENT PROPERTIES (Continued)

The fair value of the completed investment properties at 31 December 2014 and 2013 have been arrived at on the basis of a valuation carried out on those dates by Messrs. DTZ, independent qualified professional valuers not connected with the Group, and are the members of The Hong Kong Institute of Surveyors.

The fair values of office and retail premises were determined based on the income approach, where the market rentals of all lettable units of the properties are assessed and discounted at the market yield expected by investors for this type of properties. The market rentals are assessed based on estimates of future cash flows, supported by the terms of existing lease and the market rentals of the similar properties in the neighbourhood. The capitalisation rate is determined by reference to the yields derived from analysing the sales transactions of similar commercial properties in Shenzhen and adjusted to take into account the market expectation from property investors to reflect factors specific to the Group's investment properties.

The fair value of carparks was determined based on direct comparison approach making reference to comparable market observable transactions of similar locations and conditions as available in the relevant market. There has been no change from the valuation technique used in the prior year.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

At the end of the reporting period, the management of the Group works closely with the independent qualified professional valuer to establish and determine the appropriate valuation techniques and inputs. Where there is a material change in the fair value of the assets, the causes of the fluctuations will be reported to the management of the Group.

The fair value of investment properties as disclosed below are determined (in particular, the valuation techniques and input used), as well as the fair value hierarchy in which the fair value measurements are categorised (Levels 1 to 3) of the based on the degree to which significant inputs used in the fair value measurement is observable.

There were no transfers into or out of Level 3 during both years.

16. INVESTMENT PROPERTIES (Continued)

Information about fair value measurements using significant unobservable input

The following table shows the valuation techniques used in the determination of fair values for investment properties and unobservable inputs used in the valuation models.

Description	Fair value	Fair value hierarchy	Valuation techniques	Unobservable inputs	Range of significant inputs	Relationship of inputs to fair value
	HK$'000					
As at 31 December 2014						
Office and retail premises	1,901,102	Level 3	Income capitalisation approach	(i) Capitalisation rate taking into account the capitalisation of rental income potential and nature of property	5% — 7.5%	The higher the capitalisation rate, the lower the fair value.
				(ii) Monthly market rent	(a) Office: RMB120 to RMB145 per month per square meter	The higher the market rent, the higher the fair value.
					(b) Retail: RMB90 to RMB170 per month per square meter	
Car parks	732,066	Lever 2	Direct comparison approach	(i) Market price	RMB80,000 to RMB170,000 per lot	The higher the market price the higher the fair value
	2,633,168					
As at 31 December 2013						
Office and retail premises	1,960,520	Level 3	Income capitalisation approach	(i) Capitalisation rate taking into account the capitalisation of rental income potential and nature of property	5% — 7.5%	The higher the capitalisation rate, the lower the fair value.
				(ii) Monthly market rent	(a) Office: RMB117 to RMB143 per month per square meter	The higher the market rent, the higher the fair value.
					(b) Retail: RMB90 to RMB170 per month per square meter	
Car parks	734,860	Lever 2	Direct comparison approach	(i) Market price	RMB80,000 to RMB170,000 per lot	The higher the market price the higher the fair value
	2,695,380					

16. INVESTMENT PROPERTIES (Continued)

All of the Group's interests in leasehold land held under operating leases in respect of completed properties and buildings to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as completed investment properties.

The investment properties are held under long leases and are situated in the PRC.

At 31 December 2014, the Group's investment properties with a carrying value of HK$1,413,181,000 (2013: HK$1,381,679,000) were pledged to secure general banking facilities granted to the Group.

17. INTERESTS IN ASSOCIATES/AMOUNTS DUE FROM ASSOCIATES

	2014	2013
	HK$'000	*HK$'000*
Cost of unlisted investment in associates	**4**	4
Share of post-acquisition results and other comprehensive income	**(4)**	(4)
	–	–
Amounts due from associates (note)	**124,971**	106,997

Note: At 31 December 2014 and 2013, amounts due from associates were unsecured, interest-free and repayable on demand. Due to the construction process of the property project of RGAP as disclosed in note 19, the directors of the Company do not expect that the repayment will take place within twelve months from the end of the reporting period, and hence the amount is classified as a non-current asset.

Details of the Group's principal associates as at 31 December 2014 and 2013 are as follows:

Name of associate	Place of incorporation/ establishment and form of business structure	Principal place of operation	Percentage of equity interest attributable to the Group	Principal activities
Interest directly held by the Group				
Rockefeller Group Asia Pacific, Inc. ("RGAP")	The British Virgin Islands ("BVI") – limited liability company	Hong Kong	49%	Investment holding
Interests indirectly held by the Group through RGAP				
Shanghai Bund de Rockefeller Group Master Development Co., Ltd. ("Shanghai Rockefeller")	PRC — equity interest venture	PRC	44.57%*	Property development and property investment
Shanghai Rockbund Property Management Limited	PRC — limited liability company	PRC	44.57%*	Property management

* The percentage represented the effective interest in these entities by the Group.

17. INTERESTS IN ASSOCIATES/AMOUNTS DUE FROM ASSOCIATES (Continued)

The above table lists the associates of the Company which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other associates would, in the opinion of the directors, result in particulars of excessive length.

