CAPITAL JUDA

(Stock Code: 1329)

Annual Report

2015

BEIJING CAPITAL JUDA LIMITED
首創鉅大有限公司

(formerly known as Juda International Holdings Limited 鉅大國際控股有限公司)

(incorporated in the Cayman Islands with limited liability)

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Tang Jun *(Chairman)*
Mr. Zhong Beichen *(Chief Executive Officer)*

Non-Executive Directors

Mr. Wang Hao
Mr. Li Songping (Appointed on 26 February 2016)
Mr. Liu Xiaoguang (Resigned on 26 February 2016)

Independent Non-Executive Directors

Dr. Ngai Wai Fung
Prof. Zhao Yuhong
Prof. He Xiaofeng

AUDIT COMMITTEE

Dr. Ngai Wai Fung *(Chairman)*
Prof. Zhao Yuhong
Prof. He Xiaofeng

REMUNERATION COMMITTEE

Prof. Zhao Yuhong *(Chairman)*
Mr. Li Songping (Appointed on 26 February 2016)
Mr. Liu Xiaoguang (Resigned on 26 February 2016)
Dr. Ngai Wai Fung

NOMINATION COMMITTEE

Mr. Tang Jun *(Chairman)*
Dr. Ngai Wai Fung
Prof. Zhao Yuhong

STRATEGIC COMMITTEE

Mr. Wang Hao *(Chairman)*
Mr. Zhong Beichen
Prof. He Xiaofeng

COMPANY SECRETARY

Mr. Lee Sze Wai

AUTHORIZED REPRESENTATIVES

Mr. Zhong Beichen
Mr. Lee Sze Wai

AUDITORS

Ernst & Young

COMPLIANCE ADVISER

CMB International Capital Limited

LEGAL ADVISER

As to Hong Kong laws:

Norton Rose Fulbright Hong Kong

As to Cayman Island laws:

Conyers Dill & Pearman

As to PRC laws:

Beijing Jingtian & Gongcheng

REGISTERED OFFICE

Cricket Square Hutchins Drive P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

PRC PRINCIPAL PLACE OF BUSINESS

Building 18, No. 6 Langjiayuan,
Tonghuihe North Road, Chaoyang District,
Beijing, China

CORPORATE INFORMATION

HONG KONG PRINCIPAL PLACE OF BUSINESS

Suites 2906-08
AIA Central, 1 Connaught Road Central,
Hong Kong

PRINCIPAL BANKERS

China Construction Bank
Bank of Communications
The Hongkong and Shanghai Banking Corporation Limited
DBS Bank Ltd., Hong Kong Branch
Dah Sing Bank, Limited

CORPORATE WEBSITE

www.bcjuda.com

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Codan Trust Company (Cayman) Limited
Cricket Square Hutchins Drive P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 22 Hopwell Centre
183 Queen's Road East
Hong Kong

LISTING INFORMATION

Equity security listed on the Stock Exchange of Hong Kong

Ordinary share (1329.HK)

Debt security listed on the Stock Exchange of Hong Kong

RMB1,300,000,000 guaranteed notes due 2018 at the rate of 5.25% (85719.HK)

INVESTOR RELATIONS CONTACT

Email: contactus@bcjuda.com

MAJOR EVENTS OF THE YEAR

1 JANUARY

Completed the acquisition procedures of Xi'an First City project (deemed as newly listed), smoothly disposed its original chemical business, and successfully transformed its principal businesses into commercial project development and integrated operation with outlets shops as its core business

3 MARCH

More than 300 representatives of brands across the world gathered in Shanghai to attend the 2015 Capital Outlets Brand Ceremony (首創奧特萊斯品牌私享會), "MORE THAN SEEN 不止所見"

4 APRIL

The English name of the Company has changed from "Juda International Holdings Limited" to "Beijing Capital Juda Limited". The new name demonstrates the Company's brand-new corporate image and reflects the strategic synergies between the Company and its controlling shareholders

The official website of Capital Outlets (www.capitaloutlets.com) was launched

7 JULY

Successfully issued CNY1.3 billion 5.25 per cent Guaranteed Notes due 2018 and successfully completed its debut in the offshore capital market

Won the bid for a commercial land parcel of 130.48 mu in Chang leng Town, Xinjian County, Nanchang (南昌市新建縣長堎鎮), the first land parcel acquired independently by the Company for outlets projects pursuant to its investment and expansion strategies

"Capital Outlets" was awarded "The Golden Brick Award for Real Estate of China • 2015 Best China Innovative Commercial Real Estate Brand Award" issued by Boao • 21st Century Real Estate Forum (the 15th Annual Conference)

CAPITAL JUDA
首創鉅大

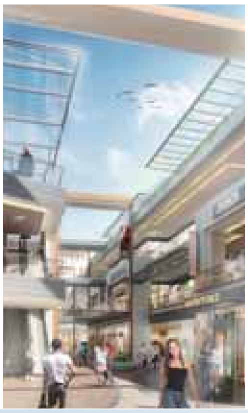
MAJOR EVENTS OF THE YEAR

9 SEPTEMBER

Won the bid for a commercial land parcel of 152.54 mu in Fuyang District, Hangzhou, and completed the strategic deployment of Yangtze River Delta region

Developed a cross-boundary business travel route for YOU GO with CYTS, which is characteristic of "shopping + travel + culture", and published Capital Outlets' first customized individual visit route, being "YOU GO's individual visit with 4 nights and 5 days in Sanya and Wanning", creating a brand-new lifestyle of cultural tourism and leisure and enriching the brand connotation of Capital Outlets

10 OCTOBER



Won the bid for a commercial land parcel of 135 mu in Wuhan East Lake High-tech Development Zone (武漢東湖新技術開發區), and completed the strategic deployment of Central China

Theme event of "Capital Outlets·CYTS Amazing Free YOU GO Color Run Night" – "MORE THAN FUN MORE THAN RUN" linked Fangshan of Beijing, Huzhou of Zhejiang and Wanning of Hainan with over 5,000 participants

11 NOVEMBER

Successfully invested in Capital Outlets Joyous Sky Avenue Project (歡樂天街項目) in Xiangjiang District, Changsha, and by powerful combination not only realizes strategic coverage of the target city Changsha but also achieves project management with minority interests and management service export for the first time, which created a new cooperation model for the Group's diversified size expansion

Capital Juda was honored for "China Employer • Best Benefits Practice Award" (中國好僱主•最佳福利實踐獎) of the 2015 4th China Human Resources Management Forum & China Employer Award Ceremony (2015(第四屆)中國人力資源管理論壇暨中國好僱主頒獎盛典)

12 DECEMBER

Entered into a strategic cooperation agreement with the internet financing platform BCFATIS (www.shoujins.com) under Capital Group for exploring a brand-new business model which combines online financing service with offline consumption

CHAIRMAN'S STATEMENT

Leveraging shareholder's strong background and its powerful support and taking advantage of red-chip listed platform, Capital Juda will achieve innovative development from global perspective to become the Largest Outlets Integrated Operator in China.

Mr. Tang Jun
Chairman

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board of directors (the "Board") of Beijing Capital Juda Limited ("Capital Juda" or the "Company", together with its subsidiaries collectively referred to as the "Group"), I hereby proudly present to you the annual results of the Group for the year ended 31 December 2015.

In January 2015, the Group completed the acquisition of Xi'an First City project and successfully disposed its original chemical business, transforming into a commercial project developer and integrated operator with outlets shops as its core business.

OUTLETS, also known as "Brand Direct-Sale Shopping Center", with its core concept "Brands + Affordable", collects a wide range of international and domestic well-known brands in order to bring consumers remarkable shopping experience for affordable luxury brands and promote a new leisure shopping way featuring smarter and more rational consumption. Riding on its operating features of "Top Brands, Low Prices, Good Environment and Considerate Service", outlets gains popularity among consumers and becomes a business format sweeping across the globe.

Since the opening of Beijing Yansha Outlets in 2002, with a significant improvement in brand concept and consuming capacity of domestic consumers, and through over a decade's cultivation and development, the domestic outlets currently is at its golden period of refining and rapid development. As a flagship platform of outlets under Beijing Capital Land Ltd. ("BCL", a controlling shareholder of the Company) and of the development and operation of commercial properties, Capital Juda has developed its strategic objective of "Becoming the Largest Outlets Integrated Operator in China" with reference to the international successful mode and by capturing the domestic market opportunities.

Adhering to the strategic objective of "Becoming the Largest Outlets Integrated Operator in China", the Group makes quick layout in key and hot cities in China, aiming at building up the largest chain platform for outlets in China, thereby, on one hand, delivering the domestic consumers with products of "Brands + Affordable", and on the other hand, providing a channel for brand owners to make layout for outlets in China. The Group can therefore link the consumers with brand owners to create a win-win situation for all parties through integrated operation.

During the period, the Group adopted both asset-heavy and asset-light strategies, and successively obtained the land of outlets' projects in four target cities, namely Nanchang, Hangzhou, Wuhan and Changsha. The Group has achieved projects management with minority interest and management service export through Changsha project, which laid a foundation for future rapid and diversified investment distribution.

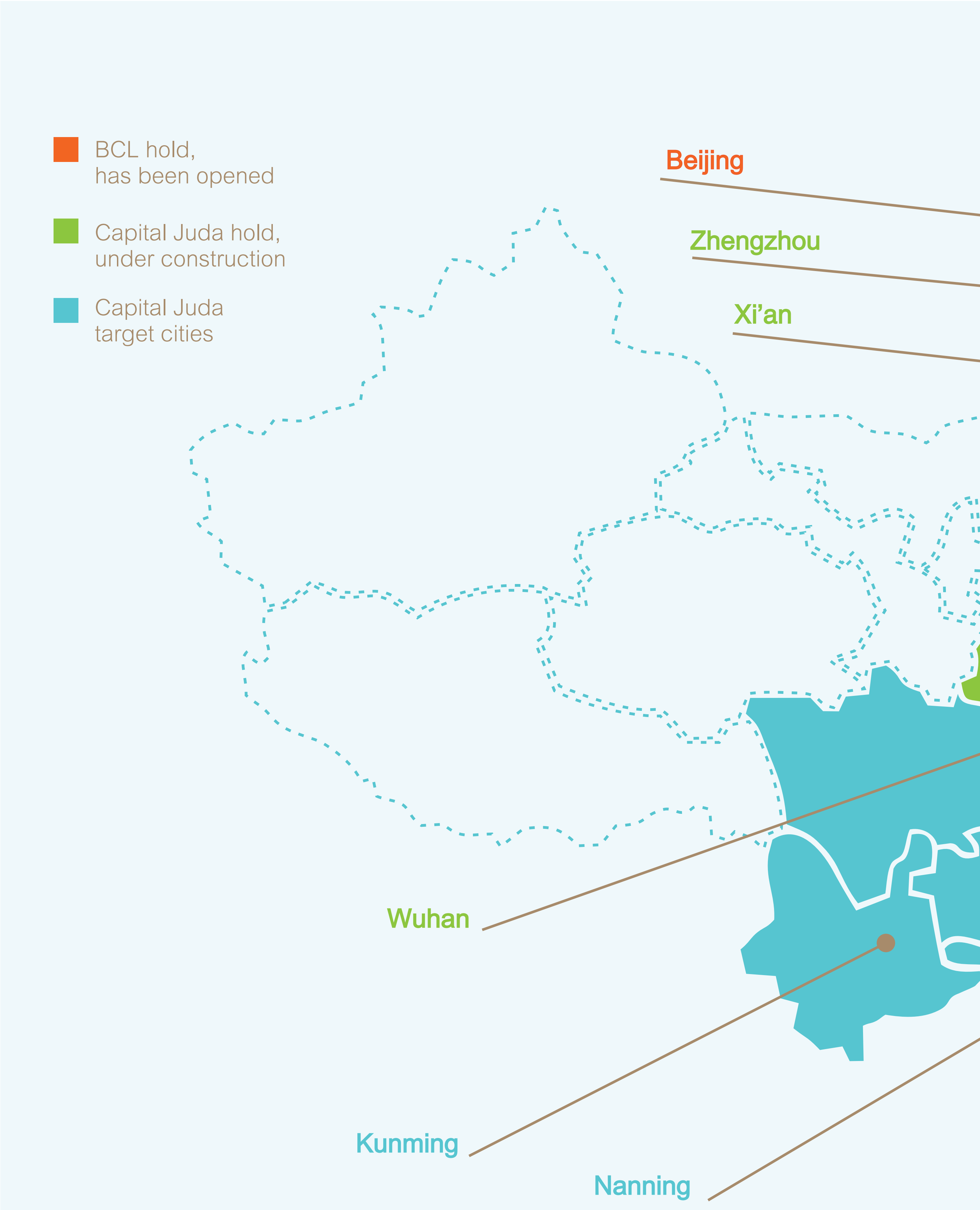
During the period, the Group successfully issued CNY1.3 billion 5.25 per cent Guaranteed Notes due 2018 in Hong Kong under the Keepwell Agreement and the Liquidity Support Undertaking provided by Beijing Capital Group Co., Ltd. ("Capital Group"), which symbolized the Group's success in tapping into the international capital market and provided sufficient capital support to increase its investment in, and to accelerate its strategic coverage in the target cities.

In 2016, with "Rapid Expansion and Lean Operation" as the theme of its annual strategy, the Group will fully capital on red-chip listed platform and further improve its core capital strengths by introduction of strategic partners. Furthermore, the Group will keep on making full use of its advantages in project site selection and further extend its reach to outlets market in target cities in a rapid manner to create its advantages in scale competitiveness through diversified strategies such as self-establishment, mergers and acquisitions and collaboration and in both asset-light and asset-heavy development modes. Meanwhile, with a pool of domestic and foreign outstanding business talents, the Group will build competitive stores under lean operation, and maintain a comprehensive improvement in the Company's overall business operating capability to achieve a coordinated development between expansion rate and operational efficiency.

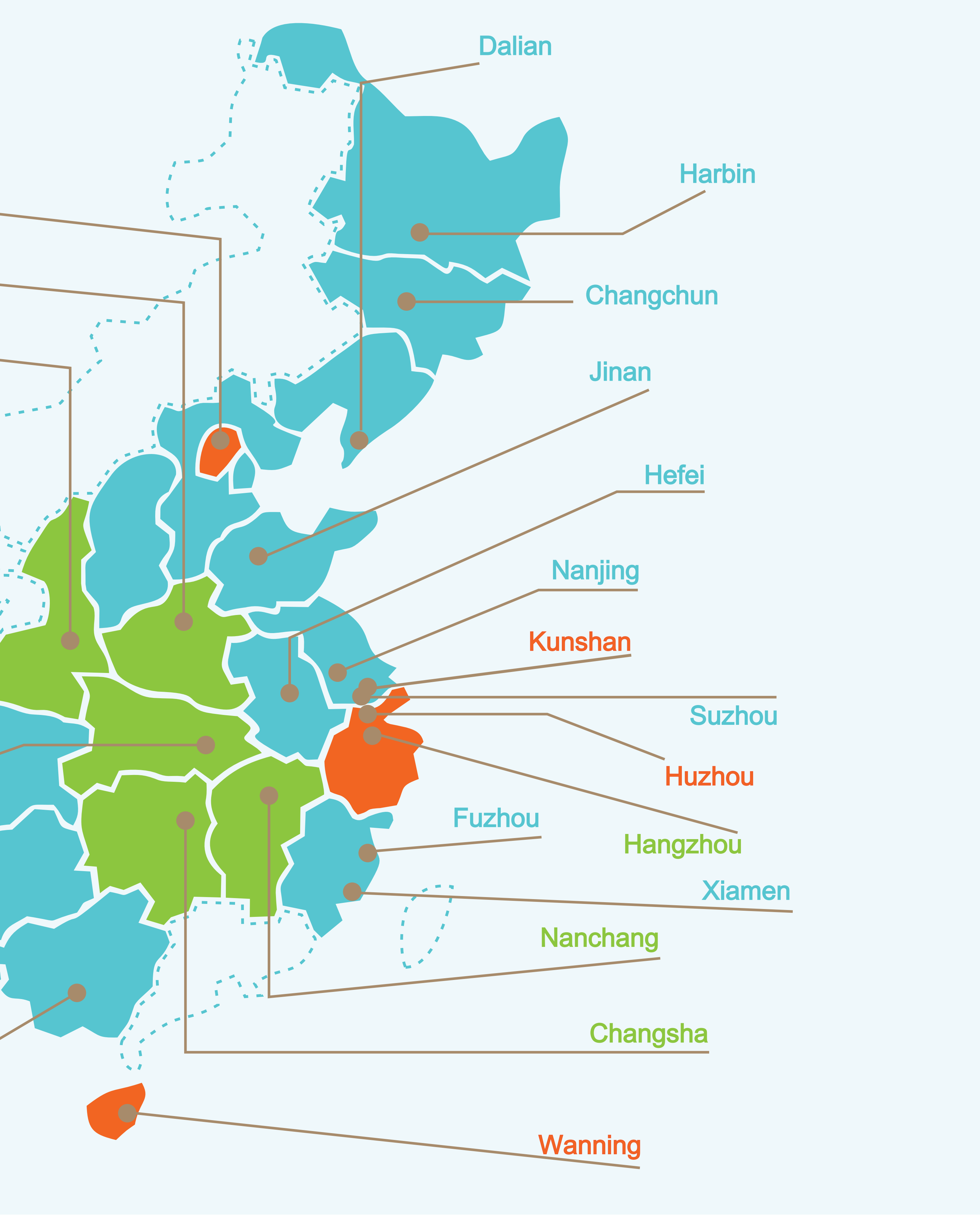
On behalf of the Board, I would like to extend my sincere gratitude to all shareholders, cooperative partners and clients for their concerns, support and help for Capital Juda. Taking "Passion, Reliability, Sharing, Happiness and Collaborative Innovation" as its cultural value, and in accordance with the established strategic objective of "Becoming the Largest Outlets Integrated Operator in China", Capital Juda is committed to enhancing its own unique competitive edges from global perspective through innovation and development so as to constantly create value for its shareholders.

Mr. Tang Jun
Chairman
Beijing, 18 March 2016

STRATEGIC MAP OF CAPITAL JUDA



STRATEGIC MAP OF CAPITAL JUDA



MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY REVIEW OF OUTLETS

In 2015, Chinese economy has transformed and stepped forward with a slow growth and gradually searched for bottom in adverse momentum. Growth rate recorded a new low in recent years with annual GDP of RMB67.7 trillion, representing a year-on-year growth of 6.9%. Whilst the slowdown in GDP growth, total sales of social commodities is still rising at a relatively high speed and reached RMB30.0 trillion in last year with a year-on-year growth of 10.7%. This represented that domestic consumer market is still in a fast development stage and the increase in purchasing power drives a strong demand in consumption upgrades.

During the period, leveraging the characteristics and advantages of cost effectiveness and decent experience, the renowned outlets stores have thrived and remained a speedy growth. According to the industry statistics, the sales volume of the TOP 20 outlets in China has exceeded RMB33 billion in 2015 with a year-on-year growth of 27% as compared to 2014.

Mr. Zhong Beichen
Chief Executive Officer

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Unequivocal objectives and clear path

With the strategic objective of "Being the Largest Outlets Integrated Operator in China", scale in priority and strictly compliance with location selection criteria, we have rapidly achieved our strategic coverage in target cities; meanwhile enhancing the integration capability of outlets business operation comprehensively with a view to facilitating efficiency.

Timely planning with a balanced development

Exerting the competitive advantages of the Group in project selection and acquisition, we have obtained four parcels of land in respect of outlets projects in Nanchang, Wuhan, Hangzhou and Changsha with a total planned gross floor area over 500,000 s.q.m. The Group owns 30% of Changsha outlet project and will be responsible for managing business operation after project completion in order to achieve project management with minority interests and management service export.

Capital Outlets Joyous Sky Avenue Project in Xiangjiang District of Changsha (effect picture)

MANAGEMENT DISCUSSION AND ANALYSIS

Investment Properties

Project Name	Approximate Site Area[note 1] (m²)	Total Gross Floor Area[note 2] (m²)	Property Type (m²)	Expected Time of Launching	Attributable Interest
Nanchang Capital Outlets (Xinjian County, Nanchang)	56,800	134,000	Outlets: 85,000, Parking space: 48,000	2017	100%
	30,200[note 3]	26,500	Cinema: 5,000, Supermarket: 8,000 Parking space: 13,500		
Hangzhou Capital Outlets (Fuyang District, Hangzhou)	101,700	152,500	Outlets: 130,500, Parking space: 22,000	2017	100%
Wuhan Capital Outlets (Wuhan East Lake High-tech Development Zone)	89,600	108,000	Outlets: 80,000, Parking space: 28,000	2017	99%
Changsha Capital Outlets Joyous Sky Avenue (Xiangjiang District, Changsha)	72,400	108,000	Outlets: 78,000, Parking space: 30,000	2017	30%

Development Properties

Project Name	Approximate Site Area (m²)	Unsold Gross Floor Area (m²)	Unsold Land Floor Area (m²)	Property Type	Attributable Interest
Xi'an First City (Xi'an Economic Technology Development Zone)	355,900	588,200	406,300	Residential/ Commercial/ Office Buildings	100%
Nanchang Capital Outlets (Xinjian County, Nanchang)	30,200[note 3]	32,000	32,000	Commercial	100%

Note 1: Approximate site area is based on State-owned Construction Land Use Right Grant Contract or Land Use Right Certificates;

Note 2: Total gross floor area is based on State-owned Construction Land Use Right Grant Contract and the project design plan;

Note 3: The site area of Land B in Nanchang Capital Outlets is 30,200 m², of which 26,500 m² is property investment and 32,000 m² of the gross floor area is development property.

Completion of first issuance in international capital market

Leveraging the strong shareholders' background and good credit record of Capital Group, the Group concluded a complete debut in offshore capital markets by successfully issuing a CNY1,300,000,000 5.25% guaranteed notes due 2018, which laid a sound foundation for further operations in capital markets in the future.

Continuously promote the branding influence of "Capital Outlets"

Continuously promote the branding influence of "Capital Outlets" with "MORE THAN SEEN 不止所見" Capital Outlets Brand Ceremony (首創奧特萊斯品牌私享會) as a window.

Effortfully build up a professional leasing team to cooperate with nearly 870 international and domestic brands in order to expand and deepen strategic branding cooperation and lay a foundation for chain operations of brands.

With nearly 500,000 stable and loyal members, an established all-round CRM management system, with a number of sub-modules covering decision support management, operation management, membership management, brand management, and marketing management, provides a base for precisely marketing and improving user experience.

Innovate and proactively explore a new operation model for online-offline outlets by establishing cross-border cooperation with Trends Group (時尚集團), COFCO Wo Mai Wang (中糧我買網) and Wanda Ffan (萬達飛凡).

Saleable properties contributed good results

During the period, Xi'an First City (西安首創國際城) Project achieved sales revenue of RMB690,246,000 and contributed net profit of RMB86,126,000, achieved contracts of approximately RMB582,000,000 and return in sales of RMB485,000,000, which contributed a sound cash flow support to the investment layout of the Group.

FINANCIAL REVIEW

The Group has successfully completed the acquisition of Xi'an First City properties and the disposal of chemical business in January 2015. Through such series of transactions, the Group has changed its principal business from the original chemical business to the development of outlets integrated property and commercial property projects in 17 selected cities of the PRC. As such, the below revenue and gross profit for the nine months ended 31 December 2014 are solely related to the discontinued chemical business whereas the profit and loss items for the same period are not comparable to the figures indicated for the period.

1. Revenue and Operating Results

The Group's consolidated revenue for the year ended 31 December 2015 amounted to RMB690,246,000 arising from the sales of commercial and residential properties. For the nine months ended 31 December 2014, the consolidated revenue amounted to RMB69,650,000 arising from the sales of chemical products. The gross profit margin for the year ended 31 December 2015 and the nine months ended 31 December 2014 were 20.6% and 2.8% respectively.

The Group recorded a consolidated net profits of RMB336,804,000 for the year ended 31 December 2015, which was mainly attributable to the gross profit from the sale of properties of RMB142,073,000, the recognition of bargain purchase in relation to the acquisition of 100% equity interest in Xi'an Capital Xin Kai Real Estate Ltd. ("Xin Kai") of RMB259,996,000 and the gain on disposal of discontinued operation of RMB19,465,000. For the nine months ended 31 December 2014, the Group recorded a consolidated net loss of RMB48,823,000 comprising loss from discontinued operation and loss from continuing operation of RMB13,556,000 and RMB35,267,000, respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

2. **Liquidity and Financial Resources**

During the period under review, the Group's liquidity remained on a healthy level and financial resources were also reasonably distributed. As at 31 December 2015, the Group's cash and cash equivalents amounted to approximately RMB1,637,356,000 (31 December 2014: approximately RMB145,707,000), of which approximately RMB1,443,129,000 (31 December 2014: RMB176,000) and approximately RMB194,227,000 (31 December 2014: approximately RMB145,531,000) were denominated in RMB and Hong Kong dollars ("HK$") respectively. The Group's restricted cash amounted to approximately RMB201,125,000 (31 December 2014: Nil). The majority of the Group's cash and cash equivalents and restricted cash are deposited with creditworthy banks with no recent history of default. Cash at banks generally earns interest at floating rates based on daily bank deposit rates. As at 31 December 2015, the Group's current ratio was 2.64 (31 December 2014: 1.46).

3. **Borrowings and Guaranteed Notes**

As at 31 December 2015, the Group had no interest-bearing bank borrowings (31 December 2014: approximately RMB12,070,000, due within one year, unsecured, denominated in HK$, with an effective interest rate of 3.38%–3.39% per annum).

As at 31 December 2015, the amortised cost of the Group's guaranteed notes was approximately RMB1,321,357,000 (31 December 2014: Nil), including current portion amounted to RMB28,438,000 and non-current portion amounted to RMB1,292,919,000.

On 23 July 2015, Rosy Capital Global Limited ("Rosy"), a wholly-owned subsidiary of the Company, the Company and Capital Group entered into the subscription agreement with The Hongkong and Shanghai Banking Corporation Limited, DBS Bank Ltd., Bank of China (Hong Kong) Limited, China Construction Bank Corporation, Singapore Branch and ABCI Capital Limited in connection with the proposed international offering of RMB1,300,000,000 guaranteed notes due 2018 at the rate of 5.25% per annum proposed to be issued by Rosy (the "Notes"). The issuance of the Notes has been completed on 30 July 2015 and the Notes have been listed for trading on the Stock Exchange of Hong Kong on 31 July 2015. Further details of the Notes are set out in the announcements dated 20, 24 and 30 July 2015.

As at 31 December 2015, the Group's net gearing ratio was negative of 26.0% (31 December 2014: negative of 125.8%), based on the division of net debt by total equity. Net debt includes total bank and other borrowings and guaranteed notes (including the current portion and the non-current portion), less cash and cash equivalents and restricted cash, and excludes the discontinued operation. This change of the net gearing ratio was primarily due to the increase in net debt as a result of Notes issuance in July 2015, the increase in total equity upon the completion of acquisition of Xin Kai in January 2015, and the payment of land cost and construction cost for the outlets projects in Nanchang, Wuhan and Hangzhou.

4. **Business Combination Under Common Control**

The Group acquired 100% interest in Beijing Jin Fu Long Ding Investment Management Limited and Beijing Wan An Jin Fu Investment Management Limited from a fellow subsidiary of the Company at cash consideration of approximately RMB220,000 and RMB74,000, respectively. Both of the acquirees are investment holding companies established in the PRC.

Since the Group and the above acquirees are all under the common control of BCL and that control is not transitory, the above transfers of equity interests are considered as common control combinations.

5. **Significant Investments and Acquisitions**

On 22 January 2015, the Group completed an acquisition of 100% equity interest in Xin Kai from Asian Expert Limited ("Asian Expert"). The principal activity of Xin Kai is the property development of Xi'an First City project. The acquisition was made as part of the Group's strategy to focus on property development. The consideration for the acquisition is approximately HK$1,963,400,000 which was settled in cash. For funding and settlement of the consideration, Get Thrive Limited ("GTL") and the Company entered into a conditional subscription agreement on 15 August 2014, under which GTL has subscribed for and the Company issued 738,130,482 convertible preference shares at an issue price of HK$2.66 per share on 22 January 2015. All proceeds arising from the issue of the convertible preference shares were used for the purpose of the consideration for the acquisition.

Shengfa Limited as the vendor (the "Vendor", a wholly-owned subsidiary of the Company, and Leadwin Asia Group Limited as the purchaser (the "Purchaser"), an independent third party, entered into the a sale and purchase agreement (the "Agreement") for the sale of all issued shares of Cheng Wang Limited ("Cheng Wang") and the shareholder's loan at a consideration of HK$182,000,000 on 3 December 2014. Cheng Wang is an investment holding company, which has two wholly-owned subsidiaries, Great Top Investment Limited ("Great Top"), and Nice World Chemical Industry (Xiamen) Co., Ltd.. Great Top is an investment holding company, while Nice World Chemical Industry (Xiamen) Co., Ltd engages in the production of phthalic anhydride (PA) and fumaric acid, which are intermediate chemicals mainly used in the industrial production of plasticisers and polyester resins. The transaction completed on 22 January 2015 and all of the conditions precedent under the Agreement had been fulfilled.

6. **Foreign Exchange Exposure**

Major subsidiaries of the Company operate in the PRC and all of the transactions are denominated in RMB. Currently, the Group does not use derivative financial instruments.

7. **Contingent Liabilities**

As at 31 December 2015, the Group had contingent liabilities relating to guarantees given to banks for mortgage loan facilities granted to purchasers of properties of approximately RMB1,781,593,000.

8. **Capital Commitments**

As at 31 December 2015, the Group had capital commitments relating to the committed outstanding construction costs for the properties under development of approximately RMB77,296,000, and had capital commitments relating to the committed outstanding construction costs for the investment properties under development of approximately RMB201,245,000.

As at 31 December 2015, the Group had capital commitments relating to the committed outstanding construction costs for the project of Xiangjiang Joy City Joyous Sky Avenue of approximately RMB83,300,000.

EMPLOYEE COSTS AND REMUNERATION POLICY

As of 31 December 2015, the Group had about 92 employees (as of 31 December 2014: 88). The remuneration policy and package of the Group's employees are structured in accordance to market condition, performance, qualification and experience of individual employees as well as statutory requirements where appropriate. In addition, the Group also provides other staff benefits such as pension scheme, medical insurance scheme, unemployment insurance scheme, housing provident fund, mandatory provident fund and share options to motivate and reward employees at all levels to achieve the Group's business performance targets.

MANAGEMENT DISCUSSION AND ANALYSIS

FUTURE DEVELOPMENT AND PROSPECTS

Under the backdrop of consumption upgrade, it is expected that outlets will still remain a trend of rapid development in 2016. Outlets in first-tier cities will continuously expand while the competition in the industry will become more intense and come up with features such as chain expansion and focus on popular cities. The ultimate competition will lie on the capabilities of outlets integrated operation, scale expansion as well as resources deployment and integration in respect of the dual core based on brand owner value and consumer experience.

In future, the Group will further make use of the advantages of capital operation flexibility on red-chip listing platform, connect international capital with business resources to explore global vision, proactively introduce strategic investors, enhance the Company's core capital strength and increase the capability in acquiring and integrating quality business resources;

Continuously adopt a strategy of "scale in priority and facilitating efficiency", further increase investment in target cities, strive to be the company with the greatest presence of outlets projects in China during 2016 and establish its leading position in industry scale;

Comprehensively promote the system of "site selection for projects – planning for industry landscape – brand portfolio – operating service" with the focus of accelerating introduction of key brands and expanding strategic branding alliance in order to enhance the capabilities of the Company in overall business operation and replication;

Proactively promote shareholdings among the management and key staff, enhancing professional teams building and ensure prompt and effective implementation of planned strategic targets;

Innovate business operation model for outlets online and offline via multi-channels with an aim of continuously improving brand owner value and consumer experience.

In closing, it is my very great privilege to extend my gratitude to my fellow Board members and all Capital Juda's staff for their as always tireless contribution and dedication to the Group's success.

Mr. Zhong Beichen
Chief Executive Officer

Beijing, 18 March 2016

BIOGRAPHICAL DETAILS OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. Tang Jun, aged 56, was appointed as an executive Director and Chairman of the Board and the chairman of the Nomination Committee of the Company on 21 December 2013. He is also the director of certain subsidiaries of the Company. Mr. Tang has worked for Beijing Municipal Planning and Development Commission (北京市發展計劃委員會) from June 1986 to July 1989 and the Beijing Composite Investments Company (北京市綜合投資公司) from July 1989 to October 1995. Mr. Tang was the general manager of Beijing Sunshine Real Estate Comprehensive Development Company (北京陽光房地產綜合開發公司) from October 1995 to May 2004. Mr. Tang also serves as the chairman of Yang Guang Co., Ltd. (陽光新業地產股份有限公司) (SZSE Stock Code: 000608) since October 1997, a director of Hua Yuan Co., Ltd. (華遠地產股份有限公司) (SHSE Stock Code: 600743) since October 2008 and an executive director and the president of Beijing Capital Land Ltd. (首創置業股份有限公司) ("BCL", a controlling shareholder of the Company, Stock Code: 2868. HK) since December 2002. Mr. Tang obtained his Bachelor of Construction Engineering degree from Hefei University of Technology in 1982.

Mr. Zhong Beichen, aged 41, was appointed as an executive Director and the Chief Executive Officer and a member of the Strategic Committee of the Company on 21 December 2013. He is also the director of certain subsidiaries of the Company. Mr. Zhong served as an architect of the Planning and Design Institute of the Department of Light Industry of the PRC (中國輕工業部規劃設計院) from July 1996 to May 2000. From September 2011 to December 2013, Mr. Zhong served as general manager of the Commercial Property Development Department of BCL and an assistant president of BCL from September 2011 to February 2012 and served as vice-president of BCL from March 2012 to December 2013. Mr. Zhong joined BCL in June 2000 and served as an architect of Beijing Sunshine Real Estate Comprehensive Development Company (北京陽光房地產綜合開發公司) from June 2000 to December 2002 and the deputy general manager of Beijing Anhua Shiji Real Estate Development Co., Ltd. (北京安華世紀房地產開發有限公司) and Beijing Sunshine City Real Estate Development Co., Ltd. (北京陽光城房地產有限公司) from January 2003 to December 2007. Mr. Zhong served as the general manager of the Product R&D Centre of BCL from January 2008 to August 2011 and the vice-president of Outlet Investment Management Co., Ltd. (奧特萊斯投資管理有限公司), from June 2010 to August 2011. Mr. Zhong obtained his Bachelor's degree in Architecture from Xiamen University in 1996.

BIOGRAPHICAL DETAILS OF DIRECTORS

NON-EXECUTIVE DIRECTORS

Mr. Wang Hao, aged 48, was appointed as a non-executive Director and the chairman of the Strategic Committee of the Company on 21 December 2013. Mr. Wang is a senior economist, a professor and a mentor for doctoral students. In January 2013, Mr. Wang joined Capital Group and served as the general manager of Capital Group from January 2013 to November 2015. He served as the deputy chairman Capital Group from January 2013 to May 2015 and has been the chairman of Capital Group since May 2015. Prior to his appointment with Capital Group, from July 1990 to February 2000, Mr. Wang had worked for Beijing Coal General Company (北京市煤炭總公司), now known as Beijing Golden Tide Group Co., Ltd. (北京金泰集團有限公司) and became its deputy general manager in December 1994. Since February 2000 to March 2001, he served as the deputy head of Beijing Offshore Financing and Investment Management Center (北京市境外融投資管理中心). During March 2001 to July 2001, he served as the director and deputy general manager of Beijing State-owned Assets Management Co., Ltd. (北京市國有資產經營有限責任公司). From July 2001 to November 2003, he served as the director and deputy general manager of Beijing Metro Group Company Ltd. (北京地鐵集團有限責任公司). From November 2003 to December 2009, he served as the deputy general manager, director and managing director of Beijing Infrastructure Investment Corporation Limited (北京市基礎設施投資有限公司). From September 2009 to January 2013, he served as the deputy head of State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality (北京市國有資產監督管理委員會). Mr. Wang has been a director of Beijing Capital CO., Ltd. (SHSE Stock Code: 600008) since September 2013 and has been its chairman since September 2015. He served as a non-executive director of BCL from September 2013 to August 2015 and has been its executive director and chairman since August 2015. Mr. Wang has served as a non-executive director of Beijing Urban Construction Design & Development Group Co., Limited (Stock Code: 1599.HK) since November 2014 and as an executive Director and the chairman of the Board of Capital Environment Holdings Limited (Stock Code: 3989) since September 2015. Mr. Wang served as the deputy secretary and acting district chief of the Communist Party Committee of Chaoyang District, Beijing City in November 2015 and served as the deputy secretary and district chief of the Communist Party Committee of Chaoyang District, Beijing City in January 2016. Mr. Wang obtained his master degree in engineering at Fuxin Mining Institute, Liaoning in 1994, and a doctoral degree in economics at School of Economics of Peking University (北京大學經濟學院) in 2006.