The summarised consolidated financial information (before adjustments for intercompany transactions) in respect of RGAP and its subsidiaries (collectively known as RGAP Group) is set out below:

	2014	2013
	HK$'000	*HK$'000*
Non-current assets	**5,121,811**	4,583,703
Current assets	**1,228,688**	636,951
Current liabilities	**(826,486)**	(1,717,078)
Long-term bank borrowings	**(1,988,479)**	–
Deferred tax liabilities	**(401,015)**	(426,652)
Amounts due to shareholders — due after one year	**(3,572,901)**	(3,221,074)
Net liabilities	**(438,382)**	(144,150)
Equity attributable to owners of RGAP	**(588,075)**	(293,843)
Non-controlling interests of RGAP's subsidiaries	**149,693**	149,693
	(438,382)	(144,150)
Group's share of net assets of associates	**–**	–
Revenue	**81,166**	49,134
Fair value loss in respect of investment properties	**(347,079)**	(598,220)
Administrative expenses	**(21,548)**	(37,404)
Tax credit	**3,096**	98,192
Loss for the year (note)	**(284,365)**	(488,298)
Other comprehensive expense for the year	**(9,867)**	(1,294)
Total comprehensive expenses for the year attributable to owners of RGAP	**(294,232)**	(489,592)
Group's share of losses of associates for the year	**(139,339)**	(239,266)
Group's share of other comprehensive expense of associate for the year	**(4,835)**	(634)
Total	**(144,174)**	(239,900)

Note: The loss for the year is mainly attributable to fair value loss of investment properties of HK$347,079,000 (2013: HK$598,220,000).

Reconciliation of the above summarised consolidated financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

	2014	2013
	HK$'000	*HK$'000*
Net liabilities of RGAP Group attributable to owners of RGAP	**(588,075)**	(293,843)
Proportion of the Group's ownership interest in RGAP Group	**49%**	49%
Carrying amount of the Group's interest in RGAP Group	**–**	–
Cumulative loss in excess of cost of investment in RGAP recognised against loan receivable	**(288,157)**	(143,983)

17. INTERESTS IN ASSOCIATES/AMOUNTS DUE FROM ASSOCIATES (Continued)

The main assets of RGAP Group are investment properties in the PRC. The following table shows the valuation techniques and inputs used in the determination of fair values for investment properties of associates as well as fair value hierarchy in which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which significant inputs used in the fair value measurement is observable.

Description	Fair value	Fair value hierarchy	Valuation Techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
	HK$'000					
As at 31 December 2014						
Investment properties under construction	2,608,365	Level 3	Residual approach	Market unit sales rate with an expected profit margin of 15%	Market unit sale rate: RMB100,000 to RMB120,000 per square meter	The higher the market unit sales rate, the higher the fair value.
Completed office and retail premises	2,352,345	Level 3	Income capitalisation approach	(i) Capitalisation rate	5.5% — 7%	The higher the capitalisation rate, the lower the fair value.
				(ii) Market rent	RMB250 – RMB1,200 per month per square meter	The higher the market rent, the higher the fair value.
	4,960,710					
As at 31 December 2013						
Investment properties under construction	2,167,939	Level 3	Residual approach	Market unit sales rate with an expected profit margin of 15%	Market unit sale rate: RMB99,000 to RMB120,000 per square meter	The higher the market unit sales rate, the higher the fair value.
Completed office and retail premises	2,328,244	Level 3	Income capitalisation approach	(i) Capitalisation rate	5.5% — 7%	The higher the capitalisation rate, the lower the fair value.
				(ii) Market rent	RMB240 – RMB1,200 per month per square meter	The higher the market rent, the higher the fair value.
	4,496,183					

17. INTERESTS IN ASSOCIATES/AMOUNTS DUE FROM ASSOCIATES (Continued)

The valuations of investment properties under construction were arrived at with adoption of the residual approach on the basis that they will be developed and completed in accordance with the latest development proposals and taking into account the construction costs that will be expended to complete the development to reflect the quality of the completed development.

There has been no change from the valuation technique used in prior year. In estimating the fair value of the properties, management of RGAP has taken the highest and best use of the properties into account.

18. AVAILABLE-FOR-SALE INVESTMENTS

	2014	2013
	HK$'000	*HK$'000*
Available-for-sale investments comprise:		
Unlisted equity securities in the PRC, at cost	**130,064**	119,491
Debentures, at fair value	**13,511**	13,511
Total	**143,575**	133,002

During the year ended 31 December 2014, the Group invested in two entities established in the PRC for a total consideration of HK$10,573,000 and classified as available-for-sale investments.

During the year ended 31 December 2013, the Group subscribed for approximately 8.1% of the enlarged equity interest in an entity established in the PRC for a consideration of RMB81,000,000 (equivalent to HK$103,053,000). Furthermore, the Group invested in another entity established in the PRC for a consideration of approximately RMB12,920,000 (equivalent to HK$16,438,000) during the year ended 31 December 2013 and classified such investment as available-for-sale investment.

The above unlisted equity investments are measured at cost less impairment at the end of the reporting period because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that their fair values cannot be measured reliably.

19. LOAN RECEIVABLE

	2014	2013
	HK$'000	*HK$'000*
Shareholder's loan receivable	**2,251,567**	2,251,567
Less: Share of loss and other comprehensive expenses of associate in excess of cost of investment	**(288,157)**	(143,983)
	1,963,410	2,107,584

19. LOAN RECEIVABLE (Continued)

The amount represents a shareholder's loan receivable from RGAP, an associate of the Group, for financing RGAP's property development and property investment project in Shanghai, which carries a 20% coupon interest rate per annum and forms part of the net investment in RGAP. As the loan receivable is considered as a net investment, the Group has recognised the share of loss of RGAP in excess of the cost of investment. The amount is carried at amortised cost based on the estimated future cash flows that are expected to be received by the Group as well as the estimated timing of such receipts. The loan receivable including principal and interest is unsecured and has no fixed repayment terms. The directors consider that the loan receivable will not be repayable within one year from the end of the reporting period, it is classified as non-current asset accordingly.

During the year ended 31 December 2014, the Group recognised an effective interest income of HK$303,737,000 (2013: HK$303,737,000) to profit or loss based on the effective interest rate of 15.87%.

The directors of the Company reassessed the recoverable amount of loan receivable (including the interest receivable from the loan receivable) taking into consideration the present value of the estimated future cash flows discounted at the loan's original effective interest rate. Accordingly, an impairment loss of HK$303,737,000 (2013: HK$303,737,000) is recognised in profit or loss during the year.

During the year ended 31 December 2014, after netting off with the interest income recognised by the Group of HK$303,737,000 (2013: HK$303,737,000), no impairment loss is recognised in the consolidated statement of profit or loss accordingly.

The directors of the Company have assessed the recoverability of the loan receivable of HK$1,963,410,000 (2013: HK$2,107,584,000) at 31 December 2014 and concluded that the amount will be fully recoverable.

20. STOCK OF PROPERTIES

	2014	2013
	HK$'000	*HK$'000*
Properties under development	**824,172**	742,129

Properties under development of HK$824,172,000 (2013: HK$742,129,000) represent the carrying value of the properties expected to be completed after one year from the end of the reporting period.

21. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2014 HK$'000	2013 HK$'000
Trade receivables	**7,662**	7,146
Interest receivables	**10,215**	7,436
Advances paid for investment projects (Note 1)	**–**	76,336
Amounts due from investee companies	**6,414**	8,210
Deposits in the brokers' houses (Note 2)	**134,648**	6,473
Other receivables, deposits and prepayments	**29,965**	36,986
	188,904	142,587

Notes:

1. In December 2012, the Group entered into a cooperative agreement with a company established in the PRC, an independent third party, for a proposed property development project in the PRC and advanced RMB90,000,000 to that company. The amount was secured by personal guarantees provided by six independent persons and bore interest at 2% per month. During the year ended 31 December 2013, RMB30,000,000 (equivalent to approximately HK$37,641,000) was refunded. During the year ended 31 December 2014, the remaining advance of RMB60,000,000 (equivalent to approximately HK$76,336,000) and interest accrued from this advance of HK$26,039,000 are settled by the counterparty.

2. Deposits in the brokers' houses are for securities trading purpose. The deposits are interest-free, have no maturity date and there is no restriction on withdrawal of the deposits.

The Group allows an average credit period ranging from 0 to 60 days to its customers. The following is an aged analysis of trade receivables presented based on invoice dates at the end of reporting period, which approximated the respective revenue recognition dates.

	2014 HK$'000	2013 HK$'000
Aged:		
0 to 60 days	**7,236**	6,211
61 to 180 days	**256**	561
Over 181 days	**170**	374
	7,662	7,146

Management closely monitors the credit quality of trade receivables and considers the trade and other receivables that are neither past due nor impaired to be of a good credit quality.

Included in the Group's trade receivables are debtors with aggregate carrying amount of HK$426,000 (2013: HK$935,000) which are past due at the reporting date for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances.

21. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

Aging of trade debtors which are past due but not impaired:

	2014	2013
	HK$'000	*HK$'000*
61–180 days	**256**	561
Over 181 days	**170**	374
	426	935

The Group has not provided fully for all receivables aged over 60 days based on the historical experience of the Group that receivables are past due but not impaired are generally recoverable.

22. ENTRUSTED LOANS RECEIVABLE

The balance represents entrusted loans receivable from numerous individuals who are independent third parties through a financial institution as entrustment agent amounting to approximately RMB32,033,000 (equivalent to HK$40,600,000) as at 31 December 2014 (2013: nil). The entrusted loans receivable are unsecured and repayable throughout the period of the entrusted loan arrangement until September 2015. The interest rate is fixed at 9.24% per annum, deducting the management fee of 0.5% per annum by the financial institution, insurance charges and other related fee.

The independent third parties are credit card customers of the entrusted bank and the aggregate loan amount that could be advanced to them is limited to the credit card limit of respective individuals. As at 31 December 2014, no entrusted loans receivable is past due or impaired. All the Group's entrusted loans receivable is denominated in RMB, which is the functional currency of the respective group companies.

23. INVESTMENTS HELD FOR TRADING

	2014	2013
	HK$'000	*HK$'000*
Investments held for trading, at fair value:		
— Equity securities listed in Hong Kong	**125,265**	125,277
— Equity securities listed in the PRC	**68,918**	–
— Senior notes listed overseas	**24,757**	19,635
	218,940	144,912

The fair value of the above listed equity securities and senior notes were determined based on the quoted market bid prices of the listed securities available on the relevant exchanges.

24. PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH

The Group's pledged bank deposits represent deposits pledged to banks to secure banking facilities granted to the Group and deposits pledged to a bank for issuance of banking guarantee provided to a contractor in respect of refurbishment in a property project. As at 31 December 2013, the deposits of HK$5,200,000 had been pledged to secure short-term bank loans and for a contractor in respect of refurbishment in a property project of the Group which is expected to be completed in 2014, and are therefore classified as current assets. The pledged bank deposits were released upon the repayment of the relevant bank borrowings and the completion of the property project by the contractor during the year ended 31 December 2014.

Bank balances and pledged bank deposits carry interest at prevailing market rates which range from 0.00% to 6.50% (2013: 0.00% to 6.42%) per annum at 31 December 2014.

At the end of the reporting period, the Group has the following bank balances denominated in foreign currencies of the relevant group entities:

	2014	2013
	HK$'000	*HK$'000*
Bank balances denominated in:		
United States dollars	**2,377**	85,641
HKD	**9,975**	11,273
RMB	**194,203**	818,444

25. TRADE PAYABLES, DEPOSITS RECEIVED AND ACCRUED CHARGES

	2014	2013
	HK$'000	*HK$'000*
Trade payables	**57,245**	115,788
Other payables for construction work	**293,092**	257,955
Deposits and receipts in advance for rental and management fee	**115,106**	105,495
Payroll payables	**19,724**	18,996
Other tax payables	**19,905**	20,872
Salaries payables and staff welfare payables	**37,886**	38,030
Other payables and accrued charges	**30,335**	28,402
	573,293	585,538

25. TRADE PAYABLES, DEPOSITS RECEIVED AND ACCRUED CHARGES (Continued)

The following is an aged analysis of trade payables, based on the invoice date, at the end of the reporting period:

	2014	2013
	HK$'000	*HK$'000*
Aged:		
0 to 90 days	**6,832**	24,221
91 to 180 days	**1,977**	1,182
181 to 360 days	**1,938**	45,974
Over 360 days	**46,498**	44,411
	57,245	115,788

26. BORROWINGS

	2014	2013
	HK$'000	*HK$'000*
Bank borrowings — secured	**62,068**	63,760
Bank borrowings — unsecured	**177,441**	216,285
	239,509	280,045
Carrying amount repayable:		
Within one year	**40,067**	39,424
More than one year but not exceeding two years	**40,859**	40,219
More than two years but not exceeding five years	**114,845**	125,492
More than five years	**43,738**	74,910
	239,509	280,045
Less: Amount classified as current liabilities	**(40,067)**	(39,424)
Amount due after one year and classified as non-current liabilities	**199,442**	240,621

At 31 December 2014, the bank borrowings carried interest at benchmark interest rate as stipulated by the People's Bank of China plus a certain percentage. The interest rates as at the end of the reporting period for these loans range from 5.90% to 7.55% (2013: 5.90% to 7.55%) per annum.