Mr. Li Songping, aged 53, to be the non-executive Director and the member of Remuneration Committee of the Company from 26 February 2016. Mr. Li is currently a senior accountant. Mr. Li joined Capital Group in March 2006, and has served as deputy general manager and director, and held the position of general manager of Capital Group since November 2015. Prior to joining Capital Group, Mr. Li worked at State-owned 761 Factory (國營761廠) from August 1984 to March 1995, and served as the deputy director and the director of the finance department, and he became the deputy plant manager since 1994. From March 1995 to April 1996, he was the deputy director of Electronics Industry Office of the People's Government of Beijing Municipality (北京市人民政府電子工業辦公室). From April 1996 to July 1997, he was the director and the general accountant of Beijing Jingzhi Electronics Co., Ltd. (北京京芝電子信息產業有限責任公司). From July 1997 to March 2000, he was the director and the general accountant of Beijing Electronic Information Industry (Group) Co., Ltd.. (北京電子信息產業（集團）有限責任公司) From March 2000 to March 2006, he was the director and the general accountant of Beijing Electronics Holdings Co., Ltd.. (北京電子控股有限責任公司) Mr. Li obtained a Master's degree in Management from Changchun University of Science and Technology (長春理工大學) in 2009. Mr. Li is a non-executive director of BCL with effect from 26 February 2016.

BIOGRAPHICAL DETAILS OF DIRECTORS

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Ngai Wai Fung, aged 54, was appointed as an independent non-executive Director, the chairman of the Audit Committee and a member of each of the Remuneration Committee and Nomination Committee with effect from 21 December 2013 to present. Since January 2011 to present, Dr. Ngai is the chief executive officer of SW Corporate Services Group Limited, a specialty corporate and compliance services provider to companies in pre-IPO and post-IPO stages. Prior to that, he was the director and head of listing services of an independent integrated corporate services provider from June 2005 to September 2010. Dr. Ngai has over 20 years of senior management experience including acting as the executive director, chief financial officer and company secretary, most of which are in the areas of finance, accounting, internal control and regulatory compliance, corporate governance and secretarial work for listed issuers including major red chip companies. He had led or participated in a number of significant corporate finance projects including listings, merges and acquisitions as well as issuance of debt securities. Dr. Ngai is the Immediate Past Present of the Hong Kong Institution of Chartered Secretaries, a member of the Qualification and Examination Board of the Hong Kong Institution of Certified Public Accounts from January 2013 to present and the Adjunct Professor of Law of Hong Kong Shue Yan University from September 2012 to present and a member of the General Committee of The Chamber of Hong Kong Listed Companies from June 2014 to present. Dr. Ngai was appointed by the Chief Executive of The Hong Kong Special Administrative Region as a member of the Working Group on Professional Services under the Economic Development Commission since January 2013 to present. He is a fellow of the Association of Chartered Certified Accountants in the United Kingdom since March 2012 to present, a member of the Hong Kong Institute of Certified Public Accountants since July 2007 to present, a fellow of the Institute of Chartered Secretaries and Administrators since November 2000 to present, a fellow of the Hong Kong Institute of Chartered Secretaries since November 2000 to present, a fellow of Hong Kong Institute of Directors since February 2010 and a member of Hong Kong Securities and Investment Institute since November 2012 to present. Dr. Ngai obtained a Doctoral degree in Finance at Shanghai University of Finance and Economics (上海財經大學) in Shanghai, PRC in June 2011, a Master's degree in Corporate Finance at Hong Kong Polytechnic University in Hong Kong in November 2002, a Master's degree in Business Administration at Andrews University in Berrien Springs, Michigan, USA in August 1992 and a Bachelor's degree in Law at University of Wolverhamption in Wolverhamption, the United Kingdom in October 1994. Dr. Ngai is currently the independent non-executive director of BaWang International (Group) Holding Limited (Stock Code:1338.HK), Powerlong Real Estate Holdings Limited (Stock Code: 1238.HK), Biostime International Holdings Limited (Stock Code: 1112.HK), Bosideng International Holdings Limited (Stock Code: 3998.HK), China Coal Energy Company Limited (Stock Code: 1898.HK), China Railway Group Limited (Stock Code: 390.HK), SITC International Holdings Company Limited (Stock Code: 1308.HK),Yangtze Optical Fibre and Cable Joint Stock Limited Company (Stock Code: 6869.HK), BBMG Corporation (English translation denotes for identification only) (Stock Code: 2009), TravelSky Technology Limited (Stock Code:696) and is an independent director of LDK Solar Co., Ltd. (Stock Code:LDKYQ). Apart from LDK Solar Co., Ltd., which is listed on OTC Pink Limited Information, all the above companies are listed on the Main Board of the Stock Exchange. He was the independent non-executive director of China Life Insurance Company Limited (Stock Code: 2628) from December 2006 to May 2009, Franshion Properties (China) Limited (Stock Code: 817) from May 2007 to June 2011 and China Railway Construction Corporation Limited (Stock Code: 1186) from November 2007 to October 2014, and Sany Heavy Equipment International Holdings Company Limited (Stock Code: 631.HK) from November 2009 to December 2015.

BIOGRAPHICAL DETAILS OF DIRECTORS

INDEPENDENT NON-EXECUTIVE DIRECTORS *(Continued)*

Prof. Zhao Yuhong, aged 47, was appointed as an independent non-executive Director, the chairman of the Remuneration Committee and a member of each of the Audit Committee and Nomination Committee of the Company on 21 December 2013. Prof. Zhao has worked as an Associate Professor of Faculty of Law, The Chinese University of Hong Kong ("CUHK") since August 2008 to present. Prof. Zhao was the Assistant Dean (UG Student Affairs) and Associate Dean (Undergraduate Studies) of Faculty of Law at CUHK from September 2008 to August 2010 and from September 2010 to July 2013, respectively. Prof. Zhao was a Lecturer and then Assistant Professor of School of Law at City University of Hong Kong from January 1996 to June 2002 and from July 2002 to August 2006, respectively. From September 2006 to July 2008, Prof. Zhao served as an Assistant Professor of School of Law at CUHK. Prof. Zhao obtained her Bachelor of Arts degree in English Language and Literature and Bachelor of Laws degree from Peking University (北京大學) in July 1991. Prof. Zhao obtained her Master of Studies in Law degree with Magna Cum Laude from Vermont Law School, USA in February 1993 and PhD degree in Law from City University of Hong Kong in November 2000.

Prof. He Xiaofeng, aged 60, was appointed as an independent non-executive Director and a member of each of the Audit Committee and Strategic Committee of the Company on 21 December 2013. Prof. He obtained a Bachelor's degree and a Master's degree in Economics in 1982 and 1984 from Peking University, respectively. He is currently the professor of the Department of Finance, School of Economics of Peking University (北京大學經濟學院金融學系) since August 2000 and has been a doctoral supervisor since August 2001 and a director of the Research Center of Financial and Industrial Development of Peking University (北京大學金融與產業發展研究中心) since August 2005. He has taught in the School of Economics of Peking University (北京大學經濟學院) since 1984. Prof. He has also has served as a council member of China Enterprises Investment Association (中國企業投資協會) and deputy director of Financial Enterprises Investment Committee (金融企業投資委員會) from 2006 to present, vice chairman of Beijing Private Equity Association (北京股權投資基金協會) from 2008 to present, served as an independent director of Qinghai Sunshiny Mining Co., Ltd. (青海賢成礦業股份有限公司) (SHSE Stock Code: 600381) from April 2013 to January 2014, and has served as an independent director of E Fund Management Co., Ltd. (易方達基金管理有限公司) from July 2010 to present and served as a director of Beijing Qingchang Power Technology Co., Ltd. (北京清暢電力技術股份有限公司) (SZSE Stock Code: 430057) from May 2012 to May 2015.

REPORT OF THE DIRECTORS

The board of directors (the "Board" or the "Directors") of Beijing Capital Juda Limited (the "Company") and its subsidiaries (collectively, the "Group") herein present their report and the audited consolidated financial statements of the Group for the year ended 31 December 2015.

PRINCIPAL ACTIVITIES

The principal activities of the Company is investment holding. The activities of its principal subsidiaries are set out in note 1 to the financial statements.

BUSINESS REVIEW

The Group's business review for the year ended 31 December 2015 is set out from pages 10 to 16.

KEY RISK FACTORS

The following lists the key risks and uncertainties faced by the Group. As it is a non-exhaustive list, there may be other risks and uncertainties further to the disclosure below. Besides, this Annual Report does not constitute a recommendation or an advice for anyone to invest in the securities of the Company. Investors are advised to make their own judgement or consult professionals before making any investment in the securities of the Company.

There are strategic risks, operation risks, financial risks, legal risks and market risks in the development process of the Company, of which:

(1) Strategic risks are mainly attributable to the domestic and overseas macro-economies, overall trend of industrial structures and the scientific and sustainable standards of comparable strategies of the Company;

(2) Operation risks are mainly attributable to the supervision and control procedures of each business segments involved in the daily operation and management process of the Company; financial risks are mainly attributable to the supervision and control procedures of financial system including overall fund raising activities of the Company, investment management and revenue audit;

(3) Legal risks are mainly attributable to the domestic and overseas policies and the changing regulations and the internal contract management capability of the Company and related legal litigations;

(4) Market risks are mainly attributable to the business workflow including marketing management of the Company, market demand and supply and business partnership.

RESULTS AND DIVIDENDS

The Group's results for the year ended 31 December 2015 are set out in the Consolidated Statement of Profit or Loss from page 38 to 39 of this Annual Report.

The Directors do not recommend the payments of dividend for the year ended 31 December 2015.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and assets and liabilities of the Group for each of the last five financial years is set out in the Five Year Financial Summary on page 103 of this Annual Report. This summary does not form part of the audited financial statements. The published results and statement of assets and liabilities may not be comparable.

REPORT OF THE DIRECTORS

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the review period are set out in note 14 to the Consolidated Financial Statements from pages 78 to 79 of this Annual Report.

INVESTMENT PROPERTY

Details of movements in the investment property of the Group during the review period are set out in the note 15 to the Consolidated Financial Statements on page 80 of this Annual Report.

SHARE CAPITAL

Details of the movements in the Group's share capital during the review period are set out in note 26 to the Consolidated Financial Statements on page 85 of this Annual Report.

On 22 January 2015, the Group completed an acquisition of 100% equity interest in Xi'an Capital Xin Kai Real Estate Ltd. ("Xin Kai") from Asian Expert Limited ("Asian Expert"). The consideration for the acquisition is approximately HK$1,963,400,000 which was settled in cash. For funding and settlement of the consideration, Get Thrive Limited ("GTL") and the Company entered into a conditional subscription agreement on 15 August 2014, under which GTL has subscribed for and the Company issued 738,130,482 convertible preference shares at an issue price of HK$2.66 per share on 22 January 2015. All proceeds arising from the issue of the convertible preference shares were used for the purpose of the consideration for the acquisition. Details of which are set out to the note 27 in the Consolidated Financial Statements on pages 86 of this Annual Report.

DEBT SECURITIES

Details of movements in the debt securities of the Group are set out in the note 24 to the Consolidated Financial Statements on page 84 of this Annual Report.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association or the Companies Law which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities for the year ended 31 December 2015.

RESERVES

Details of movements in the reserves of the Group and the Company during the year are set out in note 28 and 40 to the Consolidated Financial Statements on pages 86 and 102 of this Annual Report and in the Consolidated Statement of Changes in Equity on page 43 of this Annual Report.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2015, sales to the Group's largest customer and five largest customers accounted for approximately 1.44% and 6.11%, respectively, of the total sales of the Group for the review period. Purchases from the Group's largest supplier and five largest suppliers accounted for approximately 45.25% and 58.99%, respectively, of the Group's total purchases for the year. None of the Directors, their associates or any shareholders who owned more than 5% of the Company's share capital had any interests in the five largest customers or five largest suppliers at any time during the year.

BANK BORROWINGS

Details of the bank borrowings of the Group as at 31 December 2015 are set out in note 23 to the Consolidated Financial Statements on page 83 of this Annual Report.

DIRECTORS

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

Executive Directors:

Mr. Tang Jun *(Chairman)*
Mr. Zhong Beichen *(Chief Executive Officer)*

Non-executive Directors:

Mr. Wang Hao
Mr. Li Songping (Appointed on 26 February 2016)
Mr. Liu Xiaoguang (Resigned on 26 February 2016)

Independent non-executive Directors:

Dr. Ngai Wai Fung
Prof. Zhao Yuhong
Prof. He Xiaofeng

Since Mr. Liu Xiaoguang ("Mr. Liu") reached the age of retirement, Mr. Liu has resigned as the non-executive Director of the Company on 26 February 2016.

In accordance with Articles 83(3) of the Articles of Association of the Company, any Directors appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of Members after his appointment and be subject to re-election at such meeting. Mr. Li Songping has been appointed as the non-executive Director of the Company on 26 February 2016, and will be subject to re-election at the annual general meeting to be held in accordance with the Articles of Association.

In accordance with Articles 84(1) of the Articles of Association of the Company, at each annual general meeting, one-third of the Directors for the time being (or, if such number is not a multiple of three (3), the number nearest to but not less than one-third, provided that the Directors appointed in accordance with Articles 83(3) of the Articles of Association shall not be included) shall retire from office by rotation, provided that every Director shall be subject to retirement at least once every three years at the annual general meeting. Accordingly, Mr. Tang Jun (Chairman) and Prof. He Xiaofeng will be subject to retirement and re-election at the annual general meeting to be held.

DIRECTORS' BIOGRAPHIES

Biographical details of the Directors of the Company are set out on pages 17 to 20 of this Annual Report.

REPORT OF THE DIRECTORS

DIRECTORS' SERVICE CONTRACTS AND REMUNERATION

Each of the executive Directors and non-executive Directors has been appointed as the Directors of the Company on 21 December 2013 (except Mr. Li Songping, being appointed as a non-executive Director of the Company on 26 February 2016) for a term of three years upon the date of appointment but subject to the provision of retirement and rotation of Directors under the Articles of Association.

Each of the independent non-executive Directors has been appointed on 21 December 2013 for a term of three years upon the date of appointment but subject to the provision of retirement and rotation of Directors under the Articles of Association.

Saved as disclosed above, no other Directors have entered into service agreements with the Company which are not determined by the Company within one year without payment of compensation, other that statutory compensation.

The Directors' remuneration policy and portfolio shall be determined by the Board with the recommendation of the remuneration committee of the Company and in accordance to market level, individual qualifications, as well as contribution and commitments to the Company. The position of Directors' remuneration is set out in the note 8 to the Consolidated Financial Statements from pages 71 to 72 of this Annual Report.

DIRECTORS' INTERESTS IN CONTRACTS

No director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, its holding company, or any of its subsidiaries was a party during the year.

DIRECTOR'S AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2015, so far as is known to the Directors, none of the Directors and the chief executive of the Company and their associates had any interests or short positions in the shares or underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong) ("SFO")) which were to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules ("Model Code"), to be notified to the Company and the Stock Exchange.

DIRECTOR'S INTEREST IN COMPETING BUSINESS

The following Directors are also directors and/or officers of BCL as set out in the table below.

Name of Director	Position held in BCL
Wang Hao	Chairman and executive Director
Tang Jun	President and executive Director
Li Songping (Appointed as the non-executive Director of the Company on 26 February 2016)	Non-executive Director (Appointed as the non-executive Director of BCL on 26 February 2016)
Liu Xiaoguang (Resigned as the non-executive Director of the Company on 26 February 2016)	Non-executive Director (Resigned as the non-executive Director of BCL on 26 February 2016)

BCL is a large property developer in the PRC, focusing primarily on developing and investing in high quality and high-end commercial properties and medium to high-end residential properties, property consulting services and investment holding.

On 13 November 2014, the Company has entered into a deed of non-competition with BCL, pursuant to which BCL has undertaken that it would not be engaged in real estate business in any selected cities in PRC (as disclosed in the circular of the Company dated on 26 November 2014). Accordingly, none of the Directors or their respective associates had an interest in any business which competes or may compete with the business in which the Group is engaged.

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

As at 31 December 2015, so far as is known to the Directors, the following entities, not being a Director or chief executive of the Company, had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO:

Long positions in shares and underlying shares of the Company

Name of Shareholder	Capacity	Number of Shares	Approximate percentage of the issued share capital (%)	Convertible preference shares *(Note 3)*	Total Interests in Shares and Convertible preference shares	Approx. % of total issued Shares
BECL	Beneficial owner	130,200,000	65.1%	738,130,482	868,330,482	434.2%
BCG	Beneficial owner	19,800,000	9.9%	–	19,800,000	9.9%
BCL	Interest of controlled corporation *(Note 1)*	130,200,000	65.1%	738,130,482	868,330,482	434.2%
Capital Group	Interest of controlled corporation *(Note 2)*	150,000,000	75%	738,130,482	888,130,482	444.1%

Notes:

1. *BECL Investment Holding Limited ("BECL") is a wholly-owned subsidiary of BCL. As such, BCL is deemed to be interested in all the Shares and convertible preference shares (as the case may be) in which BECL is interested or deemed interested by virtue of the SFO.*

2. *As at the Latest Practicable Date, Capital Group controls approximately 54.47% of the total issued share capital (comprising domestic shares and H shares) of BCL and BCG Chinastar International Investment Limited ("BCG") is a wholly-owned subsidiary of Capital Group. As such, Capital Group is deemed to be interested in all the Shares and convertible preference shares (as the case may be) in which BCL and BCG are interested or deemed interested by virtue of the SFO.*

3. *On 19 June 2015, Get Thrive Limited ("Get Thrive") has transferred to BECL its entire shareholding of 130,200,000 shares and 738,130,482 convertible preference shares.*

Save as disclosed above, as at 31 December 2015, according to the register of interests required to be kept by the Company under Section 336 of the SFO, there was no person who had any interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

REPORT OF THE DIRECTORS

SHARE OPTION SCHEME

The Company adopted the scheme (the "Scheme") on 14 March 2012 (the "Adoption Date") which will remain in force for a period of 10 years commencing from the Adoption Date.

Under the Scheme, the Directors may at their discretion grant options to (i) any employee of any member of the Group or any entity in which any member of the Group holds any equity interest (the "Invested Entity"); (ii) any executive and non-executive Directors of any member of the Group or any Invested Entity; (iii) any supplier and customer of any member of the Group or any Invested Entity; (iv) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity; (v) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued or proposed to be issued by any member of the Group or any Invested Entity; or (vi) any adviser or consultant of any member of the Group or any Invested Entity to subscribe for the shares of the Company.

The maximum number of shares in respect to which options may be granted under the Scheme shall not exceed 10% of the issued share capital of the Company on the date of adopting the Scheme. The limit may be refreshed at any time provided that the new limit must not be in aggregate exceed 10% of the issued share capital of the Company as at the date of the shareholders' approval in general meeting. However, the total number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other scheme of the Company must not in aggregate exceed 30% of the shares in issue from time to time. The maximum number of shares in respect of which options may be granted to any individual in any 12-month period shall not exceed 1% of the shares in issue on the last date of such 12-month period unless approval of the shareholders of the Company has been obtained in accordance with the Listing Rules. A nominal consideration of HK$1 is payable on acceptance of the grant of an option.

Options may be exercised at any time from the date of grant of the option to the 10th anniversary of the date of grant as may be determined by the Directors. The exercise price is determined by the Directors, and will not be less than the highest of (i) the closing price per share as stated in the Stock Exchange's daily quotations sheets on the date of the grant of the options; (ii) the average closing price per share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the grant of the options; or (iii) the nominal value of a share.

During the year ended 31 December 2015, no share option was granted, exercised, expired or lapsed and there is no outstanding share option under the Scheme.

EQUITY-LINKED AGREEMENTS

Other than the share option scheme of the Company as disclosed above, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company or subsisting during the year ended 31 December 2015.

CONNECTED TRANSACTIONS

As mentioned in the announcement dated 15 August 2014 and the circular of the Company dated 26 November 2014, the Group acquired 100% equity of Xin Kai from Asian Expert, a wholly-owned subsidiary of BCL and a connected person of the Company, at a consideration of approximately HK$1,963,400,000, which constituted a connected transaction of the Company. For funding and settlement of the consideration, GTL, a wholly-owned subsidiary of BCL and a connected person of the Company, and the Company entered into a conditional subscription agreement on 15 August 2014, under which GTL has subscribed for and the Company issued 738,130,482 convertible preference shares at an issue price of HK$2.66 per share, which constituted a connected transaction of the Company. These connected transactions were completed on 22 January 2015.

SUFFICIENCY OF PUBLIC FLOAT

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

CORPORATE GOVERNANCE

Details of the Company's corporate governance are set out the Corporate Governance Report on pages 28 to 35 of this Annual Report.

INDEPENDENT AUDITOR

The financial statements for the year were audited by Ernst & Young ("EY"). The Board announced that EY will retire as the auditor of the Company after office, and will not be re-elected. The retirement above will take effect from the end of the annual general meeting of the Company in 2016.

To align with the parent company and ensure the audit procedures of the parent company, the Company and each of the subsidiaries to be more efficient and consistent, the Board proposed to appoint PricewaterhouseCoopers as the auditor of the Company for the year of 2016. The proposal above shall be subject to the approval pending at the annual general meeting of the Company in 2016.

EY has confirmed that there is no circumstance connected with their resignation that needs to be brought to the attention of the shareholders of the Company. The Board confirmed that there is no matter in respect of the change of auditors that needs to be brought to the attention of the shareholders of the Company.

It is the auditors' responsibility to form an independent opinion, based on their audit, on those financial statements and to report their opinion solely to the Company and for no other purpose. They do not assume responsibility towards or accept legal liability to any other person for the contents of the independent auditors' report. The statement of the independent auditors of the Company about their reporting responsibilities on the financial statements is set out in the "Independent Auditors' Report" on pages 36 to 37.

On behalf of the Board

Mr. Tang Jun
Chairman

Beijing, 18 March 2016

CORPORATE GOVERNANCE REPORT

The Group is committed to the establishment of good governance practices and procedures. During the review period ended 31 December 2015, the Company has complied with the requirements under the code provisions of the recommended best practices set out in the Corporate Governance Code and Corporate Governance Report (the "CG Code") contained in Appendix 14 to the Listing Rules and the continuing obligations requirements of a listed issuer pursuant to the Listing Rules except for deviation from the code provision E.1.2 of the CG Code.

Under of the CG Code provision E.1.2, the chairman of the Board should attend the AGM of the Company. The chairman of the Board did not attend the 2015 AGM due to an urgent business engagement. An executive director had chaired the 2015 AGM and answered questions from shareholders. A member of the Audit Committee was also available to answer questions at the 2015 AGM.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. Following specific enquiry by the Company, all Directors have confirmed that they fully complied with the requirements under Model Code during the year ended 31 December 2015.

BOARD OF DIRECTORS

The Board currently has seven directors, including two executive Directors, two non-executive Directors and three independent non-executive Directors. Mr. Tang Jun was appointed as executive Director and Chairman of the Board. Mr. Zhong Beichen was appointed as executive Director and Chief Executive Office. Each of Mr. Wang Hao and Mr. Li Songping was appointed as non-executive Director, and each of Dr. Ngai Wai Fung, Prof. Zhao Yuhong and Prof. He Xiaofeng was appointed as independent non-executive Director. The latest list of Directors setting out their roles and responsibilities is available and accessible at the websites of the Company (www.bcjuda.com) and the Stock Exchange (www.hkexnews.hk).

The Board meets at least four times a year to determine overall strategic direction and objectives, approve interim and annual results, and discuss other significant matters on the businesses and operations of the Group. During the year ended 31 December 2015, a total of 4 board meetings were held. Details of the Directors' attendance at the Board meetings are set out under "Directors'/Committee Members' Attendance at Meetings" below.

The Board is responsible to the shareholders for providing effective corporate leadership, and ensuring transparency and accountability of the Group's operations. It sets the Company's values and aims at enhancing shareholders' value. It formulates the Group's overall strategy and policies and sets corporate and management targets, key operational initiatives as well as policies on risk management pursuant to the Group's strategic objectives.

The Board delegates the day-to-day management, administration and operations of the Group's business to the management of the relevant segments and divisions. The management is responsible for the implementation and adoption of the Company's strategies and policies. The delegated functions and tasks are periodically reviewed by the Board. There is no family or other material relationship among members of the Board.

Every newly appointed Director is provided with an induction on the first occasion of his/her appointment to ensure that he/she has adequate understanding of the businesses and operations of the Group. The Directors are also kept informed on a timely basis of their responsibilities and obligations under the Listing Rules, as well as other relevant statutory or regulatory requirements. The Company also encourages its Directors to participate in other continuous professional development programmes for Directors.

BOARD OF DIRECTORS *(Continued)*

The Company has arranged insurance cover on liabilities for all Directors in respect of legal actions against them from performing corporate activities.

Directors'/Committee Members' Attendance at Meetings

	Meeting Attended/Held During the year ended 31 December 2015					
	Board	Audit Committee	Remuneration Committee	Nomination Committee	Strategic Committee	General Meeting
Executive Directors						
Mr. Tang Jun	4/4	–	–	1/1		0/2
Mr. Zhong Beichen	4/4	–	–	–	1/1	1/2
Non-Executive Directors						
Mr. Wang Hao	4/4	–	–	–	1/1	0/2
Mr. Liu Xiaoguang	4/4	–	1/1	–		0/2
Independent Non-executive Directors						
Dr. Ngai Wai Fung	4/4	2/2	1/1	1/1		1/2
Prof. Zhao Yuhong	3/4	2/2	1/1	1/1		1/2
Prof. He Xiaofeng	4/4	2/2	–	–	0/1	0/2

Chairman and Chief Executive Officer

Mr. Tang Jun is the Chairman of the Board and Mr. Zhong Beichen is the Chief Executive Officer of the Company. The Chairman of the Board is responsible for the overall strategic development of the Group's operation. The Chief Executive Officer, on the other hand, is principally responsible for the overall management of the Group.

Non-executive Directors

Each of the non-executive Directors and independent non-executive Directors holds a term of office of three years with the Company since the date of appointment subject to the provision of retirement and rotation of directors under the Articles of Association of the Company.

The Company currently has three independent non-executive Directors, representing one third of the members of the Board, of which at least one possesses the appropriate professional qualifications or accounting or relevant financial management expertise. The Company has received annual confirmations of independence pursuant to Rule 3.13 of the Listing Rules from each of the independent non-executive Directors and considers them to be independent.

BOARD OF DIRECTORS *(Continued)*

Directors' training

According to the code provision A.6.5 of the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant.

For the year ended 31 December 2015, all Directors have participated in continuous professional development, including attending the seminars given by external legal advisors under the arrangement of the Company in respect of corporate governance practices, relevant regulations of Hong Kong and the responsibilities of Directors as well as the training provided by the external auditors on environmental, social and governance reporting, risk management and internal control, which develops and refreshes their knowledge and skills, in order to ensure that their continuous contribution to the Board is made under a well-informed and relevant manner and they receive the latest information in relation to relevant laws and regulations and the overall development of the Group.

Company Secretary

The Company Secretary assists the Chairman in preparing the agenda of the Board meetings and ensures all relevant rules and regulations of the procedures of such meeting are complied with. The Company Secretary files for and maintains the detailed minutes of each Board meeting, and makes such minutes available and accessible for all Directors.

According to Rule 3.29 of the Listing Rules, the Company Secretary of the Company has taken not less than 15 hours of relevant professional training for the year ended 31 December 2015.

Board Committees

(a) Audit Committee ("AC")

The AC was established on 14 March 2012 with written terms of reference in compliance with the CG Code. It consists of three members with all independent non-executive Directors. namely, Dr. Ngai Wai Fung (as chairman), Prof. Zhao Yuhong and Prof. He Xiaofeng with effect from 21 December 2013. Dr. Ngai Wai Fung is a fellow of the Association of Chartered Certified Accountants in the United Kingdom and a member of the Hong Kong Institute of Certified Public Accountants and with appropriate professional qualification as required under Rule 3.10(2) of the Listing Rules.

The primary duties of the AC are mainly to make recommendation to the Board on the appointment and removal of external auditor; review the financial statements and express material advice in respect of financial reporting; and oversee financial reporting system and internal control procedures of the Company. The terms of reference of AC are available and accessible at the websites of the Company (www.bcjuda.com) and the Stock Exchange (www.hkexnews.hk).

For the year ended 31 December 2015, the AC held 2 meetings. Details of each committee member's attendance at the AC meetings are set out under "Directors'/Committee Members' Attendance at Meetings" above.

BOARD OF DIRECTORS *(Continued)*

Board Committees *(Continued)*

(a) Audit Committee ("AC") (Continued)

The summary of the work of the AC for the 12 months ended 31 December 2015 is as below:

- reviewed the announcement of annual results and annual report of the Group for the nine months ended 31 December 2014 before submission to the Board for adoption and publication;
- reviewed the announcement of interim results and interim report of the Group for the six months ended 30 June 2015 before submission to the Board for adoption and publication;
- met with the auditors to discuss the accounting and audit issues of the Group and reviewed their findings, recommendations and representations;
- reviewed the Group's internal control system; and
- reviewed the adequacy of resources, qualifications and experience of staff of the Group's accounting and financial reporting function and their training programmes.

(b) Remuneration Committee ("RC")

The RC was established on 14 March 2012 with written terms of reference in compliance with the CG Code. It consists of three members with two independent non-executive Directors, namely, Prof. Zhao Yuhong (as chairman) and Dr. Ngai Wai Fung, and one non-executive Director, namely, Mr. Liu Xiaoguang with effect from 21 December 2013. On 26 February 2016, Mr. Liu Xiaoguang resigned as the member of the RC of the Company. At the same day, Mr. Li Songping was appointed as the member of the RC of the Company.

The primary duties of the RC are mainly to make recommendation to the Board on the overall remuneration policy and structure relating to all Directors and senior management of the Group; review remuneration proposals of the management with reference to the Board's corporate goals and objectives; and ensure none of the Directors or any of their associate determine their own remuneration. The terms of reference of RC are available and accessible at the websites of the Company (www.bcjuda.com) and the Stock Exchange (www.hkexnews.hk).

For the year ended 31 December 2015, the RC held 1 meeting. Details of each committee member's attendance at the RC meetings are set out under "Directors'/Committee Members' Attendance at Meetings" above.

The summary of the work of the RC for the year ended 31 December 2015 is as below:

- reviewed the existing policy and structure of the remuneration of the executive Directors;
- reviewed the existing remuneration package of the non-executive and independent non-executive Directors;
- reviewed the existing policy and structure of the remuneration of management of the Group;
- made recommendations to the Board on the remuneration packages of the executive Directors and management of the Group; and
- assessed performance of the executive Directors.

CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS *(Continued)*

Board Committees *(Continued)*

(c) Nomination Committee ("NC")

The NC was established on 14 March 2012 with written terms of reference in compliance with the CG Code. It consists of three members with one executive Director, namely Mr. Tang Jun (as chairman) and two independent non-executive Directors, namely, Dr. Ngai Wai Fung and Prof. Zhao Yuhong with effect from 31 December 2013.

The primary duties of the NC are to review the structure, size and composition of the Board and make recommendations to the Board regarding candidates to fill vacancies on the Board. The terms of reference of NC are available and accessible at the websites of the Company (www.bcjuda.com) and the Stock Exchange (www.hkexnews.hk).

The Board has adopted a board diversity policy which sets out the approach to achieve diversity on the Board in June 2013. Accordingly, selection of candidates to the Board is based on a range of measurable objectives, including but not limited to gender, age, cultural and educational background, professional experience and qualifications, skills, knowledge and length of service, having due regard to the Company's own business model and specific needs from time to time. With the existing Board members coming from a variety of business and professional background and one out of the seven Board members being woman, the Company considers that the Board possesses a balance of skills, experience, expertise and diversity of perspectives appropriate to the requirements of the Company's business. Profiles of the Directors are set out on pages 17 to 20 and have been published at the website of the Company (www.bcjuda.com).

For the year ended 31 December 2015, the NC held 1 meeting. Details of each committee member's attendance at the NC meetings are set out under "Directors'/Committee Members' Attendance at Meetings" above.

The summary of the work of the NC for the year ended 31 December 2015 is as below:

– made recommendations to the Board on the re-election of Directors at the forthcoming annual general meeting of the Company;

– assessed the independence of independent non-executive Directors; and

– reviewed the structure, size and composition of the Board.

(d) Strategic Committee ("SC")

The SC was established on 21 December 2013 and its primary duty is to advise on the long-term development strategies and major investment decisions of the Company. It currently consists of three members with one non-executive Director, namely Mr. Wang Hao (as chairman), one independent non-executive Director, namely Prof. He Xiaofeng, and one executive Director, namely Mr. Zhong Beichen.

For the year ended 31 December 2015, the SC held 1 meeting. Details of each committee member's attendance at the NC meetings of are set out under "Directors'/Committee Members' Attendance at Meetings" above.

The summary of the work of the SC for the year ended 31 December 2015 is as below:

– set up an annual development goal for the Group and its primary strategic actions

BOARD OF DIRECTORS *(Continued)*

Corporate Governance Functions

The Board is responsible for performing the corporate governance duties and has adopted the CG Code as its corporate governance code of practices during the year ended 31 December 2015.

The Board has, among other things, reviewed the training and continuous professional development of Directors, the Company's compliance with the respective code provisions of the CG Code for the year ended 31 December 2015 and made disclosures in this Corporate Governance Report.

Accountability

The Board is accountable to the Shareholders while the management is accountable to the Board. The Board endeavors to ensure that the announcements of annual and interim results and the annual and interim reports of the Group present a balanced and understandable assessment of the Group's position and prospects. The Board embraces openness and transparency in the conduct of the Company's affairs, whilst preserving the commercial interests of the Company. Financial and other information are disseminated to Shareholders through announcements via the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.bcjuda.com).

Risk Management and Internal Controls

Risk management and internal controls are important parts among the operation and management of the Group. The management of the Company and the Board take high priority on the organization and implementation of each work in respect of risk management and internal controls, and would establish a comprehensive risk management system in the Company step by step based on risk identification, assessment, evaluation and decision-making and disposal. The Company specially set up the risk management department for these risks, which finally created an internal control function mechanism consisting of three tiers, the Board (the AC), the management (each business department) and the risk management and control department:

a. the Board is responsible for setting up the risk management and internal control mechanism for the Group to ensure the core values, strategic planning and working guidelines of the Company, and convey the above to each department of the Group through various channels, including platforms such as the enterprise information system, meetings, training and intranet. This would incorporate risk control into the operation flow and the AC would identify the operation risk of the internal control system on a regular basis so as to review the effectiveness of risk management and control;

b. the management and each of the business departments would effectively monitor and approve the workflow of each department at the business level based on different functions and divisions through various business systems, so as to enhance the efficiency of risk management, realize the closed loop management model for risk management led by self-supervision at the business level. Assessment would be independently conducted by the risk control department on an on-going basis, and such assessment covers all material aspects, including legal risks, compliance controls, operation monitoring as well as the workflow and risk assessment of each department of the Group. The risk control department is directly responsible to the AC and reports the effectiveness of the risk management and internal controls;

c. the risk control department is responsible for the regular review on Company's policies and guidelines, and assists the Board to set up effective Company's policies and guidelines in response to the internal and external changes and changes in regulations in order to realize a progressive, institutionalized and systematic risk management and internal controls system.

CORPORATE GOVERNANCE REPORT

Risk Management and Internal Controls *(Continued)*

The next focus of the Group in respect of risk control will be the continuous enhancement of the risk control system, facilitating the implementation and standardization of systems, workflows and accountability, establishing an internal control and patrol mechanism step by step and improving the control duties in order to achieve a further combination between the operation and management of the Company with risk control. Thus a sound and proper internal control system would be realized with effective operation through the establishment of a mature risk control model, so as to facilitate the strategic development of the Company.

As at the date of the report, the risk management department has engaged independent internal auditing experts to conduct an assessment in respect of the risk management and internal controls of the Company. The result unanimously reflects that no significant weakness was found in the internal control of the Company, and an internal report with unqualified opinion was issued to the AC, stating that the risk management and internal control system of the Company were well-functioning.

Directors' Responsibility for Financial Reporting

With the assistance of the financial management department, the Directors acknowledge their responsibility for preparing the financial statements of the Group for the year ended 31 December 2015 and confirm that the financial statements contained herein give a true and fair view of the results and state of affairs of the Group for the period under review. The Directors consider that the financial statements have been prepared in conformity with the statutory requirements and the applicable accounting standards.

Auditors' Remuneration

The financial statements for the year ended 31 December 2015 were audited by Ernst & Young of which the term of office will expire upon the forthcoming annual general meeting. The AC has recommended to the Board that PricewaterhouseCoopers will be nominated for appointment as the auditors of the Company for the year 2016 at the forthcoming annual general meeting.

During the period under review, the professional fee paid/payable to the Company's independent auditors, Ernst & Young is set out as follows:

	RMB$'000
Audit services	1,800
Non-audit services	280

Shareholders' Rights

The Company recognizes the importance, and takes high priority, on communication with its Shareholders. Certain key information on Shareholders' rights is provided below:

1. *Communication with Shareholders*

   The Board deeply understands the importance of maintaining good communication with the Shareholders and makes great efforts to enhance the communication with the Shareholders. The Shareholders can visit the website of the Company (www.bcjuda.com) for updated information of the Group, including its interim results, interim reports and annual reports, announcements and circulars. Press releases are posted on our website in a timely manner.