The unsecured bank borrowings are corporate guaranteed by Shenzhen Mangrove West Coast Property Development Co., Ltd. ("SMWC"), one of the subsidiaries of the Group.

27. DEFERRED TAXATION

	Revaluation on investment properties	Undistributed profits of subsidiaries	Total
	HK$'000	*HK$'000*	*HK$'000*
At 1 January 2013	272,626	28,404	301,030
Currency realignment	9,136	980	10,116
Charge to consolidated statement of profit or loss	30,388	5,013	35,401
At 31 December 2013	312,150	34,397	346,547
Currency realignment	(1,213)	(145)	(1,358)
Charge to consolidated statement of profit or loss	10,417	5,051	15,468
At 31 December 2014	321,354	39,303	360,657

At the end of the reporting period, the Group has estimated unused tax losses of HK$115,733,000 (2013: HK$103,429,000) available to offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams and such tax losses may be carried forward indefinitely.

Deferred taxation on undistributed profits of subsidiaries has been recognised taking into account the dividends to be distributed from profits earned by the subsidiaries in the PRC starting from 1 January 2008 under the New Law of the PRC that requires withholding tax with tax rate ranging from 5% to 10% upon the distribution of such profits to the shareholders. Deferred taxation has not been recognised in respect of certain undistributable retained profits earned by the subsidiaries in the PRC starting from 1 January 2008 amounting to HK$2,161,475,000 (2013: HK$2,131,931,000) as the directors are of the opinion that the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

28. SHARE CAPITAL

	Number of shares	Amount
		HK$'000
Shares of HK$0.10 each		
Authorised:		
At 1 January 2013, 31 December 2013 and 31 December 2014	6,000,000,000	600,000
Issued and fully paid:		
At 1 January 2013, 31 December 2013 and 31 December 2014	3,541,112,832	354,111

There was no movement in the Company's share capital for both years.

29. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 26, and equity attributable to owners of the Company, comprising issued share capital, reserves including retained earnings.

The directors of the Company review the capital structure on a semi-annual basis. As part of this review, the directors consider the cost of capital and the risks associates with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

30. FINANCIAL INSTRUMENTS

Categories of financial instruments

	2014	2013
	HK$'000	*HK$'000*
Financial assets		
Fair value through profit or loss Held for trading	**218,940**	144,912
Loans and receivables (including cash and cash equivalents)	**6,081,837**	6,509,025
Available-for-sale financial assets	**143,575**	133,002
Financial liabilities		
Amortised cost	**781,533**	802,809

Financial risk management objectives and policies

The Group's major financial instruments include available-for-sale investments, loan receivable, trade and other receivables, entrusted loans receivable, amounts due from associates, investments held for trading, pledged bank deposits, bank balance and cash, borrowings and trade payables and accrued charges. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Currency risk

Currency risk refers to the risk that movement in foreign currency exchange rate which will affect the Group's financial results and its cash flows. The management considers the Group is not exposed to significant foreign currency risk as majority of its transactions are denominated in RMB (the functional currency of the Group's major subsidiaries). There were certain bank balances are denominated in foreign currencies other than the functional currency of the relevant group entities, which expose the Group to foreign currency risk.

30. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

Currency risk (Continued)

Since the exchange rate of HK$ is pegged with USD, the Group does not expect any significant movements in USD/HK$ exchange rates. Therefore, the following sensitivity analysis does not include the effect between USD and HK$. The Group's sensitivity is based on 5% increase and decrease in the functional currency of the respective group entity against relevant foreign currencies and all other variables were held constant. 5% is the sensitivity rate used by management in the assessment of the reasonably possible change in foreign exchange rates.

At the end of the reporting period, the Group has the following financial assets denominated in foreign currencies of the relevant group entities:

	2014	2013
	HK$'000	*HK$'000*
Bank balances denominated in:		
United States dollars	**2,377**	85,641
HKD	**9,975**	11,273
RMB	**194,203**	818,444
Deposits in financial institutions denominated in:		
RMB	**131,023**	–

If foreign currency exchange rate had been 5% higher/lower and all other variables were held constant, the Group's profit after taxation for the year ended 31 December 2014 would increase/decrease by HK$16,760,000 (2013: loss after taxation would decrease/increase by HK$41,486,000). This is mainly attributable to the Group's exposure to foreign currency exchange rate on the bank balances.

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate loan receivable from an associate and, advance paid for investee projects and cash flow interest rate risk in relation to bank balances and pledged bank deposits at prevailing market rates and variable-rate bank borrowings. The Group currently does not have any policy on cash flow hedges of interest rate risk. However, the management monitors interest rate exposure and will consider hedging significant interest rate risk should the need arise.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to cash flow interest rate risk for financial instruments at the end of the reporting period. For variable-rate financial instruments, the analysis is prepared assuming the stipulated changes taking place at the beginning of the financial year and held constant throughout the reporting period. A 50 basis points increase or decrease is used which represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit after taxation for the year ended 31 December 2014 would increase/decrease by HK$13,005,000 (2013: loss after taxation would decrease/increase by HK$12,750,000). This is mainly attributable to the Group's exposure to interest rates on its interest bearing bank balances, pledge bank deposits and variable-rate bank borrowings in the PRC.

30. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

Other price risk

The Group is exposed to equity price risk through its investments in listed equity securities and listed senior notes. The Group has concentration risk on its investments held for trading which were mainly investments in the resources and insurance sector and has equity price risk on equity instruments quoted in the Stock Exchange and the Shanghai Stock Exchange. The Group has a team to monitor the price risk and will consider hedging the risk exposure should the need arise.

The sensitivity analyses below have been determined based on the exposure to equity price risks.

If the prices of the respective equity instruments had been 10% higher/lower, profit after taxation for the year ended 31 December 2013 increase/decrease by HK$18,281,000 (2013: loss after taxation would decrease/increase HK$12,100,000) as a result of the changes in fair value of investments held for trading.

Credit risk

As at 31 December 2014, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees issued by the Group arising from:

- the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position; and

- the amount of contingent liabilities disclosed in note 34.

As at 31 December 2014, deposits in brokers' houses amounting to HK$131,023,000 (2013: nil) were made to a single broker house. The counterparty has high credit-ratings assigned by international credit-rating agencies. In this regard, the directors of the Company consider the credit risk on deposits in brokers' houses is significantly reduced.

As at 31 December 2013, the Group has HK$76,336,000 receivable from an independent third party during the year as disclosed in note 21, such advance was interest bearing at 2% per month if the counterparties fails to submit feasibility study to the Group and secured by personal guarantees provided by six independent persons who were assessed to be creditworthy by the management of the Group.

In order to minimise the credit risk on entrusted loans receivable, the management of the Group set up criteria to the financial institution (such as the customers with no history of default payment). The customers of the financial institution should meet these criteria before they are granted such loan. Also, management of the Group purchased insurance so as to secure the entire principal amount of entrusted loans receivable. In this regard, the directors of the Company consider the credit risk on entrusted loans receivable is significantly reduced. There is no concentration risk on entrusted loans receivable as the receivables consist of numerous customers.

30. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk (Continued)

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade and other receivables, advances to independent third parties at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In respect of loan receivable and amounts due from associates, the management has regularly reviewed the development status of the property development and property investment project of the associates and the expected market price and the rental income of the properties. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because majority of the counterparties are banks with high credit-ratings assigned by international credit-rating agencies and state-owned banks with good reputation.

Other than concentration of credit risk on advances to independent third parties and deposits to financial institutions as disclosed above, loan receivable and amounts due from associates, the Group does not have any other significant concentration of credit risk.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The Group relies on sale of properties and borrowings as a source of liquidity.

The following table details the Group's remaining contractual maturity for its financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	Weighted average interest rate	On demand or less than 1 month	1 month to 1 year	1 to 5 years	Over 5 years	Total undiscounted cash flows	Carrying amount at 31.12.2014
	%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
2014							
Trade payables and accrued charges	–	198,519	343,505	–	–	542,024	542,024
Financial guarantees (Note)	–	48,539	–	–	–	48,539	–
Borrowings	6.07	5,697	62,669	221,338	88,192	377,896	239,509
		252,755	406,174	221,338	88,192	968,459	781,533

30. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

	Weighted average interest rate	On demand or less than 1 month	1 month to 1 year	1 to 5 years	Over 5 years	Total undiscounted cash flows	Carrying amount at 31.12.2013
	%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
2013							
Trade payables and accrued charges	–	167,156	355,608	–	–	522,764	522,764
Financial guarantees (Note)	–	59,034	–	–	–	59,034	–
Borrowings	6.05	4,697	51,666	209,617	97,138	363,118	280,045
		230,887	407,274	209,617	97,138	944,916	802,809

Note: The amounts included above for financial guarantee contracts were the maximum amounts the Group could be required to settle under the arrangement for the full guaranteed amount if the mortgage loans are defaulted by the counter parties. Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that no amount will be payable under that arrangement. However, this estimate is subject to change depending on the probability of the counter parties would default on the relevant loans under the guarantee which is a function of the likelihood that the financial receivables held by banks which are guaranteed suffer credit losses. Details refer to note 34.

Fair value measurements of financial instruments

This note provides information about how the Group determines fair values of various financial assets.

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

Financial assets	**Fair value as at 31.12.2014**	31.12.2013	**Fair value hierarchy**	**Valuation technique(s) and key input(s)**
Investment in listed equity securities held for trading	**HK$194,060,000**	HK$125,277,000	Level 1	Quoted bid prices in an active market
Investment senior notes listed overseas	**HK$24,757,000**	HK$19,635,000	Level 2	Recent transaction prices

30. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Fair value measurements of financial instruments (Continued)

There were no transfers between Level 1 and 2 during both years.

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

The management of the Group estimates the fair value of its financial assets and financial liabilities measured at amortised cost using the discounted cash flows analysis.

The management of the Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated statement of financial position approximate their fair values.

31. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with its associates during the year.

Name of related party	Nature of transaction	2014 HK$'000	2013 HK$'000
Shanghai Rockefeller	Project management fee income	**26,195**	26,195

The key management personnel are the directors and the five highest paid individuals of the Company. The details of the remuneration paid to them are set out in note 10.

32. SHARE OPTIONS

The Company's share option scheme was adopted pursuant to the resolutions passed on 24 May 2002 (the "2002 Share Option Scheme") for providing incentives to directors and eligible employees. The 2002 Share Option Scheme expired on 23 May 2012. Under the 2002 Share Option Scheme, the board of directors of the Company may grant options to eligible employees, including executive directors of the Company, any of its subsidiaries, to subscribe for shares in the Company.

During both years, no options were granted, exercised or cancelled under the 2002 Share Option Scheme.

A new share option scheme was adopted by shareholders of the Company on 17 May 2012 (the "2012 Share Option Scheme"), under which the board of directors may, at its discretion, offer any employee (including any executive director) of the Company or its subsidiaries options to subscribe for shares in the Company subject to the terms and conditions stipulated therein. The 2012 Share Option Scheme has a life of 10 years and no options were granted since the date of its adoption.