   The general meetings provide a channel for communication between the Board and the Shareholders. During the year, the Company held the 2015 AGM on 26 March 2015, and the Chief Executive Officer and a member of the Audit Committee were available to answer questions at such AGM.

Shareholders' Rights *(Continued)*

2. *Procedures to convene an extraordinary general meeting*

   Shareholders may request the Company to convene a general meeting according to the provisions as set out in the Company's Articles of Association and the Companies Law of the Cayman Islands. A copy of the Company's Articles of Association can be found on the Company's website. The procedures for Shareholders to nominate a person for election as a Director of the Company are available on the Company's website with title "Procedures for Shareholder(s) to Propose a Person for Election as a Director".

3. *Procedures for Shareholders to propose a person for election as a Director of the Company*

   The Company also adopted a set of procedures for putting forward proposals by the Shareholders at general meetings.

   Subject to the provisions of the Company's Articles of Association, the Company may elect any person to be a Director either to fill a casual vacancy or as an additional Director by passing ordinary resolutions at a general meeting from time to time.

   If a Shareholder wishes to propose a person other than a Director of the Company for election as a Director at a general meeting, such Shareholder can deposit a written notice at the principal place of business of the Company in Hong Kong for the attention of the Board and Company Secretary within the 7-day period commencing from the day after the dispatch of the notice of the meeting.

   In order for the Company to inform other Shareholders of that proposal, the written notice must state the full name of the person proposed for election as a Director, including the person's biographical details as required by Rule 13.51(2) of the Listing Rules, and be signed by the Shareholder concerned and that person indicating his/her willingness to be elected.

   In order to allow the Shareholders have sufficient time to receive and consider the proposal of election of the proposed person as a Director of the Company, Shareholders are encouraged to submit and lodge the written notice as early as practicable.

4. *Procedures to send enquiries to the Board*

   Shareholders may send their enquiries and concerns to the Board of the Company by addressing them to the principal place of business of the Company in Hong Kong at Suites 2906-08, AIA Central, 1 Connaught Road Central, Hong Kong by post for the attention of the Company Secretary.

5. *Amendments to the constitutional documents of the Company*

   No changes were made to the constitutional documents of the Company during the year.

Investors' relations

The Company's website (www.bcjuda.com) provides comprehensive and accessible news and information of the Company to the Shareholders, other stakeholders and investors. The Company will also update the website information from time to time to inform the Shareholders and investors of the latest development of the Company.

INDEPENDENT AUDITORS' REPORT

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INDEPENDENT AUDITORS' REPORT
To the shareholders of Beijing Capital Juda Limited
(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Beijing Capital Juda Limited (the "Company") and its subsidiaries set out on pages 38 to 102, which comprise the consolidated statement of financial position as at 31 December 2015, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

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

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

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

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

INDEPENDENT AUDITORS' REPORT

OPINION

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

Ernst & Young
Certified Public Accountants

22/F, CITIC Tower
1 Tim Mei Avenue
Central
Hong Kong
18 March 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2015

	Notes	2015 RMB'000	Nine months ended 31 December 2014 RMB'000 (Restated)
CONTINUING OPERATIONS			
REVENUE	5	**690,246**	–
Cost of sales		**(548,173)**	–
Gross profit		**142,073**	–
Other income and gains	5	**32,349**	–
Selling and distribution expenses		**(21,842)**	–
Administrative expenses		**(23,218)**	(35,055)
Other expenses		**(2,197)**	–
Finance costs	7	**(29,472)**	(212)
Gain on bargain purchase on acquisition of interests in subsidiaries	29	**259,996**	–
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	6	**357,689**	(35,267)
Income tax expense	10	**(40,350)**	–
PROFIT/(LOSS) FOR THE YEAR/PERIOD FROM CONTINUING OPERATIONS		**317,339**	(35,267)
DISCONTINUED OPERATION			
PROFIT/(LOSS) FOR THE YEAR/PERIOD FROM DISCONTINUED OPERATION	11	**19,465**	(13,556)
PROFIT/(LOSS) FOR THE YEAR/PERIOD		**336,804**	(48,823)
Attributable to:			
Owners of the parent		**336,804**	(48,823)
Non-controlling interests		**–**	–
		336,804	(48,823)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2015

	Notes	**2015** **RMB'000**	Nine months ended 31 December 2014 RMB'000 (Restated)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*13*		
Basic:			
– For profit/(loss) for the year/period		**RMB168.40 cents**	(RMB24.41 cents)
– For profit/(loss) from continuing operations		**RMB158.67 cents**	(RMB17.63 cents)
– For profit/(loss) from discontinued operation		**RMB9.73 cents**	(RMB6.78 cents)
Diluted:			
– For profit/(loss) for the year/period		**RMB37.60 cents**	(RMB24.41 cents)
– For profit/(loss) from continuing operations		**RMB35.43 cents**	(RMB17.63 cents)
– For profit/(loss) from discontinued operation		**RMB2.17 cents**	(RMB6.78 cents)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2015

	Notes	2015 RMB'000	Nine months ended 31 December 2014 RMB'000 (Restated)
PROFIT/(LOSS) FOR THE YEAR/PERIOD		**336,804**	(48,823)
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:			
Exchange differences:			
Translation of foreign operations		**–**	(3)
Reclassification adjustments for gain on disposal of interests in subsidiaries included in the consolidated statement of profit or loss	*30*	**(19,465)**	–
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods		**(19,465)**	(3)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR/PERIOD, NET OF TAX		**(19,465)**	(3)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR/PERIOD		**317,339**	(48,826)
Attributable to:			
Owners of the parent		**317,339**	(48,826)
Non-controlling interests		**–**	–
		317,339	(48,826)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2015

	Notes	31 December 2015 RMB'000	31 December 2014 RMB'000 (Restated)	1 April 2014 RMB'000 (Restated)
NON-CURRENT ASSETS				
Property, plant and equipment	14	**1,216**	35	58,673
Investment properties	15	**604,255**	–	–
Prepaid land premiums		**–**	–	1,451
Prepayments on acquisition of property, plant and equipment		**–**	–	18,500
Total non-current assets		**605,471**	35	78,624
CURRENT ASSETS				
Inventories	16	**2,535,503**	–	53,052
Trade receivables	17	**–**	–	7,366
Prepayments, deposits and other receivables	18	**83,806**	177	22,665
Prepaid taxes	19	**60,759**	–	–
Pledged deposits		**–**	–	24,670
Restricted cash	20	**201,125**	–	–
Cash and cash equivalents	20	**1,637,356**	145,707	19,192
		4,518,549	145,884	126,945
Assets of a disposal group classified as held for sale	30	**–**	189,662	–
Total current assets		**4,518,549**	335,546	126,945
CURRENT LIABILITIES				
Trade payables	21	**942,368**	–	190
Other payables and accruals	22	**697,063**	171,209	6,424
Taxes payable	19	**72,977**	–	3,915
Interest-bearing bank borrowings	23	**–**	12,070	40,000
		1,712,408	183,279	50,529
Liabilities directly associated with the assets classified as held for sale	30	**–**	46,088	–
Total current liabilities		**1,712,408**	229,367	50,529
NET CURRENT ASSETS		**2,806,141**	106,179	76,416
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,411,612**	106,214	155,040

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2015

	Notes	**31 December 2015 RMB'000**	31 December 2014 RMB'000 (Restated)	1 April 2014 RMB'000 (Restated)
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,411,612**	106,214	155,040
NON-CURRENT LIABILITIES				
Guaranteed notes	24	**1,292,919**	–	–
Deferred tax liabilities	25	**132,742**	–	–
Total non-current liabilities		**1,425,661**	–	–
Net assets		**1,985,951**	106,214	155,040
EQUITY				
Equity attributable to owners of the parent				
Share capital	26	**7,447**	1,572	1,572
Reserves	28	**1,978,504**	104,642	153,468
		1,985,951	106,214	155,040
Non-controlling interests		**–**	–	–
Total equity		**1,985,951**	106,214	155,040

Mr. Tang Jun
Director

Mr. Zhong Beichen
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2015

	Attributable to owners of the parent									
	Issued capital									
	Ordinary shares RMB'000	Convertible preference shares RMB'000	Share premium account RMB'000	Contribution surplus RMB'000	Statutory reserve RMB'000	Exchange reserve RMB'000	Retained profits/ (accumulated losses) RMB'000	Total RMB'000	Non-ordinary controlling interests RMB'000	Total equity RMB'000
At 1 January 2015										
As previously reported	1,572	-	28,358	62,891	8,353	19,465	(14,602)	106,037	-	106,037
Business combination under common control	-	-	-	200	-	-	(23)	177	-	177
As restated	1,572	-	28,358	63,091	8,353	19,465	(14,625)	106,214	-	106,214
Profit for the year	-	-	-	-	-	-	336,804	336,804	-	336,804
Other comprehensive income for the year:										
Reclassification adjustments for the gain on disposal of interests in subsidiaries included in the consolidated statement of profit or loss	-	-	-	-	-	(19,465)	-	(19,465)	-	(19,465)
Total comprehensive income for the year	-	-	-	-	-	(19,465)	336,804	317,339	-	317,339
Issue of convertible preference shares *(note 27)*	-	5,875	1,556,817	-	-	-	-	1,562,692	-	1,562,692
Business combination under common control *(note 29)*	-	-	-	(294)	-	-	-	(294)	-	(294)
Disposal of subsidiaries	-	-	-	-	(8,353)	-	8,353	-	-	-
At 31 December 2015	1,572	5,875	1,585,175*	62,797*	-*	-*	330,532*	1,985,951	-	1,985,951

* These reserve accounts comprise the consolidated reserves of RMB1,978,504,000 (31 December 2014: RMB104,642,000, as restated) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2015

	Attributable to owners of the parent								
	Issued capital– ordinary shares RMB'000	Share premium account RMB'000	Contribution surplus RMB'000	Statutory reserve RMB'000	Exchange reserve RMB'000	Retained profits/ (accumulated losses) RMB'000	Total RMB'000	Non-ordinary controlling interests RMB'000	Total equity RMB'000
At 1 April 2014									
As previously reported	1,572	28,358	62,891	8,353	19,468	34,196	154,838	–	154,838
Business combination under common control	–	–	200	–	–	2	202	–	202
As restated	1,572	28,358	63,091	8,353	19,468	34,198	155,040	–	155,040
Loss for the period, as restated	–	–	–	–	–	(48,823)	(48,823)	–	(48,823)
Other comprehensive income for the period, as restated:									
Exchange differences in translation of foreign operations	–	–	–	–	(3)	–	(3)	–	(3)
Total comprehensive income for the period, as restated	–	–	–	–	(3)	(48,823)	(48,826)	–	(48,826)
At 31 December 2014, as restated	1,572	28,358*	63,091*	8,353*	19,465*	(14,625)*	106,214	–	106,214

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2015

	Notes	**2015** **RMB'000**	Nine months ended 31 December 2014 RMB'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax:			
From continuing operations		**357,689**	(35,267)
From discontinued operation		**19,465**	(13,556)
Adjustments for:			
Finance costs		**29,472**	2,182
Interest income		**(22,640)**	(235)
Depreciation	*14*	**105**	2,848
Amortisation of prepaid land premiums		**–**	34
Gain on disposal of subsidiaries	*11*	**(19,465)**	–
Gain on bargain purchase on acquisition of interests in subsidiaries	*6*	**(259,996)**	–
Loss recognised on the remeasurement to fair value of assets of a disposal group classified as held for sale		**–**	5,791
		104,630	(38,203)
(Increase)/decrease in inventories		**(453,910)**	8,334
Decrease in trade receivables		**–**	2,391
(Increase)/decrease in prepayments, deposits and other receivables		**(8,394)**	13,599
Increase/(decrease) in trade payables		**526,948**	(15)
(Decrease)/increase in other payables and accruals		**(243,483)**	23,921
Increase in restricted cash		**(191,578)**	–
Effect of foreign exchange rate changes, net		**(8,386)**	–
Cash generated from operations		**(274,173)**	10,027
PRC corporate income tax paid		**(24,765)**	(800)
PRC land appreciation tax paid		**(23,338)**	–
Net cash flows (used in)/from operating activities		**(322,276)**	9,227

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2015

	Notes	2015 RMB'000	Nine months ended 31 December 2014 RMB'000 (Restated)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		**22,640**	235
Purchases of property, plant and equipment		**(1,068)**	(108)
Additions to investment properties		**(394,801)**	–
Funds entrusted to related parties	*34*	**(2,634,000)**	–
Funds transferred back from related parties	*34*	**2,634,000**	–
Decrease in pledged deposits		**10,000**	–
Advances from disposal of subsidiaries	*30*	**–**	143,574
Business combination under common control	*29*	**(294)**	–
Acquisition of interests in subsidiaries	*29*	**71,785**	–
Disposal of subsidiaries	*30*	**(36,381)**	–
Net cash flows (used in)/from investing activities		**(328,119)**	143,701
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of convertible preference shares		**1,562,692**	–
New bank loans		**4,004**	12,063
Proceeds from issue of guaranteed notes		**1,291,940**	–
Repayment of bank loans		**(182,074)**	–
Interest paid		**(9,105)**	(2,182)
Dividends paid		**(572,078)**	–
Net cash flows from financing activities		**2,095,379**	9,881
NET INCREASE IN CASH AND CASH EQUIVALENTS		**1,444,984**	162,809
Cash and cash equivalents at beginning of year/period		**182,088**	19,192
Effect of foreign exchange rate changes, net		**10,284**	87
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD		**1,637,356**	182,088
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	*20*	**793,640**	145,707
Non-pledged time deposits with original maturity of less than three months when acquired	*20*	**843,716**	–
Cash and cash equivalents as stated in the statement of financial position	*20*	**1,637,356**	145,707
Cash and short term deposits attributable to a discontinued operation	*30*	**–**	36,381
Cash and cash equivalents as stated in the statement of cash flows		**1,637,356**	182,088

1. CORPORATE AND GROUP INFORMATION

Beijing Capital Juda Limited (formerly known as Juda International Holdings Limited before 26 March 2015) (the "Company") is a limited liability company incorporated in the Cayman Islands. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

As stated in the announcement dated 22 January 2015 issued by the Company, the Company had completed the disposal of the chemical business and the acquisition of Xi'an Capital Xin Kai Real Estate Ltd. ("Xin Kai"), a real estate company. Upon completion, the Company and its subsidiaries (collectively referred to as the "Group"), ceased to be engaged in the chemical business and the main business was changed to outlets-backed integrated property and commercial property development and operation.

As announced on 25 June 2015, Get Thrive Limited ("GTL"), an indirectly wholly-owned subsidiary of Beijing Capital Land Ltd. ("BCL", a joint stock company incorporated in the People's Republic of China (the "PRC" or "Mainland China") with limited liability whose H shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited) has transferred (the "Transfer") its entire shareholding of ordinary shares of the Company of 130,200,000 shares (representing approximately 65.1% of the Company's total issued share capital as at the date of the announcement) and its entire shareholding of convertible preference shares of the Company (the "CPS") of 738,130,482 CPS (representing 100% of the total CPS in issue as at the date of the announcement) to BECL Investment Holding Limited ("BECL"), a directly wholly-owned subsidiary of BCL incorporated in Hong Kong, on 19 June 2015. Upon the completion of the Transfer, the parent of the Company changed from GTL to BECL.

In the opinion of the directors of the Company, the immediate holding company of the Company is BECL. The intermediate holding company of the Company is BCL. The ultimate holding company of the Company is Beijing Capital Group Ltd. ("Capital Group"), a state-owned enterprise registered in the PRC.

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name	Place of incorporation/ registration and business	Issued ordinary share/registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Shengfa Limited	British Virgin Islands	US$1	–	100	Investment holding
Far Reaching Company Limited	Hong Kong	HK$1	–	100	Investment holding
Rosy Capital Global Limited ("Rosy")	British Virgin Islands	US$1	100	–	Investment holding
Capital Juda Investments Limited	Hong Kong	HK$1	–	100	Investment holding

NOTES TO FINANCIAL STATEMENTS

31 December 2015

1. CORPORATE AND GROUP INFORMATION *(Continued)*

Information about subsidiaries *(Continued)*

Particulars of the Company's principal subsidiaries are as follows: (Continued)

Name	Place of incorporation/ registration and business	Issued ordinary share/registered share capital	Percentage of equity attributable to the Company Direct	Indirect	Principal activities
Capital Juda Outlets Investments Limited	Hong Kong	HK$1	–	100	Investment holding
Beijing Jin Fu Long Ding Investments Management Company Limited ("Jin Fu Long Ding") (北京錦富龍鼎投資管理有限公司)	Mainland China	RMB100,000	–	100	Investment holding
Beijing Wan An Jin Fu Investment Management Company Limited ("Wan An Jin Fu") (北京萬安錦富投資管理有限公司)	Mainland China	RMB100,000	–	100	Investment holding
Nanchang Capital Chuang Sheng Property Limited (南昌首信創盛置業有限公司)	Mainland China	RMB145,500,000	–	100	Investment properties and real estate properties
Jiangxi Capital Outlets Limited (江西首創奧特萊斯有限公司)	Mainland China	RMB313,500,000	–	100	Investment properties
Hangzhou Capital Outlets Property Limited (杭州首創奧特萊斯置業有限公司)	Mainland China	RMB335,000,000	–	100	Investment properties
Wuhan Capital Juda Outlets Business Management Limited (武漢首創鉅大奧萊商業管理有限公司)	Mainland China	RMB208,000,000	–	99	Investment properties
Xi'an Capital Xin Kai Real Estate Ltd. (西安首創新開置業有限公司)	Mainland China	US$165,000,000	–	100	Real estate properties

On 22 January 2015, the Group completed an acquisition of 100% equity interest in the Xin Kai from Asian Expert Limited ("Asian Expert").

During the year, the Group acquired Jin Fu Long Ding and Wan An Jin Fu from a fellow subsidiary of the Company.

Further details of this acquisition are included in notes 29 to the financial statements.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention. Disposal groups held for sale are stated at the lower of their carrying amounts and fair values less costs to sell as further explained in note 2.4. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

Change of functional currency

In prior years, the functional currency of the Company and its subsidiaries incorporated in Hong Kong and overseas were Hong Kong dollars ("HK$"). Starting from 1 January 2015, the functional currency of all Hong Kong and overseas companies was changed from HK$ to RMB, because, in the opinion of the directors of the Company, the change is to align the functional and presentation currency with that of BCL and with the changed presentation currency since 31 December 2014 which has been disclosed in note 2.1 to the annual financial statements for the nine months ended 31 December 2014.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2015. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2.1 BASIS OF PREPARATION *(Continued)*

Basis of consolidation*(Continued)*

The acquisitions of subsidiaries under common control have been accounted for using the merger method of accounting. The merger method of accounting involves incorporating the financial statement items of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party. The net assets of the combining entities or business are combined using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or the excess of the acquirees' interest in the net fair value of acquirees' identifiable assets, liabilities and contingent liabilities over the cost of investment at the time of common control combination. The consolidated statement of profit or loss includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under common control, where this is a shorter period, regardless of the date of the common control combination.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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 described in the accounting policy for subsidiaries below. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised standards for the first time for the current year's financial statements.