33. RETIREMENT BENEFITS SCHEMES

The Group's subsidiaries operating in the PRC have participated in defined contribution retirement schemes organised by the relevant local government authorities in the PRC. All PRC employees are entitled to an annual pension equal to a fixed portion of their basic salaries at their retirement dates. The Group is required to make specific contributions to the retirement schemes at a rate of 7 to 25 percent of basic salary of its PRC employees and have no further obligation for post-retirement benefits beyond the annual contributions made.

The Group has joined a Mandatory Provident Funds ("MPF") Scheme for all its non-PRC employees. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. The retirement benefits scheme contributions arising from the MPF Scheme charged to the consolidated statement of profit or loss represent contributions payable to the funds by the Group at rates specified in the rules of the scheme.

During the year, the Group made contributions to the retirement benefits schemes amounting to HK$10,013,000 (2013: HK$5,662,000).

34. CONTINGENT LIABILITIES

	2014	2013
	HK$'000	*HK$'000*
Guarantees given to banks for the mortgage loans arranged for the purchasers of the Group's properties	**48,539**	59,034

No financial liabilities were recorded as, in the opinion of the directors, the fair values of the financial guarantee contracts at initial recognition and at the end of reporting period were not significant during both years and it is not probable that the counter parties would default on the relevant loans.

35. COMMITMENTS

	2014	2013
	HK$'000	*HK$'000*
Capital commitments in respect of properties under constructions:		
— contracted for but not provided in the consolidated financial statements	**15,177**	45,517
— authorised but not contracted for	**27,848**	226,556
Commitments in respect of properties under development:		
— contracted for but not provided in the consolidated financial statements	**121,515**	170,806

36. OPERATING LEASE COMMITMENTS

The Group as lessor

At the end of the reporting period, the Group had contracted with tenants for future minimum lease receipts in respect of land and buildings under non-cancellable operating leases which fall due as follows:

	2014	2013
	HK$'000	*HK$'000*
Within one year	**102,045**	84,809
In the second to fifth year inclusive	**144,538**	161,312
Over five years	**1,646**	45,062
	248,229	291,183

The properties held have committed tenants for periods up to ten years after the end of the reporting period.

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments in respect of land and buildings under non-cancellable operating leases which fall due as follows:

	2014	2013
	HK$'000	*HK$'000*
Within one year	**6,417**	2,176
In the second to fifth years inclusive	**7,435**	317
	13,852	2,493

Operating lease payments represent rental payable by the Group for certain of its office properties.

Leases are negotiated for terms ranging from one to two years.

37. PLEDGE OF ASSETS

At 31 December 2014, bank deposits of HK$661,000 (2013: HK$5,866,000) and investment properties with an aggregate carrying amount of HK$1,413,181,000 (2013: HK$1,381,679,000) were pledged to banks to secure general banking facilities granted to the Group.

38. MAJOR NON-CASH TRANSACTIONS

As at year end, the Group acquired property, plant and equipment and investment properties amounting to HK$147,254,000 (2013: HK$92,921,000) and HK$145,838,000 (2013: HK$165,034,000) respectively which remained unsettled and were included in other payables for construction work as disclosed in note 24, respectively.

During the year ended 31 December 2014, investment properties with the aggregate carrying amount of HK$93,788,000 was transferred to property, plant and equipment upon commencement of own use as offices.

39. LIST OF SUBSIDIARIES

Details of the Company's subsidiaries at 31 December 2014 and 2013 are as follows:

Name of subsidiary	Place of incorporation/ establishment	Issued and fully paid up share capital/ registered capital	Attributable proportion of nominal value of issued/registered capital held by the Company Directly	Indirectly	Principal activities
Cnhooray Internet Technology Co., Ltd. ("Cnhooray Internet") 深圳日訊網絡科技股份有限公司	PRC — Sino-foreign equity joint venture	RMB40,000,000	–	80%	Consultancy services in relation to information, multimedia and communication technologies
Ease Win International Limited	BVI	US$1	100%	–	Investment holding
Firstline Investment Limited	BVI	US$1	–	100%	Investment holding
Global Mark Investments Limited	BVI	US$1	–	100%	Investment holding
Hu Qiu Investments Management Limited#	BVI	US$100	–	60%	Investment holding
Knatwood Limited	BVI	US$1	–	100%	Investment holding
Link Capital Investments Limited	BVI	US$50,000	–	100%	Investment holding
Mei Long Investments Limited	Hong Kong	HK$1	–	100%	Investment holding
Moreluck Enterprises Limited	BVI	US$1	100%	–	Investment holding
Ocean Diamond Limited	BVI	US$50,000	–	100%	Investment holding
Real Achieve Limited	BVI	US$1	100%	–	Investment holding
Shanghai Sinolink Xijiao Property Development Co., Ltd. ("Shanghai Sinolink Xijiao") 上海百仕達西郊地產發展有限公司	PRC — Limited company	RMB190,000,000	–	80%	Property development
上海百仕達蘇河灣地產發展有限公司 (“百仕達蘇河灣”)	PRC — Limited company	RMB5,000,000	–	80%	Property development
深圳市百仕達置地有限公司 (“百仕達置地”)	PRC — Limited company	RMB10,000,000	–	80%	Property development

39. LIST OF SUBSIDIARIES (Continued)

Details of the Company's subsidiaries at 31 December 2014 and 2013 are as follows: (Continued)