Amendments to HKAS 19 *Defined Benefit Plans: Employee Contributions*
Annual Improvements to HKFRSs 2010-2012 Cycle
Annual Improvements to HKFRSs 2011-2013 Cycle

The nature and the impact of each amendment is described below:

(a) Amendments to HKAS 19 apply to contributions from employees or third parties to defined benefit plans. The amendments simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. If the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction of service cost in the period in which the related service is rendered. The amendments have had no impact on the Group as the Group does not have defined benefit plans.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES *(Continued)*

(b) *The Annual Improvements to HKFRSs 2010-2012 Cycle* issued in January 2014 sets out amendments to a number of HKFRSs. Details of the amendments that are effective for the current year are as follows:

- HKFRS 8 *Operating Segments*: Clarifies that an entity must disclose the judgements made by management in applying the aggregation criteria in HKFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics used to assess whether the segments are similar. The amendments also clarify that a reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker. The amendments have had no impact on the Group.

- HKAS 16 *Property, Plant and Equipment* and HKAS 38 *Intangible Assets*: Clarifies the treatment of the gross carrying amount and accumulated depreciation or amortisation of revalued items of property, plant and equipment and intangible assets. The amendments have had no impact on the Group as the Group does not apply the revaluation model for the measurement of these assets.

- HKAS 24 *Related Party Disclosures*: Clarifies that a management entity (i.e., an entity that provides key management personnel services) is a related party subject to related party disclosure requirements. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The amendment has had no impact on the Group as the Group does not receive any management services from other entities.

(c) The Annual Improvements to *HKFRSs 2011-2013 Cycle* issued in January 2014 sets out amendments to a number of HKFRSs. Details of the amendments that are effective for the current year are as follows:

- HKFRS 3 *Business Combinations*: Clarifies that joint arrangements but not joint ventures are outside the scope of HKFRS 3 and the scope exception applies only to the accounting in the financial statements of the joint arrangement itself. The amendment is applied prospectively. The amendment has had no impact on the Group as the Company is not a joint arrangement and the Group did not form any joint arrangement during the year.

- HKFRS 13 *Fair Value Measurement*: Clarifies that the portfolio exception in HKFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of HKFRS 9 or HKAS 39 as applicable. The amendment is applied prospectively from the beginning of the annual period in which HKFRS 13 was initially applied. The amendment has had no impact on the Group as the Group does not apply the portfolio exception in HKFRS 13.

- HKAS 40 *Investment Property*: Clarifies that HKFRS 3, instead of the description of ancillary services in HKAS 40 which differentiates between investment property and owner-occupied property, is used to determine if the transaction is a purchase of an asset or a business combination. The amendment is applied prospectively for acquisitions of investment properties. The amendment has had no impact on the Group as the acquisition of investment properties during the year was not a business combination and so this amendment is not applicable.

In addition, the Company has adopted the amendments to the Listing Rules issued by the Hong Kong Stock Exchange relating to the disclosure of financial information with reference to the Hong Kong Companies Ordinance (Cap. 622) during the current financial year. The main impact to the financial statements is on the presentation and disclosure of certain information in the financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 9	*Financial Instruments* [2]
Amendments to HKFRS 10 and HKAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* [1]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	*Investment Entities: Applying the Consolidation Exception* [1]
Amendments to HKFRS 11	*Accounting for Acquisitions of Interests in Joint Operations* [1]
HKFRS 14	*Regulatory Deferral Accounts* [3]
HKFRS 15	*Revenue from Contracts with Customers* [2]
Amendments to HKAS 1	*Disclosure Initiative* [1]
Amendments to HKAS 16 and HKAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation* [1]
Amendments to HKAS 16 and HKAS 41	*Agriculture: Bearer Plants* [1]
Amendments to HKAS 27 (2011)	*Equity Method in Separate Financial Statements* [1]
Annual Improvements 2012-2014 Cycle	*Amendments to a number of HKFRSs* [1]

1 Effective for annual periods beginning on or after 1 January 2016

2 Effective for annual periods beginning on or after 1 January 2018

3 Effective for an entity that first adopts HKFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Group

Further information about those HKFRSs that are expected to be applicable to the Group is as follows:

In September 2014, the HKICPA issued the final version of HKFRS 9, bringing together all phases of the financial instruments project to replace HKAS 39 and all previous versions of HKFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group expects to adopt HKFRS 9 from 1 January 2018. The Group is currently assessing the impact of the standard.

The amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The Group expects to adopt the amendments from 1 January 2016.

The amendments to HKFRS 11 require that an acquirer of an interest in a joint operation in which the activity of the joint operation constitutes a business must apply the relevant principles for business combinations in HKFRS 3. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to HKFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party. The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1 January 2016.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

(Continued)

HKFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under HKFRSs. In September 2015, the HKICPA issued an amendment to HKFRS 15 regarding a one-year deferral of the mandatory effective date of HKFRS 15 to 1 January 2018. The Group expects to adopt HKFRS 15 on 1 January 2018 and is currently assessing the impact of HKFRS 15 upon adoption.

Amendments to HKAS 1 include narrow-focus improvements in respect of the presentation and disclosure in financial statements. The amendments clarify:

(i) the materiality requirements in HKAS 1;

(ii) that specific line items in the statement of profit or loss and the statement of financial position may be disaggregated;

(iii) that entities have flexibility as to the order in which they present the notes to financial statements; and

(iv) that the share of other comprehensive income of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement of profit or loss. The Group expects to adopt the amendments from 1 January 2016. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKAS 16 and HKAS 38 clarify the principle in HKAS 16 and HKAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through the use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are to be applied prospectively. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1 January 2016 as the Group has not used a revenue-based method for the calculation of depreciation of its non-current assets.

NOTES TO FINANCIAL STATEMENTS

31 December 2015

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business combinations and goodwill

Business combinations not under common control are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Business combinations and goodwill *(Continued)*

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset 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.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

NOTES TO FINANCIAL STATEMENTS

31 December 2015

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, construction contract assets, financial assets, investment properties and non-current assets/a disposal group classified as held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. 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. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or close member of that person's family and that person,

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

- (i) the entity and the Group are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Related parties *(Continued)*

(b) the party is an entity where any of the following conditions applies: *(Continued)*

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with HKFRS 5, as further explained in the accounting policy for "Non-current assets and disposal groups held for sale". The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Building	2.3%
Plant and machinery	4.75% to 19%
Furniture, fixtures & equipment	19% to $33^1/_3$%
Motor vehicles	9.5% to 20%

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Property, plant and equipment and depreciation *(Continued)*

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Investment properties

Investment properties are interests in land and buildings (including the leasehold interest under an operating lease for a property which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of the retirement or disposal.

For a transfer from investment properties to owner-occupied properties or inventories, the deemed cost of a property for subsequent accounting is its fair value at the date of change in use. If a property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under “Property, plant and equipment and depreciation” up to the date of change in use, and any difference at that date between the carrying amount and the fair value of the property is accounted for as a revaluation in accordance with the policy stated under “Property, plant and equipment and depreciation” above. For a transfer from inventories to investment properties, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the statement of profit or loss.

Where fair value of investment properties under construction is not reliably measurable but is expected to be reliably obtained after the construction is completed (including those investment properties under construction acquired initially by the Group), the property is measured at cost until the earlier of the date construction is completed or the date at which fair value becomes reliably measurable.

For investment properties under construction measured at cost, land use rights are amortized by using the estimated useful life and net residual rate. The amortization is capitalized.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

Non-current assets and disposal groups (other than investment properties and financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the statement of profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to assets cost or the statement of profit or loss on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial investments, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Investments and other financial assets*(Continued)*

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in the statement of profit or loss. The loss arising from impairment is recognised in the statement of profit or loss in finance costs for loans and in other expenses for receivables.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or

- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the statement of profit or loss. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in the statement of profit or loss.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, and interest-bearing bank and other borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Properties under development

Properties under development are intended to be held for sale after completion. Properties under development are stated at the lower of cost and net realisable value. Cost comprises land costs, construction costs, borrowing costs, professional fees and other costs directly attributable to such properties incurred during the development period. Net realisable value is determined by reference to management estimates based on prevailing market conditions less costs to be incurred in selling the property.

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

Completed properties held for sale

Completed properties held for sale are stated at the lower of cost and net realisable value.

Cost is determined by an apportionment of total land and building costs attributable to the unsold properties. Net realisable value is determined by reference to the sales proceeds of properties sold in the ordinary course of business, less applicable variable selling expenses, or by management estimates based on prevailing market conditions.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Income tax *(Continued)*

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 profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

(a) from the sale of completed properties, when the significant risks and rewards of ownership have been transferred to the buyer, which is when the construction of the relevant properties has been completed and the properties have been delivered to the buyer, and the collectability of related receivables is reasonably assured; and;

(b) rental income, on a time proportion basis over the lease terms; and

(c) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Employee benefits

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for these employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiary which operates in Mainland China are required to participate in a central pension scheme operated by the local municipal government. This subsidiary is required to contribute a certain percentage of its payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

NOTES TO FINANCIAL STATEMENTS

31 December 2015

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when 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 capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. In prior years, final dividends proposed by the directors were classified as a separate allocation of retained profits within the equity section of the statement of financial position, until they have been approved by the shareholders in a general meeting. Following the implementation of the Hong Kong Companies Ordinance (Cap.622), proposed final dividends are disclosed in the notes to the financial statements.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

These financial statements are presented in RMB, which is the Group's functional currency. Foreign currency transactions recorded by the Group are initially recorded using the functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

Classification between investment properties and inventories

The properties constructed by the Group may be held for sale, earning rental income and/or capital appreciation. The properties are designated as inventories or investment properties according to the intention of holding at the early development stage. During the course of construction, the properties which are intended for sale after their completion are accounted for as inventories – properties under development included in current assets, whereas, the properties which are intended to be held to earn rental income and/or for capital appreciation are accounted for as investment properties under construction included in non-current assets. Upon completion, the properties held for sale are transferred to inventories – completed properties held for sale, while the properties held to earn rentals and/or for capital appreciation are transferred to completed investment properties.

Estimation uncertainty

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, are described below.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(Continued)*

Estimation uncertainty *(Continued)*

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Income tax

The Group is subject to income taxes in various regions. As a result of the fact that certain matters relating to the income taxes have not been confirmed by the local tax bureaus, objective estimates and judgements based on currently enacted tax laws, regulations and other related policies are required in determining the provision of corporate income taxes. Where the final tax outcome of these matters is different from the amounts originally recorded, the differences will impact the corporate income tax and tax provisions in the period in which the differences realise.

Land appreciation tax

The Group is subject to land appreciation tax ("LAT"). The provision for land appreciation tax is based on the management's best estimates according to their understanding of the requirements set forth in the relevant tax laws and regulations. The actual land appreciation tax liabilities are subject to the determination by the tax authorities upon the settlement of land appreciation tax. The Group has not finalised the assessment for its land appreciation tax calculations and payments with the tax authorities for certain property development projects. The final outcome could be different from the amounts that were initially recorded, and any differences will have impact on the land appreciation tax expense and the related provision in the period in which the differences are realized.

4. OPERATING SEGMENT INFORMATION

The main business of the Group includes property development and investment property development and operation. For the year ended 31 December 2015, all the Group's operations are located and carried out in Mainland China, and as the investment property projects held by the Group were under development, all of the revenue and operating results of the Group are derived from property development in Xi'an First City. Accordingly, no segment information by business and geographical segments is presented. The Group's revenue from external customers is derived solely from its operations in Mainland China, and almost all non-current assets of the Group are located in Mainland China.

For the nine months ended 31 December 2014, all the Group's operations were located and carried out in Mainland China, and all revenue and operating results of the Group are derived from the manufacture and sale of chemical products. The Group's revenue from external customers was derived solely from its operations in Mainland China, and almost all non-current assets of the Group were located in Mainland China.

Information about major customers

No revenue from transactions with a customer amounted to 10% or more of the Group's total revenue.

5. REVENUE, OTHER INCOME AND GAINS

Revenue, represents the proceeds, net of business tax and surcharges from the sales of properties during the year.

An analysis of revenue, other income and gains from continuing operations is as follows:

	2015 RMB'000	Nine months ended 31 December 2014 RMB'000 (Restated)
Revenue		
Sale of properties	**690,246**	–
Other income		
Bank interest income	**17,851**	–
Other interest income	**4,789**	–
Gross rental income	**458**	–
	23,098	–
Gains		
Foreign exchange differences, net	**8,386**	–
Others	**865**	–
	9,251	–
	32,349	–

6. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax from continuing operations is arrived at after charging/(crediting):

	Notes	**2015 RMB'000**	Nine months ended 31 December 2014 RMB'000 (Restated)
Cost of properties sold		**548,173**	–
Depreciation		**105**	5
Auditors' remuneration		**1,800**	1,230
Minimum lease payments under operating leases		**1,864**	–
Expenses relating to acquisition of Xin Kai	*29*	**942**	30,720
Employee benefit expense (excluding directors' remuneration *(note 8)*):			
Wages, salaries and staff welfare		**746**	579
Pension scheme contributions		**70**	29
		816	608
Foreign exchange differences, net		**(8,386)**	2
Bank interest income		**(17,851)**	–
Other interest income		**(4,789)**	–
Gain on bargain purchase on acquisition of interests in subsidiaries	*29*	**(259,996)**	–

7. FINANCE COSTS

An analysis of finance costs from continuing operations is as follows:

	2015 RMB'000	Nine months ended 31 December 2014 RMB'000 (Restated)
Interest on bank loans, overdrafts and other loans (including guaranteed notes)	**38,522**	212
Less: Interest capitalised	**(9,050)**	–
	29,472	212

8. DIRECTORS' REMUNERATION

Directors' remuneration for the year/period, disclosed pursuant to the Listing Rules 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of information about Benefits of Directors) Regulation, is as follows:

	2015 RMB'000	Nine months ended 31 December 2014 RMB'000
Fees	**600**	489
Other emoluments:		
Salaries, allowances and benefits in kind	**2,531**	–
Performance related bonuses	**888**	–
Pension scheme contributions	**75**	–
	3,494	–
	4,094	489

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year/period were as follows:

	2015 RMB'000	Nine months ended 31 December 2014 RMB'000
Dr. Ngai Wai Fung	**200**	163
Prof. Zhao Yuhong	**200**	163
Prof. He Xiaofeng	**200**	163
	600	489

There were no other emoluments payable to the independent non-executive directors during the year (nine months ended 31 December 2014: Nil).

8. DIRECTORS' REMUNERATION *(Continued)*

(b) Executive directors and non-executive directors

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Equity-settled share option expense RMB'000	Pension scheme contributions RMB'000	Total remuneration RMB'000
2015						
Executive directors:						
Mr. Tang Jun	–	–	–	–	–	–
Mr. Zhong Beichen	–	2,531	888	–	75	3,494
	–	2,531	888	–	75	3,494
Non-executive directors:						
Mr. Wang Hao	–	–	–	–	–	–
Mr. Liu Xiaoguang	–	–	–	–	–	–
	–	2,531	888	–	75	3,494
Nine months ended 31 December 2014						
Executive directors:						
Mr. Tang Jun	–	–	–	–	–	–
Mr. Zhong Beichen	–	–	–	–	–	–
	–	–	–	–	–	–
Non-executive directors:						
Mr. Wang Hao	–	–	–	–	–	–
Mr. Liu Xiaoguang	–	–	–	–	–	–
	–	–	–	–	–	–

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (nine months ended 31 December 2014: Nil).

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included one director (nine months ended 31 December 2014: Nil), details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the four (nine months ended 31 December 2014: five) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2015 **RMB'000**	Nine months ended 31 December 2014 RMB'000
Salaries, allowances and benefits in kind	**2,337**	1,344
Performance related bonuses	**703**	–
Pension scheme contributions	**256**	42
	3,296	1,386

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	2015 **RMB'000**	Nine months ended 31 December 2014 RMB'000
Nil to HK$1,000,000	**3**	5
HK$1,000,000 to HK$1,500,000	**1**	–

10. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profit arising in Hong Kong during the year (nine months ended 31 December 2014: Nil).

	2015 **RMB'000**	Nine months ended 31 December 2014 RMB'000 (Restated)
Current:		
Hong Kong	**–**	–
Mainland China:		
PRC corporate income tax	**46,160**	–
PRC land appreciation tax	**10,276**	–
Deferred (note 25)	**(16,086)**	–
Total tax charge for the year/period	**40,350**	–

PRC corporate income tax

All of the Company's subsidiaries that operate in Mainland China where subject to the statutory corporate income tax rate of 25% for the year ended 31 December 2015 (nine months ended 31 December 2014: 25%) under the income tax rules and regulations of the PRC.

PRC land appreciation tax

PRC land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of the land value, being the proceeds from sales of properties less deductible expenditures including amortisation of land use rights, borrowing costs and all property development expenditures in accordance with the relevant PRC tax laws and regulations.

A reconciliation of the tax expense applicable to profit before tax at the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

10. INCOME TAX EXPENSE *(Continued)*

2015

	Hong Kong		Mainland China		Total	
	RMB'000	%	RMB'000	%	RMB'000	%
Profit before tax from continuing operations	**232,894**		**124,795**		**357,689**	
Tax at the statutory tax rates	**38,427**	**16.5**	**31,199**	**25.0**	**69,626**	**19.5**
Income not subject to tax	**(46,237)**	**(19.9)**	**–**	**–**	**(46,237)**	**(12.9)**
Expenses not deductible for tax	**6,352**	**2.8**	**533**	**0.4**	**6,885**	**1.9**
Tax losses not recognised	**1,458**	**0.6**	**911**	**0.7**	**2,369**	**0.7**
Land appreciation tax	**–**	**–**	**10,276**	**8.2**	**10,276**	**2.8**
Tax effect of land appreciation tax	**–**	**–**	**(2,569)**	**(2.0)**	**(2,569)**	**(0.7)**
Tax charge at the Group's effective rate	**–**	**–**	**40,350**	**32.3**	**40,350**	**11.3**

Nine months ended 31 December 2014

	Hong Kong		Mainland China		Total	
	RMB'000	%	RMB'000	%	RMB'000	%
Loss before tax from continuing operations	(35,242)		(25)		(35,267)	
Tax at the statutory tax rates	(5,815)	16.5	(6)	25.0	(5,821)	16.5
Expenses not deductible for tax	5,269	(15.0)	–	–	5,269	(14.9)
Tax losses not recognised	546	(1.5)	6	(25.0)	552	(1.6)
Tax charge at the Group's effective rate	–	–	–	–	–	–

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11. DISCONTINUED OPERATION

On 3 December 2014, the Group entered into a sale and purchase agreement with Leadwin Asia Group Limited ("Leadwin Asia"), an independent third party, pursuant to which, the Group agreed to sell its entire interests in and shareholders' loans to Cheng Wang Limited ("Cheng Wang", a indirectly wholly-owned subsidiary of the Company) to Leadwin Asia for a cash consideration of HK$182,000,000. Cheng Wang and its subsidiaries engaged in the manufacture and sale of phthalic anhydride and fumaric acid. The disposal of Cheng Wang and its subsidiaries was completed on 22 January 2015.