Name of subsidiary	Place of incorporation/ establishment	Issued and fully paid up share capital/ registered capital	Attributable proportion of nominal value of issued/registered capital held by the Company		Principal activities
			Directly	Indirectly	
Shenzhen Mangrove West Coast Property Development Co., Ltd. ("SMWC") 深圳紅樹西岸地產發展有限公司	PRC — Sino-foreign equity joint venture	RMB200,000,000	–	87%	Property development
深圳百仕達商業管理有限公司 (“百仕達商業”)	PRC — Limited company	RMB1,000,000	–	80%	Property management
深圳百仕達酒店管理有限公司 (“百仕達酒店管理”)	PRC — Limited company	RMB1,000,000	–	80%	Property management
Shenzhen Sinolink Property Management Co., Ltd. ("Sinolink Management") 深圳百仕達物業管理有限公司	PRC — Limited company	RMB5,000,000	–	80%	Property management
Sino Elegance Investment Holdings Limited 源品投資控股有限公司	Hong Kong	HK$1	–	100%	Investment holding
Sino Support Holdings Limited 漢承控股有限公司	BVI	USD3,000	100%	–	Investment holding
Sinolink Assets Management Limited	BVI	US$2	100%	–	Investment holding
Sinolink LPG Development Limited	BVI	US$1	–	100%	Investment holding
Sinolink Petrochemical Investment Limited	BVI	US$1	–	100%	Investment holding

39. LIST OF SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ establishment	Issued and fully paid up share capital/ registered capital	Attributable proportion of nominal value of issued/registered capital held by the Company Directly	Indirectly	Principal activities
Sinolink Progressive Limited	BVI	US$47,207	100%	–	Investment holding
Sinolink Properties Agent Limited 百仕達物業代理有限公司	Hong Kong	HK$10,000	–	100%	Dormant
Sinolink Properties Limited ("Sinolink Properties") 百仕達地產有限公司	PRC – Foreign equity joint venture	RMB375,000,000	–	80%	Property development and property investment
Sinolink Shanghai Investments Ltd.	BVI	US$1	100%	–	Investment holding
Sinolink Worldwide (HK) Company Limited 香港百仕達有限公司	Hong Kong	HK$10,000,000	–	100%	Investment holding
Smart Orient Investments Limited	BVI	US$1	100%	–	Investment holding
Timeway Holdings Limited	Hong Kong	HK$10,000	100%	–	Investment holding
Winner Idea Limited#	BVI	US$1	100%	–	Investment holding

These subsidiaries are newly incorporated during the year ended 31 December 2014.

Except for the investment holding companies or dormant companies which have no definite place of operation, all the above subsidiaries operate principally in their respective place of incorporation/ establishment.

None of the subsidiaries had issued any debt securities at the end of the year.

39. LIST OF SUBSIDIARIES (Continued)

A majority of these subsidiaries operate in property development and property management in the PRC. The principal activities of these subsidiaries are summarised as follows:

Principal activities	Principal place of business	Number of subsidiaries 2014	Number of subsidiaries 2013
Property development	PRC, Shenzhen	**3**	3
	PRC, Shanghai	**2**	2
Property management	PRC, Shenzhen	**3**	3
Property investment	PRC, Shenzhen	**1**	1
		9	9

The table below shows details of non-wholly-owned subsidiaries of the Group that has material non-controlling interests:

Name of subsidiaries	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Profit (loss) allocated to non-controlling interests		Accumulated non-controlling interests	
		2014	2013	**2014**	2013	**2014**	2013
				HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Sinolink Properties and its subsidiaries (note)	Hong Kong/PRC	**20%**	20%	**32,131**	49,655	**987,567**	958,450
Cnhooray Internet	PRC	**20%**	20%	**1,725**	2,642	**112,207**	110,897
				33,856	52,297	**1,099,774**	1,069,347

Note: The subsidiaries of Sinolink Properties include Shanghai Sinolink Xijiao, 百仕達蘇河灣, 百仕達置地, 百仕達商業, 百仕達酒店管理 and Sinolink Management.

39. LIST OF SUBSIDIARIES (Continued)

Summarised consolidated financial information for the years ended 31 December 2014 and 2013 in respect of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

Sinolink Properties and its subsidiaries

	2014	2013
	HK$'000	*HK$'000*
Non-current assets	**3,305,495**	3,282,362
Current assets	**4,438,966**	3,707,567
Non-current liabilities	**(560,099)**	(587,168)
Current liabilities	**(2,270,688)**	(1,637,607)
Total equity	**4,913,674**	4,765,154
Equity attributable to the Company	**3,926,107**	3,806,704
Non-controlling interests	**987,567**	958,450
	4,913,674	4,765,154
Revenue	**287,618**	335,052
Fair value adjustment of investment properties	**41,667**	121,554
Other income	**123,829**	123,526
Expenses	**(287,949)**	(333,707)
Profit for the year	**165,165**	246,425
Other comprehensive (expense) income for the year	**(16,645)**	124,129
Total comprehensive income for the year	**148,520**	370,554
Profit for the year attributable to		
— the owners of the Company	**133,034**	196,770
— non-controlling interests (note)	**32,131**	49,655
Profit for the year	**165,165**	246,425
Other comprehensive (expense) income for the year attributable to		
— the owners of the Company	**(13,631)**	99,117
— non-controlling interests (note)	**(3,014)**	25,012
Other comprehensive income for the year	**(16,645)**	124,129
Total comprehensive income for the year attributable to		
— the owners of the Company	**119,403**	295,887
— non-controlling interests (note)	**29,117**	74,667
Total comprehensive income for the year	**148,520**	370,554

Note: The amount of non-controlling interests included 13% effective interest of SMWC. SMWC is 65% owned by Sinolink Properties and 35% owned by other group entities, which are wholly-owned by the Group.