The Group's chemical business operation was solely undertaken by Cheng Wang and its subsidiaries. Accordingly, the chemical business operation of the Group was discontinued. Cheng Wang and its subsidiaries were classified as a disposal group during the nine months ended 31 December 2014.

The results of the discontinued operation dealt with in the consolidated financial statements for the year ended 31 December 2015 and the nine months ended 31 December 2014 are summarised below:

	2015 **RMB'000**	Nine months ended 31 December 2014 RMB'000 (Restated)
Revenue	–	69,650
Other income and gains	–	457
Cost of sales and operating expenses	–	(75,902)
Finance costs	–	(1,970)
Loss recognised on the remeasurement to fair value	–	(5,791)
Loss before tax from discontinued operation	–	(13,556)
Income tax expense related to loss before tax from discontinued operation	–	–
	–	(13,556)
Gain on disposal of the discontinued operation, net of income tax of nil *(note 30)*	**19,465**	–
Profit/(loss) for the year/period from discontinued operation wholly attributable to ordinary equity holders of the parent	**19,465**	(13,556)

12. DIVIDENDS

No dividend has been paid or declared by the Company during the year (nine months ended 31 December 2014: Nil).

13. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, and the number of ordinary shares of 200,000,000 (nine months ended 31 December 2014: 200,000,000) in issue during the year.

The calculation of the diluted earnings per share amounts for the year is based on the profit for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued on the deemed conversion of the Group's CPS into ordinary shares.

The calculations of basic and diluted earnings/(loss) per share are based on:

	2015 **RMB'000**	Nine months ended 31 December 2014 RMB'000 (Restated)
Earnings/(Loss)		
Profit/(loss) attributable to ordinary equity holders of the parent used in the basic earnings/(loss) per share calculation	**336,804**	(48,823)
including:		
profit/(loss) from continuing operations	**317,339**	(35,267)
profit/(loss) from discontinued operation	**19,465**	(13,556)
Shares		
Weighted average number of ordinary shares in issue during the year/period used in the basic earnings/(loss) per share calculation	**200,000,000**	200,000,000
Effect of dilution – weighted average number of ordinary shares: CPS	**695,662,701**	–
	895,662,701	200,000,000

14. PROPERTY, PLANT AND EQUIPMENT

	Buildings RMB'000	Plant and machinery RMB'000	Furniture, fixtures & equipment RMB'000	Motor vehicles RMB'000	Total RMB'000
31 December 2015					
At 31 December 2014 and at 1 January 2015					
Cost, as restated	–	–	40	–	40
Accumulated depreciation, as restated	–	–	(5)	–	(5)
Net carrying amount, as restated	–	–	35	–	35
At 1 January 2015, net of accumulated depreciation, as restated	–	–	35	–	35
Additions	–	–	345	723	1,068
Acquisition of interests in subsidiaries *(note 29)*	–	–	128	90	218
Depreciation provided during the year	–	–	(50)	(55)	(105)
At 31 December 2015, net of accumulated depreciation	–	–	458	758	1,216
At 31 December 2015:					
Cost	–	–	513	813	1,326
Accumulated depreciation	–	–	(55)	(55)	(110)
Net carrying amount	–	–	458	758	1,216

14. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

	Buildings RMB'000	Plant and machinery RMB'000	Furniture, fixtures & equipment RMB'000	Motor vehicles RMB'000	Total RMB'000
31 December 2014					
At 1 April 2014					
Cost, as restated	28,437	73,891	704	812	103,844
Accumulated depreciation, as restated	(7,433)	(36,646)	(540)	(552)	(45,171)
Net carrying amount, as restated	21,004	37,245	164	260	58,673
At 1 April 2014, net of accumulated depreciation, as restated	21,004	37,245	164	260	58,673
Additions	–	68	40	–	108
Assets included in the discontinued operation *(note 30)*	(20,546)	(35,344)	(4)	(4)	(55,898)
Depreciation provided during the period, as restated	(458)	(1,969)	(165)	(256)	(2,848)
At 31 December 2014, net of accumulated depreciation, as restated	–	–	35	–	35
At 31 December 2014:					
Cost, as restated	–	–	40	–	40
Accumulated depreciation, as restated	–	–	(5)	–	(5)
Net carrying amount, as restated	–	–	35	–	35

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15. INVESTMENT PROPERTIES

	2015 RMB'000
Carrying amount at 31 December 2014 and 1 January 2015	**–**
Additions	**604,255**
Carrying amount at 31 December	**604,255**

The Group's investment properties consist of three commercial properties under construction in Mainland China. The directors of the Company have classified the investment properties as commercial properties, based on the nature, characteristics and risks of the Group's properties.

At 31 December 2015, the Group's investment properties measured at cost due to the fair value cannot be reliably determined at the construction period. The amortisation of land use right amounted to RMB4,726,000 was capitalised during the year.

Further particulars of the Group's investment properties are included on page 104.

The procedures for title certificates were not yet completed at 31 December 2015.

16. INVENTORIES

	31 December 2015 RMB'000	31 December 2014 RMB'000 (Restated)
Properties under development	**1,581,151**	–
Completed properties held for sale	**954,352**	–
	2,535,503	–

Properties under development expected to be recovered:

	31 December 2015 RMB'000	31 December 2014 RMB'000 (Restated)
Within one year	**715,475**	–
More than one year	**865,676**	–
	1,581,151	–

The Group's properties under development are located in Mainland China.

17. TRADE RECEIVABLES

There were no sales on credit during the current year, therefore no trade receivables balance at 31 December 2015 (31 December 2014: Nil).

18. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	31 December 2015 RMB'000	31 December 2014 RMB'000 (Restated)
Prepayments	**392**	177
Prepaid other taxes	**33,042**	–
Deposits and other receivables	**50,372**	–
	83,806	177

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

19. PREPAID TAXES AND TAXES PAYABLE

(a) Prepaid taxes

	31 December 2015 RMB'000	31 December 2014 RMB'000 (Restated)
PRC corporate income tax	**608**	–
PRC land appreciation tax	**60,151**	–
	60,759	–

(b) Taxes payable

	31 December 2015 RMB'000	31 December 2014 RMB'000 (Restated)
PRC corporate income tax	**71,339**	–
PRC land appreciation tax	**1,638**	–
	72,977	–

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20. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	31 December 2015 RMB'000	31 December 2014 RMB'000 (Restated)
Cash and bank balances	**994,765**	145,707
Time deposits	**843,716**	–
	1,838,481	145,707
Less:		
Restricted cash	**(201,125)**	–
Cash and cash equivalents	**1,637,356**	145,707

At the end of the reporting period, the cash and bank balance of the Group denominated in HK$ amounted to RMB194,227,000 (31 December 2014: HK$ amounted to RMB145,531,000) and United States dollar ("US$") amounted to RMB798,000 (31 December 2014: Nil). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits as at 31 December 2015 were made for less than one month depending on the immediate cash requirements of the Group, and earned interest at the respective short term time deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

21. TRADE PAYABLES

An aged analysis of the Group's trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	31 December 2015 RMB'000	31 December 2014 RMB'000 (Restated)
Within 1 year	**942,368**	–

Included in the trade payables are trade payables of RMB5,558,000 (31 December 2014: Nil) due to a related party which are repayable within 1 year, which represented credit terms similar to those offered by the related party to other major customers.

The trade payables are non-interest-bearing and repayable within the normal operating cycle ranging from 7 months to 12 months or on demand.

22. OTHER PAYABLES AND ACCRUALS

	31 December 2015 RMB'000	31 December 2014 RMB'000 (Restated)
Advances from disposal of subsidiaries	**–**	143,574
Other payables	**76,721**	26,405
Other tax payable	**5,024**	–
Accruals	**1,640**	1,230
Advances from customers	**578,423**	–
Due to BCL	**1,698**	–
Due to Capital Group *(note 34(a)(ii))*	**1,625**	–
Due to a fellow subsidiary	**3,494**	–
Accrued interest for guaranteed notes *(note 24)*	**28,438**	–
	697,063	171,209

Other payables are non-interest-bearing and normally settled on demand (31 December 2014: average term of three months).

23. INTEREST-BEARING BANK BORROWINGS

	31 December 2015			31 December 2014		
	Effective interest rate (%)	**Maturity**	**RMB'000**	Effective interest rate (%)	Maturity	RMB'000 (Restated)
Current						
Bank loans, unsecured	**–**	**–**	**–**	HIBOR+3	2015	12,070

	31 December 2015 RMB'000	31 December 2014 RMB'000 (Restated)
Analysed into:		
Bank loans repayable:		
Within one year	**–**	12,070

Notes:

Bank loans of RMB12,070,000 were denominated in HK$ as at 31 December 2014.

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24. GUARANTEED NOTES

On 23 July 2015, Rosy, a wholly-owned subsidiary of the Company, the Company and Capital Group entered into the subscription agreement with the Hongkong and Shanghai Banking Corporation Limited, DBS Bank Ltd., ABCI Capital Limited, Bank of China (Hong Kong) Limited and China Construction Bank Corporation, Singapore Branch in connection with the proposed international offering of RMB1,300,000,000 guaranteed notes due 2018 at the rate of 5.25% per annum proposed to be issued by Rosy (the "Notes"). The Notes carry interest at rate of 5.25% per annum, which is payable half-yearly in January and July. The issuance of the Notes has been completed on 30 July 2015 and the Notes have been listed for trading on the Stock Exchange of Hong Kong on 31 July 2015. Further details of the Notes are set out in the announcement dated 20, 24 and 30 July 2015.

	31 December 2015 RMB'000
Nominal value of guaranteed notes issued during the year	**1,300,000**
Direct transaction costs	**(8,060)**
Interest expense	**29,417**
Interest paid	**–**
Amortized cost	**1,321,357**
Portion classified as current liabilities *(note 22)*	**(28,438)**
Guaranteed notes at 31 December 2015	**1,292,919**

25. DEFERRED TAX

The movements in deferred tax liabilities during the year are as follows:

Deferred tax liabilities

	Fair value adjustments arising from acquisition of subsidiaries RMB'000
At 31 December 2014 and 1 January 2015, as restated	–
Acquisition of interests in subsidiaries *(note 29)*	148,828
Deferred tax credited to the statement of profit or loss during the year *(note 10)*	(16,086)
Gross deferred tax liabilities at 31 December 2015	132,742

Deferred tax assets

As at 31 December 2015, deferred tax assets have not been recognised in respect of unused tax losses of RMB23,691,000 (31 December 2014: RMB11,218,000, as restated) as they have arisen in the Company and other holding companies that have loss-making for some time and it is not probable that taxable profits will be available against which such tax losses can be utilised.

26. SHARE CAPITAL

	31 December 2015 RMB'000	31 December 2014 RMB'000 (Restated)
Authorised:		
Ordinary shares		
20,000,000,000 (31 December 2014: 2,000,000,000) ordinary shares of HK$0.01 each	**160,009**	15,720
CPS		
738,130,482 (31 December 2014: Nil) CPS of HK$0.01 each	**5,875**	–
Total	**165,884**	15,720
Issued and fully paid:		
Ordinary shares		
200,000,000 (31 December 2014: 200,000,000) ordinary shares of HK$0.01 each	**1,572**	1,572
CPS		
738,130,482 (31 December 2014: Nil) CPS of HK$0.01 each	**5,875**	–
Total	**7,447**	1,572

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27. CPS

The CPS with a par value HK$0.01 each were created as a new class of shares in the share capital of the Company on 22 January 2015. Upon the completion date of the business combination on 22 January 2015, the Company issued 738,130,482 CPS (which are convertible into 738,130,482 ordinary shares of HK$0.01 each in the share capital of the Company (the “Shares”) at HK$2.66 each to be allotted and issued credited as fully paid by the Company upon the exercise of the conversion rights attaching to the CPS (the “Conversion Shares”)), resulting in credits to share capital of approximately RMB5,875,000 (equivalent to approximately HK$7,381,000) with par value of HK$0.01 each and share premium of RMB1,556,817,000 (equivalent to approximately HK$1,956,046,000) respectively.

The CPS shall be convertible at the option of its holder, without the payment of any additional consideration therefor, into such number of fully-paid Shares at the conversion ratio of one CPS for one Share. Holders of the CPS will have the right to convert all or such number of CPS into the Conversion Shares at any time after the issuance of the CPS, provided that they may not exercise the conversion rights as to such number of CPS the conversion of which would result in the Company not meeting the minimum public float requirement under Rule 8.08 of the Listing Rules. The CPS shall be non-redeemable by the Company or their holders.

Each CPS shall confer on its holder the right to receive any dividend pari passu with holders of Shares on the basis of the number of Share(s) into which each CPS may be converted and on an as converted basis. The holders of the CPS shall have priority over the ordinary shareholders of the Company on the assets and funds of the Company available for distribution in a distribution of assets on liquidation, winding-up or dissolution of the Company (but not on conversion of CPS or any repurchase by the Company of CPS or Shares).

The holders of the CPS shall be entitled to receive notices of and to attend general meetings of the Company, but the CPS shall not confer on their holders the right to vote at a general meeting of the Company, unless a resolution is to be proposed at a general meeting for the winding-up of the Company or a resolution is to be proposed which if passed would vary or abrogate the rights or privileges of the CPS or vary the restrictions to which the CPS are subject.

The CPS (including the Conversion Shares once converted from the CPS) may be transferred by their holders without restriction. Save as expressly provided in the Bye-laws and save and except for the voting rights and distribution entitlements upon liquidation, winding-up or dissolution of the Company, each CPS shall have the same rights as each of the Shares.

The Conversion Shares upon conversion of the CPS will be issued as fully paid and will rank pari passu in all respects with the Shares in issue as at the date of conversion. Listing approval for the Conversion Shares has been granted by the Stock Exchange.

28. RESERVES

The amounts of the Group’s reserves and the movements therein for the current year and prior period are presented in the consolidated statement of changes in equity on page 43 to 44 of the financial statements.

29. BUSINESS COMBINATION

29.1 Business combination under common control

The Group acquired 100% interest in Jin Fu Long Ding and Wan An Jin Fu from a fellow subsidiary of the Company at cash consideration of approximately RMB220,000 and RMB74,000, respectively. Both of the acquirees are investment holding companies established in the PRC.

Since the Group and the above acquirees are all under the common control of BCL and that control is not transitory, the above transfers of equity interests are considered as common control combinations.

The Group has applied merger accounting as prescribed in Accounting Guidance 5 issued by the HKICPA to account for the business combination under common control as if the acquisitions had been occurred and both of the acquirees had combined from the beginning of the earliest financial period of the consolidated financial statements presented or the date when they were first under the common control, where this is the shorter period.

The net assets of the Group and both of the acquirees are combined using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or excess of the Group's interest in the net fair value of both of the acquirees' identifiable assets, liabilities and contingent liabilities over costs of acquisitions at the time of the business combinations under common control.

The comparative amounts in the consolidated financial statements have been restated and presented as if the entities had been combined at the beginning of the comparative period or when they first came under common control, whichever is later.

29.2 Business combination not common control

On 22 January 2015, the Group completed an acquisition of 100% equity interest in Xin Kai from Asian Expert (an indirectly wholly-owned subsidiary of BCL). The principal activity of Xin Kai is property development. The acquisition was made as a part of the Group's strategy to focus on property development business. The consideration for the acquisition is approximately HK$1,963,427,000 (RMB1,562,692,000) which was settled in cash. For funding and settlement of the consideration, GTL and the Company entered into a conditional subscription agreement on 15 August 2014, under which GTL subscribed for and the Company issued 738,130,482 CPS at an issue price of HK$2.66 per CPS on 22 January 2015. All proceeds arising from the issue of the CPS were used to settle the consideration of the acquisition.

Although the Group and Xin Kai are controlled by BCL both before and after the acquisition, Xin Kai was acquired by BCL from Reco Ziyang Pte Ltd. ("Reco Ziyang"), the non-controlling shareholders of certain BCL's subsidiaries on 28 September 2014. Therefore, the control is transitory before the acquisition and the acquisition of Xin Kai by the Group was treated as a business combination using purchase accounting according to the requirements under Hong Kong Financial Reporting Standard 3 (Revised) *Business Combinations*.

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29. BUSINESS COMBINATION *(Continued)*

29.2 Business Combination not common control *(Continued)*

The identification of the identifiable assets and liabilities of Xin Kai and the determination of their fair values as at the date of acquisition are as follows:

	Fair value recognised on acquisition RMB'000
Property, plant and equipment	218
Cash and bank balances	1,654,024
Inventories	2,072,543
Prepayments, deposits and other receivables	75,236
Prepaid land appreciation tax	58,384
Trade payables	(205,966)
Advances from customers	(840,702)
Other payables and accruals	(41,873)
Dividend payable	(572,078)
Interest-bearing bank borrowings	(166,000)
Taxes payable	(62,270)
Deferred tax liabilities	(148,828)
Total identifiable net assets at fair value	1,822,688
Gain on bargain purchase recognised in the consolidated statement of profit or loss	(259,996)
Satisfied by cash	1,562,692

29. BUSINESS COMBINATION *(Continued)*

29.2 Business Combination not common control *(Continued)*

An analysis of the cash flows in respect of the acquisition of Xin Kai is as follows:

	RMB'000
Cash consideration	(1,562,692)
Cash and cash equivalents acquired	1,634,477
Net inflow of cash and cash equivalents included in cash flows from investing activities	71,785
Transaction costs of the acquisition included in cash flows from operating activities	(31,662)
	40,123

The fair value of the other receivables as at the date of acquisition amounted to RMB26,973,000, which was the same as the gross contractual amount.

The Group incurred transaction costs of RMB31,662,000 for this acquisition. Most of these transaction costs amounting to RMB30,720,000 were accrued and included in administrative expenses in the consolidated statement of profit or loss for the nine-month period ended 31 December 2014, the remaining expenses amounting to RMB942,000 are included in administrative expenses in the consolidated statement of profit or loss for the year ended 31 December 2015.