39. LIST OF SUBSIDIARIES (Continued)
Sinolink Properties and its subsidiaries (Continued)

	2014	2013
	HK$'000	*HK$'000*
Net cash inflow from operating activities	**115,948**	401,796
Net cash inflow from investing activities	**89,058**	32,367
Net cash outflow from financing activities	**(223,763)**	(197,977)
Net cash (outflow) inflow	**(18,757)**	236,186
Dividend paid to non-controlling interests of Sinolink Properties	**–**	25,073

39. LIST OF SUBSIDIARIES (Continued)
Cnhooray Internet

	2014 HK$'000	2013 HK$'000
Non-current assets	**119,108**	134,864
Current assets	**570,687**	556,304
Current liabilities	**(128,760)**	(136,683)
Total equity	**561,035**	554,485
Equity attributable to the owners of the Company	**448,828**	443,588
Non-controlling interests	**112,207**	110,897
	561,035	554,485
Other income	**13,725**	25,203
Expenses	**(5,100)**	(11,993)
Profit for the year	**8,625**	13,210
Other comprehensive (expense) income for the year	**(2,075)**	17,530
Total comprehensive income for the year	**6,550**	30,740
Profit for the year attributable to		
— the owners of the Company	**6,900**	10,568
— non-controlling interests	**1,725**	2,642
Profit for the year	**8,625**	13,210
Other comprehensive (expense) income for the year attributable to		
— the owners of the Company	**(1,660)**	14,024
— non-controlling interests	**(415)**	3,506
Other comprehensive (expense) income for the year	**(2,075)**	17,530
Total comprehensive income for the year attributable to		
— the owners of the Company	**5,240**	24,592
— non-controlling interests	**1,310**	6,148
Total comprehensive expenses for the year	**6,550**	30,740
Net cash outflow from operating activities	**(9,503)**	(10,657)
Net cash inflow (outflow) from investing activities	**13,550**	(115,142)
Net cash (outflow) inflow from financing activities	**(171,116)**	51,655
Net cash outflow	**(167,069)**	(74,144)

40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2014	2013
	HK$'000	*HK$'000*
Assets		
Plant and equipment	**129**	186
Unlisted investments in subsidiaries	**614,507**	614,507
Amounts due from subsidiaries	**4,540,713**	4,380,463
Available-for-sale investments	**12,500**	12,500
Other receivables, deposits and prepayments	**5,457**	9,593
Investments held for trading	**44,370**	40,338
Bank balances and cash	**11,122**	95,776
	5,228,798	5,153,363
Liabilities		
Other payables and accrued charges	**172**	658
Amounts due to subsidiaries	**2,125,011**	2,041,626
	2,125,183	2,042,284
Total assets less total liabilities	**3,103,615**	3,111,079
Capital and reserves		
Share capital	**354,111**	354,111
Reserves (Note)	**2,749,504**	2,756,968
Total equity	**3,103,615**	3,111,079

Note:

Reserves

	Share premium	**Contributed surplus**	**Other reserves**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2013	1,824,979	572,174	370,340	2,767,493
Loss for the year	–	–	(10,525)	(10,525)
At 1 January 2014	1,824,979	572,174	359,815	2,756,968
Loss for the year	–	–	(7,464)	(7,464)
At 31 December 2014	1,824,979	572,174	352,351	2,749,504

PARTICULARS OF MAJOR PROPERTIES

AT 31 DECEMBER 2014

PROPERTIES HELD FOR DEVELOPMENT/SALE

Description	Type of use	Effective GFA (M^2)	% held	Stage of completion	Anticipated completion
1. Land lot no. 240 of Xinjingzhen, Changning District, Shanghai	Residential	13,600	80%	Construction in progress	2015

PROPERTIES HELD FOR INVESTMENTS

Property	Type of use	GFA (M^2)	Effective % held
1. 518 car parks at Residence Club House Phase 1, Sinolink Garden Taining Road Luohu District Shenzhen	Car parks	16,500	80%
2. Unit Nos. 101,102 ad 103 Ancillary Building West District, Phase 4, Sinolink Garden Taining Road Luohu District Shenzhen	Commercial	20,232	80%
3. 4 lorry parking spaces and 1,070 car parks Phase 4, Sinolink Garden Taining Road Luohu District Shenzhen	Car parks	44,000	80%
4. 1,700 car parks at Residence Club House Mangrove West Coast Land lot no. T207-0026 Bin Hai Da Dao Bay Sha He Dong Road Nanshan District Shenzhen	Car parks	84,834	80%

PROPERTIES HELD FOR INVESTMENTS (Continued)

Property		Type of use	GFA (M^2)	Effective % held
5.	Levels 1 to 3 of commercial podium The Vi City, Phase 5 Sinolink Garden Taining Road Luohu District Shenzhen	Commercial	39,434	80%
6.	1,942 car parks The Vi City, Phase 5 Sinolink Garden Taining Road Luohu District Shenzhen	Car parks	72,381	80%
7.	Levels 26 to 33 of office portion and 115 car parks Sinolink Tower Taining Road Luohu District Shenzhen	Commercial and car parks	20,075	80%

FINANCIAL SUMMARY

FOR THE YEAR ENDED 31 DECEMBER 2014

	For the year ended 31 December				
	2010	2011	2012	2013	**2014**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	***HK$'000***
RESULTS					
Turnover	1,280,936	349,166	314,569	348,840	**301,373**
Profit before taxation	901,217	611,787	508,271	81,236	**121,961**
Taxation	(262,283)	(159,733)	(150,233)	(104,289)	**(60,360)**
Profit (loss) for the year	638,934	452,054	358,038	(23,053)	**61,601**
Attributable to:					
Owners of the Company	560,317	375,172	289,243	(75,350)	**27,745**
Non-controlling interests	78,617	76,882	68,795	52,297	**33,856**
	638,934	452,054	358,038	(23,053)	**61,601**
	HK cents	*HK cents*	*HK cents*	*HK cents*	***HK cents***
Earnings (loss) per share					
Basic	15.81	10.59	8.17	(2.13)	**0.78**
Diluted	9.67	9.04	8.12	N/A	**N/A**

	As at 31 December				
	2010	2011	2012	2013	**2014**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	***HK$'000***
ASSETS AND LIABILITIES					
Total assets	10,435,384	10,069,702	10,569,158	10,853,564	**10,632,904**
Total liabilities	(2,959,383)	(1,900,504)	(2,066,607)	(2,230,223)	**(1,974,411)**
	7,476,001	8,169,198	8,502,551	8,623,341	**8,658,493**
Equity attributable to owners of the Company	6,626,096	7,199,733	7,488,946	7,553,994	**7,558,719**
Non-controlling interests	849,905	969,465	1,013,605	1,069,347	**1,099,774**
	7,476,001	8,169,198	8,502,551	8,623,341	**8,658,493**