The consideration of the acquisition of HK$1,963,427,000 (RMB1,562,692,000) was determined by reference to that of BCL's acquisition of Xin Kai from Reco Ziyang on 28 September 2014, which was agreed based on the fair value of Xin Kai's net asset as at 30 June 2014 and also included a discount to Xin Kai's assessed net assets value due to the long-term relationship between BCL and Reco Ziyang. Therefore, a gain on bargain purchase arose from the acquisition.

Since the acquisition, Xin Kai contributed RMB690,246,000 to the Group's revenue and RMB86,126,000 to the consolidated profit for the year ended 31 December 2015.

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30. DISPOSAL OF SUBSIDIARIES

As detailed in note 11, the Company's equity interests in Cheng Wang were disposed of to a third party on 22 January 2015.

Details of the disposal transaction of the entire interests in Cheng Wang are summarised as follows:

	Note	2015 RMB'000
Prepaid lease payments		1,462
Prepayments on acquisition of property, plant and equipment		18,500
Property, plant and equipment		55,898
Inventories		44,717
Trade receivables		4,975
Prepayments, deposits and other receivables		8,850
Pledged deposits		24,670
Cash and cash equivalents		36,381
Loss recognised on the remeasurement to fair value		(5,791)
Assets of a disposal group classified as held for sale at 31 December 2014		189,662
Trade payables		(176)
Other payables and accruals		(2,796)
Taxes payable		(3,116)
Interest-bearing bank borrowings		(40,000)
Liabilities directly associated with the assets classified as held for sale at 31 December 2014		(46,088)
Exchange reserve realised		(19,465)
		124,109
Gain on disposal of subsidiaries	*11*	19,465
		143,574
Satisfied by:		
Cash		143,574

30. DISPOSAL OF SUBSIDIARIES *(Continued)*

An analysis of the net outflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

	2015 RMB'000
Cash consideration	143,574
Cash and cash equivalents disposed of	(36,381)
	107,193
Cash consideration received in advance during the nine months ended 31 December 2014	(143,574)
Net outflow of cash and cash equivalents in respect of the disposal of subsidiaries	(36,381)

31. CONTINGENT LIABILITIES

At the end of the reporting period, contingent liabilities not provided for in the financial statements are as follows:

	31 December 2015 RMB'000	31 December 2014 RMB'000 (Restated)
Contracted, but not provided for:		
Mortgage facilities for certain purchasers of the Group's properties	**1,781,593**	–

As at 31 December 2015, the Group provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default on mortgage repayments by these purchasers before the expiry of the guarantees, the Group is responsible for repaying the outstanding mortgage principals together with the accrued interests and penalties owed by the defaulted purchasers to the banks. Under the above arrangement, the related properties were pledged to the banks as collateral for the mortgage loans, upon default on mortgage repayments by these purchasers, the banks are entitled to take over the legal titles and will realise the pledged properties through open auction. The Group is responsible for repaying the banks when the proceeds from the auction of the properties cannot cover the outstanding mortgage principals together with the accrued interests and penalties.

The Group's guarantee period starts from the grant dates of the relevant mortgage loans and ends upon the issuance of building ownership certificates to the purchasers, which will generally be available within one to two years after the purchasers take possession of the relevant properties.

The fair value of the guarantees is not significant and the Directors consider that in case of default on payments, the net realisable value of the related properties can cover the outstanding mortgage principals together with the accrued interests and penalties and therefore no provision has been made for the guarantees.

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32. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its completed properties held for sale under operating lease arrangements, with leases negotiated for terms ranging from three to fifteen years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

At 31 December 2015, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	31 December 2015 RMB'000	31 December 2014 RMB'000 (Restated)
Within one year	**684**	–
In the second to fifth years, inclusive	**2,541**	–
After five years	**3,552**	–
	6,777	–

(b) As lessee

The Group leases certain of its office properties under operating lease arrangements. Leases for properties are negotiated for terms of two years.

At 31 December 2015, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	31 December 2015 RMB'000	31 December 2014 RMB'000 (Restated)
Within one year	**1,063**	–
In the second to fifth years, inclusive	**528**	–
	1,591	–

33. COMMITMENTS

In addition to the operating lease commitments detailed in note 32(b) above, the Group had the following capital commitments at the end of the reporting period:

	31 December 2015 RMB'000	31 December 2014 RMB'000 (Restated)
Contracted, but not provided for:		
Acquisition of Xin Kai	**–**	1,562,692
Properties under development	**77,296**	–
Investment properties	**201,245**	–
Investment in a new joint venture	**83,300**	–
	361,841	1,562,692

34. RELATED PARTY TRANSACTIONS

(a) Apart from the transactions and balances disclosed elsewhere in the financial statement, the Group had the following significant transactions with related parties during the year:

	Notes	**2015 RMB'000**	Nine months ended 31 December 2014 RMB'000 (Restated)
Funds entrusted to related parties	*(i)*	**2,634,000**	–
Funds transferred back from related parties	*(i)*	**2,634,000**	–
Sales agency service fee to an associate of BCL		**4,616**	–
Rental expense to BCL		**1,640**	–
Service fee for keepwell deed to Capital Group	*(ii)*	**1,625**	–

34. RELATED PARTY TRANSACTIONS *(Continued)*

(a) *(Continued)*

Notes:

(i) *During the year, Xin Kai entrusted a total sum of RMB2,634,000,000 (the "Funds") to subsidiaries of BCL (the "Service Agents") for obtaining investment opportunities in commercial property projects in the PRC for Xin Kai. No service fee is payable and any transfer(s) of the Funds shall be made in accordance with instructions from Xin Kai. Any interest income arising from the Funds shall be released to Xin Kai before 31 December 2015. As of 31 December 2015, the Service Agents had transferred back the Funds to Xin Kai and the relevant interest income of RMB1,506,000 arising from the Funds had been released to Xin Kai. Based on the foregoing, the Company considers that the above arrangements fall within the de minimis exemption for connected transactions pursuant to the Listing Rules.*

(ii) *As disclosed in note 22, Capital Group and Rosy signed "Keepwell and Liquidity Support Deed". According to the agreement, Rosy issued RMB1.3 billion global bond. Rosy would pay Capital Group, as the Keepwell and Liquidity Support Deed provider to ensure the existence and good liquidity of the issuer, with an amount of 0.3% of the issued aggregate principal, amounted to RMB3.9 million annually. Rosy recorded administration fee amounting to RMB1,625,000 during the current year. The service fee fall within the exemption for connected transactions pursuant to Rule 14A.90 of the Listing Rules.*

(b) Other transaction with related parties

During the year, the Group acquired Jin Fu Long Ding and Wan An Jin Fu from a fellow subsidiary. Further details of the transaction are included in note 29 to the financial statements.

(c) Compensation of key management personnel of the Group:

	2015 **RMB'000**	Nine months ended 31 December 2014 RMB'000 (Restated)
Salaries, allowances and benefits in kinds	**7,058**	1,615
Pension scheme contributions	**330**	–
Total compensation paid to key management personnel	**7,388**	1,615

Further details of directors' and the chief executive's emoluments are included in note 8 and note 9 to the financial statements.

Except for the sales agency service fee to an associate of BCL, all the other related party transactions also constitute but fall within the de minimis exemption for connected transactions pursuant to Chapter 14A of the Listing Rules.

35. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets

	Loans and receivables	
	31 December 2015 RMB'000	31 December 2014 RMB'000 (Restated)
Financial assets included in prepayments, deposits and other receivables	**50,372**	–
Restricted cash	**201,125**	–
Cash and cash equivalents	**1,637,356**	145,707
	1,888,853	145,707

Financial liabilities

	Liabilities at amortised cost	
	31 December 2015 RMB'000	31 December 2014 RMB'000 (Restated)
Trade payables	**942,368**	–
Financial liabilities included in other payables and accruals	**111,976**	26,405
Guarantee notes *(note 24)*	**1,292,919**	–
Interest-bearing bank borrowings	**–**	12,070
	2,347,263	38,475

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36. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	2015	2014	**2015**	2014
	RMB'000	RMB'000	**RMB'000**	RMB'000
Financial liabilities				
Guaranteed notes (including current portion) *(note 24)*	**1,321,357**	–	**1,321,357**	–
Interest-bearing bank borrowings	**–**	12,070	**–**	12,070

Management has assessed that the fair values of cash and cash equivalents, trade payables, financial assets included in prepayments, deposits and other receivables, and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments.

The policies and procedures for the fair value measurements of financial instruments are determined by the Group's finance department and are regularly reviewed by senior management.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair values of the interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The fair value of the guaranteed notes is estimated by discounting the expected future cash flows using an equivalent market interest rate for similar guaranteed notes with consideration of the Group's own non-performance risk.

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's financial instruments:

Liabilities for which fair values are disclosed:

	(Level 2) Significant observable inputs	
	31 December 2015	31 December 2014
	RMB'000	RMB'000
		(Restated)
Guaranteed notes (including current portion) *(note 24)*	**1,321,357**	–
Interest-bearing bank borrowings	**–**	12,070

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank borrowings, guaranteed notes and cash and bank balances and time deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on minimising potential adverse effects of these risks, with material impact, on the Group's financial performance. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing bank borrowings and other financial liabilities with floating interest rates. The management continuously monitors the interest rate position and makes decisions with reference to the latest market condition.

Foreign currency risk

The Group mainly operates in Mainland China and Hong Kong with most of the Group's monetary assets, liabilities and transactions principally denominated in HK$ and RMB. The Group has not used any derivative to hedge its exposure to foreign currency risk.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the HK$ exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities).

	Increase/ (decrease) in HK$ Rate %	**Increase/ (decrease) in profit before tax** RMB'000
31 December 2015		
If the RMB weakens against the HK$	**(5)**	**8,079**
If the RMB strengthens against the HK$	**5**	**(8,079)**

	Increase/ (decrease) in HK$ Rate %	**(Increase)/ decrease in loss before tax** RMB'000
31 December 2014, as restated		
If the RMB weakens against the HK$	(5)	(982)
If the RMB strengthens against the HK$	5	982

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, deposits and other receivables arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

Liquidity risk

The Group's policies are to maintain sufficient cash and cash equivalents and to have available funding through bank borrowings to meet its working capital requirements.

The maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	31 December 2015				
	Less than 3 months or on demand RMB'000	**3 to less than 12 months RMB'000**	**1 to 5 years RMB'000**	**Over 5 years RMB'000**	**Total RMB'000**
Trade payables	**787,768**	**154,600**	**–**	**–**	**942,368**
Other payables	**83,538**	**–**	**–**	**–**	**83,538**
Guarantee notes	**34,125**	**34,125**	**1,436,500**	**–**	**1,504,750**
	905,431	**188,725**	**1,436,500**	**–**	**2,530,656**

	31 December 2014				
	Less than 3 months or on demand RMB'000 (Restated)	3 to less than 12 months RMB'000 (Restated)	1 to 5 years RMB'000 (Restated)	Over 5 years RMB'000 (Restated)	Total RMB'000 (Restated)
Interest-bearing bank borrowings	12,101	–	–	–	12,101
Other payables	26,405	–	–	–	26,405
	38,506	–	–	–	38,506

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristic of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. During the current year, the Group used new gearing ratio obtained from net debt divided by total equity for the purpose of property industry capital management.

The Group monitors capital using a gearing ratio, which is net debt divided by total equity. Net debt includes interest-bearing bank and other borrowings and guaranteed notes (including the current portion and the non-current portion), less cash and cash equivalent and restricted cash, and excludes the discontinued operation. The gearing ratios as at the end of the reporting periods were as follows:

	31 December 2015 RMB'000	31 December 2014 RMB'000 (Restated)
Interest-bearing bank borrowings	**–**	12,070
Guaranteed notes (including current portion) *(note 24)*	**1,321,357**	–
Total	**1,321,357**	12,070
Less: Cash and cash equivalents	**(1,637,356)**	(145,707)
Restricted cash	**(201,125)**	–
Net debt	**(517,124)**	(133,637)
Total equity	**1,985,951**	106,214
Gearing ratio	**(26.0%)**	(125.8%)

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38. EVENTS AFTER THE REPORTING PERIOD

(a) On 26 January 2016, Shanghai Juque Investments Management Limited and Capital Juda Enterprise Limited, two wholly-owned subsidiaries of the Company, entered into a land use right grant contract with Land Resources Department of Xi'an for the acquisition of the land use right located in Xi'an High-tech Industrial Development Zone in Shaanxi Province with a site of area of approximately 120,000 square metres at cash consideration of approximately RMB240 million in relation to the successful bid at the public auction held on 13 January 2016.

(b) On 22 February 2016, Shanghai Juque Investments Management Limited and Eternal Crown Investment Limited, two wholly-owned subsidiaries of the Company,entered into a land use right grant contract with Land Resources Department of Xingyang city for the acquisition of the land use right located in Zhengzhou with a site of area of approximately 62,621.61 square metres at cash consideration of approximately RMB57.85 million in relation to the successful bid at the public auction held on 3 February 2016.

39. COMPARATIVE AMOUNTS

As further explained on note 29 to the financial statements, due to the business combination under common control during the year, comparative amounts in the consolidated financial statements have been restated to conform with the basis of preparation as stated in note 2.1 to the financial statements, and a third statement of financial position as at 1 April 2014 has been presented.

40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	31 December 2015 RMB'000	31 December 2014 RMB'000
NON-CURRENT ASSETS		
Property, plant and equipment	**27**	35
Investments in subsidiaries	**–**	–
Total non-current assets	**27**	35
CURRENT ASSETS		
Prepayments, deposits and other receivables	**1,216**	176
Due from subsidiaries	**1,940,567**	16,785
Cash and cash equivalents	**947,528**	145,515
Total current assets	**2,889,311**	162,476
CURRENT LIABILITIES		
Other payables and accruals	**1,430**	171,209
Due to subsidiaries	**1,272,959**	721
Due to the immediate holding company	**1,698**	–
Interest-bearing bank borrowings	**–**	12,070
Total current liabilities	**1,276,087**	184,000
NET CURRENT ASSETS/(LIABILITIES)	**1,613,224**	(21,524)
TOTAL ASSETS LESS CURRENT LIABILITIES	**1,613,251**	(21,489)
Net assets/(liabilities)	**1,613,251**	(21,489)
EQUITY		
Issued capital	**7,447**	1,572
Reserves *(note)*	**1,605,804**	(23,061)
Total equity	**1,613,251**	(21,489)

Mr. Tang Jun
Director

Mr. Zhong Beichen
Director

NOTES TO FINANCIAL STATEMENTS

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40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(Continued)*

Note: A summary of the Company's reserves is as follows:

	Share premium account RMB'000	Exchange reserve RMB'000	Accumulated losses/profit RMB'000	Total RMB'000
At 1 April 2014	28,358	122	(16,230)	12,250
Total comprehensive income for the period	–	(75)	(35,236)	(35,311)
At 31 December 2014 and 1 January 2015	28,358	47	(51,466)	(23,061)
Issue of CPS	1,556,817	–	–	1,556,817
Total comprehensive income for the year	–	(47)	72,095	72,048
At 31 December 2015	1,585,175	–	20,629	1,605,804

41. APPROVAL OF THE FINANCIAL STATEMENT

The financial statements were approved and authorised for issue by the board of directors on 18 March 2016.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial period/years, as extracted from the published audited financial statements and restated/reclassified as appropriate, is set out below.

RESULTS

	Year ended 31 December 2015 RMB'000	Nine months ended 31 December 2014 RMB'000 (Restated)	Year ended 31 March 2014 RMB'000 (Restated)	Year ended 31 March 2013 RMB'000	Year ended 31 March 2012 RMB'000
CONTINUING OPERATIONS					
REVENUE	**690,246**	–	–	–	–
Cost of sales	**(548,173)**	–	–	–	–
Gross profit	**142,073**	–	–	–	–
Other income and gains	**32,349**	–	–	–	–
Selling and distribution costs	**(21,842)**	–	–	–	–
Administrative expenses	**(23,218)**	(35,055)	(9,091)	(10,094)	(455)
Other expenses	**(2,197)**	–	–	–	–
Finance costs	**(29,472)**	(212)	–	–	–
Gain on bargain purchase on acquisition of interests in subsidiaries	**259,996**	–	–	–	–
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	**357,689**	(35,267)	(9,091)	(10,094)	(455)
Income tax expense	**(40,350)**	–	–	–	–
PROFIT/(LOSS) FOR THE YEAR/PERIOD FROM CONTINUING OPERATIONS	**317,339**	(35,267)	(9,091)	(10,094)	(455)
DISCONTINUED OPERATION					
Profit/(loss) for the year/period from discontinued operation	**19,465**	(13,556)	11,707	18,256	17,185
PROFIT/(LOSS) FOR THE YEAR/PERIOD	**336,804**	(48,823)	2,616	8,162	16,730
Attributable to:					
Owners of the parent	**336,804**	(48,823)	2,616	8,162	16,730
Non-controlling interests	**–**	–	–	–	–
	336,804	(48,823)	2,616	8,162	16,730

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

	31 December 2015 RMB'000	31 December 2014 RMB'000 (Restated)	31 March 2014 RMB'000 (Restated)	31 March 2013 RMB'000	31 March 2012 RMB'000
TOTAL ASSETS	**5,124,020**	335,581	205,569	205,701	173,669
TOTAL LIABILITIES	**(3,138,069)**	(229,367)	(50,529)	(53,268)	(60,938)
NON-CONTROLLING INTERESTS	**–**	–	–	–	–
	1,985,951	106,214	155,040	152,433	112,731

PARTICULARS OF PROPERTIES

31 December 2015

INVESTMENT PROPERTIES

Location	Use	Tenure	Attributable interest of the Group
East of Changleng Avenue and North of Shandan Avenue, Changleng Town, Xinjian County, Nanchang, Mainland China	Commercial	Medium term lease	100%
Dongzhou Street Fuyang District Hangzhou, Mainland China	Commercial	Medium term lease	100%
North of High-tech Road and East of Wuhan-Guangzhou High-speed Railway, High-tech Development Zone Wuhan, Mainland China	Commercial	Medium term lease	99%
Dawangshan Tourist and Resort District, Xiangjiang District, Changsha, Mainland China	Commercial	Medium term lease	30%

PROPERTIES UNDER DEVELOPMENT/PROPERTIES FOR SALE

Location	Use	Site area (sq.m.)	Unsold gross floor area (sq.m.)	Stage of completion	Expected completion date	Attributable interest of the Group
No. 66, Fengcheng 12 Road, Economic Technology Development Zone, Xi'an, Mainland China	Commercial/ residential	355,900	588,200	Phase 7—8 construction in progress; Phase 1—6 completed	September 2016	100%
East of Changleng Avenue and North of Shandan Avenue, Changleng Town, Xinjian County Nanchang, Mainland China	Commercial	30,200	32,000	Construction in progress	January 2017	100%